

**City of Fairbanks
457(b) Deferred Compensation Plan
Statement of Investment Policy**

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City of Fairbanks 457(b) Deferred Compensation Plan

Statement of Investment Policy

City of Fairbanks, (the "Sponsor"), established the City of Fairbanks 457(b) Deferred Compensation Plan (the "Plan") to enable participating employees (the "Participants") to accumulate savings for their retirement. The Plan is predominantly seen as a long-term accumulation plan and the investment alternatives will be offered accordingly. The Sponsor has appointed one or more individuals as members of a committee (the "Committee") to function as fiduciaries to the plan.

The Participants may make discretionary contributions into the Plan. These contributions will be allocated between the Participants' accounts in accordance with the Plan's provisions and the Participants' elections. The Sponsor has determined that the Plan will offer a broad range of investment alternatives (the "Investment Options") from which the Participants will select for the purpose of investing their respective Plan accounts.

I. STATEMENT OF PURPOSE

The purpose of this Statement of Investment Policy (the "Investment Policy") is to assist the Plan's fiduciaries by defining responsibilities and establishing guidelines for making prudent investment-related decisions including the process for evaluating, selecting and monitoring the Investment Options offered by the Plan.

It is the intention of this Investment Policy to be consistent with the criteria for an "ERISA 404(c) Plan" as described in ERISA Section 404(c), and the regulations. An ERISA 404(c) Plan is required to designate a broad range of investment alternatives which permit Plan participants to make independent choices regarding the manner in which the assets in their individual accounts are invested, and which afford the Participants the opportunity to materially affect the potential returns on their accounts and the degree of risk involved.

It is the intention of the Plan's fiduciaries to review this Investment Policy periodically and make any necessary revisions and/or amendments as needed.

This Investment Policy is not intended to supersede the terms of the Plan. If there are any conflicts between the Plan and this Investment Policy, the terms of the Plan will control.

II. GENERAL INVESTMENT GUIDELINES

- A. **Fiduciary Standards:** The Plan will be managed in accordance with ERISA fiduciary standards, i.e.:
1. in the sole interest of Plan Participants and Beneficiaries;
 2. with care, skill, prudence and diligence under the circumstances prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims; and
 3. by offering diversified investments which give Participants the opportunity to materially affect the potential risk and return characteristics of the assets in their account.
- B. **Professional Management:** The Plan may engage the services of an independent investment consultant (the "Investment Consultant") that is registered with the Securities Exchange Commission (SEC) under the Investment Advisors Act of 1940 (the "40 Act") as a Registered Investment Advisor (RIA).

All Investment Options selected for the Plan, including mutual funds and commingled trust funds (the "Funds"), should be registered with the SEC under the 40 Act. All Funds should be managed by one or

more investment professionals (the "Fund Managers") that have at least five years of verifiable investment results in the asset class or management style to which the Fund is assigned.

- C. **Proxy Voting:** The Fund Managers shall have sole responsibility to vote any and all proxies solicited in connection with individual securities held in the portfolios that they manage. The Investment Consultant shall have sole responsibility to vote any and all proxies solicited in connection with any Fund held by the Plan. Participants using self-directed brokerage accounts, if available under the Plan, shall have sole responsibility to vote any proxies solicited in connection with any securities or Fund held in their account.

