



Board of Trustees

Special Meeting

April 26, 2019

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# 01\_Agenda

**SPECIAL MEETING OF THE BOARD OF TRUSTEES**

Telephonic

**Friday, April 26<sup>th</sup>, 2019****10:00-11:00am****Webinar Access (click link to join webinar)***Join via WebEx and enjoy the ability to listen on your computer and follow presentations:*<https://alaskapfc.webex.com/alaskapfc/onstage/g.php?MTID=e51203ffb63259d929f138194ffc93ee2>**Teleconference Option***If you are unable to join via webinar, please contact us at  
(907) 796-1515 to receive a teleconference number***AGENDA****FRIDAY, April 26<sup>th</sup>, 2019****10:00 a.m. CALL TO ORDER****ROLL CALL (Action)****APPROVAL OF AGENDA (Action)****OPPORTUNITY FOR PUBLIC PARTICIPATION****10:05 a.m. IFSWF ANNUAL MEETING DISCUSSION****IFSWF ANNUAL MEETING SPONSORSHIP and BUDGET (Action)****10:50 a.m. TRUSTEE COMMENTS / FUTURE AGENDA ITEMS****10:55 a.m. ADJOURNMENT****NOTE: TIMES MAY VARY AND THE CHAIR MAY REORDER AGENDA ITEMS  
(Please telephone Rachel Price at 907.796.1518 with agenda questions.)**

## **02\_Presentation - About IFSWF**



APFC

ALASKA PERMANENT  
FUND CORPORATION

# About IFSWF

Friday, April 26<sup>th</sup>, 2019

# International Forum of Sovereign Wealth Funds (IFSWF)

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- May 2008
  - Establishment of the International Working Group of SWFs (IWF). The Alaska Permanent Fund was part of this effort.
  - IWF released the Generally Accepted Principles and Practices for Sovereign Wealth Funds (the Santiago Principles)
- April 2009
  - IWF became the International Working Group of Sovereign Wealth Funds (commonly referred to as the forum).
- IFSWF is a voluntary group of SWFs that meet to exchange views on issues of common interest and to facilitate an understanding of the Santiago Principles and SWF activities.

# Santiago Principles

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- Voluntary framework of 24 principles, with transparency cutting across all areas
- Emphasize that SWF operations should be consistent with a sound macroeconomic policy framework and that SWFs should invest on economic and financial rather than political grounds.
- Commit SWFs to greater disclosure of financial information, which can help reduce uncertainty and potential financial market volatility.
- Aim to maintain a stable and open global financial system and reduce protectionist pressures.
- Promote a better understanding of SWFs institutional and operational practices, and provide a strong incentive to SWFs to hold themselves to high standards.

# APFC's Role in the Forum

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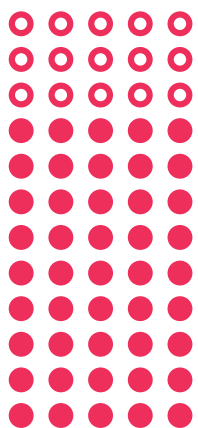
- APFC was a founding member of the IWG and the Forum; completed self-assessment on the implementation of Santiago Principles in April 2010.
- APFC has become a respected Forum member, espousing the merits of commercial investment decisions, sound management practices, and transparency.
- In 2018 Angela Rodell was elected Deputy Chair, to assume the role of Chair in 2021.



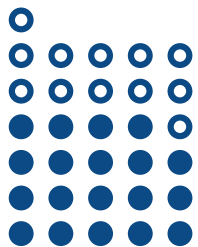
# 1. Beyond the Horizon: Sovereign wealth fund direct investments in 2017-2018

## Infographic 1 IE Sovereign Wealth Research Map 2018

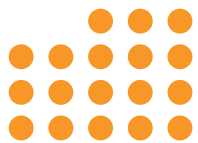
**ASSETS UNDER MANAGEMENT**  
(US\$ BILLION)



