

## PUBLIC COMMENT

### Board of Trustees Proposed 2024 Strategic Plan

The public comment period commenced on the Strategic Plan on January 24, 2024, and, at the request of the public and Trustees, was extended through February 14, 2024. Comments have been posted daily on [apfc.org](http://apfc.org).

Public comments are accepted year-round via email [boardpubliccomment@apfc.org](mailto:boardpubliccomment@apfc.org), and in-person or over phone at the start of every meeting of the APFC Board of Trustees.

01-26-2024 at 5:23 a.m.

Subject: **100 billion plan**

Sender: **Jeff Lebegue**

Location: **N/A**

Ponzi has a better plan; why don't you try that?

01-26-2024 at 6:17 a.m.

Subject: **APFC 2024 Strategic Plan Comments**

Sender: **David Popiel**

Location: **Anchorage**

Hello,

The following are my comments on the APFC 2024 Strategic Plan.

- Growth target of 100 billion: I do not support this as a goal of the Fund as stated. The number feels arbitrary and sets up a range of conditions and parameters that encourage a riskier investment approach. I prefer a growth percentage approach that is pegged to inflation and a conservative Fund growth goal above that. I would expect that goal to be some sort of consensus pulled from a group of benchmarks from similar funds and growth projections of the market writ large. The big number approach strikes me as unconsidered and almost wanton. This is serious business and ambition for ambition's sake is no way to approach using other people's money.
- For a plan that is intended to benefit the citizens of Alaska, the plan as written is almost incomprehensible. The choice of words to describe what the plan wants to do reads like the script to a TV show parodying financial bros. Next time you do this, please hire an editor and write it with all citizens of Alaska in mind.
- I do not support the borrowing of funds to grow the APF. I support a conservative management strategy that reduces risk and grows the fund at a steady rate. I think of it like my 401k where I select a couple diversified portfolios of stocks based on risk level. I do not select the high risk-high reward portfolios because I'm not in a rush to make a bunch of money and do not want to unnecessarily risk losing what I have made. The idea of borrowing money to quickly grow my retirement savings doesn't align with the intended goal of saving money. Leveraging

my money means unnecessarily risking it. For a fund this large that is doing so much work for our State, I do not think adding risk to it is a good course of action. All that said, portions of the Fund are already leveraging their funds. Based on the performance of the Fund, I do not think that additional leveraging of funds is needed. And again, lose the jargon, it has the vibe of trying to mask what you're doing with a bunch of multisyllabic words that are more confusing than explanatory.

- I emphatically do not support making statutory changes to allow for a more leveraged management of the Fund. Using the law to support a riskier investment strategy seems unnecessary. The Fund has functioned well and provided substantial profits under the current statutory framework, I do not see a need for a change, specially on a statutory level.

- Regarding the 'alpha' gibberish, please just say you want to hire an additional employee (FTE) to focus on private equity and direct investment. Seriously, the words you folks are using, it's approaching comical.

- In regards to Corporate Functionality, for the third time, simplify the language. I support offering additional compensation to employees of the AFPC. In order to perform well, the Fund needs to be competitive in hiring qualified personnel to do the work. I also support upgrading the data infrastructure for the Fund. I am undecided on the Open Meetings Acct changes proposed. I am not in support of satellite offices for the Fund.

- In regards to the communications plan, I am in full support of this if no one who was involved in writing the current Strategic Plan is involved in crafting the new Communications Plan. I understand the investing is complicated and the Fund is doing technical and complicated work but it can be explained in simpler and more understandable terms. It will be difficult but I believe it can be done by people who are well versed in the work of the Fund and also retain a connection to the English language as used by the majority of the population.

Thank you,

David Popiel  
Anchorage, Alaska

01-26-2024 at 8:07 a.m.

Subject: **Borrowing funds**

Sender: **Francis Adams**

Location: **N/A**

The Permanent Fund Corp. should not borrow any amount.  
Thank you for your attention.

01-26-2024 at 10:03 a.m.

Subject: **Borrowing money to invest is a bad idea**

Sender: **Scott Hayden**

Location: **Anchorage**

Borrowing money to make investments for the Permanent Fund is a bad idea. It is essentially gambling with the public's money. No matter how well informed the gamble is, it is risky.

The Board of trustees wisely decided not to pursue more risky investments in pursuit of higher returns. Borrowing is also risky, and it should also be abandoned.

To my Senator and Representative: If you want to invest in something that has proven returns, invest in education.

01-26-2024 at 8:24 a.m.

Subject: **Borrowing money -**

Sender: **Matt Kato**

Location: **N/A**

If the legislature approves borrowing money to speculate with what collateral will the lender likely require?

Why not just buy lottery tickets? No collateral and likely cheaper.

I hope to hear back, Matt Kato

01-26-2024 at 11:41 a.m.

Subject: **Commenting on the proposed strategic plan for the Permanent Fund future investments.**

Sender: **Richard Seifert**

Location: **Fairbanks**

My name is Richard Seifert, and I reside at XXXX Fairbanks. I am a fifty two year resident of the state, and proudly so. I voted for the Permanent Fund's initial establishment, and I have continued to be an intense student of the fund. It is unequivocally the single most important and best political idea the state has ever had, and has amply demonstrated that fact over the years. Now we rely on it more than ever, so your decisions are daily becoming more crucial.

However: this latest concept to put a substantial amount of the fund at an unusual and dangerous level of risk, and justifying that move as capable of raising the corpus of the fund to \$100 billion dollars is well, fanciful, if not a fairy tale. I know that greed and fear are the quintessential emotions on Wall Street, and I see that the Permanent Fund board is not immune to these factors. So I assert up front that this is not only too risky for the most important key to our future political and economic security, but it is simply unwise, not conservative, and seems to reflect the thinking of a sports bookie.

You are monkeying (and I specifically chose that word), with the greatest idea the state has ever had and putting all of us, the PFD, and the political economy of the state at unnecessary risk. As a long time investor at a lot of levels for my self, I would never conceive of doing what you propose, and advise you to abandon this utterly risky scheme as the wisdom of a grasshopper, as in the old folk tale.

I come from a farming family. This concept is much like a farmer who borrows ten percent above his last crop gains and says, "I'll just count on the weather being 10% better, and I will have NO. unforeseen problems. No farmer I know or knew would EVER do that

The permanent Fund is a great thing, and also teh single most important capital source and beneficial creation our state has ever afforded. It needs your care and protection and very careful oversight, not outlandish proposals to put much of it at risk. Can any of you individually say you would do this in your own lives? If so , I question your ability to manage our huge wonderful Permanent Fund wisely.

That is all I have to say.

01-26-2024 at 9:31 a.m.    Subject: **Proposed strategic PF plan**    Sender: **Kathrin McCarthy**    Location: **Juneau**

The only thing I like about this proposed strategic plan is more public involvement and information to Alaskans. That is more transparency. Because Governor Dunleavy's is fundamentally underhanded and not transparent, his appointments, his tendencies toward secrecy and support for right wing extremism and political friends, thoughtful moderate members of the Alaska public do not trust him or anyone he appoints. The AKPFB needs to earn Alaskan's trust. Until the Alaska public trusts the board and what i is proposing, there will continue to be opposition to it

The Permanent fund is earning and the big borrowing proposal that is and was deemed risky by other investors should be junked.

On another note, comments by board member. Gabriell Rubenstein about the plan to grow the PF to 100 billion, "as her baby" are vexing and annoying. This young woman has big ideas and maybe not big enough britches to realize these plans.Her ego centered attitude and presentation do not come across well with people who want the best for the PF and Alaska.

Sincerely,

01-26-2024 at 8:38 a.m.    Subject: **Public Comment – 2024 Strategic Plan**    Sender: **Jill Parson**    Location: **Big Lake**

Borrowing money to "invest" is absurd. The Permanent Fund has done well by investing existing funds and should not change that approach. Yes, it would be great to reach \$100 billion in 2-3 years but borrowing money to invest in hopes of getting to that goal in a shorter time is not wise. Please concentrate on investing our existing dollars, not by borrowing to hopefully improve that track record. We don't need that risk.

01-26-2024 at 7:25 a.m.    Subject: **Public Comment – 2024 Strategic Plan**    Sender: **John Dickerson**    Location: **N/A**

“Tactical leverage at the fund level” is finance-giberish for risky investment strategies that have no place in a publicly owned fund. Keep it simple and keep it safe.

01-26-2024 at 6:13 a.m.

Subject: **Public Comment – 2024  
Strategic Plan**

Sender: **Roger Imhoff**

Location: **Homer**

I am opposed to the PF borrowing such a large sum to supposedly time the market for anticipated gains. It has been my experience as an investor in my own PF that crystal ball reactions rarely work and often the market doesn't respond in the forecasted direction.

01-26-2024 at 6:28 a.m.

Subject: **Public Comment – 2024  
Strategic Plan**

Sender: **David Shoup**

Location: **N/A**

Do not borrow the money. It's a bad idea.

01-26-2024 at 4:54 p.m.

Subject: **Comment on strategic plan**

Sender: **John Boyarsky**

Location: **North Pole**

Hello,

This is all happening too fast, and without clear, PLAIN LANGUAGE explanations of what is to be done.

You need to do more outreach and explaining of EXACTLY what you plan to do in CLEAR, PLAIN language that average Alaskans can understand.

I have Masters in Education and wide vocabulary, and understanding half of your proposal was difficult for me at best. I can imagine it would be IMPOSSIBLE for the averagely educated alaskan to understand.

This proposal should NOT happen until it has been explained to the Alaskan people in CLEAR, SIMPLE language. Please leave the business lingo and money-market-speak out of it.

Spend some of that advertising money on someone who can write in CLEAR SIMPLE English.

Thanks!

John Boyarsky

North Pole, Alaska

01-26-2024 at 7:07 p.m.    Subject: **Comment on strategic plan**    Sender: **Ronald Johnson**    Location: **North Pole**

Our AKPF is a testament to wise legislators and a governor to do what is unthinkable ro many elected officials. Invest prudently so. that. future generations can benefit.

What the governor and the PF is now considering goes in the opposite direction. It is far-fetched at best to think that you can do better. Than Warren Buffet and other sages and actually safeguard our \$ 70B + nestegg while. beating the market.

IF you are so much wiser than everyone else, why not borrow \$ 50 B?

DO NOT GO DOWN THIS INSANE PATH FOR THE SAKE OF ALL ALASKANS.

--

Ron Johnson  
Professor Emeritus

01-26-2024 at 8:39 p.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Bob Bay**    Location: **N/A**

This plan is a bad idea. Can we skip the strange verbiage and speak English please? I am against trying to to borrow money to beat the normal margins of return. Did we learn anything from the 1930's depression? No, I guess the current trustees of the fund are going to repeat history.

Bob Day

01-27-2024 at 8:19 a.m.    Subject: **Transparency**    Sender: **Mannfried Funk**    Location: **Homer**

All matters regarding our state government must be kept as transparent as possible and that includes the names of applicants interested in managing or being involved in anyway with our permanent fund.

01-27-2024 at 9:29 a.m.

Subject: **Public comment on APFC hiring practices**    Sender: **Molly Sherman**

Location: **Fairbanks**

Good Day,

My comments, strong opposition to your intention to change the hiring practices for the director and chief executive officer - essentially making the hiring for these positions more secretive & less transparent to the public are as follows:

- disclosure of the affairs of our government strengthen its important institutions and thus the APFC is more durable and able to withstand the ever changing winds of political action when their hiring practices are transparent to the public
- an open selection process for high public officials is particularly important and in the public interest, especially as these positions are ultimately at the Governor's discretion for appointment
- certainly a few select issues, such as salary and benefits, do not need to be openly discussed but,
- as a lifelong Alaskan I am interested in and entitled to hear applicants talk about how they will approach this very complex and important job. To listen to their knowledge, their commitment to Alaska's wellbeing and the long term wealth of this unique state is essential to my trust in our state and The APFC.

Thank you for taking the time to read and deeply consider my points in opposition to changing the current state law.  
Molly Sherman

01-27-2024 at 10:05 a.m.

Subject: **Strategic Plan**    Sender: **Katie Sanders**

Location: **Fairbanks**

I am opposed to changing any state law to keep the names of applicants for Alaska Permanent Fund executive director or chief investment officer positions. This process needs to be kept as transparent as possible.

Thank you for your time.  
Katie Sanders, Alaskan resident since 1956

01-27-2024 at 10:15 a.m.    Subject: **Trnsparency at the permanent fund**    Sender: **Anne Ruggles**    Location: **Fairbanks**

Dear Trustees,

I am opposed to increasing secreacy at the Permanent Fund Corporation, and government generally. I oppose keeping the names of applicants from the public. O would also prefer if applicants to membership on the Board were subject to legislative approval. These are public posotions, paid from public funds, performing i portant public functions. The process of selecting them should be open to public scrutiny.

Sincerely

Anne Ruggles

01-27-2024 at 11:10 a.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Francis Adams**    Location: **N/A**

Disclosure of applicants' names must remain public information. This ensures a truly public process with no perception of secrecy. Thank you for your attention.

