

**News Release****For Immediate Release: February 4, 2022****Contact: Pauly Swanson 907.796.1520****Alaska In-State Private Equity Managers Provide Investment Insights**

**Juneau** – The Alaska In-State Private Equity Program has recently received increased attention. The Alaska Permanent Fund Corporation (APFC) and the independent managers of this program understand that Alaskans are interested in learning more about how the assets of the Alaska Permanent Fund are being invested in our State.

APFC, however, is also obligated to ensure that the disclosure of this information is consistent with requirements of Alaska law, including Alaska Statute 37.13.200, which requires APFC to maintain the confidentiality of records that contain proprietary information. Maintaining the confidentiality of a private company's business information is not just important to the companies that the Permanent Fund invests in; it is also important to investment returns of these Permanent Fund investments. So, while we agree on the importance of disclosures related to the use of state funds, we also recognize the importance of maintaining the confidentiality of this proprietary information, the disclosure of which could undermine the success of these companies and the Permanent Fund's investments.

To this end, APFC has been working with our two In-State Private Equity Program external managers, Barings, LLC and McKinley Capital Management, LLC, to voluntarily disclose additional information regarding the investments of this program, to the extent that such disclosure would not harm the investment returns or the underlying investments within this program. So, attached to this press release, you will find a summary by both managers of the investments they have made under this In-State Private Equity Program. It must be understood that any disclosure of investments by these managers is voluntary. External managers and the private companies they have invested in who choose not to disclose some or all of this proprietary information continue to be protected by the confidentiality provisions set out AS 37.13.200.

APFC shares the objective of our fellow Alaskans: to protect and grow the Alaska Permanent Fund for current and future generations.

**Alaska In-State Private Equity Program**

As directed by the Board of Trustees through Resolution [18-03](#), APFC launched the Alaska In-State Private Equity Program in 2019 and selected external, independent fund managers to execute an Alaska-focused private markets investment program with an initial allocation of \$200 million. \$100 million is committed to each of McKinley Capital Management, LLC (Na'-Nuk Investment Fund) and Barings, LLC (Alaska Future Fund).

This in-state program is a part of APFC's existing Private Equity & Special Opportunities asset allocation and is evaluated using the same financial return objectives as all other investments in this asset class. Investment decisions for the in-state program are made by McKinley Capital Management, LLC and Barings, LLC, while the APFC investment staff monitors and oversees this investment activity. APFC's staff, Trustees, and external investment managers all have a fiduciary obligation to act only in the best interests of the Permanent Fund.

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## Alaska Future Fund Investment Summary

**February 3, 2022**

The Alaska Future Fund (the "Future Fund") is a \$100 million program sponsored by the Alaska Permanent Fund Corporation and managed by Barings LLC ("Barings"). The Future Fund's mandate is to invest in private equity and real asset opportunities to generate market rate returns. The Future Fund will prioritize opportunities to invest directly in private market sponsor funds or in companies with headquarters, operations, or a bona fide plan to operate in Alaska.

Since deployment began in 2020, the Future Fund has invested / committed \$43M in the following investments:

- **Nebari Natural Resources Credit Fund:** Nebari Holdings is an Alaskan-based sponsor exclusively focused on providing creative financing solutions to both public and private companies within the natural resources sector, working with motivated and capable management teams looking to accelerate growth.
- **Grant Aviation:** Founded in 1971 and headquartered in Anchorage, Grant Aviation, Inc. is the leading logistics company offering regional air transport for mail & cargo, Essential Air Services, passenger, and medevac to rural communities in Southwestern Alaska.
- **Alaska Communications:** Alaska Communications is a leading provider of advanced broadband and managed IT services for businesses and consumers in Alaska. Alaska Communications operates a highly reliable, advanced statewide data network with the latest technology and the most diverse undersea fiber optic system connecting Alaska to the contiguous U.S.
- **Contango Ore:** The Alaska Future Fund made a private investment in Contango Ore ("CORE"). CORE engages in exploration in Alaska for gold and associated minerals through a 30% interest in Peak Gold, LLC, which leases approximately 675,000 acres from the Tetlin Alaska Native Tribe for exploration and development, and through Contango Minerals Alaska, LLC, its wholly owned subsidiary, which holds exploration and development rights in approximately 220,000 acres.
- **Northlink Aviation:** NorthLink is developing a world-class air cargo terminal at the south campus of the Ted Stevens Anchorage International Airport ("ANC"). The company has signed a 55-year lease on a 120-acre property at ANC. NorthLink is focused on developing the south campus terminal in a manner that positively impacts Alaska and the Anchorage community, which includes working with Anchorage-based firms.

Barings is proud of its progress to date deploying the Alaska Future Fund within the state of Alaska and in line with the spirit of the program.

