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REGISTERED INVESTMENT ADVISER (RIA)

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This brochure provides information about the qualifications and business practices of APCM. If you have any questions about the contents of this brochure, please contact us at (907) 272-7575. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. An RIA designation does not imply skill or training.

Additional information about APCM is also available on the SEC's website at www.adviserinfo.sec.gov.



**ALASKA PERMANENT
CAPITAL MANAGEMENT**

— Registered Investment Adviser

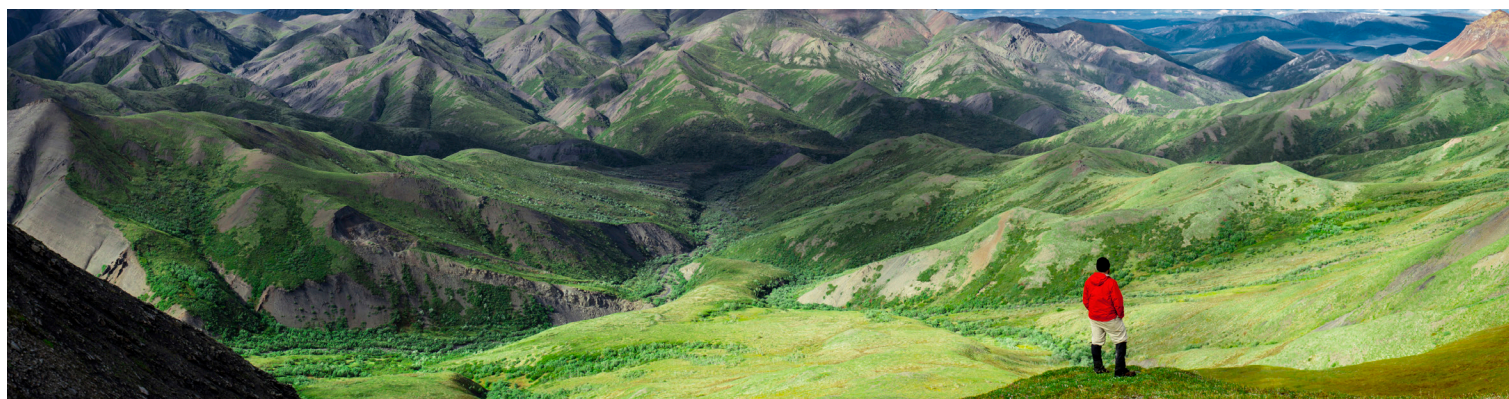


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Summary of Changes

We are discussing only material changes since the last annual update of our brochure, which was dated January 2020. We have updated section 2 under Advisory Business to include Private Placements, which may be offered to qualified clients of APCM. Please see Section 2, Advisory Business, for more information. We have updated section three under Brokerage Practices to include our Cross Transactions Policy. Under said policy, the Firm may, at its discretion, arrange with a broker to perform a 'cross trade' wherein a security held by one account is transferred to another client account at fair value. Please see Section 3, Brokerage Practices, for more information.

Advisory Business

APCM is an investment adviser who has been providing investment advice in Alaska since 1992. We provide investment management for active fixed income portfolios and balanced accounts that include a mix of stock and bond index funds. We are independently owned and have no 3rd party affiliations that compromise our advice to clients. Our only income is the fee income earned from our clients.

APCM was founded by Dave Rose, the first executive director of the Alaska Permanent Fund Corporation. The firm is majority owned by Evan Rose, Chairman and CEO. Other minority owners include

Fran Rose, Trustee for the Dave Rose Estate, and employees, Brandy Nicolai, APCM Chief Investment Officer, Multi-Asset Strategies, William Lierman, APCM Chief Investment Officer, Fixed Income Strategies.

One service that differentiates us is our ability to tailor our portfolios to specific client needs. For our institutional clients, we often manage various accounts that meet differing investment objectives that range from cash flow management to equity-based asset allocation accounts.

