

City of Fairbanks  
Permanent Fund Review Board  
Quarterly Meeting Minutes  
January 27, 2020

The Permanent Fund Review Board (PFRB) convened at 1:35 P.M. in the City Council Chambers to conduct a quarterly meeting with the following board members in attendance.

Board Members Present: Council Member Valerie Therrien  
Patty Mongold  
Bernard Gatewood  
Dave Owen

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

Dave Owen moved, and Valerie Therrien seconded to approve the minutes from the October 30, 2019 meeting. The PFRB unanimously agreed.

Margarita Bell reviewed the account's performance through December 31, 2019:

- \$134,568,000 - Balance including accrued income
- \$ 3,360,531 - Dividend and interest earnings
- \$ 16,466,428 - Realized gain
- \$ 915,990 - Unrealized gain
- \$ (104,530) - Management and custodial fees
- \$ 20,419,957 - Earnings, net of expenses

Brandy Niclai reported that the balance of the fund was \$135,884,060 on January 24, 2020.

The 2020 draw is expected to be made in December 2020. The budgeted appropriation of \$5,582,188 to the general and capital funds are shown below, respectively:

- \$4,961,945 and \$620,243

Portfolio Summary							
4th Quarter		Year to Date		Last 12 Months		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
4.48%	4.89%	17.47%	19.02%	17.47%	19.02%	5.63%	5.42%
	0.13% <sup>1</sup>		0.50% <sup>2</sup>		0.50% <sup>3</sup>		
4.48%	5.02%	17.47%	19.52%	17.47%	19.52%	5.63%	5.42%

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.

Brandy Niclai presented a market review for the fourth quarter. She stated that the portfolio had an 8.95% increase in the fourth quarter due to Federal cut of interest rates for the third time, an easier path for BREXIT, and trade tensions eased between United States and China. The 2020 outlook is “unexciting” due to global central banks easing, modest fiscal policy support, low inflation expectations, diminished trade tensions, and consumers health with higher savings. Earnings, interest rates, and steady valuations lead to single digit returns resulted in a neutral equity to bond mixture.

Brandy Niclai reviewed the compliance report with PFRB members. There were no compliance issues to report.

The next quarterly meeting will be April 29, 2020 in the City Council Chambers.

The meeting adjourned at 4:40 p.m.