

News Release**For Immediate Release: February 28, 2019****Contact: Pauly Swanson 907.796.1520****The APFC Board of Trustees Review Market Outlook and Strategic Direction**

Juneau – The Board of Trustees held its quarterly meeting in Juneau, Alaska on February 27-28, 2019 to review the performance of the Fund through the first half of fiscal year 19 (FY19) and to review current market outlook and strategic initiatives being pursued by each of APFC's asset class teams. This review included a comprehensive discussion around the Fund's Risk Parity, Currency Overlay and Cash Overlay programs (together known as the Asset Allocation portfolio). The Board of Trustees also discussed future priorities for the Corporation.

The Alaska Permanent Fund's (Fund) investments fell 3.19% in value in the first half of fiscal year 2019 (FY19) ended December 31, 2018 with net assets under management totaling \$60.4 billion. While there was a significant decline in US and international public equities markets in December, the second half of the fiscal year has begun with one of the best starts in US equities in over 30 years. Portfolio diversification within both public and private markets continues to be an essential element in effectively managing the portfolio through various market cycles, while striving to outperform our established performance benchmarks.

During Callan's overview of the Fund's performance, there was discussion about active vs passive management philosophies amongst relevant peer groups with regards to public equities. Chair Richards noted that "the discussion of active vs passive management of the public equities portfolio is germane to the overall management of the Fund's assets" and requested that "this be a focus of the May quarterly meeting agenda." He also reiterated the importance of having a consistent strategy for the Corporation's investment strategy and clarity around the anticipated outcomes.

APFC was thrilled to welcome to the meeting 16 students from UAA & UAF, who are engaged in a variety of educational pursuits primarily focused in business and finance, and have an interest in learning about how the Alaska Permanent Fund is invested. The students were also able to spend time with each of our asset class directors and glean insights from our team about best investment management practices. Angela Rodell, APFC's CEO, remarked that "APFC looks forward to continuing to partner with the schools and students here in Alaska and provide internship and career opportunities in the finance industry."

Staff provided an update on the In-state Emerging Manger Program. Responses to the RFI issued by the Corporation are currently in the process of being vetted. Ultimately, the program structure will be such that the third-party manager will be responsible for analyzing Alaskan private markets opportunities and making funding decisions within the \$200 million program allocation.

A decision was made to revitalize the Trustees Paper program and develop an educational paper on how other Sovereign Wealth Funds are carrying out mandates that are similar to those of the Alaska Permanent Fund particularly with regards to a rules-based deposit and withdrawal structure.

Finally, the Board of Trustees agreed on names for the new meeting center that was built to accommodate Board meetings, training sessions, and provide functional meeting space:

- Klukwan Meeting Center: translated to mean the "eternal village" in recognition of the enduring vision of the Alaska Permanent Fund and the importance of coming together as a whole both in the past and in the future for all Alaskans.
- Dave Rose Board Room: in recognition of the first Executive Director of APFC and the role he played during the formative days of the Fund.
- Alpha Conference Room: in recognition of the daily dedication of APFC's staff to strive for top financial performance in managing and investing the Fund.

The next quarterly meeting of the Board of Trustees will be held on May 22-23, 2019 in Juneau, Alaska.

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