

News Release**For Immediate Release: April 23, 2024****Contact: Pauly Swanson 907.796.1520 – pswanson@apfc.org****BOARD OF TRUSTEES PREPARES FOR ANNUAL ASSET ALLOCATION REVIEW IN SPECIAL MEETING**

JUNEAU - The Board of Trustees of the Alaska Permanent Fund Corporation (APFC) held a special meeting focused on asset allocation and private markets investments via webinar on April 22, 2024. The meeting featured in-depth presentations from its partners at AQR Capital Management, Pathway Capital Management, and Callan. Additionally, APFC staff provided an update on legislation and the funding status of APFC's FY25 budget priorities to support professional talent and recruitment opportunities.

The Trustees held this education session to hear from trusted partners on the private markets landscape and its role within the Fund's portfolio. This serves as critical context for the planned asset allocation discussion during the May quarterly meeting. The Board is committed to ensuring the Fund's investments are well diversified and can provide a compelling long-term risk-adjusted return under various market conditions for the benefit of Alaskans.

AQR Capital Management assessed capital markets and implications for asset allocation. Evidence suggests that private credit and private equity have similar risk-adjusted returns compared with their public counterparts. The AQR team recommends that APFC consider increasing diversifiers such as hedge funds and inflation-sensitive assets to improve total risk-adjusted returns.

"Such deeply researched market perspectives are an important part of educating the Board and providing APFC with timely, actionable information to make sound investment decisions," said Marcus Frampton, APFC's Chief Investment Officer.

Pathway Capital Management presented a private markets review. Pathway provided that APFC's private equity performance compares favorably with peers and other asset classes, generating net gains of \$14.9 billion since inception (\$10 billion more than if APFC had invested in the public benchmark equivalent). Pathway highlighted the unique characteristics of private credit and infrastructure, recognizing that APFC's portfolios have outperformed since inception.

"As the Pathway team noted, with the depth and breadth of our private markets program, APFC continues to be a sought-after investment partner," said Allen Waldrop, APFC Director of Private Equity.

Callan provided their analysis on performance, projections, and allocations should APFC increase the Fund's exposure to private equity. Callan shared backward-looking historical data to illustrate how those asset allocation decisions would have performed in various market conditions over nearly 40 years, the longest range in which comparable data is available.

The next meeting of the Board of Trustees will be the quarterly meeting on May 29-30, 2024, in Utqiagvik, Alaska and via WebEx. Meeting information can be found [here](#).

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About APFC

APFC was created by the Alaska State Legislature in 1980 as an independent state entity tasked with managing the assets of the Alaska Permanent Fund on behalf of current and future generations of Alaskans and other funds designated by law.

The Alaska Permanent Fund is a globally recognized sovereign wealth fund established in 1976 by Alaskans to preserve and convert the State's non-renewable mineral and oil wealth into a renewable financial resource for generations of Alaskans.