III. STATEMENT OF RESPONSIBILITIES

- A. The Committee is responsible for: defining their investment goals and objectives. This will allow for the selection of an asset allocation strategy that meets the Committee return objective and risk tolerance.
- B. The Committee is ultimately responsible for overseeing and directing the management of the Plan. Including: development, execution and ongoing maintenance of this Investment Policy; selecting and designing the Investment Options, including any necessary allocation strategies; selecting the Fund Managers for the Investment Options; monitoring the performance of the Fund Managers; making any Fund Manager changes they deem necessary.
- C. The Committee is also responsible for selecting and monitoring the Directed Trustee/ Custodian, Third Party Administrator/Recordkeeper and the Investment Consultant.
- D. The Directed Trustee/Custodian is responsible for custody of plans assets, and, as necessary, preparation of distribution payments, preparing year-end trust reports and executing investment trades as directed by the Third Party Administrator/Recordkeeper.
- E. The Third Party Administrator/Recordkeeper is responsible for: generating investment trades as directed by the Participants; maintaining individual participant investment transactions, account balances and overall reconciliation with plan trust records.
- F. The Fund Managers will have the responsibility for day-to-day management of the Plan's assets assigned to them including specific security selection and timing of transactions.
- G. The Investment Consultant will function as a fiduciary investment advisor as defined under ERISA Section 3(21)(A)(ii) and is responsible for providing the Committee with advice and counsel relative to: formulating investment objectives and determining investment policies for the Plan; the Investment Options and Manager selection criteria; selecting Managers; monitoring, analyzing and evaluating Manager performance; establishing and maintaining any necessary asset allocation strategies.
- H. The Participants are responsible for directing the investment of all contributions to their accounts and their account balances by selecting from the Investment Options. Participants bear the risk of investment results from the Investment Options and assets mixes they select. Therefore, Plan fiduciaries will be relieved from ERISA diversification liability for investment losses that are the result of investment decisions made by Plan Participants. If a Participant fails to make an investment election for his or her contributions or account balances, they will be directed to Plan's default Investment Option.

IV. INVESTMENT DIVERSIFICATION

The Committee recognizes that the Participants are unique and diverse in terms of their ages, individual circumstances, investment time horizons, personal investment objectives and tolerance for risk. Therefore, the Committee wants to enable Participants to diversify their respective accounts according to their individual investment profiles and personal wishes. To this end, the Plan will provide a broad range of professionally managed investment alternatives that span the risk/return spectrum and are diverse from one another in terms of investment objective, investment strategy, asset class, and/or management style.

In addition, the Plan may offer lifestyle, lifecycle (or target maturity) or other asset allocation funds.

V. INVESTMENT OPTIONS

Default Investment Option: The Plan's Default Investment Option shall consist of the Target Maturity Funds that is most appropriate based on the Participant's current age relative to when they reach the Normal Retirement Age (NRA) of 65.

Investment Option Guidelines

Under normal conditions, the Plan may provide Participants at least one Fund in each Investment Option described below. Each Investment Option represents a distinct asset class or management style. Each Investment Option will be managed by the Fund Managers chosen and evaluated using the criteria and guidelines established in this Investment Policy. The Investment Options may consist of:

- A. Stable Value: Seeks a predictable rate of return while preserving principal and avoiding market value fluctuations.
 1. Benchmark: FTSE 1-Year Treasury Bills
 2. Guidelines: Seeks safety of principal, market value stability and interest income. A Fund can include savings instruments, certificates of deposit, commercial paper, bankers' acceptances, U. S. Government obligations, obligations backed by the U.S. Government and/or a foreign government, and GICs and other fixed value contracts with average maturity of 5 years or less. The average maturity of the marketable securities should be less than one year. All corporate obligations should be rated investment grade or better.
- B. Intermediate Bond: Seeks generation of current income and preservation of capital. Any potential for capital appreciation will be incidental.
 1. Benchmark: Bloomberg Intermediate Government/Credit Index.
 2. Investment Guidelines: A majority of a Fund's assets should normally be invested in investment grade fixed income securities of U.S. domiciled corporate issuers and the U.S. Government. Up to 30% of the Fund's assets may be invested in foreign bonds. Non-investment grade bonds are permitted up to 15% of the Fund. No issuer's securities should generally represent more than 10% of the Fund; securities backed by the full faith and credit of the U.S. government are an exception to this rule. Cash and cash equivalents may be utilized for defensive purposes but should generally not exceed 30% of the Fund's assets. While there is no limit on maturity ranges, short-term funds will normally have an average duration of less than 3 years and intermediate funds will normally have an average duration of 3 to 7 years. All other funds will be considered long-term funds.
- C. Opportunistic Bond: Seeks high total return.

