Board of Trustees

Regular Meeting

July 24, 2024

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APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
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BOARD OF TRUSTEES MEETING
July 24, 2024

Westmark Fairbanks Hotel & Conference Center
West Gold Room
813 Noble Street
Fairbanks, AK 99701

Please sign-up for public testimony by emailing jloesch@apfc.org by noon July 23

Wednesday, July 24, 2024
8:30 a.m. – 5:00 p.m.

Teams Webinar Registration: https://apfc.org/bot-meeting-day1
Event Passcode: xSMUBN

Teleconference Option
Phone: 323-792-6284
Meeting ID: 221 781 943 07
Phone Conference ID: 336 699 627#

Written comments may be sent to Trustees anytime at boardpubliccomment@apfc.org

AGENDA

WEDNESDAY, JULY 24, 2024

08:30 a.m. CALL TO ORDER

ROLL CALL (Action)

APPROVAL OF AGENDA (Action)

ELECTION OF CORPORATE OFFICERS & COMMITTEE ASSIGNMENTS (Action)

APPROVAL OF MINUTES (Action)
- February 15-16, 2024 – Quarterly Meeting
- April 22, 2024 – Special Meeting
- May 8, 2024 – Special Meeting
- May 29-30, 2024 – Quarterly Meeting

OPPORTUNTY FOR PUBLIC PARTICIPATION

08:45 a.m. COMMITTEE REPORTS (Information)
Audit Committee Chair Adam Crum
Governance Committee Chair Ellie Rubenstein will report later in the agenda

09:00 a.m. CHIEF EXECUTIVE OFFICER'S REPORTS (Information/Standard Reports)
Pending Board Matters, Trustee Education Report, HR Summary, Financial Update, Financial Report, APFC History & Projections

09:30 a.m.	CHIEF INVESTMENT OFFICER REPORT (Information) Marcus Frampton, Chief Investment Officer
10:00 a.m.	INVESTMENT POLICY UPDATES (Action) Sebastian Vadakumcherry, Chief Risk Officer
10:15 a.m.	*BREAK*
10:30 a.m.	PRIVATE EQUITY – ASSET CLASS UPDATE (Education/Information) Allen Waldrop, Deputy CIO-Private Markets Steven Gagliardo, Senior Associate, Private Equity
11:00 a.m.	PLATINUM EQUITY PRESENTATION (Education/Information) Mark Barnhill – Partner Alex Doñé – Managing Director
11:45 a.m.	ALTAS PARTNERS PRESENTATION (Education/Information) Andrew Sheiner, CEO & Managing Partner
12:30 p.m.	*LUNCH*
1:00 p.m.	PMP UPDATE (Action) Shannon McCain, Director of Human Resources Deven Mitchell, Chief Executive Officer
2:00 p.m.	TRAINING/TRAVEL BUDGET TRANSFER (Action) Alysha Guthrie, Director of Administrative Operations
2:15 p.m.	*BREAK*
2:30 p.m.	UPDATE ON INDEPENDENT REVIEW (Information) Executive Session
3:15 p.m.	UPDATE ON SECURITY REVIEW (Information) Executive Session
4:00 p.m.	GOVERNANCE COMMITTEE RECOMMENDATIONS (Action) Trustee Ellie Rubenstein, Committee Chair
4:30 p.m.	INVESTMENT ADVISOR COMMENTS (Information) George Zinn Britt Harris
4:50 p.m.	CLOSING COMMENTS (Information) FUTURE AGENDA ITEMS
5:00 p.m.	ADJOURNMENT

NOTE: TIMES MAY VARY AND THE CHAIR MAY REORDER AGENDA ITEMS
(Please telephone Jennifer Loesch at 907-796-1519 with agenda questions)

SUBJECT: Approval of Minutes ACTION: X

DATE: July 24, 2024 INFORMATION:

BACKGROUND:

Staff reviewed the following Board of Trustees meeting summary minutes, draft copies are attached for your approval.

- February 15-16, 2024 Regular Meeting
- April 22, 2024 Regular Meeting
- May 8, 2024 Special Meeting
- May 29-30, 2024 Regular Meeting

RECOMMENDATION:

The Chair should ask whether any member has any questions or corrections regarding the minutes. If there are not corrections, The Chair should announce, "that there being no corrections the minutes are hereby approved". A formal motion to approve the minutes is not required under §41 of Robert's Rules of Order.

ALASKA PERMANENT FUND CORPORATION
BOARD OF TRUSTEES MEETING
WEBEX/TELECONFERENCE

February 15, 2024
10:30 a.m.

Originating at:
Michael J. Burns Building
David Rose Board Room
801 W 10th Street
Juneau, AK 99801

Trustees Present:
Ethan Schutt, Chair
Ellie Rubenstein, Vice Chair
Ryan Anderson
Jason Brune
Craig Richards
Adam Crum

APFC Staff Present:
Deven Mitchell, CEO
Marcus Frampton, CIO
Val Mertz, CFO
Sebastian Vadakumcherry
Chris Poag
Shawn Calhoon
Paulyn Swanson
Allen Waldrop
Joseph Jeralds
Juliette Alldredge
Ross Alexander
Logan Rahn
Alexander Smith
Alysha Guthrie
Brittney Ortega
Catherine Hatch
Chirag Shah
Chris Cummins
Chris LaVallee
Colton Scrudder
Eric Ritchie
Jacki Mallinger
Jessica Thornsburry
Joe Shinn
Jordyn Elie
Lara Pollock
Larissa Murray
Lillie Haggard
Luke Kirkham
Marisa McComas
Michael Prebeg
Norix Mangual
Rachel Price
Sang Won Song
Sarah Clark
Sarah Struble
Shannon McCain
Steve Adams
Steven Gagliardo
TJ Hegedus
Terek Rutherford
Tim Andreyka
Tom O'Day
Cody Graves
Damien Miller
Fawad Razzaque
Jennifer Loesch
Jim Parise

Others Participating:
Investment Advisors: Britt Harris
Callan: Gregg Allen, Steve Center

Public: Andrew Kitchenman, Dan Abramson, Emily Stoermer, Gabe Simkin, John Springsteen, Jacob Owens, Jessica Hamlin, Jonas Schultz, Karol Raszkiewicz, Larry Smith, Lorilyn Swanson, Maggie Duffy, Philip Nunes, Reid Johns, Robert Snigaroff, Sophia Torres, Stephanie Alexander, Tim Berry, Tom Gemmell, Kevin Balaod, Barbara Schuhmann, Carolyn V Brown, Kayc Ullrich, Steve Moseley, Laurie Berg, Gina Romero, Doug Woodby, James Simard, Elaine Schroeder, Darpan Kapadia, Emily Simonis, Pankaj Gupta, Asmat Doza, James Brooks, Brock Wiliamson, Cyndi Walsh, Representative Jeff Stepp, Senator Jesse Kiehl, Representative Cliff Groh, Grant Robinson, John Coss, Matthrew Benson, Richard W Ashley III, Rafa Ramirez, Chris Bell, George Zinn, James Baldwin

ACTION ITEMS

CALL TO ORDER
CHAIR SCHUTT called the meeting to order and asked for a roll call.

MS. LOESCH called the roll and stated that there was a quorum.

APPROVAL OF AGENDA
TRSUTEE ANDERSON moved to accept the agenda.

TRUSTEE BRUNE and TRUSTEE RICHARDS seconded the motion.

APPROVAL OF MINUTES
Approved minutes from the September 27-28, 2023, Annual Meeting and the October 30, 2023, Special Meeting.

SCHEDULED APPEARANCES AND PUBLIC PARTICIPATION
JAMES SIMARD spoke about the risks of investing in fossil fuels and urged the board to divest and invest in clean energy.

ELAINE SCHROEDER highlighted the detrimental effects of LNG exports and the financial risks associated with fossil fuel investments.

DOUG WOODBY emphasized the costs of transitioning versus not transitioning to clean energy and questioned the board's fiduciary responsibility.

BARBARA SCHUHMAN opposed the rush to reach $100 billion in investments and expressed concerns about riskier investments and borrowing money.

JOHN HUDSON provided an overview of the devastating impacts of climate change and the urgent need to transition away from fossil fuels.

CHIEF EXECUTIVE OFFICER’S REPORT
D. MITCHELL headed the discussion on the progress and future steps on the PMP Overhaul. Compensation structure and peer group definition deferred to a future meeting.
Emphasis on addressing staff retention and recruitment challenges. Noted the need for competitive salaries to retain talent, particularly in the new private equity team.

Highlighted the high turnover rate in operations staff and ongoing recruitment efforts. Mentioned the legislative season's increased workload and the selection of a firm for national exposure.

Discussed the Governor's budget proposal and legislative initiatives. Clarified the impact of Administrative Orders on treasury staff.

CHIEF INVESTMENT OFFICER'S REPORT
M. FRAMPTON discussed the performance of various asset classes with six out of seven beating benchmarks. Private markets underperformed due to venture capital write-downs.

Emphasized the importance of understanding statutory net income components and discussed the fund's statutory net income progress.

Provided an overview of investment actions, including $210 million committed to seven private equity partnerships and $600 million trimmed from public equity investments.

RISK OVERVIEW
S. VADAKUMCHERRY detailed the impact of different portfolio compositions and POMV draws on overall growth multiples. Highlighted the importance of considering capital withdrawals and volatility on value add.

Suggested that an 80-20 equity-bond portfolio demonstrates better long-term value add compared to a 100% equity portfolio.

PRIVATE INCOME PRESENTATION – LS POWER (Board Education & Information)
D. KAPADIA and E. SIMONIS discussed the strategic approach to power generation and renewables. Highlighted key projects like Rev Renewables and Rise Light and Power.

Emphasized the growing opportunities in the power demand sector and the importance of battery storage investments.

PRIVATE INCOME PRESENTATION – H.I.G. WHITEHORSE (Board Education & Information)
P. GUPTA and A. DOZA focused on the non-sponsor direct lending market. They highlighted the firm's history, strategy, and the success of their private equity side.

Explained the diverse nature of their private credit investments, emphasizing senior secured assets and opportunistic strategies.

COMPENSATION AND BUDGET DISCUSSION
Discussed the importance of competitive compensation for retaining staff and the potential impact on the budget.

RECESS
APFC Board of Trustees meeting recessed at 5:00 p.m.

MEETING RECONVENING
TRUSTEE SCHUTT announced the reconvening of the meeting.

TRUSTEE PAPER #10 (ACTION)
D. MITCHELL headed the discussion and approval of the proposed changes to the fund structure and payouts, including the recommendation to switch from a two-account to a one-account structure and to implement a defined draw to simplify the process and eliminate complications.

Package and finalize Trustee Paper #10 for public release. Open a 45-day public comment period. Schedule presentations to Senate and House Finance committees. Create a communication strategy to educate the public and policymakers.

ANNUAL ASSET ALLOCATION STUDY (Information)
M. FRAMPTON provided an overview of the Annual Asset Allocation Study. The study included a review of current asset allocations, performance benchmarks, and recommendations for adjustments to optimize the fund’s performance.

FUND PERFORMANCE OVERVIEW (Information)
V. MERTZ presented a detailed overview of the fund's performance for the fiscal year. The presentation covered key performance metrics, investment returns, and comparisons to benchmarks. Addressed concerns about cash generation strategies. Discuss asset allocation adjustments in May.

FIDUCIARY TRAINING (Board Education & Information)
Training on fiduciary duties, including statutory obligations, prudence, diversification, and the duty of loyalty.

Discussed the differences between fiduciary duties under Alaska-specific statutes and common law or ERISA guidelines.

Emphasized the importance of ongoing education for trustees.

INVESTMENT ADVISOR CANDIDATE INTERVIEWS & SELECTION (Action)
The board conducted interviews with candidates for the position of investment advisor. Each candidate presented their qualifications, investment philosophy, and strategies they would implement if selected.

Selected George Zinn for the Investment Advisor Group (IAG) position based on his institutional knowledge and existing relationship with the board.

STRATEGIC PLAN (Action)
D. MITCHELL presented the Strategic Plan for the upcoming fiscal year. The plan outlined the key strategic goals, initiatives, and performance targets for the APFC.

Adopt the strategic plan with a change in leverage consideration from a percentage to a specific dollar amount of $4 billion.

LEGISLATIVE UPDATE (Board Education & Information)
P. SWANSON provided an update on legislative activities relevant to the APFC. The update included information on pending legislation, potential impacts on the fund, and advocacy efforts by the APFC.

Discussion on the potential impacts of legislative changes on the APFC's operations.

ADJOURNMET
TRUSTEE RICHARDS motioned to adjourn the meeting.

TRUSTEE CRUM seconded the motion.

The APFC Board of Trustees meeting was adjourned at 3:54 p.m.

SPECIAL MEETING OF THE BOARD OF TRUSTEES
WEBEX/TELECONFERENCE

April 22, 2024
8:30 a.m.

Originating at:
Alaska Permanent Fund Corporation
801 W 10th Street
Juneau, AK 99801

Trustees Present:

Ethan Schutt, Chair
Gabrielle Rubenstein, Vice-Chair
Craig Richards
Jason Brune
Ryan Anderson
Adam Crum

APFC Staff Present:

Deven Mitchell, CEO
Val Mertz, CFO
Marcus Frampton, CIO
Chris Poag, General Counsel
Jim Parise
Jennifer Loesch
Paulyn Swanson
Allen Waldrop
Catherine Hatch
Joe Shinn
Stephen Adams
Alexander Smith
Lillie Haggard
Tom O'Day
Jacki Mallinger
Scott Balovich
Matt Olmsted
Norix Mangual
Juliette Alldredge
Tim Andreyka
Lara Pollock
Chirag Shah
Sang Won Song
Steven Gagliardo
Sarah Clark
Larissa Murray
Michael Prebeg
Maria Skuratovskaya
Sebastian Vadakumcherry
Ed Rime
Sarah Struble
Fawad Razzaque
Ross Alexander
Youlian Ninkov
Luke Kirkham
Terek Rutherford
Tara Mendoza
Alysha Guthrie
Cody Graves
Mike Gumz
Shannon McCain
TJ Hegedus

Others Participating:

George Zinn; Britt Harris; John Skjervem; Steve Center; Greg Allen; Joey Lee; Peter Hecht; John Ruggieri; Vincent Dee; Jason Jenkins; Jim Chambliss.

Public Attendees:

Benjamin Posner, Dan Abramson, Emily Stoermer, Gina Romero, Hannah Zhang, Jeff Shields, Joepeth Ebisa, John Springsteen, Jonas Schultz, Larry Smith, Laruen Albanese, Lauren Bury, Lorilyn Swanson, Maggie Duffy, Matthew Benson, Megan Lyons, Nick Thigpen, Nicole

Cummings, Philip Nines, Rachel Price, Ross Hooper, Sean Maguire, Sophia Torres, Kayc Ullrich

PROCEEDINGS

CALL TO ORDER
CHAIR SCHUTT called the meeting to order and asked for a roll call.

MS. LOESCH called the roll and stated that there was a quorum.

APPROVAL OF AGENDA
CHAIR SCHUTT asked for any additions or objections to the agenda. Hearing none, he adopted the agenda.

SCHEDULED APPEARANCES AND PUBLIC PARTICIPATION
CHAIR SCHUTT continued to the scheduled appearances and public participation. Hearing none, he moved to the first item on the agenda.

AQR MARKET OUTLOOK PRESENTATION
MR. LEE from AQR introduced Pete Hecht, who would present capital market assumptions and asset allocation recommendations for the Alaska Permanent Fund.

MR. HECHT began by highlighting the low expected returns on long-only public and private portfolios, even though cash rates have increased. The equity risk premium, the reward for taking on risk, is compressed. He then addressed private markets, a popular investment option. AQR's research suggests that private credit and private equity have similar risk-adjusted returns to their public counterparts, once properly benchmarked. Private credit can be modeled as a public high-yield corporate bond with a floating rate, while private equity can be modeled as a small-cap stock with a leverage adjustment. After this explanation of private markets, he offered to answer questions before moving on to how these capital market assumptions would be used to make asset allocation recommendations for the Alaska Permanent Fund portfolio.

TRUSTEE RUBENSTEIN questioned the use of proxies for historical data in the presented simulation.

MR. HECHT explained that they use proxies because they want to reflect the current market environment, such as low yields and high valuations, which wouldn't be captured by looking at historical returns alone. Public market data is reliable due to its long history and lack of bias, whereas private market data is limited. They use public market data to leverage current pricing information for their capital market assumptions.

TRUSTEE RUBENSTEIN then pointed out the discrepancy between the data used in the presentation and the significant market events that happened between 2020 and 2022, particularly in private equity and credit.

MR. HECHT clarified that they intentionally used data from independent third-party research studies to avoid bias in data selection. They acknowledged that the market performance can fluctuate over time, and the analysis might have yielded slightly different results in different years. However, they believe the core takeaways from the research are valid. He conceded that private investments might outperform public ones sometimes, but they argued that the evidence doesn't support the widespread belief that private investments consistently outperform public markets. They are open to the possibility of a small edge for private investments but believe it's not as significant as most investors think.

MR. HARRIS expressed concern about the low baseline Sharpe ratios in the presented portfolio optimization.

MR. HECHT explained that the low ratios are a result of using yield-based capital market assumptions (CMAs) that reflect the current high valuations in the equity market. These CMAs lead to lower expected returns than the historical long-term averages. He then presented the recommended portfolio derived from the optimization. The portfolio prioritizes diversifying assets like hedge funds and real estate, while also including a negative cash position. He explained the rationale behind these choices: hedge funds offer diversification by underperforming at different times than other assets, and a negative cash position improves capital efficiency, allowing for higher returns without taking on additional risk. The funding source for the increased allocation to hedge funds and real estate comes from reducing the credit allocation in the baseline scenario. This is because the baseline CMAs project lower returns for credit compared to other asset classes. He then presented a second optimization scenario using long-term, steady-state CMAs. Despite the different assumptions, the recommended portfolio remained remarkably similar in terms of asset allocation. The key difference was in the funding source: with credit expected to perform better in the long run, the optimized portfolio allocated more towards equities and less towards credit to achieve the desired return. He clarified that the negative cash position in the model is a technique to represent improved capital efficiency, not a literal recommendation. He provided examples of achieving this efficiency through asset allocation, like shifting from public equities to private equity which inherently has leverage. He then revisited the portfolio optimization using long-term Sharpe ratios. The recommended asset allocation remained similar, but the funding source shifted from credit to equities due to the different return expectations in the long-term scenario. Hecht then argued for a blended approach that considers both the baseline and long-term scenarios. This blended recommendation suggests increasing diversifiers like hedge funds and real estate and funding it proportionally across equities, core fixed income, and credit. He summarized the key takeaways: public market returns are expected to be low; the equity risk premium is small, and private investments might not outperform public ones by as much as commonly believed. He presented his recommendations as a robust approach that considers multiple factors and aims to be effective across different market conditions.

MR. ZINN raised a concern about the shrinking number of publicly listed companies and its impact on the portfolio's diversification.

MR. HECHT acknowledged this as a valid point that could lead to higher risk estimates for public markets in the future. He also pointed out that this decline strengthens his argument for private equity, as it offers diversification benefits by having a lower correlation with public markets.

MR. HARRIS then focused on choosing a beta for private equity. He asked if the S&P 500 or the Russell 2000 would be a better benchmark.

MR. HECHT emphasized selecting a benchmark that reflects the specific private equity program's characteristics. For a technology-focused private equity portfolio invested in smaller companies, a small-cap technology index leveraged to match the private equity's leverage would be ideal. For a more general, U.S.-diversified private equity program, he suggested the Russell 2000 as a better option than the S&P 500. However, he stressed the importance of leverage adjustment, as private equity typically uses more leverage than the Russell 2000.

MR. HARRIS highlighted the different market performances of the S&P 500 and the Russell 2000, with the latter currently in a bear market. This reinforces the idea of using a smaller-cap benchmark for private equity.

MR. ALLEN asked Hecht to elaborate on the correlations between different asset classes, a critical factor in portfolio optimization.

MR. HECHT acknowledged the importance of correlations and the challenge of using smoothed private market data. He explained that they address this by using a blend of historical correlations from two periods (1990-2023 and 2008-2023) to capture long-term trends and recent market behavior. This approach was chosen based on its effectiveness in minimizing forecast errors. Estimating correlations for private markets using public market proxies. For instance, they estimate private credit correlations based on high-yield public market data adjusted for duration.

MR. HARRIS chimed in to emphasize the limitations of smoothed data in reports (except strategic plans). She also questioned the specific periods chosen (1990-2023 and 2008-2023) as they represent disinflationary environments.

MR. HECHT clarified that these periods include the inflationary episode of 2022 and that a few years don't significantly impact the statistics. He reiterated that these periods were selected because they resulted in the most accurate forecasts in their analysis. He distinguished between correlation estimates (based on historical data) and stress scenarios (using specific historical years) used in the optimization process.

MR. ALLEN inquired about the use of hedge funds specifically and whether it was a chosen strategy to pick them over public markets.

MR. HECHT clarified that the HFRI equity market neutral index and the macro index were used because they were the stated benchmarks in the investment policy. These represented the market for equity market neutral and macro managers. Trend following used the most popular trend-following index, the SOC and the SG trend index.

MR. HARRIS pointed out that the cash return forecast was high at 4.1%, lifting the entire baseline. He suggested alternative ways to arrive at the hedge fund numbers, which he believed were on the high side.

MR. HECHT explained that hedge funds were viewed as cash-plus strategies. They tended to outperform and underperform at different times compared to equities and credit, which tended to move together. So, hedge funds provided better diversification. He elaborated on why the hedge fund forecast was higher than usual. He mentioned that cash rates had gone up, and since hedge funds behaved like cash-plus vehicles, their forecast went up one for one with the increase in cash rates. Even though equity risk premiums had been compressed due to high valuations, hedge funds became even more attractive as diversifiers.

MR. SKJERVEM complimented the presentation and recommended a book on expected returns by AQR's co-founder Dr. Antti Ilmanen. He also disclosed his investment in AQR products and his belief in the skills of the AQR team.

MR. HARRIS shared his experience of funding Cliff Asness, the founder of AQR, and acknowledged his value-driven approach. He cautioned that the 4.1% cash return forecast might have been too high considering the current economic regime.

PATHWAY PRIVATE MARKETS REVIEW

MR. CHAMBLISS from Pathway introduced his team and Pathway as a private markets investment specialist. Pathway has a long history in private markets investing, with a team of over 80 investment professionals and over $90 billion in assets under management. They focus on customized account structures and invest through blind pool primary funds, secondary investments, and direct investments. He then elaborated on Pathway's philosophy and approach to private markets investing. They believe that carefully constructed private markets portfolios can outperform public markets, but it requires a lot of work. Investors need to be selective and avoid mistakes, as the difference between strong and weak performers can be significant. Pathway builds detailed due diligence processes to find the best opportunities and works hard to build relationships with top private equity managers.

MR. JENKINS then provided more details about the private markets program for the APFC. The program has been investing in private markets for over 20 years and has grown into one of the top investors in the space. The portfolio is well-diversified across strategy, region, and industry, with exposure to over 8,000 companies in 90 countries. He also explained the benefits and risks of private equity investing. Private equity offers access to a broader set of opportunities, as most companies are privately held. However, it's a complex asset class and manager selection is critical for success. Strong performance requires a long-term approach and access to the best managers. He concluded by highlighting Pathway's manager-centric approach. They focus on building relationships with top private equity managers and then invest through various means, including primary funds, co-investments, direct investments, and secondary investments.

TRUSTEE RUBENSTEIN thanked Pathway for their presentation on demystifying private equity.

MR. HARRIS asked several questions about co-investment. He wanted to know if Pathway keeps a list of preferred private equity managers and if that list is public.

MR. JENKINS responded that they do keep such a list but it is not public and is shared with the APFC staff.

MR. HARRIS then inquired about the returns on co-investment and how APFC compares in terms of its ability to access those opportunities.

MR. JENKIN said that the returns on co-investment have been very strong and that APFC benefits from its long-term relationship with Pathway and its reputation as a sophisticated investor. Another point discussed was the transition of the private equity program from a phase of building out a portfolio to a phase of managing existing investments. He agreed that working strategically with managers is becoming increasingly important.

MR. RUGGIERI then presented on the performance of the APFC's private equity program. He highlighted that the program has generated a 20% net return over the past 10 years, which is superior to the returns of other top public pension plans. The program has also delivered strong cash flow, with distributions exceeding contributions over the past three years. Overall, the private equity program has resulted in nearly $15 billion in net gains for the Permanent Fund. He reiterated the importance of a well-diversified portfolio and manager selection for continued success in private equity. He also emphasized the collaborative nature of the relationship between Pathway and the APFC staff.

MR. ZINN asked about the private equity benchmark referenced in John Ruggieri's presentation.

MR. RUGGIERI clarified that it is the Cambridge benchmark, which is not directly investable.

MR. HARRIS then asked a few questions for clarification. He wanted to know if the private equity numbers included venture capital and how much of a difference that makes.

MR. RUGGIERI responded that it does include venture capital and represents about one-third of the total gains.

MR. HARRIS also inquired about how often the Permanent Fund acts as the lead limited partner (LP) and the number of active relationships within the portfolio.

MR. RUGGIERI explained that the Permanent Fund is frequently a lead LP, leveraging Pathway's established relationships to gain access and board seats. He also mentioned that all 121 relationships are currently active.

MR. HARRIS was surprised by the high number of active relationships and asked for clarification.

MR. RUGGIERI elaborated that while there are 121 relationships, roughly half of the capital is concentrated in the top 25 managers.

MR. HARRIS requested an estimate of the number of deals the Permanent Fund approves annually.

MR. RUGGIERI responded that they approve around 30 fund commitments per year, along with a much higher number of co-investment and direct equity deals.

MR. HARRIS then contrasted this with the size of the Alaska-based investment team, which CEO Mitchell stated is currently six but will grow to seven soon. He concluded by observing that this is a relatively lean team compared to the benchmark but acknowledged the unique relationship with Pathway.

MR. RUGGIERI then circled back to venture capital to address Mr. MR. HARRIS' earlier query. He specified that venture capital represents $5.1 billion of the total $15 billion gain and has delivered a 23% return since inception.

MR. HARRIS inquired about several aspects of private credit. First, he asked about the current yield for the Permanent Fund's portfolio, which Vincent Dee reported to be around 11%. He then wanted clarification on the previously mentioned $1.9 trillion market size for private credit.

MR. DEE confirmed it includes the leverage used by these funds.

MR. HARRIS questioned if private credit should replace traditional fixed income.

MR. DEE explained it's more of a complementary asset class for enhanced returns and diversification.

MR. HARRIS' final question addressed potential behavior in an economic downturn.

MR. DEE acknowledged the limited experience with downturns but suggested private credit could experience higher volatility. He addressed Mr. Harris' concern about competition leading to riskier lending practices. The Permanent Fund is aware of this and actively monitors trends to ensure conservative underwriting practices are maintained.

MR. JENKINS presented the infrastructure portfolio, highlighting its strong performance and diversification benefits. He explained the portfolio's focus on value-add strategies and its ability to generate capital appreciation. However, some committee members raised concerns about the true diversification of the infrastructure portfolio due to its use of private equity structures. They questioned if the portfolio provided true inflation protection because of the fixed investment period.

TRUSTEE RUBENSTEIN expressed a belief that the Permanent Fund should increase its allocation to private equity due to its strong performance.

MR. DEE confirmed that other institutions typically allocate between 2% and 6% of their portfolio to private equity, suggesting the Permanent Fund's allocation is on the lower side.

MR. JENKINS echoed Trustee Rubenstein's sentiment, emphasizing the importance of having the proper infrastructure and relationships in place to successfully invest in private equity. He also mentioned that some investors are increasing their target allocations after the pandemic.

TRUSTEE CRUM gave positive remarks regarding Pathway's role in managing the Permanent Fund's private equity investments.

FISCAL YEAR 2024 CAPITAL MARKET PROJECTIONS AND ASSET ALLOCATION REVIEW

MR. ALLEN presented the different options for the fund's asset allocation. He began by explaining the firm's typical process for advising public funds on asset allocation. They conduct studies every 3 to 5 years, recommending options to the Board, which then sets investment targets. Unlike some other funds, the APFC's CIO and investment staff have recently taken the lead in this process. He then described their capital market assumption process, highlighting their focus on long-term risk and return along with correlations between asset classes. Correlations indicate how asset classes move together, with a low correlation meaning they move independently. This is desirable for diversification purposes. He presented their updated capital market projections, noting a significant change from prior years. Bond yields were higher due to a persistent inverted yield curve, and cash yields were also high. Equity return expectations had decreased, reducing the spread between stocks and bonds compared to the past decade. He then addressed private markets, acknowledging the challenges AQR presented regarding their inclusion due to valuation complexities. He pointed out a slight increase in their projected return for the APFC portfolio. Next, he presented a table summarizing expected returns, with equities generally having the highest followed by private markets and then bonds. He followed this with a historical comparison of their projected returns versus actual returns over the past decade. Overall, their process seemed to generate reasonably accurate predictions.

TRUSTEE CRUM interrupted to clarify if the expected return included projected deposit growth from oil royalties.

MR. ALLEN confirmed it did not and only reflected investment returns. Continuing, he discussed correlations between asset classes. He highlighted the negative correlation between private equity and fixed income, suggesting this combination could be favorable for the portfolio's overall risk profile. Real estate also had a low correlation with most asset classes and offered some protection against inflation. Hedge funds, with their generally higher returns, also exhibited lower correlations with other asset classes. An XY scatter plot was used to visually represent the risk-reward relationship of various asset classes. Private equity offered the highest potential return but also carried the highest risk. Commodities, while not a typical holding for large funds, had a very low correlation with most other assets and some inflation protection benefits. The presentation concluded with a discussion on commodity allocations. Public funds rarely held them directly, but some, like target-date retirement funds, used them along with real estate investment trusts (REITs) and listed infrastructure to mimic private asset exposure. For the APFC, gold was their only current commodity holding, and even that was minimal.

MR. ZINN inquired about the average commodity allocation for large funds.

MR. ALLEN replied that it was typically around 1% to 2% for those who held them at all.

MR. HARRIS brought up the point that Alaska's oil dependence could be a factor to consider in asset allocation.

CEO MITCHELL pointed out that their legal framework didn't require them to consider the source of their funds, so the focus remained on maximizing risk-adjusted returns.

TRUSTEE BRUNE inquired about the fund's past exposure to commodities beyond holdings like gold. He expressed a desire to understand the breakdown between direct holdings, companies involved in resource extraction (e.g., mining), and indirect exposure through funds.

MR. ALLEN clarified that the presented expected risk and return for commodities assumed direct investment in a commodity index. He acknowledged other methods for gaining commodity exposure, including investing in resource-based companies or airlines (sensitive to fuel prices).

TRUSTEE BRUNE emphasized the importance of understanding the total allocation tied to commodity development for public education purposes. Trustee Zinn brought up Commodity Trading Advisors (CTAs) as an alternative investment option not explicitly mentioned by MR. ALLEN.

MR. HARRIS pointed out the distinction between a holding's weight as a percentage of the asset base and its contribution to overall portfolio risk. Commodities, while risky, could have a negative correlation with equities, potentially reducing overall risk.

MR. ALLEN discussed how increased fixed-income yields allowed for incorporating fixed income back into the portfolio while maintaining a 5% real return target. This shift reflected a broader trend of clients reevaluating fixed income due to improved yields. He explained that small moves in asset allocation don't make a significant difference on a forward-looking basis.

MR. ZINN then inquired whether the hedge fund allocation included Commodity Trading Advisors (CTAs).

MR. ALLEN responded that the hedge funds were a broad category encompassing everything in the HFRI unweighted composite. He continued his discussion focusing on using historical data to simulate portfolios with different private equity allocations (15% and 20%). He acknowledges that after 39 years; a 20% private equity allocation would have yielded better results. He attributes this to private equity being a top-performing asset class over this period. Interestingly, the analysis showed that historically, it would have been advantageous to fund the increased private equity allocation from private markets (predominantly real estate) as opposed to public markets. He presented findings for various time horizons (39 years, 20 years, 10 years). The results indicated that for most periods, funding from public markets produced better returns than funding from alternatives (except for the longest period, where the negative impact of a lousy real estate market in the early years outweighed the benefits).

CHAIR SCHUTT thanked Mr. Allen for his presentation.

LEGISLATIVE UPDATE

MS. SWANSON presented updates on legislative matters and budget priorities for the fiscal year 2025. She emphasized the importance of accountability in APFC's mission and highlighted the legislative program's focus on securing resources for talent, infrastructure, and partnerships. She discussed budget increments, starting with Annual Merit, explaining the differing opinions on the proposed increase (ranging from 2% to 6%) and the legislative scrutiny surrounding it.

TRUSTEE RICHARDS raised concerns about political influences on staff compensation, prompting Swanson to express her belief that politics do play a role, albeit indirectly, in the decision-making process.

MS. SWANSON highlighted the Senate's full funding of the program while noting the House's base-level funding approach. She stressed the importance of full funding for recruitment and morale purposes, despite potential budgetary constraints. Regarding the Anchorage office, she acknowledged the lack of legislative endorsement, attributing it to concerns over power balances rather than the office's merits. She expressed disappointment over the legislative directives to reduce expenses related to the office, despite its strategic importance.

TRUSTEE BRUNE emphasized the significance of the Permanent Fund's role in supporting Alaska's economy.

MR. HARRIS provided perspective on budget allocations and the cost of legislative decisions.

TRUSTEE CRUM noted increasing awareness of Trustee Paper #10's proposals and suggested a continued focus on education and advocacy.

CHAIR SCHUTT concluded by thanking participants and adjourning the meeting.

ALASKA PERMANENT FUND CORPORATION
SPECIAL MEETING
WEBEX/TELECONFERENCE

May 8, 2024
8:00 a.m.

Originating at:
Alaska Permanent Fund Corporation
801 West 10th Street
Juneau, Alaska 99801

Trustees Present:
Ethan Schutt, Chair
Ellie Rubenstein, Vice-Chair
Craig Richards
Ryan Anderson
Jason Brune
Adam Crum

APFC Staff Present:
Deven Mitchell, CEO
Marcus Frampton, CIO
Val Mertz, CFO
Sebastian Vadakumcherry
Alysha Guthrie
Brittney Ortega
Catherine Hatch
Chirag Shah
Chris Cummins
Chris LaVallee
Christopher Poag
Cody Graves
Colton Scrudder
Edward Rime
Eric Ritchie
Jacki Mallinger
James Wilkey
Jennifer Loesch
Joe Shinn
Juliette Alldredge
Larissa Murray
Scott Balovich
Alexander Smith
Lillie Haggard
Tara Mendoza
Paulyn Swanson
Masha Skuratovskaya
Mike Gumz
Norix Mangual
Ross Alexander
Sarah Clark
Sang Won Song
Shannon McCain
Steve Adams
TJ Hegedus
Terek Rutherford
Tim Andreyka
Tom O'Day
Valeria Martinez
Jim Parise
Luke Kirkham
Marisa McComas
Joseph Jeralds

Investment Advisors Present:
Britt Harris

Others Participating:

Amory Lelake; Andrew Kitchenman; Anne Rittgers; Becky Bohrer; Ben Garrett; Bill Milks; Dan Abramson; Deborah Brollini; Donna Arduin; Emily Stoermer; Gina Romero; Jack Peterson; Jack Barnwell; Jason Brandeis; Jeff Landfield; John Coss; John Springsteen; Julee Farley; Julia Mesdag; Julia O'Connor; Justin Mitchell; Laib Allensworth; Larry Smith; Laurie Berg; Lorilyn Swanson; Maggie Duffy; Mark Sabbatini; Matt Buxton; Mike Ross; Nolin Ainsworth; Paige Brown; Philip Nunes; Ralph; Ross Hooper; Ryan O'Shaughnessy; Sophia Torres; Stephanie Pham; Steve Gillespie; Thomas Presley; Tom Jackson; Alex Marban; Sherman Short; Jennifer Sweitzer; Jim Butler; Kristina Schutt; Mark Moon; Sam Greely

ACTION ITEMS

CALL TO ORDER
CHAIR SCHUTT called the meeting to order.

MS. LOESCH conducted the roll call, confirming a quorum was present.

APPROVAL OF AGENDA
TRUSTEE BRUNE moved to approve the agenda with the addition of public comment.

TRUSTEE CRUM seconded the motion.

The motion to approve the amended agenda passed unanimously by voice vote.

PUBLIC PARTICIPATION
TRUSTEE SCHUTT announced and read public comments received via email.

SUSAN ALMAROTH expressed concerns about ethical violations and conflict of interest involving Trustee Ellie Rubenstein.

PHILIP WRIGHT urged for transparency and recommended Gabrielle Rubenstein's resignation.

HEIDI FROST criticized the Board's transparency and urged them to listen to public input.

Discussion about facilitating live public comments, but due to technical limitations, it was decided to proceed with the substantive agenda.

APFC RECORD AND DOCUMENT SECURITY PROCEDURES
Discussion on the need for clarity on Trustee Richards' allegations about Trustee behavior.

Concerns were raised about referrals to staff regarding investments, behind-closed-doors discussions, and direct communications causing discomfort and leaks.

Motion to move into Executive Session to discuss security procedures.

TRUSTEE BRUNE suggested having legal counsel present as needed.

TRUSTEE RICHARDS opposed, preferring counsel throughout.

Amendment to have counsel present as needed passed 4-2.

Main motion to move into Executive Session as amended passed 4-2.

EXECUTIVE SESSION
Discussion of internal and external security measures and email leaks.

No external breaches found; internal handling of information was the focus.
Reports from Executive Director Mitchell, Director of IT Balovich, and legal counsel Hofmeister.

No actions taken during the Executive Session.

RETURN TO OPEN SESSION
TRUSTEE SCHUTT summarized the Executive Session discussions, confirming no action was taken and highlighted the need for governance reforms.

TRUSTEE RICHARDS clarified that the attorney was present throughout the Executive Session, addressing earlier concerns.

ADJOURNMENT
TRUSTEE RICHARDS moved to adjourn the meeting.

CHAIR SCHUTT adjourned the meeting at 10:49 AM.

ALASKA PERMANENT FUND CORPORATION
BOARD OF TRUSTEES QUARTERLY MEETING

May 29, 2024
8:30 a.m.

Originating at:
North Slope Borough Assembly Chambers
1274 Agvik Street
Utqiagvik, Alaska 99723

Trustees Present:

Ethan Schutt , Chair	Gabrielle Rubenstein, Vice-Chair
Jason Brune	Ryan Anderson
Adam Crum	Craig Richards

APFC Staff Present:

Deven Mitchell	Chris Poag
Marcus Frampton	Paulyn Swanson
Val Mertz	Fawad Razzaque
Larissa Murray	Alexander Smith
Allen Waldrop	Alysha Guthrie
Adrian Balazhi	Brittney Ortega
Catherine Hatch	Chirag Shah
Cody Graves	Colton Scrudder
Chris Cummins	Damien Miller
Edward Rime	Eric Ritchie
James Wilkey	Jedediah Smith
Jennifer Loesch	Jessica Thornsburry
Joe Shinn	Joseph Jeralds
Juliette Alldredge	Lara Pollock
Luke Kirkham	Lillie Haggard
Masha Skuratovskaya	Matt Olmsted
Michael Prebeg	Mike Gumz
Nita Tupou	Norix Mangual
Ross Alexander	Sang Won Song
Sarah Ann Clark	Sarah Struble
Scott Balovich	Shannon McCain
Steve Adams	Steven Gagliardo
Tim Andreyka	Tom O'Day
Valeria Martinez	Jacki Mallinger
Jim Parise	

IAG:

Britt Harris	John Skjervem
George Zinn	

Callan:
Gregg Allen
Britt Harris
John Skjervem
Steve Center
George Zinn

RBA Advisor:
Richard Bernstein

Pzena:
Richard Pzena
Michel Hanigan
Allison Fisch

Public:
North Slope Borough Mayor Josiah Patkotak
Georgianna Sielak
Ben Hofmeister
Gina Romero
Dan Abramson
James Simard
Cliff Groh
Justin Mitchell
Amory Lelake
Ann Rittgers
Lauren Albanese
Lorilyn Swanson
Maggie Duffy
Alec Davis
Michael McHargue
Nick Thigpen
Philip Nunes
Richard Seybolt
Sami Fuller
Sophia Torres
Suzanne Downing
Brett Buchalter
Steve Moseley
Jeffrey Shields
James Brooks
Arnold Brower Jr.
Beverly Eliason
Kristina Schutt
Jessica Hamlin
Emily Stoermer
Doug Woodby
Jason Brandeis
John Springsteen
Karen De Vera
Andrew Kitchenman
Larry Smith
Laurie Berg
Michael McHargue
Mark Sabbatini
Matthew Benson
Mike Tobin
Noah Conlon
Rafa Ramirez
Robert Gerschultz
Serina Kidd
Steve Panos
Kevin Balaod
Rachel Eaker
Karol Raszkiewicz
Sun Yu
Alex DeMarban
Michael Bloom

ACTION ITEMS

CALL TO ORDER
CHAIR SCHUTT called the meeting to order.

ROLL CALL
J. LOESCH conducted the roll, confirming the quorum.

APPROVAL OF AGENDA
TRUSTEE ANDERSON suggested deferring the approval of minutes due to inaccuracies and recommended moving the Asset Allocation Review and Adoption discussion to after the Capital Markets Overview and Fund Performance item.
Agenda approved as amended (Asset Allocation Review moved to 2:30 p.m.).

APPROVAL OF MINUTES
Approval of February 15-16, 2024, Quarterly Meeting and April 22, 2024, Special Meeting minutes deferred due to inaccuracies.

Trustees discussed the importance of transcribing meetings for historical records and accuracy of minutes.

TRUSTEE RICHARDS raised concerns about the quality of minutes and the decision to stop transcribing meetings, suggesting a cost estimate for transcription services.

PUBLIC PARTICIPATION
Public comments received regarding climate risk assessment and private equity investments.

M. TOBIN emphasized the importance of a climate risk assessment due to the impact of climate change on home insurance markets and the broader economy.

J. SIMARD highlighted climate-related litigation involving Alaska's youth suing the Alaska Gas Line Development Corporation over climate pollution.

D. WOODBY raised concerns about the transparency and risks associated with private equity investments in LNG infrastructure.

COMMITTEE REPORTS (Information)
Governance Committee report deferred to later in the agenda.

WELCOME BY NORTH SLOPE BOROUGH
Invocation and welcome address by A. BROWER JR. Emphasized the importance of wisdom and guidance from God for the corporation, sharing his personal experiences and invoking Psalms 91.

CHIEF EXECUTIVE OFFICER’S REPORTS (Information/Standard Reports)
Presentation of various reports by D. MITCHELL. Discussion covered the Pending Board Matters, including HR updates and PMP improvements slated for July; Trustee Education, emphasizing the importance of trustee education and available opportunities; and Disclosure Reports, which summarized staff disclosures. Additionally, there was a Travel, Training, and Diligence Summary that reviewed travel budget usage and future considerations. The Human Resources Summary provided insights into staff turnover rates, promotions, and updates on the incentive compensation program. The Communications Report detailed outreach efforts and legislative interactions. The Legislative Update focused on Senate Bill 259, which impacts staff pay increases. An IT Update highlighted progress on the data vault project, disaster recovery data

center, and IT security tests. Lastly, the Financial Update reviewed the total return, accounting net income, statutory net income, and projected fund balances.

CHIEF INVESTMENT OFFICER REPORT (Information)
Presentation on fund performance, positioning, and investment actions for the quarter by M. FRAMPTON. The discussion covered the review of fund performance and positioning, which included an analysis of private equity and real estate investments. Next, the conversation shifted to investment actions, providing an overview of commitments to private equity and private income. Lastly, the real estate portfolio was discussed, focusing on potential reductions and strategies for selling REITs if necessary.

RISK OVERVIEW (Information)
S. VADAKUMCHERRY discussed the fund's risk dimensions value at risk (VaR), drawdown risk, and liquidity confirming all were within board-approved limits. VaR was 11.76% (vs. 13.2% limit), drawdown risk was 41% (vs. 46.7% limit), and liquidity was 54.2% (above the 40% threshold). Historical returns and realized fund volatility (6.7%) were discussed, along with the highest tracking error in public equities. The liquidity profile showed $9.5 billion in unfunded commitments across private equity, private income, and real estate. Stress scenarios indicated performance aligned with historical averages.

INVESTMENT ADVISOR COMMENTS (Information)
Advisors provided their insights and recommendations.

G. ZINN emphasized the importance of the two-account system and the structural challenges it presents. Highlighted the fund's strong performance, with a 6.84% return fiscal year to date, and the value added by the fixed income team in a rising rate environment.

J. SKJERVEM acknowledged the strong performance of the fund despite the public equity market outperforming private markets. Discussed the importance of education for trustees and recommended a book list for further learning. Mentioned the disparity between public and private market performances and the need for alignment between the investment team and trustees.

B. HARRIS stressed the importance of resolving compensation issues for the investment team. Discussed the tactical attractiveness of various asset classes and the potential overvaluation of private equity. Recommended further education through curated reading materials and educational sessions.

APFC HISTORY AND DISCUSSION WITH NORTH SLOPE BOROUGH REPRESENTATIVES (Education & Information)
Discussion on the history of APFC and its interaction with North Slope Borough representatives.

