



APFC

ALASKA PERMANENT
FUND CORPORATION

Board of Trustees

Quarterly Meeting

December 10-11, 2024

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QUARTERLY MEETING OF THE BOARD OF TRUSTEES December 10-11, 2024

Michael J. Burns Building
David Rose Board Room (3rd Floor)
801 W 10th Street
Juneau, AK 99801

Tuesday, December 10, 2024

Time: 8:30 am – 3:30 pm

Day 1 Teams Webinar Access:

<https://apfc.org/bot-meeting-day1>

Event Password: g59AQ29M

Teleconference Option

Phone: 323-792-6284

Meeting ID: 260 383 076 877

Phone Conference ID: 338 551 821#

Wednesday, December 11, 2024

Time: 8:30 am – 12:00pm

Day 2 Teams Webinar Access:

<https://apfc.org/bot-meeting-day2>

Event Password: 6Zi7gd2G

Teleconference Option

Phone: 323-792-6284

Meeting ID: 265 252 824 050

Phone Conference ID: 732 711 749#

**Written comments can be sent to Trustees anytime at
boardpubliccomment@apfc.org**

AGENDA

TUESDAY, DECEMBER 10, 2024

- 8:30 a.m. CALL TO ORDER
- ROLL CALL (Action)
- APPROVAL OF AGENDA (Action)
- APPROVAL OF MINUTES (Action)
 - September 5, 2024 – Budget Meeting
 - September 25-26, 2024 – Annual Meeting
- OPPORTUNITY FOR PUBLIC PARTICIPATION
- 8:45 a.m. CHIEF EXECUTIVE OFFICER’S REPORTS (Information/Standard Reports)
Pending Board Matters, Trustee Education Report, Disclosure Report, Staff Summary Report, Staff Education & Training Report, Human Resources Summary, Communications Report, IT Update, Financial Update, Financial Report, APFC Transfers, History & Projections, Investment Management Fee Report, FY25 Budget Report
- 9:15 a.m. CHIEF INVESTMENT OFFICER’S REPORT (Information)
Marcus Frampton, Chief Investment Officer
- 9:45 a.m. RISK & COMPLIANCE OVERVIEW (Information)
Sebastian Vadakumcherry, Chief Risk and Compliance Officer

Agenda Cont.

- 10:15 a.m. INVESTMENT ADVISOR COMMENTS (Information)
John Skjervem
Britt Harris
- 10:30 a.m. BREAK
- 10:45 a.m. SURETY BOND REQUIREMENTS (Information)
Chris Poag, General Counsel
Ben Hofmeister, Assistant Attorney General, Department of Law
- 11:00 a.m. PRIVATE MARKETS OVERVIEW (Education & Information)
Allen Waldrop, Deputy CIO – Private Markets
- 11:30 a.m. PUBLIC MARKETS OVERVIEW (Education & Information)
Jim Parise, Deputy CIO – Public Markets
- 12:00 p.m. LUNCH
- 12:30 p.m. ASSET CLASS OVERVIEW: ABSOLUTE RETURN (Board Education & Information)
Youlian Ninkov, Senior Portfolio Manager
- 1:30 p.m. PROXY VOTING/AUDITS (Information)
Adam Crum, Vice-Chair
Deven Mitchell, Chief Executive Officer
- 1:45 p.m. INVESTMENT ADVISOR PRESENTATION (Board Education & Information)
John Skjervem, Investment Advisor
- 2:30 p.m. EXECUTIVE DIRECTOR REVIEW
(Possible Executive Session)
- 3:30 p.m. RECESS FOR THE DAY

WEDNESDAY, DECEMBER 11, 2024

- 8:30 a.m. MEETING RECONVENES
- 8:35 a.m. FUND PERFORMANCE PRESENTATION FROM CALLAN (Education & Information)
Steve Center, CFA, Senior Vice President & Investment Consultant
- 10:00 a.m. ABSOLUTE RETURN PRESENTATION (Education & Information)
Joe McGuane, CFA, Senior Vice President in Callan's Alternatives Consulting Group
- 10:45 a.m. BREAK
- 11:00 a.m. PMP APPROVAL (Action)
Shannon McCain, Director of Human Resources
- 11:30 a.m. ADDITIONAL OPPORTUNITY FOR PUBLIC PARTICIPATION

OTHER BUSINESS

TRUSTEE COMMENTS

FUTURE AGENDA ITEMS – Fall 2025 Calendar Discussion
- 12:00 p.m. ADJOURNMENT

NOTE: TIMES MAY VARY AND THE CHAIR MAY REORDER AGENDA ITEMS
(Please telephone Jennifer Loesch at 907.796.1519 with agenda questions.)



SUBJECT: Approval of Minutes

ACTION: X

DATE: December 10, 2024

INFORMATION:

BACKGROUND:

Staff reviewed the following Board of Trustees meeting summary minutes, draft copies are attached for your approval.

- September 5, 2024 Budget Work Session
- September 25-26, 2024 Annual Meeting

RECOMMENDATION:

Approval of the summary minutes of the Board of Trustees meetings listed above.

**ALASKA PERMANENT FUND CORPORATION
BOARD OF TRUSTEES BUDGET MEETING**

September 5, 2024
8:30 am.

Originating at:
Michael J. Burns Building
David Rose Board Room (3rd Floor)
801 West 10th Street
Juneau, Alaska 99801

Trustees Present:

Jason Brune
Adam Crum
Ryan Anderson
Ethan Schutt

APFC Staff Present:

Deven Mitchell	Ross Alexander
Marcus Frampton	Jacki Mallinger
Val Mertz	Juliette Alldredge
Sebastian Vadkumcherry	Sarah Struble
Chris Poag	Henry Lloyd
Paulyn Swanson	Lesley Creswell
Ben Hoffmeister	Vera Bueler-Faudree
Shannon McCain	Shannon McCain
Joseph Jeralds	Chirag Shah
Tara Mendoza	Steven Gagliardo
Jennifer Loesch	Allen Waldrop
Nita Tupou	James Parise
Sarah Clark	Tom Oday
Joe Shinn	Michael Gumz
Norix Mangual	Alex Smith
Terek Rutherford	Valeria Martinez
Eric Ritchie	Alysha Guthrie
TJ Hegedus	Maria Skuratovskaya
Jessica Thornsburry	Scott Balovich
Christopher LaVallee	Larissa Murray

Others Participating:

Sophia Torres; Edra Morledge; Roger Egger; Maggie Duffy; Ed Martin.

ACTION ITEMS

CALL TO ORDER

The meeting was officially called to order by Chair Brune at 8:30 a.m.

ROLL CALL (Action)

TARA MENDOZA conducted roll call, confirming the presence of Trustees Brune, Schutt, Crum, and Anderson. A quorum was established, allowing the meeting to proceed.

APPROVAL OF AGENDA (Action)

The agenda was presented for approval. Trustee Crum moved for its approval, and Trustee Anderson seconded the motion. With no opposition or amendments, the agenda was unanimously approved, allowing the meeting to follow the set order of business.

OPPORTUNITY FOR PUBLIC PARTICIPATION

CHAIR BRUNE opened the floor for public participation and explained that there would be two opportunities for public comment during the meeting.

TARA MENDOZA reported that no members of the public were present online or by phone to provide comments at this time. The meeting then proceeded as planned.

FY26 BUDGET OVERVIEW (Information)

ALYSHA GUTHRIE, Administrative Operations Director, gave a comprehensive presentation on the proposed FY26 budget, highlighting several key areas of focus. First, she emphasized the organization's commitment to recruitment and retention, aiming to retain top talent through competitive compensation packages and merit-based salary adjustments. She also addressed the need to reduce reliance on external consultants, particularly in investment management, by expanding internal teams and increasing internal capacity. A. Guthrie outlined the strategic IT roadmap, which includes ongoing investment in IT security to protect against cyber threats, noting that mid-year cyberattacks had necessitated significant resource allocation to safeguard the system. Additionally, she emphasized the importance of transparency and operational improvements, with a focus on enhancing efficiency through better reporting mechanisms and communication systems. The budget also includes provisions for inflationary adjustments and merit-based pay increases to ensure the organization remains competitive in attracting and retaining employees.

CHAIR BRUNE and the Trustees raised questions regarding specific budget allocations, particularly in relation to personnel services and merit compensation. They stressed the need for clear justification and transparency in budget increases. A. Guthrie, along with other staff members, provided detailed responses, assuring the Trustees that ongoing adjustments and reviews would be incorporated into the budget process.

UPDATE ON INTERNAL REVIEW (Information)

The Trustees entered an executive session to discuss legal matters related to an independent internal review authorized at the July meeting. The session included confidential discussions on operational issues, staffing, and other sensitive matters. No formal decisions were made during the session, and the Trustees exited the executive session without any actionable outcomes.

EXECUTIVE DIRECTOR & TRUSTEE COMMENTS

DEVEN MITCHELL expressed gratitude to the Trustees for their thoughtful feedback on the budget presentation. He reiterated the importance of ensuring that the FY26 budget is transparent, balanced, and strategically aligned with the organization's goals.

Trustees echoed these sentiments, with Trustee Anderson and Trustee Schutt praising the staff's preparation and clarity. Trustee Crum specifically complimented Alysha Guthrie for her in-depth understanding of the budget and for providing a thorough and organized presentation despite her relatively short time in the role. The Trustees encouraged staff to continue focusing on transparency and accountability in the budget and future projects.

ADJOURNMENT

The meeting was formally adjourned at 11:31 a.m.

**ALASKA PERMANENT FUND CORPORATION
ANNUAL MEETING FOR THE BOARD OF TRUSTEES**

September 25 & 26, 2024

Originating at:
Atwood Conference Center 102/104
550 W 7th Avenue
Anchorage, AK 99501

Trustees Present:

Jason Brune
Adam Crum
Craig Richards

Ethan Schutt
Ryan Anderson

APFC Staff Present:

Deven Mitchell
Marcus Frampton
Val Mertz
Sebastian Vadakumcherry
Chris Poag
Scott Balovich
Cody Graves
Allen Waldrop
Jim Parise
Alysha Guthrie
Ross Alexander
Catherine Hatch
Sarah Clark
Lara Pollock
Juliette Alldredge
Norix Mangual
Jordyn Elie
Christopher LaVallee
Joe Shinn
Alexander Smith
Chirag Shah
Tim Andreyka
Steven Gagliardo
Ed Rime
Matthew Olmsted
Lillie Haggard
Tom O'Day
Steve Adams

Valeria Martinez
TJ Hegedus
Shannon McCain
Matthew Ives
Michael Gumz
Lesley Creswell
Henry Lloyd
Jessica Thornsburry
Michael Prebeg
Fawad Razzaque
Joseph Jerals
Masha Skuratovskaya
Shawn Calhoon
Luke Kirkham
Marisa McComas
Chris Cummins
Damien Miller
Eric Ritchie
Youlian Ninkov
Paulyn Swanson
Terek Rutherford
Jennifer Loesch
Larissa Murray
Tara Mendoza
Matthew Ives
Chris LaVallee
Colton Scudder
Nita Tupou

Sarah Struble

Josh Ungar

Investment Advisors:

John Skjervem

George Zinn

Callan:

Greg Allen

Steve Center

KMPG:

Melissa Beedle

Beth Stuart

Also Present:

Ed Martin; Karol Raszkievicz; Michel Hanigan; Anne Rittgers; Donna Arduin; Albert Hicks; Matthew Benson; Cody Rice; Maggie Duffy; Kayc Ullrich; James Simard; Michael Bloom; James Brooks; Miri Smith; Cyril Espanol; William Milks; Andrew Roper; Joe Ebisa; Sophia Torres; Gene Hickey; Larry Smith; Todd Lindley; Phil Nunes; Sean Maguire; Gina Romero; Dan Abramson; Thomas G; Lee Cruise; Deborah Brollini; Rachel Eacker; Ben Hofmeister; Lauren Albanese.

ACTION ITEMS

BOARD OF TRUSTEES ANNUAL MEETING CONVENES

CHAIR BRUNE opened the Annual Meeting of the Board of Trustees of the Alaska Permanent Fund Corporation on September 25, 2024, at 8:30 AM, welcoming attendees and acknowledging the quorum.

ROLL CALL (Action)

JENNIFER LOESCH conducted the roll call. Trustees present included Jason Brune, Ethan Schutt, Adam Crum, Ryan Anderson, and Craig Richards, confirming a quorum.

APPROVAL OF AGENDA (Action)

TRUSTEE CRUM moved to approve the agenda, seconded by Trustee Schutt. The motion carried with no opposition, and the agenda was approved.

APPROVAL OF MINUTES (Action)

The minutes of the July 24, 2024, meeting was presented. Trustee Crum moved to approve the minutes, and Trustee Schutt seconded the motion. With no opposition, the minutes were approved.

OPPORTUNITY FOR PUBLIC PARTICIPATION

CHAIR BRUNE invited public participation.

THOMAS GARBER raised concerns regarding bonding requirements for Corporation members, referencing Alaska statutes. He expressed concern about public welfare and safety, specifically focusing on statutory requirements that might not be adequately fulfilled.

ED MARTIN participated online, echoing Garber's concerns about bonding, statutory compliance, and the responsibility of Trustees.

CHAIR BRUNE acknowledged Martin's concerns and informed him that Deven Mitchell would address them during the CEO's report.

COMMITTEE REPORTS (Information)

TRUSTEE ANDERSON provided an update on the Audit Committee's September 15th meeting. He noted that the Committee approved the minutes of the previous meeting and reviewed the audited financial statements. They discussed financial controls, reviewing compliance with internal protocols to mitigate risks, and ensuring strong governance practices.

GENERAL COUNSEL POAG presented legal matters to the committee, and potential adjustments to the Audit Committee Charter were reviewed, specifically addressing cybersecurity, ethics, and operational transparency. These amendments will be discussed by the full Board later.

CHIEF EXECUTIVE OFFICER'S REPORT (Information/Standard Reports)

DEVEN MITCHELL addressed the concerns raised by Ed Martin regarding bonding and statutory compliance. He clarified that the State of Alaska operates a self-insurance program for public officials, which serves as an alternative to traditional bonding requirements. He mentioned that the Department of Law would provide further clarification on this matter.

D. Mitchell also updated the Board on pending matters, including human resources, noting vacancies in key positions. He discussed an IT security review that highlighted improvements and a positive work environment. The IT team's successful transition from WebEx to Microsoft Teams was praised. D. Mitchell reviewed financial performance, drawing attention to a \$400 million shortfall, largely due to unrealized gains. He also covered the complexities of inflation-proofing the Fund and the potential impacts on the Fund's future. Additionally, he mentioned that the financial markets posed challenges, particularly in managing operational costs versus investment gains.

CHIEF INVESTMENT OFFICER REPORT (Information)

MARCUS FRAMPTON provided a comprehensive overview of the Fund's investment performance. He noted that public equities, particularly in the U.S., had underperformed, impacting overall returns. However, he explained that private markets, including private equity and real estate investments, continued to perform solidly. Frampton compared the Fund's performance to that of the Norway Fund, noting that differences in fiscal year timelines and currency exposures made direct comparisons challenging. Recruitment for key investment positions was ongoing, with the goal of strengthening the team's ability to manage growing portfolios and market risks. He highlighted the Fund's focus on maintaining long-term performance, despite short-term fluctuations, and emphasized ongoing efforts to adjust pacing in private market investments and real estate sectors.

RISK & COMPLIANCE OVERVIEW (Information)

SEBASTIAN VADAKUMCHERRY, Chief Risk and Compliance Officer provided an extensive overview of APFC's risk and compliance practices. He emphasized that his role now formally integrates both risk and compliance responsibilities. He detailed APFC's three lines of defense approach: the first line being the investment team, responsible for identifying and managing risks; the second line comprising independent risk and compliance functions supported by other departments such as finance, legal, IT, HR, and communications; and the third line including external auditors with Board oversight.

S. Vadakumcherry outlined the Fund's Enterprise Risk Management (ERM) framework, which encompasses market, credit, liquidity, inflation, and operational risks. APFC uses advanced tools such as BlackRock Aladdin and eFront to monitor and mitigate these risks. He noted that as APFC expands international trading, regulatory compliance requirements will increase, especially as they begin operations in multiple jurisdictions. The Compliance Committee, led by the CEO and including senior leadership, meets regularly to ensure compliance with investment policies. S. Vadakumcherry assured the Board that the Fund remains within compliance limits on all fronts.

S. Vadakumcherry also reviewed quarterly risk metrics for the Fund, stating that the Fund was within its established risk appetite for value-at-risk, drawdown, and liquidity. He highlighted a slight decline in the Sharpe ratio due to recent market performance. Additionally, he noted that \$7.5 billion in unfunded commitments were actively managed, ensuring that the Fund could meet obligations as capital calls arise. Stress test scenarios indicated the portfolio could face a potential 45% decline in a global financial crisis scenario, though cash flow and risk monitoring systems are in place to mitigate such risks.

INVESTMENT ADVISOR COMMENTS (Information)

JOHN SKJERVEM and GEORGE ZINN provided their insights on the Fund's asset allocation and performance.

J. SKJERVEM emphasized that comparing APFC to other sovereign wealth funds, such as the Norway Fund, could be misleading due to differences in size, strategy, and liquidity needs. He expressed confidence in the Fund's implementation of its strategies, assuring that no major concerns regarding performance were present.

G. ZINN highlighted the importance of asset allocation as a driver of returns and recommended considering an annual benchmarking study to maintain a competitive edge. He also noted that a potential RFP for external advisory services could be explored for more robust peer comparison.

REPORT OF ANNUAL AUDIT (Action)

BETH STUART from KPMG presented the results of the annual audit, which yielded an unmodified opinion, indicating a clean audit with no material weaknesses. Stuart praised the cooperation between KPMG and APFC management throughout the audit process.

The Board reviewed and approved the fiscal year 2024 audited financial statements, with Trustee Anderson moving for approval and Trustee Schutt seconding the motion, which passed unanimously.

FUND PERFORMANCE (Information)

GREG ALLEN and STEVE CENTER from Callan LLC reviewed the Fund's performance for the fiscal year ending June 30, 2024. They reported that the Fund returned 7.9%, trailing its benchmark by 1.5%. Public equities, particularly small caps, contributed to the underperformance, reflecting broader market trends. However, long-term performance remained strong, with the Fund ranking in the top percentile among peers over the last 10 years. The presenters emphasized that the Fund's long-term investment strategy remains on track despite short-term volatility in specific asset classes.

IT SECURITY UPDATE/REVIEW - EXECUTIVE SESSION (Information)

SCOTT BALOVICH, Director of IT, and CODY GRAVES, IT Security Analyst, provided an update on the Fund's IT security posture in an Executive Session. They would discuss recent cybersecurity assessments, improvements made, and ongoing efforts to strengthen the Fund's defenses against emerging threats.

LEGAL ADVICE ON GOVERNANCE – EXECUTIVE SESSION (Information)

The Board convened another Executive Session to receive legal advice concerning governance matters, particularly focused on the review initiated by the Governor's office. The session would explore the Board's compliance with statutory and regulatory frameworks, and potential impacts of the Governor's review on operations.

RECESS FOR THE DAY

CHAIR BRUNE announced that the Board would reconvene the next day at 8:30 AM. No further actions were taken following the Executive Sessions.

MEETING RECONVENES

CHAIR BRUNE reconvened the APFC Board of Trustees meeting on September 26, 2024, at 8:30 a.m. He confirmed that no actions were taken during the prior day's executive sessions. Trustee Richards moved that the Board fully cooperate with the independent review initiated by the Governor's Office, which was seconded by Trustee Anderson. The motion passed unanimously.

ASSET CLASS UPDATE – FIXED INCOME (Board Education & Information)

JIM PARISE provided an in-depth overview of the fixed income portfolio, emphasizing its role as a stabilizer within the overall fund, offering liquidity and a counterbalance to riskier assets such as equities and private equity. He discussed the decision in 2022 to bring all fixed income assets in-house, which saved \$8 million in fees and resulted in improved performance. The internal team consistently outperformed benchmarks.

MATT OLMSTEAD highlighted the high-yield portfolio, explaining the strategy of adding risk when spreads widen and the successful management of high-yield bonds throughout 2024. The

presentation emphasized the fixed income team's disciplined, reactive approach, including frequent use of credit swaps and rebalancing trades.

REVISED GOVERNANCE MANUAL UPDATE (Action)

CHAIR BRUNE acknowledged the significant contributions of former Trustee Ellie Rubenstein, who had previously chaired the Governance Committee, and current Committee Chair Trustee Crum, who played a vital role in advancing the revisions to the Governance Manual. Brune commended both for their efforts, which were instrumental in refining the governance process. He also expressed gratitude to Deven Mitchell, CEO, and General Counsel Chris Poag for their leadership in coordinating the updates and ensuring that all key stakeholders were involved.

DEVEN MITCHELL and CHRIS POAG presented the proposed updates to the Governance Manual. These updates were driven by recommendations from Funston Advisory Services following their comprehensive review of the APFC's governance structure. The changes were primarily aimed at modernizing and enhancing governance practices, with a focus on the Audit and Investment Advisory Group (IAG) Charters.

TRUSTEE SCHUTT moved to adopt the proposed changes to the Governance Manual, including the new responsibilities for the Audit Committee and the IAG Charter revisions.

TRUSTEE CRUM seconded the motion. Following further discussion and clarification, the motion passed unanimously.

FY26 BUDGET APPROVAL (Action)

ALYSHA GUTHRIE presented the FY26 budget, noting increases in travel expenses due to inflation and the expansion of staff, especially in private markets. The budget included a 3% cost-of-living adjustment (COLA), a 2% merit increase, and funding for additional positions.

TRUSTEE CRUM moved to approve the FY26 budget with amendments: reducing the personal services line by removing the 2% merit increase and adding \$150,000 for a cybersecurity audit.

TRUSTEE SCHUTT seconded the motion, which passed unanimously.

DEVEN MITCHELL acknowledged the collaborative effort in reaching a budget compromise that balanced operational needs with financial constraints.

INVESTMENT ADVISOR COMMENTS (Information)

GEORGE ZINN and JOHN SKJERVEM provided insights on the current investment landscape and portfolio performance. They commended the internal fixed income team for their consistent outperformance and emphasized the successful transition from external managers to internal management, which contributed to the portfolio's long-term success.

ADDITIONAL OPPORTUNITY FOR PUBLIC PARTICIPATION

Public participants raised concerns about transparency in APFC operations, specifically regarding travel expenses, bonding, and insurance.

TODD LINDLEY, a resident of Anchorage, voiced concerns about the need for clear guidelines on bonding and restitution, distinguishing between bonding and insurance in relation to APFC Board responsibilities.

ED MARTIN focused on the need for financial accountability, particularly regarding the travel budget and adherence to bonding requirements. These comments underscored public interest in the Fund's financial discipline and operational transparency.

ELECTION OF CORPORATE OFFICERS (Action)

TRUSTEE SCHUTT moved to continue the current slate of officers, with Trustee Brune as Chair and Trustee Crum as Vice Chair, to serve until the annual meeting in the fall of 2025.

TRUSTEE RICHARDS seconded the motion, which passed unanimously.

APPOINTMENT OF COMMITTEE ASSIGNMENTS

CHAIR BRUNE expressed gratitude for the continued support and confirmed that the Committee Chairs would remain unchanged. Trustee Richards was officially appointed to the Governance Committee, and Trustee Schutt retained his role on the Audit Committee. Chair Brune encouraged the Governor's Office to expedite the appointment of a sixth Trustee to the Board.

OTHER MATTERS (Action)

DEVEN MITCHELL presented the proposed 2025 and 2026 calendar for board meetings, detailing the dates and locations of each meeting to ensure proper alignment with key APFC milestones and to accommodate the trustees' schedules. The calendar was designed to provide enough time between meetings for the preparation of reports and allow for timely decision-making on critical matters. After discussing potential scheduling conflicts, the trustees unanimously approved the calendar.

TRUSTEE COMMENTS

Trustees expressed their appreciation for the presentations, particularly the comprehensive fixed income update. They noted the importance of internal team performance and emphasized their satisfaction with the consistent returns produced by the APFC team.

FUTURE AGENDA ITEMS

Trustees recommended that future meetings focus on presentations led by internal staff rather than external managers. The consensus was that team-driven insights provided more valuable information for decision-making. The board suggested continuing the practice of deep-dive presentations on individual asset classes.

ADJOURNMENT

TRUSTEE SCHUTT moved for adjournment, seconded by Trustee Anderson. With no opposition, Chair Brune adjourned the meeting at 1:39 p.m.

SUBJECT: Chief Executive Officer Report

ACTION:

DATE: December 10, 2024

INFORMATION: X

BACKGROUND:

The CEO's report provides reports detailing Board matters, disclosures, staffing and budget updates, and financial reports.

STATUS:

Executive Director, Deven Mitchell, will present highlights from the following reports:

- Pending Board Matters
- Trustee Education Report
- Disclosure Report
- Staff Summary Report
- APFC Staff Education Training Report
- HR Summary Report
- Communications Report
- IT Update
- Investment Referral Log
- Financial Update
- Financial Report
- APFC Transfers
- APFC History and Projections
- Investment Management Fee Report
- FY24 Budget Update

SUBJECT: Pending Board Matters

ACTION:

DATE: December 10, 2024

INFORMATION: X

BY	TASK	CAPTURED	TARGET	COMPLETED
Mitchell/Balovich	Security Review Update	5/24	7/24	9/24
Hoffmeister	Internal Review	5/24	9/24	9/24
Mitchell/McCain	PMP Improvements	7/23	12/24	
Mitchell	Update Compensation Structure	12/22 4/23	TBD	
Mitchell	Peer Group Definition	7/22	TBD	
Governance Committee	Governance Committee Recommendations and format update	5/24	9/24 & 12/24	
Hoffmeister	Surety Bond Requirements	07/24 & 9/24	12/24	
Mitchell/Frampton	Proxy Voting	7/23	12/24	

SUBJECT: Trustee Education

ACTION: _____

DATE: December 10, 2024

INFORMATION: X

BACKGROUND:

The Board of Trustees of the APFC has established a Trustee Education Policy with the following objectives:

- To ensure that the members of the Board have access to the knowledge and information necessary for them to fulfill their fiduciary duties as trustees of the Alaska Permanent Fund; and
- To assist them in becoming well informed in all matters pertaining generally to the management of a large institutional fund, both public and private, and more specifically to the management and investments of the APFC.

In accordance with the Trustee Education Policy, the following is a list of conferences and seminars that Trustees may wish to attend.

TRAINING OPPORTUNITY	TOPIC	LOCATION	DATES
Callan	2025 National Conference	Scottsdale	April 27-29, 2025
PPI	Winter Roundtable	Seattle	March 5-7, 2025

Memo

To: Governance Committee

From: Shannon Ely McCain, Director of Human Resources

Date: December 2, 2024

Re: APFC Financial Disclosure Report

As required by AS 37.13.110(b) and Alaska Permanent Fund Corporation policy relating to personal investments conduct and reporting, trustees and staff must disclose certain financial interests. Below is a list of disclosures for transactions made by trustees and staff, covering initial, quarterly, and annual disclosures for reportable holdings as of December 2, 2024.

Disclosures			
Name	Position Title	Disclosure Type	Received
Gagliardo, Steven	Senior Associate	Q3 2024	10/22/2024
Gumz, Michael	Credit Analyst	Q3 2024	10/16/2024
Haggard, Lillie	Investment Analyst	Q3 2024	10/22/2024
Hegedus, Tibor	Risk Analyst	Q3 2024	10/11/2024
Ives, Matt	Credit Analyst	Q3 2024	10/7/2024
Jeralds, Joseph	IT Specialist	Q3 2024	10/22/2024
LaVallee, Christopher	Sr. Portfolio Accountment II	Q3 2024	10/31/2024
Rime, Edward	Portfolio Manager	Q3 2024	11/4/2024
Ritchie, Eric	Senior Associate	Q3 2024	10/10/2024
Rutherford, Terek	Associate	Q3 2024	11/4/2024
Smith, Jedediah	Procurement Officer	Q3 2024	10/7/2024
Waldrop, Allen	Deputy CIO – Private Markets	Q3 2024	9/30/2024
Richards, Craig	Trustee	Q3 2024	11/25/2024
Brune, Jason	Trustee	Q3 2024	10/23/2024

As a reminder, Quarterly - Only subsequent new Reportable Investments made during the quarter must be disclosed by the thirtieth (30) day following the end of each quarter. For the purpose of clarity, acquiring additional shares or selling shares of an already disclosed Reportable Investment does not need to be disclosed again as a quarterly investment.

All disclosures are under review as required per the APFC Disclosure Policy. After review, disclosures are filed in the appropriate personnel file. If you have any questions, please call me at 907-796-1541.

Memo

To: Board of Trustees
 From: Deven Mitchell
 Chief Executive Officer
 Date: December 10, 2024
 Re: Travel, Training, and Diligence Summary Report

Background:

This report includes APFC staff completed travel and due diligence numbers for the period July 1-September 30, 2024. The travel report is presented to the Board of Trustees for review at each board meeting as required by APFC Resolution 04-10.

Due Diligence Summary:

Department	Number of Meetings Held	
	In Person	Telephonic/Virtual
Executives	13	35
Fixed Income	11	50
Public Equity	7	36
Private Income	24	109
Absolute Return	9	33
Real Estate	12	44
Private Equity	21	163
Total Fund Cash	0	0

Travel Summary:

Budget-to-Actual Report: July 1, 2024 through October 31, 2024

The following can be found in full in the FY25 Budget Update

CORPORATE OPERATIONS	BOARD-AUTHORIZED BUDGET	EXPENDITURES	BUDGET REMAINING
Travel	\$775,000	\$188,037	\$586,963
Staff	\$552,000	\$175,714	\$376,286
Trustees	\$18,000	\$7,638	\$10,362
Training & Conferences	\$75,000	\$2,020	\$72,980
Moving/Non-Employee	\$130,000	\$2,665	\$127,335

Trip Summary – 1st Quarter – July 1 through September 30, 2024

TRAVELER	PURPOSE	DATES OF TRAVEL		LOCATION
Rutherford	Juneau Office Visit	July 8	July 13	Juneau
Rahn	Juneau Office Visit	July 8	July 19	Juneau
Waldrop	Juneau Office Visit	July 8	July 13	Juneau
Haggard	Juneau Office Visit	July 9	July 13	Juneau

Ungar	Juneau Office Visit	July 9	July 12	Juneau
Pollock	Juneau Office Visit	July 10	July 12	Juneau
Gagliardo	Juneau Office Visit	July 10	July 12	Juneau
Hatch	Conference	July 22	July 26	Orlando
Loesch	Board of Trustees Meeting	July 22	July 25	Fairbanks
Mendoza	Board of Trustees Meeting	July 22	July 25	Fairbanks
Murray	Board of Trustees Meeting	July 22	July 24	Fairbanks
Schutt	Board of Trustees Meeting	July 23	July 24	Fairbanks
Gagliardo	Board of Trustees Meeting	July 23	July 24	Fairbanks
Richards	Board of Trustees Meeting	July 23	July 24	Fairbanks
Brune	Board of Trustees Meeting	July 23	July 24	Fairbanks
Frampton	Board of Trustees Meeting	July 23	July 25	Fairbanks
Mitchell	Board of Trustees Meeting	July 23	July 25	Fairbanks
Swanson	Board of Trustees Meeting	July 23	July 25	Fairbanks
Vadakumcherry	Board of Trustees Meeting	July 23	July 25	Fairbanks
Mertz	Board of Trustees Meeting	July 23	July 25	Fairbanks
Poag	Board of Trustees Meeting	July 23	July 25	Fairbanks
McCain	Board of Trustees Meeting	July 23	July 25	Fairbanks
Balovich	Board of Trustees Meeting	July 23	July 25	Fairbanks
Parise	Board of Trustees Meeting	July 23	July 25	Fairbanks
Waldrop	Board of Trustees Meeting	July 23	July 26	Fairbanks
Pollock	Training	July 23	July 26	Chicago
Razzaque	Annual General Meeting	July 24	July 26	Kansas
Mangual	Juneau Office Visit	August 11	August 24	Juneau
Parise	Manager Meetings	August 11	August 17	New York
Shah	Juneau/Anchorage Office Visit	August 18	August 25	Juneau/Anchorage
Ungar	Juneau/Anchorage Office Visit	August 19	August 23	Juneau/Anchorage
Waldrop	Juneau/Anchorage Office Visit	August 19	August 23	Juneau/Anchorage
Waldrop	Property Inspection	August 26	August 26	San Francisco
Adams	Annual General Meeting	August 26	August 30	San Diego
Andreyka	Annual General Meeting	August 26	August 30	San Diego/San Francisco
Mitchell	Administrative Travel	September 2	September 3	Anchorage
Rime	Quarterly Partnership Meetings	September 2	September 6	California
Gagliardo	Manager Meetings	September 9	September 13	New York
Frampton	Manager Meetings/Property Visit	September 10	September 19	New York/Washington DC
Andreyka	Manager Meetings	September 15	September 21	New York
Alexander	Manager Meetings	September 15	September 20	Mumbai
Mitchell	Property Visit	September 15	September 19	Washington DC
Waldrop	Property Visit	September 16	September 18	Washington DC
Rahn	Annual General Meeting	September 17	September 19	Toronto
Ritchie	Annual General Meeting	September 22	September 28	Los Angeles
Rutherford	Annual General Meeting	September 24	September 26	Houston

Loesch	Board of Trustees Meeting	September 24	September 26	Anchorage
Vadakumcherry	Board of Trustees Meeting	September 24	September 26	Anchorage
Poag	Board of Trustees Meeting	September 24	September 26	Anchorage
Parise	Board of Trustees Meeting	September 24	September 26	Anchorage
Olmsted	Board of Trustees Meeting	September 24	September 26	Anchorage
Jeralds	Board of Trustees Meeting	September 24	September 26	Anchorage
Alexander	Board of Trustees Meeting	September 24	September 26	Anchorage
Guthrie	Board of Trustees Meeting	September 24	September 26	Anchorage
Anderson	Board of Trustees Meeting	September 24	September 26	Anchorage
Mertz	Board of Trustees Meeting	September 24	September 26	Anchorage
Mendoza	Board of Trustees Meeting	September 24	September 26	Anchorage
Balovich	Board of Trustees Meeting	September 24	September 26	Anchorage
Graves	Board of Trustees Meeting	September 24	September 26	Anchorage
Alldredge	Board of Trustees Meeting	September 24	September 26	Anchorage
Waldrop	Board of Trustees Meeting	September 24	September 26	Anchorage
Swanson	Board of Trustees Meeting	September 24	September 27	Anchorage
Mitchell	Board of Trustees Meeting	September 24	September 27	Anchorage
Frampton	Board of Trustees Meeting	September 24	September 28	Anchorage
Hatch	Board of Trustees Meeting	September 24	September 28	Anchorage
Haggard	Annual General Meeting	September 29	October 2	Orange County
Poag	Conference	September 30	October 2	Washington DC
Rahn	Annual General Meeting	September 30	October 2	New York



ALASKA PERMANENT
FUND CORPORATION

	EMPLOYEE	DEPT	TRAINING TYPE*	VENDOR	COURSE TITLE	CLASS HOURS	CITY	ST
1	Joshua Ungar	Inv	OL	CAIA Association	CAIA Level II	200	NA	NA
2	Catherine Hatch	Inv	CS	With Intelligence	Next Generation Analyst Retreat (Fall)	12	Boston	MA
3	Catherine Hatch	Inv	CS	Kayo	2024 Women in Private Funds Summit	12	Boston	MA
4	Jacki Mallinger	FIN	OL	Sequoia CPE	Data Security	4	N/A	N/A
5	Jacki Mallinger	FIN	OL	Sequoia CPE	Basic Real Estate Accounting Principles	6	N/A	N/A
6	Valerie Mertz	FIN	OL	Sequoia CPE	Internal Controls	12	N/A	N/A
7	Valerie Mertz	FIN	OL	Sequoia CPE	Corporate Fraud and Manipulation	6	N/A	N/A
8	Valerie Mertz	FIN	OL	Sequoia CPE	Maximize Your Productivity	12	N/A	N/A
9	Eric Ritchie	Inv	CS	NCREIF	Attribution and Risk Analysis	8	Hollywood	FL
10	Eric Ritchie	Inv	CS	NCREIF	Investment Analysis and Due Diligence	8	Hollywood	FL
11	Eric Ritchie	Inv	OTT	NY Institute of Finance	Financial Modeling Professional	40	New York	NY
11	Marisa McComas	Admin	LT	State of Alaska	Procurement Academy III	7	Juneau	AK
12	Marisa McComas	Admin	OL	MindEdge Learning	Leadership for Women in Business	23	N/A	N/A
13	Lesley Creswell	HR	OL	PSHRA	HR Essentials 2024	72.0	N/A	N/A
14	Shannon McCain	HR	OL	SHRM	End the Year in Compliance	1.0		
15	Shannon McCain/Lesley Creswell	HR	LT	SHRM	Beat Burnout - Dr. Emory Welch	1.0	N/A	N/A
16	Shannon McCain	HR	OL	SHRM	Performance Management from flawed to magnificent	1.0	N/A	N/A
17								
18								
19								
20								
21								

CS - Conferences & Seminars
 LT - Local Training
 OTT - Out of Town Training
 OL - Online



SUBJECT: Human Resources Update

ACTION:

DATE: 12/10-11/2024

INFORMATION: X

APFC Human Resources

Anonymous Hotline

HR Partnered with our legal counsel to research third-party anonymous employee reporting platforms. A company was found that will offer a secure, encrypted portal for employees to report concerns. APFC is currently working through the procurement process to purchase and begin implementation.

Ethics Training

As of December 2, 2024, all APFC staff successfully completed self-guided online ethics training, reinforcing the organization's commitment to ethical standards and compliance. To further enhance understanding and engagement, additional in-person training will be scheduled for the first quarter of 2025, aligning with the new annual requirement outlined in the 2024 PMP.

Internship Program Outreach launch

Advertising for APFC's internal and external internship programs will begin this month, with internship postings scheduled for mid-December. This program aims to attract and engage emerging talent while supporting APFC's mission.

Working Location Report

APFC is committed to supporting a range of flexible working arrangements while maintaining operational efficiency. Currently, seven staff members are successfully teleworking across five states, including Alaska. The Anchorage office currently has six staff members working on-site. Additionally, four staff members are utilizing a set hybrid schedule, balancing in-office collaboration with remote flexibility. These arrangements reflect APFC's commitment to offering a flexible and adaptable work environment that meets organizational needs while promoting employee satisfaction and retention.

Recruitment and Retention - current

Human Resources continues to work on filling vacancies. Eight employees left the Corporation in 2024; however, five new hires were made. A variety of strategies are being used to advertise and recruit for our vacant positions including standard paid for ads on LinkedIn, Indeed and a variety of professional websites depending on the role. In addition, we direct email potential applicants and pay for resume searches to find candidates. APFC's reputation and mission driven work continues to be a top reason candidate are interested in working at APFC.

APFC Turnover Rates				
Fiscal Year	Annual	Average Monthly	Operations Staff Turnover	Investments Staff Turnover
FY20	12.8%	1.1%	5	1
FY21	18.6%	1.5%	4	5
FY22	13.7%	1.1%	4	2
FY23	19.0%	1.6%	9	1
FY24	17.3%	1.4%	8	2
FY25 YTD	5.10%	1.2%	1	2

Headcount & Vacancies as of 12/2/2024			
Division	Total FTE	Filled FTE	Vacant FTE
Investments	32	28	4
Operations	35	30	5
Totals	67	58	9

Summary of Vacant positions through 12/2/2024

- Total Vacant Positions: 9
 - Investments Division: 5 positions (including 1 newly reclassified)
 - Operations Division: 4 positions
- Recruitment Status:
 - Actively Recruiting: 5 positions (Investment Analyst - Real Estate, Investment Operations Analyst x2, Accounting Technician, Administrative Specialist with hire pending).
 - Not Actively Recruiting: 4 positions (including newly reclassified Investment Analyst, Sr. Portfolio Manager, Director of Investments - Real Estate).
- Internal Promotions: 3 positions became vacant due to internal promotions (Investment Analyst - Global Rates, Investment Analyst - Real Estate, and Investment Operations Analyst).
- Key Notes:
 - Leadership and specialized roles, such as the Director of Investments - Real Estate and Sr. Portfolio Manager, are currently being assessed for appropriate recruitment and strategy.
 - Middle Office and finance roles in the Operations division are being actively worked.
 - Administrative Specialist recruitment is progressing, with a hire pending.

Vacant positions as of 12/2/2024					
Vacancy Date	APFC Title	Division	Department	Incumbent	Recruitment Status
NEW	New - reclassified Investment Analyst	Investments		NEW	Not actively recruiting
5/9/2024	Investment Analyst - Global Rates	Investments	Fixed Income	Internal promotion	Actively working pool
11/12/2024	Investment Analyst	Investments	Real Estate	Internal promotion	Actively recruiting
10/12/2024	Sr. Portfolio Manager	Investments	Private Equity	Vacant (Chirag Shah)	Not actively recruiting
12/2/2024	Director of Investments - Real Estate	Investments	Real Estate	Vacant	Not actively recruiting
12/1/2023	Investment Operations Analyst	Operations	Middle Office	Vacant	Actively recruiting
1/3/2024	Administrative Specialist	Operations	Admin Operations	Vacant	Hire pending
7/8/2024	Investment Operations Analyst	Operations	Middle Office	Internal promotion	Actively recruiting
7/25/2024	Accounting Technician	Operations	Finance	Vacant	Actively recruiting

Date	Internal Promotions	Job Title
11/12/2024	Eric Ritchie	Portfolio Manager - Real Estate



PMP – Employee Handbook

The updated employee handbook is being presented to the Board for consideration and approval tomorrow, reflecting efforts to align policies with current practices. Two items are being brought back for further discussion to ensure clarity. If the Board approves, the PMP will be finalized and distributed to staff, serving as an essential resource for both new and existing employees. This handbook not only provides clear guidance on workplace policies but also strengthens organizational transparency and accountability.

SUBJECT: Communications Update

ACTION:

DATE: 12/10/2024

INFORMATION: X

APFC Communications

As the investment manager of the Alaska Permanent Fund, APFC is accountable to many audiences: Alaskans, national partners, and global investors. We are committed to providing reliable, accurate information to meet each audience's unique needs while fostering trust, transparency, and accountability.

Communications Vision: to be a trusted voice in fostering transparency, engagement, and understanding of APFC's mission.

In-State Mission of Education & Awareness

To improve understanding of the Fund, APFC's investment management, and our work to protect Principal while providing a maximum risk-adjusted return. The Permanent Fund reflects Alaska's substantial financial strength derived from natural resources.

Together with our Alaska-based partner, Yuit Communications, we aim to strengthen our education efforts to better support Alaskans' understanding.

Nationwide and Global Focus on Investment Performance and Strategy

As a trusted investment manager on the global financial stage, APFC is highly regarded as a thought leader, which underscores APFC's standing and the Fund's significance.

Together with BackBay Communications, our global financial communications agency, we develop clear and compelling narratives, articulated through thought leadership that highlight APFC's financial management approach for Alaska.

Our in-state team's local insight, with our global partner's financial acumen, has been indispensable to APFC's success in delivering impactful communications.

Presentations, Interviews, Outreach

October 2024 – December 2024

- **CIO Magazine** interviewed Marcus Frampton on 9/23
- **Infrastructure Investor** interviewed Ross Alexander on 9/30
- **Private Debt Investor** met with Ross Alexander on 10/4
- **AMHTA** presentation with Deven Mitchell on 10/16
- **Private Equity International** interviewed Allen Waldrop on 11/4
- **WSJ Pro Private Equity** interviewed Allen Waldrop meeting on 11/12
- **S&P Global Market Intelligence** interviewed Allen Waldrop on 11/12
- **The Wall Street Journal** interviewed Allen Waldrop on 11/12
- **ATIA Greenland Delegation** met with APFC on 11/23

Comms Strategic Planning

We evaluated and aligned the Communications program to advance leadership initiatives, support the Corporation's strategic goals, and effectively carry our vision into the upcoming year and through FY27.

Our partners at Yuit and BackBay/GregoryFCA developed cohesive communications strategies and projects for 2025 to further our plan to meet objectives.

Consolidation of Governance Policies

In response to the Governance Committee's recommendations for a cohesive update and modernization of governance documents, we collaborated with Yuit and are in the final editing stages to produce a streamlined Governance Manual.

Outreach and Education**Thought Leadership**

Published: Video on Fund Targets, Asset Allocation, and Risk with Marcus Frampton and Sebastian Vadakumcherry to enhance understanding of APFC's investment policy as set forth by the Board.

Legislative Pre-Session Outreach

With the 34th Alaska State Legislature in January 2025, we are focused on "briefing" presentations to Legislative members and their staff to further understanding of the Fund's structure and provide updates on values and performance.

Social Media

APFC's social media, particularly LinkedIn, is a key platform for informing and educating the public about the Corporation's work. Posts are developed to ensure consistent and relevant messaging about the Fund and Corporation.

Looking Forward**2024 Mid-Year Report**

To better inform the incoming Legislative session on the performance and management of Fund, APFC publishes a 4-page Mid-Year Report. The document provides unaudited Fund values and performance for the FY25 through December and highlights key information in a condensed format.

AK Youth Education Program Delivery

Together with Alaska Resource Education (ARE), we share the "Alaska Renewable Revenue" curriculum with schools statewide. A third and final video to tie the curriculum together is currently in development to enhance learning about the Permanent Fund. We look forward to showcasing ARE's partnership at the Board's February Quarterly Meeting.

Crisis Communications Readiness Planning

We are looking forward to completing the document in two parts: "A Time to Plan" and "A Time for Action" while also scheduling a training and tabletop education session with the BCDR team in 2025.

Website Update

apfc.org is a trusted and reliable source of timely information from the Corporation. In partnership with Yuit Communications, we have prioritized the website update to enhance stakeholder experience in 2025.



SUBJECT: APFC IT UPDATE

ACTION: _____

DATE: December 10, 2024

INFORMATION: X

APFC IT Update

- APFC IT is in the process of moving all data to the cloud (M365) and nearly done. This will eventually alleviate Virtual Desktop Necessity reducing infrastructure complexity and cost.
- APFC IT will be enabling Microsoft CoPilot for the APFC domain (upon adoption at TCAS committee) bringing an AI productivity tool in-house.
- APFC IT Data Center move from FAI to ANC delayed due to critical network install delays (out of APFC Control) scheduled for late January now.
- APFC IT is fully staffed.

Investment Referral Tracking Log - Q1

	Referred from	via	Name/Company	Date of referral	Action taken	Follow-up Date	Other Notes
EXAMPLE	<i>Trustee X</i>	<i>email</i>		<i>7/19/2024</i>	<i>Forwarded to Marcus</i>	<i>8/5/2024</i>	<i>Marcus followed up directly with a phone call</i>
	Trustee Adam Crum	email	Thomas Tallis - TVVIN	9/3/2024	Forwarded to Deven & Marcus	9/21/2024	Marcus followed up directly with a phone call
	Trustee Jason Brune	email	Antoine Pupin - BPI France	9/20/2024	Forwarded to Deven, Marcus, and Allen	9/30/2024	Marcus and Allen followed up directly with a call

SUBJECT: FY25 Year-to-Date Financial Update ACTION: _____

DATE: December 10, 2024 INFORMATION: X

KEY TAKEAWAYS:

- Total return for the first quarter of FY25 of 3.61%. Total fund outperformed the performance benchmark by 5 basis points and underperformed the passive benchmark by 396 basis points.
- Accounting net income year-to-date of \$3,075.8 million, a gain of \$859 million in September
- Realized (statutory) net income year-to-date of \$1,551 million, higher than for the first quarter of FY24 and slightly higher than Callan’s high projection
- Total market value as of September 30th of \$80.0 billion, an increase of \$6.2 billion from the same time last year
- \$1.5 billion transferred to the General Fund during the quarter in accordance with the budget appropriation, leaving \$2.2 billion to be transferred later in the year
- \$133 million of mineral deposits transferred in during the quarter, slightly higher than forecast
- Committed Earnings Reserve balance of \$4.8 billion for FY26 General Fund transfers, FY25 inflation-proofing, and the FY25 transfer to ACIF
- \$1.1 billion in uncommitted realized earnings at the end of September

Financial results for the first quarter of FY25 reflected significant gains in both public equities and fixed income, offset by smaller losses in most of the private asset classes. Overall, the portfolio gained \$2.6 billion in value between the end of June and the end of September. The largest increase by far was experienced in the public equity portfolio which gained over \$1.9 billion during the quarter or 7.8%. Fixed income gained \$713 million during this time.

Net assets decreased by \$448 million year-to-date through September. This is a result of income of \$3.1 billion and \$133 million received in mineral royalty deposits offset by the FY25 POMV transfer to the General Fund in the amount of \$3.7 billion. Corporate operating expenses and other appropriations for the quarter totaled \$37 million.

Two transfers totaling \$1.5 billion were made to the General Fund during the first quarter of FY25, as specified in the budget appropriation. \$2.2 billion remains to be transferred. Staff is in communication with the cash managers at the Department of Revenue to ensure that amounts designated for the General Fund remain invested in the Fund as long as possible, while being available to meet the liquidity needs of the State.



**Financial Report
September 30, 2024**

Fiscal Year 2025 Net Assets

Balances through September 30, 2024

(in millions)

Total assets	\$ 83,129.4
Less liabilities	(3,114.7)
Net assets	<u>\$ 80,014.7</u>
Fund Balances:	
Non-spendable	
Permanent Fund corpus—contributions and appropriations	\$ 58,499.2
Not in spendable form—unrealized appreciation on invested assets	14,156.6
Total non-spendable fund balance	<u>\$ 72,655.8</u>
Committed	
General Fund Commitment	\$ 3,798.9
Current FY inflation proofing	1,000.0
Current FY AK Capital Income Fund	8.4
Committed fund balance	<u>\$ 4,807.3</u>
Assigned for future appropriations	
Realized earnings	\$ 1,117.8
Unrealized appreciation on invested assets	1,433.8
Total assigned fund balance	<u>2,551.6</u>
Total fund balances	<u>\$ 80,014.7</u>

Fiscal Year 2025 Income

For the three months ending September 30, 2024

(in millions)

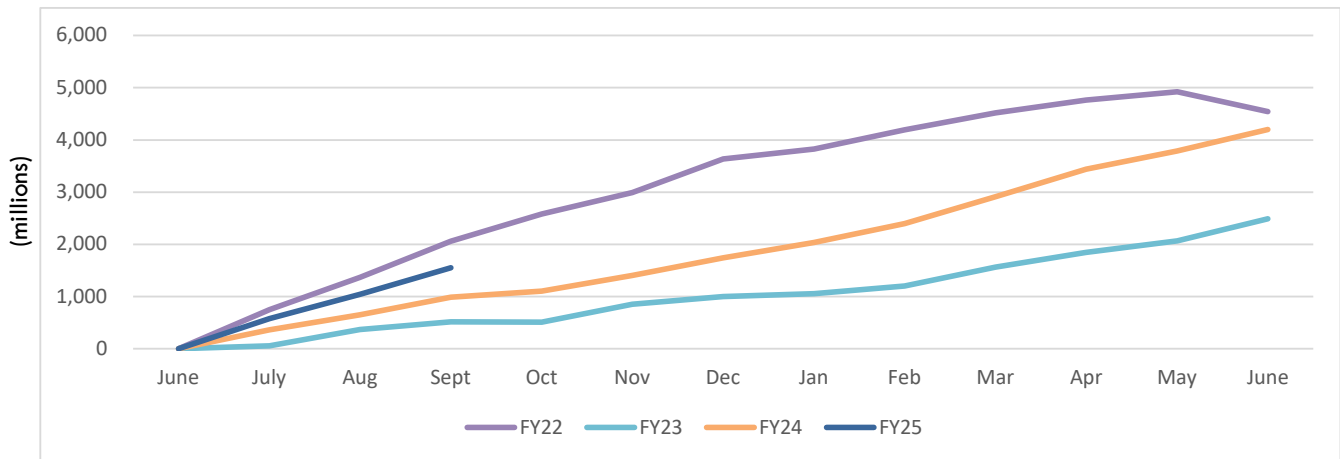
Statutory (Realized) Net Income

Interest, dividends, real estate, and other income	\$ 511.6
Realized gains on the sale of invested assets	1,084.3
Less operating expenses/legislative appropriations	(36.5)
Less Alaska Capital Income Fund committed realized earnings	(8.4)
Statutory net income	<u>1,551.0</u>

GAAP (Accounting) Net Income

Statutory net income	\$ 1,551.0
Unrealized gain on invested assets	1,516.4
Alaska Capital Income Fund committed realized earnings	8.4
Accounting net income	<u>\$ 3,075.8</u>

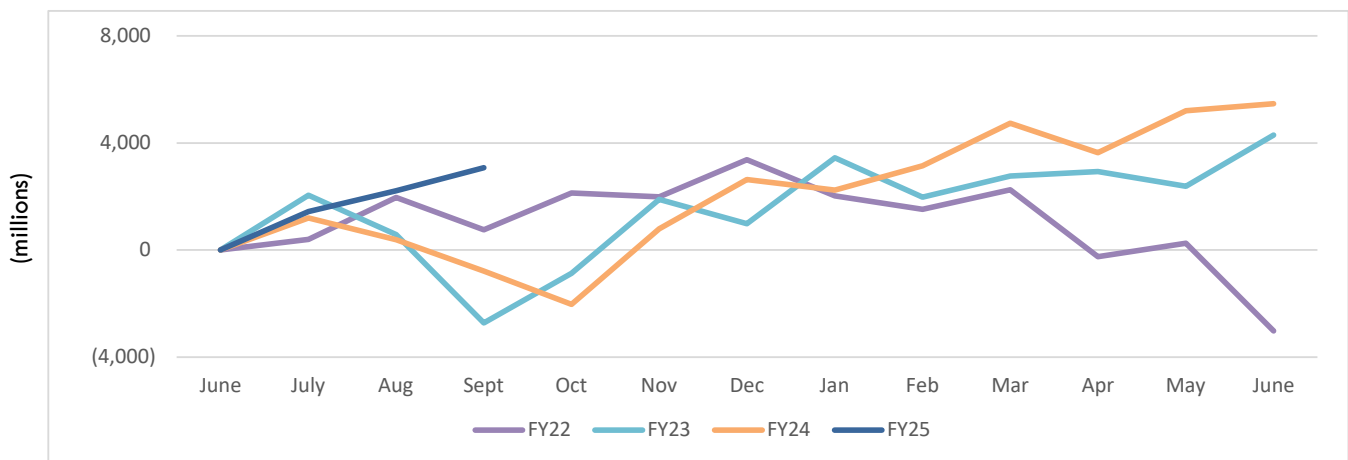
Statutory Net Income, Fiscal Years 2022 - 2025



- Comprised of receipts from interest on fixed income, real estate rentals, stock dividends, and all realized gains and losses on the sales of invested assets, less AK Capital Income Fund committed amounts and operating expenses.

- FY22 statutory net income was \$4,543.6 million.
- FY23 statutory net income was \$2,491.1 million.
- FY24 statutory net income was \$4,195.5 million.
- FY25 statutory net income is \$1,551 million to date.

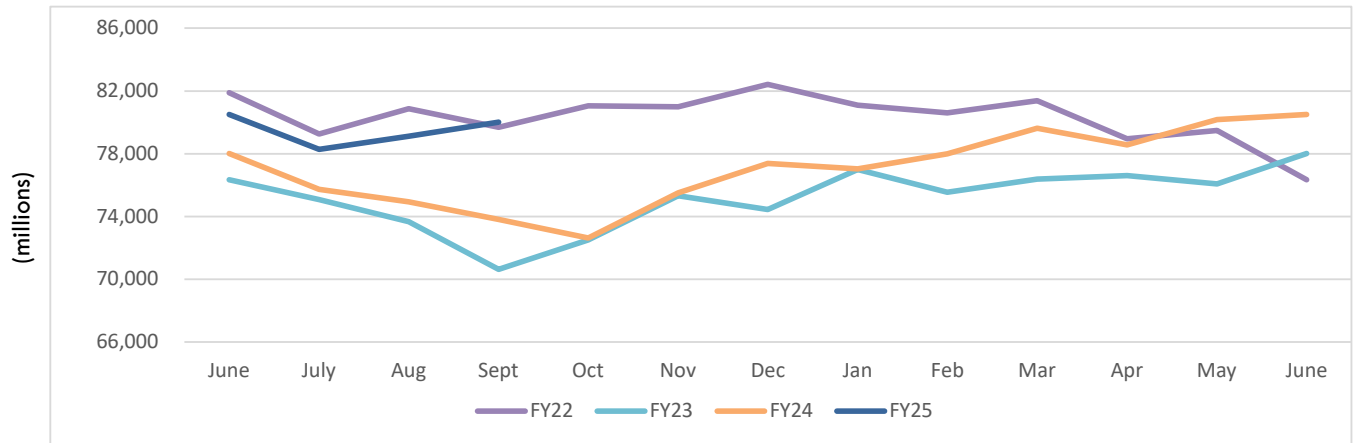
GAAP Accounting Net Income, Fiscal Years 2022 - 2025



- Accounting net income is the same as statutory net income, except it includes unrealized gains and losses.

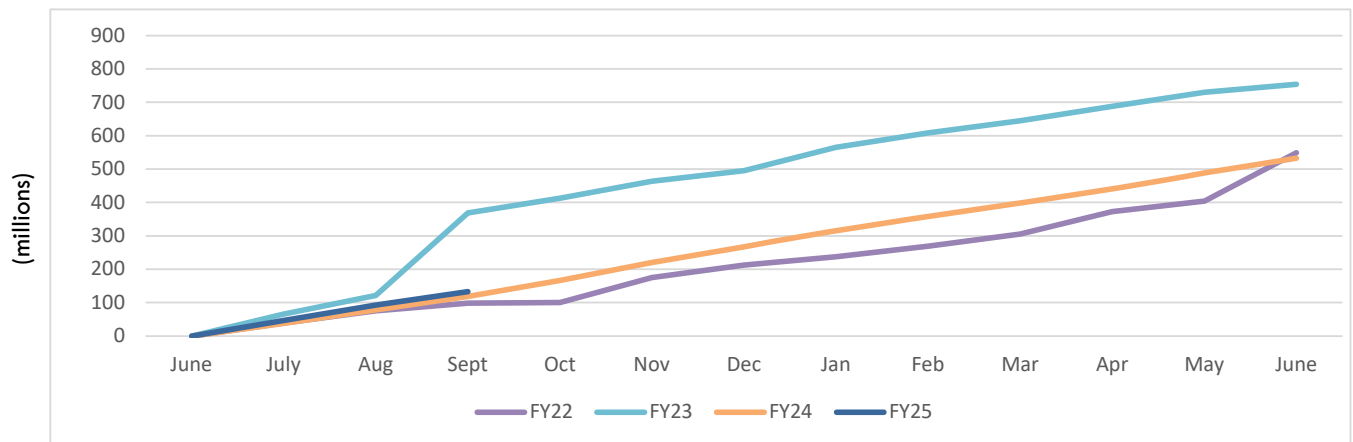
- Accounting net loss for FY22 was \$3,015.2 million.
- Accounting net income for FY23 was \$4,295.9 million.
- Accounting net income for FY24 was \$5,467.9 million.
- Accounting net income for FY25 is \$3,075.8 million to date.

Market Value of Fund Net Assets, Fiscal Years 2022 - 2025



- FY22 net assets as of June 2022 were \$76.3 billion, a decrease of \$5.6 billion over the FY21 ending balance.
- FY23 net assets as of June 2023 were \$78 billion, an increase of \$1.7 billion over the FY22 ending balance.
- FY24 net assets as of June 2024 were \$80.5 billion, an increase of \$2.5 billion from the FY23 ending balance.
- FY25 net assets as of September 2024 were \$80 billion, a decrease of \$.5 billion from the FY24 ending balance.

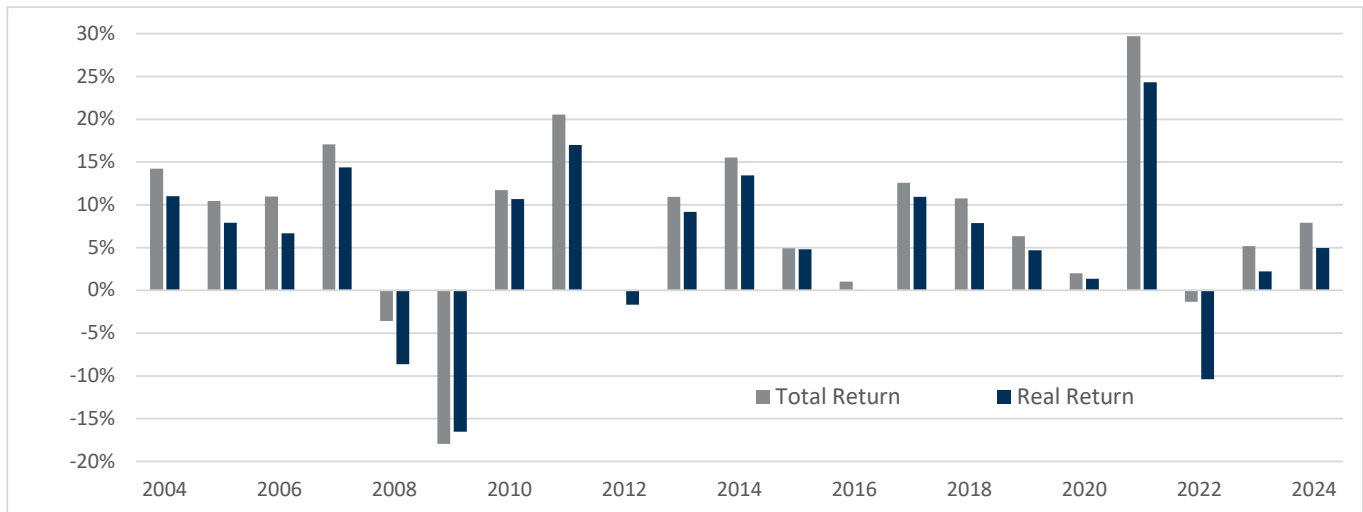
Dedicated Mineral Revenues, Fiscal Years 2022 - 2025



- FY22 mineral revenue was \$548.9 million.
- FY23 mineral revenue was \$753.6 million.
- FY24 mineral revenue was \$532.6 million.
- FY25 mineral revenue is \$133.4 million.

Alaska Permanent Fund Historical Returns, Fiscal Years 2004 - 2024

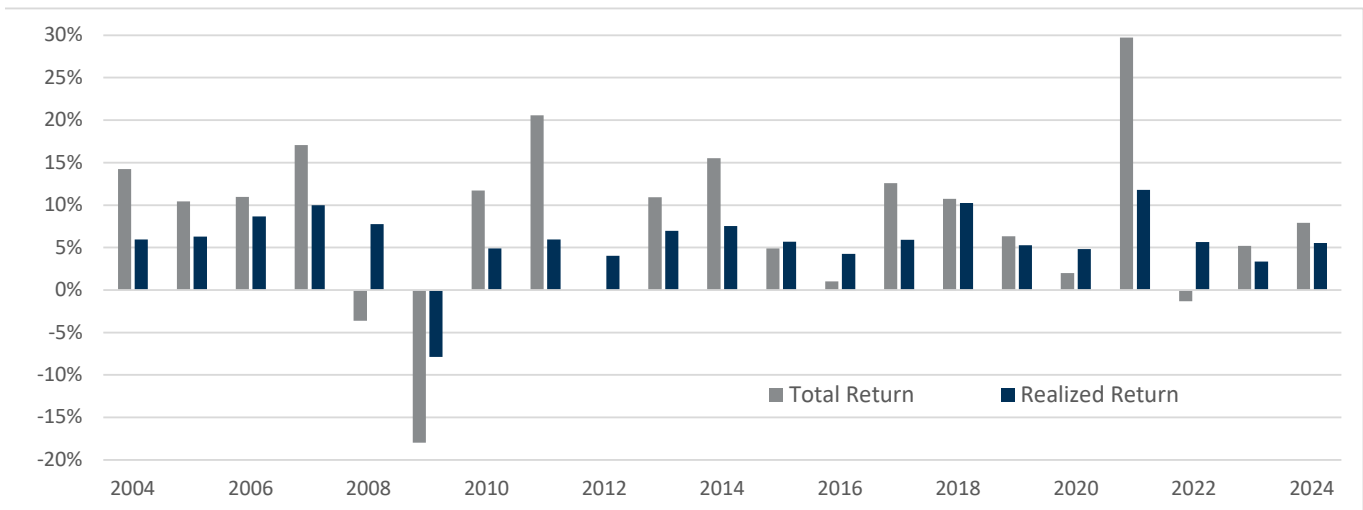
Total return minus inflation equals real return



- Total return annualized over 40 years is 8.79%
- Real return annualized over 40 years is 5.98%

Alaska Permanent Fund Historical Returns, Fiscal Years 2004 - 2024

Total return minus unrealized gains/losses equals realized return



- Total return annualized over 40 years is 8.79%
- Realized return annualized over 40 years is 7.34%



Board of Trustees - APFC Transfers - July 1, 2024 through September 30, 2024

<u>Type of Transfer</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
Public Equities	(625,887,072)	(725,853,717)	(350,744,567)	(1,702,485,356)
Fixed Income	799,955,102	124,938,253	102,904,454	1,027,797,809
Private Equity & Special Opportunities	(113,748,657)	(99,393,002)	7,255,057	(205,886,602)
Real Estate	(5,451,571)	(14,298,226)	(2,048,614)	(21,798,410)
Private Income	(50,467,016)	(108,782,635)	(10,048,403)	(169,298,054)
Absolute Return	5,000,000	(748,500)	(7,390,561)	(3,139,061)
Tactical Opportunities	(320,813,357)	-	(23,337,075)	(344,150,432)
Total Fund Cash	359,526,517	(475,527,537)	105,163,988	(10,837,032)
Net Transfers	48,113,946	(1,299,665,364)	(178,245,721)	(1,429,797,139)

Board of Trustees - APFC Transfers - July 2024

Description	Total Fund Cash	Public Equities	Fixed Income	Pvt. Equity & Spec. Opps.	Real Estate	Private Income	Absolute Return	Tactical Opportunities	Net
State of Alaska & Administrative									
Mineral revenue	49,099,251								49,099,251
AIM STIF interest	2,944,173								2,944,173
Commission recapture proceeds	32,761								32,761
Corporate expenses	(3,962,239)								(3,962,239)
Public Equities									
Lyrical Value LC	50,000,000	(50,000,000)							-
DSM Growth LC	110,000,000	(110,000,000)							-
Eagle Asset Management, Inc.	25,000,000	(25,000,000)							-
Pzena Investment Management LLC	25,000,000	(25,000,000)							-
AQR Capital Management Global	60,000,000	(60,000,000)							-
SSGA Russell FNDV LC	35,000,000	(35,000,000)							-
Arrowstreet Global Equity	135,000,000	(135,000,000)							-
McKinley Global	15,000,000	(15,000,000)							-
DFA Intl LC	50,000,000	(50,000,000)							-
LSV Intl EQ	50,000,000	(50,000,000)							-
Hardman Johnston Global	20,000,000	(20,000,000)							-
DFA Intl Small Cap Value	50,000,000	(50,000,000)							-
Public EQ Securities Lending	887,072	(887,072)							-
Fixed Income									
APF IG Corporate Bonds	(140,000,000)		140,000,000						-
APF HY Corporate	(50,000,000)		50,000,000						-
APF US AGG	(240,000,000)		240,000,000						-
APF Dom Struc Prod	(86,000,000)		86,000,000						-
APF FI Overlay	(2,344)		2,344						-
APF Global Rates	(216,542,323)		216,542,323						-
APF China Bond Market	(8,457,677)		8,457,677						-
APF TBA COLLATERAL	(3,330)		3,330						-
APF TIPS	(45,000,000)		45,000,000						-
APF FI Cash	(13,997,656)		13,997,656						-
FI Securities Lending	48,229		(48,229)						-
Private Equity & Special Opportunities									
Private Equity distributions	131,517,091			(131,517,091)					-
Private Equity capital calls	(71,694,569)			71,694,569					-
Special Opportunities distributions	70,007,124			(70,007,124)					-
Special Opportunities capital calls	(16,080,989)			16,080,989					-
Real Estate									
Direct Real Estate distributions	7,344,056				(7,344,056)				-
Direct Real Estate capital calls	(4,490,680)				4,490,680				-
Real Estate Funds distributions	2,598,195				(2,598,195)				-
Private Income									
Infrastructure distributions	61,177,605					(61,177,605)			-
Infrastructure capital calls	(21,255,062)					21,255,062			-
Private Credit distributions	19,418,676					(19,418,676)			-
Private Credit capital calls	(16,322,200)					16,322,200			-
Private Income distributions	7,705,748					(7,705,748)			-
Private Income capital calls	(257,751)					257,751			-
Absolute Return									
Absolute Return capital calls	(5,000,000)						5,000,000		-
Tactical Opportunities									
APF Tactical Opps Public	320,813,357							(320,813,357)	-
Net Transfers	359,526,517	(625,887,072)	799,955,102	(113,748,657)	(5,451,571)	(50,467,016)	5,000,000	(320,813,357)	48,113,946



Board of Trustees - APFC Transfers - August 2024

Description	Total Fund Cash	Public Equities	Fixed Income	Pvt. Equity & Spec. Opps.	Real Estate	Private Income	Absolute Return	Net
State of Alaska & Administrative								
Mineral revenue	62,019,119							62,019,119
AIM STIF interest	4,772,419							4,772,419
Commission recapture proceeds	31,266							31,266
ACIF Transfer	(23,553,041)							(23,553,041)
DNR Appropriation	(7,238,300)							(7,238,300)
DOR Appropriation	(99,700)							(99,700)
DOL Appropriation	(3,064,800)							(3,064,800)
General Fund Transfer	(1,300,000,000)							(1,300,000,000)
PCE Withdrawal	(8,588,900)							(8,588,900)
Corporate expenses	(23,943,427)							(23,943,427)
Public Equities								
APF SPDR Yield	5,779,103	(5,779,103)						-
APF SPDR Momentum	30,944,116	(30,944,116)						-
APF SPDR Low Val	3,101,816	(3,101,816)						-
Lyrical Value LC	25,000,000	(25,000,000)						-
DSM Growth LC	65,000,000	(65,000,000)						-
LSV Value LC	40,000,000	(40,000,000)						-
APF US Tactical Tilt	(12,382,390)	12,382,390						-
Mellan FTSE RAFI US Large	25,000,000	(25,000,000)						-
Eagle Asset Management, Inc.	45,000,000	(45,000,000)						-
Pzena Investment Management LLC	50,000,000	(50,000,000)						-
APF Domestic EQ	2,557,355	(2,557,355)						-
AQR Capital Management Global	50,000,000	(50,000,000)						-
SSGA Russell FNDV LC	30,000,000	(30,000,000)						-
CDAM Global Equity	20,000,000	(20,000,000)						-
Longview Global Equity	35,000,000	(35,000,000)						-
Arrowstreet Global Equity	25,000,000	(25,000,000)						-
William Blair EM	25,000,000	(25,000,000)						-
DFA Intl LC	25,000,000	(25,000,000)						-
Schroders Intl EQ	65,000,000	(65,000,000)						-
LSV Intl EQ	40,000,000	(40,000,000)						-
Hardman Johnston Global	15,000,000	(15,000,000)						-
DFA Value EM	40,000,000	(40,000,000)						-
DFA Small Cap EM	15,000,000	(15,000,000)						-
WCM Global EQ	20,000,000	(20,000,000)						-
DFA Intl Small Cap Value	40,000,000	(40,000,000)						-
Public EQ Securities Lending	853,717	(853,717)						-
Fixed Income								
APF US AGG	(50,000,000)		50,000,000					-
APF FI Overlay	188,118		(188,118)					-
APF TBA COLLATERAL	2,827		(2,827)					-
APF FI Cash	(75,188,118)		75,188,118					-
FI Securities Lending	58,920		(58,920)					-
Private Equity & Special Opportunities								
Private Equity distributions	111,601,520			(111,601,520)				-
Private Equity capital calls	(78,081,667)			78,081,667				-
Special Opportunities distributions	69,743,279			(69,743,279)				-
Special Opportunities capital calls	(3,870,130)			3,870,130				-
Real Estate								
Direct Real Estate distributions	9,795,230				(9,795,230)			-
Direct Real Estate capital calls	(3,682,257)				3,682,257			-
Real Estate Funds distributions	8,185,253				(8,185,253)			-
Private Income								
Infrastructure distributions	120,872,237					(120,872,237)		-
Infrastructure capital calls	(45,314,066)					45,314,066		-
Private Credit distributions	32,046,935					(32,046,935)		-
Private Credit capital calls	(7,784,731)					7,784,731		-
Private Income distributions	14,592,742					(14,592,742)		-
Private Income capital calls	(5,630,481)					5,630,481		-
Absolute Return								
Absolute Return distributions	748,500						(748,500)	-
Net Transfers	(475,527,537)	(725,853,717)	124,938,253	(99,393,002)	(14,298,226)	(108,782,635)	(748,500)	(1,299,665,364)



Board of Trustees - APFC Transfers - September 2024

Description	Total Fund Cash	Public Equities	Fixed Income	Pvt. Equity & Spec. Opps.	Real Estate	Private Income	Absolute Return	Tactical Opportunities	Net
State of Alaska & Administrative									
Mineral revenue	19,395,930								19,395,930
AIM STIF interest	3,473,499								3,473,499
Commission recapture proceeds	32,440								32,440
General Fund Transfer	(200,000,000)								(200,000,000)
Corporate expenses	(1,147,590)								(1,147,590)
Public Equities									
CastleArk Growth LC	25,000,000	(25,000,000)							-
LSV Value LC	50,000,000	(50,000,000)							-
Eagle Asset Management, Inc.	25,000,000	(25,000,000)							-
Pzena Investment Management LLC	25,000,000	(25,000,000)							-
AQR Capital Management Global	25,000,000	(25,000,000)							-
SSGA Russell FNDV LC	25,000,000	(25,000,000)							-
Longview Global Equity	50,000,000	(50,000,000)							-
McKinley Global	25,000,000	(25,000,000)							-
LSV Intl EQ	25,000,000	(25,000,000)							-
Hardman Johnston Global	25,000,000	(25,000,000)							-
JP Morgan Intl EQ	25,000,000	(25,000,000)							-
DFA Value EM	25,000,000	(25,000,000)							-
Public EQ Securities Lending	744,567	(744,567)							-
Fixed Income									
APF IG Corporate Bonds	(35,000,000)		35,000,000						-
APF FI Overlay	31,406		(31,406)						-
APF Global Rates	(13,304,052)		13,304,052						-
APF China Bond Market	(36,695,948)		36,695,948						-
APF TBA COLLATERAL	(2,958,047)		2,958,047						-
APF FI Cash	(15,031,406)		15,031,406						-
FI Securities Lending	53,593		(53,593)						-
Private Equity & Special Opportunities									
Private Equity distributions	149,529,647			(149,529,647)					-
Private Equity capital calls	(145,280,061)			145,280,061					-
Special Opportunities distributions	10,203,133			(10,203,133)					-
Special Opportunities capital calls	(21,707,776)			21,707,776					-
Real Estate									
Direct Real Estate distributions	18,031,256				(18,031,256)				-
Direct Real Estate capital calls	(3,250,196)				3,250,196				-
Real Estate Funds distributions	1,325,514				(1,325,514)				-
Real Estate Funds capital calls	(14,057,960)				14,057,960				-
Private Income									
Infrastructure distributions	3,409,210					(3,409,210)			-
Infrastructure capital calls	(1,771,409)					1,771,409			-
Private Credit distributions	34,252,836					(34,252,836)			-
Private Credit capital calls	(9,224,072)					9,224,072			-
Private Income distributions	5,789,924					(5,789,924)			-
Private Income capital calls	(22,408,086)					22,408,086			-
Absolute Return									
Absolute Return distributions	7,390,561						(7,390,561)		-
Tactical Opportunities									
APF Tactical Opps Public	23,337,075							(23,337,075)	-
Net Transfers	105,163,988	(350,744,567)	102,904,454	7,255,057	(2,048,614)	(10,048,403)	(7,390,561)	(23,337,075)	(178,245,721)



ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of September 30, 2024

Projections extend ten years, and are based on best available information (\$ in millions)

Nonspendable Fund Balance - Principal							Assigned Fund Balance - Earnings Reserve										TOTAL FUND			
FY	FY-Begin	Dedicatec	Inflation	FY-End	Unrealized	FY-End	Statutory	Distributions			FY-End	Unrealized	FY-End	FY-End	FY-End					
	Contrib.	State	Proofing	Balance	Gain (Loss)	Balance		Div/POMV	Inflation	Prfg & Spec		Balance				Gain (Loss)	Assigned	Balance		
	Balance	Revenues	& Special	Contributions	Balance	Balance	Net	Transfer	Approp.	ACIF	Committed	Realized	Balance	Balance	FY	Balance				
77-15	0	15,889	23,275	39,164	6,473	45,637	49,714	23,003	19,977	537		6,147	1,016	7,163	77-15	52,800				
16	39,164	284	0	39,448	4,750	44,198	2,198	696	0	18		7,649	921	8,571	16	52,769				
17	39,448	365	0	39,813	7,155	46,968	3,214	0	0	25		10,863	1,952	12,816	17	59,784				
18	39,813	353	0	40,166	5,863	46,030	6,324	726	0	43	2,723	13,739	2,403	18,864	18	64,894				
19	40,166	385	989	41,541	6,278	47,820	3,305	2,723	989	22	5,933	10,122	2,426	18,482	19	66,300				
20	41,541	319	4,758	46,618	5,789	52,407	3,106	2,933	4,758	21	3,091	8,379	1,424	12,894	20	65,302				
21	46,618	320	0	46,938	13,810	60,748	7,962	3,091	0	50	7,069	9,272	4,807	21,148	21	81,897				
22	46,938	549	4,000	51,487	8,700	60,187	4,544	3,069	4,000	24	3,361	10,455	2,334	16,150	22	76,337				
23	51,487	754	4,179	56,420	11,100	67,520	2,491	3,361	4,179	14	3,526	5,241	1,725	10,491	23	78,012				
24	56,420	533	1,413	58,366	12,373	70,739	4,195	3,526	1,413	24	3,657	5,240	1,701	9,724	24	80,463				
Lo	58,366	469	1,000	59,835	10,095	69,930	3,401	3,657	1,000	20	3,799	2,968	1,142	7,909	25	77,839				
Mid	58,366	469	1,000	59,835	13,385	73,220	4,659	3,657	1,000	24	3,799	4,225	1,795	9,820	25	83,040				
Hi	58,366	469	1,000	59,835	16,947	76,782	5,990	3,657	1,000	34	3,799	5,556	2,650	12,005	25	88,787				
26	59,835	448	1,507	61,790	14,548	76,338	4,805	3,799	1,507	27	3,976	3,547	1,771	9,296	26	85,633				
27	61,790	486	1,557	63,833	15,777	79,609	4,956	3,976	1,557	27	4,014	2,933	1,717	8,664	27	88,273				
28	63,833	511	1,609	65,952	17,042	82,994	5,113	4,014	1,609	27	4,133	2,304	1,663	8,101	28	91,095				
29	65,952	514	1,662	68,128	18,360	86,488	5,278	4,133	1,662	27	4,264	1,656	1,595	7,516	29	94,004				
30	68,128	508	1,716	70,352	19,734	90,086	5,447	4,264	1,716	27	4,399	989	1,511	6,899	30	96,985				
31	70,352	518	1,772	72,642	21,166	93,808	5,622	4,399	1,772	27	4,539	300	1,410	6,248	31	100,056				
32	72,642	563	1,830	75,035	22,658	97,694	5,802	4,539	1,830	27	4,272	0	1,290	5,562	32	103,256				
33	75,035	606	1,891	77,532	24,214	101,746	5,990	4,683	1,891	27	3,688	0	1,152	4,840	33	106,586				
34	77,532	645	1,954	80,131	25,833	105,965	6,186	4,833	1,954	27	3,086	0	995	4,082	34	110,046				
Cumulative Totals																				
Proj. for FY25-FY34							5,268	16,497		53,858	42,296	16,497	263							

Assumptions:	Total Return - Inflation = Total Real Return			Statutory Return		
Lo	FY25	1.05%	2.50%	-1.45%	Lo	4.65%
Mid	FY25	7.90%	2.50%	5.40%	Mid	5.65%
Hi	FY25	14.95%	2.50%	12.45%	Hi	7.95%
FY25-FY34		7.65%	2.50%	5.15%		6.25%

Notes related to financial history and projections:

(1) Dedicated State Revenues in current and future fiscal years are based on the Spring 2024 Department of Revenue forecast.

(2) Current year returns are based on 2024 Callan capital market assumptions. The inflation amount is as appropriated.

(3) Future returns are based on 2024 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.

(4) The dividend transfer reported for FY16 was paid out in dividends during FY17.

(5) There was no appropriation for inflation proofing in FY16, FY17, FY18, FY21, and FY22. An amount less than the statutory amount was appropriated in FY24 and FY25.

(6) Per AS 37.13.140, beginning in FY19, transfers are based on a percent of market value (POMV) calculation and are to the General Fund. In previous years, transfers were based on an earnings calculation and were to the Dividend Fund.

(7) In FY20 and FY22, an additional \$4 billion was appropriated from the ERA to principal.

(8) All transfers out of the Earnings Reserve are subject to Legislative appropriation.