Private placements may be offered to qualified clients of APCM through transactions that are exempt from registration under the Securities Act of 1933 pursuant to Rule 506(b) of Regulation D promulgated thereunder.

As of December 31, 2020 we managed \$3.24 billion in assets under management.

Fees and Compensation

All of our revenues are earned from our clients. Although the majority of our revenue is based on account value for assets we manage, some clients may select an additional service such as financial planning or financial consulting. We do not have any revenue sharing arrangements with any 3rd party organizations nor any performance based fees or side-by-side management arrangement that would affect account management. Clients may elect to pay their fees from their account or be billed separately. Fees are calculated monthly in arrears, based on the end of month market value. Fees for services are billed when the service is performed.

Fees are negotiable depending on size of the account and other considerations that may result in economies of scale. Institutional balanced account fees range from 1% of assets under management and below. Institutional fixed income account fees range from 0.50% of assets under management and below.

Other fees clients may incur include custodian fees and other transaction costs. For more information, please see Brokerage Practices. Asset allocation accounts may also incur internal fund expenses for which we receive no remuneration. As our primary goal is to help our clients achieve their financial goals, our selected funds and ETFs have very low expenses.

Performance-Based Fees and Side-By-Side Management

All accounts are managed with the best interest of each client as the guide. Client accounts are treated fairly and no client is favored over another. We do not have any performance-based fees or side-by-side management arrangements that could potentially create a conflict of interest when managing accounts.

Types of Clients

Our clients include both institutions and individuals. On the institutional side, our clients include State of Alaska public entities, municipalities, boroughs, utilities, Alaska Native Corporations, endowments, and non-profits.

Methods of Analysis, Investment Strategies and Risk of Loss

We provide two general types of account management: 1) fixed income only accounts, and 2) balanced accounts with equity exposure. The following describes the analysis and strategy for each of those accounts types.

Fixed Income Accounts: Fixed income investment strategies are designed to meet client objectives. Macroeconomic trends and monetary policy are examined to establish the appropriate portfolio positioning given the economic environment, within the investment policy parameters. Our investment team carefully considers risk and portfolio structure to the benchmark index chosen by the client. Key portfolio risk factors such as duration, sector exposure and credit quality are measured and controlled using quantitative techniques. Value is added through the active management of yield curve positioning, sector rotation and individual security selection. Fundamental credit and structure analysis is performed on individual securities before purchasing for a portfolio. Our investment style is to make incremental decisions rather than large restructurings of client accounts, and to minimize portfolio turnover to reduce trading costs. We believe a long term perspective and conservative approach are the best ways to add value to our clients.

Balanced Accounts: Our balanced account investment strategies are developed with the aid of sophisticated software and modeling programs to achieve an efficient portfolio. Such a portfolio is one that provides the highest expected return given an acceptable level of risk as indicated by the client. We use our inputs on market conditions, projected economic climate, and over 150 years of our firm's combined investment experience to develop different strategies with varying amounts of equity. The process results in an array of models each with varying degrees of asset class exposure that can be selected to meet a client's investment objective. Securities chosen to represent asset class exposure are mainly index funds that are evaluated based on tracking error to the benchmark, internal fund expenses, fund management, and liquidity. Depending on the size of the account, the fixed income exposure may be achieved through an index fund or ETF or it may be managed by our investment team.

Securities purchased may include, but are not limited to: US Treasuries, US TIPS, government-sponsored enterprises, sovereigns, corporate and municipal debt securities, mutual funds, exchange traded funds and notes, asset back securities, CDs, commercial paper, and mortgage backed securities. As with any investment, investing in securities involves risk of loss that clients should be prepared to bear. Clients are encouraged to read the prospectus(es) in order to more fully understand the risks.

Disciplinary History

We have been an SEC registered investment advisor since 1992 and have no record of disciplinary history since inception.