B. ELIASON overviewed the North Slope Borough's Permanent Fund, noting its growth to over $1 billion and the first $40 million draw this fiscal year. The fund's investment strategy focuses on private equity and has recently diversified into private credit.

D. MITCHELL provided a historical overview of the APFC, emphasizing its creation in 1976 post-oil discovery on the North Slope and the initial $900 million lease sale in 1969. He stressed sustainable fund management and the importance of learning from APFC's history to benefit the North Slope Borough's fund. The discussion included creating durable structures for fund utilization to ensure long-term sustainability for future generations. Mitchell encouraged incorporating risk management strategies and considering insights from APFC's Chief Risk Officer. He also highlighted the alignment of management objectives between both funds and the potential for mutual learning and collaboration.

ASSET ALLOCATION REVIEW & ADOPTION (Action)
Moved to 2:30 p.m. per earlier agenda amendment.

INVESTMENT ADVISOR PRESENTATION (Education & Information)
B. HARRIS discussed the current investment environment, highlighting the tactical attractiveness of various asset classes. He addressed the potential overvaluation of private equity and the importance of careful asset allocation decisions. Provided recommendations on portfolio management strategies, emphasizing diversification and risk management. Stressed the need for further trustee education through curated reading materials and educational sessions to better understand market dynamics and investment strategies.

CAPITAL MARKETS OVERVIEW & FUND PERFORMANCE (Education & Information)
G. ALLEN and S. CENTER provided a comprehensive overview of the current state of the capital markets and the performance of the fund. Highlighted key trends and developments in the global economy that impact investment decisions. Discussed the performance of various asset classes within the fund's portfolio, noting areas of strong performance as well as those facing.

REVIEW SECURITY BREACH FROM MAY 8 EXECUTIVE SESSION (Information)
During the executive session, details of the security breach on May 8 were reviewed. The measures taken to address the breach and prevent future incidents were discussed. The importance of robust security protocols and continuous monitoring to protect the fund's assets and data was emphasized.

CONSIDERATION OF GOVERNANCE COMMITTEE RECOMMENDATIONS (Information)
D. MITCHELL and C. POAG presented the Governance Committee's recommendations, focusing on proposed changes to governance structures and policies to enhance board efficiency and effectiveness. They emphasized the importance of adopting best practices in governance to ensure transparency, accountability, and strategic oversight.

RECESS FOR THE DAY
The meeting recessed at 5:00 p.m.

MEETING RECONVENES
The meeting reconvened at 8:30 a.m.

PUBLIC EQUITY – ASSET CLASS UPDATE (Education & Information)
F. RAZZAQUE provided an overview of the public equity program, highlighting key drivers of active management, including bottom-up stock selection and top-down allocation. Discussed the

performance split between external and internal management, noting an 80-20 split, with a focus on outperforming the MSCI All Country World Index IMI on a net-of-fee basis. Despite a challenging 2023, the program outperformed by 90 basis points over the last five years on a net-of-fee basis. Emphasized the importance of manager selection, active allocation, and risk management in achieving sustainable returns.

RBA GLOBAL EQUITY PRESENTATION (Education & Information)
R. BERNSTEIN provided insights into global equity markets, emphasizing the importance of understanding macroeconomic trends and their impact on equity performance. Highlighted the need for diversification and careful selection of equities to manage risks and optimize returns in the global market.

PZENA INVESTMENT MANAGEMENT PRESENTATION (Education & Information)
R. PZENA discussed the value investment approach, focusing on identifying undervalued companies with strong fundamentals.

A. FISCH and M. HANIGAN provided detailed analysis of specific sectors and companies, explaining their investment rationale, and expected performance. The team emphasized the importance of patience and discipline in value investing, particularly during market downturns.

APFC BUDGET REVIEW (Action)
D. MITCHELL and A. GUTHRIE presented the budget projections for FY24, highlighting key financial metrics and anticipated expenses. An update on the Anchorage office was provided, discussing operational improvements and potential cost savings. The FY25 budget was reviewed and approved, with discussions on allocation of funds for various projects and initiatives.

INVESTMENT ADVISOR COMMENTS (Information)
Advisors provided their insights and recommendations.

B. HARRIS emphasized the importance of the two-account system and the structural challenges it presents. Highlighted the fund's strong performance and the value added by the fixed income team.

J. SKJERVEM acknowledged the strong performance of the fund despite the public equity market outperforming private markets. Discussed the importance of education for trustees and recommended a book list for further learning. Mentioned the need for alignment between the investment team and trustees.

G. ZINN discussed market outlook, investment strategies, and provided recommendations. Stressed the importance of compensation issues for the investment team and the potential overvaluation of private equity.

OTHER MATTERS

TRUSTEE COMMENTS

Trustees expressed appreciation for the detailed presentations and the opportunity to meet in person. They highlighted the importance of ongoing education and collaboration among trustees and staff. Emphasis was placed on the need for clear communication and the value of diverse perspectives in making informed decisions.

FUTURE AGENDA ITEMS

Trustees discussed potential topics for future meetings, including deeper dives into specific asset classes, updates on risk management strategies, and continued focus on governance improvements.

The need for a follow-up on the security breach review and further exploration of trustee-staff communication protocols was noted.

ADJOURNMENT

CHAIR SCHUTT formally adjourned the meeting at 2:00 p.m., concluding the two-day quarterly meeting.

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Chief Executive Officer's Report ACTION: ____________

DATE: July 24, 2024 INFORMATION: _____X_____

BACKGROUND:

The CEO's report provides reports detailing Board matters, disclosures, staffing and budget updates, and financial reports.

STATUS:

CEO, Deven Mitchell, will present highlights from the following reports:

- Pending Board Matters
- Trustee Education Report
- HR Summary
- Financial Update
- Financial Report
- APFC History & Projections

SUBJECT: Pending Board Matters

ACTION:

DATE: July 24, 2024

INFORMATION: __X__

BY	TASK	CAPTURED	TARGET	COMPLETED
Mitchell/McCain	PMP Improvements	7/23	7/24	
Mitchell	Update Compensation Structure	12/22 4/23	TBD	
Mitchell	Peer Group Definition	7/22	TBD	
Mitchell/Balovich	Security Review Update	5/24	7/24	
Hoffmeister	Independent Review	5/24		
Governance Committee	Governance Committee Recommendations	5/24		

SUBJECT: Trustee Education

ACTION: ____________

DATE: July 24, 2024

INFORMATION: _____X_____

BACKGROUND:

The Board of Trustees of the APFC has established a Trustee Education Policy with the following objectives:

- To ensure that the members of the Board have access to the knowledge and information necessary for them to fulfill their fiduciary duties as trustees of the Alaska Permanent Fund; and
- To assist them in becoming well informed in all matters pertaining generally to the management of a large institutional fund, both public and private, and more specifically to the management and investments of the APFC.

In accordance with the Trustee Education Policy, the following is a list of conferences and seminars that Trustees may wish to attend.

TRAINING OPPORTUNITY	TOPIC	LOCATION	DATES
Callan	Intro to Investments Intro to Alternatives 2024 Fall Conference	Virtual Virtual Monterey, CA	September 24-26, 2024 August 21-22, 2024 September 8, 2024
ILPA	Varies – please see website	https://ilpa.org/master-calendar/	See ILPA Website

In addition staff is working to coordinate an initial Board training from Investment Advisor for September.

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

Memo

To: Board of Trustees

From: Shannon Ely McCain,
Director of Human Resources

Date: July 12, 2024

RE: Human Resources Summary

Since the May Board meeting, HR has successfully onboarded four new staff members. Of those four, one of them is the new HR Generalist who started on July 8, 2024. The week ending July 19th we held immersion classes for a group of six news hires from across APFC.

Staffing & Recruitment

Recruitment activity through July 12.

Headcount & Vacancies as of 5/17/2024			
Division	Filled FTE	Vacant FTE	Vacancies at Previous Meeting
Investments (32)	30	2	2
Operations (35)	31	4	5
Interns	2	0	0
Departmental Totals	61	6	7
Total FTE's	67		

	Vacant Positions as of 7/12/2024				
Vacancy date	APFC Title	Division	Department	Incumbent	Status
5/9/2024	Investment Analyst - Global Rates	Investments	Fixed Income	Internal Promotion	Actively Recruiting
7/8/2024	Investment Operations Analyst	Operations	Middle Office	Internal Promotion	Actively Recruiting
12/1/2023	Investment Operations Analyst	Operations	Middle Office	Separation	Actively Recruiting
4/28/2023	Portfolio Manager	Investment	Real Estate	Separation	Not Actively Recruiting
1/3/2023	Administrative Specialist	Operations	Administration	Promoted internally	Pending Recruitment
NEW	Project Manager	Operations	Administration	NEW FY23	Not Actively Recruiting

	Filled Positions as of 7/12/2024			
Vacancy date	APFC Title	Division	Department	Incumbent
2/9/2024	Human Resource Generalist	Operations	Human Resources	External Candidate

	Internal Promotion			
Vacancy date	APFC Title	Division	Department	Incumbent
n/a	Deputy CIO	Investments	Private Equity Real Estate Private Income	Allen Waldrop

SUBJECT: FY24 Year-to-Date Financial Update ACTION: ____________

DATE: July 24, 2024 INFORMATION: ______X_____

KEY TAKEAWAYS:

- Total return year-to-date through May 31 of 7.12%. Total fund underperformed the performance benchmark by 108 basis points and the passive benchmark by 335 basis points.
- Accounting net income year-to-date of $5.2 billion, a gain of $465 million since the end of the third quarter
- Realized (statutory) net income year-to-date of $3.8 billion, slightly above Callan's mid-point projection of $3.4 billion for the year
- Total net asset value as of May 31 of $80.2 billion, an increase of $4.1 billion from the same time last year
- One transfer in the amount of $300 million to the General Fund in the first two months of the fourth quarter, leaving $545 million to be transferred in June
- $90 million of mineral deposits transferred in during the two months ended May 31
- Committed Earnings Reserve balance of $5.1 billion, including $3.7 billion for FY25 General Fund transfers and $1.4 billion for FY24 inflation-proofing
- $4.0 billion in uncommitted realized earnings at the end of May
- Inflation rate for FY24 is final at 4.1%, which results in an estimated statutory inflation proofing calculation of $2.3 billion

Financial results for the first two months of the fourth quarter were similar to those for the prior quarter in that April saw drawdowns in almost every asset class, with some recovery in most of them by the end of May. Public equities experienced the most volatility, losing $1.2 billion in value during April and recovering $860 million in May. Overall, the portfolio posted unrealized losses of $412 million between the end of March and the end of May.

Net assets increased by $2.2 billion year-to-date through May. This is a result of net income of $5.2 billion and $489 million received in mineral royalty deposits offset by the FY24 POMV transfer to the General Fund in the amount of $3.5 billion. Corporate operating expenses and other appropriations for the two months ended May 31 totaled $30 million.

There was one transfer to the General Fund during the first two months of the fourth quarter of FY24 in the amount of $300 million. The remaining $545 million was transferred at the end of June. Staff is in communication with the cash managers at the Department of Revenue to ensure that amounts designated for the General Fund remain invested in the Fund as long as possible, while being available to meet the liquidity needs of the State.

APFC ALASKA PERMANENT FUND CORPORATION

Financial Report
May 31, 2024

Fiscal Year 2024 Net Assets

Balances through May 31, 2024 *(in millions)*

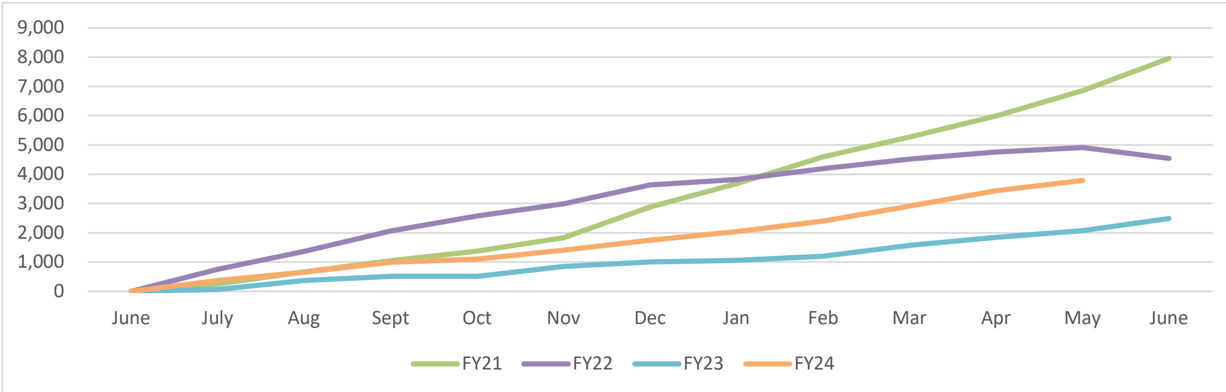
Total assets	$	81,596.7
Less liabilities		(1,416.5)
Net assets	$	80,180.2
Fund Balances:		
Non-spendable		
Permanent Fund corpus—contributions and appropriations	$	56,909.0
Not in spendable form—unrealized appreciation on invested assets		12,272.6
Total non-spendable fund balance		69,181.6
Committed		
General Fund Commitment		3,657.3
Current FY inflation proofing		1,413.0
Current FY AK Capital Income Fund		21.3
Committed fund balance		5,091.6
Assigned for future appropriations		
Realized earnings		3,955.9
Unrealized appreciation on invested assets		1,951.1
Total assigned fund balance		5,907.0
Total fund balances	$	80,180.2

Fiscal Year 2024 Income

For the eleven months ending May 31, 2024 *(in millions)*

Statutory (Realized) Net Income		
Interest, dividends, real estate, and other income	$	1,496.6
Realized gains on the sale of invested assets		2,454.3
Less operating expenses/legislative appropriations		(143.7)
Less Alaska Capital Income Fund committed realized earnings		(21.3)
Statutory net income		3,785.9
GAAP (Accounting) Net Income		
Statutory net income	$	3,785.9
Unrealized gain on invested assets		1,398.5
Alaska Capital Income Fund committed realized earnings		21.3
Accounting net income	$	5,205.7

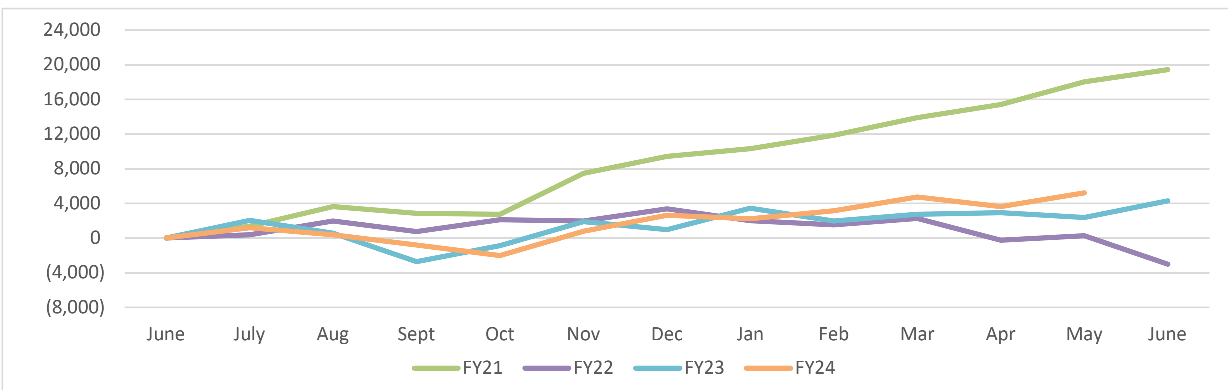
Statutory Net Income, Fiscal Years 2021 - 2024



• Comprised of receipts from interest on fixed income, real estate rentals, stock dividends, and all realized gains and losses on the sales of invested assets, less AK Capital Income Fund committed amounts and operating expenses.

• FY21 statutory net income was $7,962.4 million.
• FY22 statutory net income was $4,543.6 million.
• FY23 statutory net income was $2,491.1 million.
• FY24 statutory net income is $3,785.9 million to date.

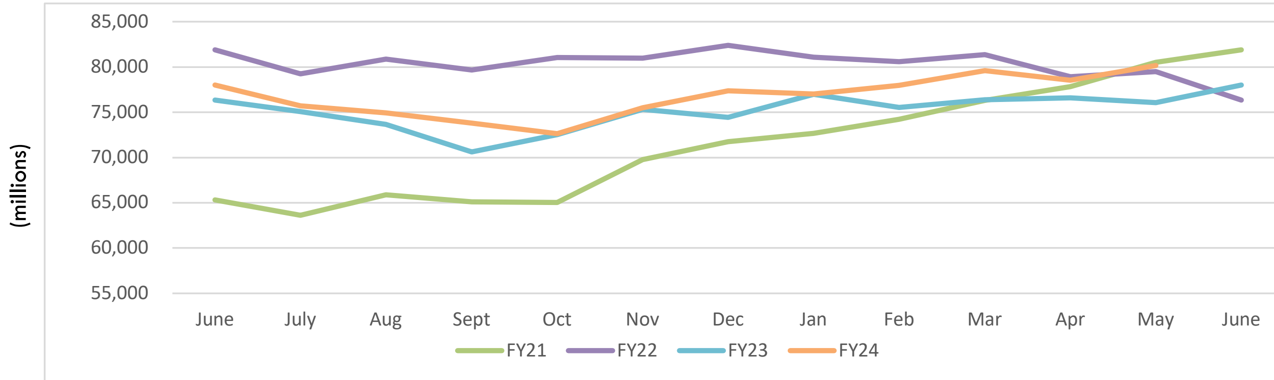
GAAP Accounting Net Income, Fiscal Years 2021 - 2024



• Accounting net income is the same as statutory net income, except it includes unrealized gains and losses.

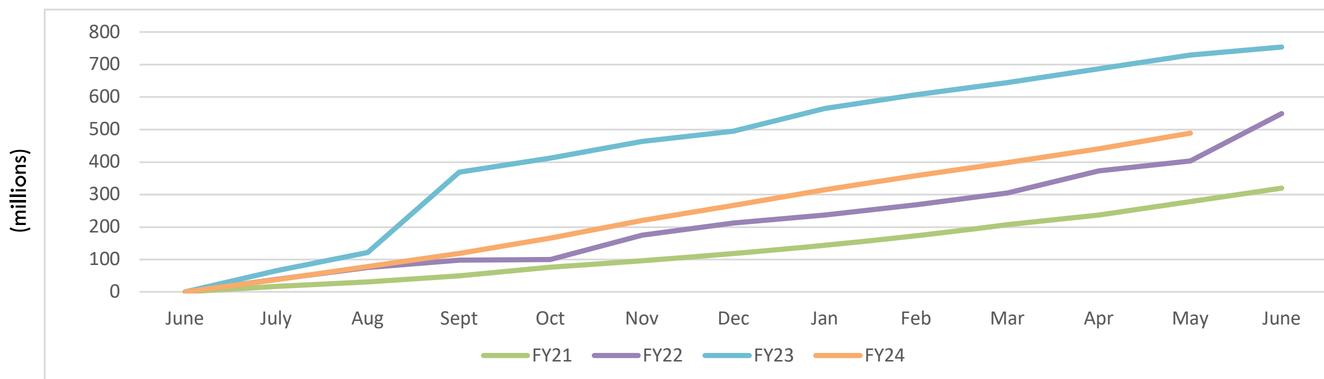
• Accounting net income for FY21 was $19,416.6 million.
• Accounting net loss for FY22 was $3,015.2 million.
• Accounting net income for FY23 was $4,295.9 million.
• Accounting net gain for FY24 is $5,205.7 million to date.

Market Value of Fund Net Assets, Fiscal Years 2021 - 2024



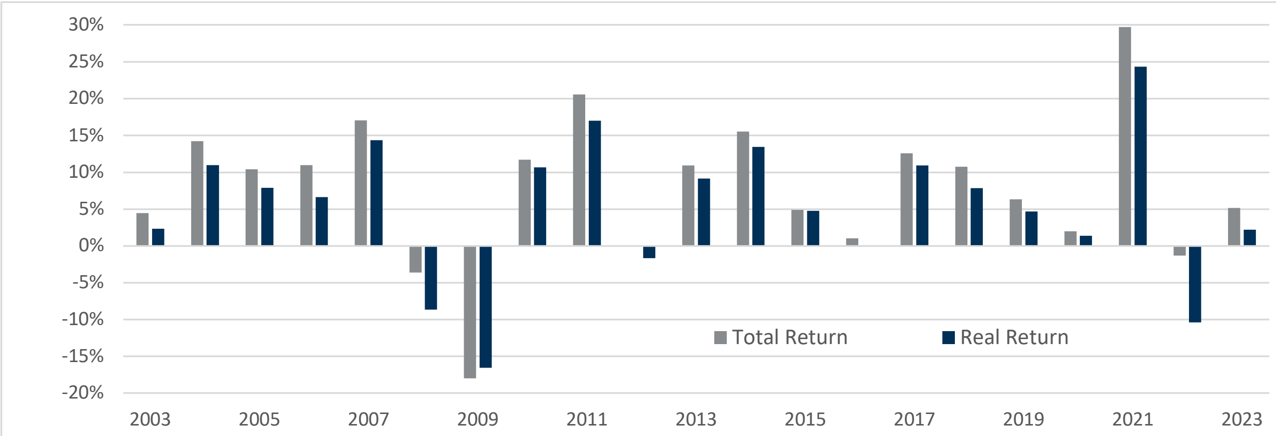
- FY21 net assets as of June 2021 were $81.9 billion, a decrease of $16.6 billion over the FY20 ending balance.
- FY22 net assets as of June 2022 were $76.3 billion, an increase of $5.6 billion over the FY21 ending balance.
- FY23 net assets as of June 2023 were $78 billion, a decrease of $1.7 billion from the FY22 ending balance.
- FY24 net assets as of May 2024 were $80.2 billion, an increase of $2.2 billion from the FY23 ending balance.

Dedicated Mineral Revenues, Fiscal Years 2021 - 2024



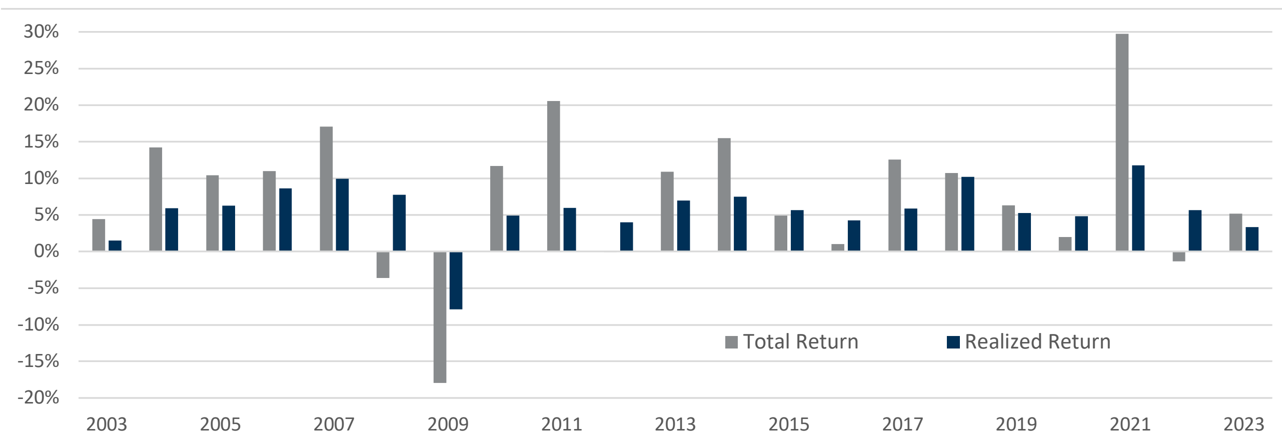
- FY21 mineral revenue was $319.6 million.
- FY22 mineral revenue was $548.9 million.
- FY23 mineral revenue was $753.6 million.
- FY24 mineral revenue is $488.7 million to date.

Alaska Permanent Fund Historical Returns, Fiscal Years 2003 - 2023
Total return minus inflation equals real return



- Total return annualized over 39 years is 8.81%
- Real return annualized over 39 years is 6.01%

Alaska Permanent Fund Historical Returns, Fiscal Years 2003 - 2023
Total return minus unrealized gains/losses equals realized return



- Total return annualized over 39 years is 8.81%
- Realized return annualized over 39 years is 7.39%

ALASKA PERMANENT FUND CORPORATION

ALASKA PERMANENT FUND
FUND FINANCIAL HISTORY & PROJECTIONS
as of May 31, 2024

Projections extend ten years, and are based on best available information ($ in millions)

		Nonspendable Fund Balance - Principal						Assigned Fund Balance - Earnings Reserve									TOTAL FUND
									Distributions								
	FY	FY-Begin Contrib. Balance	Dedicated State Revenues [1]	Inflation Proofing & Special Approp.	FY-End Balance Contributions	Unrealized Gain (Loss) FY-End Balance	FY-End Non-spendable Balance	Statutory Net Income	Div/POMV [6] Transfer [8]	Inflation [8] Prfg & Spec Approp.	ACIF [8]	Committed	FY-End Balance Realized	Unrealized Gain (Loss) FY-End Balance	FY-End Assigned Balance	FY	FY-End Balance
	77-14	0	15,289	22,651	37,940	7,062	45,002	46,807	21,630	19,353	513		5,236	975	6,212	77-14	51,214
	15	37,940	600	624	39,164	6,473	45,637	2,907	1,373	624	24		6,147	1,016	7,163	15	52,800
	16	39,164	284	0 [5]	39,448	4,750	44,198	2,198	696 [4]	0 [5]	18		7,649	921	8,571	16	52,769
	17	39,448	365	0 [5]	39,813	7,155	46,969	3,214	0	0 [5]	25		10,863	1,952	12,816	17	59,784
	18	39,813	353	0 [5]	40,166	5,863	46,030	6,324	726	0 [5]	43	2,723	13,738	2,403	18,864	18	64,893
	19	40,166	385	989	41,541	6,278	47,820	3,305	2,723	989	22	5,933	10,121	2,427	18,481	19	66,300
	20	41,541	319	4,758 [7]	46,618	5,789	52,407	3,106	2,933	4,758 [7]	21	3,091	8,378	1,424	12,894	20	65,301
	21	46,618	320	0 [5]	46,938	13,810	60,748	7,962	3,091	0 [5]	50	7,069	9,271	4,807	21,148	21	81,896
	22	46,938	549	4,000 [5] [7]	51,487	8,700	60,187	4,544	3,069	4,000 [5] [7]	24	3,361	10,454	2,334	16,150	22	76,336
	23	51,487	754	4,179	56,420	11,100	67,520	2,491	3,361	4,179 [9]	14	3,526	5,240	1,725	10,491	23	78,011
Lo	24	56,420	500	1,413	58,333	11,179	69,512	3,814	3,526	1,413	18	3,657	3,984	1,464	9,106	24	78,618
Mid	24	56,420	500	1,413	58,333	12,792	71,125	4,036	3,526	1,413	20	3,657	4,206	1,724	9,588	24	80,713
Hi	24	56,420	500	1,413	58,333	14,102	72,435	4,524	3,526	1,413	25	3,657	4,694	2,019	10,370	24	82,806
	25	58,333	469	1,470	60,272	13,747	74,020	4,799	3,657	1,470	27	3,801	3,734	1,719	9,253	25	83,273
	26	60,272	448	1,518	62,238	14,747	76,985	4,951	3,801	1,518	27	3,981	3,185	1,698	8,864	26	85,849
	27	62,238	486	1,568	64,292	15,802	80,095	5,104	3,981	1,568	27	4,021	2,700	1,652	8,372	27	88,467
	28	64,292	511	1,620	66,424	16,883	83,306	5,264	4,021	1,620	27	4,142	2,202	1,612	7,956	28	91,262
	29	66,424	514	1,673	68,611	18,004	86,616	5,431	4,142	1,673	27	4,274	1,685	1,564	7,523	29	94,139
	30	68,611	508	1,728	70,847	19,171	90,018	5,603	4,274	1,728	27	4,409	1,152	1,505	7,065	30	97,083
	31	70,847	518	1,784	73,149	20,383	93,532	5,780	4,409	1,784	27	4,547	601	1,434	6,581	31	100,113
	32	73,149	563	1,843	75,555	21,642	97,198	5,963	4,547	1,843	27	4,689	31	1,352	6,072	32	103,270
	33	75,555	606	1,904	78,065	22,951	101,016	6,153	4,689	1,904	27	4,280	0	1,258	5,538	33	106,554
	Cumulative Totals Proj. for FY24-FY33		5,123	16,522				53,083	41,047	16,522	265						

Assumptions:		Total Return - Inflation = Total Real Return			Statutory Return	
Lo	FY24	2.70%	1.20%	1.50%	Lo	4.30%
Mid	FY24 [2]	7.40%	1.80%	5.60%	Mid	4.80%
Hi	FY24	12.10%	2.40%	9.70%	Hi	5.90%
	FY24-FY33 [3]	7.60%	2.50%	5.10%		6.40%

Notes related to financial history and projections:

[1] Dedicated State Revenues in current and future fiscal years are based on the Spring 2024 Department of Revenue forecast.

[2] Current year returns are based on 2024 Callan capital market assumptions and actual results through February. The inflation amount is as appropriated.

[3] Future returns are based on 2024 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.

[4] The dividend transfer reported for FY16 was paid out in dividends during FY17.

[5] There was no appropriation for inflation proofing in FY16, FY17, FY18, FY21, and FY22.

[6] Per AS 37.13.140, beginning in FY19, transfers are based on a percent of market value (POMV) calculation and are to the General Fund. In previous years, transfers were based on an earnings calculation and were to the Dividend Fund.

[7] In FY20 and FY22, an additional $4 billion was appropriated from the ERA to principal.

[8] All transfers out of the Earnings Reserve are subject to Legislative appropriation.

FY24 POMV Distribution (actual) [8]

Ending Fund Value (ex Am Hess)		
FY22	$	75,911.5
FY21		81,471.5
FY20		64,876.5
FY19		65,876.0
FY18		64,469.1
Average Value	$	70,520.9
Statutory Distribution	$	3,526.0

FY24 Statutory Dividend Transfer (actual) [8]

Statutory Net Income		
FY23	$	2,491.0
FY22		4,544.0
FY21		7,962.0
FY20		3,106.0
FY19		3,305.0
Avail for Dist (21%)	$	4,495.7
Statutory Trnsfr Amt	$	2,247.8

FY25 POMV Distribution (actual) [8]

Ending Fund Value (ex Am Hess)		
FY23	$	77,586.8
FY22		75,911.5
FY21		81,471.5
FY20		64,876.5
FY19		65,876.0
Average Value	$	73,144.5
Statutory Distribution	$	3,657.2

FY25 Statutory Dividend Transfer (projected) [8]

Statutory Net Income		
FY24	$	4,036.2
FY23		2,491.0
FY22		4,544.0
FY21		7,962.0
FY20		3,106.0
Avail for Dist (21%)	$	4,649.2
Statutory Trnsfr Amt	$	2,324.6

Income Year-to-Date as of May 31, 2024

FY24 YTD Statutory Net Income

Interest, dividends, real estate & other income	$	1,496.6
Realized gains (losses) on the sale of assets		2,454.3
Less operating expenses		(143.7)
Less AK Capital Income Fund realized earnings		(21.3)
	$	3,785.9

FY24 YTD Accounting (GAAP) Net Income

Statutory net income (loss)	$	3,785.9
Unrealized gains (losses) on invested assets		1,398.5
AK Capital Income Fund realized earnings		21.3
Accounting (GAAP) net income (loss)	$	5,205.7

APFC ALASKA PERMANENT FUND CORPORATION
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SUBJECT:	Chief Investment Officer's Report	ACTION:	___________
DATE:	July 24, 2024	INFORMATION:	X

BACKGROUND:

The Chief Investment Officer's report provides an update on current topics in the Investment Department and investment actions taken in the quarter ending June 30, 2024.

STATUS:

Marcus Frampton, CIO, will present on these topics.

ALASKA PERMANENT FUND CORPORATION

CIO Report

Marcus Frampton, Chief Investment Officer

July 24, 2024

Investment Department Current Topics

- Year-end Rebalancing
- Personnel Updates
- Real Estate Update
  - Reviewing buy/holds across portfolio
  - Updating pacing analysis and portfolio strategy
  - Staff and RCLCO (asset class consultant) will provide fulsome update at February Board meeting
- Investment actions taken in FY '24 Q4

Investment Actions Taken during Q4 FY 2024

Investment Actions
Quarter Ending June 30, 2024

Private Equity

Fund commitments closed in Q4 FY24:
- $50 million to early-stage VC fund
- $40 million to mid-cap buyout fund
- $50 million to growth fund
- $50 million to opportunistic fund
- $37 million to VC fund
- $50 million to energy co-investment
- $50 million to small-cap buyout fund
- $15 million to lower mid-market buyout fund
- $35 million to lower mid-market buyout fund
- $50 million to growth/buyout fund
- $20 million to mid-market buyout fund
- <u>$7 million to a continuation vehicle</u>
- **$454 million**

Private Income & Infrastructure

Fund commitments closed in Q4 FY24:
- $50 million to co-investment in private infrastructure transaction
- $200 million to global infrastructure fund commitment
- $25 million to domestic private credit fund commitment
- <u>$65 million to four separate co-investment in direct lending</u>
- **$340 million**

Investment Actions (continued)
Quarter Ending June 30, 2024

Public Equity

During the quarter Staff took the following investment actions:

- Redeemed **$1,150 billion** from external Public Equities accounts and moved the amount to Total Fund Cash. Details are below:

June 10th

Redemption from	Amount
DSM US Large Cap Growth	-$120 million
MCM FTSE RAFI	-$40 million
Lyrical US Large Cap Value	-$40 million
Pzena Small Cap Value	-$30 million
DFA International Large Cap	-$50 million
LSV International Value	-$50 million
DFA International Small Cap Value	-$35 million
William Blair	-$25 million
DFA EM Small Cap Value	-$25 million
AQR Global	-$110 million
ArrowStreet Global	-$100 million
Mckinley Global	-$25 million
	-$650 million

April 19th

Redemption from	Amount
AQR Global	-$40 million
Eagle US Small Cap Growth	-$25 million
Lyrical US Large Cap Value	-$50 million
Pzena Small Cap Value	-$30 million
LSV International Value	-$45 million
DSM US Large Cap Growth	-$75 million
DFAInternational Large Cap	-$25 million
DFA International Small Cap Value	-$30 million
DFA EM Value	-$20 million
William Blair EM	-$20 million
ArrowStreet Global	-$50 million
CDAM Global	-$25 million
WCM Global	-$25 million
Lazard Global	-$25 million
Mckinley Global	-$15 million
	-$500 million

Investment Actions (continued)
Quarter Ending June 30, 2024

Real Estate

During the quarter, Staff took the following investment actions in the Real Estate portfolio:
- Paid off~$600 mm of floating rate debt in the quarter

Absolute Return

During the quarter, Staff took the following investment actions in the Absolute Return portfolio:
- $26 mm commitment call to multi-strategy hedge fund
- $50 mm sale of Gold
- $150 mm partial redemptions from five hedge funds

APFC ALASKA PERMANENT FUND CORPORATION
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SUBJECT: Investment Policy Updates ACTION: ___X_

DATE: July 24, 2024 INFORMATION: ___X_

BACKGROUND:

The FY 2025 asset allocation was approved by the board in their May 2024 meeting. This report summarizes additional edits to the Investment Policy Statement (IPS) that staff proposes, for approval by the board.

STATUS:
This report summarizes additional edits to the Investment Policy Statement (IPS) that staff proposes, for approval by the board.

Also included are summary of edits to the guidelines for certain internally managed portfolios, for information.

Investment Policy Updates:

- Additional proposed edits (for approval)
- Asset allocation approved by board (for information)

July 24, 2024

Proposed edits: Investment Policy Statement (IPS): For Approval

- Additional details have been included in the securities lending section to document collateral requirements (Section III.D.1).

~~e.~~ Non-cash collateral requirements shall be as per Schedule V of the agreement dated November 20, 2020 between APFC and BNYM.

f. All details of the program are included in the Third Amended and Restated Securities Lending Authorization Agreement, dated November 20, 2020, between APFC and BNYM.

- Guidelines for the style categorization of direct real estate holdings has been added, aiming to assist with the categorization of direct real estate holdings as core vs. non-core (Section IV.B.3, and Appendix D).

- The real estate property type mix benchmark has been adjusted to mirror the performance benchmark (Section IV.B.3).

d. The Real Estate portfolio will target the following property types: Multifamily, Industrial, Office, Hotel, and Retail with weightings for each property type measured by the net asset value of assets in the portfolio against the composite benchmark weightings of **85% NCREIF NPI and 15% MSCI US REIT Index**~~NCREIF NPI benchmark weightings~~. Without Board approval, property type weights for the Real Estate portfolio shall not exceed the higher of: (i) 5% of the Real Estate portfolio, or (2) 1.5x the composite NCREIF NPI & MSCI US REIT benchmark weighting.

Proposed edits: Guidelines (IPS): For Information

- Guidelines for the new internally managed non-US public equity strategies have been included.
- Rebalancing language for the low P/E public equity strategy has been altered to provide more clarity.
- The internally managed public equity guidelines have been edited to change portfolio size limits from percent of fund, to percent of asset class.

Asset Allocation: FY 2025 as approved by board: For Information

Asset Classes	FY '24 (Target)	FY '25 (Target)	Change
Public Equities	34.0%	32.0%	(2%)
Fixed Income	20.0%	20.0%	-
Private Equity	16.0%	18.0%	+2%
Real Estate	10.0%	11.0%	+1%
Private Income	9.0%	10.0%	+1%
Absolute Return	7.0%	7.0%	-
Tactical Opportunities	2.0%	1.0%	(1%)
Cash	2.0%	1.0%	(1%)
Total	**100.0%**	**100.0%**	

APFC Investment Policy

Adopted May 21, 2020, last amended on May 30, 2024

TABLE OF CONTENTS

SECTION

I. INTRODUCTION

A. Purpose

1. The purpose of this Investment Policy ("Policy") is to provide a formal plan for investing and managing the assets of the Alaska Permanent Fund and other state assets as prescribed by law ("Fund") to achieve the defined investment objectives. This Policy also defines the roles and responsibilities of the various parties involved in the investment process and facilitates external communication of the Policy. The appendices are incorporated into and form part of this Policy. Terms not defined within the body of the Policy have meanings assigned to them in the "Glossary," Appendix D of this document.

2. This document is not intended to be a static document and will be considered for possible amendment on an annual basis or any time the Board of Trustees ("Board") modifies the Alaska Permanent Fund Corporation's ("APFC") investment-related policies or asset allocation. Amendment of this Policy requires Board action as described in AS 37.13.080 and the APFC By-Laws ("By-Laws"). Following any Board approved amendment to this document, changes will be noted in Board meeting minutes and as soon as practicable this document will be amended to reflect the approved changes and posted on the APFC website.

B. Roles of the Board, Staff, Consultants, and Advisors

1. The Board has a responsibility to invest Fund assets in accordance with the Alaska Constitution and the prudent-investor rule provided in AS 37.13.120(a) – (e). The Board has adopted regulations (15 AAC 137.410 – 15 AAC 137.990), which define the eligible investments of Fund assets ("Regulations"). The Board has also adopted By-Laws, which delegate and empower the APFC Staff to invest and manage Fund assets consistent with the parameters of the Regulations and this Policy. Finally, through regularly scheduled and special meetings, the Board oversees the management of APFC Staff and Fund assets, and ensures that APFC has the resources needed to fulfill its objectives as effectively as possible.

2. The APFC Staff's task is to invest and manage Fund assets to fulfill the Fund's objectives, as specified by the Board, in this Investment Policy. Additionally, APFC Staff advises the Board about recommended changes to the asset allocation and this Policy to help the Fund achieve its objectives. Finally, APFC Staff, or external investment managers selected by APFC Staff, negotiates and executes all investment plans and strategies, performs risk-management functions, and helps prepare investment performance and other management reports.

3. External consultants provide advice and implementation assistance to the Board and APFC Staff related to investment programs at both the overall Fund level ("General Consultant") as well as for specific asset classes. The General Consultant also reports on the progress that the Fund is making with regard to specific investment programs and makes comparisons of Fund performance against its target benchmarks, including Fund peers.

4. Consistent with the Board's Charters and Governance Policies, up to three Investment Advisors are selected by the Board to provide education, advice, commentary, and discussion at Board meetings, or as requested by the Board.

II. TOTAL FUND & PORTFOLIO DESIGN PHILOSOPHY

A. Total Fund Objective

Consistent with the Legislature's findings regarding the purpose of the Alaska Permanent Fund (AS 37.13.020), the Board's objective is for the Fund to achieve the highest level of investment performance that is compatible with the Board's risk tolerance and prudent investment practices. Because of the perpetual nature of the Fund and the Legislature's finding that the Fund should benefit all generations of Alaskans, the Board maintains a long-term perspective when formulating this Policy and in evaluating Fund performance. To that end, the Board expects the Fund's design and performance will be evaluated using the following criteria:

1. **Investment Performance:** ability to generate an annualized return of CPI + 5% over a 10-year period ("long-term target")
2. **Investment Risk:** ability of the Fund to achieve the long-term target while conforming to the risk appetite approved by the Board, which can be found in Appendix C.

B. Total Fund Asset Mix

1. APFC's investment programs are organized by asset class and APFC Staff assist the Board in engaging in an asset allocation study for the Fund at least once every five (5) years to review asset classes, risk-return assumptions, and correlations of investment returns with applicable benchmarks and across asset classes. A key objective of the asset allocation study shall be the development, through quantitative and qualitative modeling techniques, of a diversified portfolio that specifies a "long-term target" position for each asset class. The total Fund portfolio mix will represent the portfolio that is expected to meet the Board's long-term target while conforming to the risk appetite approved by the Board.
2. Each asset class allocation percentage shall designate a "long-term target" position within the overall portfolio as well as maximum and minimum ranges around those targets, as outlined in Table1. Ranges are specified by a "green zone" which reflect normal expected variability around the targets, "yellow zone" which reflect potential remediation by APFC Staff according to prudent portfolio management over a reasonable period of time, and "red zone" which require Board approval of a remediation plan within 30 days. Ranges of these zones are expressed as percentages of the overall Fund. Details of the zones and compliance cure periods are provided in Appendix B.

Table 1: Asset Allocation (AA) Target Levels by Year as % of Fund

Asset Allocation (AA) Target Levels by Year as % of Fund

	Public Equity	Fixed Income	Private Equity	Real Estate	Private Income	Absolute Return	Tactical Opport-unities	Cash	Total Fund
Green Zone	+/- 5%	+/- 5%	+/- 5%	+/- 3%	+/- 5%	+/- 3%	+1%/-2%	+/- 2%	
Yellow Zone	0 - 5%	0 - 5%	0 - 5%	0 - 3%	0 - 5%	0 - 3%	0 - 2%	0 - 2%	
FY2025	32%	20%	18%	11%	10%	7%	1%	1%	100%

Notes: *Green Zone: expressed as +/- to Target Allocation*

Yellow Zone: expressed as range beyond green zone

C. Total Fund and Asset Class Benchmarks

Each asset class is associated with a benchmark that describes in general terms the opportunity set and return characteristics associated with the asset class ("Policy Benchmark"). For certain private market asset classes, the Policy Benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize the components of the portfolio. Note that the investment returns and Policy Benchmarks for Private Equity, Real Estate, and Infrastructure & Private Income are lagged by one quarter for performance calculation purposes, as is common practice among large institutional investors. Each asset class is also associated with a long-term return objective, which cumulatively reflects the Fund's long-term objective of CPI + 5% or better. The long-term return objectives and Policy Benchmarks for each asset class are reflected in Table 2.

Table 2: Benchmarks - Constituent Indices and Weights

		Public Equity	Fixed Income	Private Equity	Real Estate	Private Income	Absolute Return	Tactical Opport-unities	Fund Cash	Total Fund FY 2025
Asset Allocation (AA): Target Levels-FY 2025		32.0%	20.0%	18.0%	11.0%	10.0%	7.0%	1.0%	1.0%	100.0%
Benchmark Index Weights	**BB ID**	**Asset Class / Portfolio Weights**								**Total Fund Weights**
90 Day T-Bills	G0O1	-	5.00%	-	-	-	-	-	100.00%	2.00%
BB US Corporate	LUACTRUU	-	27.50%	-	-	-	-	-	-	5.50%
BB Gbl. Treasury ex-US Hedged	LGT1TRUH	-	15.00%	-	-	-	-	-	-	3.00%
BB US Agg	LBUSTRUU	-	27.50%	-	-	-	-	-	-	5.50%
BB US BB HY	BCBATRUU	-	10.00%	-	-	-	-	-	-	2.00%
Cliffwater Direct Lending TR	CDLI	-	-	-	-	40.00%	-	-	-	4.00%
Barclays US Securitzed Index	LD19TRUU	-	10.00%	-	-	-	-	-	-	2.00%
BB US TIPS	LBUTTRUU	-	5.00%	-	-	-	-	-	-	1.00%
Cambridge Pvt. Equity (Lagged)	n/a	-	-	100.00%	-	-	-	-	-	18.00%
Cambridge Gbl. Pvt. Infra. (Lagged	n/a	-	-	-	-	60.00%	-	-	-	6.00%
HFRI EH Equity Market Neutral	HFRIEMNI	-	-	-	-	-	50.00%	-	-	3.50%
HFRI Macro	HFRIMI	-	-	-	-	-	50.00%	-	-	3.50%
MSCI ACWI IMI	M1WDIM	100.00%	-	-	-	-	-	-	-	32.00%
NCREIF Property (Lagged)	NPPITR	-	-	-	85.00%	-	-	-	-	9.35%
MSCI US REIT (Lagged)	RMS G	-	-	-	15.00%	-	-	-	-	1.65%
S&P 500	SPX	-	-	-	-	-	-	100.00%	-	1.00%
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

D. Total Fund Performance Measurement and Reporting

1. The Board looks to its General Consultant as the primary source of quantitative evaluation of the performance of the Fund and its investment managers. As promptly as possible after the close of each calendar quarter, the General Consultant shall submit a report to the Board, Executive Director ("ED") and Chief Investment Officer ("CIO") analyzing the performance of the Fund, its asset classes and investment programs, including both internally and externally managed assets. The report shall include a comparison of total Fund performance with the Board's long-term investment objective, an analysis of the returns of each asset class as measured against established benchmarks; and an analysis of the returns of each manager or relevant groupings of managers as measured against relevant benchmarks. For the purpose of evaluating the value-added by the Fund's investment strategy, the report shall also compare the performance of the total Fund on a one-year basis to a passive benchmark that represents the following: (1) 60% MSCI ACWI IMI; (2) 20% Barclay Global Aggregate (less fees); (3) 10% FTSE EPRA/NAREIT Rental Index; (4) and 10% US TIPs. The General Consultant's report shall also address any special concerns or observations the General Consultant concludes should be brought to the attention of the Board, ED and CIO.

