

STATE OF ALASKA
ALASKA PERMANENT FUND CORPORATION
INVESTMENT ADVISORY GROUP

Background

The Alaska Permanent Fund was created to save a portion of the state's mineral revenue for the future and is currently valued at over \$79 billion. In 1980, the Alaska State Legislature created the Alaska Permanent Fund Corporation (APFC) to manage the investments of the Permanent Fund outside of the State Treasury. The APFC has 60 full-time employees (including 26 investment professionals) and is governed by a six-member Board of Trustees. The Board of Trustees has established an Investment Advisory Group to provide advice to the Board.

The Fund is invested in a diverse portfolio of assets, including U.S. and non-U.S. fixed income, public equity and real estate, as well as infrastructure, absolute return and private equity investments. Historically, APFC has relied on external managers to handle the direct investment of Permanent Fund assets. However, the Corporation has been and continues to expand its in-house capabilities. At present, the fixed income portfolio is almost entirely managed in-house, co-investments and direct investments in private equity and infrastructure have been added, and the Corporation has also brought certain passively managed public equities in-house.

The Alaska Permanent Fund Corporation (APFC) is soliciting applications from those interested in serving on the Investment Advisory Group (IAG). The IAG consists of three people appointed by and serving at the pleasure of the APFC Board of Trustees.

For the purposes of this procurement, "application" is intended to consist of a Cover Letter, a completed Application form(included), and a Curriculum Vitae.

Materials Included in this Solicitation

In addition to this document, Terms and Conditions for Appointment to the Investment Advisory Group, this application package consists of:

- Attachment 1 – Investment Advisory Group Application
- Attachment 2 – Standard Agreement Form (including General Provisions and Terms of Agreement – Appendix A and Appendix B

More information about APFC, including our investment policy and governance charters can be found online at apfc.org.

Service on the Investment Advisory Group

The IAG shall:

1. The Investment Advisory Group (or “IAG”) members are expected to attend all of the six Board meetings per year (unless excused by the Board chair) and present at least one topic annually for the Board’s consideration on:

- (a) current market events or strategies impacting the management of large institutional funds, or

- (b) based on Board input or request for specific topic coverage,

with all topics approved by the Board chair.

IAG members shall attend at least three of the Board meetings in person and may attend the remaining three meetings virtually. APFC will work with IAG members to stagger scheduling of in-person attendance to promote consistent in-person attendance by the IAG at board meetings.

IAG members will attend other meetings as requested by the Board, including additional meetings that are scheduled during the evening of Day 1 of a two-day Board meeting.

The time commitment for this position is estimated to be 10-15 hours/month.

2. The IAG will provide comments to the Board on the following issues:

- (a) The long-term or strategic asset allocation of the Fund;

- (b) The risk management framework of the Fund;

- (c) Any changes to the investment policy;

- (d) Any proposed investment in new asset classes;

- (e) Any proposed investment in new or innovative investment products or strategies, particularly those involving alternative or non-traditional asset classes;

- (f) Any significant changes to the investment management structure of the Fund, including the following:

- i) The relative proportion of assets in an asset class managed by external investment managers versus internal staff;

- ii) The relative proportion of assets in an asset class managed using active versus passive investment strategies;

- iii) The total number of active investment managers or portfolios in an asset class;

- (g) Appropriate content for trustee education;

- (h) Other investment, operational and strategic planning issues that arise in the normal course of APFC business for which IAG perspective would be useful; and Any other

issue at the discretion of the Investment Advisory Group or as requested by the Board.

3. IAG members should seek to collaborate with APFC senior management through contact with the Chief Investment Officer and/or Chief Executive Officer prior to each quarterly Board meeting to discuss topics on the agenda for the upcoming meeting, including:
 - (a) Fund performance for the quarter;
 - (b) Changes being considered or implemented to the asset allocation or investment policy; and
 - (c) Any special topics that are to be discussed at the upcoming Board meeting.
4. Each member of the Investment Advisory Group shall annually visit the Juneau office of the APFC, and if directed by the Board, shall attend in-person an investment committee meeting of the APFC Staff.

Qualifications

To be considered for this seat on the IAG, a candidate shall:

- possess experience and expertise in financial investments and management of investment portfolios for public pension, corporate or union benefit funds, family offices, foundations or endowments, and;
- have provided similar services or acted as a CIO, CEO or trustee to a large sovereign wealth fund, endowment or trust fund (AUM greater than \$1B).

APFC Board members will participate in the interviews with candidates for the IAG position.

Term

The selected IAG member would serve at the pleasure of the Board for a three-year contract that will begin July 1, 2024. The agreement may be renewed for one additional term of three years upon mutual agreement of both parties. Payment will be contingent upon legislative appropriations for funding each year.

