

News Release

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APFC BOARD ELECTS OFFICERS, TAKES STEPS TO STRENGTHEN GOVERNANCE

FAIRBANKS, Alaska – July 24, 2024 — The Board of Trustees of the Alaska Permanent Fund Corporation (“APFC”) held a meeting in Fairbanks and via Teams Webinar on July 24, 2024. Board action items included the approval of APFC’s Investment Policy Statement (IPS), which includes the new FY25 asset allocation and adoption of additional staff-proposed edits. Following reports from the Audit and Governance Committees during today’s meeting, the Board voted to approve several governance changes and requested staff and advisors continue working on governance practices and protocols to bring forward at upcoming meetings.

The Board elected new corporate officers and committee assignments and voted in Trustee Jason Brune as Chair and Trustee Adam Crum as Vice Chair. The Vice Chair serves as the Chair of the Governance Committee, and Trustee Ryan Anderson was appointed to Chair the Audit Committee. Trustee Ellie Rubenstein also announced her resignation from the Board of Trustees, effective August 1, 2024, and expressed gratitude to her colleagues and staff for the work accomplished during her tenure on the Board. Trustee Rubenstein served as Vice Chair of the Board and Chair of the Governance Committee from September 2023 to July 2024.

Chair Jason Brune remarked, “As Trustees, our service to Alaskans ensures that a portion of our state’s resource wealth benefits all generations. I would like to thank Trustee Schutt for his deep-rooted commitment to the Fund throughout his chairmanship; we are honored that he has been reappointed to the Board to continue his legacy of service.”

“As we heard today, Trustee Rubenstein will be resigning from the Board of Trustees. It has been an absolute honor to serve alongside her. I profoundly respect her professionalism, expertise, and commitment to our work on behalf of Alaskans. I am confident that her vision and dedication to advancing modern endowment best practices have significantly strengthened both the Fund and the Corporation.”

Governance Committee Recommendations

APFC announced last week that the Governance Committee had convened to advance ongoing efforts to enhance the Corporation’s governance practices and bring them forth for the full Board’s consideration. Today, the Board voted unanimously to adopt a revised Communications Policy to provide clear direction regarding the current investment referral process and protocols regarding staff communications.

The Board also discussed conceptual amendments to the existing Charters and Governance Policies, directing staff and advisors to continue updating the Investment Advisory Group scope, developing a formalized provision to expand the Audit Committee’s purview to include cybersecurity and ethics, and consolidating policies into a comprehensive, updated governance manual. The Board requested that staff forward this work to bring it back before the Board for consideration during the September Annual meeting.

CEO Deven Mitchell noted, “As a staff, we remain dedicated to improving governance and appreciate the Board’s diligence in providing guidance on updating policies to align APFC’s governance framework with industry best practices in support of the organization’s mission to invest and manage the assets of the Alaska Permanent Fund.”

Investment Policy Updates

Following a presentation from APFC Chief Risk and Compliance Officer Sebastian Vadakumcherry, the Board approved several changes to its IPS to clarify the investment process guidelines for reporting and benchmarking and improve documentation processes, categorization, and general strategy guidelines. The IPS now includes the updated FY25 asset allocation, which was unanimously approved by the Board during the May 31, 2024, Quarterly Meeting. These ongoing updates are intended to ensure that the IPS reflects the latest investment best practices.

“These edits to the Investment Policy Statement improve upon our best practices and provide more clarity for our team, enabling us to be as efficient and thorough as possible when it comes to our investment reporting and benchmarking,” said Mr. Vadakumcherry.

Private Equity

Allen Waldrop, Deputy CIO-Private Markets, and Steven Gagliardo, Senior Associate, provided an update on recent developments in the private equity program, including an overview of the program’s strategy, approach and performance.

While shorter-term year-over-year declines in the portfolio have outpaced declines in the benchmarks, the private equity portfolio has continued to outperform over the long term. To maintain appropriate diversification and manage a larger team, APFC has identified several changes to portfolio construction and the investment process. These include increasing exposure to buyout strategies targeting a broader range of industries, reducing and refocusing commitments to venture capital, and standardizing procedures for investment approval, due diligence, fund review, and communication with managers. The portfolio will continue to invest globally but will primarily focus on investing in the developed markets of the U.S. and Europe.

“While performance over the last fiscal year did not keep pace with our benchmarks, our approach is working long term, and our results remain strong,” said Mr. Waldrop. “As a leading investor in private equity, APFC will continue to be highly selective in choosing managers in which to invest. With an expanded team, process improvements, and system enhancements, we are well positioned to continue building a diversified, global private equity portfolio to the benefit of all Alaskans.”

To complement the Private Equity overview, executives from two private equity firms in which APFC is an investor – Platinum Equity and Altas Partners – each provided an overview of their organization and team, investing strategy and approach, portfolio and performance.

Update on Independent Review

During an executive session, the Board received status updates on the third-party independent review, which was authorized during the May Quarterly Meeting. The Board returned on the record and concluded that this review process will now be conducted at the staff level.

Update on Security Review

The Board continued their diligence in reviewing the security of APFC’s information technology security measures during an executive session.

Training/Travel Budget Transfer

Underscoring the Board’s commitment to providing meaningful training opportunities – including the travel necessary to participate in training sessions, the Board authorized a transfer to the travel budget line. It is essential that APFC staff have adequate resources to cover expenses for training and travel.

PMP Update

The Board voted to approve the Corporation's updated Personnel Management Plan (PMP) provided by staff. The PMP is essential for ensuring that policies align with organizational culture and the expectations of accountability for a public corporation. As such, it was important for the Board to affirm personnel management best practices through their approval of the PMP.

The next meetings of the Board of Trustees will be the Audit Committee and the Board's budget work session on September 5, 2024, in Juneau, Alaska and online via Teams. Meeting information can be found at [Board of Trustees Meetings-APFC](#).

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About APFC

APFC was created by the Alaska State Legislature in 1980 as an independent state entity tasked with managing the assets of the Alaska Permanent Fund on behalf of current and future generations of Alaskans and other funds designated by law.

The Alaska Permanent Fund is a globally recognized sovereign wealth fund established in 1976 by Alaskans to preserve and convert the State's non-renewable mineral and oil wealth into a renewable financial resource for generations of Alaskans.

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