2. At each regular quarterly Board meeting, the General Consultant will also report on the investment performance of the Fund and each asset class in comparison with Fund peers (i.e., large US Public Funds and Endowment Funds). The comparative performance of the Fund and each asset class will be assessed and reported across multiple timeframes, including ten- year, five-year, three-year, and one-year. To the extent that peer comparisons may not be directly available for specific asset class comparisons, the General Consultant should use the Fund's Policy Benchmarks (see Table 2) as a proxy.

E. Total Fund Portfolio Implementation and Delegations

APFC Staff directs all investment activities through a delegation of investment authority in the By-Laws from the Board to the ED and then from the ED to specific APFC Staff, as deemed appropriate by the ED and CIO. For all remaining investment decisions not delegated from the ED and CIO to specific APFC Staff, the CIO will convene an investment committee ("Investment Committee"). The make-up and voting members of the CIO's Investment Committee will be determined by the CIO. Any changes to the voting membership of this committee will reported to the ED and Board. The Investment Committee will meet regularly and will work with APFC Staff to make investment recommendations ("Investment Recommendations") to be considered for authorization and execution by the ED.

Approval of any Investment Recommendations referred to the ED requires the ED to take into consideration any relevant input from various non-investment functions at APFC (e.g. Legal, Finance, Operations, Admin, IT, and Risk) before making a final decision. Investment Recommendations from the Investment Committee to the ED shall be in writing and the ED shall be required to create a written record that approves or disapproves all Investment Recommendations. Any Investment Recommendations disapproved by the ED shall be reported to the Board within ten calendar days. If deemed appropriate by the Board Chair, as outlined in the APFC By Laws, the Board may hold a special meeting to consider any Investment Recommendation disapproved by the ED.

F. Relationship of the Investment Policy with Regulations and Investment Guidelines

As required by AS 37.13.120(a), the Board has adopted Regulations specifically designating the types of investments in which Fund assets can be invested. All investments authorized by this Policy shall be limited to those authorized investments and in the manner prescribed by this Policy and AS 37.13.120.

The Investment Guidelines, attached as Appendix A, supplement the Investment Policy by providing operational guidelines for APFC's internally managed investment programs. The CIO, with the consent of the ED may update the Investment guidelines from time to time; updates will be provided to the Board at its next regularly scheduled meeting.

III. PUBLIC MARKETS

A. Public Equity

1. Objective

The objective of the Public Equity portfolio is to invest in publicly traded securities authorized in 15 AAC 137.440, to exceed the performance of a well-diversified pool of global equities embodied in the **MSCI ACWI IMI Index**, while maintaining risk similar to that of the benchmark. Performance of this portfolio will be evaluated quarterly, but success in achieving the long-term objective (see Table 2) will be measured, net of all costs and fees, on a one-year, three-year, five-year, and ten-year annualized basis.

2. Structure

Consistent with performance objectives, applicable tracking error guidelines, and other investment restrictions described in this Policy and Investment Guidelines, the Public Equity portfolio may include:

a. Actively and quasi-passively managed equity strategies to enhance the after-fee return of the portfolio relative to its assigned benchmark; and
b. Passively managed equity strategies to replicate, in a cost-efficient manner, the returns of a benchmark index.

3. Investment Strategy

The Public Equity portfolio will be managed by a mix of external active managers, external passive managers and internal managers. In the case of active external managers, each manager, through an investment manager agreement ("IMA"), will be directed to focus on a subset of the global equity market in which the manager has demonstrated an ability to provide risk-adjusted, after-fee returns in excess of its respective benchmark. Each external manager's IMA will also detail its strategy, performance objectives, permitted investments and restrictions.

The CIO may also approve the internal management of a portion of the Public Equity portfolio by APFC Staff. In place of an IMA, the CIO and ED will require the approval of and adherence to Investment Guidelines that cover the relevant aspects of the portion of the Public Equity portfolio internally managed by APFC Staff. The Director of Public Equity will have primary responsibility for executing the portfolio's investment strategy. Whether externally or internally managed, all proxy voting on behalf of shares held by the Fund shall be conducted to maximize the risk adjusted return of the Fund as prescribed in Alaska Statute 37.13.120.

4. Rebalancing and Mandate Modification

The Director of Public Equity may, with the approval of the CIO, rebalance assets to, from, or between individual Public Equity portfolios.

Initiating or terminating external manager mandates requires the consent of CIO and must conform to Section VIII of this Policy (Public Markets External Manager Selection).

5. Risk Limits and Portfolio Restrictions

The Director of Public Equity is responsible for managing the various risks incurred and adhering to the Investment Policy. In addition to general Policy requirements, the following asset class specific restrictions apply to this portfolio:

a. Risk Limits as detailed in Table 3, Section VII.
b. Short selling is prohibited by an internal or external manager of assets in this portfolio, unless authorized by the CIO and Chief Risk Officer ("CRO").
c. All derivatives in this portfolio must comply with Section VI (Authorized Use of Derivatives) of this Policy.
d. All externally managed mandates must comply with Section VIII (External Manager Selection) of this Policy.

B. Fixed Income

1. Objective

The objective of the Fixed Income portfolio is to provide income-oriented investment returns and diversify the risks of the Fund's equity-oriented programs. The Fixed Income portfolio invests in publicly traded and other liquid income-oriented investments authorized in 15 AAC 137.430, to meet or exceed the performance of the **Fixed Income Composite Benchmark**, while staying within predefined risk constraints. Performance of this portfolio will be evaluated quarterly, but success in achieving the long-term objective (see Table 2) will be measured, net of all costs and fees, on a one-year, three-year, five-year, and ten-year annualized basis.

2. Structure

Consistent with performance objectives, applicable tracking error guidelines, and other investment restrictions described in this Policy and Investment Guidelines, the Fixed Income portfolio may include:

a. Actively and quasi-passively managed income producing strategies that enhance the after-fee return of the Fixed Income portfolio relative to its assigned benchmark; and
b. Passively managed income producing strategies to replicate, in a cost-efficient

manner, the returns of a benchmark index.

3. Investment Strategy

The Fixed Income portfolio will primarily be implemented by the CIO's internal APFC Staff, which may be supplemented by hiring external investment managers to manage portions of the Fixed Income portfolio which are not appropriate for internal management by APFC. Regarding the Fixed Income assets that are externally managed, each external manager, through an IMA, will be directed to focus on a subset of the Fixed Income portfolio in which the manager has demonstrated an ability to manage in relation to its respective benchmark. Each external manager's IMA will also detail its strategy, performance objectives, permitted investments, and restrictions. The Director of Fixed Income will have primary responsibility in executing the portfolio's investment strategy.

4. Rebalancing and Mandate Modification

The Director of Fixed Income may, with the approval of the CIO, rebalance assets to, from, or between individual Fixed Income portfolios.

Initiating or terminating external manager mandates requires the consent of the CIO and must conform to Section VIII of this Policy (Public Markets External Manager Selection).

5. Risk Limits and Portfolio Restrictions

The Director of Fixed Income is responsible for managing the various risks incurred and adhering to this Policy. In addition to general Policy requirements, the following asset class specific restrictions apply to this portfolio:

a. Risk Limits as detailed in Table 3, Section VII.
b. Short selling is prohibited by an internal or external manager of assets in this portfolio, unless authorized by the CIO and CRO.
c. All derivatives in this portfolio must comply with Section VI (Authorized Use of Derivatives) of this Policy.
d. All externally managed mandates must comply with Section VIII (Public Markets External Manager Selection) of this Policy.

C. Total Fund Cash

1. Objective

The objective of the Total Fund Cash portfolio is to:

a. Be a source of funds available to meet the Fund's operational needs, including capital calls and appropriations from the Earnings Reserve Account to the State's general fund; and
b. Allocate a small portion of the Fund to an asset class that is nearly risk-free and experiences extremely low volatility.

Performance of this portfolio will be evaluated quarterly and will be measured against the risk and after-fee return of the **90 Day Treasury Bills Index**, but success in achieving the long-term objective (see Table 2) will be measured, net of all costs and fees, on a one-year, three-year, five-years, and ten-year annualized basis.

2. Investment Strategy

The Total Fund Cash portfolio will be internally managed at the direction of the CIO. The size and investment profile of this portfolio may fluctuate month-to-month to accommodate the Fund's liquidity requirements. The CIO will have primary responsibility in executing this portfolio's investment strategy.

3. Authorized Investments

The CIO may invest this portfolio in cash and the following cash equivalents:

a. US Treasuries with a maximum final maturity of 24 months;
b. Investment Grade US corporate bonds rated A or better with a maximum final maturity of 24 months;
c. Reverse Repurchase Agreements ("Reverse Repo"), as authorized by 15 AAC 137.430(12);
d. SEC registered money market investment funds;
e. Other cash equivalents approved by the CRO and ED;
f. Gold-backed exchange traded funds as authorized by15 AAC 137.460; and
g. AAA rated Asset Backed Securities with a maximum weighted average life of 24 months.

4. Risk Limits and Portfolio Restrictions

The CIO is responsible for managing the various risks incurred and adhering to this Policy. In addition to general Policy requirements, the following specific restrictions will apply to this portfolio:

a. Risk Limits as detailed in Table 3, Section VII.
b. At any point, 80% of the portfolio should be invested in instruments with a final maturity not exceeding 181 days.
c. Gold-backed exchange traded funds shall not exceed 50% of the Total Fund Cash portfolio at any time.
d. Short selling is prohibited in this portfolio.
e. All derivatives in this portfolio must comply with Section VI (Authorized Use of Derivatives) of this Policy.

D. Securities Lending

1. Authorized Investments

The ED is authorized to enter into a securities lending agreement with the Fund's custodian to lend domestic and non-domestic Public Equity and Fixed Income securities from the Fund's portfolio directly to borrowers for a fee in accordance with the following guidelines:

a. The Fund's custodian shall agree to indemnify the Fund against any direct loss from:

i. a borrower default;
ii. the reinvestment of cash collateral; and
iii. the failure to comply with the terms and conditions of the lending agreements;

b. Cash collateral shall be required at a minimum of 102% of the market value of the loaned securities which are denominated in the same currency as the collateral provided by the borrower;
c. Cash collateral shall be required at a minimum of 105% of the market value of the loaned securities which are denominated in a currency other than the collateral provided by the borrower;
d. Collateral and loaned securities shall be marked-to-market daily; and
e. The investment of cash collateral posted by borrowers shall be restricted to those investment-grade securities permissible under the provisions of AS 37.13.120 and 15 AAC 137; unless the ED elects to have cash collateral released to the Fund to meet the Fund's liquidity needs rather than having it invested by the custodian.
f. Non-cash collateral requirements shall be reviewed and approved by the Executive Director and a copy provided to the Board in writing.

IV. ALTERNATIVE INVESTMENTS

A. Private Equity

1. Objective

The objective of the Private Equity ("PE") portfolio is to invest in illiquid growth-oriented assets authorized by 15 AAC 137.460 that are expected to generate risk-adjusted, after-fee returns that are superior to returns available in the Public Equity portfolio. Performance of this portfolio will be evaluated quarterly, in aggregate and based upon the vintage year, against the **Cambridge PE (Lagged)**, but success in achieving the long-term objective (see Table 2) will be measured, net of all costs, fees, and carry, on a one-year, three-year, five-year, and ten-year annualized basis.

2. Investment Strategy

PE investment strategies include: venture capital, growth equity, leveraged buyouts, distressed for control, and other opportunistic strategies that target returns consistent with the above strategies. Investments will generally be executed through capital commitments to limited liability commingled funds managed by external investment managers, through co-investments alongside external managers, and direct investments into operating companies. Annually, APFC Staff will provide a pacing and investment plan for Board approval that reflects the current PE exposures, assumptions, and outlook. The CIO, or their delegee, will have primary responsibility in executing the PE portfolio's investment strategy.

3. Diversification and Portfolio Restrictions

The CIO, or their delegee, is responsible for managing the portfolio risks and adhering to this Policy. In constructing a diversified PE portfolio, APFC Staff will consider the following characteristics: strategy, geography, industry, manager, investment size, leverage, vintage year, and market position. In addition to general Policy requirements, the following asset class specific restrictions apply to this portfolio:

a. Risk Limits as detailed in Table 3, Section VII.
b. All derivatives in this portfolio must comply with Section VI (Authorized Use of Derivatives) of this Policy.
c. The PE portfolio shall be invested within the following strategy diversification ranges:
    i. Venture Capital – 10% to 45%;
    ii. Growth Equity – 0% to 25%;
    iii. Buyouts/Acquisition – 25% to 75%; and
    iv. Specialized Funds/Investments – 0% to 50%.
d. No more than 20% of the PE Portfolio shall be invested with a single Investment Manager/General Partner.
e. No more than 20% of the PE Portfolio shall be invested in publicly traded securities.
f. Following the public listing of any shares of a portfolio company held by an APFC controlled investment vehicle, such shares shall be either liquidated consistent with SEC regulations within a reasonable period of time (generally at the discretion of our distribution agent), not to exceed eighteen months, or written approval to continuing holding such public securities must be received from the CIO and reported to the Board on a quarterly basis.
g. Without the written approval of the ED and CIO, APFC (through the PE Portfolio) will not directly acquire a controlling interest in an operating company.

B. Real Estate

1. Objective

The objective of the Real Estate portfolio is to generate a risk-adjusted return comprised of an attractive level of current income and capital appreciation, while contributing to diversification of the Fund. Performance of the Real Estate portfolio will be evaluated quarterly against a custom benchmark comprised of **85% NCREIF Property Benchmark (Lagged) and 15% MSCI US REIT Index**, but success in achieving the long-term objective will be measured, net of all costs, fees, and carry, on a one-year, three-year, five-year, and ten-year annualized basis.

2. Investment Strategy

Real Estate investments, as authorized in 15 AAC 137.450, shall primarily target:

a. Directly-held income producing, core real estate globally;
b. Directly-held build-to-core or other non-core properties;
c. Equity and debt funds that invest predominantly in real estate strategies (e.g. core, core-plus, value-added, and opportunistic);

d. Publicly traded funds (e.g. ETFs or Index), or securities (e.g. REITs, CMBS, or other structured product), where the underlying investments consist of real estate;
e. Private funds, or securities (e.g., REITs, CMBS, or other structured product), where the underlying investments consist of real estate; and
f. Co-investments alongside an existing Real Estate manager.

The Director of Real Estate will have primary responsibility in executing the portfolio's investment strategy.

3. Diversification and Portfolio Restrictions

The Director of Real Estate is responsible for managing the various risks incurred and adhering to this Policy. In constructing a diversified Real Estate portfolio, APFC Staff will consider the following characteristics: investment type, property type, geography, manager, and leverage. In addition to general Policy requirements, the following will apply to this portfolio:

a. Risk Limits as detailed in Table 3, Section VII.
b. All derivatives in this portfolio must comply with Section VI (Authorized Use of Derivatives) of this Policy.
c. No more than 60% of the directly-held Real Estate portfolio shall be invested in "non-core" real estate (value-add and opportunistic). "Core" category requirements are defined in Appendix D.
d. The Real Estate portfolio will target the following property types: Multifamily, Industrial, Office, Hotel, and Retail with weightings for each property type measured by the net asset value of assets in the portfolio against the composite benchmark weightings of **85% NCREIF NPI and 15% MSCI US REIT Index**~~NCREIF NPI benchmark weightings~~. Without Board approval, property type weights for the Real Estate portfolio shall not exceed the higher of: (i) 5% of the Real Estate portfolio, or (2) 1.5x the composite NCREIF NPI & MSCI US REIT benchmark weighting.
e. In recognition that APFC Staff may pursue some niche property types that are not included in property types of the NCREIF NPI, the Real Estate portfolio may, with the consent of the CIO, include up to 10% in property types not included in the NCREIF NPI.
f. No more than 35% of the Real Estate portfolio shall be invested with a single investment manager/general partner as measured against the FY2025 target allocation for the Real Estate portfolio.
g. Leverage on investments in the directly-held portion of the Real Estate portfolio shall be limited by investment type as follows:

    i. Core real estate leverage is limited to 65% of the gross asset value of the investment at the time of debt placement; however, this limit can be increased to 67.5% when including transaction fees and expenses;"
    ii. Non-Core real estate leverage is limited to 65% of the gross asset value of the investment at the time of debt placement or 65% of the project cost on build-to-core investments; however, this limit can be increased to 67.5% when including transaction fees and expenses; and

iii. Portfolio-wide leverage is limited to 50% of the gross asset value of the directly-held Real Estate portfolio.

Infrastructure and Private Credit and Income Opportunities Portfolio

The Infrastructure and Private Credit and Income Opportunities portfolio will be comprised of two separate investment strategies in accordance with the Policy requirements below:

C. Infrastructure Portfolio

1. Objective

The objective of the Infrastructure portfolio is to provide attractive risk-adjusted returns that have inflation-protection characteristics and exhibit low correlations with other major asset classes, as authorized by 15 AAC 137.460. Performance of the Infrastructure portfolio will be evaluated quarterly against the **Cambridge Global Private Infrastructure Index (Lagged)**, but success in achieving the long-term objective (see Table 2) will be measured, net of all costs, fees, and carry, on a one-year, three-year, five-year, and ten-year annualized basis.

2. Investment Strategy

Infrastructure investments involve the purchase of critical assets with high barriers to entry and, due to the “essential services” nature of the assets, often result in low elasticity of demand. Infrastructure investments may include energy infrastructure, transportation, water infrastructure, telecommunications, social infrastructure (e.g. lotteries, student housing, prisons), other infrastructure (e.g. protected income stream assets, other interests of infrastructure issuers, infrastructure-related assets), other real assets (e.g. timberlands, agricultural farmlands, leasable hard assets), and any other tangible or intangible asset that possesses similar characteristics as those outlined in this section.

Infrastructure investments will be executed through long-term commitments to limited liability funds managed by external investment managers, through co-investments alongside existing Infrastructure managers and direct investments into operating companies. Additionally, investments in publicly-traded stocks of companies whose business profile includes ownership of infrastructure assets (Listed Infrastructure) may be included in the portfolio. Annually, APFC Staff will provide a pacing and investment plan for Board approval that reflects the current exposures, assumptions, and outlook. The CIO, or their delegee, will have primary responsibility in executing the portfolio’s investment strategy and plans.

3. Risk Limits and Portfolio Restrictions

The CIO, or their delegee, is responsible for managing the various risks incurred and adhering to investment policy. In constructing a diversified Infrastructure portfolio, APFC Staff will consider the following characteristics: drivers of underlying assets’ cash flow, industry sector, geography, manager, strategy, investment size, and company concentration. In addition to general Policy requirements, the following will apply to this portfolio:

- Risk Limits as detailed in Table 3, Section VII.
- All derivatives in this portfolio must comply with Section VI (Authorized Use of Derivatives) of this Policy.
- Investments in multiple limited liability investment vehicles managed by the same manager are permitted, however, combined investments with a single manager shall not exceed 30% of the total Infrastructure portfolio.

D. Private Credit and Income Opportunities

1. Objective

The objective of the Private Credit and Income Opportunities portfolio is to provide attractive risk-adjusted returns that generate a high level of income and potentially provide for capital appreciation, while safeguarding principal, as authorized by 15 AAC 137.460. Performance of the Private Credit and Income Opportunities portfolio will be evaluated quarterly against the **Cliffwater Direct Lending Index (Lagged)**, but success in achieving the long-term objective (see Table 2) will be measured, net of all costs, fees, and carry, on a one-year, three-year, five-year, and ten-year annualized basis.

2. Investment Strategy

Private Credit and Income Opportunities investments involve the ownership of higher yielding, illiquid investment opportunities that cover a range of risk/return profiles. The Private Credit portion of this portfolio shall target externally managed limited liability funds, co-investments, and direct investments into operating companies that target one or more of the following strategies: direct lending, subordinated and mezzanine lending, distressed debt, and opportunistic credit-oriented funds, with flexibility to pursue illiquid and liquid strategies. The Income Opportunities portion of this portfolio shall include investments such as: timberlands, asset-based lending, structured credit, life settlements, leasing and royalty strategies, and special situations that share the common characteristic of being private markets investments with an objective of income generation and downside protection, but which do not fit neatly into other portfolios. Certain portfolios within Private Credit and Income Opportunities may also include some liquid credit exposures to complement the private investments in this portfolio. Annually, APFC Staff will provide a pacing and investment plan for Board approval that reflects the current exposures, assumptions, and outlook. The CIO, or their delegee, will have primary responsibility in executing the portfolio's investment strategy.

3. Risk Limits and Portfolio Restrictions

The CIO, or their delegee, is responsible for managing the various risks incurred and adhering to this Policy. In constructing a diversified Private Credit and Income Opportunities portfolio, APFC Staff will consider the following characteristics: credit profile, geography, manager, strategy, investment size, and company concentration. In addition to general policy aspects, the following will apply to this portfolio:

1. Risk Limits as detailed in Table 3, Section VII.

2. All derivatives in this portfolio must comply with Section VI (Authorized Use of Derivatives) of this Policy.
3. Investments in multiple vehicles managed by the same manager are permitted, however, combined investments with a single manager shall not exceed 30% of the Private Income portfolio.

E. Tactical Opportunities

1. Objective

The objective of the Tactical Opportunities portfolio is to provide attractive risk-adjusted returns that are derived from (a) market dislocations, (b) opportunities that do not fit in other approved asset classes, or (c) opportunities that have a particularly appealing risk-return profile due to prevailing market conditions. Performance of the Tactical Opportunities portfolio will be evaluated quarterly, net of fees, against the **S&P 500 (Lagged)**.

2. Investment Strategy

The CIO will have primary responsibility in executing this portfolio's investment strategy. The Tactical Opportunities portfolio may be invested in any investment that is authorized in this policy, including private market opportunities, publicly-traded markets, or a mix of public and private opportunities. Generally speaking, investments in this portfolio, due to prevailing market conditions at the time of investments, should have appealing equity-like expected returns. At the time of investment, the expected returns for this portfolio should exceed the expected returns of a passive investment in domestic equities as measured by the S&P 500.

3. Risk Limits and Portfolio Restrictions

The CIO will be responsible for managing the portfolio's risk and adhering to this Policy. In constructing the Tactical Opportunities portfolio, the CIO will adhere to the following limits:

(a) absent Board approval:

(i) no more than 50% of the net asset value of the allocation (i.e. 2% of the Fund) to the Tactical Opportunities portfolio shall be invested in private market opportunities; and

(ii) no single investment in this portfolio shall exceed 25% of the total allocation to the Tactical Opportunities portfolio, excluding investments in this portfolio that are intended to track a publicly-traded large cap domestic equities index such as the S&P 500.

(b) Risk limits as detailed in Table 3, Section VII.

(c) Short selling is prohibited except for the purpose of hedging or reducing the risk of existing positions.

(d) All derivatives in this portfolio must comply with Section VI (Authorized Use of

Derivatives) of this Policy.

F. Absolute Return

1. Objective

The objective for the Absolute Return portfolio is to deliver reasonably consistent and accretive returns that are largely uncorrelated with traditional, market-driven asset classes. Performance of the Absolute Return portfolio will be evaluated quarterly against the**50% HFRI Equity Market Neutral and 50% HFRI Macro**, but success in achieving the long-term objective (see Table 2) will be measured, net of all costs, fees, and carry, on a one-year, three-year, five-year, and ten-year annualized basis. The long-term objective for this portfolio is to generate a return similar to the total Fund with a correlation to the total Fund of less than fifty percent (50%), as measure over rolling 36-month periods.

2. Investment Strategy

The Absolute Return portfolio will invest directly into comingled limited liability funds as authorized by 15 AAC 137.460. The managers of these funds will invest in public or private securities and other financial instruments and may use leverage consistent with other managers of similar strategies. It is not uncommon for the legal terms of these limited liability funds to have restrictions on liquidity, including redemption windows (e.g. monthly, quarterly, annually), notice periods (e.g. 30, 60, or 90 days), lock-ups (e.g. soft, hard), gates (e.g. investor-level, fund-level), and, at times, withdrawal fees. Following the approval of investment guidelines, a portion of the Absolute Return portfolio may be internally managed and invested in gold-backed exchange traded funds as authorized by 15 AAC 137.460.

The Absolute Return portfolio, whether internally or externally managed, shall pursue one or more of the following investment strategies:

a. Relative Value, including equity market neutral, fixed income arbitrage, and convertible arbitrage;
b. Event-Driven, including merger arbitrage, distressed securities/discounted bank debt, and special situations;
c. Directional/Tactical/Opportunistic, including long-short equity, managed futures, and global macro; and
d. Commodities, including gold-backed exchange traded funds.

The CIO, or their delegee, will have primary responsibility in executing the Absolute Return portfolio's investment strategy.

3. Risk Limits and Portfolio Restrictions

The CIO, or their delegee, is responsible for managing the various risks incurred and adhering to this Policy. In constructing a diversified Absolute Return portfolio, APFC Staff will consider the following characteristics: manager, strategy, investment size, leverage, correlation with other assets of the Fund, and liquidity. In addition to general Policy Requirements, the following restrictions will apply to this portfolio:

a. Risk Limits as detailed in Table 3, Section VII;
b. Relative Value Managers in the range of 0 – 75%;

c. Event Driven Managers in the range of 0 – 50%;
d. Directional/Tactical/Opportunistic Managers in the range of 0 – 75%;
e. Commodities, including gold-backed exchanged traded funds in the range of 0 – 50%;
f. At least 50% of the portfolio shall be capable of being liquidated within a 12-month period; and
g. APFC assets invested with each internal or external manager shall not represent more than 30% of that manager's AUM.

V. ALASKA IN-STATE INVESTMENT POLICY

A. Objective and Considerations

To implement the requirements of AS 37.13.120(c), the Board believes the Fund should have an in-state investment policy that maintains the investment integrity of the Fund and is both proactive and impartial. As such, any internal in-state investment decision made by APFC Staff should include the following considerations:

1. Honor AS 37.13.120(c): Prescribes that if an Alaskan investment has equivalent risk and expected return comparable to or better than a similar non-Alaskan investment, the Alaskan investment should be preferred.

2. Require Compelling Risk-Adjusted Returns: To honor the prudent investor rule provided in AS 37.13.120(a), any Alaskan investment contemplated by APFC must be attractive on a stand-alone basis.

3. Ensure Fund Diversification: In order to provide sufficient risk diversification as required under AS 37.13.120(c), Board approval is required for any in-state investment that would exceed 1% of the Fund, at the time of investment.

4. Seek Participation by Another Institutional Investor: In order to ensure that an Alaskan investment opportunity is attractive on a stand-alone basis and satisfies the institutional quality requirements of 15 AAC 137.420, APFC should generally seek to invest into an Alaskan investment alongside of at least one of its peers (i.e., a large institutional investor, which may include endowments, foundations, sovereign wealth funds, or public or private pension funds).

VI. AUTHORIZED USE OF DERIVATIVES

A. Objective

The purpose of this section of the Policy is to establish the permitted uses and the limitations on the use of derivatives and establish procedures for managing risks associated with derivatives. The requirements and limitations of this section of the Policy shall apply to all derivatives transactions executed by APFC Staff and all external managers with authority to buy or sell a derivative as an agent on behalf of the of the Alaska Permanent Fund. This section of the Policy does not apply to investments in a limited liability investment vehicle in which derivatives are in the name of the limited liability investment vehicle and the liability is limited to the amount invested.

B. Derivatives Definition; Scope

1. As defined in 15 AAC 137.990(6), "Derivative" means "an instrument whose value, usefulness, and marketability is dependent upon or derives from an underlying asset; classes of derivatives include futures contracts, options, forward contracts, including currency forward contracts, swaps, and options on futures."

2. Both exchange-traded and over the counter ("OTC") derivative instruments are under the scope of this Policy. The principal risk of derivatives strategies comes from the potential to lever the portfolio and to express a view on a security or risk factor without committing capital commensurate with the exposure. To mitigate this risk, the successful and prudent use of derivatives depends on:

    a. Well-defined uses for derivatives, and avoidance of leverage;
    b. Manager-by-manager limits on economic exposures through derivatives; and
    c. Investment manager internal control and defined procedures for managing risk.

C. Permitted Uses

1. Permitted uses of derivatives include:

    a. Hedge and control risks of Fund portfolios so they better align with benchmarks and objectives;
    b. Efficiently manage portfolio exposures synthetically as opposed to trading underlying securities;
    c. Build portfolios with targeted risk and return characteristics that otherwise could not be efficiently created with securities; and
    d. Facilitate rebalancing.

D. Derivatives Risk Management and Compliance

1. Derivative Pre-Approval Requirement

    All derivatives strategies, whether internally or externally managed, are prohibited unless specifically allowed in writing for a permitted use as a part of an investment manager's guidelines.

    The use of derivatives by an external manager shall be conditioned upon the finding by the CIO and CRO that the external manager:

    a. Has demonstrated investment expertise in the use of derivatives for the strategy they have been selected to implement;
    b. Has appropriate risk management and valuation policies and procedures in place;
    c. Has legal and investment experience to limit downside effects of the proposed derivatives; and
    d. Has demonstrated the ability to effectively monitor and control the use of derivatives and has agreed to provide monthly derivative exposure reports which detail:

i. Total derivative exposures on a gross and net basis,
ii. Total collateral/margin postings on gross and net basis, and
iii. A list of authorized counterparties and exposure by counterparty.

2. **Derivative Recourse Limitations**

For externally managed portfolios, all liability created by the use of derivatives in the name of the Fund must be limited to the total value of the portfolio being managed by the external manager. To ensure this requirement is met, approval of the IMA/External Manager guidelines by General Counsel is required.

3. **Counterparty and other Requirements**

a. The counterparty to any OTC derivative transaction must have a credit rating of at least A- (Standard and Poor's) or A3 (Moody's), unless an exception is approved in writing by the CIO and CRO;
b. The net market value, net of all collateral postings, of all OTC derivatives for any individual counterparty may not exceed 30 basis points of the total market value of the Fund.;
c. Selling (writing) uncovered options is prohibited;
d. The net of long and short dollar exposures to assets or currencies, whether derived from physical or derivative securities, must be less than or equal to the dollar market value of the portfolio, except for very small, inadvertent, or temporary amounts that occur in the normal course of portfolio management or authorized by the CRO;
e. The gross dollar exposures of a portfolio in the Fund from physical and derivative securities (futures, options, swaps) cannot exceed 300% of the market value of the aggregate underlying portfolio at all times unless authorized by the CRO; and If derivatives are used by a manager to actively manage currency exposure, net short exposure to any single currency remains within limits established for that manger's strategy.

VII. RISK MANAGEMENT & OVERSIGHT

Recognizing the relationship between return and risk, APFC consciously and deliberately assumes various risks in pursuit of its return objectives. The goal of risk management is to understand, analyze and manage these risks. The risk management function strives to create risk awareness, establish and formalize a risk management framework, and ensure risks incurred are within the Board's risk appetite. This Policy outlines the Boards' approved risk management framework, which includes the salient investment risk parameters and thresholds.

A. Risk Parameters and Measures

APFC Staff will establish a framework for measuring absolute risk of the Fund and each asset class, as well as relative risks in comparison to established benchmarks. This framework should generally include quantifiable estimates of active and relative risk. APFC Staff will monitor and produce reports as appropriate for the Board, ED, CIO, and APFC Staff.

The salient risk parameters are listed below. Related tolerances and associated ranges are provided in Table 3.

Asset Allocation Limits – Target allocation levels are determined for each asset class based on quantitative modeling and qualitative inputs. Disciplined alignment to these targets is essential, albeit ensuring limited flexibility to cater to changing markets and other factors.

Future Commitments - Future commitments are a function of committed capital to private investments and essentially reflect a contingent cash draw liability. Monitoring and limiting future commitments relative to the Fund's overall size is important.

1. Active Risk - Tracking error is a measure of how closely a portfolio follows the index to which it is benchmarked. Tracking error is calculated for this purpose on an ex-ante basis using a holdings-based risk analytical system.
2. Relative Risk Limit - Relative Value at Risk (RVaR) provides a comparison of portfolio risk relative to benchmark risk and is measured as a ratio of Portfolio VaR to benchmark VaR.

In addition to relative measures, multiple risk parameters including concentration, credit, market, and liquidity risks are monitored and controlled.

1. Downside Risk - Downside risk is risk of significant loss of capital. Staff will actively monitor the Fund's downside risk relative to the risk benchmark using scenario analysis and stress testing.
2. Proxy Securities and Indices - If necessary and prudent, as determined by the CRO, APFC Staff will employ index proxies to approximate the economic characteristics of specific investments to the extent that the terms and conditions of those investments or the underlying holdings (in the case of the funds) are not readily available or where the complexity of the underlying investment renders empirical measurement impractical.
3. Private Market Asset Holdings - APFC Staff will actively monitor the portion of the Fund invested in private market asset holdings to ensure that the percent of the total fund invested in private markets adheres to the private investment limits.

B. Credit Ratings for Fixed Income Securities

Credit ratings by the three major ratings agencies, Standard & Poor's, Moody's and Fitch will be the primary source of credit ratings for Fixed Income securities in the Fixed Income and Total Fund Cash portfolios, subject to the following:

1. In case of split ratings, the 'Bloomberg Barclays Middle Rating' methodology shall be applied (i.e. if all three agencies rate a security, the middle rating is adopted; if only two agencies rate a security, the most conservative (lowest) rating is used; if only one rates a security, that single rating is used).
2. If none of the three agencies have assigned a rating, ratings by other agencies and or implied ratings may be used with CRO approval.
3. If no agency ratings are available and a rating cannot be implied, it shall be categorized as 'Unrated'.

C. Legal Risk Management

Legal documentation for all internally managed public and private investments will be reviewed, negotiated and approved by APFC General Counsel prior to execution by the ED. APFC General Counsel shall be responsible for determining when outside legal counsel should be engaged to assist in the review and negotiation of Fund investment matters, subject to applicable statutes and rules adopted by the Office of the Attorney General.

D. Permitted Use of Leverage

APFC Staff and external managers, consistent with the requirements of 15 AAC 137.500 and this Policy (including the risk parameters established by the asset allocation ranges), is authorized to use leverage for an investment of Fund assets, provided that such leverage is non-recourse to APFC or the Fund as described in AS 37.13.120(b) and 15 AAC 137.500.

E. Foreign Exchange Risk

1. External managers and APFC Staff may, with prior approval of the CIO, transact in any foreign exchange instrument (including currency futures and forward contracts, options, and swap agreements), to implement their investment strategies, contingent upon such transactions being consistent with this Policy and the requirements of 15 AAC 137.480.
2. APFC Staff shall analyze foreign exchange risk regularly and present quarterly to the Board. This analysis includes both internal hedging and external foreign exchange overlay manager positioning and performance.

F. Risk Compliance, Monitoring, and Reporting

The APFC Staff assigned to each Asset Class in this Policy will have primary responsibility to ensure adherence to all aspects of this Policy. Additionally, the CRO and risk management team will be responsible for monitoring compliance of Fund investment activity. The Chief Risk Officer will provide the Board and APFC Staff with a comprehensive risk profile of the Fund on a regular basis. At a minimum, this includes the Daily Risk Dashboard and more detailed quarterly updates. The quarterly reports to the Board shall include the levels for most of the salient risk parameters described in this Policy.

G. Risk Parameters and Limits

Table 3: Asset Allocation (AA) Target Levels

	Public Equity	Fixed Income	Private Equity	Real Estate	Private Income	Absolute Return	Tactical Opport-unities	Cash	Total Fund	Low	High	Low	High
Future Outstanding Commitments[1]	0.0%	0.0%	7.0%	3.0%	5.0%	2.0%	0.0%	0.0%	17.0%	0%	115%	0%	125%
Benchmark	M664204USN	BBGEMBUS22	CAMB_PE	RE_2021	CAM_PI	HFRIPRXY23	SNP500	LEH3MO_TB	LHJPMSUSV2				
Tracking Error	3.5%	2.5%							4.0%	n/a	115%	n/a	125%
Relative VaR[2]	100.0%	100.0%							100.0%	0%	125%	0%	140%
% of Asset Allocation													
Single Name / Issuer[3]	4%	4%	2%	10%	2%	n/a	n/a	n/a		0%	115%	0%	125%
Single Sub- Industry[4]	20%	20%	30%	n/a	30%	n/a	n/a	n/a		0%	115%	0%	125%
Single Country - EX US	10%	10%	20%	20%	20%	n/a	n/a	n/a		0%	115%	0%	125%
Total EX US	50%	30%	50%	50%	50%	n/a	n/a	n/a					
Single Fund Investment[5]	5%	10%	10%	10%	10%	15%	n/a	n/a		0%	115%	0%	125%
Proportion of Ownership[6]	5%	n/a	n/a	5%	5%	n/a	n/a	n/a		0%	115%	0%	125%
Rating - Below Inv Grade	n/a	25%	n/a	n/a	n/a	n/a	n/a	0%		0%	115%	0%	125%
Rating - Below A- & Unrated	n/a	50%	n/a	n/a	n/a	n/a	n/a	0%		0%	115%	0%	125%
Rating - Unrated	n/a	5%	n/a	n/a	n/a	n/a	n/a	0%		0%	115%	0%	125%
FX - Proportion Unhedged	50%	30%	50%	50%	50%	n/a	n/a	n/a		0%	115%	0%	125%
Liquidity - Proportion w/o Weekly Liq	10%	10%	100%	100%	100%	100%	n/a	5%		0%	115%	0%	125%
Liquidity - Proportion w/o Monthly Liq	2%	2%	100%	100%	100%	100%	n/a	0%		0%	115%	0%	125%
Liquidity - Proportion w/o Quarterly Liq	0%	0%	100%	100%	100%	40%	n/a	0%		0%	115%	0%	125%
Cash & Equivalents	2%	10%	5%	5%	5%	n/a	n/a	100%		0%	115%	0%	125%
MINIMUM Cash & Equivalents	0%	0%	0%	0%	0%	n/a	n/a	30%		85%	115%	75%	125%

All Targets are Maximum Permitted except-Minimum Cash

Notes:

1 *% of Total Fund*

2 *Ratio of Portfolio VaR to Benchmark VaR*

3 *Single Name / Issuer: represents security level exposure to single entity or operating company.*
US Treasury & Govt Agencies are exempt. For Private Assets, the limit applies at the time of investment or cost basis.

4 *Definition: GICS Sub-Industry*

5 *Single Fund Investment: represents exposure to an external fund or external strategy based vehicle.*

6 *Proportion of Ownership: For Real Estate and Private Income, the limit is only applicable to the REIT and listed infrastructure portfolios*

VIII. PUBLIC MARKETS EXTERNAL MANAGER SELECTION

A. Manager Search and Selection

This section of the Policy applies to discretionary mandates assigned to external investment managers to transact and manage public market assets on behalf of the Fund (i.e. through an IMA). The Board has authorized APFC Staff to hire new investment managers upon conclusion of an appropriate search with the assistance of a qualified consultant, which can include the Board's General Consultant, contingent upon the search and hiring process adhering to the following steps:

1. Setting of relevant search criteria by APFC Staff of applicable manager qualifications;
2. Identification, with the assistance of the consultant, of a list of potential managers that are qualified to provide the investment management services needed, based on the qualifications and other search criteria established by APFC Staff;
3. Evaluation by a review committee established within the consultant's organization of the list of potential, qualified managers identified for recommendation of consideration by APFC Staff;
4. Informing the CIO of managers recommended by the General Consultant's review committee;
5. Selection by APFC Staff of between three and five finalists from those recommended by the consultant's review committee. This process may include, as part of due diligence, on-site visits by APFC Staff. Presentations to APFC Staff by the recommended managers are at the election of the CIO and ED;
6. Analysis by APFC Staff including a detailed recommendation to the CIO, considering manager-specific characteristics as well as portfolio considerations;
7. Approval of the new manager or advisor by the CIO, assignment of benchmarks as appropriate, and determination of the initial amount to be placed under management with the manager;
8. A manager shall also be required to execute a written IMA with the APFC. The IMA shall address matters of performance, compensation, term/termination, investment guidelines, among others, as the APFC and the manager consider necessary and appropriate. The use of derivatives, if any, within externally managed mandates shall conform to the Derivatives section of this Policy and be explicitly detailed in the IMA; and
9. Review and approval by the CRO and General Counsel of the proposed IMA is required prior to execution.

B. Special Situations

In certain special circumstances, the CIO has the authority to modify or waive the criteria in the selection and hiring process outlined above. Even in such instances, the CIO retains the final manager selection authority. Use of an alternative manager search process may be considered when any one or more of these conditions exist:

1. A manager under consideration for hire has already been vetted in a significant manner either through a search process with a qualified consultant, or the manager is already employed in a manager capacity by APFC;
2. The skill for which the manager is being considered is related in a substantive manner to the role the manager already fulfills for APFC or was the subject of a manager search that first identified this manager;
3. It is in the best interest of the Fund to move more quickly than the typical search procedure permits; or
4. Due to confidentiality or specificity of the investment strategy or structure, use of the typical search procedure is not prudent.

The CIO is required to report use of the alternative manager search and selection process, along with the rationale for the use, at the next regularly-scheduled Board meeting.

C. Monitoring and Evaluation of Managers

1. The Board expects APFC Staff to monitor the performance of the Fund's external managers, using the quarterly quantitative performance reports prepared by the General Consultant and Asset Class-specific Advisors in the case of Private Markets and Alternative Investments. Monitoring manager performance may also include review of other quantitative and qualitative aspects based on on-site visits to the manager's offices, discussions with other clients of the manager, media reports and other feedback.
2. The CIO shall report to the Board any special concerns or observations they may have with respect to the performance of a manager no later than the next regular meeting of the Board.
3. The Board authorizes the CIO to terminate an investment manager. If the CIO terminates or give notice of unsatisfactory performance to a manager, they shall inform the Board of the actions and rationale at the next regularly scheduled Board meeting.

Appendix A: Investment Guidelines

Objective

The objective of the APFC Investment Guidelines is to supplement the Investment Policy by providing operational guidelines for APFC's internally managed investment programs. The ED may update this Appendix from time-to-time; updates will be provided to the Board at its next regularly scheduled meeting. Deviation from these guidelines requires CIO and ED approval. Overall compliance to IPS is required.

A. U.S. Large Cap Low P/E

In the fall of 2019, APFC Public Equity Staff established an internally traded deep value strategy. The following guidelines apply to this strategy:

1. **Benchmark**
   The performance benchmark is the Russell 1000 Value Index.

2. **Risk Limit**
   The portfolio will be included within the Total Public Equities' Tracking Error and Relative VaR limits. The allocation limit to the strategy will conform to the limits set in the Public Equities investment guidelines.

3. **Concentration Risk**
   When originally purchasing securities for this strategy, the securities will all be equally weighted and from the lowest valuation quintile of the Russell 1000 index. The portfolio will be rebalanced at least every 12 months. At the time of rebalancing, securities will all be equally weighted and selected from the lowest quintile of the Russell 1000 index. ~~to ensure that the securities that make up this portfolio remain equally weighted and at least 90% of the securities are in the lowest valuation quintile of the Russell 1000 index.~~ At all times, the portfolio will have a minimum of 100 securities.

4. **Allowable Investments**
   The strategy will invest in U.S. listed equity securities from the Russell 1000 Index.

5. **Shorting, Leverage, and Derivatives**
   Not applicable at this time.

6. **Liquidity Risk**
   The strategy is expected to be fairly liquid. For example, at $500mm in AUM the portfolio is estimated to trade 95% on day 1 and 99% by day 3, under normal market conditions.

~~7.~~ **Portfolio Size Limit**

The portfolio size shall be limited to a maximum of 3~~1~~% of the market value of overall

Public Equity~~APFC's total fund NAV~~.

B. Gold Exchange Traded Fund Strategy

In the fall of 2020, APFC Absolute Return Staff established the APF Real Overlay account for the implementation of the Gold ETF strategy.