01-29-2024 at 12:23 p.m.    Subject: **input on proposed strategic plan**    Sender: **David Tallmon**    Location: **Juneau**

Dear APFC Board-

I do not support the APFC borrowing large sums of money for high risk investments as described in the most recent proposed strategic plan. This is an unwise idea. The Permanent Fund is very important to the future of Alaska and should not be jeopardized by borrowing large sums of money to invest in high risk investments. Keep it conservative and safe for future generations of Alaskans.

Thank you,

David Tallmon  
Juneau, Alaska



01-29-2024 at 2:03 p.m.

Subject: **Comments on APFC Board of  
Trustees 2024 Strategic Plan**Sender: **Barry Santana**Location: **Wasilla**

Thank you for the opportunity to comment on the details of the proposed Plan. It is encouraging to see that you are promoting **transparency** in two of your goals. This is essential in a public entity like the PF. You also mention **clarity** in developing the strategic plan. I found this document to be the **opposite of clear** for most Alaskans. The time frame for comments on Strategic Plan, 10 days, is exceedingly short and will likely restrict the number of comments on this important topic.

I have been an investor in stocks, bonds and mutual funds since arriving in Alaska in the mid-1970s. I struggled to understand much of what you were attempting to communicate. I would suggest this is too verbose with too much industry jargon and too many catchphrases. You must simplify what you propose to communicate with Alaskans to provide clarity. My specific comments:

- Growing the Fund. That's a good plan, but do you really need to propose a 28% increase over the current value as a short term goal (\$78B to \$100B)? Annual growth of 10 to 15 percent may be difficult based on the Fund's recent 3 year return. Keep the risk low; this is a public fund with an endowment structure.
- Use of Leverage to speed up growth? Don't get greedy, the risk is too high. You state leverage is currently available at the **asset level** and that leverage magnifies risk. We do not need **PF level** leverage in a public fund that has worked well in past years; **statutory** change in an effort to juice returns would be catastrophic. In my experience, more risk is guaranteed to create losses in a down market, no matter the asset. Legislature BEWARE.
- Outperformance through generation of alpha! Steer clear of thinking you are a leading private market investor when investing public money. Save that thought for your individual portfolios. Year-to-year performance for the Fund the last couple of years doesn't look that great to me. Maintain direct investing in private markets to the exposure you have had over the last 10 years. Abandon the strategic plan developed recently for the Private Equity portfolio and forgo build out of your Private Equity team (including the hire of another FTE) and the substantial resources you envision purchasing. Maintain the team and resources utilized pre-pandemic that proved successful.
- Developing asset class-level strategic plans aligned to the goal \_ If you go forward with whatever this means and Mr. Frampton's investment philosophy for the fund, I hope you remember to abide by this sentence in the Plan: "As a **public fund** with a range of stakeholders, it is **important that Staff is transparent about the strategies** they are pursuing with Fund capital."
- Improve Corporate Functionality Initiatives. **Maintain the Open Meetings Act**. Management of a public fund is no place for secrecy. No more talk of holding meetings outside the state in secret to evade the Open Meetings Act. I **do not agree** with your position that **state law needs to be changed** to allow potential applicants for CEO and CIO of the PF to remain confidential and avoid provisions of the Open Meetings and Public Records Acts. The list of candidates and interviews of the finalists should **not** be confidential. This is a public fund and **transparency** is paramount. The public should hear applicants discuss their approach to the

job. Key Person Risk/Additional Incentive Compensation Structure. This needs to be handled prudently. We don't need intense competition for compensation to cause employees to recommend risk beyond the norm striving for better returns, expecting higher compensation. The subject of staff spread around the state and assessing benefits of satellite offices to expand APFC's presence in high-dollar financial markets eludes me. If an employee wants to work for APFC, they should commit to working in Alaska. The fact that the trustees appear to be increasing overhead with an additional office in Anchorage appears to have a different agenda than keeping expenses for the Fund low. The same for funding satellite offices in expensive financial centers. To me this reeks of a boondoggle and is plain and simple waste. I support enhancing data management capabilities and the required technology and tech support.

- Optimal Structure of the PF. It would be wise to review modern endowment principles. Consideration of reducing the POMV from 5% to 4% would be in line with other endowment funds. I believe the current two-account structure has been effective in keeping the Fund from having the principal spent. We are dangerously close now to not being able to afford the 5% POMV draw for state services. If the governor or legislature decides to start spending the principal, all hope for future generations and the Alaska Permanent Fund is lost

I have a few other thoughts I would like to share on the current structure of the Fund.

- The governor currently selects all 6 members of the Board of Trustees with minimal constraints other than 2 trustees must be commissioners. I believe that Legislature oversight to the selections would be beneficial. The governor-selected trustees should be confirmed by the legislature in an effort to provide a Board with the best financial and investment acumen available in the state.
- Continue to inflation proof the Fund as a very high priority.
- Trustees as well as CEO and CIO officers need to be the best Alaska has to offer. This does not mean the CEO and CIO cannot come from outside, but they should recognize the Alaska PF is managed from Juneau. We need financial and investment qualifications, not legal qualifications.

Barry Santana, Wasilla, Alaska

01-29-2024 at 4:24 p.m.

Subject: **grow fund**

Sender: **Stormy Hamar**

Location: **N/A**

Please continue growing the fund indefinitely.

Plan to give a "sourdough" check out in the future to people who have made the state their home for more than 40 years. This would be on top of their regular dividend.

No dividends for people who have lived in the state less than five years.

Thank you for safeguarding the peoples fund,

Stormy

01-29-2024 at 6:27 p.m.

Subject: **Proposed change to allow the  
PFC to Borrow**

Sender: **Jay Nelson**

Location: **N/A**

PF Board:

What can I say about the idea of borrowing billions to goose the return of the PF? It's a very very very bad idea. The PF is not a hedge Fund. It is a public resource and a public trust. The Permanent Fund should not be invested in ways that might make sense for private investors with money they can afford to lose and with risks they understand. Neither situation holds true for the Alaska public. Stop this unwise and ill-considered idea.

I also think the idea of increasing the number and location of PF offices will raise costs both for office space and for personnel. I don't believe anything in the sketchy strategic plan makes a case for why the expansion of staff and offices is needed. The proposal should not move forward prior to some enlightened discussion with the Legislature and the Alaska public. In any case, it's a puzzling proposal at this time. With many businesses going to virtual offices and widespread use of new communications tools, opening new offices seems rather 20th century.

Finally, allowing nine days for public comment on this proposal is outrageous. Most public comment on significant issues lasts for at least 30 days. There is no particular rush for this harebrained scheme that necessitates such a short comment period.

Thank you.  
Jay Nelson

PS: I have to say that the information provided in support of your borrowing proposal, either inadvertently or by design, was written in unintelligible bureaucratese. There is no way most of the Alaska public would understand the risks of your plan by reading that memo and strategic plan.

01-29-2024 at 9:14 p.m.    Subject: **APFC and Open Meetings Act**    Sender: **Mary Farrell**    Location: **Fairbanks**

Thank you for the opportunity to comment on your 2024 Strategic Plan.

My comment has to do with the Open Meetings Act and your stated goal of exempting portions of your activities from it through a statutory change.

I am in absolute opposition to this idea. The Permanent Fund Corporation is a public entity, tasked with the care and due diligence of the public's fund. There should be no secrecy, only transparency, in their activities. To keep certain things from the public will increase mistrust and lack of confidence in how the organization is being run.

I sincerely hope the legislature does not buy into your arguments for changing state law. All activities covered under the Open Meetings Act should remain as they are.

Thank you.

Mary Farrell  
Fairbanks, AK

01-30-2024 at 10:43 a.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Mike Cottrell**    Location: **N/A**

Please keep the permanent fund going. I need the dividend as part of my income  
Mike Cottrell

01-31-2024 at 6:38 a.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Dean Tampke**    Location: **N/A**

Alaska born and raised... some 59 years..

Tired of the government messing with the PFD. It was NEVER intended to fund the government. Only the people. I do NOT support the idea. It is already invested and should be left alone. As in DO NOT TOUCH. It is for the people of Alaska. Or give us our mineral rights back.

Dean Tampke

01-31-2024 at 7:06 a.m.

Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Connie Barber**

Location: N/A

Absolutely NOT! Not that the government will actually listen to people - but I will at least try.

How about you stop taking money and go back to sharing it with the citizens of this State. Im tired of paying for a government that thinks they can do whatever they want while almost everyone I know is struggling to just pay their personal bills in this economy. I used to use my PFD to pay property taxes- which keep going up- and the PFD keeps going down so the government can get little grasping hands on it to pay for god knows what. The cost of government is crippling- time to cut some employees salaries back to what most people make and see how they like it.

Conni Barber

01-31-2024 at 7:40 a.m.

Subject: **Proposal to borrow billions**

Sender: **Alison Lausten**

Location: N/A

Are you kidding me? The PFD board, made up of political appointees, wants to borrow billions to meet some made up fund goal? Who made that goal? Was it approved by the legislature? The citizens of Alaska?

This is a risky idea, put forward in language that is meant to obscure the real downside of such a gamble. And about that language - really? Who are you talking to? Definitely not the citizens of Alaska, most of whom would be hard-pressed to understand or trust your financial gobbledygook. It is certainly not in keeping with your stated APFC value of Integrity:

INTEGRITY

We act in an honorable, respectful, professional manner that continually earns and justifies the trust and confidence of each other and those we serve.

Do better.  
Alison Lausten

01-31-2024 at 7:50 a.m.    Subject: **Comment**    Sender: **Gregory Eller**    Location: **N/A**

Hello sirs

Please don't borrow money for investment for the permanent fund.

Thank you

01-31-2024 at 9:14 a.m.    Subject: **Permanent Fund Borrowing**    Sender: **Lori Murray**    Location: **Homer**

Good morning,

I want to go on record as opposing allowing the Board to borrow 4 to 8 Billion dollars to invest in order to grow our Permanent Fund. This is way to risky and exposes the fund to too much risk of failure.

Lori Murray  
XXXXXX  
Homer, AK 99603

01-31-2024 at 10:02 a.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Peter Townsend**    Location: **Homer**

To the Board:

I say NO to your 2024 Strategic Plan to borrow billions in an ill-conceived effort to reach a headline-grabbing milestone of 100 billion dollars. Just imagine the headlines that will appear if the market and the Permanent Fund plummets in response to world conflict and turmoil. Return to the days of well-considered, conservative investments made with longterm goals and future generations in mind. Simply having had the Fund's assets invested in three or four index funds would've been far more profitable than what has been achieved in the past year. Your

duty is to safeguard and responsibly grow the fund not for today's highly political governor, but for generations of Alaskans to come. Do your duty.

Peter Townsend  
Homer, AK

01-31-2024 at 2:40 p.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Carrie Harris**    Location: **Anchor Point**

I am Carrie Harris, and Alaskan resident in Anchor Point Alaska. For my public comment it's NO to the borrowing.

01-31-2024 at 4:55 p.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Bill Markis**    Location: **Anchorage**

Just now as the stock markets are at record highs why on earth would you consider using "tactical leverage" to grow the Permanent Fund? Do and think that you that run the Permanent Fund are clever enough to beat the sharks in Wall Street at their own game?

Please do not destroy the Alaskan Permanent by this new risky investment scheme, slow and steady wins in the long run.

Bill Markis,  
Anchorage

01-31-2024 at 8:37 p.m.    Subject: **Comment on Strategic Plan**    Sender: **Randy Lewis**    Location: **Fairbanks**

Thank you for the opportunity to comment on the APFC Strategic Plan. Please discard the idea of circumventing the Open Meetings Act either by meeting out of state or through statutory changes. APFC is a public corporation managing a public fund. Also, please abandon the idea of "leveraging" assets to time the market for greater profit. You remind me of some day traders I know who lost their shirts in the 90s. Keep the investment guidelines conservative please. And finally, opening satellite offices sounds like a waste of money. I have not seen nor heard a convincing argument in favor of doing so.

Randy Lewis, Fairbanks

02-01-2024 at 1:01 p.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Paul Lincoln (John)**    Location: **Newtok**

This is a test for a written comment.

Paul Lincoln (John) -Newtok Alaska

02-01-2024 at 2:35 p.m.    Subject: **New Comment on APFC Board of Trustees Seeks Public Input on Proposed Strategic Plan – Alaska Online Public Notices**    Sender: **Dirk Tordoff**    Location: **Fairbanks**

This is a scheme not a plan.

02-01-2024 at 3:12 p.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Glenn Olson**    Location: **Anchorage**

I totally oppose you risking the corpus of the fund by borrowing billions of dollars. Are you fools or just plain corrupt? And, no we do not need any offices other than the one in Juneau.