Income Year-to-Date as of September 30, 2024

FY25 YTD Statutory Net Income	
Interest, dividends, real estate & other income	\$ 511.6
Realized gains (losses) on the sale of assets	1,084.3
Less operating expenses	(36.5)
Less AK Capital Income Fund realized earnings	(8.4)
	\$ 1,551.0

FY25 YTD Accounting (GAAP) Net Income	
Statutory net income (loss)	\$ 1,551.0
Unrealized gains (losses) on invested assets	1,516.4
AK Capital Income Fund realized earnings	8.4
Accounting (GAAP) net income (loss)	\$ 3,075.8

FY25 POMV Distribution (actual) ⁽⁸⁾	FY25 Statutory Dividend Transfer (actual) ⁽⁸⁾
Ending Fund Value (ex Am Hess)	Statutory Net Income
FY23 \$ 77,587.5	FY24 \$ 4,195.0
FY22 75,912.8	FY23 2,491.0
FY21 81,472.8	FY22 4,544.0
FY20 64,877.8	FY21 7,962.0
FY19 65,876.1	FY20 3,106.0
Average \$ 73,145.4	Avail for
Statutory Distribution \$ 3,657.3	Dist (21%) \$ 4,682.6
	Statutory Trnsfr Amt \$ 2,341.3

FY26 POMV Distribution (actual) ⁽⁸⁾	FY26 Statutory Dividend Transfer (projected) ⁽⁸⁾
Ending Fund Value (ex Am Hess)	Statutory Net Income
FY24 \$ 80,038.5	FY25 \$ 4,659.0
FY23 77,587.5	FY24 4,195.0
FY22 75,912.8	FY23 2,491.0
FY21 81,472.8	FY22 4,544.0
FY20 64,877.8	FY21 7,962.0
Average \$ 75,977.9	Avail for
Statutory Distribution \$ 3,798.9	Dist (21%) \$ 5,008.7
	Statutory Trnsfr Amt \$ 2,504.4



FY 2025 Fees & Expenses by Funding Source*

Report Date	September 30, 2024
Total Fund Balance	81,777,826,000
FYTD Change in Total Fund Balance (Net of Transfers)	984,151,000

Investment Management Fees

	Paid from Investments	Paid from Investment Management Allocation	Paid from Operations Allocation	Total	Basis Points
Public Equity	534,000	13,687,000	409,000	14,630,000	2
Fixed Income	0	891,000	1,196,000	2,087,000	0
Absolute Return	38,636,000	88,000	156,000	38,880,000	5
Private Equity & Special Opps	44,767,000	6,683,000	1,066,000	52,516,000	6
Private Income	20,705,000	551,000	419,000	21,675,000	3
Real Estate	13,588,000	763,000	802,000	15,153,000	2
Total Investment Management Fees	118,230,000	22,663,000	4,048,000	144,941,000	
Basis Points	14	3	1	18	

Profit Sharing/Performance

	Paid from Investments	Paid from Investment Management Allocation	Paid from Operations Allocation	Total	Basis Points
Absolute Return	1,814,000	0	0	1,814,000	0
Private Equity & Special Opps	24,103,000	0	0	24,103,000	3
Private Income	5,969,000	0	0	5,969,000	1
Real Estate	267,000	0	0	267,000	0
Total Profit Sharing/Performance	32,153,000	0	0	32,153,000	
Basis Points	4	0	0	4	

* All amounts presented, including fund balances and change net of transfers, are in USD and consist of APF, AMHT, and PCE combined.



Budget-to-Actuals: July 1, 2024 through October 31, 2024

<u>Operations Appropriation</u>	Authorized Budget	FYTD Actuals & Encumbrances	Remaining Budget	% Expended
Personal Services	\$ 23,032,900	\$ 10,014,581	\$ 13,018,319	43%
Staff*	\$ 19,771,900	\$ 8,229,969	\$ 11,541,931	42%
Incentive Compensation	\$ 3,245,000	\$ 1,781,600	\$ 1,463,400	55%
Board: Honoraria	\$ 16,000	\$ 3,012	\$ 12,988	19%
Travel	\$ 775,000	\$ 188,037	\$ 586,963	24%
Staff	\$ 552,000	\$ 175,714	\$ 376,286	32%
Training and Conferences	\$ 75,000	\$ 2,020	\$ 72,980	3%
Trustees	\$ 18,000	\$ 7,638	\$ 10,362	42%
Moving and Non-Employee	\$ 130,000	\$ 2,665	\$ 127,335	2%
Contractual Services	\$ 3,792,100	\$ 1,526,500	\$ 2,265,600	40%
Audit, Legal, Consulting	\$ 768,000	\$ 190,752	\$ 577,248	25%
Public Communications	\$ 547,997	\$ 260,928	\$ 287,069	48%
Board Support and Meetings	\$ 117,400	\$ 15,131	\$ 102,269	13%
Information Technology	\$ 1,348,000	\$ 656,376	\$ 691,624	49%
HR and Recruitment	\$ 100,000	\$ 32,449	\$ 67,551	32%
Training and Conferences	\$ 102,003	\$ 4,825	\$ 97,178	5%
Office Support	\$ 808,700	\$ 366,039	\$ 442,661	45%
Commodities	\$ 200,900	\$ 49,456	\$ 151,444	25%
Equipment	\$ 600,000	\$ -	\$ 600,000	0%
Corporate Operations Total	\$ 28,400,900	\$ 11,778,575	\$ 16,622,325	41%

* Staff personal services actuals through November 2024

<u>Investment Management</u>	Authorized Budget	FYTD Actuals & Encumbrances	Remaining Budget	% Expended
Investment Systems	\$ 11,599,200	\$ 1,459,319	\$ 10,139,881	13%
Investment Due Diligence	\$ 5,813,400	\$ 1,954,487	\$ 3,858,913	34%
Custody Fees	\$ 2,500,000	\$ 500,195	\$ 1,999,805	20%
Investment Manager Fees	\$ 178,251,000	\$ 28,393,732	\$ 149,857,268	16%
Public Equities	\$ 139,157,000	\$ 17,905,447	\$ 121,251,553	13%
Real Estate	\$ 3,594,000	\$ 816,998	\$ 2,777,002	23%
Alternative Markets	\$ 35,500,000	\$ 9,671,287	\$ 25,828,713	27%
Investment Management Total	\$ 198,163,600	\$ 32,307,733	\$ 165,855,867	16%



SUBJECT: Chief Investment Officer’s Report

ACTION: _____

DATE: December 10, 2024

INFORMATION: X

BACKGROUND:

The Chief Investment Officer’s report provides an overview of Fund performance, personnel updates, private market pacing, investment actions taken during the quarter, and other current topics in the Investment Department.

STATUS:

Marcus Frampton, CIO, will present on the topics described above.



ALASKA PERMANENT
FUND CORPORATION

CIO Report

December 10, 2024

Investment Department Current Topics

- Performance
- Market Environment
- Absolute Return
- Personnel Updates
- Appendix – Report to Investment Advisor Group

APFC Performance Context

1, 3 & 5 Year Performance Summary as of Oct. 2024

	<u>Fiscal</u> <u>Year-to-date</u>	<u>3-Year</u> <u>Annualized</u>	<u>5-Year</u> <u>Annualized</u>
Fund Return	2.56%	3.20%	8.24%
Performance Benchmark	2.38%	3.14%	7.88%
<i>APFC (Under)/Out-Performance</i>	<i>0.18%</i>	<i>0.06%</i>	<i>0.36%</i>
Passive Benchmark	4.64%	1.84%	6.57%
<i>APFC (Under)/Out-Performance</i>	<i>(2.08%)</i>	<i>1.36%</i>	<i>1.67%</i>
Return Objective (CPI + 5%)	2.10%	9.51%	9.17%
<i>APFC (Under)/Out-Performance</i>	<i>0.46%</i>	<i>(6.31%)</i>	<i>(0.93%)</i>

Performance Benchmark

- What APFC portfolio managers manage against day-to-day; benchmark weights for asset classes equal to target asset allocation (32% global equities, 20% fixed income, 18% private equity, 11% real estate 10% private income, 7% absolute return, etc.)
- Investible benchmarks for public markets, universe of peers for private markets
- Answers the question of whether APFC's execution and market calls have added value over time periods measured
- **APFC has outperformed FYTD, 3-year and 5-year**

Passive Benchmark

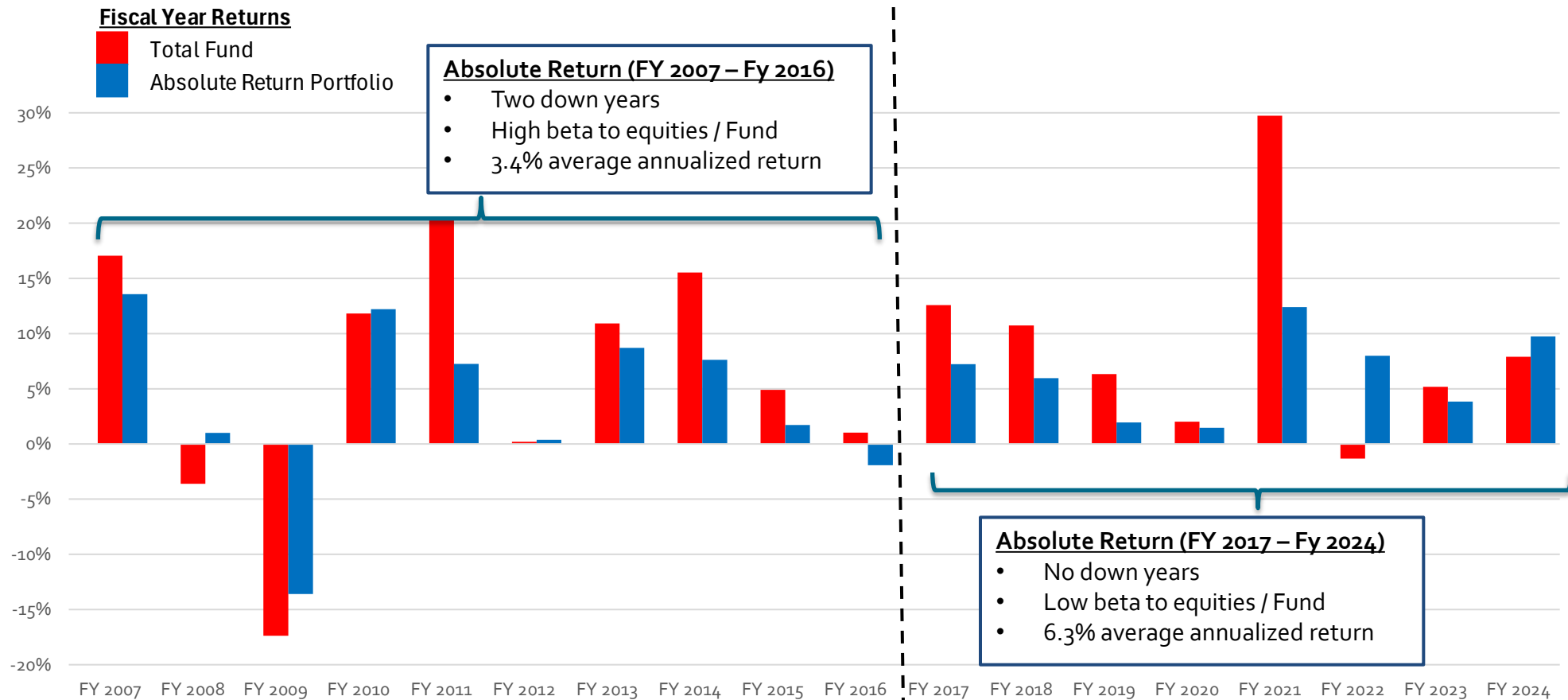
- A benchmark portfolio that is investible "with the click of a mouse" – 60% global equities, 20% fixed income, 10% REIT's, 10% TIP's
- Answers the question of whether over longer-term periods the complexity of APFC's investment strategies and the inclusion of private markets is adding value
- Measured over short-term time periods, private markets-heavy portfolios like APFC's almost always lag in bull stock markets and outperform in bear stock markets
- **APFC has outperformed on 3-year and 5-year time periods**

Return Objective (CPI + 5%)

- APFC's asset allocation targets, informed by third party consultant's capital market forecasts, are intended to build a portfolio that can deliver expected returns consistent with the return objective of CPI + 5%
- Answers the question of whether APFC's asset allocation (by far biggest driver) coupled with investment execution have resulted in achievement of return objective with the benefit of hindsight
- **APFC has lagged on 3-year and 5-year time periods (along with virtually all peer institutions)**

Absolute Return – Historical Context

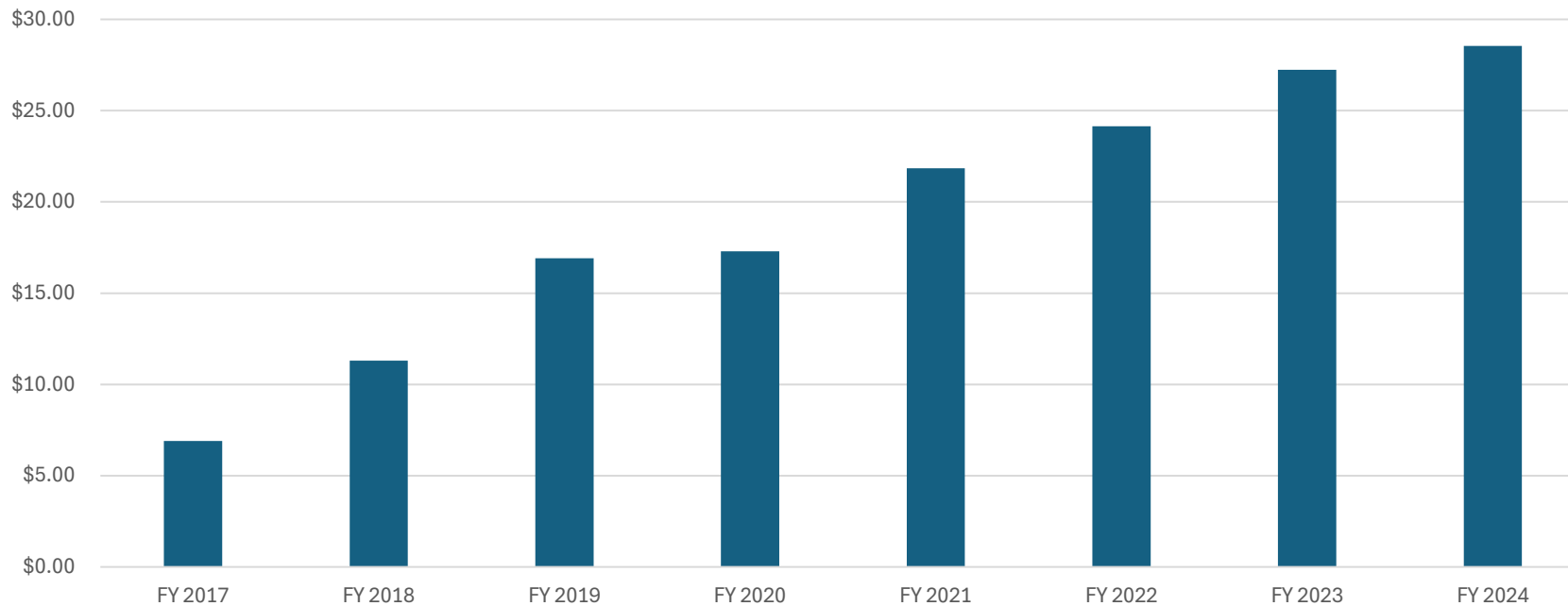
- In 2016, Staff restructured the Absolute Return strategy and moved away from external fund-of-fund managers to internal manager selection
- This move (i) saved ~50 bps of annual fee load, (ii) improved performance, (iii) tightened up investment strategy (low beta, absolute return orientation)



Absolute Return – Fee Savings

- Cumulative fee savings FY '17 – Present (internal vs. 3rd party allocation model): \$154 million

*Fiscal Year Annual Fee Savings
(\$ in millions)*



Absolute Return – Asset Class Assumptions

- APFC Staff and Consultants generally use industry-wide asset class assumptions for asset allocation review exercises
- In all cases, Staff seeks to outperform the industry averages (alpha); Absolute Return is an instance where the focus on outperforming risk assumptions (correlation and volatility) is also a prominent objective

Metric	Callan (Jan. 2024)	APFC Portfolio
Annualized Return	6.05%	6.26%
Volatility	8.2%	3.3%
Correlation to Stocks	0.50+	-0.11 (currently)

Absolute Return – Aladdin Output

Green Package													
my													
Matrix Report for TE, Correlation and Beta 11/29/2024													
Portfolio		Exposure Date		Exposure Hierarchy					Purpose		NAV		
APFC_GP		11/29/2024		WRLDA					^WRLDA		84,141,118,987		
Cusip	Weight	Risk Contrib	Stand Alone Risk Line Scaled	Position Correlation									
				APFC_GP	AF1_AR	AF1_FIP	AF1_IPCIO	AF1_PEGO	AF1_PUEQ	AF1_RE1	AF1_RISKPR	AF1_TACOPS	AF1_TFCASH
<input type="checkbox"/> APFC_GP	100.00%	933.09	933	1.00	-0.17	0.50	0.86	0.95	0.98	0.79	-nan	0.88	0.19
<input checked="" type="checkbox"/> AF1_AR	6.99%	-2.46	213	-0.17	1.00	-0.43	-0.04	-0.16	-0.11	-0.23	-nan	-0.17	-0.23
<input type="checkbox"/> AF1_FIP	20.05%	48.28	481	0.50	-0.43	1.00	0.49	0.35	0.38	0.59	-nan	0.33	0.47
<input type="checkbox"/> AF1_IPCIO	8.64%	76.34	1023	0.86	-0.04	0.49	1.00	0.73	0.84	0.74	-nan	0.68	0.24
<input type="checkbox"/> AF1_PEGO	17.60%	332.32	1980	0.95	-0.16	0.35	0.73	1.00	0.92	0.67	-nan	0.85	0.10
<input type="checkbox"/> AF1_PUEQ	32.08%	394.34	1258	0.98	-0.11	0.38	0.84	0.92	1.00	0.71	-nan	0.91	0.13
<input type="checkbox"/> AF1_RE1	11.38%	74.23	823	0.79	-0.23	0.59	0.74	0.67	0.71	1.00	-nan	0.61	0.29
<input type="checkbox"/> AF1_RISKPR				-nan	-nan	-nan	-nan	-nan	-nan	-nan	1.00	-nan	-nan
<input type="checkbox"/> AF1_TACOPS	0.79%	10.02	1432	0.88	-0.17	0.33	0.68	0.85	0.91	0.61	-nan	1.00	0.06
<input type="checkbox"/> AF1_TFCASH	2.47%	0.02	5	0.19	-0.23	0.47	0.24	0.10	0.13	0.29	-nan	0.06	1.00
<input type="checkbox"/>													

Absolute Return – Total Fund Portfolio Role

- The Yale Endowment investment staff literally wrote the book on managing “endowment model” portfolios with asset allocations like Alaska Permanent Fund’s; as such, the University is a useful guidepost understand how to look lower market risk asset classes like Absolute Return

“Yale targets a minimum allocation of 30% of the endowment to market-insensitive assets (cash, bonds, and absolute return). The University further seeks to limit illiquid assets (venture capital, leveraged buyouts, real estate and natural resources) to 50% of the portfolio”

-Yale University Investments Office

APFC Market Insensitive Assets

Fixed Income/Cash	21.0%
Absolute Return	7.0%
<hr/>	
Total	28.0%

Yale Market Insensitive Assets

Fixed Income/Cash	10%-15%
Absolute Return	22%-24%
<hr/>	
Total	32%-39%



Appendix – Report to IAG

Asset Allocation: FY '24 – FY '25

There are no change considerations for the current asset allocation. However, on July 1, 2024, staff implemented a new investment allocation for fiscal year 2025, which was approved by the Board in May 2024.

Investment Plan Asset Allocations			
	FY 2024	FY 2025: Original	FY 2025: Revised
Public Equity	34%	32%	32%
Fixed Income	20%	20%	20%
Private Equity	16%	15%	18%
Real Estate	10%	13%	11%
Private Income	9%	9%	10%
Absolute Return	7%	7%	7%
Tactical Opps	2%	2%	1%
Total Fund Cash	2%	2%	1%

Investment Actions

Quarter Ending September 30, 2024

Public Equity

During the quarter, Staff took the following investment actions:

- Redeemed **\$1.67 billion** from Public Equities accounts and transferred the amount to Total Fund Cash. Details provided below and on the following slide:

July 10th

<u>Redemption from</u>	<u>Amount</u>
DSM - Growth LC	-\$110 million
Lyrical - Value LC	-\$50 million
Pzena Investment Management, LLC	-\$25 million
Eagle Asset Management, Inc	-\$25 million
DFA International Large Cap	-\$50 million
LSV International EQ	-\$50 million
DFA International Small Cap Value	-\$50 million
Hardman Johnston Global	-\$20 million
ArrowStreet Global Equity	-\$110 million
AQR Capital Mgmt Global	-\$60 million
State Street Russell Fundamental LC	-\$35 million
McKinley Global	-\$15 million
	-\$600 million

August 1st

<u>Redemption from</u>	<u>Amount</u>
DSM - Growth LC	-\$50 million
Mellon FTSE RAFI US Large	-\$25 million
Lyrical - Value LC	-\$25 million
LSV Value LC	-\$25 million
Eagle Asset Management, Inc	-\$30 million
Pzena Investment Management, LLC	-\$35 million
Schroders International EQ	-\$50 million
LSV International EQ	-\$25 million
DFA International Large Cap	-\$25 million
DFA International Small Cap Value	-\$25 million
William Blair - EM	-\$25 million
DFA Value - EM	-\$25 million
AQR Global	-\$50 million
ArrowStreet Global	-\$50 million
Longview Global Equity	-\$35 million
	-\$500 million

Investment Actions (continued)

Quarter Ending September 30, 2024

Public Equity

August 21st

<u>Redemption from</u>	<u>Amount</u>
DSM - Growth LC	-\$15 million
LSV Value LC	-\$15 million
Eagle Asset Management, Inc	-\$15 million
Pzena Investment Management, LLC	-\$15 million
Schroders International EQ	-\$15 million
LSV International EQ	-\$15 million
DFA International Small Cap Value	-\$15 million
Hardman Johnston Global	-\$15 million
DFA Value – EM	-\$15 million
DFA Small Cap - EM	-\$15 million
State Street Russell Fundamental LC	-\$30 million
CDAM Global Equity	-\$20 million
WCM Global EQ	-\$20 million
	-\$220 million

September 26th

<u>Redemption from</u>	<u>Amount</u>
AQR Capital Mgmt Global	-\$25 million
Hardman Johnston Global	-\$25 million
JP Morgan International EQ	-\$25 million
LSV International EQ	-\$25 million
Longview Global Equity	-\$50 million
McKinley Global	-\$25 million
State Street Russell Fundamental LC	-\$25 million
CastleArk - Growth LC	-\$25 million
Eagle Asset Management, Inc.	-\$25 million
LSV - Value LC	-\$50 million
Pzena Investment Management, LLC	-\$25 million
DFA Value - EM	-\$25 million
	-\$350 million

Investment Actions (continued)

Quarter Ending September 30, 2024

Private Equity

Fund commitments closed in Q1 FY25:

- \$50 million to growth equity fund
- \$36 million to European buyout fund
- \$50 million to digital continuation vehicle
- \$28 million to energy co-investment
- \$37 million to energy co-investment
- \$50 million to direct investment follow-on
- \$20 million to growth equity fund
- \$8 million to European buyout fund
- \$5 million to energy fund follow-on commitment
- \$15 million to growth equity co-investment
- \$10 million to buyout co-investment
- \$6 million to buyout single asset continuation vehicle
- **\$315 million**

Private Income & Infrastructure

Fund commitments closed in Q1 FY25:

- \$19 million to credit co-investment

Investment Actions (continued)

Quarter Ending September 30, 2024

Absolute Return

During the quarter, Staff took the following investment actions in the Absolute Return portfolio:

- \$5 million capital call from multi-strategy hedge fund
- \$5 million contribution to equity market neutral hedge fund

Investment Pacing: FY 2025

Investments have been light for the first quarter, but the below targets are expected to be achieved for the full year:

Private Equity

- \$1.5 billion for the fiscal year
- Fiscal year Q2 estimate: \$250 million

Private Income & Infrastructure

- \$1.3 billion for the fiscal year
- Fiscal year Q2 estimate: \$175 million

Real Estate

- No set pacing targets as the asset class is currently overweight

Capital Calls & Distributions (Total)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 FY25
Real Estate						
Capital Calls	\$ (258.75)	\$ (848.15)	\$ (981.31)	\$ (1,959.66)	\$ (2,047.23)	\$ (173.61)
Distributions	\$ 254.21	\$ 180.50	\$ 715.39	\$ 565.79	\$ 266.62	\$ 181.99
Net	\$ (4.54)	\$ (667.65)	\$ (265.91)	\$ (1,393.86)	\$ (1,780.61)	\$ 8.39
Private Equity						
Capital Calls	\$ (1,651.79)	\$ (2,153.20)	\$ (2,034.58)	\$ (1,284.80)	\$ (1,077.32)	\$ (318.04)
Distributions	\$ 1,365.65	\$ 2,786.87	\$ 3,069.77	\$ 1,642.84	\$ 1,666.60	\$ 575.50
Net	\$ (286.14)	\$ 633.67	\$ 1,035.19	\$ 358.04	\$ 589.27	\$ 257.46
Private Income						
Capital Calls	\$ (1,153.05)	\$ (1,175.83)	\$ (1,431.25)	\$ (1,179.33)	\$ (952.45)	\$ (154.57)
Distributions	\$ 1,528.76	\$ 887.65	\$ 2,021.53	\$ 777.14	\$ 936.63	\$ 317.55
Net	\$ 375.71	\$ (288.17)	\$ 590.28	\$ (402.18)	\$ (15.82)	\$ 162.98

*table values in millions

Capital Calls & Distributions (Co-investments)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 FY25
Private Equity						
Contributions	\$ (190.23)	\$ (198.49)	\$ (65.99)	\$ (59.06)	\$ (86.77)	\$ (23.98)
Distributions	\$ 178.91	\$ 594.18	\$ 315.46	\$ 259.24	\$ 89.99	\$ 88.20
Net	\$ (11.32)	\$ 395.69	\$ 249.47	\$ 200.17	\$ 3.21	\$ 64.23
Private Income						
Contributions	\$ (121.44)	\$ (162.01)	\$ (171.97)	\$ (48.97)	\$ (176.89)	\$ (7.92)
Distributions	\$ 168.66	\$ 108.35	\$ 408.99	\$ 111.27	\$ 53.95	\$ 80.11
Net	\$ 47.22	\$ (53.66)	\$ 237.02	\$ 62.30	\$ (122.94)	\$ 72.19

*table values in millions

Draw Down of Credit Lines

- Since 2021,
 - over 80% of primary fund investments in the PE portfolio utilize a line of credit (this is up from around 1/3 of the funds between 2013 and 2016).
 - over 50% of primary fund investments in the PMI portfolio utilize a line of credit (this is in line with the number of funds between 2013 and 2016).
 - The average facility size (as a percentage of total fund size) for investments in the APFC PE portfolio has been slightly over 20% (this is up from around 3% for funds between 2013 and 2016).
 - The average facility size (as a percentage of total fund size) for investments in the APFC PMI portfolio has been slightly under 20% (this is up from slightly under 10% for funds between 2013 and 2016).
- On March 31, 2024 (the latest available data),
 - The average balance outstanding (as a percentage of the total line of credit) for primary funds with a credit line in the APFC PE portfolio was 24%. APFC's share of the outstanding balances represented ~1% of the APFC PE portfolio's total NAV.
 - The average balance outstanding (as a percentage of the total line of credit) for primary funds with a credit line in the APFC PMI portfolio was 22%. APFC's share of the outstanding balances represented ~2% of the APFC PMI portfolio's total NAV.
- The general partners in the portfolio typically utilize the credit lines to smooth investor capital calls rather than as a means of fund-level leverage, and as such, they typically have relatively short durations outstanding (less than six months).
- GPs do not always denote whether specific capital calls will be used to pay down a line of credit, so we are not able to accurately quantify the amount of capital calls in the APFC portfolio that were used for this purpose.

SUBJECT: Risk & Compliance Overview

ACTION: ____

DATE: December 10, 2024

INFORMATION: X

BACKGROUND:

The Risk & Compliance Report provides an overview of historical and forward-looking measures of risk for the Total Fund and its underlying asset classes. The report also includes a summary of the compliance monitoring activity.

STATUS:

The current report contains the following parts:

- **Part-1 [Information]:** provides an overview of APFC's equity risk exposure followed by key valuation metrics for US equity markets, and concentration effects of the magnificent-7 stocks within the index.
- **Part-2 [Information]:** covers the main measures of risk for the Fund. Aggregate fund risk compared to approved risk appetite is a key strategic metric. Others include Value at Risk (VaR) on a standalone and relative-to-benchmark basis, tracking error, statistics that measure realized volatility and Sharpe ratios, asset class and factor contributions to risk and risk scenarios. It also covers Geographic, Currency, and Liquidity risks for the Total Fund.
- **Part-3 [Information]:** includes a summary of the compliance monitoring activity as of the September 30th quarter end.



ALASKA PERMANENT
FUND CORPORATION

Risk Overview

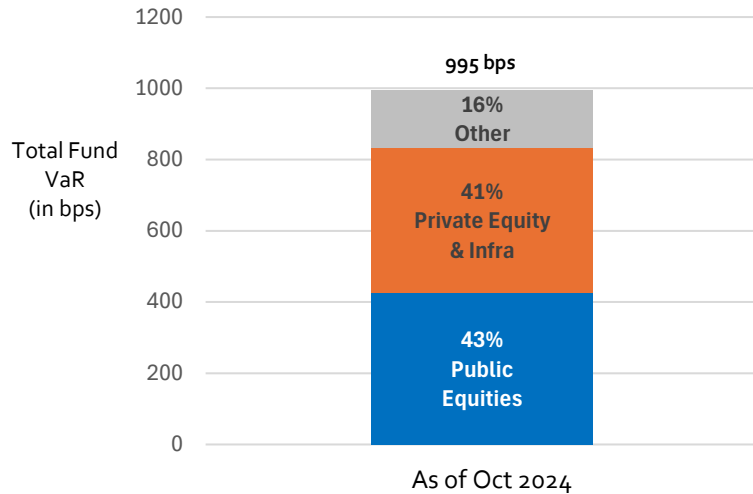
December 10, 2024



Part 1:
Equity risk – market valuations, concentrations
and portfolio tilts

Equity Risk: the principal driver of risk (and returns) for the Fund

- Total Fund risk, measured in terms of Value at Risk (VaR), totaled to 9.95% as of end October 2024.
- The predominant contributor to total VaR was equity risk – public and private equity exposures (including infrastructure) made up 84% of total VaR.

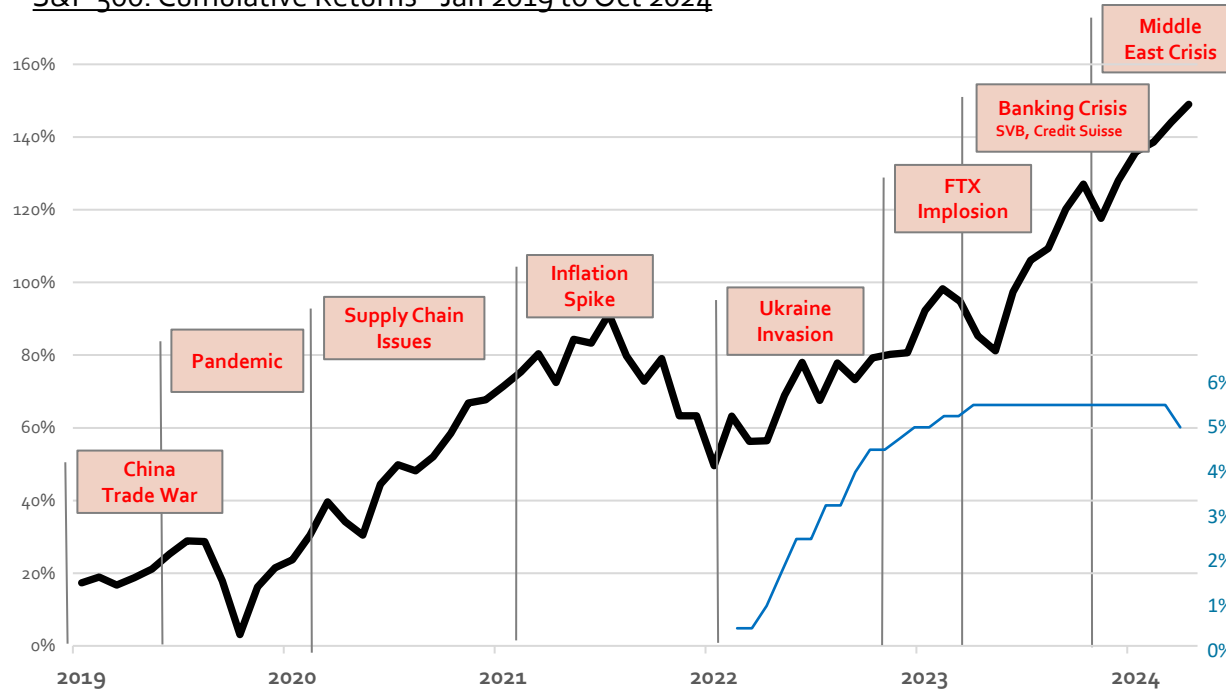


- A Value at Risk (VaR) of 9.95% (1SD, 1 year) is an estimate of decline in the value of total fund over a 1-year period. This is a 1 standard deviation measure, implying an ~84% confidence level in this loss estimate
- The 9.5% translates to a value loss estimate of \$8.2 billion over a 1-year holding period.
- VaR computations incorporate several simplifying assumptions, including that private assets are marked-to-market and have amplified risks due to assumed leverage.

Equity Exposure (Oct 2024)	Asset Allocation %	Risk Contribution %
Public Equities + Private Equity + Private Infra.	55%	84%

Equity markets: (extraordinary!) growth despite significant adverse macro events

S&P 500: Cumulative Returns - Jan 2019 to Oct 2024



Each of these on their own are potential high impact macroeconomic events

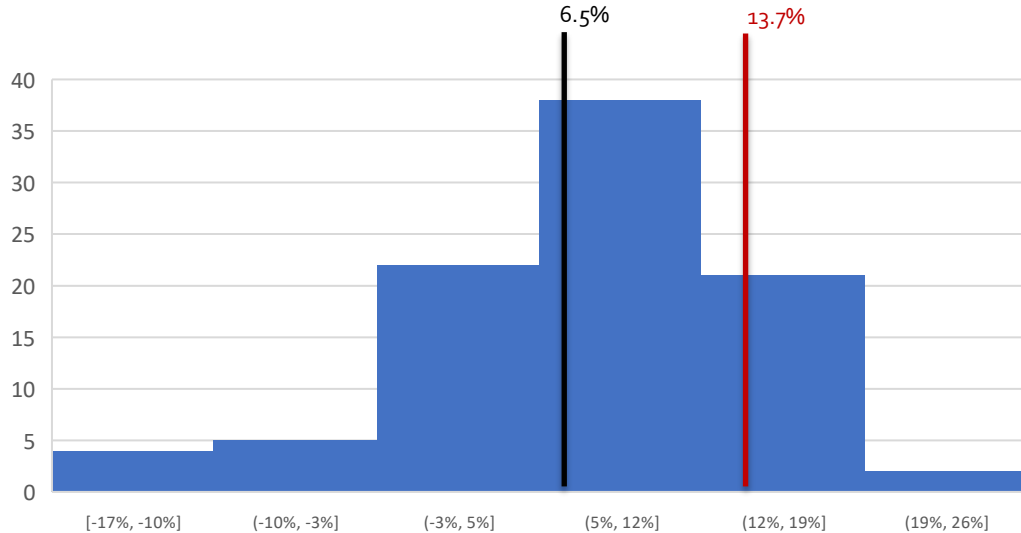
..nevertheless, equity markets seem oblivious

..returning approximately 17% on an annualized basis during this period

Fed Funds Target Rate
The steep increase in rates by the Fed had little impact on equity markets

S&P last 100 years: return levels are materially higher than historical averages

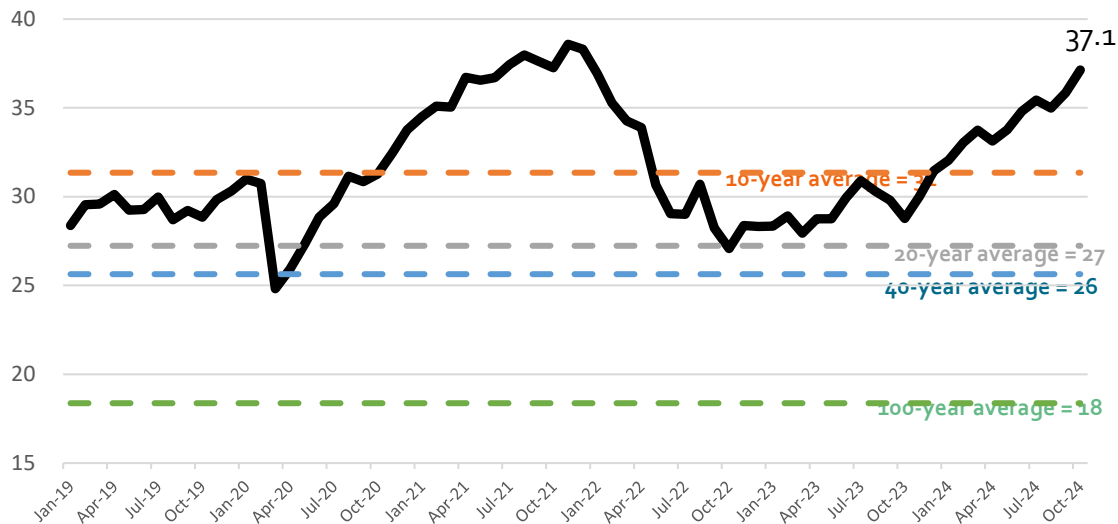
Histogram of historical S&P 5-yearly returns (annualized): 1927 - 2023



- As of the end of 2023, the annualized 5-year return was 13.7%
- Annualized 5-year returns have averaged about 6.5% during the last ~century
- There were only 13 calendar years in the last 100 where the annualized 5-year return exceeded the current level

Equity markets: S&P valuations are close to all time highs

Shiller P/E (CAPE)- S&P Jan 2019 to Oct 2024



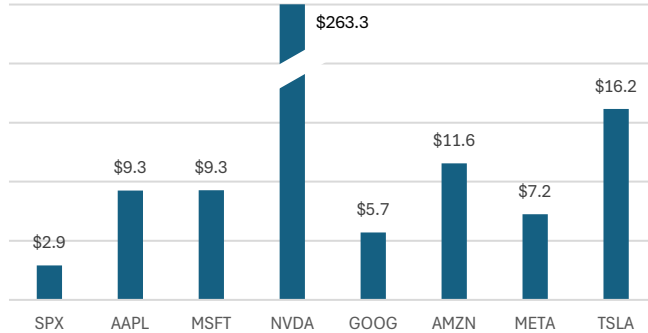
- The Cyclically Adjusted Price to Earnings (CAPE) ratio or the Shiller P/E is a widely used measure of equity market expensiveness
- The ratio, as of Oct 2024, is well above historical averages, even when measured across multiple time periods
- There were only 4 years (1998, 1999, 2000 and 2021) in the last century that the ratio exceeded Oct 2024 levels. The market drawdowns that followed were steep

The Shiller p/e or cyclically adjusted price-to-earnings ratio is a stock market valuation measure. It is defined as price divided by the average of ten years of earnings (moving average), adjusted for inflation. As such, it is principally used to assess likely future returns from equities over timescales of 10 to 20 years, with higher than average CAPE values implying lower than average long-term annual average returns

Mag-7: irrational exuberance or paradigm change?

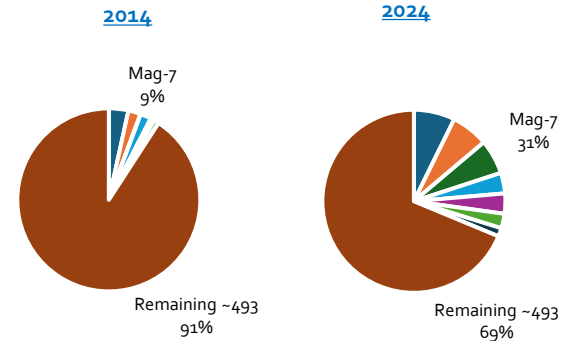
Mag-7 (magnificent-7): Apple, Microsoft, Nvidia, Alphabet, Amazon, Meta, Tesla

Growth of \$1 invested in each of the Mag-7 compared to the S&P500 over 10 years (2014-2024)



- Over the last decade, tech stocks particularly the Mag-7 have posted extraordinary returns beating the overall market by several multiples
- As of Sep 2024, the average of the P/Es for the Mag-7 was about 46 versus 26 for the S&P500 (the 10-year average p/e of the S&P500 is about 21)

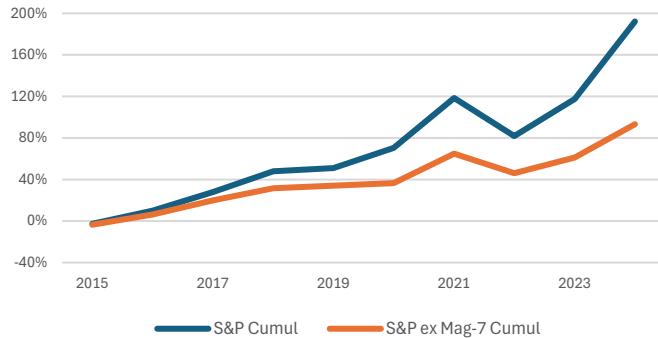
S&P500 Weights (approximate)



- The Mag-7 comprising just over 1% of the companies in the S&P500 constitute over 30% of the index's weight
- Rarely in history has there been such a concentration in the index. The concentration is more acute from a sector perspective (in that the 7 are all 'tech' based)

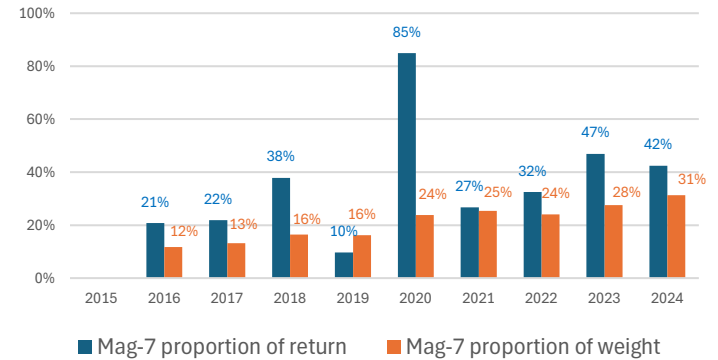
Mag-7: minimal benefit from diversification...so far

Cumulative returns of S&P500 with and without the Mag-7 over 10 years (2014-2024)



- Over the last decade, the Mag-7 contributed to about half the cumulative return of the S&P500. i.e., these 7 (about 1% of the companies) made up 48% of the indexes total cumulative return.

Mag-7's proportion of S&P500 returns (blue) versus Mag-7's weight in the index (orange)



- During the 10-year period the Mag-7 contributed a much higher proportion to the index's return than their composition by weight
- On average, the proportion of total return was almost double the proportion of weight (2019 was the only exception)

Mag-7: impact of underweight on risk metrics

Mag-7 exposure: Public Equities Portfolio Vs. Benchmark (Oct 2024)

	Portfolio (Public Equities)		Benchmark (Public Equities)	
	weight	\$billion	weight	\$billion
AAPL	1.2%	0.3	3.8%	1.0
MSFT	1.5%	0.4	3.3%	0.9
NVDA	1.2%	0.3	3.8%	1.0
GOOG	0.8%	0.2	2.2%	0.6
AMZN	0.7%	0.2	2.0%	0.5
META	0.6%	0.2	1.5%	0.4
TSLA	0.1%	0.0	0.8%	0.2
Tot Mag-7	6.1%	1.6	17.5%	4.6

- Public Equity portfolio's underweight to aggregate Mag-7 is about \$3 billion or 11.4% of the total portfolio value

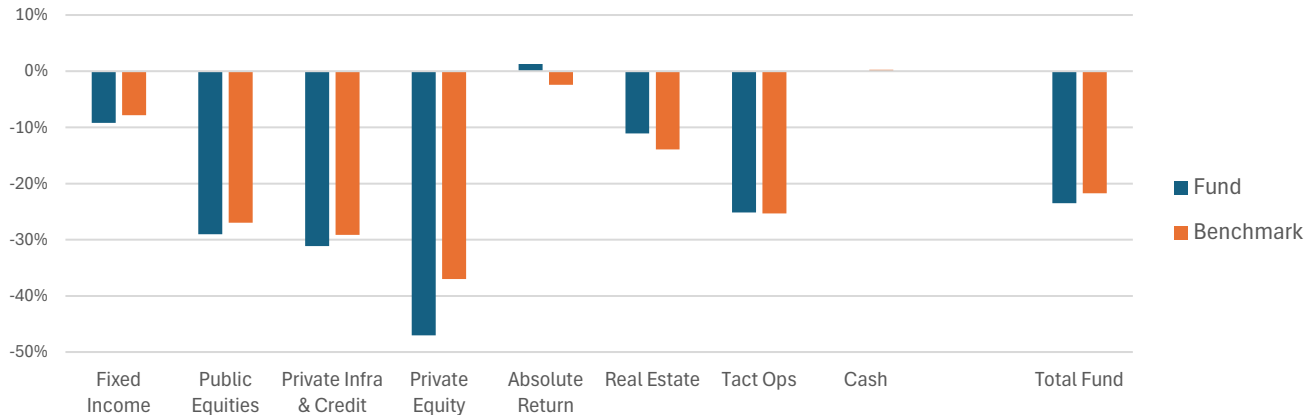
Public Equities

- Portfolio Tracking Error = 292 bps
the Mag-7 underweight increased tracking error, contributing to about half of the total portfolio tracking error
- Portfolio Value at Risk (volatility) = 12.9%
The Mag-7 underweight reduced total portfolio VaR or volatility by about 4% (on average, the Mag-7 volatility was more than double the average portfolio volatility)

Fund Value Impact: could be material in a market downturn

- The Aladdin model estimates an almost 44% decline in Fund value, assuming a **recessionary** scenario similar to the 2007-2009 Global Financial Crisis (GFC).
- However, given the modelling challenges relating to private/alt. assets and potential over-estimation of value loss for these asset classes, a less extreme scenario, focusing on the shorter duration 2008 credit & liquidity crisis, was chosen for this presentation – the value decline in such a scenario is estimated at about 24% (or a loss of about \$19 billion).

Historical Stress Scenario (2008 Credit and Liquidity crisis): estimated value impact on individual asset classes and total Fund





Part 2:
Key Risk Metrics
As of September 30, 2024

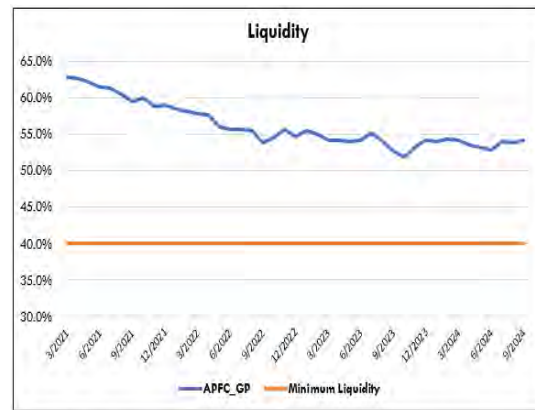
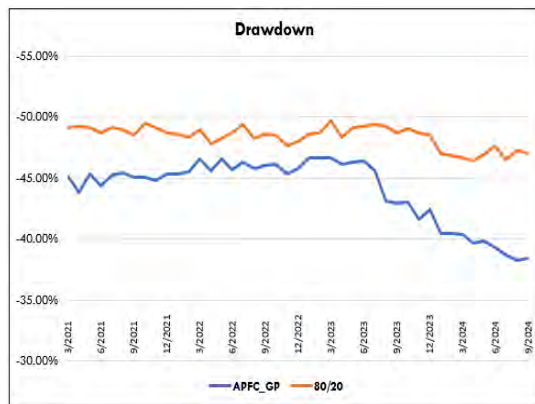
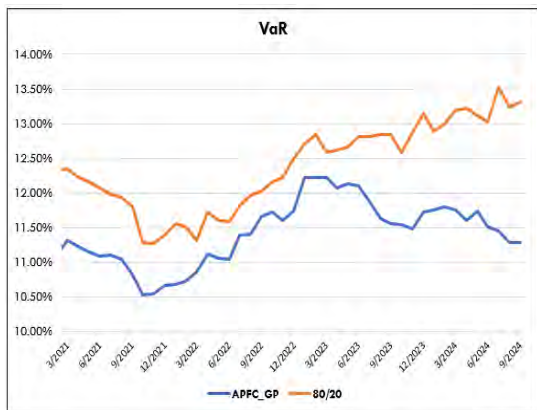
Fund Risk: level relative to appetite

Risk Appetite reflects the 80/20:equity/bond Risk Tolerance Portfolio (RTP)

Value at Risk (VaR): Max			
1 year, 1SD, 10-year monthly historical data equally weighted			
As of Date	Total Fund	Risk Appetite	
9/30/2024	11.28%	13.31%	✓

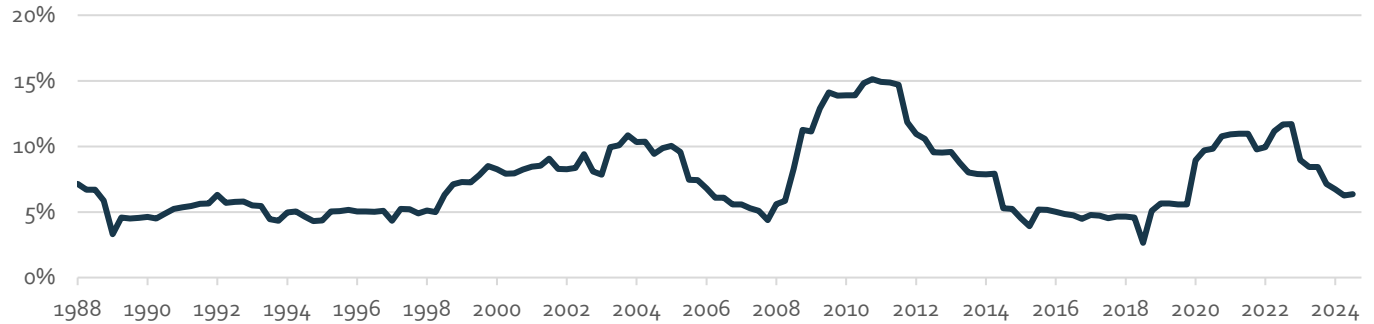
Drawdown Stress PnL: Max			
Stress scenario simulating the GFC – Dec 2007 to Mar 2009			
As of Date	Total Fund	Risk Appetite	
9/30/2024	(38.44%)	(46.97%)	✓

Liquidity Level: Min			
Public Equities, Fixed Income and Cash, as a % of total fund			
As of Date	Total Fund	Risk Appetite	
9/30/2024	54.2%	40%	✓

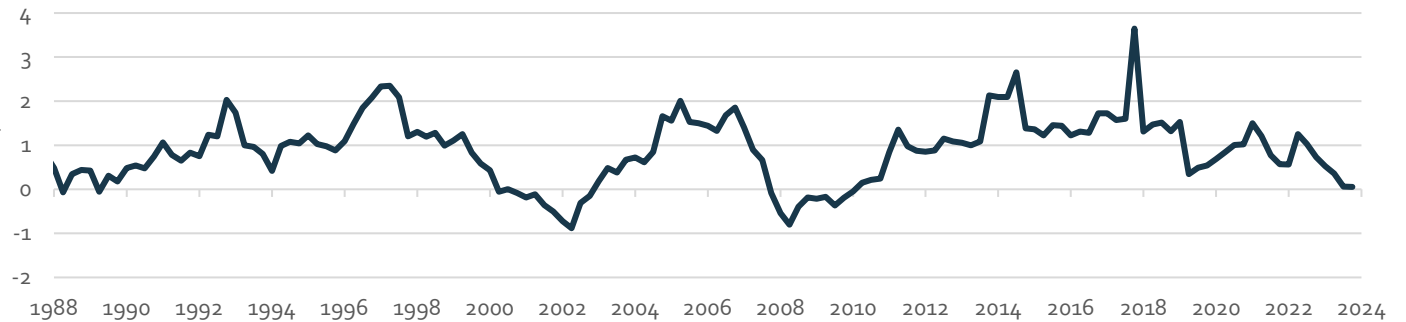


Total Fund: Realized Volatility & Sharpe Ratio

Realized Fund Volatility



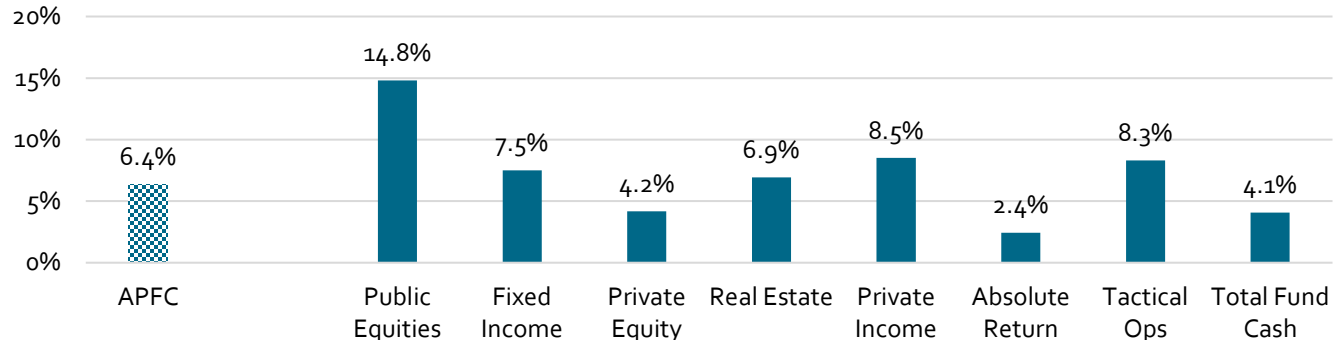
Realized Fund Sharpe Ratio



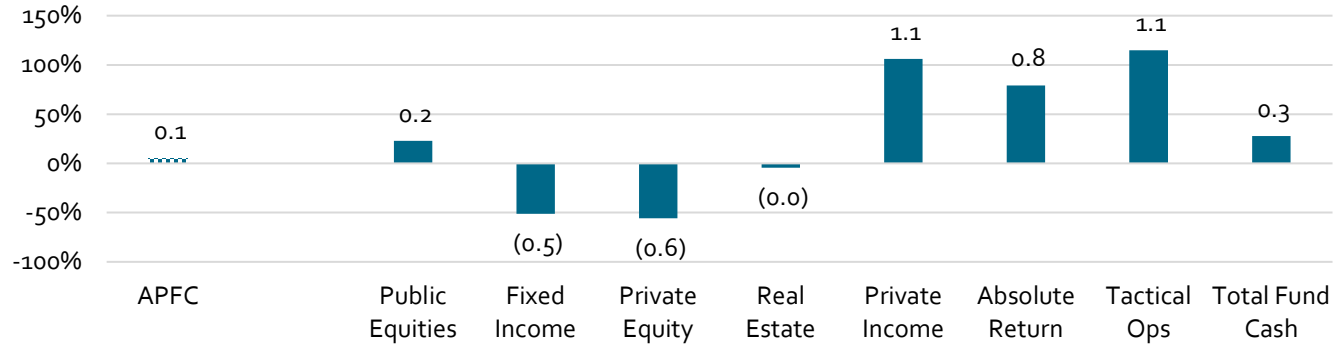
Volatility (standard deviation) and Sharpe ratio have been computed based on rolling 3 year quarterly returns for the Total Fund

Fund & Constituents: Volatility and Sharpe Ratio as of Sep 30, 2024

Volatility

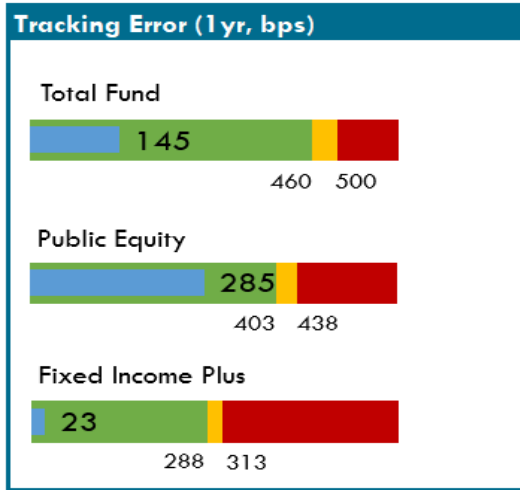


Sharpe Ratio

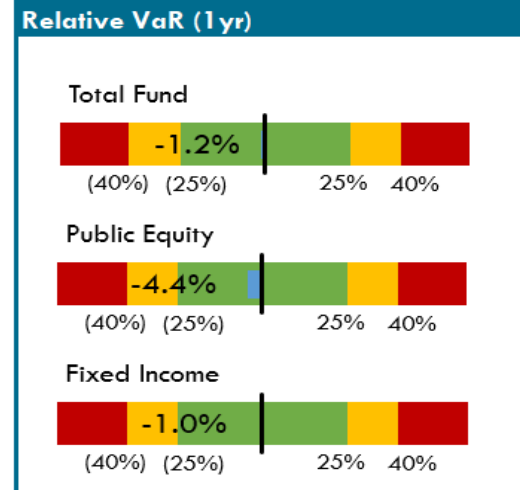


Volatility (standard deviation) and Sharpe ratio have been computed based on historical 3 year quarterly returns, as of September 30, 2024

Tracking Error and VaR: (Vs) Limits



- Tracking error is an indicator of performance relative to benchmark
- It represents the deviation of portfolio returns from benchmark returns
- It is directionally agnostic and does not indicate over or underperformance



- VaR is an estimate of value decline, based on a 97.5% confidence level and 1 year holding period
- The above chart reflects the Relative VaR of the portfolio versus respective benchmark

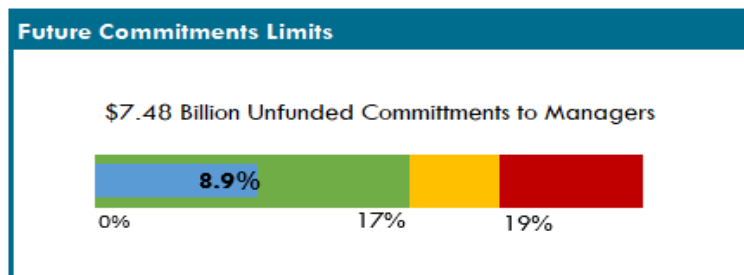
Liquidity Limits: Private Assets

Private Assets: Investments Vs Targets

	\$ Billion	% of Total Fund		
		Actual	Target	Actual (Vs) Target
Private Equity	14.8	17.7%	18.0%	-0.3%
Private Income	7.3	8.7%	10.0%	-1.3%
Real Estate	9.6	11.5%	11.0%	0.5%
Total	31.7	37.8%	39.0%	

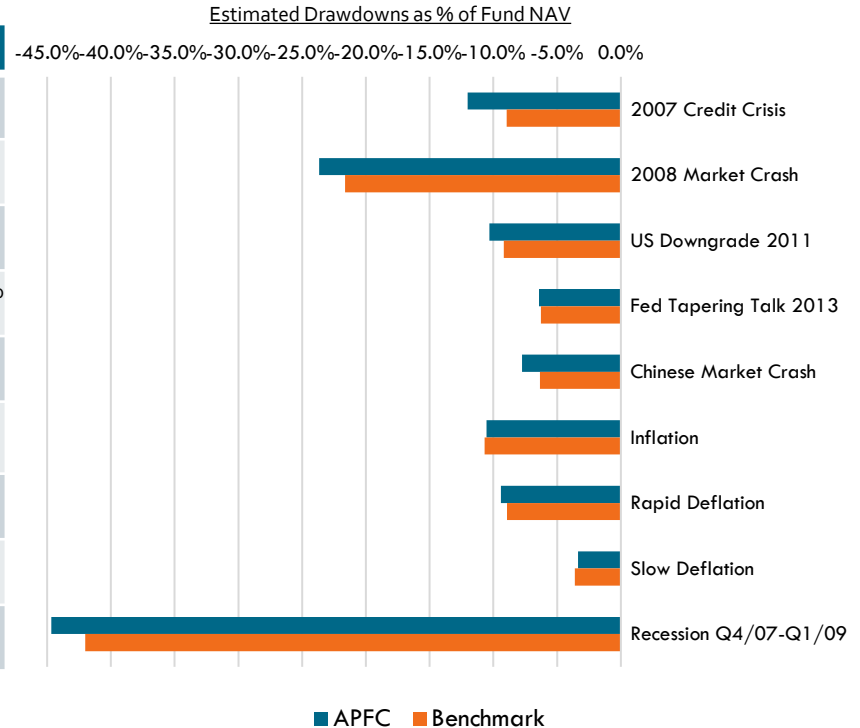
Private Assets: Future Commitments Vs Targets

	\$ Billion	% of Total Fund		
		Actual	Target	Actual (Vs) Target
Private Equity	4.2	5.0%	7.0%	-2.0%
Private Income	2.9	3.5%	5.0%	-1.5%
Real Estate	0.4	0.4%	3.0%	-2.6%
Total	7.48	8.9%	15.0%	



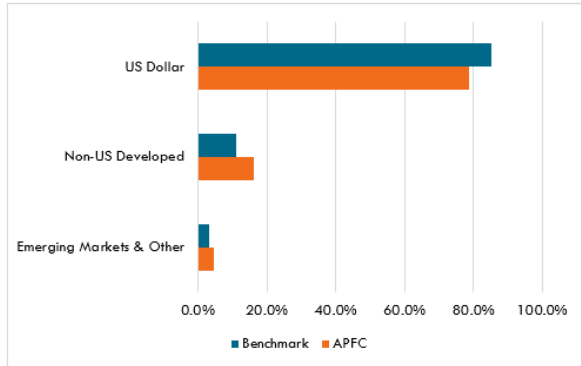
Tail Risk: Current portfolio during extreme events

Scenario	Definition
2007 Credit Crisis	Credit & liquidity crisis stemming from a severe slowdown in the housing market causing significant widening of credit spreads, higher implied volatility.
2008 Market Crash	S&P 500 down 20% (2000 bps).
US Downgrade 2011	The period starts with 50% chance US downgrade indication from S&P standards and ends with Operational Twist announcement from the Fed
Fed Tapering Talk 2013	Equity & bond markets sold off. EM suffered badly due to hot money flight back to U.S.
Chinese Market Crash	Chinese stock market crash beginning with the popping of the stock market bubble on June 12, 2015.
Inflation Overshoot	Economic recovery, pent-up demand, supply chain bottlenecks, and fiscal stimulus cause a surge in inflation, prompting higher interest rates in a taper tantrum-style sell-off.
Rapid Deflation	Oil down 60% (6000 bps); ST Inflation down 350 bps; Mortgage spreads tighten 25 bps.
Slow Deflation	LT deflation down 200 bps; LT Treasury Rates down 100 bps; Mortgage spreads tighten 25 bps.
Recession Q4/07-Q1/09	Recent recessionary period starting Dec 3, 2007 and ending March 9, 2009.



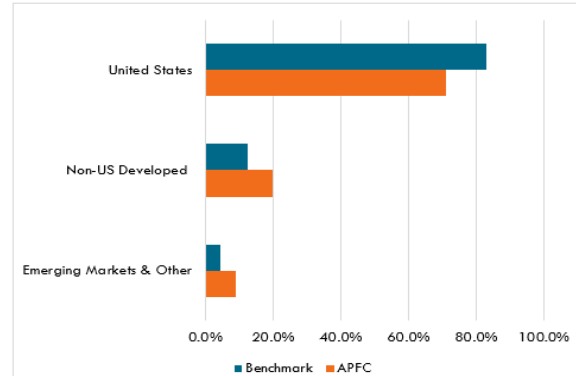
Currency & Geography: breakdowns

Currency breakdown



Currency Name	Exposure (\$ millions)
Euro	\$5,578,259
British Pound	\$2,206,064
Japanese Yen	\$2,084,429
Hong Kong Dollar	\$1,096,345
Canadian Dollar	\$862,256
Australian Dollar	\$626,823
Sub-Total	12,454,176 (14.9% of NAV)
Total Non-US DM Exposure	13,689,458 (16.3% of NAV)

Country breakdown

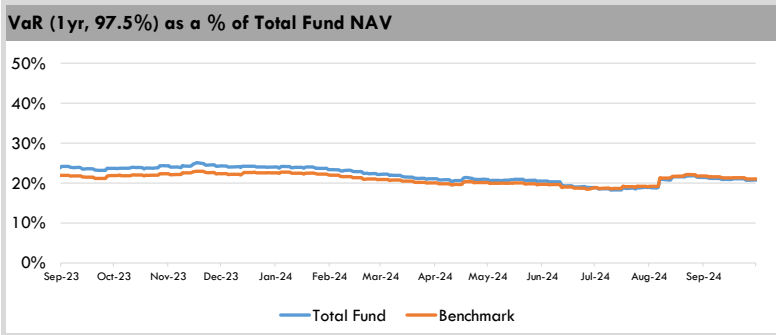
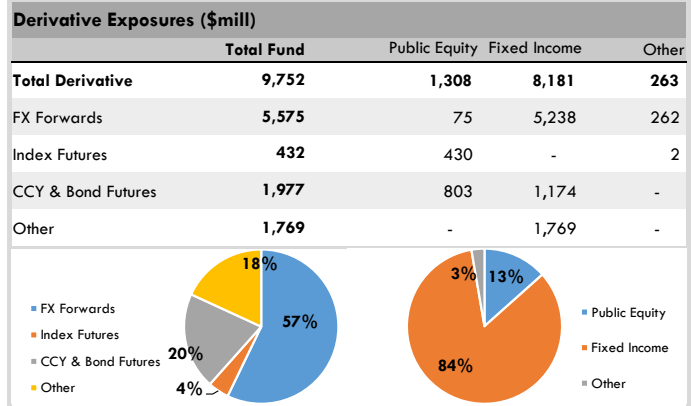
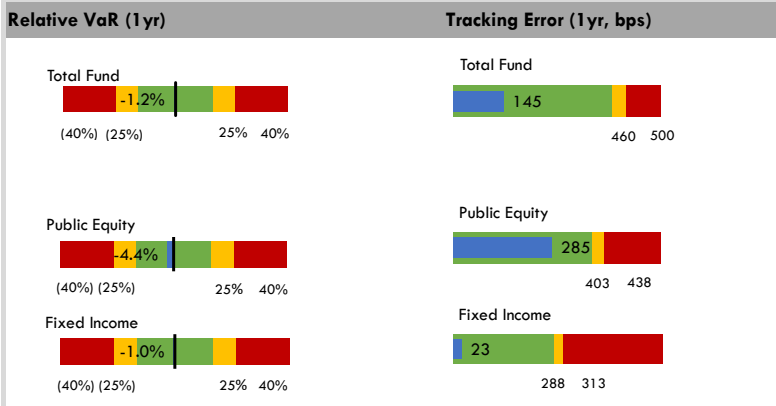


Country Name	Exposure (\$ millions)
China	2,063,764
India	809,052
Taiwan	667,114
Korea (South)	553,218
Brazil	367,509
Indonesia	198,214
Sub-Total	4,658,871 (5.6% of NAV)
Total EM Exposure	5,658,609 (6.8% of NAV)

Daily Dashboard - September 30, 2024

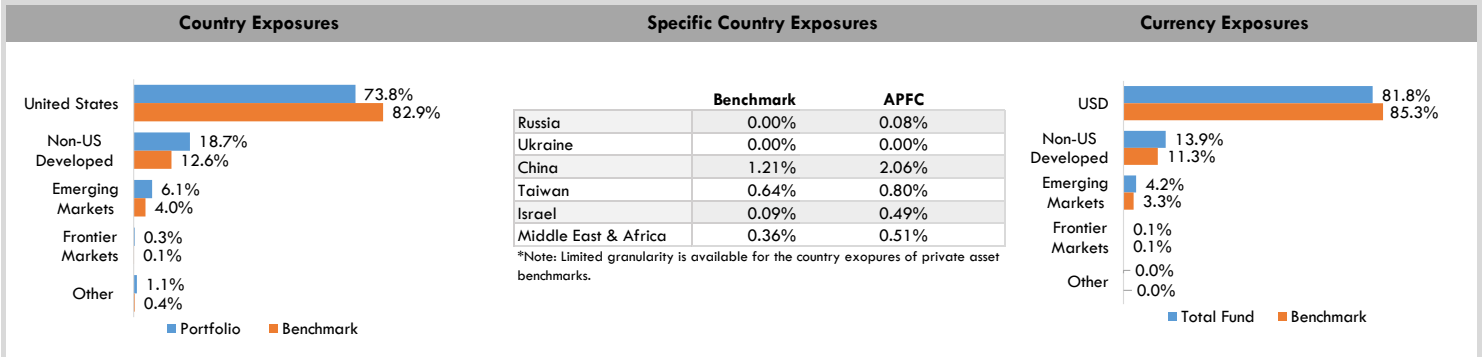
NAV : \$ 83,867,535,804

Risk	Performance (%)								Asset Allocation				
	1 SD	Rel VaR	TE	MTD	FYTD	CYTD	1 Year	NAV (\$mill)	NAV	Target	Compliance	Under/Over	
Total Fund	10.6%	-1.2%	1.5%	1.1	4.1	7.9	12.8	83,868					
Public Equity	13.7%	-4.4%	2.9%	2.4	8.0	16.3	28.7	27,147	32.4%	32%		0.4%	
Fixed Income	4.9%	-1.0%	0.2%	1.3	4.8	5.1	12.4	16,820	20.1%	20%		0.1%	
Private Equity	20.4%	-7.0%	6.8%	0.0	0.4	2.2	0.3	14,898	17.8%	18%		-0.2%	
Real Estate	8.4%	-21.7%	4.0%	0.4	2.1	-1.7	-1.9	9,618	11.5%	11%		0.5%	
Inf. & Private Income	16.5%	60.1%	8.8%	0.0	2.7	6.7	8.5	7,224	8.6%	10%		-1.4%	
Absolute Return	2.3%	-45.3%	4.1%	0.2	0.5	7.0	8.4	5,912	7.0%	7%		0.0%	
Tactical Opps	15.5%	-0.8%	0.3%	2.1	5.7	23.6	38.4	834	1.0%	1%		0.0%	
Total Fund Cash	0.1%	-35.9%	0.1%	0.4	1.3	4.0	5.4	1,416	1.7%	1%		0.7%	



Economic Indicators

	9/30/24	9/27/24	% Change
VIX	16.73	16.96	-1.4%
U.S. Dollar/Euro	1.11	1.12	-0.2%
Credit Index OAS	0.84	0.85	-1.2%
Crude Oil (WTI) (\$)	68.17	68.18	0.0%
10-Year Treasury Yield	3.78	3.75	0.8%
30-Year Treasury Yield	4.12	4.10	0.4%
S&P 500	5,762.48	5,738.17	0.4%
MSCI ACWI	2,982.19	2,986.23	-0.1%



The background of the slide is a solid teal color with a faint, semi-transparent image of a pine branch. The branch has several clusters of small, round, textured pine cones or buds. The text is overlaid on this background.

Part 3: Compliance Monitoring As of September 30, 2024

Regulatory/Legal Compliance

For the quarter ending September 30, 2024:

- Quarterly Securities Exchange Commission (SEC) 13 F filing
- Counterparty documentation requirements:
 - Authorized traders list for PGM Global
 - Authorized signatory list for SS&C
 - MUFG Sanctions and Management Questionnaire, AML verification, & Know your Customer (KYC) documents
 - Santander Declaration Form for sanctioned holdings
 - Authorized signatory list for Mondrian
 - Sent updated QIB to Goldman Sachs (SEC Rule 144A)
 - Sent updated QIB to Barclays (SEC Rule 144A)
- S&P Global IPO eligibility verification
- FINRA Rule 2242 re-attestation
- NSD OFAC Sanction outreach to external managers
- Standard Chartered FX Trading setup for PUEQ
- State Street FX Trading setup for PUEQ
- Reviewed ISDA Amend selections and refreshed corresponding information
- Refreshed Qualified Institutional Buyers (QIB) form for (SEC Rule 144A)
- Guggenheim onboarding for Fixed Income trading (Submit QIB, LEI, W-9, SSIs, Suitability Certificate, Form 151)
- Provide BofA India PAN number and Undertaking document
- Review of Macquarie Regulatory breach

Investment Policy Compliance

Section VII. G. Table 3 provides asset allocation target levels to ensure proper diversification of the Fund.

In the table to the right, green indicates compliance with these limits. The values indicate the largest concentration, for informational purposes.

Table 3: Asset Allocation Levels

	Public Equity	Fixed Income	Private Equity	Real Estate	Private Income	Absolute Return	Tactical Opportunities	Cash
Single Name / Issuer ³	1.6%	4.1%	1.8%	6.0%	4.6%	n/a	n/a	n/a
Single Sub- Industry ⁴	6.5%	14.7%	20.4%	n/a	7.2%	n/a	n/a	n/a
Single Country - EX US	5.2%	4.5%	6.2%	2.2%	6.7%	n/a	n/a	n/a
Total EX US	43.6%	22.4%	30.1%	8.0%	47.2%	n/a	n/a	n/a
Single Fund Investment ⁵	5.0%	0.0%	5.4%	6.4%	6.7%	12.3%	n/a	n/a
Proportion of Ownership ⁶	0.7%	n/a	n/a	0.5%	0.2%	n/a	n/a	n/a
Rating - Below Inv Grade	n/a	9.2%	n/a	n/a	n/a	n/a	n/a	0.0%
Rating - Below A- & Unrated	n/a	35.2%	n/a	n/a	n/a	n/a	n/a	0.0%
Rating - Unrated	n/a	2.5%	n/a	n/a	n/a	n/a	n/a	0.0%
FX - Proportion Unhedged	32.6%	0.0%	8.6%	4.5%	9.5%	n/a	n/a	n/a
Liquidity - Proportion w/o Weekly Liq	0.0%	0.0%	n/a	n/a	n/a	100.0%	n/a	0.0%
Liquidity - Proportion w/o Monthly Liq	0.0%	0.0%	n/a	n/a	n/a	66.2%	n/a	0.0%
Liquidity - Proportion w/o Quarterly Liq	0.0%	0.0%	n/a	n/a	n/a	9.7%	n/a	0.0%
Cash & Equivalents	2.0%	4.5%	0.5%	0.0%	0.2%	n/a	n/a	100.0%
MINIMUM Cash & Equivalents	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100.0%

All Targets are Maximum Permitted except-Minimum Cash

Notes:

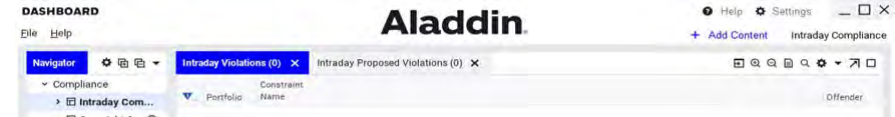
- ³ Single Name / Issuer: represents security level exposure to single entity or operating company. US Treasury & Govt Agencies are exempt. For Private Assets, the limit applies at the time of investment or cost.
- ⁴ Definition: GICS Sub-Industry
- ⁵ Single Fund Investment: represents exposure to an external fund or external strategy based vehicle.
- ⁶ Proportion of Ownership: For Real Estate and Private Income, the limit is only applicable to the REIT and listed infrastructure portfolios

Investment Policy Compliance continued...

Asset Class	Parameter	Limit	Actual	Compliance Status
PUEQ	Limit Tactical Tilt portfolio Size to 15% of PUEQ allocation	15%	12%	✓
PUEQ	Limit Tactical Tilt portfolio tracking error contribution to a max of 100 bps	100 bps	49 bps	✓
PUEQ	Prohibit single stock holdings within Tactical Tilt portfolio	0	0	✓
PUEQ	Limit U.S. Large Cap Low P/E portfolio size to 3% of PUEQ	1%	0.70%	✓
PUEQ	Require U.S. Large Cap Low P/E portfolio to hold a minimum of 100 securities at all times, and be equally weighted at	>100	243	✓
PUEQ	For the U.S. Large Cap Low P/E portfolio, 90% of holdings to be aligned with the lowest valuation quintile of the Russell 1000 index at the time of rebalance	>90%	90%	✓
PUEQ	The sum value of the 6 low volatility portfolios is limited to 5% of the public equity asset allocation	5%	4.0%	✓
PUEQ	For all 6 low volatility portfolios, individual security weights within each account are limited to 4% absolute weight and a +/- 1.5% deviation relative to benchmark weight	4%/1.5%	<limit	✓
PUEQ	For all 6 low volatility portfolios, each account shall hold a minimum of 100 securities.	>100	131 to 168	✓
PE	No more than 20% of the PE asset class shall be invested in public holdings.	<20%	8.1%	✓
PE	Following the public listing of any shares held by an APFC controlled vehicle, such shares shall be liquidated within 18 months.	18 months	1 month	✓
PE	No more than 30% of the PE portfolio may be invested with a single manager.	30%	4.5%	✓
PE	The PE portfolio shall be invested within the following strategy diversification ranges: venture 10-45%, growth equity 0-25%, buyouts 25-75%, specialized funds 0-50%.	Strategy Mix	29% VC, 1% Growth, 64% buyout, 6% specialized	✓
IPCIO	No more than 30% of the IPCIO portfolio may be invested with a single manager.	30%	10.5%	✓
AR	APFC shall not constitute more than 30% of a manager's AUM	30%	11.5%	✓
AR	The AR portfolio shall follow these strategy restrictions: relative value managers 0-75%, event driven managers 0-50%, tactical managers 0-75%.	Strategy Mix	55% relative value, 13% event driven, 32% directional	✓
RE	No more than 35% of the RE portfolio may be invested with a single manager.	35%	18.5%	✓
RE	No more than 60% of the directly-held RE portfolio shall be invested in non-core holdings.	60%	38%	✓
RE	The RE portfolio property type mix is measured against a composite benchmark of 15% REIT plus 85% NCREIF. The portfolio property type weights shall not exceed 1.5x the benchmark or 5%, whichever is higher.	1.5xBM or 5%	<limit	✓
RE	RE Portfolio-wide leverage shall not exceed 50% and individual property level leverage are limited to 65%.	50%	31%	✓
TFCASH	Authorized investments within the TFCASH asset class include cash and the following cash equivalents: US treasuries with a max maturity of 24 months, IG corp bonds, reverse repos, money market funds, gold-backed ETFs, AAA rated asset backed securities, or other cash equivalents approved by the CRO and ED	asset type	cash & cash equivalents only	✓
TFCASH	At any point, min 80% of the TFCASH portfolio should be invested in instruments with a final maturity less than 181	80%	89%	✓

General Compliance Monitoring

- Intraday internal trading compliance monitoring
- Counterparty onboarding due diligence and ongoing counterparty exposure monitoring.
- Ongoing derivative exposure monitoring to ensure external manager IMA compliance and determine compliance with SEC thresholds.

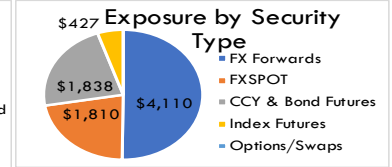
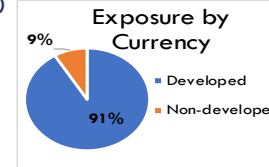


COUNTERPARTY EXPOSURE REPORT

Counterparty Name	Monthly Exposures					1 Yr #Trd	2 Yr #Trd
	Total #Trd	Change	FIP	PUEQ	Middle		
Counterparty #1	#	#	#	#	#	#	#
Counterparty #2	#	#	#	#	#	#	#
.....	#	#	#	#	#	#	#
Counterparty #49	#	#	#	#	#	#	#
TOTALS	856	(607)	382	430	44	12,542	23,618

Derivative Exposure Report

Total Exposure (mill)
Month-End \$8,186
 Month High \$8,443
 Month Low \$4,517



Asset Manager Breakdown

Portfolio	Asset Manager	NAV (m)	Deriv. (m)	\$Change	Net	Gross
#	Manager #1	\$	\$	\$	%	%
#	Manager #2	\$	\$	\$	%	%
.....						
#	Manager #31	\$	\$	\$	%	%

SUBJECT: Surety Bonds and APFC

ACTION: X

DATE: December 10, 2024

INFORMATION:

Attached is a short memo from the Alaska Attorney General's Office regarding whether the Board of Trustees and Executive Director are required by Alaska Law to post a surety bond as a condition of holding their position as a board member or executive director. During this agenda item the Board will hear from the lawyer who authored this memo. The Board will also discuss whether it wishes to modify its ByLaws at the next regularly scheduled Board meeting to eliminate the ByLaw that references the posting of surety bonds as required by Alaska Law, in light of the legal advice contained in this memo that neither the Board of Trustees or Executive Director are required to post a surety bond under applicable Alaska Law.

MEMORANDUM

State of Alaska Department of Law

TO: Board of Trustees
Alaska Permanent Fund

DATE: November 7, 2024

FROM: Ben Hofmeister (AAG)

FILE NO.: 2020101022

CC: Deven Mitchell, Executive Director
Chris Poag, General Counsel

TEL. NO.: (907) 465-4117

SUBJECT: Surety Bonds –
(AS 39.05.050)

The Board of the Alaska Permanent Fund Corporation (“APFC”) has asked the Department of Law (“Law”) about the application of Alaska’s surety bonding statute to Trustees serving on the Board and the Executive Director. The statute in question, AS 39.05.050, does not require Trustees or the Executive Director to obtain surety bonds under Alaska law. In providing this opinion, Law stresses that this analysis is based solely on a reading of AS 39.05.050 as it applies to the Trustees and the Executive Director.

Alaska Statute 39.05.050 reads as follows:

The principal executive officer of each department and subordinate officials shall furnish corporate surety bonds in the instance and amount required by law or determined by the governor upon recommendation of the commissioner of administration.

First, AS 39.05.050 only applies to the “principal executive officer[s] of [any] department and subordinate officials.” Neither the Trustees, in their roles as Trustees, nor the Executive Director are the executive officers of any department of state government. Neither the Trustees nor the Executive Director are subordinates of any principal executive officer of a department. They do not report to a principal executive officer of a department, they are not hired or appointed by a principal executive officer of a department, and no principal executive officer of a department can dictate the actions of the Trustees, the Board, or the Executive Director. Rather, the Trustees are appointed by the Governor to manage APFC and the Executive Director is employed by the Board. *See* AS 37.13.040; AS 37.13.050; AS 37.13.100. Given this, the Trustees and the Executive Director are not required to obtain surety bonds because AS 35.05.050 does not apply to them.

Second, even if the bonding statute could apply to the Trustees and the Executive Director, they would still not be required to obtain surety bonds because the triggering

events for such obligations do not exist: a bond is (1) required by law or is (2) required by the governor. As to the latter, the Governor has issued no administrative order or the like mandating surety bonds for his administration. Likewise, there is no statute or regulation under Alaska law requiring the Trustees or the Executive Director to obtain surety bonds.

