

Alaska Permanent Fund Corporation

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALASKA PERMANENT FUND
CORPORATION SUPPORTING AN IN-STATE EMERGING MANAGER PROGRAM**

RESOLUTION 18-03

Private equity and venture capital investors combine investment capital with the application of operational expertise and other resources designed to support growth of the underlying operating companies and drive returns on invested capital. Because private equity and venture capital investments typically catalyze investment from other sources and require legal, advisory, accounting and other support services, prudent investment activity in Alaska should have a positive multiplier effect.

To encourage the growth of this positive impact within Alaska, consistent with the requirements of Alaska Statute 37.13.120(c), the Alaska Permanent Fund Corporation should target a portion of its private equity and venture capital investments at opportunities within Alaska that provide a rate of return on investment consistent with the expected risk/return profile of similar investments outside of Alaska.

Because the sourcing, selection, and ongoing active support of emerging private equity and venture capital fund managers is time and resource-intensive, APFC staff should outsource day-to-day management of this program while retaining oversight responsibility.

NOW THEREFORE BE IT RESOLVED that the Trustees direct the Executive Director to create an In-State Emerging Manager Program consistent with the following guidance:

- 1) APFC staff should conduct a targeted request for information (“RFI”) in order to identify and select a discretionary fund-of-funds manager with demonstrable expertise in:
 - identifying capable and promising private investment firms;
 - supporting the growth and development of emerging investment firms; and
 - monitoring and reporting on the activity of underlying managers and investments.
- 2) The RFI should establish expected standards and targeted characteristics of underlying fund managers. Such characteristics are expected to include:
 - an in-State investment strategy designed to deliver returns consistent with similar investments outside of the state;
 - a business presence in Alaska; and
 - an ability to raise additional capital from other institutional sources.
- 3) Following the RFI, APFC staff is directed to design and negotiate an investment management agreement with the selected fund-of-funds manager. The agreement will establish the rights and responsibilities of the parties and govern the manager’s relationship with the APFC.
- 4) The initial capital commitments and investments made through this program will be up to \$200 million and will be a part of the Fund’s allocation to Private Equity and Special Opportunities, which includes tracking the performance of this program against the benchmarks used to evaluate the performance of this asset class. It is anticipated that APFC will renew its investment commitments to investment partners that demonstrate success during the initial phase of this investment program.

PASSED AND APPROVED by the Board of Trustees of the Alaska Permanent Fund Corporation, this 27th day of September, 2018.

/s/
Bill Moran
Chairman, Board of Trustees
Alaska Permanent Fund Corporation

ATTEST:

/s/
Angela M. Rodell, Corporate Secretary