**60**  
**PRE-2010 SWFS**  
15 IFSWF MEMBERS



**31**  
**NEW SWFS**  
(2010-2016)  
12 IFSWF MEMBERS

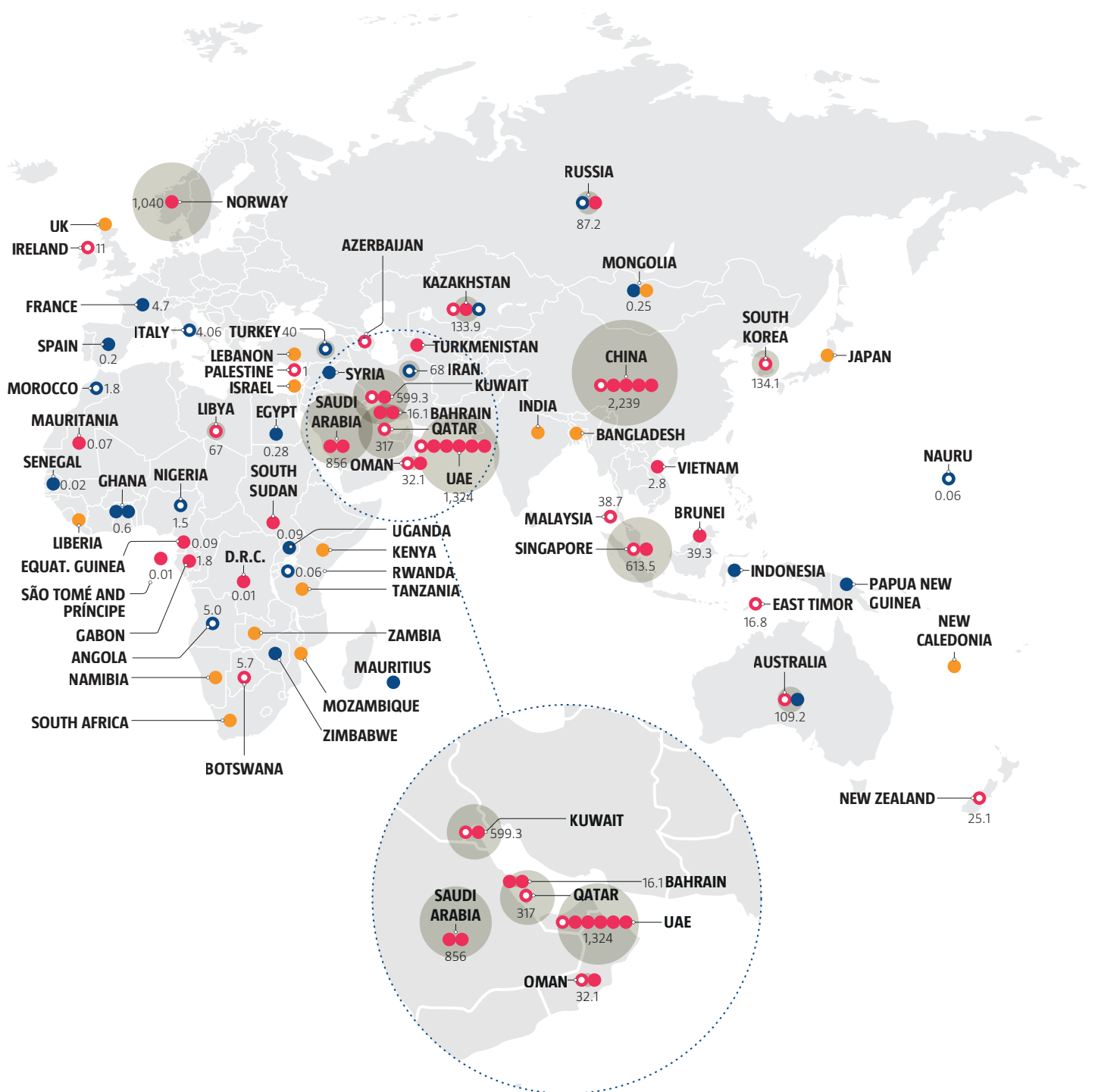


**18**  
**COUNTRIES**  
**CONSIDERING**  
**SWFS**



Currently, there are 91 active sovereign wealth funds, one less than in our 2017 Ranking. 61 countries have established at least one SWF, four more than a year ago. The Middle East, China, Southeast Asia and Norway are the four most active poles of SWFs. Assets under management totaled \$8.1 trillion. SWFs have widely spread in recent years: since 2010, 31 new funds have been established. Other 18 countries are actively considering establishing a SWF. Debates over new SWFs are growing in Sub-Saharan Africa and the Caribbean. Thus, in 2018, there are more than 105 operating or prospective-SWFs. 27 SWFs are members of the International Forum of Sovereign Wealth Funds.

Source: IE SWLab SWF Tracker (2018).



# IFSWF Benefits

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- Research
  - Provide research resources to members
  - Recent papers include:
    - “Enhanced Asset Utilization to Improve Portfolio Returns”
    - “Dealing with Disruption: IFSWF Annual Review 2017”
  - Available on public website [www.ifswf.org](http://www.ifswf.org)
- Global Profile
  - Has raised our profile with international asset managers
  - Increased flow of global investment opportunities for the fund
    - Roughly 32% of fund invested outside of the USA

# Annual Meeting

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The Annual Meeting is the one time each year for membership to gather in person, discuss initiatives, and promote collaboration and transparency.