APFC’s bylaws, however, include one section stating that “[t]he Board of Trustees and the Executive Director shall be bonded in the manner provided for state officers under AS 39.” APFC Bylaws, Art. II, Sec. 11. As to the bylaw, it is a direct reference to the form and procedure for state officers and employees “required by statute or regulation under authority of law” to obtain bonds as prescribed under AS 39.15. *See* AS 39.15.010. Importantly, AS 39.15 does not create a statutory requirement for Trustees or the Executive Director to obtain bonds under AS 39.05.050. Again, there is no statute or regulation requiring surety bonds for Trustees or the Executive Director. The bylaw, therefore, does not create an obligation to obtain surety bonds. Rather, it cites to the statutory process that Trustees or the Executive Director would need to follow if surety bonds were required under state law. Further, a bylaw established at the discretion of the Board is not a statutory or regulatory mandate requiring bonding under AS 39.05.050. To that point, the Trustees have the discretion to amend the bylaws and eliminate the section altogether since bonding for Trustees and the Executive Director is not required under state law – an action the Board might consider taking to avoid any potential confusion as to its obligations. *See* APFC Bylaws, Art. V. Regardless, neither the Trustees nor the Executive Director are required to obtain bonds under AS 39.05.050 by virtue of APFC’s bylaws.

Finally, your question also touches on liability coverage for Trustees and the Executive Director. Alaska Statute 39.05.050 was passed into law by the Legislature at the advent of statehood in 1959, at a time when Alaska was not self-insured. Eventually, Alaska did become self-insured. Now, if a claim is filed involving alleged wrongful conduct committed by the Trustees or the Executive Director, the State can defend those claims in the same manner as it defends lawsuits filed against other state employees. For example, if a plaintiff sued a Trustee or the Executive Director, the State could substitute itself as the defendant so long as either the attorney general or a trial judge certifies that the Trustee or the Executive Director was acting within the scope of their office.¹ Thus,

¹ Board members of public corporations are considered state employees for these purposes under Alaska law. AS 09.50.253(h)(2)(A)(ii). A Trustee acts within the scope of their office where their act or omission was made with lawful authority; occurred substantially within the authorized time and space limit; was activated by a purpose to serve the State; and was not conducted with willful, reckless, or intentional misconduct or with gross negligence or malice. AS 09.250.253(h)(1).

Trustees and the Executive Director are entitled to the same defenses and liability coverage as any other employee working for the State of Alaska.²

² Additionally, the Division of Risk Management procures a faithful performance policy that covers all state employees and officials, including Trustees and the Executive Director. This policy, like a surety bond, allows the State to insure itself against unscrupulous acts of state employees acting outside the scope of their office.



SUBJECT: Private Markets Overview

ACTION:

DATE: December 10, 2024

INFORMATION: X

BACKGROUND:

The presentation provides an overview of APFC's Private Markets portfolios, including Private Equity, Private Income and Real Estate.

STATUS:

Allen Waldrop, Deputy CIO-Private Markets, will present an update on the performance, liquidity, recent investment activity and pacing of the various Private Markets portfolios.



Private Markets Update

December 10, 2024

Contents

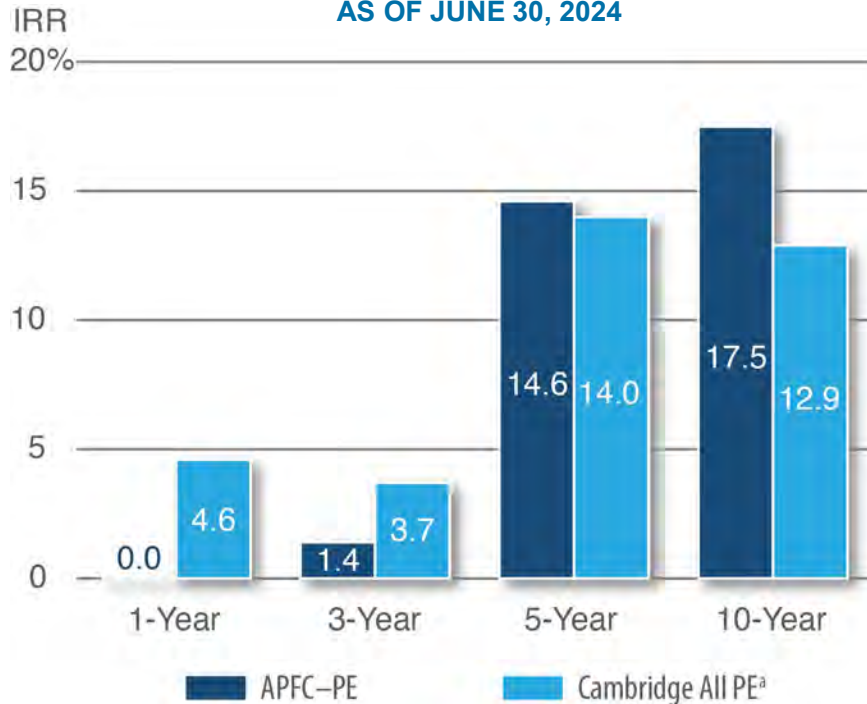
I. Private Equity

II. Private Income

III. Real Estate

Performance

**CAMBRIDGE GLOBAL ALL PRIVATE EQUITY
AS OF JUNE 30, 2024**



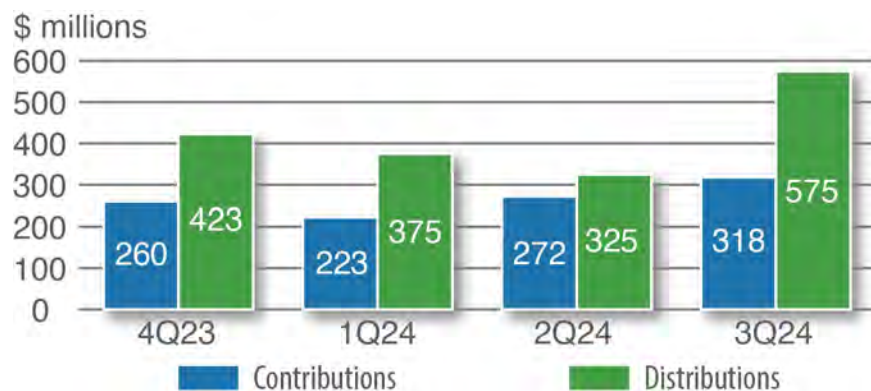
NOTE: 0.4% of the portfolio's market value reflects roll-forward values; therefore, market value is subject to change.

^aCambridge pooled global all private equity (excluding debt-related strategies) return benchmarks for 2004- through 2024-vintage funds, as of June 30, 2024.

- Three month performance improving, with gap to benchmark narrowing (<1% vs 5% 1-year)
- Performance continues to be strong over the long-term but remains under pressure in the 1- and 3-years periods
- By strategy, VC investments are the strongest performing category since inception but generated losses of \$517m and \$1.6bn in the 1- and 3-year periods
- The Legacy and Special Opps portfolios continue to generate negative returns in the 1- and 3- year periods

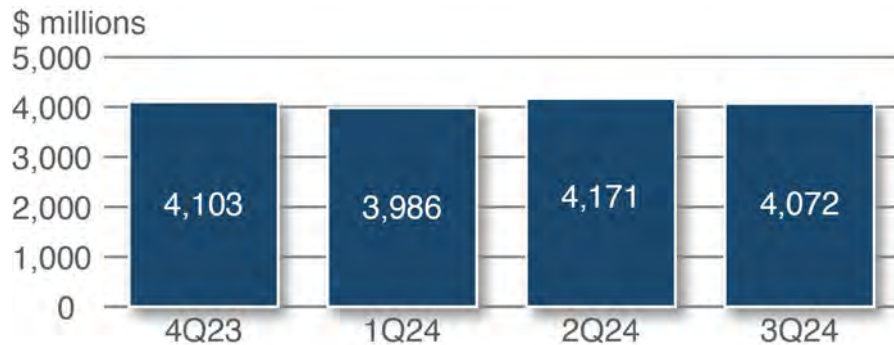
Liquidity

APFC-PE—CASH-FLOW ACTIVITY



NOTE: Represents cash-flow activity at the investment level.

APFC-PE—UNFUNDED COMMITMENTS



- Portfolio continues to be cash flow positive, a trend which has continued for the last several years
- Distributions accelerated in Q3 2024 due to an increase in sale activity, CV liquidation opportunities and several secondary sales
- Unfunded commitments have remained relatively flat over the last four quarters, though down from the \$4.3bn range in 2022-2023
- Shift towards more co-investments / directs along with increased M&A activity over the next few quarters may drive continued declines

Investment Activity and Pacing

APFC FY 2025 COMMITMENTS

Investment	Close	(\$MM)	Adviser
Direct Investment Follow-on	9/10/24	50	None
Digital Continuation Vehicle	9/20/24	50	Pathway
Growth Equity Fund	10/1/24	50	Pathway
Energy Co-investment	10/18/24	37	Pathway
Energy Co-investment	10/18/24	28	Pathway
European Buyout Fund	Nov-24 ^a	36	Pathway
FY 2025		251	

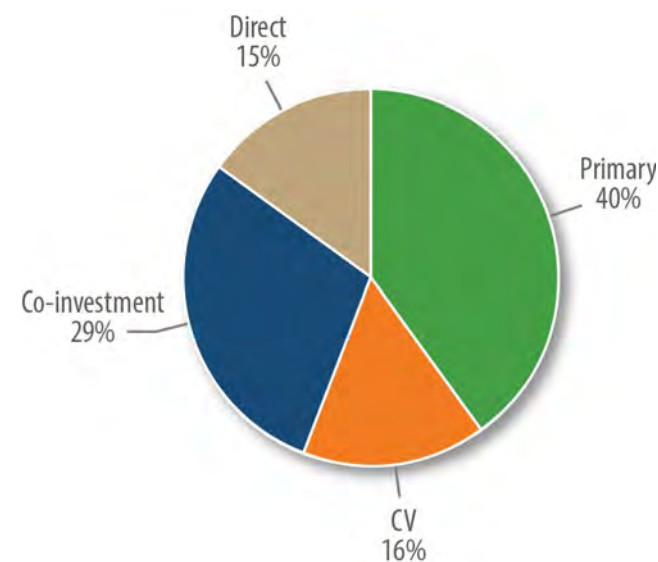
APFC-PCM FY 2025 COMMITMENTS

Investment	Close Date	Commitment (\$MM)
Growth Equity Co-investment	8/5/24	15
Buyout Single-Asset CV	9/20/24	6
Buyout Co-investment	9/20/24	10
Energy Fund Follow-on Commitment	9/30/24	5
Growth Equity Fund	10/1/24	20
Buyout Co-investment	11/8/24 ^a	11
European Buyout Fund	Nov-24 ^a	8
Healthcare Buyout Fund	Nov-24 ^a	20
FY 2025		95

NOTES: Activity from July 1, 2024, through October 31, 2024. Commitments to non-USD-denominated investments are calculated using exchange rates at the time of commitment.

^aExpected close date.

APFC-PE—FY 2025 COMMITMENT ACTIVITY BY INVESTMENT TYPE



- ~25% committed through 11/15/24
- Pipeline is active with significant commitments planned in November and December

Contents

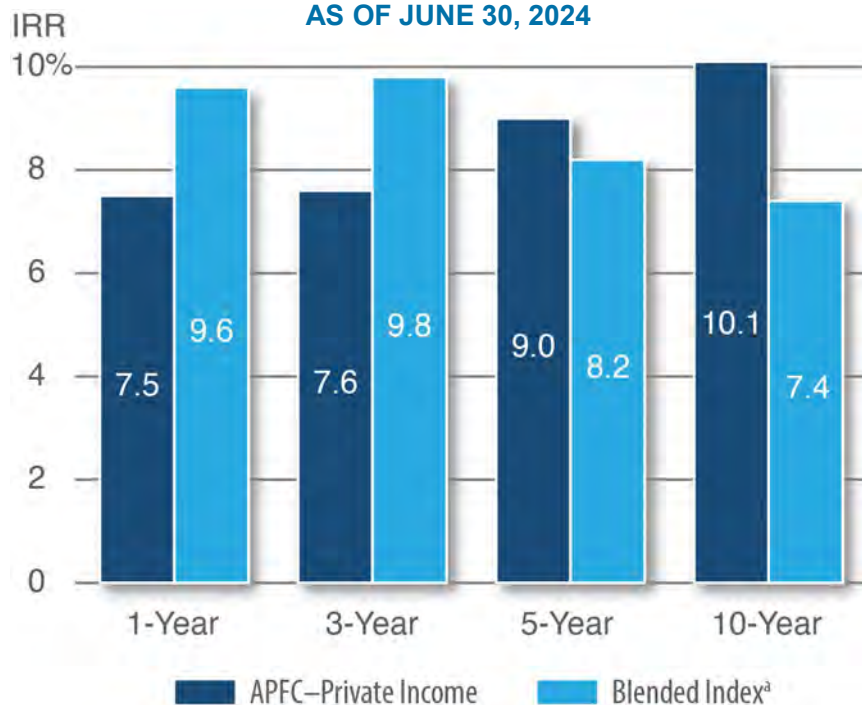
I. Private Equity

II. Private Income

III. Real Estate

Performance

APFC-PRIVATE INCOME BLENDED INDEX
AS OF JUNE 30, 2024



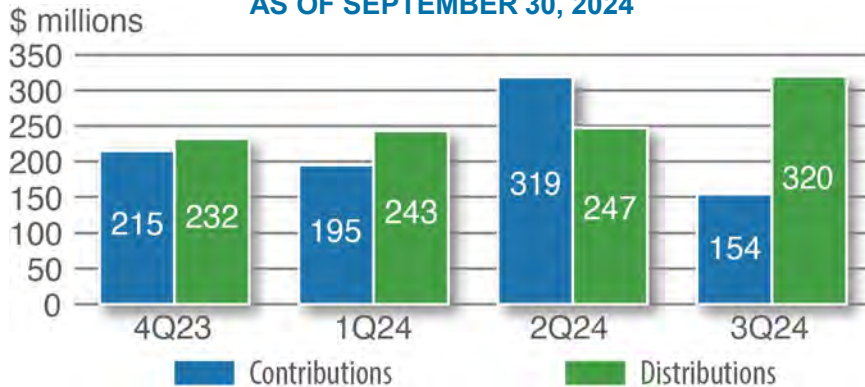
NOTE: APFC-Private Income returns are time weighted and provided by Callan, as of June 30, 2024.

^aRepresents 60% FTSE Developed Core Infra/40% BB US Corp HY 2% since inception until 6/30/20, then 60% Cambridge Global Private Infra/40% Cambridge Private Credit until 6/30/22, then 60% Cambridge Global Private Infra/40% Cliffwater Direct Lending TR thereafter. The Cliffwater Direct Lending Index seeks to measure the unlevered, gross-of-fees and gross-of-carried-interest performance of U.S. middle-market corporate loans, as represented by the underlying assets of publicly traded business development companies (BDCs).

- Three-month performance improving, with gap to benchmark narrowing (<1% vs 2.1% 1-year)
- Key drivers of underperformance over the 1- and 3- year periods are Opportunistic funds within Private Credit and Income Opps
- Note that these two categories tend to have more equity exposure and are thus more volatile than the index, which is a blend of direct lending and infra

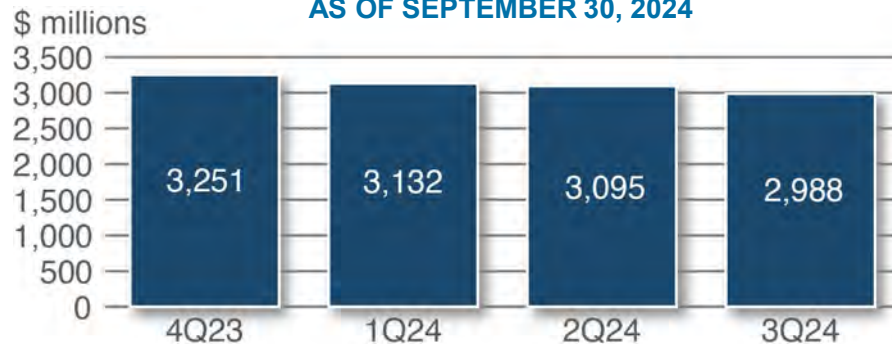
Liquidity

**APFC—PRIVATE INCOME—CASH-FLOW ACTIVITY
AS OF SEPTEMBER 30, 2024**



NOTE: Represents cash-flow activity at the investment level.

**APFC—PRIVATE INCOME—UNFUNDED COMMITMENTS
AS OF SEPTEMBER 30, 2024**



- Portfolio is younger and growing, so tends to have net negative cash flows, though the gap is narrowing particularly on an annual basis
- Distributions accelerated in Q3 2024 as a result of increased exit activity in the Infra portfolio as well as continued realizations in Private Credit
- Unfunded commitments declining due to slower commitment pace mixed with an increase co-investment activity and deal activity in Private Credit and Income Opps

Investment Activity and Pacing

APFC PRIVATE INCOME FY 2025 COMMITMENTS

Investment	Close	(\$MM)	Adviser	Program
Credit Co-investment	10/9/24	19	Pathway	Private Credit
Energy Single-Asset CV	10/24/24	37	None	Infrastructure
Power Infrastructure Fund	11/11/24	75	Pathway	Income Opportunities
Specialty Credit Fund	11/15/24	100	Pathway	Private Credit
FY 2025		231		

NOTE: Activity from July 1, 2024, through October 31, 2024.

- Private Income has committed 18% of its target through 11/15/24
- Pipeline is active with >\$900m of opportunities across Credit, Infra and Income Opps
- Increased volume of co-investment activity, particularly in Infra
- Expect significant increase in approved / closed commitments through 3/31/25

Contents

- I. Private Equity
- II. Private Income
- III. Real Estate**

Performance

REAL ESTATE PERFORMANCE AS OF JUNE 30, 2024

	6/2024 AUM (\$M)	Returns			Over / (Under) Performance		
		6/2024	3/2024	1 Year	6/2024	3/2024	1 Year
Total Portfolio							
Benchmark (85/15 NCREIF NPI/MSCI US REIT)	-	-0.87%	-0.22%	-4.50%	-	-	-
APFC Real Estate	8,687.2	0.33%	-1.26%	-3.28%	1.20%	-1.04%	1.22%
APFC Summaries							
REITs Portfolio	757.9	-0.71%	14.95%	9.03%	-0.39%	-1.05%	-1.34%
Equity Funds Portfolio	1,834.7	0.63%	-2.66%	-1.54%	1.61%	0.36%	5.62%
Debt Funds / SMAs Portfolio	645.8	1.93%	2.94%	9.08%	2.91%	5.96%	16.24%
Direct (ex. development) Portfolio	4,893.9	-0.05%	-3.99%	-7.20%	0.93%	-0.97%	-0.04%
Development Portfolio	554.9	3.27%	-3.39%	-8.00%	4.25%	-0.37%	-0.84%
Direct by Asset Class							
Direct Industrial Portfolio (incl. dev.)	1,021.5	2.78%	-4.59%	-0.26%	2.65%	-2.30%	2.88%
Direct Multi-Family Portfolio (incl. dev.)	984.9	-1.84%	-3.06%	-12.79%	-0.87%	-0.08%	-6.52%
Direct Retail Portfolio	1,559.9	1.27%	-0.51%	-3.43%	0.63%	0.61%	-2.64%
Direct Office Portfolio (incl. dev.)	1,818.4	-0.88%	-6.89%	-11.85%	2.92%	-1.49%	5.56%
Direct Hotel Portfolio	64.1	-0.90%	-5.29%	1.14%	-1.72%	-7.09%	-7.59%

- Limited new investment activity over last two quarters
- Cash flows mainly related to issuance and repayments in the debt program
- Significant portfolio management efforts underway (hold / sell, restructurings, etc.)

Focus Areas

Strategy and Approach

- Assessing the sectors, markets and property types, investment structures, and the role of RE Credit and REITs in the portfolio

Team Structure and Focus

- Filled open PM position with internal hire, backfilling at Analyst / Associate level
- Shifted team's focus to investment analysis and execution, strategy and portfolio management and away from asset-level operating and management decisions

Investment Process and Portfolio Management

- Standardized and augmented the investment evaluation process
- Conducting "Hold / Sell" analysis across portfolio

Data Management and Systems

- Evaluating tools to aggregate portfolio information and adding market research tools to assist new deal evaluation and manage the investment process



ALASKA PERMANENT
FUND CORPORATION

Integrity • Stewardship • Passion



SUBJECT: APFC Fixed Income
Asset Class Update

ACTION:

DATE: December 10, 2024

INFORMATION: X

BACKGROUND:

The Public Markets presentation provides information on the APFC Public Equities, Fixed Income, and Cash Portfolio.

STATUS:

At this meeting, Deputy CIO/Director of Fixed Income, Jim Parise, will present key elements of APFC Public Markets allocation and performance.



APFC

ALASKA PERMANENT
FUND CORPORATION

Public Markets Board Presentation

December 2024

Public Equities Overview

Factor	Positioning
Market Cap	Overweight to Small and Mid
Value vs Growth	Overweight to Value
Developed vs Emerging Market	Overweight to EM

Market Cap

Small and mid cap
outperformed the S&P 500

	3Q24	YTD	1 Yr
S&P 500	5.9%	22.1%	36.4%
Mid Cap Core	9.2%	14.6%	29.3%
Small Cap Core	9.3%	11.2%	26.8%

Value vs Growth

Value outperformed at all
market cap sizes

	3Q24	YTD	1 Yr
Large Cap Value	9.4%	16.7%	27.8%
Large Cap Growth	3.2%	24.5%	42.2%
Mid Cap Value	10.1%	15.1%	29.0%
Mid Cap Growth	6.5%	12.9%	29.3%
Small Cap Value	10.2%	9.2%	25.9%
Small Cap Growth	8.4%	13.2%	27.7%

Developed vs EM

EM outperformed DM

	3Q24	YTD	1 Yr
S&P 500	5.9%	22.1%	36.4%
MSCI EM	8.7%	16.9%	26.1%

Public Equities FYQ1 Performance

Attribution	FY24 Q1
Active Selection (-64 bps)	
External Active Managers	-64 bps
Active Allocation (+158 bps)	
Tactical Tilts, US Tactical	+53 bps
Factor-based External and Internal strategies	+23 bps
Positioning across External Managers	+82 bps*
Outperformance	
+94 bps	
* Plug figure	

Majority of APFC's active managers struggled due to:

- Sudden reversal in Momentum factor as capital rotated out of prior winners and into laggards
- Highest quality stocks underperformed

APFC public equities 3 biggest factor-based risks all outperformed this quarter.

Public Equities outperformed by 94bps.

Value, small cap, and EM over weights drove allocation outperformance.

Fixed Income Overview

	1Q24	1yr	3yr	5yr
Fixed Income Plus (\$16,819mm)	4.80%	12.41%	-0.14%	0.99%
<i>Index</i>	4.81%	11.96%	-0.59%	0.38%
U.S. Agg (\$4,736mm)	5.23%	12.20%	-0.90%	0.89%
<i>Index</i>	5.20%	11.57%	-1.39%	0.33%
U.S. Corporates (\$4,613mm)	5.79%	14.78%	-0.62%	1.84%
<i>Index</i>	5.84%	14.28%	-1.18%	1.16%
High Yield Corporates (\$1,736mm)	4.30%	15.62%	N/A	N/A
<i>Index</i>	4.25%	14.69%	2.18%	4.14%
Global Rates (\$2,336mm)	3.36%	9.44%	0.35%	0.27%
<i>Index</i>	3.55%	9.30%	0.26%	0.24%
Securitized (\$1,664mm)	5.52%	12.16%	-1.24%	N/A
<i>Index</i>	5.44%	12.22%	-1.11%	0.15%
TIPS (\$828mm)	4.21%	10.08%	-0.20%	2.95%
<i>Index</i>	4.12%	9.79%	-0.57%	2.62%
FI Cash (\$904mm)	1.47%	5.73%	3.63%	2.48%
<i>Index</i>	1.37%	5.46%	3.49%	2.32%

Performance as of 9/30/2024

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Fixed Income Overview

	Portfolio		Benchmark		Over/Underweight		Alloc Change
	%	Market Value	%	Market Value	%	Market Value	Fiscal YTD
US Aggregate	28.3%	\$ 4,667,195	28%	\$ 4,536,793	0.8%	\$ 130,402	0.30%
US Corporate	27.3%	\$ 4,498,137	28%	\$ 4,536,793	-0.2%	\$ (38,656)	-0.57%
High Yield	10.4%	\$ 1,716,032	10%	\$ 1,649,743	0.4%	\$ 66,289	-0.37%
Securitized	10.0%	\$ 1,644,513	10%	\$ 1,649,743	0.0%	\$ (5,230)	0.07%
Non-US Rates	13.7%	\$ 2,268,014	15%	\$ 2,474,615	-1.3%	\$ (206,601)	0.52%
TIPS	4.9%	\$ 815,820	5%	\$ 824,872	-0.1%	\$ (9,052)	-0.05%
Cash	5.4%	\$ 887,719	5%	\$ 824,872	0.4%	\$ 62,848	0.10%

	MTD	QTD	CYTD
US Aggregate	1.40%	5.23%	4.73%
US Corporate	1.77%	5.79%	5.54%
High Yield	1.14%	4.30%	7.85%
Securitized	1.18%	5.52%	4.69%
Non-US Rates	1.14%	4.30%	7.85%
TIPS	1.15%	4.21%	5.05%
Cash	0.49%	1.42%	4.16%

	Q1E Spread			Change in Spread			
	9/30/24	8/31/24	3/28/24	9/30/23	9/30/22	9/30/21	9/30/20
US Aggregate	36	0	-2	-14	-24	3	-26
US Corporate	89	-4	-2	-27	-57	7	-51
High Yield	306	1	5	-83	-207	28	-232
Securitized	253	-5	-5	-53	-116	-27	-86
Non-US Rates	18	-1	2	-3	-5	4	1
ABS	65	1	11	-2	12	36	23
MBS	41	2	-3	-21	-29	11	-24
CMBS	94	-3	-2	-38	-9	34	-13

Performance as of 9/30/2024

108 of 315

FI FYQ₁ Performance

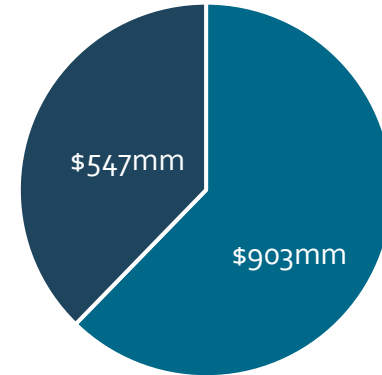
Portfolio	Portfolio Weights	Portfolio Returns	Benchmark Returns	Portfolio Allocation Excess Contribution (bps)	Portfolio Return Excess Allocation (bps)	Total Return Contribution (bps)
US Aggregate	27.63%	5.23%	5.20%	1	1	2
US Corporate	26.95%	5.79%	5.84%	0	-1	-2
High Yield	10.86%	4.30%	4.25%	0	0	0
Non-US Rates	13.95%	3.36%	3.55%	1	-3	-1
TIPS	4.85%	4.21%	4.12%	0	0	0
Securitized	9.68%	5.52%	5.52%	0	0	0
Cash	6.08%	1.42%	1.37%	-1	0	-1
Total		4.80%	4.81%	0	0	-1

FI portfolio underperformed by 1bps.
High yield and TIPS beat benchmark despite difficult market.

Cash Management

- Internal Cash (\$903mm)
 - Internally managed
 - Short-dated bills, treasuries, commercial paper, repo, asset-backed securities
 - Most assets held to maturity
- Operational Cash
 - Invested in overnight STIF (short-term investment fund)
 - 100% of portfolio is immediately liquid
- Liquidity enables the Fund to meet operational needs, capital calls, and appropriations to the State.

\$1.5 Billion Cash at Q1E



■ Internal Cash ■ Operational Cash

Q1 Transfers

\$1.5 billion transferred to State

\$400mm Private Market capital calls



SUBJECT: APFC Absolute Return Program Update

ACTION:

DATE: December 10, 2024

INFORMATION: X

BACKGROUND:

The presentation provides an overview of APFC's Absolute Return program objectives, strategy, and performance.

STATUS:

Youlian Ninkov, Senior Portfolio Manager, will present an update on the Program's recent developments, an overview of the strategy, and performance since inception through calendar quarter Q3 2024.



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Absolute Return

As of September 2024

Key Facts as of September 2024

AUM	\$5.9bn
Number of Current Direct Allocations (Since-inception subscribed / redeemed)	19 (27 / 8)
Since-inception Deployed Capital	\$6.5bn
Since-inception Received Capital (Redemptions/Distributions)	\$3.1bn
Returns (net of fees)	6.7%
Volatility	3.3%
Correlation to S&P 500	0.15
Beta to S&P 500	0.03
Average Management Fee	1.8%
Average Performance Fee	20.2%

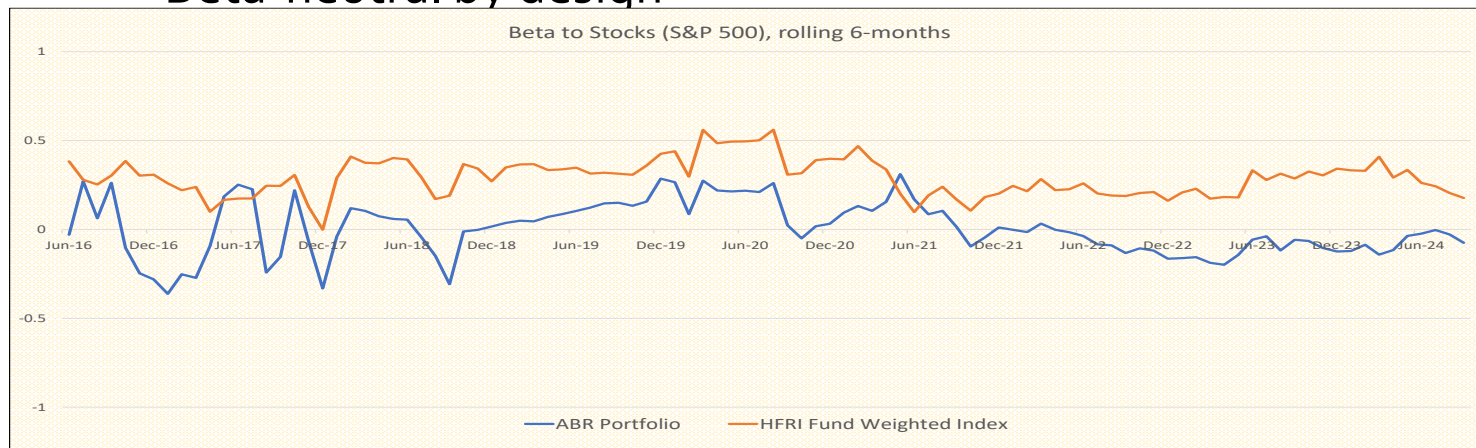
* Annualized Since Inception of Direct Program: July 1, 2016

What are Hedge Funds and Why Invest in Them

- APFC Targets Hedge Fund Strategies that:
 - Generate Alpha independent of market direction
 - Exploit fundamental, technical, legal, or regulatory complexities
 - Have a history of success, are repeatable, and continuously upgraded

What are Hedge Funds and Why Invest in Them

- APFC Targets Hedge Fund Strategies that are:
 - Focused on risk management and capital preservation
 - Beta-neutral by design



What is Our Edge

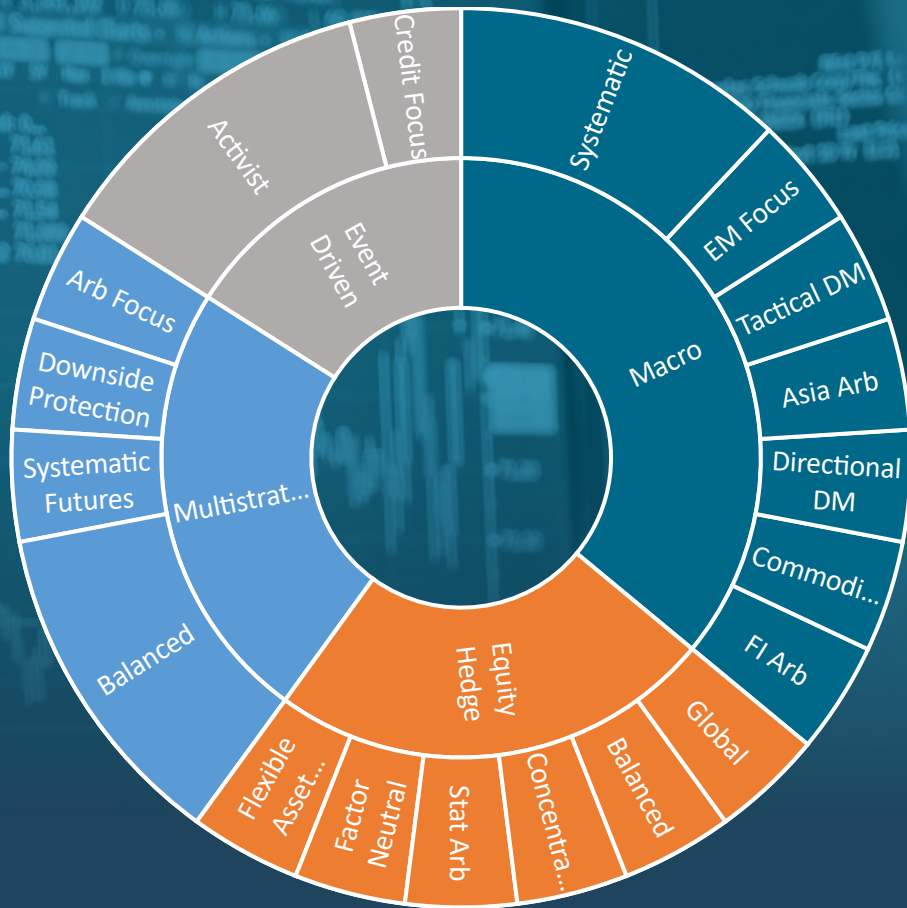
- Access best managers
 - HFs are diverse and complex, difficult to monitor, can deteriorate quickly
 - Our size
 - Investment style
 - Flexibility
- Balanced and Diversified portfolio

Portfolio Composition

- Diversified
- Balanced
- Concentrated (15-20 names)

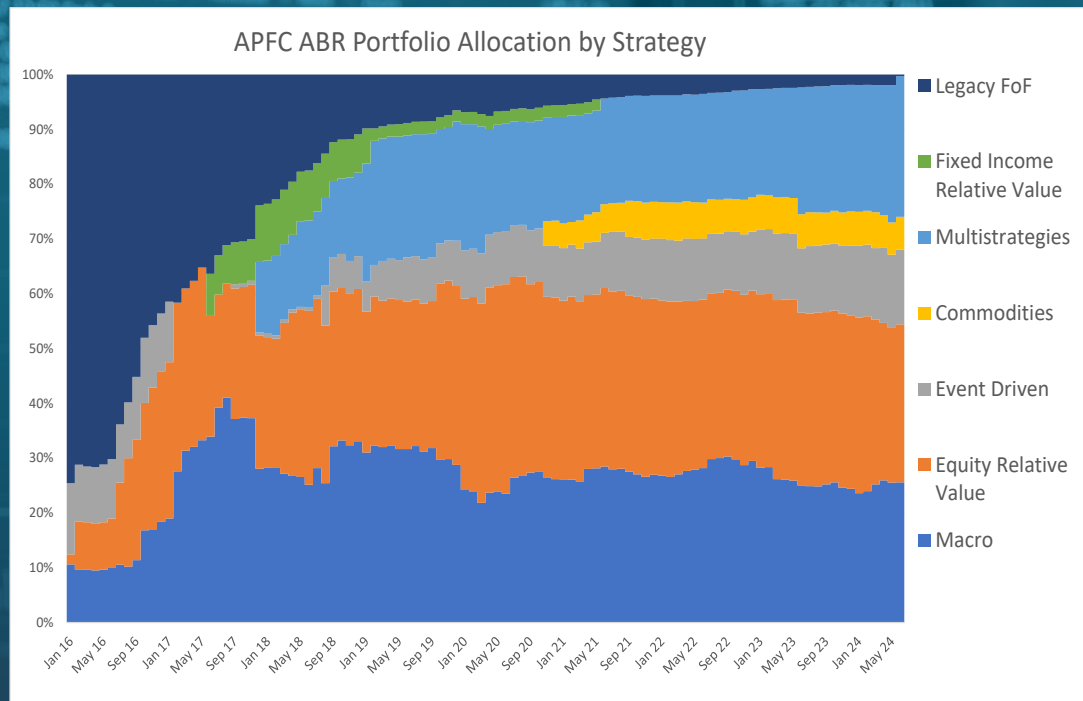
Strategy	Allocation \$mm	Funds #	Weight %
Macro	1,442	6	24%
Equity Relative Value	1,684	6	29%
Event Driven	829	2	14%
Commodities*	370	2*	6%
Multistrategies	1,479	4	25%
Legacy FoF	103	2	2%
Total	5,907	22	

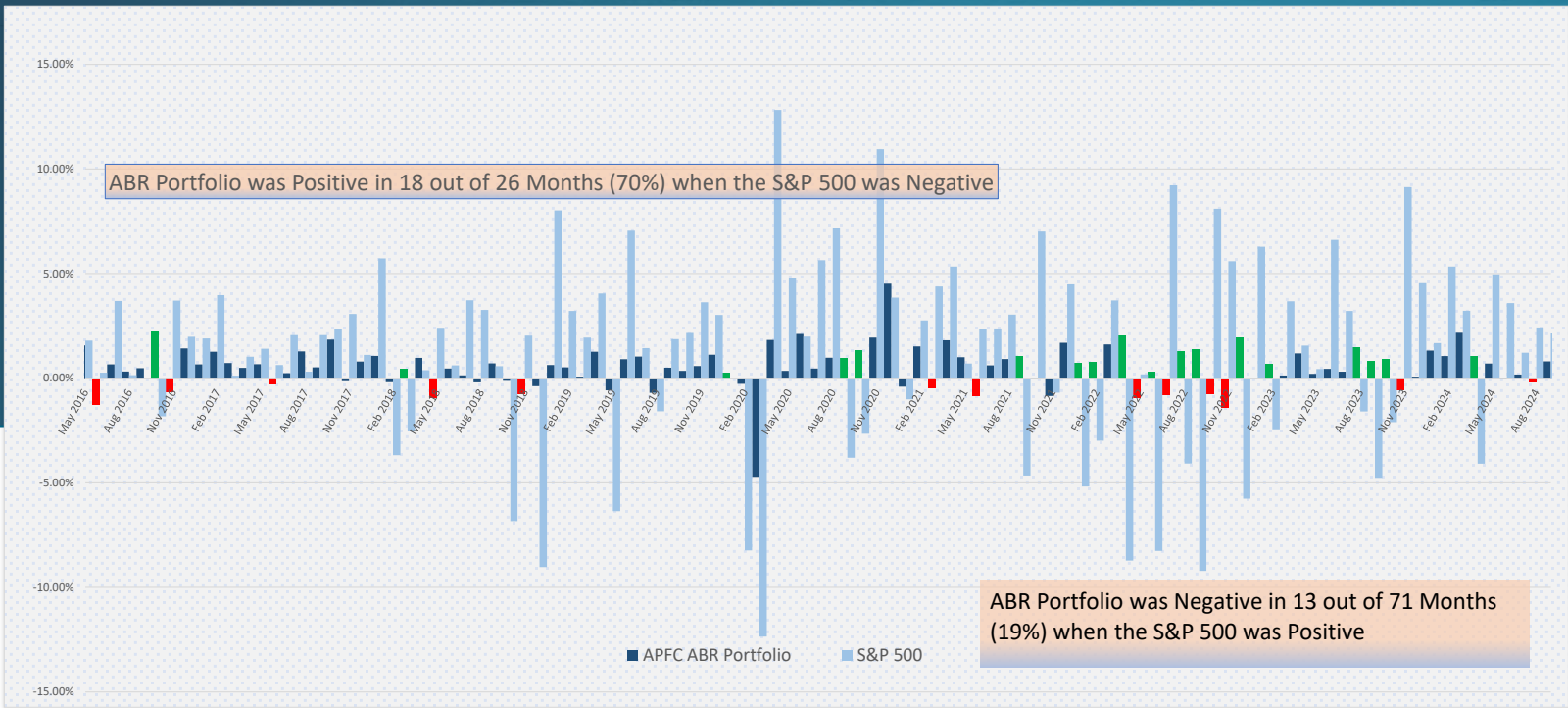
* includes direct allocation to Gold ETF



Portfolio Composition

- During FY2024 we made the following changes:
- 1) hired a strategy with explicit downside protection characteristics
- 2) trimmed profits across the portfolio (\$450mm)
- 3) redeployed a small amount into our one Systematic Futures manager
- 4) trimmed gains in our position in gold and redeployed across the smaller positions in the portfolio (\$50mm)





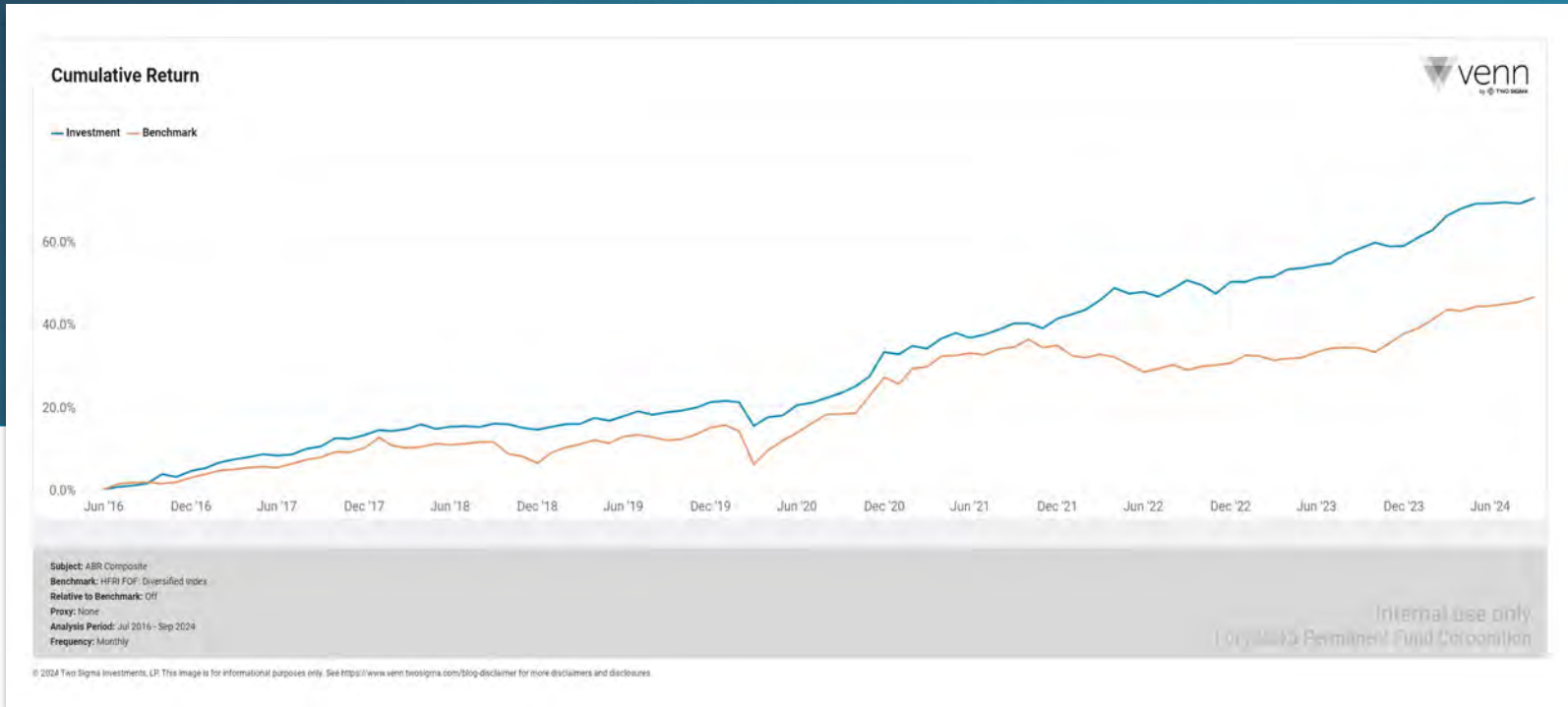
Performance Summary

Through calendar Q3 2024

- Starting in Q4 2023 and continuing into YTD 2024, the Absolute Return portfolio has produced solid positive returns, albeit lagging the broader hedge fund universe, which is benefitting from the rally in equity and credit beta
- All sub-strategies are contributing positively, capturing alpha from improving single name dispersion “below the surface”, taking advantage of the few corporate event and M&A opportunities, and benefitting from the generally higher interest rate environment.
- Our allocation to Gold has also been a strong positive contributor, adding about 30bps annualized since it was introduced in November 2020. The Legacy Fund-of-Funds part of the portfolio has detracted 30bps annualized over the same period

Performance through September 2024	Calendar QTD 2024	Calendar YTD 2024	Last 3 years annualized	Since July 2016 annualized	Correlation and Beta to S&P 500
APFC ABR	0.8%	7.3%	6.8%	6.7% / 3.3%	0.15 / 0.03
S&P 500	5.9%	22.1%	11.9%	15.2% / 14.3%	1 / 1
Barclays US Agg	5.2%	4.4%	-1.4%	1.3% / 4.7%	0.42 / 0.14
HFRI Composite	2.9%	8.2%	4.0%	6.3% / 5.9%	0.83 / 0.3

Appendix



Appendix

Calendar Returns

Returns for ABR Composite



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2024	1.32%	1.06%	2.17%	1.05%	0.70%	0.02%	0.18%	-0.19%	0.78%				7.29%
2023	-0.01%	0.70%	0.12%	1.19%	0.20%	0.44%	0.31%	1.50%	0.82%	0.91%	-0.58%	0.07%	5.79%
2022	0.75%	0.78%	1.61%	2.02%	-0.93%	0.30%	-0.79%	1.31%	1.38%	-0.75%	-1.40%	1.95%	6.31%
2021	-0.40%	1.52%	-0.48%	1.81%	1.00%	-0.87%	0.61%	0.91%	1.04%	-0.01%	-0.85%	1.69%	6.08%
2020	0.25%	-0.27%	-4.72%	1.83%	0.35%	2.11%	0.46%	0.96%	0.94%	1.33%	1.94%	4.51%	9.89%
2019	0.62%	0.52%	0.07%	1.27%	-0.58%	0.91%	1.03%	-0.70%	0.50%	0.35%	0.58%	1.12%	5.82%
2018	1.07%	-0.19%	0.44%	0.97%	-0.95%	0.46%	0.14%	-0.20%	0.71%	-0.13%	-0.75%	-0.38%	1.17%
2017	0.66%	1.26%	0.73%	0.49%	0.67%	-0.30%	0.24%	1.28%	0.51%	1.84%	-0.15%	0.79%	8.31%
2016							0.66%	0.32%	0.48%	2.23%	-0.67%	1.42%	4.49%

Subject: ABR Composite
 Benchmark: HFRI POF Diversified Index
 Relative to Benchmark: Diff
 Proxy: None
 Analysis Period: Jul 2016 - Sep 2024
 Frequency: Monthly

Interpocket
 Financial Fund Research

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The logo for the Alaska Permanent Fund Corporation (APFC) is displayed in a white serif font within a white rectangular box. The letters are bold and closely spaced.

APFC

ALASKA PERMANENT
FUND CORPORATION

SUBJECT: Proxy Voting Public Equity Shares

ACTION:

DATE: December 10, 2024

INFORMATION: X

BACKGROUND:

Staff has been directed to determine how proxies for public equities managed by the Permanent Fund are being voted by our external public equity managers to ensure that these proxies are being voted in line with the Board's direction as outlined in the Investment Policy.

STATUS:

At a prior meeting, CIO Frampton reported to the board on the use of proxy voting services by our externally managed public equity portfolio. For internally managed public equities, APFC has procured the services of Institutional Shareholder Services, Inc (ISS Stoxx). ISS has been directed via the contract to vote proxies according to the "Board Aligned" policy, a product offered by ISS designed to follow the Fund's objectives as outlined in the Board's Investment Policy.

Recently the potential of conducting an audit of the proxy voting by our external managers has been proposed. Trustee Crum will provide information for the consideration of the Board on this matter. Staff will look for direction from the Board on whether to move forward with a procurement process to audit proxy voting by external managers.



SUBJECT: Climate and Energy Transition Updates
John Skjervem, APFC Investment Advisor

ACTION: _____

DATE: December 10, 2024

INFORMATION: _____ X _____

BACKGROUND:

John Skjervem is under contract with APFC to act as a member of the Investment Advisory Group (IAG) for the Board of Trustees. Mr. Skjervem's presentation at this meeting is in fulfillment of the contractual requirement to annually present a topic for the Board's consideration on best practices in the management of large institutional funds.

Climate Change and Energy Transition Updates; Suggested Board Priorities; and Trustee Education Recommendations



John D. Skjervem, CFA

December 10, 2024

Disclaimer

The views, observations and opinions expressed in this presentation are those of the presenter alone and do not in any way reflect official policy or positions of Utah Retirement Systems or the views or policies of any other organization with which the presenter is affiliated. The information set forth herein has been obtained or derived from sources believed by the presenter to be reliable, but the presenter makes no representations or warranties, express or implied, regarding the information's accuracy or completeness.

Agenda

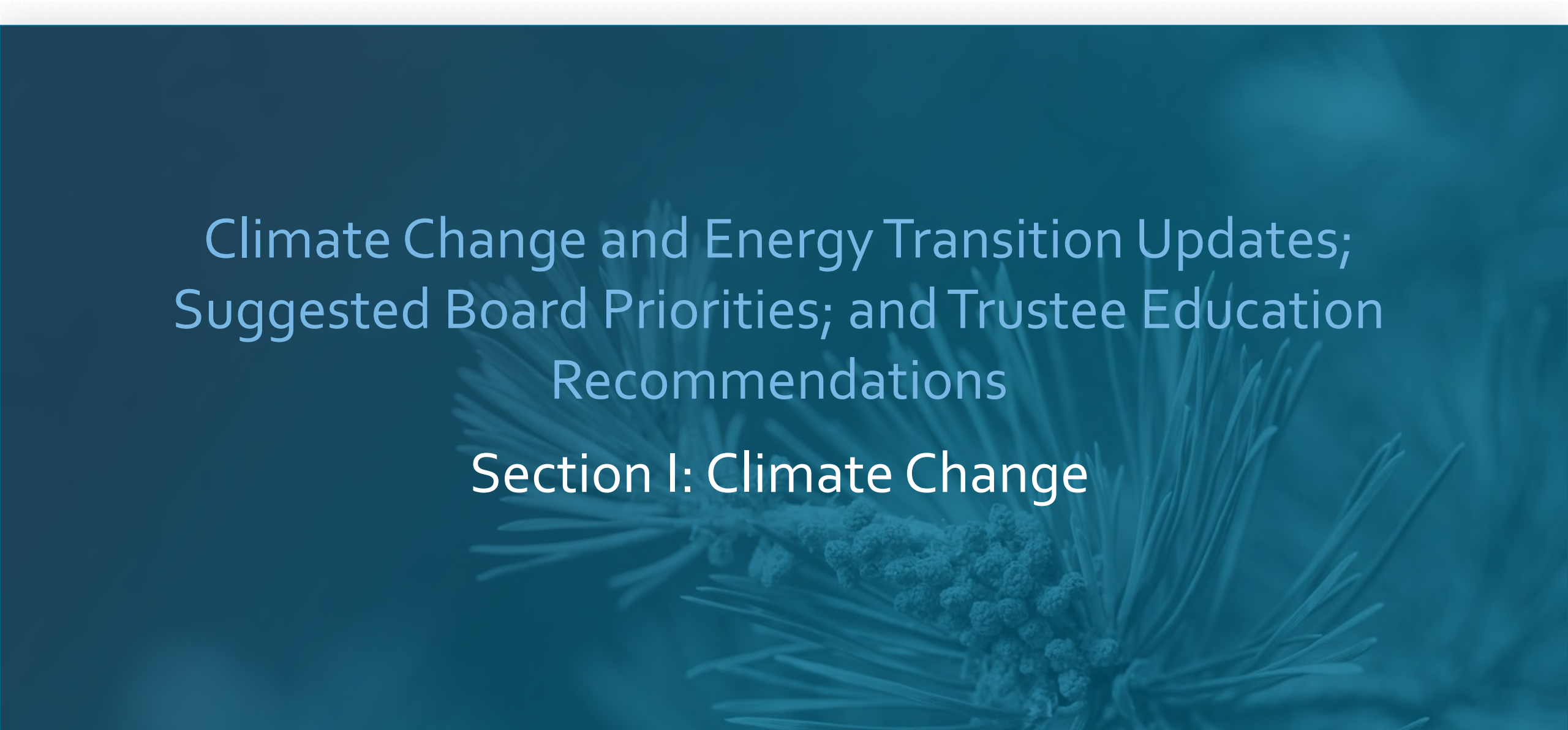
Section I: Climate Change

Section II: Energy Transition

Section III: Suggested Board Priorities

Section IV: Trustee Education Recommendations

Appendix

A teal-colored background featuring a close-up, slightly blurred image of a pine branch with a cone. The text is overlaid on this background.

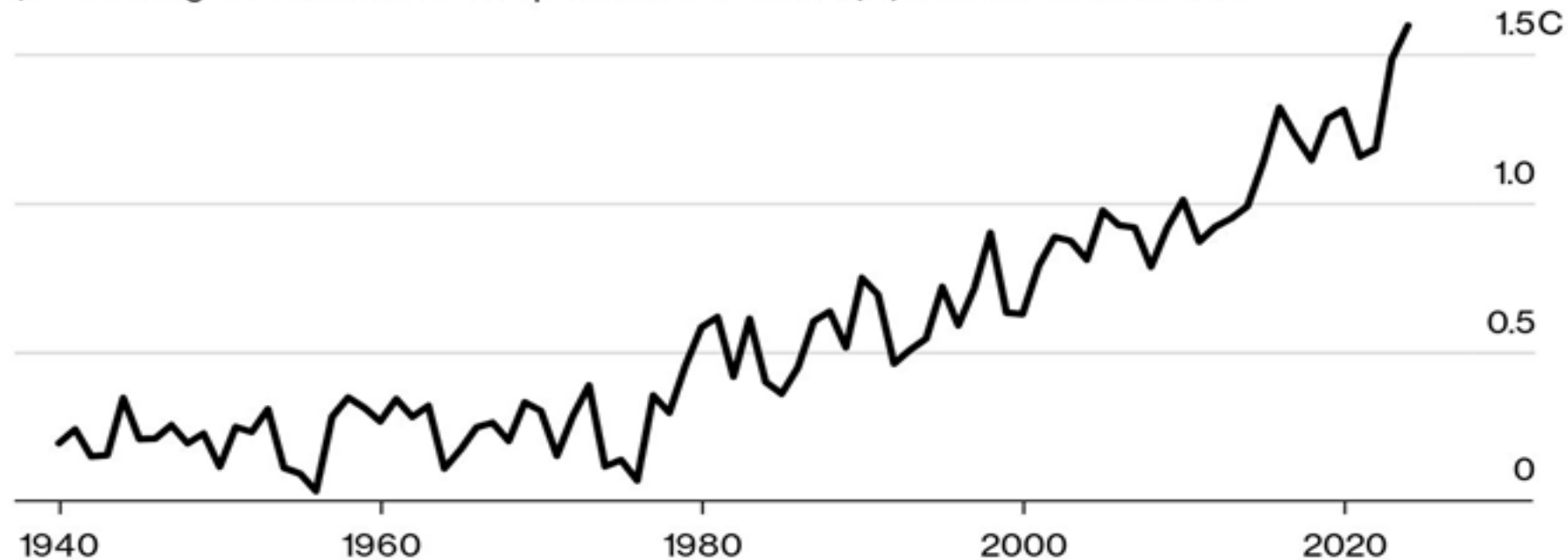
Climate Change and Energy Transition Updates; Suggested Board Priorities; and Trustee Education Recommendations

Section I: Climate Change

Climate Change

2024 on Track to Be Warmest Year on Record

Annual global surface air temperature anomalies (C) relative to 1850–1900



Yikes!

Note: Provisional based on January through October data.

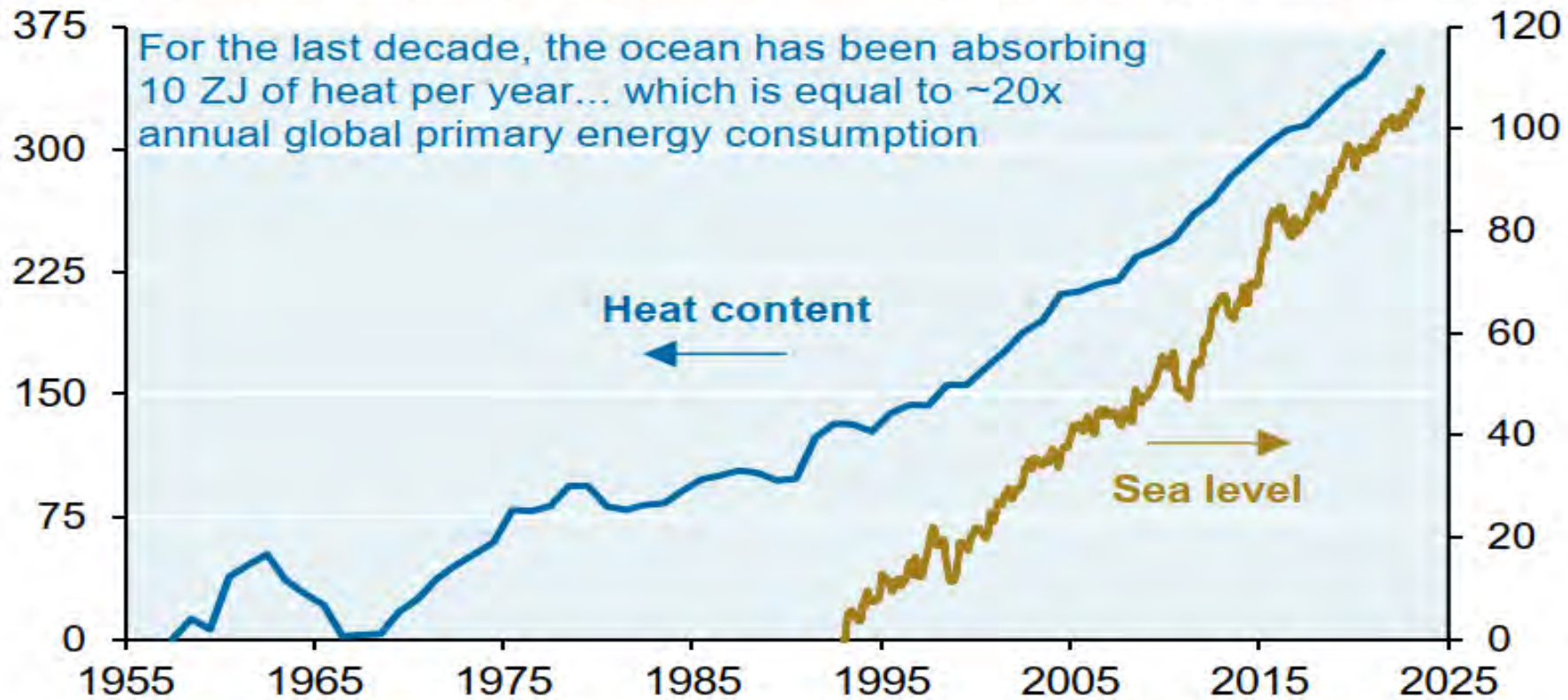
Source: Copernicus Climate Change Service; ECMWF; Bloomberg. 130 of 315

Climate Change

Ocean heat content and sea level

Zettajoules, vs 1957 baseline

Millimeters, vs 1993 baseline

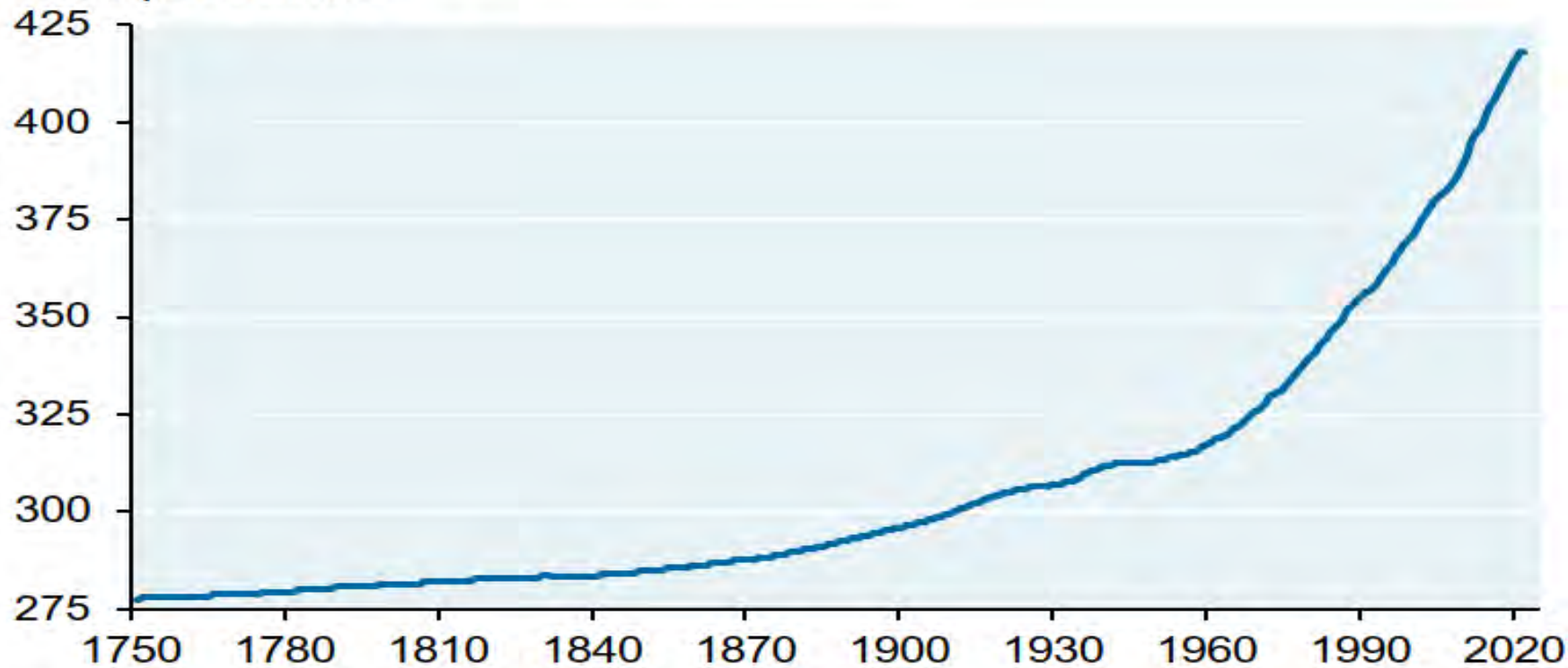


It's really happening.

Climate Change

Atmospheric CO₂ concentrations

Parts per million



Causality
with global
population
growth and
the industrial
revolution
hard to deny.

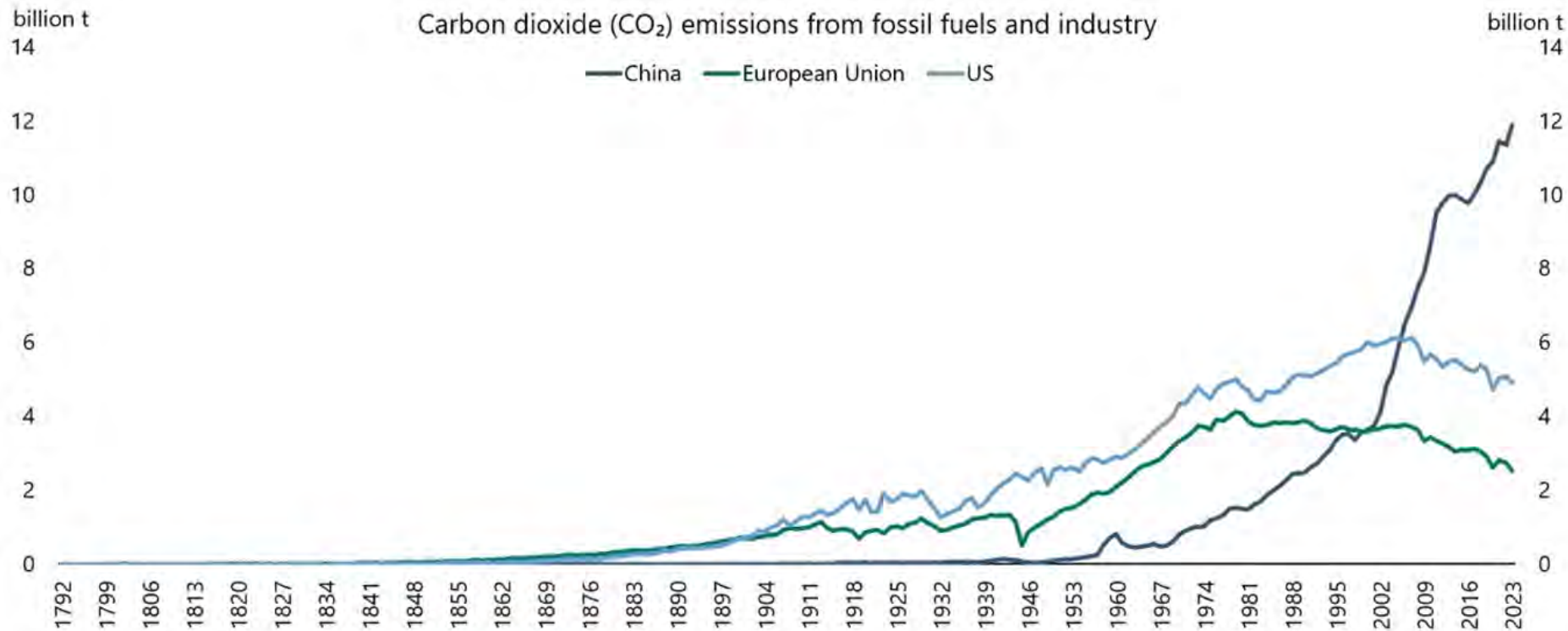
A teal-colored background featuring a close-up, slightly blurred image of a pine branch with a cone. The text is overlaid on this background.

Climate Change and Energy Transition Updates; Suggested Board Priorities; and Trustee Education Recommendations

Section II: Energy Transition

Energy Transition

CO₂ emissions: China trending higher. US and Europe trending lower.



Note: t = metric tons.

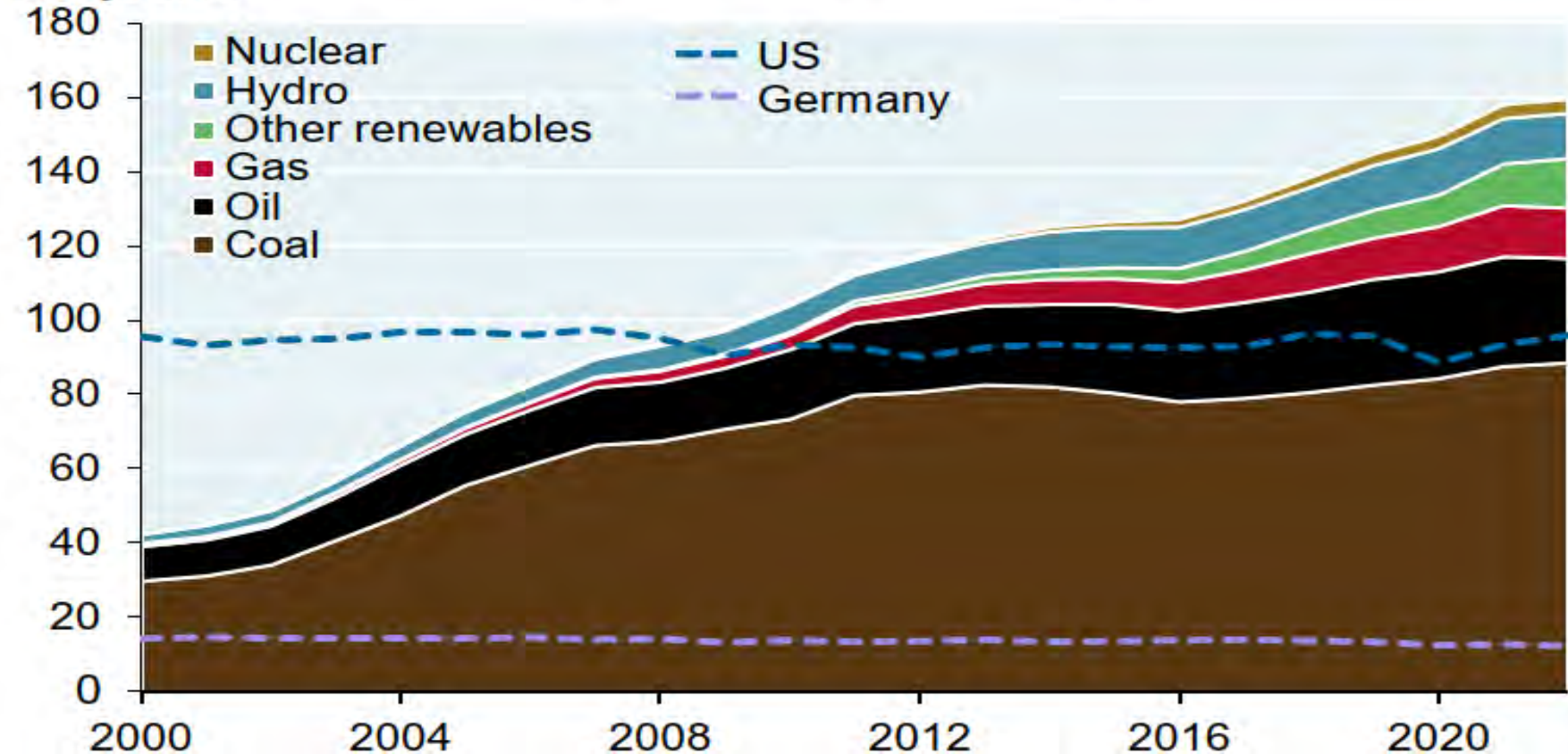
Source: [OurWorldinData.org](https://www.ourworldindata.org); Global Carbon Budget (2024); Apollo.134 of 315

Progress in the West more than offset by explosive emissions growth in the developing world.

Energy Transition

China primary energy consumption by type

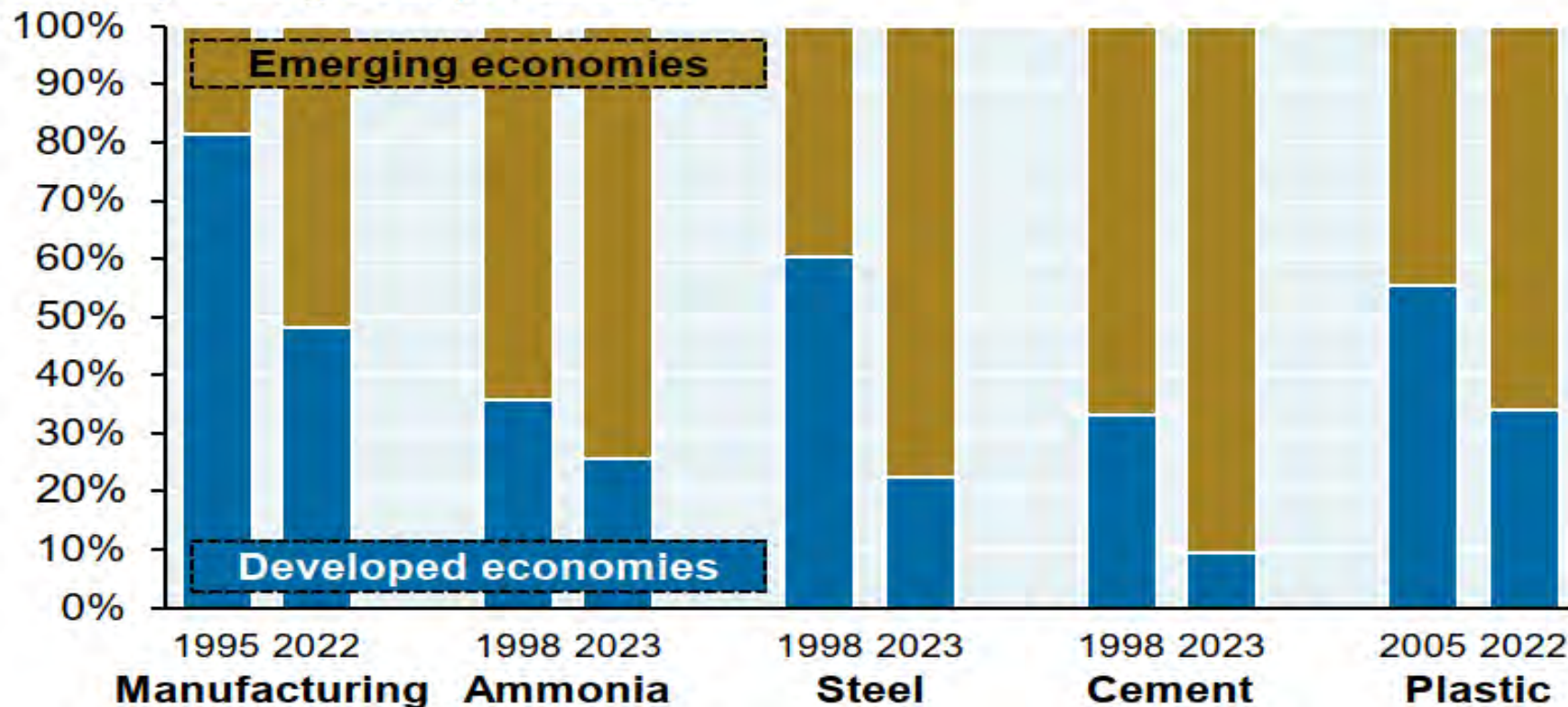
Exajoules



Coal is the largest component and is still growing!

Energy Transition

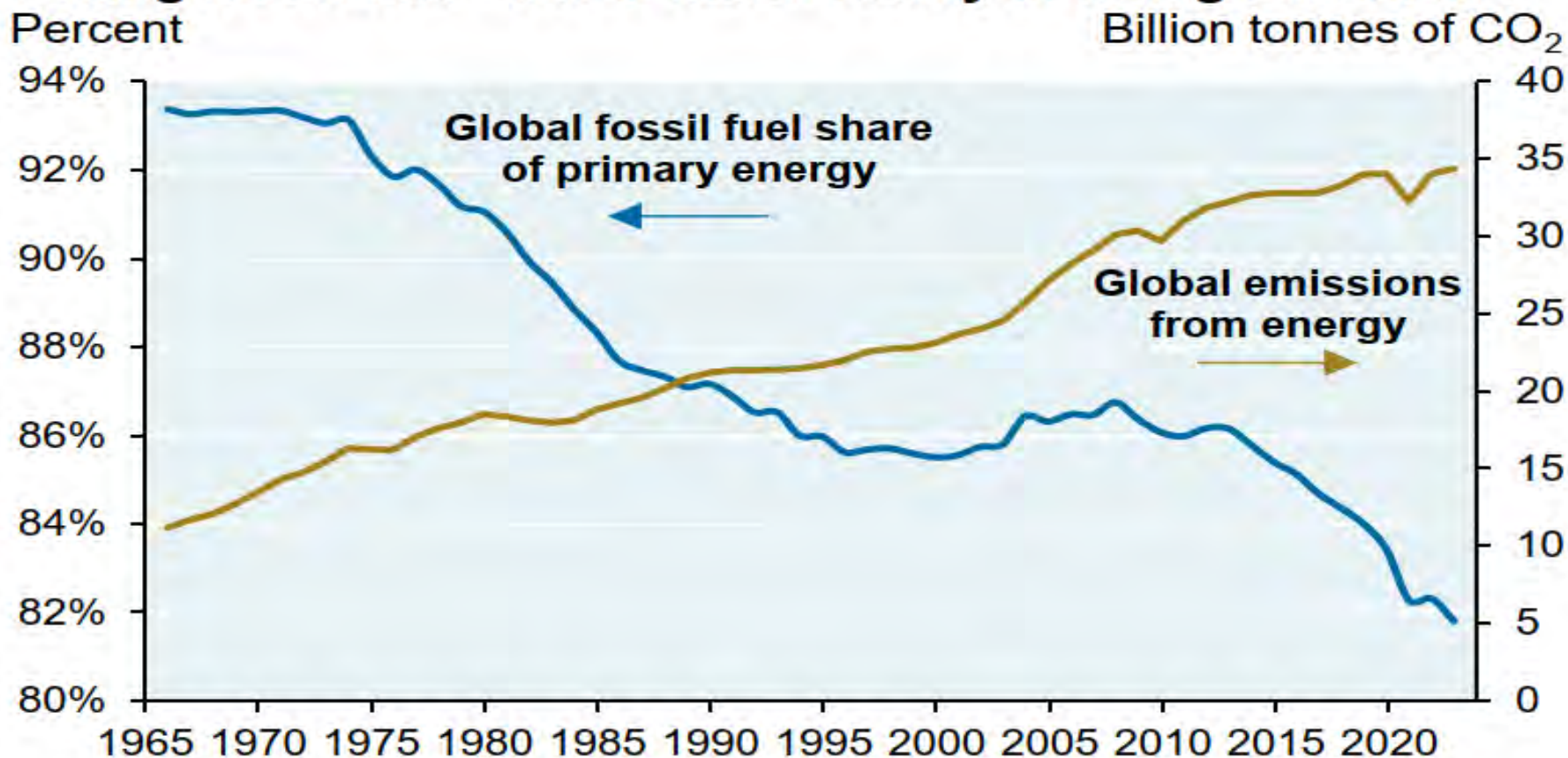
A shift in energy intensive manufacturing to the emerging world, % of global production



And btw, the West's "progress" is largely emissions outsourcing!

Energy Transition

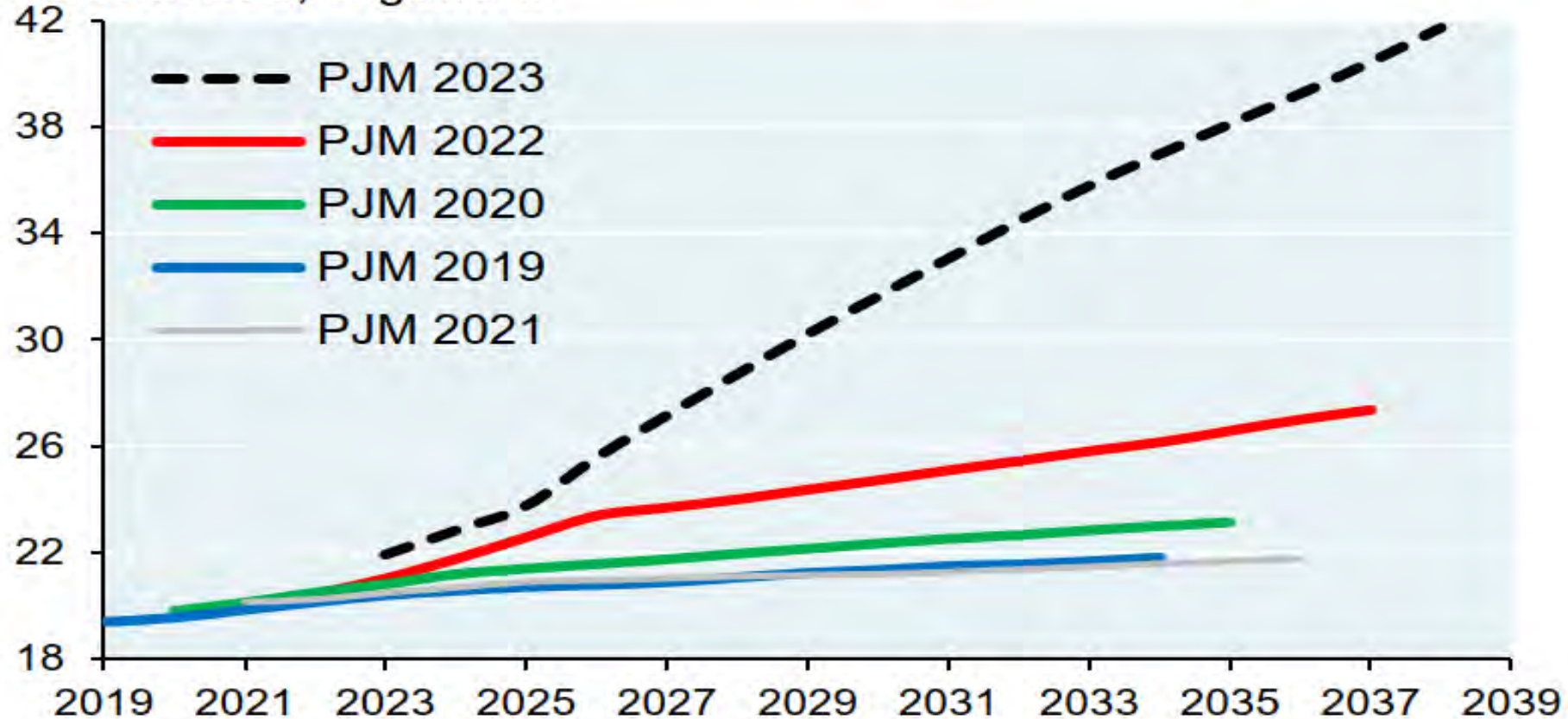
Falling fossil fuel shares mask reality of rising emissions



So.....
Western
"austerity"
initiatives are
complete
folly.

Energy Transition

PJM progression of power demand forecasts for Dominion Resources, Gigawatts



Industrial demands replaced by new and growing digital demands.

