

**News Release****For Immediate Release: September 27, 2018****Contact: Pauly Swanson 907.796.1520****APFC's Board of Trustees Revisits Investing in Alaska**

**Juneau** – The Board of Trustees reviewed the fiscal year 2018 (FY18) investment performance of the Alaska Permanent Fund (Fund) with presentations from Callan Associates and the Alaska Permanent Fund Corporation's (APFC) asset class directors, approved a FY2020 budget, and accepted the Annual Audit as presented by KPMG. As noted in the 2018 Annual Report, released at the meeting, the Fund's assets under management (AUM) reached an end of fiscal year high, totaling \$64.9 billion as of June 30, 2018, comprised of \$46.0 billion in the Principal of the Fund and \$18.9 billion in the Earnings Reserve Account.

Callan Associates, APFC's performance consultant, noted that APFC's portfolio is well diversified across all major asset classes employed by institutional investors. In FY18 the Fund's investments returned 10.74%, this strong performance puts the Total Fund in the top decile relative to other large public funds, and in the top third versus other large endowments/foundations.

Chair Bill Moran noted "the Fund's overall performance affirms that APFC's investment strategies have been effective in achieving compelling risk adjusted returns and that staff has achieved impressive results in the work that they do on behalf of their fellow Alaskans. The Fund has now grown to a point that we need to formalize an approach to the Alaskan economy."

The Board of Trustees evaluated APFC's approach to investing in Alaska and the Alaska Investment section of APFC's Investment Policy & Procedures was amended to set forth aspirational goals for increased Alaska investment that: honor the current statutory mandate Alaska Statute 37.13.120(c); require compelling risk-adjusted returns as any Alaskan investment must be attractive on a stand-alone basis; ensure Fund diversification by requiring Board approval for any in-state investment that would exceed 1% of the Fund, at the time of investment; and seek participation by another institutional investor to ensure that an Alaskan investment opportunity is attractive and satisfies the institutional quality requirement. Investment targets and guidelines were also incorporated in the policy to promote and encourage Alaskan investments.

Furthering the interest in Alaska investment, a panel was conducted with representatives from investment firms with experience in geographically targeted emerging manager programs to inform Trustees about approaches and considerations for the development of an Alaska-based emerging manager program. The Board adopted Resolution 18-03 - RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALASKA PERMANENT FUND CORPORATION SUPPORTING AN IN-STATE EMERGING MANAGER PROGRAM directing the Executive Director to create an In-State Emerging Manager Program. Consistent with the Resolution, APFC will be undertaking a manager search with the goal to have this program in place by January 2019.

During the meeting, APFC interviewed 3 candidates for the position of Chief Investment Officer. The Board of Trustees discussed the merits of the candidates with the Chief Executive Officer, who will be making a final determination on the position. More information will be released once a final candidate has been selected.

The following agenda items were also considered by the Board of Trustees:

- A presentation on risk that highlighted the importance of risk from an investment perspective and the work that each asset class director does to efficiently manage risk within their portfolios.
- A panel discussion with three real estate advisors focusing on the global real estate market and trends, as part of APFC's commitment to provide insightful education sessions pertaining to the portfolio's asset classes.
- Review of APFC's 5 Year Strategic Plan for FY17-FY21 and assessment of progress in meeting the strategic priorities.
- Approval of APFC's budget request to be put forward for Fiscal Year 2020 to the Governor and the Alaska State Legislature, that includes four additional positions and funding for an incentive compensation program for investment staff.
- Election of Trustee Craig Richards to Chair and Trustee Carl Brady to Vice-Chair of the APFC Board of Trustees.

The Alaska Permanent Fund Corporation's 2018 Annual Report is now available and can be viewed online at [apfc.org](http://apfc.org).

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