

March 25, 2024

The 33rd Alaska State Legislature
Alaska State Capitol
Juneau, Alaska 99801

RE: APFC's Anchorage Satellite Office

The Honorable Senate President Gary Stevens,
The Honorable Speaker of the House Cathy Tilton,
Honorable Members of the Alaska State Legislature,

We want to express our sincere appreciation for the Alaska State Legislature's support of the Alaska Permanent Fund Corporation (APFC). Our collaborative legislative partnership, founded on principles of accountability, stewardship, and excellence, has been instrumental in delivering tangible benefits for the people of Alaska by providing a steady, predictable revenue stream for both government operations and the Alaska Permanent Fund dividend payment—something truly unique among all of the states.

As you know, our primary mission at APFC is to generate revenue that is then available for the Legislature for appropriation to sustain current services and programs, including the annual Alaska Permanent Fund Dividend payment. We do this by prudently investing savings to secure sustainable income and benefits for future generations. This mission guides our daily actions and decisions, and your support has been indispensable in realizing it.

The importance of attracting, developing, and retaining highly skilled professionals cannot be overstated for the ongoing success of any organization. The Alaskan market poses a unique challenge to all organizations in the recruitment and retention of professional employees, especially highly skilled investment professionals. APFC faces the same common challenges in recruitment and retention as other industries and employers, both public and private. But, as an investment organization, APFC faces additional hurdles by operating far from the recognized investment and financial hubs such as New York and San Francisco in an ever more global marketplace for talent.

APFC's opening of a small satellite office in Anchorage provides another option for retaining existing employees and recruiting new talent. The Anchorage office has already proven instrumental in supporting our younger Alaskan workforce, offering additional in-state work options and ensuring the continued success and growth of our organization. Establishing the Anchorage office is a significant manifestation of the Board's vision and commitment to nurturing top local talent, thereby advancing our mission-driven initiatives by providing a second option for Alaska-based employment.

Please recognize that we believe the decision to establish the Anchorage office was made under the purview of APFC's corporate management oversight and in the interest of advancing the Trustees' long-standing strategic initiative. The very modest price tag for establishing the office while leveraging existing state resources was thought to be a de minimis use of funds. As such, the Board respectfully put forward a budget request for more funds to be used towards making the satellite office more in line with the quality of the Juneau headquarters. We fully understand and respect the Legislature's role as our appropriator for our annual budget matters and that, in that capacity, there are legislative concerns about how the office opening happened. But we ask for your understanding of the significance and context of the Anchorage office in furthering our efforts and intent to maximize the recruitment and retention of Alaska-based professionals in a competitive race for talent.

We wish to underscore the Anchorage office's critical role as a strategic asset, particularly within the Alaskan context. This office serves as an important alternative to attract and retain top Alaska-based talent, ensuring our sustained investment management success and expansion through a locally grounded model.

We appreciate your continued support of APFC and understanding of the important role of the Anchorage office in our shared pursuit of a prosperous future for Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read 'E Schutt', with a long horizontal flourish extending to the right.

Ethan Schutt
Chair of the Board of Trustees

A handwritten signature in black ink, appearing to read 'Deven Mitchell', with several vertical strokes to the right of the name.

Deven Mitchell
Executive Director & CEO