APFC ALASKA PERMANENT FUND CORPORATION

Alaska Permanent Fund Corporation *Governance Manual*

AS OF OCTOBER 1, 2026

This manual includes APFC's governance documents, the laws, charters, and policies that are essential for successful governance. These documents outline an effective independent management structure and organizational framework, reliable accountability measures, clearly defined legal and regulatory responsibilities, and established policies and procedures.



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GUIDING DOCUMENTS

The Governance Manual outlines APFC's governance documents, charters, policies, and laws, and is one of three documents essential for successful governance:

- Governance Manual
- Investment Policy, *see separate document*
- Strategic Plan, *see separate document*



For All *Generations*

The Permanent Fund's enduring strength and resilience have supported and continue to support Alaska's financial well-being. As a public endowment, this wealth is the collective responsibility of every Alaskan to protect for today and tomorrow. By doing so, we honor the vision and contributions of the past, embrace the opportunities before us, and ensure enduring stewardship on behalf of all generations of Alaskans.

THE FUND

In 1976, Alaskan voters established the Alaska Permanent Fund to save and invest a portion of the state's oil, gas, and mining revenue, generating income for all generations of Alaskans.

The Alaska Permanent Fund is the largest sovereign wealth fund in the United States and is recognized globally as a model for converting a nonrenewable natural resource into a renewable financial asset.

The Fund plays a crucial role in Alaska's financial landscape by generating significant financial returns. Since 2019, Alaska's revenue sources to support the state's annual budget have shifted from relying primarily on nonrenewable mineral royalties to depending on the draws from the financial earnings generated from the Fund's investment activities.

APFC

The Alaska Permanent Fund Corporation (APFC) is a quasi-independent state agency with one mission: to manage and invest the assets of the Alaska Permanent Fund and other funds designated by law, including the Alaska Mental Health Trust and the Power Cost Equalization Endowment.

MISSION

To Manage and invest the assets of the Permanent Fund and other funds designated by law.

VISION

To deliver outstanding returns for the benefit of all current and future generations of Alaskans.

THE BOARD OF TRUSTEES

The Board of Trustees oversees the Corporation and serves as the Fund's fiduciary. There are four primary fiduciary duties that are expected of APFC's Board of Trustees:

- duty to act prudently,
- duty of loyalty,
- duty to diversify investments,
- and duty to follow the law and plan documents.

In service to their fellow Alaskans, the Board of Trustees ensures that the Alaska Permanent Fund is managed and invested in a manner consistent with legislative findings in AS 37.13.020 that provide:

- *The Permanent Fund should provide a means of conserving revenue from mineral resources to benefit all generations of Alaskans.*
- *The Permanent Fund's goal should be to maintain safety of principal while maximizing total return.*
- *The Permanent Fund should be used as a savings device managed to allow the maximum use of disposable income from the fund for the purposes designated by law.*

The Board is composed of six governor-appointed Trustees. Two of the members must be heads of principal departments of state government, one of whom shall be the commissioner of revenue. Four public members fill the remaining seats, which have staggered, four-year terms. The four public members of the Board must have recognized competence and wide experience in finance, investments, or other business management-related fields.

The Board sets investment policy, reviews the portfolio's performance, and works together with management to determine the Corporation's strategic direction. The Board appoints the Corporation's Chief Executive Officer, who provides executive leadership and manages APFC in accordance with its established mission, vision, and strategic objectives.

ETHICS

The APFC Board and staff are governed by the State of Alaska Executive Branch Ethics Act (Ethics Act). This Act, codified in state law AS 39.52, establishes guidelines and regulations that promote ethical behavior among state employees and board members. During their orientation, each new board member and employee receives a briefing on the requirements of the Ethics Act, and annual training reinforces these standards.

GOVERNANCE

Governance is the framework of rules, policies, laws, and procedures that guide the operations, decisions, and accountability of an organization. The governance documents of APFC are essential for ensuring proper management and oversight of the Fund.

RESOLUTIONS

APFC bylaws require that all investment policy be established by resolution. Long-term administrative and operating policies may also be established by resolution.



APFC *Bylaws*

AS OF FEBRUARY 13, 2025

Bylaws serve as the legal guidelines of the Corporation and include articles of incorporation, organization, officers, meetings, books, and records.

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- Section 3. Offices of the Corporation

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PREAMBLE

The Alaska Permanent Fund Corporation, a government instrumentality of the State of Alaska created by AS 37.13 to manage and invest the assets of the Alaska Permanent Fund and other funds designated by law, by and through its Board of Trustees who, under AS 37.13.040, are responsible for managing the affairs of the Corporation, hereby adopts the following bylaws:

ARTICLE I. THE CORPORATION

SECTION 1. NAME OF CORPORATION.

The name of the Corporation is the "ALASKA PERMANENT FUND CORPORATION".

SECTION 2. SEAL OF CORPORATION.

The seal of the Corporation is in the form of a circle and shall bear the name of the Corporation and the year of its creation, 1980. The seal of the Corporation shall be different than the logo of the Alaska Permanent Fund, which will bear the name of the Fund and the year of its creation, 1976.

SECTION 3. OFFICES OF THE CORPORATION.

The principal office of the Corporation shall be at Juneau, Alaska, with branch offices at other locations in the State of Alaska as the Board of Trustees may from time to time designate by resolution.

ARTICLE II. ORGANIZATION AND OFFICERS

SECTION 1. OFFICERS.

The principal officers of the Corporation are Chair, Vice Chair, Secretary/Treasurer, and Executive Director. The Executive Director is also designated as Secretary/Treasurer.

SECTION 2. CHAIR.

The Chair shall preside at meetings of the Board of Trustees. At each meeting, the Chair shall submit such recommendations and information as the Chair may consider proper concerning the business, affairs, and policies of the Corporation. The Chair shall be primarily responsible for communications between the Board of Trustees and the Executive Director whenever the Board of Trustees is not in session. The Chair serves as one of the official spokespersons for the Corporation, together with the Executive Director.

SECTION 3. VICE CHAIR.

The Vice Chair shall perform the duties of the Chair in the absence or incapacity of the Chair.

SECTION 4. EXECUTIVE DIRECTOR.

The Board of Trustees shall appoint an Executive Director for the Corporation who serves as the Chief Executive Officer of the Corporation. The Executive Director serves at the pleasure of the Board. The Executive Director serves as one of the official spokespersons for the Corporation, together with the Chair of the Board. The duties of the Executive Director include:

(a) Provide for execution of all operational, administrative, and investment functions of the Corporation on a daily basis;

(b) Act as Secretary/Treasurer of the Corporation and sign all contracts, deeds, and other instruments of the Corporation;

(c) Provide for recording of all votes and proceedings of the Board of Trustees, electronically whenever possible;

(d) Provide for the custody, recordkeeping, and monitoring of all assets managed by the Corporation, either directly or through one or more financial institutions or fiduciaries qualified and experienced in the safekeeping of financial assets of large institutional investors;

(e) Provide for the retention and safekeeping of all instruments that reflect the assets managed by the Corporation;

(f) Provide for disbursements of funds for Corporation-managed investments, expenses, and obligations;

(g) Provide periodic reports to the Board of Trustees;

(h) Perform such duties and responsibilities assigned to the Executive Director in the Board of Trustees Charters and Governance Policies; and

(i) Perform such other duties as may be assigned from time to time by the Board of Trustees by resolution or motion.

SECTION 5. COMMITTEES.

(a) Standing Committees. Standing committees of the Board of Trustees shall be as follows:

1. The Audit Committee consists of at least three Trustees appointed by the Chair. In accordance with the Board of Trustees Charters and Governance Policies, the Board shall adopt an Audit Committee Charter that sets forth the role, authority, operating procedures, and duties and responsibilities of the Audit Committee.
2. The Governance Committee consists of at least three Trustees. The Vice Chair of the Board shall be the Chair of the Governance Committee, and the Chair of the Board shall appoint the other Governance Committee members. In accordance with the Board of Trustees Charters and Governance Policies, the Board shall adopt a Governance Committee Charter that sets forth the duties and responsibilities of the Governance Committee.

(b) Ad hoc Committees. The Chair may appoint temporary, ad hoc committees for specified purposes. Ad hoc committees shall report to the full Board and have no decision-making powers except those specifically granted by action of the Board of Trustees. Unless the term of an ad hoc committee is extended by action of the Board of Trustees, the term shall expire at the conclusion of the next annual meeting of the Corporation after the committee is first appointed, or upon completion of the matter for which the committee was appointed, whichever first occurs.

SECTION 6. ELECTION OR APPOINTMENT.

The election of the Chair and the Vice Chair shall occur at the annual meeting of the Corporation, and those officers shall hold office for one year or until their successors are elected and qualified.

SECTION 7. VACANCIES.

If the office of the Chair becomes vacant, the Vice Chair shall succeed to the position of Chair for the unexpired term of the office. If the office of the Vice Chair becomes vacant, the Board of Trustees shall elect a successor for the unexpired term of the office from among its members at the next meeting of the Board.

SECTION 8. PERSONNEL.

The Executive Director of the Corporation shall employ such personnel as the Executive Director deems necessary to exercise the powers, duties, and functions of the Executive Director as pre- scribed by AS 37.13, all other applicable laws of the State of Alaska, these bylaws, the Board of Trustees Charters and Governance Policies, and other duties as are assigned from time to time by the Board of Trustees. The compensation of such personnel shall be determined by the Executive Director of the Corporation. All decisions of the Executive Director under this section shall be made within the limitations of the budget of the Corporation as approved by the Board of Trustees, and in compliance with the charters and policies established by the Board of Trustees.

SECTION 9. CONFLICT OF INTEREST AND ETHICS; DISCLOSURE.

The Board of Trustees may impose standards of conduct and disclosure that are stricter than those required of Trustees and Corporate officers and employees by State law.

SECTION 10. POLITICAL ACTIVITIES.

Except as otherwise provided by law, the resources of the Corporation or the Fund may not be used to finance or influence political activities.

ARTICLE III. MEETINGS

SECTION 1. ANNUAL MEETING.

The annual meeting of the Board of Trustees of the Corporation shall be held in the first six (6) months of each fiscal year ending June 30 at the place and time and on a date fixed by the Chair and transmitted by written notice to the Trustees at least thirty (30) days prior to the date of such annual meeting. The annual meeting is also a regular meeting as set forth in Section 2 of this Article.

SECTION 2. REGULAR MEETINGS.

Regular meetings of the Board of Trustees of the Corporation shall be held at least once in each calendar quarter of each year on the date and at the time and place designated at the last regular meeting or by adoption of an annual calendar. In the absence of such designation, then at the place and time and on the date in any such month as fixed by the Chair. Regular meetings shall be held to review investment activity of the Corporation, to consider other matters properly brought before the Board, and to provide an opportunity for public comment on matters affecting the Fund or the Corporation. The members of the Board of Trustees of the Corporation shall be given at least fifteen (15) days prior notice of regular meetings. Designation of the date, time, and place of the next regular meeting at the previous regular meeting or adoption by the Board of an annual calendar constitutes sufficient notice to Board members. If a waiver of notice and consent to the meeting of each absent member is provided, and so long as a quorum is otherwise present, then any and all business may be transacted even though notice of that meeting was not provided to the absent Board members.

SECTION 3. SPECIAL MEETINGS.

The Chair of the Board of Trustees may, when the Chair deems it expedient, and shall upon the written request of two members of the Board, call a special meeting of the Board for the purpose of transacting any business designated in the call. The call for a special meeting shall be transmitted to the business or home address of each member of the Board at least five (5) days prior to the date of such special meeting. At such special meetings, no business shall be considered other than as designated in the call. However, if all the members of the Board are present at a special meeting, or those not present have signed a waiver of notice and consent to the meeting with a quorum otherwise being present, then any and all business may be transacted at such special meeting. Public notice for a special meeting shall be accomplished pursuant to Section 5 of this Article.

SECTION 4. COMMITTEE MEETINGS.

The Chair of the Board of Trustees or the chair of a committee appointed by the Chair of the Board may, and shall upon the written request of two members of the committee, call a meeting of the committee including, but not limited to, a committee of the whole composed of the entire Board. The committee may discuss and take action on any subject within its area of responsibility and authority.