Glenn Olson  
XXXX  
Anchorage XXX

02-01-2024 at 12:27 p.m.    Subject: **PFD**    Sender: **Jon & Andy**    Location: **N/A**

The fund should maximize safe investments will minimizes risk. If it ain't broke, don't try to fix what's working now. Thanks, Jon & Andy

02-01-2024 at 12:15 p.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Carol and Andy Klamser**    Location: **Homer**

We oppose your plan to borrow funds in order to accelerate growth of the fund.  
We oppose it because we do not trust the current board. We'd also like to point out that if you really want public input you need to actually publicize the issue



you are seeking comment about, not just put a notice on your website.

Carol and Andy Klamser  
Homer

02-01-2024 at 10:56 a.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Barbara Burch**    Location: **N/A**

The Strategic Plan for the Permanent Fund doesn't state anything about what will be done with the fund once it has grown to \$100 billion. This plan, in my mind, is not complete. It has no specific plans for doing the work that is show on the plan. As far as I am concerned it is all nice and pretty but really says nothing about how the fun will specifically grow and what will be done with the fund. I want to know what the fund is going to be used for specifically. Where is that information?

02-01-2024 at 10:06 a.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Charles Bettisworth**    Location: **Fairbanks**

I offer the following comments:

- Ed Rasmussen and Dave Rose must be turning over in their graves.
  - The idea of borrowing money to invest makes no sense. This means that the Corporation would have to borrow at substantially lower rates than what you earn...the delta is too small to make much of a difference, and the risk is too great.
  - In my business career, I learned early that you don't borrow money for operating costs...because the interest on that loan eats up your profit.
- You are failing in the goal of "Advance Comprehensive Communications"
  - First: you allowed only 1 week for the public to respond to this new Strategic Plan...this makes no sense!
  - Second: you did not use public media to announce this Strategic Plan.
  - Third: in the Strategic Plan you want to change the law with respect to the Open Meetings Act.

I recommend that the Trustees of the PFC rethink this Strategic Plan.

Charles Bettisworth, Life Long Alaska Resident.

XXXX

Fairbanks, Alaska XXX

02-01-2024 at 10:01 a.m.

Subject: **PFD Investments**

Sender: **Genevieve Holubik**

Location: **N/A**

I concur with David Popiel's analysis and statements, and reiterate Scott Hayden's on investing in education; next to an irreplaceable environment, people are the true resource and education serves them both. I support Katie Sanders and the others who spoke of the vital need for transparency in all levels of government. I saw only one comment I believe that could in anyway be supportive of the proposal and it only addressed the importance of the PFD to the writer's income; same old story, that the PFD was not meant to solve, and that the state is not addressing in any meaningful way except negatively, cutting educational and health care funding and not addressing root causes of inequity and poverty.

Publicize and Extend the comment period; what are you afraid of?

Genevieve Holubik

going on 50 years of Alaska residency

02-01-2024 at 9:57 a.m.

Subject: **Public Comment - 2024  
Strategic Plan**

Sender: **Mark Vail**

Location: **McCarthy**

Five points

#1. The comment period should be extended and better systems for notifying the public of such dynamic changes should be devised.

#2. No attempts to hide from the public the hiring practices and names for members of the board, managers or investment directors, by meeting out of state or any changes in the states open meetings laws should take place.

#3. No borrowing of money to invest for any arbitrary goal. This is a publicly owned fund and should follow prudent investment practices, not headline generating schemes for greedy outcomes.

#4. Curtail the idea of extraneous offices in Anchorage or far flung cities world wide as an excess extravagance.

#5. Yes to continued outreach to the Alaskan public, but please use language better suited to the laymen not generally acquainted with high finances.

Thank you for due consideration of the publics comments as well as my own.

Mark Vail  
McCarthy, Alaska XXXX

02-01-2024 at 9:48 a.m.

Subject: **Public Comment - 2024  
Strategic Plan**

Sender: **Margo Waring**

Location: **Juneau**

I urge the Permanent Fund board to reject the ill conceived effort that puts at risk the Permanent Fund corpus and earnings that both the state and its residents rely on. The APF board, as I understand it from the nearly incomprehensible PF's description, plans to borrow \$4-\$8 billion to put at risk, gambling that the uses to which it will be put will generate adequate returns above costs to create additional income. This theory, while it might be enticing to Trustees, is far too risky for Alaska, putting at jeopardy a key financial piece of funding for Alaskans and Alaskan government services.

I urge rejection of the PF Board's proposal and a clear explanation of downside risk that is comprehensible to Alaskans.

Margo Waring  
XXXXXX  
Juneau, AK

02-01-2024 at 8:40 a.m.

Subject: **Public Comment - 2024  
Strategic Plan**

Sender: **David Quisenberry**

Location: **Juneau**

The 2024 Alaska Permanent Fund Strategic Plan needs additional work. One of the stated goals of the Plan is to educate the public on the Alaska Permanent fund. A one week public comment period certainly fails that test. I'm unsure why a public fund created for the purpose of supporting the public would be written in such tortuous language using industry jargon. It seems the Board is interested in impressing someone rather than educating the public. Please rewrite and make the goals and strategies more understandable so the public feels engaged. An extension of the public comment period is also certainly warranted.

In regard to increasing costs, borrowing and leveraging the Funds assets to increase returns, this is risky and unnecessary. Over the last 10 years Vanguard's S&P 500 has risen about 13% with a management fee of .04. One of the world's best investors, Warren Buffett, runs the

Berkshire Hathaway Fund with assets of about \$313 billion. His return over the last 10 years has been 12%. The oldest (established 1928) and arguably best managed balance fund (60% stock/40% bonds) is the Wellington Fund. Wellington's 10 year return is 7.8% with a management fee of .17. Our Permanent Fund achieved 8.3% over this same period. Can the board honestly say that the cost increases proposed will allow the Fund to compete with the returns of Warren Buffett or generate the desired returns cheaper than the index or more comparably the Wellington Fund?

Our fund has performed just fine. Alaska's need for addition funds isn't the fault of the management of the Permanent Fund, it's due to poor political choices and oil industry greed. If the Board desires to increase the Funds returns, lowering fees or increasing stock allocation seems prudent, not increasing costs and risk.

Oh, and increasing transparency is prudent public policy.  
David Quisenberry  
Juneau

02-01-2024 at 8:38 a.m.

Subject: **Public Comment - 2024  
Strategic Plan**

Sender: **Robert Swenson**

Location: N/A

Dear Board Members,

Thank you for the opportunity to comment on the proposed strategic plan.

I must say it has been many years since I have seen a document with so much 'corporate speak' and meaningless jargon.

- First and foremost, please consider a complete rewrite and re-submittal to the public for comment. The use of so much "strategic" language is completely unnecessary and overwhelms the reader with useless 'anti-information'. Please consider going back to the drawing board and produce your proposal in plain english with minimal adjectives that are attempting to make the document sound intelligent; believe me, they don't. Additionally, please publicize your intent in the newspapers so more of the public is informed and has the opportunity to comment.

- Secondly, your plan for transparency is well-received. Public education and involvement in a corporation owned by the public seems to be an obvious goal.

- In my humble opinion, borrowing money to invest in the stock market is a horrendously bad idea. There are myriad examples of this type of behavior gone awry and to expose the public's fund to such a high risk venture would be a travesty. Please explain in your document how

this strategy will guarantee a positive outcome under any market condition and not exacerbate losses during a market downturn. If the board members would like to borrow money to make their own personal investment portfolio grow, by all means, they should do so. However, this is a public fund that should be managed in a minimal risk environment that guarantees modest returns indefinitely. Who is demanding a \$100 billion fund? I doubt very much that the majority of the public are.

- Finally, there is no need for changing the law to keep applicants secret. Remaining transparent and 'above board' in employment decisions is always a good idea.

Best Regards and good luck  
Robert Swenson

02-01-2024 at 7:03 a.m.

Subject: **Permanent Fund Stewardship is #1 Goal**

Sender: **David E. Frey**

Location: **Fairbanks**

To the Permanent Fund Board and Director:

There is a lot of wise information in the recent strategic plan. However, the strategy of borrowing capital to invest is a mistake. This strategy increases risk. It could result in losses as well as gains.

A public investment fund such as the Alaska Permanent Fund should set "Stewardship" as its #1 goal. This means moderating risks in order to preserve the fund for future generations. The stock market has had periods of high losses in recent years. I hope that you will scrap the idea of borrowing money in order to invest. Please continue with the moderate risk and rewards structure that your current diversified portfolio affords.

Also, I believe that there has not been enough public outreach concerning this strategic plan. The deadline for public comments should be extended with more publicity about the plan.

Sincerely,  
David E. Frey  
XXXXXX  
Fairbanks, AK XXX

02-01-2024 at 4:29 p.m.

Subject: **Public Comment - 2024  
Strategic Plan**

Sender: **Mary Kulawik**

Location: N/A

To the PFD Board:

I have no objection to the Board investing a portion of the fund in the market, provided the portion is limited and optional.

Mary Kulawik

02-01-2024 at 4:33 p.m.

Subject: **Public Comment - 2024  
Strategic Plan**

Sender: **Max Donaldson**

Location: N/A

Hello,

I am strongly against new strategic the plan to borrow money to invest aggressively in order to grow the PF to 100B. This is not investing, this is gambling. Do not gamble the money our legislature has worked so hard to conserve.

Do away with the PDF checks, or cap it at a hard limit so that the amount can't be altered for garnering political votes. The check is not factored into people's annual income. It is a bonus used to buy consumer items that end up in garbage dumps within 10 years.

We need to pass the bill to eliminate SB21 so that Alaska is not seen as a 3rd world country where you can extract the resources for little cost.

My wife and I are still young, both were born and raised here and we desire Alaska to contain a stable political and economic climate for our kids. We're tired of seeing our home state squandering what's left of our wealth from the dying oil boom. Gambling the money we have is not the solution.

Respectfully,

Max Donaldson

02-02-2024 at 6:25 a.m.

Subject: **Strategic Plan**

Sender: **John Herschleb**

Location: **Anchorage**

Dear APFC board members,

I would like to state my opposition to your plan of borrowing money to invest in order to boost the value of the permanent fund. I believe that the strategy that we have used in past years is still the best one and much lower risk than your current plan. Leveraging is high risk and should be avoided.

Sincerely yours,

John Herschleb

XXXX Anchorage, AK XXXX

02-02-2024 at 8:37 a.m.

Subject: **"Strategic" Plan**

Sender: **Maria Berger**

Location: **Fairbanks**

Name: Maria Berger

Residence: Fairbanks

1) Whether couched as "leverage" or otherwise, borrowing large amounts of money to invest is extremely risky; no to this hare-brained use of public funds. 2) No to changes in the open meetings act - this violates transparency of this public entity. 3) There is no reason to fritter away additional public funds by investing in satellite offices and expanding staffing in an age of zoom meetings and reliable internet connectivity.

Please don't jeopardize the permanent fund, which was designed to provide for the well-being of future generations of Alaskans.

02-02-2024 at 8:54 a.m.

Subject: **Public Comment - 2024  
Strategic Plan**

Sender: **Mary C Burtness**

Location: **Fairbanks**

I have a couple comments on the strategic plan:

1. I want open meetings to remain and not seek a change via legislature. It is the fund for the people of the state of Alaska and should remain accessible at all points.
2. You should not spend the money on opening offices outside Alaska. There are too many ways to take care of business long distance. It should stay in Alaska, employing Alaskans

3. I am not in favor of borrowing money to increase the amount to be invested.
4. Hiring should not be in executive sessions. It would not be transparent for the people of Alaska.

Mary C Burtness  
Fairbanks, AK

02-02-2024 at 9:37 a.m.    Subject: **PFD Strategy**    Sender: **Emily Kane**    Location: **Juneau**

Dear PFD Board Members

I am close to retirement and have been putting away money for that event for over 50 years. I understand the value of growing my savings through investment tools. However, one objective for my long-term financial well-being is to stay out of debt. I think borrowing a huge sum for the “tidy sum” giving your fund an extra zero makes no sense whatsoever. Let the fund grow and over time it will reach this big number. Please do not gamble with the people’s money.

Sincerely

Dr Emily Kane  
Juneau AK

02-02-2024 at 9:39 a.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Karl Ashenbrenner**    Location: **N/A**

There are better ways to maximize the PF. One would be to advocate for repeal of SB21. The ideas being touted to leverage and grow the PF in your current form smacks of high end gambling and everyone knows how that usually ends up. Please do not follow through with this ill thought out plan.

02-02-2024 at 10:02 a.m.    Subject: **Comments on APFC Strategic Plan**    Sender: **Michael Neussl**    Location: **Juneau**

Dear APFC Board Members:

After reviewing the proposed strategic plan document I find that I am opposed to a majority of its provisions. Specifically:

1. I am opposed to borrowing funds with the intent to reach the next bright shiny object of a \$100 Billion fund. I consider that option too risky.



2. I am opposed to exempting the fund from the open meetings act to allow the hiring of key personnel in secret. While there may be merit in attracting individuals who don't want their current employer to know they are applying, there is a greater risk that an inappropriate person is hired without proper vetting. How many public officials have been hired recently only to have them resign shortly after when hidden baggage comes to light after their hiring? Best to get that out in the public eye prior to hiring, not to mention the possible political interference in a secret hiring process.