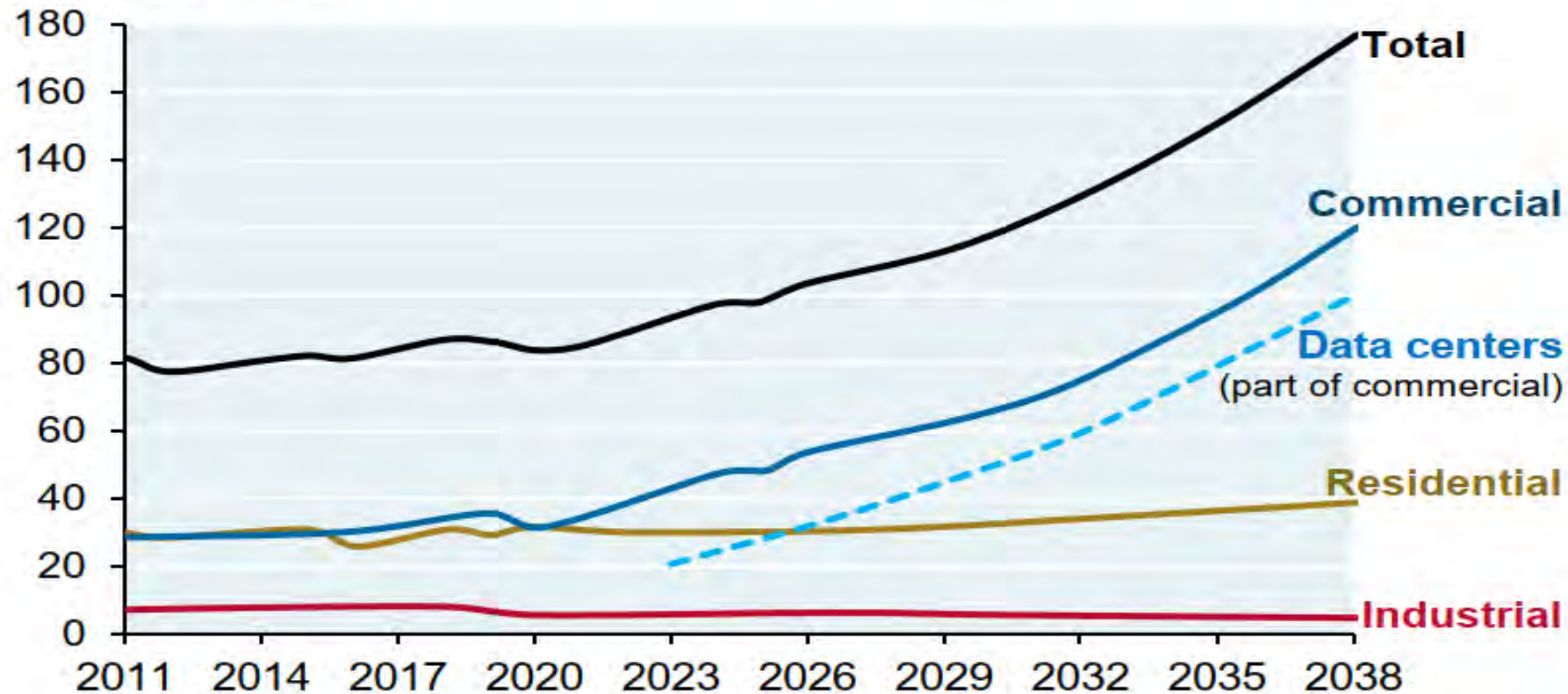
Note: "PJM" = U.S. Mid-Atlantic Region.

Source: PJM 2023 Power Demand Outlook; JPMAM, 2024.

Energy Transition

PJM forecasts for Dominion Resources power demand

Terawatt hours



Data centers (i.e., AI) as the new, potentially “hockey stick” driver of demand.

Note: “PJM” = U.S. Mid-Atlantic Region.

Source: Dominion Resources Integrated Resource Plan; JPMAM, 2024. 139 of 315

Energy Transition

US transmission line growth

Miles added per year

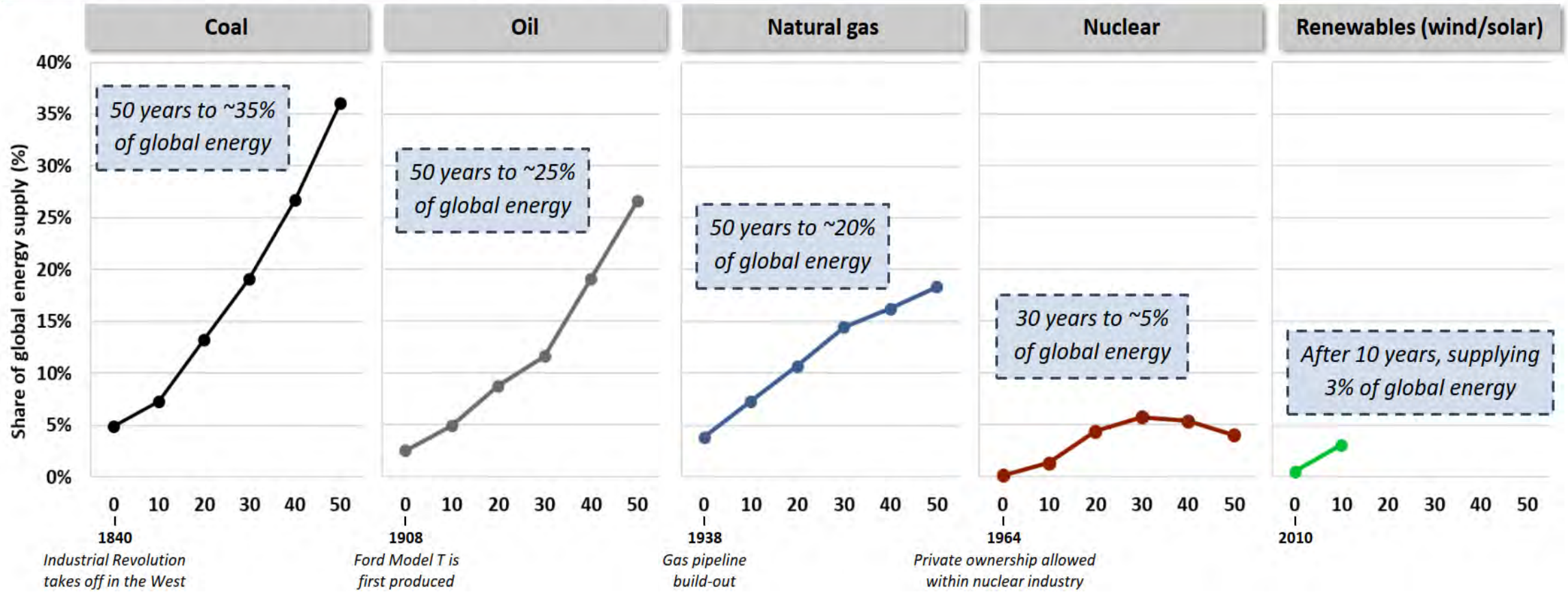


Zoning,
permitting,
NIMBYs, etc.
the biggest
impediment
to U.S.
electrification.

Note: Transmission lines > 100 kV.
Source: S&P Global; JPMAM, 2024.

Energy Transition

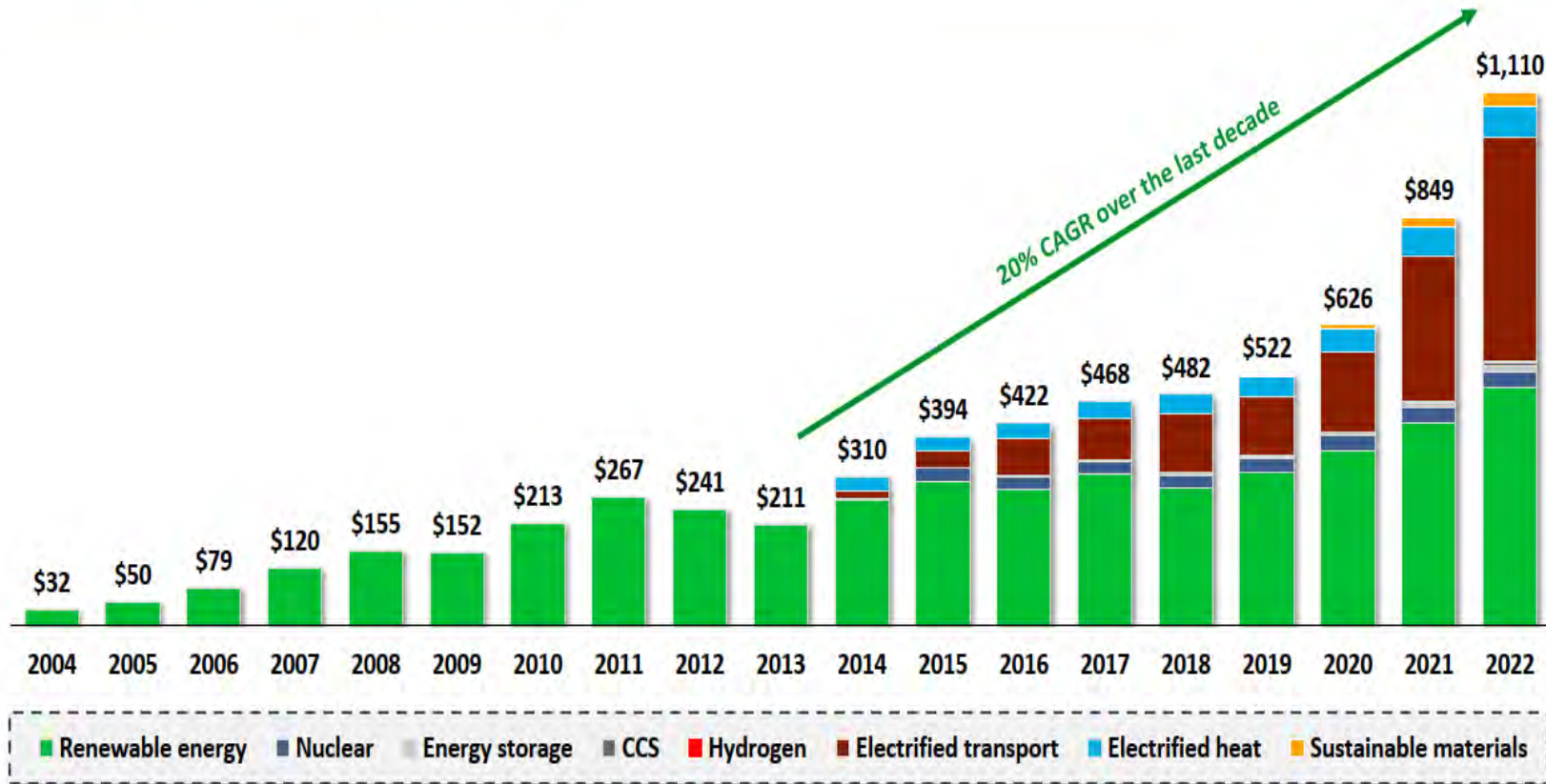
Share of global energy supply by energy source since initial adoption



Source: Vaclav Smil, *Energy Transitions: History, Requirements, Prospects*; Quantum Capital Group, November 2023.

Energy Transition

Global investment in the Energy Transition by sector (\$Bn)



Good start,
but..... to reach
2050 net zero
goals, energy
transition
investments are
estimated to
require \$3T
annually!

Source: Bloomberg New Energy Finance; Quantum Capital Group, November 2023.

A teal-colored background featuring a close-up, slightly out-of-focus image of a pine branch with a cluster of small, round pine cones. The text is overlaid on this background.

Climate Change and Energy Transition Updates; Suggested Board Priorities; and Trustee Education Recommendations

Section III: Board Priority Suggestions

Suggested Priorities

1. Trustee Paper #10
2. “Enterprise Alaska”

Suggested Priorities

FY 2025 AK State Revenue Projections

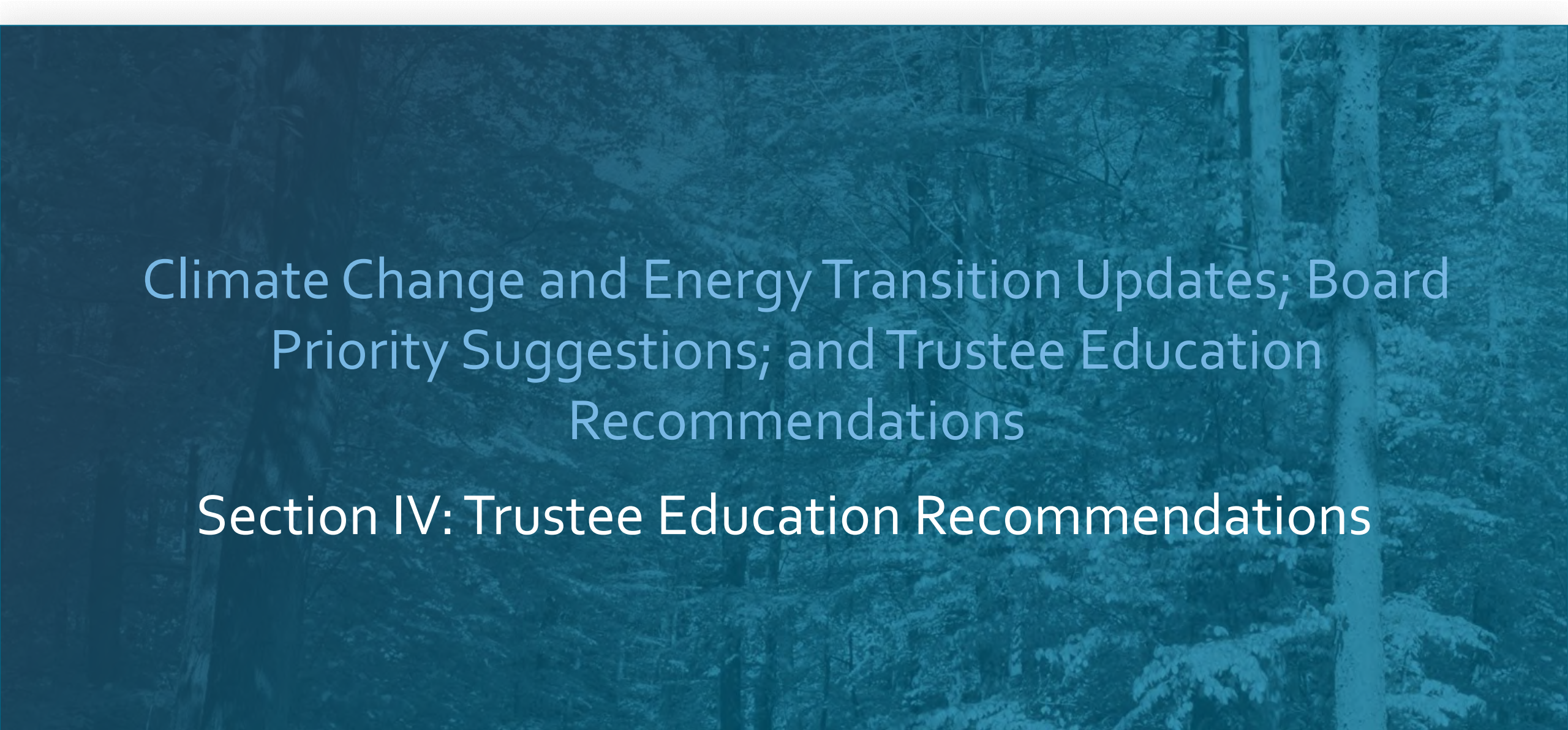
	Petroleum Revenue	Total Revenue	
Unrestricted \$	2,196.0	\$ 6,448.5	34.1%
Restricted \$	496.0	\$ 3,594.8	13.8%
Federal \$	29.5	\$ 6,472.5	0.5%
	<hr/>	<hr/>	
\$	2,721.5	\$ 16,515.8	16.5%

Source: Alaska Department of Revenue Spring 2024 Revenue Forecast

Suggested Priorities

The URS Approach:

<https://www.top100ofunds.com/2024/10/utahs-urs-why-fossil-fuels-and-alt-energy-hold-key-to-climate-crisis/>



Climate Change and Energy Transition Updates; Board
Priority Suggestions; and Trustee Education
Recommendations

Section IV: Trustee Education Recommendations

Education Recommendations

- Freshman

The Investment Answer by [Gordon Murray](#) and [Daniel Goldie](#)

- Sophomore

A Random Walk Down Wall Street by [Burton G. Malkiel](#)

- Junior Varsity

Winning the Loser's Game by [Charles D. Ellis](#)

Education Recommendations

- Varsity

Pioneering Portfolio Management by [David F. Swensen](#)

- MBA

Expected Returns by [Antti Ilmanen](#)

- PhD

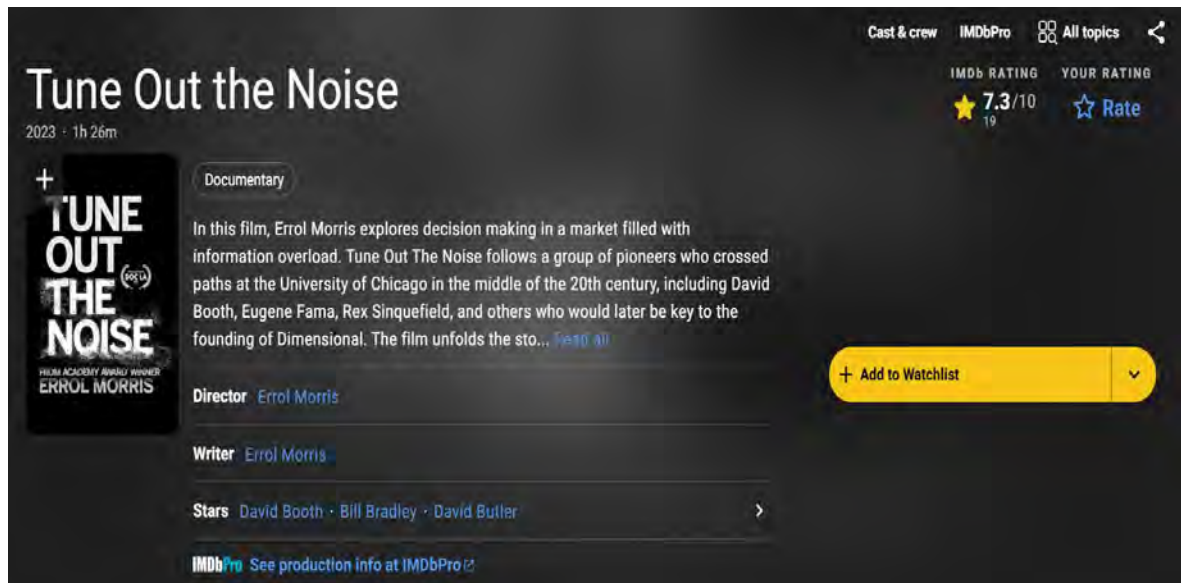
Asset Pricing by [John H. Cochrane](#)

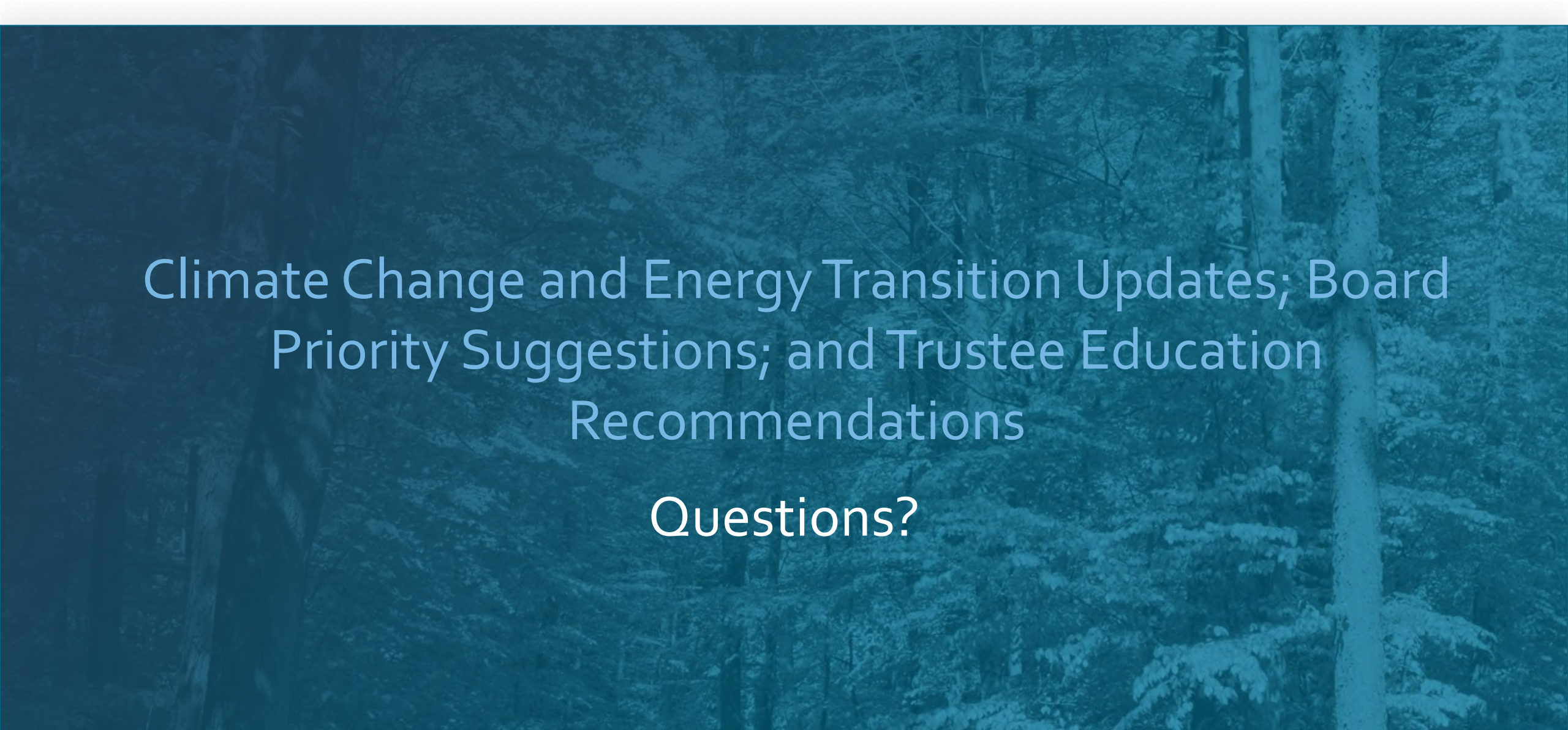
Education Recommendations

- Hack #1

CFA Institute Summary (180 pages) of Antti Ilmanen's **Expected Returns** (600 pages)

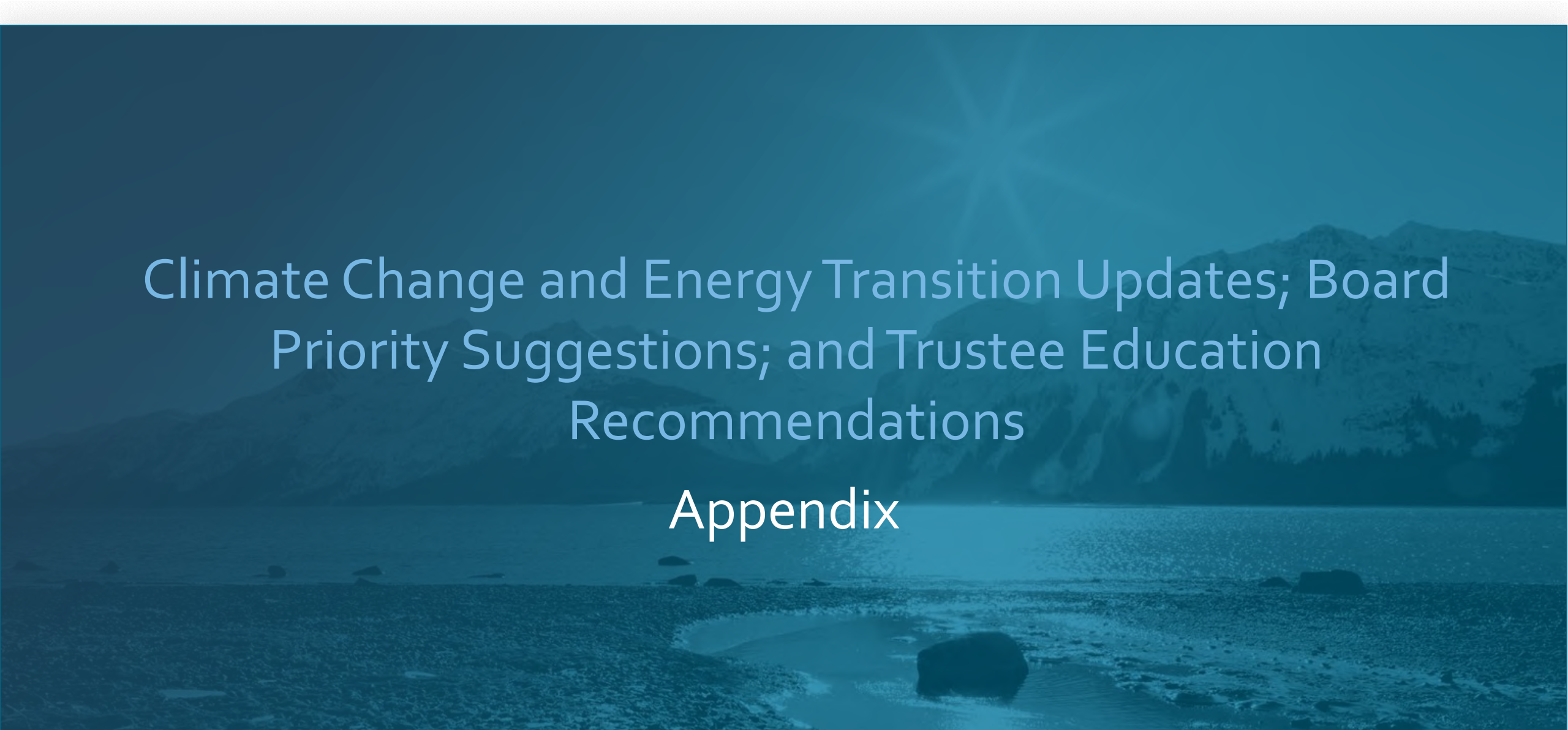
- Hack #2





Climate Change and Energy Transition Updates; Board
Priority Suggestions; and Trustee Education
Recommendations

Questions?



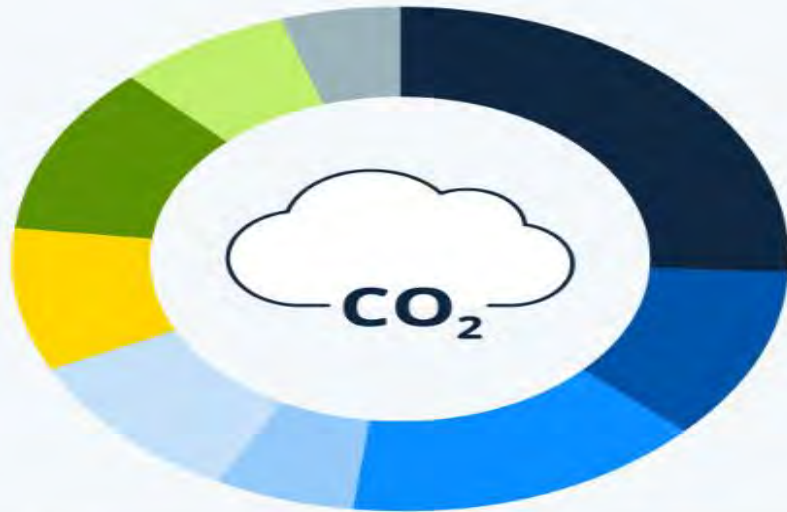
Climate Change and Energy Transition Updates; Board Priority Suggestions; and Trustee Education Recommendations

Appendix

Energy Transition

Where Do Emissions Come From?

Total greenhouse gas emissions in 2023, by sector*



- Energy**
 - 26% ● Power
 - 11% ● Industry
 - 15% ● Transport
 - 6% ● Buildings
 - 10% ● Fuel production
- Industrial processes**
 - 9% ●
- Agriculture, forestry and other land-use change**
 - 11% ● Agriculture
 - 7% ● Land use, Land-use change and forestry
- Waste & other**
 - 4% ●

Global greenhouse gas emissions set a new record of **57.1 Gt CO₂e** in 2023, a **1.3 percent increase** from 2022 levels.

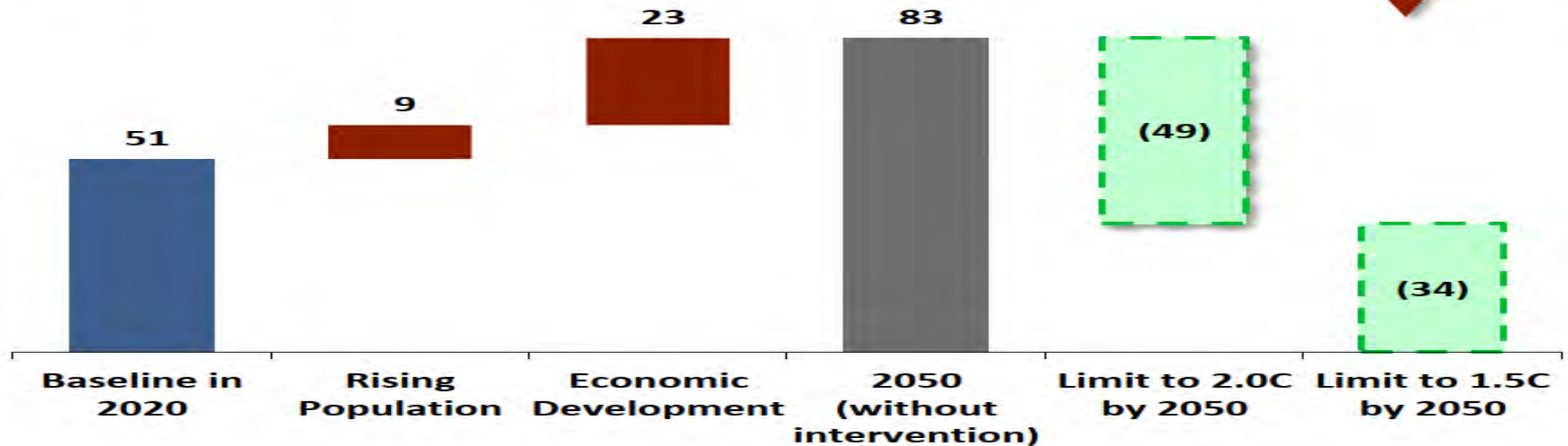
* Does not sum to 100% due to rounding.
Source: UN Emissions Gap Report 2024; Statista.

Energy Transition

Illustrative annual CO₂e emissions in 2050 (gigatons)

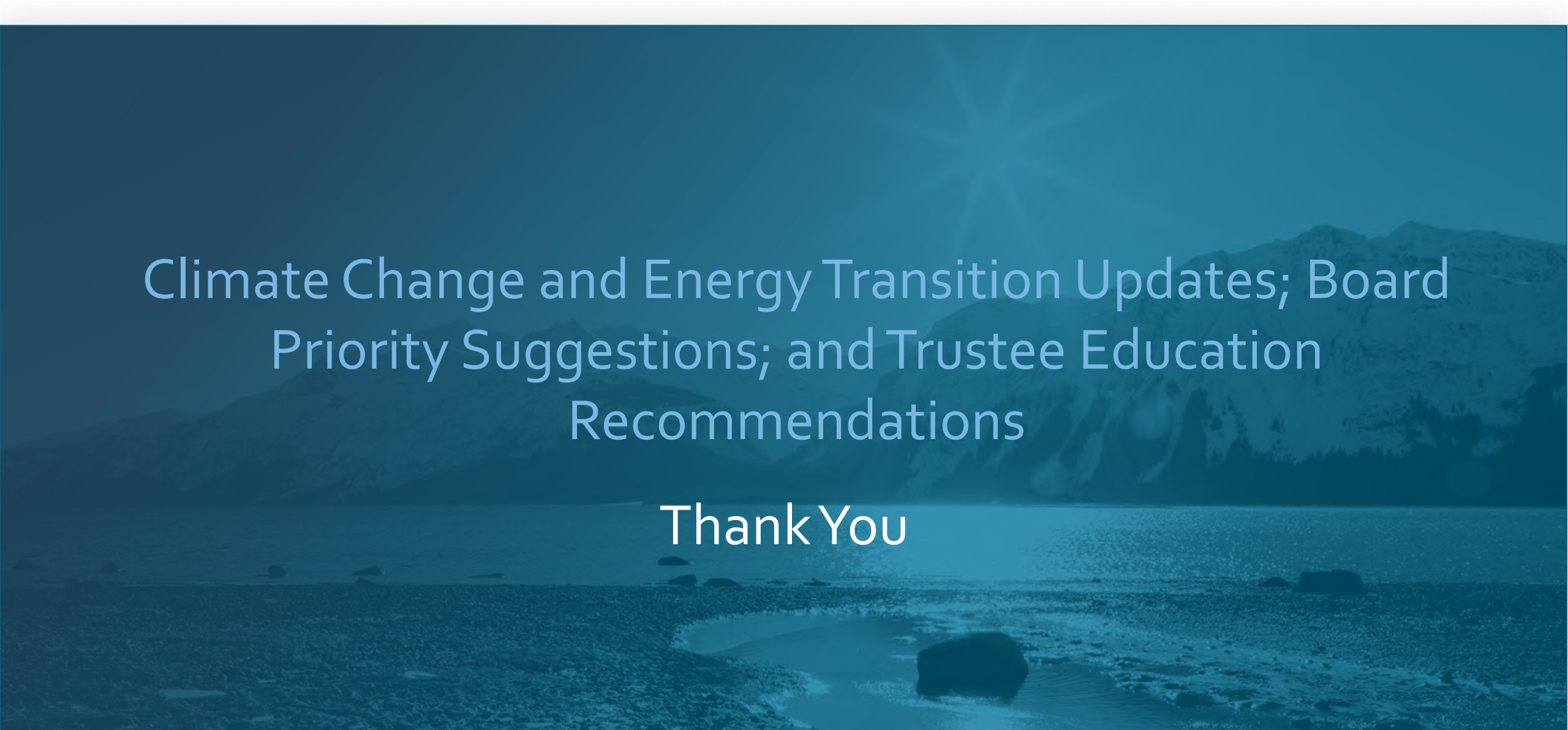
The challenge:

Increasing renewables market share and implementing emission removal and reduction technologies to reduce global emissions to Net Zero by 2050



Source: Thunder Said Energy; McKinsey; Bill Gates' *How to Avoid a Climate Disaster* (2021); Quantum Capital Group, November 2023.

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Climate Change and Energy Transition Updates; Board
Priority Suggestions; and Trustee Education
Recommendations

Thank You



SUBJECT: Fund Performance Review
Steve Center, CFA, Callan

ACTION: _____

DATE: December 11, 2024

INFORMATION: _____X_____

BACKGROUND:

Callan is currently under contract to perform APFC's core general consulting services of 1) investment policies and procedures review; 2) annual preparation of an asset allocation plan; 3) performance reporting and analysis; 4) risk analysis; 5) statistical modeling, manager searches, selection, and oversight; and 6) other special consulting services as needed.

STATUS:

At every quarterly board meeting or as requested, Callan provides an extensive review of the Fund's performance as well as updates on market conditions. Steven Center, CFA, Senior Vice President, will be the presenter at this meeting.



December 11, 2024

**Alaska Permanent Fund
Corporation**

3rd Quarter 2024

Capital Markets and Performance
Review

Greg Allen

CEO and Chief Research Officer

Steven Center, CFA

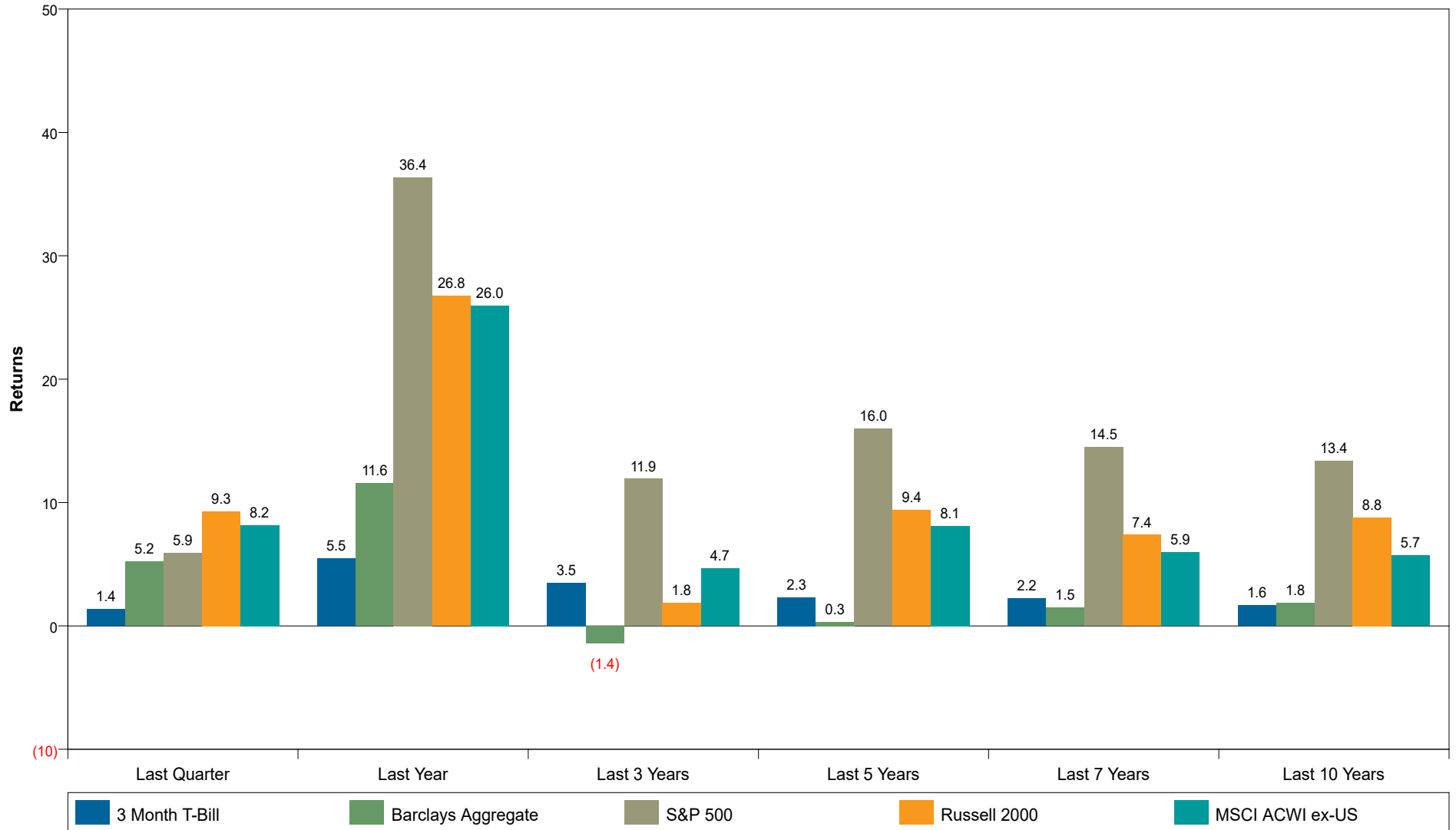
Senior Vice President

Evan Williams, CFA, CAIA

Vice President

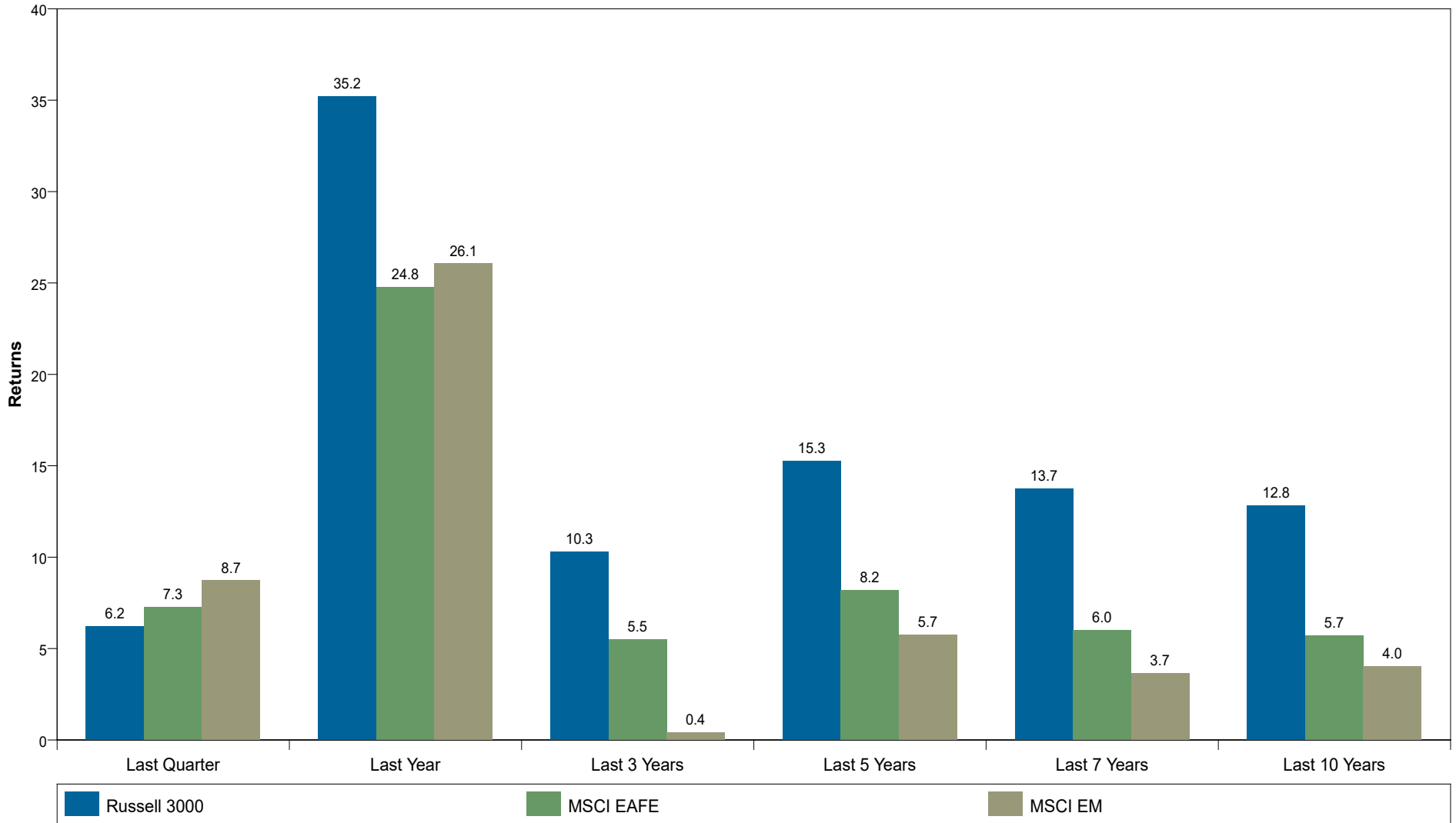
Broad Capital Market Performance

Periods Ended September 30, 2024



Public Equity Capital Market Performance

Periods Ended September 30, 2024



Callan Periodic Table of Investment Returns

Returns for Key Indices

2015	2016	2017	2018	2019	2020	2021	2022	2023	3 Qtrs. 2024
MSCI ACWI ex USA SC 2.60%	Russell 2000 21.31%	MSCI Emerging Markets 37.28%	Bloomberg Barclays Aggregate 0.01%	S&P 500 31.49%	Russell 2000 19.96%	S&P 500 28.71%	Bloomberg Barclays Corp High Yield -11.19%	S&P 500 26.29%	S&P 500 22.08%
S&P 500 1.38%	Bloomberg Barclays Corp High Yield 17.13%	MSCI ACWI ex USA SC 31.65%	Bloomberg Barclays Corp High Yield -2.08%	Russell 2000 25.52%	S&P 500 18.40%	Russell 2000 14.82%	Bloomberg Barclays Aggregate -13.01%	MSCI World ex USA 17.94%	MSCI Emerging Markets 16.86%
Bloomberg Barclays Aggregate 0.55%	S&P 500 11.96%	MSCI World ex USA 24.21%	Bloomberg Barclays Global Agg ex US -2.15%	MSCI World ex USA 22.49%	MSCI Emerging Markets 18.31%	MSCI ACWI ex USA SC 12.93%	MSCI World ex USA -14.29%	Russell 2000 16.93%	MSCI World ex USA 13.10%
MSCI World ex USA -3.04%	MSCI Emerging Markets 11.19%	S&P 500 21.83%	S&P 500 -4.38%	MSCI ACWI ex USA SC 22.42%	MSCI ACWI ex USA SC 14.24%	MSCI World ex USA 12.62%	S&P 500 -18.11%	MSCI ACWI ex USA SC 15.66%	MSCI ACWI ex USA SC 11.93%
Russell 2000 -4.41%	MSCI ACWI ex USA SC 3.91%	Russell 2000 14.65%	Russell 2000 -11.01%	MSCI Emerging Markets 18.44%	Bloomberg Barclays Global Agg ex US 10.11%	Bloomberg Barclays Corp High Yield 5.28%	Bloomberg Barclays Global Agg ex US -18.70%	Bloomberg Barclays Corp High Yield 13.44%	Russell 2000 11.17%
Bloomberg Barclays Corp High Yield -4.47%	MSCI World ex USA 2.75%	Bloomberg Barclays Global Agg ex US 10.51%	MSCI World ex USA -14.09%	Bloomberg Barclays Corp High Yield 14.32%	MSCI World ex USA 7.59%	Bloomberg Barclays Aggregate -1.54%	MSCI ACWI ex USA SC -19.97%	MSCI Emerging Markets 9.83%	Bloomberg Barclays Corp High Yield 8.00%
Bloomberg Barclays Global Agg ex US -6.02%	Bloomberg Barclays Aggregate 2.65%	Bloomberg Barclays Corp High Yield 7.50%	MSCI Emerging Markets -14.57%	Bloomberg Barclays Aggregate 8.72%	Bloomberg Barclays Aggregate 7.51%	MSCI Emerging Markets -2.54%	MSCI Emerging Markets -20.09%	Bloomberg Barclays Global Agg ex US 5.72%	Bloomberg Barclays Aggregate 4.45%
MSCI Emerging Markets -14.92%	Bloomberg Barclays Global Agg ex US 1.49%	Bloomberg Barclays Aggregate 3.54%	MSCI ACWI ex USA SC -18.20%	Bloomberg Barclays Global Agg ex US 5.09%	Bloomberg Barclays Corp High Yield 7.11%	Bloomberg Barclays Global Agg ex US -7.05%	Russell 2000 -20.44%	Bloomberg Barclays Aggregate 5.53%	Bloomberg Barclays Global Agg ex US 2.81%

Source: Bloomberg, FTSE Russell, MSCI, Standard & Poor's

Callan Periodic Table of Investment Returns

Returns for Key Indices

Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years
Russell 2000 9.27%	S&P 500 36.35%	S&P 500 11.91%	S&P 500 15.98%	S&P 500 14.50%	S&P 500 13.38%	S&P 500 10.71%
MSCI ACWI ex USA SC 8.90%	Russell 2000 26.76%	MSCI World ex USA 5.65%	Russell 2000 9.39%	Russell 2000 7.36%	Russell 2000 8.78%	Russell 2000 8.49%
MSCI Emerging Markets 8.72%	MSCI Emerging Markets 26.05%	Bloomberg Barclays Corp High Yield 3.10%	MSCI World ex USA 8.36%	MSCI World ex USA 6.16%	MSCI ACWI ex USA SC 6.08%	MSCI ACWI ex USA SC 7.53%
Bloomberg Barclays Global Agg ex US 8.52%	MSCI World ex USA 24.98%	Russell 2000 1.84%	MSCI ACWI ex USA SC 8.21%	MSCI ACWI ex USA SC 5.20%	MSCI World ex USA 5.68%	MSCI Emerging Markets 7.30%
MSCI World ex USA 7.76%	MSCI ACWI ex USA SC 23.25%	MSCI ACWI ex USA SC 1.39%	MSCI Emerging Markets 5.75%	Bloomberg Barclays Corp High Yield 4.71%	Bloomberg Barclays Corp High Yield 5.04%	Bloomberg Barclays Corp High Yield 6.67%
S&P 500 5.89%	Bloomberg Barclays Corp High Yield 15.74%	MSCI Emerging Markets 0.40%	Bloomberg Barclays Corp High Yield 4.72%	MSCI Emerging Markets 3.65%	MSCI Emerging Markets 4.03%	MSCI World ex USA 6.10%
Bloomberg Barclays Corp High Yield 5.28%	Bloomberg Barclays Global Agg ex US 12.28%	Bloomberg Barclays Aggregate -1.39%	Bloomberg Barclays Aggregate 0.33%	Bloomberg Barclays Aggregate 1.47%	Bloomberg Barclays Aggregate 1.84%	Bloomberg Barclays Aggregate 3.22%
Bloomberg Barclays Aggregate 5.20%	Bloomberg Barclays Aggregate 11.57%	Bloomberg Barclays Global Agg ex US -4.42%	Bloomberg Barclays Global Agg ex US -1.86%	Bloomberg Barclays Global Agg ex US -0.80%	Bloomberg Barclays Global Agg ex US -0.50%	Bloomberg Barclays Global Agg ex US 1.81%

Source: Bloomberg, FTSE Russell, MSCI, Standard & Poor's

Equity and Bond Markets Up Sharply in 3Q

Equities have recovered losses of 2022; fixed income and real estate still lag

S&P 500 climbed 5.9% in 3Q24

- U.S. small cap outperformed U.S. large cap, as did developed ex-U.S. markets and emerging markets.

Strong quarter for core fixed income

- The Bloomberg Aggregate rose 5.2% as rates fell over the quarter.
- Long duration fixed income and non-U.S. bonds saw even stronger returns than the Aggregate.
- Interest rates remain volatile as the markets assess how the Fed will continue with easing.
- CPI-U came in at 2.4% (year-over-year) in 3Q, down slightly from last quarter's 2.5%, and supporting the prospects for further rate cuts later this year.

Economy reignites in 3Q

- 3Q24 GDP came in at a surprisingly strong 2.8%, after another surprise in 2Q. Consumer spending continues to drive GDP growth, fueled by rising incomes and lower inflation.

Returns for Periods ended 9/30/24

	Quarter	1 Year	1/1/22 - Current	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	6.23	35.19	7.74	15.26	12.83	8.38
S&P 500	5.89	36.35	8.85	15.98	13.38	8.20
Russell 2000	9.27	26.76	1.23	9.39	8.78	8.27
Global ex-U.S. Equity						
MSCI World ex USA	7.76	24.98	4.99	8.36	5.68	4.77
MSCI Emerging Markets	8.72	26.05	0.92	5.75	4.03	--
MSCI ACWI ex USA Small Cap	8.90	23.25	1.29	8.21	6.08	6.79
Fixed Income						
Bloomberg Aggregate	5.20	11.57	-1.52	0.33	1.84	4.06
90-day T-Bill	1.37	5.46	3.81	2.32	1.65	1.92
Bloomberg Long Gov/Credit	7.96	17.24	-7.43	-1.97	2.32	5.62
Bloomberg Global Agg ex-US	8.52	12.28	-4.40	-1.86	-0.50	2.62
Real Estate						
NCREIF Property	0.78	-3.47	-1.21	3.26	5.88	7.67
FTSE Nareit Equity	16.09	34.74	-0.10	5.46	7.83	10.08
Alternatives						
Cambridge Private Equity*	1.00	4.62	1.94	13.84	13.10	12.73
Cambridge Senior Debt*	1.19	7.51	6.08	6.92	6.76	4.33
HFRI Fund Weighted	2.84	12.64	4.23	7.41	5.12	6.09
Bloomberg Commodity	0.68	0.96	4.60	7.79	0.03	2.21
CPI-U	0.36	2.44	4.58	4.19	2.85	2.55

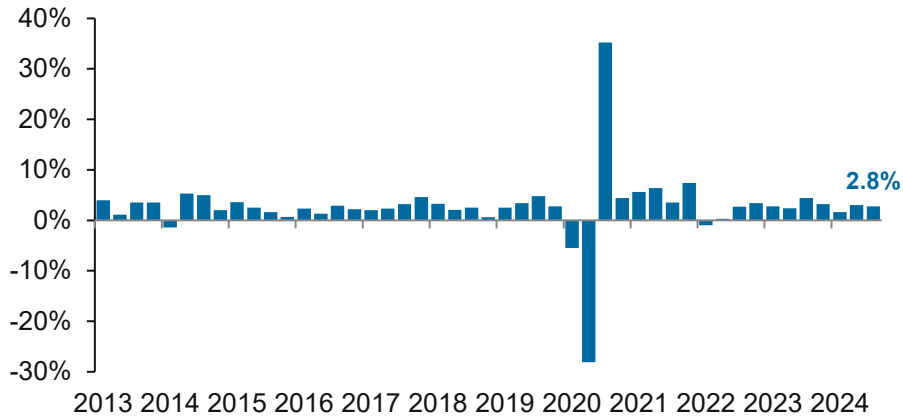
*Cambridge Private Equity and Cambridge Senior Debt data as of 6/30/24.

Returns greater than one year are annualized. Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

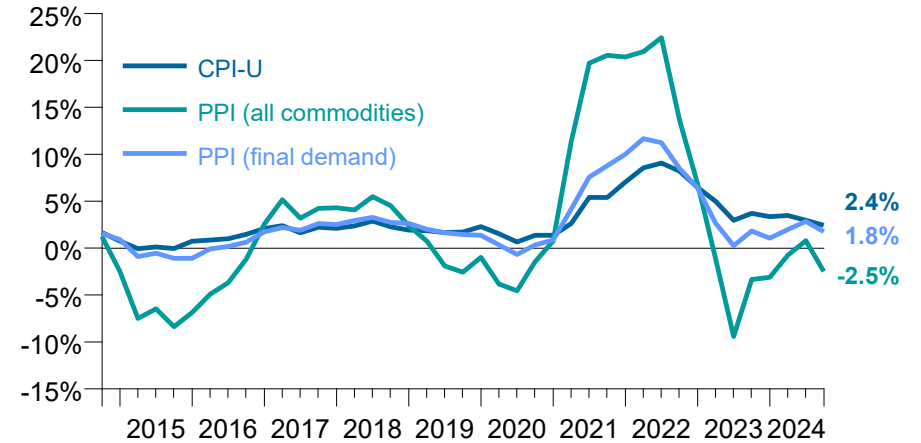
U.S. Economy—Summary

For periods ended 9/30/24

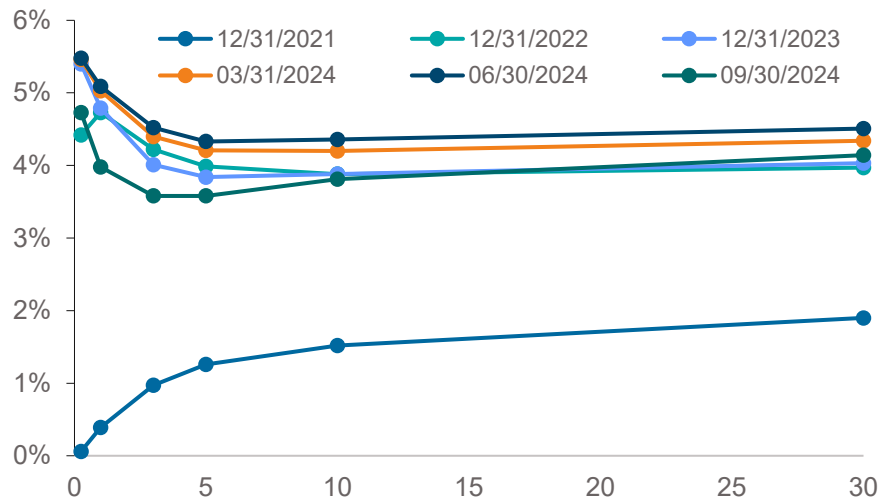
Quarterly Real GDP Growth



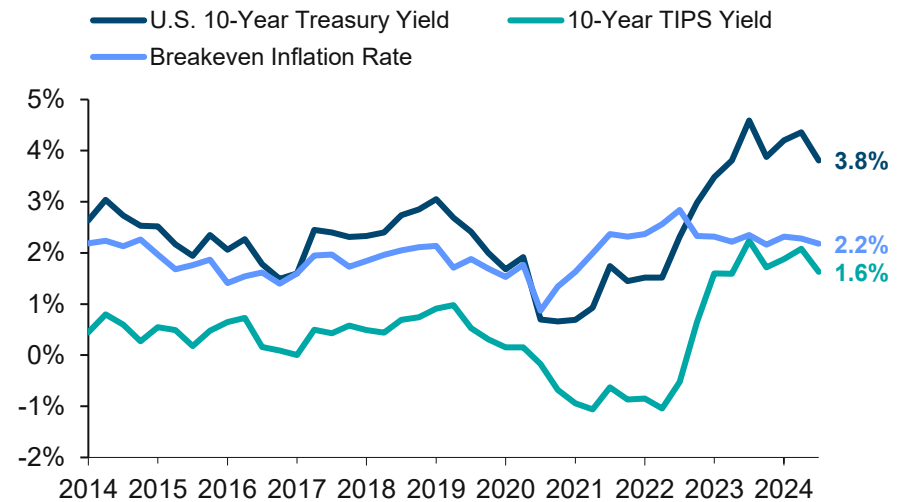
Inflation Year-Over-Year



U.S. Treasury Yield Curves



Historical 10-Year Yields

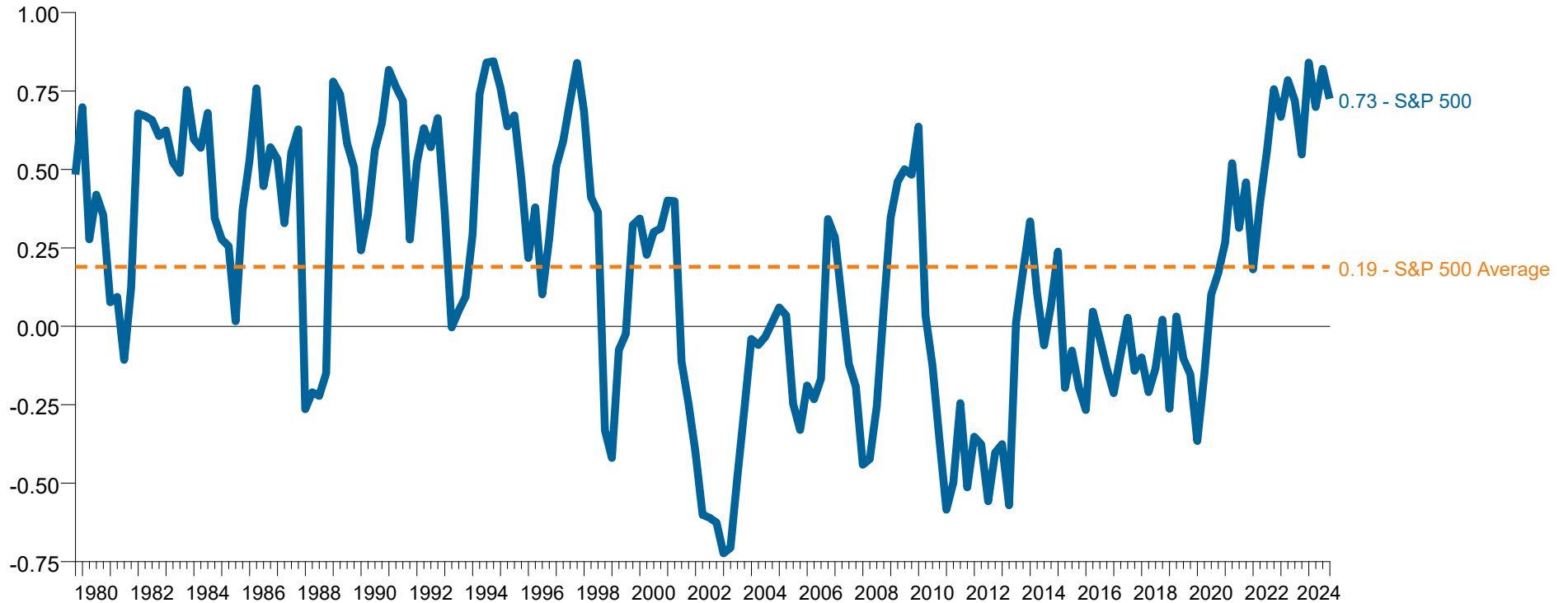


Sources: Bureau of Labor Statistics, Callan, Federal Reserve

Is the Stock-bond Correlation Shifting to a Higher Level?

1-year correlation between stocks and bonds near 45-year high

Rolling 1 Year Correlation of S&P 500 to Bloomberg Aggregate for 45 Years Ended 9/30/24

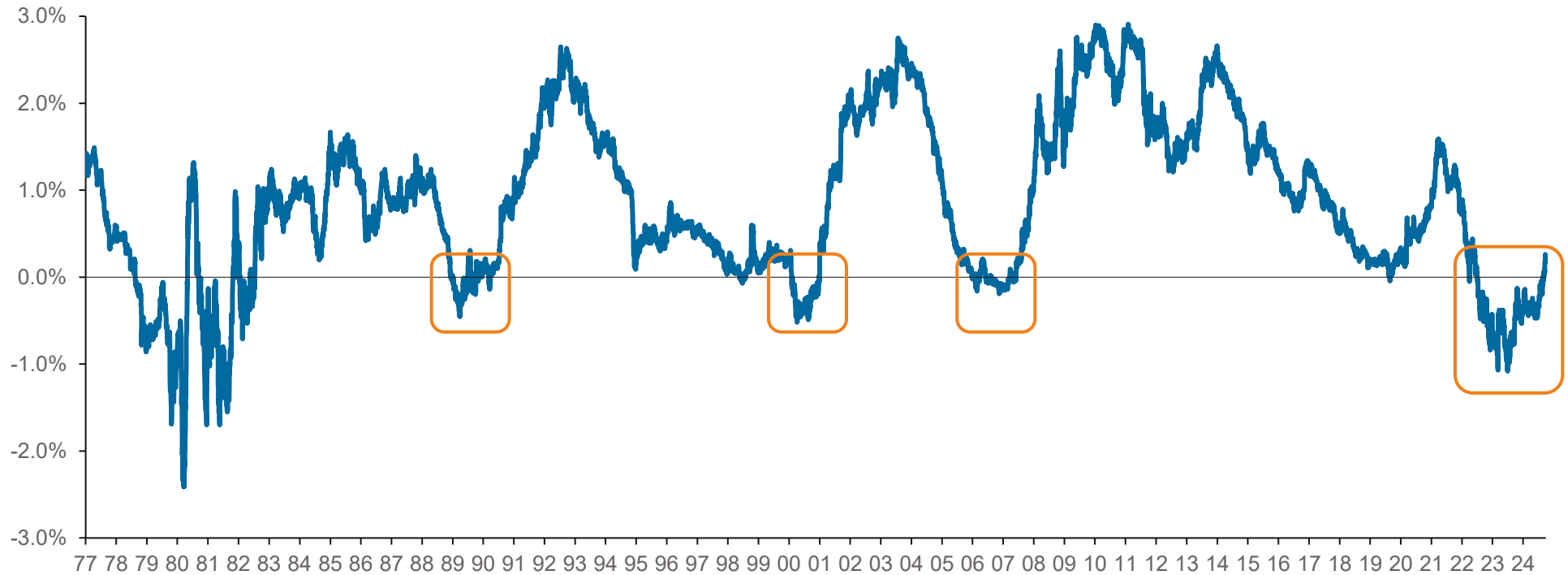


- Forward-looking expected bond returns are now much higher thanks to the rise in interest rates and the resulting higher yields.
- However, the equity risk premium has likely narrowed, and we may be seeing a return to a regime of higher correlation between stocks and bonds, potentially lessening the diversification benefit of bonds to stocks.

Sources: Bloomberg, Callan, S&P Dow Jones Indices

Bond Market Has Been Expecting a Recession Since July 2022

10-Year Treasury vs. 2-Year Treasury Spread



- Inversion in the 10-year to 2-year Treasury yields does not always forecast a recession, but most recessions are preceded by a yield curve inversion.
- Yield curve inversion means investors expect a recession will occur and interest rates will be cut, and therefore increase their demand for securities with longer duration with higher potential for capital gain when rates fall.
- Inversion started in July 2022, bottomed at -1.08% in July 2023, and first normalized (un-inverted) at the end of August 2024.

Source: Federal Reserve Bank of St. Louis

Contributors to Recent Inflation: Primary Categories

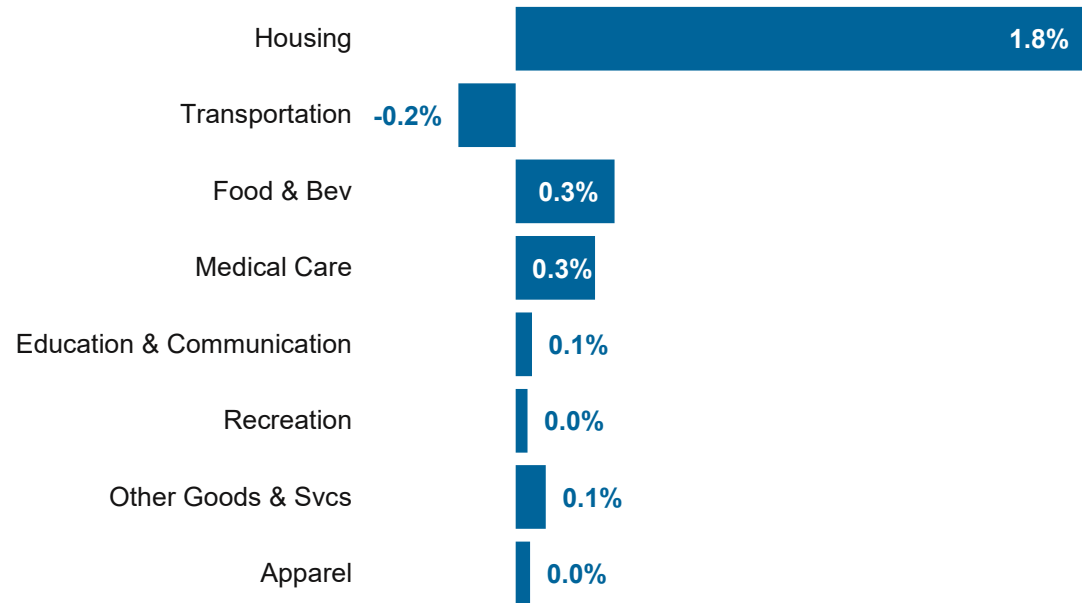
Housing is a broad category that includes Shelter, Fuels and Utilities, and Household Furnishings and Operations as sub-components.

- The Shelter sub-component makes up 34.9% of the overall index and accounted for almost 70% of September’s increase in year-over-year headline CPI.

Energy is not shown in this view of CPI because it is a sub-component of other categories.

- Energy makes up 7.2% of the index and is split roughly evenly between Housing (fuel for powering homes) and Transportation (motor fuel).

Contribution to September 2024 Year-Over-Year Inflation



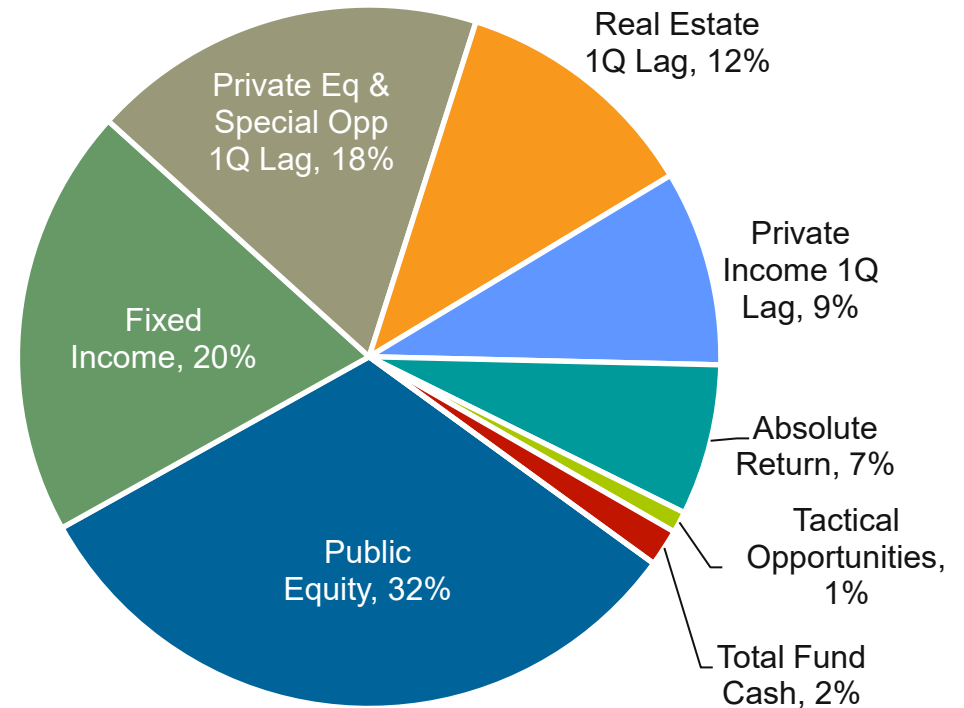
Primary Category	Primary Category Weight	Year-over-Year Change											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
All Items	100.0%	3.2%	3.1%	3.4%	3.1%	3.2%	3.5%	3.4%	3.3%	3.0%	2.9%	2.5%	2.4%
Housing	44.6%	5.2%	5.2%	4.8%	4.6%	4.5%	4.7%	4.5%	4.6%	4.4%	4.4%	4.4%	4.1%
Transportation	17.2%	0.8%	0.9%	2.9%	1.6%	2.7%	4.0%	3.5%	2.9%	1.3%	1.0%	-1.0%	-1.1%
Food & Bev	14.2%	3.3%	2.9%	2.7%	2.6%	2.2%	2.2%	2.2%	2.1%	2.2%	2.2%	2.0%	2.2%
Medical Care	7.8%	-0.8%	0.2%	0.5%	1.1%	1.4%	2.2%	2.6%	3.1%	3.3%	3.2%	3.0%	3.3%
Education & Communication	5.7%	0.9%	-0.1%	-0.1%	0.0%	0.4%	0.2%	0.4%	0.5%	0.7%	0.9%	1.0%	0.9%
Recreation	5.3%	3.2%	2.5%	2.7%	2.8%	2.1%	1.8%	1.5%	1.3%	1.3%	1.4%	1.6%	0.7%
Other Goods & Svcs	2.7%	6.2%	5.6%	5.5%	5.7%	4.7%	4.7%	4.3%	3.8%	4.2%	4.2%	3.9%	3.5%
Apparel	2.6%	2.6%	1.1%	1.0%	0.1%	0.0%	0.4%	1.3%	0.8%	0.8%	0.2%	0.3%	1.8%

Source: U.S. Bureau of Labor Statistics

Total Fund Asset Allocation

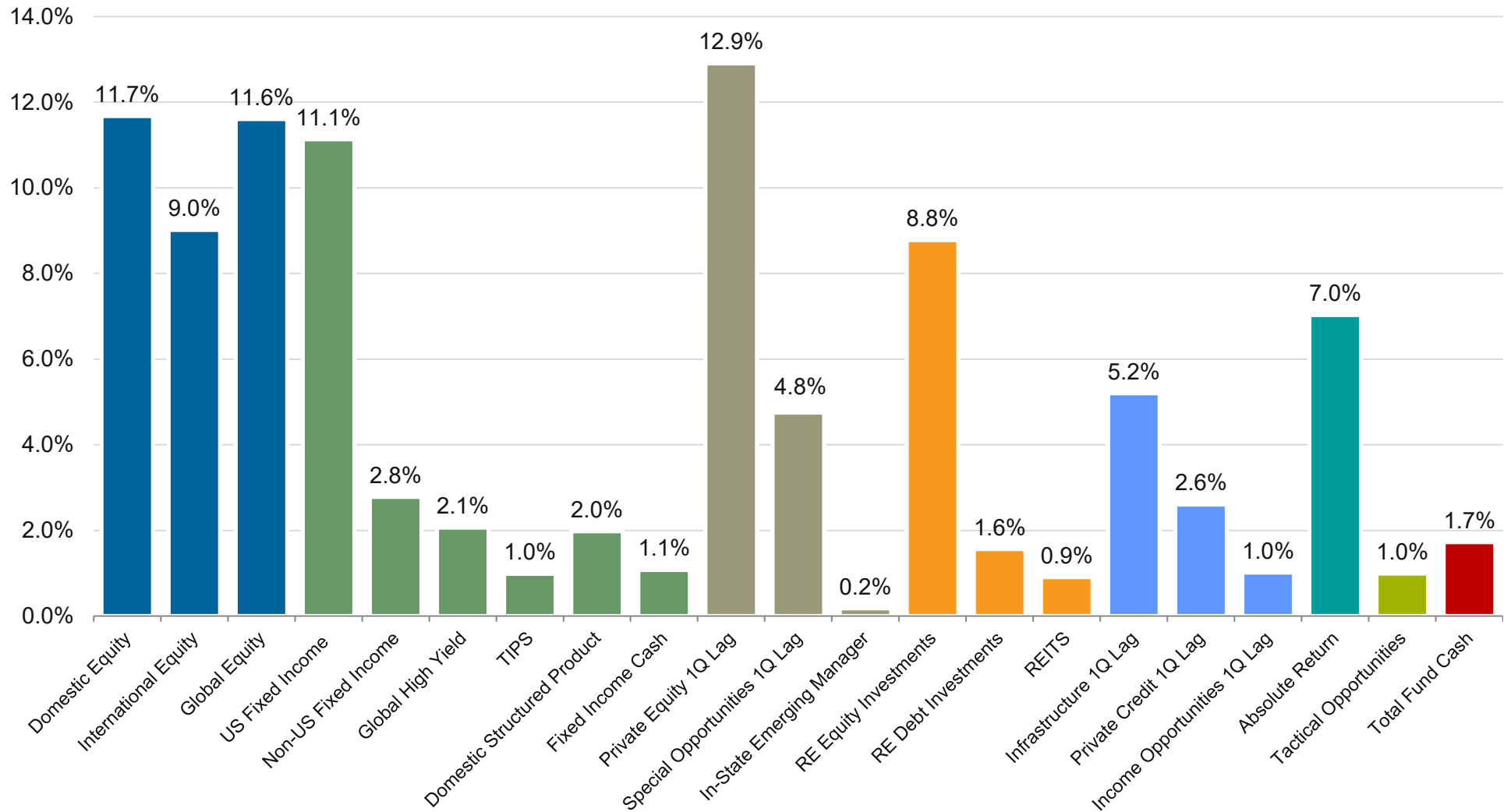
As of September 30, 2024: \$83.97B

- APFC portfolio is well diversified across all major asset classes employed by institutional investors.
- Using institutional standard asset class definitions, the portfolio is currently allocated 32% to public equity, 20% to fixed income, 46% to alternative investments and 2% cash.
- Compared to allocations in the second quarter, weights to public equity decreased modestly while weights to fixed income and real estate increased.
- Alternatives include private equity, special opportunities, real estate, private infrastructure, private credit, private income, absolute return, and tactical opportunities.
- Private Equity & Special Opportunities, Real Estate, and Infrastructure & Private Income are reported on a one-quarter lag.



Total Fund Asset Allocation

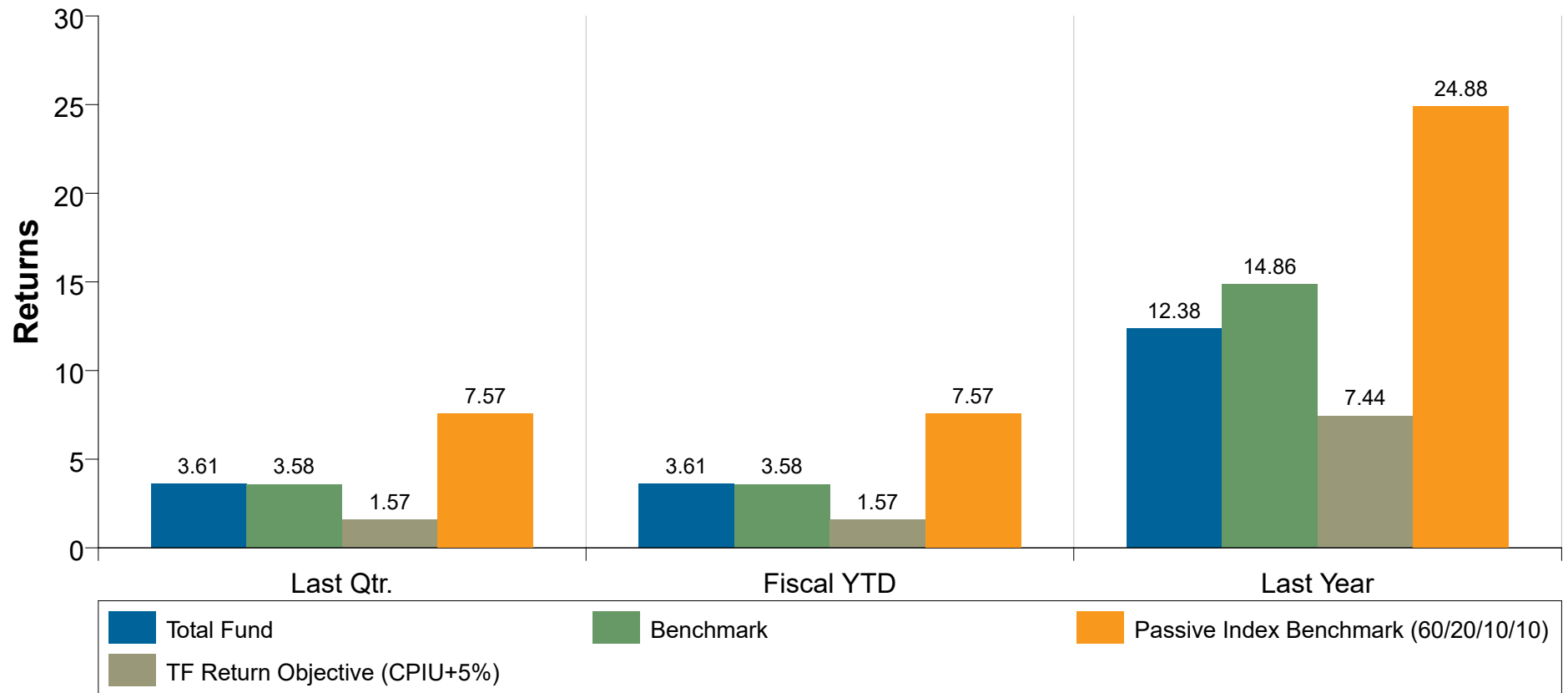
Periods Ended September 30, 2024



APFC Total Fund Cumulative Returns

Total Fund versus Total Fund Targets

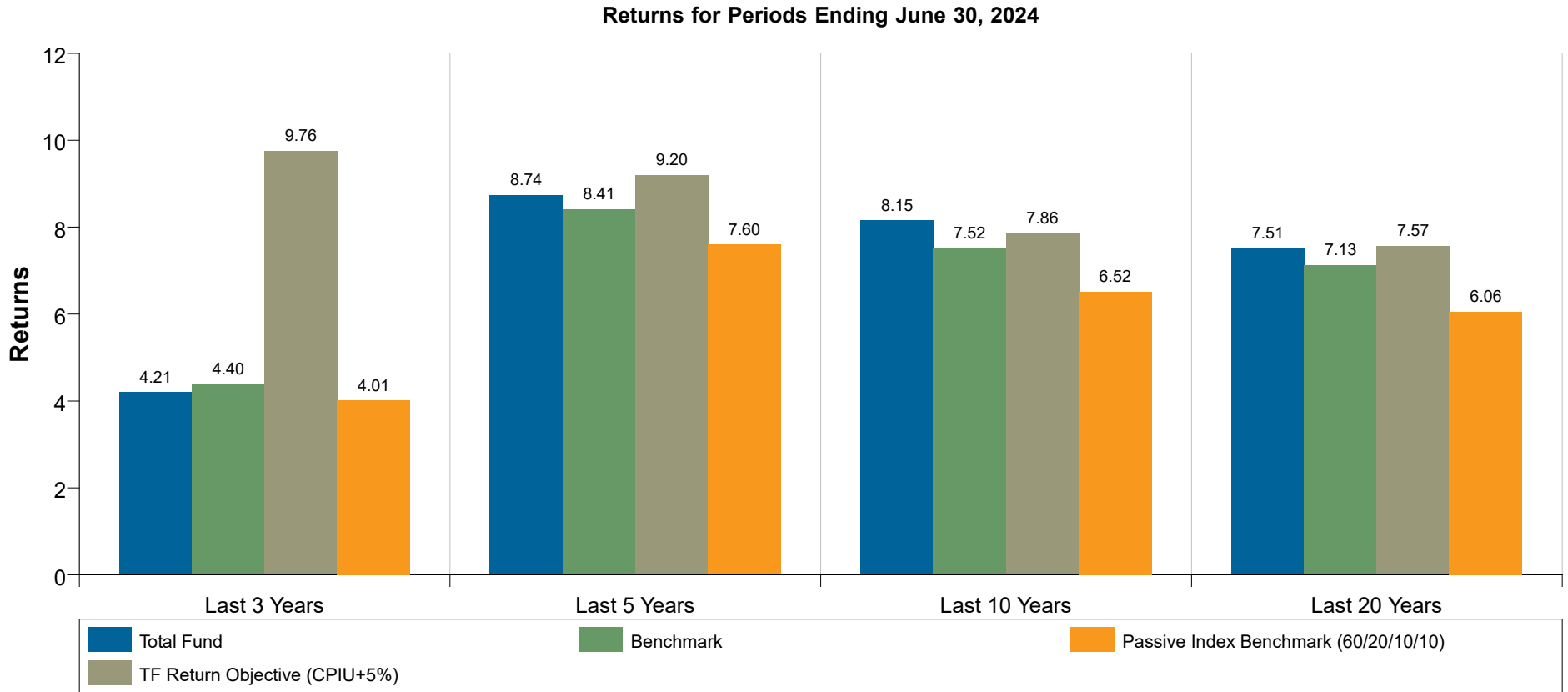
Returns for Periods Ending September 30, 2024



- Benchmark (FY24-FY25) = 32% MSCI ACWI IMI, 1.0% 90 Day T-Bills, 1.0% BB US TIPS, 5.5% BB Agg, 5.5% BB Corp IG, 3.0% BB Global Treasury xUS Hdgd, 2.0% BB US BB HY, 2.0% BB US Securitized, 18% Cambridge PE (lagged), 9.4% NCREIF Total Index (lagged), 1.7% MSCI US REIT (lagged), 6.0% Cambridge Global Pvt. Infrastructure (lagged), 4.0% Cliffwater Direct Lending TR (lagged), 3.5% HFRI EH Equity Market Neutral, 3.5% HFRI Macro, 1% 90 Day T-Bills, and 1% S&P 500 Index.