SECTION 5. PUBLIC NOTICE.

All meetings of the Board of Trustees or of a committee of the Board shall be preceded by reasonable notice to the public of the time, place, and subject matter of the proceeding. If reasonable under the circumstances, notice shall be made by advertisement in a newspaper of general circulation throughout the State of Alaska and by posting on the Corporation's website.

SECTION 6. QUORUM AND ACTION.

(a) In accordance with AS 37.13.080, four members of the Board of Trustees constitute a quorum, and the Board may take action only upon the affirmative vote of a majority of the full membership of the Board at a regular or properly called special meeting at which a quorum is present.

(b) In accordance with AS 44.62.310(a), a member of the Board of Trustees may attend and vote at a meeting of the Board by teleconference.

SECTION 7. ORDER OF BUSINESS.

For regular meetings of the Board of Trustees, the order of business shall be determined by the Chair at least 24 hours in advance of the scheduled meeting time. The order of business may be amended at the time of the meeting by the Chair without objection of any Trustee present or by approved motion of the Board of Trustees.

SECTION 8. RULES OF PROCEDURE.

The rules of procedure applicable at all regular, special, and committee meetings of the Board of Trustees are the current edition of Robert's Rules of Order, Newly Revised, except as the Board provides by resolution for other procedures.

SECTION 9. MANNER OF VOTING.

(a) The voting on all resolutions coming before the Board of Trustees shall be by roll call, and the vote of each Trustee shall be entered upon the minutes of such meeting.

(b) The voting on motions coming before the Board may be by voice vote. The "Yeas" and "Nays" shall be entered upon the minutes of such meeting, providing any dissenting votes are cast; otherwise, actions on motions may be shown as unanimous.

SECTION 10. MOTIONS AND RESOLUTIONS.

An investment policy shall be established by adoption of resolutions; provided, however, the Corporation's Investment Policy may be amended by motion in accordance with procedures described in the Investment Policy. Short-term administrative and operational matters may be adopted by motion. The Board of Trustees may adopt long-term administrative and operating policies by resolution.

ARTICLE IV. BOOKS AND RECORDS

SECTION 1. CUSTODY.

Unless the Board of Trustees directs otherwise, the Executive Director of the Corporation shall, to the extent practicable, maintain physical custody at the Corporation's principal office of the books and records of the Corporation.

SECTION 2. PUBLIC INSPECTION.

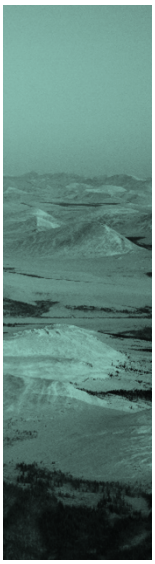
The Executive Director shall insure that the books and records of the Corporation, unless confidential under AS 37.13.200 or otherwise confidential or privileged under applicable law, are available for public inspection in accordance with Alaska law relating to public records.

ARTICLE V. AMENDMENTS

AMENDMENTS TO BYLAWS.

The bylaws of the Corporation may be amended by motion at a regular or special meeting when the amendment has been submitted to each member of the Board of Trustees at least thirty (30) days prior to such meeting.

ADOPTED September 12, 1980.
AMENDED December 4, 1982
AMENDED March 23, 1984.
AMENDED March 20, 1990.
AMENDED October 1, 1992.
AMENDED September 29, 1994.
AMENDED September 27, 1995.
AMENDED September 26, 2002.
AMENDED November 14, 2002.
AMENDED March 27, 2003.
RESCINDED AND READOPTED September 20, 2004.
AMENDED September 29, 2010.
AMENDED February 25, 2011.
AMENDED February 13, 2025.



APFC Board *Charters & Governance Policies*

AS OF October 1, 2026

Charters describe the roles and responsibilities of the major decision-making bodies involved in the governance and management of the Fund. These include Charters for the Board of Trustees, Committees of the Board, Officers of the Board, the Investment Advisory Group and the Executive Director. By clarifying duties and accountabilities, charters help to enhance the efficiency of the Board's operations, and the quality of its decisions.

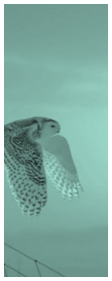
Governance policies offer specific guidance to the Board and senior management on how to fulfill their responsibilities and establish the Board's expectations regarding its own behavior and that of individual Trustees. These policies cover various topics, including communications, education, ethical conduct, and performance evaluation.

CHARTERS 12

Charter of the Board of Trustees
Charter of the Benchmark Review Committee
Charter of the Ethics, Audit & Cybersecurity Committee of the Board
Charter of the Governance Committee of the Board
Charter of the Chair of the Board
Charter of the Vice Chair of the Board
Charter of the Investment Advisory Group
Charter of the Executive Director
Charter of the Benchmark Review Committee

POLICIES 28

Board Policy Development Process
Strategic Planning & Budgeting Policy
Monitoring & Reporting Policy
Trustee Education Policy
Board Communications Policy
Executive Director Performance Evaluation Policy
Board Standards



Charter *of the* *Board of Trustees*

INTRODUCTION

1. The State of Alaska has established the Alaska Permanent Fund Corporation (APFC) to manage and invest the assets of the Alaska Permanent Fund and other funds designated by law (Fund). [AS 37.13.040]
2. The Board of Trustees of the APFC (Board) consists of six members appointed by the Governor. Two of the members are required by law to be heads of principal departments of state government, one of whom shall be the commissioner of revenue. Four members shall be appointed by the Governor from the public with recognized competence and wide experience in finance, investments, or other business management-related fields. [AS 37.13.050]

DUTIES AND RESPONSIBILITIES

GOVERNANCE

3. The Board will establish a committee structure that it considers necessary and appropriate.
4. The Board will establish charters setting out the duties and responsibilities of:
    a. The Board of Trustees;
    b. The Chair and Vice Chair of the Board;
    c. The Committees of the Board;
    d. The Investment Advisory Group; and
    e. The Executive Director
5. The Board will establish governance policies as necessary, including bylaws and other Board standards, to ensure effective operation of the affairs of the Board.
6. The Board will establish a process for the evaluation of the performance of the Executive Director and will conduct such performance evaluation annually.

INVESTMENTS

7. In managing and investing the assets of the Fund, the Board is required to exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the Fund over time while maximizing the expected total return from both income and the appreciation of capital. [AS 37.13.120]

8. The Board will establish an investment policy which shall include the Board's overall investment philosophy, as well as other related policies as necessary for the effective management and investment of the assets of the Fund.

9. The Board will establish a framework and process for the management of the investment risk of the Fund, which shall be set out in the investment policy.

10. At least every five years the Board will review the investment policy and approve the long-term or strategic asset allocation of the Fund in terms of the proportion of total assets to be invested within a minimum-maximum range at any point in time.

FINANCE, ACCOUNTING AND AUDIT

11. The Board will ensure that appropriate financial and operational controls and procedures are in place to safeguard the assets of the Fund.
12. The Board will ensure that audits of these controls and procedures are conducted from time to time by an independent external auditor in order to ensure that the assets are properly accounted for, and that the investments of the Fund are in accordance with applicable laws and regulations.
13. The Board will ensure that annual financial statements of the Fund are prepared and that these statements are audited by an independent external auditor. It will approve the annual financial statements, and include them as part of an annual report for distribution to the Governor, the Legislature and the public. [AS 37.13.170]

OPERATIONS AND HUMAN RESOURCES

14. The Board will appoint an Executive Director and review the performance of the Executive Director annually.
15. The Board will establish a four-year strategic plan for the APFC and review the strategic plan annually.
16. The Board will approve an annual operating budget for the APFC.
17. The Board will establish human resources policies and procedures necessary for the effective management of the APFC, including a compensation and benefit policy, a work-remote policy, and a succession plan for the senior management of the organization.

COMMUNICATIONS

18. The Board will establish a communications policy which sets out guidelines with respect to how the Board and individual trustees should communicate with:
    a. The staff of the APFC;
    b. Service providers;
    c. The media, including social media such as Facebook, LinkedIn, and Twitter and
    d. Other external parties.

APPOINTMENTS

19. The Board will approve the appointment of the following key service providers and advisors:
    a. The External Auditor;
    b. The Custodian;
    c. The Investment Consultant;
    d. The members of the Investment Advisory Group; and
    e. At the Board's election, any other service providers.

MONITORING AND REPORTING

20. The Board will establish a policy which sets out its requirements regarding the reports the Board will receive on a regular basis in order to meet its responsibility for the oversight of the management of the APFC.
21. The Board will review on a regular basis, without limitation, the following:
    a. The investment performance of the Fund and each asset class, including the costs of managing the Fund;
    b. The asset allocation and investment risk of the Fund; and
    c. The compliance program of the Fund and the APFC in relation to applicable laws and regulations, as well as all policies, procedures and bylaws established by the Board.
22. The Board will review the compliance of the Board, its committees, the Chair and Vice Chair of the Board, and the Executive Director with the duties and responsibilities set out in their respective charters.
23. The Board will review all policies established by the Board as frequently as required under the terms of the individual policy.

REVIEW AND AMENDMENT OF THE CHARTER

24. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
25. The Board of Trustees amended this Charter on May 26, 2026.



Charter of the *Ethics, Audit & Cybersecurity Committee* of the Board

INTRODUCTION

1. The Board has established an Ethics, Audit & Cybersecurity Committee ("the Committee") to assist the Board in the financial oversight of the APFC.
2. The Board has established this Charter which sets out the duties and responsibilities of the Committee.

ROLE

3. The role of the Committee will be to:
   a. Monitor and keep the Board apprised regarding compliance with the Executive Branch Ethics Act requirements set forth in AS 39.52 ("Ethics Act");
   b. Monitor the integrity of the financial reporting process and the system of internal controls and procedures regarding finance, accounting, and legal compliance;
   c. Review the performance and independence of the APFC's external auditors;
   d. Review the sufficiency and integrity of the cybersecurity systems and protocols in place at APFC to safeguard APFC's information systems against cybersecurity threats; and
   e. Provide an avenue of communication among the external auditors, APFC management, the Chief Financial Officer, and the Board.

AUTHORITIES

4. The Committee will have the authority to conduct any investigation appropriate to fulfill its responsibilities.
5. The Committee will have direct access to the external auditors, as well as all APFC management and staff, legal counsel, as well as all advisors, consultants and investment managers of the Fund.
6. The Committee may retain, at the expense of the APFC and consistent with applicable procurement requirements, consultants or experts it considers necessary in the performance of its duties.

OPERATING PROCEDURES

7. The Committee will consist of at least three Trustees, each of whom must have a basic understanding of finance and accounting and be able to read and understand financial statements.
8. The Committee will meet at least two times annually, or more frequently as circumstances dictate. The Committee Chair will approve an agenda in advance of each meeting.
9. The Committee will invite members of APFC management, auditors, the Investment Advisory Group or other professionals as deemed necessary, to attend meetings and provide pertinent information. The Committee may meet in executive sessions as necessary within the requirements of the Alaska Open Meetings Act [AS 44.62.310].
10. The Committee will maintain minutes or digital recordings of Committee meetings and periodically report to the Board of Trustees on significant results of the Committee's activities.
11. The Committee will annually perform a self-assessment of the Committee's performance.

DUTIES AND RESPONSIBILITIES

STATE ETHICS ACT REQUIREMENTS

12. The Committee will review each quarterly report of Ethics Act disclosures made to the Attorney General under AS 39.52.260. Because these reports are confidential under state law, consistent with the requirements of the Open Meetings Act, these reports will be discussed by the Committee in executive session.
13. The Committee may also discuss with an APFC designated ethics supervisor, any declaration of a potential Ethics Act violation received from a member of the Board or a member of APFC Staff. Depending on the status of the Ethics Act declaration being discussed, consistent with the requirements of the Open Meetings Act, this discussion by the Committee shall take place in executive session.
14. The Committee, at their discretion, may bring to the attention of the Board any report of a potential Ethics Act violation that involves a member of the Board or the Executive Director.

