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News Release
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APFC's Board of Trustees Affirm Diversified Approach to Investing

Juneau – The Board of Trustees held its quarterly meeting in Juneau, Alaska on February 21-22, 2018. At that meeting, the Board reviewed the mid fiscal year 2018 (FY18) investment performance of the Alaska Permanent Fund (Fund), assessed the position of the portfolio given recent market volatility, discussed establishing a Real Assets allocation, and reviewed the eCIO program.

The Alaska Permanent Fund's (Fund) investments gained 8.45% in the first half of fiscal year 2018 (FY18) and the Fund ended December 31, 2017 with assets under management totaling $64.0 billion, comprised of $48.7 billion in the Principal of the Fund and $15.3 billion in the Earnings Reserve Account. While the Fund saw tremendous growth in value throughout the first two quarters of this fiscal year and reached an all-time high in January, it was countered by volatile market conditions in February. Despite the recent market volatility, value of assets under management is up more than $550 million since the December 31, 2017 and up by approximately $4.8 billion since the beginning of the fiscal year. Chair Moran noted that "the recent market conditions affirm the importance of APFC's diversified approach to investing. This structure is designed to meet our long-term return objectives without undertaking excessive short-term market risk in the process."

In addition to receiving comprehensive updates from APFC's staff on performance of individual asset classes, the Board of Trustees:

- Were briefed by Callan, APFC's general consultant, on the Fund's overall strong performance relative to most large public funds and endowments based on recent returns.
- Conducted a panel discussion with representatives from AQR, Bridgewater, and Goldman Sachs Asset Management to further evaluate current market conditions and how to position a portfolio in volatile markets.
- Received a briefing on the development of a strategy to combine the Real Estate and Private Income portfolios into a single asset class to provide greater flexibility going forward and in recognition of the fact that both portfolios have similar attributes and objectives. The proposed broader "Real Assets" allocation will be on the May 2018 agenda for consideration and is designed to generate income, provide inflation protection of the assets, and maintain a favorable risk profile.
- Considered the role of the eCIO program within the Fund's portfolio and furthered the discussion to the May 2018 meeting when the Fund's comprehensive Investment Policy, including asset allocation and performance benchmarks, will be evaluated.
- Were updated on the current legislative session, including the status of: APFC's FY19 Operating Budget, appropriations for inflation proofing the Fund, the FY18 Supplemental request for investment manager fees, and proposed draws from the Earnings Reserve Account to address the current fiscal gap.
- Welcomed Craig Richards to the APFC Board of Trustees. Mr. Richards was recently appointed by Governor Walker to one of the public member seats that are four year terms.