1. **Allocation Size**
   The size of the Gold Exchange Traded Fund strategy will range between 0% and 50% of the size of the Absolute Return portfolio.
   At the security level, APFC's position in any given ETF will not exceed 10% of the ETF's Total Assets, without separate CIO approval.

2. **Eligible Securities**
   U.S. listed ETF products issued by a major ETF sponsor such as iShares, State Street, VanEck, etc. The program will invest in ETFs backed by physical gold on an unlevered basis, e.g. will not invest in derivatives-based ETFs. Currently identified examples of ETFs that fit these criteria are IAU US, GLDM US, OUNZ US.

3. **Benchmark**
   The performance benchmark is the LBMA Gold Price (BB - GOLDLNPM Index).

C. Internally Managed Tactical Tilt Portfolio Investment Strategy and Guidelines

APF Tactical Tilt was started in 2015 within the Public Equity portfolio with the objective to implement "our own" insights gained from possessing a historical market perspective and with exposure to lots of data and information. It was an attempt to add value in ways the Fund's external public equity managers are either not set up for or not able to. The Strategy was also thought to be complementary to the bottom up stock selection strategies employed by our external managers.

1. **Benchmark**
   The benchmark is MSCI ACWI IMI net (BB ID: M1WDIM)

2. **Primary Objective**
   Achieve excess returns from top down selection decisions emphasizing sectors/industries, countries/regions, and style factors that represent greater appreciation potential relative to the broad market represented by the benchmark.

3. **Secondary Objectives**
   Control risk in Public Equity portfolio - as market conditions warrant.

   Implement same day rebalancing with little cost or friction – with respect to maintaining Fund's target policy weights and cash flow needs

4. **Investment Philosophy & Process**

The foundation of this Strategy rests on successful top down allocation decisions across broad segments of public equity markets. The strategy is based on the belief that we can identify segments of the market which are either mispriced or attractively priced, trading at or near the low end with respect to their respective historic cycle, and/or are likely to benefit from a favorable turn in economic and market conditions.

5. **Portfolio Manager:** Director of Public Equity

6. **Portfolio Size:** Maximum 15% of overall Public Equity

7. **Tracking Error:** Maximum contribution to overall Public Equity Tracking Error (TE) of 100 bps (subject to Public Equity being within its TE limits)

8. **Allowable Investments**
   Public equity ETFs, other externally managed public equity funds. Single stock holdings are not permitted.

9. **Derivatives**
   Use of derivatives will require approval of CIO (except when derivatives are part of ETFs or other funds)

D. Internally Managed U.S. Russell 1000 low volatility Investment Strategy and Guidelines

1. *Benchmark*

The performance benchmark is the Russell 1000 Index.

2. *Risk Limit*

The portfolio will be included within the Total Public Equities' (PUEQ) Tracking Error and Relative VaR limits.

Allowable Investments

The portfolio, being part of the overall PUEQ, will be governed by the aggregate limits of PUEQ and by the APFC's Investment Policy Statement in general

3. *Concentration Risk*

In addition to point 2 above, during rebalances, the maximum absolute weight of a single security is limited to 4%, and the maximum active weight relative to BM weight is limited to 1.5%. Some weights could drift above these limits between rebalances. Since we are running 6 portfolios, and only one portfolio is rebalanced each month, overall weights are expected to drift, and absolute weights above 4% and active weights above 1.5% are possible. Overall portfolio is designed to hold more than 100 stocks to prevent concentration. One exception is when there is no solution to satisfy these constraints. Maximum weight constraints could be increased to find a solution. We will consult with Risk if the increase is required to be more than 0.5%.

The strategy will invest in U.S. listed equity securities from the Russell 1000 Index.

4. *Shorting, Leverage, and Derivatives*

Not applicable at this time.

5. *Liquidity Risk*

The strategy is expected to be fairly liquid. For example, at $500 mm in AUM the portfolio is estimated to trade 95% by day 5 and 99% by day 10 with 10-20% volume participation, under normal market conditions.

6. *Portfolio Size limit*

Without prior approval of the CEO and CIO, the market value of the sum total of the following strategies or existing six portfolios may not exceed 5~~1~~% of ~~-~~the market value of overall Public Equity: Internally Managed U.S. Russell 1000 low volatility, Internally Managed U.S. Russell 1000 value low volatility, and Internally Managed Global and International Low Vol Portfolios. ~~the market value of the total Fund~~.

E. Internally Managed U.S. Russell 1000 value low volatility Investment Strategy and Guidelines

1. *Benchmark*

The performance benchmark is the Russell 1000 Value Index.

2. *Risk Limit*

The portfolio will be included within the Total Public Equities' (PUEQ) Tracking Error and Relative VaR limits.

The portfolio, being part of the overall PUEQ, will be governed by the aggregate limits of PUEQ and by the APFC's Investment Policy Statement in general

3. *Concentration Risk*

In addition to point 2 above, during rebalances, the maximum absolute weight of a single security is limited to 4%, and the maximum active weight relative to BM weight is limited to 1.5%. Some weights could drift above these limits between rebalances. Since we are running 6 portfolios, and only one portfolio is rebalanced each month, overall weights are expected to drift, and absolute weights above 4% and active weights above 1.5% are possible. Overall portfolio is designed to hold more than 100 stocks to prevent concentration. One exception is when there is no solution to satisfy these constraints. Maximum weight constraints could be increased to find a solution. We will consult with Risk if the increase is required to be more than 0.5%.

4. *Allowable Investments*

The strategy will invest in U.S. listed equity securities from the Russell 1000 Value Index.

5. *Shorting, Leverage, and Derivatives:* Not applicable at this time.

6. Liquidity Risk

The strategy is expected to be fairly liquid. For example, at $500 mm in AUM the portfolio is estimated to trade 95% by day 5 and 99% by day 10 with 10-20% volume participation, under normal market conditions.

7. Portfolio Size limit

Without prior approval of the CEO and CIO, the market value of the sum total of the following strategies or existing six portfolios may not exceed 5~~1~~% of the market value of overall Public Equity: Internally Managed U.S. Russell 1000 low volatility, Internally Managed U.S. Russell 1000 value low volatility, and Internally Managed Global and International Low Vol Portfolios. ~~the market value of the total Fund~~.

F. Internally Managed Global and International Low Vol Portfolios

This strategy will include the four sperate portfolios listed in Table-1 below. The guidelines and limits outlined below are applicable to each of the four portfolios separately and individually.

1. Benchmark

The performance benchmarks and the portfolio construction benchmarks are following.

Table-1

Portfolios	**Performance Benchmark**	**Portfolio Construction Benchmark**
Global Low Vol	MSCI ACWI Net Total Return	FTSE All-World
Global Low Vol Value	MSCI ACWI Value Net Total Return	FTSE All-World Value
International Low Vol	MSCI ACWI ex US Net Total Return	FTSE All-World ex US
International Low Vol Value	MSCI ACWI ex US Value Net Total Return	FTSE All-World ex US Value

2. Risk Limit

Each portfolio will be included within the Total Public Equities' (PUEQ) Tracking Error and Relative VaR limits. Each portfolio, being part of the overall PUEQ, will be governed by the aggregate limits of PUEQ and by the requirements and limits of APFC's Investment Policy Statement.

3. Concentration Risk

In addition to point 2 above, during rebalances, the maximum absolute weight of a single security is limited to 4% of the portfolio, and the maximum active weight relative to the portfolio construction BM weight is limited to 1.5% of the portfolio. Some weights could drift above these limits between rebalances. Since we are running 6 subcomponents of each portfolio, and only one portfolio subcomponent is rebalanced each month, overall weights are expected to drift, and absolute weights above 4% and active weights above 1.5% are possible. Overall, each portfolio is designed to hold more than 100 securities to prevent portfolio concentration risk. When a portfolio cannot be properly constructed with at least 100 securities, with the approval of the Chief Risk Officer, maximum weight constraints can be increased.

Initially, we will use EEMV US ETF instead of EM equities. The weight of EEMV US will be +-2% of EM equity weights in the performance BM index when we rebalance one of 6 portfolios.

Allowable Investments

The strategy will invest in global equity securities from the portfolio construction benchmark.

4. Shorting, Leverage, and Derivatives

Not allowable at this time.

5. Liquidity Risk

The strategy is expected to be fairly liquid. For example, at $500 mm in AUM the portfolio is estimated to trade 95% by day 5 and 99% by day 10 with 10-20% volume participation, under normal market conditions. If the liquidity profile of this portfolio changes, this will be brough to the attention of the Chief Risk Manager.

6. Portfolio Size limit

Without prior approval of the CEO and CIO, the market value of the sum total of the following strategies or existing six portfolios may not exceed 5% of the market value of overall Public Equity: Internally Managed U.S. Russell 1000 low volatility, Internally Managed U.S. Russell 1000 value low volatility, and Internally Managed Global and International Low Vol Portfolios.

Appendix B: Limit Ranges & Compliance Cure Periods

The Green Zone Operating Range ("Green Zone") concept is designed to indicate the Board approved operating risk limits.

A. The Green Zone is the Board-approved CIO operating range.

B. The Yellow Zone is the Board approved ED operating range.

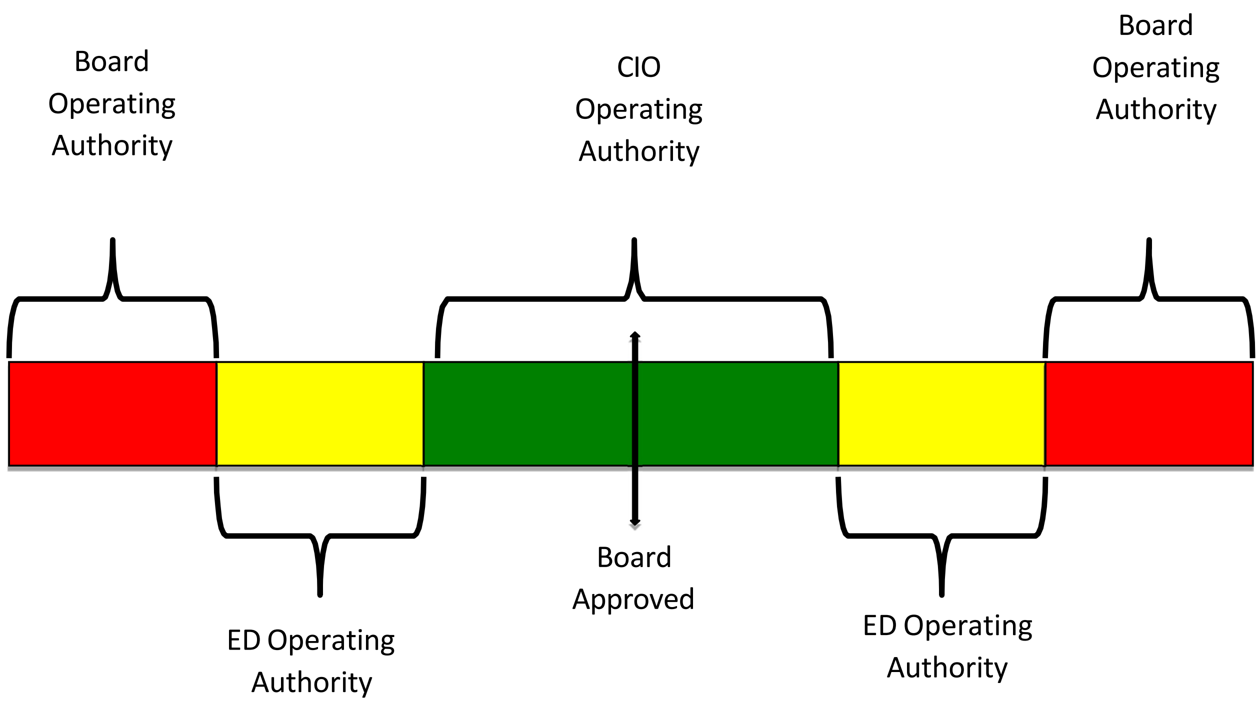
1. The Chief Risk Officer ("CRO") will notify the CIO and ED promptly upon entry into a Yellow Zone.
2. The CIO will respond by requesting ED approval to operate within the Yellow Zone.
3. With ED approval, the CIO may operate within a Yellow Zone for up to 90 consecutive days or, if longer, until the next Board meeting following entry into a Yellow Zone.
4. The CRO will notify the Board (i) when approaching 90 days of operating within a Yellow Zone and (ii) monthly thereafter.
5. Following Board notification, a Trustee may request in writing a meeting to discuss an extension to continue operating within the Yellow Zone.
6. The Board may grant the CIO and ED an extension to continue operating within a Yellow Zone. Between Board meetings, unless a Trustee requests a meeting, the Board Chair may grant the CIO and ED an extension to continue operating within a Yellow Zone.

C. The Red Zone is the operating range that requires Board approval.

1. The CRO will notify the Board upon entry into a Red Zone.
2. The CIO and ED will respond to the Board with an action plan.
3. Absent Board approval, operating within a Red Zone is limited to 30 consecutive days (plus the time needed to notice a Board meeting).
4. The Board has the authority to approve operating within a Red Zone, beyond 30 days.

Even though the Fund is expected to operate most of the time within the Green Zone, the Fund may periodically be within a Yellow Zone, and there may be times when the Fund will be within a Red Zone. The zones are designed to increase transparency and awareness; they should not be viewed as explicit violations. Each year a historical report showing periods of operating within the Yellow and Red Zones will be included in Board meeting packets.

Visual Display of Green Zone Concept



Appendix C: Risk Appetite

The risk appetite approved by Board on December 2, 2020 is defined in terms of (a) a Risk Tolerance Portfolio and (b) Liquidity level.

a. Risk Tolerance Portfolio (RTP)
    i. The RTP is comprised of an 80% equity, 20% bond reference portfolio with the following constituents: 80% MSCI ACWI IMI, 8% BB US AGG, 8% BB US CORP, 4% BB GLBL TRS ex-US.
    ii. The maximum risk of the APFC portfolio shall not exceed that of the RTP based on two parameters:
        - 1. Value at Risk (VaR): 1-year time horizon, 1 standard deviation, using 10 year constant-weighted historical monthly data.
        - 2. Drawdown: Recession Global Financial Crisis from Dec 2007 to Mar 2009
    iii. The private equity risk estimate computed by Aladdin will be adjusted downward (reduced) by adjusting the private equity exposure to 75% of actual exposure when comparing to RTP.

b. Liquidity level
    i. The combined allocated to public equities, fixed income, and cash will not be lower than 40%.

Appendix D: Real Estate Style Categorization Guidelines

The purpose of these guidelines is to assist with the categorization of direct real estate holdings as core vs. non-core. Categorization shall be managed by investment staff, who should strive to represent properties as accurately as possible, and shall be reviewed regularly by the Risk and Compliance Department.

	Core Category Requirements
New Development	No
Material Redevelopment	No
Vacancy Rate	<30%*
Leverage	≤65%

*Vacancy greater than 30% persisting for more than 2 years shall be categorized as non-core.

Core shall represent the safest assets relative to the broader investment universe. This includes stable properties undergoing very little change, high occupancy rates, low use of leverage, and predictable cash flows. Other attributes that may support core categorization could be the high credit quality of tenants, long-term leases, or positive/stable market trends specific to the property type and MSA. It is generally expected that core properties shall be located in areas with strong demand. Additionally, it is expected that a greater portion of a core property's return will be attributable to income, and that it will be operating with a profit.

Appendix E: Glossary

AAC means the Alaska Administrative Code.

ADA means the Americans With Disabilities Act of 1990.

Advisors and **Board Advisors** mean the investment professionals who comprise the Board's Investment Advisory Group.

APFC and **Corporation** mean the Alaska Permanent Fund Corporation, established under AS 37.13.040.

AS means Alaska Statutes.

Asset Backed Securities means an investment that is collateralized by an underlying pool of income-generating assets which are authorized by 15 AAC 137.430(a)(19).

BB means Bloomberg.

Board means the Board of Trustees of the APFC.

CMBS means commercial mortgage-backed securities.

CFO means the APFC's Chief Financial Officer.

CIO means the APFC's CIO.

Consultant means the Board's investment consultant(s), not including Board Advisors.

CPI means the Consumer Price Index.

CRO means Chief Risk Officer

Custodian means the APFC's custodian.

Days means calendar days.

Distressed for control is a buyout strategy in which the investor accumulates a majority stake in the debt of a distressed company at or near bankruptcy, anticipating the conversion of the debt into equity as a part of the bankruptcy reorganization.

ED means the APFC's Executive Director.

FoF means fund-of-funds.

Fund and **Permanent Fund** mean the Alaska Permanent Fund, established under Article IX, Section 15, of the Alaska Constitution, and described in AS 37.13.010.

IMA means investment management agreement.

Investment Manager and Manager mean investment manager(s) retained by the APFC.

IRR means internal rate-of-return.

Long-Term means over one or more business cycles.

MBS means mortgage-backed securities.

RBM means Strategic Risk Benchmark.

Staff means the APFC Investment Staff and, where the context requires, also means or includes the Executive Director and/or other APFC Staff.

TE means Tracking Error.

Trustees means the members of the APFC's Board of Trustees.

VaR means Value at Risk.

Appendix E: Previous Investment Policy Adoption & Amendments

The previous APFC Investment Policy was adopted or amended effective as follows:

Adopted: May 27, 2010

Amended: September 30, 2010 (§14.9 added)

Amended: December 1, 2010 (§9.1 revised; new §11.1 added and prior §§11.1-11.3 and subsections thereunder renumbered; and §18.2.4 revised)

Amended: May 20, 2011 (§18A added)

Amended: September 30, 2011 (§§ 8, 8.2, 8.3, 8.5, 9.2, 9.3.1, 9.4.1, 11.3.1, 15.3, and 15.4 revised)

Amended: December 8, 2011 (§11.3.2 revised)

Amended: February 22, 2012 (§20 revised)

Amended: April 23, 2012 (§§16.3.1 and 16.3.2 revised; and Specific Policy Modifications for Tysons Corner Phase I Project and Mariner Frontier Fund, L.P. added)

Amended: February 27, 2013 (§§ 15.2, 15.3, and 15.4 revised)

Amended: May 22, 2013 (§§9.5.4, 9.5.5,12.4, 12.6, 13.2, 13.3.1, 13.3.3, 14.9.4.10, 16.1.2, 16.1.3, 16.1.4, 16.2, 16.3, 16.3.1, 18A, 23.2, and 23.5 revised; Specific Policy Modification for Mariner Frontier Fund, L.P. revised; Specific Policy Modification for Crestline AK Permanent Fund, L.P. added; and Addendum re Internal Investment Managers added)

Amended: May 23, 2013 (§§ 3.1, 3.3, 5.3, 6, 8 (including Table 8a), 8.1 revised; §8.2 deleted; §§ 8.3-8.5 renumbered (as §§ 8.2-8.4) and newly-renumbered §§ 8.2-8.4 revised; and §§ 9.2, 9.3.1, 9.4.1, 10, 11.3.1, and 22.2 revised)

Amended: February 26, 2014 (§§23.3.1, and 23.2 revised; and Addendum re Internal Investment Managers revised)

Amended: May 21, 2014 (§14.9.4.10 (including Table 14.9.4.10.1) revised)

Amended: December 10, 2014 (§§ 8, 9.3.1, 11.3.2, 14.2.2, and Table 14.5.4.1revised)

Amended: May 19, 2015 (§§ 15 and 16, including conforming changes in other sections revised)

Amended: September 27, 2016

Amended: December, 2016 (§§ 9, 10 and 12, including conforming changes in other sections revised)

Amended: May 23, 2018, complete re-write of the Policy and Guidelines. Changes to be effective on July 1, 2018

Amended: September 27, 2018 (§ 5, Alaska Investment Policy was revised)

Amended: May 21, 2020, complete rewrite of the Investment Policy changes effective July 1, 2020

Amended: September 24, 2020 Amended § III D total fund cash and § IV E absolute return to authorize investment in gold ETFs.

Amended: May 20, 2021 amended: (1) § II A to include reference to Risk Appetite approved by the Board on December 9, 2020; (2) § IV A 3 to include a new subsection (g), which is a control restriction in place of existing10% ownership restriction; (3) § IV B 3 G to increase authorized leverage on core real estate; (4) § VII G update table 3 risk parameters to include clarifications and changes to existing limits; (5) Appendix A to include most recent Investment guidelines approved by the ED; and (6) add Appendix C to include Risk Appetite parameters approved by the Board on December 9, 2020.

Amended:

May 18, 2022 amended: (1) § II C modify benchmarks for fixed income, private credit and income opportunities and absolute return; (2) § II E modify investment committee process to provide for single investment committee held by CIO; (3) in numerous places in the Policy make clear that decision to hire or terminate an external public markets manager only needs the consent of the CIO; (4) in the following assets classes identify the CIO or their delegee as the person responsible for the investment strategy, instead of the Deputy CIO of private markets: (i) private equity; (ii) infrastructure and private credit; and (iii) absolute return; (5) § IV A (3) only require the consent of the CIO to hold APFC controlled public securities longer than 18 months after the company has gone public; (6) §IV B(g)(ii) increase the real estate portfolio wide leverage from 40% to 50%; (7) § IV C & D eliminate the restriction on APFC's investment with an Infrastructure or private credit manager representing more than 30% of that manager's AUM; (8) § VII G reduce private equity outstanding commitment level from 10% to 7%; and (9) provide Board with copy of the investment guidelines that have changed since the last Board Meeting.

Amended:

May 17, 2023 amended: (1) Tables 1 and 2 in § II were updated to reflect asset allocation changes approved by the Board; (2) § III A adds clarification to Public Equity section that proxy voting shall be directed to maximize risk adjusted returns for the Fund; (3) § III C repeal the Risk Parity section of the Policy to reflect changes to the Asset Allocation and make changes to the authorized investments to Total Fund Cash, which is the new III C, including the addition of a "A" rating for investment grade US Corporate bonds and the addition of "AAA" rated asset backed securities to the list of authorized investments; (4) § IV A change title of private equity and special opportunities portfolio to private equity portfolio, modify the strategy diversification bands, and make minor language clarifications; (5) § IV B modify the property type weightings bands to capture the entire portfolio, not just the directly-held real estate, and add a second method to measure these property weightings (i.e. percent of the NAV of the portfolio); (6) § IV E add the new Tactical Opportunities asset class to the Policy, including objective, strategy and portfolio limits approved by the Board; (7) § V A remove the in-state aspirational guidelines because the dates identified have expired; (8) § VII G amend risk parameters and limits table to reflect changes to the asset allocation approved by the Board; and (9) Appendix D add two new definitions (Asset Backed Securities and Distressed for Control) to reflect changes to the Policy.

Amended:

May 30, 2024 amended: Tables 1 and 2 in § II were updated to reflect asset allocation changes approved by the Board.

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: APFC Private Equity Program Update ACTION:

DATE: July 24, 2024 INFORMATION: X

BACKGROUND:

The presentation provides an overview of APFC's Private Equity program objectives, strategy, and performance.

STATUS:

Allen Waldrop, Deputy CIO-Private Markets, and Steven Gagliardo, Senior Associate, will present an update on the Program's recent developments, an overview of the strategy and approach, and performance.

APFC ALASKA PERMANENT FUND CORPORATION

Private Equity - Asset Class Update

July 24, 2024

Contents

Private Equity Program

Objectives and Approach

- Build a diversified, global private equity portfolio, focusing on venture capital, growth equity, buyout and special situations opportunities through primary partnerships, secondaries, co-investments, and direct investments in operating companies
- Achieve diversification across stage, industry, geography, and other factors
- Includes the ability to seek longer-term, high-conviction, theme-driven investments

Our approach is working: 18.2% 10-year return, 16.1% since inception return

Core Principles

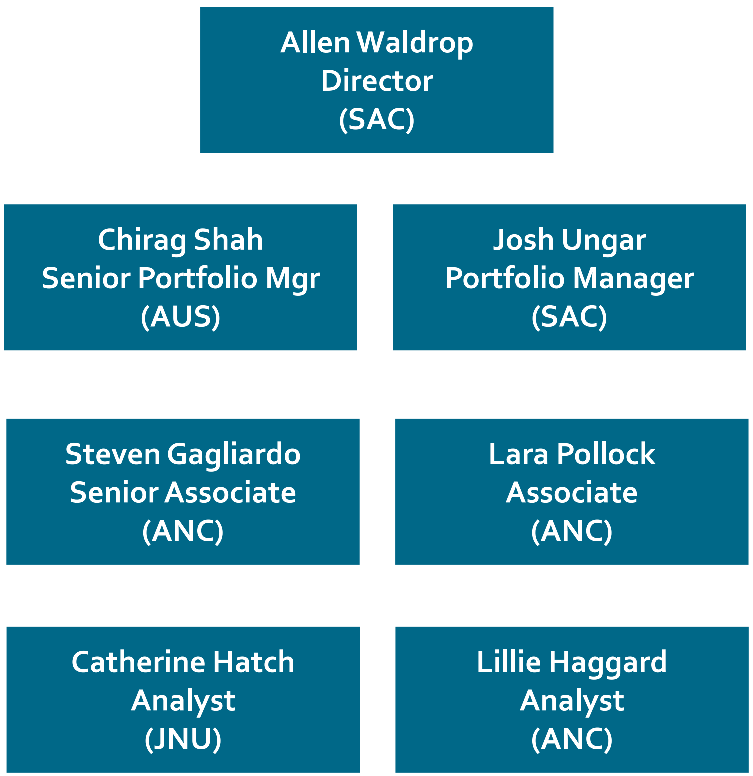
APFC is a leading investor in private equity

Our capital is valuable and we should be very selective

Stay focused, follow the process, maintain discipline, avoid mistakes

Everything we do has a direct impact on the people of Alaska

Team



- Current team includes seven professionals, three hired in current year
- Enhanced our in-house capabilities across co-investments and direct investment
- Executed several process improvement initiatives to enhance investment selection and efficiency of communication / information sharing across a larger group
- Developed specific goals and objectives for each member of the team
- Focus on training and education
  - Three existing CFAs with one pursuing in 2024
  - Several pursuing the CAIA and new CFA PE Certificate
  - Others – ILPA courses, financial modeling, etc.

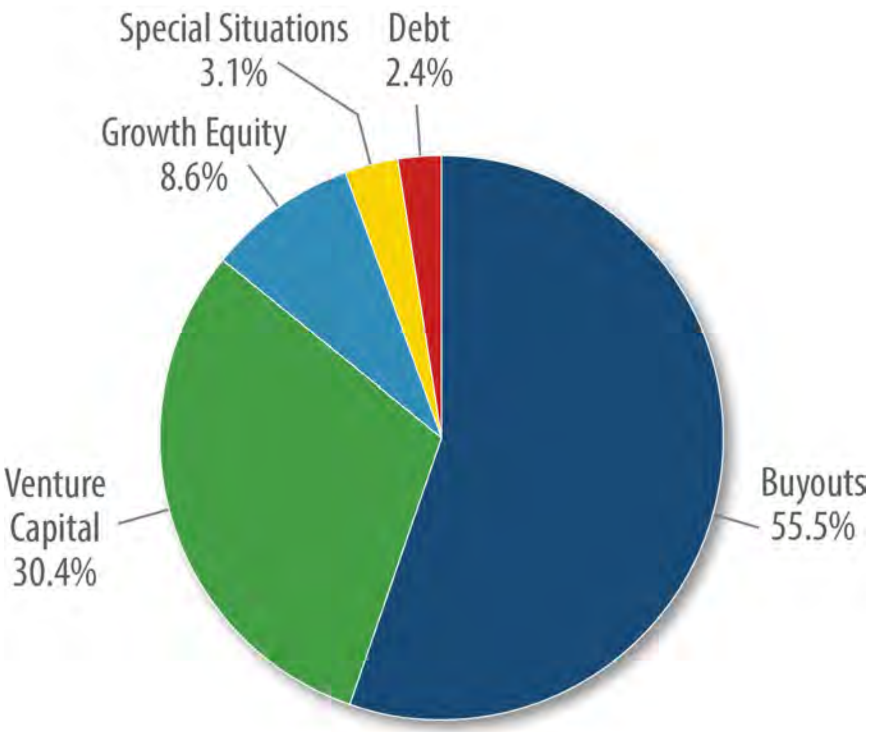
Portfolio – Overview

Strategy	Commit. Amount	Total Contrib.	Total Distrib.	Market Value	% of MV	Total Value	Gain/ Loss	TVPI	DPI	IRR
Buyouts	$9,161.3	$7,916.3	$7,545.1	$6,270.5	42%	$13,815.6	$5,899.3	1.75x	0.95x	14.8%
Venture Capital	4,312.1	3,908.2	5,210.7	3,906.4	26%	9,117.1	5,208.9	2.33x	1.33x	23.0%
Growth Equity	1,813.9	1,462.2	1,477.2	1,440.3	10%	2,917.6	1,455.4	2.00x	1.01x	22.5%
Special Situations/ Other	6,511.7	5,579.7	4,659.0	3,450.9	23%	8,109.9	2,530.1	1.45x	0.83x	10.2%
Total	**$21,798.9**	**$18,866.4**	**$18,892.0**	**$15,068.2**	**100%**	**$33,960.2**	**$15,093.8**	**1.80x**	**1.00x**	**16.0%**

NOTES: As of December 31, 2023. Based on fund strategy. 3.8% of the portfolio's market value reflects roll-forward values and is subject to change. Amounts may not foot due to rounding.

- Contributions of $19bn have generated total value of $34bn ($15bn of gains)
- Unfunded balance declined to $4.1bn from $4.3bn in prior year
- Portfolio is invested in 476 partnerships and 37 directs / co-investments across 122 managers
- Special Situations/Other includes energy and other industry specific funds, as well as credit investments executed prior to separation of the Private Income portfolio

Portfolio – Strategy

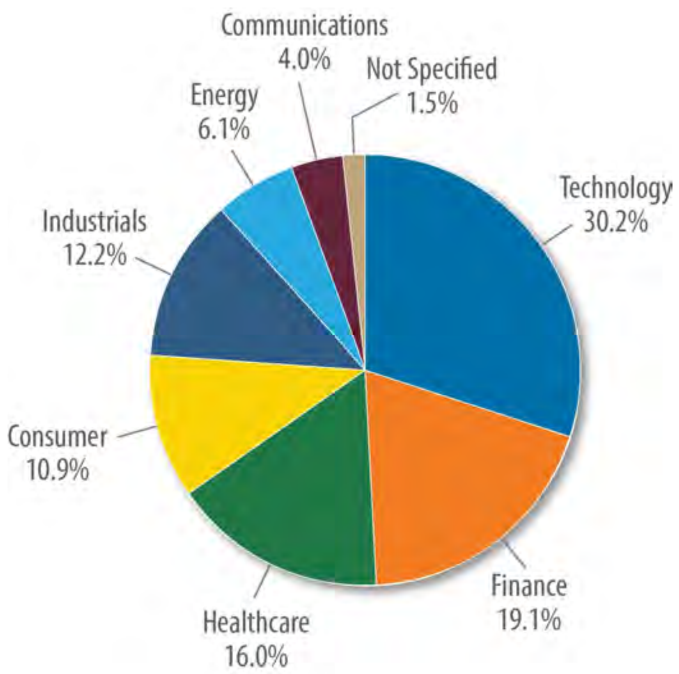


NOTE: Market values represent the latest available company data, which includes a combination of values as of December 31, 2023 and September 30, 2023.

Debt investments will generally be made out of the Private Income portfolio, though some funds in the PE portfolio have flexibility to execute debt investments

- Portfolio exposures continue to evolve as we work to rebalance
  - Buyout exposure increased to 55% from 50% in the prior year
  - Venture Capital exposure remains significant but has declined to 30% from 33% in the prior year
- Commitments deployed in FY24 to funds and co-investments
  - 68% Buyout
  - 12% Venture Capital
  - 20% Special Situations (Energy)

Portfolio – Industry



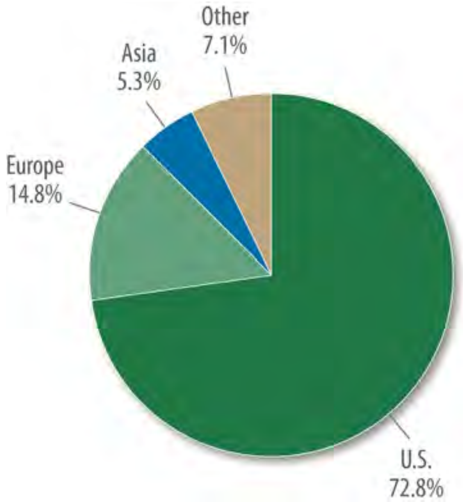
- Portfolio is diversified across 125 managers who collectively own interests in over 7,800 underlying companies across a range of industries
- Sector diversification has improved
  - o Technology has declined to 30% from 38% in the prior year, but remains the largest sector weight
    - ➢ Expect continued decline during FY25 as exit activity increases
  - o Exposure to Industrials, Finance and Healthcare all increased due to recent fund commitments and co-investments

NOTE: Market values represent the latest available company data, which includes a combination of values as of December 31, 2023 and September 30, 2023.

Portfolio – Geography

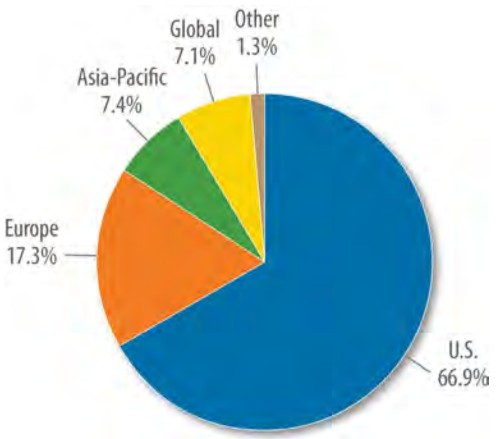
- U.S. and Europe exposure (88%) is consistent with the broader PE market (84%)
- Europe exposure expected to rise as a result of increased fund commitments in FY24 and FY25
- Asia exposure diversified across Japan, Korea, Australia and China and declining
- China exposure is 2% ($343m NAV) and declining as investments are realized

APFC PORTFOLIO



NOTE: Market values represent the latest available company data, which includes a combination of values as of December 31, 2023 and September 30, 2023.

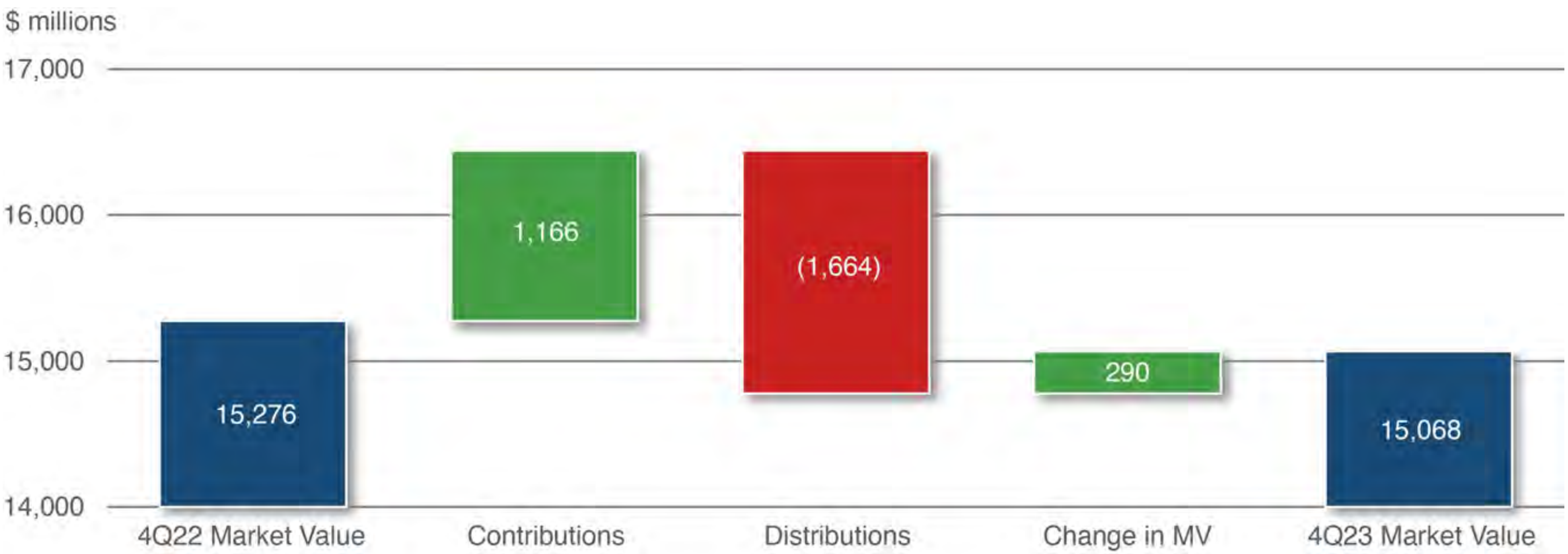
PE INDUSTRY



SOURCE: Cambridge Associates. Based on data for all funds (includes debt- and infrastructure-related strategies).

- Expect limited new investment activity in Asia, Latin America and other emerging markets

Portfolio – Net Asset Value

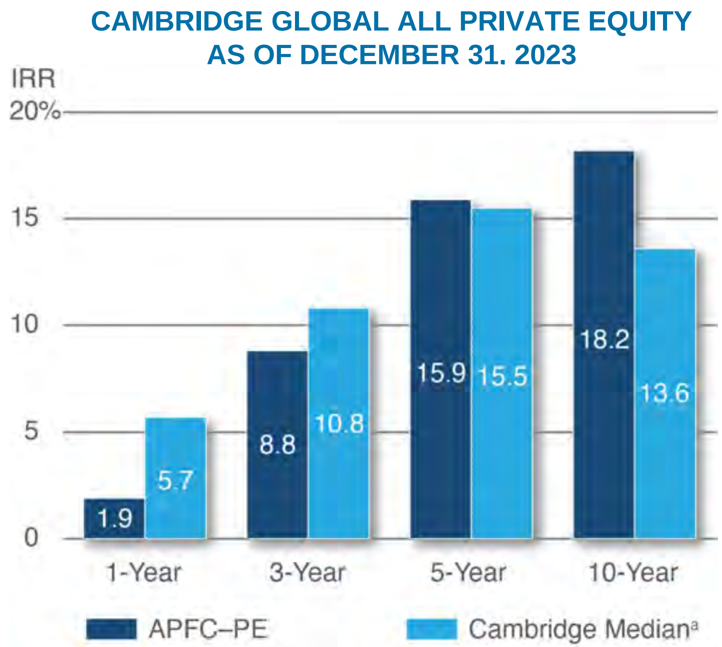


NOTE: As of December 31, 2023. Approximately 3.8% of the portfolio's market value reflects roll-forward values and is subject to change.

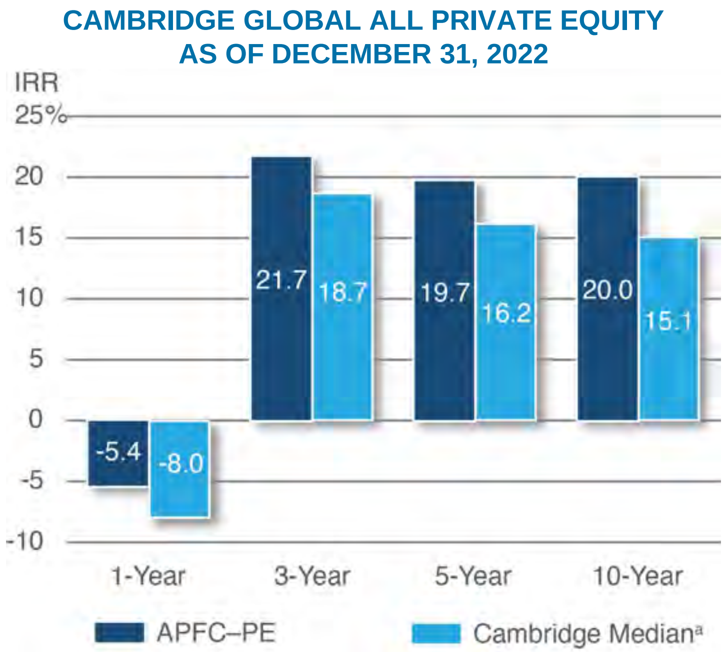
- Portfolio NAV remained relatively flat from 12/31/22 to 12/31/23 as new investment activity was offset by realizations (distributions exceeded contributions)
- Increase in total APFC assets drove the decline in PE allocation from a high of 20.4% to 18.3% (denominator increased)

Contents

Performance – Private Equity Benchmarks



NOTE: 3.8% of the portfolio's market value reflects roll-forward values and is subject to change. [a]Cambridge World All Private Equity median return benchmark (excluding debt-related strategies), as of December 31, 2023.



NOTE: [a]Cambridge World All Private Equity median return benchmark (excluding debt-related strategies), as of December 31, 2022.

- APFC performance declined significantly year over year in the 3-, 5- and 10-year periods, outpacing declines in the benchmarks
- Portfolio has continued to outperform longer term (5- and 10-year periods)

Performance – What Happened?

Portfolio Construction

- Portfolio was overweight VC and technology relative to the benchmarks as of 6/30/23 (even more significantly as of 6/30/22) and these two categories underperformed in 2023
  - VC weighting (fund market value) was 30% relative to 20% in the benchmark, whereas buyout was underweight at 40% versus 50% in the benchmark
- At peak, biotech represented nearly 15% of the portfolio NAV, primarily in direct investments
- Largest performance declines came in calendar Q3 2023 with a quarterly net return of –2.7% and net loss of $419 million
  - Losses were driven by venture capital partnerships, which generated an aggregate net return of –10.9% and a quarterly net loss of $481 million
  - Funds focused on the biotechnology and life sciences sector were responsible for the majority of declines
  - Over the course of two quarters, two direct biotech investments reported write-downs of $280 million as a result of new financing rounds done at significantly lower valuations
- Performance across buyout and special situations funds improved in calendar Q4 2023 and Q1 2024, as have many of our non-VC / biotech directs and co-investments

Performance – What Happened? (2)

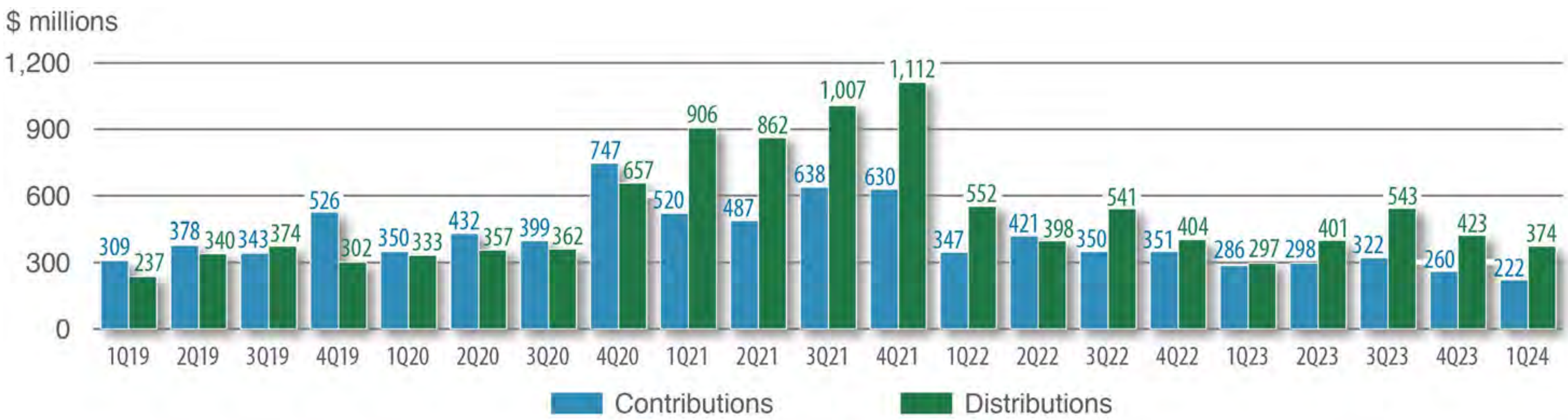
Investment Selection

- Three historical categories of investments
  - Pathway Discretionary (PCM) – Investment selection and execution controlled by Pathway
  - APFC PE – Investments made in conjunction / coordination with APFC and Pathway
  - APFC Special Opportunities – Investments sourced and executed by APFC staff
- Analyzed performance of recent fund vintages (2016 – 2021) across the three categories
  - PCM performed in line with APFC with average multiple of 1.65x, Special Opps generated an average multiple of 1.35x
  - APFC Special Opps underperformed in five of the six vintage years
  - Underperforming funds were often newer managers with limited track records, targeted niche strategies or emerging markets
  - Several co-investments partially offset the broader under performance of the Special Opps funds portfolio, but performance still lagged in four of the six vintage years

Performance – What Are We Doing About It?