Remuneration

In full consideration of the Appointee's performance, APFC shall pay the appointee a sum not to exceed \$30,000 per annum, or \$90,000 per three year term, as detailed below:

1. \$1,000/month as a retainer fee;
2. \$1,000 per meeting day of any meeting you are requested to attend on behalf of APFC;
3. \$1,000 travel payment per meeting to compensate for time spent traveling to and from a meeting; and
4. Expenses, including coach airfare, hotel, and a meal per diem reimbursed at the approved State rate: Expenses must be paid by the Appointee, subject to reimbursement.

Payments will be contingent upon legislative appropriations for funding each year. The APFC is liable only for payment in accordance with this section for services rendered before the effective

date of termination. The APFC assumes no liability for work done, even in good faith, prior to the effective date of the agreement, or during periods of suspension.

Selection Process

A committee comprised of at least three members of the APFC will evaluate applications for appointment to the IAG. This committee may select a person or persons to be interviewed by the full board for final appointment. APFC may schedule oral interviews of candidates either in person or telephonically.

Upon completion of the evaluation process, the candidate selected for appointment will be notified and an agreement covering the term of the appointment will be negotiated. If negotiations with the selected candidate fail, APFC may negotiate with the next highest ranked candidate or terminate this solicitation.

The following is a proposed calendar for this selection process. APFC reserves the right to alter or amend this schedule as necessary:

IRFP is posted to the Alaska Online Public Network and other publications – February 9, 2024
Application Period Closes – 4:00 p.m. AKST, May 31, 2024
Evaluation Committee Meeting – Week of June 24, 2024
Evaluation Results Presented at Board Meeting for final decision – July 17, 2024
Notice of Intent to Award Issued – C.O.B., July 18, 2024
Contract Start – August 1, 2024

Basis of Selection

Semi-finalists will be selected based on an “adjectival scoring system” given to their applications by the Evaluation Committee, using the following evaluation factors:

Rating	Definition	Points
Exceptional	Exceeds specified performance or capability in a beneficial way to the organization; high probability of success, no significant weakness.	21-30
Acceptable	Meets standards; good probability of success; weaknesses can be readily corrected.	11-20
Marginal	Fails to meet standards; low probability of success; significant deficiencies, but correctable.	1-10
Unacceptable	Fails to meet minimum requirements; needs major revision to the application to make it correct.	0

Application

To apply for appointment, the application packet must be addressed as follows:

Alaska Permanent Fund Corporation
Attention: Jedediah Smith, Procurement Officer
Application for Appointment – Investment Advisory Group
801 W. 10th St., Ste 302,
Juneau, AK 99801

Application packets may be emailed to: procurement@apfc.org

To be considered, completed applications must be received before 4:00 p.m., Alaska Time, May 31, 2024. Applications must be signed.

All costs incurred in the preparation and submission of an application shall be the sole responsibility of the applicant and shall not be reimbursed by APFC. If an in-person interview is scheduled, APFC will reimburse an applicant for travel and per diem at the approved State rate (coach airfare, hotel, and meals).

All applications and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All application information will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

The following information must be included in all proposals.

(a) AUTHORIZED SIGNATURE

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the RFP. Proposals must remain open and valid for at least 90-days from the date set as the deadline for receipt of proposals.

(b) OFFEROR'S CERTIFICATION

By signature on the proposal, offerors certify that they comply with the following:

- A. the laws of the State of Alaska;
- B. the applicable portion of the Federal Civil Rights Act of 1964;
- C. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- D. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- E. all terms and conditions set out in this RFP;
- F. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- G. that the offers will remain open and valid for at least 90 days.

If any offeror fails to comply with [A] through [G] of this paragraph, the state reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

(c) VENDOR TAX ID

A valid Vendor Tax ID must be submitted to the issuing office with the proposal or within five days of the state's request.

(d) CONFLICT OF INTEREST

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. The procurement officer reserves the right to **consider a proposal non-**

responsive and reject it or cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the contract to be performed by the offeror.

(e) FEDERAL REQUIREMENTS

The offeror must identify all known federal requirements that apply to the proposal, the evaluation, or the contract.

Agreement

The appointment will be evidenced by a written agreement between the Alaska Permanent Fund Corporation and the appointee for the term of office (Attachment 2), subject to further negotiations that do not materially deviate from the terms and conditions set forth in this application package and applicable law. Please note the terms and conditions obligating the parties as set forth in the Solicitation for Applications, Terms and Conditions for Appointment, and the Standard Agreement Form with Attachments A and B. Appointee is required to and must agree to purchase an Alaska Business License for the term of this appointment.

Termination for Default

- (a) If the project director or procurement officer determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the state's termination rights under the contract provisions of Appendix A in the attached Standard Agreement for Professional Services.

- (b) By signature on their proposal/bid, the offeror/bidder certifies that they will not support or participate in a boycott of the State of Israel. Failure to comply with this requirement may cause the state to reject the proposal as non-responsive or cancel the contract.