APFC Total Fund Cumulative Returns

Total Fund versus Total Fund Targets



- Benchmark (FY24-FY25) = 32% MSCI ACWI IMI, 1.0% 90 Day T-Bills, 1.0% BB US TIPS, 5.5% BB Agg, 5.5% BB Corp IG, 3.0% BB Global Treasury xUS Hdgd, 2.0% BB US BB HY, 2.0% BB US Securitized, 18% Cambridge PE (lagged), 9.4% NCREIF Total Index (lagged), 1.7% MSCI US REIT (lagged), 6.0% Cambridge Global Pvt. Infrastructure (lagged), 4.0% Cliffwater Direct Lending TR (lagged), 3.5% HFRI EH Equity Market Neutral, 3.5% HFRI Macro, 1% 90 Day T-Bills, and 1% S&P 500 Index.

APFC Total Fund Attribution

One Quarter Ended September 30, 2024

Relative Attribution Effects for Quarter ended September 30, 2024

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Public Equity	32%	32%	7.78%	6.84%	0.30%	0.02%	0.32%
Fixed Income	19%	20%	4.80%	4.81%	(0.00%)	(0.01%)	(0.02%)
Private Eq & Special Opp	18%	18%	0.03%	1.00%	(0.18%)	(0.01%)	(0.19%)
Real Estate	11%	11%	(0.77%)	(0.15%)	(0.07%)	0.00%	(0.07%)
Private Income	9%	10%	1.79%	1.84%	(0.01%)	0.02%	0.02%
Absolute Return	7%	0%	0.24%	0.24%	0.00%	(0.24%)	(0.24%)
Tactical Opportunities	1%	1%	5.70%	5.89%	(0.00%)	0.00%	(0.00%)
Total Fund Cash	2%	1%	1.32%	1.37%	(0.00%)	(0.02%)	(0.02%)
Absolute Return	0%	7%	0.00%	0.46%	0.00%	0.23%	0.23%
Total			3.61%	= 3.58%	+ 0.04%	+ (0.01%)	0.03%

- In the third quarter, the Total Fund outperformed the Performance Benchmark by 3 basis points.
- Manager effects in Public Equity was the largest contributor to relative returns.
- In aggregate, active management added 4 basis points from relative performance, while deviations from the Policy Target lost 1 basis point.

APFC Total Fund Attribution

Twelve Quarters Ended September 30, 2024

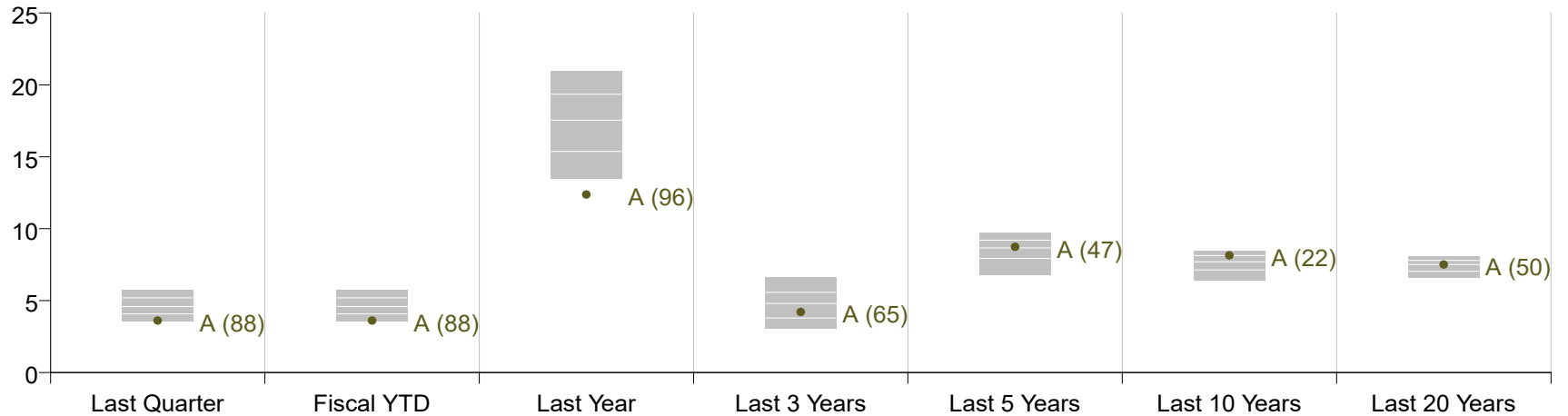
Three Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return		
Public Equity	34%	35%	7.11%	7.44%	(0.11%)	(0.08%)	(0.19%)		
Fixed Income	19%	20%	(0.14%)	(0.59%)	0.09%	0.04%	0.13%		
Private Eq & Special Opp	20%	16%	2.27%	3.78%	(0.28%)	0.01%	(0.28%)		
Real Estate	9%	9%	3.50%	2.31%	0.11%	(0.04%)	0.07%		
Private Income	8%	9%	7.61%	9.79%	(0.18%)	(0.05%)	(0.23%)		
Absolute Return	7%	0%	6.48%	6.48%	0.00%	0.12%	0.12%		
Tactical Opportunities	0%	1%	-	-	0.01%	(0.04%)	(0.03%)		
Total Fund Cash	2%	2%	4.92%	3.49%	0.02%	0.00%	0.02%		
Risk Parity	0%	1%	-	-	(0.00%)	0.03%	0.03%		
Absolute Return	0%	6%	0.00%	1.51%	0.00%	0.18%	0.18%		
Total			4.21%	4.40%	+	(0.36%)	+	0.17%	(0.19%)

- For the trailing twelve quarters the Total Fund underperformed the Performance Benchmark by 19 basis points.
- Manager performance in private equity & special opportunities, private income, and public equity dampened relative results. Asset allocation effects in absolute return enhanced relative performance.
- In aggregate, active management detracted 36 basis points to relative performance, while deviations from the Policy Target added 17 basis points.

APFC Total Fund Relative to Callan's Large Public Fund Database

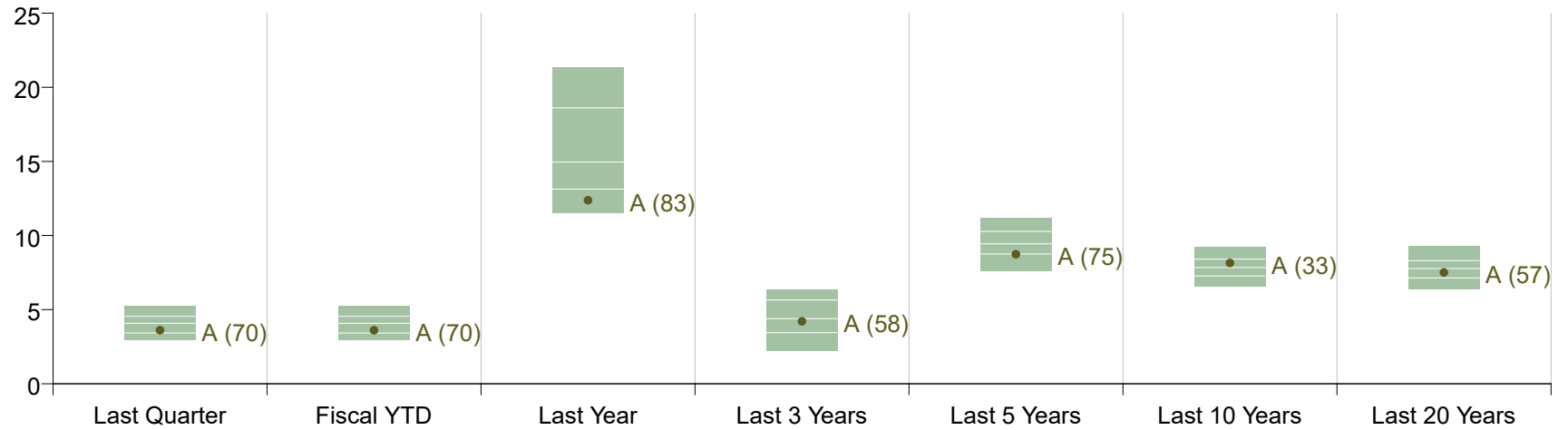
Returns for Periods Ended September 30, 2024
Group: Callan Public Fund Sponsor - Large (>1B)



	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	5.71	5.71	20.99	6.64	9.69	8.45	8.06
25th Percentile	5.19	5.19	19.35	5.58	9.20	8.13	7.80
Median	4.59	4.59	17.54	4.80	8.67	7.70	7.51
75th Percentile	4.08	4.08	15.37	3.79	7.93	7.13	7.04
90th Percentile	3.54	3.54	13.48	3.06	6.78	6.42	6.58
Member Count	123	123	123	116	115	113	101
Total Fund • A	3.61	3.61	12.38	4.21	8.74	8.15	7.51

APFC Total Fund Relative to Callan's Large Endowment / Foundation Database

Returns for Periods Ended September 30, 2024
Group: Callan Endow/Foundation - Large (>1B)

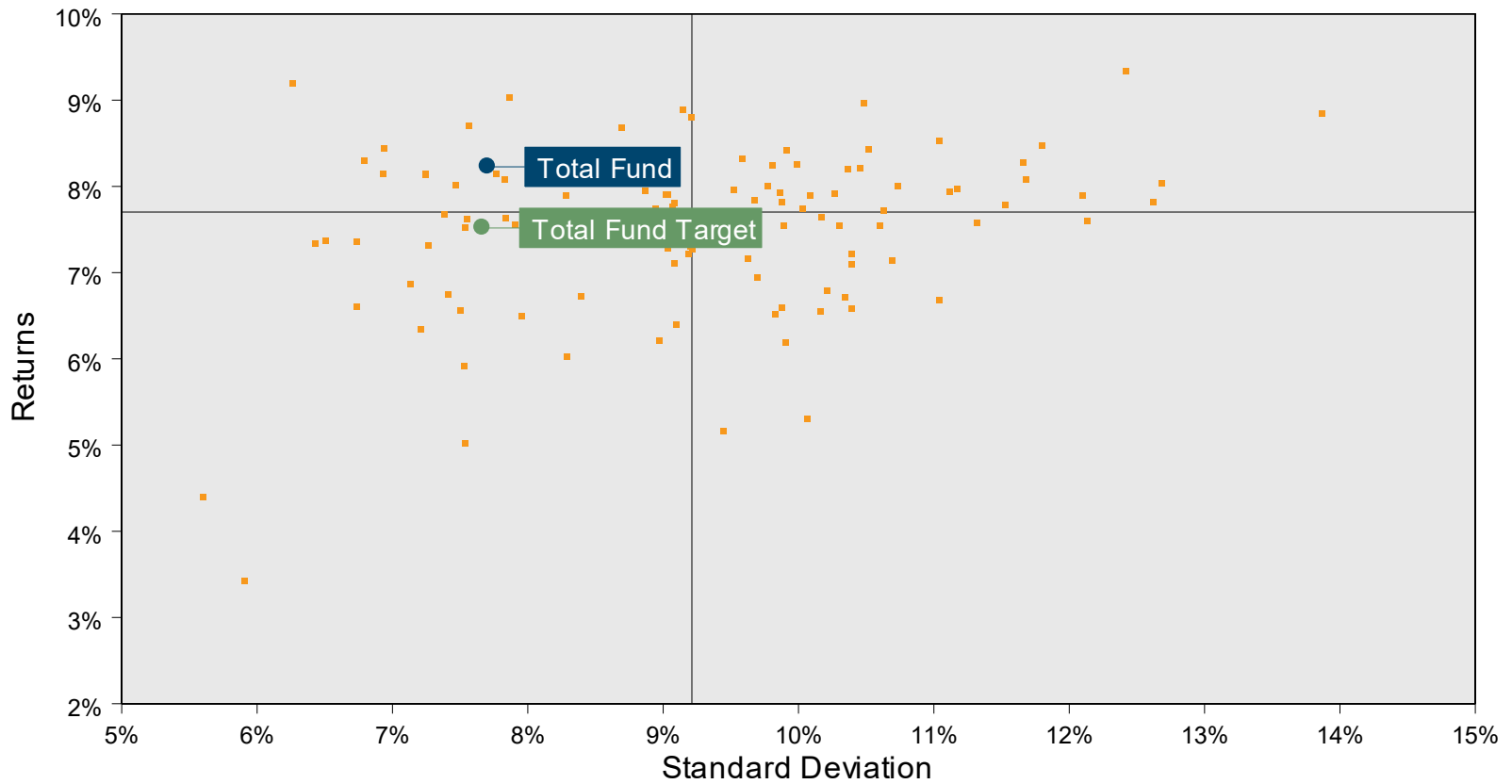


	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	5.27	5.27	21.32	6.33	11.18	9.20	9.28
25th Percentile	4.55	4.55	18.61	5.66	10.28	8.41	8.30
Median	4.09	4.09	14.96	4.40	9.44	7.84	7.78
75th Percentile	3.42	3.42	13.12	3.44	8.75	7.27	7.14
90th Percentile	2.96	2.96	11.51	2.21	7.61	6.54	6.36
Member Count	74	74	74	74	73	73	57
Total Fund • A	3.61	3.61	12.38	4.21	8.74	8.15	7.51

APFC Total Fund Return versus Standard Deviations

Relative to Callan's Large Public Fund Database

Ten Year Annualized Risk vs Return

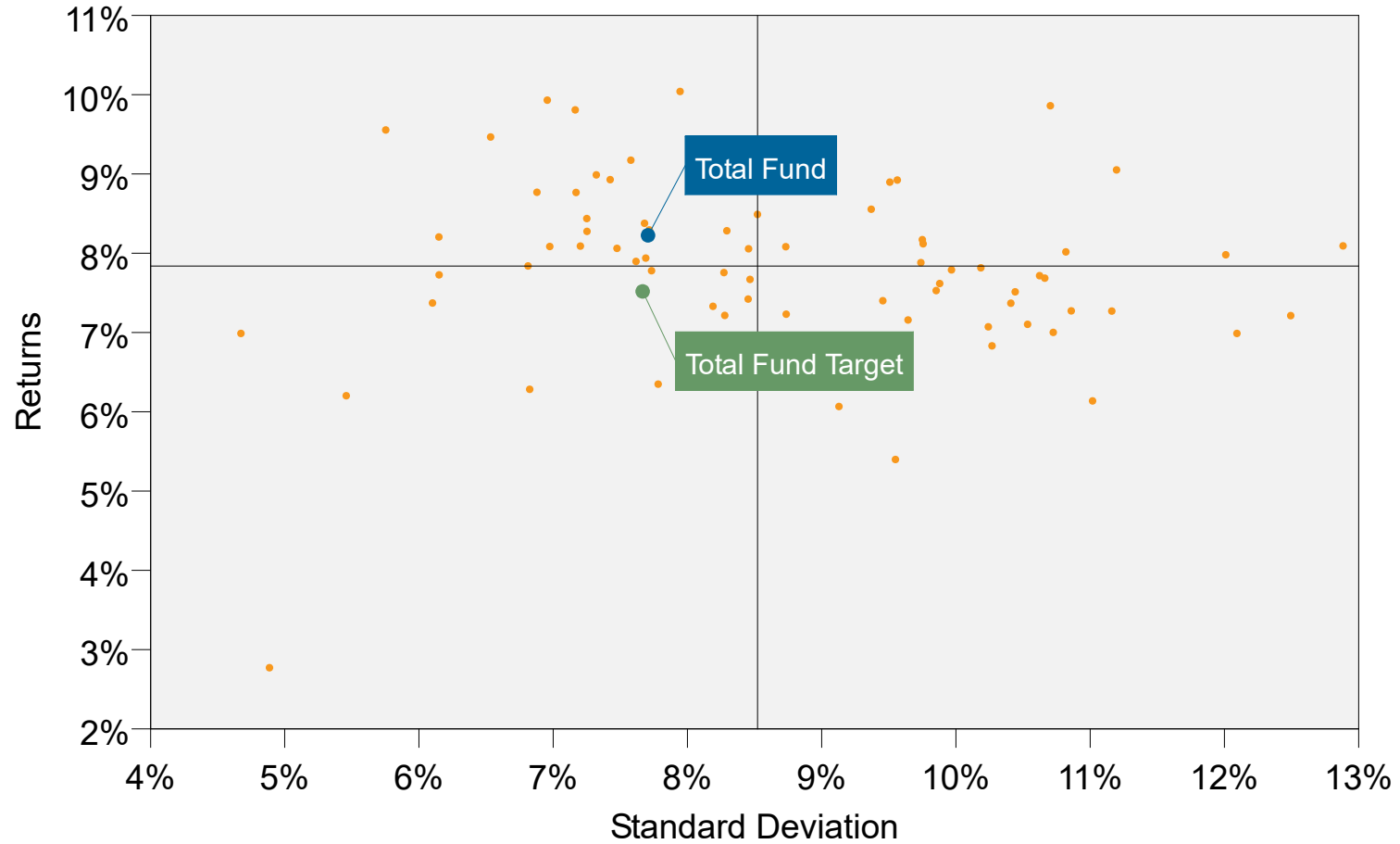


Squares represent membership of the Callan Public Fund Spons - Large (>1B)

APFC Total Fund Return versus Standard Deviations

Relative to Callan's Large Endowment / Foundation Database

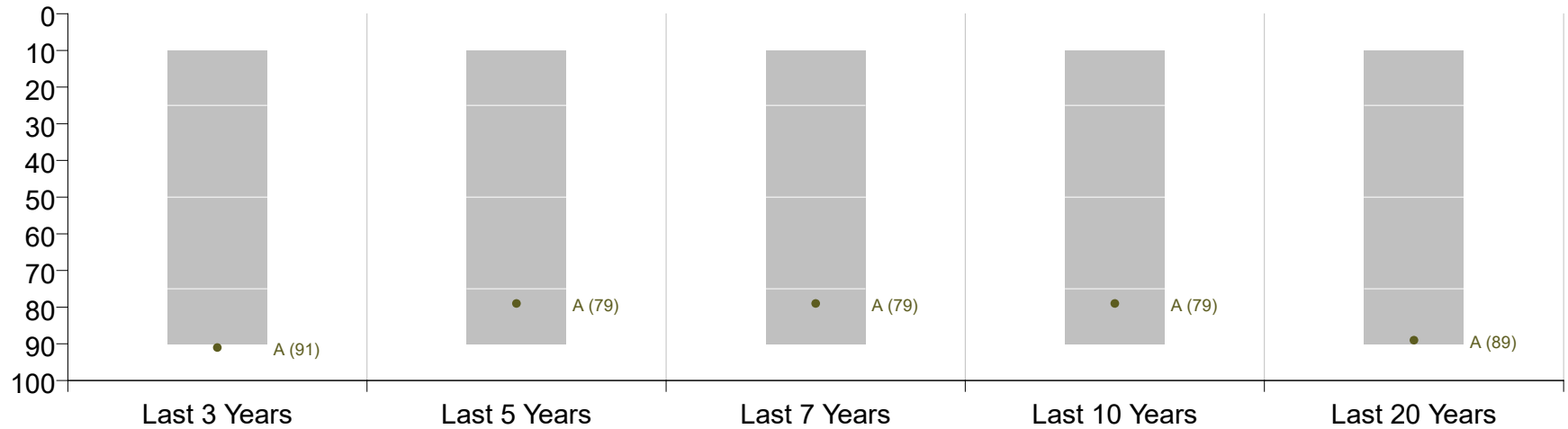
Ten Year Annualized Risk vs Return



Squares represent membership of the Callan Endow/Foundation - Large (>1B)

APFC Total Fund Standard Deviation Relative to Callan's Large Public Fund Database

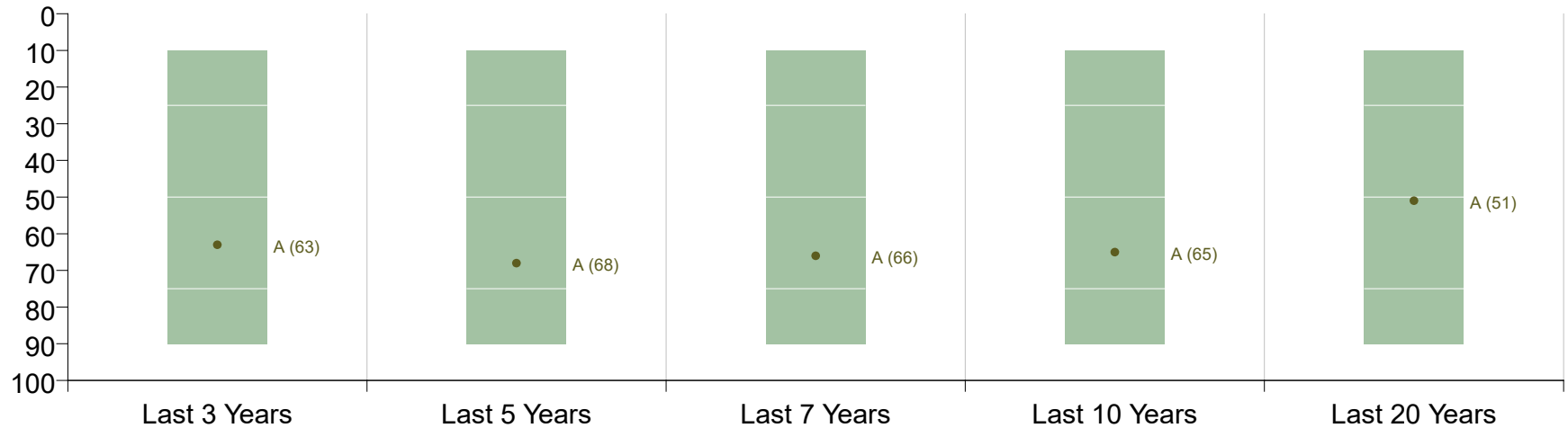
Standard Deviation for Periods Ended September 30, 2024
Group: Callan Public Fund Sponsor - Large (>1B)



	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years
10th Percentile	11.71	14.22	13.08	11.32	11.50
25th Percentile	10.59	12.97	11.93	10.35	10.77
Median	9.49	11.76	10.67	9.21	10.07
75th Percentile	7.93	9.79	9.05	7.95	9.50
90th Percentile	6.71	8.87	8.24	7.23	8.87
Member Count	116	115	115	113	101
Total Fund • A	6.57	9.55	8.74	7.71	8.89

APFC Total Fund Standard Deviation Relative to Callan's Large Endowment/Foundation Database

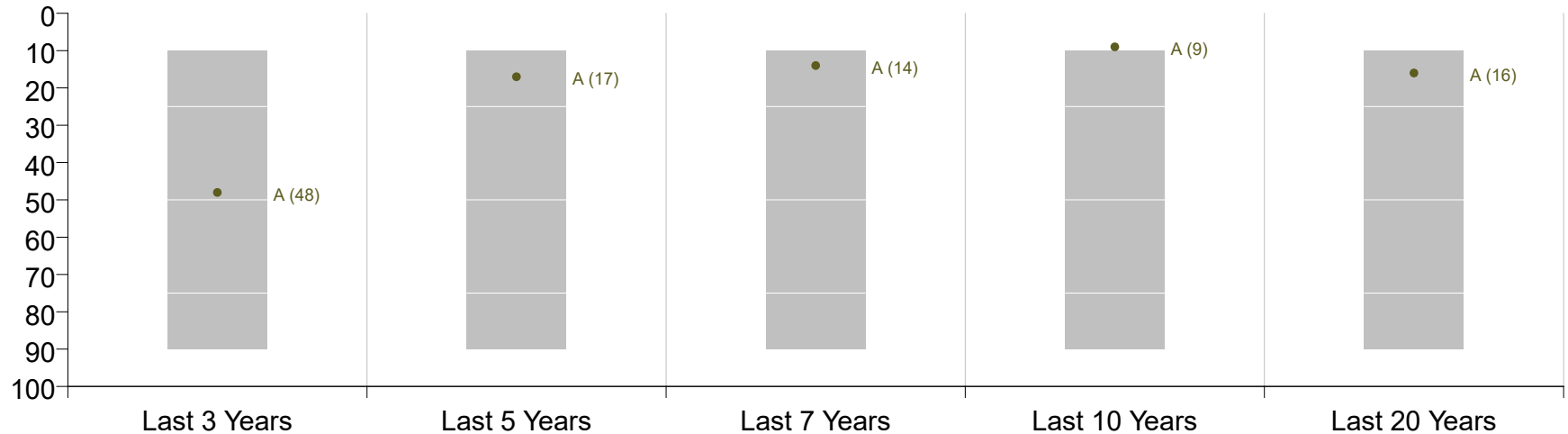
Standard Deviation for Periods Ended September 30, 2024
Group: Callan Endow/Foundation - Large (>1B)



	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years
10th Percentile	12.05	14.36	13.01	11.10	10.90
25th Percentile	10.19	12.97	11.81	10.26	9.92
Median	7.15	10.55	9.63	8.52	8.90
75th Percentile	6.18	9.26	8.20	7.29	8.31
90th Percentile	5.11	7.79	7.23	6.30	7.43
Member Count	74	73	73	73	57
Total Fund ● A	6.57	9.55	8.74	7.71	8.89

APFC Total Fund Sharpe Ratio Relative to Callan's Large Public Fund Database

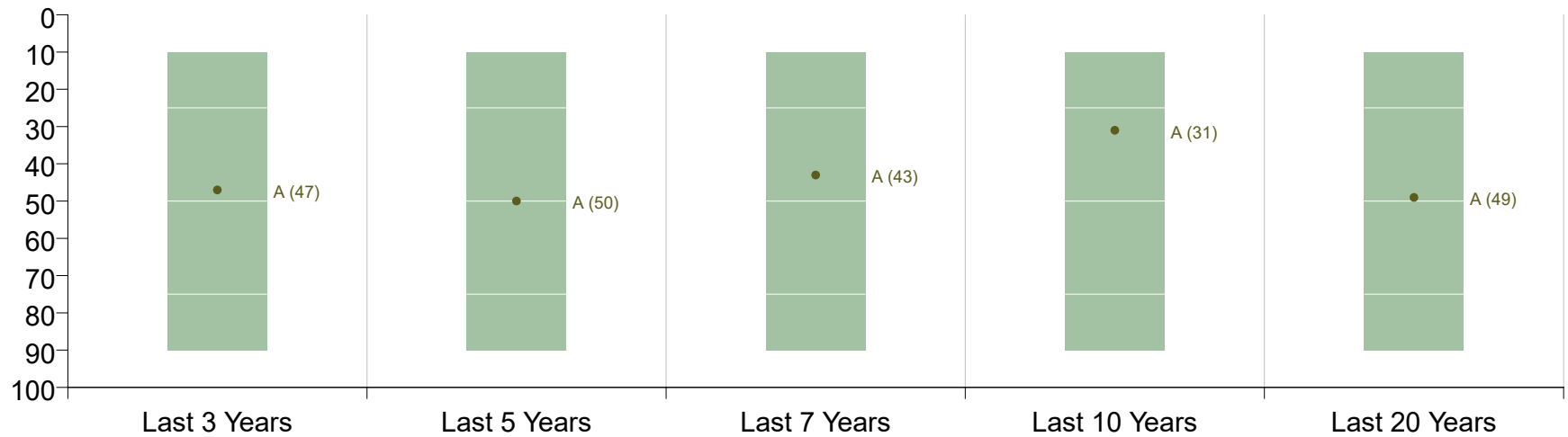
Sharpe Ratio for Periods Ended September 30, 2024
Group: Callan Public Fund Sponsor - Large (>1B)



	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years
10th Percentile	0.43	0.73	0.73	0.84	0.67
25th Percentile	0.24	0.62	0.61	0.74	0.63
Median	0.12	0.52	0.51	0.63	0.56
75th Percentile	0.04	0.45	0.44	0.55	0.52
90th Percentile	(0.05)	0.39	0.38	0.49	0.48
Member Count	116	115	115	113	101
Total Fund • A	0.13	0.69	0.70	0.85	0.67

APFC Total Fund Sharpe Ratio Relative to Callan's Large Endowment/Foundation Database

Sharpe Ratio for Periods Ended September 30, 2024
Group: Callan Endow/Foundation - Large (>1B)



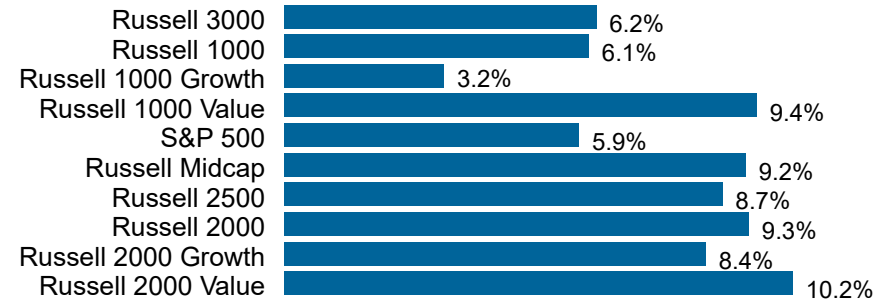
	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years
10th Percentile	0.38	0.95	0.96	1.05	1.00
25th Percentile	0.28	0.84	0.82	0.90	0.79
Median	0.11	0.69	0.64	0.71	0.64
75th Percentile	(0.01)	0.49	0.47	0.57	0.55
90th Percentile	(0.21)	0.39	0.40	0.49	0.50
Member Count	74	73	73	73	57
Total Fund • A	0.13	0.69	0.70	0.85	0.67

U.S. Equity Performance: 3Q24

U.S. market reaches record high after spike in volatility

- The U.S. equity market had a disappointing start to 3Q24 as the S&P 500 Index dropped in July.
- But the market rallied in the last months of 3Q to end the quarter at a record high.
- All sectors within the S&P 500 posted positive returns over the quarter except for the Energy sector. As a result of the Fed's rate cut decision, the bond proxy sectors (Real Estate and Utilities) performed the best.
- During 3Q, value outperformed growth across the market cap spectrum. Small cap stocks outperformed large cap stocks.
- Narrow leadership continues to be an issue for U.S. stocks. YTD, the "Magnificent Seven" stock returns accounted for 45% of the returns of the S&P 500 Index.

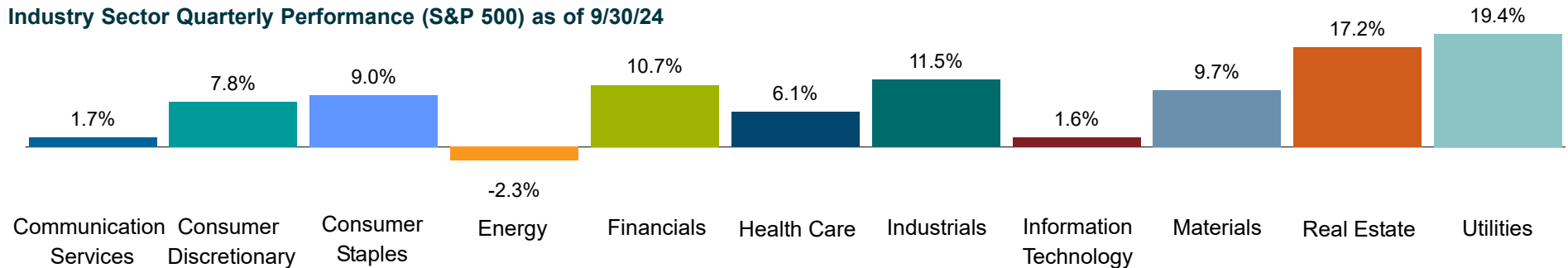
U.S. Equity: Quarter Ended 9/30/24



U.S. Equity: One Year Ended 9/30/24



Industry Sector Quarterly Performance (S&P 500) as of 9/30/24



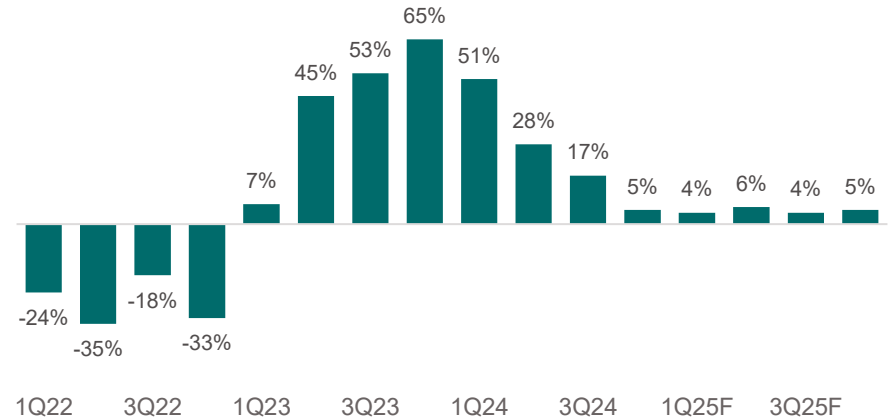
Sources: FTSE Russell, S&P Dow Jones Indices

U.S. Equity Key Theme

Top performers have broadened out from the mega cap growth stocks

- The “Magnificent Seven” stocks experienced increased volatility and mixed results in 3Q. Four of these stocks underperformed the S&P 500 Index.
- Better earnings growth expectations for the market relative to the “Magnificent Seven” could result in broader market leadership.
- Although the long-term trend may have reversed in the last quarter, a large percentage of S&P 500 Index returns since 2021 are attributable to the “Magnificent Seven.”

Earnings Growth Gap Between the Magnificent Seven and the Rest of the S&P 500 (y/y quarterly earnings growth)



Magnificent Seven Return Contribution (S&P 500): 2021-3Q24

Returns	2021	2022	2023	YTD 2024
Magnificent Seven	40%	-40%	76%	35%
—Share of returns	33%	56%	63%	45%
S&P 500 ex-Mag Seven	17%	-8%	8%	11%
—Share of returns	67%	44%	37%	55%

Magnificent Seven Absolute Returns: 3Q24

Stock	3Q Total Return
Tesla	32.22%
Meta Platforms	13.53%
Apple	10.58%
NVIDIA	-1.70%
Amazon.com	-3.58%
Microsoft	-3.77%
Alphabet	-8.96%
S&P 500	5.89%

Sources: FactSet, J.P. Morgan, Westfield Capital

U.S. Equity Key Theme

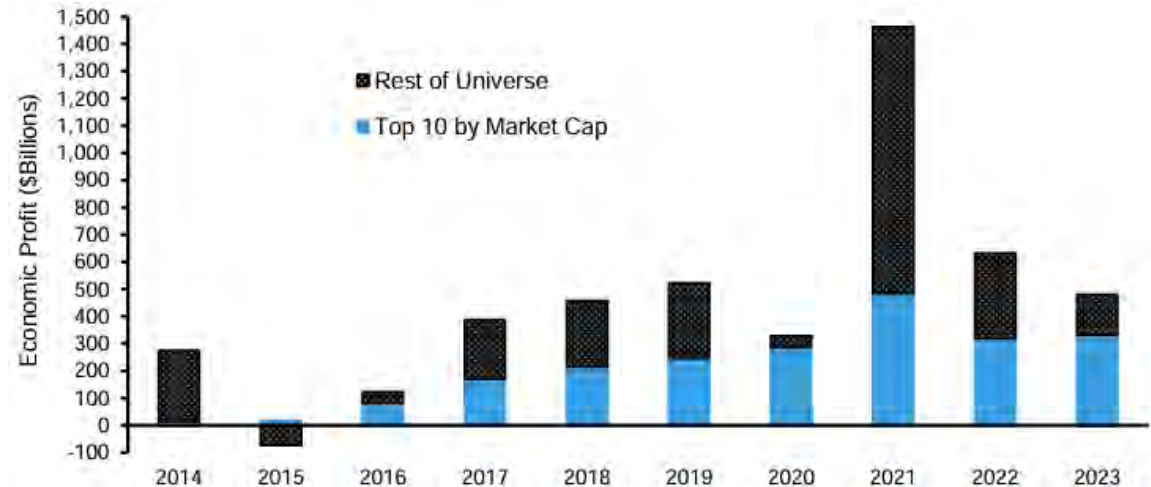
Historical context for market concentration in U.S. equity indices

- “Magnificent Seven” stock returns drove increased concentration of the top 10 stocks in the S&P 500 to 36% as of 3Q24, an increase from the low point of ~17% in 2016.
- The weight of the top 10 largest companies in the Russell 1000 Growth Index accounted for roughly 60% of the index in 3Q.
- The largest and most successful stocks were generating more earnings, earnings growth, and cash relative to the smaller stocks in the index. Price appreciation for the largest stocks is supported by strong earnings growth and large economic profits.*
- In the 10 years through 2023, the top 10 stocks averaged 19% of the market capitalization while the companies averaged 47% of the economic profit.
- The top 10 stocks at YE 2023 were 27% of the market capitalization and earned 69% of the economic profit.

Weight of Top 10 Stocks in the S&P 500 as of 3Q24



Economic Profit of Top 10 by Market Cap for U.S. – 2014-23



Sources: J.P. Morgan, Morgan Stanley

*Economic Profit = money earned after taking explicit and implicit costs into account

U.S. Equity Key Theme

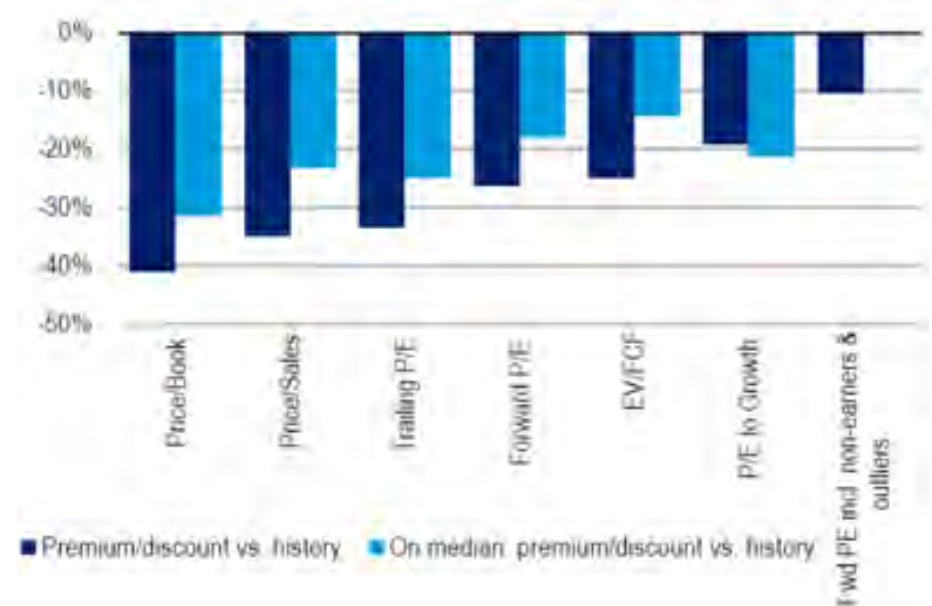
Small cap valuations

- Small cap relative valuations are historically low across numerous forward and trailing valuation multiples.
- Small cap continues to trade at large discounts relative to large cap.
- This may be indicative of an attractive entry point for increased allocation.

Small Cap vs Large Cap Relative Median P/E (profitable companies)



Valuation Discounts of Russell 2000 vs. Russell 1000 (1985-9/30/24)



Sources: BofA US Equity & Quant Strategy, Furey Research Partners

Global/Global ex-U.S. Equity Performance: 3Q24

Non-U.S. markets outpace U.S. as technology sector lags

Broad market

- Global equity markets rose while central banks began easing monetary policy and cutting interest rates.
- Market gains broadened to include more value stocks and underperforming sectors.
- Non-U.S. markets outpaced U.S. markets as the technology sector, a large portion of the U.S. market, faced pressure from AI spending scrutiny.
- Emerging markets outperformed developed markets with Asia being the strongest region within emerging markets.

Emerging markets

- China led a sharp rally higher in emerging markets after the Chinese government announced extensive stimulus measures aimed at tackling weakening economic activity, deflation, and its deteriorating property market.

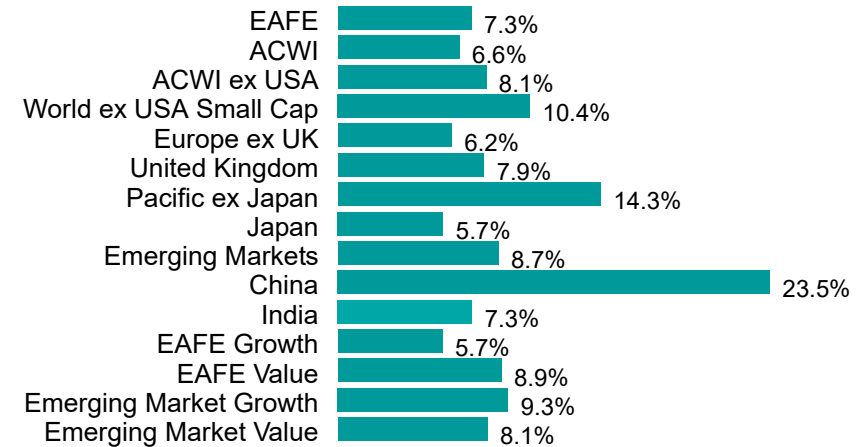
Growth vs. value

- Generally, value-oriented sectors led markets higher as the technology sector lagged on growth concerns. One exception was China as stimulus announcements boosted beaten down Chinese tech companies.

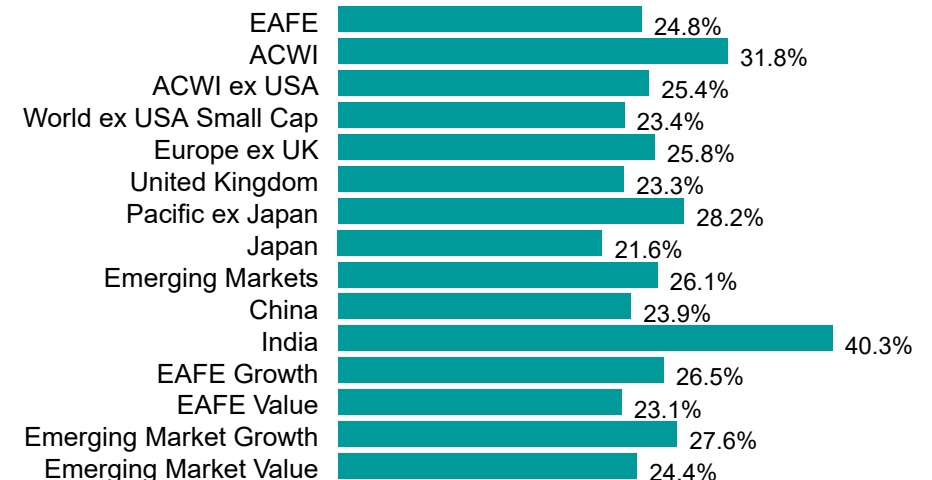
U.S. dollar strength

- The U.S. Dollar Index (DXY), declined over the third quarter amid a much-anticipated rate cut by the U.S. Federal Reserve.

Global Equity Returns: Quarter Ended 9/30/24



Global Equity Returns: One Year Ended 9/30/24



Source: MSCI

Global/Global ex-U.S. Equity Key Themes

Global quality growth headwinds

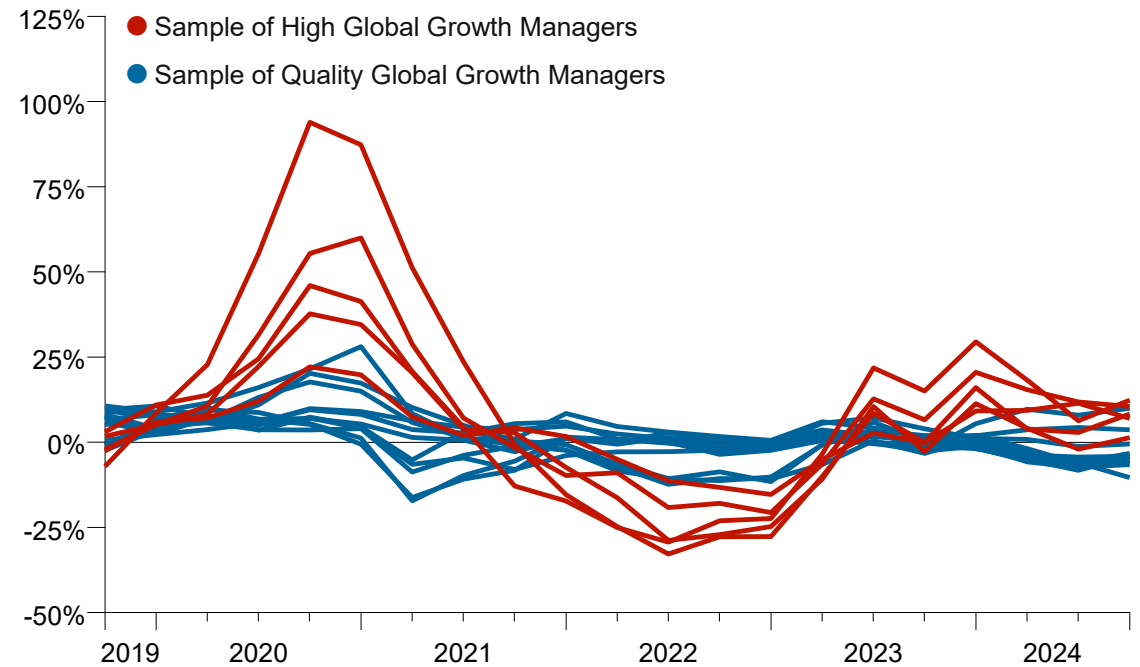
Global quality growth managers struggle

- While outperforming in 2022, global quality growth managers have struggled since 2023, as high-growth names, often viewed as low-quality, have driven much of the market.
- While longer-term returns are similar between quality and high-growth managers, recent one-year trailing numbers favor the higher-growth players.

Global high growth rewarded recently

- While high-growth managers were punished in 2022, they performed exceptionally well in 2023 and 2024.
- Still, on a three-year basis, quality growth managers have tended to outperform high-growth managers but still struggle against the ACWI index.
- The difference is less pronounced in non-U.S. mandates, with 12-month returns being similar and high growth underperforming over longer periods.
- The majority of this difference is coming from U.S. growth stocks.

Rolling 4 Quarter Excess Return Relative to MSCI ACWI for 5 Years Ended 9/30/24



Sources: Callan, MSCI

Global/Global ex-U.S. Equity Key Themes

China's stimulus

What

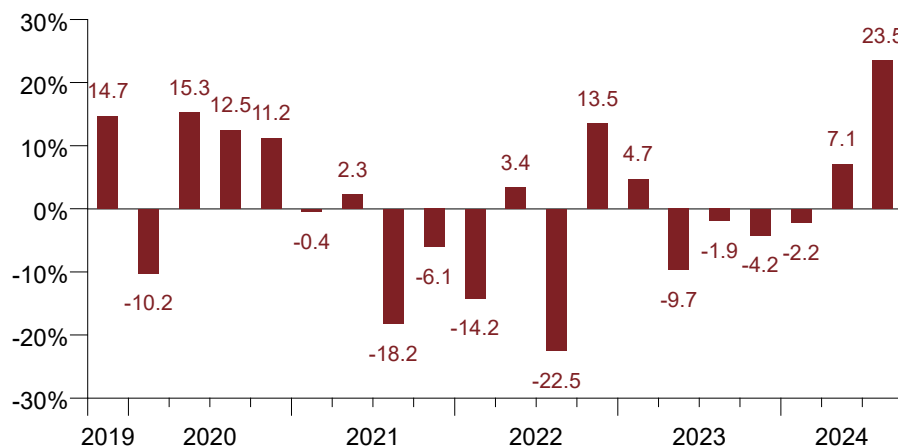
- On Sept. 24, 2024, China announced a broad stimulus package.

Results

- Stock markets rallied 23.5% in 3Q24, moving into YTD gain territory.
- Following the rally, the MSCI China Index P/E valuation is near its 10-year average and does not look cheap overall.

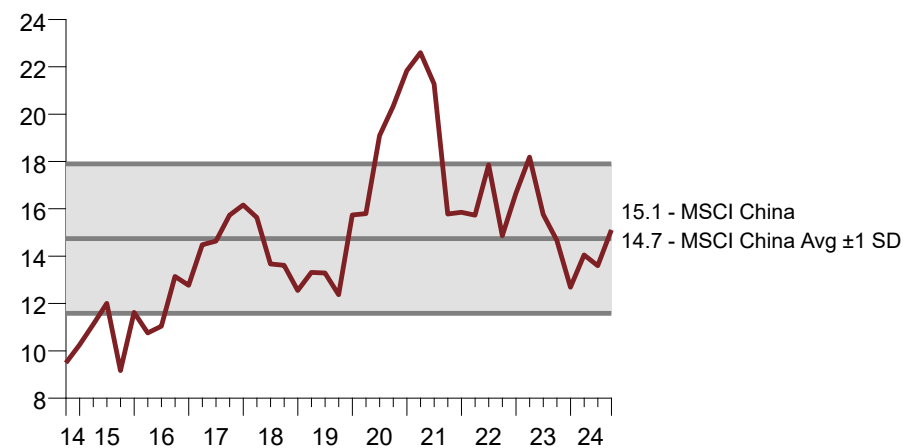
Primary Target	Lever	Details
Economy	Monetary	50 bp cut to the reserve ratio requirement 20 bp cut to the short-term policy rate (PBOC 7d repo) 30 bp cut to the mid-term policy rate (MLF)
	Fiscal	One-off cash transfer to people living in poverty
	Macro	~50 bp cut to the interest rate on existing mortgages Expand loan guarantees for a program that subsidizes state-owned enterprises to buy vacant homes for conversion to social housing Lower down payment requirement on 2nd home purchases to 15% (was 25%) Expand the availability of loan extensions to more businesses
Markets	Monetary	Set up securities, funds, and insurance company swap facility to allow more funding for equity purchases Set up relending program for stock repurchases and holding increases
	Market Regulation	Advocate and refine the regulation for more mid- to long-term capital to invest in the stock market Encourage mergers, acquisitions, and restructuring Request listed companies to perform market value management

MSCI China Returns for 5 Years Ended 9/30/24



Sources: Callan, MSCI

Price/Earnings Ratio (inc neg) for 10 Years Ended 9/30/24



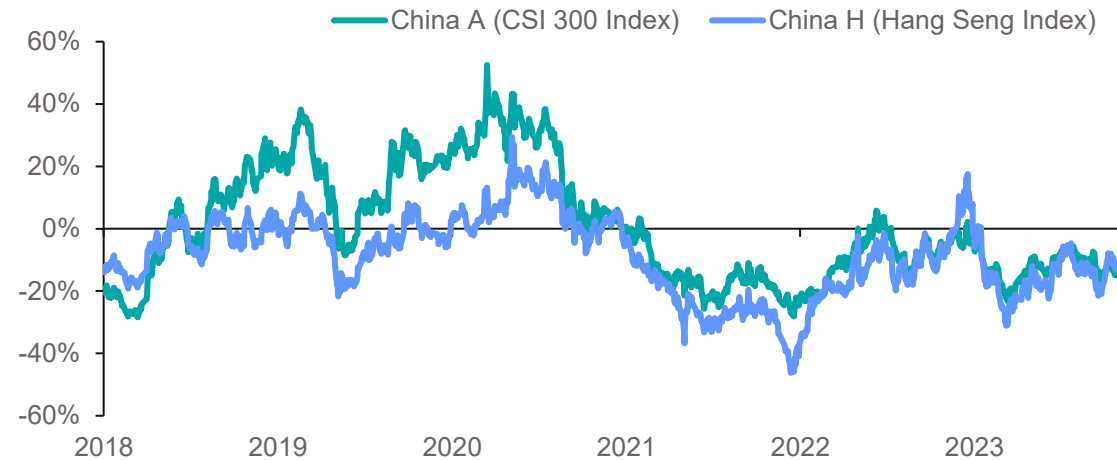
Global / Global ex-U.S. Equity Key Themes

China's broad market and stimulus

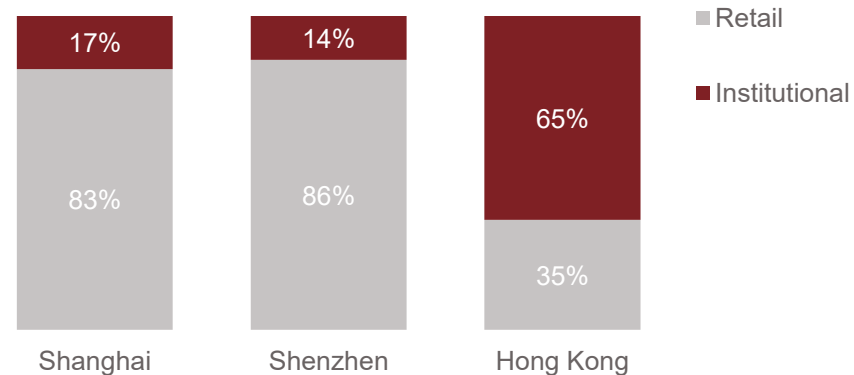
China H-shares vs China A-shares

- China H-shares listed in Hong Kong have been the most common avenue for institutional investors. Performance for the two areas has become more similar in the last two years.
- As retail investors dominate China A-shares, many institutional investors believe they can find a sizeable edge by investing in this shorter-term oriented, less-sophisticated market.
- Asset owners should be aware of where their China allocation is and understand that the performance of China A shares may not correspond with returns in their portfolios.

Rolling 1-year Returns (11/18 to 10/24)



Percent of Market

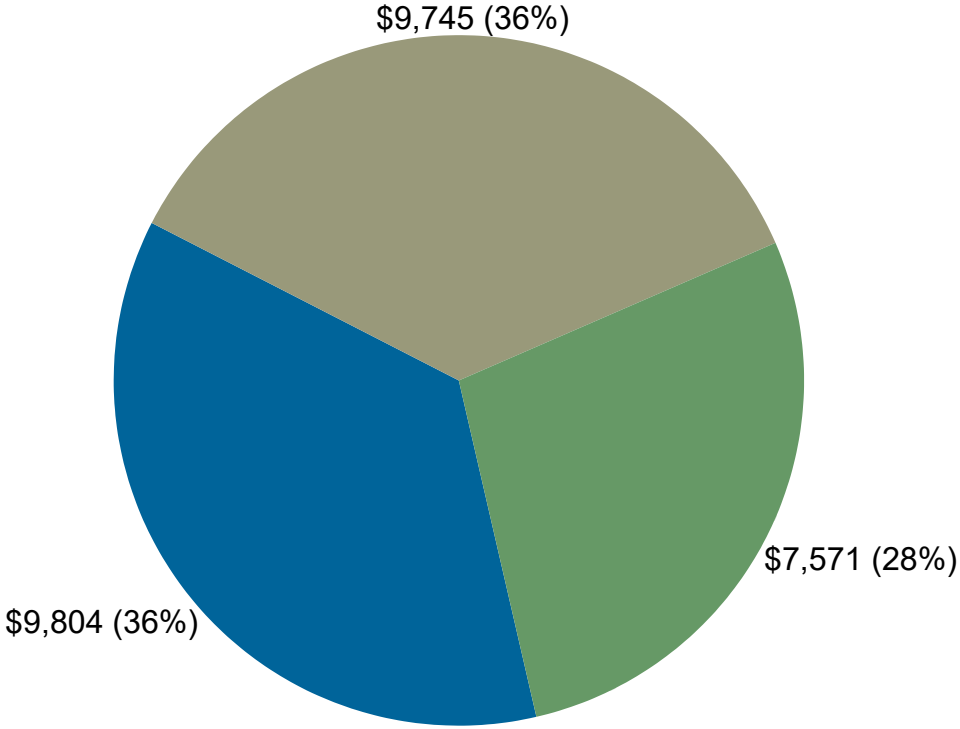
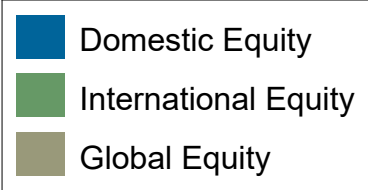


Sources: Callan, UBS

APFC Public Equity Structure

As of September 30, 2024

- APFC Public Equity portfolio is comprised of Domestic, International and Global Equity.

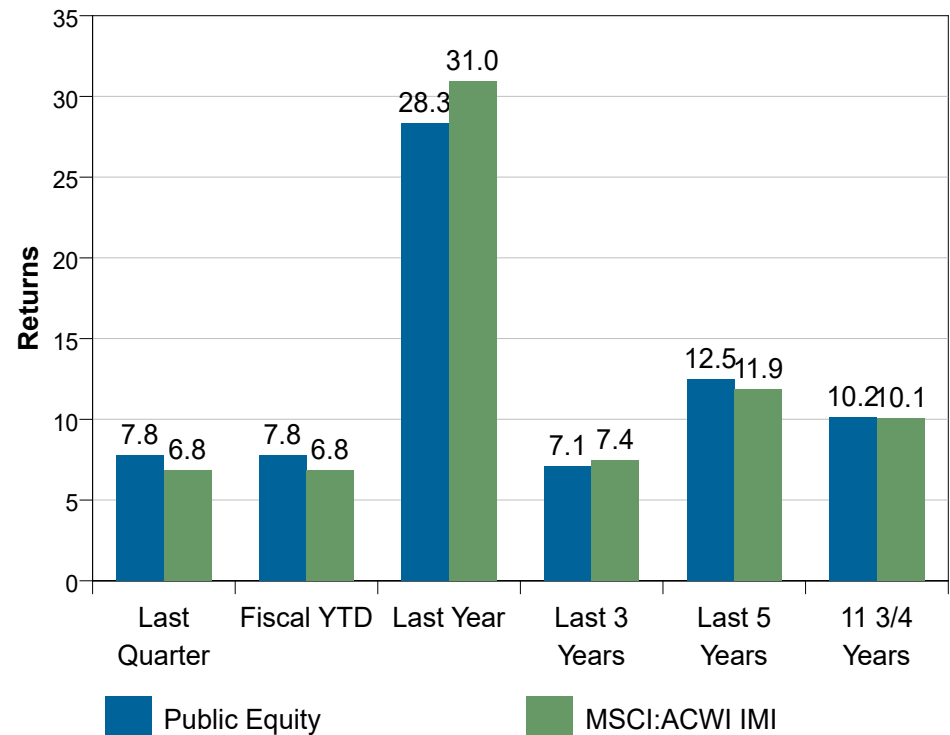


APFC Public Equity vs. MSCI ACWI-IMI

Periods Ended September 30, 2024

- APFC Public Equity portfolio bested the MSCI ACWI IMI index for the quarter but lagged over the trailing year. The segment produced benchmark like returns over the intermediate and long-term.
- Domestic and Global Equity composites ended ahead of their respective benchmarks for the quarter and behind for the trailing year.
- Overall, the portfolio is well diversified across regions, countries, and underlying strategies.

Returns for Various Periods
Current Quarter Ending September 30, 2024

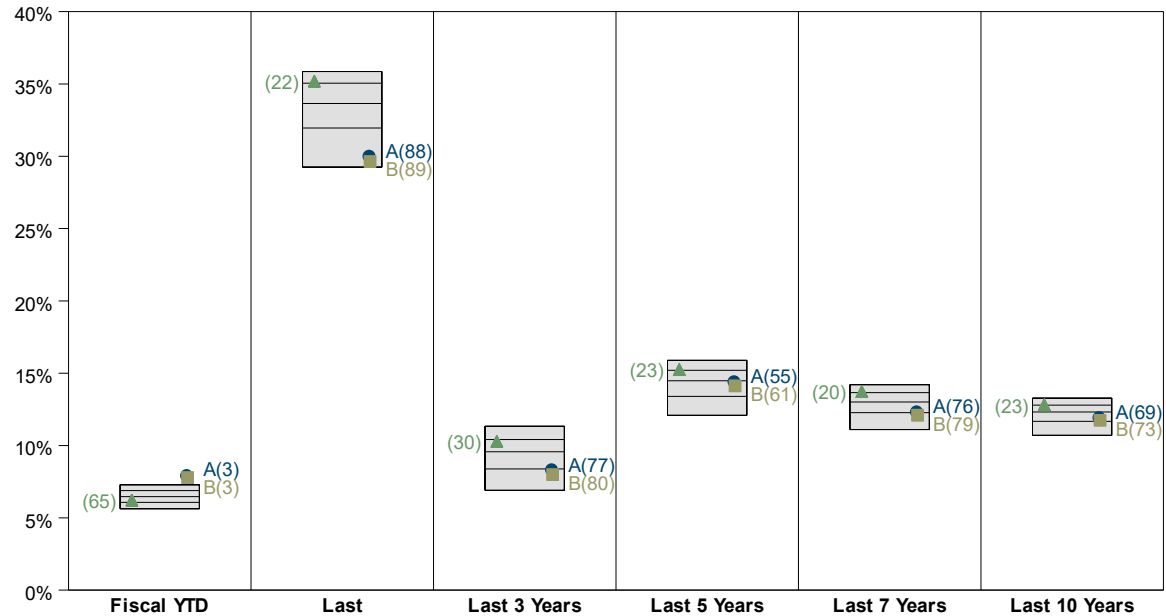


APFC US Equity Performance vs. Fund Sponsor US Equity

Periods Ended September 30, 2024

- The universe is comprised of total domestic equity portfolios of large institutional investors in Callan's Fund Sponsor Database.
- APFC US Equity portfolio bested the Russell 3000 Index for the quarter but lagged over the trailing year.
- When compared to US Equity portfolios of other large institutional investors, APFC's US Equity composite ranked below median in longer term periods.

Performance vs Fund Sponsor - Domestic Equity (Gross)



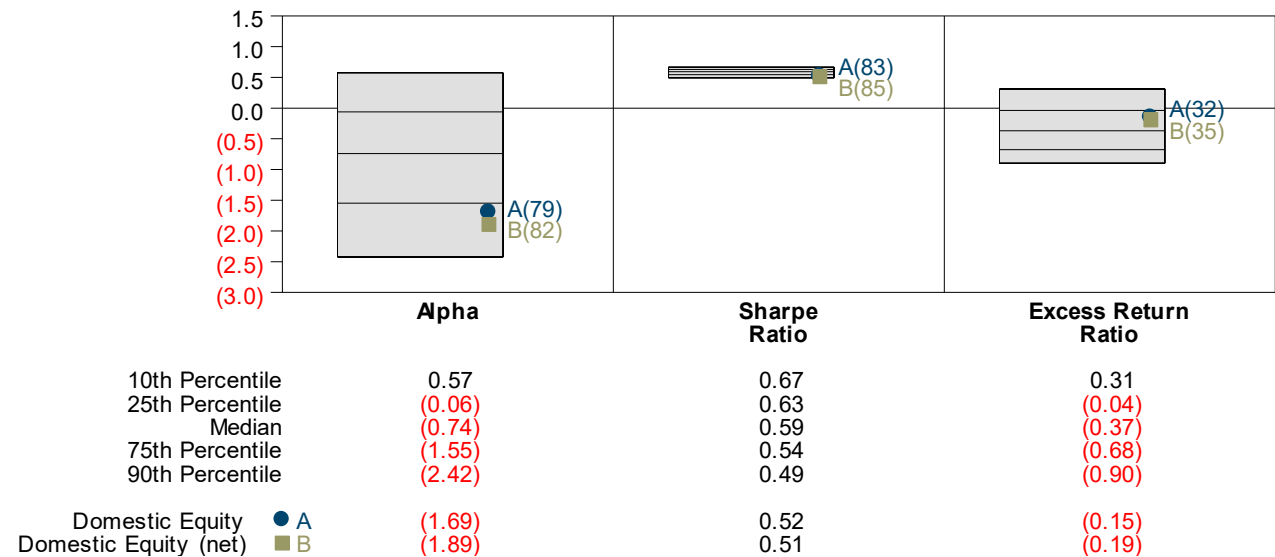
10th Percentile	7.29	35.85	11.33	15.89	14.21	13.28
25th Percentile	6.89	35.05	10.41	15.20	13.65	12.80
Median	6.47	33.65	9.57	14.48	13.01	12.32
75th Percentile	6.07	31.95	8.38	13.40	12.28	11.68
90th Percentile	5.62	29.25	6.91	12.09	11.11	10.71
Domestic Equity A	7.85	29.94	8.25	14.35	12.26	11.85
Domestic Equity (net) B	7.79	29.64	8.00	14.12	12.10	11.74
Russell 3000 Index	6.23	35.19	10.29	15.26	13.74	12.83

APFC US Equity Portfolio Risk Adjusted Return Rankings

Periods Ended September 30, 2024

- The universe is comprised of total domestic equity portfolios of large institutional investors in Callan's Fund Sponsor Domestic Equity Database.
- For the trailing five-year period, APFC portfolio ranked below median for alpha and Sharpe ratio, and above median for excess return ratio.
 - Alpha measures contribution to performance – portfolio's return above index adjusted for risk.
 - Sharpe Ratio represents return gained per unit of risk taken (return/risk).
 - Excess Return Ratio measures alpha (return above benchmark) divided by tracking error (risk versus benchmark).

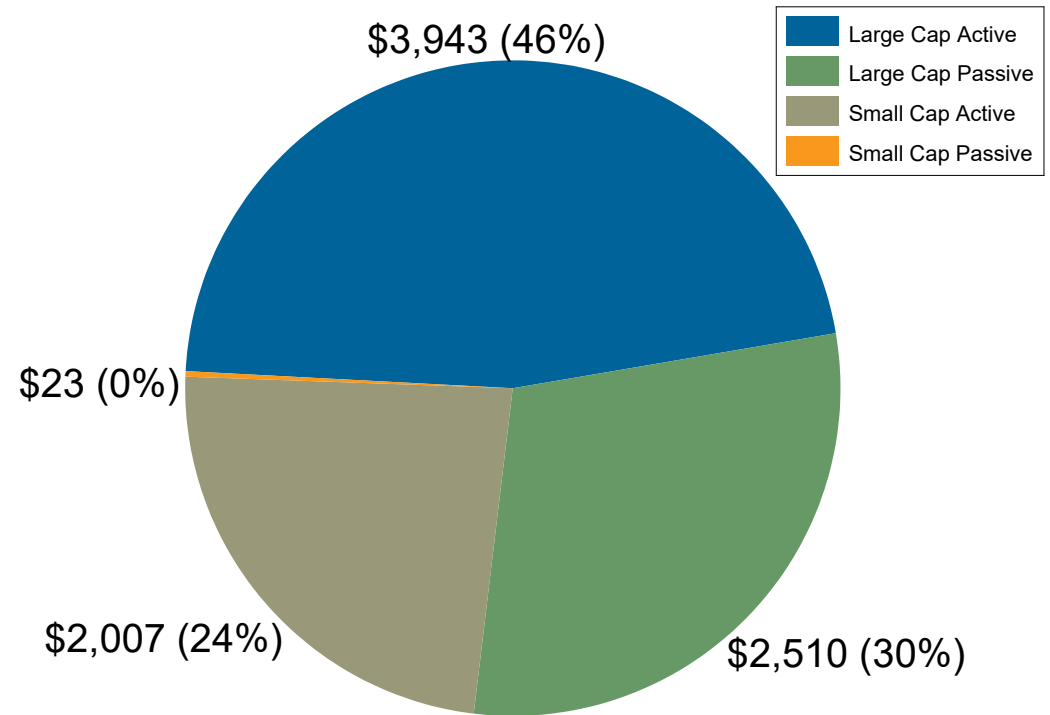
**Risk Adjusted Return Measures vs Russell 3000 Index
Rankings Against Fund Sponsor - Domestic Equity (Gross)
Five Years Ended September 30, 2024**



APFC US Equity Structure

As of September 30, 2024

- US equity portfolio is roughly 70% actively managed and 30% passive (or quasi-passive).
- Roughly 61% of the large cap allocation is actively managed while 99% of the small cap allocation is actively managed.



APFC Large & Small Cap Equity Relative to Peer Universe

Periods Ended September 30, 2024

- APFC's Large Cap portfolio outperformed the benchmark for the quarter, while the small cap portfolio missed the benchmark. Over the trailing year, both the Large and Small Cap portfolios underperformed their respective benchmarks.
- Small Cap portfolios ranked below the peer group median over the quarter, but ahead of the peer group over the trailing year. The Large Cap portfolio ranked top quartile over the quarter, but below the peer group median over the trailing year.

Performance vs Callan Large Capitalization (gross)

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
Large Cap Equity	7.59 ⁽¹⁷⁾	7.59 ⁽¹⁷⁾	31.76 ⁽⁵⁹⁾	9.49 ⁽⁵⁵⁾	14.66 ⁽⁵⁴⁾	12.62 ⁽⁶¹⁾	12.03 ⁽⁵⁷⁾
S&P 500 Index	5.89 ⁽³⁷⁾	5.89 ⁽³⁷⁾	36.35 ⁽⁴⁴⁾	11.91 ⁽²¹⁾	15.98 ⁽³⁸⁾	14.50 ⁽⁴⁰⁾	13.38 ⁽⁴⁰⁾
Russell 1000 Index	6.08 ⁽³⁵⁾	6.08 ⁽³⁵⁾	35.68 ⁽⁴⁷⁾	10.83 ⁽³⁴⁾	15.64 ⁽⁴¹⁾	14.18 ⁽⁴²⁾	13.10 ⁽⁴⁵⁾
Callan Large Cap	5.17	5.17	34.31	10.37	14.98	13.84	13.06

Performance vs Callan Small Capitalization (gross)

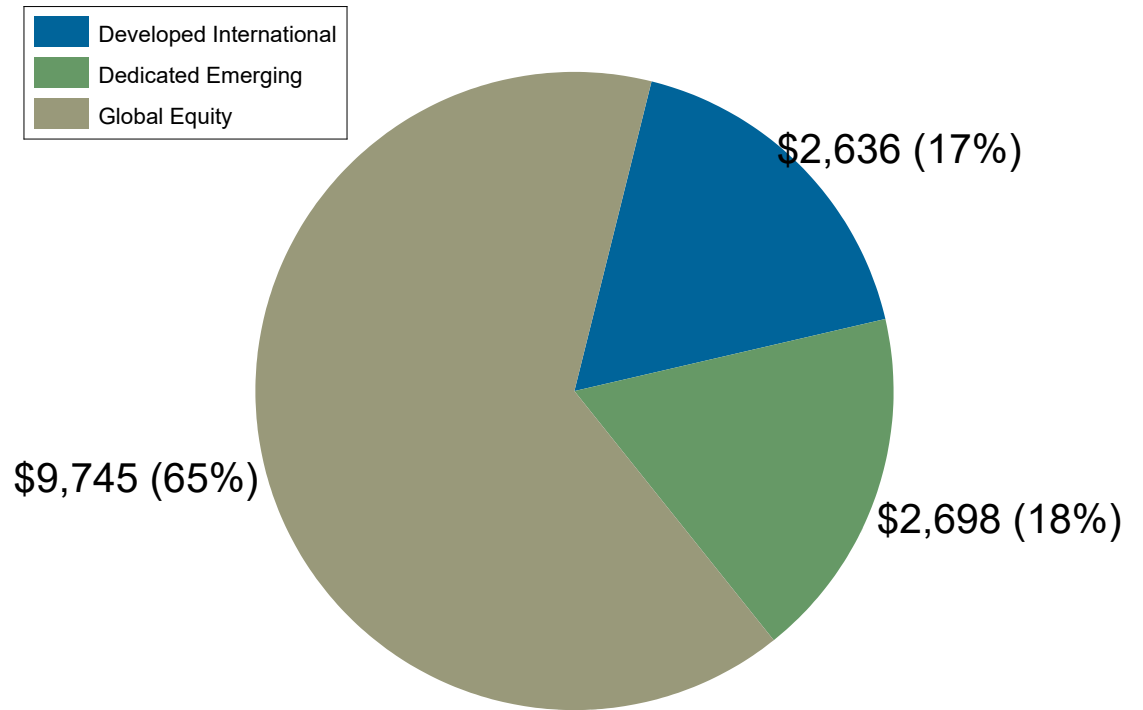
	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
Small Cap Equity	7.32 ⁽⁶²⁾	7.32 ⁽⁶²⁾	25.08 ⁽⁴⁴⁾	4.30 ⁽⁴⁰⁾	12.21 ⁽²¹⁾	9.99 ⁽²⁹⁾	10.70 ⁽²²⁾
Russell 2000 Index	9.27 ⁽¹⁸⁾	9.27 ⁽¹⁸⁾	26.76 ⁽³²⁾	1.84 ⁽⁵⁶⁾	9.39 ⁽⁶³⁾	7.36 ⁽⁷⁹⁾	8.78 ⁽⁶⁹⁾
Callan Small Cap	8.20	8.20	25.92	4.68	11.24	9.27	10.45

*Peer group returns reflect median

APFC Non-US and Global Equity Structure

As of September 30, 2024

- Portfolio is divided between global, non-US, and emerging markets mandates.
- Both global and non-US equity managers invest in emerging markets.
- Global managers invest in US markets as part of their mandate.

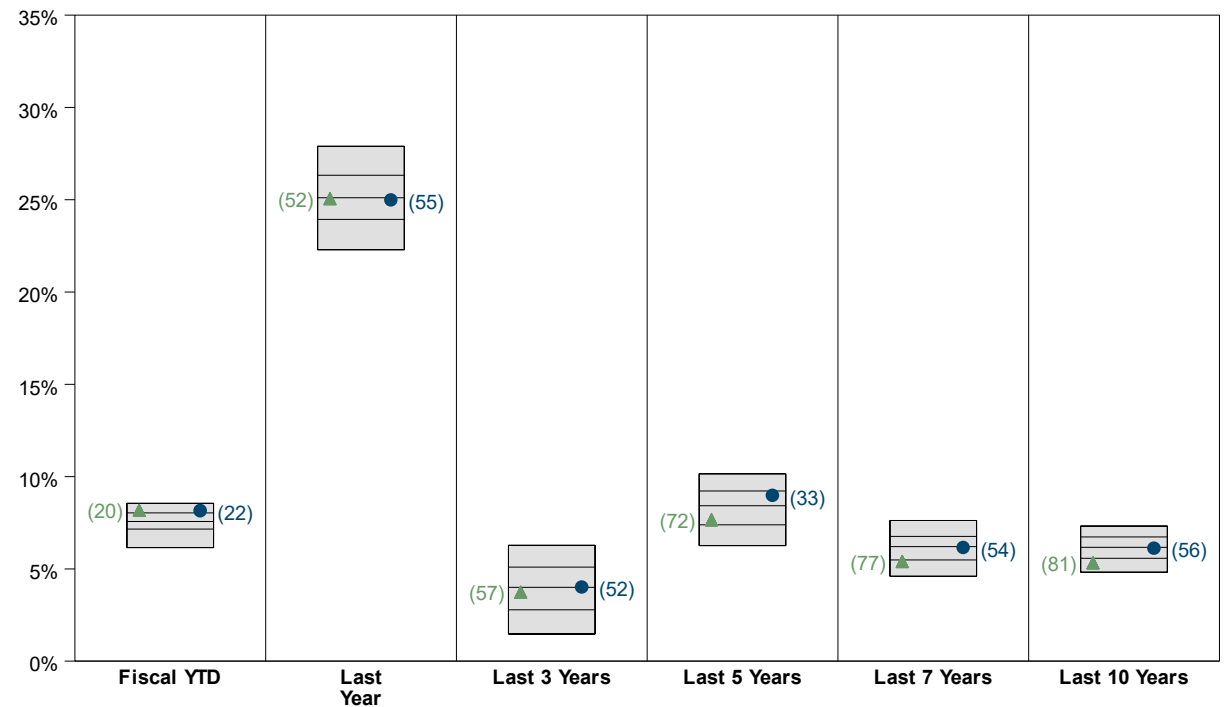


APFC International Equity Relative to Fund Sponsor Universe

Periods Ended September 30, 2024

- International Equity ended the quarter and trailing year roughly in line its benchmark. Relative to the peer group the segment was top quartile for the quarter and below median for the year.
- In periods outside the 3-year period, the portfolio outperformed its benchmark.
- Relative to other fund sponsor portfolios, International Equity ranked near median for most longer time periods.

Performance vs Fund Sponsor - International Equity (Gross)



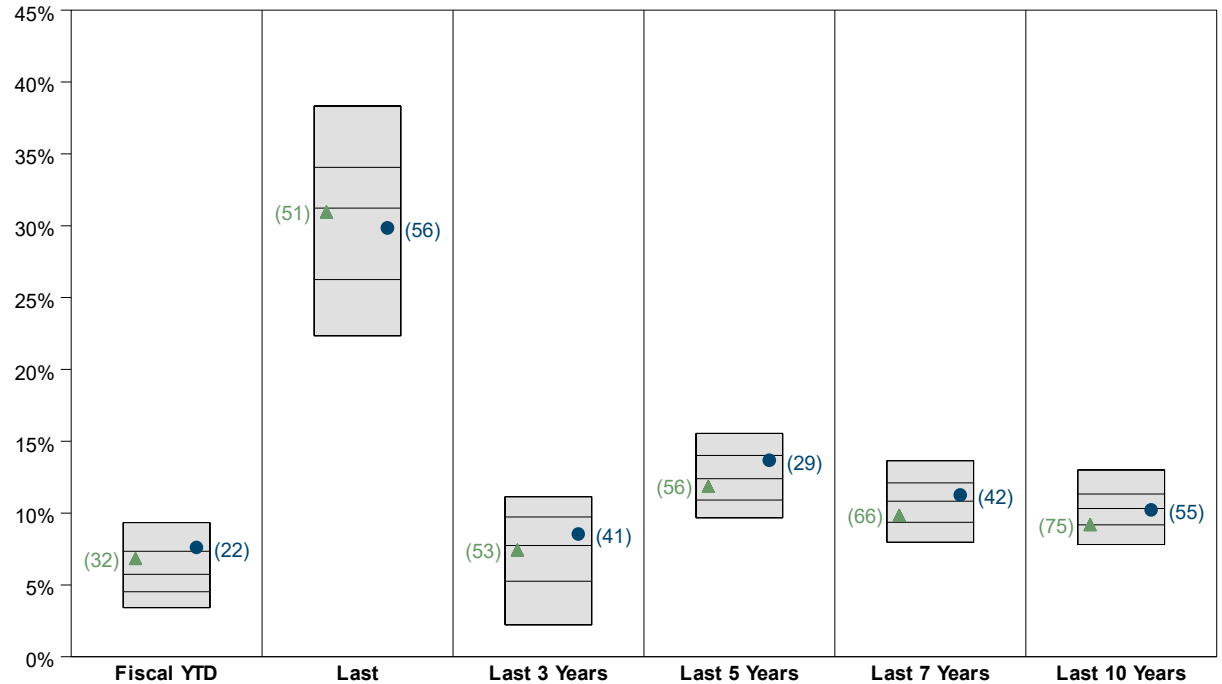
10th Percentile	8.55	27.89	6.27	10.15	7.62	7.32
25th Percentile	8.04	26.33	5.10	9.22	6.76	6.73
Median	7.56	25.11	4.00	8.42	6.21	6.17
75th Percentile	7.15	23.94	2.78	7.39	5.48	5.57
90th Percentile	6.15	22.29	1.47	6.27	4.60	4.82
International Equity ●	8.10	24.93	3.96	8.93	6.10	6.06
MSCI ACWI xUS IMI ▲	8.18	25.06	3.74	7.66	5.40	5.33

APFC Global Equity Relative to Global Universe

Periods Ended September 30, 2024

- APFC Global Equity portfolio bested its benchmark and for the quarter but fell short over the trailing year time period and finished just below the peer group median.
- The portfolio was ahead of its benchmark in periods three years and longer and ranked above the peer group median for the 3-, 5-, and 7-year time periods.
- Performance from the APFC Tactical Tilts portfolio positively impacted performance over the 5- and 7-year periods but has been a modest drag on performance in the near-term.

Performance vs Callan Global Equity (Gross)



10th Percentile	9.33	38.34	11.13	15.55	13.65	13.00
25th Percentile	7.35	34.06	9.73	14.01	12.10	11.33
Median	5.74	31.23	7.75	12.40	10.83	10.31
75th Percentile	4.52	26.26	5.26	10.91	9.36	9.18
90th Percentile	3.41	22.34	2.22	9.67	7.97	7.81
Global Equity ●	7.54	29.77	8.47	13.59	11.18	10.14
MSCI ACWI IMI ▲	6.84	30.96	7.44	11.87	9.85	9.20

APFC International & Global Equity Relative to Fund Sponsor Universe

Periods Ended June 30, 2024

Performance vs Callan Non-US Equity (gross)

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
International Developed	8.18 ⁽³⁶⁾	8.18 ⁽³⁶⁾	24.65 ⁽⁶³⁾	5.24 ⁽⁴⁷⁾	9.46 ⁽⁴⁰⁾	6.51 ⁽⁵⁰⁾	6.49 ⁽⁵⁴⁾
MSCI ACWI xUS (net)	8.06 ⁽³⁷⁾	8.06 ⁽³⁷⁾	25.35 ⁽⁵⁵⁾	4.14 ⁽⁶²⁾	7.59 ⁽⁸¹⁾	5.44 ⁽⁸¹⁾	5.22 ⁽⁹¹⁾
Callan Non-U.S. (gr)	7.32	7.32	25.64	4.95	8.93	6.52	6.60

Performance vs Emerging Markets Equity Database (gross)

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
Emerging Markets	8.39 ⁽²²⁾	8.39 ⁽²²⁾	24.91 ⁽³⁰⁾	1.49 ⁽¹⁵⁾	7.65 ⁽¹¹⁾	5.15 ⁽⁸⁾	5.18 ⁽¹⁴⁾
MSCI EM	8.72 ⁽¹⁹⁾	8.72 ⁽¹⁹⁾	26.05 ⁽²⁷⁾	0.40 ⁽¹⁹⁾	5.75 ⁽³¹⁾	3.65 ⁽²³⁾	4.03 ⁽³⁹⁾
EM Equity DB (gr)	7.79	7.79	24.84	0.61	6.74	4.70	5.48

Performance vs Global Equity Database (gross)

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
Global Equity	7.54 ⁽²²⁾	7.54 ⁽²²⁾	29.77 ⁽⁵⁶⁾	8.47 ⁽⁴¹⁾	13.59 ⁽²⁹⁾	11.18 ⁽⁴²⁾	10.14 ⁽⁵⁵⁾
MSCI ACWI IM Index	6.84 ⁽³²⁾	6.84 ⁽³²⁾	30.96 ⁽⁵¹⁾	7.44 ⁽⁵³⁾	11.87 ⁽⁵⁶⁾	9.85 ⁽⁶⁶⁾	9.20 ⁽⁷⁵⁾
Global Equity DB (gr)	6.47	6.47	28.57	7.49	12.07	10.43	10.15

*Peer group returns reflect median

- APFC's International Developed and Emerging Market portfolios bested their respective benchmarks for the quarter but missed over the trailing year.
- The Global Equity portfolio fell short of its benchmark over the trailing year but outperformed in the quarter and over longer time periods.
- All three programs are close to or above peer group medians over the trailing 3, 5 & 7 years with emerging markets hovering in the top quartile.
- Performance from the APFC Tactical Tilts portfolio positively impacted performance over the 5- and 7-year periods but has been a modest drag on performance in the near-term.