- Portfolio Construction
  - Active effort over the last 18 months to increase exposure to buyout strategies targeting a broader range of industries (beyond tech)
  - Reduced and refocused commitments to VC, particularly in biotech (both funds and direct)
- Investment Process
  - Standardized the investment approval process with all new investments, continuation vehicle ("CV") rollovers and sales going through IC
  - Standardized investment due diligence and approval process to provide more input and more frequent assessments at different stages, and understand the impact on portfolio construction / risk parameters
  - Assessed the existing portfolio and ranked all funds / managers into performance categories and developed standard procedures for review and communication in each
  - Updated and rebalanced fund relationship assignments across the team along with developing Relationship Manager Roles and Responsibilities
  - Restructured the approach to biotech investment by eliminating / downsizing SMAs, upgrading fund relationships and reducing direct exposure

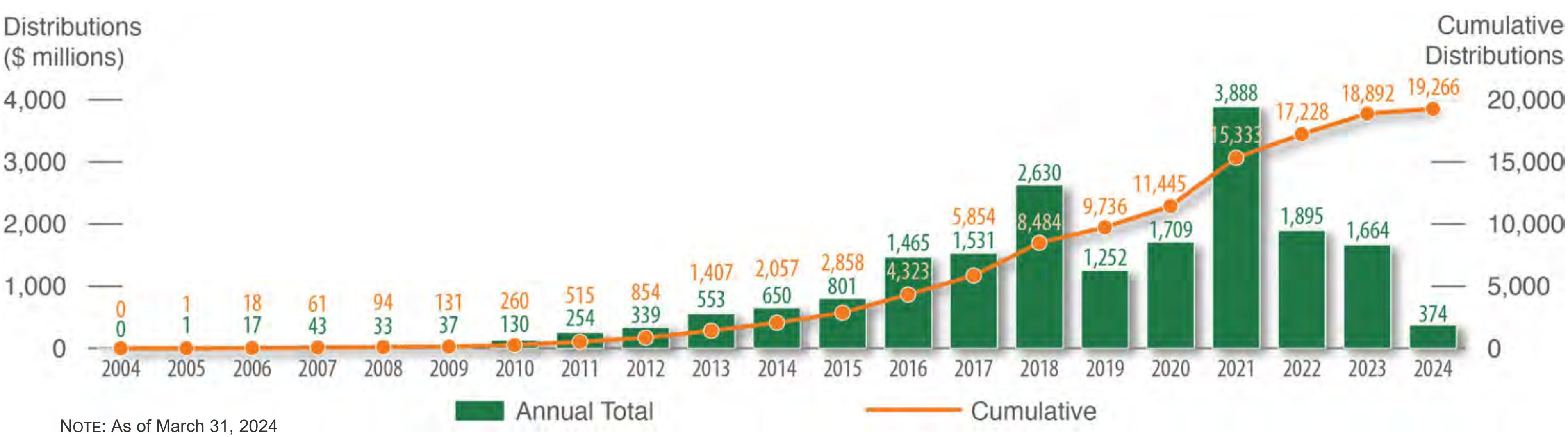
Liquidity – Quarterly Cash Flows



NOTE: As of March 31, 2024

- Portfolio has been cash flow positive - received more distributions from investments than contributions out to new investments - each of the last four fiscal years (FY24, FY23, FY22, FY21) and 12 of the last 13 quarters
- Expect distribution pace to accelerate with increased M&A activity, which will be partially offset by increased deployment pace ($1.5bn in FY25 versus $1bn in FY24)

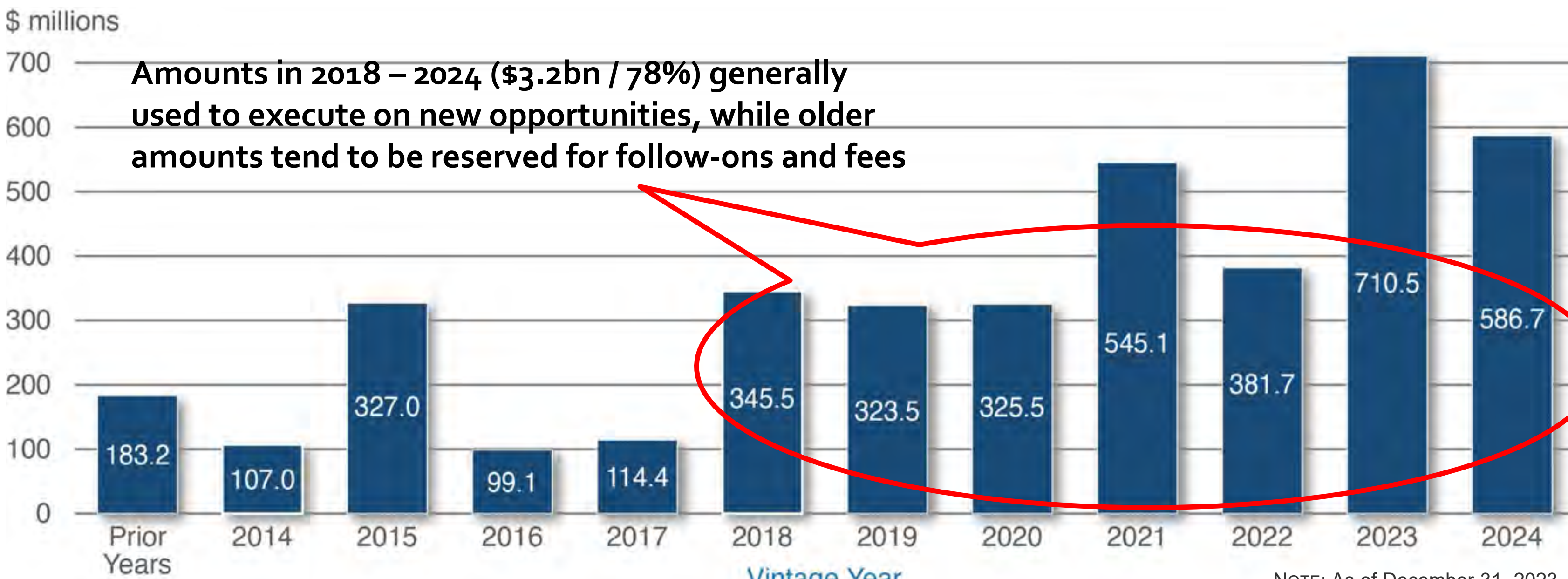
Liquidity – Distributions



NOTE: As of March 31, 2024

- Cumulative distributions from the PE portfolio reached $19.3bn in Q1 2024
- Portfolio has matured and the annual rate of distributions is generally in the $1.5 - $2.0bn range
- Annual distributions can fluctuate significantly (particularly to the upside) depending on market conditions

Liquidity – Unfunded Commitments



NOTE: As of December 31, 2023

- Unfunded commitments ("dry powder") total $4.1bn across the PE portfolio, representing 21% of total exposure (NAV + Unfunded)
  - ➢ CalPERS, SWIB, NYSCRF, CalSTRS, ARM Board, UTIMCO range from 27%-45%
- Lower commitment pace over the last two years ($1bn annually) had minimal impact on unfunded balance as the overall investment pace slowed (no missed opportunities)

Contents

Investment Activity

APFC FY 2024 COMMITMENTS

Investment	Close	($MM)	Advisor
Mercer Advisors (Co-Investment)	7/12/23	$50	Crestline
Worldpay (Co-Investment)	8/18/23	35	Pathway
Resolute VI	9/29/23	35	Pathway
Quantum VIII / Quantum VIII Co-Inv	10/23/23	50	Pathway
New Mountain VII	10/31/23	50	Mercer
Wynnchurch VI	12/14/23	28	Pathway
Carnelian Fund V	1/31/24	40	Mercer
Kenai Therapeutics (Direct Inv)	2/1/24	20	Crestline
Arch XIII	4/5/24	50	None
Monomoy V	4/24/24	40	Pathway
K6	5/2/24	50	Mercer
Clearlake VIII	5/10/24	50	Pathway
HG Energy II (Co-Investment)	5/16/24	50	Pathway
HIG VII	6/4/24	50	Pathway
Trive Capital V	6/30/24	35	Pathway
Multiversity (CV)	6/30/24	7	Pathway
TPG Growth VI	6/30/24	50	None
FY 2024		**$690**	

NOTE: Activity from July1, 2023 through June 30, 2024. Commitments to non-USD-denominated partnerships are calculated using exchange rates at the time of commitment.

- APFC Team completed 17 deals during FY24
  - 12 fund commitments averaging $44m
  - Four co-investments / direct investments averaging $39m
- Reflects a more focused approach compared to prior years
  - Average of 29 deals annually (26 funds, three co-investments) in FY20 -FY22
- Expect average investment size and number of deals to increase modestly

Investment Activity (2)

APFC–PCM FY 2024 COMMITMENTS

Investment	Close Date	Commitment ($MM)
TA XV	7/1/23	$15
CVC IX	7/3/23	15
Resolute VI	7/21/23	15
Quantum VIII / Quantum VIII Co-Inv	10/23/23	15
Bowmark VII	10/31/23	15
Trive Capital V	12/7/23	15
Wynnchurch VI	12/14/23	15
Spark VIII / Spark Growth V	12/22/23	15
Creandum VII	2/13/24	9
Sterling Group VI	3/1/24	15
Monomoy V	4/24/24	9
Index XII / Index Growth VII[a]	5/15/24	37
Kinderhook 8	6/14/24	15
Nautic XI	6/30/24	20
FY 2024		**$225**

NOTE: Activity from July1, 2023 through June 30, 2024. Commitments to non-USD-denominated partnerships are calculated using exchange rates at the time of commitment.
[a]The commitment total includes an additional $10m commitment, which is expected to close on July 1, 2024.

- Pathway's discretionary account continues to back high conviction existing relationships and access new relationships
- APFC has the ability to invest alongside in certain groups where we can scale our allocation (TA, Resolute, Trive, Wynnchurch, Quantum, Monomoy)
- Pathway's network and smaller check size enables APFC to gain exposure through the SMA to high demand groups that cannot take a larger direct commitment (Spark, Creandum, Index, Kinderhook)
- This approach is a key differentiator and enables APFC to capitalize on a broad range of high-quality opportunities

Year In Review – FY24 Focus Areas

- Fund Commitments
  - Disciplined and more concentrated approach targeting our highest performing existing relationships
  - Target select new relationships in high conviction established managers
  - Shift exposure toward growth equity and buyout, reducing relative venture exposure
  - Reduce "overdiversification" by identifying "best in each category" and concentrating commitments
  - Technology exposure expected to decline as valuations decrease
  - Focus on developed markets of U.S., Europe and selectively Asia (Korea, Japan, Australia)

- *Stayed within the commitment budget of $1bn*
- *Executed 12 fund investments in FY24 (7 existing and 5 new) compared to an average of 26 annually in FY20 - FY22*
- *Passed on 25 re-up opportunities with existing managers who either do not fit the go forward strategy or were not performing to expectations*
- *Executed 10 continuation vehicle liquidations and a secondary sale of a fund interest generating aggregate proceeds of $127m*
- *Repositioned portfolio exposures to reduce technology exposure*
- *Commitments were split 93% US and 7% Europe, no Asia or other emerging markets*

Year In Review – FY24 Focus Areas (2)

- Co-investments / Directs / CVs
  - Systematically evaluate opportunities with our highest performing partners
  - Substantial deal flow across portfolio, less LP activity due to overallocations
  - Reduce pace of direct investments / co-investments into biotech

<u>Process Improvements</u>

- *Identified existing partners with the strategy, geography and return profiles we are targeting*
- *Developed a more formalized relationship management approach to increase dialogue and deal flow*
- *Adapted process to incorporate analysis of continuation vehicle opportunities*
- *Created deal log to track opportunities by source, category, industry, geography*
- *Adjusted approach to direct biotech deals to improve alignment and risk / return profile*

<u>Results</u>

- *Logged 150 opportunities (83 co-investments, 47 directs and 20 continuation vehicles)*
- *Executed three co-investments, one direct investment and one continuation vehicle rollover*
- *Executed one new direct biotech investment, no co-investments and limited follow-ons*
- *Active dialogue and diligence on several co-investments and CVs in the pipeline*

Contents

Focus Areas – FY25

- Funds
  - ➢ Maintain focused, highly selective approach targeting leading existing and new relationships
  - ➢ Continue portfolio rebalancing efforts to reduce VC, increase exposure to Europe and Energy
- Co-investments / Directs / CVs
  - ➢ Enhance sourcing, screening and relationship building efforts
  - ➢ Leverage additional team capacity and skill sets to increase execution pace
  - ➢ Develop processes that enable us to capitalize on smaller, harder to access opportunities with partners
- Process
  - ➢ Continue process improvement initiatives around the investment sourcing, screening and execution function
  - ➢ Improve portfolio monitoring / management efforts
  - ➢ Evaluate / implement CRM system to more effectively manage data
- Team
  - ➢ Continue professional development efforts with targeted training and education opportunities

Key Takeaways

- Short-term performance suffered in FY23 and FY24, but long-term performance (10-year and since inception) remains strong
- Team buildout, process improvements and system enhancements are expected to drive improved decision making and more active and effective portfolio management
- Increased commitment pace and strong liquidity position enables APFC to be on offense when others may be more constrained
- Stay focused on the Core Principles
  - ➢ APFC is a leading investor in private equity
  - ➢ Our capital is valuable and we should be very selective
  - ➢ Stay focused, follow the process, maintain discipline, avoid mistakes
  - ➢ Everything we do has a direct impact on the people of Alaska


ALASKA PERMANENT FUND
Established 1976
APFC
ALASKA PERMANENT
FUND CORPORATION
Integrity • Stewardship • Passion

SUBJECT: Private Equity Presentation
Platinum Equity

ACTION: ________

DATE: July 24, 2024

INFORMATION: ____X____

Background:

Platinum Equity focuses on control buyouts of undervalued, undermanaged and/or underperforming mid to large sized companies primarily headquartered in North America with the potential for operational improvement. The firm employs a specialized strategy called M&A&O® which integrates investment expertise with deep operational capability and resources, including a large team of in-house operations professionals with hands-on experience from the boardroom to the factory floor.

Presenter Biography:

Mark Barnhill – Partner, Platinum Equity

Mark Barnhill manages functions connected to capital raising, fund administration, investor relations and corporate and external affairs for Platinum Equity and Platinum Equity Capital Partners.

Mr. Barnhill is responsible for strategic planning and administration of the firm's private equity fund vehicles. He leads Platinum's capital raising activities and is its senior relationship manager with investors, who comprise a diverse cross-section of public and private pension funds, financial institutions, foundations and family offices in North America, Europe and Asia.

He is responsible for working with the firm's M&A&O® teams on the capital structure and drawdown of investment capital for individual transactions. He also oversees functions related to quarterly and annual reporting and audit, compliance with contractual and regulatory matters related to the funds, and coordination with the funds' Limited Partner Advisory Committees.

In addition to his fund responsibilities, Mr. Barnhill holds leadership functions connected to strategic planning, recruiting and retention, transaction sourcing, corporate communications and external affairs for Platinum Equity and its operating companies.

Mr. Barnhill was formerly a Senior Partner at Fleishman-Hillard Inc., where he directed the firm's corporate practice in Los Angeles and managed both domestic and international accounts. Before that he was a senior executive at the Los Angeles Daily News, where he served as Assistant Managing Editor, City Editor, and Washington Bureau Chief. He also spearheaded development of the newspaper's interactive business and first online site.

Alex Doñé – Managing Director, Platinum Equity

Alex Doñé is responsible for global functions related to strategic planning, investor capital development and other firm leadership initiatives. He is also involved in leadership and strategic planning on broader firm issues including investment product development and efforts in the environmental, social and governance (ESG) and diversity, equity and inclusion (DEI) arenas and other non-fund businesses and initiatives.

Prior to joining Platinum Equity in 2022, Mr. Doñé was the Chief Investment Officer for the New York City Comptroller's Office Bureau of Asset Management (NYC BAM) where he oversaw more than $265 billion of assets for the New York City Retirement Systems and their more than 700,000 members, retirees, and beneficiaries. Mr. Doñé joined NYC BAM in 2012 and served as Executive Director of Private Equity; Head of Private Equity; Group Head – Private Markets; Deputy Chief Investment Officer – Private Markets; and Interim Chief Investment Officer before being named CIO in 2018.

Prior to joining NYC BAM, Mr. Doñé served from 2010 to 2012 in the Obama Administration as a Presidential Appointee at the U.S. Department of Commerce's Minority Business Development Agency. Before that, he was a consultant to a private equity firm and a Director at KPMG Corporate Finance, where he led the Retail Industry Mergers and Acquisitions group. He also spent 11 years at Merrill Lynch as an investment banker.

Mr. Doñé holds an AB from the Woodrow Wilson School of Public and International Affairs at Princeton University.

Highly Confidential, Trade Secret

Platinum Equity

Presentation to Alaska Permanent Fund Corporation

July 2024

Legal Notice

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Certain information contained herein has been obtained from published sources prepared by third parties. In addition, certain information contained herein has been obtained from companies in which investments have been made by one of our prior investment vehicles and its affiliated entities. While such information is believed to be reliable for the purposes used herein, neither the general partner nor any of its affiliates assumes any responsibility for the accuracy of such information.

This Presentation includes certain historical investment performance information related to partnerships managed or advised by Platinum. Statements in this Presentation are made as of March 31, 2024 unless otherwise noted, and neither the delivery of this Presentation at any time, nor any sale hereunder of partnership interests in any Platinum Fund, shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to such date.

The total value presented includes the unrealized value of investments as of March 31, 2024. Actual realized proceeds on unrealized investments may differ significantly from the unrealized valuations reflected herein. The Platinum valuation policy is available upon request.

Legal Notice

An investment in any Platinum Fund entails a high degree of risk and no assurance can be given that such Platinum Fund's investment objective will be achieved or that investors will receive a return on their capital. Past performance is not necessarily indicative of future results, and there can be no assurance that such Platinum Fund will achieve comparable results. Actual gross and net returns for such Platinum Fund, and limited partners participating directly or indirectly through such Platinum Fund, may vary significantly. In this regard, recipients should note that such Platinum Fund's strategy and objectives may substantially differ from those of the strategies of the current and prior Platinum Buyout Funds which have specific management fee terms and risk profiles.

There can be no guarantee that investments similar to those highlighted herein will be pursued by any Platinum Fund if it were available to it. Such investments are for illustrative purposes only. There can be no assurance that the Platinum Fund's investments will perform similarly to the investments identified herein. Accordingly, as a general matter, the performance of the Platinum Buyout Funds set forth herein is not indicative of the returns that should be expected for any Platinum Fund and recipients should attach correspondingly qualified consideration to the prior performance information presented herein.

Platinum Equity Overview

- **Founded in 1995,** initially investing founders' capital before launching private equity funds line in 2004
- **Headquartered in Los Angeles** with offices in New York, Greenwich (CT), Boston, London and Singapore
- **~335** employees around the world including **~195** investment professionals[1]
- **~$47 billion of assets under management** as of December 31, 2023
- **~$40.0 billion** of fund commitments to PECP I-VI, PESCF I-II[2]
- **Strong, cycle tested track record** since inception[3]
- Platinum's **12 Partners** have been with the Firm for an **average of 24 years**
- **~$3.0B (~12% of total)** invested into Platinum's PESCF and 5 PECP funds by employees and affiliates[4]

Platinum Equity Buyout Funds[5]

= Gross / Net IRR
Gross / Net MOIC[6]

Pre-Fund[7]	PECP	PECP II	PECP III	PECP IV	PESCF	PECP V	PECP VI	PESCF II
1995-2004	2004 Vintage	2007 Vintage	2012 Vintage	2016 Vintage	2018 Vintage	2019 Vintage	2022 Vintage	2024 Vintage
$527M invested	**$700M size**	**$2.75B size**	**$3.75B size**	**$6.5B size**	**$1.5B size**	**$10.0B size**	**$12.6B size**	**$2.25B target**
322.4% / 322.4%	117.4% / 61.9%	19.3% / 12.9%	50.1% / 33.1%	27.3% / 21.1%	28.4% / 18.6%	23.3% / 17.1%	34.6% / 8.9%	0.0% / -3.0%
3.2x / 3.2x	3.8x / 2.7x	2.1x / 1.7x	2.8x / 2.3x	2.3x / 2.0x	2.0x / 1.6x	1.7x / 1.5x	1.2x / 1.1x	1.0x / 1.0x

1995 → 2024

Highly confidential, trade secret. Notes: (1) Includes professionals dedicated to equity and credit investments as of March 31, 2024. (2) As of April 18, 2024 (3) Investing in any Platinum Fund entails various material risks; please see the Risk Factors at the end of this Presentation for additional information about such risks. (4) Capital called and funded as of June 30, 2022. Includes capital contributed by Dyal as a minority investor in Platinum. (5) Data as of March 31, 2024. (6) Please see slides 41-46 for important information. (7) Pre-fund was funded by founders' capital prior to the establishment of PECP I and before the formation of Platinum Equity Advisors, LLC. Net multiple and Net IRR for Pre-Fund portfolio represent Gross multiple and Gross IRR since Pre-Fund did not pay any management fees, carried interest or certain partnership level expenses of the type typically paid by a Fund. Because there were no effects of management fees, carried interest, taxes and other such expenses, Pre-Fund's gross cash flow is treated as net cash flow for the purpose of calculating net figures.

Experienced and Stable Leadership Team

12 Partners with 24 Year Average Tenure

Tom Gores CEO, IC	**Mark Barnhill**	**Stephanie Barter**	**John Diggins**	**Bryan Kelln** IC	**Jacob Kotzubei** Co-President, IC
Johnny Lopez IC	**Phil Norment** IC	**Louis Samson** Co-President, IC	**Mary Ann Sigler** CFO	**Bob Wentworth** IC	**Bob Wymbs**

IC = Investment Committee

~70 Managing Directors and Principals with 10 Year Average Tenure

PECP Fund Investment Team – Senior Executives

North America

Craig Ashmore
Business Development

Adam Cooper
M&A Execution

Aaron Mazzolini
M&A Execution

David Glatt
M&A Execution

Delara Zarrabi
M&A Execution

Jason Price
M&A Execution

Matt Louie
M&A Execution

Nathan Eldridge
M&A Execution

David Wolf
M&A Finance

Eric Worley
M&A Finance

Brandon Crawley
Portfolio Operations

Christian Cook
Portfolio Operations

Dori Konig
Portfolio Operations

Jason LaDuke
Portfolio Operations

Renee Koontz
Portfolio Operations

Europe

Igor Chacartegui
M&A Execution

Malik Vorderwuelbecke
M&A Execution

Dan Madden
Portfolio Operations

Capital Markets

Kevin Smith
Ramin Pourfar

Investor Relations

Daniel Barnhill
Alex Doñé
Robert Klap
Wouter Mak
David Pequet
Ryan Toteja

Structured Investment Process: M&A&O®

Methodical and Repeatable Process Run by Specialized Teams

Source → Diligence → Acquire → Manage → Exit

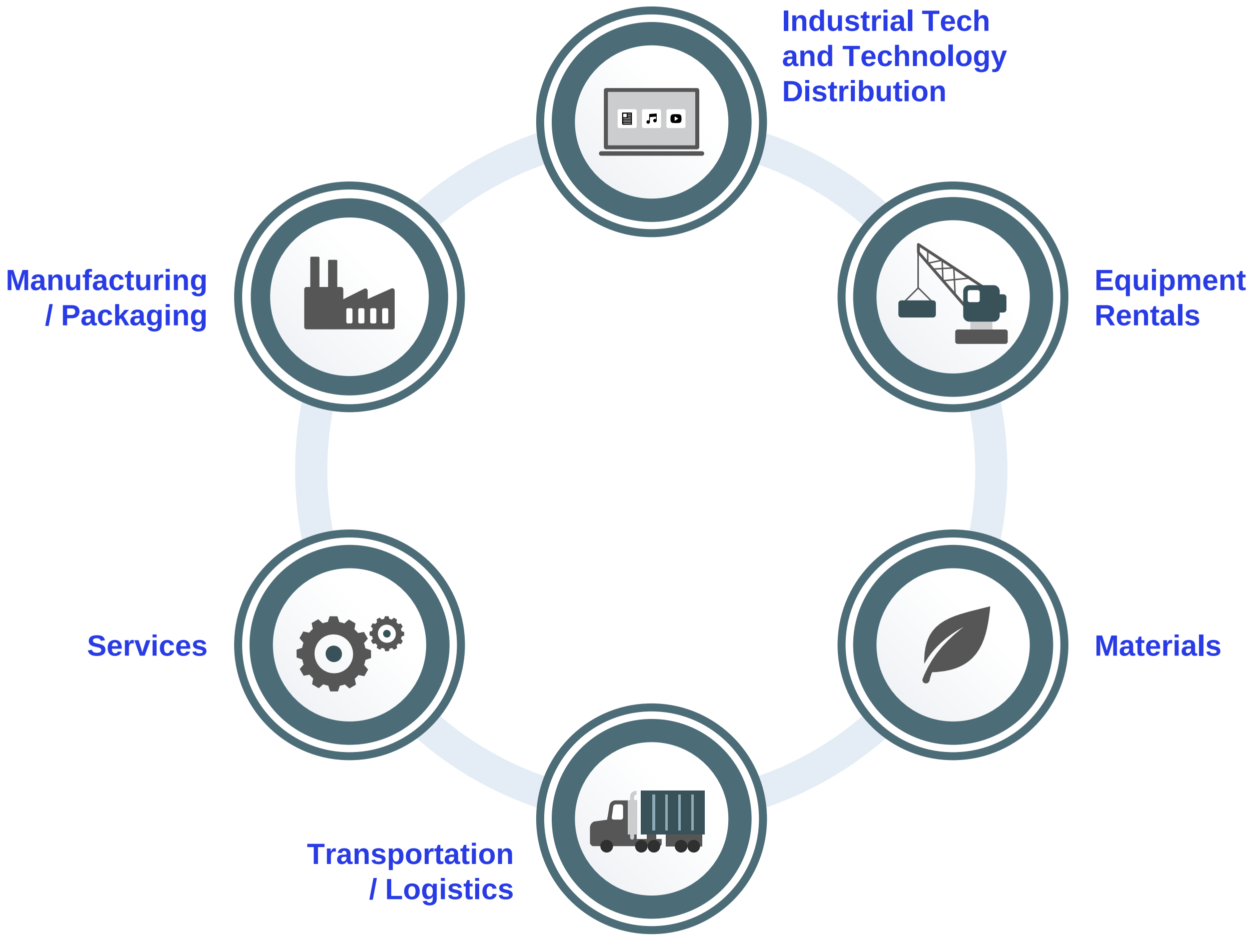
Platinum Teams

Business Development	M&A Execution M&A Finance M&A Operations Debt Capital Markets	Portfolio Operations	Divestiture
Dedicated to deal sourcing and screening	Highly granular financial and operational due diligence	Transition and manage the business	Specialists in exit processes
Maintain and develop deep relationships with large network of potential sellers	Tough negotiation on terms to drive value	Drive the 'O' playbook	View on entire portfolio
~1,500 deals sourced and screened annually[1]	Intelligent and creative deal structuring	Work closely with portfolio company management	Maximize value at exit
Senior transaction development team	Wide access to leading lenders globally		Work closely with M&A teams

Highly confidential, trade secret. Note: For illustrative purposes. There can be no guarantee that the trends described above will continue. (1) Average amount of deals sourced from 2019-2023. Includes PECP Funds, PESCF Funds and PCOF deals.

Generalist Sector Approach

With deep expertise Platinum has accumulated since 1995 across specific verticals



Experienced Corporate Carve-out Specialist

ALCATEL
ALCOA
at&t
BASF The Chemical Company
CATERPILLAR®
CBS OUTDOOR
CNTY China Tianying Inc.
Copley Newspapers THE COPLEY PRESS, INC.
DANONE
EMERSON
FUJITSU
GE
GIBRALTAR INDUSTRIES
HAYS
HNA
IBM
IR Ingersoll Rand
IMERYS
JW JELD-WEN WINDOWS & DOORS
Johnson & Johnson
Kodak
KOHLER®
MOTOROLA
Nampak
newell BRANDS
noranda
PHILIPS
pitney bowes
SOURCE INTERLINK
STAPLES
TELSTRA
TEXTRON
TUI
United Technologies
WYNDHAM
VOLVO

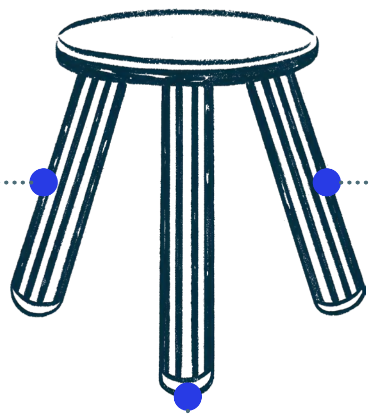
Core Investment Criteria

Disciplined Entry Pricing

We seek to buy at meaningful discounts to market multiples

Downside Protection[1]

Sought through investment characteristics and swift return of invested capital



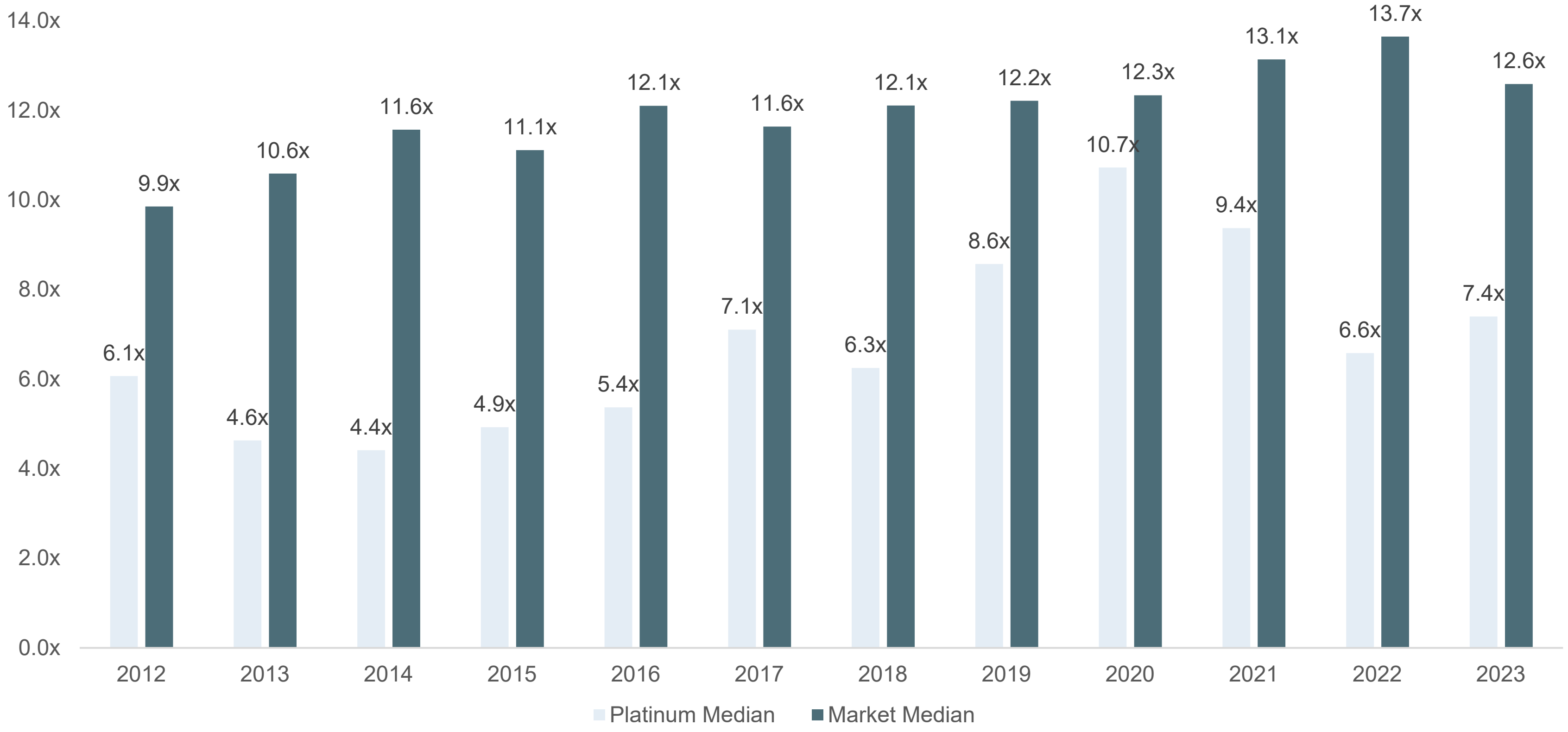
Operational Improvement

~95 in-house operations professionals drive value through granular diligence and a highly developed and constantly evolving playbook

Highly confidential, trade secret. Notes: (1) Investing in any Platinum Fund entails various material risks; please see the Risk Factors at the end of this Presentation for additional information about such risks. For illustrative purposes. Please see slides 2-3 for important information. There can be no guarantee that Platinum will be able to negotiate terms for or execute investments in the manner described above.

Disciplined Entry Pricing

Platform acquisitions (excludes add-ons)



Highly confidential, trade secret. Source: Global Financial Sponsor Entry Multiples represent Dealogic median LTM EV/EBITDA multiples across all industries from Jan 1, 2012 through Dec 31, 2023 in respect of leveraged buyout transactions entered into by a variety of global financial sponsors across private equity and hedge, but excluding strategic investors. There are important differences between such sponsors and the transactions entered into that are reflected in the chart above and prospective investors should attach correspondingly qualified consideration thereto. Platinum Entry Multiples represent median LTM EV/EBITDA multiples for platform company acquisitions completed from Jan 1, 2012 through Dec 31, 2023 excluding the following: (i) RCH, a credit investing vehicle and not a platform company with a relevant EBITDA entry multiple; (ii) Soter Capital, a debt-for-control investment and not a platform company with a relevant EBITDA entry multiple; (iii) Clipper Windpower and Checkview, where EBITDA was negative at entry and therefore an LTM EV/EBITDA multiple is not meaningful; and (iv) the hospitality platform (hotel) investments which also do not have a relevant comparable EBITDA entry multiple; and (v) any other non-platform investments that do not have relevant EBITDA entry multiple. For illustrative purposes only. Past performance is not necessarily indicative of future results, and there is no guarantee that these trends will continue.

Operations: Playbook and Talent Pool

Ops. 1.0	Ops. 2.0	Ops. 3.0	Ops. 4.0	Ops. 5.0	Ops. 6.0
Culture, Intensity, Cost, and Balance Sheet	Operational Excellence and Merger Integration	Growth, Pricing and Margin Expansion	Digital Transformation	Human Capital	Sustainability

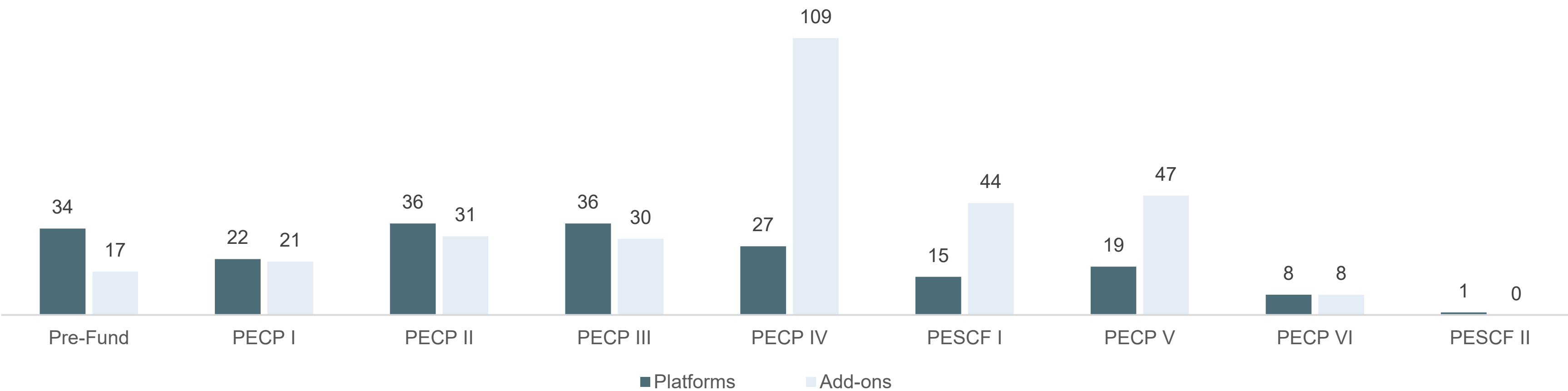
1995 → 2023

<15 People	Platinum Equity Operations Talent	~95 People[1]
<10 People	Portfolio-Employed Transformation Talent	~60 People[1]
Occasionally	Strategic Executive Talent Acquisition	Leverage Platinum's Extensive Executive Network

Highly confidential, trade secret. Note: For illustrative purposes. There can be no guarantee that the trends described above will continue. (1) As of March 31, 2024.

Continuous M&A: Adding Value Via Add-on Acquisitions

Consistent and effective add-on integration that helps drive value creation[1]
Typically funded without calling additional capital from investors



26 Add-on Acquisitions completed in LTM[1]

ARROW
Blue Bay South (May-23)
Roy Bingo Supplies (May-23)
Good-Time Bingo (Sep-23)
Whaler Casino Supply (Nov-23)
Powerhouse Gaming (Jan-24)

awaze
Zugvogel-Reisen GmbH (Jul-23)
Gael Property Care Limited (Jul-23)

The Cook & Boardman Group
Discovery Door (Feb-24)
Lanmor Services (Feb-24)

deluxe
Applications Technology (Aug-23)

Hop Lun
Rainbow West Apparel (Dec-23)
P.H. Garment Manufacturing Company (Feb-24 signed)

Leaders Romans Group
First Union Property Company (Apr-23)
Liberty Gate (May-23)
Rosedale Lettings Specialist (Jul-23)
Stirling Ackroyd (Jan-24)
Alexander & Co. (Jan-24)

Momentec Brands – outfitting moments that matter
Founder Sport Group (Jan-24)

NDC
United Physicians Society (Jan-24)

SOLENIS
Diversey (Jul-23)
CedarChem (Oct-23)

TruckPro
Matuszko Trailer Repair (May-23)
Whatever It Takes Repair (Aug-23)

urbaser
Reciclados Palancia Belcaire, S.L. (Jun-23)
UBB Waste (Nov-23)
Carmona (Dec-23)

Highly confidential, trade secret. Notes: For illustrative purposes only. (1) Add-on acquisitions signed or closed as of March 31, 2024. There is no guarantee that these trends will continue.

Consistent Track Record Across Multiple Cycles

As of March 31, 2024 (U.S.$ in millions)	Fund Size(a)	Cash Invested[2]	Realized Proceeds[3]	Unrealized Value[4]	Total Value[5]	Gross Multiple[6]	Gross IRR[7]	Net Multiple[8]	Net IRR[8]
Small Cap II (2024 Vintage)	$1,380	$67.0	$0.0	$67.0	$67.0	1.0x	0.0%	1.0x	-3.0%
PECP VI (2022 Vintage)	12,227	3,124.5	0.0	3,701.6	3,701.6	1.2x	34.6%	1.1x	8.9%
PECP V (2019 Vintage)	10,000	9,742.2	1,379.0	15,663.8	17,042.8	1.7x	23.3%	1.5x	17.1%
Small Cap I (2018 Vintage)	1,500	1,304.5	311.0	2,300.7	2,611.7	2.0x	28.4%	1.6x	18.6%
PECP IV (2016 Vintage)	6,500	6,706.8	8,654.8	7,020.3	15,675.1	2.3x	27.3%	2.0x	21.1%
PECP III (2012 Vintage)	3,750	3,127.9	8,402.1	481.9	8,884.0	2.8x	50.1%	2.3x	33.1%
PECP II (2007 Vintage)	2,750	2,731.6	5,672.4	165.8	5,838.2	2.1x	19.3%	1.7x	12.9%
PECP I (2004 Vintage)	700	675.8	2,505.7	34.5	2,540.2	3.8x	117.4%	2.7x	61.9%
Total – All Investments	**$38,807**	**$27,480.3**	**$26,925.0**	**$29,435.6**	**$56,360.6**	**2.1x**	**64.9%**	**1.7x**	**23.4%**
Pre-Fund (1996)(b)	**n/a**	**527.0**	**1,697.0**	**12.0**	**1,709.0**	**3.2x**	**322.4%**	**3.2x(c)**	**322.4%(c)**

Highly confidential, trade secret. Data (other than Net Multiple and Net IRR) includes Platinum Equity's side-by-side co-invest capital. See Notes on Detailed Investment Performance Tables in Appendix V for further explanation and important information. For footnotes (2)-(8), see Notes on Detailed Investment Performance Tables in Appendix V.

(a) Includes GP commitment. PECP VI fund size represents closed capital as of March 29, 2024. Small Cap II fund size represents closed capital as of April 18, 2024.

(b) Pre-fund was funded by founders' capital prior to the establishment of PECP I and before the formation of Platinum Equity Advisors, LLC.

(c) Net multiple and Net IRR for Pre-Fund portfolio represent Gross multiple and Gross IRR since Pre-Fund did not pay any management fees, carried interest or certain partnership level expenses of the type typically paid by a Fund. Because there were no effects of management fees, carried interest, taxes and other such expenses, Pre-Fund's gross cash flow is treated as net cash flow for the purpose of calculating net figures.

PECP VI – Portfolio[1]

~42% committed to twelve platform investments

Fund already marked up on a gross basis[2]

	ASP Global	inventia	Sunrise Medical
Acquired	Signed June 2024	Signed June 2024	Signed June 2024
Description	Developer and direct sourcing partner for consumable medical-surgical products	Final dosage form generic pharmaceuticals business	Manufacturer of advanced assistive mobility solutions
Cash Invested / Committed	~$170 million[4]	~$157 million[4]	~$815 million[4]
Headquarters	Austell, GA	India	Germany

	Kohler Energy	Horizon Organic	U.S. LBM
Acquired	May 2024	March 2024[3]	December 2023
Description	Distribution of energy solutions	Producer of organic dairy products	Distributor of specialty building products
Cash Invested / Committed	~$1.15 billion[4]	$125 million	$985 million
Headquarters	Kohler, WI	Broomfield, CO	Atlanta, GA

Highly confidential, trade secret. Notes: (1) Platform investments either signed or closed as of June 19, 2024. Includes Platinum side-by-side co-invest but excludes LP co-invest. (2) Fund VI was marked at a 1.2x Gross MOIC and 1.1x Net MOIC as of March 31, 2024. (3) Represents the date equity was invested in the holding company, rather than the date of purchase of the company, which is April 2024 for Horizon Organic. (4) The amount presented is an estimated amount which includes Platinum's side-by-side co-investment. Does not include potential outside co-investment amount. There can be no guarantee that any transactions referred to herein that has been signed but not closed, will be consummated or, if consummated, the terms will be as described herein.

PECP VI – Portfolio[1]

(continued)

	Momentec Brands	The Cook & Boardman Group	Solenis
Acquired	November 2023	November 2023	July 2023
Description	Designer and manufacturer of team sportswear	Distributor of commercial doors and security integration solutions	Producer of specialty chemicals
Cash Invested / Committed	$453 million	$310 million	$500 million
Headquarters	Grovetown, GA	Winston-Salem, NC	Wilmington, DE

	Ventora	Calderys	Hop Lun
Acquired	June 2023[3]	January 2023	September 2022
Description	Manufacturer and distributor of windows and doors	Provider of refractory solutions	Designer and manufacturer of undergarments
Cash Invested / Committed	$155 million	$460 million	$137 million
Headquarters	Australia	France	Hong Kong

Highly confidential, trade secret. Notes: (1) Platform investments either signed or closed as of June 19, 2024. Includes Platinum side-by-side co-invest but excludes LP co-invest. (2) Fund VI was marked at a 1.2x Gross MOIC and 1.1x Net MOIC as of March 31, 2024. (3) Represents the date equity was invested in the holding company, rather than the date of purchase of the company, which is July 2023 for Ventora (fka JELD-WEN Australasia). (4) The amount presented is an estimated amount which includes Platinum's side-by-side co-investment. Does not include potential outside co-investment amount. There can be no guarantee that any transactions referred to herein that has been signed but not closed, will be consummated or, if consummated, the terms will be as described herein.

LP Co-Investment

Platinum has accepted **over $5.6bn** in LP co-investment commitments since 2016[1]

We expect there will be opportunities for LP co-investment alongside Fund VI[2]

Investments with LP co-investment

aventiv TECHNOLOGIES
Diversey
HUSKY
INGRAM MICRO
KOHLER Energy
Mc Graw Hill
solenis
urbaser
VERTIV
U.S. LBM

Highly confidential, trade secret. (1) As of May 13, 2024. (2) There can be no guarantee that any co-investment opportunities will be made available. Please see "Risk Factors and Potential Conflicts of Interest" section of the Fund VI Private Placement Memorandum for more information.

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Private Equity Presentation
Altas Partners

ACTION: ________

DATE: July 24, 2024

INFORMATION: ____X____

Background:

Altas Partners is a North American private equity firm focused on selectively acquiring significant interests in high-quality businesses with meaningful growth potential. Altas concentrates on services sub-sectors where it has deep expertise, seeking one or two compelling investment opportunities each year. The Firm's patient investment philosophy and engaged approach to ownership distinguish Altas as a buyer of choice for many management teams and founders. The Firm was founded in 2012 and operates from offices in Toronto and New York. Altas manages approximately $10 billion on behalf of leading institutional and family office investors from around the world.

Presenter Biography:

Andrew Sheiner – CEO & Managing Partner, Atlas Partners

Andrew is CEO and Managing Partner of Altas Partners, a North American private equity firm that manages US$10+ billion on behalf of global institutional investors. Andrew founded Altas in 2012 following a 17-year career with Onex Corporation where, as a Managing Director, he co-led the establishment of Onex Partners (Onex' large cap private equity platform) and oversaw its other investing platforms. Prior to joining Onex in 1995, Andrew worked at McKinsey & Company and a private family business.