1. Benchmark: Bloomberg Multiverse Index
 2. Guidelines: A Fund's assets may be invested without limitation in a wide range of fixed income securities, including, but not limited to, those of investment-grade and non-investment grade issuers domiciled in the U.S. or abroad, securities issued and/or guaranteed by the U.S. Government or another sovereign entity, in addition to mortgage- and asset-backed and emerging markets debt. While a majority of assets is expected, under normal conditions, to be invested in fixed income securities, portions of the Fund's portfolio may also be invested in shares of common and preferred stock; the Fund may also make use of derivatives in implementing its strategy.
- D. Large Cap Value: Seeks long-term growth of capital; current income is of secondary importance.
1. Benchmark: Russell 1000 Value Index
 2. Guidelines: A majority of a Fund's assets should normally be invested in the stocks of larger capitalization companies domiciled in the U.S. that the manager believes are undervalued. The balance can be invested in cash and cash equivalents and preferred, convertible and common stock of other U.S. and foreign companies, regardless of capitalization size. Up to 25% of a Fund can be invested in foreign stocks. No single holding should comprise more than 10% of the Fund. Cash and cash equivalents may be used for defensive purposes but should not exceed 30% of the Fund's assets.
- E. Large Cap Index: Using a passive strategy, seeks long-term growth of capital; current income is of secondary importance. The primary long-term goal is to provide investment results that correspond to the aggregate price and dividend performance of publicly traded common stocks of a broad stock market index representing the large-cap segment of the domestic equity market.
1. Benchmark: S&P 500 Index
 2. Guidelines: A majority of the Fund's assets will be invested in the stocks of the companies that comprise the S&P 500 Index. The normal weighting of stock holdings will be according to their weighting in the Index
- F. Large Cap Growth: Seeks long-term growth of capital; income may be a consideration.
1. Benchmark: Russell 1000 Growth Index
 2. Guidelines: A majority of a Fund's assets should normally be invested in the stocks of larger capitalization companies domiciled in the U.S. that the manager believes have the potential for above average growth. The balance can be invested in cash and cash equivalents and preferred, convertible and common stock of other U.S. and foreign companies, regardless of capitalization size. Up to 25% of a Fund can be invested in foreign stocks. No single holding should comprise more than 10% of the Fund. Cash and cash equivalents may be used for defensive purposes but should not exceed 30% of the Fund's assets.
- G. Mid Cap Index: Using a passive strategy, seeks to provide investment results that correspond to the aggregate price and dividend performance of a broad stock market index representing the mid-cap segment of the domestic equity market.
1. Benchmark: CRSP US Mid Cap Index
 2. Guidelines: A majority of the Fund's assets should be invested in the stocks of the companies that comprise the index tracked by the fund's mandate. The normal weighting of stock holdings will be according to their weighting in the Index.

