

I. Description of the Trust Fund:

Article XIV of the Alaska Fish and Wildlife Conservation Fund's (AFWCF) bylaws established a Trust Fund. The Trust Fund is funded by existing proceeds in the Permanent Fund Dividend Account, Trustee Endowment Account, and other subsequent donations.

The principal of the Trust Fund shall be protected from invasion. The purposes of the Trust Fund shall be to provide for the long-term endowment and operations of the Alaska Fish and Wildlife Conservation Fund and to provide in-kind assistance to its sister corporation, the Alaska Fish and Wildlife Federation and Outdoor Council, for the same purposes. Other purposes shall be established by the AFWCF Board of Directors based upon the recommendations of the Trustee Advisory Board.

The "Official Guidelines and Investment Policy for the Trust Funds" has been established to provide general guidelines and assistance to the Trustee Advisory Board for investment management of Trust Fund assets and financial recommendations to the Board of Directors.

II. Objectives of the Trust Fund:

The principal of the Trust Fund shall be protected from invasion. The primary objective of the Trust Fund is to raise an amount of principal sufficient to perpetuate the long-term operations of the AFWCF and by in-kind assistance, its sister organization the Alaska Fish and Wildlife Federation and Outdoor Council, by use of the proceeds generated from the principal.

III. Purpose of Statement:

This statement of "Official Guidelines and Investment Policy for the Trust Funds" is intended to:

- a) Outline the investment related responsibilities of the AFWCF staff, Board of Directors, Trustee Advisory Board, and potential providers of investment services retained to assist with the investment of trust assets.
- b) Establish formal, yet flexible investment guidelines including risk parameters, asset allocations, and realistic return goals.
- c) Provide a framework for regular and constructive communications.
- d) Create standards of investment performance that are historically achievable and can be measured over a reasonable time frame.

This statement will be reviewed annually by the Trustee Advisory Board and the Board of Directors to ensure relevance of contents to current market conditions and to the goals and objectives of the AFWCF.

IV. Responsibilities and Operations of the Trustee Advisory Board:

Articles IX and XII of the Bylaws establish the qualifications for Trusteeship and the election, composition, and duties of the Trustee Advisory Board. While the AFWCF Board retains the overall fiduciary responsibility of the AFWCF, the Trustee Advisory Board shall:

Responsibilities:

1. Recommend investment objectives and policies to the Board of Directors;
2. Select investment manager(s), as needed, for the trust funds;
3. Monitor and provide timely information to the Board of Directors regarding investment performance measured against established objectives and policies;
4. Monitor the investments of AFWCF with regard to fiduciary responsibility;
5. Negotiate compensation for the investment manager(s);
6. Periodically review and update the guidelines and policies;
7. Receive, review, and retain reports regarding the investments of trust funds.
8. Recommend revisions to the Trustee Donor Program (Article IX, Section 2 of the Bylaws), to the Board of Directors.

Operations:

1. The Board of Trustees shall meet no less than once a year;
2. The Board of Trustees actions shall be recorded in minutes;
3. The Board of Trustees shall utilize Robert's rules of order for operations;
4. Officers shall be elected annually.

V. Responsibilities of Investment Manager(s) and/or Staff regarding Trust Funds:

1. Hold designated Trust Fund monies in highly secured facilities such that there is no risk or loss due to theft, fire, or accident;
2. Arrange for timely and business-like settlement of all purchases and sales of individual securities made for Trust Fund monies;
3. Provide for receipt and prompt crediting of all dividends and interest payments received as a result of the Trust Fund's holdings;
4. Sweep cash daily into an interest bearing account featuring a high degree of liquidity and safety of principal;
5. Provide quarterly reports showing the status of current investments; including units, unit price, cost, market value, dividends, withdrawals, securities purchased, sold and matured, fee payments, portfolio class weightings, performance of relevant benchmark indices, and any other information requested by the Trustee Advisory Board or the Board of Directors;
6. Expeditiously transfer funds into and out of accounts as specified by a designated individual(s) of the Trustee Advisory Board;
7. Acknowledge in writing acceptance of this document and invest the assets of Trust Fund monies in accordance with the objectives and guidelines herein;

8. Make recommendations as to investment strategies and changes to this document as needed and based upon current market conditions;
9. Meet with the Trustee Advisory Board and Board of Directors at least once a year to review and re-appraise the investment program and maintain frequent and open communication with the Trustee Advisory Board and Board of Directors on all matters pertaining to investment policies and management of assets;
10. Use their best efforts to obtain brokerage services that reflect the policies and guidelines contained herein.

