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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

MEMORANDUM

TO: Paulyn Swanson, Alaska Permanent Fund Corporation
FROM: Scott Meriwether, Office of the Lieutenant Governor *SM*
465.4081
DATE: December 16, 2016
RE: Filed Permanent Regulations: Alaska Permanent Fund Corporation

Alaska Permanent Fund Corporation regulations dealing with investment activities (15 AAC 137.430(a)(18); 15 AAC 137.450(a)(3); 15 AAC 137.450(a)(4); 15 AAC 137.480; 15 AAC 137.610)

Attorney General File:	Non-APA
Regulation Filed:	December 16, 2016
Effective Date:	December 6, 2016
Print:	221, April 2017

cc with enclosures:

Linda Miller, Department of Law
Dianne Blumer, Administrative Regulation Review Committee
Judy Herndon, LexisNexis

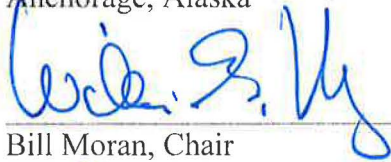
ORDER CHANGING REGULATIONS OF THE
ALASKA PERMANENT FUND CORPORATION

The attached two (2) pages of regulations, dealing with investment activities of the Alaska Permanent Fund Corporation ("APFC") are adopted and certified to be a correct copy of the regulation changes that the APFC Board of Trustees ("Board") adopts under the authority of AS 37.13.120(a) and AS 37.13.206.

The attached regulations are exempt from the adoption procedures of the Administrative Procedure Act and shall take effect on December 6, 2016.

DATE: December 6, 2016

Anchorage, Alaska



Bill Moran, Chair



Carl Brady, Vice Chair

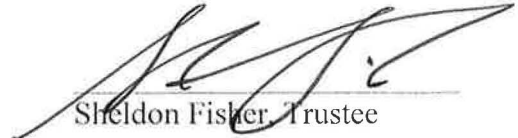


Larry Cash, Trustee

Marty Rutherford, Trustee



Randy Hoffbeck, Trustee



Sheldon Fisher, Trustee

FILING CERTIFICATION

I, Byron Mallott, Lieutenant Governor for the State of Alaska, certify that on December 16
2016, at 10:30 a.m., I filed the attached regulations.



Lieutenant Governor

Effective: December 6, 2016

Register: 221, April 2017

15 AAC 137.430(a) (18) is amended to read:

(18) shares in a money market, exchange traded fund (ETF), or short term investment fund that has collateral securities of a type authorized elsewhere in this section as acceptable collateral or securities of similar quality to those authorized elsewhere in this section as acceptable collateral; (Eff. 1/1/2006, Register 177; am 12/10/2014, Register 213; am 12/6/2016, Register 221)

Authority: AS 37.13.120 AS 37.13.206

15 AAC 137.450(a)(3) is amended to read:

(3) equity interests in entities formed to develop for commercial purposes vacant or underdeveloped real estate [LOCATED IN THE UNITED STATES] that, when completed and occupied, would meet the requirements of (1)(A) of this subsection;

15 AAC 137.450(a)(4) is amended to read:

(4) interests in a titleholding entity, real estate investment trust, real estate investment trust exchange traded fund, real estate operating company, or other entity whose assets consist predominantly of

(A) property of a type in which APFC is otherwise permitted to invest permanent fund assets under (1), (2), or (3) of this subsection; or

(B) interests in other entities in which the APFC is permitted to invest permanent fund assets under (A) of this paragraph. (Eff. 1/1/2006, Register 177; am 12/10/2014, Register 213; am 12/6/2016, Register 221)

Authority: AS 37.13.120 AS 37.13.206

15 AAC 137.480 is amended to read:

15 AAC 137.480 Foreign currency transactions. A manager of permanent fund assets may, with prior approval of the executive director or the chief investment officer, utilize foreign exchange transactions. Such transaction include currency forwards, futures, swaps, [and] options, **and exchange traded funds**, as well as currency strategies, including hedging, cross-hedging, and long short directional strategies. (Eff. 1/1/2006, Register 177; am 12/10/2014, Register 213; am 12/6/2016, Register 221)

