

City of Fairbanks
Permanent Fund Review Board
Quarterly Meeting Minutes
July 30, 2025

The Permanent Fund Review Board (PFRB) convened at 1:30 p.m. in the Meeks Conference Room to conduct a quarterly meeting with Alaska Permanent Capital Management (APCM).

Board Members Present: Chair Patty Mongold
Vice Chair Bernard Gatewood
Board Member Dave Owen
Council Member Valerie Therrien
Board Member Pamela Wentz

Board Member Absent: None

Also Present: Margarita Bell, Chief Financial Officer
Blake Phillips, Director of Institutional Solutions - APCM
Brandy Niclai, Chief Investment Officer – APCM

Valerie Therrien moved, and Pamela Wentz seconded to approve the minutes of the April 30, 2025, meeting. The PFRB unanimously agreed.

Margarita Bell reviewed the portfolio's performance as of June 30, 2025:

- \$ 160,835,650 - Balance including accrued income
- \$ 1,646,147 - Dividends and interest earnings
- \$ 2,315,666 - Realized gain
- \$ 5,606,691 - Unrealized gain
- \$ (51,411) - Management and custodial fees
- \$ 9,517,093 - Earnings, net of expenses

Margarita Bell reported that the annual draw will be made in December 2025 in the amount of \$6,520,373 to the general fund (\$5,795,887) and capital fund (\$724,486).

Brandy Niclai reported that the balance of the fund was \$162,960,327 on July 29, 2025.

Brandy Niclai presented an account summary as of June 30, 2025. She stated that the APCM inception annualized account return is 5.72% and that the annualized account return as of March 2017 since the diversification beyond traditional stocks and bonds is 7.04%. Since APCM inception, the portfolio received contributions of \$110.4 million, had withdrawals of \$129.8 million, and had \$180.1 million in earnings.

Brandy Niclai presented a portfolio review for the second quarter. The portfolio outperformed the benchmark by .20%. The allocation effect was positive due to timely rebalancing following volatility in April due to tariff announcements. The selection effect was positive due to strong outperformance of the gold commodities asset class. The diversified positioning helped reduce the impact of market volatility. Key financial stress indicators tracked by APCM suggest that markets have recalibrated and volatility has declined across asset classes.

The second quarter portfolio summary is as follows:

Portfolio Summary							
2nd Quarter		Year to Date		Prior Year		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
6.30%	6.10%	6.30%	5.80%	10.30%	10.70%	5.90%	5.70%
	0.13% ¹		0.25% ²		0.50% ³		
6.30%	6.23%	6.30%	6.05%	10.30%	11.20%	5.90%	5.70%

¹ - 12.5 bps - per quarter rounded
² - 50 bps hurdle -annual (YTD = 12.5 basis pts X # quarters)
³ - 50 bps hurdle codified in March 2009. Inception performance begins January 31, 1998.

Brandy Niclai presented information about private investments that include private equity and private credit. Private investments can offer long-term returns but investing in these assets requires new operational procedures, governance education, and an update to the investment policy. Blake Phillips stated that both the private equity and private credit require a partnership.

Margarita Bell reported that she contacted staff with the North Slope Borough (NSB) who reported that it takes four months to receive the financial information. PFRB members discussed the impacts of the annual draw and quarterly reporting. Brandy Niclai reported that the quarterly report would contain the actual financial information for non-private investments and an estimate for private investments. PFRB members tabled discussion pending information whether the Fairbanks General Code allows the City to become a partner of a business.

The compliance report was presented to the PFRB with no compliance issues for the second quarter.

The next quarterly meeting is scheduled to be held on Wednesday, October 29, 2025, in the Meeks Conference Room.

The meeting was adjourned at 2:30 p.m.