VI. Investment Objectives:

A. Long-term goals of the Trust Fund shall be:

1. To raise an amount of principal sufficient to perpetuate the long-term operations of the Alaska Fish and Wildlife Conservation Fund and by in-kind assistance, its sister organization the Alaska Fish and Wildlife Federation and Outdoor Council, by use of the proceeds generated from the principal.
2. To protect the principal from invasion;
3. To maximize the total return of the principal without assuming excessive risk;
4. To provide reasonably stable and predictable operating funds to the AFWCF and by in kind assistance to the Alaska Fish and Wildlife Federation and Outdoor Council once the principal amount has been met;
5. To achieve a long-term annualized total return of 10%; comprised of:
 - 6% pay out for operating revenues
 - 3% inflationary protection
 - .5% principal growth and reinvestment
 - .5% administrative / management fee

B. Short-term goals of the Trust Fund shall be:

1. No amount of the principal shall be used for operating funds. Proceeds from the principal may be used for operating funds, subject to the recommendation of the Trustee Advisory Board and approval by the Board of Directors.

VII. Asset Allocation:

A. Assets, depending upon market conditions and risk assumptions by the Board of Trustees, Board of Directors, and investment managers, shall be invested in the following manner:

	Target Mix	Max.	Min
Fixed income:	50%	60%	40%
Medium, and large capitalization equity:	40%	50%	30%
Small capitalization equity:	10%	20%	0%

Fixed Income:

1. No more than 10% of the bond portfolio shall be invested in the securities of one owner. No such limit shall apply to government securities.
2. The average quality rating of bonds will be at least "100% A-Rated." If ratings drop below such levels, the Board of Trustees must be informed.
3. No bond may hold an absolute maturity of more than 30 years.
4. The cash portion of fixed income will be invested in a short-term investment fund or money market emphasizing safety of principal. No cash portion shall be vested for more than one year to emphasize liquidity for operating expenses, not to exceed 6% per annum.

Equities:

1. No more than 10% of the equity portfolio shall be invested in one company.
2. Large-Capitalization: only securities of companies with market capitalization in excess of \$5 billion are permissible (current price per share x number of common shares outstanding.) The weighted average shall exceed \$10 billion.
3. Mid-Capitalization: only securities of companies with market capitalization above \$1 billion are permissible. The weighted average shall exceed \$4 billion.

Performance Benchmarks:

Asset Class	Benchmark
U.S. Large Cap Stocks	S&P 500 Index
U.S. Mid Cap Stocks	S&P Mid cap 400
U.S. Small Cap Stocks	S&P Small cap 600
Fixed Income:	Lehman Brothers GPIC
Real Estate	Frank Russell NCREIF
Cash	IBC All Tax MM

Assets are expected to be fully invested over a market cycle and investment performance will be

B. evaluated on a total fund basis.

C. Proceeds from investments will be swept into an interest bearing account featuring a high degree of safety of principal and liquidity. Reinvestment of these monies will be evaluated on a periodic basis. D. The following holdings are not permissible without the Trustee Advisory Board's approval: short sales, put and call options, margin purchases, letter stock, commodities, securities of the investment manager (s), any other securities not specifically defined in Section VII.

D. The volatility of total assets shall not exceed an annualized standard deviation of 100%.

VIII: Other AFWCF Assets:

A. Land: unless the land is needed to perpetuate the goals, objectives, and operations of the AFWCF, it shall be disposed of as soon as possible at market value. All land transactions are subject to approval by the Board of Directors.

B. Leases and Rentals shall be on a cash basis only and negotiations of terms shall be subject to approval by the Board of Directors.

IX: Gift and Trust Fund Guidelines:

A. To encourage gifts from donors and to secure their gifts, the AFWCF will establish the following funds within the Trust Fund pool:

1. Trustee Endowment: subject to Article's IX, XII, and XIV of the Bylaws, the endowment shall be comprised of Trustee Donor Program donations, unless specified otherwise.
2. Permanent Fund Dividend Endowment: subject to Article XIV of the Bylaws, the endowment shall be comprised of permanent fund dividend donations.
3. Research Endowment: the endowment will seek to carry out the goals and objectives of Article III of the Bylaws with regard to research and be comprised of monies donated for such purposes.
4. Educational Endowment: the endowment will seek to carry out the goals and objectives of Article III of the Bylaws with regard to education and be comprised of monies donated for such purposes.
5. Litigation Endowment: the endowment will seek to carry out the goals and objectives of Article III of the Bylaws with regard to litigation and be comprised of monies donated for such purposes.
6. Endowed Fund: for donations over \$10,000, the donor may establish a named endowment fund within one of the five endowment funds listed above. A donor advisory agreement will be drafted for each named endowed fund. Donors have up to five years from the first donation to establish such a fund.

B. Gifts and Pledges:

1. AFWCF will accept gifts of cash, insurance, stocks, bonds, real estate, bequests, deferred gifts, personal property, and other related gifts.
2. Unless authorized otherwise, AFWCF will liquidate gifts of named nature above and invest the assets in the Trust Fund, subject to the recommendations of the Trustee Advisory Board and approval by the Board of Directors.
3. AFWCF reserves the right to refuse gifts because of legal, ethical, and practical implications.

C. An overall percentage allocation of each endowment fund will be composed and reported annually to assist the Board of Directors decision-making with regard to research, education, litigation, and overall expenditures.

This policy manual was authorized by Delegates to the 2001 Annual Meeting and approved by the Board of Directors on September 26, 2001. It has subsequently been amended and approved on:

President

Executive Director