3. I am opposed to opening new APFC offices. The fund has done well being managed as it currently is. No need to increase expenses with new offices and new employees, and the inevitable travel of employees between those offices.

4. I am opposed to any restructuring of the fund to allow legislators or anyone else to access additional portions of the fund that are not accessible today.

Thank you for taking and considering my comments.

Michael Neussl  
Juneau, AK

02-02-2024 at 10:26 a.m. Subject: **PF Plans**

Sender: **Tom Henderson**

Location: **N/A**

JUST SAY NO to gambling with the permanent fund. Continued conservative management of the fund. Think about future Alaskans, your children and grandchildren. How would you like to tell them you gambled away their patrimony? Tom Henderson

02-02-2024 at 10:40 a.m. Subject: **APFC Strategic Plan**

Sender: **Diann Darnall**

Location: **Fairbanks**

APFC Board of Trustees: Ethan Schutt, Gabrielle Rubenstein, Ryan Anderson, Jason Brune, Adam Crum, and Craig Richards

Thank you for extending the public comment period.

One of the most important items for this Board to address is **Transparency**. Let Alaskans know exactly what our Permanent Fund money is invested in. **All investors need to be disclosed to Alaskans**. Alaskans have a right to know who is handling our Permanent Fund money. **For our Legislature to do its duty, public transparency is essential!**

**Keep our Permanent Fund offices in Alaska.** In Governor Dunleavy's recent speech, he spoke of growing Alaska. We need people and businesses in Alaska. Invest in Alaskan businesses. Support the Alaskan economy!

**Do not borrow money to make investments.** Use what we have and use it wisely!

Thank you very much,

Diann Darnall  
Fairbanks, Alaska since 1974

02-02-2024 at 11:30 a.m.    Subject: Comment on plan to borrow to leverage PF    Sender: **Douglas Mertz**    Location: N/A

I believe the current proposal to borrow large sums to leverage potential returns is a bad idea, and is likely illegal.

First, the primary duty of any trustee is to preserve the corpus of the trust. This proposal puts the corpus in grave danger. If the State borrows in order to make more investments, of a riskier nature, and it doesn't pan out, what will the lenders do to force return of the loan? In all likelihood they will seek to recoup it from either the corpus of the fund itself or from other attachable state assets. Years ago, when I followed the investments of what was then known as ASPIB, state pension investment system, a similar proposal came up and we were able to show how in every state in which such a proposal came into existence, the results were disastrous for the original investment fund. What will you as trustees do when creditors come seeking their return? Will you confess individual liability for misfeasance in your role as trustee? I foresee absolute disaster for the Permanent Fund.

Which brings up the illegality. Your duty to preserve the fund is not discretionary, it is a rock-bottom legal obligation. In this proposal it is clearly for the purpose of increasing payouts of dividends, even at the risk of the fund principal. I know of no instance in which a trustee has put a fund at risk to achieve a purely political end. Your duty does not allow you to do it. Please through this one in the dumpheap.

02-02-2024 at 3:17 p.m.    Subject: **APFC BOARD of TRUSTEES**    Sender: **Peter Williams**    Location: **Anchorage**

To the Board of Trustees,



1. I object to the board's proposal to borrow money to increase the PF amount of return. With the current interest rate being at best 5.25% and the PF rate of return at 7-8% it wouldn't take much of a downturn in the market to see the PF rate of return zeroed out to pay for the interest of the loan. This risk doesn't seem to be strategically sound.

2. Transparency of the use of public funds is the cornerstone of gov't spending. This includes persons who are hired in a gov't position. We the people have the right to know who is managing the people's affairs and what and how our funds are being spent.

3. Also of concern was the board's ask not to follow the Alaska state procurement code; not to have to post an agenda for their meetings: spend \$900,00 on travel and to open an office in Anchorage. These were agenda items that the board are to discuss.

--  
PETER A. WILLIAMS  
ANCHORAGE ALASKA  
xxx-xxx-xxxx

02-03-2024 at 2:54 p.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Linsey Klingel**    Location: **N/A**

02-04-2024 at 7:12 a.m.    Subject: **On the proposed strategic plan for the Permanent Fund**    Sender: **Russ Newell**    Location: **North Pole**

I am Russ Newell, living outside North Pole, Alaska.

I wish to voice my opposition to the proposed plan to borrow money for investment. During past market crashes, the losses are accelerated when stocks bought on margin (borrowed money) fall in value and the investors are required to pony up more money to cover the margin losses. This effect can snowball into, say, the Market Crash of 1929.

The Permanent Fund is supposed to be the vehicle of future financial support for the state. When the Board decided to turn the fund into what were referred to as the Go-go funds of the 1960's, that future support can not only be shaken but ruined.

This Board is deeply influenced by political pressure from Dunleavy. This plan is a big mistake. Remember that Dunleavy is a Charles Koch advocate; Koch pushes to replace public services with private services. Whacking the Fund would mean less money for the public in the future. Could that be the actual goal of taking on the risk of borrowing money to invest?

02-04-2024 at 8:54 a.m.

Subject: **Do not borrow to muddy up our PFD** Sender: **Ann Diener**

Location: **N/A**

Please do not borrow against the Permanent Fund. I have a strong feeling this will harm everyone's opportunity to generate honest revenue in the future and it will put too much leverage in outsiders and banks hands against Alaskans.

Sincerely,

Ann Diener

02-04-2024 at 9:57 a.m.

Subject: **Comment re Permanent Fund strategic plan** Sender: **Kate Ripley**

Location: **Fairbanks**

Dear Permanent Fund:

I would like to ask you to please slow down and explain more clearly why you have picked this \$100 billion goal for the fund. Why is that number so important? And why are you proposing to borrow money to get there? That seems risky and unnecessary.

I also do not support exemptions from the state Open Meetings Act. Public trust and transparency when it comes to management of the fund are important.

I'm extremely concerned about the lack of a sustainable fiscal plan for our state, politicians who only care about the size of the annual PFD checks, and the appalling \$1B deficit budget proposed by the governor. Ongoing cuts to public education are happening, and now the leaders of the Permanent Fund want to borrow billions to reach some goal that has never been properly explained to the public? If we're worried about out-migration from our state, all of these actions, inactions and proposals are not helping.

Please slow down and explain why the \$100 B goal is even the goal, and why borrowing money to get there is the best option.

Thank you,

Kate Ripley  
Lifelong, multi-generation Alaskan  
Born and raised in Juneau, Fairbanks resident since 1992

02-04-2024 at 11:29 a.m.    Subject: **STOP DUNLEAVY AND COHORTS  
FROM SELFISH AND RECKLESS ROULETTE W  
PFD**    Sender: **Judith and ER Ferguson**    Location: **Delta Jct.**

The PFD board is a long way from the loyalty, transparency and love of the Great Land felt by the PFD's father, Gov Jay Hammond. I am sure that Dunleavy will go down as one of the worst governors Alaska has ever had, but he probably has a job waiting for him working for Kinross or on the Lower 48 PFD "closer to the action" corp office he envisions.

As a Republican and a person with morals, it is grueling for me to watch what Biden is allowing at our southern border (a repeat of the invasion of Rome), but a similar economic and sociological disloyalty is enmeshed in Dunleavy and cohorts disastrous plan for the PFD. Wasn't it enough to throw away the Richardson, Alcan and Steese highways and the safety of citizens of the Interior for a foreign mining company without also playing curtailed roulette with the state's pfd fund. When I first saw Dunleavy at the Delta fair when he was running for office, I knew what he was. It was very clear.

I can only repeat the excellent editorial by the News-Miner:

### **Transparency and the Permanent Fund Corporation**

**News-Miner opinion:** The Alaska Permanent Fund Corporation has one task: managing the people's money. As the keepers of the state's nest egg, the corporation plays a critical role in keeping our state solvent. That's why transparency within the corporation should be of the utmost importance.

The corporation's board of trustees is considering [a strategic plan](#) to bolster the value of the Alaska Permanent Fund, which currently sits at \$77.3 billion as of Dec. 31. The board's goal is to grow the fund to \$100 billion. The board's strategic plan calls for borrowing 5% to 10% of the fund's value to grow its earning power. It also calls for "outperformance through the generation of alpha" (financial jargon for getting a really good return on your investment); "explore benefits of continental US and or International offices" (opening a Lower 48 branch); and "improve corporate functionality," which in the corporation's words means "foster legislative support to modernize the functionality of APFC and align with the targeted goals of the Board." That last blurb also includes changing state law to keep the selection process for the Permanent Fund Corporation's top brass secret. If that didn't catch your attention, it should.

Within the strategic plan is a bullet point noting that changing state law to remove the Alaska Open Meetings Act requirement for hiring an executive director and chief investment officer will somehow benefit the residents of Alaska. In short, the trustees want to keep the list of candidates secret for the corporation's two top jobs.

Trying to cloud transparency of the entity that manages our money — your money — is not a good look. It should draw even further scrutiny after [trustee Jason Brune suggested](#) in December that if the board met out of state, it wouldn't be subject to the Alaska Open Meetings Act. The strategic plan goes before the board for consideration at its next quarterly meeting on Feb. 15-16. Luckily, the strategic plan is available for public comment at [apfc.org](#). The board extended the public comment period through 5 p.m. Feb. 14 due to what it called "popular demand." In reality, the board did not adequately publicize its strategic plan let alone make much mention of public comments, which originally were slated to end this past Friday. We're more inclined to credit former News-Miner journalist Dermot Cole with elevating the topic of the strategic plan, thereby increasing said "popular demand" to comment publicly.

So far, public objection to the Alaska Permanent Fund Corporation's strategic plan has been loud and clear: slow down, take a step back, and engage in larger, more transparent conversations before you monkey around with the fund. You can read the strategic plan in all of its financialese for yourself at [apfc.org](#).

The Alaska Permanent Fund Corporation's board is made up of six trustees appointed by the governor, two of whom must be heads of principal departments; one of those two must be the commissioner of the Department of Revenue. The other four trustees are members of the public who serve staggered four-year terms. None of the appointments face legislative confirmation.

Perhaps it is time for the Alaska Legislature to take a deeper interest in confirming the board of trustees in the name of letting the sun shine in. The future of the Permanent Fund could depend on it.

January 4, 2024. [https://www.newsminer.com/opinion/editorials/transparency-and-the-permanent-fund-corporation/article\\_49161702-c220-11ee-919a-078191aa80a3.html](https://www.newsminer.com/opinion/editorials/transparency-and-the-permanent-fund-corporation/article_49161702-c220-11ee-919a-078191aa80a3.html)

Judith and ER Ferguson  
Delta Jct., Alaska

02-04-2024 at 1:47 p.m.

Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Susan Allmeroth**

Location: **Two Rivers**

I stand strongly opposed. I oppose all suggested statute changes without detailed clarification.

This asks for too much, with too little detail, and with too great of a risk. It is a gamble, one that is not in the interest of the future of all Alaskan generations. It is the board's mandate to protect the Fund and advocate against any additional draws over the POMV spending rule.

This basic summary does not specify a detailed plan and the APFC page does not show the updated information on the website, as I checked today. This is written in a language most Alaskans will not comprehend, it is basically dishonest and lacks integrity.

These types of calculations on such portfolios that invest in different asset classes, can often result in misleading numbers. Alpha ratio calculations are the return on an investment that is not a result of a general movement in the greater market. Using the alpha ratio calculation based on portfolios from the summer is laughable. It was outdated two days later. Ratio calculations on portfolios can, already, often result in misleading calculations and using or providing outdated information is without transparency and setting us up for a critical failure. Providing inaccurate or outdated information is not acceptable.

This is too great of a risk, in accordance to the APFC investment policy it does not ensure the prudent practice to risk tolerance for the generations of all Alaskans. This is a gamble I am not willing to take. It is a wild bet. There is no transparency. In other words, I oppose using the PFD on a high risk investment attempting to beat the market. **The conditions would have to be perfect for this outlined planned to even be feasible.**

Transparency is key within all governmental agencies. I oppose all statues changes suggested to secrecy surrounding these positions. Transparency is a must. The legislation and agencies must ensure all candidates are fully vetted and have complete background checks. We cannot modify laws for one agency's candidates, it will effectively change the law for the entire state and eventually the nation. I oppose such change, with the exception of PII.

This is an Alaskan fund. I oppose growing the size of the agency and expanding it into the lower 48 and globally. We already have a \$1B deficit. The state could soon find itself in a position of making an unsustainable draw.

It is a just a gamble I am not willing to take, so no. There are better options.

Follow the existing policies, regulations, and statues. Look at other options. I understand the need to growth, progression, and better opportunities, but this is not the way forward.

Thank you,  
Susan Allmeroth  
Two Rivers

02-04-2024 at 2:57 p.m.

Subject: **For the Record**

Sender: **Dan and Brenda Farren**

Location: **Homer**

To whom it may concern,

We are opposed to APFC borrowing funds to invest.

Simple as that, work with the funds we already have and watch it grow, with minimal risk to capital.