- H. Small Cap Value: Seeks growth of capital and long-term capital appreciation
1. Benchmark: Russell 2000 Value Index
 2. Guidelines: A majority of a Fund's assets should normally be invested in the stocks of smaller capitalization companies domiciled in the U.S. the manager believes to be undervalued. The balance can be invested in cash and cash equivalents and preferred, convertible and common stock of other U.S. and foreign companies, regardless of capitalization size. Up to 25% of a Fund can be invested in foreign stocks. No single holding should comprise more than 10% of the Fund. Cash and cash equivalents may be utilized for defensive purposes, though should not exceed 30% of the Fund's assets.
- I. Small Cap Growth: Seeks rapid growth of capital and maximum long-term capital appreciation.
1. Benchmark: Russell 2000 Growth Index
 2. Guidelines: A majority of a Fund's assets should normally be invested in the stocks of smaller capitalization companies domiciled in the U.S. that the manager believes have the potential for above average growth. The balance can be invested in cash and cash equivalents and preferred, convertible and common stock of other U.S. and foreign companies, regardless of capitalization size. Up to 25% of a Fund can be invested in foreign stocks. No single holding should comprise more than 15% of the Fund. Cash and cash equivalents may be utilized for defensive positions, though should not exceed 30% of the Fund's assets
- J. Foreign Value: Seeks a high level of capital appreciation by investing in foreign equity markets. Any potential for income is of secondary importance.
1. Benchmark: MSCI EAFE Value Index
 2. Guidelines: A majority of a Fund's assets should normally be invested in securities issued by foreign companies and by U.S. corporations which do business primarily outside the U.S. that the manager believes are undervalued. The Fund should be diversified by country and industry. No single holding should comprise more than 15% of the Fund. Cash and cash equivalents may be used for defensive purposes but should not exceed more than 30% of the Fund's assets. The Fund may engage in currency hedging.
- K. Foreign Growth: Seeks a high level of capital appreciation by investing in foreign equity markets; income may be a consideration..
1. Benchmark: MSCI EAFE Growth Index
 2. Guidelines: A majority of a Fund's assets should normally be invested in securities issued by foreign companies and by U.S. corporations which do business primarily outside the U.S. that the manager believes have the potential for above average growth. The Fund should be diversified by country and industry. No single holding should comprise more than 10% of the Fund. Cash and cash equivalents may be used for defensive purposes but should not exceed more than 30% of the Fund's assets. The Fund may engage in currency hedging.
- L. Real Estate: Seeks total return through both current income and capital appreciation by investing in the securities of real estate-related companies.
1. Benchmark: Wilshire US REIT Index
 2. Guidelines: A majority of a Fund's assets should normally be invested in real estate related equity securities. No single holding should comprise more than 10% of the Fund. Cash and

cash equivalents may be used for defensive purposes but should not exceed 30% of the Fund's assets.

- M. **Commodities:** Seeks to generate performance consistent with the total return of a broadly-diversified commodity index.
1. Benchmark: Bloomberg Commodity Index
 2. Guidelines: The majority of a Fund's assets should normally be invested in commodity-linked derivative securities, including, but not limited to, commodity index-linked notes and swaps, commodity options, futures and options on futures. A fund's portfolio should be fully collateralized; the assets held to provide such collateral may be invested in a range of fixed income or money market instruments as determined by the Fund Manager.
- N. **Target Date Funds:** Seek total return through both current income and capital appreciation by investing in a combination of stocks, bonds and cash appropriate with the years to retirement.
1. Benchmark: Appropriate Dow Jones Retirement Date Index
 2. Guidelines: A majority of a Fund's assets can be invested in any type of income-generating debt instrument, either corporate or government and equity securities. The Fund can be invested in any quality of debt or equity security, whether domestic or foreign, and in any proportion deemed appropriate by the Manager, consistent with the years to retirement.

VI. FUND CRITERIA

The following general guidelines and criteria will be followed in the selection and ongoing evaluation of the Funds:

- A. A Fund must be 100% liquid and easily valued. In the case of a Stable Value Fund, 100% liquidity is not needed, but the Fund must be benefit-responsive.
- B. A Fund should be available without a sales charge and its total fees should be reasonable compared to similar alternatives. Funds that assess 12(b)1 charges are allowed but generally will be selected only to the extent that the majority of such fees can be recaptured for the benefit of the Plan.
- C. A Fund should, upon request and with specified frequency, be willing and able to provide in a timely fashion, detailed information on: the firm's history and personnel; its performance; its holdings; its investment philosophy, process and approach.
- D. A Fund should demonstrate adherence to a stated investment objective. However, Funds that actively allocate may be employed and, for review purposes, they will be considered to be 100% invested in the investment class and style to which they are assigned by the Investment Consultant. While the Fund Manager will typically concentrate on the assigned asset class, each Fund Manager has the discretion to invest in asset classes other than the assigned.
- E. **Performance Criteria – Policy Benchmark/ Universe Comparison:** The investment performance of each Fund will be compared to a policy benchmark index and manager universe (Funds with similar investment management styles). Using the guidelines listed below, Funds are expected to consistently meet the policy benchmark index (after adjusting for risk) and at minimum meet the manager universe rankings. These will be measured over rolling 36-month periods within the most recent five years. In the case of passive investment options, the fund should perform within 0.5% of the index to which it is benchmarked and the benchmark should be the index the fund is designed to replicate.