U.S. Fixed Income Performance: 3Q24

U.S. taxable bond markets rallied in 3Q

Macro environment

- The Fed lowered rates for the first time since 2020, reducing its overnight target by 50 bps; Fed “dot plot” indicates two more cuts by year-end.
- U.S. Treasuries fell across the curve; 10-year Treasury yield declined to 3.81% from 4.36% at the beginning of the quarter.
- The yield curve took a step toward normalization with the 2s/10s ending positive, though rates at the front-end remain elevated vs. intermediate- and long-term.

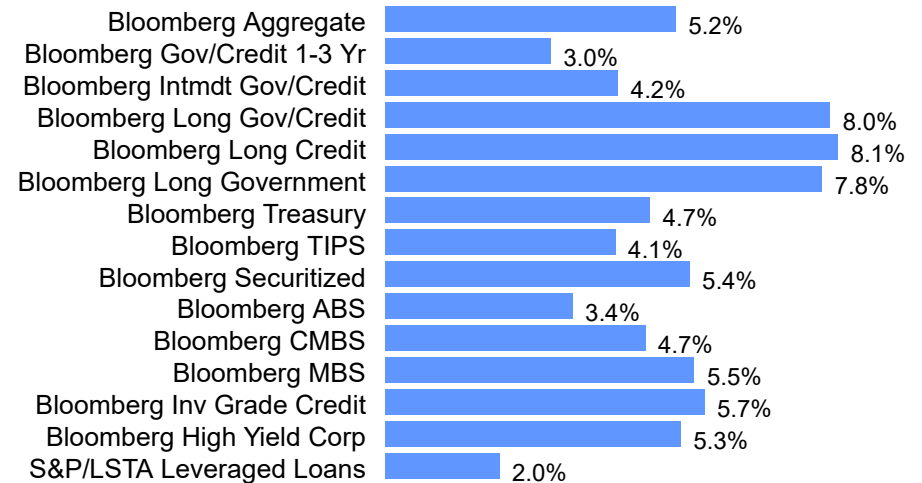
Performance and drivers

- Bloomberg US Aggregate Index gained 5.2%, the second-best quarter in nearly 30 years, led by the rally in rates.
- Investment grade corporates and all securitized sectors outperformed U.S. Treasuries on a duration-adjusted basis.
- High yield corporate excess returns (+1.7%) outpaced investment grade corporates excess returns (+0.8%).

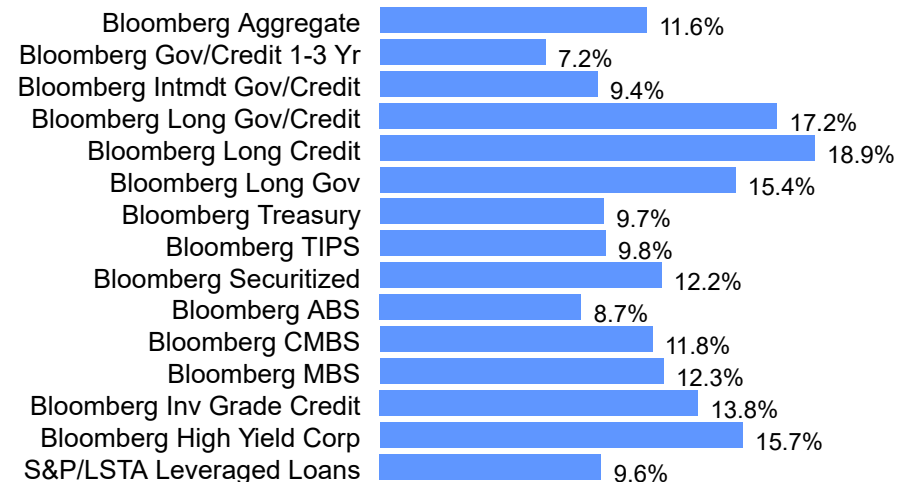
Valuations

- Despite significant widening in late July, both IG and HY spreads ended tighter over the quarter.
- HY defaults declined to 1.8%, while bank loans increased to 3.1%, widening the gap between them to the highest since 2014.
- New issuance continued to be strong, adding \$424 billion in IG and \$78 billion in HY debt.

U.S. Fixed Income Returns: Quarter Ended 9/30/24



U.S. Fixed Income Returns: One Year Ended 9/30/24



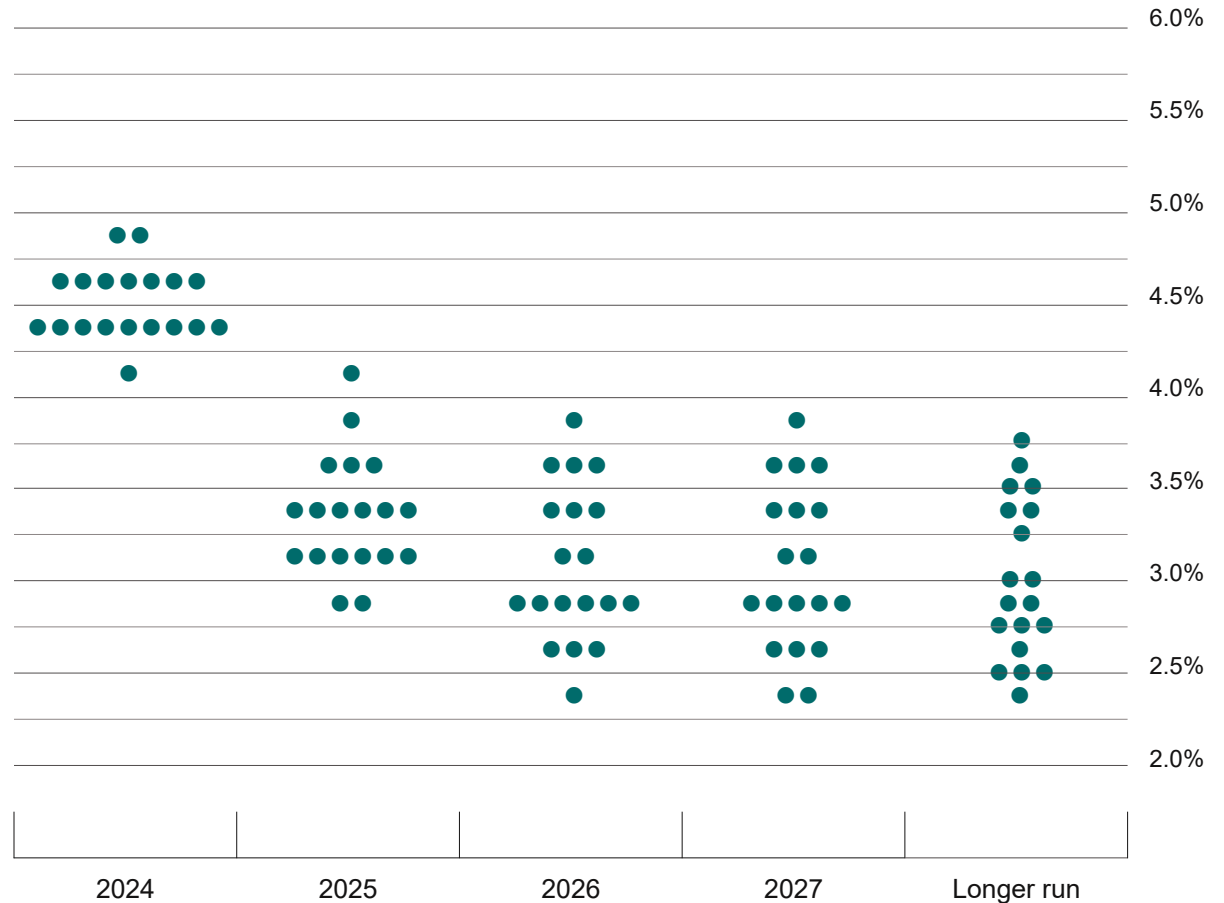
Sources: Bloomberg, Callan, J.P. Morgan, S&P Dow Jones Indices, SIFMA

The Fed's 'Dot Plot'

September 18, 2024

Federal Open Market Committee (FOMC) participants' assessments of appropriate monetary policy

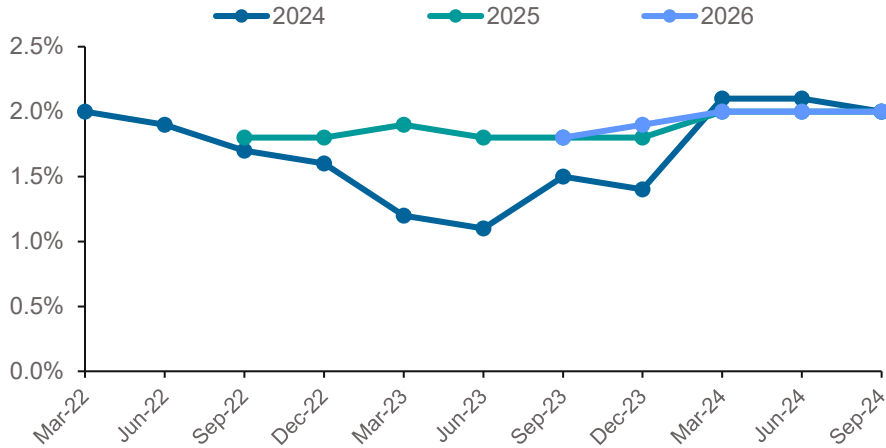
- Median year-end in 2024 = 4.4% (down from 5.1% projection at June meeting)
- “Longer run” up 10 basis points to 2.9%
- Dispersion of views widens in 2025 and beyond.
- Bias is toward higher rates in the longer run; lower bound is 2.4% but higher bound is 3.8%, with a median of 2.9%
- Market expects more cuts next year based on CME FedWatch as of September. Fed Funds expectations for end of 2024:
 - 80% probability of 4.25% to 4.5%, another 50 bps in rate cuts
 - Mid point of expectations for the end of 2025 is 3.25%-3.5%, implying another 100 bps in rate cuts after this year. The range of expectations for the end of 2025 is very wide, ranging from 2.5% to 4.25%



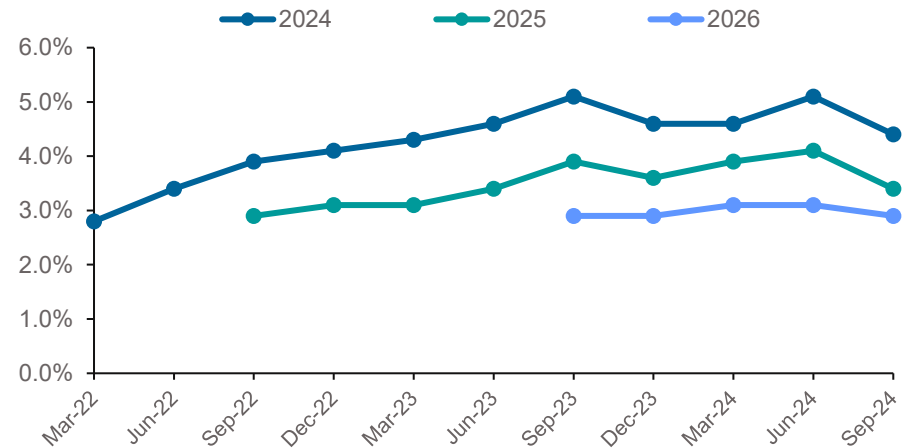
Source: Federal Reserve. FOMC participants do not always submit projections for all time periods.

The Shifting Mindset at the Fed

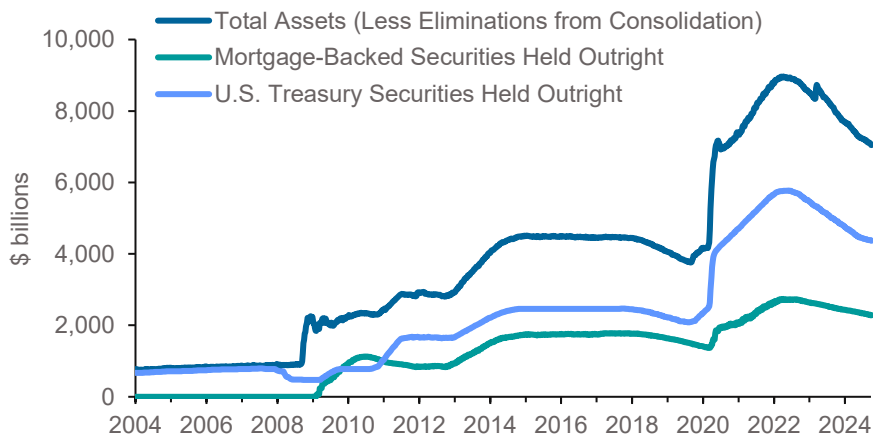
**Fed Projection of Change in Real GDP
By Fed Meeting Date and Projection Year**



**Fed Projection of Fed Funds Rate
By Fed Meeting Date and Projection Year**



Fed Balance Sheet



The big swing in the Fed's GDP projection reflects the surprising nature of economic resilience.

- The Fed steadily increased projections for the appropriate Fed Funds Rate in 2024 in response to this economic strength. Fed expects Fed Funds rate to drop to 3% in 2026
 - Inflation down from the spike in 2022 but still above the Fed's long-term 2% target
- The Fed is also unwinding its balance sheet.
 - This has a more direct impact on longer-term rates than the Fed Funds Rate and could help to slow economic activity if it causes rates to rise.

Sources: Federal Reserve, Financial Times

Global Fixed Income Performance: 3Q24

Rates fell while the U.S. dollar weakened

Macro environment

- Developed market rates declined as growth and inflation expectations moved lower.
- Several central banks, including the European Central Bank, Bank of China, and Bank of England, cut rates over the quarter while the Bank of Japan unexpectedly raised its target to 0.25%, its highest rate since 2008.

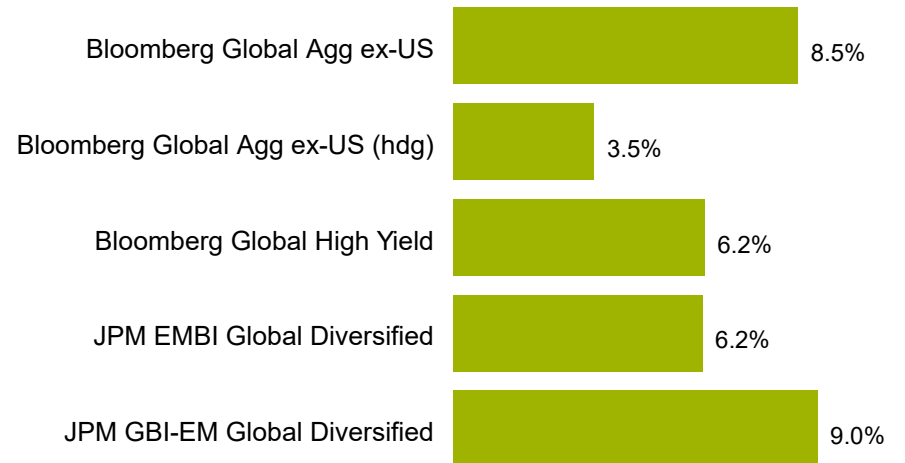
U.S. dollar weakens

- The U.S. dollar weakened relative to major currencies, reversing the trend from the first half of the year and enhancing returns for unhedged investors.
- Within the U.S. Dollar Index (DXY), Japanese yen saw the largest relative gain, rising 12% vs. the U.S dollar.

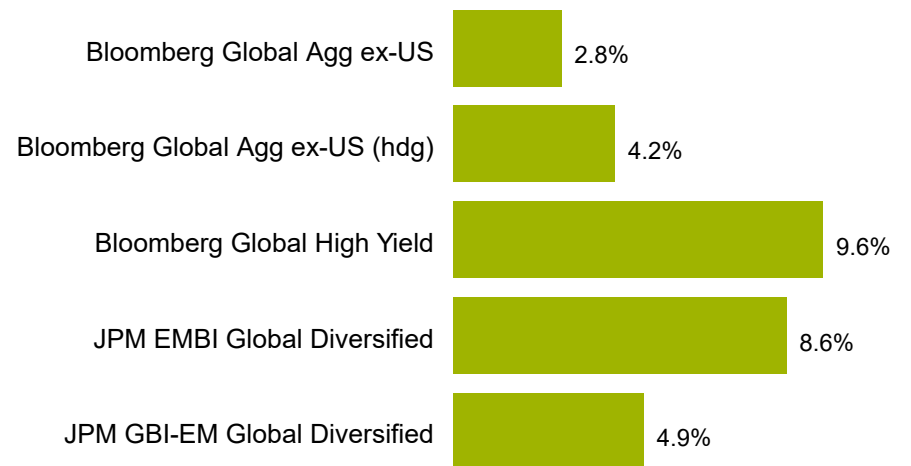
Emerging market debt posts strong quarter

- EM central banks broadly continued their easing policies, though Brazil raised its rate and signaled further hikes ahead.
- The rally in EM currencies further enhanced returns for EM debt, with the JPM GBI-EM Global Diversified Index gaining 9.0%.

Global Fixed Income Returns: Quarter Ended 9/30/24



Global Fixed Income Returns: One Year Ended 9/30/24

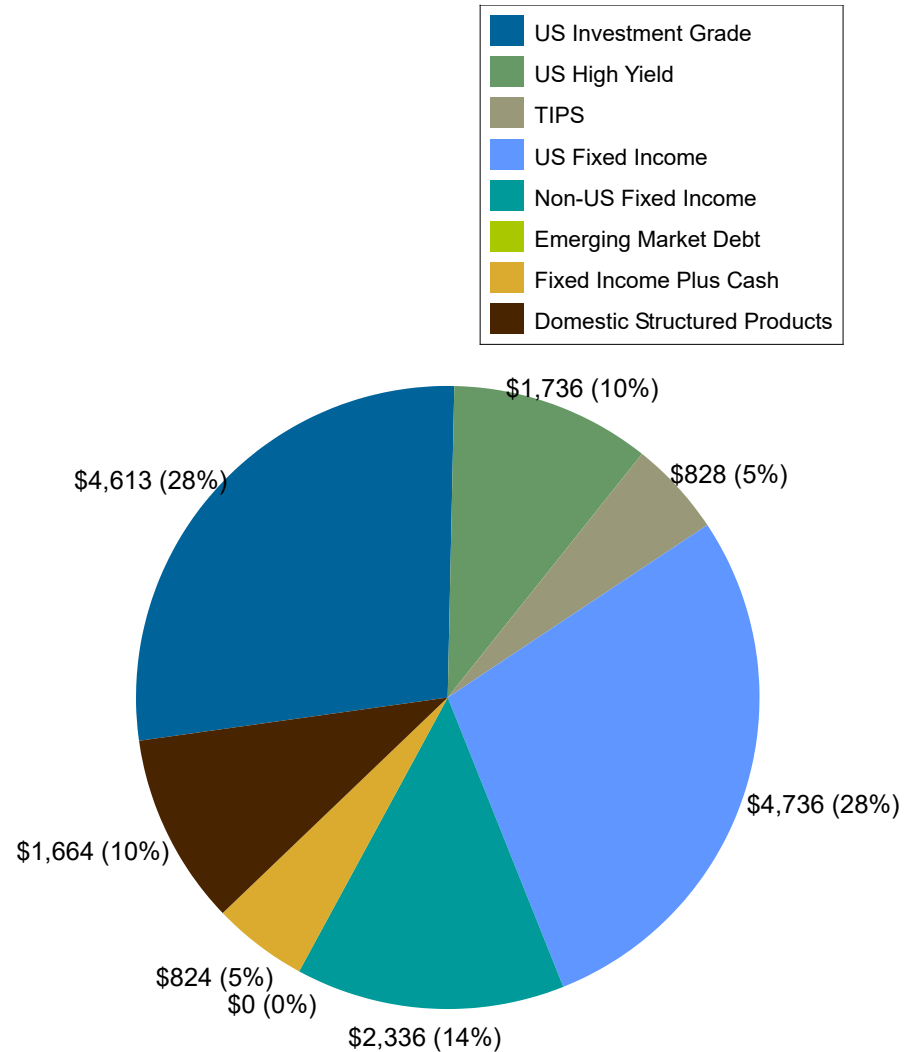


Sources: Bloomberg, JP Morgan, ICE Futures U.S.

APFC Fixed Income Structure

As of September 30, 2024

- The fixed income portfolio is now managed internally, including allocations within Fixed Income Plus Cash, US Fixed Income Aggregate, US Investment Grade Corporate, Non-US Fixed Income, Structured Products, Emerging Market Debt, US High Yield and TIPS.
- Small allocations to external managers in liquidation remain in Non-US Fixed Income, US High Yield and Emerging market Debt.

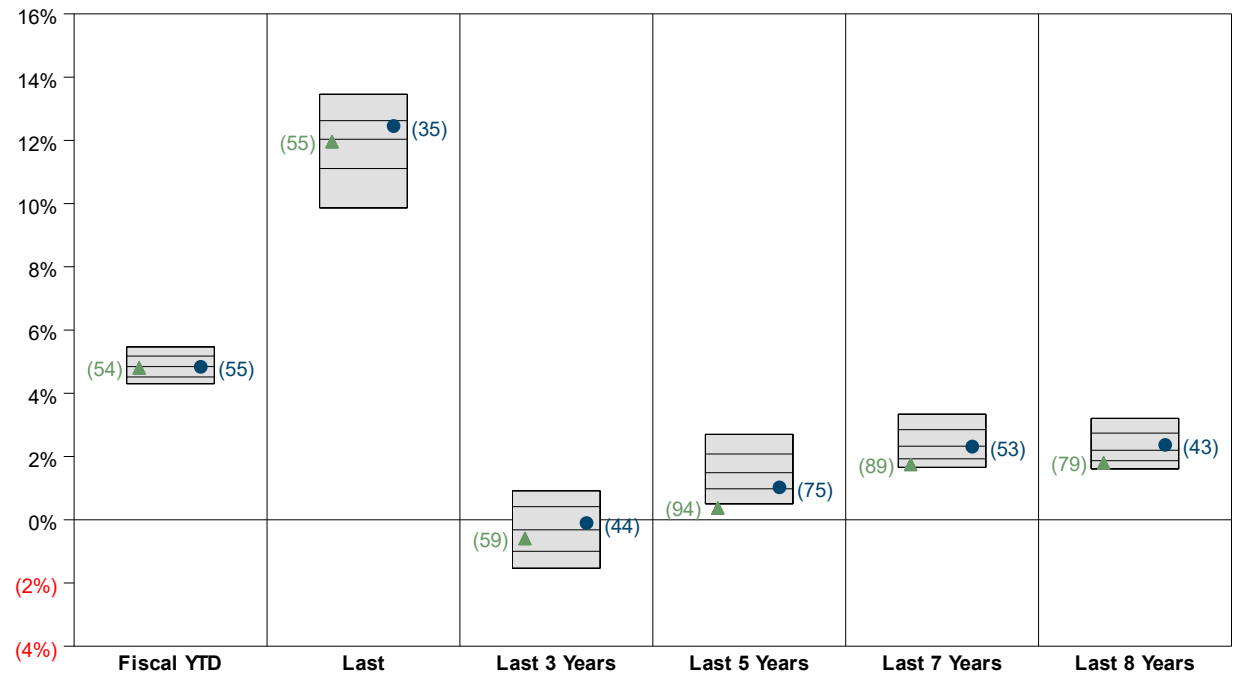


Fixed Income Relative to Public Fixed Income Funds

Periods Ended September 30, 2024

- The APFC Total Fixed Income portfolio outperformed its benchmark over the trailing year after finishing roughly in line for the quarter. The portfolio ranked above median for the year.
- The portfolio outperformed its benchmark over the 3-, 5-, and 7-year periods.
- As a reminder, Total Fixed Income included REITs and Listed Infrastructure until the end of Fiscal Year 2020.

Performance vs Public Fund - Domestic Fixed (Gross)



10th Percentile	5.47	13.46	0.91	2.70	3.34	3.21
25th Percentile	5.18	12.62	0.42	2.08	2.85	2.74
Median	4.84	12.04	(0.32)	1.49	2.33	2.20
75th Percentile	4.52	11.11	(1.00)	0.98	1.93	1.87
90th Percentile	4.30	9.86	(1.53)	0.50	1.66	1.61
Fixed Income ●	4.80	12.41	(0.14)	0.99	2.28	2.33
Fixed Income Benchmark ▲	4.81	11.96	(0.59)	0.38	1.75	1.80

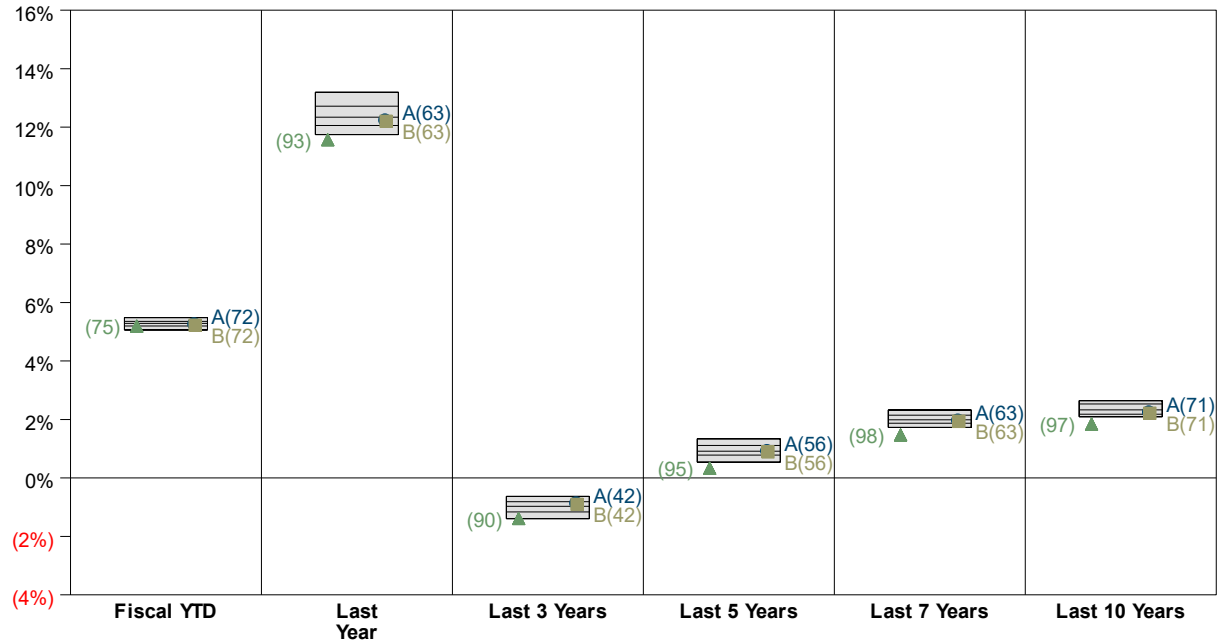
Fixed Income Benchmark components: 5% 90 Day T-Bills, 5% BB US TIPS, 25% BB US Agg, 25% BB US Corp Inv Grade TR, 10% GI Treas xUS Hdg, 2.5% JPM EMBI GI Div, 2.5% JPM GBI-EM GI Div, 10% BB US HY 2% Issuer, 10% S&P GI REIT & 5% S&P GI Listed Inf to 6/30/20, 5% 90 Day T-Bills, 5% BB US TIPS, 27.5% BB US Agg, 27.5% BB US Corp Inv Grade TR, 10% GI Treas xUS Hdg, 2.5% JPM EMBI GI Div, 2.5% JPM GBI-EM GI Div, 10% BB US HY 2% Issuer, and 10% BB US Sec Idx to 6/30/22, and 5% 90 T-Bills, 27.5% BB US Corp Inv Gr TR, 15% GI Treas xUS Hdgd, 27.5% BB US Agg, 10% BB HY Corp Ba, 5% BB US TIPS, and 10% BB US Securitized Idx thereafter.

US Fixed Income Aggregate Relative to Core Bond Funds

Periods Ended September 30, 2024

- APFC US Fixed Income Aggregate portfolio outperformed its benchmark in the quarter and all other standard periods.
- Peer ranks were below median for the quarter and trailing year.
- As a reminder, this strategy is far more benchmark-aware than the typical active manager in the Callan Core Bond peer group.

Performance vs Callan Core Bond Fixed Income (Gross)



10th Percentile	5.48	13.20	(0.63)	1.34	2.32	2.64	
25th Percentile	5.36	12.72	(0.81)	1.11	2.14	2.53	
Median	5.29	12.34	(0.97)	0.91	1.99	2.33	
75th Percentile	5.20	12.06	(1.16)	0.78	1.87	2.18	
90th Percentile	5.06	11.74	(1.39)	0.54	1.73	2.09	
US Fixed Income Aggregate	● A	5.23	12.20	(0.90)	0.89	1.94	2.22
US Fixed Income Agg (net)	■ B	5.23	12.20	(0.90)	0.89	1.94	2.22
Blmbg:Aggregate	▲	5.20	11.57	(1.39)	0.33	1.47	1.84

US Investment Grade Corp Relative to Investment Grade Funds

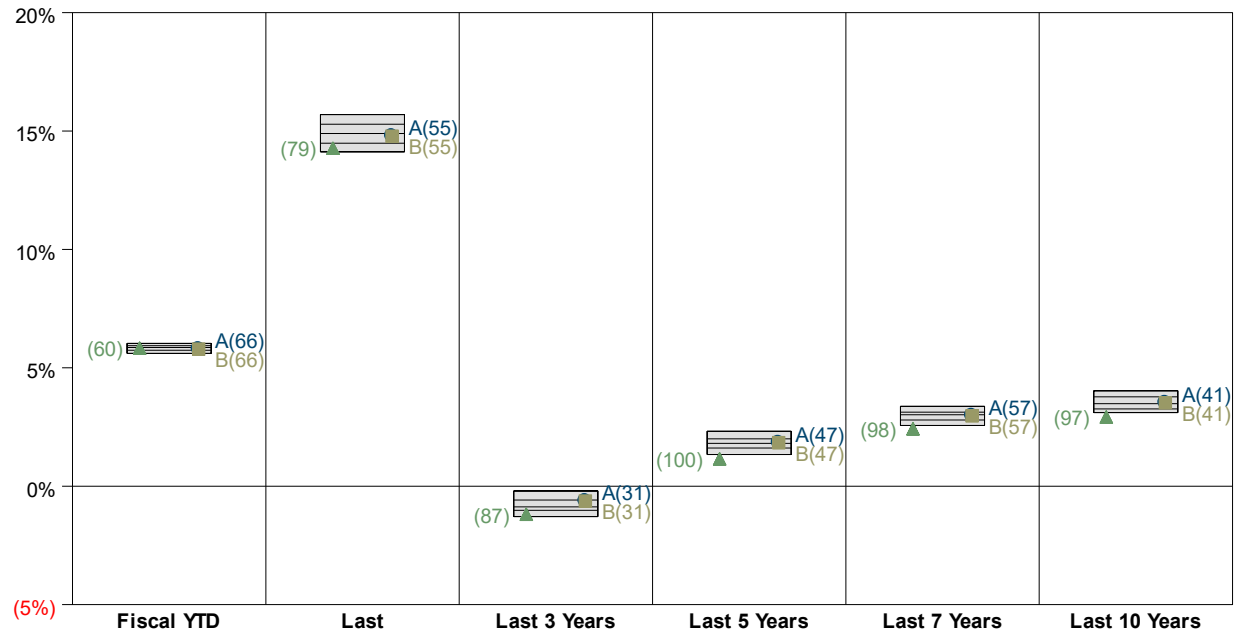
Periods Ended September 30, 2024

- APFC US Investment Grade Performance vs Callan Investment Grade Credit Fixed Inc (Gross)

Corporate portfolio ended modestly behind its benchmark for the quarter but ahead over the trailing year.

- The Investment Grade Corporate composite outperformed its benchmark over all other periods.

- Peer group ranks ended above the median except for the trailing quarter, year, and 7-year time periods.



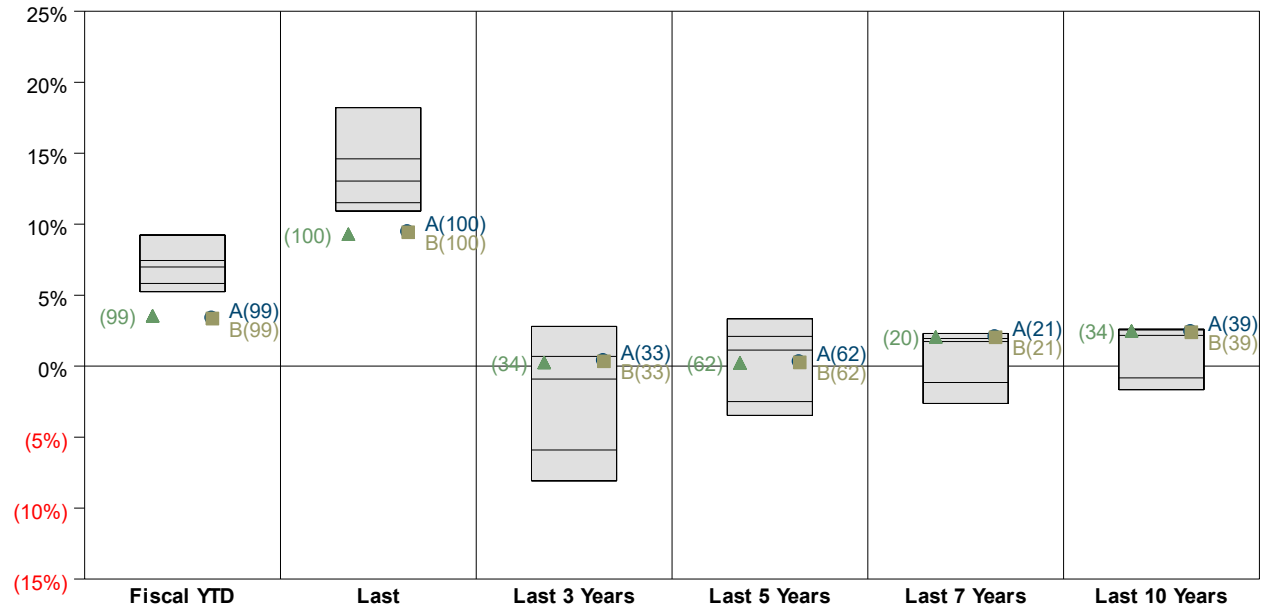
	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	6.03	15.70	(0.20)	2.32	3.38	4.03
25th Percentile	5.93	15.29	(0.58)	2.00	3.13	3.78
Median	5.86	14.90	(0.87)	1.81	3.02	3.49
75th Percentile	5.75	14.49	(1.02)	1.62	2.80	3.27
90th Percentile	5.61	14.12	(1.28)	1.34	2.56	3.11
US Investment Grade Corporate	● A 5.79	14.78	(0.62)	1.84	2.98	3.52
US Investment Grade Corporate	■ B 5.79	14.78	(0.62)	1.84	2.98	3.52
Blmbg Corporate	▲ 5.84	14.28	(1.18)	1.16	2.43	2.93

Non-U.S. Fixed Income Relative to International Fixed Income Funds

Periods Ended September 30, 2024

Performance vs Public Fund - International Fixed (Gross)

- The APFC Non-U.S. Fixed Income portfolio trailed its benchmark in the quarter but outperformed over the trailing year.
- Compared to peers, the portfolio ranked above median over longer time periods.



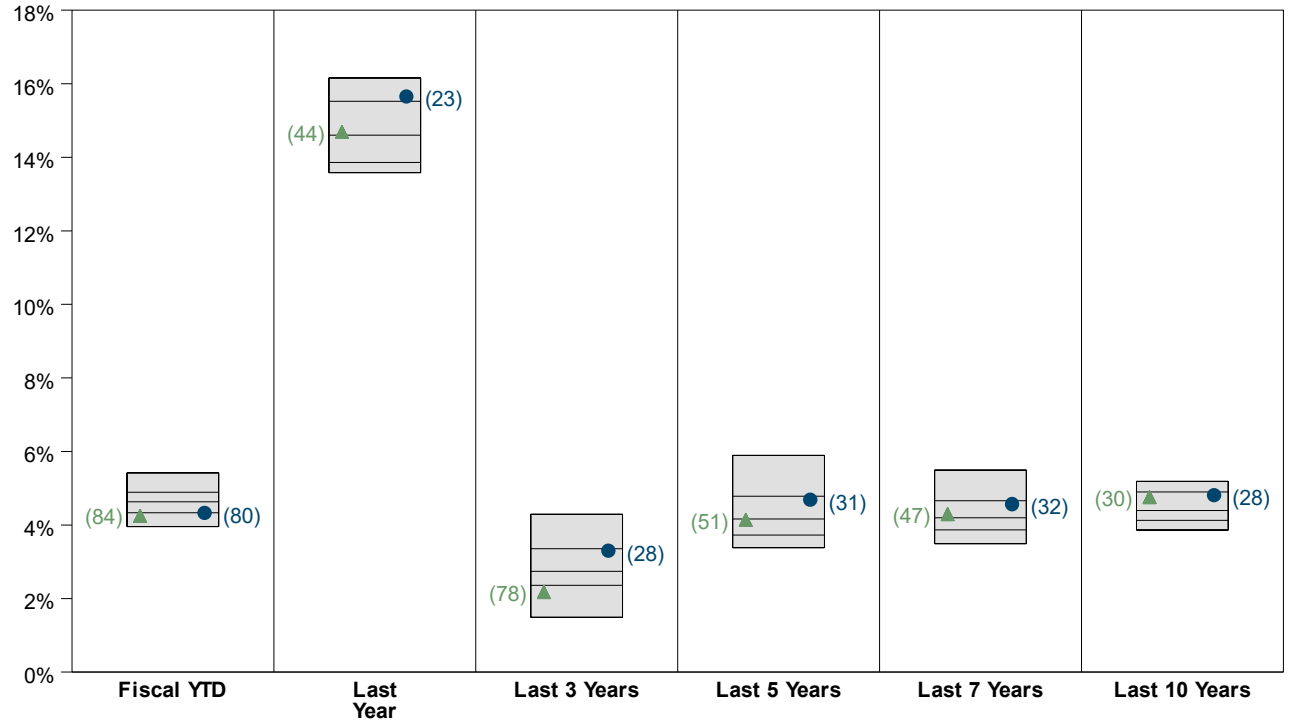
	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	9.24	18.22	2.80	3.34	2.30	2.61
25th Percentile	7.45	14.60	0.69	2.10	1.95	2.54
Median	6.99	13.05	(0.91)	1.13	1.74	2.17
75th Percentile	5.83	11.52	(5.91)	(2.49)	(1.15)	(0.83)
90th Percentile	5.25	10.92	(8.09)	(3.47)	(2.63)	(1.65)
Non US Fixed Income ● A	3.36	9.44	0.35	0.28	2.04	2.40
Non US Fixed Income (net) ■ B	3.36	9.44	0.35	0.27	2.03	2.39
Bimbg Global Treasury ex-US ▲	3.55	9.30	0.26	0.24	2.06	2.49

US High Yield Relative to High Yield Funds

Periods Ended September 30, 2024

- APFC Global High Yield portfolio bested the benchmark in the quarter and over the trailing year.
- The portfolio ranked above median over intermediate and longer time periods.

Performance vs Callan High Yield (Institutional Net)



10th Percentile	5.42	16.16	4.29	5.89	5.49	5.19
25th Percentile	4.89	15.52	3.36	4.78	4.66	4.90
Median	4.63	14.60	2.74	4.16	4.20	4.40
75th Percentile	4.33	13.86	2.36	3.73	3.87	4.13
90th Percentile	3.96	13.58	1.49	3.38	3.49	3.86
US High Yield ●	4.30	15.62	3.27	4.66	4.53	4.78
US High Yield Benchmark ▲	4.25	14.69	2.18	4.14	4.30	4.76

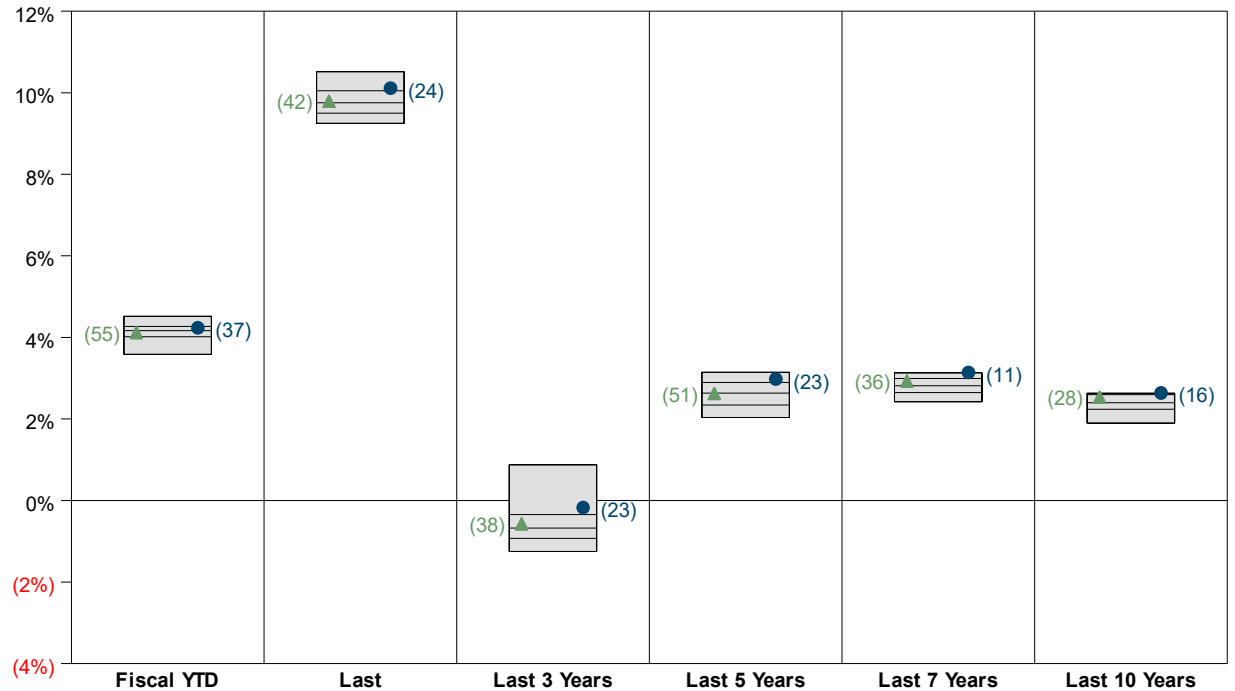
US High Yield Benchmark components: BB US High Yield 2% Issuer Cap through 6/30/22, then BB US BB HY thereafter

TIPS Relative to Callan's Inflation Linked Bonds database

Periods Ended September 30, 2024

- APFC TIPS portfolio finished modestly ahead of its benchmark for the quarter and over the trailing year.
- The TIPS composite ranked above median relative to peers for the quarter and top quartile over the trailing year.
- The TIPS allocation includes an In-House TIPS portfolio; APCM was completely liquidated in Q4 2021.

Performance vs Callan TIPS (Institutional Net)



	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	4.52	10.52	0.88	3.14	3.13	2.63
25th Percentile	4.27	10.05	(0.35)	2.89	2.99	2.60
Median	4.17	9.75	(0.68)	2.63	2.81	2.40
75th Percentile	4.02	9.50	(0.93)	2.34	2.65	2.24
90th Percentile	3.58	9.25	(1.25)	2.04	2.42	1.90
TIPS ●	4.21	10.08	(0.20)	2.95	3.11	2.61
Blmbq TIPS ▲	4.12	9.79	(0.57)	2.62	2.93	2.54

Domestic Structured Product to Callan's Core Bond database

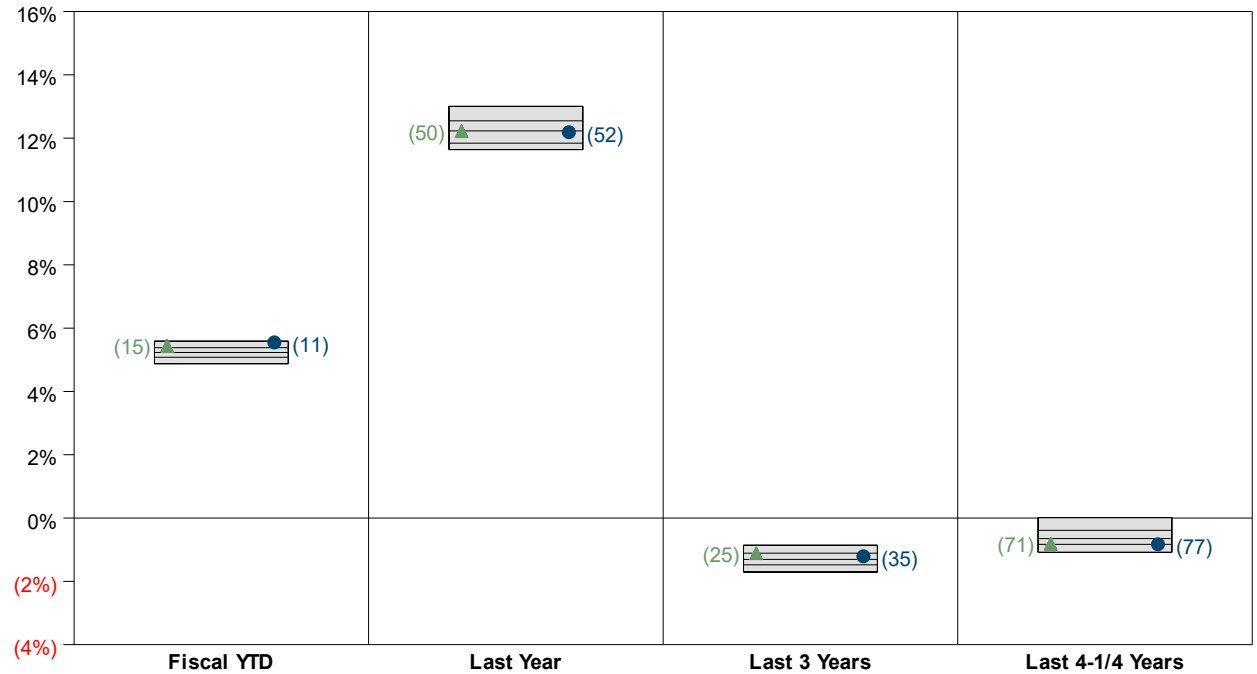
Periods Ended September 30, 2024

- The Domestic Structured **Performance vs Callan Core Bond (Institutional Net)**

Product portfolio was funded at the end of the second quarter of 2020.

- The portfolio finished roughly in line with its benchmark for the quarter and trailing year.

- The portfolio ranked in the top quartile of the Core Bond Fixed Income peer group for the quarter and around median for the trailing year.



	Fiscal YTD	Last Year	Last 3 Years	Last 4-1/4 Years
10th Percentile	5.59	13.00	(0.86)	0.02
25th Percentile	5.38	12.55	(1.11)	(0.39)
Median	5.23	12.23	(1.30)	(0.65)
75th Percentile	5.08	11.85	(1.48)	(0.83)
90th Percentile	4.87	11.64	(1.70)	(1.08)
Domestic Structured Products ●	5.52	12.16	(1.24)	(0.86)
BB US Securitized ▲	5.44	12.22	(1.11)	(0.81)

U.S. Private Real Estate Performance: 3Q24

Sector appreciation turns positive, outside of office

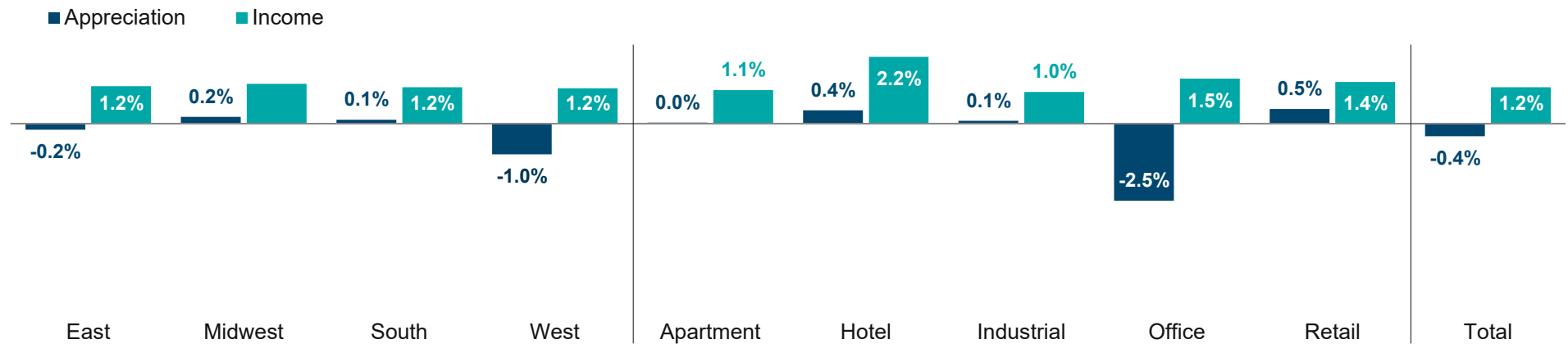
Valuations reflect higher interest rates

- After eight consecutive quarters of negative returns, valuations have adjusted to reflect higher borrowing costs.
- Income returns were positive across sectors and regions.
- All property sectors experienced flat or positive appreciation, except for Office.
- Return dispersion by manager within the ODCE Index was due to the composition of underlying portfolios.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NCREIF ODCE	0.0%	-8.0%	-1.0%	2.1%	5.2%
Income	0.8%	3.2%	2.8%	2.9%	3.2%
Appreciation	-0.8%	-10.9%	-3.8%	-0.9%	1.9%
NCREIF Property Index	0.8%	-3.5%	0.9%	3.3%	5.9%
Income	1.2%	4.7%	4.3%	4.3%	4.5%
Appreciation	-0.4%	-7.9%	-3.3%	-1.0%	1.3%

Returns are geometrically linked

NCREIF Property Index Quarterly Returns by Region and Property Type

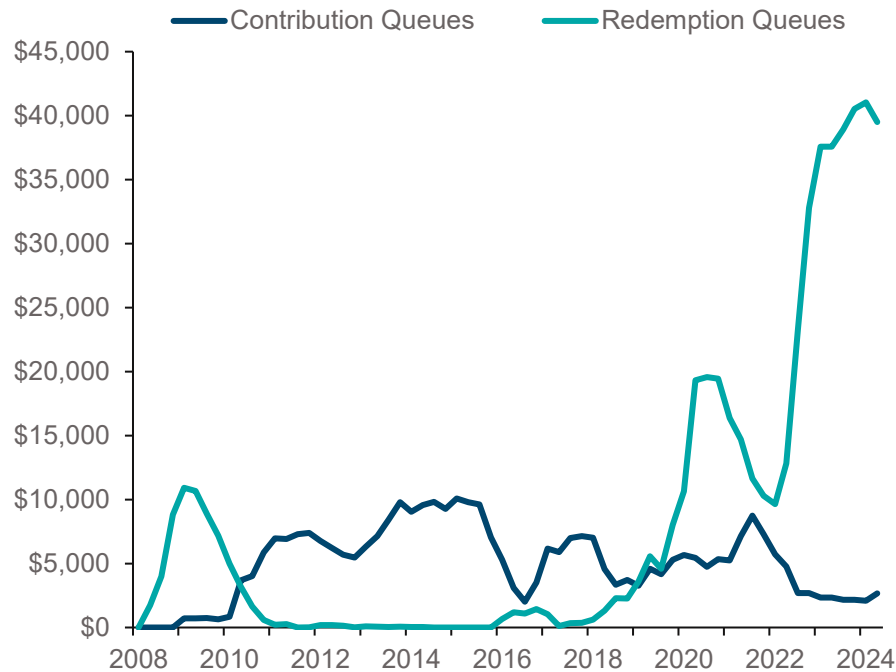


Source: NCREIF; ODCE return is net

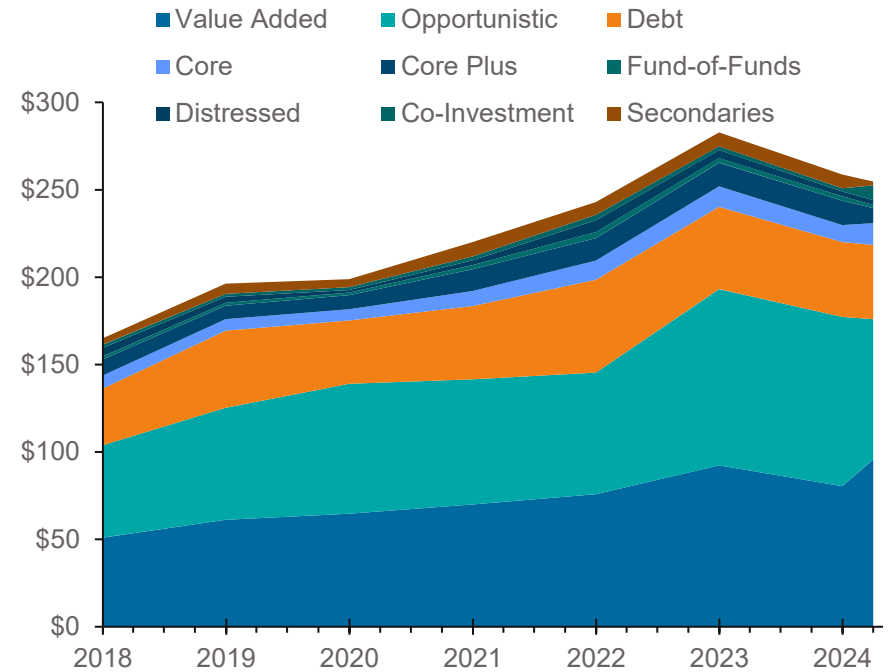
U.S. Private Real Estate Market Trends

Over \$250 billion of dry powder

Core Fund Contribution/Redemption Queues (\$mm)^



Dry Powder for CRE Investment in North America (\$bn)



- ODCE redemption queues are approximately 18.9% of net asset value, with a median queue of 15.0%. This compares to the GFC when queues peaked at approximately 15% of net asset value (NAV).
- Outstanding redemption requests for most large ODCE funds are approximately 6% to 33% of NAV (one outlier at 56%).
- For a large proportion of funds, these redemptions are partial redemptions, due to portfolio rebalancing and liquidity needs. For a smaller underperforming subset, redemption requests are full redemptions indicative of manager termination.
- Interest in real estate remains with over \$250 billion of dry powder on the sideline. Stability and certainty in interest rates and values are needed before capital is deployed into the market.

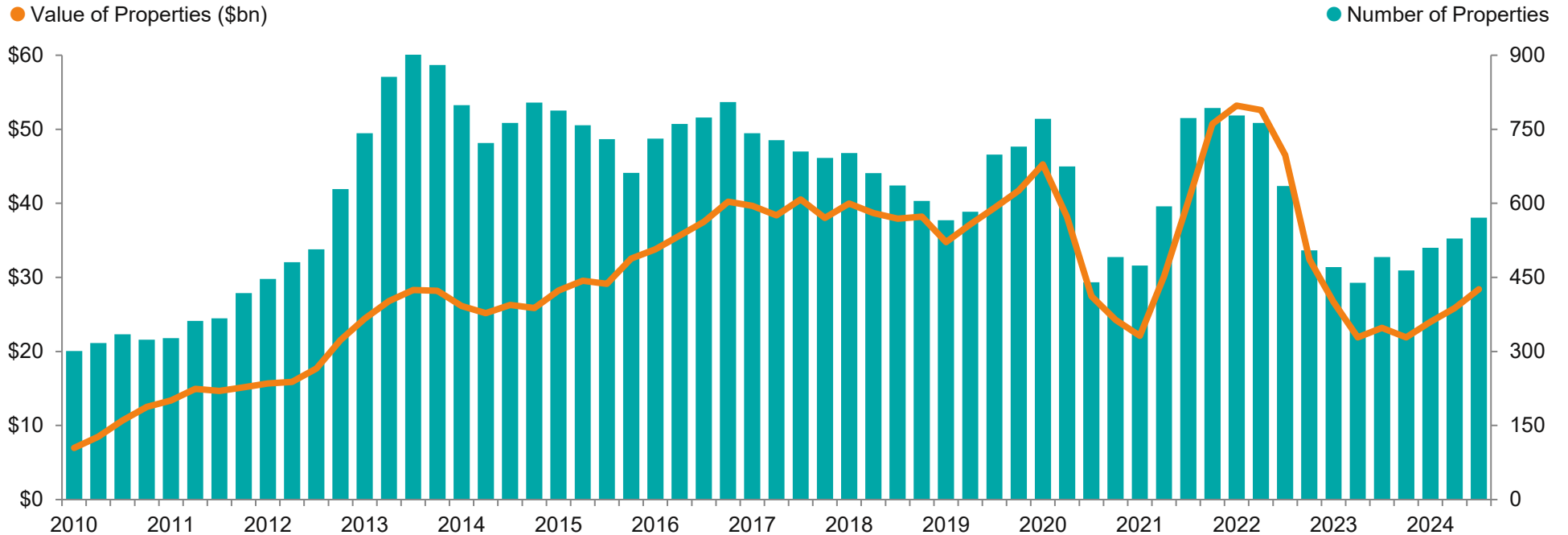
Sources: AEW, NCREIF, Preqin

^ Queue data as of 2Q24, the latest available at time of publication

U.S. Private Real Estate Market Trends

Pricing and transaction volumes are increasing after bottoming

NCREIF Property Index Rolling 4-Quarter Transaction Totals

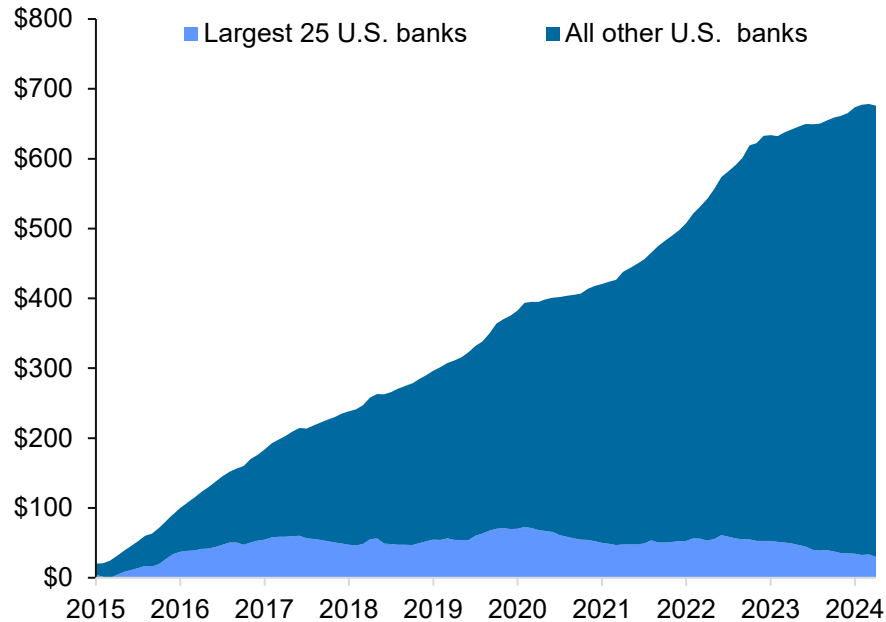


- Transaction volume is increasing on a rolling four-quarter basis yet remains below five-year averages.
- In 3Q24, transaction volume increased slightly on a quarter-over-quarter basis. Transaction volume remains significantly lower compared to 2022.
- The volatile rise in interest rates is the driving force behind the slowdown in transactions. Increasing transactions are driven by increasing confidence in multi-family and industrial values. Valuations have largely adjusted to increased borrowing costs.

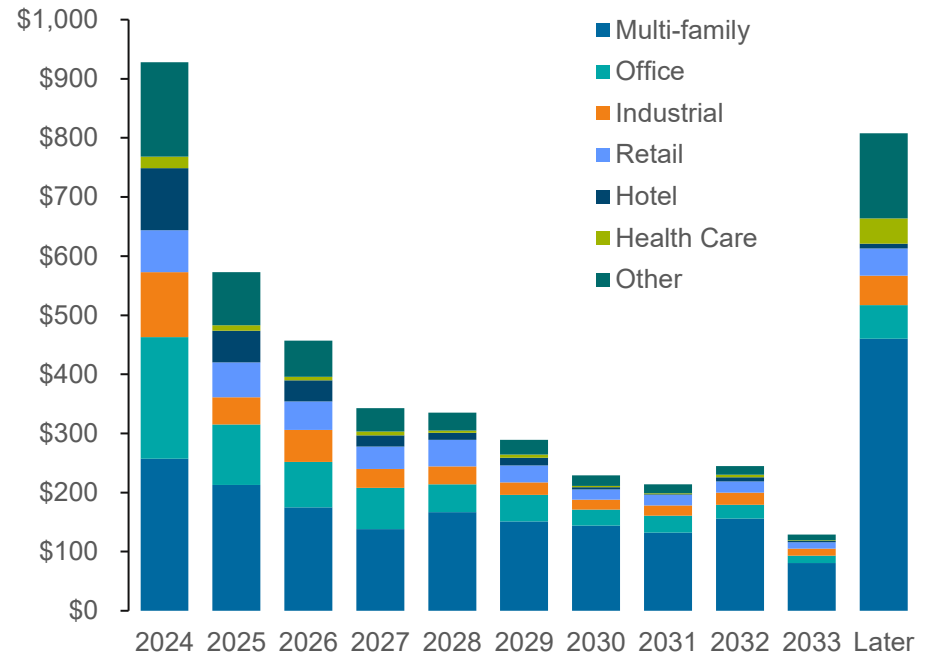
Source: NCREIF

Real Estate Capital Markets

Cumulative Increase in Bank Commercial Real Estate Loan Book (excluding Mutual Funds) \$bn



Loan Maturities by Sector (\$bn)



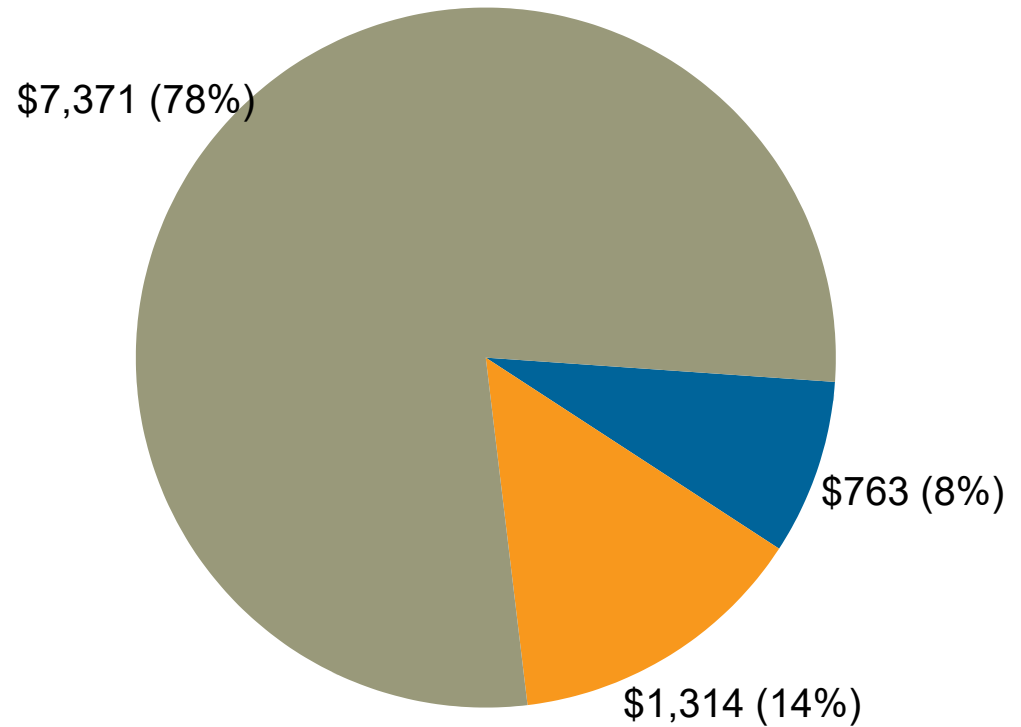
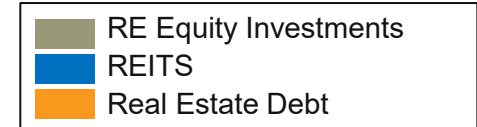
- Smaller and regional banks represent a large and growing share of commercial real estate lending. Additional sources of lending are needed, and debt investment opportunities appear increasingly attractive.
- A sizeable pool of loans maturing in 2024 and 2025, particularly office loans, will put further pressure on lending markets.

Sources: FDIC, JP Morgan Asset Management, MBA, Moody's

APFC Real Estate Structure (1Q LAG)

As of June 30, 2024

- The real estate portfolio is comprised of Real Estate Equity Investments, REITS, and Real Estate Debt Investments.
- Real Estate Debt Funds moved from Real Estate Separate Accounts and Direct Investments, and REITS from Fixed Income Plus.

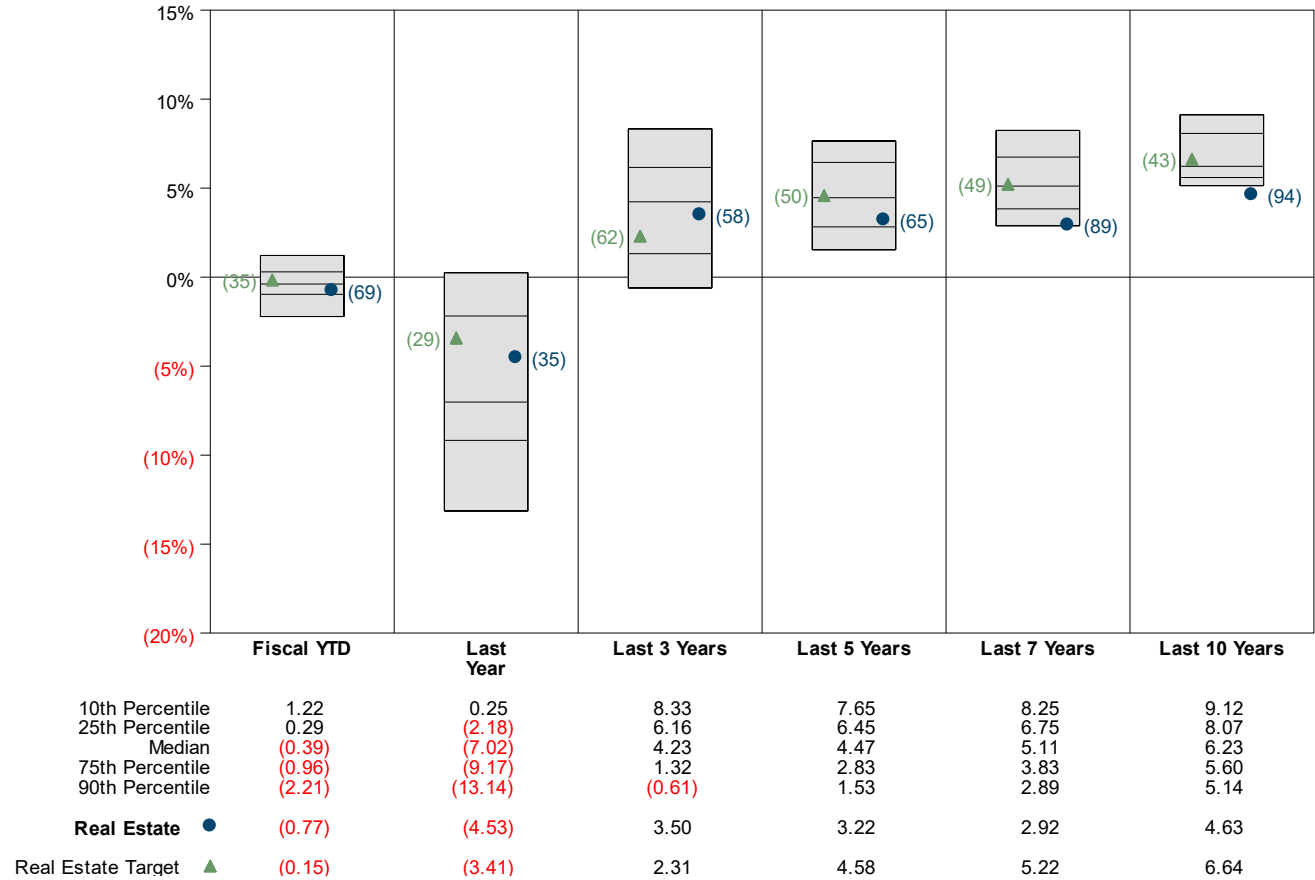


Real Estate Relative to Callan's Total Real Estate Database (1Q LAG)

Periods Ended June 30, 2024

- APFC Real Estate portfolio performance is shown net of fees for all investments.
- The real estate portfolio missed its benchmark for the quarter and trailing year.
- The portfolio ranked below median in the Real Estate peer group for the quarter and but above median over the trailing year.

Performance vs Public Fund - Real Estate (Gross)



Real Estate Target components: Real Estate Custom: NCREIF Total Index through 6/30/20, then 85% NCREIF Total Index and 15% MSCI US REIT thereafter

Real Estate Performance (1Q LAG)

Periods Ended June 30, 2024

	Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
RE Equity Investments	-1.20	-6.93	3.70	--	--
RE EQ Separate Accts & Direct	-1.81	-9.29	1.59	-0.38	2.79
RE EQ Funds & Co-Invest	0.98	-1.12	9.23	10.78	--
RE EQ Development	-3.13	-6.22	--	--	--
RE Debt Investments	1.52	9.14	10.47	11.42	--
RE Debt Separate Accounts	1.45	9.32	10.15	9.12	--
RE Debt Funds & Co-Invests	2.28	8.29	10.49	--	--
<i>NCREIF Monthly</i>	-0.26	-5.53	2.33	3.39	6.07
REITS	0.73	6.39	1.12	--	--
<i>MSCI:US REIT Index</i>	0.08	7.60	0.20	3.89	5.83
Real Estate Composite	-0.77	-4.53	3.50	3.22	4.63
<i>Real Estate Target</i>	-0.15	-3.41	2.31	4.58	6.64

- In the quarter, APFC's Real Estate Debt and REIT portfolios outperformed their respective benchmarks, while the Real Estate Equity portfolio lagged. Over the trailing year, all only Real Estate Debt outperformed its respective benchmarks.
- Overall, the Real Estate Composite missed its custom benchmark over the quarter and the trailing year.

Private Credit Fundraising Landscape

Activity by dollars picked up in 2Q24

Number of funds closed in 2Q24 was the lowest we've seen in years; however, aggregate capital raised is in line with the last few years and outpaced historical quarters.

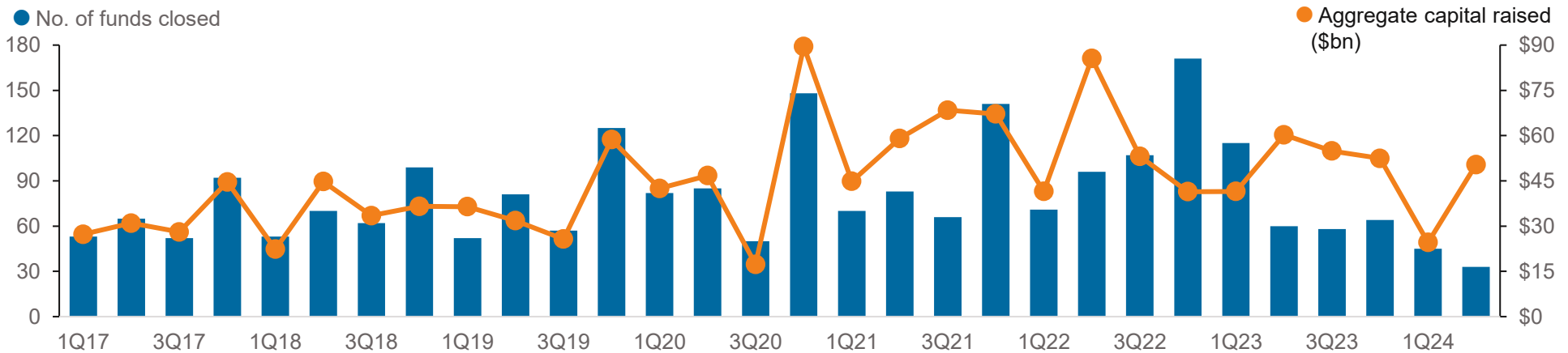
While direct lending continues to dominate fundraises, we are noticing increased interest in specialty finance strategies for more mature PC portfolios.

Private credit stayed in high demand among Callan clients, and a number of large DB plans are looking to increase their allocations from 2%–3% to 5%–10%.

Largest Funds Holding Closes in 2Q24

Name	Amount (\$millions)	Strategy
West Street Loan Partners V	13,100	Direct Lending - Senior Debt
HPS Specialty Loan Fund VI	10,400	Direct Lending - Senior Debt
CAPZA 6 Private Debt	2,702	Direct Lending - Unitranche Debt
Blue Torch Credit Opportunities Fund III	2,332	Direct Lending

Quarterly Private Credit Fundraising

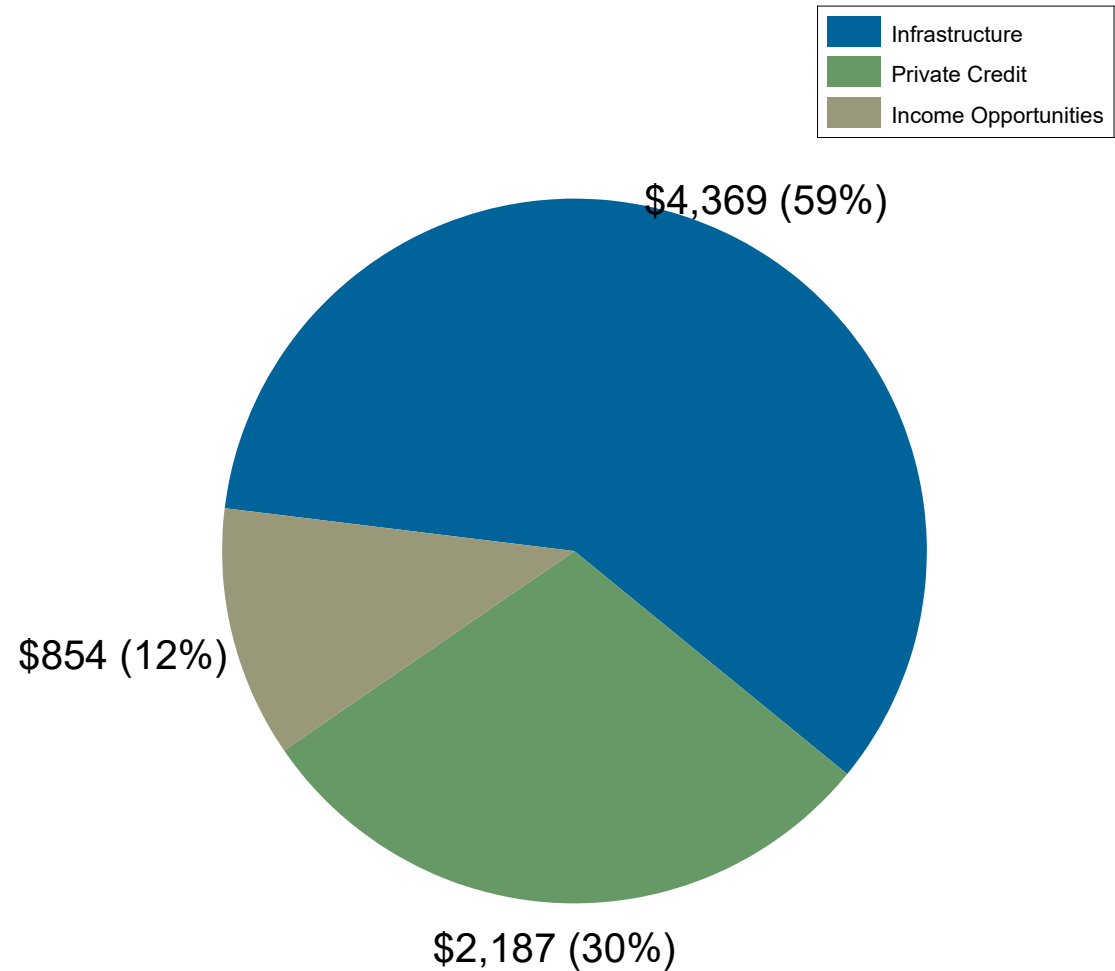


Source: Preqin

APFC Private Income Structure (1Q LAG)

As of June 30, 2024

- 59% of the structure is invested in infrastructure funds, which includes a diversified portfolio of infrastructure, energy, and generation assets. Listed Infrastructure makes up just 7.1% of this allocation.
- 30% of the structure was invested in private credit mandates including mezzanine debt, opportunistic credit, and direct lending strategies.
- 12% of the structure was invested in income opportunities including structured credit, alternative credit, AH4R2, APFC ADAC and timber.



Private Income Performance (1Q LAG)

Periods Ended June 30, 2024

	Quarter	Last Year	Last 3 Years	Last 5 Years
Private Income	1.79	7.51	7.61	8.99
Private Income Custom	1.84	9.58	9.79	8.24
Infrastructure	1.37	7.24	10.08	10.68
Cambridge Global Pvt Infrastructure	1.32	7.80	9.69	7.61
Private Credit	2.66	8.21	7.71	8.55
Cliffwater Direct Lending TR	2.63	12.29	9.92	9.14
Income Opportunities	1.73	7.05	1.74	5.61
Private Income Custom	1.84	9.58	9.79	8.24

- APFC's Private Income composite finished roughly inline with its benchmark (60% Cambridge Global Private Infra and 40% Cliffwater Direct Lending TR) for the quarter but underperformed over the trailing year.
- Private Income sub-strategies, Private Credit, and Income Opportunities performed roughly in line with their respective benchmarks over the quarter, while Infrastructure outperformed. Private Credit, Income Opportunities, and Infrastructure underperformed their respective benchmarks over the trailing year.

Private Income Custom Benchmark components: 60% FTSE Dev Core Infr and 40% BB US Corp HY 2% to 6/30/20, 60% Cambridge Global Pri Inf and 40% Cambridge Pri Cdt

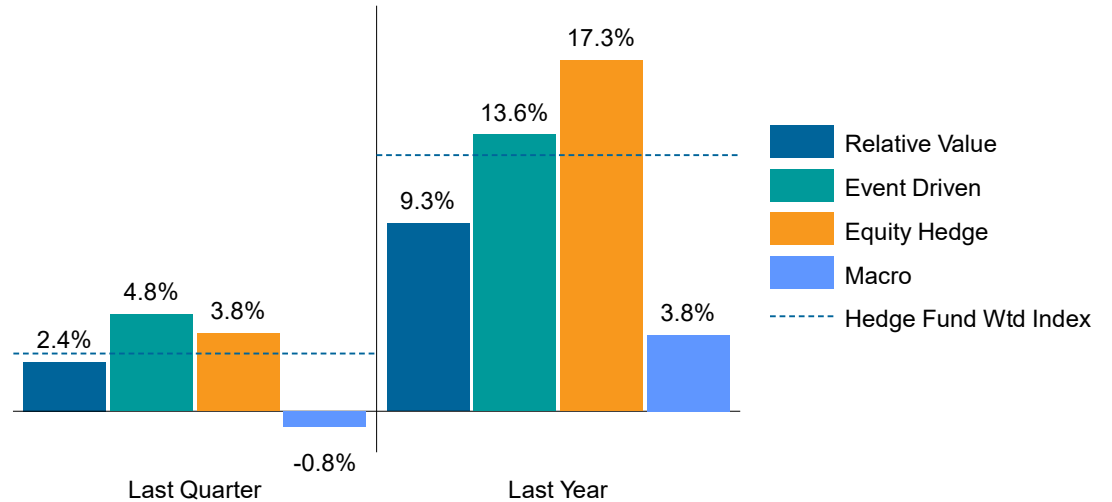
Hedge Fund Performance: 3Q24

Broad indices rallied as the Fed lowered interest rates

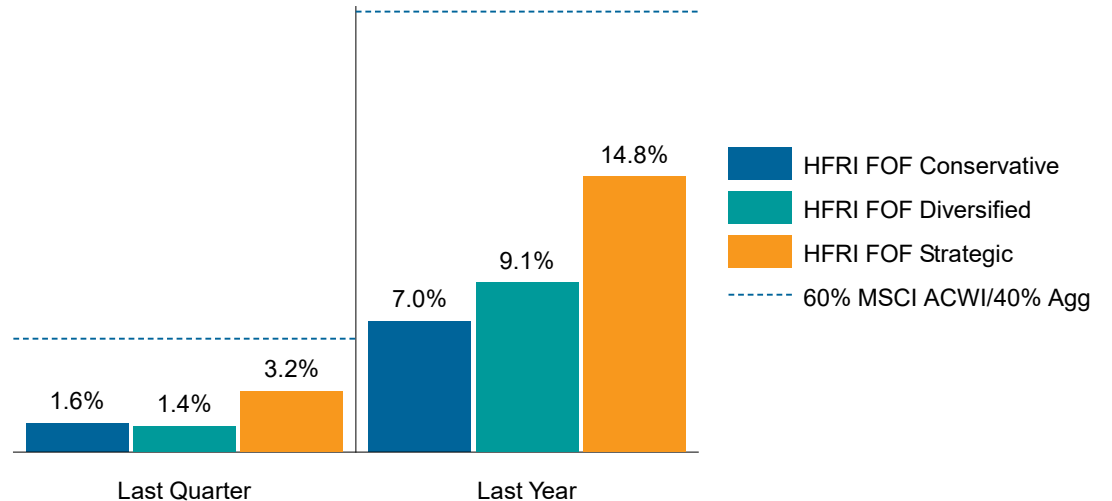
Hedge funds lag equity indices

- Event-driven strategies soared during the quarter, as the Fed lowered interest rates with some positioning for more M&A going into year-end.
- Equity hedge strategies continued their strong performance, as managers were able to profit on the rate cut during the quarter.
- Relative value strategies had a strong quarter, as managers were able to profit off the interest rate cut and are positioned for additional cuts through year-end.
- Macro strategies ended 3Q24 lower, but managers were able to profit during September off the rate cut.

HFRI Strategy Index Returns vs. Broad Hedge Fund Universe as of 9/30/24



HFRI Fund-of-Funds Returns vs. 60% Stock/40% Bond Mix as of 9/30/24



FOFs continued to march higher

- FOFs with more exposure to equity and event-driven managers outperformed those with more exposure to macro strategies.
- Those FOFs with less diversification and more equity beta saw higher performance during the quarter.

