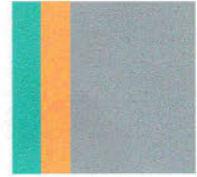


Angela Rodell

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January 10, 2022

Senator Natasha Von Imhof
Legislative Budget & Audit Committee
Alaska State Legislature
VIA EMAIL

Dear Senator Natasha Von Imhof,

I had the privilege to serve as the Executive Director/CEO of the Alaska Permanent Fund Corporation from October 28, 2015 until I was terminated on December 9, 2021. I write to provide additional information that may be helpful to the Committee's understanding of recent events at APFC.

I am so proud of the many things that APFC accomplished during my tenure and in 2021 including:

- Delivered record returns in 2021, solidly outperforming one year and five year benchmarks
- In the 6 years of my tenure, added a cumulative \$5.7 billion over and above benchmarks, demonstrating how much management decisions have added in Fund value.
- Implemented a comprehensive risk system, thereby creating a platform for understanding the amount of risk within each asset allocation and the portfolio as a whole, ensuring the Board has the information needed to not just "maximize return" but to also "preserve principal" in accordance with AS 37.13.020
- Implemented and received funding for an incentive compensation program for investment staff, believed to be a cornerstone for recruiting and retaining talent.
- Implemented a flexible remote work policy that has allowed staff to have safe, productive work environments that work for themselves, their families and APFC.



- Named a 2021 Best Place to Work in Money Management by Pension & Investments based on a survey with an over 80% staff response rate and independent research comprising 25% of the score.
- Implemented and activated cybersecurity and business continuity plans with no fraud nor ransomware attacks to date.
- Testified in 21 legislative hearings and presented to 20 distinct Alaska groups around the state in 2021, educating all stakeholders in accordance with Board resolutions and direction.

It is important to note that the Board changed often and members brought their own ideas as to what APFC's priorities should be. The only way I felt APFC and the Fund could be successful was to have the Board articulate those priorities in their public meetings. The Board is subject to the Open Meetings Act and as such has to give that direction in board meetings. I could not and did not do everything a trustee directed in private but rather requested that they bring it for full Board consideration consistent with APFC's obligation to transparency and accountability.

The timeline below gives not only a sequence of how frequently board members changed, but also highlights the Board's publicly stated priorities. I believe it is also important to recognize how much changed for the Fund and APFC over that same time period. When I started, APFC managed a \$52.8 billion fund with a public equity portfolio of just over \$20 billion and a private equity portfolio of just over \$5.2 billion. By the close of 2021, the Fund had grown to \$81.9 billion with \$30.6 in public equities and \$15.3 billion in private equity. That type of growth, especially in labor intensive asset classes like private equity, necessitated ongoing resource needs - personnel, data, risk, technology - to maintain the performance. Not to mention, by FY2021, the Fund became responsible for providing 70% of the State's unrestricted general fund revenue.

Date	Board Composition	Action
10/13/2015	Chair Bill Moran Vice Chair Carl Brady DOR Commissioner Randy Hoffbeck DEC Commissioner Larry Hartig Gary Dalton Larry Cash	Hired as CEO/ED
10/28/2015	Chair Bill Moran Vice Chair Carl Brady DOR Commissioner Randy Hoffbeck	First day as CEO/ED

	AG Craig Richards Gary Dalton Larry Cash	
06/23/2016	Chair Bill Moran Vice Chair Carl Brady DOR Commissioner Randy Hoffbeck DOA Commissioner Sheldon Fisher Marty Rutherford Larry Cash	Resignation of Craig Richards as Attorney General and with Gary Dalton's term ending June 30, 2016, 2 new board members are appointed.
09/28/2017	Chair Bill Moran Vice Chair Carl Brady DOR Commissioner Sheldon Fisher DNR Commissioner Andy Mack Marty Rutherford Larry Cash	Adopt Resolution 17-01 on a vote of 6-0 that "the Trustees direct the Executive Director to identify and pursue legislation or legislative support for some form of inflation-proofing that will preserve the purchasing power of the principal of the permanent fund for all generations as specified in AS 37.13.020
03/15/2018	Chair Bill Moran Vice Chair Carl Brady DOR Commissioner Sheldon Fisher DNR Commissioner Andy Mack Marty Rutherford Craig Richards	Special board meeting to discuss and adopt Resolution 18-01 that in particular requires "(5) That the Board of Trustees directs the Executive Director to distribute this Resolution and Resolution 2017-1 (regarding inflation-proofing) to the Members of the 30th Alaska State Legislature and offer to testify in support of the need to follow a rules-based framework"
05/24/2018	Chair Bill Moran Vice Chair Carl Brady DOR Commissioner Sheldon Fisher DNR Commissioner Andy Mack Marty Rutherford Craig Richards	Adoption of Resolution 18-02 recognizing: "All employees of the Alaska Permanent Fund Corporation ("APFC") are valued and essential to