Andrew holds a Bachelor of Commerce degree (Gold Medalist) from McGill University and an MBA from Harvard University. Andrew is or has served as a Board member of The York School, The Hospital for Sick Children, Hot Docs, Urban Squash Toronto and Harvard Business School's Canadian Advisory Board.

ALTAS

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Certain information contained in this presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "would," "could," "expect," "anticipate," "target," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of a Fund may differ materially from those reflected or contemplated in such forward-looking statements. No Fund, Altas or any of their respective affiliates (or any of their respective directors, officers, employees, members, managers, partners, shareholders or agents) (i) assumes responsibility for the accuracy or completeness of these forward-looking statements or (ii) undertakes any obligation to update or revise any forward-looking statements for any reason after the date of this document to conform the statements to actual results or to changes in expectations.

Certain of the information included herein contains financial projections. Such projections reflect numerous estimates and assumptions with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to a company's business, all of which are difficult to predict and many of which are beyond the control of Altas or its management. The financial projections are subjective in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. As such, these financial projections constitute forward-looking information and are subject to risks and uncertainties, including those set forth above.

Certain information contained herein has been obtained or is derived from sources prepared by third parties. While such information is believed to be reliable for the purposes used herein, no Fund, Altas or any of their respective affiliates assumes any responsibility for the accuracy of such information and no such party has investigated the accuracy of such information or verified the assumptions on which such information is based.

In considering the projected performance information contained herein, prospective investors should bear in mind that past or projected performance is not a guarantee or prediction and is not necessarily indicative of future results. There can be no assurance that a Fund will achieve comparable results, that projected returns will be met or that a Fund will be able to implement its investments strategy and investment approach or achieve its investment objective. Actual gross and net returns for a Fund may vary significantly from the projected returns set forth herein. A Fund's projected returns are expected to be realized from current income and capital appreciation, using leverage where Altas believes it appropriate. The projected returns stated herein are based on Altas's belief about what returns may be achievable in light of the experience of Altas's investment team in similar transactions and rely on the accuracy and completeness of the underlying source information shared with Altas by portfolio company management and/or any other third-party sources. Further, the projected returns stated herein are based on an assumption that economic, market and other conditions will not deteriorate and, in some cases, will improve. The projected returns also are also based on models, estimates and assumptions about performance believed to be reasonable under the circumstances, but actual realized returns on a Fund's investment will depend on, among other factors, the ability to consummate the transaction, future operating results, the value of the assets and market conditions at the time of disposition, and any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the projected returns are based.

DISCLAIMERS

Any hypothetical performance has been included for illustrative purposes only, and is not necessarily, and does not purport to be, indicative, or a guarantee, of future results. Hypothetical performance includes any performance targets, projections, multi-fund composites, pro forma return adjustments or other similar presentations and represents performance results that no individual fund, portfolio or investor has actually achieved. The preparation of such information is based on underlying assumptions, and because it does not represent the actual performance of any fund, portfolio or investor, it is subject to various risks and limitations that are not applicable to non-hypothetical performance presentations. For example, because cumulative, multi-fund composite performance reflects different funds managed through various economic cycles, it is not, nor is it intended, to be representative of, the anticipated experience of an investor in a single fund. Any preparation of hypothetical performance involves subjective judgments. Although Altas believes any hypothetical performance calculations described herein are based on reasonable assumptions, the use of different assumptions would likely produce different results. For the foregoing and other similar reasons, the comparability of hypothetical performance to the prior (or future) actual performance of a Fund is limited, and prospective investors should not unduly rely on any such information in making an investment decision.

An investment in a Fund is speculative and involves significant risks, including loss of the entire investment. There can be no assurances that a Fund's investment objective will be achieved or that its investment program will be successful. Limited partner interests in any such Fund will be illiquid as there will be no secondary market for such interests and none is expected to develop. There will be restrictions on transferring limited partner interests in a Fund. A Fund's investment performance could be volatile. A prospective investor who has preliminary interest in a Fund should understand these risks and have the financial ability and willingness to accept them for an extended period of time before considering making an investment in a Fund.

Any losses of a Fund will be borne by its investors and not by Altas or its respective affiliates, none of whom guarantee or otherwise insure the obligations or performance of such Fund. You may not rely on this document as a basis to make an investment decision. To the extent that you rely on this document in connection with any investment decision, you do so at your own risk.

Nothing contained herein should be construed as legal, business, investment, tax or other advice. Each prospective investor should consult its own attorney, business adviser and tax adviser as to legal, business, tax and related matters concerning the information contained herein.

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OUR SINGULAR INVESTING OBJECTIVE

To consistently generate excellent private equity returns with the least amount of risk

ALTAS

Founded in 2012 to pursue a more discerning approach to private equity investing

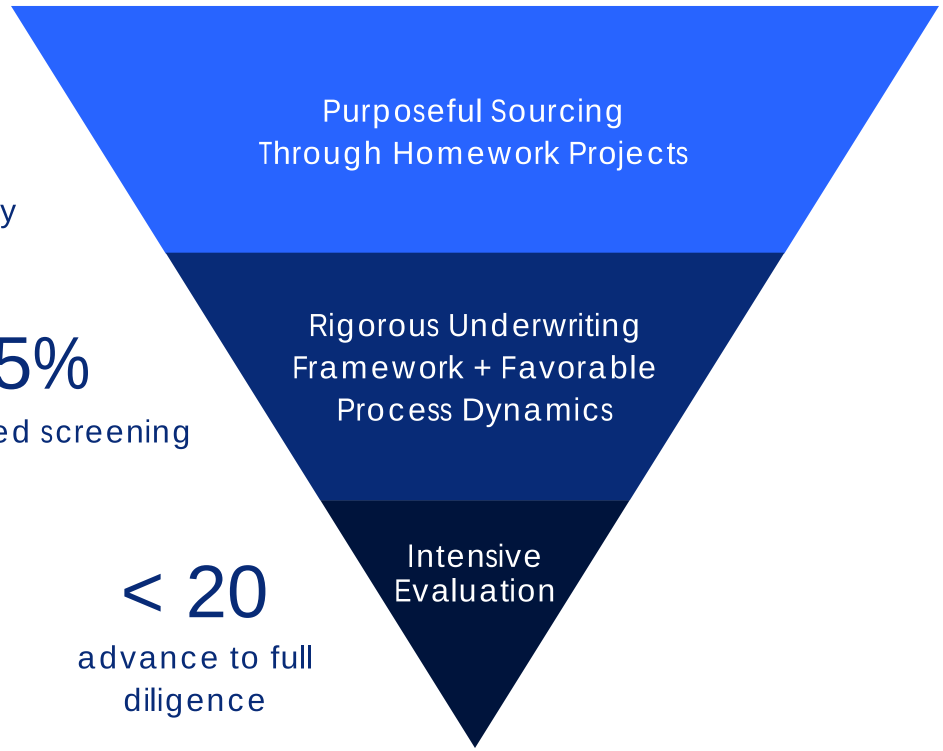
- Invest in high-quality services businesses with a clear line of sight to meaningfully enhance cash flow
- Deep sub-sector expertise to acquire 1-2 businesses per year that fit Altas' framework
- Highly engaged approach to ownership positions Altas as an owner of choice
- Team of 60+ professionals across investing, ownership, and operations in Toronto and New York
- Steward more than $10 billion on behalf of leading endowments, foundations, and institutions

OUR STRATEGY

To achieve excellent risk-adjusted returns, we founded Altas on three core principles

HIGHLY DISCERNING APPROACH	HIGH-QUALITY BUSINESSES	ENGAGED OWNERSHIP
Intensive sub-sector sourcing (“Homework Projects”) to identify 1-2 compelling opportunities annually	Focus on hard-to-replicate business models with clear growth potential	Create long-term value through intense operational engagement with each business to drive meaningful growth in cash flow

Maintain a very high bar



400-500
opportunities evaluated annually

< 5%
pass detailed screening

< 20
advance to full diligence

1-2
investments

ALTAS HAS ACQUIRED **11** BUSINESSES THAT FIT ITS INVESTMENT FRAMEWORK IN **11** YEARS

Durable businesses that fit Altas' framework

COMPANY	YEAR	VERTICAL	SUB-SECTOR	QUALITY & DURABILITY
Mercer Advisors	2023	Financial Services	Wealth management (RIA)	Strong client value proposition & differentiated model compared to other wealth channels
Pye-Barker Fire & Safety	2021	Business & Industrial Services	Fire safety and inspection	Strong recurring revenue model & essential service
Unified Women's Healthcare	2020	Healthcare Services	Practice management services	A leading provider with royalty-like revenue stream
DuBois	2019	Business & Industrial Services	Specialty chemicals	Highly dependent & fragmented customer base
University of St. Augustine for Health Sciences	2019	Business & Industrial Services	Physical therapy education	Hard-to-replicate campus network & capabilities
Tecta America	2018	Business & Industrial Services	Commercial roofing	Only national consolidator with huge advantages of scale
HUB	2018	Financial Services	Insurance brokerage	A leading national player serving the mid-market
PADI	2017	Business & Industrial Services	Scuba certification	Hard-to-replicate global brand and network
MyEyeDr.	2015	Healthcare Services	Optical retail	Leading consolidator with unique ability to enhance unit economics
Medforth Global Healthcare Education	2014	Business & Industrial Services	Medical education	Market-leading international medical school built over four decades
NSC Minerals	2013	Business & Industrial Services	Industrial salt	Leader in a regional structural duopoly

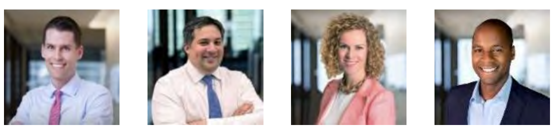
Partnership across Investment Team, Portfolio Solutions Group, and Advisory Board

Investment Team

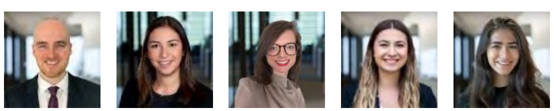
- 25+ team members overseeing portfolio in collaboration with management, Portfolio Solutions Group, and Altas Advisory Board

Portfolio Solutions Group

- Partner directly on key needle moving initiatives & talent agenda to drive operational progress



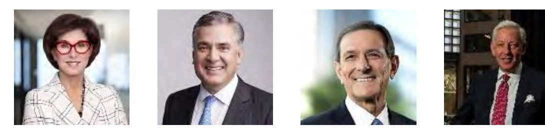
Christopher McElhone | Michael Shay | Lisa Dymond | Jeremy Gooden



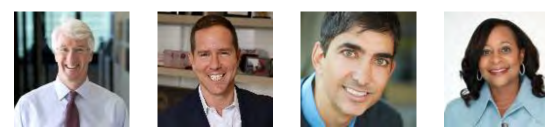
Andrew McIntyre | Jordy Winkler | Tara Park | Keira Crook | Kimia Raahemifar

Advisory Board (1)

- Talented and experienced executives with C-suite experience and public company board representation



Kathleen Taylor | Joe Natale | Yves de Balmann | Dominic Barton



John Francis | Andrew Hauptman | David Lawee | Robin Washington

5:1 ratio of Altas investment professionals to active portfolio companies (2)

(1) Advisory Board members are not employees of Altas.

(2) Includes Investment Team and Portfolio Solutions Group.

OUR VALUES

We are inspired by Excellence

We are Caring and Inclusive

We embrace Teamwork

We act with Integrity

OUR CULTURAL INITIATIVES

Team Building & Development

Leadership Coaching

Bi-Weekly Pulse Check Surveys

Monthly Cohort Meetings

Women@Altas

Health & Wellness

Headspace App

Wellness Week

Athletic Club Membership

Team Workout Classes

Altas Cares

Philanthropy Committee

Volunteering Offsites

Donation Matching

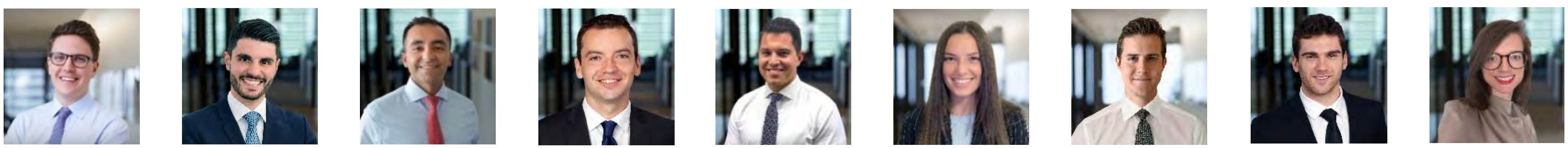
Employee Charity Spotlight

A diverse team of talented professionals

Andrew Sheiner | Scott Werry | Christopher McElhone | Paul Nicoletti | David Brent | Damon Conway | Lisa Dymond | Paul Emery | Aryella Frommer

Michael Korzinstone | Aza Albogatchieva | Manoj Anandan | Julie Barac | Brendan Beauregard | Michael Casson | Chevonne Cloutier | Alex Coote | Keira Crook

Hannah Currie | Adrienne Danson | Jessica Delfino | Josiah Derksen | Winston Dumont-Aubrey | Kyle Fan | Daniel Farewell | Jenfay Gan | Jeremy Gooden



Jack Hansen | Angelo Ibrahim | Akshay Kumar | Adam Lafreniere | Nick Mancini | Hannah McGrath | Alexandre Michaud | Ben Van Ooteghem | Tara Park

Brock Roberts | Kimia Raahemifar | Dharmesh Samji | Bryant Seaman | Andrew McIntyre | Michael Shay | Jessica Sonnenberg | Arasan Thangavelu | Kendra Whitlock

Jordy Winkler | Nathan Witteveen | Hank Xu | Kelly Yang

Andrew Sheiner	CEO & Managing Partner; Onex Corporation; McKinsey & Company; Harvard University; McGill University (Gold Medalist)
Scott Werry	Managing Partner; Providence Equity Partners; McColl Partners; Harvard University; University of North Carolina at Chapel Hill (Morehead-Cain Scholar)
Christopher (Chris) McElhone	Managing Partner; Onex Corporation; Husky Injection Molding Systems; CIBC World Markets; Wilfrid Laurier University (with High Distinction)
Paul Nicoletti	Partner & COO; Celestica (NYSE:CLS; CFO and Head of Strategy and M&A); York University (Honors, Schulich School of Business); University of Western Ontario
David Brent	Partner; Apollo Global Management; Bank of America Merrill Lynch; Queen's University (with Distinction)
Damon Conway	Partner; Mill Road Capital; Onex Corporation; CIBC World Markets; Harvard University; Queen's University (First Class Honors)
Lisa Dymond	Partner & Head of Talent; BCG; Pollara Strategic Insights; University of Western Ontario (Valedictorian, Ivey School of Business); Carleton University
Paul Emery	Partner; Hellman & Friedman; Stanford University (Arjay Miller Scholar); University of Virginia (with Distinction)
Aryella Frommer	Partner & Head of Investor Relations; Trian Partners; Goldman Sachs; Neuberger Berman; Lehman Brothers; Barnard College of Columbia University (summa cum laude and Phi Beta Kappa)
Michael Korzinstone	Partner; Cinven; Silver Lake; University of Pennsylvania (The Wharton School)
Jessica Delfino	Principal; Arsenal Capital Partners; Deutsche Bank; Harvard University (George F Baker Scholar); McGill University (Great Distinction)
Jack Hansen	Principal; Berkshire Partners; Bain & Company; University of Western Ontario (Gold Medalist, Ivey Scholar, Ivey School of Business)
Akshay Kumar	Principal; Blackstone; TPG; Goldman Sachs; Harvard University; University of Western Ontario (Gold Medalist, Ivey Scholar, Ivey School of Business)
Nick Mancini	Principal; TPG; Morgan Stanley; Harvard University; Boston College (summa cum laude)
Aza Albogatchieva	Director; RBC; York University (with Distinction, Schulich School of Business)
Michael Casson	Director; Bain Capital; Bain & Company; Harvard University (High Distinction); Harvard College (cum laude)
Adrienne Danson	Director; Advent; Goldman Sachs; University of Western Ontario (with Distinction, Ivey School of Business)
Kyle Fan	Director; Oak Hill Capital; Evercore; University of Western Ontario (with Distinction, Ivey School of Business)
Daniel Farewell	Director; Bain & Company; Harvard University; Queen's University (First Class Honors; with Distinction)
Bryant Seaman	Director; Veritas Capital; Clayton, Dubilier & Rice; Harvard University; Stanford University
Hank Xu	Director; Clairvest Group; Credit Suisse; INSEAD; Queen's University
Nathan Witteveen	Senior Associate; Goldman Sachs; Queen's University (First Class Honors)
Manoj Anandan	Associate; Moelis & Company; Queen's University (with Honors)
Alex Coote	Associate; Boston Consulting Group; University of Western Ontario (Dean's Honor List)
Josiah Derksen	Associate; Morgan Stanley; McGill University (First Degree Honor)
Winston Dumont-Aubrey	Associate; BMO Capital Markets; University of British Columbia Sauder School of Business (with Honors)
Angelo Ibrahim	Associate; Oliver Wyman; University of Waterloo (with Distinction)
Alexandre Michaud	Associate; Credit Suisse; McGill University (with Distinction)
Ben Van Ooteghem	Associate; Credit Suisse; Wilfrid Laurier University (with High Distinction)
Arasan Thangavelu	Associate; RBC; McGill University (First Class Honors)

Brock Roberts	Associate; Blackstone Strategic Partners; University of British Columbia Sauder School of Business (with Honors)
Kelly Yang	Associate; BMO Capital Markets; University of Toronto (High Distinction, Chancellor's Gold Medal in Commerce)
Michael Shay	Senior Vice President, Head of Portfolio Solutions Group; Scotiabank; Bain & Company; Northwestern University (with Distinction); University of Western Ontario (with Distinction, Ivey Scholar, Ivey School of Business)
Jeremy Gooden	Director, Portfolio Solutions Group; BCG; Queen's University (First Class Honors)
Andrew McIntyre	Director, Portfolio Solutions Group; Bain & Company; Birch Hill Equity Partners; Queen's University
Jordy Winkler	Director, Portfolio Solutions Group; ResQ; Birch Hill Equity Partners; SATOV Consultants; University of Western Ontario (Ivey School of Business)
Tara Park	Senior Associate, Sustainable Ownership & Portfolio Solutions Group; BCG; McGill University (with Great Distinction); Christie's (with Merit); London Business School (with Distinction)
Keira Cook	Associate, Portfolio Solutions Group; Girlboss; RBC; Queen's University (First Class Honors)
Kimia Raahemifar	Associate, Portfolio Solutions Group; Bain & Company; University of Western Ontario (Ivey School of Business)
Hannah McGrath	Senior Associate, Investor Relations; The Riverside Company; University of British Columbia Sauder School of Business (with Honors)
Dharmesh Samji	Chief Financial Officer; BCE; Veritas Investment Research; Deloitte; University of Western Ontario (Dean's Honor List, Ivey School of Business); York University (with Distinction, Schulich School of Business)
Chevonne Cloutier	Senior Manager, Finance; Bosch Canada; McMaster University
Jenfay Gan	Senior Manager, Finance; Whitehorse Liquidity Partners; KPMG; Queen's University (with Honors)
Brendan Beauregard	Senior Financial Analyst; KPMG; University of Ottawa (with Honors)
Adam Lafreniere	Senior Financial Analyst; PwC; University of Toronto; McMaster University (with Honors)
Kendra Whitlock	Senior Financial Analyst; KPMG; Wilfrid Laurier University
Hannah Currie	Vice President, Human Resources and Talent; Shopify; Canada Post; Queen's University (with Honors)
Julie Barac	Manager, Human Resources; Ernst & Young; Wilfrid Laurier University
Jessica Sonnenberg	Director, Investment Operations; BCG; University of Toronto (Vanier Scholar); Queen's University
Kathleen (Katie) Taylor	Chair; Royal Bank of Canada (Chair); CPPIB (Director); Four Seasons Hotels and Resorts (former President and CEO); York University (Osgoode Hall Law School; Schulich School of Business); University of Toronto (Honors)
Joe Natale	Senior Advisor; Sun Life Financial (board member); Rogers Communications (former CEO); Telus Corporation (former President and CEO); KPMG Consulting; PNO Management Consultants (Founder); Accenture; University of Waterloo
Yves de Balmann	Advisor; Bregal Investments (former Co-Chairman); Deutsche Bank (former Co-Head, Global Investment Bank); Stanford University; École Polytechnique
Dominic Barton	Advisor; McKinsey & Company (former Global Managing Partner); Rio Tinto (board member); LeapFrog (Chairman); Radical Ventures (Senior Advisor and Partner); Oxford University (Rhodes Scholar); University of British Columbia
John Francis	Advisor; Fraser Kearney Capital; Trader Media Corporation (former President and CEO); University of Western Ontario (with Distinction, Ivey School of Business)
Andrew Hauptman	Advisor; Andell (Chairman); Harvard University; Yale University
David Lawee	Advisor; CapitalG (Founder & General Partner); Google (former Head of Corporate Development); Xfire (Founder); Mosaic Venture Partners (Founder); University of Chicago (Booth); McGill University; University of Western Ontario
Robin Washington	Advisor; Alphabet (board member); Honeywell (board member); Salesforce.com (board member); Gilead Sciences (former CFO); Hyperion Solutions (former CFO); University of Michigan; Pepperdine University

ALTAS

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

Memo

To:	Board of Trustees
Through:	Deven Mitchell, Executive Director
From:	Shannon Ely McCain, Director of Human Resources
Date:	July 24, 2024
RE:	PMP – Employee Handbook 2024 Update

Background:

At the February 2024 meeting, we notified the board that we would be presenting an updated version of the 2018 PMP-Employee Handbook. The intent was to revise the language in the handbook to align with current practices and new policies. Additionally, we removed the classification and compensation section from the PMP with the intent to place it in a standalone policy. This removal allows us to present an updated PMP-Employee Handbook to the board for consideration and to continue working towards updating the Compensation policy.

Included in this packet is a copy of the track-changed PMP-Employee Handbook and an Excel spreadsheet that aligns with each section. Each section includes a page number and a corresponding description of what was changed. In general, sections in the handbook considered non-substantive are those with language previously approved in the 2018 version or language updated to align with naming conventions, APFC policy, and state or federal employment laws. More substantive changes are noted with a corresponding brief description.

Recommendation:
Approve the changes to the updated PMP- employee Handbook.

PMP-Employee Handbook 2024 Update - Summary of	Page	Description
Mission, Vision & Values	5	No change
Introduction	6	No change
Employment at-will-status	6	No change
Employment Overview	6	No change
Organizational Chart	6	No change
Disclosure Requirements	6	No substantive change - Align with current 2021 Disclosure policy. Clarify between APFC and APOC disclosures.
Equal Employment Opportunity	7	No substantive change - Aligned with w/state law and Admin Order 75.
Disability Accommodation	7	No Change
Nepotism and Hiring of Immediate Family Members	8	No substantive change - updated in accordance with the Ethics Act
Outside Employment	8	No substantive change - updated in accordance with the Ethics Act
Restriction on Employment After Leaving State Service	9	No substantive change - updated in accordance with the Ethics Act
Nondisclosure of Confidential Information	*9*	*Substantiative change Updated per Board request - limited staff from sending emails to unauthorized email accounts*
Compensation Classification	10	Removed - To be placed in external comp policy
AFPC Market Guided Classification Method	10	Removed - To be placed in external comp policy
Class Specifications and Job Descriptions	10	Removed - To be placed in external comp policy
Compensation Philosophy & Structure	10	Removed - To be placed in external comp policy
Salary Structure	10	Removed - To be placed in external comp policy
Market Surveys	11	Removed - To be placed in external comp policy
Structure Calculation	11	Removed - To be placed in external comp policy
APFC Salary Structure - Effective 12/2017 (Pending Approval)	11	Removed - to be placed in external comp policy
Classification & Compensation Authority	11	Removed - to be placed in external comp policy
AS 37.13.100	11	Removed - to be placed in external comp policy
APFC Bylaws, Article II, Section 4	11	Removed - to be placed in external comp policy
AFPC Bylaws, Article II, Section 8	11	Removed - to be placed in external comp policy
Class & salary range table	12	Removed - To be placed in external comp policy
Authority for Position Classification & Compensation Actions	13	No substantive change
Administrative Guidelines for Classification & Compensation Actions	13	Removed -To be placed in external comp policy
Review of Classification and Compensation Structures	13	Removed -to be placed in external comp policy
Compensation Considerations at Hire	13	Substantive Change - added flexibility when recruitment difficulties exist
Post Survey Salary Adjustments	14	Removed - To be placed in external comp policy
Length of Introductory Period	14	Removed - does not align with current practice. Introductory period has not been observed.
Promotion and Reclassification	14	
Promotion	14	Updated language - to define and align with current practice.
Reclassification	14	No substantive change

Merit Salary Increases (not incl. promotions and reclassifications)	*14*	*Substantive Change - Title changed to Performance Based Pay Increases. Clarified two times when CEO authorizes pay increases (1. pay for performance) (2. internal equity or documented exceptional circumstances)*
Performance Management	*15*	*Title change - Performance Management and Performance Evaluations*
Performance Evaluation system elements	16	Update to clarify elements and to make consistent with class structure.
Annual Performance Appraisal /Evaluation Process	16	Updated language - New title "**Semi Annual Performance Review Process"** and updated langauge to align with current semi annual process. Requires employees to have acceptable performance.
The Performance Appraisal/Evaluation Includes	16	No change
Recommendations for Pay Action	17	No change
Change of Supervisor	17	No change
Merit Scale	17	Updated title "Evaluation Scale" - Update the 5 point scale and criteria.
New - Performance Management Process	18	Substantive change - New language providing guidance for handling performance that does not meet expectations. Includes a PIP process.
Recruitment Overview	18	No change
Employment Categories	19	No change
Categories of Appointments List	19	No change
Regular Full time Appointments	19	No change
Regular Part-time Appointments	20	No change
In-House Intern Appointments	20	No change
Regular Seasonal Appointments	20	No change
Temporary Long-Term Appointments	20	No change
Temporary Short-Term Appointments	21	No change
Emergency Appointments	21	No change
Introductory Period	21	Removed - to align with current process
Purpose of Introductory Period	21	Removed - to align with current process
Length of Introductory Period	21	Removed - to align with current process
Pay Day	22	New Language - information about payday
Work Hours, Overtime and Leave	22	No Substantive change
Work Hours and Office Hours	22	No Substantive change
Attendance and Absence	22	No substantive change
Flexible Workday Schedule	22	No substantive change
Overtime	23	No substantive changes
Holidays	23	No substantive changes
Work Status on APFC Holidays	24	No substantive changes
Work at Home	24	Updated lanaguage to meet current practice
Permanent Remote Work	25	Updated language - informational and refers to external policy
Hybrid Work Policy	25	Updated language - informational and refers to external policy
Leave	25	
Leave accrual	25	No substantive change - added leave accrual for informational purposes.

Administrative Absence From Work	26	Removed - not in alignment with current practice
Short-Term Leave of Absence	26	No change
Professional Practices	27	No change
Professional Codes of Conduct	27	No change
Gifts	27	Substantive change - Ethics Information on Gifts to reflect APFC disclosure policy
Annual Ethics training	28	New Language- addition of annual ethics training
Interpersonal Communications	28	No change
Public Communications	28	No change
Disputes	28	No substantive change
Dress Code	28	No change
Political Activities	29	No substantive change
Professional Education and Training	29	No substantive change - refer employees to external Training Policy.
Employee Discipline	29	Update do include term "misconduct"
At-Will Employment Status	30	No change
Employee Discipline	30	No substantive change - updated langauge for clarity.
Disciplinary Procedure	30	Substantive change - clarification language
Termination	31	
Supervisory Authority to Impose Disciplinary Action	31	No change
Disciplinary Action and Performance Appraisals	32	No substantive change
First Time Discharge Offenses	32	Removed - it is addressed in the Disciplinary Procedure on page 31.
Grievance Procedure	32	
Grievance Defined	32	No change
Employee Complaints and the Formal Grievance Process	32	No change
Employee Complaints	33	No change
Peer Review Committee	33	Removed - not current practice
Grievance Filing Procedures	33	No change
Appeal Process	34	No change
Filing a Complaint of Sexual Harassment or Unlawful Harassment or Discrimination	34	No substantive change - housekeeping
Unlawful Harassment Prevention	34	No change
Employee Protection	34	No substantintive Updated - retaliation prohibited added
Employee Separation from AFPC Employment	35	
Types of Separation	35	No change
Separation Process	35	No change
Steps of the Separation Process	35	Removed severance pay - no authority for it.
Resignation Notice	36	No change
Immediate Acceptance of Resignation	36	No change
Salary Benefits	36	No substantive change
Severance Pay	36	Remove - no authority
Exit Interviews	36	No change
Separation Performance Appraisal	36	No substantive change
Reference Authorization Form	36	No change
Letters of Recommendation	37	No change
Employment Reference	37	No change
Use of Personal Leave During Notice period	37	No change

Personnel Records	37	
Records Maintenance	37	No change
Confidentiality and Access to Personnel Files	38	No change
Employee Complaint Procedure RE: personnel file	38	No change
Release of Information From Personnel File	*38*	*Substantive change - added language that personnel records my be public*
Recruitment File	38	No change
Miscellaneous Policies	38	No change
General Office Safety	38	No change
Medical Emergencies	38	No change
Fire, Fire Drills, and Evacuation	39	No change
Workplace Safety Hazards	39	No change
Bomb Threat Response Plan	39	No change
Personal Safety while in travel status	39	No change
Visitors in the Workplace	39	No change
Workplace Violence prevention	39	No change
Weapons	40	No change
Building Security	40	No change
Emergency Office Closure	40	Changes to reflect current BCDR process
APFC Technology	41	No change
Office Resources	41	No change
Coffee/Tea Fund	43	Removed - no fund exists
New - Compliance with State and Federal Laws	43	Updated - disclaimer that state and federal laws will be followed if the PMP has any discrepancies between what is in our policy and state/federal law.

PMP - EMPLOYEE HANDBOOK

2024~~2018~~

TABLE OF CONTENTS (Upon board approval the table of contents will be updated)

Contents

Mission

To manage and invest the assets of the permanent fund and other funds as designated by law

Vision

To deliver sustained, compelling investment returns as the United States' leading sovereign wealth endowment manager, benefitting all current and future generations of Alaskans

Values

Integrity: We act in an honorable, respectful, professional manner that continually earns and justifies the trust and confidence of each other and those we serve.

Stewardship: We are committed to wisely investing and protecting the assets, resources and information with which we have been entrusted.

Passion: We are driven to excellence though personal improvement, innovative solutions and an open creative culture; and are energized by the challenges and rewards of serving Alaskans

~~The PMP formalizes in policy important corporate employment practices, initially developed with input from Alaska Permanent Fund Corporation (APFC) employees, Trustees, and a consultant. The Executive Director is responsible for PMP implementation.~~

This Employee Handbook (Handbook) outlines those elements of the PMP with which all employees must be knowledgeable to effectively carry out their job responsibilities and contribute appropriately to the APFC mission. As support for employees, the PMP establishes an obligation for APFC to provide each employee the most appropriate opportunity to perform effectively. The Chief Executive Officer is responsible for implementation.

Open and timely communication and understanding at all levels of APFC employment is vitally important to PMP implementation. The value of teamwork is critical to the success of the PMP and each employee; teamwork extends employees' understanding of job responsibilities, supervisory roles, and other work-related relationships. Each employee's individual contribution adds to the success of the entire APFC organization.

No employee manual can anticipate every circumstance or question about policy. As APFC continues to grow, the need to change policies may arise. Therefore, APFC reserves the rights to revise, supplement, or rescind any policies or portion of this manual. ~~The HR Officer~~Human Resources will notify employees as soon as is practicable of changes to the Handbook.

In order to retain necessary flexibility in the administration of policies and procedures, APFC reserves the rights to revise any of the policies and/or benefits described in this handbook.

Employment-at-will Status

APFC is an at-will employer and neither the employee nor APFC is obligated to continue the employment relationship if either chooses, at will, to end the relationship at any time for any or no reason not prohibited by law. The protection of general employment laws applies to APFC employees.

Organizational Chart

APFC Organizational charts are updated periodically as needed and available through the HRIS system or by request.

Disclosure Requirements

APFC employees and Trustees are required to disclose financial investments in accordance with the Corporate Policy on Disclosure of Investments under AS 37.13.110(b). Employees and Trustees are required to disclose all reportable investments on an APFC approved reporting form. These disclosures are public documents.

"Reportable Investments" mean the acquisition, ownership, and controlling interest, direct, in an entity or project in which the Fund assets are invested.

Disclosures are required according to the following schedule:

(a) Initial Disclosure. Reportable Investments that exist at the time you join APFC must be disclosed within 30 (thirty) calendar days from the date of commencing your role as a Board member or as an APFC employee unless another date is set by the compliance officer.

(b) Quarterly Disclosure: After joining APFC, all subsequent new Reportable investments made during the quarter must be disclosed by the thirtieth day following the end of each quarter.

(c) Annual Disclosure. In addition to the initial and quarterly disclosure each year by March 15, a comprehensive disclosure of all Reportable Investments held that exist on December 31 of the preceding calendar year must be filed.

Failure to meet disclosure standards could be considered a serious violation of APFC and/or state policy and may be a violation of state and/or federal law.

~~writing on an annual basis and within 30 days of a transaction for holdings they control an interest in whether or not they are a beneficiary of those investments. They must also disclose investments for household members and others they exercise a role as power of attorney or trustee. These disclosures are public documents.~~

Public Official Financial Disclosure Statement (POFD)
In accordance with AS 39.50, Investment officers, Trustees and the Executive Director must ~~additionally submit – online – conflict of interest statements to the Alaska Public Offices Commission (APOC) through the APOC website. Also as condition of employment, both APFC and the State of Alaska require employees to disclose conflicts of interest.~~disclose information about their personal finances within 30 days of hire; annually on March 15 of each year and within 90 days of leaving service. Failure to timely comply with this requirement results in the automatic assessment of civil penalties. Disclosures are made electronically through the Alaska Public Offices Commission (APOC).

APFC employees and Trustees must comply with the ~~For more information on disclosure requirements please see the APFC Administrative Policy relating to Personal Investments Conduct and Reporting Conflict of Interest Law~~ Alaska Executive Branch Ethics Act (AS 39.52) regarding acceptance of gifts, conflicts of interest and notification of outside employment or services.

Equal Employment Opportunity

APFC provides equal employment and advancement opportunities to all. APFC follows all applicable laws and does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, ~~disability~~physical handicap, marital status, changes in marital status, pregnancy or parenthood. ~~or any other class protected by law.~~

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, any department head, or the ~~HR Manager~~Human Resources Director. Employees can raise employment-related concerns and make reports without fear of reprisal. APFC prohibits employment decisions based on whether or not an employee files or does not file a discrimination complaint regarding himself/herself or a coworker. Anyone found engaging in unlawful discrimination or retaliatory behavior will be subject to disciplinary action, up to and including termination of employment.

Disability Accommodation

APFC is committed to complying with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons under this Act. All employment practices and activities are conducted on a nondiscriminatory basis. APFC also prohibits discrimination against qualified employees or applicants because they are related to or associated with a person with a disability.

Nepotism and Hiring of Immediate Family Members

The Executive Director must preauthorize all APFC hires. Immediate family members of APFC employees may be hired only if: (1) Executive Director approval is obtained, (2) they will not work directly for, or supervise a relative, and (3) they will not work in the same department within APFC.

For the purposes of this policy, a relative or immediate family member includes the spouse of the employee, another person cohabiting with the employee in a conjugal relationship that is not a legal marriage, a child, including a stepchild and an adoptive child of the employee; a parent, sibling, grandparent, aunt, or uncle of the employee, and a parent or sibling of the employee's spouse.

APFC prohibits hiring APFC Board of Trustee members (per AS 37.13.100). Additionally, APFC prohibits hiring immediate family members of current APFC Trustees. If a Trustee is appointed to the APFC Board and is also related to a current employee, the Boards and Commissions Office within the Office of the Governor is notified. APFC will then follow appropriate recommendations made by the Boards and Commissions Office.

Before finalizing a decision to hire an employee's immediate family member, APFC will consider whether it is possible to reassign supervision in a way that does not violate the nepotism law. APFC may require both family members to sign a declaration of familial relationships and nepotism waiver, stating that both members understand the policy and limitations for potential future career advancement due to the position held by the other family member. APFC does not accommodate organizational movement of an immediate family member for the sole purpose of allowing career advancement for the other family member.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

Outside Employment (AS 39.52.170)

All APFC employees must report outside employment or service for which he or she is paid, to the Human Resources Director or such other person who has been delegated to be the ethics supervisor by the APFC Executive Director. Volunteer service must be disclosed only if it is a potential conflict with State duties or if the employee receives any compensation, including travel or meals. Changes in paid outside employment or services must be reported as they occur.

The Ethics Act requires APFC employees to submit an annual "Outside Employment" Disclosure by July 1 each year and every year thereafter if they continue to have outside employment or volunteer activity to disclose.

In general, Employees may hold employment outside of APFC as long as they meet the performance standards of their APFC job and that such outside employment does not conflict with APFC job duties and responsibilities, corporate values, or the Alaska Executive Branch Ethics Act. ~~All employees are encouraged to read the Alaska Executive Branch Ethics Act, as they will be responsible for abiding by it.~~ Employees are judged by the performance standards and measurements detailed in their individual position descriptions and/or their individual employee performance ~~appraisal~~Evaluation s without consideration for the outside work requirements and are subject to APFC's scheduling demands, regardless of existing outside work requirements.

Employees are required to notify the APFC ethics supervisor in writing about outside employment immediately upon accepting outside employment in accordance with the Alaska Executive Branch Ethics Act (AS 39.52.170). The APFC ethics supervisor determines if a conflict of interest exists. If a conflict exists, the employee must rectify the conflict immediately.

If APFC determines at any time, even after granting initial approval, that an employee's outside work interferes with his/her ability to meet APFC work requirements, APFC's needs supersede the other employer considerations.

Restriction on Employment After Leaving State Service (AS 39.52.180)

Employees are prohibited from receiving any income or material gain from individuals outside APFC for materials produced or services rendered from performing their job responsibilities or duties with APFC. The Alaska Executive Branch Ethics Act restricts certain employment for two years after leaving state service. For two years former employees are prohibited from representing, advising, or helping someone for money on a matter they worked on while with APFC. This only applies if they were personally and substantially involved in the matter through their official duties. A former employee may request, through the CEO, to have the restriction waived in writing by the Attorney General if it's not against public interest. Such request should be requested through the APFC Ethics Supervisor.

Current or former employees are prohibited from disclosing or using non-public or confidential information obtained through your official duties for personal or family benefit. These restrictions apply indefinitely and include any information not made public through official channels.

~~All former employees are required to notify the ethics supervisor of employment with outside agencies for up to two years after leaving APFC service.~~

Nondisclosure of Confidential Information

Non-disclosure of confidential information refers to the practice of not revealing any sensitive, private, or proprietary information to unauthorized individuals or entities. This is a critical aspect of maintaining privacy and security within APFC. Sending confidential information, as defined above, to unauthorized emails is prohibited.

With appropriate approval APFC staff may be asked to participate in public forums featuring employee panelists that provide information regarding APFC and staff opinions on economic and market trends, or to be guest speakers for public and community organizations, etc. In these instances, APFC staff must adhere to confidentiality standards.

~~APFC sometimes presents at public forums featuring employee panelists that provide information regarding APFC and staff opinions on economic and market trends and other topics. APFC employees are sometimes guest speakers for public and community organizations. As a public corporation, APFC is also subject to the state public records act and federal Freedom of Information Act, whereby citizens may rightfully request information from the Corporation.~~

~~However, t~~The protection of APFC confidential business information and trade secrets is vital to its interests and success. Such confidential information may include, but is not limited to, the following examples:

- investment information
- financial information
- personnel information
- computer processes
- computer programs and codes
- pending projects and proposals
- building or equipment security information

Employees who improperly use, or disclose trade secrets or confidential business, security, or personnel-related information to unauthorized parties ~~will~~ may be subject to disciplinary action, up to and including termination of employment, even if they do not benefit from the disclosed information.

As a public corporation, APFC is ~~also~~ subject to the state public records act and federal Freedom of Information Act, whereby citizens may rightfully request public records ~~information~~ from the Corporation.

Compensation Classification

~~Compensation Classification~~

~~APFC Market Guided Classification Method~~

~~Elements of the APFC Market Guided Classification (MGC) method are:~~

- ~~Authority, scope and responsibility for making decisions~~
- ~~Level of risk and ability to add value to the Corporation~~
- ~~Supervisory and/or expert knowledge as well as decision-making complexity and difficulty as defined by mental and physical effort and required job skills~~

~~The Executive Director may consider corporate equity within the classification process. Under MGC, positions performing similar work are grouped under one broad classification where possible to provide classification flexibility while maintaining objectivity and discipline.~~

~~Class Specifications and Job Descriptions~~

~~Class Specifications~~

- ~~Captures the body of work that belongs to the Corporation~~
- ~~Serves as the framework of employment~~

~~Job Description~~

- ~~Reflects what the person in the position does~~
- ~~Determines where the person fits in the class specification~~
- ~~Changes with the person~~
- ~~Serves as the basis of evaluation~~

~~Supervisors and employees are encouraged to annually review class specs and job descriptions to ensure they continue to fit the actual duties. The HR Officer and the supervisor review any revisions to ensure the job description fits the class specs and is consistent with the corporate structure. Both parties periodically review the class specs to ensure current relevance.~~

~~Compensation Philosophy & Structure~~

~~APFC strives for a compensation program that competes well in the market and motivates all employees to bring their best efforts to the workplace. The program provides a systematic means of tracking, measuring, and compensating employee performance and allows flexibility for APFC to act quickly.~~

~~Salary Structure~~

~~APFC's salary structure identifies the position hierarchy and the resulting salary ranges for each classification. The basis for calculating competitive pay is achieved through:~~

- ~~Market compensation surveys conducted periodically~~
- ~~An effort to place APFC's salary range midpoint based on the 50th percentile of market where feasible and consistent with the classification plan~~

~~Market Surveys~~

~~APFC tries to achieve external parity in compensation through the use of periodic market surveys and other appropriate techniques. As a general rule, the HR Officer oversees scheduling market surveys every other year. Circumstances may dictate a departure from this schedule.~~

~~Structure Calculation~~

~~Midpoint~~	~~50th percentile of market data~~
~~Minimum and Maximum~~	~~Calculation of range spread from midpoint~~
~~Range Spread~~	~~50% to 100%, depending on the classification level~~
~~25th and 75th percentiles~~	~~Calculated from minimum, midpoint and maximum~~

~~APFC Salary Structure – Effective 12/2017 (Pending Approval)~~

~~Classification & Compensation Authority~~

~~AS 37.13.100~~

~~Provides that the Executive Director may, with board approval, select and employ additional staff as necessary.~~

~~APFC Bylaws, Article II, Section 4~~

~~Provides that the Executive Director shall provide for execution of all corporate operational and administrative functions.~~

~~APFC Bylaws, Article II, Section 8~~

~~Provides that the Executive Director shall employ personnel he/she deems necessary to exercise his/her powers, duties, and functions under AS 37.13; determine employee compensation; and makes these decisions within APFC budget limitations as approved by the Board in compliance with polices established by the Board.~~

Positions	Department	Classification	Salary Level	Min	25th	Mid	75th	Max
Intern	Admin	O-01	1	$ 31,660	$ 35,618	$ 39,576	$ 43,533	$ 47,491
Administrative Assistant	Admin	O-02	2	$ 37,802	$ 42,528	$ 47,253	$ 51,978	$ 56,703
Administrative Assistant II	Admin	O-03	3	$ 42,906	$ 48,269	$ 53,632	$ 58,996	$ 64,359
Administrative Specialist - General	Admin	O-03	3	$ 42,906	$ 48,269	$ 53,632	$ 58,996	$ 64,359
Administrative Assistant III	Admin	O-04	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
Administrative Specialist - Procurement	Admin	O-04	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
Accountant	Finance	O-04	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
IT Desktop Support	IT	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Administrative Assistant IV	Admin	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Administrative Specialist II	Admin	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Accountant II	Finance	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Operations Analyst	Finance	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
IT Desktop Support II	IT	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Administrative Specialist III	Admin	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Executive Assistant	Admin	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
HR Generalist I	Admin	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Portfolio Accountant I	Finance	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Investment Analyst	Investments	I-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
IT Specialist	IT	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Operations Analyst II	Finance	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Performance & Compliance Analyst	Finance	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Sr Operations Analyst	Finance	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Compliance Officer	Finance	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
Portfolio Accountant II	Finance	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
HR Generalist II	Admin	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
Investment Analyst II	Investments	I-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
IT Specialist II	IT	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
Sr Operations Analyst II	Finance	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
Sr Compliance Officer	Finance	O-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Adminstrative Services Officer / Manager	Admin	O-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Investment Analyst III	Investments	I-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Sr Accountant	Finance	O-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Sr IT Specialist	IT	O-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Adminstrative Servisces Officer / Manager II	Admin	O-09	9	$ 88,251	$101,488	$114,726	$127,964	$141,201
~~RE Investment Analyst~~	~~Investments~~	~~I-09~~	~~9~~	~~$ 88,251~~	~~$101,488~~	~~$114,726~~	~~$127,964~~	~~$141,201~~
Sr Accountant II	Finance	O-09	9	$ 88,251	$101,488	$114,726	$127,964	$141,201
Sr Investment Analyst	Investments	I-09	9	$ 88,251	$101,488	$114,726	$127,964	$141,201
HR Officer / Manager	Admin	O-10	10	$ 95,555	$112,277	$128,999	$145,721	$162,443
RE Investment Analyst II	Investments	I-10	10	$ 95,555	$112,277	$128,999	$145,721	$162,443
Sr Accountant III	Finance	O-10	10	$ 95,555	$112,277	$128,999	$145,721	$162,443
Sr Investment Analyst II	Investments	I-10	10	$ 95,555	$112,277	$128,999	$145,721	$162,443
Sr IT Specialist II	IT	O-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Controller	Finance	O-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Director of Admin/Operations	Admin	O-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Portfolio Manager	Investments	I-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Communications Manager	Admin	O-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Sr Investment Analyst III	Investments	I-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Risk Manager	Investments	I-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
HR Officer / Manager II	Admin	O-12	12	$124,630	$146,440	$168,250	$190,061	$211,871
Portfolio Manager II	Investments	I-12	12	$124,630	$146,440	$168,250	$190,061	$211,871
Sr Investment Analyst IV	Investments	I-12	12	$124,630	$146,440	$168,250	$190,061	$211,871
Risk Manager	Investments	I-12	12	$124,630	$146,440	$168,250	$190,061	$211,871
Director of Human Resources	Admin	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Sr Portfolio Manager	Investments	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Sr Portfolio Manager	Investments - Pri	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Director of Risk Management	Investments	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Sr Portfolio Manager	Investments - FI	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Director of IT	Executive	O-14	14	$162,676	$191,144	$219,612	$248,080	$276,548
Sr Portfolio Manager II	Investments - RE	I-14	14	$162,676	$191,144	$219,612	$248,080	$276,548
Sr Portfolio Manager II	Investments - FI	I-14	14	$162,676	$191,144	$219,612	$248,080	$276,548
Chief Financial Officer	Executive	O-15	15	$185,743	$218,248	$250,753	$283,259	$315,764
General Counsel	Executive	O-15	15	$185,743	$218,248	$250,753	$283,259	$315,764
Director of Investments	Investments - FI	I-15	15	$185,743	$218,248	$250,753	$283,259	$315,764
Director of Investments	Investments - RE	I-15	15	$185,743	$218,248	$250,753	$283,259	$315,764
Director of Investments	Investments	I-15	15	$185,743	$218,248	$250,753	$283,259	$315,764
Sr / Managing Director of Investments	Investments	I-16	16	$212,175	$249,306	$286,436	$323,567	$360,698
Deputy CIO	Investments	I-17	17	$218,134	$272,668	$327,201	$381,735	$436,269
Chief Investments Officer	Executive	I-18	18	$249,175	$311,468	$373,762	$436,056	$498,350
Executive Director / CEO	Executive	O-18	18	$249,175	$311,468	$373,762	$436,056	$498,350
Pay Grade Future Growth		O-19/I-19	19	$284,632	$355,790	$426,948	$498,107	$569,265
Pay Grade Future Growth		O-20/I-20	20	$325,136	$406,419	$487,703	$568,987	$650,271

Authority for Position Classification & Compensation Actions

Classification / Compensation Action	Approval Authority
• Hiring Executive Director – AS 37.13.100 • Establishing and adjusting Executive Directory compensation AS 37.13.100 • Amending the compensation structure	Board of Trustees
• Amending position classification structure • Hiring employees (within Board approved budgeted appropriation) • Establish pay rates for new hires • Promoting staff • Adjusting staff compensation for performance based increases (excluding ED) • Adjusting staff compensation outside the evaluation cycle and ~~merit~~ pay for performance increase provisions ~~but~~ within existing ~~classification and compensation structure~~personnel management plan and/or compensation policy. • Reclassifying positions ~~within existing classification structure~~	Executive Director

~~Administrative Guidelines for Classification & Compensation~~

~~The administrative guidelines provide definitions and directions for implementing and maintaining the classification and compensation structures. Any substantive change to the compensation structure requires Board review and approval.~~

~~Review of Classification and Compensation Structures~~

~~APFC will periodically review class specifications to update the type and level of work described in the class specification for each position, or to reclassify the position.~~

- ~~One of the purposes of the review is to check the internal balance of the compensation scheme~~
- ~~The supervisor and the HR Officer conduct class specification reviews~~
- ~~The HR Officer periodically obtains a professional market compensation survey~~
- ~~The Executive Director has final approval of all changes to class specs within the existing classification and compensation structures~~

Compensation Considerations at Hire

APFC salary administration strives to balance the need to attract strong talent while maintaining a fiscally responsible approach to the hiring process. Each hire will be ~~extensively~~ evaluated and offers will be made with a commitment to ensure we provide compelling compensation commensurate with positional responsibilities and candidate experience.