FINANCIAL REPORTING AND INTERNAL CONTROLS

15. The Committee will carry out the following responsibilities with respect to financial reporting and internal controls:
    a. Review the annual audited financial statements prior to filing or distribution of the final report. This review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and judgments;
    b. In consultation with management, the external auditors, and the Chief Financial Officer, consider the integrity of the financial reporting processes and controls; discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures; and review significant findings prepared by the external auditors and the Chief Financial Officer together with management's responses;
    c. Discuss any significant changes to applicable accounting principles and any items required to be communicated by the independent auditors; and
    d. At least annually, review with the APFC's counsel any legal matters that could have a material impact on the Fund's financial statements, the APFC's compliance with applicable laws and regulations, and any inquiries received from regulators or governmental agencies.

EXTERNAL AUDIT

16. The Committee will have the following responsibilities with respect to the APFC's external auditors:
    a. Review the external auditors' audit plan - discuss scope, staffing, locations, reliance upon management, and general audit approach;
    b. Consider the external auditors' judgments about the quality and appropriateness of the APFC's accounting principles as applied in its financial reporting;
    c. Discuss with management and the external auditors the quality of the accounting principles and underlying estimates used in the preparation of the Fund's financial statements;

d. Discuss with the external auditors the clarity of the financial disclosure practices used or proposed by the APFC;

e. Review the performance and independence of the auditors and periodically recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant; and

f. On an annual basis, review and discuss with the external auditors all significant relationships the auditors have with the APFC that could impair the auditors' independence.

CYBERSECURITY POLICY AND CYBERSECURITY AUDIT

17. Every two years, the Committee, in consultation with a cybersecurity consultant hired by the Committee, shall:

    a. Review the current APFC Cybersecurity Policy to evaluate whether it is sufficient to safeguard APFC's information systems against cybersecurity threats and recommend any amendments to this policy as deemed appropriate; and

    b. Review the results of the bi-annual third-party cybersecurity audit that is a requirement of the APFC Cybersecurity Policy and recommend any changes that are identified as any area needing improvement. Because the results of this audit may expose vulnerabilities which could lead to harm to the finances of the state, consistent with the requirements of the Open Meetings Act, a discussion of this matter may take place in executive session.

REVIEW AND AMENDMENT OF THE CHARTER

18. The Governance Committee, in consultation with the Audit Committee, and staff will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.

19. The Board of Trustees adopted this Charter on September 26, 2024.



Charter of the *Governance Committee* of the Board

INTRODUCTION

1. The Board has established a Governance Committee ("the Committee") to assist the Board in the governance of the APFC.
2. The Vice Chair of the Board will serve as the Chair of the Governance Committee. The Vice Chair may act on behalf of the Governance Committee in performing the duties set forth in this Charter with the approval of the full Board.

DUTIES AND RESPONSIBILITIES

GOVERNANCE

3. The Governance Committee will review the charters of the Board, its committees, the Chair, the Vice Chair, the Investment Advisory Group, and the Executive Director, as well as the governance policies of the Board as frequently as required under the terms of the individual charter or policy. The Committee will recommend any proposed changes in the charters and policies to the Board for approval as necessary.
4. The Committee will review compliance by the Board, its committees, the Chair, the Vice Chair and the Executive Director with the duties and responsibilities set forth in their respective charters.
5. Every three years, the Committee will review and update the senior management personnel (including Executive Director, Chief Investment Officer, Chief Risk Officer and Chief Financial Officer) succession plan.

STRATEGIC PLANNING AND BUDGETING

6. The Committee will assist the Board in establishing a Strategic Plan. It will undertake a comprehensive review of the Plan every three to four years, and supervise the preparation of a new Strategic Plan.

MONITORING AND REPORTING

7. The Committee will review and approve any changes to the list of reports that the Board will receive on a regular basis as set out in the *Monitoring and Reporting Policy*.

REVIEW AND AMENDMENT OF THE CHARTER

8. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
9. The Board of Trustees amended this Charter on December 11, 2023.



Charter of the *Chair* of the Board

INTRODUCTION

1. Alaska Statute 37.13.050 requires the Board to elect a Chair annually from among its members.

DUTIES AND RESPONSIBILITIES

2. The Chair will perform the duties and responsibilities and exercise the powers as specified below:
    a. Appoint the members of the committees of the Board and the committee chairs (other than the chair of the Governance Committee);
    b. Coordinate Board meetings, agendas, schedules and presentations, in consultation with the Executive Director;
    c. Preside at the meetings of the Board and ensure that such meetings are conducted in an efficient manner and in accordance with Alaska's Open Meetings Act and agreed-upon rules of order.
    d. Facilitate effective and open communications between the Board and the Executive Director;
    e. Act as one of the official spokespersons for the APFC, together with the Executive Director;
    f. Review and approve travel and other expenses of the members of the Board of Trustees;
    g. Review and approve travel outside of the United States and other expenses of the Executive Director; and
    h. Carry out any other duties and responsibilities as assigned by the Board.

REVIEW AND AMENDMENT OF THE CHARTER

3. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
4. The Board of Trustees adopted this Charter on September 24, 2020.



Charter of the *Vice Chair* of the Board

INTRODUCTION

1. The Bylaws of the APFC establish the Vice Chair as an officer of the Board. The Vice Chair is elected annually.

DUTIES AND RESPONSIBILITIES

2. The Vice Chair will perform the duties and responsibilities and exercise the powers as specified below:
   a. Assume the duties of the Chair when the Chair is absent, or when the Chair designates the Vice Chair to act in that capacity;
   b. Temporarily act as the Chair in the event of death, resignation, removal from office, or permanent disability of the Chair, until the election of a new Chair;
   c. Serve as the Chair of the Governance Committee; and
   d. Carry out any other duties and responsibilities as assigned by the Board.

REVIEW AND AMENDMENT OF THE CHARTER

3. The Board of Trustees will review this Charter at least once every three (3) years and make any amendments as necessary to ensure that the Charter remains relevant and appropriate.
4. The Board of Trustees adopted this Charter on September 24, 2020.



Charter of the *Investment Advisory Group*

INTRODUCTION

1. The Board of Trustees has established an Investment Advisory Group consisting of at least one but not more than three individuals who have considerable knowledge and experience in the management and investment of large endowment or trust funds to serve as independent advisors to the Board of Trustees.
2. This Charter sets out the duties and responsibilities of the Investment Advisory Group, which includes evaluating Fund performance, asset allocation, the merits of specific investment proposals, and other investment topics identified by the Board.
3. The Board will have full authority over the selection and appointment of the members of the Investment Advisory Group who will serve at the pleasure of the Board.

DUTIES AND RESPONSIBILITIES

4. The Investment Advisory Group (or "IAG") members are expected to attend in-person at least three of the quarterly Board meetings and present at least one educational topic annually for the Board's consideration on best practices in the management of large institutional funds, with input from the Board on the specific educational topic for presentation.
5. The IAG will provide comments to the Board on the following issues:
   a. The long-term or strategic asset allocation of the Fund;
   b. The risk management framework of the Fund;
   c. Any changes to the investment policy;
   d. Any proposed investment in new asset classes;
   e. Any proposed investment in new or innovative investment products or strategies, particularly those involving alternative or non-traditional asset classes;
   f. Any significant changes to the investment management structure of the Fund, including the following:
      (i) The relative proportion of assets in an asset class managed by external investment managers versus internal staff;
      (ii) The relative proportion of assets in an asset class managed using active versus passive investment strategies;
      (iii) The total number of active investment managers or portfolios in an asset class; and
   g. Any other issue at the discretion of the Investment Advisory Group or as requested by the Board.
6. The IAG shall make contact with the Executive Director (ED) and Chief Investment Officer (CIO) at least six weeks prior to each quarterly Board meeting to discuss topics on the agenda for the upcoming meeting, including:
   a. Fund performance for the quarter;
   b. Changes being considered or implemented to the asset allocation or investment policy; and
   c. A report prepared by the CIO that outlines the investment activity for the prior quarter and an update on the annual investment pacing for each asset class.

7. Each Quarter, the Staff shall provide documentation included as a regular Board report, demonstration that the IAG had met with the ED & CIO as required in Section 6.
8. At the request of the Board, IAG members may be invited to attend a special board meeting or committee meeting and be requested to present on topics that are to be discussed at the such meetings.
9. Each member of the Investment Advisory Group may also, at their discretion, attend in-person or virtually an investment committee meeting held by the CIO.

REVIEW AND AMENDMENT OF THE CHARTER

10. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
11. The Board of Trustees adopted this Charter on September 26, 2024.



Charter of the *Executive Director*

INTRODUCTION

1. Alaska Statute 37.13.100 states that the Board of the APFC may employ and determine the salary of an Executive Director.
2. The Bylaws of the APFC state that the Executive Director will be the chief executive officer of the Corporation and serve at the pleasure of the Board. The Bylaws, set out, in general terms, the duties of the Executive Director.
3. The Board has, for greater clarity, established this Charter which sets out, in more specific terms, the duties and responsibilities of the Executive Director.
4. The Executive Director may delegate certain of these duties to staff. The Executive Director will, however, remain responsible for ensuring that these duties are carried out.

DUTIES AND RESPONSIBILITIES

LEADERSHIP

5. The Executive Director will provide executive leadership to the APFC in setting and achieving its mission, goals and objectives and will manage the APFC in accordance with guidelines and parameters established by the Board. In doing so, the Executive Director may solicit advice and counsel from the Board as necessary.

POLICY DEVELOPMENT

6. The Executive Director will provide support to the Board in establishing the policies of the Board. This will involve working with the Board and the Governance Committee to identify issues requiring Board policy, conducting the necessary analysis of such issues and providing clear and well-supported policy recommendations for Board approval.

INVESTMENTS

7. The Executive Director will develop and recommend to the Board:
    a. An investment policy, including the Board's overall investment philosophy, and mechanism for monitoring and managing investment risk;
    b. The long-term or strategic asset allocation of the Fund in terms of the proportion of total assets to be invested within a minimum-maximum range at any point in time; and
8. The Executive Director will implement all investment policies and strategies as approved by the Board.

FINANCE, ACCOUNTING AND AUDIT

9. The Executive Director will direct that appropriate financial and operational controls and procedures are put in place to safeguard the assets of the Fund.

10. The Executive Director will direct and supervise a review of the Corporation's internal controls and procedures to ensure that the operations of the Corporation are performed in a secure and appropriate manner.
11. The Executive Director will direct and supervise the preparation of annual financial statements of the APFC and cooperate in the audit of these statements by an independent external auditor prior to their submission to the Audit Committee for its review.
12. The Executive Director will prepare and coordinate management's response to any issues of significant concern on the part of the external auditor, and will meet and discuss with the Audit Committee the findings of the audit.

OPERATIONS AND HUMAN RESOURCES

13. The Executive Director will develop and recommend to the Board the overall organizational structure of the APFC.
14. The Executive Director will be responsible for managing the day-to-day operations of the APFC.
15. The Executive Director will have the authority to make all necessary operational expenditures, consistent with budgets, policies, and internal controls established by the Board.
16. The Executive Director will have the authority to execute all formal documents and contracts on behalf of the APFC.
17. The Executive Director will develop and recommend to the Board:
    a. A strategic plan; and
    b. An annual operating budget for the APFC.
18. The Executive Director will select and employ the staff necessary to manage the APFC and develop appropriate staff training and development programs.
19. The Executive Director will develop and recommend to the Board human resources policies and procedures necessary for the effective management of the APFC, including a compensation and benefit policy and a succession plan for the organization.
20. The Executive Director will determine the appropriate level of compensation for staff within the benefits and compensation policy approved by the Board.

COMMUNICATIONS

21. The Executive Director will develop and recommend to the Board a communications policy which sets out guidelines with respect to how the Board and individual trustees will communicate with:
    a. The staff of the APFC;
    b. Service providers;
    c. The media, including social media such as Facebook, LinkedIn, and Twitter; and
    d. Other external parties.
22. The Executive Director will serve as one of the official spokespersons for the APFC, together with the Chair of the Board.