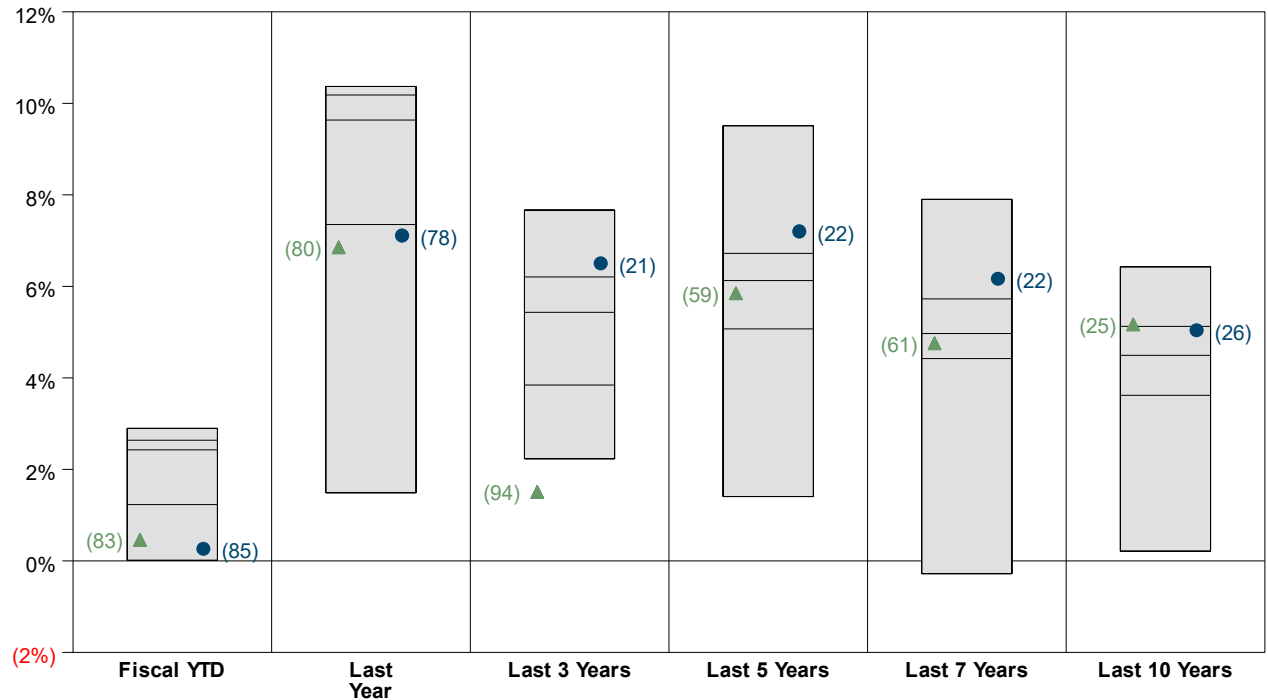
Source: Hedge Fund Research

Absolute Return Portfolio Relative to HFOF Universe

Periods Ended September 30, 2024

Performance vs Callan Absolute Rtn Hedge Fund of Funds (Net)

- The Absolute Return portfolio narrowly missed its benchmark in the quarter but outperformed over the trailing year.
- Over longer time periods the Absolute Return portfolio ranked around the top quartile relative to its peer group.



	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	2.90	10.37	7.67	9.51	7.90	6.43
25th Percentile	2.64	10.18	6.21	6.72	5.73	5.13
Median	2.43	9.63	5.43	6.13	4.97	4.49
75th Percentile	1.23	7.35	3.85	5.07	4.42	3.62
90th Percentile	0.01	1.49	2.23	1.41	(0.28)	0.21
Absolute Return ●	0.24	7.08	6.48	7.17	6.14	5.02
Absolute Return Benchmark ▲	0.46	6.85	1.51	5.85	4.76	5.17

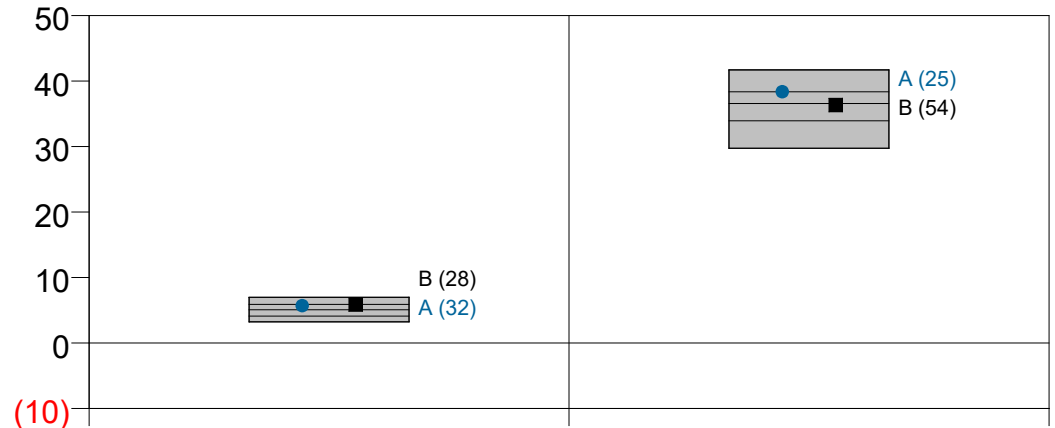
Absolute Return Benchmark components: LIBOR + 4% to 6/30/13, LIBOR + 6% to 6/30/15, LIBOR + 5% to 9/30/16, HFRI Total HFOF Universe to 6/30/22, and 50% HFRI EH Equity Market Neutral and 50% HFRI Macro thereafter

Tactical Opportunities Relative to S&P 500 Index

Periods Ended September 30, 2024

- The Tactical Opportunities portfolio is managed internally to complement the bottom-up stock selection strategies employed by external managers and achieve excess returns from top-down selection decisions emphasizing sectors/industries, countries/regions, and style factors.
- The Tactical Opportunities portfolio underperformed the benchmark but finished above median in the quarter. Over the trailing year, the segment outperformed the benchmark and finished in the top quartile relative to peers.

Performance vs Callan Large Cap Core (Gross)



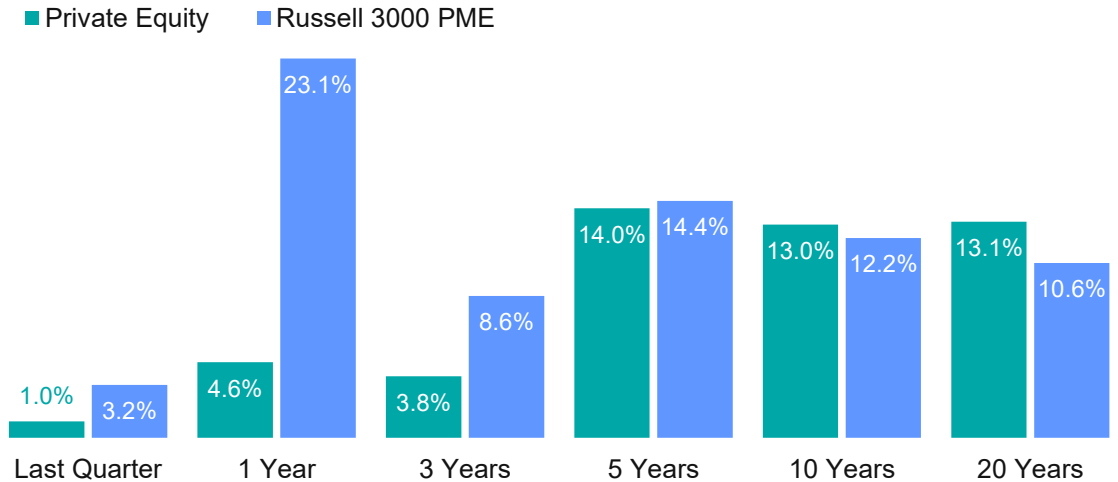
	Last Quarter	Last Year
10th Percentile	7.00	41.72
25th Percentile	5.91	38.38
Median	5.09	36.59
75th Percentile	4.11	33.95
90th Percentile	3.24	29.75
Member Count	36	36
Tactical Opportunities ● A	5.70	38.36
S&P:500 ■ B	5.89	36.35

Private Equity Trends

Performance

- Public equity’s exceptional performance in the first half of the year (led by the “Magnificent Seven” technology stocks) has left private equity in its wake.
- Private equity returns are not as volatile as the public markets, and private equity doesn’t typically outperform when public equity is at record highs (it likewise doesn’t drop as sharply when public equity drops).
- Over the long term, private equity has outperformed public equity by 1%-3%.
- By strategy, buyouts continue to see solid short-term performance, while venture capital and growth equity have experienced a bumpier recovery from the tech downturn of 2022-23.

Net IRRs as of 6/30/24



Net IRRs by Strategy as of 6/30/24

Strategy	Last Quarter	1 Year	3 Years	5 Years	10 Years	20 Years
Venture Capital	-0.8%	-1.3%	-3.2%	14.7%	15.0%	12.4%
Growth Equity	1.4%	4.1%	0.2%	13.4%	13.0%	13.4%
Buyouts	1.4%	6.6%	6.8%	14.8%	13.3%	14.0%
Mezzanine	2.3%	9.4%	9.3%	11.2%	10.9%	11.3%
Credit Opportunities	1.8%	8.5%	7.6%	8.5%	7.2%	9.2%
Control-Oriented Distressed	0.6%	2.8%	9.0%	13.4%	10.7%	11.3%
Private Equity	1.0%	4.6%	3.8%	14.0%	13.0%	13.1%

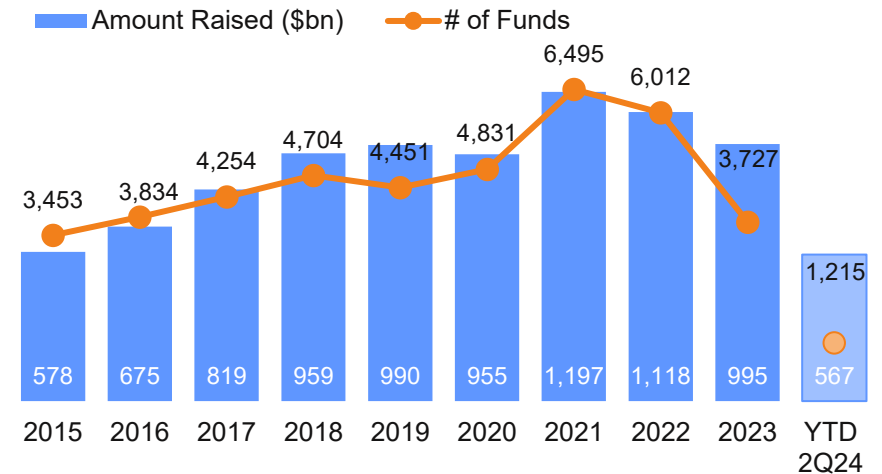
Source: LSEG/Cambridge. PME: Public Market Equivalent

Private Equity Trends

Fundraising: funds down but amount up

- The first half of 2024 shows mixed signals in terms of fundraising. The number of funds raised is significantly down from years prior, but the amount raised actually exceeds the first halves of both 2022 and 2023.
- As was the case in 2023, capital continues to concentrate with larger funds. Multiple mega funds closed during the quarter, with only six funds representing 12% of total capital raised.
- Small venture capital funds, which historically make up a large portion by number of funds raised, have experienced the greatest challenges fundraising recently.

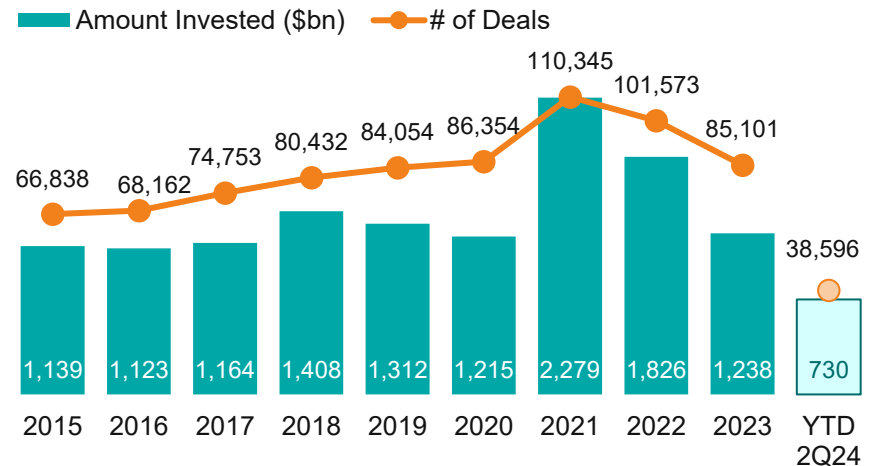
Annual Fundraising



Deal activity: similar dynamic as fundraising

- Deal activity during the first half of 2024 mirrors the trends seen in fundraising activity. Capital is being concentrated in larger deals (typically buyouts).
- While the number of deals closed YTD 2024 is down, transaction volume is up by 18% compared to the first half of 2023. This volume is nowhere near the highs of 2021-22, but it looks very similar to 2019. Several large buyout transactions closed throughout the first half of the year.

Annual Deal Activity

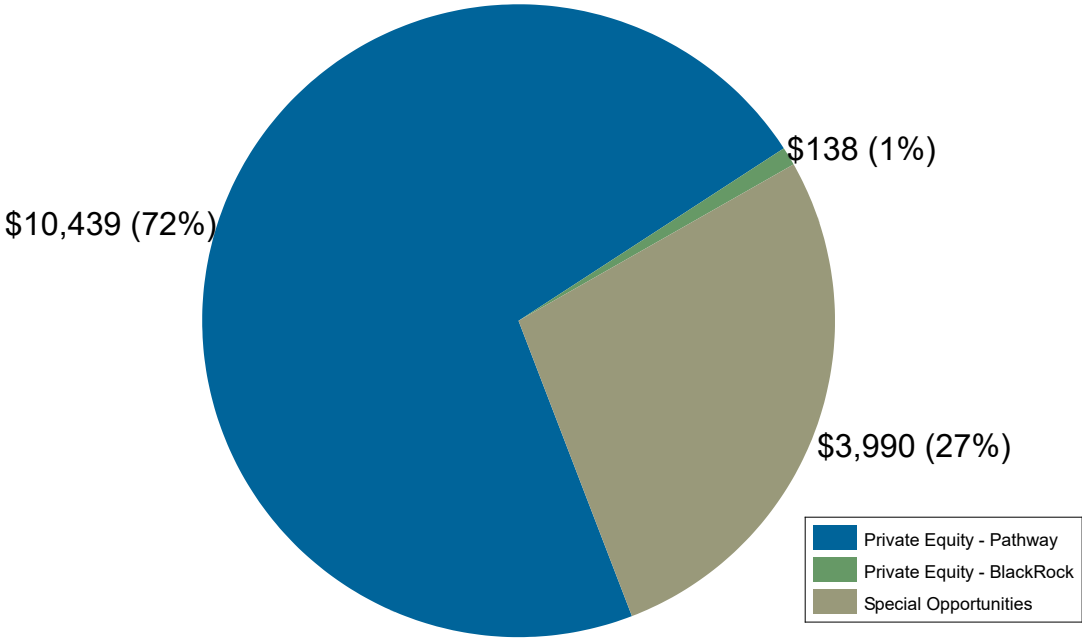


Source: PitchBook

APFC Private Equity and Special Opportunities Structure (1Q LAG)

As of June 30, 2024

- 73% of the structure was invested in private equity.
- 27% of the structure was invested in special opportunities.



APFC Private Equity and Special Opportunities Structure (1Q LAG)

As of June 30, 2024

- APFC's Total Private Equity Portfolio continued to be well-diversified by strategy, geography, and industry.



- Buyouts, Venture Capital and Special Situations remained the largest strategy allocations.



- The largest non-U.S. geographic exposure was Europe. The largest industry exposure was in Technology.



Strategy Mix by Net Asset Value

■ Venture Capital	22.59%
■ Buyout	50.06%
■ Special Situations	24.22%
■ Secondary Interest	0.55%
■ Distressed for Control	2.45%
■ Mezzanine	0.13%

Geographic Mix by Net Asset Value

■ West/Pacific Northwest	21.12%
■ North Atlantic	14.75%
■ Mid-West	10.16%
■ Southeast	10.51%
■ Southwest/Rockies	11.72%
■ Mid-Atlantic	3.51%
■ Europe	16.38%
■ Asia/Pacific	3.98%
■ Other	7.86%

Industry Mix by Net Asset Value

■ Technology	39.75%
■ Financial	12.11%
■ Consumer Discretionary	8.24%
■ Health Care	11.73%
■ Communication Services	4.74%
■ Industrials	12.92%
■ Energy	4.08%
■ Consumer Staples	3.20%
■ Materials	2.31%
■ Utilities	0.38%
■ Other/Misc	0.21%
■ Real Estate	0.33%

APFC Private Equity and Special Opportunities Performance (1Q LAG)

Periods Ended June 30, 2024

	Last Quarter	FYTD	Last Year	Last 3 Years	Last 5 Years
Private Equity and Special Opportunities	0.03	0.03	0.84	2.27	13.79
Cambridge Private Equity	1.00	1.00	4.69	3.78	13.68

- APFC's Private Equity and Special Opportunities composite underperformed the Cambridge Private Equity benchmark in the short term but outperformed over the trailing 5 year time period.
- In the last reported quarter, Private Equity was up 0.6% and Special Opportunities was down 1.2%.

Total Fund Cash

Periods Ended September 30, 2024

	Quarter	Last Year	Last 3 Years	Last 5 Years
TOTAL FUND CASH	1.32	5.18	4.92	--
3 Month T-Bill	1.37	5.46	3.49	2.32
APF Operating Cash	1.24	4.69	3.28	--
APF Internal Cash	1.41	5.57	3.47	--

- APFC's cash accounts were within expectations relative to the 3-month Treasury Bill Index.
- Funded in the first quarter of 2022 and included in the Total Fund Cash composite, the allocation to Gold was liquidated during the second quarter of 2023 (approximately \$320M).

Closing Remarks

- Total Fund ended the third quarter of 2024 with \$84.0 billion in assets up from \$81.2 billion in the prior quarter. The trailing quarter performance placed the Total Fund in the bottom quartile relative to other large public funds and below median relative to large endowments/foundations peer group.
- For the quarter, the Total Fund underperformed the Passive Index Benchmarks but outperformed the allocation benchmark and the CPI + 5% Benchmark. Over the long-term, the Fund outperformed the passive and performance benchmarks.
- The Public Equity portfolio outpaced its benchmark for the quarter but lagged over the trailing year. Domestic, and Global Equity composites bested their respective benchmarks for the quarter and lagged over the trailing year as well, while the International Equity composite produced benchmark like returns over the near term time periods. Public Equity longer-term performance remains favorable.
- The Fixed Income portfolio finished in line with its benchmark over the quarter but outperformed over the trailing year. In the quarter, sub-strategies: US Fixed Income Aggregate, US High Yield, TIPS, and Domestic Structured products outperformed their respective benchmarks, while US Investment Graded Corporate, and Non-US Fixed Income lagged.
- In the Alternatives portfolio, Private Equity & Special Opportunities, Real Estate, Private Income, and Absolute Return underperformed their respective benchmarks in the quarter.
- Prudent asset allocation with appropriate levels of diversification and a long-term perspective remain Callan's recommended course.

Callan

Callan Update

Published Research Highlights: 3Q24

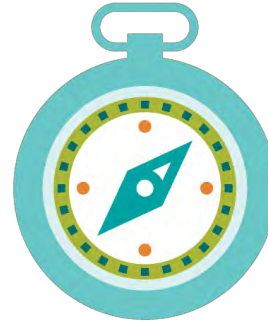
STAR Report (clients-only)



Private Equity Fees and Terms Study



2Q24 Market Intelligence Report (clients-only)



Coming Soon: ESG Survey



Recent Blog Posts

Navigating U.S. Equity Concentration: A Look at Global Stocks

Fanglue Zhou

Nonprofits: Same Mission, but New Approach to Allocations

Tony Lissuzzo

The Supermicro Conundrum: When Success Hurts Managers

Nicole Wubbena

Additional Reading

- Active vs. Passive quarterly charts
- Capital Markets Review* quarterly newsletter
- Monthly Updates to the Periodic Table
- Market Pulse Flipbook* quarterly markets update
- Market Intelligence (clients-only)
- Real Estate Indicators* market outlook

Callan Institute Events

Upcoming conferences, workshops, and webinars

2025 National Conference

Mark your calendars for this event in Scottsdale on April 27-29, 2025

Our annual conference will feature mainstage speakers and Callan-led workshops on a variety of topics.

This year we welcome Zanny Minton Beddoes to the stage.

Registration for this event will open in January 2025!

Please visit our website at callan.com/events-education as we add dates to our 2025 calendar!



Mark Your Calendar

2025 Regional Workshops

June 3, 2025 – Denver

June 5, 2025 – New York

October 28, 2025 – Chicago

October 30, 2025 – San Francisco

Watch your email for further details and an invitation.

Upcoming Webinars

November 21, 2024

Research Café featuring Callan's 2024 Private Equity Fees and Terms Study

January 2025

Callan's 2025 Capital Markets Assumptions Webinar

Introducing Callan On-Demand Education (CODE)

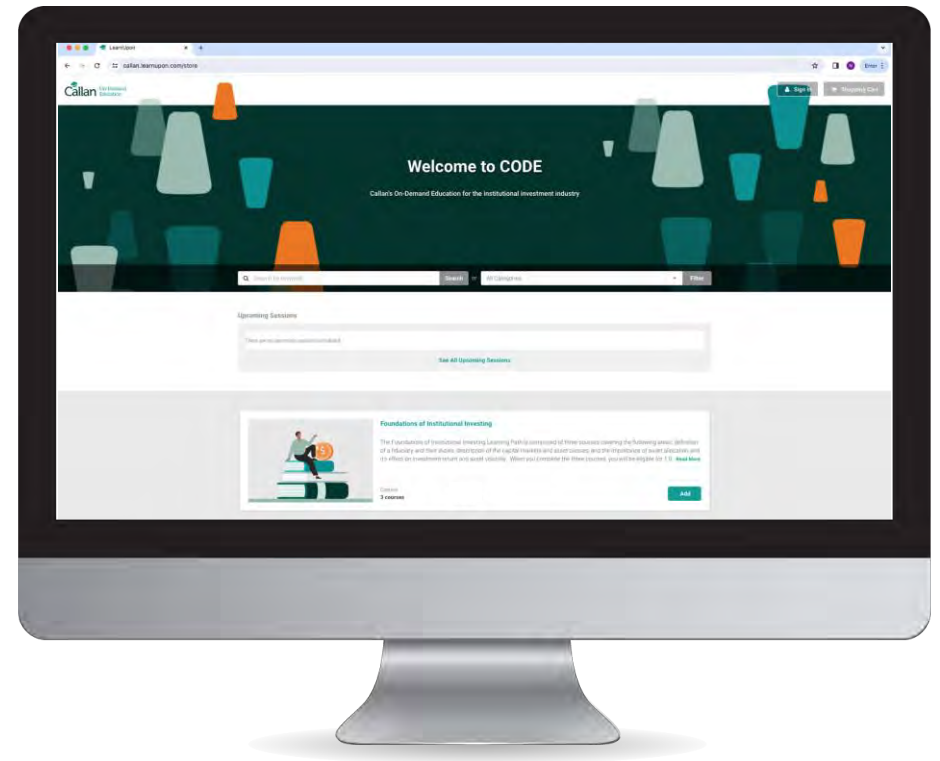


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- 3 Learn from Callan's investment experts

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Past performance is no guarantee of future results.



SUBJECT: Institutional Hedge Fund Industry
And Observations on APFC Portfolio
Joe McGuane, CFA, Callan

ACTION:

DATE: December 11, 2024

INFORMATION: X

Background:

In recent board meetings Trustees have observed that they gain the most knowledge from APFC staff and advisors' presentations. Accordingly, APFC's general consultant Callan will regularly provide foundational education and current market perspectives on the asset class that is the focus of APFC board meetings. For the December 2024 meeting the asset class focus is absolute return and Joe McGuane will provide information for consideration.


Presenter Bio:

Joe McGuane, CFA, is a senior vice president in Callan's Alternatives Consulting group. He joined Callan in 2021 to lead the firm's hedge fund research, where he works with Callan clients and consultants to implement diversifying assets portfolios, including hedge funds, multi-asset class strategies, and insurance-linked securities.

Prior to joining Callan, Joe oversaw investment manager research efforts for credit and multi-strategy hedge funds, fund of hedge funds, and global tactical asset allocation funds for Marquette Associates. Before that, he was an associate director for NASDAQ, Inc., and an analyst for HFR Asset Management, LLC.

Joe earned a BBA in finance and a certificate in entrepreneurship from the University of Iowa. He is a holder of the right to use the Chartered Financial Analyst® designation and is a member of CFA Institute and CFA Society Chicago.

December 2024



Institutional Hedge Fund Industry Overview and Observations on APFC Portfolio

Joe McGuane, CFA
Senior Vice President

Steven J. Center, CFA
Senior Vice President

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Outline

- **Overview of Institutional Hedge Fund Industry**
 - History
 - Size
 - Asset Flows
 - Consolidation Trends
- **Portfolio Construction Trends for Large Public Institutions**
 - HFOF vs Direct
 - Consolidation with Large Players
 - Major Strategy Types
 - Beta vs Absolute Return Trends
- **APFC Portfolio**
 - Timeline
 - Historical Performance Analysis
 - Return-Based Risk Statistics
 - Portfolio Construction

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Overview of Institutional Hedge Fund Industry

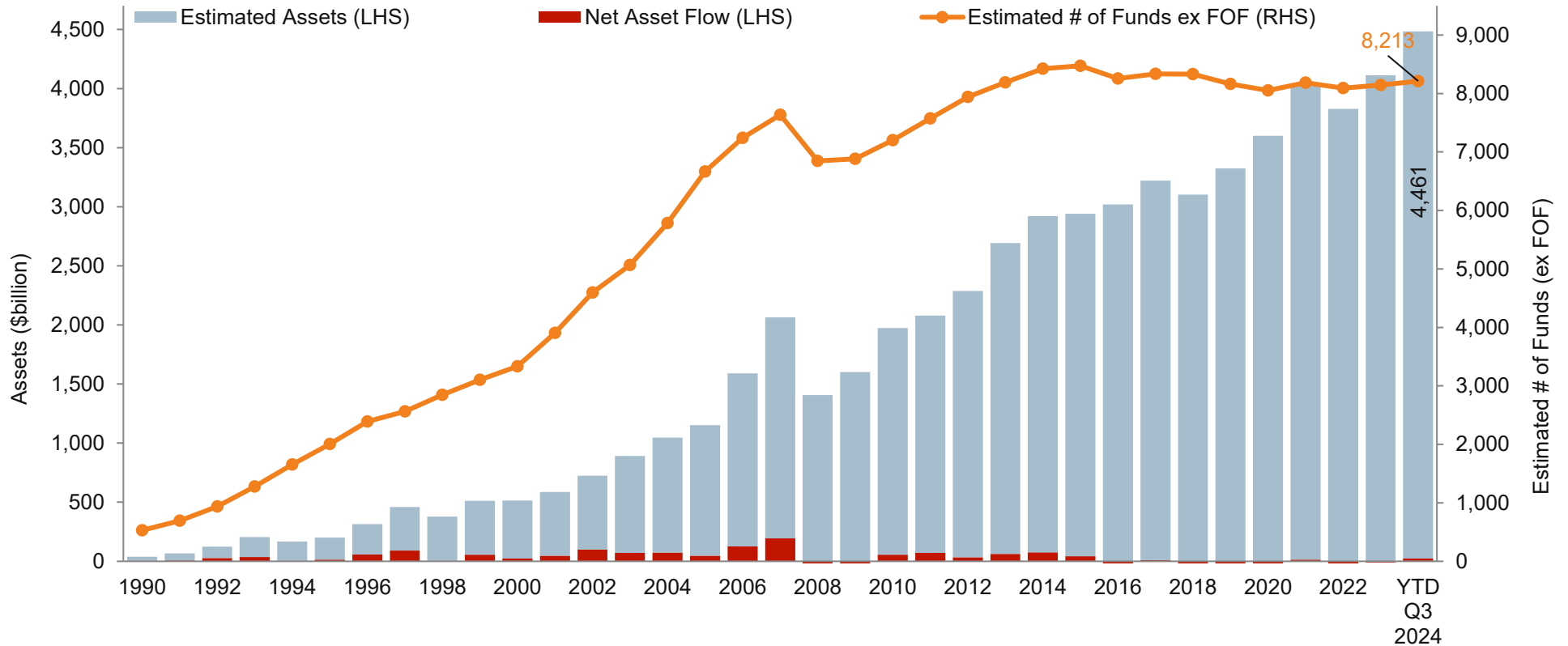
Hedge fund Overview

History

- The first hedge fund was founded in 1949 by Alfred Winslow Jones.
- The fund combined a leveraged long stock position with a portfolio of short stocks.
- A management fee and an incentive-based fee that compensates the hedge fund manager through a percentage of the fund's profits.
- All hedge funds are not alike; managers usually specialize in one of a diverse number of alternative investment strategies operated through the hedge fund structure.
- From January 1990 to March 1998, the hedge fund industry's assets grew twentyfold, from \$20 billion to over \$400 billion.
- Over that same period, the number of hedge funds increased from 200 to over 3,000.

Hedge Fund Assets, Flows, and Strategy Allocations

Growth of fund assets and number of hedge funds



Total hedge fund assets rose to \$4.4 trillion in 3Q 2024, as inflows and performance during the third quarter of this year took total assets above \$4 trillion.

- Total number of hedge funds has only marginally declined since 2015.

Source: HFR® Global Hedge Fund Industry Report – Third Quarter 2024 (www.hedgefundresearch.com)

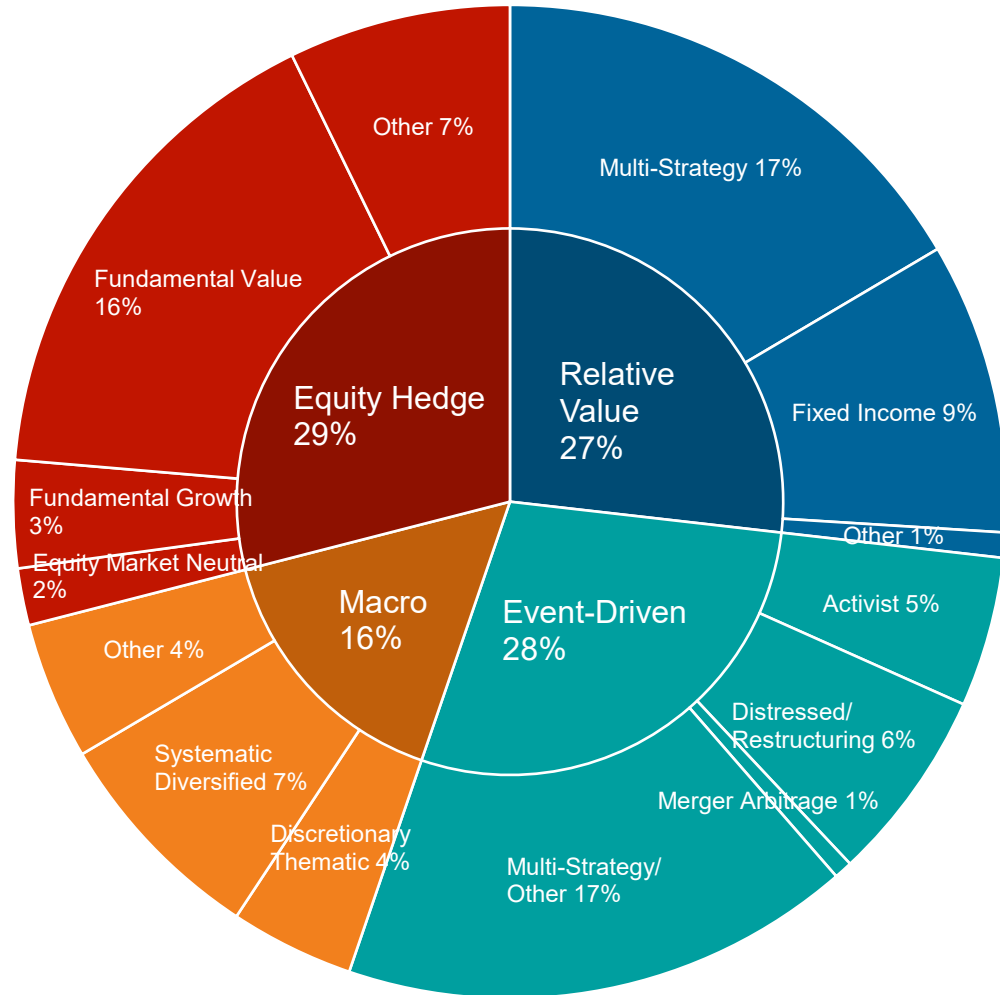
Hedge Fund Assets, Flows, and Strategy Allocations

Universe of underlying hedge fund strategies

Industry assets are divided evenly, more or less, across the four primary hedge fund styles of Relative Value, Event-Driven, Macro, and Equity Hedge.

- ▶ Within Relative Value, Multi-Strategy funds comprise over half of the assets
- ▶ With Event-Driven, Multi-Strategy funds represent over half of the assets
- ▶ Within Macro, Systematic Diversified funds (including trend-following) represent half of the assets
- ▶ Within Equity Hedge, Fundamental Value covers half of the assets

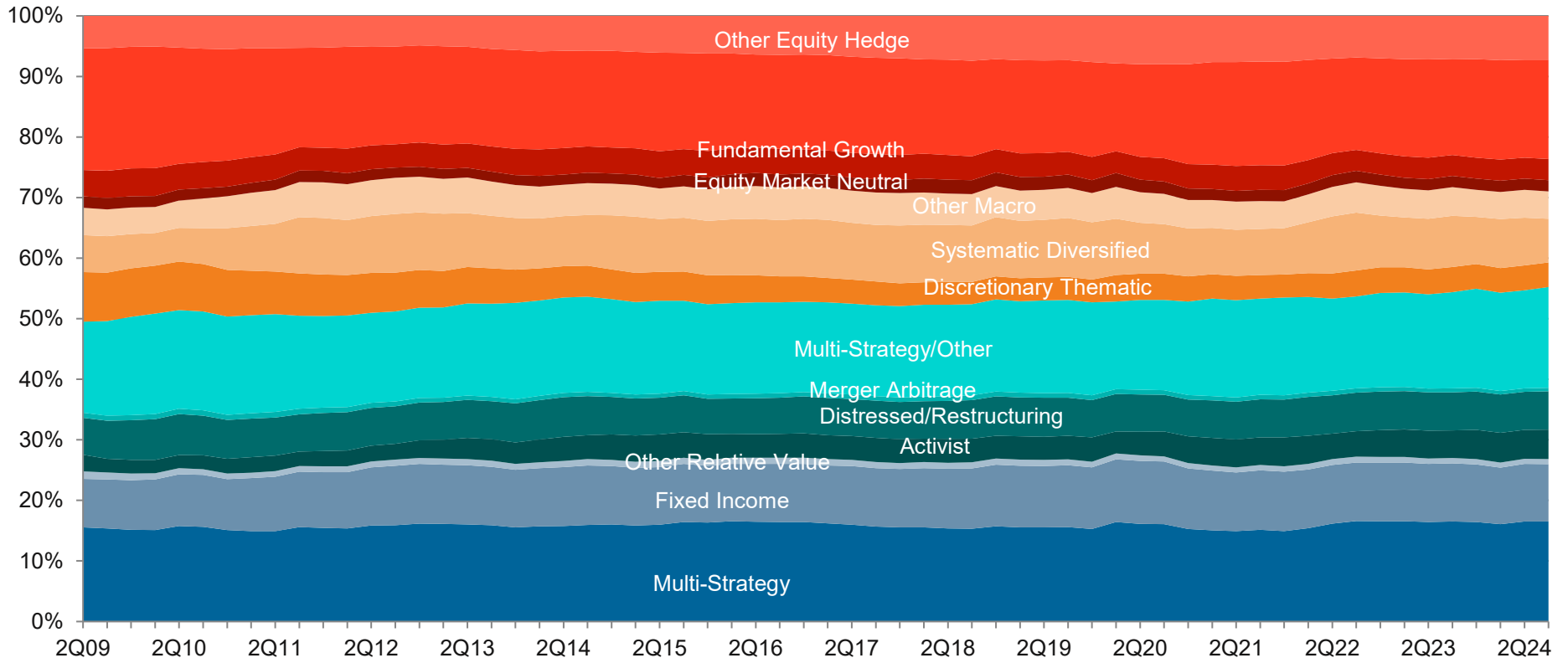
Primary Hedge Fund Styles (and Underlying Strategies)



Source: HFR® Global Hedge Fund Industry Report – Third Quarter 2024 (www.hedgefundresearch.com)

Hedge Fund Assets, Flows, and Strategy Allocations

Trends of underlying hedge fund strategies

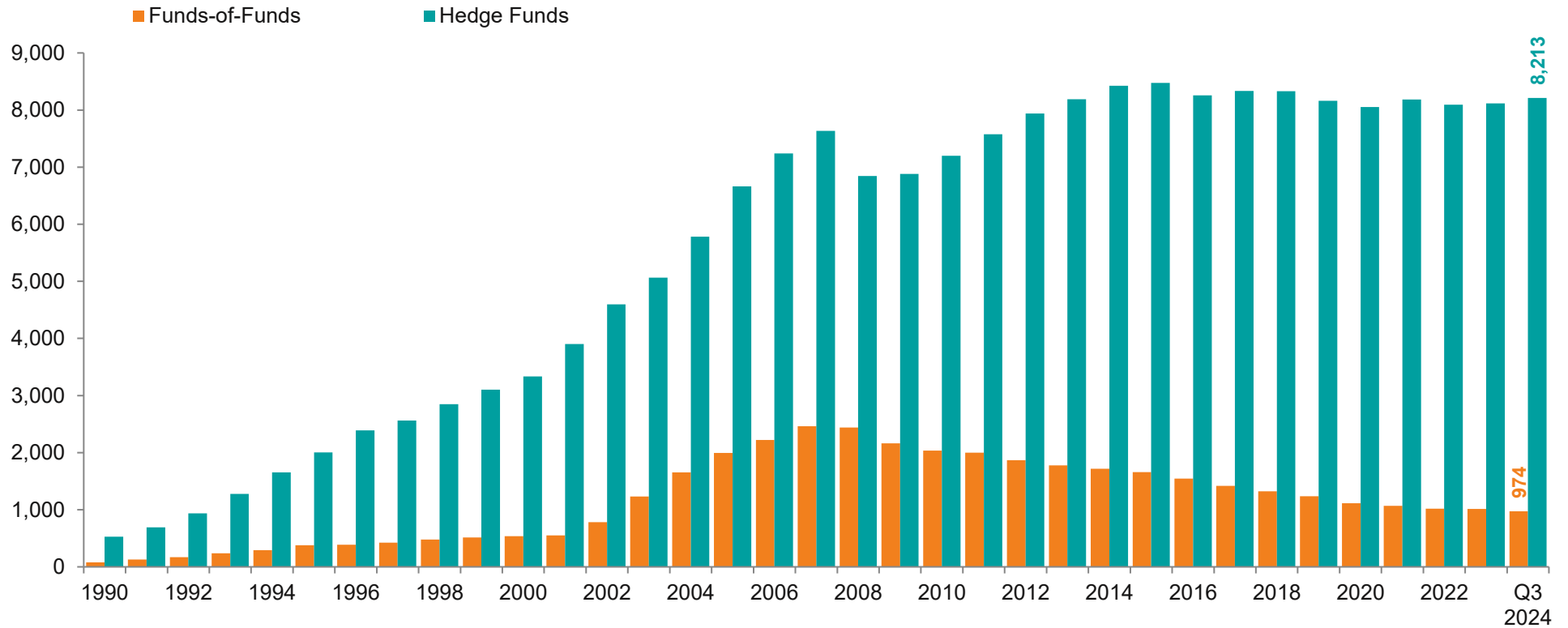


- Coming out of the GFC, Equity Hedge, and Macro allocations marginally declined as interest rates moved towards zero, strong equity markets and a lack of equity volatility made it harder for managers to generate alpha.
- In the current market environment, interest rates are now elevated, equity volatility has returned, and stock dispersion increased, creating more alpha opportunities for hedge fund managers.
- Strategies like macro, equity hedge, and equity market neutral have seen capital flowing back into them in this current environment.

Source: HFR® Global Hedge Fund Industry Report – Third Quarter 2024 (www.hedgefundresearch.com)

Hedge Fund Assets, Flows, and Strategy Allocations

Number of funds: Since 2008 hedge fund of funds have continued to decline



- After explosive growth before the GFC, hedge funds have stabilized at just over 8,000. In contrast, the number of FOFs has continued to consolidate as more institutional investors have built out direct portfolios.

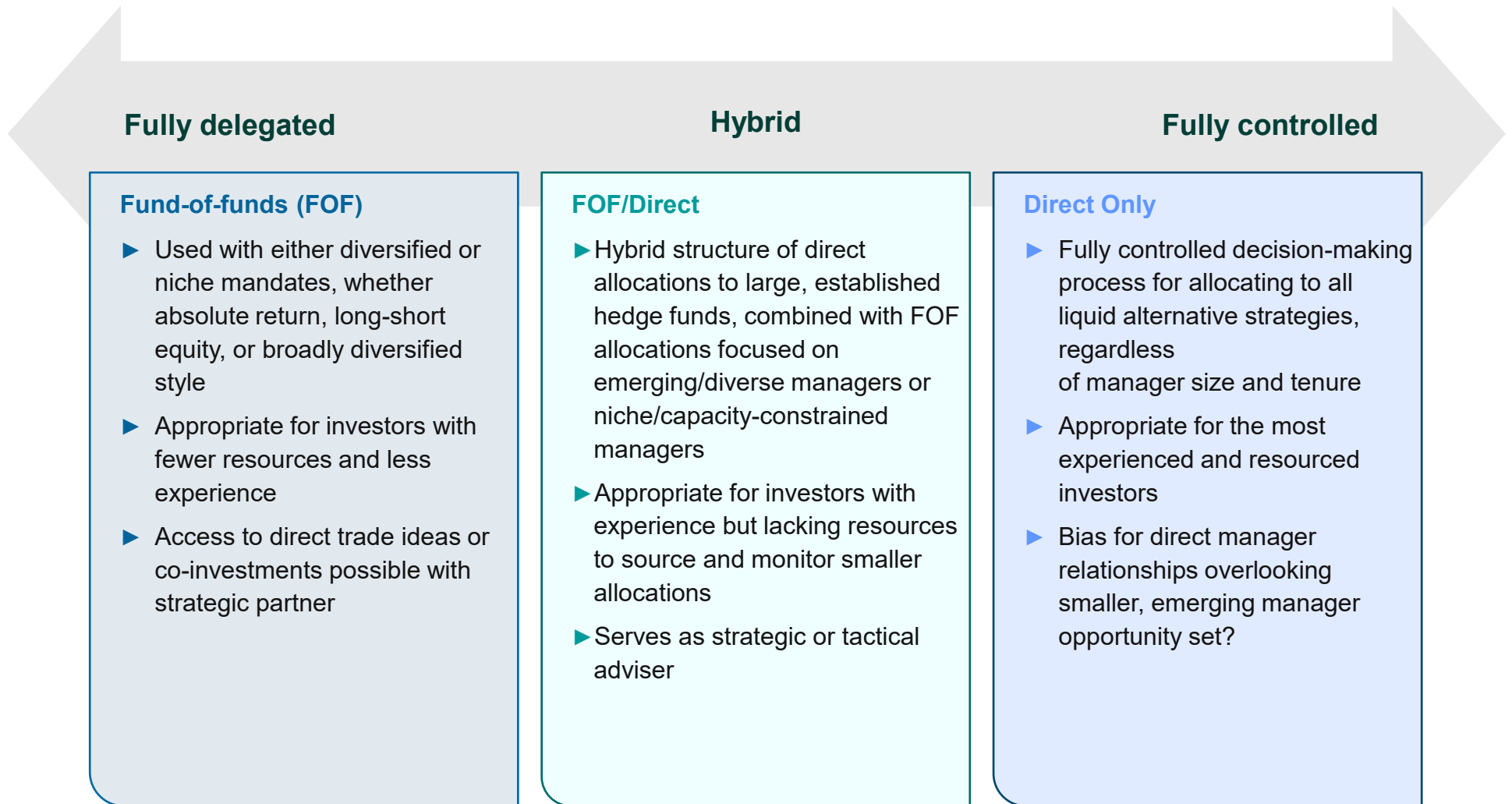
Source: HFR® Global Hedge Fund Industry Report – Third Quarter 2024 (www.hedgefundresearch.com)

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Portfolio Construction Trends for Large Public Institutions

Strategic Planning

Manager structure: degrees of delegated discretion



Program Design

Objectives and risk specifications: choices depend on investor beliefs and risk tolerance

Low Volatility: fixed-income alternative, or “diversifying strategy”

Low bond yields drive interest in this “absolute return” mandate targeting expected returns of T-bills + 4%. Expected volatility is similar to that of bonds.

Key goal: less-correlated returns from non-market risks such as alternative beta (e.g., momentum, value, carry, quality), illiquidity premium, complexity premium, and idiosyncratic risks

Return Seeking: equity substitute or complement

An important assumption is prospective alpha from stock selection, long and short, while alpha from market timing should be considered much less reliable.

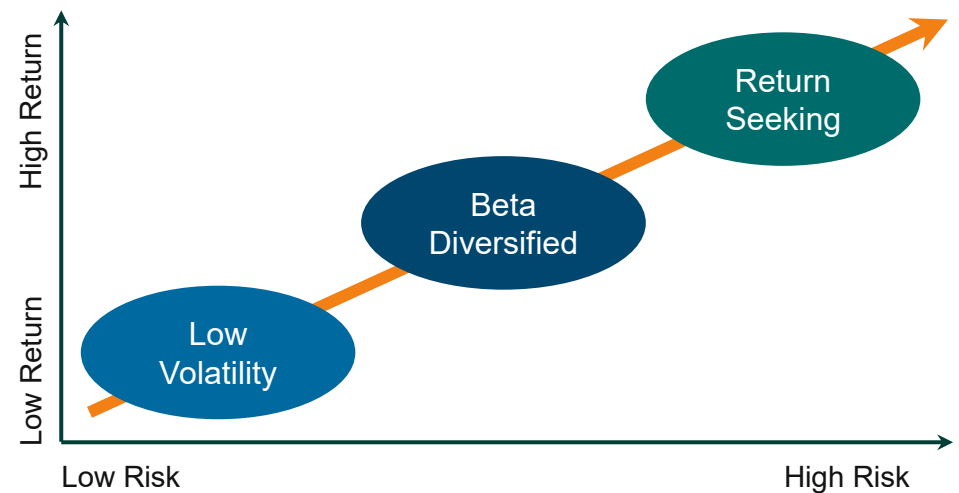
Key goal: equity-like returns over a full market cycle with less volatility, where compounding effects work to hedged equity’s advantage

Beta Diversified: balanced alternative to stocks and bonds

Reduces a portfolio’s overall exposure to stocks and bonds while introducing a broadly diversified return stream. A strategic role for inflation hedging?

Key goal: a more unconstrained view of hedge fund opportunities that enables varying degrees of market exposures over full market cycles

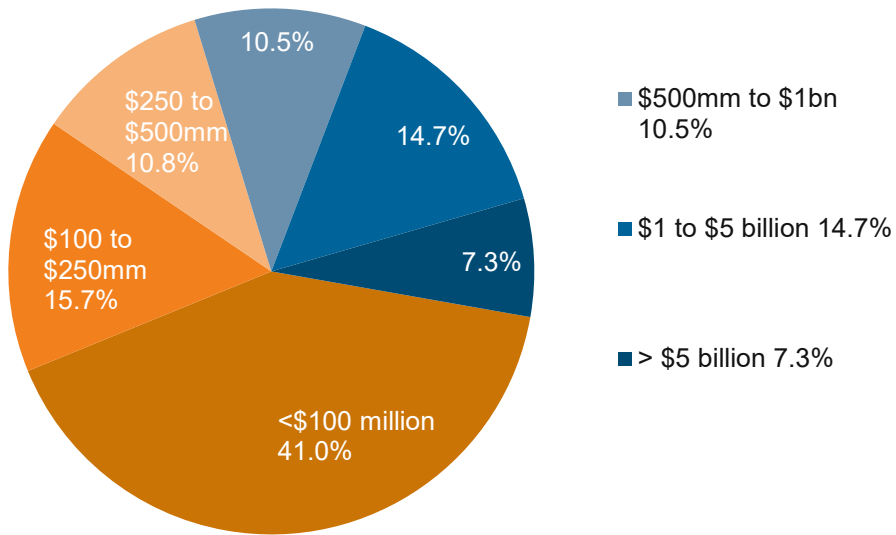
Risk / Return Tradeoff



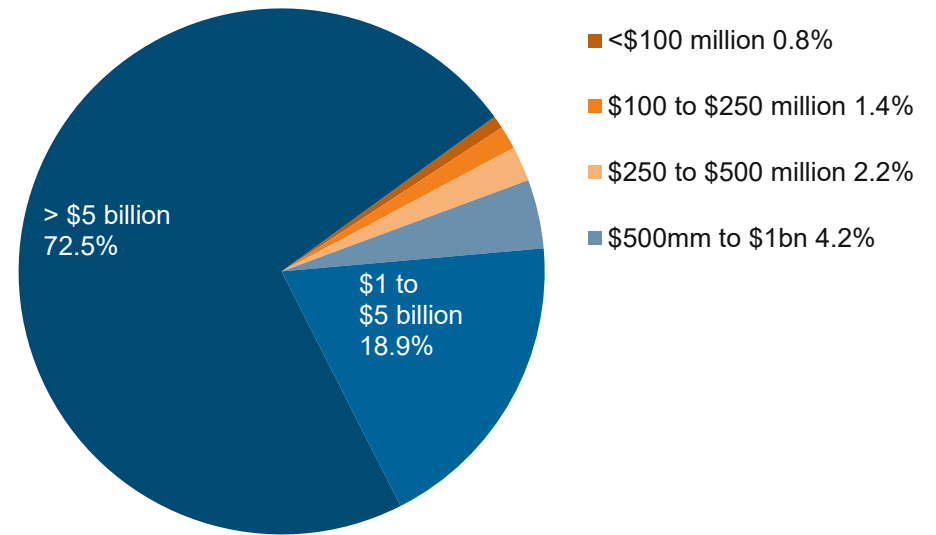
Hedge Fund Assets, Flows, and Strategy Allocations

Assets based on firm size

By Number of Firms



By Firm Assets Under Management Size



Industry assets are unevenly distributed

- ▶ By number of firms, roughly 80% of hedge funds have assets of less than \$1 billion
- ▶ However, firms with \$1 billion or more control 91% of industry assets.

Source: HFR® Global Hedge Fund Industry Report – Third Quarter 2024 (www.hedgefundresearch.com)

Hedge Fund Manager Selection

Key elements of manager selection criteria by strategy

Equity Long/Short

- Low beta (<0.25), with returns less reliant on market beta
- Broadly diversified by style, industry sector, and region
- Emphasis on bottom-up stock selection, fundamentals-based process

Event Driven

- Focus on catalysts/corporate events within finite time period
- Deep fundamental research process using equities, fixed-income, and derivatives/synthetic instruments
- Ability to invest in a combination of strategies and adjust exposures based on a given opportunity set

Global Macro

- Typically uses a top-down global approach, forecasting how macroeconomic events affect valuations
- Broadly diversified by market and asset class; can capture strong returns in all market environments
- Broad investment mandate with deep trading team and prudent use of leverage

Systematic

- A large research team of statisticians and engineers capable of analyzing large amounts of data
- An iterative process to refine data processing, portfolio construction, and find new sources of alpha
- Robust and defined risk management approach essential to limiting drawdowns when tail events occur

Multi-Strategy

- Multiple distinct strategies with separate PM teams investing in equities, credit, rates, or cross asset
- Portfolio does not rely on directional market activity; emphasizes relative value across asset classes
- Low beta, with strong risk mitigation and high Sharpe Ratio vs. traditional long-only asset classes

Beta vs Absolute Return Hedge Funds

Trends from Institutional Investors

- Institutional investors have become more focused on hedge fund managers that produce strong risk-adjusted returns or high Sharpe Ratios.
- Focus has been on managers that have a track record of generating alpha, not beta over the inception of the strategy.
- Managers that can protect capital when broad market indices sell-off like in 2022.
- As interest rates have risen over the past few years, L/S equity and equity market neutral strategies have come back into vogue, as dispersion has increased among stocks.
- Macro strategies have seen a resurgence as managers can generate alpha off volatility across equities, fixed income, currencies, and commodities globally.

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APFC Portfolio

Timeline of APFC Absolute Return Implementation

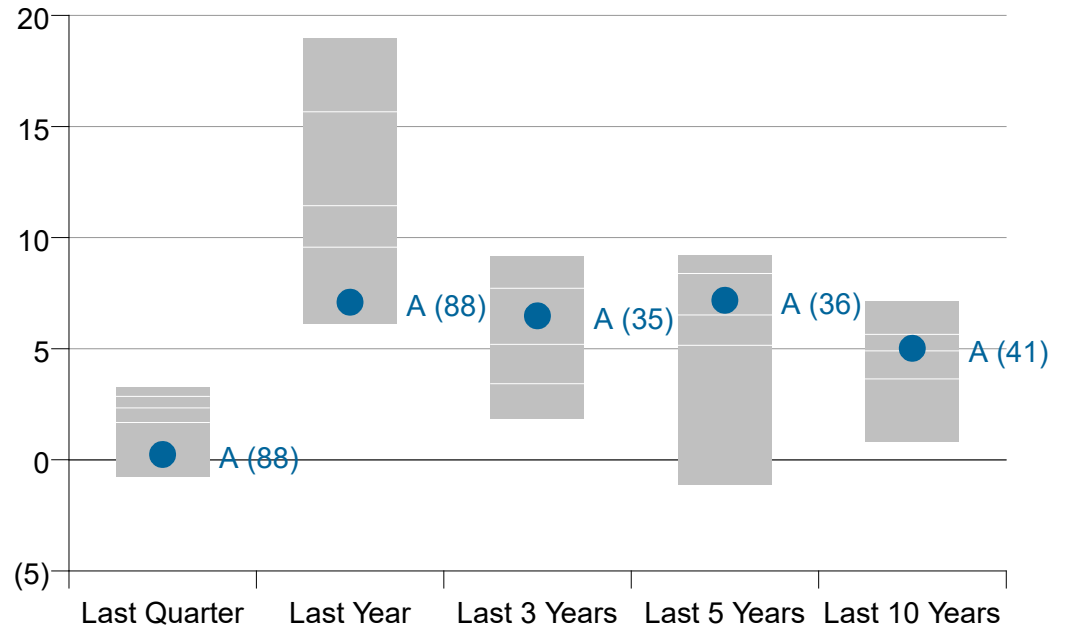
- 2004 – APFC makes first foray into absolute return, fund-of-funds strategy managed by Crestline Investors, target allocation of 1% +/-1%.
- 2006 – Target increased to 4%, two additional fund-of-funds managers added, (Mariner and Lazard).
- 2007 – Two additional fund-of-funds managers added (PAAMCO and Lehman AMI).
- 2009 – Target increased to 6%, two distressed debt strategies added to absolute return portfolio. Portfolio returns -13.2% for fiscal year (GFC).
- 2013 – “Incubation Platform” managed by Mariner introduced, designed to fund start-up absolute return strategies managed by experienced investors. Private debt moved out of absolute return.
- 2014 – Target increased to 10%, “Real Return” strategies (AQR, Bridgewater, Goldman) moved into absolute return asset class.
- 2017 – Target reduced to 5%, conversion from fund-of-funds to direct hedge fund investments begins. “Real Return” strategies moved to “External CIO” category.
- 2017-present – diversified allocations to direct hedge fund investments.

APFC Absolute Return Portfolio Performance Rankings

Compared with Other Institutional Programs

- This chart compares the performance of the APFC Absolute Return portfolio to those of other large institutional investor clients.
- Performance ranks in the bottom quartile for the quarter and the year, but well above median for all other time periods shown on the chart.
- This universe represents a mix of approaches by large institutional investors, from hedge fund of funds to direct programs.

Returns for Periods Ended September 30, 2024
Group: Callan Total Fund Sponsor Database



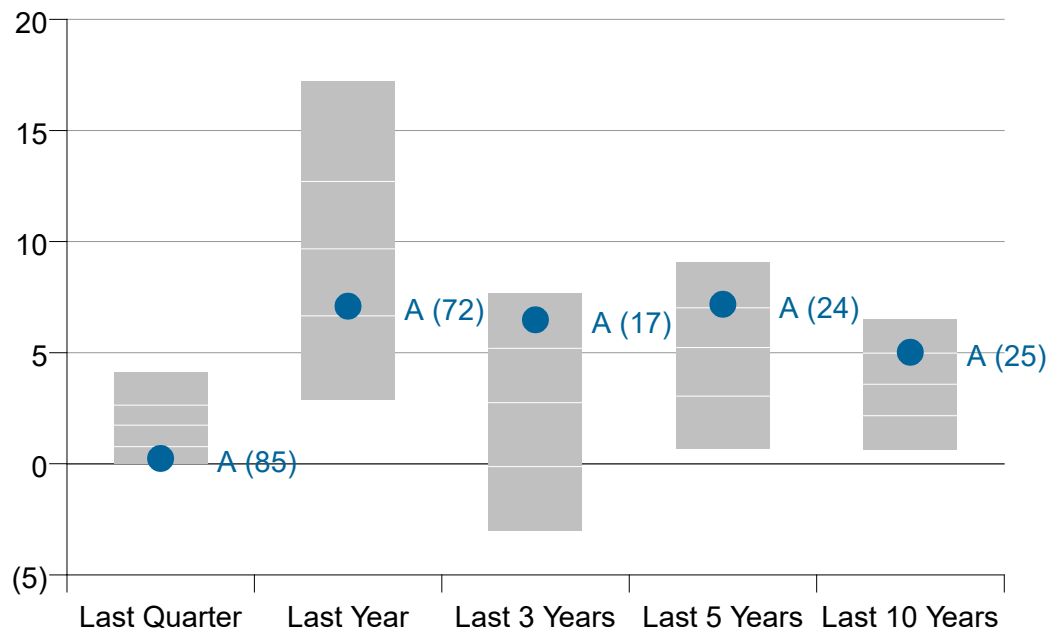
10th Percentile	3.28	18.97	9.15	9.23	7.17
25th Percentile	2.86	15.67	7.72	8.39	5.65
Median	2.34	11.44	5.20	6.53	4.90
75th Percentile	1.69	9.57	3.43	5.16	3.65
90th Percentile	(0.74)	6.12	1.83	(1.11)	0.83
Member Count	52	49	29	21	18
AP - Absolute Return ● A	0.24	7.10	6.48	7.18	5.02

APFC Absolute Return Portfolio Performance Rankings

Compared with Fund of Funds Universe

- This chart compares the performance of the APFC Absolute Return portfolio to a universe of institutional Fund of Hedge Funds.
- APFC ranks in the top quartile over 3, 5, and 10-year time periods.
- Underperformance of this universe relative to institutional direct hedge fund portfolios has led to a decline of interest (and AUM) in Fund of Funds products.

Returns for Periods Ended September 30, 2024
Group: HFRI Fund of Funds Composite Group



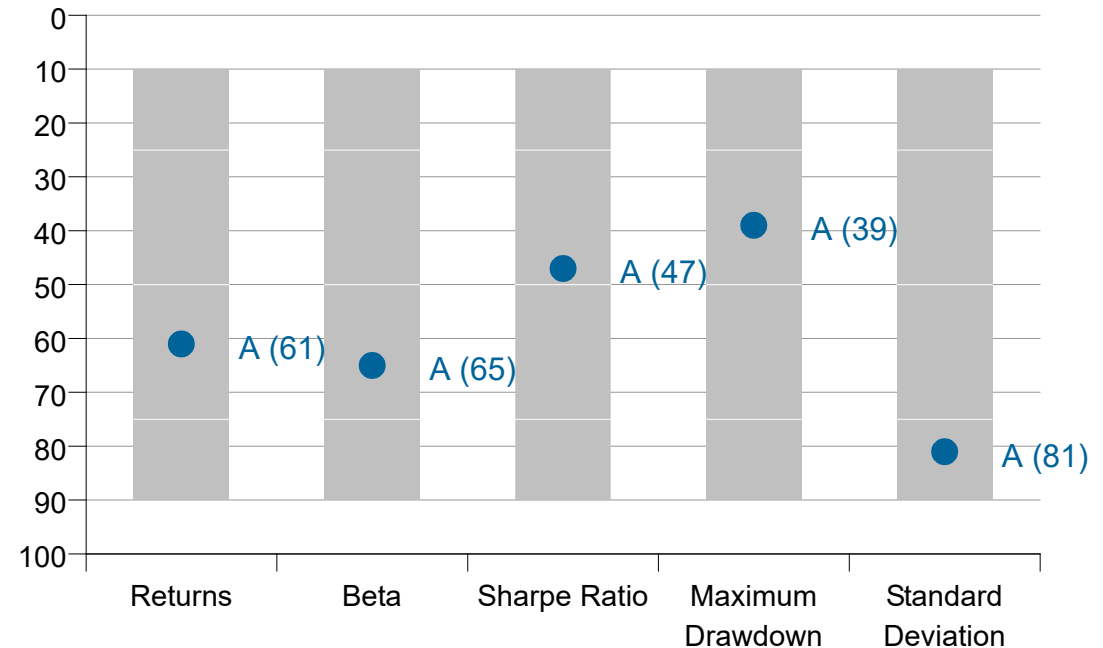
10th Percentile	4.13	17.20	7.66	9.07	6.51
25th Percentile	2.65	12.71	5.20	7.02	4.99
Median	1.74	9.68	2.76	5.24	3.59
75th Percentile	0.78	6.66	(0.13)	3.05	2.17
90th Percentile	0.00	2.88	(3.03)	0.70	0.62
Member Count	116	248	297	360	621
AP - Absolute Return ● A	0.24	7.10	6.48	7.18	5.02

APFC Pre-Overhaul Return Based Statistics Rankings through 2016

Compared with Hedge Fund of Funds

- This chart shows the rankings of the APFC portfolio from various perspectives as of the end of 2016 before the portfolio was overhauled.
- Below median return (not good).
- Below median Beta (good).
- Median Sharpe Ratio (ok).
- Above median Maximum Drawdown (lost less, which is good).
- Bottom quartile Standard Deviation (good).
- Overall, ok relative to fund of funds universe.

Returns Based Statistics Rankings for 10 Years Ended December 31, 2016
Group: HFRI Fund of Funds Composite Group



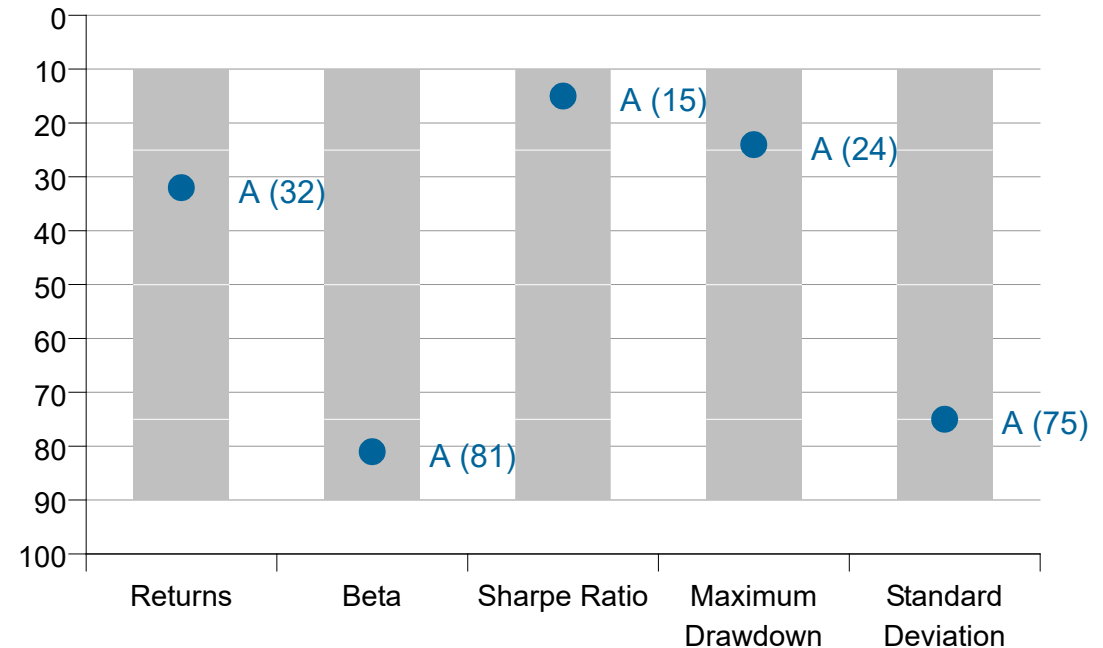
	Returns	Beta	Sharpe Ratio	Maximum Drawdown	Standard Deviation
10th Percentile	5.30	0.54	0.55	(9.95)	12.31
25th Percentile	3.78	0.45	0.39	(15.81)	10.00
Median	2.87	0.35	0.25	(22.11)	8.01
75th Percentile	1.58	0.24	0.11	(26.73)	6.54
90th Percentile	0.29	0.10	(0.06)	(33.77)	5.16
Member Count	250	250	250	250	250
AP - Absolute Return ● A	2.41	0.29	0.27	(19.29)	6.06

APFC Post-Overhaul Return Based Statistics Rankings

Compared with Hedge Fund of Funds

Returns Based Statistics Rankings for 7 3/4 Years Ended September 30, 2024
Group: HFRI Fund of Funds Composite Group

- This shows the rankings for the period since the overhaul.
- Top third return (good).
- Bottom quartile Beta (good).
- Top quartile Sharpe Ratio (good).
- Top quartile Maximum Drawdown (lost less, which is good).
- Bottom quartile standard deviation (good).
- Improvements in all measures relative to previous period.
- Overall excellent relative to universe of institutional fund of funds.



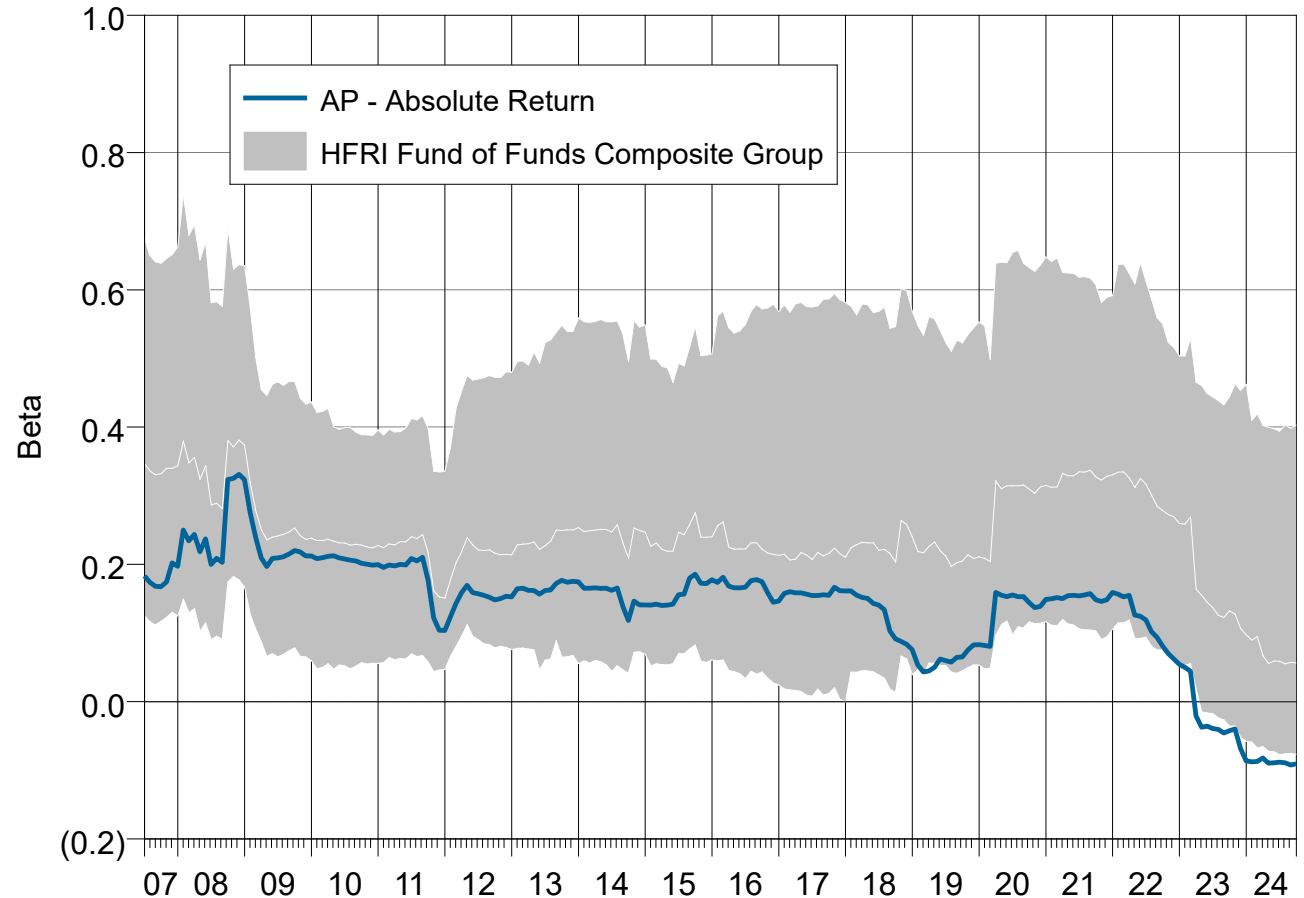
10th Percentile	8.03	0.64	1.35	(3.50)	13.65
25th Percentile	6.70	0.47	0.81	(4.90)	9.62
Median	5.01	0.28	0.39	(10.43)	6.21
75th Percentile	4.03	0.14	0.20	(16.53)	3.96
90th Percentile	1.93	0.02	(0.02)	(28.12)	3.43
Member Count	78	78	78	78	78
AP - Absolute Return ● A	6.27	0.12	1.06	(4.69)	3.94

APFC Absolute Return Portfolio Rolling 3-Year Beta

Compared with Fund of Funds Universe

- Grey area represents range of beta for fund of funds universe.
- APFC portfolio has always been below median (less equity market exposure) which means it has been a good diversifier.
- Since the 2016 overhaul the beta exposure has (intentionally) decline relative to the FOF universe.
- For the 3-year period it has been negative (slight inverse correlation to the equity market).

Rolling 3 Year Beta Relative To S&P:500
for 17 1/4 Years Ended September 30, 2024

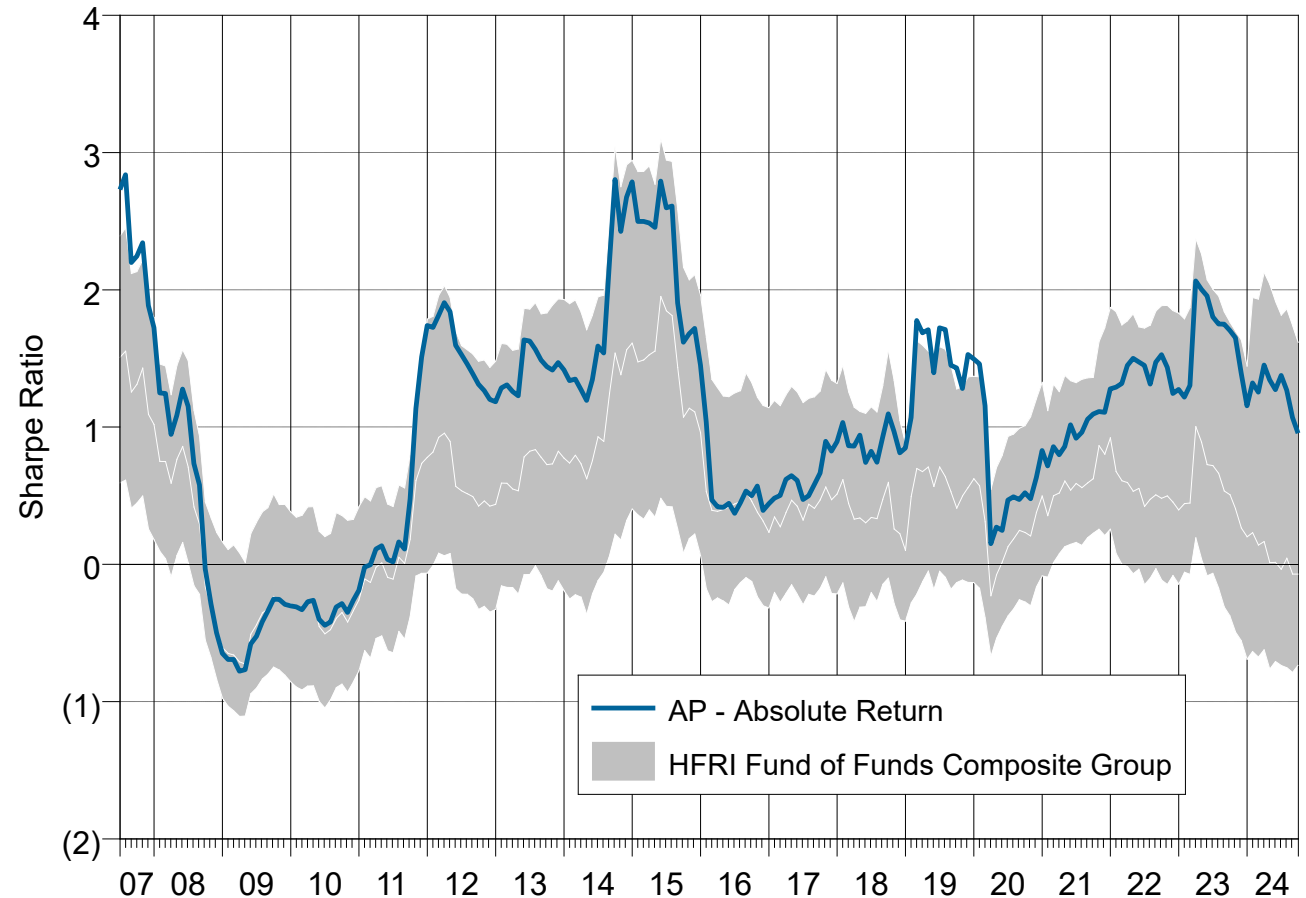


APFC Absolute Return Portfolio Rolling 3-Year Sharpe Ratio

Compared with Fund of Funds Universe

- For most of the history the Sharpe Ratio for the APFC portfolio has ranked in the top half of the fund of fund universe.
- Since 2016 it has consistently been in the top quartile.
- It has often been in the top decile over that period.
- All hedge fund strategies experienced a decline in Sharpe Ratio in Q1 2020 due to pandemic risk-off environment.
- APFC portfolio held up better than 60% of FOF's during this period.

**Rolling 3 Year Sharpe Ratio
for 17 1/4 Years Ended September 30, 2024**



APFC Absolute Return Portfolio Allocation Across Strategy Types

Portfolio Construction Analysis

- Table shows the allocation across strategies in APFC portfolio.
- Portfolio is well balanced across strategies.
- Portfolio has a limited number of concentrated positions in high conviction strategies.
- Portfolio is heavily biased towards well resourced multi-strategy funds with specific expertise in core areas.

Strategy	Strategy Type	Sub Strategy	Percent
Manager A	Fund of Funds	Legacy Illiquid	0.27%
Manager B	Fund of Funds	Fund of Funds	1.51%
Manager F	Global Macro	Directional	3.95%
Manager G	Global Macro	Systematic	3.60%
Manager J	Global Macro	Asia-focused	3.75%
Manager M	Global Macro	Trading	8.39%
Manager N	Global Macro	FIRV	3.39%
Manager Q	Global Macro	Commodities	2.49%
Manager R	Global Macro	Directional	2.09%
Manager S	Global Macro	Trading	3.61%
Manager V	Gold	Gold ETF	3.35%
Manager C	Long Short Equity	Quantitative	2.55%
Manager D	Long Short Equity	Market Neutral	6.48%
Manager E	Long Short Equity	Market Neutral	7.57%
Manager L	Long Short Equity	Growth/TMT	5.00%
Manager P	Long Short Equity	Low Net	5.37%
Manager T	Long Short Equity	Mkt Ntrl	1.50%
Manager H	Multi Strategy	Market Neutral	9.41%
Manager I	Multi Strategy	Event-Driven	5.83%
Manager K	Multi Strategy	Event-Driven	4.03%
Manager O	Multi Strategy	Mkt Ntrl	12.40%
Manager U	Multi Strategy	Relative Value	3.46%
Absolute Return			100.00%
		Strategy Type	Percent
		Fund of Funds	1.78%
		Global Macro	31.27%
		Long Short Equity	28.47%
		Multi Strategy	35.13%
		Gold	3.35%
		Total	100.00%

APFC Absolute Return Portfolio

Conclusions

- Portfolio has performed well relative to those of other large institutional investors since inception.
- Performance has improved by all measures since conversion in 2016 from fund-of-fund to direct approach.
- Overall, the decision by staff and the Board to transition to a direct strategy has been a success.
- Current portfolio is well diversified across a mix of uncorrelated high quality institutional strategies.
- Current portfolio has demonstrated low equity market exposure (beta), and a relatively high return making it a good diversifier to equities in the APFC portfolio.
- Overall size of APFC portfolio places implementation constraints on size of absolute return portfolio.
- Current size and design successfully avoids over-diversification while managing around capacity constraints inherent to asset class.

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MEMORANDUM

To: Board of Trustees

Thru: Deven Mitchell, CEO

From: Shannon McCain, Director of Human Resources

RE: PMP – Employee Handbook 2024 final changes

The APFC PMP – 2024 Employee Handbook is a valuable tool for ensuring consistent operations and maintaining a high standard of excellence at the Alaska Permanent Fund Corporation. The PMP also provides a transparent method to inform employment decisions and outline APFC’s employment rules. An updated version of the PMP was brought before the Board in July for consideration and approval.

During the July meeting, the Board conceptually approved the proposed changes except for two items to be brought back for review before final approval at the December meeting. Once approved the 2024 PMP Handbook will be sent to all employees for review and signed acknowledgment of receipt.

The two items that the Board requested revisions to, before final consideration for the 2024 PMP approval, are the section on Non-disclosure of Confidential Information and a review of the Employee Discipline section regarding impacts to the “at will” status at APFC, both items are discussed below.

Nondisclosure of Confidential Information: The Board requested a more specific definition of confidential information so employees would better understand what the term meant within APFC. This section can be found on page 9 of the updated document in this packet. Proposed language for approval underlined below:

Page - 9

Non-disclosure of confidential information refers to the practice of not revealing any sensitive, private, or proprietary information to unauthorized individuals or entities. For the purpose of this section, “confidential information” includes any information that is not subject to a public records disclosure under Alaska Statute 40.25.120(a)(4), because such information is deemed confidential under state or federal law. This is a critical aspect of maintaining privacy and security within APFC. Sending confidential information, as defined above, to unauthorized emails is prohibited.

By including the reference to Alaska Statute 40.25.120(a)(4), the language ensures that all records required by state and federal law to be kept confidential are automatically considered as confidential within the APFC.

Examples of such confidential information include employee medical records, information in personnel files regulated by privacy regulations, proprietary investment data, sensitive financial or operational information data that could compromise the APFC’s competitive position or legal standing.

This clarification helps staff understand that the definition is not limited to organizational policies but is tied to legal requirements, providing greater transparency and ensuring that employees are fully aware of their responsibilities regarding confidentiality.

Employee Discipline: The Board suggested review of whether the new proposed language in the Employee Discipline section impacted APFC's "at will" employer status and consider revising if necessary to maintain status.

Recommendation: After consultation with the Department of Law, two sections specifically regarding "at will" status, were rewritten and reframed to provide more clarification and reduce any assumptions that could cause confusion regarding an additional employee benefit in this area, both listed below and can be found on page 22 and 23 of the updated 2024 document in this packet.

Supervisor Assesses When to Use Disciplinary Action

Ongoing, two-way communication between supervisors and employees often mitigates the need for disciplinary actions. Under certain circumstances, formal corrective disciplinary action may be appropriate. Disciplinary actions, including termination, may be recommended if corrective measures have not resolved the issue. APFC reserves the right to determine in its sole and unlimited discretion when and if progressive discipline will be used and always reserves the right to terminate an employee without cause and/or previous notice. Examples of serious misconduct may be, but are not limited to threats of violence, harassment or discrimination, theft or fraud, violations of the drug and alcohol policy, conflicts of interest, breach of confidentiality, gross negligence in the performance of duties or dishonesty.

Recommendation for Suspension/Termination

If prior corrective measures have not resolved an issue within a reasonable timeframe or if an investigation determines that the misconduct is severe, suspension or termination may occur. At the supervisor's discretion, immediate termination without verbal or written warning may be recommended. The Department head must review the recommendation before it is forwarded to the HR Director and Executive Director for approval.

Lastly, during review of the PMP document in preparation for the December Board meeting, seven minor edits are being proposed to add clarity or make minor corrections.

On page 7, Disclosure Requirements section was edited to provide information regarding the external policy and where an employee can receive a copy. Additionally, the requirement that staff and trustees provide their disclosure on a APFC approved form was removed but remains a requirement in the external policy.

On page 7, a title was added to the section on the Alaska Executive Branch Ethics Act and provides information regarding the annual training requirement.

Throughout pages 10-13 the use of the term "pay for performance" was returned to the more widely understood term "merit" so as not to confuse with incentive compensation.

On page 10, the frequency of merit salary increases was changed from July to annually. Other minor language changes aligned wording with the performance evaluation section.

On page 12, added language to clarify to be removed from a performance improvement plan an employee will have a rating of ‘meet expectations’.

On page 13, a reference to a statute that classifies APFC staff as exempt from the Personnel Act and therefore, exempt from personnel rules and regulations that apply to other state personnel.

On page 18, titles for Tiers of leave accrual information added and clarified.

On page 17, retitled the section “Work at Home” to “Flexible Work Options” to make more sense and better align with practice of allowing work from home or alternate location on temporary basis.