## Past Meeting Locations Include:

- 2015 – Milan, Italy
- 2016 – Auckland, New Zealand
- 2017 – Astana, Kazakhstan
- 2018 – Marrakech, Morocco
- 2019 – Juneau, AK, USA
- 2020 – Baku, Azerbaijan
- 2021 – To be selected at the 2019 Meeting

2019 is the first time the meeting will be held in the U.S.

This meeting provides an avenue to showcase Alaska, and the Arctic, as a place to invest.

14/20

## 03\_Department of Law Memo 4.22.19

# MEMORANDUM

## State of Alaska Department of Law

TO: Craig Richards, Chair;  
Angela Rodell, Director  
Alaska Permanent Fund  
Corporation

DATE: April 22, 2019

FILE NO.: JU2014200982

FROM: Bill Milks  
Assistant Attorney General  
Department of Law

TEL. NO.: (907) 465-3600

CC: Chris Poag  
Counsel  
Alaska Permanent Fund  
Corporation

SUBJECT: APFC as host to International  
Forum of Sovereign Wealth  
Funds

### I. SUMMARY

The Alaska Permanent Fund Corporation (“APFC”) asked for our advice about issues relating to the APFC’s hosting of the International Forum of Sovereign Wealth Funds (“IFSFW”) conference to be held in Juneau in September. The issues relate to the use of state funds for the conference and the receipt of contributions to cover expenses for the conference. As set forth below, we believe the APFC is able to act as a facilitator to receive the contributions for conference expenses and we recommend that any state funds expended be used for certain specific conference expenses.

### II. FACTUAL BACKGROUND

The IFSWF is a voluntary organization of global sovereign wealth funds. The APFC is a founding member of the IFSWF and this year it will be the host of the eleventh annual meeting of the organization to be held in Juneau on September 10-13. As the host, the APFC has been involved in planning events supporting the meeting including dining, networking activities, and entertainment options such as whale watching. The APFC has notified investment organizations of the opportunity to contribute to the cost of the IFSWF conference. Communications to investment organizations regarding contributions make clear in writing that contributions should not be construed as a benefit or gift to the APFC, director of the APFC, the State of Alaska, or in any way related to investment decisions by APFC on behalf of the Fund. The APFC plans to place the contributions in a fund, use them for conference expenses, and return the remaining funds to the contributors on a pro-rata basis.

### III. LEGAL BACKGROUND

The Alaska Constitution provides that an expenditure of state funds must be for a public purpose and the Alaska Executive Branch Ethics Act addresses the receipt of gifts by state officials.

Art. IX, § 6 Public Purpose. No tax shall be levied, or appropriation of public money made, or public property transferred, nor shall the public credit be used, except for a public purpose.

AS 39.52.130(b) Notice of the receipt by a public officer of a gift with a value in excess of \$150, including the name of the giver and a description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt

- (1) if the public officer may take or withhold official action that affects the giver; or
- (2) if the gift is connected to the public officer's governmental status.

### IV. ANALYSIS OF ISSUES

After consultation with the APFC, the following issues have been identified:

**First, must contributions received for the cost of the conference be appropriated? No.** An appropriation is not necessary because the contributions are being made for the purpose of offsetting expenses of the IFSWF in conducting its annual conference in Juneau, will be placed in an account for that purpose, and funds remaining after the conference will be returned to the contributors. This is in contrast to contributions received by the state for the purpose of funding a state program or to construct a state building, which would likely require an appropriation to be expended.<sup>1</sup>

**Second, if contributions received by the APFC result in a reduced expenditure of public funds for the conference – does this result in a gift to the state that should require an appropriation? No.** As set forth above, because the contributions will be made for the purpose of covering expenses of the IFSWF conference rather than funding for a state program or state project, the contributions should not be considered a gift to the state that must be appropriated. As a cautionary approach, however, any contributions in excess of \$150 that are applied to offset the expenses of the IFSWF conference in lieu of state funding could be disclosed pursuant to

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<sup>1</sup> See Art. IX, sec. 13 (expenditures from the treasury must be made by appropriation).

the Executive Branch Ethics Act gift provision.<sup>2</sup> We note that disclosing the receipt of contributions for the conference does not mean the contributions are subject to appropriation. Only money withdrawn from the state treasury is subject to the Constitution's appropriation clause.<sup>3</sup>

**Third, do you recommend certain limitations on the use of state funds for the conference? Yes.** We recommend that any state funds expended for the conference be used for expenses directly related to the presentation of the educational material provided by the IFSWF at the annual meeting. As set forth above, state funds should only be used for expenses that reasonably serve a public purpose.<sup>4</sup> Thus, examples of conference expenses that reasonably fit within the public purpose requirement include the cost of renting facilities for the conference. Conference programs that are properly funded by contributions include entertainment programs after each daily educational program.