Appointment below the minimum may be allowed as an under-fill option when recruitment difficulties exist, and the duties of the position can be temporarily modified to allow the incumbent time to gain the necessary skills needed. This option allows APFC to hire individuals who may not meet the minimum qualifications for the position, but enables a hire to be made based on objective, job-related factors such as the applicant's relevant and transferable knowledge, skills, and abilities~~This option allows APFC to hire individuals who lack the minimum qualifications for the position. There are many reasons this may occur, including but not limited to lack of candidates fully qualified for a position.~~ Individuals hired below the minimum qualifications must participate in a development plan designed to provide them with the experience needed to perform effectively in the position with a reasonable amount of time as documented in the development plan at the time of hire. ~~meet the minimum qualifications within that position's introductory period. (Refer to the "Introductory Period" section of this Guide.)~~

~~Post-Survey Salary Adjustments~~

~~Employee compensation shall not be less than the minimum or exceed the classification's salary range maximum. After a market survey (normally scheduled every other year) is completed and the compensation structure is adjusted, an employee's salary may fall outside the new range. If (a) the salary is below the minimum, it shall be adjusted upward to fall within the range; if (b) the salary is above the maximum, the salary will be frozen and not reduced to fall within the range.~~

~~Length of Introductory Period~~

~~The new hire orientation and introductory period is designed to provide a sufficient length of time that allows the employee to perform the full range of essential duties of the job. Administrative support positions require six months; all others require 12 months. In allowing for an orientation and introductory period, APFC as an "at will" employer makes no guarantee of employment for a particular period of time up to, through, or beyond the orientation and introductory period.~~

Promotion and Reclassification

Promotion

Employee promotion is defined as when an employee accepts the offer extended from APFC to move into a ~~an existing~~ higher level position within APFC accompanied by an increase in responsibilities, authority, and/or higher salary. ~~position within the same occupational area at a higher-level class specification. The higher position may have a different "personnel classification number" (PCN), however, the PCN is not a criterion defining a promotion.~~ Among other considerations, promotion offers are based on an employee's current performance. At the time of offer, ~~or by the end of the introductory period,~~ an employee must ~~meet the minimum qualifications of the position offered.~~be qualified to perform the duties of the position. A promoted employee's salary should~~must~~ be at least the minimum of the higher position's salary unless approved by the Chief Executive Officer and are subject to organizational budget constraints. ~~range. Other general Guidelines are that the salary may remain the same if it is at or above the new position's minimum, or may be increased to typically 10% over the promoted employee's current salary; but if over 10% it usually does not exceed the midpoint of the higher position's range.~~

Reclassification

Reclassification occurs when a significant change in the responsibilities of a position warrants moving the position to another classification. This change can be to a higher, lateral or lower class level. Reclassification may or may not be to an already existing job class. ~~spec~~. Reclassification of a position may or may not warrant a change in the reclassified position's salary. ~~grade.~~.

Performance Based Pay Increases ~~Merit Salary Increases~~ (not incl. promotions and reclassifications)

Decisions to extend a performance-based salary increase are based on ~~merit and~~ positive work ~~contribution;~~contribution, not longevity. The granting of pay for performance increase ~~merit increases~~ is not a guarantee of continued employment and does not alter the "at will" status of APFC employees.

The appropriate times to offer performance-based salary increases are:

~~**Upon January 1 for performance during the prior year,** in accordance with the performance appraisal process and merit scale (see following section). An employee who has worked an incomplete year in a position may receive a pro-rated performance-based salary increase on January 1 based upon the amount of time worked between their new position starting date and December 31, the end of the performance review period.~~

1. Performance-based salary increases may be awarded in July, subject to legislative appropriation, for performance during the prior year. Employees must have an "meets expectations" rating to be eligible for a performance-based salary increase. Employees who have worked an incomplete year or have not maintained a fully acceptable performance rating for the entire year may receive a pro-rated performance-based salary increase based on the duration of their fully acceptable performance between their starting date and July 1. The Executive Director may alter the timing based on organizational needs."

~~1.~~

~~2. **One-time allowance** (*with controls in place to ensure that it is not awarded a second time during the fiscal year annual review*). A one-time allowance is a percentage increase to the base salary for a specific period:~~

- ~~*For an employee who assumes full authority, for at least a month, to execute all job responsibilities for a supervisor or coworker whose class specification is at a higher classification level, while the supervisor or coworker is absent from work (e.g., family leave), or while the position is vacant*. The employee's salary may be temporarily increased to the minimum of the higher position's salary grade or 10% over the employee's current salary but typically does not exceed the midpoint of the higher-level position's salary grade. If the employee assumes a major portion (at least 50% but not 100%) of the authority level and job responsibilities of the higher position, the salary may be temporarily increased in proportion to the additional higher-level job functions but cannot exceed the increase paid for assuming 100% authority level.~~

- ~~*For an employee whose work performance results in a work product that adds value to the ongoing operations of the APFC*. The work product belongs to the corporation when the employee leaves. APFC allows for one-time recognition of performance that would not otherwise be compensated, except as part of the employee's base pay.~~

~~3.~~ **2.Other:** The Chief Executive Officer has the authority to make temporary or permanent salary adjustments to ensure internal equity or to address exceptional circumstances. Any such adjustments must be documented with a justification detailing the circumstances that support the adjustment, and this documentation must be included in the personnel file.~~The Executive Director has the authority to make adjustments to assure internal equity~~

PERFORMANCE MANAGEMENT and Performance Evaluations

Performance Management provides opportunities for official recognition of an employee's achievements, provide suggestions for performance improvement, and provide the opportunity for employee career counseling. Performance appraisals relay APFC work expectations, develop performance objectives, and evaluate work performance.

APFC supervisors are encouraged to regularly review employee work performance on an informal basis. Semi-~~A~~annually, supervisors conduct a formal Employee Work Performance ~~Appraisal/~~Evaluation. This is the official documentation of an employee/ supervisor discussion of employee work performance for the semi-annual review period. The performance appraisal process or rating does not alter the "at will" status of APFC employees.

Performance ~~Appraisal~~Evaluation -system elements

Class Specification	Class specifications outline the duties, responsibilities, and qualifications for job categories within APFC.

	~~Captures the body of the work that belongs to the Corporation and is the legal framework of employment~~.
Job Description	~~Reflects what the person in the position~~ A job description clearly defines the duties, responsibilities for a position, serving as the foundation for evaluating an employee's job performance ~~does, determines where the person fits in the class specification, changes with the person, and provides criteria against which the employee is evaluated.~~
Periodic Interim Reviews	As needed – provides an informal and interactive process during the year to identify changes in the position or goals and promotes open communications.
Semi- Annual Performance ~~Appraisal~~Evaluation	Documents the formal process using a performance measurement system that focuses on competencies and goals. (See "Performance ~~Appraisal Process~~Evaluation Process" for details.)

It is upon the completion of the performance ~~appraisal,~~Evaluation, and based on work performance, that pay adjustment or position movement is based. The ~~appraisal~~evaluation is also a planning tool that details the next year's work performance objectives, the employee development plan, and measurable goals.

Semi-Annual Performance Evaluation Process

The purpose of the semi-annual performance review process (every 6 months) is to provide regular feedback to employees, encourage professional growth, and align performance with organizational mission and goals. This process includes supervisory discussions, feedback, and a pay-for-performance component to reward employee contributions.

The semi-annual performance review process operates on the following schedule:

- May 3 – November 2
- November 3 – May 4

This schedule ensures that supervisors and employees have ample time to complete evaluations before the fiscal year ends, aligning with the timing for performance-based increases.

1. Pay for Performance:
    - Eligibility: Employees should have a minimum performance rating of "meets expectations" to be eligible for performance-based salary increases.
    - Approval: Pay increases are subject to legislative appropriation and organizational budget constraints.

~~Annual Performance Appraisal/Evaluation Process~~

~~The annual performance appraisal/evaluation process begins in the 4th Quarter of the Calendar Year during performance period year end. The process may involve an employee self-review and may include peer reviews. Self-reviews will not technically factor into the quantitative rating but rather be used as information for the supervisor, who is the only person in the process whose rating technically factors into the evaluation score. Following the supervisor's review is a review and approval hierarchy, which varies depending on the position under review. Upon completion of each step in the process, the next individual in the queue is prompted to complete their task until the review is final. Salary adjustments may occur when all parties involved in the process for an employee have completed their tasks. The performance appraisal discussion between supervisor and employee and any resulting pay adjustment or position movement discussion may occur at different times and are processed separately.~~

The Performance ~~Appraisal~~ Evaluation includes

Looking back by:

- Conducting a position review, documenting changes since hire or since the last position review
- Conducting a comprehensive review of the employee's performance during the performance review period to compare expectations to actual performance

Looking forward by:

- Determining measurable goals and/or projects for the next year
- Identifying tools and creating a training program to meet those new goals
- Identifying specific performance areas needing concentrated effort during the next year

Recommendation for pay action

If the supervisor's rating of an employee's performance warrants a pay increase after all levels of review and approval are completed, HR initiates a pay action. A copy of the pay action is placed in the employee's personnel file. The supervisor and/or HR notifies employees of upcoming changes to their compensation.

Change of supervisor

Outgoing supervisors should conduct change of supervisor performance ~~appraisal~~Evaluation s for employees under supervision who have not received an ~~appraisal~~ evaluation within the past six (6) months.

~~Merit~~ Evaluation Scale

~~The merit~~ APFC pay for performance increases are~~scale is calculated each year,~~ based upon criteria determined by ~~management;~~management, e.g., anticipated percentage of money available for salary adjustments. The evaluation scale has five performance levels. Employees receive pay for performance~~merit~~ increases to their base salaries each year based upon the results of their ~~annual fiscal year~~ performance evaluations.

Detailed definitions of the Ratings Used in Employee Overall Work Performance ~~Appraisal~~Evaluations~~s~~

Outstanding (5) Demonstrates exceptional initiative and leadership/relationship skills, significantly surpasses all job performance criteria. Actively seeks out feedback and consistently uses it to further enhance performance and drive continuous improvement.

Exceeds Expectations (4) Regularly exceeds job performance criteria, showing proactive and innovative behavior. Welcomes feedback and applies it effectively to exceed performance expectations and contribute to team success.

Meets Expectations (3) Adequately meets job performance criteria and fulfills job responsibilities effectively. Accepts feedback constructively and incorporates it to maintain consistent performance and reliability.

Partially Met Expectations (2) Occasionally meets job performance criteria but requires further development in key areas is necessary. May be receptive to feedback but needs to improve on consistently applying it to enhance performance.

Did Not Meet Expectations (1) Frequently fails to meet job performance criteria, showing inadequate performance and/or behavior. Often struggles to accept feedback and does not effectively use it to improve performance.

~~*Far exceeded the expectations; this year's contribution clearly moved the business forward.*~~ ~~Employees with this overall rating consistently far exceed the requirements in all areas of their position. Or, the employee worked at length on a project, the results of which far exceeded requirements and expectations of this single, extraordinary event that clearly moved the business forward. Their~~

~~supervisor and other staff easily recognize the employee's high achievements for success of the project, and can clearly attribute the success to the employee's contribution. Employees with this overall rating consistently and constructively review the processes of their work to look for efficiencies and quality. They propose or implement revisions. Employees with this overall rating work with co-workers/supervisors and offer assistance to others that contributes to the success of others. Rating any competency or goal at this level means that the employee clearly exceeded the requirements - much more than fulfilling the requirements at an outstanding level - of that competency, or goal.~~

~~*Exceeded expectations; this year's contribution is clearly identifiable.*~~
~~Employees with this overall rating correctly complete and exceed the requirements in the majority of areas of their position. Their supervisor and other staff easily recognize the employee's consistent high achievements. Employees with this overall rating work with co-workers/supervisor to assist the high achievements of others, and may seek or take on work from other employees, or perform the tasks of their position, but at a higher level. Rating any competency or goal at this level means that the employee exceeded the requirements of that competency or goal.~~

~~*Fully met expectations in all key areas; minimal errors of execution or strategy.*~~
~~Employees with an overall rating correctly complete the requirements of their position. Rating any competency or goal means that the employee completed the requirements of that competency or goal.~~

~~*Partially met expectations; some substantial errors of execution or strategy.*~~
~~Employees with this overall rating only partially complete some of the requirements of their position. Others may have to complete a portion of the required work, or portions of the work may go uncompleted or may be incorrect. Rating any single competency or goal at this level means that the employee is expected to perform substantially better in this area. This rating means that when performance was discussed with the employee, he/she took responsibility and initiative and/or shows potential to improve either overall or in a competency or goal.~~

~~*Did not meet expectations in the majority of areas; repeated errors of execution or strategy.* Employees with an overall rating in this area are not completing the requirements of their position and likely others must complete the work or the work is going undone, or is incorrect. This rating also means that the employee lacks the skill-set, ability, or initiative for improvement. Rating any competency or goal at this level means that when performance was repeatedly discussed with the employee, the employee did not take steps to improve or did not improve.~~

Performance Management Process

At the Alaska Permanent Fund Corporation (APFC), we are committed to maintaining high performance standards. Employees who receive a performance rating below "Meets Expectations" will be evaluated to determine if a Performance Improvement Plan (PIP) is appropriate, or if employment separation is necessary.

Performance Improvement Plan (PIP): A PIP offers structured support and clear goals for employees not meeting performance expectations. Employees must show significant improvement within a set time limit. If goals are met, they will resume regular performance reviews. If solid progress is made but goals are not yet met, the PIP may be extended once.

Employment Separation: If an employee fails to meet the improvement goals outlined in the PIP, or if their documented performance is deemed inappropriate for a PIP and consistently falls below the minimum requirements of their position, APFC may proceed with employment separation.

At-Will Employment: Participation in a PIP does not alter the at-will nature of employment at APFC. Both the employee and the company retain the right to terminate employment at any time nor prohibited by law, with or without notice.

Recruitment Overview

APFC's recruitment program offers an uncomplicated course of action for filling vacant positions; encourages internal applicants; promotes APFC values; reflects a sense of urgency to reduce impact on other employees.

APFC is a State of Alaska entity exempt from the Personnel Act, with no requirement to follow a set recruitment procedure. A vacancy provides a unique opportunity to review the organization's needs outside of the normal budget cycle organizational review process APFC recruitment generally follows the process outlined below. However, the Governor may re-direct the recruitment and hire process of exempt positions at her/his discretion. The Executive Director retains the authority to change the following process.

1. Determine Organization's Need for Position
2. Develop Recruitment Plan
3. Create Recruitment Notices
4. Implement Recruitment Plan
5. Interview Process
6. Final Selection
7. Personnel Action
8. Orientation and training

Employment Categories

Employment categorizations provide a framework for staff appointments consistent with APFC mission, vision, values and goals. They establish a framework for necessary position types requisite to APFC mission; they create standards for planning and budgeting for APFC position appointments.

APFC is exempt from the State Personnel Act and associated regulation per AS 39.25.110s. APFC must conform to the Executive Budget Act (AS 37.07) which ~~likely~~ means that legislative approval is required for new positions of more than one-year duration.

A position must be established prior to an appointment. Full time, regular appointment categories require prior approval by the Alaska Legislature. APFC may directly establish others. Except for short-term temporary appointments, the Board of Trustees must approve the establishment of all positions (AS 37.13.100).

A position established in one of APFC's categories of appointment refers to the position in APFC organizational structure and to the budget. These terms categorizing position appointments do not alter the APFC "employment-at-will" status. Either the employee or APFC may terminate the employment relationship at any time, for any or no reason.

Categories of Appointment List

- Regular Full-Time
- Regular Part-Time
- Regular Seasonal
- Temporary Long-Term
- Temporary Short-Term
- Emergency
- Intern
- Job Sharing

Categories of Appointment Descriptions

Regular Full-Time Appointments

A regular full-time position must be approved by the legislature through the executive budget process. An employee working in a full-time position is scheduled to work 30 or more hours per week.

Characteristics

- Compensation at salaried rate either hourly or annualized
- May be overtime eligible or ineligible as defined by exempt criteria under FLSA
- SBS eligible (annuities & select benefits)
- Full PERS accrual
- May participate in Deferred Compensation
- Full health insurance
- Full basic life insurance
- Full leave accrual
- All paid holidays

Regular Part-Time Appointments

A regular part-time position must be approved by the legislature through the executive budget process. An employee working in a part-time position is scheduled to work at least 15 hours but less than 30 hours per week.

Characteristics

- Compensation based on an annualized hourly rate
- May be overtime eligible or ineligible as defined by exempt criteria under FLSA
- SBS eligible (annuities & select benefits)
- PERS accruals are prorated (based on a 1560 hour year) by hours worked
- May participate in Deferred Compensation
- Employee-may elect health insurance by paying half of premium rate or may opt out of coverage
- Employee may elect basic life insurance by paying half of premium rate (if electing health insurance) or may opt out of coverage
- Leave and holiday accruals are prorated based on a 37.5 hour workweek

In-House Intern Appointments

APFC established an intern classification to provide substantive training experience in varied occupations designed to enhance and complement a student's course of study. An internship of 120-calendar days' duration or less shall be treated as a temporary short-term appointment as defined previously. APFC does not provide for internships lasting more than 120 calendar days. Interns are distinguished from other temporary employees because their work is part of an applied academic program. The Executive Director must approve the decision for an internship to exceed one semester.

Special Considerations for Intern Appointments

- To be eligible for participation in the internship program, the candidate must meet the APFC Intern Program qualifications.
- All APFC interns are compensated on an Hourly basis
- Intern positions are Temporary Short Term Appointments and as such are FLSA overtime eligible

Regular Seasonal Appointments

A regular seasonal position must be approved by the legislature through the executive budget process. An employee working in a seasonal position is scheduled to full-time for an assigned period of weeks during the work year. Outside of the assigned period, the employee is placed on "seasonal leave without pay" (SLWOP) status.

Temporary Long-Term Appointments

A temporary long-term position is established by APFC. A temporary long-term employment period exceeds 120 calendar days but cannot exceed 12 months. If 12 months is exceeded, APFC must request a regular position through the executive budget process. The same set of duties cannot be performed by a second long-term temporary appointment after the first expires within a 60 day period.

Temporary Short-Term Appointments

A temporary short-term position is established by APFC. A short-term temporary employment period shall be for 90 calendar days or less but can be extended once for 30 calendar days by APFC. If 120 calendar days are exceeded, the appointment shall be treated as a temporary long-term appointment for specific benefit purposes (health/life insurance, personal leave, and holidays), and such benefits shall be awarded retroactively to the date of appointment unless waived by the employee. Internships are included in this category. The same set of duties cannot be performed by a second temporary short-term appointment after the first expires within a 60-day period. This appointment category provides no paid leave, no paid holidays, or other employee benefits other than hourly compensation and SBS eligibility.

Emergency Appointments

APFC may occasionally appoint emergency/substitute personnel to fill critical and unanticipated vacancies. Such appointments can be made for an employment period of no more than 30 calendar days. If 30 calendar days are exceeded, the appointment shall be treated as a short-term temporary appointment. The same set of duties cannot be performed by a second emergency appointment after the first appointment expires.

~~INTRODUCTORY PERIOD~~

~~APFC provides an introductory time period for new employees to familiarize them to the Corporation and to provide focused orientation on APFC expectations for performing essential duties of the position and to help management determine the capabilities of the employee new to that position. This period stresses open communications, periodic position and performance reviews and an APFC orientation.~~

~~Purpose of Introductory Period~~

~~The purpose of the "introductory period" is to determine if the new or recently promoted employee is capable of performing all essential duties of the position. This is an opportunity for the supervisor to orient and train the new employee and to focus the employee's efforts toward fulfilling the job responsibilities. In addition to learning job responsibilities and gaining an understanding of APFC mission, goals, and values, the introductory period also emphasizes incorporating new employees into the APFC team environment. In this way, the APFC standard is set, and new employees are prepared to offer support to the next new employee. Disciplinary actions taken during the introductory period follow the Guidelines outlined in the appropriate section of this Guide.~~

~~All APFC employees are "at will" employees. This means that employment at APFC is not for a fixed period and does not guarantee any length of employment. Either an employee or APFC may terminate the employment relationship at any time, with or without reason, and with or without notice. Completion of the introductory period is not a guarantee of continued employment.~~

~~Length of Introductory Period~~

~~In regard to the scope and complexity of positions in the APFC classification system, the lengths of the introductory periods are six months for FLSA Non Exempt positions and one year for FLSA Exempt.~~

PAYDAY

APFC employees are paid on a biweekly basis. There are 26 pay periods each year (except Leap year) and pay day is every other Friday.

WORK HOURS, OVERTIME AND LEAVE

This guidance is intended to maintain consistent office hours and employee scheduled attendance. APFC recognizes that we are an organization of professionals whose body of work does not always adhere to standard work times and days.

Work Hours and Office Hours

- Official APFC office hours are 8:00 a.m. through 4:30 p.m., Monday through Friday
- The APFC employee standard work week is ~~-~~Monday through Friday
- Most APFC employees work 7.5 hours per day, with an additional one-hour lunch ~~break~~break.
- Overtime exempt staff may be required to work additional hours as needed to meet job responsibilities
- ~~Each employee observes a consistent work and lunch schedule, which may vary from those of other employees and from official office hours~~
- Supervisors may approve employee requests to temporarily flex from their regular work ~~schedule~~schedule.
- ~~The schedules of employees involved in trading are tied to the capital markets, and breaks including lunch are generally taken on site~~

Attendance and Absence

- APFC requires employees to report to work on time each day. ~~daily on-time employee attendance~~
- Employees must notify their supervisors as soon as possible if they have an unexpected absence or are going to be late for work whether they are working in an APFC office or working from another location.
- Planned employee absences (leave) require advance supervisory approval.
- ~~Paid work conducted at home is allowable under extraordinary circumstances. (See "Work at Home")~~
- APFC staff must use Bamboo and Outlook out of office notifications to keep other staff informed if their workday deviates from their usual schedule or they are out of the office.

Flexible Workday Schedule

The Alaska Permanent Fund Corporation (APFC) recognizes the importance of work-life balance and offers the option to temporarily flex workday hours to accommodate personal needs while maintaining productivity and meeting business needs.

Flexing workday hours allows employees to adjust their start and end times within the workday, subject to supervisor approval. This offers flexibility while ensuring that all work responsibilities and the required workweek hours are completed.

- ~~APFC may require or~~ APFC employees may use the option of "flexing" their workday outside the standard APFC office hours with the approval of their supervisor ~~and department head~~
- ~~The official lunch break is from noon to 1:00 p.m. upon supervisor and department head approval, employees may take a lunch break at other scheduled times and may take a lunch break from .5 to 1.5 hours in duration. APFC management considers lunchtime a necessary break and discourages regularly working through lunchtime~~
- ~~"Flexing" within a workday or for short-term periods is allowed with supervisory approval~~

- ~~In extraordinary circumstances, paid work conducted at home, is allowable (See "Work at Home")~~
- Flexing workday hours is intended as a temporary convenience. Generally, APFC staff are required to maintain their consistently agreed-upon schedule.

Overtime for Employees Paid on an Hourly Basis

This section explains how regular hours are paid and the conditions under which overtime is compensated for overtime-eligible staff who work a standard 37.5-hour work week. ~~Compensatory (Comp) Time for FLSA Overtime Eligible Employees who are Leave Earning~~

~~For APFC employees who are FLSA overtime eligible and leave earning, Compensatory (Comp) Time accrual and usage is the standard compensation for overtime work. Such employees are advised prior to hire of the APFC comp time in lieu of overtime pay understanding.~~

For these employees:

Per the Fair Labor Standards Act (FLSA), overtime is defined as any hours worked over 40 hours in a work week.

Overtime Compensation

- Rate: Overtime hours will be compensated at one and one-half times the employee's regular hourly rate. Hours worked over 37.5 but less than 40 are compensated at the regular rate of pay.
- Calculation: Overtime is calculated based on the total number of hours worked in a work week. Paid time off (PTO), holidays, and other non-worked hours do not count toward the overtime threshold for overtime calculation.
- Approval: Overtime must be pre-approved by the employee's supervisor.
- Reporting: Employees are required to accurately record all hours worked, including overtime, on their timesheet.
- Overtime is not available to salaried overtime-exempt employees.
- ~~Comp time is accrued for any work over 37.5 hours per week~~
- ~~Comp time is accrued hour for hour for work between 37.5 hours and 40 hours per week, and 1.5 hours for hours worked beyond 40 hours per week~~
- ~~Overtime requires supervisory pre-authorization. Overtime worked and compensatory time used is reported on the employee's time sheet~~
- ~~Overtime eligible employees must claim overtime worked, in accordance with the FLSA~~
- ~~Comp time must be used prior to personal leave~~
- ~~At separation, an employee's accrued comp time is converted to a cash value~~

~~Other employee categories as regards overtime~~

- ~~Employees in position categories that do not earn leave are not eligible to earn comp time. These employees are paid at the overtime rate only when they work over 40 hours per week~~
- ~~Comp time is not available for FLSA overtime-exempt employees.~~

Holidays

APFC recognizes the following 11 State Holidays per AAM 270.020. APFC also recognizes days publicly proclaimed by the US President as a national holiday or by the Alaska governor as a legal holiday. On occasion the SIFA and NYSE Market holidays do not line up with State Holidays. Based on business need, managers of employees work on those days are expected to plan on having appropriate staff in the office to ensure safe and effective operations.

Holiday

New Year's Day	Jan	1st
MLK Jr.'s Birthday	Jan	3rd Monday
President's Day	Feb	3rd Monday
Seward's Day	Mar	Last Monday
Memorial Day	May	Last Monday
Independence Day	July	4th
Labor Day	Sept	1st Monday
Alaska Day	Oct	18th
Veteran's Day	Nov	11th
Thanksgiving Day	Nov	4th Thursday
Christmas Day	Dec	25th

Work Status on APFC Holidays

APFC is required to follow State of Alaska employee leave and holiday rules. However, some State holidays occur when the financial markets are open and therefore, APFC operations must continue. Because certain employees are directly responsible for these mission-critical operations, they are required to be at work on some State holidays.

~~Typically, only certain employees in the Investments, Finance and IT Departments are required to work on a State holiday. The head of these departments will determine which staff members must work.~~

FLSA Overtime Exempt: FLSA Overtime Exempt employees required to work on a State holiday may take another supervisor-approved day off in lieu of their holiday, but within 30 calendar days after having worked the holiday. The holiday must accrue to the employee before taking off a day from work.

FLSA Overtime Eligible: Typically, Fair Labor Standards Act (FLSA) overtime eligible employees will not be required to work on State holidays. However, if an employee is FLSA overtime eligible, and is required to work on a holiday, that employee will be paid for their time worked at the appropriate rate of pay. ~~and will accrue comp time at 1.5 hours per hour worked.~~

Work at Home

Employees may request to work from home on an ad hoc basis, subject to prior approval from their supervisor. This arrangement is intended for occasional use and is not intended to replace regular, in-office work schedules.

Guidelines

- Eligibility: Employees are eligible to request ad hoc work from home arrangements. Approval will be based on job responsibilities, performance, and the ability to work independently.
- Approval Process: Employees must submit a request in Bamboo to their supervisor as early as possible, outlining the reason for the request and the proposed date(s) for working from home. Supervisors will review the request and approve or deny it based on operational needs and the employee's work performance.
- Expectations: While working from home, employees are expected to:
    - Be accessible and responsive during regular working hours – maintaining the same level of work they would if they were in the office.
    - Maintain productivity and meet deadlines.
    - Ensure a secure and appropriate work environment.
    - Adhere to all APFC policies and guidelines, including those related to data security and confidentiality.
- Communication: Employees must maintain regular communication with their supervisor and team, providing updates on work progress as required.

- Equipment and Resources: Employees are responsible for ensuring they have the necessary equipment and resources to work effectively from home. APFC may provide additional support on a case-by-case basis.
- Duration: Ad hoc work from home requests are intended for short-term arrangements.

Supervisors have the discretion to approve, deny, or revoke ad hoc work from home arrangements at any time based on business needs or performance concerns.

~~The purpose of this policy is to allow employees to work from their homes if their work can be transferred from the workplace.~~

~~Employees may conduct paid work out of their homes for only specific and approved reasons. Work at home is at the discretion of an employee's supervisor and the department head with approval by the Executive Director.~~

Permanent Remote Work

It is the preference of APFC to hire employees to work onsite to benefit collaboration, strengthen teamwork and provide direct learning opportunities for staff. However, approving permanent remote work may be appropriate in certain circumstances. Permanent remote work refers to an approved work arrangement in which an employee is allowed to perform their job duties entirely from a location outside the company's primary physical office on a long-term or indefinite basis. Eligibility for permanent remote work from another duty station is determined on a case-by-case basis, considering factors such as recruitment difficulties, specific skill set that would be of particular benefit to APFC, job function, performance, experience level and operational requirements.

Refer to the external remote work policy for more information.

Hybrid Work Policy

Hybrid work is a flexible work arrangement that combines both remote and on-site work. Employees under this model split their time between working from the company's physical office and a remote location, such as their home. This arrangement aims to provide the benefits of both in-person collaboration and remote work flexibility.

Eligibility for hybrid work is determined based on various factors, including job function, individual performance and work style, and team needs. Employees interested in a hybrid work arrangement should initiate a discussion with their direct supervisor or manager to explore their eligibility.

Refer to the external Hybrid Work Policy for more information.

Leave

APFC is governed by AS 39.20.200 – 39.20.350 regarding leaves of absence. These statutes outline leave accrual rates and leave usage requirements.

Accrued leave is posted to an employee's leave record at the end of each pay cycle. If an employee takes unpaid leave, their leave accrual will be prorated based on the number of hours in pay status.

Staff hired after 2013 accrue leave each pay period at the following rates.

Length of Service	Accrual Rate per pay period	Day per year
0-2 years	6:03	21 Days
2-5 years	6:55	24 Days
5-10 years	7:47	27 Days
10+ years	8:39	30 Days

15 or More Years	10:23	36 Days

Staff hired before 2013 accrue leave each pay period at the following rates.

Length of Service	Accrual Rate per pay period	Day per year
0-2 years	6:55	24 Days
2-5 years	7:47	27 Days
5-10 years	8:39	30 Days
10+ years	10:23	36 Days

The leave year is January 1 – December 31. Employees who have a leave balance of 400 hours or less are required to use ten days of leave each year. Employees who have in excess of 400 hours are required to take 15 days per year until their leave balance is below 400 hours.

~~In addition, APFC has the following policies regarding leave:~~

~~Administrative Absence from Work~~

~~Administrative absence from work allows the Executive Director the option to grant employees absence from work on an individual or corporate level that does not affect the employee's leave balance.~~

~~An Administrative Absence is not typically a leave-type that may be requested, but may be offered to an employee by the Executive Director who recognizes a reason to provide them time off from work that does not affect the employee's leave balance. Administrative absences typically do not require a time sheet report.~~

Short-Term Leave of Absence

APFC recognizes that allowing a short-term absence strengthens employee morale and increases productivity. The goals of this leave type are to provide employees an opportunity for an extended leave/sabbatical of up to three months without loss of position and/or to allow short-term leave to assist employees seeking professional or personal endeavors

- Short-term leave is not granted automatically; APFC needs must be the first priority.
- Short term leave is approved by the Executive Director for a period of not more than three months.
- Examples of uses for short-term leaves are to finish an academic degree or certification, to complete a professional licensing requirement, mission work, or travel. This list is meant merely as an example; other reasons may be approved.
- If the employee terminates during short-term leave, the termination date is retroactive to the first day of leave.
- All employee benefits are frozen and accrual ceases while on leave. In accordance with state policy and regulations medical benefits coverage may continue if the employee pays for coverage.
- Use of this leave option is without pay. ~~–~~However, with Executive Director approval, accrued personal leave may be used for all or as part of the short-term leave period.

PROFESSIONAL PRACTICES

APFC encourages staff to conduct themselves in a professional manner at all times, reflecting APFC values in their interactions with others, ever cognizant of their responsibilities to the public as managers of Fund assets.

Professional Codes of Conduct

APFC business operations and its reputation are built upon the principles of fair and ethical conduct of its employees. APFC complies with all applicable laws and regulations and expects employees in all positions to conduct business in accordance with all relevant laws and to refrain from illegal, dishonest, and unethical conduct or practices.

APFC success depends upon Alaskans' trust; we are dedicated to preserving it. Employees have an obligation to APFC and Alaskans to act in a manner that merits continued public trust and confidence in APFC.

APFC expects employees to use their best judgment, based on high ethical principles, as a guide to acceptable conduct. In a situation that is difficult to determine the proper course of action, openly discuss the matter with your immediate supervisor and, if necessary, with ~~the HR Officer~~Human Resources for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every APFC employee. Disregard of or failure to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including ~~immediate~~ termination of employment.

Ethics Information on receiving Gifts

Any gift received by an APFC employee that exceeds $150 in value must be disclosed.

Business associates, contractors, vendors, or others doing business, or wishing to do business with APFC, occasionally offer APFC employee's gifts, services, or other items. Under the Executive Branch Ethics Act (Ethics Act), an APFC employee may not solicit or accept gifts if a person could reasonably infer from the circumstances that the gift is intended to influence the APFC employee's action or judgment. "Gifts" are defined broadly under the Ethics Act to include money, items of value, services, loans, travel, entertainment, hospitality, and employment. All gifts from registered lobbyists are presumed to be improper and cannot be accepted, unless the giver is immediate family of the person receiving the gift. Entertainment that is part of a fixed conference agenda is not subject to the reporting and restrictions of this section, but the guidance provided should still be considered in determining appropriateness of participating.

APFC Employees are under no obligation to accept gifts provided to them from third parties that are in or may be in an arm's length business relationship with APFC. The decision by an APFC employee to decline a gift will avoid the need to disclose the gift and avoid the suggestion the gift provided was intended to influence the employee's performance of their official duties. However, gifts may be accepted in certain circumstances.

- Under 9 AAC 52.060, APFC staff are encouraged to disclose a "gift" they receive if it is valued between $50-$150. However, this is not an express requirement of the Ethics Act, and each gift should be evaluated to determine the appropriateness of disclosing. If you are unsure whether you should disclose, it is always better to err on the side of caution and disclose the gift. Factors that may be used as guidance in determining if a gift is appropriate are:
    - Consider if the gift adds value to APFC. For example, attending a dinner with a manager offers an opportunity to bolster communication comfort in a less formal setting vs a gift of an expensive item that is given to you.
    - Consider whether the gift is offered to or includes other investors. A gift that is offered to a broader group is generally more acceptable than a gift only offered to an individual.
    - Consider whether the gift is from or relates to a new investment/manager potential or from an existing investment/manager. Generally a gift from an existing manager is more appropriate.
    - Consider the timing of the gift. Gifts centered around critical evaluation processes are less appropriate.
    - Consider whether the gift would create any actual or perceived conflicts of interest.
    - Consider the public perception of the gift if it were disclosed broadly.

- APFC staff are required to disclose any "gift" valued at $150.00 or more within 30 days of receipt of the gift.

- After considering guidance above APFC employees may accept meals valued at $150.00 using their discretion.

- After considering guidance above APFC employees may accept an "experience" (sporting event, entertainment, experience, etc.) gift of up to $250.00 using their discretion. For experience gifts valued at greater than $250.00 employees must get written pre-approval from the Executive Director prior to accepting and include that pre-approval with the disclosure form filed with the Ethics Officer.

- After considering guidance above APFC staff may accept gifts of items of up to $250.00 using their discretion. APFC staff must get written pre-approval from the Executive Director to accept a gift of an item that exceeds $250.00 and submit that approval with the disclosure form filed with the Ethics Supervisor.

Annual Ethics Training

APFC staff must complete ethics training upon hire and annually each year to maintain their awareness and knowledge of responsibility under the State of Alaska Ethics Laws. After finishing the training each year, staff must sign an acknowledgment form, which will be kept in their personnel file.

~~Business associates, contractors, vendors, or others doing business, or wishing to do business with APFC, occasionally offer APFC employees gifts, services, or other items. APFC employees are strictly prohibited from accepting gifts that benefit the employee's personal or financial interest if it can be reasonably inferred the gift is intended to influence the employee's action or judgment. APFC employees are strictly prohibited from soliciting gifts. APFC employees must follow AS 39.52.130, and are encouraged to read this statute.~~

Interpersonal Communications

APFC strives for open, two-way communications among all authority levels. Communications must be professional and respectful so that each employee feels free to express divergent thoughts and concerns. Active communication involves taking responsibility for contributing your ideas respectfully and clearly, and listening carefully to the ideas of others.

APFC expects professional relationships within and outside the Corporation through the use of professional communication.
Hurtful communications, such as malicious gossip, name-calling, slurs, spoken, circulated in hard copy or via an electronic device, are unacceptable and will not be tolerated. An employee using hurtful communication may be disciplined up to and including termination of employment.

Public Communications

APFC employees are sometimes called upon to make public presentations on APFC or other topics. APFC strives for open public communications and has responsibility as a public trust. This responsibility requires us to clearly communicate APFC goals, mission, values, and corporate activities. APFC recognizes the Board Chair, the Executive Director, and Communications Director as the official spokespersons for the organization. Questions about the Corporation from outside sources that require an official response should be directed to these official spokespersons.

Disputes

APFC encourages employees to bring disputes or conflicts with other employees to the attention of their supervisors, the Executive Director, ~~the HR Officer~~or Human Resources, or to follow the Employee Grievance Procedure included in this Guide, if appropriate. APFC is eager to assist in the resolution of employee disputes.

Dress Code

APFC expects a high degree of professionalism in all aspects of work including dress and grooming that recognizes a diverse workforce.

When representing APFC, employees are required to present a clean and neat appearance. Everyday wear should project a professional image and should be chosen to fit the occasion. The Executive Director or designee reserves the right to define the dress code. Each employee is responsible for following the dress code. Department heads are responsible to ensure the employees they supervise follow the dress code.

Political Activities

APFC employees are in the Exempt Service of the Executive Branch of state government and as such, are exempt from the State Personnel Act (AS 39.25) unless specifically provided. While APFC encourages employees to exercise their constitutional rights and civic responsibilities in the political process by voting, supporting candidates and issues, and expressing personal views, some basic guidelines and restrictions apply. In addition, a clear separation must be established between state-related functions performed with state resources and private political activities, which cannot be supported with public funds.

APFC employees must follow AS 39.25.160 regarding political activities and AS 39.52, the Alaska Executive Branch Ethics Act. We summarize these legal requirements as follows. However, APFC employees should read the provisions of AS 39.25.160 (see the State of Alaska Division of Personnel Employee Orientation web page) and review the Executive Branch Ethics section (in the State of Alaska Department of Law web site).

- APFC resources – including but not limited to employee time, equipment, information, or supplies – may not be used to finance or influence, directly or indirectly, candidates for political office, ballot propositions, or public issues of a municipal, statewide or national character, or any other political activities, either partisan or nonpartisan, unless specifically appropriated by the Alaska Legislature and signed by the Governor.

- In the performance of official duties, employees responding to politicians, candidates, or the general public about public policy, political issues, or general information concerning APFC or the Fund shall treat all requests equally and impartially.

- Unless authorized by the Executive Director to represent APFC to outside parties, employees shall not purport to the public that they are representing APFC. To prevent misconceptions when making public statements about a political issue or when representing personal opinions, employees must issue a disclaimer stating they are not representing APFC; failure to do so ~~will~~may result in disciplinary action, up to and including termination.

- No APFC employee may display or distribute partisan political material on APFC work premises or while conducting official business.

- No APFC employee may solicit, require, or coerce funds or support for any political activity in the office or while on official business. In the course of performing official duties, an individual may speak in favor of APFC policy issues reflective of APFC values and goals.

- No APFC employee may solicit, require or coerce any employee or subordinate to submit to any interrogation or examination or psychological test which is designed to elicit information concerning political affiliation or philosophy except as directly related to the performance of the employee's official duties.

PROFESSIONAL EDUCATION AND TRAINING

This policy is intended to increase the value and retention of APFC employees

The APFC recognizes that skilled employees bring added value to the workplace, and encourages employee participation in higher and continuing educational pursuits, and education relating to some professional designations. The APFC Employee Training Policy (not included in this Guide) covers details about employee eligibility, types of training eligible for employer-covered costs, and training types that are employee cost reimbursable. Employees should refer to the external Training Policy.

EMPLOYEE DISCIPLINE

This policy is to provide uniform guidelines for employee discipline when that is the chosen option of the supervisor. Employee discipline actions may be used for misconduct ~~typically for~~ or work performance issues when an employee is out of compliance with APFC standards ~~and is~~or not meeting position requirements. Termination of the employment relationship may be the outcome of the employee disciplinary action.