APPOINTMENTS

23. The Executive Director will direct and supervise the conduct of all necessary due diligence that is appropriate in the search and selection of all service providers of the Fund.
24. The Executive Director will develop and recommend to the Board the appointment of the following key service providers and advisors:
    a. The External Auditor;
    b. The Custodian;
    c. The members of the Investment Advisory Group;
    d. The Investment Consultant; and
    e. Other service providers as the Board may direct.
25. The Executive Director will be responsible for the selection and appointment of all other service

providers not appointed by the Board.

26. The Executive Director will negotiate and execute the terms and provisions of all agreements and contracts with the service providers of the Fund, including those appointed by the Board.

MONITORING AND REPORTING

27. The Executive Director will develop and recommend to the Board a monitoring and reporting policy which sets out the Board's requirements regarding the reports it will receive on a regular basis in order to meet its responsibility for the oversight of the management of the APFC.
28. The Executive Director will provide the Board with all relevant and appropriate information in a timely manner so as to enable the Board to meet its responsibilities.
29. The Executive Director will monitor on an ongoing basis, without limitation, the following:
    a. The investment performance of the Fund, asset classes, and investment managers and portfolios, including the costs of managing the Fund;
    b. The asset allocation and investment risk of the Fund; and
    c. The compliance of the Fund and the APFC with all applicable laws and regulations, as well as all policies, procedures and bylaws established by the Board, including those set forth in the Board standards.
30. The Executive Director will periodically review the performance, level of service and fees of the service providers appointed by the Executive Director.
31. The Executive Director will direct and supervise the preparation of an annual report of the APFC for distribution as required by Alaska Statute 37.13.170.

REVIEW AND AMENDMENT OF THE CHARTER

32. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
33. The Board of Trustees adopted this Charter on September 24, 2020.



Charter of the *Benchmark Review Committee* of the Board

INTRODUCTION

1. The Benchmark Review Committee ("Committee") is established to provide a structured forum for the periodic review of Policy Benchmarks utilized by APFC and identified in the Investment Policy.
2. This charter sets out the duties and responsibilities of the Committee, which includes the annual review of existing benchmarks and the evaluation of any proposed benchmark modifications to ensure that APFC's benchmark framework remains aligned with APFC's investment objectives, investment policy, and performance/risk measurement needs.
3. The Committee serves in an advisory capacity and provides recommendations to the Board of Trustees regarding benchmark-related matters.

MEMBERSHIP

4. The Committee shall consist of the following members:
    a. One member of the Investment Advisory Group ("IAG");
    b. One representative of APFC's Investment Consultant; and
    c. The APFC Executive Director.
5. Each September the members of the IAG shall select one IAG member to serve on this Committee for the year.
6. The Committee may invite APFC staff, consultants, or subject matter experts to participate in meetings as appropriate, but such individuals shall not be voting members of the Committee.

MEETINGS

7. The Committee shall meet at least annually, with the annual meeting generally occurring during November or December.
8. The timing of the annual meeting is intended to allow sufficient opportunity for Committee recommendations to be shared with the Board of Trustees at its February meeting, which is one meeting prior to the board meeting at which the Board of Trustees takes formal action on changes to the Investment Policy (i.e. the May quarterly meeting).
9. Additional meetings may be called as necessary by any Committee member.

DUTIES AND RESPONSIBILITIES

10. The Committee shall:
    a. Conduct an annual review of all existing Policy Benchmarks ("benchmark") identified in the Investment Policy;
    b. Evaluate whether each benchmark continues to serve its intended purpose and appropriately measures investment performance and investment risk;

c. Consider potential benchmark modifications, additions, removals, or other benchmark-related changes brought before the Committee by APFC Staff, a member of the Board of Trustees, or a member of this Committee;
d. Review the rationale, expected benefits, risks, and implementation considerations associated with any proposed benchmark change;
e. Solicit feedback from the other IAG members and relevant APFC Staff regarding their views on the existing Policy Benchmarks and any proposed benchmark modifications; and
f. Develop written recommendations regarding benchmark-related matters for consideration by the Board of Trustees that includes the feedback received by the Committee from the other IAG members and APFC Staff.

SUBMISSION OF PROPOSED CHANGES AND ANALYSIS

11. Potential benchmark changes may be raised by any member of the Committee, a member of the APFC Staff, or by a member of the Board of Trustees. Proposed benchmarks changes must be proposed to the Committee no later than September 30th of each year, to allow the Committee an opportunity to evaluate the proposed changes at its annual meeting.
12. The Committee may request supporting analysis from APFC Staff, consultants, or other advisors as necessary to evaluate proposed benchmark changes.

ANNUAL BENCHMARK AFFIRMATION

13. As part of its annual review, the Committee shall consider each existing APFC benchmark and shall recommend one of the following actions:
    a. Affirm the benchmark without modification;
    b. Modify the benchmark; or
    c. Eliminate and replace the benchmark.
14. The Committee shall document its annual review recommendations and supporting rationale and present them to the Board of Trustees at the February quarterly meeting.

PROPOSED BENCHMARK CHANGE

15. Any recommendation by the Committee to modify, eliminate, or replace a benchmark shall include:
    a. The rationale for the proposed change;
    b. The expected impact on performance and risk measurement and reporting; and
    c. The effective date of the proposed change.
16. In evaluating a proposed benchmark change, the Committee shall focus on the appropriateness of the benchmark as a measure of investment performance, risk, and achievement of investment objectives. Recommendations to change a benchmark shall be made without regard to recent investment performance and may not be proposed to improve or diminish the appearance of historical investment results. For the avoidance of doubt, a proposed benchmark change should not be a regular event and maintaining the continuity of benchmarks is important for the long-term measurement of performance and providing APFC Staff with clear direction when building a portfolio to outperform the benchmark over long periods of time (i.e. ten years).
17. All benchmark changes approved by the Board of Trustees shall be implemented on a prospective basis only and documented in the Investment Policy. Historical performance results shall not be restated to reflect newly adopted benchmarks unless specifically approved by the Board of Trustees and properly documented.

REVIEW AND AMENDMENT OF THE CHARTER

18. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board of Trustees for approval as necessary to ensure that the Charter remains relevant and appropriate.
19. The Board of Trustees adopted this Charter on October 1, 2026.



Board *Policy Development Process*

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Board Policy Development Process* in order to meet the following objectives:
    a. To set out the process by which the Board will develop and establish the policies of the Board; and
    b. To ensure that the process is sound and reasonable and provides the Board with effective policies that achieves the goals and objectives of the APFC.

POLICY GUIDELINES

ROLES AND RESPONSIBILITIES

2. The role of the Executive Director in the policy development process will be to:
    a. Assist the Board in identifying appropriate areas or subject matters in which a board policy may be required;
    b. Provide the Board with sound and comprehensive analysis of the underlying issues;
    c. Undertake any research and analysis required in the development of the proposed policy, with the assistance of external advisors and consultants if necessary; and
    d. Prepare a draft of the proposed policy for the Board's consideration.
3. The role of the Board is to review the proposed policy, including the research and analysis undertaken, and approve it if the Board determines that the policy will achieve the goals and objectives of the APFC.

DEVELOPMENT AND APPROVAL

4. Any member of the Board, a Board committee, or the Executive Director may propose to the Board that it consider the development of a new Board policy.
5. In determining whether a particular matter warrants a Board policy, the Board should consider whether it meets the following criteria:
    a. The matter may have a significant impact on the APFC's ability to achieve its goals and objectives;
    b. It is an ongoing concern which is expected to come up again or remain indefinitely; and
    c. It is not an operational matter that would otherwise fall within the responsibility of the Executive Director.
6. If the Board determines that the matter warrants a Board policy, it will pass a motion directing the Executive Director to prepare and submit a draft policy to the Board for its consideration.
7. A Board policy should contain, at a minimum, the following sections:
    a. Objectives of the policy – what the policy is intended to achieve;

b. Policy guidelines – the actual terms and provisions of the policy; and

c. Review and amendment of the policy – how often the policy will be reviewed, and the date(s) on which the policy was adopted and/or amended.

8. The Board will approve the final language of a policy by a roll call vote.

MAINTENANCE AND REVIEW

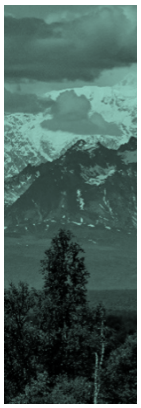
9. All Board policies will be maintained in up-to-date form in a single volume or a series of volumes within the APFC's offices, and will be accessible to trustees, staff and the public. Trustees will be provided with a copy of the Board policies which will be updated as necessary.

10. The Board will formally review a Board policy within the time period specified in the policy, but no less frequently than once every three years. Any Trustee, Board committee, or the Executive Director may propose to the Governance Committee that a particular policy be reviewed earlier than required.

REVIEW AND AMENDMENT OF THE POLICY

11. 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.

12. The Board of Trustees adopted this Policy on September 24, 2020.



Strategic *Planning & Budgeting* Policy

OBJECTIVES OF THE POLICY

1. The Board of the APFC has established this *Strategic Planning and Budgeting Policy* in order to meet the following objectives:
    a. To ensure that the APFC plans, in a deliberate and systematic way, for the future needs of the organization; and
    b. To achieve a consensus among the Board and staff on how those needs and priorities are going to be met.

POLICY GUIDELINES

THE STRATEGIC PLAN

2. The APFC will establish a Strategic Plan, extending over a period of four years into the future, to be reviewed and updated annually, which will address, without limitation, the following:
    a. The mission of the APFC;
    b. The philosophy and core values of the organization;
    c. The goals and objectives of the APFC over the four-year period;
    d. An evaluation of the external environment in which the APFC operates;
    e. An assessment of the organization's internal resources and capabilities; and
    f. The strategies for achieving the APFC's goals and objectives.
3. The Strategic Plan will include a list of the specific projects and initiatives to be started and/or implemented over the next fiscal year, including for each project or initiative:
    a. Its potential benefit or impact;
    b. Responsibility for implementation;
    c. Timeline for completion; and
    d. Budgetary implications.
4. The Board, with the assistance of the Executive Director, will undertake a comprehensive review of the Strategic Plan at least every four years.

THE PLANNING AND BUDGETING PROCESS

5. The Executive Director will review and update the Strategic Plan annually and present a report to the Governance Committee that includes:
    a. A review of the implementation of the Strategic Plan for the current fiscal year; and
    b. The updated Strategic Plan, including the current projects and initiatives in progress to be carried forward and new initiatives to be undertaken in the next fiscal year.
6. The Executive Director will present to the Board semi-annually a variance report on the current year's Budget that provides:
    a. A comparison of actual expenditures versus the budget; and

b. An explanation for significant differences in actual and budgeted amounts for any budget item.

7. The Executive Director will prepare and present to the Board annually a proposed Budget for the next fiscal year which provides:
    a. A breakdown of the Budget by line item, and within each line item by major expense category;
    b. A comparison of each budget item to the current year's budget and actual expenditure (projected to year-end);
    c. An explanation of significant changes from the previous year for any budget item; and
    d. The identification of budgetary amounts tied to any project or initiatives in the Strategic Plan for the next fiscal year.
8. Any significant revisions to the Strategic Plan or Budget must be reviewed and approved by the Board.
9. The Executive Director shall inform the Board Chair in a timely manner, if for any reason, a particular project or initiative cannot be implemented or completed as planned.

REVIEW AND AMENDMENT OF THE POLICY

10. 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.
11. The Board of Trustees adopted this Policy on September 24, 2020.



Monitoring & Reporting Policy

OBJECTIVES OF THE POLICY

1. The Board of the APFC has established this *Monitoring and Reporting Policy* in order to set out its minimum requirements with respect to the reports it expects to receive on a regular basis.

POLICY GUIDELINES

2. The Board will receive the reports specified in the Appendix to this Policy. The reports will be provided on a regular basis at the frequency indicated in the Appendix.
3. The Board may receive additional reports on an ad hoc basis as necessary.
4. Any request by Trustees for additional reports to be provided on a regular basis will require approval by the Board and an amendment to the Appendix of this Policy.

REVIEW AND AMENDMENT OF THE POLICY

5. 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.
6. The Board of Trustees amended this Policy on May 26, 2026.