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<sup>2</sup> See AS 39.52.130(b). This is recommended as a cautionary approach. It is not clear that the Ethics Act gift provision would necessarily apply to this set of facts because the contributions would be made to cover the cost of the IFSWF conference and not a gift to a state official. Nonetheless, the APFC may want to take this cautionary approach.

<sup>3</sup> See Art. IX, sec. 13

<sup>4</sup> See Art. IX, sec. 6 (the expenditure of public monies should be made for a public purpose).

# 04\_Master IFSWF Budget Spreadsheet

# Event Budget: IFSWF Annual Meeting

	Budgeted	Estimated	Actual
<b>Total Expenses</b>	\$ 275,000.00	\$ 259,620.00	\$ 14,862.50

<b>Catering</b>	Estimated	Actual
Breeze In (breakfast)	\$ 21,000.00	
Delivery Fee, Cent 8%	\$ 1,765.00	
Dinner 1	\$ 11,000.00	
18% Service Charge	\$ 1,980.00	
Dinner 2	\$ 15,000.00	
Dinner 3	\$ 18,000.00	
Tour Day	\$ 11,000.00	
<b>Total</b>	\$ 79,745.00	\$ -

<b>Event Spaces</b>	Estimated	Actual
Centennial Hall	\$ 9,900.00	\$ 9,900.00
APK	\$ 5,100.00	\$ 4,962.50
Elizabeth Peratovich	\$ 5,000.00	
Tracy's Crab Shack	-	
Governor's Mansion (SALT)	-	
<b>Total</b>	\$ 20,000.00	\$ 14,862.50

<b>Tours</b>	Estimated	Actual
Walking Tour	\$ 500.00	
Tram Tour	\$ 1,750.00	
Hatchery	\$ 1,500.00	
Glacier Gardens	\$ 1,500.00	
Glacier	\$ 1,875.00	
Networking Day	\$ 43,750.00	
<b>Total</b>	\$ 50,875.00	\$ -

<b>Security</b>	Estimated	Actual
JPD		
Bootlegger	\$ 15,000.00	
Goldbelt		
<b>Total</b>	\$ 15,000.00	\$ -

<b>Décor</b>	Estimated	Actual
Flowers	\$ 20,000.00	
Linens	\$ 1,000.00	
Staging		
<b>Total</b>	\$ 21,000.00	\$ -

<b>Entertainment</b>	Estimated	Actual
Dance Group	\$ 3,000.00	
Choir	\$ 2,000.00	
Art in Spaces	\$ 2,000.00	
Bluegrass/Country Band	\$ 1,000.00	
<b>Total</b>	\$ 8,000.00	\$ -

<b>A/V</b>	Estimated	Actual
Photographer	\$ 3,000.00	
Videographer	\$ 3,000.00	
Equipment at all spaces	\$ 7,000.00	
Charging Hub	\$ 1,000.00	
Media Room Set Up	\$ 3,000.00	
<b>Total</b>	\$ 17,000.00	\$ -

<b>Misc.</b>	Estimated	Actual
Printed Materials	\$ 6,000.00	
Event Planner	\$ 26,000.00	
Conference Bag	\$ 5,000.00	
<b>Total</b>	\$ 37,000.00	

<b>Transportation</b>	Estimated	Actual
Taxi	\$ 2,000.00	
Tour Buses	\$ 8,000.00	
Juneau Limo	\$ 1,000.00	
<b>Total</b>	\$ 11,000.00	

<b>Fundraising</b>	Estimated	Actual
Manager 1	\$ 25,000.00	
Manager 2	\$ 25,000.00	
Manager 3	\$ 25,000.00	
Manager 4	\$ 25,000.00	
Manager 5	\$ 25,000.00	
Manager 6	\$ 25,000.00	
Manager 7	\$ 25,000.00	
Manager 8	\$ 25,000.00	
Manager 9	\$ 25,000.00	
Manager 10	\$ 25,000.00	
<b>Total</b>	\$ 250,000.00	\$ -