Sincerely, Dan and Brenda Farren

Homer, Alaska

02-04-2024 at :43 p.m.

Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Jim Button**

Location: **N/A**

I don't agree with last year's decision to single out a business in the state (Three Bears) to invest AK resident's money in, unless you plan to give every AK business the same benefit. I also don't agree with the plan to hike the already generous travel budget.

02-04-2024 at 9:08 p.m.

Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Daniel Hannah**

Location: **N/A**

I am so disappointed in the gross mismanagement of the Permanent Fund. The fund could have been 100% dropped into the S&p500 and still outperformed by 400% of its current performance. In a time when the market was experiencing unprecedented growth, the managers of the fund managed to make sure the fund did not grow at all.

Every single one of you needs to be fired and sued for gross negligence.

Regards,

Daniel Hannah

02-05-2024 at 5:09 a.m.

Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Paul E. Turner**

Location: **Kenai**

To whom it may concern:

I am appreciative to learn at a late hour about this plan, and the board member(s) who asked for the comment period to be extended is be commended. It should be a three month public comment period not the short one initially given.



I am aghast at the lack of communication about the plan.

I am dismayed at the lack of leadership to solicit more and extensive input from citizens and high schoolers such as townhall meetings. There must be more communication and involvement of Alaska stakeholders. The short time for this comment period is shameful and not indicative of communication or transparency. I would recommend a media consultant to the leadership to improve in this area.

There must be no borrowing for future investments. To do so increases the risk profile of the fund. The fund should be on the conservative, not aggressive dimensions of investing.

No offices should be opened in Anchorage, overseas, or elsewhere. In today's digital world and capabilities for virtual meetings, financial markets are easily accessible, especially given the assets of the fund. To have offices in out of Alaska puts Alaskans' money outside and does not invest in our state or job market. Alaska already has an outmigration.

The proportion of private equity should be limited to the current level. However, there **MUST** be transparency in what these funds are invested, and the returns must be published.

No statutory change should be made to increase the risk profile of the fund. It should lean conservative, not aggressive.

I am in opposition to changing the hiring process for the fund's leadership. No statutory changes are indicated. The clarity of light on any applicant far outweighs their need to privacy, given the public trust of these positions. Transparency and accountability are a priority.

There should be no incentives to employees who perform well. The pay should be commensurate with parallel jobs in the private sector. If someone wants to work in an investment firm with such incentives, let them do so.

It is imperative the fund comply with the Open Meetings Act. The lack of transparency already is bad enough. The fund should **ALWAYS** meet in Alaska. I can imagine wanting to meet on cruise ships, Hawaii, and the Rivera, especially in the winter. Don't.

Alpha - Are you kidding me? This is a sales pitch to the naive. Any serious investor knows that is fools gold as an objective. Just look at the data on investment returns by any entity. It's well known that Index funds of all sorts out perform many professional investors.

Data - What exactly is this goal? Behind this highfalutin English, what do you want? There is such a range of investment tools, proprietary tools, and investment strategies available now to anyone.

Nationwide focus on performance and strategy - First, the fund is dismal in its focus on communicating to Alaskans. A global consultant? Foremost you might first use one for the funds' role in and for Alaskans. I oppose this goal as there are a plethora of investment opportunities that fit the funds' needs which should be more conservative than aggressive.

Thank you for this opportunity to communicate.

Paul E. Turner, Ph.D.  
XXXX  
Kenai, AK XXXX

02-05-2024 at 5:20 a.m. Subject: **Public Comment - 2024 Strategic Plan** Sender: **William F Bocast** Location: **Big Lake**

I'm very concerned about our Permanent Fund:

No to out of state offices  
No to investing within Alaska. Get's Fund management too entangled with Alaska politics.  
No to changing state law to weaken the Open Meetings Act.  
No to borrowing money to attempt to grow Fund.

Firing Director Rodell bad move that smacks of Dunleavy meddling.

Thank You  
William F Bocast  
PO Box XXXXx  
Big Lake AK XXX

02-05-2024 at 11:47 a.m. Subject: **Public Comment - 2024 Strategic Plan** Sender: **Brenda Campen** Location: **Sitka**

I would like to add my voice to the many Alaskans who voiced opposition to many of the provisions of the Proposed 2024 Strategic Plan. I say "ditto" especially to the thoughtful comments offered by David Popiel, Rich Seifert, Barry Santana , Charles Bettisworth- well founded,

well considered, and with the “long game” in mind for our public fund. I could not do better than to add my support of all the statements made in opposition to this plan.

My priorities:

1. Transparency and open meetings, including recruitment of Exec. Director and CIO positions
2. Adherence to “Prudent Investor Rule” - no borrowing, no leveraging at the Fund level, keep “alpha” for your own portfolios
3. APFC offices in Alaska
4. Clarity in communication; not shrouded in industry jargon
5. POMV no more than 4%
6. APFC staff well compensated, but not driven by “incentive compensation”
7. Inflation proofing
8. Education and outreach - as a high school teacher who for many years taught about the APF and the APFD, more effort is needed to train educators and to encourage young Alaskans to become informed and to care about the Fund. APFC resources online are good; how about some teacher training? There is much mytholgy about the Fund and the Dividend.

Brenda Campen  
Sitka

02-05-2024 at 10:07 p.m. Subject: **Public Comment - 2024 Strategic Plan** Sender: **Richard Noel** Location: **N/A**

We need to stop trying to beat the market as it has been proven that almost no one beats the market and those that have never pulled it off again. These funds are suppose to only grow to help Alaska. When we perform worse than the index funds, we are only hurting ourselves. Please read the article “Mutual Funds That Consistently Beat the Market? Not One of 2,132.” written by Jeff Sommer. It will explain my point better than anything I write in this comment.

02-06-2024 at 11:34 a.m. Subject: **Public Comment - 2024 Strategic Plan** Sender: **Mary Calmes** Location: **Fairbanks**

To the 2024 APFC Board of Trustees:

The concept of borrowing money to invest is flawed at best.  
Please consider the lessons learned with the Great Depression.  
With that plan you, as managers of the APFC, are not taking on personal risk, but are

taking on risk for all Alaskans. You eventually can cut and run. Alaskans will be the ones to clean up the mess when this risk blows up. One of your values is stewardship, so you understand your role here and to expose all Alaskans to the risk involved in borrowing money to invest is clearly not good stewardship. If your proposed plan does not work out as you think it will, how do you plan to pay back the debt you incur. That should be lined out in detail because failure is feasible.

To legislators: Do not change state laws to accommodate this proposed leverage of Alaska Permanent Fund funds.

Open Meetings Act: Keep things as they are with providing public disclosure of the complete list of applicants for the positions of Executive Director and Chief Investment Officer for the APFC. These positions are too important to ALL ALASKANS to allow their selection by the Board of Trustees alone in Executive Session.

Another of your values is Integrity. I hope each of you truly understands what integrity is. In case you need a refresher:

integrity: the quality of being honest and having strong moral principles; moral uprightness:

Anyone serving in the positions of Executive Director and Chief Investment Officer for the APFC should have nothing to hide.

Your Alpha plan smacks to me of self importance, almost maniacal ambition.

Thank you Jason Brune for proposing the extension of the comment period.  
Do NOT create a mess for future generations of Alaskans.

Mary Calmes  
Fairbanks, AK 99712

02-07-2024 at 11:34 a.m. Subject: **2024 APFC Strategic Plan**

Sender: **Anne Ruggles**

Location: **Fairbanks**

Dear Members of the APFC Board,

I do not support the borrowing of funds to grow the APF. I support a conservative management strategy that reduces risk and grows the fund at a steady rate.

I do not support making statutory changes allowing for a more leveraged management of the Fund. The Fund has functioned well and provided substantial profits as currently managed.

I am not in support of satellite offices.

I do support taking steps to hiring qualified personnel and upgrading the data infrastructure for the Fund.

I am opposed to subverting the intent of the Open Meetings Act.

As an aside, the Strategic Plan is far too full of jargon which leaves the impression that the organization does not want citizens of Alaska who are not fluent in business-speak to understand what is being proposed. This is a terrible example of the new communications plan.

Thank you  
Anne Ruggles  
Fairbanks, Alaska

02-07-2024 at 6:28 p.m.

Subject: **PFD Stop Steal**

Sender: **Jessica Brown**

Location: **N/A**

The government of Alaska needs to quit taking funding out of everybody's permanent fund dividend. It's not fair with people that have a learning disability, mental disability handicap, disability what not disability it ain't fair nobody permanent fund dividend should be stolen or given half of that we should be getting our full amounts. It isn't fair, it's down wrong and downright dirty

02-08-2024 at 12:01 p.m.

Subject: **Public comment on strategic plan**

Sender: **Dermot Cole**

Location: **N/A**

I don't agree with the idea that the fund should borrow several billion dollars so that it will have more money to invest and may generate greater profits, speeding the path to \$100 billion.

When you talk about this with the public, you need to say you are trying to make money with borrowed money. Drop the words "tactical leverage at the fund level," as that disguises the situation with jargon.

I don't agree that the fund needs changes in the Open Meetings Act. The trustees and the corporation need to be more transparent about what they are doing and exactly what is invested in the names of Alaskans. The trustees need to stop complaining about the burden of meeting in public.

I don't agree that the names for applicants for the fund leadership should be kept secret. You can interview finalists in public and in private. You are not under a legal obligation to interview people in public.

I don't agree that the fund needs offices in the Lower 48 or overseas. The fund also does not need an Anchorage office, as clearly demonstrated by the ability to allow people to work remotely. The process by which the Anchorage office was ordered into existence last summer gives me great concern. It was either directed by the governor's office or decided upon by the trustees in an illegal meeting, which led to the loss of your chief operating officer several months after he took the job.

I do agree with having the fund do much more to inform Alaskans about the fund, its operations and how it is not the dividend fund. This outreach should include explanations in clear English, not in business jargon. Please retire the phrase "outperformance through the generation of alpha" permanently.

I do not agree that the fund needs a global communications plan, whatever that may be. You do not need a "global financial media consultant."

What the strategic plan lacks is any effort by the trustees to examine the weaknesses in the current structure, which made sense more than 40 years ago when the fund was tiny and its investments were simple.

Far too much power to control Alaska's most important financial institution is vested in one individual, the governor, who appoints all six trustees, who do not have to be confirmed by the Legislature.

The law establishing the current structure is long overdue for examination. We need to create a stronger board of trustees to deal with complexities that no one dreamed of in 1976 when the voters approved the constitutional amendment to create the fund. This is essential to build and maintain public trust for the present and the future.

Sincerely,  
Dermot Cole

02-08-2024 at 1:16 p.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Milo Adkison**    Location: **N/A**

It's not appropriate for an endowment fund with a goal of providing stable long-term benefits to adopt a risky aggressive investment strategy to try to outperform the markets. It could work, but there is an unacceptable chance of failure and a significant loss of principal that is the legacy of future Alaskans.

02-08-2024 at 5:33 p.m.    Subject: **Strategic Plan Comments**    Sender: **Karen Petersen**    Location: **Thorne Bay**

Dear Permanent Fund Corporation,

These are my comments on your proposed Strategic Plan.

I believe the Alaska PF is one of Alaska's greatest Strengths and I have concerns about some of your proposed changes. My greatest concern is that this comment period seems to be completely under the radar. No place on the State of Alaska Web Site did I see information about this comment period. It was also not on the APFC web site. I only found it because I was looking through your Fund News for another topic that I saw the press release for the extension of the comment period, which then led me to the comment period. I will now tell people that I know about it.

I think the strengths of the APFC is that it is in Alaska and not in another state or country. I do not think it needs offices elsewhere. People who manage the fund should live and work in Alaska. In fact I think the office should be in Juneau where the Governor and the Legislature work.

I think the APFC should comply with the Open Meetings Act.

I think the APFC should do a better job educating Alaskan's about what its function is, and that is not just to give people a dividend.

I do NOT think the APFC should borrow money to try to make money. This sounds like an ill thought out get rich quick scheme. What the heck?? What ever happened to the axiom "if it sounds too good to be true it probably is?"

Thank you  
Karen Petersen  
XXXX  
Thorne Bay Alaska XXX

02-08-2024 at 5:33 p.m. Subject: **Board of Trustees Proposed 2024 Strategic Plan** Sender: **Eric Troyer** Location: **Fairbanks**

I am opposed to any investing plan that calls for borrowing billions of dollars to invest in order to reach \$100 billion. That is an arbitrary number. This makes it seem as though the Permanent Fund board of trustees is more interested in "playing" with the public's money in order to see how well they can do with investing. The Permanent Fund should be invested wisely and conservatively.

Neither should the fund board be able to circumvent the Open Meetings Act or keep applicants for the fund leadership secret. These are public funds and management of them should be open to the public.

