

News Release

For Immediate Release: December 14, 2023

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APFC BOARD OF TRUSTEES APPROVES GOVERNANCE POLICY UPDATES AND SEEKS PUBLIC INPUT ON STRATEGIC PLAN

JUNEAU – The Alaska Permanent Fund Corporation (APFC) Board of Trustees conducted their quarterly meeting on December 13th and 14th to review the performance updates for the first quarter of FY24. The asset class directors reported on staffing and strategy, and the board members were briefed on the future use of AI in the workplace. During the meeting, the Board discussed three action items. They approved a governance policy to simplify the Executive Director evaluation process and noted the need for additional consideration of both the strategic plan and Trustee Paper #10 which will be forwarded to the February 2024 meeting.

Governance Action on the Executive Director’s Evaluation Process

The Board approved a recommendation from the Governance Committee to simplify the review process for the Executive Director.

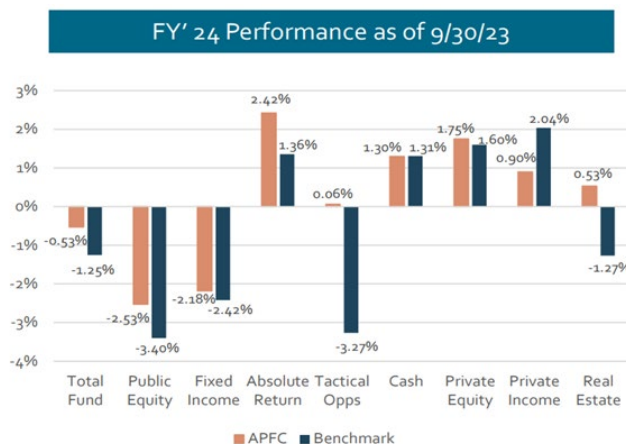
"We value our staff and employees and recognize the importance of safeguarding and investing in their success. To this point, we want to institute protections – at the APFC governance and Alaska legislative levels - to guarantee the privacy and security of personnel records across the Corporation. This is widely recognized as fundamental for ethical and secure employment management," noted APFC Board Chair Ethan Schutt.

The updates to the Governance Charters allow more candid feedback and participation with a verbal review during an executive session. Read the Fund News piece here: apfc.org/fund-news/simplification-of-the-executive-director-review-process/.

CIO Reflects on the First Quarter Earnings and Market Conditions

Marcus Frampton, APFC Chief Investment Officer, reported on the Fund’s positioning, performance, and investment actions during the quarter. Q1 performance for FY2024 is strong, however, it’s important to note persistent market volatility which reinforces the importance of the long-term investment horizon of the Fund’s portfolio and the diversification of assets. Marcus reported strong outperformance in nearly every asset class.

"I am very pleased with the Fund’s performance in the first quarter," remarked Frampton. "The volatility over the last few months represents a very short period; portfolio managers continue to work toward maximizing returns for the long run.



Report from Callan on Performance

Callan discussed APFC's performance and capital market projections. The report indicated the Total Fund outperformed the performance and passive index benchmark; however, the Fund trailed behind the CPI+5 (Consumer Price Index – or inflation – plus 5%) goal.

APFC Technology's AI Roadmap

Scott Balovich, APFC Chief Technology Officer, and George Zinn, a member of the Investment Advisory Group, presented on AI, the implications of AI in the workplace, and APFC's future use plan to utilize AI for streamlined data collection.

The Board underscored the impact of AI with robust discussion. Balovich noted in his presentation that as AI matures, risk appetites for AI expand, and use cases emerge, APFC will see increasing use of the ecosystem for the entire office.

Progression on the APFC Strategic Plan

The Board reviewed the proposed strategic plan, taking the opportunity to consider the timing and parameters of the initiatives. Trustees determined that the plan warranted additional refinement along with an opportunity for public comment. A process for public comment will be implemented in January, in anticipation of the February 2024 quarterly meeting.

Deven Mitchell, Chief Executive Officer, remarks that he “appreciates the candid discussion on the strategic plan from the Board and their commitment to serving Alaskans by ensuring there’s adequate time for public engagement.”

The next meeting of the Board of Trustees will be the quarterly meeting in February 2024 in Juneau and via WebEx. Meeting information can be found at <https://apfc.org/the-board-of-trustees/board-of-trustees-meetings/>.

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