

City of Fairbanks  
Permanent Fund Review Board  
Quarterly Meeting Minutes  
January 26, 2026

The Permanent Fund Review Board (PFRB) convened at 4:30 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  
Board Member Dave Owen (online)  
Council Member Valerie Therrien (online)

Board Member Absent: None

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

Bernard Gatewood moved, and Valerie Therrien seconded to approve the minutes of the October 29, 2025, meeting. The PFRB unanimously agreed.

Margarita Bell reviewed the portfolio's performance as of December 31, 2025:

- \$ 165,688,411 - Balance including accrued income
- \$ 5,024,608 - Dividends and interest earnings
- \$ 6,045,201 - Realized gain
- \$ 9,923,901 – Unrealized gain
- \$ (103,483) - Management and custodial fees
- \$ 20,890,227 - Earnings, net of expenses

Margarita Bell reported that the 2025 annual draw was made on December 17, 2025. The 2026 annual draw will be made in December 2026 in the amount of \$6,713,453 to the general fund (\$5,967,514) and capital fund (\$745,939).

Margarita Bell presented a report about other municipalities with Private Equity and the impacts to the audit and state funding. Bernard Gatewood recommended that the PFRB do not proceed with Private Equity but review in the future for minimal impacts on the timing of the audit or substantial financial impact to the portfolio. PFRB members agreed.

Brandy Niclai reported that the balance of the fund was \$169,770,956 on January 23, 2026.

Brandy Niclai presented an account summary as of December 31, 2025. She stated that the APCM inception annualized account return is 6.02% and that the annualized account return as of March 2017 since the diversification beyond traditional stocks and bonds is 7.47%. Since APCM inception, the portfolio received contributions of \$110.4 million, had withdrawals of \$136.3 million, and had \$191.5 million in earnings.

Margarita Bell presented an historical report of the permanent fund since the sale of the utilities.

Brandy Niclai reported that markets navigated significant crosscurrents in 2025 with heightened trade tensions as United States tariff rates rose; however, markets ultimately proved resilient. She reported that the 2026 returns will be driven by earnings strength and ongoing economic growth.

Brandy Niclai presented a portfolio review for the fourth quarter. The allocation effect was positive by slight overweight in developed and emerging markets. The selection effect benefited from allocations to semiconductor chips and data centers, while cybersecurity exposure lagged. Alternative beta also outperformed the benchmark.

The fourth quarter portfolio summary is as follows:

Portfolio Summary							
4th Quarter		Year to Date		Prior Year		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
2.00%	2.00%	13.90%	13.40%	10.30%	10.70%	6.00%	5.90%
	0.13% <sup>1</sup>		0.50% <sup>2</sup>		0.50% <sup>3</sup>		
<u>2.00%</u>	<u>2.13%</u>	<u>13.90%</u>	<u>13.90%</u>	<u>10.30%</u>	<u>11.20%</u>	<u>6.00%</u>	<u>5.90%</u>
<p>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.</p>							

Brandy Niclai reported that APCM has access to institutional share classes of mutual funds that allows for lower fees. She stated that every year APCM evaluates new markets and analyzes current markets.

Brandy Niclai presented a historical return analysis comparing the current allocation (7%) with a model with Private Equity (8%), and a riskier model with a higher allocation in stocks (15%). Dave Owen requested that the PFRB consider a larger allocation in stocks due to long-term performance. PFRB members discussed whether the Council would be in favor of a higher risk. Valerie Therrien stated that the Council would retain the current allocation since the returns are favorable. Bernard Gatewood stated that the Council may not be ready for higher risk. PFRB members requested that Brandy Niclai seek input during her presentation with Council.

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

The next quarterly meeting is scheduled to be held at 1:30 p.m. on Wednesday, April 15, 2026, in the Meeks Conference Room.

The meeting was adjourned at 5:25 p.m.