Eric Troyer  
Fairbanks

02-08-2024 at 8:45 p.m. Subject: **No risky investments** Sender: **Dave Nebert** Location: **Fairbanks**

Alaska Permanent Fund Corporation,

As a long term resident of Alaska and someone who invests in the stock market I urge the Fund Managers to stay away from risky investments. Your investments are essentially gambling with State of Alaska resources which belong to every Alaskan. Please do NOT borrow money to invest in high risk ventures in an attempt to increase the Fund that we depend upon. The Fund is for future Alaskans as well as those living now. You need to be sure that those coming after us will still have a fund which can help pay for our government in the decades ahead.

Thanks for your consideration.

Sincerely, David Nebert, Fairbanks, Alaska

02-08-2024 at 10:44 p.m. Subject: **Un-Strategic Plan** Sender: **Robin Dale Ford** Location: **Fairbanks**

Some of the junk jargon from the Alaska Permanent Fund Corporations Board of Trustees Strategic Plan 2024 is, of course, meant to obfuscate.

- "tactical leverage at the fund level"



- “outperformance through the generation of alpha”

Translation: We are pulling the wool over your eyes so we can play fast and loose with the state’s funds. Being secretive and gambling with someone else’s money is such a rush.

This board should not be borrowing to invest.

This reminds me of an ad I once saw for a pre-teen, Japanese, girl band called Shojo Tai.

The bad, but funny, translation from Japanese to English became:

"Pink, not yet ready to eat" and "Sender of low-teen message"

At least this was just a translation problem...no bad intent.

Robin Dale Ford  
Fairbanks, AK

02-09-2024 at 8:50 a.m.    Subject: **Public Comment - 2024 Strategic Plan**    Sender: **Jan Hotze**    Location: **Haines**

The proposed borrowing plan seems to be irresponsible in my opinion and calls into question the composition of the entire board. Sounds like using one's credit card at the casino...

Haines

02-09-2024 at 10:33 a.m.    Subject: **Alaska Permanent Fund Corp. proposed strategic plan**    Sender: **Jeffrey H. Simonson**    Location: **N/A**

Being secret about the fund's business creates mis-trust and causes the public to think there are criminal activities compromising the fund.

Borrowing money puts the fund at too much risk for too little reward.

02-09-2024 at 11:11 a.m. Subject: **Comments to Permanent Fund Trustees on Plan** Sender: **Sue Sherif** Location: **Fairbanks**

Thank you to the member of the board that extended the comment period for your plan for the future operation of our Alaska Permanent Fund. The initial short period was an ingenuous request for public input in view of the fact that all the affected stakeholders, all Permanent Fund recipients or Alaskan voters, should have received-- but didn't --some form of communication to invite their comment along with a plain English version of the proposal.

The proposals in the plan seem to move the operations of the Fund to conform to private investment practice with higher risk (borrowing to invest) and less transparent operations (escape from Open Meeting requirements and the requirement that applicants qualifications are public information); however, in the plan's zeal to improve PF operations, it appears the trustees have forgotten that they are not on the board of a private investment concern, but instead are stewards of a large public permanent fund. In that capacity, their emphasis should be on conservative investment, steady and sustainable growth, and scrupulous transparency with clear and consistent communication to stakeholders. By most of these standards, the proposed plan fails.

Please reconsider the long-term consequences of incurring the risk that this plan seems to invite. Please re-examine your roles as public stewards.

02-09-2024 at 11:16 a.m. Subject: **Public Comment - 2024 Strategic Plan** Sender: **Terry Douglas** Location: **Wasilla**

The concept of borrowing money to invest strikes me as being rather risky.

I oppose that part of the Strategic plan strongly.

The fund should be invested in a prudent manner so as to ensure future returns and inflation proofing. We don't need a thoughtless rush to meet some arbitrary \$100 Billion target.

02-09-2024 at 11:18 a.m. Subject: **comments re proposed 2024 Strategic Plan** Sender: **James Mackovjak** Location: **Gustavus**

My wife and I have lived in Alaska for more than a half-century.

My comments are essentially those of Dermot Cole, who has done a great service by bringing this issue to light.

The fund should not borrow several billion dollars so that it will have more money to invest to potentially generate greater profits, speeding the path to \$100 billion.

When the trustees talk about this with the public, they need to say they are trying to make money with borrowed money. Drop the words “tactical leverage at the fund level,” as that disguises the situation with jargon. Speak in plain English.

The Open Meetings Act should not be changed. The trustees and the corporation need to be more transparent about what they are doing and exactly what is invested in the names of Alaskans. The trustees also need to stop complaining about the burden of meeting in public.

The names of applicants for the fund leadership should be kept secret. Staff can interview finalists in public and in private. You are not under a legal obligation to interview people in public.

The fund does not need offices in the Lower 48 or overseas. The fund also does not need an Anchorage office, as clearly demonstrated by the ability of people to work remotely. The process by which the Anchorage office was ordered into existence last summer gives me great concern. It was either directed by the governor’s office or decided upon by the trustees in an illegal meeting, which led to the loss of your chief operating officer several months after he took the job.

The trustees must do much more to inform Alaskans about the fund, its operations and how it is not the dividend fund. This outreach should include explanations in clear English, not in business jargon. Please retire the phrase “outperformance through the generation of alpha” permanently.

The fund does not need a “global financial media consultant.”

What the strategic plan lacks is any effort by the trustees to examine the weaknesses in the current structure, which made sense 40 years ago when the fund was tiny and its investments were simple.

Far too much power to control Alaska’s most important financial institution is vested in one individual, the governor, who appoints all six trustees, who do not have to be confirmed by the Legislature.

The law establishing the current structure is long overdue for examination. We need to create a stronger board of trustees to deal with the complexities that no one dreamed of four decades ago. This is essential to build and maintain public trust.

Thank you for your consideration.

02-09-2024 at 12:29 p.m. Subject: **APFC comments**

Sender: **Luci Beach**

Location: N/A

Hello,

I don't know much about investments therefore I'm ever so thankful for Dermot Cole's unparalleled journalism regarding the various aspects of the Alaska Permanent Fund Corporation board.

To start with **Alaskans deserve transparency,**

The **APFC must;**

**Obey the Open Meetings Act; no exemptions to the state procurement code; and the Legislature must not give the trustees more control over moving money within the operating budget and be appointed by the Legislature.**

and,

**establish minimum professional qualifications for serving on the board.**

The current law says trustees "must have recognized competence and wide experience in finance, investments, or other business management-related fields," but political allegiance to the governor is the main qualification. Dermot Cole

-

**Alaskans don't know enough about private equity.**

Gov. Mike Dunleavy went to Berlin to speak to the so-called "ESG summit" on the topic of "Demystifying Alaska; why global investors should pay attention to Alaska." The Berlin conference attracts private equity investors from around the world, including some who manage money for Alaskans.

Among the other speakers are **David Rubenstein, one of the key people in the development of the private equity industry, who has an estimated net worth of \$3.2 billion, and his daughter Ellie Rubenstein, who was appointed by Dunleavy as a trustee of the Permanent Fund Corporation.**

Ellie Rubenstein is managing partner of Manna Tree, a Colorado-based company.

**The Alaska Permanent Fund and the state's retirement systems have billions of dollars invested and managed by private equity companies.**

We know little about the specifics because of blanket confidentiality rules. We are told to trust that the experts know what they are doing. Perhaps that's true.

**What we don't hear from anyone in Alaska state government or from Alaska news organizations is any discussion of the impacts of this investment category for the state, the nation and the world.**

**Because of the billions these firms are investing on behalf of Alaskans, greater exposure and understanding is essential.**

A new book by veteran reporter Gretchen Morgenson and Joshua Rosner should be required reading for Alaskans: "These are the Plunderers: How Private Equity Runs—and Wrecks—America."

They raise vital questions with implications for how Alaska's money is being managed and invested.

Their publisher says, "These are the Plunderers lucidly and maddeningly traces **the thirty-year history of corporate takeovers in America and private equity's increasing dominance.** Morgenson and Rosner investigate some of the biggest names in private equity, exposing how **they buy companies, load them with debt, and then bleed them of assets and profits. All while prosecutors and regulators stand idle.**"

**The Alaska Permanent Fund Corporation has a responsibility to inform Alaskans about the risks, rewards and societal consequences of what is being done on our behalf.**

**The corporation is not forthcoming about this and the Legislature, contrary to a clear state law, does not provide the annual report required on fund investments. That missing annual report would be one place for a review of Alaska's private equity experiment.**

**The permanent fund had \$15.7 billion in private equity investments a year ago, with 17 percent asset allocation target.**

“APFC’s private equity program seeks to build a diversified, global private equity portfolio, focusing on buyout, venture capital, real asset, and distressed credit opportunities through primary partnerships, secondary acquisitions, co-investments, and targeted direct investments in operating companies,” the fund says.

**APFC can start by providing more details and do it in English, avoiding the investment jargon** it relies on in public communications, concealing more than it reveals. Dermot Cole

-

The problem with most of the **89 pages is that the slides are overloaded with business jargon, indecipherable to most Alaskans.** Hiding behind euphemisms and **failing to spell things out in English is no way to communicate.**

The document package demonstrates to me that **the six trustees of the Permanent Fund have no business in trying to approve a new strategic plan** Monday that incorporates the fundamental changes raised in these documents. **The Legislature and the public have to be more involved.**

**There is no information at all backing up the case for retaining the traditional goal of aiming for an investment mix that beats inflation by 5 percent. Alaskans deserve to hear that case.** Dermot Cole

-

**The Permanent Fund should have asked Skjervem for a report that does not rehash what he said last year.** Dermot Cole

-

**Angela Rodel put together an investment team and in a short time grew the permanent fund from \$50 to \$80 billion. After she would not go along with an illegal draw on the corpus she was fired at the direction of the Governor.** She worked from Juneau and **was against an Anchorage office. She had an accomplished team, many of whom migrated with her away from the politicized toxic environment.**

The legislature should cut the funding of any new office space. Left to it’s own the current trustees would scam our permanent fund out of existence. **This batch of trustees can’t be trusted as they are enabled, guided and controlled by a person with sociopathic tendencies.** Dermot Cole

-

**For a \$75 billion fund, the “temporary” office is an embarrassing and inept way to handle questions about office space,** one that will surely cause potential job recruits to doubt the people setting policy for the fund. The incident **reeks of political interference.**

The trustees keep complaining about the open meetings act and why no more than three of them can meet at one time without doing so in public. They want an exemption from the law so they can meet more in secret. They are not going to get that from the Legislature. Dermot Cole

-

The Permanent Fund has much bigger problems than where they have office space.

"...**withdrawals still exceed earnings.**" According the the Alaska Beacon.

**But the real focus needs to be on the lack of leadership from Dunleavy. We are giving away our natural resources, literally paying welfare to Big Oil in order for it to take our valuable, non renewable resource. If we end that unconstitutional madness, then we can stop relying the on the PF to fund the state government, and start growing the corpus of the fund. That is the critical issue.** Dermot Cole

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**Now we can ask our legislators for a more expert and independent board.** Larry Smith

**I don't agree with the idea that the fund should borrow several billion dollars** so that it will have more money to invest and may generate greater profits, speeding the path to \$100 billion.

When you talk about this with the public, you need to say you are trying to make money with borrowed money. **Drop the words "tactical leverage at the fund level," as that disguises the situation with jargon.**

**I don't agree that the fund needs changes in the Open Meetings Act.** The trustees and the corporation need to be more transparent about what they are doing and exactly what is invested in the names of Alaskans. **The trustees need to stop complaining about the burden of meeting in public.**

**I don't agree that the names for applicants for the fund leadership should be kept secret.** You can interview finalists in public and in private. You are not under a legal obligation to interview people in public.

**I don't agree that the fund needs offices in the Lower 48 or overseas.** The fund also does not need an Anchorage office, as clearly demonstrated by the ability to allow people to work remotely. The process by which the Anchorage office was ordered into existence last summer gives me great concern. It was either directed by the governor's office or decided upon by the trustees in an illegal meeting, which led to the loss of your chief operating officer several months after he took the job.

**I do agree with having the fund do much more to inform Alaskans about the fund, its operations and how it is not the dividend fund. This outreach should include explanations in clear English, not in business jargon. Please retire the phrase "outperformance through the generation of alpha" permanently.**

I do not agree that the fund needs a global communications plan, whatever that may be. **You do not need a "global financial media consultant."**

What the strategic plan lacks is any effort by the trustees to **examine the weaknesses in the current structure**, which made sense 40 years ago when the fund was tiny and its investments were simple.

**Far too much power to control Alaska's most important financial institution is vested in one individual, the governor**, who appoints all six trustees, who do not have to be confirmed by the Legislature.

**The law establishing the current structure is long overdue for examination. We need to create a stronger board of trustees to deal with the complexities that no one dreamed of four decades ago. This is essential to build and maintain public trust.** Dermot Cole

Again, I don't know much about investments but the Apfc must avoid corruption and malfeasance. I come from a culture that survived and thrived for thousands of years without modern conveniences and it wasn't by being self-serving or deceitful. I was raised by a first language matriarch who grew up on the land and always practiced sharing with others particularly those who were sick, the elderly and the poor. A good formal education was important, one combined with a well grounded cultural education. It's a shame that others didn't benefit by that sort of upbringing especially those who are clueless about how to be an actual public servant. **Accountability is a virtue that the APFC trustees need to seek. Sadly, since Angela Rodell left there has been a lot of ees and very little public trust. I hope that things will change for the better.**



02-09-2024 at 6:57 p.m.