		fulfilling APFC's mission to deliver sustained compelling investment returns as the United States' leading sovereign endowment manager, benefiting all current and future generations of Alaskans. In fulfillment of this mission it is imperative that APFC is in a position to attract, incent, and retain staff at all levels and in all positions. The APFC Board of Trustees Charters and Governance Policies, therefore, obligate the Board to establish human resources policies and procedures necessary for the effective management of the Permanent Fund, including a compensation and benefits policy. Because the level and complexity of internal investment management at APFC and the value-added and savings achieved by this internal management has grown significantly in the last five years, the Board feels strongly that fair and competitive compensation for APFC staff needs to evolve and grow to acknowledge and foster this successful result."
6/27/2018		SB26 adopting POMV payment methodology is signed into law
10/17/2018	Chair Craig Richards Vice Chair Carl Brady DOR Commissioner Sheldon Fisher	Special board meeting to discuss incentive compensation policy,

	DNR Commissioner Andy Mack Marty Rutherford Bill Moran	legislative initiatives and adopt Resolution 18-04 that provides "NOW THEREFORE BE IT RESOLVED that the Trustees direct the Executive Director to distribute this Resolution to the Members of the 31st Alaska State Legislature and offer to have the Board testify in support of the Legislative initiatives set forth in this Resolution."
12/11/2018	Chair Craig Richards Vice Chair Carl Brady DOR Commissioner Bruce Tangeman DNR Commissioner Corri Feige Marty Rutherford Bill Moran	Governor Mike Dunleavy takes office, appoints new commissioners.
7/1/2019		FY20 Budget adopted, appropriating POMV, no ad hoc draws, includes transfer to principal of \$4 billion for future inflation proofing
12/4/2019	Chair Craig Richards Vice Chair Carl Brady Acting DOR Commissioner Mike Barnhill DNR Commissioner Corri Feige Marty Rutherford Bill Moran	Board adopts Trustee Paper, Volume 9 The Role of Sovereign Wealth Funds in Saving, Stabilization, and Generating Income
02/20/2020	Chair Craig Richards Vice Chair Carl Brady DOR Commissioner Lucinda Mahoney DNR Commissioner Corri Feige Marty Rutherford Bill Moran	Commissioner Mahoney appointed on February 4, 2020. Chair Richards proposes to change Board ByLaws and Charters to have Chief Investment Officer report directly to the Board, eliminates many of the ED responsibilities.

		After discussion, it is clear Board does not support and the proposal is retracted. See Reports and documents - Alaska Permanent Fund Corporation (apfc.org) Board Minutes February 19-20, 2020, pages 9-11.
03/05/2020	Chair Craig Richards Vice Chair Carl Brady DOR Commissioner Lucinda Mahoney DNR Commissioner Corri Feige Marty Rutherford Bill Moran	On March 5th, a special Board meeting to adopt Resolution 2020-01 which continued to emphasize need for rules-based adherence to the Fund and providing: “NOW THEREFORE BE IT RESOLVED that the Trustees direct the Executive Director to distribute this Resolution to the Members of the 31st Alaska State Legislature and offer to have the Board, Staff, and the General Consultant testify in support of the Legislative initiatives set forth in this Resolution”
05/20/2020	Chair Craig Richards Vice Chair Steve Rieger DOR Commissioner Lucinda Mahoney DNR Commissioner Corri Feige Marty Rutherford Bill Moran	Steve Rieger is elected Vice Chair, Chair of the Governance Committee, in charge of ED performance review. Trustee Rieger appointed 05/13/2020 to fill vacancy created by passing of Vice Chair Carl Brady.
7/1/2020		FY21 Budget adopted, appropriating POMV, consistent with SB26.