For any questions or comments please contact [alaskafuturefund@barings.com](mailto:alaskafuturefund@barings.com) or [alaskafuturefund.com](http://alaskafuturefund.com).

300 S Tryon St. Unit 2500  
Charlotte, NC 28202

**BARINGS.COM**



Local Opportunities. Global Solutions.

McKinley Alaska Private Investment, LLC uses our proven and reliable investment experience paired with our Alaska connectivity to identify private equity and direct lending opportunities in or for the benefit of Alaska.

## NA'-NUK INVESTMENT FUND, LP (NIF)

Inception Date:	January 1, 2020
Size:	\$117M
Type:	Commingled First Fund
Investment Manager:	McKinley Capital Management, LLC
Investment Mandate:	Offers investors emerging market style return profile with the security of the U.S. Dollar and Rule of Law. Lead investment (\$100M) from Alaska Permanent Fund Corporation's Emerging Managers Mandate (Alaska In-State Program).
Target Return:	Single bottom-line fund targets rate of return and risk profile consistent with similar APFC private investments made outside of Alaska.
Capital Committed:	~\$90M
Investments Made:	10
Internal Rate of Return**:	+47.28% since inception, gross

### Stage (by dollar value, rounded)

Early Venture:	6	(35%)
Mid-Late Venture:	2	(17%)
Growth:	1	(03%)
Mature:	1	(44%)

### Type: (by dollar value)

Direct Investments:	4	(64%)
Fund Investments:	6	(36%)

## TARGET INDUSTRY SECTORS



ENERGY



MINING AND  
EXPLORATION



TOURISM



FOOD  
SYSTEMS



TRANSPORTATION &  
LOGISTICS



ARCTIC AND  
SITUATIONALLY  
RELEVANT  
TECHNOLOGY

## INVESTMENTS\*



**ALEUTIAN**  
AIRWAYS

Aleutian Airways efficiently connects Dutch Harbor and Aleutian communities with Anchorage and the world. In a region with transportation insecurity, NIF is helping establish a safe and stable operator that creates jobs, aims to reduce flight time by ~33%, and intends to keep fares competitive.



**ASTRA**

Astra Space has launched multiple rockets from the Pacific Spaceport Complex (Kodiak), invested substantially in associated infrastructure, and partnered with local companies. In addition to creating local jobs and stimulating economic activity, Astra is one of the most high-profile success stories in Alaska's emergence as a strategic location for the New Space industry.



Alaska is the tip of the climate spear. By partnering with Launch Alaska, Earthshot Ventures brings real-world experience into deploying technologies for communities on the front lines of climate change. Earthshot's Alaska-based Venture Partner and Board Member expands and professionalizes the Alaska investor ecosystem.



**Peter Pan**  
SEAFOOD

Fishing remains vital to rural coastal Alaska, creating jobs and tax revenues for communities. NIF's investment increased the viability of Peter Pan by integrating the value chain, allowing the company to grow and bring long-term stability to Alaska's fishing families.



**AIRBUS VENTURES**

Alaska's pristine, punishing environment presents an open space for big ideas to take flight. Airbus Ventures has investments in five companies doing business in Alaska or exploring the possibility of Alaska operations. Their technical excellence and collaborative spirit promise to further unlock economic opportunity.



SpinLaunch is poised to disrupt the launch industry through the development of a weather independent, low-cost, and high-cadence hypersonic launch platform. The current plans focused on remote Alaska islands could catalyze hundreds of millions of investment in Alaska communities.



Born and raised in Alaska, Joel Yarmon's roots remain evident in his independent and trailblazing approach to uncovering opportunities outside of traditional VC focus. His investing successes have not lessened his commitment to the state, where he remains a fixture in the Alaska startup and greater business landscape.



Lowercarbon Capital has a track record of investing in today's most exciting climate founders, including Alaska-relevant companies like Frost Methane Labs, Running Tide, and more. In addition to outsized return potential, NIF's two investments in Lowercarbon adds a pipeline of potential co-investments.

## VOYAGER

Voyager Ventures' leverages the technical, political, and investment expertise of its co-founders whose backgrounds include bioengineering, EVs, and technical metal processing. Their strategy is differentiated by a focus on technologies that may unlock new commercial opportunities for Alaska's abundant natural resources in support of the global energy transition.