Summary of Memo: The majority of changes to the PMP were conceptually approved by the Board, with two additional items requested for further consideration. The appendix of this memo includes a detailed "List of Changes" along with a redline version of the 2024 PMP. This redline version incorporates the changes approved at the last meeting as well as new changes, including requests from the Board, shown in track changes.

Request Board approval of the APFC 2024 PMP-Employee Handbook

Appendix:

Spreadsheet w/List of changes

2024 PMP: July Changes Accepted, December Update with Redline for New Changes



ALASKA PERMANENT
FUND CORPORATION

PMP-Employee Handbook

December 11, 2024

2024 PMP-Employee Handbook update

Two items for follow up prior to approval:

1. Non-Disclosure of Confidential Information
Clarify definition of “confidential information”
2. Research language impact to “at will” status in the Employee Discipline section
Consider editing if necessary

Lastly, during the review there were several minor edits for clarity or correction of technical information

Non-Disclosure of Confidential Information

Section Language:

Non-disclosure of confidential information refers to the practice of not revealing any sensitive, private, or proprietary information to unauthorized individuals or entities. For the purpose of this section, "confidential information" includes any information that is not subject to a public records disclosure under Alaska Statute 40.25.120(a)(4), because such information is deemed confidential under state or federal law. This is a critical aspect of maintaining privacy and security within APFC. Sending confidential information, as defined above, to unauthorized emails is prohibited.

New definition tied to Alaska Statute

40.25.120(a)(4)

Examples of confidential information include:

- Employee medical records
- Proprietary investment data
- Sensitive financial or operational information that could compromise APFC's competitive position or legal standing

“At Will” Employer Status language

Section: Supervisor Assess When to Use Disciplinary Action

APFC reserves the right to determine in its sole and unlimited discretion when and if progressive discipline will be used and always reserves the right to terminate an employee without cause and/or previous notice.

Section: Recommendation for Suspension/Termination

At the supervisor’s discretion, immediate termination without verbal or written warning may be recommended.

Minor Revisions

- Terminology: 'Pay for performance' reverted to 'Merit'
- Frequency of merit salary increases from 'July' to 'Annually'
- Performance Improvement Plan requires 'meets'
- Adjusted leave accrual titles - Tier 1. Teir 2.
- Clarified disclosure requirements
- Retitled 'Work at home' to 'Flexible Work Options'



ALASKA PERMANENT
FUND CORPORATION



PMP - EMPLOYEE HANDBOOK
2024

BOT v3.0

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Mission

To manage and invest the assets of the permanent fund and other funds as designated by law

Vision

To deliver sustained, compelling investment returns as the United States' leading sovereign wealth endowment manager, benefitting all current and future generations of Alaskans

Values

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.

Stewardship: We are committed to wisely investing and protecting the assets, resources and information with which we have been entrusted.

Passion: We are driven to excellence through personal improvement, innovative solutions and an open creative culture; and are energized by the challenges and rewards of serving Alaskans

Introduction

This Employee Handbook (Handbook) outlines those elements of the PMP with which all employees must be knowledgeable to effectively carry out their job responsibilities and contribute appropriately to the APFC mission. As support for employees, the PMP establishes an obligation for APFC to provide each employee the most appropriate opportunity to perform effectively. The Chief Executive Officer is responsible for implementation.

Open and timely communication and understanding at all levels of APFC employment is vitally important to PMP implementation. The value of teamwork is critical to the success of the PMP and each employee; teamwork extends employees' understanding of job responsibilities, supervisory roles, and other work-related relationships. Each employee's individual contribution adds to the success of the entire APFC organization.

No employee manual can anticipate every circumstance or question about policy. As APFC continues to grow, the need to change policies may arise. Therefore, APFC reserves the rights to revise, supplement, or rescind any policies or portion of this manual. Human Resources will notify employees as soon as is practicable of changes to the Handbook.

In order to retain necessary flexibility in the administration of policies and procedures, APFC reserves the rights to revise any of the policies and/or benefits described in this handbook.

Employment-at-will Status

APFC is an at-will employer neither the employee nor APFC is obligated to continue the employment relationship if either chooses, at will, to end the relationship at any time for any or no reason not prohibited by law. The protection of general employment laws applies to APFC employees.

Employment Overview

Organizational Chart

APFC Organizational charts are updated periodically as needed and available through the Human Resource Information system Bamboo (HRIS – Bamboo) or by request.

Disclosure Requirements

As required by Alaska Statute 37.13.100(b), APFC employees and Trustees are required to disclose personal financial investments that the Alaska Permanent Fund also holds. These disclosures are required to be made in accordance with the Corporate Policy on Disclosure of Investments under AS 37.13.110(b). A copy of this Corporate Policy will be provided to you when you commence employment with APFC. A copy can also be obtained from the Human Resources Director at any time. Employees and Trustees are required to disclose all reportable investments on an APFC-approved reporting form. These disclosures are public documents.

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“Reportable Investments” mean the acquisition, ownership, and controlling interest, direct, in an entity or project in which the Fund assets are invested.

Disclosures are required according to the following schedule:

(a) Initial Disclosure. Reportable Investments that exist at the time you join APFC must be disclosed within 30 (thirty) calendar days from the date of commencing your role as a Board member or as an APFC employee unless another date is set by the compliance officer.

(b) Quarterly Disclosure: After joining APFC, all subsequent new Reportable investments made during the quarter must be disclosed by the thirtieth day following the end of each quarter.

(c) Annual Disclosure. In addition to the initial and quarterly disclosure each year by March 15, a comprehensive disclosure of all Reportable Investments held that exist on December 31 of the preceding calendar year must be filed.

Failure to meet disclosure standards could be considered a serious violation of APFC ~~and/or state policy, and may be a violation of state law.~~

A

Public Official Financial Disclosure Statement (POFD)

In accordance with AS 39.50, Investment officers, Trustees and the Executive Director must disclose information about their personal finances within 30 days of hire; annually on March 15 of each year and within 90 days of leaving service. Failure to timely comply with this requirement results in the automatic assessment of civil penalties. Disclosures are made electronically through the Alaska Public Offices Commission (APOC).

Alaska Executive Branch Ethics Act

~~APFC employees and Trustees must comply with the Alaska Executive Branch Ethics Act (AS 39.52) regarding acceptance of gifts, conflicts of interest and notification of outside employment or services. Training in the requirements of the Executive Branch Ethics Act will be provided when employment at APFC commences and every year employees will be required to confirm their obligation to comply with the requirements of these state laws.~~

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Equal Employment Opportunity

APFC provides equal employment and advancement opportunities to all. APFC follows all applicable laws and does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, physical handicap, marital status, changes in marital status, pregnancy or parenthood.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, any department head, or the Human Resources Director. Employees can raise employment-related concerns and make reports without fear of reprisal. APFC prohibits employment decisions based on whether or not an employee files or does not file a discrimination complaint regarding himself/herself or a coworker. Anyone found engaging in unlawful discrimination or retaliatory behavior will be subject to disciplinary action, up to and including termination of employment.

Disability Accommodation

APFC is committed to complying with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons under this Act. All employment practices and activities are conducted on a nondiscriminatory basis. APFC also prohibits discrimination against qualified employees or applicants because they are related to or associated with a person with a disability.

Nepotism and Hiring of Immediate Family Members

The Executive Director must preauthorize all APFC hires. Immediate family members of APFC employees may be hired only if: (1) Executive Director approval is obtained, (2) they will not work directly for, or supervise a relative, and (3) they will not work in the same department within APFC.

For the purposes of this policy, a relative or immediate family member includes the spouse of the employee, another person cohabiting with the employee in a conjugal relationship that is not a legal marriage, a child, including a stepchild and an adoptive child of the employee; a parent, sibling, grandparent, aunt, or uncle of the employee, and a parent or sibling of the employee's spouse.

APFC prohibits hiring APFC Board of Trustee members (per AS 37.13.100). Additionally, APFC prohibits hiring immediate family members of current APFC Trustees. If a Trustee is appointed to the APFC Board and is also related to a current employee, the Boards and Commissions Office within the Office of the Governor is notified. APFC will then follow appropriate recommendations made by the Boards and Commissions Office.

Before finalizing a decision to hire an employee's immediate family member, APFC will consider whether it is possible to reassign supervision in a way that does not violate the nepotism law. APFC may require both family members to sign a declaration of familial relationships and nepotism waiver, stating that both members understand the policy and limitations for potential future career advancement due to the position held by the other family member. APFC does not accommodate organizational movement of an immediate family member for the sole purpose of allowing career advancement for the other family member.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

Outside Employment (AS 39.52.170)

All APFC employees must report outside employment or service for which he or she is paid, to the Human Resources Director or such other person who has been delegated to be the ethics supervisor by the APFC Executive Director. Volunteer service must be disclosed only if it is a potential conflict with State duties or if the employee receives any compensation, including travel or meals. Changes in paid outside employment or services must be reported as they occur.

The Ethics Act requires APFC employees to submit an annual "Outside Employment" Disclosure by July 1 each year and every year thereafter if they continue to have outside employment or volunteer activity to disclose.

In general, Employees may hold employment outside of APFC as long as they meet the performance standards of their APFC job and that such outside employment does not conflict with APFC job duties and responsibilities, corporate values, or the Alaska Executive Branch Ethics Act. Employees are judged by the performance standards and measurements detailed in their individual position descriptions and/or their individual employee performance Evaluations without consideration for the outside work requirements and are subject to APFC's scheduling demands, regardless of existing outside work requirements.

Employees are required to notify the APFC ethics supervisor in writing about outside employment immediately upon accepting outside employment in accordance with the Alaska Executive Branch Ethics Act (AS 39.52.170). The APFC ethics supervisor determines if a conflict of interest exists. If a conflict exists, the employee must rectify the conflict immediately.

If APFC determines at any time, even after granting initial approval, that an employee's outside work interferes with his/her ability to meet APFC work requirements, APFC's needs supersede the other employer considerations

Restriction on Employment After Leaving State Service (AS 39.52.180)

Employees are prohibited from receiving any income or material gain from individuals outside APFC for materials produced or services rendered from performing their job responsibilities or duties with APFC. The Alaska Executive Branch Ethics Act restricts certain employment for two years after leaving state service. For two years former employees are prohibited from representing, advising, or helping someone for money on a matter they worked on while with APFC. This only applies if they were personally and substantially involved in the matter through their official duties. A former employee may request, through the CEO, to have the restriction waived in writing by the Attorney General if it's not against public interest. Such request should be requested through the APFC Ethics Supervisor.

Current or former employees are prohibited from disclosing or using confidential information obtained through your official duties for personal or family benefit. These restrictions apply indefinitely and include any information not made public through official channels.

Nondisclosure of Confidential Information

Non-disclosure of confidential information refers to the practice of not revealing any sensitive, private, or proprietary information to unauthorized individuals or entities. For the purpose of this section, "confidential information" includes any information that is not subject to a public records disclosure under Alaska Statute 40.25.120(a)(4), because such information is deemed confidential under state or federal law. This is a critical aspect of maintaining privacy and security within APFC. Sending confidential information, as defined above, to unauthorized emails is prohibited.

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Employees who improperly use or disclose confidential information to unauthorized parties may be subject to disciplinary action, up to and including termination of employment, even if they do not benefit from the disclosed information.

Compensation & Classification

Authority for Position Classification & Compensation Actions

Classification / Compensation Action	Approval Authority
<ul style="list-style-type: none"> Hiring Executive Director – AS 37.13.100 Establishing and adjusting Executive Director compensation AS 37.13.100 Amending the compensation structure 	Board of Trustees
<ul style="list-style-type: none"> Amending position classification structure Hiring employees (within Board approved budgeted appropriation) Establish pay rates for new hires Promoting staff Adjusting staff compensation for performance based increases (excluding ED) Adjusting staff compensation outside the evaluation cycle and pay for performance increase provisions within existing personnel management plan and/or compensation policy. Reclassifying positions 	Executive Director

Compensation Considerations at Hire

APFC salary administration strives to balance the need to attract strong talent while maintaining a fiscally responsible approach to the hiring process. Each hire will be evaluated and offers will be made with a commitment to ensure we provide compelling compensation commensurate with positional responsibilities and candidate experience.

Appointment below the minimum qualifications may be allowed as an under-fill option when recruitment difficulties exist, and the duties of the position can be temporarily modified to allow the incumbent time to gain the necessary skills needed. This option allows APFC to hire individuals who may not meet the minimum qualifications for the position, but enables a hire to be made based on objective, job-related factors such as the applicant's relevant and transferable knowledge, skills, and abilities. Individuals hired below the minimum qualifications must participate in a development plan designed to provide them with the experience needed to perform effectively in the position with a reasonable amount of time as documented in the development plan at the time of hire.

Promotion and Reclassification

Promotion

Employee promotion is defined as when an employee accepts the offer extended from APFC to move into a higher level position within APFC accompanied by an increase in responsibilities, authority, and/or higher salary. Among other considerations, promotion offers are based on an employee's current performance. At the time of offer, an employee must be qualified to perform the duties of the position. A promoted employee's salary should be at least the minimum of the higher position's salary unless approved by the Chief Executive Officer and are subject to organizational budget constraints.

Reclassification

Reclassification occurs when a significant change in the responsibilities of a position warrants moving the position to another classification. This change can be to a higher, lateral or lower class level. Reclassification may or may not be to an already existing job class. Reclassification of a position may or may not warrant a change in the reclassified position's salary.

Merit-Based Pay/Salary Increases (not incl. promotions and reclassifications)

Decisions to extend a merit-based salary increase are based on positive work contribution, not longevity. The granting of a merit increase is not a guarantee of continued employment and does not alter the "at will" status of APFC employees.

The appropriate times to offer merit-based salary pay increases are:

1. Merit-based salary increases may be awarded in July annually, subject to legislative appropriation, for work performance during the prior year. Employees must have a "meets expectations" rating to be eligible for a merit performance-based pay increase. Employees who have worked an incomplete year or have not maintained a "meets expectations" fully acceptable performance rating for the entire year may receive a pro-rated performance merit-based salary increase based on the duration of their "meets expectations" fully acceptable performance between their starting date and the end of the rating period. July 1. The Executive Director may alter the timing based on organizational needs."

2. Other: The Chief Executive Officer has the authority to make temporary or permanent salary adjustments to ensure internal equity or to address exceptional circumstances. Any such adjustments must be documented with a justification detailing the circumstances that support the adjustment, and this documentation must be included in the personnel file.

PERFORMANCE MANAGEMENT and Performance Evaluations

Performance Management provides opportunities for official recognition of an employee's achievements, provide suggestions for performance improvement, and provide the opportunity for employee career counseling. Performance appraisals relay APFC work expectations, develop performance objectives, and evaluate work performance.

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APFC supervisors are encouraged to regularly review employee work performance on an informal basis. Semi-annually, supervisors conduct a formal Employee Work Performance Evaluation. This is the official documentation of an employee/ supervisor discussion of employee work performance for the semi-annual review period. The performance appraisal process or rating does not alter the "at will" status of APFC employees.

Performance Evaluation system elements

Class Specification	Class specifications outline the duties, responsibilities, and qualifications for job categories within APFC.
Job Description	A job description clearly defines the duties, responsibilities for a position, serving as the foundation for evaluating an employee's job performance
Periodic Interim Reviews	As needed – provides an informal and interactive process during the year to identify changes in the position or goals and promotes open communications.
Semi-Annual Performance Evaluation	Documents the formal process using a performance measurement system that focuses on competencies and goals. (See "Performance Evaluation Process" for details.)

It is upon the completion of the performance Evaluation, and based on work performance, that pay adjustment or position movement is based. The evaluation is also a planning tool that details the next year's work performance objectives, the employee development plan, and measurable goals.

Semi-Annual Performance Evaluation Process

The purpose of the semi-annual performance review process (every 6 months) is to provide regular feedback to employees, encourage professional growth, and align performance with organizational mission and goals. This process includes supervisory discussions, feedback, and a merit pay-for-performancebased salary component to reward employee contributions.

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The semi-annual performance review process operates on the following schedule:

- May 3 – November 2
- November 3 – May 4

This schedule ensures that supervisors and employees have ample time to complete evaluations before the fiscal year ends, aligning with the timing for performance-based increases.

1. Merit-Based Salary Increases Pay for Performance:

- o Eligibility: Employees should have a minimum performance rating of "meets expectations".
- o Approval: Merit Pay increases are subject to legislative appropriation and organizational budget constraints.

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The Performance Evaluation includes

Looking back by:

- Conducting a position review, documenting changes since hire or since the last position review
- Conducting a comprehensive review of the employee's performance during the performance review period to compare expectations to actual performance

Looking forward by:

- Determining measurable goals and/or projects for the next year

- Identifying tools and creating a training program to meet those new goals
- Identifying specific performance areas needing concentrated effort during the next year

Recommendation for pay action

If the supervisor's rating of an employee's performance warrants a pay increase after all levels of review and approval are completed, HR initiates a pay action. A copy of the pay action is placed in the employee's personnel file. The supervisor and/or HR notifies employees of upcoming changes to their compensation.

Change of supervisor

Outgoing supervisors should conduct change of supervisor performance Evaluations for employees under supervision who have not received an evaluation within the past six (6) months.

Merit Evaluation Scale

APFC ~~merit-based salary pay-for-performance~~ increases are based upon criteria determined by management, e.g., anticipated percentage of money available for salary adjustments. The evaluation scale has five performance levels. Employees receive a merit-based salary pay-for-performance increases to their base salaries each year based upon the results of their performance evaluations

Detailed definitions of the Ratings Used in Employee Overall Work Performance Evaluations

Outstanding (5) Demonstrates exceptional initiative and leadership/relationship skills, significantly surpasses all job performance criteria. Actively seeks out feedback and consistently uses it to further enhance performance and drive continuous improvement.

Exceeds Expectations (4) Regularly exceeds job performance criteria, showing proactive and innovative behavior. Welcomes feedback and applies it effectively to exceed performance expectations and contribute to team success.

Meets Expectations (3) Adequately meets job performance criteria and fulfills job responsibilities effectively. Accepts feedback constructively and incorporates it to maintain consistent performance and reliability.

Partially Met Expectations (2) Occasionally meets job performance criteria but requires further development in key areas is necessary. May be receptive to feedback but needs to improve on consistently applying it to enhance performance.

Did Not Meet Expectations (1) Frequently fails to meet job performance criteria, showing inadequate performance and/or behavior. Often struggles to accept feedback and does not effectively use it to improve performance.

Performance Management Process

At the Alaska Permanent Fund Corporation (APFC), we are committed to maintaining high performance standards. Employees who receive a performance rating below "Meets Expectations" will be evaluated to determine if a Performance Improvement Plan (PIP) is appropriate, or if employment separation is necessary.

Performance Improvement Plan (PIP): A PIP offers structured support and clear goals for employees not meeting performance expectations. Employees must show significant improvement within a set time limit. If goals are met, they will resume regular performance reviews and have a performance rating of "Meet Expectations". If solid progress is made but goals are not yet met, the PIP may be extended.

Employment Separation: If an employee fails to meet the improvement goals outlined in the PIP, or if their documented performance is deemed inappropriate for a PIP and consistently falls below the minimum requirements of their position, APFC may proceed with employment separation.

At-Will Employment: Participation in a PIP does not alter the at-will nature of employment at APFC. Both the employee and the company retain the right to terminate employment at any time nor prohibited by law, with or without notice.

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Recruitment Overview

APFC's recruitment program offers an uncomplicated course of action for filling vacant positions; encourages internal applicants; promotes APFC values; reflects a sense of urgency to reduce impact on other employees.

APFC is a State of Alaska entity exempt from the Personnel Act [\(AS 39.25.110\(11\)\)](#), with no requirement to follow a set recruitment procedure. A vacancy provides a unique opportunity to review the organization's needs outside of the normal budget cycle organizational review process. That said, APFC recruitment generally follows the process outlined below.

- | | |
|---|-----------------------------|
| 1. Determine Organization's Need for Position | 5. Interview Process |
| 2. Develop Recruitment Plan | 6. Final Selection |
| 3. Create Recruitment Notices | 7. Personnel Action |
| 4. Implement Recruitment Plan | 8. Orientation and training |

Employment Categories

Employment categorizations provide a framework for staff appointments consistent with APFC mission, vision, values and goals. They establish a framework for necessary position types requisite to APFC mission; they create standards for planning and budgeting for APFC position appointments.

APFC must conform to the Executive Budget Act (AS 37.07) which means that legislative approval is required for new positions of more than one-year duration.

A position must be established prior to an appointment. Full time, regular appointment categories require prior approval by the Alaska Legislature. APFC may directly establish others. Except for short-term temporary appointments, the Board of Trustees must approve the establishment of all positions (AS 37.13.100).

A position established in one of APFC's categories of appointment refers to the position in APFC organizational structure and to the budget. These terms categorizing position appointments do not alter the APFC "employment-at-will" status. Either the employee or APFC may terminate the employment relationship at any time, for any or no reason.

Categories of Appointment List

- | | |
|-----------------------|------------------------|
| • Regular Full-Time | • Temporary Short-Term |
| • Regular Part-Time | • Emergency |
| • Regular Seasonal | • Intern |
| • Temporary Long-Term | • Job Sharing |

Categories of Appointment Descriptions

Regular Full-Time Appointments

A regular full-time position must be approved by the legislature through the executive budget process. An employee working in a full-time position is scheduled to work 30 or more hours per week.

Characteristics

- Compensation at salaried rate either hourly or annualized
- May be overtime eligible or ineligible as defined by exempt criteria under FLSA
- SBS eligible (annuities & select benefits)
- Full PERS accrual
- May participate in Deferred Compensation
- Full health insurance
- Full basic life insurance
- Full leave accrual
- All paid holidays

Regular Part-Time Appointments

A regular part-time position must be approved by the legislature through the executive budget process. An employee working in a part-time position is scheduled to work at least 15 hours but less than 30 hours per week.

Characteristics

- Compensation based on an annualized hourly rate
- May be overtime eligible or ineligible as defined by exempt criteria under FLSA
- SBS eligible (annuities & select benefits)
- PERS accruals are prorated (based on a 1560 hour year) by hours worked
- May participate in Deferred Compensation
- Employee may elect health insurance by paying half of premium rate or may opt out of coverage
- Employee may elect basic life insurance by paying half of premium rate (if electing health insurance) or may opt out of coverage
- Leave and holiday accruals are prorated based on a 37.5 hour workweek

In-House Intern Appointments

APFC established an intern classification to provide substantive training experience in varied occupations designed to enhance and complement a student's course of study. An internship of 120-calendar days' duration or less shall be treated as a temporary short-term appointment as defined previously. APFC does not provide for internships lasting more than 120 calendar days. Interns are distinguished from other temporary employees because their work is part of an applied academic program. The Executive Director must approve the decision for an internship to exceed one semester.

Special Considerations for Intern Appointments

- To be eligible for participation in the internship program, the candidate must meet the APFC Intern Program qualifications.
- All APFC interns are compensated on an Hourly basis
- Intern positions are Temporary Short-Term Appointments and as such are FLSA overtime eligible

Regular Seasonal Appointments

A regular seasonal position must be approved by the legislature through the executive budget process. An employee working in a seasonal position is scheduled to full-time for an assigned period of weeks during the work year. Outside of the assigned period, the employee is placed on "seasonal leave without pay" (SLWOP) status.

Temporary Long-Term Appointments

A temporary long-term position is established by APFC. A temporary long-term employment period exceeds 120 calendar days but cannot exceed 12 months. If 12 months is exceeded, APFC must request a regular position through the executive budget process. The same set of duties cannot be performed by a second long-term temporary appointment after the first expires within a 60 day period.

Temporary Short-Term Appointments

A temporary short-term position is established by APFC. A short-term temporary employment period shall be for 90 calendar days or less but can be extended once for 30 calendar days by APFC. If 120 calendar days are exceeded, the appointment shall be treated as a temporary long-term appointment for specific benefit purposes (health/life insurance, personal leave, and holidays), and such benefits shall be awarded retroactively to the date of appointment unless waived by the employee. Internships are included in this category. The same set of duties cannot be performed by a second temporary short-term appointment after the first expires within a 60-day period. This appointment category provides no paid leave, no paid holidays, or other employee benefits other than hourly compensation and SBS eligibility.

Emergency Appointments

APFC may occasionally appoint emergency/substitute personnel to fill critical and unanticipated vacancies. Such appointments can be made for an employment period of no more than 30 calendar days. If 30 calendar days are exceeded, the appointment shall be treated as a short-term temporary appointment. The same set of duties cannot be performed by a second emergency appointment after the first appointment expires.

PAYDAY

APFC employees are paid on a biweekly basis. There are 26 pay periods each year (except Leap year) and pay day is every other Friday.

WORK HOURS, OVERTIME AND LEAVE

This guidance is intended to maintain consistent office hours and employee scheduled attendance. APFC recognizes that we are an organization of professionals whose body of work does not always adhere to standard work times and days.

Work Hours and Office Hours

- Official APFC office hours are 8:00 a.m. through 4:30 p.m., Monday through Friday
- The APFC employee standard work week is Monday through Friday
- Most APFC employees work 7.5 hours per day, with an additional one-hour lunch break.
- Overtime exempt staff may be required to work additional hours as needed to meet job responsibilities. Supervisors may approve employee requests to temporarily flex from their regular work schedule.
-

Attendance and Absence

- APFC requires employees to report to work on time each day.
- Employees must notify their supervisors as soon as possible if they have an unexpected absence or are going to be late for work whether they are working in an APFC office or working from another location.

- Planned employee absences (leave) require advance supervisory approval.
- APFC staff must use Bamboo and Outlook out of office notifications to keep other staff informed if their workday deviates from their usual schedule or they are out of the office.

Flexible Workday Schedule

The Alaska Permanent Fund Corporation (APFC) recognizes the importance of work-life balance and offers the option to temporarily flex workday hours to accommodate personal needs while maintaining productivity and meeting business needs.

- Flexing workday hours allows employees to adjust their start and end times within the workday, subject to supervisor approval. This offers flexibility while ensuring that all work responsibilities and the required workweek hours are completed. APFC employees may use the option of “flexing” their workday outside the standard APFC office hours with the approval of their supervisor
- Flexing workday hours is intended as a temporary convenience. Generally, APFC staff are required to maintain their consistently agreed-upon schedule.

Overtime for Employees Paid on an Hourly Basis

This section explains how regular hours are paid and the conditions under which overtime is compensated for overtime-eligible staff who work a standard 37.5-hour work week. For these employees:

Per the Fair Labor Standards Act (FLSA), overtime is defined as any hours worked over 40 hours in a work week.

Overtime Compensation

- Rate: Overtime hours will be compensated at one and one-half times the employee’s regular hourly rate. Hours worked over 37.5 but less than 40 are compensated at the regular rate of pay.
- Calculation: Overtime is calculated based on the total number of hours worked in a work week. Paid time off (PTO), holidays, and other non-worked hours do not count toward the overtime threshold for overtime calculation.
- Approval: Overtime must be pre-approved by the employee’s supervisor.
- Reporting: Employees are required to accurately record all hours worked, including overtime, on their timesheet.
- Overtime is not available to salaried overtime-exempt employees.

Holidays

APFC recognizes the following 11 State Holidays per AAM 270.020. APFC also recognizes days publicly proclaimed by the US President as a national holiday or by the Alaska governor as a legal holiday. On occasion the SIFA and NYSE Market holidays do not line up with State Holidays. Based on business need, managers of employees work on those days are expected to plan on having appropriate staff in the office to ensure safe and effective operations.

Holiday

New Year’s Day	Jan	1 st
MLK Jr.’s Birthday	Jan	3 rd Monday
President’s Day	Feb	3 rd Monday
Seward’s Day	Mar	Last Monday
Memorial Day	May	Last Monday
Independence Day	July	4 th
Labor Day	Sept	1 st Monday

Alaska Day	Oct	18 th
Veteran's Day	Nov	11 th
Thanksgiving Day	Nov	4 th Thursday
Christmas Day	Dec	25 th

Work Status on APFC Holidays

APFC is required to follow State of Alaska employee leave and holiday rules. However, some State holidays occur when the financial markets are open and therefore, APFC operations must continue. Because certain employees are directly responsible for these mission-critical operations, they are required to be at work on some State holidays.

FLSA Overtime Exempt: FLSA Overtime Exempt employees required to work on a State holiday may take another supervisor-approved day off in lieu of their holiday, but within 30 calendar days after having worked the holiday. The holiday must accrue to the employee before taking off a day from work.

FLSA Overtime Eligible: Typically, Fair Labor Standards Act (FLSA) overtime eligible employees will not be required to work on State holidays. However, if an employee is FLSA overtime eligible, and is required to work on a holiday, that employee will be paid for their time worked at the appropriate rate of pay.

~~Work at Home~~ Flexible Work Options

Adhoc Alternate Work location

Employees may request to work from home or another location on an ad hoc basis, subject to prior approval from their supervisor. Ad hoc work arrangements are irregular on demand arrangements where employees may work in an alternate location (usually home) upon prior approval. This arrangement is intended for occasional use and is not intended to replace regular, in-office work schedules.

Guidelines

- Eligibility: Employees are eligible to request ad hoc work ~~from home~~ arrangements. Approval will be based on job responsibilities, performance, and the ability to work independently.
- Approval Process: Employees must submit a request in Bamboo to their supervisor as early as possible, outlining the reason for the request and the proposed date(s) ~~for working from home~~. Supervisors will review the request and approve or deny it based on operational needs and the employee's work performance.
- Expectations: While working, employees are expected to:
 - Be accessible and responsive during regular working hours – maintaining the same level of work they would if they were in the office.
 - Maintain productivity and meet deadlines.
 - Ensure a secure and appropriate work environment.
 - Adhere to all APFC policies and guidelines, including those related to data security and confidentiality.
- Communication: Employees must maintain regular communication with their supervisor and team, providing updates on work progress as required.
- Equipment and Resources: Employees are responsible for ensuring they have the necessary equipment and resources to work effectively from home. APFC may provide additional support on a case-by-case basis.
- Duration: Ad hoc work from home requests are intended for short-term arrangements.

Supervisors have the discretion to approve, deny, or revoke ad hoc work from home arrangements at any time based on business needs or performance concerns.

~~Permanent~~ Remote Work

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It is the preference of APFC to hire employees to work onsite to benefit collaboration, strengthen teamwork and provide direct learning opportunities for staff. However, approving permanent remote work may be appropriate in certain circumstances. Permanent Remote work refers to an approved work arrangement in which an employee is allowed to perform their job duties entirely from a location outside the company's primary physical offices on a long-term or indefinite basis. Eligibility for permanent remote work from another duty station is determined on a case-by-case basis, considering factors such as recruitment difficulties, specific skill set that would be of particular benefit to APFC, job function, performance, experience level and operational requirements.

Refer to the external remote work policy for more information.

Hybrid Work Policy

Hybrid work is a flexible work arrangement that combines both remote and on-site work. Employees under this model split their time between working from the company's physical office and a remote location, such as their home. This arrangement aims to provide the benefits of both in-person collaboration and remote work flexibility.

Eligibility for hybrid work is determined based on various factors, including job function, individual performance and work style, and team needs. Employees interested in a hybrid work arrangement should initiate a discussion with their direct supervisor or manager to explore their eligibility.

Refer to the external Hybrid Work Policy for more information.

Leave

APFC is governed by AS 39.20.200 – 39.20.350 regarding leaves of absence. These statutes outline leave accrual rates and leave usage requirements.

Accrued leave is posted to an employee's leave record at the end of each pay cycle. If an employee takes unpaid leave, their leave accrual will be prorated based on the number of hours in pay status.

Leave Tier 1 - Staff initially hired into leave accruing position on or after 7/1/2013 accrue leave each pay period at the following rates.

Length of Service	Accrual Rate per pay period	Day per year
0-2 years	6:03	21 Days
2-5 years	6:55	24 Days
5-10 years	7:47	27 Days
10+ years	8:39	30 Days
15 or More Years	10:23	36 Days

Leave Tier 2 – Staff initially hired into leave accruing position on or before 6/30/2013 accrue leave each pay period at the following rates.

Length of Service	Accrual Rate per pay period	Day per year
0-2 years	6:55	24 Days
2-5 years	7:47	27 Days
5-10 years	8:39	30 Days
10+ years	10:23	36 Days

The leave year is January 1 – December 31. Employees who have a leave balance of 400 hours or less are required to use ten days of leave each year. Employees who have in excess of 400 hours are required to take 15 days per year until their leave balance is below 400 hours.

Short-Term Leave of Absence

APFC recognizes that allowing a short-term absence strengthens employee morale and increases productivity. The goals of this leave type are to provide employees an opportunity for an extended leave/sabbatical of up to three months without loss of position and/or to allow short-term leave to assist employees seeking professional or personal endeavors

- Short-term leave is not granted automatically; APFC needs must be the first priority.
- Short term leave is approved by the Executive Director for a period of not more than three months.
- Examples of uses for short-term leaves are to finish an academic degree or certification, to complete a professional licensing requirement, mission work, or travel. This list is meant merely as an example; other reasons may be approved.
- If the employee terminates during short-term leave, the termination date is retroactive to the first day of leave.
- All employee benefits are frozen and accrual ceases while on leave. In accordance with state policy and regulations medical benefits coverage may continue if the employee pays for coverage.
- Use of this leave option is without pay. However, with Executive Director approval, accrued personal leave may be used for all or as part of the short-term leave period.

PROFESSIONAL PRACTICES

APFC encourages staff to conduct themselves in a professional manner at all times, reflecting APFC values in their interactions with others, ever cognizant of their responsibilities to the public as managers of Fund assets.

Professional Codes of Conduct

APFC business operations and its reputation are built upon the principles of fair and ethical conduct of its employees. APFC complies with all applicable laws and regulations and expects employees in all positions to conduct business in accordance with all relevant laws and to refrain from illegal, dishonest, and unethical conduct or practices.

APFC success depends upon Alaskans' trust; we are dedicated to preserving it. Employees have an obligation to APFC and Alaskans to act in a manner that merits continued public trust and confidence in APFC.

APFC expects employees to use their best judgment, based on high ethical principles, as a guide to acceptable conduct. In a situation that is difficult to determine the proper course of action, openly discuss the matter with your immediate supervisor and, if necessary, with Human Resources for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every APFC employee. Disregard of or failure to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including termination of employment.

Ethics Information on receiving Gifts

Any gift received by an APFC employee that exceeds \$150 in value must be disclosed.

Business associates, contractors, vendors, or others doing business, or wishing to do business with APFC, occasionally offer APFC employees gifts, services, or other items. Under the Executive Branch Ethics Act (Ethics Act), an APFC employee may not solicit or accept gifts if a person could reasonably infer from the circumstances that the gift is intended to influence the APFC employee's action or judgment. "Gifts" are defined broadly under the Ethics Act to include money, items of value, services, loans, travel, entertainment,

hospitality, and employment. All gifts from registered lobbyists are presumed to be improper and cannot be accepted, unless the giver is immediate family of the person receiving the gift. Entertainment that is part of a fixed conference agenda is not subject to the reporting and restrictions of this section, but the guidance provided should still be considered in determining appropriateness of participating.

APFC Employees are under no obligation to accept gifts provided to them from third parties that are in or may be in an arm's length business relationship with APFC. The decision by an APFC employee to decline a gift will avoid the need to disclose the gift and avoid the suggestion the gift provided was intended to influence the employee's performance of their official duties. However, gifts may be accepted in certain circumstances.

- Under 9 AAC 52.060, APFC staff are encouraged to disclose a "gift" they receive if it is valued between \$50-\$150. However, this is not an express requirement of the Ethics Act, and each gift should be evaluated to determine the appropriateness of disclosing. If you are unsure whether you should disclose, it is always better to err on the side of caution and disclose the gift. Factors that may be used as guidance in determining if a gift is appropriate are:
 - Consider if the gift adds value to APFC. For example, attending a dinner with a manager offers an opportunity to bolster communication comfort in a less formal setting vs. a gift of an expensive item that is given to you.
 - Consider whether the gift is offered to or includes other investors. A gift that is offered to a broader group is generally more acceptable than a gift only offered to an individual.
 - Consider whether the gift is from or relates to a new investment/manager potential or from an existing investment/manager. Generally a gift from an existing manager is more appropriate.
 - Consider the timing of the gift. Gifts centered around critical evaluation processes are less appropriate.
 - Consider whether the gift would create any actual or perceived conflicts of interest.
 - Consider the public perception of the gift if it were disclosed broadly.
- APFC staff are required to disclose any "gift" valued at \$150.00 or more within 30 days of receipt of the gift.
- After considering guidance above APFC employees may accept meals valued at \$150.00 using their discretion.
- After considering guidance above APFC employees may accept an "experience" (sporting event, entertainment, experience, etc.) gift of up to \$250.00 using their discretion. For experience gifts valued at greater than \$250.00 employees must get written pre-approval from the Executive Director prior to accepting and include that pre-approval with the disclosure form filed with the Ethics Supervisor.
- After considering guidance above APFC staff may accept gifts of items of up to \$250.00 using their discretion. APFC staff must get written pre-approval from the Executive Director to accept a gift of an item that exceeds \$250.00 and submit that approval with the disclosure form filed with the Ethics Supervisor.

Annual Ethics Training

APFC staff must complete ethics training upon hire and annually each year to maintain their awareness and knowledge of responsibility under the State of Alaska Ethics Laws. After finishing the training each year, staff must sign an acknowledgment form, which will be kept in their personnel file.

Interpersonal Communications

APFC strives for open, two-way communications among all authority levels. Communications must be professional and respectful so that each employee feels free to express divergent thoughts and concerns. Active communication involves taking responsibility for contributing your ideas respectfully and listening carefully to the ideas of others.

APFC expects professional relationships within and outside the Corporation through the use of professional communication. Hurtful communications, such as malicious gossip, name-calling, slurs, spoken, circulated in hard copy or via an electronic device, are unacceptable and will not be tolerated. An employee using hurtful communication may be disciplined up to and including termination of employment.

Public Communications

APFC employees are sometimes called upon to make public presentations on APFC or other topics. APFC strives for open public communications and has responsibility as a public trust. This responsibility requires us to clearly communicate APFC goals, mission, values, and corporate activities. APFC recognizes the Board Chair, the Executive Director, and Communications Director as the official spokespersons for the organization. Questions about the Corporation from outside sources that require an official response should be directed to these official spokespersons.

Disputes

APFC encourages employees to bring disputes or conflicts with other employees to the attention of their supervisors, the Executive Director, or Human Resources, or to follow the Employee Grievance Procedure included in this Guide, if appropriate. APFC is eager to assist in the resolution of employee disputes.

Dress Code

APFC expects a high degree of professionalism in all aspects of work including dress and grooming that recognizes a diverse workforce.

When representing APFC, employees are required to present a clean and neat appearance. Everyday wear should project a professional image and should be chosen to fit the occasion. The Executive Director or designee reserves the right to define the dress code. Each employee is responsible for following the dress code. Department heads are responsible to ensure the employees they supervise follow the dress code.

Political Activities

APFC employees are in the Exempt Service of the Executive Branch of state government and as such, are exempt from the State Personnel Act (AS 39.25) unless specifically provided. While APFC encourages employees to exercise their constitutional rights and civic responsibilities in the political process by voting, supporting candidates and issues, and expressing personal views, some basic guidelines and restrictions apply. In addition, a clear separation must be established between state-related functions performed with state resources and private political activities, which cannot be supported with public funds.

APFC employees must follow AS 39.25.160 regarding political activities and AS 39.52, the Alaska Executive Branch Ethics Act. We summarize these legal requirements as follows. However, APFC employees should read the provisions of AS 39.25.160 (see the State of Alaska Division of Personnel Employee Orientation web page) and review the Executive Branch Ethics section (in the State of Alaska Department of Law web site).

- APFC resources – including but not limited to employee time, equipment, information, or supplies – may not be used to finance or influence, directly or indirectly, candidates for political office, ballot propositions, or public issues of a municipal, statewide or national character, or any other political activities, either partisan or nonpartisan, unless specifically appropriated by the Alaska Legislature and signed by the Governor.
- In the performance of official duties, employees responding to politicians, candidates, or the general public about public policy, political issues, or general information concerning APFC or the Fund shall treat all requests equally and impartially.
- Unless authorized by the Executive Director to represent APFC to outside parties, employees shall not purport to the public that they are representing APFC. To prevent misconceptions when making public statements about a political issue or when representing personal opinions, employees must issue a disclaimer stating they are not representing APFC; failure to do so may result in disciplinary action, up to and including termination.
- No APFC employee may display or distribute partisan political material on APFC work premises or while conducting official business.

- No APFC employee may solicit, require, or coerce funds or support for any political activity in the office or while on official business. In the course of performing official duties, an individual may speak in favor of APFC policy issues reflective of APFC values and goals.
- No APFC employee may solicit, require or coerce any employee or subordinate to submit to any interrogation or examination or psychological test which is designed to elicit information concerning political affiliation or philosophy except as directly related to the performance of the employee's official duties.

PROFESSIONAL EDUCATION AND TRAINING

This policy is intended to increase the value and retention of APFC employees

The APFC recognizes that skilled employees bring added value to the workplace, and encourages employee participation in higher and continuing educational pursuits, and education relating to some professional designations. The APFC Employee Training Policy (not included in this Guide) covers details about employee eligibility, types of training eligible for employer-covered costs, and training types that are employee cost reimbursable. Employees should refer to the external Training Policy.

EMPLOYEE DISCIPLINE

This policy is to provide uniform guidelines for employee discipline when that is the chosen option of the supervisor. Employee discipline actions may be used for misconduct –or work performance issues when an employee is out of compliance with APFC standards and/or not meeting position requirements. Termination of the employment relationship may be the outcome of the employee disciplinary action.

At-Will Employment Status

All APFC employees are “at will” employees. Employment at APFC is not for a fixed period. Either an employee or APFC may terminate the employment relationship at any time, with or without cause or notice. Thus, the following disciplinary measures do not guarantee continued employment or entitlement of the discipline process by the employee. There is no requirement that any or all of the described disciplinary procedures be followed in any order, or at all, before termination. Depending on the circumstances, any or all of the disciplinary actions or steps noted below may be omitted at any time. Employees in management positions are all excluded from the disciplinary and the grievance processes.

Employee Discipline

An open disciplinary process is one way in which APFC strives to attain its goal of enhancing the best work performance of employees and supervisors. Supervisors should immediately (or as soon as practicable) address employee problems in order to minimize misunderstandings. APFC encourages employees to inform their supervisors of challenges or obstacles that impede deadlines, expectations, or other work-related concerns. APFC encourages supervisors to maintain ongoing contact with employees under their supervision to better assist them in allocating time, energy and resources towards the highest priority projects, and to help minimize the need for disciplinary action. APFC expects employees to be responsible for their own actions and to maintain standards of performance and behavior that reflect APFC's status as a premier organization.

There are many standards upon which an employee's performance and behavior are guided. APFC mission and value statements, Personnel Management Plan, –policies, job descriptions, class specs, performance objectives and measures, and ethics and disclosure policies are some of the standards to which supervisors determine desired conduct. These standards aid supervisors in determining misconduct that warrants disciplinary actions. When an employee's work performance or behavior on the job becomes inconsistent with APFC standards, APFC reserves the right to take corrective action, including immediate discharge if necessary to resolve the problem.

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Supervisor Assesses When to Use Disciplinary Action

Ongoing, two-way communication between supervisors and employees often mitigates the need for disciplinary actions. Under certain circumstances, formal corrective disciplinary action may be appropriate. Disciplinary actions, including termination, may be

recommended if corrective measures have not resolved the issue. APFC reserves the right to determine in its sole and unlimited discretion when and if progressive discipline will be used and always reserves the right to terminate an employee without cause and/or previous notice. Examples of serious misconduct may be, but are not limited to, Termination without prior verbal or written warnings may be considered at the discretion of the supervisor in cases of serious misconduct or legal violations. Examples of serious misconduct may include threats of violence, harassment or discrimination, theft or fraud, violations of the drug and alcohol policy, conflicts of interest, breach of confidentiality, gross negligence in the performance of duties or dishonesty. When possible, before any formal disciplinary action is issued, a 'check for error meeting' will be held with the employee to allow them the opportunity to provide their perspective and respond to the allegation prior to any action being taken. Any recommendation for termination should be documented in writing, with a summary outlining reasons for the recommendation and any corrective actions taken. Before approval, the recommendation must be reviewed by the department head, Human Resources, and Executive Director to ensure compliance with state and federal employment laws.

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Possible Disciplinary Options

The actions that follow are examples of disciplinary actions. Additional disciplinary actions or immediate termination may be taken as APFC determines.

Verbal Warning

At the supervisor's discretion, a verbal warning may be used to address minor infractions or first-time offenses. The supervisor informs the employee of the work-related problem, poor performance, offense, breach of policy, breach of standards of conduct, etc. The two discuss the problem, and the supervisor advises the employee of the necessary corrective measures and provides a timeline for completion of the corrections. The reasons for the verbal warning and any required follow-up are documented in a memo, signed by the employee and supervisor and retained in the supervisor's working file. Verbal warning documents are not placed in an employee's permanent personnel file unless a related offense is committed, or the problem recurs and warrants further disciplinary action.

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Written Warning

At the supervisor's discretion, an initial offense may warrant a written warning to the employee. The written warning summarizes previous warnings of a similar nature, the nature of the current problem, the method and actions necessary to correct the problem, a reasonable time period within which the problem must be corrected, and the outcome (termination, demotion, etc.) should the employee prove unable or unwilling to correct the problem. The written warning requires a review by the HR Director, the department head, and the Executive Director before its delivery to the employee. After management review, the supervisor (and the HR Director, if desired) meets with the employee to discuss the written warning. The warning memo must be dated and signed by both supervisor and employee to verify that the supervisor informed the employee of the work-related problem, and that the employee understands the issues and recommendations for correction. The employee is provided a copy, and HR retains the original for the employee's permanent personnel file.

Recommendation for Suspension/Termination

If prior corrective measures have not resolved an issue within a reasonable timeframe or if an investigation determines that the misconduct is severe, suspension or termination may occur. At the supervisor's discretion, immediate termination without verbal or written warning may be recommended. The Department head must review the recommendation before it is forwarded to the HR Director and Executive Director for approval.

Termination

Only the Executive Director has the authority to terminate an employee. In accordance with the "exempt" and the "employment at will" status of all APFC employees, the Executive Director has the right to discharge an employee at any time, with or without reason that is not prohibited by law or notice regardless of whether or not disciplinary (corrective) action has been taken.

Supervisor Authority to Impose Disciplinary Action

For purposes of disciplinary action, the employee's direct supervisor per the organizational chart is the individual who supervises the day-to-day work of the employee and provides direction regarding work projects. The employee may occasionally work on projects or perform regularly assigned duties for a coworker who is not the employee's supervisor. However, no one other than the supervisor, the department head, or the Executive Director is authorized to impose disciplinary action on employees.

Disciplinary Actions and Performance Evaluation

If an employee's regularly scheduled annual performance evaluation date falls within the period for complying with corrective measures specified in a disciplinary action, the evaluation proceeds as scheduled. In such an instance, the supervisor judges the severity of the problem, while also considering the employee's yearlong conduct and performance, including the problem's effect on job performance. The supervisor may recommend a salary adjustment commensurate with performance, regardless of the employee's current disciplinary action status. The fact that an employee is under disciplinary action must be noted in the performance evaluation.

GRIEVANCE PROCEDURE

The goals of this policy are to resolve employment complaints at lowest possible level within APFC before more serious problems develop; to provide a channel for APFC employees to voice employment concerns or complaints in an appropriate manner; and to provide a grievance procedure that employees may use without fear of reprisal.

Grievance Defined

In this Guide, grievance means an employee's expressed feeling of dissatisfaction with aspects of working conditions, environment, relationships with supervisors and other employees, a disciplinary action, and the official manner of execution of the personnel policies established or interpreted by the Executive Director.

Employee Complaints and the Formal Grievance Process

The existence of the Employee Complaint and Grievance Process does not alter APFC's "at will" status. Successful completion of the process does not guarantee continued employment. Employees in management positions and other positions which the Executive Director may designate from time to time are all excluded from the disciplinary and the grievance processes.

Employee Complaints

Misunderstandings and conflicts are often best addressed directly between the parties involved before more serious problems develop. APFC encourages ongoing, two-way communication between coworkers, employees, and supervisors to alleviate misunderstandings and conflict. APFC provides employees the opportunity for training in respectful workplace, interpersonal skills and related topics as one of several ways it demonstrates commitment to employees and value for communication.

When direct communication with the involved party does not resolve an employee's employment-related concern, or if direct communication is not appropriate, the next step involves taking the complaint to the next authority level within the department. APFC strongly advocates personal responsibility in all aspects of work roles and at all authority levels. Therefore, in most instances the supervisor or department head may provide guidance for complaint resolution rather than directly managing the process, unless he/she determines that direct involvement is the most appropriate method for resolution. If necessary, the supervisor, department head, or Human Resources Director may mediate a discussion between the involved parties.

Grievance Filing Procedures

Eligible employees who have a grievance related to their position, working conditions, or employment over which the Executive Director may lawfully exercise discretion, may file a grievance as follows:

1. The employee discusses the grievance with his/her supervisor.
2. If the employee is dissatisfied with the outcome of the discussion, the employee may file a written complaint to his/her supervisor (and a copy to the HR Officer) as soon as possible to retain accuracy of detail, but no later than ten (10) days from the incident causing concern. If the grievance involves the employee's supervisor, an alternate channel is the department head. If the grievance involves the department head, an alternate channel is the Human Resources Director. The written grievance must include:
 - Name, title, signature of the author, and date.
 - Full description of the complaint, including full names and direct quotes, if applicable, date(s) and time(s) of incident(s), names of witnesses, if any, location(s) of incident(s).
 - Desired outcome to relieve the grievance.
 - Attachment of related documents.
3. The supervisor receiving the grievance must respond in writing within five working days of receipt of the grievance. A complete investigation within a five-day period may not be possible due to many factors such as witness travel, records search etc. Therefore, within the five-day period, the responding management staff provides a status report on the investigation phase and provides an expected completion date. The response includes:
 - Name, title, signature of the author, and date.
 - Summary of the grievance.
 - Steps taken to investigate the grievance.
 - Findings of the investigation.
 - Recommended resolution.

Appeal Process

1. If the aggrieving employee is dissatisfied with the written response, the decision may be appealed in writing to the next level of authority.
 - i. The written appeal must be made within five workdays of receipt of the response and must be attached to the original grievance and the APFC management response and must include the reasons for the employee's appeal.
2. If the grievance:
 - i. first went to the employee's supervisor, the appeal is to the department head
 - ii. was filed with the department head, the appeal is to the Human Resources Director
 - iii. was filed with the Human Resources Director, the appeal is to the Executive Director
3. The final appeal may be filed with the Executive Director who has the authority to offer final determination for resolution.
4. Each level of appeal has five days to respond in writing to the aggrieved party. If no written appeal is made within this time frame, APFC considers the matter resolved to the employee's satisfaction.

Filing a Complaint of Sexual Harassment or Unlawful Harassment or Discrimination

APFC follows Alaska Administrative Order No. 81 and No. 75 regarding the State's policy on sexual and discriminatory harassment. Employees believing they have been subjected to sexual harassment or other forms of discriminatory harassment should report as soon as possible. All claims will be investigated. Employees may report to their supervisor, department head, -or APFC Human Resources.

Formal complaints can be filed through the Alaska State Commission on Human Rights (ASCHR) and the Federal Equal Employment Opportunity Commission (EEOC).

Unlawful Harassment Prevention

APFC commits to providing a work environment free from unlawful discrimination and harassment. Therefore, APFC observes a “Zero Tolerance” policy of unlawful discrimination and harassment.

Employee Protection

Employees covered by these procedures may seek resolution to their grievances without fear of constraint, interference, or reprisal. Any form of retaliation, reprisal or adverse action taken against an employee for complaining about, opposing, reporting, or cooperating in a workplace investigation is prohibited and will subject the actor to disciplinary action up to and including suspension or dismissal.

EMPLOYEE SEPARATION FROM APFC EMPLOYMENT

The goal of this policy is to aid in developing an individual separation plan that helps ensure uninterrupted workflow, work product integrity, and completion of all necessary employee separation documentation.

APFC employees are “at will” employees. APFC employment is not for a fixed period. Either an employee or APFC may terminate the employment relationship at any time, with or without cause or notice.

Types of Separation

Layoff due to Reduction in Force

Separation initiated by APFC for management reasons outside an employee’s control and not relating to an employee’s service or performance, e.g., abolition of position, shortage of work, budgetary constraints, etc.

Dismissal or Discharge

Involuntary employment termination initiated by APFC.

Resignation

Voluntary employment termination initiated by the employee.

Presumed Resignation

Unauthorized absence from work for a period of five consecutive working days may be considered an abandonment of duties and a presumed resignation.

Retirement

Voluntary employment termination for eligible staff that meet the specific provisions for retirement eligibility as governed by the State of Alaska Public Employees Retirement System and as administered by the Division of Retirement and Benefits.

Separation Process

Many APFC employees have access to sensitive information, resources, systems, or have significant decision-making authority affecting the Fund. In order to safeguard APFC and the employee, the employee's supervisor is responsible for completing a checklist of items upon receipt of the employee's notice of intent to separate. The exact events and their timing are determined on a case-by-case basis by circumstances of the departure. In all cases however, both the HR Manager and Executive Director require immediate notification of an employee's intent to separate.

Steps of the Separation Process:

- Remove the employee from normal job duties and access to sensitive areas.
- Review the employee's job duties and specifically authorize level of access the employee is to retain, up to and including normal working access.
- Review possibility of immediate departure.
- Provide the employee a copy of the written exit interview questionnaire.
- Conduct a face-to-face exit interview with the supervisor, department head, Executive Director and/or HR Director.
- Conduct an employee performance evaluation if the last appraisal was effective six or more months prior. The appraisal period covers the date of the last appraisal to the present.
- Provide the employee with a copy of the Reference Authorization Form for his/her signature to keep in the employee's file. Signing the form is optional.
- Provide the employee with the link to the State of Alaska "PX/EX Separating" website.

Resignation Notice

All APFC employees are "at will" and may resign their employment at any time for any or no reason. As a courtesy from the employee, APFC will ordinarily expect at least two weeks advance notice from employees resigning from a position designated from support positions and least four weeks advance notice from employees resigning from all other positions. To the extent permitted by circumstances and available funding, APFC will provide notice of layoffs due to reorganization or budgetary reasons with at least four weeks advance notice or with as much advance notice as feasible.

Immediate Acceptance of Resignation

If an employee provides APFC with notice of resignation and requests, or states, a future effective date, the Executive Director may determine that an immediate departure is appropriate and elect to accept the resignation effective immediately.

Salary and benefits

Regardless of when an employee's salary terminates, the employee's benefits (medical, retirement, paid leave accrual, etc.) are based on the last day actually worked unless the employee is out of the office on family medical leave

Exit Interviews

APFC requests all departing employees to participate in an exit interview, or when that is not possible, to complete an exit interview form. The exit interview is designed to provide employees an opportunity to relay their job-related experiences. APFC strives to elicit honest and candid responses and may use the interview data as suggestions for improvements. Whenever possible, supervisors provide the form to the employee at least two weeks before his/her exit date. The exit interview form may be completed during regular office hours. If departure occurs without warning, the employee may be requested to complete and return the exit interview form on his/her

own time. The exit interview form is used as a Guideline for the departure interview with the supervisor, department head, HR Officer or the Executive Director. Ideally, it should be completed before the departing employee's final day on the job.

Separation Performance Evaluation

If/when a departing employee provides separation notice, the supervisor will ordinarily complete a Separation Performance Appraisal if the last performance evaluation occurred longer than six months before their last day of employment. If the exiting employee's supervisor decides a Separation Performance Appraisal is unnecessary, the Executive Director must approve that decision.

The written Evaluation requires review by the Executive Director or, in his/her absence, by Human Resources before the supervisor meets with the departing employee. When signed, the original is retained in the employee's personnel file. The Separation Performance Appraisal is the basis upon which APFC makes future re-hire decisions and employment references.

Reference Authorization Form

At departure, APFC provides a Reference Authorization Form to the employee that authorizes release of his/her personnel record information. Except for information ordinarily available to the public, the APFC will not release any information about the employee's work performance unless APFC has a signed employee release authorization form. It is advisable that ex-employees make a separate written request for release of reference information every time they require information to be released.

Letters of Recommendation

Occasionally, departing employees request letters of recommendation from their supervisors or the Corporation. All letters of recommendation require review from the HR Officer. At the employee's specific written authorization, additional documents may be attached to a recommendation letter from APFC including copies of performance Evaluations and job description(s) and/or class specification(s).

Employment References

All requests for employment references for ex-employees are routed to Human Resources. Through a signed Reference Authorization Form the separating employee authorizes a release of information, and either the supervisor or Human Resources provides the requested employment information. The primary source of information for reference checks comes from the Separation Performance Appraisal.

Use of Personal Leave during Notice Period

APFC limits the use of leave time during the notice of resignation period. Leave approval must follow the normal leave request process. The Executive Director must approve any exception to this policy.

PERSONNEL RECORDS

The goals of this policy are to prescribe procedures that help ensure the maintenance of accurate, timely, secure and complete personnel records and to inform employees and applicants which records are maintained and where they are stored.

RECORDS MAINTENANCE

Personnel Records

Personnel records are documents relating to an individual's employment, the purpose of which is to accurately record employment histories for every APFC employee. APFC is required to follow the State of Alaska Records Retention Schedule and Guidelines regarding personnel records.

File Locations

Central Personnel File/s

Official hard copy personnel record usually includes employment application/resume and salary & benefit records, normally located in three central files, at: 1) the Department of Administration – Employee Records and Information Center, Division of Personnel, 2) Department of Administration, Division of Retirement and Benefits, and 3) APFC HR Offices. Only the APFC personnel file and online secure software contains performance evaluation documents. APFC also keep files on site of personal investment and other disclosure reporting documents.

Departmental Personnel File/s

APFC employees involved in an employee's hire/termination (immediate supervisor, oversight department head, or the Executive Director) may establish/maintain a department personnel file for that individual.

Confidentiality and Access to Personnel Files

The APFC HR Officer maintains hard copy APFC personnel records. These records are confidential to the extent they include an analysis, evaluation, or critique of an employee's performance. Access to these records is ordinarily limited to the employee, the supervisor, the department head, and the Executive Director. With advance notice, employees may review their own personnel files in the presence of Human Resources (or the custodian of the department personnel file). Employees may receive copies of any documents in their personnel files with a written request. Employees have the opportunity to include their written comments about each document in their personnel files if the written comments are provided within two weeks of the originating document's completion or within two weeks of reading the file. Employees may not change or remove documents in their file. Employees may access their performance evaluations at any time through logging into APFC's secure online performance evaluation software system.

Employee Complaint Procedure re: Personnel Files

If an employee disagrees with anything in his/her personnel file, in addition to speaking with the Human Resource Director and writing a note for the file, the employee may also appeal to that employee's supervisor. If necessary, the employee may appeal to the head of his/her department. The final appeal authority is the Executive Director.

Release of Information from Personnel File

Ordinarily, personal information will not be released from a personnel file over the objection of the employee. An employee may provide a written authorization that allows APFC to release information from the file.

APFC staff should be aware that if requested, personnel records may become public information if a determination by the department of law indicates that the interest of the public outweighs the employees right to privacy.

Recruitment Files

Position Recruitment Documents (typically resumes, applications and interview records) are maintained separately in a position search file. APFC follows protocol for maintaining the search file in accordance with the state records retention schedule.

MISCELLANEOUS POLICIES

APFC has additional miscellaneous policies intended to: provide a safe, secure, healthful work environment for employees, customers, vendors, and visitors. Ensure critical operational functions are maintained during an emergency. Ensure the professional appearance of

APFC public and shared areas. Assign appropriate accountability and a sense of ownership in all staff. Encourage recycling and waste management in everyday business practices. Enhance the spirit of community, both inside and outside of APFC

General Office Safety

The APFC safety program addresses what to do in the event of a fire, bomb threat, earthquake, medical emergency, and other types of emergency situations. Certain employees are designated as safety officers. (See APFC Emergency Procedures Handbook)

Medical Emergencies

When a medical emergency occurs, direct another employee or individual to call 9-911, for the Juneau Fire Department paramedics. The caller advises the paramedics of the nature and location of the emergency while assisting as necessary with the emergency. APFC schedules CPR certification training periodically for all interested staff. First Aid Kits are kept in the mailroom and break room.

Fire, Fire Drills and Evacuation

In case of a fire, call 9-911 and pull the fire alarm. Alert the Safety Officers and direct others to assist in the effort. If feasible, use a fire extinguisher to put the fire out only if others are calling 9-911 and helping to sound the fire alarm to evacuate the building.

All individuals within the office are required to immediately evacuate the building when the alarm sounds or when there is evidence of fire in the building according to the APFC Emergency Procedures Handbook.

Staff should always inform the receptionist when leaving the office to ensure at least one person at APFC is informed about employees' whereabouts. In case of fire, the receptionist (or Administration staff member) informs authorities of the estimated employee headcount. If you are not in the parking lot and the receptionist is uninformed of your whereabouts, we presume that you are still in the building.

Workplace Safety Hazards

The Administrative Specialist is the building liaison for ongoing maintenance issues and coordinates an internal safety evaluation to identify and correct potential safety hazards. The HR Officer ensures work areas meet ADA accessibility codes.

Bomb Threat Response Plan

In general, APFC will telephone the Juneau Police Department to report the threat and will follow safety recommendations including assisting with searching the building, securing IT operations, and evacuating the building.

Personal Safety while in Travel Status

- The APFC Travel Officer recommends, schedules or provides periodic personal safety training.
- Consult with the Travel Officer and/or supervisor regarding questions about personal safety while on travel status.
- Your hotel front desk or security personnel may address hotel safety concerns.

Visitors in the Workplace

The APFC reception area is the designated entrance for all visitors. The receptionist will alert employees that a visitor has arrived and will request the employee to escort the authorized visitor, or the receptionist will escort the visitor to the appropriate location. Visitors authorized by staff must be escorted on site to provide for the safety and security of employees and facilities. Employees are responsible for the conduct and safety of their visitors here by invitation. Employees may request assistance from management if their

visitor becomes unruly, disruptive, or violent. If an employee observes an unauthorized individual in the office, the employee should inquire whether the individual needs assistance and to escort them to the reception area.

Workplace Violence Prevention

APFC has “Zero Tolerance” for violence in the workplace. A safe and secure work environment is of utmost importance. All employees, visitors, vendors, contractors, and business associates are always to be treated with courtesy and respect. Employees are expected to refrain from fighting, “horseplay,” or other misconduct that may be dangerous to others.

In the case of threats or actual violence committed at the APFC work site, or against an APFC employee offsite, outside authorities may be called to intervene and investigate. This policy applies to employees and non-employees. Any APFC employee threatened with violence or who has a violent act committed against him/her while at the APFC office, or while representing APFC offsite, must report the incident to the supervisor or any APFC department head as soon as possible. Your report of violence, threats of violence, or suspicions of violence is the first step in halting further occurrences. Retaliation against an employee for making a good faith report is forbidden.

Weapons

APFC prohibits weapons of any kind at the workplace. APFC employees who bring weapons to the workplace – even if they have permits to carry a concealed weapon – are subject to employee discipline, up to and including immediate employment termination.

Building Security

- The Michael J. Burns Building management contracts with a local firm for building security. Contact APFC Administration or management staff to report security or safety-related problems or concerns regarding the building or APFC offices
- Inform your supervisor, the receptionist and others whom you trust if you will be working after normal office hours so that others know you are in the building
- Use the elevator to enter or exit the APFC floor if you are working beyond posted work hours
- Your key fob opens doors to both the building and APFC office suites during non-business hours
- Do not prop the office suite door open, even if you are in the office
- Shut the main office suite door behind you to ensure security of the office in your absence when exiting the office suites for any length of time
- Park your car in the well-lit areas of the parking lot
- Be aware of individuals near the building entrance when entering or exiting after hours
- Do not enter or exit the building if you are concerned for your safety
- Do not prop the building exterior doors open for any reason
- If you are concerned for your safety after hours and are in the office alone, call the Juneau Police to check building security or to escort you to your car. If two or more employees are working after hours, ask your coworker to escort you to your car or leave together
- Locks to all APFC doors are monitored by Administration
- At hire and when necessary, key fobs are issued to employees and are collected at separation
- Immediately report a lost key fob to Administration to guard against unauthorized access

Emergency Office Closing

At times, emergencies such as severe weather, fires, power failures, or earthquakes can disrupt company operations. Extreme circumstances may require APFC to close the office.

In the event of an emergency that affects all State of Alaska employees in Juneau or statewide during work or nonworking hours, APFC follows the Executive Branch's announcement. Upon hearing the broadcast, APFC employees require no further verification from APFC management about office closure.

A separate emergency closing process is required for investment-related responsibilities in conjunction with management and appropriate IT staff. Investment staff may be required to work in another location at the direction of the Executive Director or the Chief Investment Officer or a designee. If appropriate, employees may need to follow the Business Continuity and Disaster Recovery Plan (BCDR).

If an emergency occurs and affects only APFC employees or Michael J. Burns Building workers and the APFC office must be closed, APFC will observe the following procedures:

- The Executive Director, Human Resources Director, or any other department head in the absence of these two, announces the APFC office closure
- APFC follows procedures required by the Executive Branch emergency closure announcement.
- APFC staff will receive notification via email and Bamboo HR.

If an emergency closure is called either through an order of the Executive Branch or through APFC management, employees are compensated in accordance with State rules and regulations regarding such events. In cases where an emergency office closure is not authorized, employees who fail to report for work will be required to submit a leave slip.

APFC Technology

Workplace Monitoring

To ensure quality control, employee safety and security, APFC management may conduct workplace monitoring. APFC is responsible for all employee workstations. Your use of the station and the equipment is as an employee and not owner. All resources furnished to employees are APFC property. APFC is obliged to ensure that equipment and employee time are used for business purposes. Therefore, computer use, and files may be monitored or accessed, and other equipment use justified to APFC satisfaction. APFC makes every effort to conduct workplace monitoring ethically and respectfully. Through the practice of this policy, APFC disallows any expectation of employee privacy of workstations, email, electronic and hard copy files.

Computer Rooms/Access to Network

- IT Staff ensure computer rooms are secured at all times
- IT Staff update the electronic systems security periodically and review security to ensure only authorized staff members have access. IT staff immediately relay systems security concerns to APFC management. IT staff remain current in security technology to apply necessary upgrades
- All employees are required to follow IT staff recommendations regarding systems security

Employee Responsibilities for APFC Technology

- Follow IT staff instructions for the safe use of computer networks
- Follow all applicable laws regarding use of digital devices while driving. The same policy applies for avoiding other driving distractions
- Keep technology devices that are under your care within your control
- Safeguard data integrity through the use of strong passwords

- Follow IT staff recommendations regarding care in opening email attachments and Internet downloads to keep computer systems secure and virus-free
- Learn to correctly use the technology in your care to safeguard against damage and privacy breaches
- Bring questions about the use of APFC technology resources to APFC IT staff

Employee Personal Use of APFC Resources

APFC'S mission is accomplished through efficient use of time and resources. To that end, APFC provides employees with the technology and resources necessary to perform their jobs and requests employees to make the best use of the resources provided. APFC requires legitimate business use of employee time and resources. APFC is governed by the Alaska Executive Branch Ethics Act, AS 39.52 and by the State Policy on Employee Use of State Technology. Employees must acknowledge the Employee Use Policy in writing.

Office Resources

Lobby, Conference rooms, Break room, Mailroom

- All staff share responsibility for the upkeep of APFC shared areas. A tidy and presentable appearance is necessary to represent APFC as a professional organization. All areas should be left in the same or better condition than you found it.
- Administration will periodically coordinate team-cleaning efforts
- Coffee and food service items from individual staff, meetings or guests are the responsibility of the individual or departmental staff hosting the meeting

Break Room

The break room is for employees needing a break from job duties and a place to prepare and eat food. Break room upkeep operates on the honor system: If you mess it up, clean it; if you empty it, replenish it; if you take it out, put it back. Employee donations operate this room since no APFC funds may be used.

Storage Room Supplies

The storage room contains bulk office supplies or occasional-use items. Access to this room is limited and is not suitable for storing records, even temporarily. Administration oversees layout, content, security, and quarterly cleanups by staff using the room

Board Room and Conference Rooms

Users are responsible to ensure the room is returned to the same order in which it was found.

Community Volunteer Involvement

APFC supports employee involvement in the community through volunteer efforts and encourages employee time contributions to community service organizations. [Waste Reduction and Recycling](#)

APFC complies with state statutes requiring and encourages recycling.

Smoking

APFC abides by AS 18.35.300-18.35.365 and CBJ laws regarding smoking. Smoking, which includes E-Cigarettes, is prohibited in the Michael J. Burns Building complex and within 10 feet of the building exterior except in a designated covered smoking shed. This policy applies to all employees, customers, and visitors.

Solicitation

Employees may not solicit business, interest, recognition, or distribute literature or promotional items concerning non-work activities during working time. Working time does not include lunch periods or other periods in which employees are not on duty. For more information see the State Employees Ethics Handbook.

Compliance with State and Federal Laws

The APFC Employee Handbook provides guidelines and information about our policies, procedures, and benefits. However, in the event of any conflict or inconsistency between this handbook and applicable state or federal laws, the laws will prevail. Our organization is committed to complying with all relevant laws and regulations, and any provision in this handbook that is found to be in violation of such laws will be deemed modified or nullified to ensure full legal compliance.

Employees are encouraged to bring any concerns about potential inconsistencies to the attention of Human Resources or management.

Disclaimer

The policies and procedures outlined in this handbook are intended to guide employees and management in the consistent and fair application of workplace rules. However, this handbook is not a contract of employment and does not create any contractual rights or obligations. We reserve the right to modify, revoke, suspend, terminate, or change any or all such plans, policies, or procedures, in whole or in part, at any time, with or without notice.

Authorizations and References Relating to APFC Personnel Management

18.35.301 - 18.33.341 Regulation of Smoking in Public Facilities

AS 37.07 Executive Budget Act
It may be construed from AS 37.07 that the legislature must approve all new positions of more than one-year duration.

AS 37.13.100 Alaska Permanent Fund Corporation / Staff
Provides that the Executive Director may, with board approval, select and employ additional staff as necessary.

AS 39.20.110-350 Compensation, Allowances and Leave
Provides that State travel and leave rules apply to APFC

AS 39.25.110(11)(B) State Personnel Act / Exempt Service
Exempts APFC from the State Personnel Act AS 39.25, thereby authorizing APFC to design and implement rules and a salary program that provides a framework for salary, hiring and related personnel decisions.

AS 39.25.160 State Personnel Act
Prohibitions Generally: Includes exempt service in subsection regarding political activities and other topics

AS 39.52 Executive Branch Ethics Act
Addresses: Outside Employment Restrictions, Gifts, and other topics

APFC Bylaws Article II, Section 4
Provides that the Executive Director shall provide for execution of all corporate operational and administrative functions.
Article II, Section 8
Provides that the Executive Director shall employ personnel s/he deems necessary to exercise her/his powers, duties and functions under AS 37.13; determine employee compensation; and that those decisions shall be made within APFC budget limitations as approved by the Board and in compliance with policies established by the Board.

Administrative Order 81 Regarding unlawful harassment

PMP Employee Handbook Receipt and "Employment-At-Will" Status Acknowledgment

Employees are required to acknowledge receipt of the Employee Guide and the "at will" status of employment, through signing this page.

The Personnel Management Program (PMP) Employee Handbook describes important information about APFC, employment policies, employee benefits, and employee and employer obligations. I understand that I should contact and request clarification from my supervisor, Human Resources or the Executive Director regarding any questions not answered in the Guide.

I have entered into my employment relationship with APFC voluntarily and acknowledge there is no specified length of employment. Employment is considered "Employment-At-Will." Accordingly, either APFC or I can terminate the employment relationship "at will," with or without reason, at any time.

Since the information, policies, and benefits described here are necessarily subject to change, I understand there may be revisions to the Guide. If changes are made, they will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the APFC Executive Director has the ability to authorize revisions to the policies in this Guide.

Employee Acknowledgment

Through my signature below, I acknowledge that I have received the APFC PMP Employee Guide, and I accept responsibility to read, understand, and comply with the policies and revisions of the Guide.

Employee Name _____ Title: _____

Employee Signature: _____ Date: _____

Updated "List of changes" PMP-Employee Handbook presented at the July Board Meeting and December Board Meeting
APFC Board Meeting December 11, 2024

PMP-Employee Handbook 2024 Update Section Titles	Page	July 24, 2024 Revision Description	Rev. Page	December 10, 2024 Revision Description
Mission, Vision & Values	5	No change		
Introduction	6	No change		
Employment at-will-status	6	No change		
Employment Overview	6	No change		
Organizational Chart	6	No change		
Disclosure Requirements				
	7	No substantive change - Align with current 2021 Disclosure policy. Clarify between APFC and APOC disclosures.	6	New Edit: Not requested by Board. Provided additional clarifying language related to the policy, removed language requiring disclosures on APFC form.
Public Official Financial Disclosure Statement (POFD)	7	No change		
No Title				
	7		7	New Edit: Added title to section previously without one. "Alaska Executive Branch Ethics Act". Informs all employees about training and compliance requirement.
Equal Employment Opportunity	7	No substantive change - Aligned with w/state law and Admin Order 75.		
Disability Accommodation	7	No Change		
Nepotism and Hiring of Immediate Family Members	8	No substantive change - updated in accordance with the Ethics Act		
Outside Employment	8	No substantive change - updated in accordance with the Ethics Act		
Restriction on Employment After Leaving State Service	9	No substantive change - updated in accordance with the Ethics Act		
Nondisclosure of Confidential Information				
	9	Substantive change Updated per Board request - limited staff from sending emails to unauthorized email accounts	9	Board requested review: Provide a more defined definition of "confidential information".
Compensation Classification	10	Removed - To be placed in external comp policy		
APFC Market Guided Classification Method	10	Removed - To be placed in external comp policy		
Class Specifications and Job Descriptions	10	Removed - To be placed in external comp policy		
Compensation Philosophy & Structure	10	Removed - To be placed in external comp policy		
Salary Structure	10	Removed - To be placed in external comp policy		
Market Surveys	11	Removed - To be placed in external comp policy		
Structure Calculation	11	Removed - To be placed in external comp policy		
APFC Salary Structure - Effective 12/2017 (Pending Approval)	11	Removed - to be placed in external comp policy		
Classification & Compensation Authority	11	Removed - to be placed in external comp policy		
AS 37.13.100	11	Removed - to be placed in external comp policy		
APFC Bylaws, Article II, Section 4	11	Removed - to be placed in external comp policy		
APFC Bylaws, Article II, Section 8	11	Removed - to be placed in external comp policy		
Class & salary range table	12	Removed - To be placed in external comp policy		
Authority for Position Classification & Compensation Actions	13	No substantive change		
Administrative Guidelines for Classification & Compensation Actions	13	Removed -To be placed in external comp policy		
Review of Classification and Compensation Structures	13	Removed -to be placed in external comp policy		
Compensation Considerations at Hire	13	Substantive Change - added flexibility when recruitment difficulties exist		

Updated "List of changes" PMP-Employee Handbook presented at the July Board Meeting and December Board Meeting

APFC Board Meeting December 11, 2024

Post Survey Salary Adjustments	14	Removed - To be placed in external comp policy		
Length of Introductory Period	14	Removed - does not align with current practice. Introductory period has not been observed.		
Promotion and Reclassification	14			
Promotion	14	Updated language - to define and align with current practice.		
Reclassification	14	No substantive change		
Merit Salary Increases (not incl. promotions and reclassifications)	14	Substantive Change - Title changed to Performance Based Pay Increases. Clarified two times when CEO authorizes pay increases (1. pay for performance) (2. internal equity or documented exceptional circumstances)	10	New Edit: Returned "pay for performance" language back to "Merit Based pay" and changed date from July to annually.
<i>Performance Management</i>	15	<i>Title change - Performance Management and Performance Evaluations</i>		
Performance Evaluation system elements	16	Update to clarify elements and to make consistent with class structure.		
Annual Performance Appraisal /Evaluation Process	16	Updated language - New title "Semi Annual Performance Review Process" and updated language to align with current semi annual process. Requires employees to have acceptable performance.	11	New Edit: Returned "pay for performance" language back to "Merit Based pay"
The Performance Appraisal/Evaluation Includes	16	No change		
Recommendations for Pay Action	17	No change		
Change of Supervisor	17	No change		
Merit Scale	17	Updated title "Evaluation Scale" - Update the 5 point scale and criteria.	12	New Edit: Returned "pay for performance" language back to "Merit Based pay"
New - Performance Management Process	18	Substantive change - New language providing guidance for handling performance that does not meet expectations. Includes a PIP process.	12	New Edit: Added clarification regarding expectations to be removed from PIP - tied to performance management section - "Meets expectations" definition.
Recruitment Overview	18	No change	13	New Edit: Added reference to statute.
Employment Categories	19	No change		
Categories of Appointments List	19	No change		
Regular Full time Appointments	19	No change		
Regular Part-time Appointments	20	No change		
In-House Intern Appointments	20	No change		
Regular Seasonal Appointments	20	No change		
Temporary Long-Term Appointments	20	No change		
Temporary Short-Term Appointments	21	No change		
Emergency Appointments	21	No change		
Introductory Period	21	Removed - to align with current process		
Purpose of Introductory Period	21	Removed - to align with current process		
Length of Introductory Period	21	Removed - to align with current process		
Pay Day	22	New Language - information about payday		
Work Hours, Overtime and Leave	22	No Substantive change		
Work Hours and Office Hours	22	No Substantive change		
Attendance and Absence	22	No substantive change		
Flexible Workday Schedule	22	No substantive change		
Overtime	23	No substantive changes		
Holidays	23	No substantive changes		
Work Status on APFC Holidays	24	No substantive changes		
Work at Home	24	Updated language to meet current practice	17	New Edit: Retitled from "Work at Home" to "Flexible Work Options" to align with practice of allowing work from home or alternate locations.

Updated "List of changes" PMP-Employee Handbook presented at the July Board Meeting and December Board Meeting

APFC Board Meeting December 11, 2024

Permanent Remote Work	25	Updated language - informational and refers to external policy	17	New Edit: Retitled from Permanent Remote Work to "Remote Work".
Hybrid Work Policy	25	Updated language - informational and refers to external policy		
Leave	25			
Leave accrual	25	No substantive change - added leave accrual for informational purposes.	18	Title for leave accruals for "Leave Tier 1" and "Leave Tier 2" added and clarified.
Administrative Absence From Work	26	Removed - not in alignment with current practice		
Short-Term Leave of Absence	26	No change		
Professional Practices	27	No change		
Professional Codes of Conduct	27	No change		
Gifts	27	Substantive change - Ethics Information on Gifts to reflect APFC disclosure policy		
Annual Ethics training	28	New Language- addition of annual ethics training		
Interpersonal Communications	28	No change		
Public Communications	28	No change		
Disputes	28	No substantive change		
Dress Code	28	No change		
Political Activities	29	No substantive change		
Professional Education and Training	29	No substantive change - refer employees to external Training Policy.		
Employee Discipline	29	Update do include term "misconduct"		
At-Will Employment Status	30	No change		
Employee Discipline	30	No substantive change - updated language for clarity.	22	Board Requested Review: Edits made to this section include revising language so it does not impact "at will" status. Advised by DOL.
Disciplinary Procedure	30	Substantive change - clarification language	22	Board Requested Review: Edits made to this section include revising language so it does not impact "at will" status. Advised by DOL.
Supervisor Assesses When to Use Disciplinary Action	30	Substantive change - clarification language	22	Board Requested Review: Edits made to this section include revising language so it does not impact "at will" status. Advised by DOL.
Possible Disciplinary Options	30	No change	23	
Verbal Warning	31		23	Non substantive language - stating "may be used". Still consistent with term "discretion"
Written Warning	31	Non substantive change - updated position titles		
Recommendation for Suspension/Termination	31	Substantive change - added language	23	
Suspension	31	Substantive - deleted, incorporated into previous section.	23	Board Requested Review: Revisions made to this section include revising language so it does not impact "at will" status. Advised by DOL.
Termination	31	No change		
Supervisory Authority to Impose Disciplinary Action	31	No change		
Disciplinary Action and Performance Appraisals	32	No substantive change		
First Time Discharge Offenses	32	Removed - it is addressed in the Disciplinary Procedure on page 31.		
Grievance Procedure	32			
Grievance Defined	32	No change		
Employee Complaints and the Formal Grievance Process	32	No change		
Employee Complaints	33	No change		
Peer Review Committee	33	Removed - not current practice		
Grievance Filing Procedures	33	No change		
Appeal Process	34	No change		
Filing a Complaint of Sexual Harassment or Unlawful Harassment or Discrimination	34	No substantive change - housekeeping		

Updated "List of changes" PMP-Employee Handbook presented at the July Board Meeting and December Board Meeting

APFC Board Meeting December 11, 2024

Unlawful Harassment Prevention	34	No change		
Employee Protection	34	No substantive Updated - retaliation prohibited added		
Employee Separation from AFPC Employment	35			
Types of Separation	35	No change		
Separation Process	35	No change		
Steps of the Separation Process	35	Removed severance pay - no authority for it.		
Resignation Notice	36	No change		
Immediate Acceptance of Resignation	36	No change		
Salary Benefits	36	No substantive change		
Severance Pay	36	Remove - no authority		
Exit Interviews	36	No change		
Separation Performance Appraisal	36	No substantive change		
Reference Authorization Form	36	No change		
Letters of Recommendation	37	No change		
Employment Reference	37	No change		
Use of Personal Leave During Notice period	37	No change		
Personnel Records	37			
Records Maintenance	37	No change		
Confidentiality and Access to Personnel Files	38	No change		
Employee Complaint Procedure RE: personnel file	38	No change		
Release of Information From Personnel File	38	Substantive change - added language that personnel records may be public		
Recruitment File	38	No change		
Miscellaneous Policies	38	No change		
General Office Safety	38	No change		
Medical Emergencies	38	No change		
Fire, Fire Drills, and Evacuation	39	No change		
Workplace Safety Hazards	39	No change		
Bomb Threat Response Plan	39	No change		
Personal Safety while in travel status	39	No change		
Visitors in the Workplace	39	No change		
Workplace Violence prevention	39	No change		
Weapons	40	No change		
Building Security	40	No change		
Emergency Office Closure	40	Changes to reflect current BCDR process		
APFC Technology	41	No change		
Office Resources	41	No change		
Coffee/Tea Fund	43	Removed - no fund exists		
New - Compliance with State and Federal Laws	43	Updated - disclaimer that state and federal laws will be followed if the PMP has any discrepancies between what is in our policy and state/federal law.		