12/10/2020	Chair Bill Moran Vice Chair Steve Rieger DOR Commissioner Lucinda Mahoney DNR Commissioner Corri Feige Ethan Schutt Craig Richards	Ethan Schutt appointed to Board in August, 2020 to fill seat vacated by completion of Marty Rutherford's term on June 30th. Trustee Rieger opts to use a 3rd party consultant to assemble a 360 degree performance review process for CEO evaluation focusing on board member and direct report responses. Overall positive discussion with Board and they vote to give merit increase 6-0.
02/17/2021	Chair Bill Moran Vice Chair Steve Rieger DOR Commissioner Lucinda Mahoney DNR Commissioner Corri Feige Ethan Schutt Craig Richards	The Board adopts a formal risk appetite metric after a significant years-long education process. The vote is 5-1 with Trustee Richards voting no.
7/01/2021		FY22 Budget adopted, appropriating POMV, consistent with SB26, a transfer to principal of \$4 billion and funding of incentive compensation for 22 investment staff to be paid consistent with Board's policy
9/29/2021	Chair Craig Richards Vice Chair Lucinda Mahoney, DOR Commissioner DNR Commissioner Corri Feige Ethan Schutt Bill Moran Steve Rieger	The Board elects Craig Richards as Chair and Lucinda Mahoney, Vice Chair and Chair of Governance Committee, responsible for ED Review. This is the first time in APFC's 40 year history a member of the Governor's Cabinet has been chosen by the Board to serve in a board officer capacity.

11/09/2021	Chair Craig Richards Vice Chair Lucinda Mahoney, DOR Commissioner DNR Commissioner Corri Feige Ethan Schutt Bill Moran Steve Rieger	Board holds a special meeting to review all outstanding resolutions. None of the resolutions related to POMV and endorsement of rules-based system are amended or repealed. The Board does take action, repealing resolutions that staff recommended as out of date or inconsistent with current law and practice.
12/6/2021	Chair Craig Richards Vice Chair Lucinda Mahoney, DOR Commissioner DNR Commissioner Corri Feige Ethan Schutt Bill Moran Steve Rieger	Vice Chair Mahoney informs staff she will conduct the ED performance review herself and proceeds to have her special assistant, Genevieve Wojutsik send a Survey Monkey to all APFC staff. On December 6 th VC Mahoney emails the results giving 24 hours to provide a written response. There was no discussion at any time prior, during or after the results about my performance.
12/8/2021	Chair Craig Richards Vice Chair Lucinda Mahoney, DOR Commissioner DNR Commissioner Corri Feige Ethan Schutt Bill Moran Steve Rieger	Board meets in executive session for 2 hours on my performance. At no time, was I asked to join them.
12/9/2021	Chair Craig Richards Vice Chair Lucinda Mahoney, DOR Commissioner DNR Commissioner Corri Feige Ethan Schutt	Board meets again in executive session. After approximately 1.5 hours, I was asked to come into the room and told I was being

	Bill Moran Steve Rieger	terminated and was offered the professional courtesy of resigning, effective immediately.
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Improving communication and communication style is a theme that appeared in performance reviews since 2019. One of the steps I took was to send a biweekly email to the Board informing them of various activities – legislative testimony, investment actions, etc. The feedback I was given by all board members is that they found these communications to be very helpful to understanding what was happening at APFC between board meetings.

I set a very high bar for both myself and the staff that work for me. We affirmed in staff meetings and retreats that we view ourselves as investment professionals working for a company that is owned by the State of Alaska – not as state workers that invest money. We are all career finance professionals. This vision produces a culture of excellence but can also make certain staff uncomfortable and unhappy with the correspondingly high levels of dedication and performance expected of them.

At no time over the past six years, was I ever given specific, quantifiable metrics for performance. I believed I was required to procure resources as close to the budget adopted by the Board as possible, leverage those resources as much as possible, and deliver outstanding returns on the Fund. I strongly believe I was successful in doing so as demonstrated by the Fund's performance.

I believe my removal to be political retribution for successfully carrying the Board's mandate to protect the Fund and advocate against any additional draws over the POMV spending rule in front of the 30th, 31st and 32nd Alaska State Legislatures which is contrary to Governor Dunleavy's agenda. It is this direct conflict of agendas that contradicts the statement made by Chair Richards to the Senate and House Rules on December 15, 2021 that "politics had no part in the [Board's] decision.

I have been honest and transparent in my communications to the Board, the Dunleavy and Walker Administrations and the Alaska State Legislature. I have testified in accordance with the Board's requirements and as a CEO I felt it was my responsibility to give the Board my input on various topics but once the Board made a decision, it was my job to follow through and ensure the Board's decisions were implemented.

I have attached all of the documentation I received with regard to my 2021 performance along with my self-assessment and response to the Board for your review.

Sincerely,



Angela Rodell

Cc: Members, Legislative Budget & Audit Committee