

City of Fairbanks
Permanent Fund Review Board
Quarterly Meeting Minutes
October 29, 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 Member Present: Chair Patty Mongold
Vice Chair Bernard Gatewood
Council Member Valerie Therrien
Board Member Pamela Wentz

Board Member Absent: Board Member Dave Owen (excused)

Also Present: Mindy O’Neill, Mayor
Thomas Chard, City Attorney
Margarita Bell, Chief Financial Officer
Blake Phillips, Director of Institutional Solutions - APCM
Brandy Niclai, Chief Investment Officer – APCM

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

Margarita Bell reviewed the portfolio’s performance as of September 30, 2025:

- \$ 168,830,241 - Balance including accrued income
- \$ 2,384,408 - Dividends and interest earnings
- \$ 4,432,237 - Realized gain
- \$ 10,772,393 - Unrealized gain
- \$ (77,354) - Management and custodial fees
- \$ 17,511,684 - 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). She reported that the 2026 budget reflects an increase of \$162,674 in transfers from the permanent fund. Valerie Therrien inquired about making the annual draw when the fund is high. Blake Phillips and Brandy Niclai stated that the timing of the draw does not impact the portfolio. Bernard Gatewood stated that withdrawals in prior years occurred throughout the year but changes in cash management have stabilized the timing of the annual draw.

Brandy Niclai reported that the balance of the fund was \$171,946,153 on October 28, 2025.

Brandy Niclai presented an account summary as of September 30, 2025. She stated that the APCM inception annualized account return is 6.00% and that the annualized account return as of March 2017 since the diversification beyond traditional stocks and bonds is 7.45%. Since APCM inception, the portfolio received contributions of \$110.4 million, had withdrawals of \$129.8 million, and had \$188.2 million in earnings.

Brandy Niclai reported that APCM entered the year with added exposure to assets that performed well in uncertain conditions, such as gold. APCM initiated a tactical allocation to AI (Artificial Intelligence) infrastructure to include semiconductors, digital infrastructure, and cybersecurity and trimmed exposure to European financials. With these changes, the portfolio remains within the long-term expectations for returns and volatility.

Brandy Niclai presented a portfolio review for the third quarter. The allocation effect was positive by a slight equity overweight which developed as equities moved higher. The selection effect benefited from allocations to semiconductor chips and data centers, while cybersecurity exposure lagged. Defensive alternative beta also trailed the benchmark.

The third quarter portfolio summary is as follows:

Portfolio Summary							
3rd Quarter		Year to Date		Prior Year		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
5.00%	5.10%	11.60%	11.20%	10.30%	10.70%	6.00%	5.90%
	0.13% ¹		0.38% ²		0.50% ³		
5.00%	5.23%	11.60%	11.58%	10.30%	11.20%	6.00%	5.90%

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.

Margarita Bell stated that Dave Owen requested a Standard & Poor’s Report with current allocation in comparison with riskier allocations. Blake Phillips stated that APCM will have the report at the next meeting.

City Attorney Tom Chard stated the City could invest in Private Equity legally; however, the PFRB will need to consider the prudent investment rule. He stated that the PFRB will need to establish rules, amend the code, and assess the risk. He stated if Private Equity requires the City to be a General Partner, his decision may change. Blake Phillips stated that the partnership is similar to a stock market. Brandy Niclai and Blake Phillips emphasized that Private Equity was a recommendation for higher returns since the portfolio size can absorb this type of investment, had a fiduciary advisor, and would remain within the risk profile. Valerie Therrien stated concerns about delays in investment earnings reports. Margarita Bell stated that the audit will need to be completed by the end of May and a four month or more delay may impact state funding. Valerie Therrien requested that further inquiries be made to determine if the delay impacts North Slope Borough funding and to seek a list of other municipalities with permanent funds.

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

The next quarterly meeting is scheduled to be held at 4:30 p.m. on Monday, January 26, 2026, or Monday, February 9, 2026 (alternative), in the Meeks Conference Room. This meeting will be followed by a work session with City Council.

The meeting was adjourned at 3:05 p.m.