MONITORING & REPORTING POLICY APPENDIX

GOVERNANCE REPORTS

Name of Report	Frequency	Prepared By	Description of Report
1. Review of Governance Policies and Charters	Every 3 years	Staff	Report on the findings and recommendations of the Board's review of its governance policies and charters. There could be separate reports, for policies one year and charters another year.
2. Governance Report	Every 3 years	Third Party or staff	Report on compliance with governance policies and charters. This report should be part of the Board's review of its policies and charters, and produced with the same frequency, i.e. every 3 years, with separate reports for policies and charters.
3. Reserved			
4. Board Education Report	Annual	Staff	Report on the activities of the Board and its members with respect to education.
5. IAG Report	Quarterly	Staff	Report on compliance with IAG requirements

INVESTMENT REPORTS

Name of Report	Frequency	Prepared By	Description of Report
6. Investment Performance Report	Monthly & Quarterly	Staff and/or Investment Consultant	Report on the asset allocation and investment performance of the Fund, including the performance of asset classes
7. Risk Management Report	Quarterly	Staff and/or Investment Consultant	Report on the investment risk of the Fund, its asset classes and investment portfolios.
8. Asset Allocation Study	At least every 5 years	Staff and/or Investment Consultant	Report on the findings and recommendations of a review of the long-term or target asset allocation policy of the Fund.
9. Review of the Fund's Investment Policies	At least every 5 years	Staff and/or Investment Consultant	Report on the findings and recommendations of a review of the investment policy statement and related policies and procedures of the Fund.
10. Review of the Fund's Investment Managers	Quarterly	Staff and/or Investment Consultant	Report on the performance and strategies of the investment managers of the Fund.

FINANCIAL, AUDIT AND OPERATIONAL REPORTS

Name of Report	Frequency	Prepared By	Description of Report
11. Annual Financial Report, including: - Audited Financial Statements - Management's Discussion and Analysis - Auditor's Opinion	Annual	Staff	Report on the financial position and activities of the Fund.
12. Cybersecurity/ IT Audit	Every 2 years	Staff	Report on the safety and security controls of the Fund

PLANNING AND BUDGETING REPORTS

Name of Report	Frequency	Prepared By	Description of Report
13. Budget Variance Report	Semi-Annual	Staff	Report on the implementation of the current year's budget, showing the variance between actual and budgeted expenditures.
14. Operating Budget	Annual	Staff	Report on the proposed budget for the next fiscal year.



Trustee Education Policy

OBJECTIVES OF THE POLICY

1. The Board of the APFC has established this *Trustee Education Policy* with the following objectives:
    a. 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
    b. 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 Fund.

POLICY GUIDELINES

2. The education program for Trustees will be based on the following principles:
    a. The program should include both in-house education, so that Trustees can share in a common base of knowledge and information relevant to their tasks, as well as external conferences and seminars, so that Trustees can benefit from exposure to alternative perspectives and interaction with trustees of other organizations;
    b. There should be diverse sources for education, beyond APFC staff and current service providers, including other external consultants, advisors and experts, so that Trustees may benefit from a wide range of views and opinions; and
    c. Trustees are expected to participate in any in-house education sessions that may be organized for their benefit, including an orientation session for new Trustees. They are also encouraged to attend external conferences and seminars.
    d. The education program shall include structured opportunities for in-person engagement between Trustees and APFC Staff to foster effective working relationships and communication practices, recognizing that strong interpersonal dynamics are essential to the prudent investment and management of the permanent fund.
3. The education program will consist of the following:
    a. A formal orientation for new Trustees;
    b. A Trustee Reference Manual containing key information about the APFC;
    c. In-house education, including:
        (i) At the request of the Board, an annual education session
        (ii)Seminars and briefings from time to time;
        (iii) Selected reading material provided by staff; and
    d. External conferences and seminars.

ORIENTATION PROGRAM

4. The Executive Director will develop an orientation program designed to introduce new trustees to all relevant operations of the APFC, and to the duties and responsibilities of the Trustee. The aim of the orientation program will be to ensure that a new Trustee is in a position to contribute fully to the deliberations of the Board, and effectively carry out their duties and responsibilities as soon as possible after joining the Board. As each new trustee appointed to the Board will have a unique background and level of experience in institutional investing, the Executive Director shall, following appointment, engage with the new Trustee to design and implement an orientation program tailored to the Trustee's institutional investment experience.

5. The orientation program should include the following:
    a. A briefing by the Executive Director on the history, mission, organization and operations of the APFC;
    b. A briefing by the Chief Investment Officer on the investment philosophy, asset allocation, investment managers, and the major investment portfolios of the Fund;
    c. A briefing on the laws and regulations governing the APFC, the fiduciary duties and responsibilities of the Trustees, the Board Charter, Committee structure, Bylaws and other Board standards including disclosure requirements;
    d. A briefing on administrative policies and procedures relating to Board members;
    e. An introduction to the APFC's website and the educational resources available there for Trustees; and
    f. A briefing by the Chair of the Board and the Executive Director on the major issues currently before the Board. When practical, this briefing will also be attended by the other members of the APFC Board of Trustees.
6. The new Trustee will also, as part of the orientation program, be provided with the following:
    a. The Trustee Reference Manual;
    b. Selected articles, books, and papers on the APFC and institutional fund management;
    c. A list of upcoming conferences and seminars; and
    d. The most recent Annual Report, including the audited financial statements.

TRUSTEE REFERENCE MANUAL

7. The Trustee Reference Manual will include the following:
    a. The laws and regulations governing the Alaska Permanent Fund;
    b. The Bylaws of the APFC;
    c. The Charters and Governance Policies established by the Board;
    d. A list of Board committees and committee members;
    e. Names and contact information for Trustees, members of the Investment Advisory Group and the Executive Director;
    f. Organization chart of the APFC;
    g. List of the APFC's major service providers; and
    h. The Investment Policy for the Fund.

IN-HOUSE EDUCATION

8. The Board will periodically conduct assessments of its educational requirements to ensure it will be provided with the knowledge and information necessary to discharge its functions.
9. Trustees are encouraged to attend, if scheduled, an annual educational session which may be organized either by the Executive Director or in conjunction with other Alaska public funds such as the Alaska Retirement Management Board.
10. The Executive Director will, from time to time, organize short seminars or presentations on various topics by APFC staff and service providers, as well as other external consultants, advisors and experts. The Executive Director will consult with Trustees to identify topics of special interest or relevance to the Board, taking into account the results of the educational needs assessment. These sessions may be organized either as part of regular Board meetings or as stand-alone events.
11. The Executive Director will also provide Trustees with relevant and appropriate reading material (e.g., journal articles, research studies, news clippings, etc.).

EXTERNAL CONFERENCES AND SEMINARS

12. The Executive Director will maintain a list of conferences and seminars that Trustees may wish to attend, with expenses to be paid for by the APFC upon approval of the Chair. The Executive Director will update the list from time to time taking into account new information and feedback from previous conference attendees.
13. The Executive Director will notify the Board of upcoming conferences on a regular basis at Board meetings.
14. Trustees are free to attend any other conferences, seminars, or workshops, other than those

recommended by the Executive Director. The potential reimbursement of expenses incurred by Trustees will be subject to prior approval by the Chair.

TRUSTEE EDUCATION REPORT

15. The Executive Director will present to the Board annually a report on the various educational activities undertaken by the Board and individual Trustees during the year.

REVIEW AND AMENDMENT OF THE POLICY

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.
17. The Board of Trustees amended this Policy on May 26, 2026.



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, 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.
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.

COMMUNICATION WITH SERVICE PROVIDERS

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 service providers, they should contact the Executive Director.
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.
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 of such referrals at the next regularly scheduled meeting. For the avoidance of doubt, APFC Staff shall not execute on a Trustee referred investment opportunity unless the investment has a risk level and expected return comparable to a similar investment opportunity in the permanent fund that was not referred to APFC Staff by a Trustee.

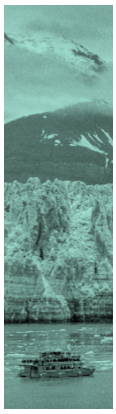
10. The provisions of Section 7 through 9 above will not apply to Trustees' communication with the Investment Consultant, the Investment Advisory Group, the Auditor and APFC legal counsel.

COMMUNICATION WITH THE MEDIA AND OTHER EXTERNAL PARTIES

11. The Chair and the Executive Director will both serve as the official spokespersons for the APFC.
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.
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.
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 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.
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.
16. For the purpose of public education, APFC will post on its website information about the role of APFC Trustees and Staff in the investment and management of the permanent fund.

REVIEW AND AMENDMENT OF THE POLICY

17. 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.
18. The Board of Trustees amended this Policy on May 26, 2026.



Executive Director *Performance Evaluation* Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Executive Director Performance Evaluation Policy* with the following objectives:
   a. To ensure that the Executive Director receives appropriate and useful feedback on their performance from the Board on an annual basis; and
   b. To help develop clear and meaningful performance objectives for the Executive Director.

POLICY GUIDELINES

ROLES AND RESPONSIBILITIES

2. The Board will be responsible for evaluating the performance of the Executive Director on an annual basis.
3. The Board may retain the services of an independent third party to facilitate and administer the performance evaluation in order to ensure the integrity and confidentiality of the process.

EVALUATION SURVEY AND CRITERIA

4. The Board will evaluate the performance of the Executive Director based on a number of criteria, including the following:
   a. Achievement of the goals and objectives of the APFC;
   b. Completion of the specific projects and initiatives set out in the strategic plan for that fiscal year;
   c. Implementation of Board policies and reporting requirements;
   d. General leadership and management skills; and
   e. Compliance with the Executive Director's charter.

THE EVALUATION PROCESS

5. Towards the end of the calendar year and before the fourth quarter meeting of the Board, the Chair will distribute a package of materials to each Trustee which may include the following:
   f. A report prepared by the Executive Director that lists their achievements for the previous year;
   g. The strategic plan and budget for the fiscal year or a summary thereof; and
   h. Any other materials that might be relevant to Board's performance evaluation of the Executive Director.
6. Trustees should review the materials provided prior to the meeting during which the Executive Director will be evaluated.
7. The Board, consistent with Alaska's Open Meetings Act, will meet in executive session to review and discuss the Executive Director's performance for the prior year.
8. The Board, consistent with Alaska's Open Meetings Act, will then meet with the Executive Director in

executive session to discuss their performance for the prior year and any opportunities for improvement.

9. The Board, after coming out of executive session, will then take any action on the record that may be required to complete the evaluation.

REVIEW AND AMENDMENT OF THE POLICY

10. 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.
11. The Board of Trustees amended this Policy on December 11, 2023.



Board *Standards*

OBJECTIVES OF THE STANDARDS

1. The Permanent Fund was established by Article IX, Section 15 of the Alaska Constitution. The statutory purpose of the APFC is to manage and invest the assets of the Permanent Fund. The Trustees' conduct is subject to the Alaska Constitution and Statutes, regulations under the Alaska Administrative Code, and various other rules and policies. The Board of Trustees has established the Board Standards to identify applicable rules and policies and provide further guidance to Trustees in conducting their affairs and activities as Board members.

POLICY GUIDELINES

2. Trustees will conduct themselves with honesty, integrity, decorum, and professionalism in all aspects of their duties, and in their interaction with fellow trustees, APFC staff, service providers, and other external parties.

WITH RESPECT TO COMPLIANCE WITH LAWS, REGULATIONS AND POLICIES

3. Trustees will abide by all applicable laws and regulations, including, in particular, the following:
    a. Alaska Statutes at Title 37, Chapter 13;
    b. Alaska Administrative Code at Title 15, Chapter 137;
    c. APFC Bylaws;
    d. The Alaska Open Meetings Act and regulations thereunder;
    e. The Alaska Executive Branch Ethics Act and regulations thereunder, administered by the Department of Law; and
    f. The Alaska Conflict of Interest Act and regulations thereunder, administered by the Alaska Public Offices Commission (APOC).
4. Trustees will abide by all policies of the APFC.
5. By March 15th of each year, each Trustee shall complete and return to the Executive Director a form acknowledging compliance with the disclosure requirements set out in Alaska Statute 37.13.110(a) – (b).

