

Permanent Fund increases stake in high-tech startup and other private firms

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The Alaska Permanent Fund recently dropped another \$25 million into a high-tech agricultural company that aims to boost crop production, increasing the fund's stake in innovative startups with potentially big payoffs.

The fund's investment in private companies has grown as managers look to diversify alongside a stock market that has risen for years, adding holdings that provide long-term promise and stability, said Angela Rodell, the fund's CEO, on Friday.

The fund's \$7.2 billion private equity portfolio has grown steadily. It represents 12 percent of the fund's \$62 billion value.

The private equity portfolio has generated returns over three years of \$2.5 billion. That's almost \$2 billion higher than the amount that would have been returned in the stock market over the same period, the agency said in August.

[Indigo Agriculture](#), founded in 2016 and based in Charlestown, Massachusetts, seeks to create hardier crops using beneficial microbes found in plant tissue, so crops can better survive low-water conditions, disease and pests. Goals include boosting farmer profits and production of wheat, corn, rice and other crops.

"The idea is to take a lot of molecular and cellular genetic work done on the human side and to apply it for plants for increased crop yield," said Rodell.

Indigo's growth potential includes emerging markets in China, India, Brazil and Africa, said Rodell.

"The technology is exportable to places that need a better type of crop yield," she said.

In July 2016, the fund invested \$47 million into Indigo. In late September, it added \$25 million. That \$72 million is a sizable chunk of the total capital raised by Indigo of [more than \\$300 million](#).

The 41-year-old fund, built on oil production royalties and market returns, spins out the annual Permanent Fund dividends. The fund's earnings might one day be used to shrink Alaska's giant budget deficit.

The fund also took an early stake in Seattle-based Juno Therapeutics, a young company aiming to genetically program a patient's immune-system T cells to kill cancer cells. The company went public in late 2014.

[\[Permanent Fund makes winning bet on startup\]](#)

In early 2016, after shares of that company had risen, the Permanent Fund [sold](#) one-third of its initial stake in the company, generating \$335 million in cash while still retaining more than \$600 million in stock.

The fund's investment in a private company may last 10-12 years, providing long-term investments compared to stocks, said Rodell.

"These investments are much longer-term in commitment and return-style," she said.