FUND MANAGEMENT STYLE	POLICY BENCHMARK INDEX	MANAGER UNIVERSE	% RANK
Stable Value	FTSE 1-Year Treasury	N/A	N/A
Intermediate Bond	Bloomberg Intermediate Gov't/Credit	Intermediate Fixed	40
Opportunistic Bond	Bloomberg Multiverse	Multi-Sector Bond	40
Large Cap Value	Russell 1000 Value	Large Value	40
Large Cap Index	S&P 500	Large Blend	N/A
Large Cap Growth	Russell 1000 Growth	Large Growth	40
Mid Cap Index	CRSP US Mid Cap	Mid Blend	N/A
Small Cap Value	Russell 2000 Value	Small Value	40
Small Cap Growth	Russell 2000 Growth	Small Growth	40
Foreign Value	MSCI EAFE Value	Foreign Value	40
Foreign Growth	MSCI EAFE Growth	Foreign Growth	40
Real Estate	Wilshire US REIT	Real Estate	40
Commodities	Bloomberg Commodity	N/A	N/A
Target Date	Dow Jones Target Date	Appropriate	40

VII. PERFORMANCE MONITORING, ANALYSIS AND EVALUATION

The Committee and Investment Consultant both acknowledge that on-going monitoring of the Plan's Funds must be a regular and disciplined process. It is the mechanism for revisiting the Fund selection decisions, for confirming that the criteria originally satisfied remain satisfied and that each Fund continues to be a valid offering. While frequent Fund change is neither expected nor desirable, monitoring Fund Managers and the investment performance of the Funds is an on-going process and should occur on a regular basis. Fund performance will be evaluated quarterly, using the same criteria and guidelines that were the basis of the original Fund selection decisions. Investment fees and expenses will be reviewed at least annually.

VIII. DEVIATION FROM POLICY

Although short term in nature, market dynamics may make deviations from this Investment Policy necessary including, but not limited to, use of indices, investment manager analysis and comparisons.

IX. COMMUNICATION & PARTICIPANT EDUCATION

A. Committee -- The Committee will meet periodically with the Investment Consultant and:

1. Review past investment performance, evaluate the current investment outlook and discuss investment strategies;
2. Review and discuss any modifications and changes to the Investment Options' investment objectives, goals and guidelines;
3. Review and discuss Fund Managers, Fund performance and any changes in the status of the selected Funds, i.e., management style, ownership, key personnel, etc.;
4. Identify other matters that may bear upon the Plan or the Investment Options;
5. Provide timely revisions to the Investment Policy as required.
6. Periodically review plan fees and fee policy.

B. Participants

1. Employee meetings will be held periodically to provide education on investment basics and information on the Investment Options.
2. Performance information will be provided to Participants on a periodic basis.
3. Mutual fund prospecti, a copy of the Investment Policy and other information pertaining to the Investment Options and the Funds will be made available to Participants upon request.
4. All required notices and disclosures will be provided to participants accordingly.
5. If an employee is absent from an employee meeting, or when an employee first becomes eligible for participation, on request the Sponsor will make available all information and materials provided at the meeting.

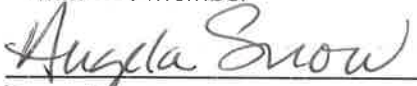
X. ADOPTION OF INVESTMENT POLICY

Adoption of this Investment Policy and any future amendments are subject to adoption by the Committee.



Committee Member

11/20/2023
Date



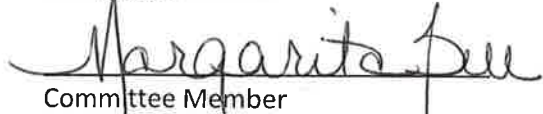
Committee Member

9/5/2023
Date



Committee Member

11/20/23
Date



Committee Member

11/20/2023
Date



Committee Member

09/06/23
Date

Please retain a copy of the signed and dated document for your records