WITH RESPECT TO CONFIDENTIALITY AND USE OF INFORMATION

6. Trustees will respect the confidentiality of all information pertaining to the APFC to which they become privy to by virtue of their position. They will not disclose any confidential information to any external party unless required to do so by law.
7. Any information on the APFC that Trustees request in their capacity as Trustees will only be to fulfill their responsibilities as Trustees of the APFC and not for use in their own personal or business affairs.

WITH RESPECT TO ENFORCEMENT OF THE BOARD STANDARDS

8. The Chair of the Board will enforce and attempt to rectify any breach of the Board Standards.
9. If a Trustee has reason to believe that a material violation of the Board Standards has taken place, they will notify the Chair (or the Vice Chair if the allegation is against the Chair) and the Executive Director.

REVIEW AND AMENDMENT OF THE POLICY

10. This Policy will be reviewed periodically and amended by the Board as necessary or appropriate.
11. The Board of Trustees amended this Policy on May 26, 2026.



Resolutions *of the Board of Trustees*

AS OF SEPTEMBER 30, 2024

APFC bylaws require that all investment policy be established by resolution. Long-term administrative and operating policies may also be established by resolution.

Visit the website for downloadable resolutions: apfc.org/board-of-trustees/resolutions-board-trustees/

ADMINISTRATIVE RESOLUTIONS

- 2020-01 APFC Resolution POMV Support
- 2018-04 APFC Resolution Sustainable Rules Based Legal Framework for Fund Transfers
- 2018-02 APFC Resolution Staff Compensation
- 2018-01 APFC Resolution Supporting a Rules Based Legal Framework for Fund Transfers
- 2017-01 APFC Resolution Inflation Proofing
- 2016-01 Resolution Release of Public Records
- 2010-04 APFC Resolution Corporate Governance
- 2009-10 APFC Resolution Executive Authority
- 2008-03 APFC Resolution PMP Executive Director Compensation
- 2007-08 APFC Resolution Personnel Management Program
- 2004-10 APFC Resolution Travel
- 2004-09 APFC Resolution POMV
- 2003-05 APFC Resolution POMV
- 2003-01 APFC Resolution Securities Litigation
- 2000-13 APFC Resolution Constitutional Amendment Inflation Proof Fund
- 1999-01 APFC Resolution Signing Endorsing Checks
- 1998-06 APFC Resolution Operating Capital Budgets
- 1998-04 APFC Resolution Operating Budget of the Corporation
- 1993-02 APFC Resolution Updating Safe Deposit Box Signature Cards
- 1983-08 APFC Resolution Defining Principal Balance

ETHICS & DISCLOSURES RESOLUTION

- 2009-09 APFC Resolution Personal Investments Conduct and Reporting

INVESTMENT POLICIES RESOLUTIONS

- 1983-02 APFC Resolution Purpose of the Permanent Fund
- 1987-05 APFC Resolution Definition of Income-Producing
- 1990-24 APFC Resolution Use of Fund International Investment Program
- 2010-05 APFC Resolution Investment Policy
- 2018-03 APFC Resolution In-State Emerging Manager Program
- 2023-01 APFC Follow-Up Resolution Regarding In-State Emerging Manager Program



State of Alaska *Governance*

AS OF SEPTEMBER 30, 2024

The Alaska Permanent Fund is established in the Alaska Constitution, while the objectives and investment guidelines of the Fund are defined in State law, specifically in Alaska Statutes (AS) 37.13. The Principal of the Fund is constitutionally protected, whereas the disposition of income is directed to the Earnings Reserve Account as established in AS 37.13.145.

State law authorizes the governor to appoint the members of the APFC Board of Trustees and provides membership requirements.

State law (AS 37.13.120) requires that all investments be made under the guidelines of the prudent investor rule and that a reasonable diversification of assets must be maintained unless it is clearly prudent not to do so. The Board of Trustees is required to draft and maintain a list of allowed investments under regulations, this list is maintained in Alaska Administrative Code 15 AAC 137.

ALASKA CONSTITUTION ARTICLE IX, SECTION 15..... 45

ALASKA STATUTES CHAPTER 37.13 ALASKA PERMANENT FUND AND CORPORATION 46

Article 1. Alaska Permanent Fund
Article 2. Management of Other Assets
Article 3. General Provisions

ALASKA ADMINISTRATIVE CODE TITLE 15 REVENUE. CHAPTER 137 53



Constitution of the State of Alaska

ARTICLE IX, SECTION 15

Alaska Permanent Fund. At least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law [Effective February 21, 1977].



Alaska *Statutes*

CHAPTER 37.13 ALASKA PERMANENT FUND AND CORPORATION

ARTICLE 1. ALASKA PERMANENT FUND

SEC. 37.13.010. ALASKA PERMANENT FUND.

(a) Under art. IX, sec. 15, of the state constitution, there is established as a separate fund the Alaska permanent fund. The Alaska permanent fund consists of

(1) 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued on or before December 1, 1979, and 25 percent of all bonuses received by the state from mineral leases issued on or before February 15, 1980;

(2) 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued after December 1, 1979, and 50 percent of all bonuses received by the state from mineral leases issued after February 15, 1980; and

(3) Any other money appropriated to or otherwise allocated by law or former law to the Alaska permanent fund.

(b) Payments due the Alaska permanent fund under (a) of this section shall be made to the fund within three banking days after the day the amount due to the fund reaches at least $3,000,000 and at least once each month.

(c) The Alaska permanent fund shall be managed by the Alaska Permanent Fund Corporation established in this chapter.

SEC. 37.13.020. FINDINGS.

The people of the state, by constitutional amendment, have required the placement of at least 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue sharing payments and bonuses received by the state into a permanent fund. The legislature finds with respect to the fund that

(1) The fund should provide a means of conserving a portion of the state's revenue from mineral resources to benefit all generations of Alaskans;

(2) The fund's goal should be to maintain safety of principal while maximizing total return;

(3) The fund should be used as a savings device managed to allow the maximum use of disposable income from the fund for purposes designated by law.

SEC. 37.13.030. PURPOSE.

It is the purpose of AS 37.13.010 - 37.13.190 to provide a mechanism for the management and investment of those fund assets by the Alaska Permanent Fund Corporation in a manner consistent with the findings in AS 37.13.020.

SEC. 37.13.040. ALASKA PERMANENT FUND CORPORATION.

There is established the Alaska Permanent Fund Corporation. The corporation is a public corporation and government instrumentality in the Department of Revenue managed by the board of trustees. The purpose of

the corporation is to manage and invest the assets of the permanent fund and other funds designated by law in accordance with AS 37.13.010 - 37.13.190.

SEC. 37.13.050. COMPOSITION AND QUALIFICATIONS OF BOARD OF TRUSTEES.

(a) The Board of Trustees of the Alaska Permanent Fund Corporation consists of six members appointed by the governor. Two of the members must be heads of principal departments of state government, one of whom shall be the commissioner of revenue. Four members shall be appointed by the governor from the public and may not hold any other state or federal office, position or employment, either elective or appointive, except as a member of the armed forces of either the United States or of this state.

(b) The four public members of the board must have recognized competence and wide experience in finance, investments, or other business management-related fields.

(c) The board shall annually elect a chairman from among its members.

SEC. 37.13.060. TERM OF OFFICE.

The public members of the board shall be appointed for terms of four years, and they may be re- appointed. The terms of the public members shall be staggered so that no more than one term of a public member expires each year.

SEC. 37.13.070. REMOVAL AND VACANCIES.

(a) The governor may remove a public member of the board from office only for cause. A removal by the governor must be in writing and must state the reason for the removal. A member who is removed by the governor may not participate in board business and may not be counted for purposes of establishing a quorum after the member receives written notice of removal from the governor.

(b) A vacancy on the board shall be promptly filled by appointment by the governor. An appointee to a vacancy shall hold office for the balance of the term for which the appointee's predecessor on the board was appointed.

(c) A vacancy on the board does not impair the authority of a quorum of the board to exercise all the powers and perform all the duties of the board.

SEC. 37.13.080. QUORUM AND VOTING.

Four members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties of the board. Action may be taken only upon affirmative vote of a majority of the full membership of the board.

SEC. 37.13.090. COMPENSATION OF BOARD MEMBERS.

Public members of the board receive an honorarium of $400 for each day spent at a meeting of the board or at a meeting of a subcommittee of the board or at a public meeting as a representative of the board. Members of the board are entitled to per diem and travel allowances as provided by law for members of state boards and commissions.

SEC. 37.13.100. CORPORATION STAFF.

The board may employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional staff as necessary. An employee of the corporation, including the executive director, may not be a member of the board. The executive director and the other employees of the board are in the exempt service under AS 39.25.

SEC. 37.13.110. CONFLICTS OF INTEREST.

(a) Members of the board, the executive director, and investment officers of the corporation are subject to the provisions of AS 39.50.

(b) If a member of the board or an employee of the corporation acquires, owns, or controls an interest, direct or indirect, in an entity or project in which fund assets are invested, the member shall immediately disclose

the interest to the board. The disclosure is a matter of public record and shall be included in the minutes of the board meeting next following the disclosure.

SEC. 37.13.120. INVESTMENT RESPONSIBILITIES.

(a) The board shall adopt regulations specifically designating the types of income-producing investments eligible for investment of fund assets. When adopting regulations authorized by this section or managing and investing fund assets, the prudent-investor rule shall be applied by the corporation. The prudent-investor rule as applied to investment activity of the fund means that the corporation shall exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the fund over time while maximizing the expected total return from both income and the appreciation of capital.

(b) The corporation may not borrow money or guarantee from principal of the fund the obligations of others, except as provided in this subsection. With respect to investments of the fund, the corporation may, either directly or through an entity in which the investment is made, borrow money if the borrowing is nonrecourse to the corporation and the fund.

(c) The board shall maintain a reasonable diversification among investments unless, under the circumstances, it is clearly prudent not to do so. The board shall invest the assets of the fund in in-state investments to the extent that in-state investments are available and if the in-state investments.

(1) have a risk level and expected return comparable to alternate investment opportunities; and

(2) are eligible for investment of fund assets under (a) of this section.

(d) The corporation may enter into and enforce all contracts necessary, convenient, or desirable for managing the fund's assets and corporate operations, including contracts for future delivery to implement asset allocation strategies or to hedge an existing equivalent ownership position in an investment.

(e) Before adoption of a regulation under (a) of this section, the regulation, in electronic format, shall be provided to the Legislative Budget and Audit Committee for review and comment. The board shall submit investment reports to the committee at least quarterly.

SEC. 37.13.130. GAINS AND LOSSES. [REPEALED, SEC. 13 CH 81 SLA 1982].
Repealed or Renumbered

SEC. 37.13.140. INCOME.

(a) Net income of the fund includes income of the earnings reserve account established under AS 37.13.145. Net income of the fund shall be computed annually as of the last day of the fiscal year in accordance with generally accepted accounting principles, excluding any unrealized gains or losses. Income available for distribution equals 21 percent of the net income of the fund for the last five fiscal years, including the fiscal year just ended, but may not exceed net income of the fund for the fiscal year just ended plus the balance in the earnings reserve account described in AS 37.13.145.

(b) The corporation shall determine the amount available for appropriation each year. The amount available for appropriation is five percent of the average market value of the fund for the first five of the preceding six fiscal years, including the fiscal year just ended, computed annually for each fiscal year in accordance with generally accepted accounting principles. In this subsection, "average market value of the fund" includes the balance of the earnings reserve account established under AS 37.13.145, but does not include that portion of the principal attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District).

SEC. 37.13.145. DISPOSITION OF INCOME.

(a) The earnings reserve account is established as a separate account in the fund. Income from the fund shall be deposited by the corporation into the account as soon as it is received. Money in the account shall be invested in investments authorized under AS 37.13.120.

(b) At the end of each fiscal year, the corporation shall transfer from the earnings reserve account to the

dividend fund established under AS 43.23.045, 50 percent of the income available for distribution under AS 37.13.140.