At-Will Employment Status

All APFC employees are "at will" employees. Employment at APFC is not for a fixed period. Either an employee or APFC may terminate the employment relationship at any time, with or without cause or notice. Thus, the following disciplinary measures do not guarantee continued employment or entitlement of the discipline process by the employee. There is no requirement that any or all of the described disciplinary procedures be followed in any order, or at all, before termination. Depending on the circumstances, any or all of the disciplinary actions or steps noted below may be omitted at any time. Employees in management positions are all excluded from the disciplinary and the grievance processes.

Employee Discipline

An open disciplinary process is one way in which APFC strives to attain its goal of enhancing the best work performance of employees and supervisors. Supervisors should immediately (or as soon as practicable) address employee problems in order to minimize misunderstandings. APFC encourages employees to inform their supervisors of challenges or obstacles that impede deadlines, expectations, or other work-related concerns. APFC encourages supervisors to maintain ongoing contact with employees under their supervision to better assist them in allocating time, energy and resources towards the highest priority projects, and to help minimize the need for disciplinary action. APFC expects employees to be responsible for their own actions and to maintain standards of performance and behavior that reflect APFC's status as a premier organization.

There are many standards upon which an employee's performance and behavior are guided. APFC mission and value statements, Personnel Management Plan, ~~MP~~ policies, job descriptions, class specs, performance objectives and measures, and ethics and disclosure policies are some of the standards to which supervisors determine desired conduct. These standards aid supervisors in determining misconduct that warrants disciplinary actions. When an employee's work performance or behavior on the job becomes inconsistent with APFC standards, APFC reserves the right to take corrective action necessary to resolve the problem.

Disciplinary Procedure

Supervisor Assesses When to Use Disciplinary Action

Ongoing, two-way communication between supervisors and employees often mitigates the need for disciplinary actions. Under certain circumstances, formal corrective disciplinary action may be appropriate. Disciplinary actions, including termination, may be recommended if corrective measures have not resolved the issue. Termination without prior verbal or written warnings may be considered at the discretion of the supervisor in cases of serious misconduct or legal violations. Examples of serious misconduct may include threats of violence, harassment or discrimination, theft or fraud, violations of the drug and alcohol policy, conflicts of interest, breach of confidentiality, gross negligence in the performance of duties or dishonesty. When possible, before any formal disciplinary action is issued, a 'check for error meeting' will be held with the employee to allow them the opportunity to provide their perspective and respond to the allegation prior to any action being taken. Any recommendation for termination should be documented in writing, with a summary outlining reasons for the recommendation and any corrective actions taken. Before approval, the recommendation must be reviewed by the department head, Human Resources, and Executive Director to ensure compliance with state and federal employment laws. ~~An incomplete list of possible disciplinary actions follows, to serve as examples. Dependent upon the severity of the offense, these actions may occur at any time and in any order. Depending on the circumstances, any or all of the disciplinary measures may be omitted at any time, and termination of employment may be the first option. Employment at APFC is "at will," and there is neither a requirement nor a prescribed order to follow any or all of the described disciplinary procedures prior to termination.~~

Possible Disciplinary Options

The actions that follow are examples of disciplinary actions. Additional disciplinary actions or immediate termination may be taken as APFC determines.

Verbal Warning

At the supervisor's discretion, a verbal warning addresses minor infractions or first-time offenses. The supervisor informs the employee of the work-related problem, poor performance, offense, breach of policy, breach of standards of conduct, etc. The two discuss the problem, and the supervisor advises the employee of the necessary corrective measures and provides a timeline for completion of the corrections. The reasons for the verbal warning and any required follow-up are documented in a memo, signed by the employee and supervisor ~~both sign~~ and retained in the supervisor's working file. Verbal warning documents are not placed in an employee's permanent personnel file unless a related offense is committed or the problem recurs and warrants further disciplinary action.

Written Warning

At the supervisor's discretion, an initial offense may warrant a written warning to the employee. The written warning summarizes previous warnings of a similar nature, the nature of the current problem, the method and actions necessary to correct the problem, a reasonable time period within which the problem must be corrected, and the outcome (termination, demotion, etc.) should the employee prove unable or unwilling to correct the problem. The written warning requires a review by the HR ~~Officer~~Director, the department head, and the Executive Director before its delivery to the employee. After management review, the supervisor (and the HR Director ~~Officer~~, if desired) meets with the employee to discuss the written warning. The warning memo must be dated and signed by both supervisor and employee to verify that the supervisor informed the employee of the work-related problem and that the employee understands the issues and recommendations for correction. The employee is provided a copy, and HR retains the original for the employee's permanent personnel file.

Recommendation for Suspension/Termination

If prior corrective measures have not resolved the problem ~~has not been corrected within the period~~ specified in the written warning or ~~if within 60 days~~ after completion of the specified period, the employee commits a similar offense, further disciplinary action up to and including termination of employment may be recommended. Before any suspension or termination recommendation is finalized, the employee will be provided an opportunity to respond to the issues. At the supervisor's discretion, termination without prior verbal or written warning may be considered in serious cases. Any recommendation for suspension or termination should be documented in writing, including a supervisory summary outlining the reasons for dismissal and detailing any actions already taken to address the issue. The recommendation should undergo review by the department head before being forwarded to both Human Resources and the Executive Director for approval. ~~At the supervisor's discretion, immediate termination without verbal or written warning may be recommended. The termination recommendation must be in writing that includes a supervisory summary outlining the reasons for dismissal and an outline of actions, if any, already taken to correct the problem. The department head must review the recommendation before it is forwarded to both the HR Officer and the Executive Director for approval.~~

~~Suspension~~

~~Department heads and the Executive Director have the authority to suspend employees. Other supervisors may suspend employees under their supervision, but typically suspension results from consultation with a department head or the Executive Director. However, if immediate action is necessary, at their discretion, supervisors may suspend an employee.~~

Termination

Only the Executive Director has the authority to terminate an employee. In accordance with the "exempt" and the "employment at will" status of all APFC employees, the Executive Director has the right to discharge an employee at any time, with or without reason that is not prohibited by law or notice regardless of whether or not disciplinary (corrective) action has been taken.

Supervisor Authority to Impose Disciplinary Action

For purposes of disciplinary action, the employee's direct supervisor per the organizational chart is the individual who supervises the day-to-day work of the employee and provides direction regarding work projects. The employee may occasionally work on projects or perform regularly assigned duties for a coworker who is not the employee's supervisor. However, no one other than the supervisor, the department head, or the Executive Director is authorized to impose disciplinary action on employees.

Disciplinary Actions and Performance ~~Appraisals~~ Evaluation

If an employee's regularly scheduled annual performance ~~appraisal date~~evaluation date falls within the period for complying with corrective measures specified in a disciplinary action, the ~~appraisal proceeds~~evaluation proceeds as scheduled. In such an instance, the supervisor judges the severity of the problem, while also considering the employee's yearlong conduct and performance, including the problem's effect on job performance. The supervisor may recommend a salary adjustment commensurate with performance, regardless of the employee's current disciplinary action status. The fact that an employee is under disciplinary action must be noted in the performance evaluation.

~~First-time Discharge Offenses~~

~~Certain types of employee behavior are serious enough to warrant immediate termination of employment without benefit of the corrective disciplinary steps. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace and warrant immediate termination, however, this list provides broad examples:~~

- ~~Theft~~
- ~~Violence~~
- ~~Dishonesty; i.e., falsification of a major record~~
- ~~Possession, distribution, sale, transfer of illegal drugs, or substance abuse in the workplace, while on duty, or while operating employer-owned vehicles or equipment~~
- ~~Sexual or other unlawful harassment or discrimination~~
- ~~Possession of dangerous or unauthorized materials, such as explosives or firearms in the workplace~~
- ~~Unauthorized disclosure of confidential business information~~
- ~~Gross negligence in the performance of duties~~

~~Employment with APFC is "at will," and either party may terminate the work relationship at any time, with or without reason or advance notice.~~

GRIEVANCE PROCEDURE

The goals of this policy are to resolve employment complaints at lowest possible level within APFC before more serious problems develop; to provide a channel for APFC employees to voice employment concerns or complaints in an appropriate manner; and to provide a grievance procedure that employees may use without fear of reprisal.

Grievance Defined

In this Guide, grievance means an employee's expressed feeling of dissatisfaction with aspects of working conditions, environment, relationships with supervisors and other employees, a disciplinary action, and the official manner of execution of the personnel policies established or interpreted by the Executive Director.

Employee Complaints and the Formal Grievance Process

The existence of the Employee Complaint and Grievance Process does not alter APFC's "at will" status. Successful completion of the process does not guarantee continued employment. Employees in management positions and other positions which the Executive Director may designate from time to time are all excluded from the disciplinary and the grievance processes.

Employee Complaints

Misunderstandings and conflicts are often best addressed directly between the parties involved before more serious problems develop. APFC encourages ongoing, two-way communication between coworkers, employees, and supervisors to alleviate misunderstandings and conflict. APFC provides employees the opportunity for training in respectful workplace, interpersonal skills and related topics as one of several ways it demonstrates commitment to employees and value for communication.

When direct communication with the involved party does not resolve an employee's employment-related concern, or if direct communication is not appropriate, the next step involves taking the complaint to the next authority level within the department. APFC strongly advocates personal responsibility in all aspects of work roles and at all authority levels. Therefore, in most instances the supervisor or department head may provide guidance for complaint resolution rather than directly managing the process, unless he/she determines that direct involvement is the most appropriate method for resolution. If necessary, the supervisor, department head, or ~~HR Officer~~Human Resources Director may mediate a discussion between the involved parties. ~~If the employee is unable to resolve the complaint after a mediated discussion, the mediator may recommend a peer review. However, the supervisor or department head may recommend a peer review without a mediated discussion.~~

~~Peer Review Committee~~

~~If appropriate, a peer review committee may be used to assist in employee complaint resolution. The authority of the peer review committee is advisory. The purpose of the committee is to help resolve employee complaints at the lowest level possible.~~

~~Each department solicits volunteers for a primary and an alternate committee member. However, only three employees from other departments serve on the active peer review committee, which typically comprises only the committee members from the uninvolved department(s).~~

Grievance Filing Procedures

Eligible employees who have a grievance related to their position, working conditions, or employment over which the Executive Director may lawfully exercise discretion, may file a grievance as follows:

1. The employee discusses the grievance with his/her supervisor.

2. If the employee is dissatisfied with the outcome of the discussion, the employee may file a written complaint to his/her supervisor (and a copy to the HR Officer) as soon as possible to retain accuracy of detail, but no later than ten (10) days from the incident causing concern. If the grievance involves the employee's supervisor, an alternate channel is the department head. If the grievance involves the department head, an alternate channel is the ~~HR Officer~~Human Resources Director. The written grievance must include:

   - Name, title, signature of the author, and date.
   - Full description of the complaint, including full names and direct quotes, if applicable, date(s) and time(s) of incident(s), names of witnesses, if any, location(s) of incident(s).
   - Desired outcome to relieve the grievance.
   - Attachment of related documents.

3. The supervisor receiving the grievance must respond in writing within five working days of receipt of the grievance. A complete investigation within a five-day period may not be possible due to many factors such as witness travel, records search etc. Therefore, within the five-day period, the responding management staff provides a status report on the investigation phase and provides an expected completion date. The response includes:

   - Name, title, signature of the author, and date.
   - Summary of the grievance.

- Steps taken to investigate the grievance.
- Findings of the investigation.
- Recommended resolution.

Appeal Process

1. If the aggrieving employee is dissatisfied with the written response, the decision may be appealed in writing to the next level of authority.
    i. The written appeal must be made within five workdays of receipt of the response and must be attached to the original grievance and the APFC management ~~response, and~~response and must include the reasons for the employee's appeal.

2. If the grievance:
    i. first went to the employee's supervisor, the appeal is to the department head
    ii. was filed with the department head, the appeal is to the ~~HR Officer~~Human Resources Director
    iii. was filed with the ~~HR Officer~~Human Resources Director, the appeal is to the Executive Director

3. The final appeal may be filed with the Executive Director who has the authority to offer final determination for resolution.

4. Each level of appeal has five days to respond in writing to the aggrieved party. If no written appeal is made within this time frame, APFC considers the matter resolved to the employee's satisfaction.

Filing a Complaint of Sexual Harassment or Unlawful Harassment or Discrimination

APFC follows Alaska Administrative Order No. 81 and No. 75 regarding the State's policy on sexual and discriminatory harassment. Employees believing they have been subjected to sexual harassment or other forms of discriminatory harassment should report as soon as possible. All claims will be investigated. Employees may report to ~~contact either~~ their supervisor, department head, ~~the HR Officer~~ or APFC Human Resources. Formal complaints can be filed through the Alaska State Commission on Human Rights (ASCHR) and the Federal Equal Employment Opportunity Commission (EEOC). ~~for immediate assistance in the grievance process.~~

Unlawful Harassment Prevention

APFC commits to providing a work environment free from unlawful discrimination and harassment. Therefore, APFC observes a "Zero Tolerance" policy of unlawful discrimination and harassment.

Employee Protection

Employees covered by these procedures may seek resolution to their grievances without fear of constraint, interference, or reprisal. Any form of retaliation, reprisal or adverse action taken against an employee for complaining about, opposing, reporting, or cooperating in a workplace investigation is prohibited and will subject the actor to disciplinary action up to and including suspension or dismissal. ~~risal.~~

EMPLOYEE SEPARATION FROM APFC EMPLOYMENT

The goal of this policy is to aid in developing an individual separation plan that helps ensure uninterrupted workflow, work product integrity, and completion of all necessary employee separation documentation.

APFC employees are "at will" employees. APFC employment is not for a fixed period. Either an employee or APFC may terminate the employment relationship at any time, with or without cause or notice.

Types of Separation

Layoff due to Reduction in Force

Separation initiated by APFC for management reasons outside an employee's control and not relating to an employee's service or ~~performance;~~performance, e.g., abolition of position, shortage of work, budgetary constraints, etc.

Dismissal or Discharge

Involuntary employment termination initiated by APFC.

Resignation

Voluntary employment termination initiated by the employee.

Presumed Resignation

Unauthorized absence from work for a period of five consecutive working days may be considered an abandonment of duties and a presumed resignation.

Retirement

Voluntary employment termination for eligible staff that meet the specific provisions for retirement eligibility as governed by the State of Alaska Public Employees Retirement System and as administered by the Division of Retirement and Benefits.

Separation Process

Many APFC employees have access to sensitive information, resources, systems, or have significant decision-making authority affecting the Fund. In order to safeguard APFC and the employee, the employee's supervisor is responsible for completing a checklist of items upon receipt of the employee's notice of intent to separate. The exact events and their timing are determined on a case-by-case basis by circumstances of the departure. In all cases however, both the HR Manager and Executive Director require immediate notification of an employee's intent to separate.

Steps of the Separation Process:

- Remove the employee from normal job duties and access to sensitive areas.
- Review the employee's job duties and specifically authorize level of access the employee is to retain, up to and including normal working access.
- Review possibility of immediate departure.
- ~~Executive Director may authorize severance pay~~
- ~~Review whether to grant severance pay as determined by the Executive Director~~
- Provide the employee a copy of the written exit interview questionnaire.
- Conduct a face-to-face exit interview with the supervisor, department head, Executive Director and/or HR ~~Officer~~Director.
- Conduct an employee performance ~~appraisal if~~evaluation if the last appraisal was effective six or more months prior. The appraisal period covers the date of the last appraisal to the present.

- Provide the employee with a copy of the Reference Authorization Form for his/her signature to keep in the employee's file. Signing the form is optional.
- Provide the employee with the link to the State of Alaska "PX/EX Separating" website.

Resignation Notice

All APFC employees are "at will" and may resign their employment at any time for any or no reason. As a courtesy from the employee, APFC will ordinarily expect at least two weeks advance notice from employees resigning from a position designated from support positions and least four weeks advance notice from employees resigning from all other positions. To the extent permitted by circumstances and available funding, APFC will provide notice of layoffs due to reorganization or budgetary reasons with at least four weeks advance notice or with as much advance notice as feasible.

Immediate Acceptance of Resignation

If an employee provides APFC with notice of resignation and requests, or states, a future effective date, the Executive Director may determine that an immediate departure is appropriate and elect to accept the resignation effective immediately.

Salary and benefits

Regardless of when an employee's salary terminates, the employee's benefits (medical, retirement, paid leave accrual, etc.) are based on the last day actually worked unless the employee is out of the office on family medical leave~~.~~

~~Severance Pay~~

~~The Executive Director may recommend severance pay to employees involuntarily separated from APFC. All APFC employees are "at will" and may be discharged at any time, for any reason, without notice. APFC has no obligation to provide severance pay to any employee or group of employees. APFC guarantees no length of employment.~~

Exit Interviews

APFC requests all departing employees to participate in an exit interview, or when that is not possible, to complete an exit interview form. The exit interview is designed to provide employees an opportunity to relay their job-related experiences. APFC strives to elicit honest and candid responses and may use the interview data as suggestions for improvements. Whenever possible, supervisors provide the form to the employee at least two weeks before his/her exit date. The exit interview form may be completed during regular office hours. If departure occurs without warning, the employee may be requested to complete and return the exit interview form on his/her own time. The exit interview form is used as a Guideline for the departure interview with the supervisor, department head, HR Officer or the Executive Director. Ideally, it should be completed before the departing employee's final day on the job.

Separation Performance ~~Appraisal~~Evaluation

If/when a departing employee provides separation notice, the supervisor will ordinarily complete a Separation Performance Appraisal if the last performance ~~appraisal~~evaluation ~~-~~occurred longer than six months before their last day of employment. If the exiting employee's supervisor decides a Separation Performance Appraisal is unnecessary, the Executive Director must approve that decision.

The written ~~appraisal requires~~Evaluation requires review by the Executive Director or, in his/her absence, by ~~the HR Officer~~Human Resources before the supervisor meets with the departing employee. When signed, the original is retained in the employee's personnel file. The Separation Performance Appraisal is the basis upon which APFC makes future re-hire decisions and employment references.

Reference Authorization Form

At departure, APFC provides a Reference Authorization Form to the employee that authorizes release of his/her personnel record information. Except for information ordinarily available to the public, the APFC will not release any information about the employee's work performance unless APFC has a signed employee release authorization form. It is advisable that ex-employees make a separate written request for release of reference information every time they require information to be released.

Letters of Recommendation

Occasionally, departing employees request letters of recommendation from their supervisors or the Corporation. All letters of recommendation require review from the HR Officer. At the employee's specific written authorization, additional documents may be attached to a recommendation letter from APFC including copies of performance ~~appraisal~~Evaluation s and job description(s) and/or class specification(s).

Employment References

All requests for employment references for ex-employees are routed to ~~the HR Officer~~Human Resources. Through a signed Reference Authorization Form the separating employee authorizes a release of information, and either the supervisor or ~~HR Officer~~Human Resources provides the requested employment information. The primary source of information for reference checks comes from the Separation Performance Appraisal.

Use of Personal Leave during Notice Period

APFC limits the use of leave time during the notice period. Leave approval must follow the normal leave request process. The Executive Director must approve any exception to this policy.

PERSONNEL RECORDS

The goals of this policy are to prescribe procedures that help ensure the maintenance of accurate, timely, secure and complete personnel records ~~and;~~and to inform employees and applicants which records are maintained and where they are stored.

RECORDS MAINTENANCE

Personnel Records

Personnel records are documents relating to an individual's employment, the purpose of which is to accurately record employment histories for every APFC employee. APFC is required to follow the State of Alaska Records Retention Schedule and Guidelines regarding personnel records.

File Locations

Central Personnel File/s

Official hard copy personnel record usually includes employment application/resume and salary & benefit records, normally located in three central files, at: 1) the Department of Administration – Employee Records and Information Center~~Revenue~~, Division of Personnel, 2) Department of Administration, Division of Retirement and Benefits, and 3) APFC HR Offices. Only the APFC personnel file and online secure software contains performance ~~appraisal documents~~evaluation documents. APFC also keep files on site of personal investment and other disclosure reporting documents.

Departmental Personnel File/s

APFC employees involved in an employee's hire/termination (immediate supervisor, oversight department head, or the Executive Director) may establish/maintain a department personnel file for that individual.

Confidentiality and Access to Personnel Files

The APFC HR Officer maintains hard copy APFC personnel records. These records are confidential to the extent they include an analysis, evaluation, or critique of an employee's performance. Access to these records is ordinarily limited to the employee, the supervisor, the department head, and the Executive Director. With advance notice, employees may review their own personnel files in the presence of ~~the HR Officer~~Human Resources (or the custodian of the department personnel file). Employees may receive copies of any documents in their personnel files with a written request. Employees have the opportunity to include their written comments about each document in their personnel files if the written comments are provided within two weeks of the originating document's completion or within two weeks of reading the file. Employees may not change or remove documents in their file. Employees may access their performance evaluations at any time through logging into APFC's secure online performance evaluation software system.

Employee Complaint Procedure re: Personnel Files

If an employee disagrees with anything in his/her personnel file, in addition to speaking with the ~~HR Officer~~Human Resource Director and writing a note for the file, the employee may also appeal to that employee's supervisor. If necessary, the employee may appeal to the head of his/her department. The final appeal authority is the Executive Director.

Release of Information from Personnel File

Ordinarily, personal information will not be released from a personnel file over the objection of the employee. An employee may provide a written authorization that allows APFC to release information from the file.

APFC staff should be aware that if requested, personnel records may become public information if a determination by the department of law indicates that the interest of the public outweighs the employees right to privacy.

Recruitment Files

Position Recruitment Documents (typically resumes, applications and interview records) are maintained separately in a position search file. APFC follows protocol for maintaining the search file in accordance with the state records retention schedule.

MISCELLANEOUS POLICIES

APFC has additional miscellaneous polices intended to: provide a safe, secure, healthful work environment for employees, customers, vendors, and visitors. Ensure critical operational functions are maintained during an emergency. Ensure the professional appearance of APFC public and shared areas. Assign appropriate accountability and a sense of ownership in all staff. Encourage recycling and waste management in everyday business practices. Enhance the spirit of community, both inside and outside of APFC

General Office Safety

The APFC safety program addresses what to do in the event of a fire, bomb threat, earthquake, medical emergency, and other types of emergency situations. Certain employees are designated as safety officers. (See APFC Emergency Procedures Handbook)

Medical Emergencies

When a medical emergency occurs, direct another employee or individual to call 9-911, for the Juneau Fire Department paramedics. The caller advises the paramedics of the nature and location of the emergency while assisting as necessary with the emergency. APFC schedules CPR certification training periodically for all interested staff. First Aid Kits are kept in the mailroom and break room.

Fire, Fire Drills and Evacuation

In case of a fire, call 9-911 and pull the fire alarm. Alert the Safety Officers and direct others to assist in the effort. If feasible, use a fire extinguisher to put the fire out only if others are calling 9-911 and helping to sound the fire alarm to evacuate the building.

All individuals within the office are required to immediately evacuate the building when the alarm sounds or when there is evidence of fire in the building according to the APFC Emergency Procedures Handbook.

Staff should always inform the receptionist when leaving the office to ensure at least one person at APFC is informed about employees' whereabouts. In case of fire, the receptionist (or Administration staff member) informs authorities of the estimated employee headcount. If you are not in the parking lot and the receptionist is uninformed of your whereabouts, we presume that you are still in the building.

Workplace Safety Hazards

The Administrative Specialist is the building liaison for ongoing maintenance issues and coordinates an internal safety evaluation to identify and correct potential safety hazards. The HR Officer ensures work areas meet ADA accessibility codes.

Bomb Threat Response Plan

In general, APFC will telephone the Juneau Police Department to report the threat and will follow safety recommendations including assisting with searching the building, securing IT operations, and evacuating the building.

Personal Safety while in Travel Status

- The APFC Travel Officer recommends, schedules or provides periodic personal safety training
- Consult with the Travel Officer and/or supervisor regarding questions about personal safety while on travel status.
- Your hotel front desk or security personnel may address hotel safety concerns.

Visitors in the Workplace

The APFC reception area is the designated entrance for all visitors. The receptionist will alert employees that a visitor has arrived and will request the employee to escort the authorized visitor, or the receptionist will escort the visitor to the appropriate location. Visitors authorized by staff must be escorted on site to provide for the safety and security of employees and facilities. Employees are responsible for the conduct and safety of their visitors here by invitation. Employees may request assistance from management if their visitor becomes unruly, disruptive, or violent. If an employee observes an unauthorized individual in the office, the employee should inquire whether the individual needs assistance and to escort them to the reception area.

Workplace Violence Prevention

APFC has "Zero Tolerance" for violence in the workplace. A safe and secure work environment is of utmost importance. All employees, visitors, vendors, contractors, and business associates are always to be treated with courtesy and respect. Employees are expected to refrain from fighting, "horseplay," or other misconduct that may be dangerous to others.

In the case of threats or actual violence committed at the APFC work site, or against an APFC employee offsite, outside authorities may be called to intervene and investigate. This policy applies to employees and non-employees. Any APFC employee threatened with violence or who has a violent act committed against him/her while at the APFC office, or while representing APFC offsite, must report the incident to the supervisor or any APFC department head as soon as possible. Your report of violence, threats of violence, or suspicions of violence is the first step in halting further occurrences. Retaliation against an employee for making a good faith report is forbidden.

Weapons

APFC prohibits weapons of any kind at the workplace. APFC employees who bring weapons to the workplace – even if they have permits to carry a concealed weapon – are subject to employee discipline, up to and including immediate employment termination.

Building Security

- The Michael J. Burns Building management contracts with a local firm for building security. Contact APFC Administration or management staff to report security or safety-related problems or concerns regarding the building or APFC offices
- Inform your supervisor, the receptionist and others whom you trust if you will be working after normal office hours so that others know you are in the building
- Use the elevator to enter or exit the APFC floor if you are working beyond posted work hours
- Your key fob opens doors to both the building and APFC office suites during non-business hours
- Do not prop the office suite door open, even if you are in the office
- Shut the main office suite door behind you to ensure security of the office in your absence when exiting the office suites for any length of time
- Park your car in the well-lit areas of the parking lot
- Be aware of individuals near the building entrance when entering or exiting after hours
- Do not enter or exit the building if you are concerned for your safety
- Do not prop the building exterior doors open for any reason
- If you are concerned for your safety after hours and are in the office alone, call the Juneau Police to check building security or to escort you to your car. If two or more employees are working after hours, ask your coworker to escort you to your car or leave together
- Locks to all APFC doors are monitored by Administration
- At hire and when necessary, key fobs are issued to employees and are collected at separation
- Immediately report a lost key fob to Administration to guard against unauthorized access

Emergency Office Closing

At times, emergencies such as severe weather, fires, power failures, or earthquakes can disrupt company operations. Extreme circumstances may require APFC to close the office.

In the event of an emergency that affects all State of Alaska employees in Juneau or statewide during work or nonworking hours, APFC follows the Executive Branch's announcement. Upon hearing the broadcast, APFC employees require no further verification from APFC management about office closure.

A separate emergency closing process is required for investment-related responsibilities in conjunction with management and appropriate IT staff. Investment staff may be required to work in another location at the direction of the Executive Director or the Chief Investment Officer or a designee. If appropriate, employees may need to follow the Business Continuity ~~Plan~~and Disaster Recovery Plan (BCDR).

If an emergency occurs and affects only APFC employees or Michael J. Burns Building workers and the APFC office must be closed, APFC will observe the following procedures:

- The Executive Director, Human Resources Director ~~R Office~~r, or any other department head in the absence of these two, announces the APFC office closure

- APFC follows procedures required by the Executive Branch emergency closure announcement
- APFC staff will receive notification via email and Bamboo HR.

If an emergency closure is called either through an order of the Executive Branch or through APFC management, employees are compensated in accordance with State rules and regulations regarding such events. - In cases where an emergency office closure is not authorized, employees who fail to report for work will be required to submit a leave slip.

APFC Technology

Workplace Monitoring

To ensure quality control, employee safety and security, APFC management may conduct workplace monitoring. APFC is responsible for all employee workstations. Your use of the station and the equipment is as an employee and not owner. All resources furnished to employees are APFC property. APFC is obliged to ensure that equipment and employee time are used for business purposes. Therefore, computer ~~use~~use, and files may be monitored or accessed and other equipment use justified to APFC satisfaction. APFC makes every effort to conduct workplace monitoring ethically and respectfully. Through the practice of this policy, APFC disallows any expectation of employee privacy of workstations, email, electronic and hard copy files.

Computer Rooms/Access to Network

- IT Staff ensure computer rooms are secured at all times
- IT Staff update the electronic systems security periodically and review security to ensure only authorized staff members have access. IT staff immediately relay systems security concerns to APFC management. IT staff remain current in security technology to apply necessary upgrades
- All employees are required to follow IT staff recommendations regarding systems security

Employee Responsibilities for APFC Technology

- Follow IT staff instructions for the safe use of computer networks
- Follow all applicable laws regarding use of digital devices while driving. The same policy applies for avoiding other driving distractions
- Keep technology devices that are under your care within your control
- Safeguard data integrity through the use of strong passwords
- Follow IT staff recommendations regarding care in opening email attachments and Internet downloads to keep computer systems secure and virus-free
- Learn to correctly use the technology in your care to safeguard against damage and privacy breaches
- Bring questions about the use of APFC technology resources to APFC IT staff

Employee Personal Use of APFC Resources

APFC'S mission is accomplished through efficient use of time and resources. To that end, APFC provides employees with the technology and resources necessary to perform their jobs and requests employees to make the best use of the resources provided. APFC requires legitimate business use of employee time and resources. APFC is governed by the Alaska Executive Branch Ethics Act, AS 39.52 and by the State Policy on Employee Use of State Technology. Employees must acknowledge the Employee Use Policy in writing.

Office Resources

Lobby, Conference rooms, Break room, Mailroom

- All staff share responsibility for the upkeep of APFC shared areas. A tidy and presentable appearance is necessary to represent APFC as a professional organization. All areas should be left in the same or better condition than you found it.
- Administration will periodically coordinate team-cleaning efforts
- Coffee and food service items from individual staff, meetings or guests are the responsibility of the individual or departmental staff hosting the meeting

~~Coffee/Tea Fund~~

~~The employee break room and coffee equipment and supplies are 100% APFC employee-funded. Administration collects user fees and maintains a staff coffee fund.~~

Break Room

The break room is for employees needing a break from job duties and a place to prepare and eat food. Break room upkeep operates on the honor system: If you mess it up, clean it; if you empty it, replenish it; if you take it out, put it back. Employee donations operate this room since no APFC funds may be used.

Storage Room Supplies

The storage room contains bulk office supplies or occasional-use items. Access to this room is limited and is not suitable for storing records, even temporarily. Administration oversees layout, content, security, and quarterly cleanups by staff using the room

Board Room and Conference Rooms

Users are responsible to ensure the room is returned to the same order in which it was found.

Community Volunteer Involvement

APFC supports employee involvement in the community through volunteer efforts and encourages employee time contributions to community service organizations.

Waste Reduction and Recycling

APFC complies with state statutes requiring and encourages recycling.

Smoking

APFC abides by AS 18.35.300-18.35.365 and CBJ laws regarding smoking. Smoking, which includes E-Cigarettes, is prohibited in the Michael J. Burns Building complex and within 10 feet of the building exterior except in a designated covered smoking shed. This policy applies to all employees, customers, and visitors.

Solicitation

Employees may not solicit business, interest, recognition, or distribute literature or promotional items concerning non-work activities during working time. Working time does not include lunch periods or other periods in which employees are not on duty. For more information see the State Employees Ethics Handbook.

Compliance with State and Federal Laws

The APFC Employee Handbook provides guidelines and information about our policies, procedures, and benefits. However, in the event of any conflict or inconsistency between this handbook and applicable state or federal laws, the laws will prevail. Our organization is committed to complying with all relevant laws and regulations, and any provision in this handbook that is found to be in violation of such laws will be deemed modified or nullified to ensure full legal compliance.

Employees are encouraged to bring any concerns about potential inconsistencies to the attention of Human Resources or management.

Disclaimer

The policies and procedures outlined in this handbook are intended to guide employees and management in the consistent and fair application of workplace rules. However, this handbook is not a contract of employment and does not create any contractual rights or obligations. We reserve the right to modify, revoke, suspend, terminate, or change any or all such plans, policies, or procedures, in whole or in part, at any time, with or without notice.

Authorizations and References Relating to APFC Personnel Management

18.35.301~~100~~ - 18.33.341~~65~~ Regulation of Smoking in Public Facilities

AS 37.07 Executive Budget Act
It may be construed from AS 37.07 that the legislature must approve all new positions of more than one-year duration.

AS 37.13.100 Alaska Permanent Fund Corporation / Staff
Provides that the Executive Director may, with board approval, select and employ additional staff as necessary.

AS 39.20.110-350 Compensation, Allowances and Leave
Provides that State travel and leave rules apply to APFC

AS 39.25.110(11)(B) State Personnel Act / Exempt Service
Exempts APFC from the State Personnel Act AS 39.25, thereby authorizing APFC to design and implement rules and a salary program that provides a framework for salary, hiring and related personnel decisions.

AS 39.25.160 State Personnel Act

Prohibitions Generally: Includes exempt service in subsection regarding political activities and other topics

AS 39.52 Executive Branch Ethics Act

Addresses: Outside Employment Restrictions, Gifts, and other topics

APFC Bylaws Article II, Section 4

Provides that the Executive Director shall provide for execution of all corporate operational and administrative functions.

Article II, Section 8

Provides that the Executive Director shall employ personnel s/he deems necessary to exercise her/his powers, duties and functions under AS 37.13; determine employee compensation; and that those decisions shall be made within APFC budget limitations as approved by the Board and in compliance with policies established by the Board.

Administrative Order 81 Regarding unlawful harassment

PMP Employee Handbook Receipt and "Employment-At-Will" Status Acknowledgment

Employees are required to acknowledge receipt of the Employee Guide and the "at will" status of employment, through signing this page.

The Personnel Management Program (PMP) Employee ~~Guide~~ Handbook describes important information about APFC, employment policies, employee benefits, and employee and employer obligations. I understand that I should contact and request clarification from my supervisor, ~~the HR Officer~~Human Resources or the Executive Director regarding any questions not answered in the Guide.

I have entered into my employment relationship with APFC voluntarily and acknowledge there is no specified length of employment. Employment is considered "Employment-At-Will." Accordingly, either APFC or I can terminate the employment relationship "at will," with or without reason, at any time.

Since the information, policies, and benefits described here are necessarily subject to change, I understand there may be revisions to the Guide. If changes are made, they will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the APFC Executive Director has the ability to authorize revisions to the policies in this Guide.

Employee Acknowledgment

Through my signature below, I acknowledge that I have received the APFC PMP Employee Guide, and I accept responsibility to read, understand, and comply with the policies and revisions of the Guide.

Employee Name ______________________________ Title: ____________________

Employee Signature: ______________________________ Date: ____________________

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: FY2025 Transfer of Budgeted Funds for Training Related Travel

ACTION: X

DATE: 7/24/2024

INFORMATION:

BACKGROUND:

Per Board Resolution 98-4 Pertaining to the Operating Budget of the Corporation:

The Board of Trustees may, following discussion and due consideration of staff recommendations, authorize the transfer of budgeted funds between the objects of expenditures set out herein pursuant to such recommendations as may be amended by the Board of Trustees.

STATUS:

The training and conferences line under contractual services was budgeted at just under $160,000 for FY2024. Fiscal year-to-date staff has attended travelled to 41 trainings or conferences utilizing just under $45,000 of this budget to pay for training and conference fees. The average cost of travel for the FY2024 training and conferences was $2,230 per trip, and the total cost for the 41 trainings/conferences was just under $102,000.

The FY2025 training and conferences line under contractual services is budgeted at $177,003. Noting that training cannot occur without the ability to travel to the training location and that it is a priority of the board for APFC staff to benefit from training and education opportunities, APFC recommends a budget transfer of $75,000 from contractual services to the travel line to better align training-related costs and allow the opportunity for additional training-related travel for staff during the coming year.

RECOMMENDATION:

Proposed board motion:

"The Board moves to authorize a transfer of $75,000 of budgeted funds from contractual services to a sub-allocation of the travel line specified for travel for training to better align the total expenses associated with ongoing training and education."

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Governance Committee Recommendations ACTION: ___X_________

DATE: July 24, 2024 INFORMATION: ___________

During the May 20th Governance Committee Meeting, Trustees and staff discussed various possible governance reforms to bring to the attention of the full Board on May 29th, in Utqiavik. However, because that meeting ran long, this agenda item was not taken up at that meeting. Included in this packet is a list of governance items from the May 20th Governance Meeting.

On July 18, 2024, the Governance Committee met again and further discussed possible governance reforms for consideration and possible adoption at the July 24th meeting in Fairbanks. Included in this packet is a list of the governance items from the July 18, 2024 Governance Meeting.

At this time, the Governance Committee would like the full Board to consider the adoption of two specific amendments to the Board's existing Communications Policy. Included in this packet is a redline of these two proposed changes. Specifically, these changes would modify the investment referral process and protocols for communication between Board Members and staff.

Following a discussion of these possible reforms by the full Board (including input from the Investment Advisory Group), the Governance Committee would also like the full Board to consider the adoption of conceptual amendments to the existing Board of Trustees Charters and Governance Policies for those governance reforms supported by the Board. These Board approved conceptual amendments will then be drafted as redlined changes and brought back to the full Board at the September 25-26 meeting in Anchorage for review and final adoption.

List of Governance Items under consideration from the May 20, 2024 Governance Committee Meeting

- Board member referral of investment opportunities/managers to staff (including possible training by the Independent Investment Advisors on best practices in handling such referrals);
- Board member interactions with staff outside of board meetings;
- Review the number of Independent Investment Advisors and the tasks they handle for the Board;
- Adoption of an annual Board self-evaluation process;
- Amend the Communications Policy to include crisis communications protocols (including board education on existing crisis communications protocols by current communications consultants);
- Consider the use of timelines and reporting of ethics determinations by designated ethics supervisors;
- Provide greater clarity on Trustee duties and role expectations (presumably the independent investment advisors would play a role here);
- Develop clear and expanded compliance monitoring and reporting responsibilities;
- Spell out in Board Standards Policy possible discipline options and procedures;
- Refer to the Audit Committee for further consideration the possible use of internal audit functions and additional oversight of the IT and Compliance sections of APFC;
- Include in the quarterly board packet an update on pacing by asset class;
- Provide additional transparency into the Investment Committee Process;
- Incorporate state Whistleblower laws into the Personnel Management Plan; and
- Provide laptops, tablets, and cellphones to each trustee for exclusive use when conducting APFC business;

List of Governance Items under consideration from the July 18, 2024 Governance Committee Meeting

Update the Charter of the Investment Advisory Group

1. Establish annual Investment Advisory Group (IAG) board education sessions customized to board requests and educational need.

2. Add an annual educational session to the Board of Trustees as a responsibility.

3. Increase the number of IAG members to a maximum of five and increase knowledge and experience to include pensions and general partnerships.

4. Assign members of the IAG to committees of the Board with the expectation that they attend all associated committee meetings. Advisors not assigned to specific committees are welcome to attend any committee meetings.

5. Require at least one IAG member attend at least one Investment Committee meeting each quarter. All IAG members shall be allowed to participate in any Investment Committee meeting.

6. Require the IAG members report quarterly to the Board of Trustees on the Investment Committee process, provide updates on asset allocation and pacing by asset class, current issues discussed with APFC staff, and the previous quarter of Investment Committee actions. Other than confidential or proprietary information the IAG report shall be included in the quarterly Board meeting packets.

7. Require that IAG members make contact with both the Executive Director and Chief Investment Officer prior to each quarterly Board meeting.

8. Eliminate #9 of the existing Charter of the IAG.

Audit Committee Revisions

1. Add Ethics and Cybersecurity to the Committee.

2. Require cybersecurity software for detecting and monitoring legal and compliance risk of employee emails. Implementation and operation of this software to be provided to the Committee at least annually.

3. Define and implement timelines and reporting of ethics determinations by designated ethics supervisors.

4. Require independent third-party vendor to provide compliance oversight to the Chair of the committee.

5. Refer to the Audit Committee the possible use of internal audit functions and additional reporting and oversight of the IT and Compliance sections of APFC.

6. Develop clear and expanded compliance monitoring and reporting responsibilities for Trustees.

7. Revise to provide for an independent third-party review of any suspected violations of Board standards or state statute or regulation. In the event a review is required all Trustee's shall be informed of the matter at the next Board meeting in executive session.

8. Enhance process for Board member referral of investment opportunities/managers to staff.

9. Develop protocols for staff interactions with board member outside of board meetings.

Communication Committee

1. A Communications Committee shall be appointed by the Chair.

2. Adopt crisis communication protocols which considers engagement with both the Board of Trustees and Staff.

Utilize Colorado PERA (Copera) Governance Manual as a Resource to Improve Board and Staff Issues

1. Adopt Copera's Executive Director Performance Evaluation Policy as found in its Governance Manual pp. 44-45 .

2. Allow IAG members to participate in Executive Director evaluation.

3. Adopt Copera's Board Performance Evaluation Policy as found in its Governance Manual pp. 46-47.

4. Allow IAG members to participate in the Board performance evaluation.

Other Updates

1. Develop clear roles and responsibilities for Trustee duties.

2. Review the suggestion of providing laptops, tablets, and cellphones to each Trustee.

ALASKA PERMANENT FUND CORPORATION

Board Communications Policy

OBJECTIVES OF THE POLICY

1. The Board has established this *Board Communications Policy* in order to facilitate effective communication by the Trustees with each other, and with APFC staff and service providers, the media and other external parties.

POLICY GUIDELINES

Communication among Trustees

2. Trustees are free to communicate with each other on matters concerning the APFC, subject to the requirements of Alaska's Open Meetings Act.

Communication with Staff

3. While Trustees have the right to communicate with any member of the APFC staff, they should direct questions and requests for information regarding the APFC's management and operations to the Executive Director or with the consent of the Executive director, to senior management staff. APFC Staff are required to report all communications with Trustees regarding the management and operations of APFC to the Executive Director.

4. Any question or request for information which can reasonably be expected to take up a significant amount of time, effort or resources on the part of APFC staff or service providers should be made through a formal request at a Board or committee meeting or with the consent of the Chair of the Board.

5. Trustees may directly contact the Executive Director or with the consent of the Executive Director, members of the senior management staff ~~or APFC legal counsel~~, with any other question or request for which an answer or response is readily available or can be quickly and easily obtained. APFC Staff are required to report all communications with Trustees under this Section of the Communications Policy to the Executive Director.

~~5.~~6. The provisions of Section 3 through 5 above will not apply to Trustees request for legal advice from APFC's General Counsel or for administrative support from the Board Liaison.
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Communication with Service Providers

~~6.~~7. Trustees should communicate with the APFC's investment managers and other service providers on matters concerning the APFC generally at Board or committee meetings, or through staff. If Trustees have any questions or wish to request any information from

Formatted: List Paragraph, Left, No bullets or numbering, Tab stops: Not at 0.5" service providers, they should contact the Executive Director~~ or a member of the senior management staff~~.

~~7.~~8. If Trustees do communicate directly with a service provider, they should be careful not to disclose any privileged information, make any commitments on behalf of the Board, or provide any special treatment or favoritism to the service provider. Trustees should disclose the nature of any communication with the service provider that is important or material to the APFC to the Board at their earliest convenience.

~~8.~~9. Trustees should refer any investment opportunities or proposals they receive from a service provider or prospective investment manager which may be of relevance to the APFC directly to the Executive Director. The Executive Director will document all investment referrals from a Trustee and any action taken regarding such referrals and provide the Board with a report on such referrals at the next regularly scheduled meeting.

~~9.~~10. The provisions of Section 7~~6~~ through 9~~8~~ above will not apply to Trustees' communication with the Investment Consultant, the Investment Advisory Group, the Auditor and APFC legal counsel.

Communication with the Media and Other External Parties

~~10.~~11. The Chair and the Executive Director will both serve as the official spokespersons for the APFC.

~~11.~~12. In their role as spokespersons, they should communicate in a manner consistent with the established policies and decisions of the Board and should not make comments which represent their personal views.

~~12.~~13. The Executive Director will be responsible for all "press releases" or written communications with the media. Such communications should clearly and accurately represent the actions and decisions of the Board.

~~13.~~14. All Trustees, including the Chair, are free to communicate with the media on matters concerning the Board or the APFC in their capacity as individual Trustees. If approached by the media for interviews or information on the APFC, they may refer the matter to one of the official spokespersons. If Trustees do communicate with the media, they should observe the following guidelines:

(a) Trustees, other than the Chair, should not speak on behalf of the Board unless specifically authorized to do so by the Board;

(b) If authorized to speak on behalf of the Board, Trustees should follow the provisions of Section 12~~1~~ above; and

(c) If Trustees, including the Chair, are speaking as individual Trustees, they should indicate that they are doing so, and not speaking on behalf of the Board.

~~14.~~15. Any written material on the APFC prepared by Trustees for publication or general distribution should be submitted to the Executive Director for review prior to its publication or distribution. The review will be only for the purpose of verifying the accuracy of the material to ensure that the APFC is not being inadvertently misrepresented.

REVIEW AND AMENDMENT OF THE POLICY

~~15.~~16. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.

~~16.~~17. The Board of Trustees adopted this Policy on July~~September~~ 24th, 2024~~.0.~~