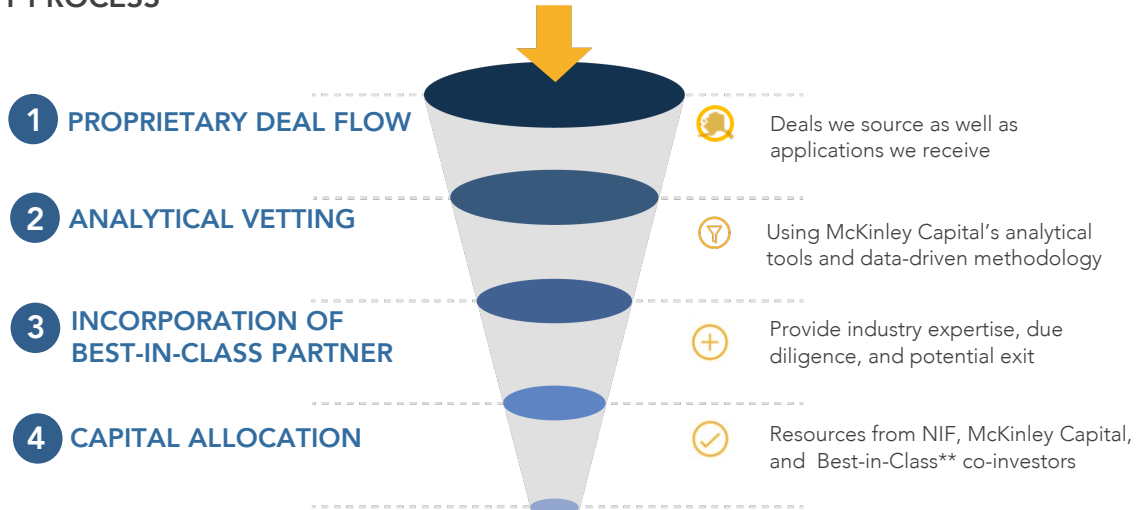
\* As of 09/30/21. Logos shown are used with express written permission of listed companies. \*\*Source: NIF quarterly fund administration unaudited report as of 09/30/21. Internal Rate of Return (IRR) is since fund inception and is gross of all management and administration fees. Net returns will be lower than gross once management and administrative fees are deducted. IRR is calculated based on current data and cannot be guaranteed. Past performance is not indicative of future returns. See complete disclosure on reverse side.



Local Opportunities. Global Solutions.

For more information contact us at +1 907 563 4488, [info@mckinley-alaska.com](mailto:info@mckinley-alaska.com) or visit [mckinley-alaska.com](http://mckinley-alaska.com)

## INVESTMENT PROCESS



## INVESTMENT CRITERIA



## DISCLOSURE

\* MOIC (Multiple of Invested Capital) cannot be guaranteed.

\*\* We attempt to engage well-known industry partners which we believe to be best in class in their respective industries.

McKinley Alaska Private Investment, LLC, (McKinley Alaska) along with McKinley Capital Management, LLC (McKinley Capital) and McKinley Research Group, LLC, are subsidiaries of McKinley Management, LLC. McKinley Capital Management, LLC ("McKinley Capital") is a registered investment adviser under the U.S. Investment Advisers Act of 1940. McKinley Capital is registered with the following Canadian provinces: the British Columbia Securities Commission; the Ontario Securities Commission; the Alberta Securities Commission; and the Quebec Financial Markets Authority. The Na'Nuk Investment Fund, LP ("NIF") is a private investment fund managed by McKinley Capital. An investment in limited partner interests in the NIF is highly speculative, involves a high degree of risk, including potential loss of an investor's entire value of investment or capital contribution, and is suitable only for persons who have substantial financial resources, who meet certain suitability requirements, and who understand the risk factors associated with such investments. Each prospective investor is also advised and encouraged to seek the advice of such prospective investor's own legal, tax, and business advisor(s) with respect to the legal, tax, and other implications of an investment in the NIF. No one security or investment is profitable all the time and there is always the possibility of selling it at a loss. For a copy of the Private Placement Memorandum and other information about the NIF, please email [clientservice@mckinleycapital.com](mailto:clientservice@mckinleycapital.com). This is neither an offer to sell nor a solicitation of an offer to buy interest in any investment fund managed by McKinley Capital, nor shall there be any sale of securities in any state, jurisdiction or country in which such offer or solicitation or sale would be unlawful prior to registration or qualification under the laws of such state or jurisdiction. Any such offering is subject to receipt by the qualified prospective investor of a Confidential Private Placement Memorandum and other operative documents which contain significant details with respect to risks and should be carefully read. Performance goals are not guaranteed. Past performance is not indicative of future returns. All information contained herein is believed to be acquired from reliable source, but accuracy cannot be guaranteed. To receive a copy of the McKinley Capital Form ADV please contact the firm at 3800 Centerpoint Drive, Suite 1100, Anchorage, Alaska 99503, 1.907.563.4488 or visit the firm's website at [www.mckinleycapital.com](http://www.mckinleycapital.com).