(c) After the transfer under (b) and an appropriation under (e) of this section, the corporation shall transfer from the earnings reserve account to the principal of the fund an amount sufficient to offset the effect of inflation on the principal of the fund during that fiscal year. However, none of the amount transferred shall be applied to increase the value of that portion of the principal attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District) on July 1, 2004. The corporation shall calculate the amount to transfer to the principal under this subsection by

(1) computing the average of the monthly United States Consumer Price Index for all urban consumers for each of the two previous calendar years;

(2) computing the percentage change between the first and second calendar year average; and

(3) applying that rate to the value of the principal of the fund on the last day of the fiscal year just ended, including that portion of the principal attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District).

(d) Notwithstanding (b) of this section, income earned on money awarded in or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District), including settlement, summary judgment, or adjustment to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned on the money, or on the earnings of the money shall be treated in the same manner as other income of the Alaska permanent fund, except that it is not available for distribution to the dividend fund, for transfers to the principal under (c) of this section, or for an appropriation under (e) of this section, and shall be annually deposited into the Alaska capital income fund (AS 37.05.565).

(e) The legislature may not appropriate from the earnings reserve account to the general fund a total amount that exceeds the amount available for appropriation under AS 37.13.140 (b) in a fiscal year.

(f) The combined total of the transfer under (b) of this section and an appropriation under (e) of this section may not exceed the amount available for appropriation under AS 37.13.140 (b).

SEC. 37.13.150. CORPORATION BUDGET.

The revenue generated by the fund's investments must be identified as the source of the operating budget of the corporation in the state's operating budget under AS 37.07 (Executive Budget Act). The unexpended balance of the corporation's annual operating budget does not lapse at the end of the fiscal year but shall be treated as income under AS 37.13.140.

SEC. 37.13.160. AUDITS.

The Legislative Budget and Audit Committee may provide for an annual post audit and annual operational and performance evaluations of the fund's investments and investment programs.

SEC. 37.13.170. REPORTS AND PUBLICATIONS.

By September 30 of each year, the board shall publish a report of the fund for distribution to the governor and the public. The board shall notify the legislature that the report is available. The report shall be written in easily understandable language. The report must include financial statements audited by independent outside auditors, a statement of the amount of money received by the fund from each investment during the period covered, a statement of investments of the fund including an appraisal at market value, a description of fund investment activity during the period covered by the report, a comparison of the fund performance with the intended goals contained in AS 37.13.020, an examination of the effect of the investment criteria of this chapter on the fund portfolio with recommendations of any needed changes, and any other information the board believes would be of interest to the governor, the legislature, and the public. The annual income statement and balance sheet of the fund shall be published in at least one newspaper in each judicial district. The income statement and balance sheet for the two fiscal years preceding the publication of the election pamphlet under AS 15.58 shall be included in that pamphlet.

SEC. 37.13.180. TAX EXEMPTION.

The corporation and the fund are exempt from all taxes and assessments in the state. All security instruments issued by the corporation or the fund, their transfer, and their income are exempt from all taxes and

assessments in the state.

SEC. 37.13.190. POLITICAL ACTIVITIES.

The resources of the corporation or the fund may not be used to finance or influence political activities.

SEC. 37.13.200. PUBLIC ACCESS TO INFORMATION.

Information in the possession of the corporation is a public record, except that information that discloses the particulars of the business or affairs of a private enterprise or investor is confidential and is not a public record. Confidential information may be disclosed only for the purposes of an official law enforcement investigation or when its production is required in a court proceeding. These restrictions do not prohibit the publication of statistics presented in a manner that prevents the identification of particular reports, items, persons, or enterprises.

SEC. 37.13.205. REGULATIONS. [REPEALED, SEC. 3 CH 46 SLA 2005].
Repealed or Renumbered

SEC. 37.13.206. REGULATIONS.

(a) The board may adopt regulations to carry out the purposes of this chapter and shall adopt regulations under AS 37.13.120(a). The provisions of AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to regulations of the corporation.

(b) The board may adopt regulations under this section by motion, by resolution, or in any other manner permitted by the bylaws of the corporation.

(c) Except as provided in (f) of this section, at least 15 days before the adoption, amendment, or repeal of a regulation, the corporation shall give public notice of the proposed action by

(1) publishing the notice in a newspaper of general circulation or trade or industry publication that the corporation prescribes;

(2) posting the notice on the Alaska Online Public Notice System;

(3) furnishing the notice, by electronic format, to all legislators; and

(4) providing a copy of the notice to every person who has filed a request for notice of proposed regulation with the corporation.

(d) The public notice must include a statement of the time, place, and nature of the proceedings for the adoption, amendment, or repeal of the regulation and an informative summary of the subject of the proposed action.

(e) On the date and at the time and place designated in the notice, the corporation shall give each interested person or the person's authorized representative, or both, the opportunity to present statements, arguments, or contentions in writing, with or without opportunity to present them orally. The board may accept material presented by any form of communication and shall consider all factual, substantive, and other relevant matter presented to it before adopting, amending, or repealing a regulation. A regulation adopted, amended, or repealed by the board may vary from the informative summary specified in (d) of this section if the subject of the action taken on the regulation remains the same and if the original notice of the proposed action was written so as to ensure that members of the public are reasonably notified of the subject of the proposed action in order for members of the public to determine whether their interests could be affected by the board's proposed action on that subject.

(f) A regulation or order of repeal of a regulation under this section may be made as an emergency regulation if, in the order of adoption, the board states the facts constituting the emergency and makes a finding that the adoption of the regulation or repeal is necessary for the immediate preservation of the orderly operation of the corporation. The requirements of (c) - (e) of this section do not apply to the initial adoption of an emergency regulation or repeal under this subsection; however, upon adoption of an emergency regulation or repeal under this subsection, the corporation shall, within 10 days after that adoption, comply with the notice procedures specified in (c) - (e) of this section. An emergency regulation or repeal adopted under this subsection does not remain in effect for more than 120 days unless, before the expiration of that period, the corporation complies with the procedures specified in (c) - (e) of this section.

(g) A regulation adopted under this section takes effect immediately upon its adoption by the board or at another time specified in the order of adoption. The regulation shall be submitted to the lieutenant governor

for publication in the Alaska Administrative Code and Register.

SEC. 37.13.210. [RENUMBERED AS 37.13.900].
Repealed or Renumbered

ARTICLE 02. MANAGEMENT OF OTHER ASSETS.

SEC. 37.13.300. CORPORATION TO MANAGE CERTAIN ASSETS OF THE MENTAL HEALTH TRUST.

(a) The corporation shall manage the mental health trust fund.

(b) The corporation shall

(1) hold and invest the mental health trust fund subject to AS 37.13.120;

(2) at least quarterly, prepare, publish, and distribute to the Board of Trustees of the Alaska Mental Health Trust Authority a financial report showing investment revenue and expenditures, including the allocation of the cash assets of the mental health trust fund among investments;

(3) annually prepare, publish, and distribute to the Board of Trustees of the Alaska Mental Health Trust Authority financial statements prepared in accordance with generally accepted accounting principles consistently applied, and an audit report prepared by a certified public accountant;

(4) periodically advise the Board of Trustees of the Alaska Mental Health Trust Authority when revisions to long-range investment policy, including asset allocation changes, are contemplated, and provide an opportunity for consultation and comment on the changes before they are implemented; and

(5) transfer to the mental health trust settlement income account the net income available for distribution attributable to the mental health trust fund at the end of each fiscal year.

(c) Net income from the mental health trust fund may not be included in the computation of net income available for distribution under AS 37.13.140.

SEC. 37.13.310. CORPORATION TO MANAGE THE POWER COST EQUALIZATION ENDOWMENT FUND.

(a) The corporation shall manage the power cost equalization endowment fund using the same investment objective and asset allocation as the corporation uses in managing the Alaska permanent fund subject to AS 37.13.120.

(b) The corporation shall

(1) at least quarterly, prepare a financial report showing investment revenue and expenditures, including the allocation of the cash assets of the power cost equalization endowment fund among investments; and

(2) annually prepare financial statements in accordance with generally accepted accounting principles consistently applied, and an audit report prepared by a certified public accountant.

(c) After preparing a financial statement or report, the corporation shall publish and deliver the financial statement or report to the Alaska Energy Authority, the Department of Commerce, Community, and Economic Development, the senate secretary, and the chief clerk of the house of representatives, and notify the legislature that the financial statement or report is available.

(d) Net income from the power cost equalization endowment fund may not be included in the computation of net income or market value available for distribution or appropriation under AS 37.13.140.

ARTICLE 03. GENERAL PROVISIONS

SEC. 37.13.900. DEFINITIONS.

In this chapter,

(1) "board" means the Board of Trustees of the Alaska Permanent Fund Corporation;

(2) "corporation" means the Alaska Permanent Fund Corporation;

(3) "fund" means the Alaska permanent fund established under art. IX, sec. 15, Constitution of the State of Alaska.

LEGISLATIVE BUDGET AND AUDIT COMMITTEE (EXCERPT)

SEC. 24.20.206. DUTIES.

The Legislative Budget and Audit Committee shall

(1) annually review the long-range operating plans of all agencies of the state that perform lending or investment functions;

(2) review periodic reports from all agencies of the state that perform lending or investment functions;

(3) prepare a complete report of investment programs, plans, performance, and policies of all agencies of the state that perform lending or investment functions and notify the legislature on or before the first day of each regular session that the report is available;

(4) in conjunction with the finance committee of each house, recommend annually to the legislature the investment policy for the general fund surplus and for the income from the permanent fund;

(5) provide for an annual post audit and annual operational and performance evaluation of the Alaska Permanent Fund Corporation investments and investment programs;



Alaska *Administrative Code*

TITLE 15 REVENUE.

CHAPTER 137. RECEIPT, CUSTODY, INVESTMENT, AND MANAGEMENT OF STATE FUNDS

ARTICLE 1, ALASKA PERMANENT FUND CORPORATION

15 AAC 137.010. SCOPE OF 15 AAC 137.010 - 15 AAC 137.200.
Repealed.

15 AAC 137.020. FEDERALLY GUARANTEED LOANS AND MORTGAGES.
Repealed 8/5/82.

15 AAC 137.030. CONVENTIONAL RESIDENTIAL MORTGAGES.
Repealed 7/12/92.

15 AAC 137.040. GENERAL TERMS AND CONDITIONS FOR LOANS AND MORTGAGES.
Repealed 7/12/92.

15 AAC 137.050. GENERAL TERMS AND CONDITIONS FOR CERTIFICATES OF DEPOSIT.
Repealed.

15 AAC 137.060. ACCOUNTING PRACTICES.
Repealed 7/12/92.

15 AAC 137.200. DEFINITIONS.
Repealed.

ARTICLE 2, TREASURY SURPLUS
Repealed 12/26/86

ARTICLE 3, ALASKA PERMANENT FUND CORPORATION INVESTMENT ACTIVITIES

15 AAC 137.410. PURPOSE OF 15 AAC 137.410 - 15 AAC 137.530.

The purpose of 15 AAC 137.410 - 15 AAC 137.530 is to implement the authority granted the APFC board of trustees under AS 37.13.120(a) to specifically designate the income-producing investments eligible for permanent fund investments.

15 AAC 137.420. PERMANENT FUND INVESTMENTS; INSTITUTIONAL QUALITY.

All permanent fund investments must be of a quality considered acceptable by other prudent institutional investors, including endowments, foundations, sovereign wealth funds, or public and private pension funds.