Authority: AS 37.13.120 AS 37.13.206

15 AAC 137.610 repealed:

15 AAC 137.610 Confidential Records. Repealed (Eff. 11/15/2005, Register 177; am 12/6/2016, Register 221)

Authority: AS 37.13.120 AS 37.13.206

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS
OF THE ALASKA PERMANENT FUND CORPORATION

In accordance with the special regulations adoption authority granted to the Board of Trustees ("Board") of the Alaska Permanent Fund Corporation ("APFC") under AS 37.13.206, the APFC proposes to adopt regulation changes in Title 15 of the Alaska Administrative Code, dealing with the investment activities of the APFC, including the following:

1. 15 AAC 137.430 is proposed to be amended to clarify that APFC may invest in fixed income exchange traded funds.
2. 15 AAC 137.450 is proposed for amendment to expand APFC's real estate investment authority outside of the United States to include real estate development/construction projects and to clarify that APFC may invest in real estate investment trust exchange traded funds.
3. 15 AAC 137.480 is proposed to be amended to add the use of exchange traded funds as an authorized investment tool to hedge currency risk.
4. 15 AAC 137.610 is proposed to be repealed because the parameters of what information is confidential and exempt from disclosure is already defined by Alaska Statute 37.13.200.

You may comment on the proposed regulation changes by submitting written comments to Paulyn Swanson, Communications Manager, Alaska Permanent Fund Corporation, PO Box 115500, Juneau, AK 99811-5500. Comments may also be emailed to pswanson@apfc.org. To be considered, the comments must be received no later than 4:30 p.m. on December 2, 2016. Written comments received are public records and are subject to public inspection.

If you are a person with a disability who needs a special accommodation in order to participate in the process, please contact Paulyn Swanson at 907-796-1520 or by email at pswanson@apfc.org no later than November 30, 2016 to ensure that any necessary accommodations can be provided. For a copy of the proposed regulations, contact Paulyn Swanson, Communications Manager, Alaska Permanent Fund Corporation, PO Box 115500, Juneau, AK 99811-5500 or go to

www.apfc.org.

At the Board's next regular meeting scheduled for December 6, 2016 at the Sheraton Hotel, 401 East 6th Avenue, Anchorage, Alaska, the Board will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action at all. Changes to these regulations adopted by the Board will become effective on January 1, 2017.

YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.

Statutory Authority: AS 37.13.120; AS 37.13.206

Statutes Being Implemented, Interpreted, or Made Specific: AS 37.13.120

DATE: November 4, 2016


Angela M. Rodell, Executive Director
Alaska Permanent Fund Corporation

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

AFFIDAVIT OF NOTICE OF PROPOSED ADOPTION OF REGULATIONS

I, Paulyn Swanson, Communications Manager for the Alaska Permanent Fund Corporation ("APFC"), being sworn, state the following:

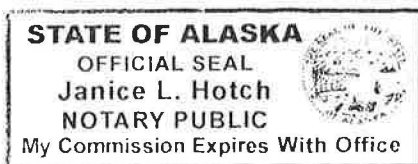
As required by AS 37.13.120(e) and AS 37.13.206, notice of the proposed adoption of changes to 15 AAC 137 dealing with the investment activities of the APFC has been given by being


- (1) Published in a newspaper of general circulation or a trade or industry publication;
- (2) Posted on the Alaska Online Public Notice System;
- (3) Electronically transmitted to all incumbent State of Alaska legislators;
- (4) Furnished to each person who has filed a request with the APFC for notice of proposed regulations.

DATE: November 21, 2017
Juneau, Alaska


Paulyn Swanson
Communications Manager
Alaska Permanent Fund Corporation

SUBSCRIBED AND SWORN TO before me this 21st day of November, 2016




Notary Public in and for the
State of Alaska
My commission expires: with office