Subject: **APFC Strategic Plan comments**

Sender: **Diana Sparacino**

Location: N/A

Dear Sir and Madam:

What follows are my comments on your proposed strategic plan; thank you for the extended period to comment. Ironically one of my comments concerns access to information where the APFC is concerned. More outreach and transparency is needed and long overdue. Without journalists' stories I would not have known about the strategic plan nor the extended comment period, information that the APFC should have spread far and wide to Alaskans.

I do not agree that the APFC should keep applicant names for leadership positions secret, nor should there ever even be 'jokes' about trying to bypass the Alaska Open Meetings Law. Not Funny.

We do not need offices in the lower 48 or overseas, nor an Anchorage office. Put the cost of those wasteful entities in broadening public outreach, information and involvement. The APFC needs to be more transparent, not less, on every level.

As far as the Board of Trustees is concerned, there has been a dark cloud overhanging for several years now. Comings and goings, behind the scenes appointments and governance differences.

A reminder this is a public fund, apparently the 'be all' in many Alaskans' minds, and on every level it should have bright light and public input anywhere it is legally possible. Work to broaden the appointment process for the trustees, at the very least have confirmation oversight by the state legislature.

Thank you  
Sincerely,  
Diana Sparacino

02-09-2024 at 7:58 p.m.

Subject: **I am against changing from open  
conservative investment policies**

Sender: **John McDowell**

Location: **Anchorage**

I am against changing to a leveraged management of our Permanent Fund.

We have established it to be a safe and conservative long term investment managed publicly and prudently.

That would change with this outside dark-money-aimed raid on our funds' investment capacity, objectives, and operations.

We don't need more less-skilled risk-taking middlemen gambling our funds and charging us exorbitant commissions for things, as citizens, we will likely never PUBLICLY know because of their secret dark money Investments that are supposed to bring us "faster and stronger growth".

We are not going to fall for this scam by outsiders as long as we have good Alaskans watching the barn..

-John McDowell Anchorage.

02-10-2024 at 8:50 a.m.

Subject: Permanent fund strategic plan for 2024

Sender: Terry Schmidt

Location: Fairbanks

Your plan to borrow money in order to goose the permanent fund returns is a really bad plan for the following reasons.

- It costs money to borrow money. The board is apparently so confident that the fund's investments will soar that you are willing to increase the expenses that the fund incurs in order to chase after unrealistic returns. How is this prudent when almost none of the other actively managed investment groups actually beat their benchmark's returns over 5 or 10 year time periods? Borrowing money to invest (leveraging) is not a new idea. Lots of people leveraged their investments in 1929. When the market crashed, some of them jumped out the window. What are you going to do if this plan turns out to be a bad one for the fund? Just not tell anybody? Or obfuscate the negative news with some new meaningless jargon like "the fund experienced a prolonged period of negative alpha"?
- What is the matter with the current growth rate of the fund? What is the incentive for taking on increased risk in order to reach an arbitrary value in an arbitrary period of time? Greed is one of the 7 deadly sins. We should be grateful to have had wise politicians when the oil money began flowing into Alaska's coffers. Let's not blow their legacy gift to us. They were thinking of us, the next generation, when they created the fund. They could have just spent all the money on their favorite projects and priorities, but they didn't. We need to keep the 'permanent' in the permanent fund. Taking on additional risk with wealth that was meant to provide for Alaska's needs for hundreds of years is not the way to preserve the Permanent Fund.

02-10-2024 at 4:30 p.m.

Subject: **Kevin Winker comments on APFC proposed  
strategic plan**Sender: **Kevin Winker**Location: **Fairbanks**

I oppose fund-level leveraging, i.e., heavy borrowing. The principal should be enough to work with. This sounds too much like gambling. It magnifies risk without clear gain. The request would be more convincing if the opportunities for leveraging that already exist were shown to be excellently executed for clear gain but inadequate: “Leverage is currently available at the asset level for Real Estate, Private Equity, Private Income, and Absolute Return for portfolio investment management strategies.”

I oppose the desire for less exposure to open meetings requirements. More transparency, not less, should be the goal.

No new offices.

Inform Alaskans about the Fund – yes. Start with writing clearly just what your plans mean, in plain English. The alpha jargon is silly in this context.

A “global financial media consultant” does not sound like a promising investment.

The review of structure is likely warranted, but it needs to be broader than just focusing on not meeting an annual payout because of the two-account structure. (This sentence sounds like there’s a desire to start spending the principal: “...the current two-account structure, with only the annual net realized gains accessible for distribution and spending by the Legislature, raises concerns about the possibility of an annual distribution shortfall.”)

Overall, the salesmanship in this proposal is poor. Actual data and comparisons with other sovereign-wealth funds would have been good additions.

Sincerely,  
Kevin Winker

02-10-2024 at 6:31 p.m.

Subject: **Permanent Fund: Public Grant Meeting: 15-  
16 February 2024**Sender: **carolyn V Brown MD  
MPH**Location: **Douglas**

To: Deven Mitchell (CEO) and members of the PDF Board of Trustees (Ethan Schutt, Gabrielle Rubenstein, Ryan Anderson, Jason Brune, Adam Crum and Craig Richards)

I am very grateful to have read a number of times the documents surrounding the Permanent Fund's Strategic Plan for 2024. I have reviewed again the proposed 2024 Strategic Plan and have the following comments and requests:

The 2024 Strategic Plan Objective includes nice sections on Mission - Vision - Values. What it does not contain is a section on Ethics. Values and Ethics are cousins but they are not the same. This really must be addressed in the Plan Objectives of the PFD with a Code of Ethics. Please provide a Code of Ethics to the public. and let us look at it.

Failure to ensure openness, democracy, transparency, honesty, ethical thinking and your own self worth will not serve the public good. It will most assuredly not serve the interests of the Objectives of the Strategic Plan that is outlined. Trust will be lost and failure to succeed for the people of Alaska in the work will follow.

I ask that you provide the general public full, complete and transparent reasons with documentation for the secrecy of choices for PDF trustees. Explain what there is to hide. What are the potential trustees afraid of? As you may know, "Truth is its own defense". Pulling the wool over the eyes of the public is not in the best interest of long term success or interests of Alaskans. Is it obfuscation? Is it greed? Is it power? Is it politics? Is it just? Is it fair? Does it carry any responsibility for you? These are issues the trustees and executive decision makers have to work through. It does not seem that this has been adequately done. It is possible to "play" but very likely that the "pay later" will meet you. "Justice bends slowly, but it does bend."

Just who is a "key person" identified in the documents? Please explain.

Why are "incentives" paid? Explain the payments, benefits and other entitlements provided the trustees.

A more complete explanation of "why the Anchorage office?" would certainly be in order. As you may know, "It is so easy to spend somebody else's money."

A wide distribution of some interval report on the PDF would be helpful to those in the bush, without Internet, regular postal service, age, language and other barriers known well to Alaskans.

Be aware and clear on the back pockets that get filled and the accoutrements that are proffered from adverse decision making to the detriment of Alaska's regular citizens.

As you may know, "To whom much is given, much is expected" (if you believe that).

I ask that this 2024 Strategic Plan is not passed until substantial work has been done to provide the protective work necessary for the citizens of Alaska, for the staff at PDF, for the trustees who have substantial serious responsibilities and for the future generations who just might benefit from the PDF.

Please let me know if you have further questions.

Thank you for these considerations.

02-11-2024 at 10:00 a.m. Subject: Alaska Permanent Fund 2024 Strategic Plan Sender: Tamara Hambright Location: Fairbanks  
comments

To the Trustees:

I have several comments about the proposed strategic plan.

1. An emphatic “no” to borrowing any money to “grow” our fund. It is a gamble.
2. Keep all meetings open, transparent, and in Alaska.
3. Do not open offices anywhere outside of Alaska.
4. Do not keep the names of trustee appointees hidden. This is a public position and deserves public knowledge.
5. Add legislative oversight and approval to all trustee appointees.
6. Bring back Executive Director Angela Rodell. She managed our fund successfully for years, and was fired for doing her job.
7. Do not use the Permanent Fund to invest in individual businesses in Alaska. This fund was not set up to fund the Governor’s pet projects and political ambitions.
8. Send this and future fund changes to every Permanent Fund household. You have all of their email addresses and mailing addresses! Use clear and transparent language with justifications and risks of proposed changes.
9. Get an editor that can help you eliminate deceptive and opaque language.
10. Manage our money the same way you would like your money managed, ethically, conservatively, and with an eye on future stability and growth.

Thank you,  
Tamara Hambright  
Fairbanks, Alaska

02-11-2024 at 6:37 p.m. Subject: **"strategic" non plan**

Sender: **Carol Johnson**

Location: **Fairbanks**

My name is Carol Johnson and I live in Fairbanks. I oppose the strategic plan that you are considering. The plan to increase the value of the fund has substantial risk, and by no means is guaranteed to reach the 100 mark. You seem to dangle the prospect of larger dividends in the hope that citizens will go along with this risky plan.

We don't need offices in other states. In addition I oppose the secrecy that you advocate in selecting officials for the fund. The public has a right to know who is being considered to administer the people's funds. What is this that I heard about avoiding the open meeting law by holding a meeting out of state???? How absurd.

Please cancel this proposal.

02-12-2024 at 12:38 p.m. Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Carolyn Miller Thomas**

Location: **Fairbanks**

Closed meetings not only reek of 'back room deals', they invite trouble.

Incentive pay structure for key personnel? That doesn't retain people, it puts us in the position of trying to be the highest bidder.

Offices in the lower 48? For what? Everything happens in the Web now, we do not need the additional cost of maintaining outside offices (Anchorage included) when everyone works remotely already. Why should we bleed money for satellite offices, which would create job opportunities for people who do not live here?

Borrowing money to make money? That is the most outrageous idea ever conceived. It is gambling. There is no excuse for gambling the state's money.

Sorry. I think this whole plan is rotten.

Carolyn Miller Thomas

Fairbanks, Alaska

02-12-2024 at 1:31 p.m. Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Pamela S Weaver**

Location: **Fairbanks**

Thank you for this opportunity to voice my opinion of the latest strategic plan and may I also add it was an excellent idea to extend the comment period as one week was a slap to the Alaskan public.

I am strongly against borrowing money to raise the funds holdings to 100 billion. It is far too risky; slow and steady fits much better with your stated values of integrity and stewardship. The plan that has been put forward slants far too heavily on the third value, which is passion. It seems to me the passion has become the mainstay of this plan.

I am also against further investment in private equity firms. It is important for Alaskans to know what their money is invested in. It is important to stick to a "prudent investor rule" and not get carried away with the public's money.

Please abandon your desire to change the Open Meetings Act. That goes against integrity. This is a public fund and must be handled with the greatest transparency. Likewise I believe the public has a right to know who is applying for any of the public positions. Interviews can be conducted privately, but the public has a right to know who is being interviewed and what their qualifications and values are. I also do not like the idea of "incentive compensation ". Who determines what that is and how it is valued? A good compensation for a job well done should be enough for a public service appointment.

I am against satellite offices, whether located in the lower 48 or internationally. Had I been given a voice I would've been against an Anchorage office. Any of these are a waste of Alaskan's money. Part of your job is to access financial information and that can be done through computers.

It is stated that you want to "promote stakeholder confidence ". This is good! Please do this by using common language and reaching out to all of the citizens of Alaska. Reach out to local newspapers and village councils. I do not understand what is meant by a "global financial media consultant" and how that will serve to promote what is actually needed. The public does not want a high flying board with some kind of global recognition. We just want and need slow, steady growth through sound investment. Investments made with integrity and sound stewardship.

Thank you,  
Pamela S Weaver  
Fairbanks

02-12-2024 at 1:31 p.m.

Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Doug Woodby**

Location: **Juneau**

Thank you for the opportunity to comment on the strategic plan and for extending the comment period.

1. I oppose the proposal to borrow money at the "fund level" to make additional investments. This is a dubious and risky proposition for a public fund, especially if the intent is to invest further in private equity ventures lacking full transparency and accountability that are

available with publicly traded investments. A more detailed explanation is needed of how direct and co-investing in private equity meets standards of transparency found in publicly traded investments.

2. The goal of \$100 billion appears arbitrary because it is presented without a clear rationale explaining why this particular amount was chosen, nor is there a clear target date for achieving that goal.

3. Fund structure: I favor maintaining the boundary between the corpus and the ERA, for the purpose of protecting the corpus from elected officials who may see opportunities to delve into (raid?) the fund for what they might think is a good purpose, but might jeopardize the long-term value of the fund. Examples might include funding the uneconomic Alaska LNG project or providing super-sized PFDs. What is the status of Trustee Paper #10, referred to in the plan?

Doug Woodby  
Juneau

02-12-2024 at 5:01 p.m.

Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Sam Trivette**

Location: **Juneau**

Dear Board members:

Thanks for the opportunity to comment on the proposed strategic plan. I strongly you do NOT adopt this plan. Any such plan needs to be written in basic English so the document is readable and understandable to non-investment citizens. You need to give additional time for comment from the public for future efforts. And the invitation should be widely publicized in the media and in the press.

You Board Members are fiduciaries of a state fund under AS 37.10.071. As such, adopting the plan you have presented by borrowing billions of dollars I think would breach your duties under this statute. Having worked with previous Permanent Fund Board trustees at joint training sessions over a decade, I'm sure trustees are still trained on these obligations by counsel. It is way too risky and unnecessary. Please refer back to Mr. Quisenberry's comments sent to you at 8:40 a.m. on February 1, citing some long term funds that have performed well with low fees over recent periods. Just a few examples.

Be prudent, be mindful of your fiduciary role. No one is mandating you attain a balance of \$100 Billion in assets at a given point.



My comments are guided in part by my 12 years as a trustee and fiduciary at the Alaska Retirement Management, where I was the Vice Chair serving under 4 governors throughout my tenure. The ARMB now oversees the management of over \$31.9 Billion in pension/health care funds, and oversees the plans in which \$9.4 Billion in employee-directed funds are invested.

Sam Trivette  
Juneau

02-13-2024 at 10:53 p.m. Subject: **Public Comment - 2024 Strategic Plan** Sender: **Don Witzel** Location: **N/A**

There are many questionable items in the proposed Strategic Plan and many people have expressed concerns better than I can. This is a public fund. Borrowing funds for investment is very risky and does not make sense. You are political appointees, not Wall Street wizards. We do not support this strategy.

We do not support opening offices out of state or in Anchorage. In today's world one can easily work remotely.

We do need transparency in hiring management positions. This governor has quite the track record of making poor choices in his hires and we are sure he would try to influence the process behind closed doors.

We need a strategy laid out in language that we all can understand. We all have a large stake in the management of the fund for Alaska's future and need to understand the process.

Thank you,  
Don Witzel

02-13-2024 at 3:02 p.m. Subject: **2024 Strategic Plan** Sender: **Robert Carlson** Location: **N/A**

I support the Plan, and believe that you should fully implement it, including borrowing billions of dollars, because:

1. Given the composition and recent actions of the Board, including the firing of the most successful manager in the Fund's history, I believe that the 2024 Strategic Plan will be a dismal failure, and will diminish the value of the Fund.

2. If the above is the eventual result of the 2024 Strategic Plan, there will be no money for the PFD, one of the most pernicious ideas ever devised by the State of Alaska, and largely the reason that the Board is now engaged in a speculative endeavor to boost the value of the Fund.

3. With the PFD gone, and less income available for essential state services, the largesse that attracted the grifters and carpetbaggers who came for the era of Big Oil's free ride will be gone, and so will they.

4. The remaining Alaskans will experience harder times, but will be truly dedicated to the future of the state, not the next October, and will of necessity demand a leaner and honest government. Honest, not more honest. Alaska will need these people as it transitions away from the deflating oil bubble.

5. Keep up the good work.

Robert Carlson

02-14-2024 at 11:10 p.m. Subject: **Transparency essential - proposed leverage risk dangerous. Do not go there!** Sender: **Mary Lee Guthrie** Location: **N/A**

Erosion of public trust in the management of the Alaska Permanent Fund Corporation is warranted in the face of this most recent proposal.

Alaskan's who are watching know that a well managed Permanent Fund is crucial to the future of our state.

I have no problem with setting a goal of a \$100 billion fund. Let's pull together and get there in a sane and low risk way. With full transparency at every step. If a governor proposes to spend an extra \$2 billion on fat dividend payouts. Let him/her defend that expense in light of our goal and. the existing balance of the fund.

The stakes in Alaska for fiscal mismanagement are unlike those of any other state in the Union. Our tax base is not a rock solid foundation that will cover 95% - 105% of state expenses come hell or high water as is the case in other states.

We float high above any possible actual tax base (untried by our present political giants) and despite many years of trying to curtail state spending no one has found a path to a modern Alaska that needs only a couple billion in unrestricted state spending to keep us all at home with functioning state services.

So, it is up to the Permanent Fund's hard working billions to keep us in house and home. And to underwrite a future for our children and their children. I cannot stress how fully dependent we are on the Permanent Fund being transparently managed and defended from such risk filled actions.

There is no way to pay back a failed investment of the size being proposed given the utter dependence on the Fund for annual state expenditures. The confluence of fossil fuel royalties and investment returns with a political climate able to set aside some of those exceptional flows of wealth is a past we have enjoyed. But it would be folly to think it is repeatable.

The development growth we need now is in Alaskans' understanding and readiness to work together to protect the Permanent Fund and assure a future.

That, and political willingness to stand up for a realistically wonderful future that involves some taxes.

Recent decisions to invest within Alaska have proven the point made years ago by Elmer Rasmuson and Dave Rose that such ventures would be fraught with potential for corruption.

We can reach a \$100 Billion -- the prudent investor way.

Thank you all,

Mary Lee Guthrie

PS I enjoyed the Permanent Fund Corporation annual missives to us Alaskans. Perhaps it is time to re engage with the public and not rely only on the dividend checks for building understanding.

02-14-2024 at 11:27 p.m. Subject: **Public Comment - 2024 Strategic Plan**

Sender: **Laura Sievert**

Location: **Kenai**

Borrowing money to increase the Permanent Fund is too risky - akin to taking my grandsons' college savings to Vegas. Please stick with conservative, long term investments so as to benefit Alaskans now and into the future.

Drop the incomprehensible financial verbiage. The fund is owned by the public and we have a right to clear communication from those in charge.

Do not open expensive unnecessary offices in faraway places.

There needs to be much more public consideration of the plan as proposed by the trustees, and an extended comment period.

Laura Sievert, Kenai

02-14-2024 at 3:00 p.m.

Subject: **Comments on Permanent Fund Strategic Plan**

Sender: **Gunnar Knapp**

Location: **Anchorage**

February 14, 2024

To: Alaska Permanent Fund Board of Trustees

[boardpubliccomment@apfc.org](mailto:boardpubliccomment@apfc.org)

From: Gunnar Knapp

Professor Emeritus of Economics

University of Alaska Anchorage Institute of Social and Economic Research (ISER)

XXXX@gmail.com

Re: Comments on Permanent Fund Strategic Plan

**The strategic plan should explicitly recognize that “the Permanent Fund’s goal should be to maintain safety of principal while maximizing total return.”**

This goal is set out in the legislative finding in AS 37.13.020. The plan should clearly define an interpretation of “maintain safety of principal while maximizing total return” and provide a strategy for how to do this. It should explicitly state and justify what level of risk to maintaining safety of principal is acceptable in pursuit of maximizing total return.

**The strategic plan should not include a strategic goal of “grow fund to \$100 billion”—or any other specific value.**

It may or may not be possible to achieve returns that would grow the Permanent Fund to \$100 billion within a specified period of time while maintaining the safety of principal with an acceptable level of risk. Rather than stating a specific target value to be achieved within a given period of time, the goal should be to achieve rates of return which (a) can be achieved with acceptable risk given market conditions; and (b) which are comparable with or better than returns achieved by funds of similar size with similar goals.

Stating a specific value goal such as \$100 billion strikes me as arbitrary at best (why not \$94 billion, or \$103 billion?) as well as risky (in that it may lead to excessive risk-taking to achieve an arbitrary goal).

**The Permanent Fund should not borrow to leverage investments.**

Borrowing significantly increases risk. The significance of this risk to the state is magnified by the fact that under current constitutional restrictions, a given percentage loss to the total value of the fund represents a much greater loss to—or could even wipe out—the earnings reserve account. Of course examples can be found of funds and investors for whom borrowing to leverage investments has paid off. Remember that examples can also be found of funds and investors for whom this strategy has not paid off.

**The current geopolitical situation should make us even more careful about assuming risks associated with borrowing.**

We live in troubled times, with perhaps greater global political and economic uncertainty than almost all of us have faced in our lifetimes. The situations in Ukraine, the Middle East, China and Taiwan, as well as the upcoming elections and the potential for continued extreme climate-related disasters and pandemics should remind us that the future really may be very different from the past. Now does not seem the time to be adopting more risky investment strategies.

**Future growth of the Permanent Fund depends not only on investment strategies but also on withdrawals.**

Whether any particular value target, such as \$100 billion, can be achieved with acceptable risk depends not only on how the Fund is invested but on how much is withdrawn. This has to be clearly communicated to the legislature and to the public. In particular, it is important that the legislature and the public clearly understand the tradeoffs between withdrawals (both at as well as above the POMV levels) and future fund value and earnings.

**The in-state mission of education and awareness is important.**

Too-many Alaskans are woefully uninformed about the Fund, as illustrated by how many people refer to it as the “Permanent Dividend Fund.” APFC faces a delicate situation. It is the legislature’s role to determine how much should be withdrawn from the Fund’s earnings and how those earnings should be spent. But it is APFC’s role to make sure that the legislature and the public are well informed about (a) the range of potential earnings, both in the current and future fiscal years; and (b) the implications of withdrawals for investment strategies and future Fund value and earnings.

**It is important to review and assess the optimal structure of the Permanent Fund, including how trustees are appointed.**

I agree with the final paragraph of the memo on the Strategic Plan: *“Identifying potential solutions to bring the Fund in line with modern endowment principles is critical as it and its role in Alaska continue to evolve. The current two-account structure, with only the annual net realized gains accessible for distribution and spending by the Legislature, raises concerns about the possibility of an annual distribution shortfall. In the ongoing policy dialogue, thoroughly assessing and reviewing rules-based endowment practices is essential. Expert evaluation outlining potential modernization options and functionality of the Fund aligns with the role of the Alaska Permanent Fund as a model for successful, best-in-class sovereign wealth funds”.*

However there is another critical aspect to the “structure of the Permanent Fund,” which is how the trustees are appointed. I also agree with the comments of Dermot Cole that *“far too much power to control Alaska’s most important financial institution is vested in one individual, the governor, who appoints all six trustees, who do not have to be confirmed by the Legislature. The law establishing the current structure is long overdue for examination. We need to create a stronger board of trustees to deal with the complexities that no one dreamed of four decades ago. This is essential to build and maintain public trust.”*

As you consider how to ensure that the Permanent Fund becomes a “model for successful, best-in-class sovereign wealth funds” you should also consider how those other funds are governed, and who appoints the people who make the critical decisions.

**You should read the public comments submitted for the meeting carefully.**

Many thoughtful people have submitted excellent comments on the Strategic Plan. I agree with most of the comments that were submitted and posted as of February 12. I hope you will read them and consider them carefully.

02-14-2024 at 3:50 p.m.

Subject: **APFC 2024 Strategic Plan Comments**

Sender: **Mary Corcoran and  
Patrick Schlichting**

Location: **Delta Junction**

To the APFC Board of Trustees,

Though the Mission, Vision and Values preceding the 2024 Strategic Plan Initiatives are laudable, I find the Goals difficult to understand or agree with because of language (jargon) and proposed implementation.

-- Borrowing billions to make billions has too many risks. The Board needs to instill more confidence in the public in order to trust leverage

assessment.

- Statutory change needs to be spelled out so there are no surprises for the public.
- “Outperformance through the generation of alpha” reads like a smokescreen to distract from clear understanding by the public.
- References to stakeholders targets the Board’s need to do clear and consistent outreach to Alaskans. Most stakeholders know little about the work of the Board.
- We object to the Board’s desire to be exempt from the Open Meetings Act as proposed. This act is basic to public business for good reasons.
- “Incentive Compensation” is irrelevant when key personnel are fired or quit.
- Offices should remain in Alaska. Remote work is standard practice. The Board has lost some credibility on office proposals as it unilaterally opened an office in Anchorage without legislative approval, despite warnings.
- The Board has a long way to go to inform the public of its work etc. Your job includes convincing the public that you take that education seriously.
- The structure of the account must be protected from irresponsible spending. The principal must be allowed to grow and not be subject to tapping that diminishes it.

Thank you for this opportunity to comment.

Sincerely,  
Mary Corcoran and Patrick Schlichting  
Delta Junction, Alaska

02-14-2024 at 4:05 p.m.

Subject: **Permanent Fund Strategic Plan**

Sender: **Bert Thomas**

Location: **Fairbanks**

I say no to this plan!

Your plan is certainly a waste of Alaskan’s money up front. Additional compensation is not needed for personnel. Additional offices are not needed – sounds like places for you to go on boondoggles.

Closed meetings – NO – what are you trying to hide. Public is entitled to hear what you are scheming.

NO on borrowing money to invest – that is always a terrible idea. Sounds like something the Biden administration would do.

Whoever dreamed this stuff up should be relieved immediately. You are putting the state in financial danger with these ludicrous ideas.



ALASKA PERMANENT  
FUND CORPORATION

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Bert Thomas  
Fairbanks, AK