15 AAC 137.430. FIXED-INCOME INVESTMENTS.

(a) The assets of the permanent fund may be invested in the following fixed-income investments:

(1) obligations of, or obligations insured by or guaranteed by, the United States or agencies or instrumentalities of the United States;

(2) obligations secured by reserves paid in by the United States or agencies or instrumentalities of the United States or obligations of corporations in which the United States is a shareholder or member;

(3) certificates of deposit and term deposits of United States domestic banks that are members of the Federal Deposit Insurance Corporation and that may be readily sold in a secondary market at prices reflecting fair value or that are fully secured at all times as to payment of principal and interest as described in (b) of this section;

(4) certificates of deposit and term deposits of federally chartered savings and loan associations in the state that are fully secured at all times as to payments of principal and interest as described in (b) of this section;

(5) certificates of deposit and term deposits of mutual savings banks in the state that are fully secured at all times as to payments of principal and interest as described in (b) of this section;

(6) fixed-term certificates of indebtedness of federally insured credit unions in the state that are fully secured at all times as to payments of principal and interest as described in (b) of this section;

(7) debt instruments that have been issued by domestic entities and that are rated investment grade, or debt instruments of comparable quality issued by nondomestic entities;

(8) debt instruments that have been issued by domestic or nondomestic entities that are rated below investment grade or are unrated;

(9) short-term

(A) promissory notes that have been issued by domestic entities and that are rated investment grade; or

(B) promissory notes of comparable quality issued by nondomestic entities;

(10) short-term promissory notes that have been issued by domestic or nondomestic entities that are rated below investment grade or are unrated;

(11) bankers' acceptances drawn on and accepted by United States banks each of which has a combined capital and surplus aggregating at least $200,000,000;

(12) repurchase agreements and reverse repurchase agreements, the securities underlying the agreements being any of the items listed in (1) - (6) of this subsection;

(13) the portions of business and industrial loans made under the Rural Development Act of 1972 that are guaranteed by the Farmers Home Administration;

(14) the guaranteed portion of Farmers Home Administration loans;

(15) certificates of deposit, term deposits, or bankers' acceptances, that are issued by a United States or nondomestic bank or trust company located outside of the United States and are denominated in United States or nondomestic currency if either

(A) those instruments may be readily sold in a secondary market at prices reflecting fair value; or

(B) the issuing bank or trust company has capital, surplus, and retained earnings at the date of issue equaling at least $500,000,000;

(16) securities of nondomestic governments and nondomestic government agencies, the principal of, or interest on, which is payable in either United States dollars or nondomestic currencies;

(17) taxable or tax-exempt municipal or state debt instruments whether supported by revenues, general obligations, or guarantees;

(18) shares in a money market, exchange traded fund (ETF), or short-term investment fund that has either collateral securities of a type authorized elsewhere in this section as acceptable collateral or securities of similar quality to those authorized elsewhere in this section as acceptable collateral;

(19) fixed-income derivatives, including forwards, futures, options, collateralized securities, structured notes, and swaps, including credit default swaps;

(20) debt instruments issued by an investment entity described in 15 AAC137.450(a)(1)(B).

(b) Except for investments made under (a)(15) of this section, certificates of deposit or the equivalent instruments that are not of a quality that may be readily sold in a secondary market at prices reflecting fair value must be secured by a pledge as collateral of

(1) investments authorized for the permanent fund under (a)(1), (2), or (4) of this section;

(2) obligations of the State of Alaska or instrumentalities of the state that are rated at least "A" by a major bond rating service and have a demonstrated secondary market; or

(3) letters of credit issued by an agency of or enterprise sponsored by the United States government, including the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

(c) Investments or obligations pledged as collateral under (b) of this section must have value at least equal to the face value of the certificates of deposit being secured. The APFC may require substitution of collateral in order to ensure continued satisfaction of the requirements set out in (b) of this section.

(d) Repealed 12/10/2014.

15 AAC 137.440. PUBLICLY TRADED EQUITY INVESTMENTS.

The assets of the permanent fund may be invested in the following publicly traded equity securities:

(1) preferred and common stock and other equity interests in entities organized in the United States and elsewhere, including ordinary shares, convertible debt securities, initial public offerings (IPO's), exchange traded funds (ETF's), American depository receipts (ADR's), American depository securities (ADS's), global depository securities (GDS's), and grantor trusts;

(2) equity derivatives, including forwards, futures, options, swaps, collateralized securities, and structured notes.

15 AAC 137.450. REAL ESTATE INVESTMENTS.

(a) The assets of the permanent fund may be invested in the following real estate investments:

(1) equity or debt interests in real estate that is

(A) improved by income-generating assets; or

(B) to be developed for commercial purposes;

(2) publicly traded securities in companies that own or manage equity or debt interests in portfolios of real estate assets, including common stocks, depositary receipts, preferred stocks, exchange traded funds, and derivatives based on common stocks or equity indices (including convertibles, warrants, rights, options, and futures); or

(3) equity interests in real estate operating companies.

(b) Real estate investments described in (a) of this section may be:

(1) directly held and managed through a limited liability vehicle; or

(2) made through a separately managed account, real estate investment trust, joint venture, commingled fund, or any other externally managed limited liability entity.

15 AAC 137.460. ALTERNATIVE INVESTMENTS; OTHER INVESTMENT TYPES AND STRATEGIES.

(a) The assets of the permanent fund may be invested in the following additional investment types and strategies:

(1) limited liability private equity investment entities and funds-of funds whose investments and investment strategies include one or more of the following approaches:

(A) acquisitions, including buyouts, growth buyouts, platform add-ons, and industry consolidation;

(B) venture capital, including seed, early, middle, late, expansion, and diversified;

(C) debt, including mezzanine/subordinated debt, distressed debt, and venture leasing/debt;

(D) special situations, including industry-focused, turnaround, and diverse;

(E) other, including secondaries;

(2) co-investments with entities and funds-of funds described in (1) of this subsection;

(3)limited liability hedge fund investment entities and funds-of funds whose investments and investment strategies include one or more of the following approaches:

(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;

(4)commodities and commodity-linked securities and derivatives, including forwards, futures, options, swaps, and structured notes;

(5)hybrid investments and strategies; these investments may include domestic, nondomestic, public and private market equity, or fixed income securities, financial derivatives, and short positions in publicly traded domestic and international equity and fixed income securities;

(6)managed futures funds.

(b) An investment under (a) of this section may be made only

(1)through a manager of permanent fund assets with demonstrated skill and experience investing in the specific investment type or strategy authorized under (a) of this section; or

(2)on the written analysis of a consultant, with demonstrated skill and experience evaluating the specific investment type or strategy, retained by the APFC to evaluate a specific proposed investment or investment strategy.

15 AAC 137.470. INTERESTS IN COLLECTIVE OR COMMINGLED INVESTMENT FUNDS.

The assets of the permanent fund may be invested in shares or other interests in collective and commingled investment funds that invest predominantly in investments otherwise permitted under 15 AAC 137.410 - 15 AAC 137.530.

15 AAC 137.480. FOREIGN CURRENCY TRANSACTIONS.

A manager of permanent fund assets may, with the prior approval of the executive director or the chief investment officer, utilize foreign exchange transactions. Such transactions include currency forwards, futures, swaps, options, and exchange traded funds, as well as currency strategies, including hedging, cross-hedging, and long or short directional strategies.

15 AAC 137.490. SHORT-SELLING.

In addition to the specific authority for the use of short-selling strategies granted under 15 AAC 137.460, a manager of permanent fund assets may, with the prior approval of the executive director or the chief investment officer and consistent with the limitations on the use of leverage provided under 15 AAC 137.500, utilize short-selling as a part of the manager's overall investment strategy.

15 AAC 137.500. LEVERAGE.

(a) A manager of permanent fund assets may, with the prior approval of the executive director or chief investment officer, utilize leverage as part of the investment strategy for the portfolio for which the manager is responsible, so long as the creditor's recourse on the leverage amount is

(1)not a general obligation of the permanent fund or the APFC; and

(2)is limited to either

(A) the permanent fund assets for which the manager acts as manager; or

(B) other specific assets of the permanent fund.

(b) A manager of permanent fund assets shall use leverage, if at all, in a prudent manner that is consistent with leverage applied by professional asset managers using similar investment strategies.

15 AAC 137.510. LENDING OF PERMANENT FUND-OWNED SECURITIES.

Securities purchased by or otherwise held for the permanent fund may be loaned to securities dealers or financial institutions, if the loan is collateralized by cash or securities having a market value of at least 102

percent of the market value of securities loaned.

15 AAC 137.520. FORM OF ASSET HOLDINGS.

Unless otherwise provided in 15 AAC 137.410 - 15 AAC 137.530, the APFC may invest permanent fund assets directly in the name of the permanent fund, through a limited liability entity, including a corporation, limited partnership, limited liability partnership, or limited liability company, or through a collective or commingled investment fund, including a fund-of-funds.

15 AAC 137.530. INVESTMENTS NOT OTHERWISE PERMITTED.

(a) The permanent fund may hold assets not otherwise authorized under 15 AAC 137.410 - 15 AAC 137.520 that

(1) were held by the permanent fund before January 1, 2006;

(2) are distributed to the permanent fund as the result of a liquidation of other assets held by the fund; or

(3) are acquired by a manager of permanent fund assets because the assets are included in an investment index that is applied by the APFC to measure that manager's investment performance.

(b) The permanent fund may hold an asset described in (a) of this section so long as holding the asset satisfies the prudent-investor rule stated in AS 37.13.120(a).

(c) The APFC must liquidate, restructure, or otherwise bring into compliance a permanent fund investment that ceases to satisfy the prudent investor rule stated in AS 37.13.120(a) within six months after the asset first fails to satisfy that rule.

ARTICLE 4, ALASKA PERMANENT FUND CORPORATION OPERATIONAL ACTIVITIES

15 AAC 137.610. CONFIDENTIAL RECORDS.
Repealed.

ARTICLE 5, GENERAL PROVISIONS

15 AAC 137.990. DEFINITIONS.

Unless the context requires otherwise, in 15 AAC 137.610 - 15 AAC 137.990,

(1) "APFC" means the Alaska Permanent Fund Corporation established in AS 37.13.040;

(2) "chief investment officer" means the chief investment officer of the APFC;

(3) "co-investment" means a direct investment of permanent fund assets in an entity at the same time and on the same or better economic terms as an investment of permanent fund assets in that entity made through a private equity or hedge fund permitted under 15 AAC 137.460;

(4) "collective or commingled investment fund" means an entity whose purpose is to direct the collective investment of assets, including a common trust fund, a collective trust fund, a unit investment trust, an open-end or closed-end mutual fund, an open-end or closed-end registered investment company, or any other collective or commingled investment vehicle that is engaged primarily in the purchase and sale of securities or other assets;

(5) "commodities" means

(A) materials, such as gold, copper, silver, and petroleum;
(B) timber and other agricultural crops;
(C) foods;
(D) other natural resources; and
(E) products of the items identified in (A) - (D) of this paragraph;

(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;

(7) "derivative based strategy" means an investment strategy used by investors that invest in markets typically dominated by derivative instruments;

(8) "executive director" means the executive director of the APFC;

(9) "hybrid investment or strategy" means a multi-part investment that may include any investment otherwise allowable, including private equity funds, hedge funds, arbitrage funds, derivative- based strategies, strategic block investment funds, or crossover funds where the underlying investments consist of both public and private investments, including both debt and equity instruments;

(10) "includes" or "including" has the same meaning given in AS 01.10.040;

(11) "investment grade" means a Standard & Poor's Corporation rating BBB or better, or Moody's Investors Service, Inc., rating of Baa or better, including a rating with a "+" or "-" designation or other variations that occur within these ratings, or a comparable rating by another nationally recognized rating organization or by a recognized rating service in the jurisdiction of the issuer;

(12) "leverage" means the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment;

(13) "manager of permanent fund assets" means an individual, firm, or other entity that, either by contract or employment with the APFC, has responsibility for the investment and management of a portion of the assets of the permanent fund;

(14) "permanent fund" has the meaning given "fund" in AS 37.13.900.

(15) "security" means an instrument that signifies an ownership position in a corporation or other private entity, a creditor relationship with a corporation, other private entity, or governmental body or entity, or rights to ownership such as those represented by an option, future or forward contract, subscription right, or subscription warrant; "security" includes

(A) stocks, bonds, convertible bonds, bills, notes, debentures, bankers acceptances, commercial paper, certificates of deposit, and shares of a real estate investment trust or real estate operating company;
(B) the types of securities identified under (A) of this paragraph purchased on a when issued basis; and
(C) combinations of the types of securities identified under (A) and (B) of this paragraph issued as a single instrument;

(16) "short-selling" means

(A) the selling of a security that the seller does not own; or
(B) any sale that is completed by the delivery of a security borrowed by the seller.



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