Other Financial Industry Activities and Affiliations

We are a privately held firm. APCM is a majority owner of APCM Wealth Management for Individuals (APCM), an advisor whose

primary service is advisory services to individuals. APCM participates in the Schwab Advisor Network. Our practice is to make every investment decision in the best interest of the client.

Since we do not take custody of client assets, clients are free to select their own custodian from a variety of custodians with whom we have technology-based relationships. To eliminate traditional custodian fees, some clients may select Schwab as their custodian since Schwab offers no-cost custodian services. For accounts where Schwab is the custodian, securities are generally transacted through Schwab Brokerage. Such transactions may or may not result in the best price that generally drives our transactions with other brokers and Schwab may charge a transaction fee for buys and sells. In addition, we as a firm receive operational support from Schwab for accounts custodied at Schwab. Such support includes simplified web-based access to account information but does not include any hardware.

Code of Ethics Summary and Offer of Delivery to Clients

As an SEC-registered adviser and pursuant to SEC rule 204A-1, we have a Code of Ethics that governs employee conduct. A copy is available to anyone upon request.

Code of Ethics Summary: In essence, we are fiduciaries to our clients and our employees are expected to act in the best interests of our clients at all times. Employees are required to disclose any potential conflicts of interest that could compromise this duty and such conflicts must be resolved in favor of the client(s). Furthermore, the Code of Ethics covers additional areas such as protecting confidential information, restricting participation in business interests that create conflicts of interest, and limiting gifts to a de minimis amount. Our employees must report their investment holdings annually and all their investment transactions quarterly. In addition, employees must obtain preclearance prior to trading on any security that is on our Restricted List.

For trading on client accounts, the Code of Ethics requires employees to maximize client portfolio value by seeking best execution for all client transactions. In addition, traders must ensure fair and equitable trade allocation among client accounts.

The Code of Ethics also covers how we price securities, our portfolio performance process, and requires us to obtain an annual 3rd party verification of our portfolio accounting procedures.

Investing in Securities Recommended to Clients: Our investment strategy includes identifying securities that may represent a potential for gain or, in the case of asset allocation accounts, identifying certain index funds that have low internal expenses while also providing exposure to desired asset classes. When appropriate Private Placements are offered to qualified clients. Our employees may also invest in these securities. As part of our personal trading policy, no preference is allowed for employee trades, and each employee is required to report all trading activity to the Chief Compliance Officer on a quarterly basis.

Brokerage Practices

As an investment advisory firm, we have a fiduciary duty to transact trades in the manner that is best for our clients. Our Best Execution policy seeks to obtain the best overall trade execution in terms of both quantitative and qualitative considerations, although best price is the primary consideration. On an annual basis, we examine the

relationships with broker/ dealers who execute significant amounts of trades for us. Broker/dealers are assessed based on their ability to complete trades in a timely and accurate manner, respond during volatile markets, and account for trade errors.

Any Client accounts custodied at Schwab may have trades executed using Schwab as the broker. In such cases, the typical standards of achieving 'Best Execution' may not apply to these accounts.

Trade Aggregation: Trades may be aggregated if it is beneficial to clients. Allocation procedures are fair and equitable to all clients with no particular group or client favored or disfavored over any other clients. We prohibit any allocation of trades in a manner that APCM's proprietary accounts, affiliated accounts, or any particular client(s) or group of clients receive more favorable treatment than other client accounts.

Cross Transactions: The Firm's policy and practice is to not engage in any agency or principal cross transactions. However, the Firm may, at its discretion, arrange with a broker to perform a 'cross trade' wherein a security held by one account is transferred to another client account at fair value. Such a transaction may be determined to be in the best interests of both clients due to a portfolio strategy decision, investment policy constraints or client liquidity needs. The Firm will determine a fair value at which the transaction is effected and minimize the broker transaction costs associated with a cross trade. All clients that are affected by a cross transaction will be promptly informed.

Review of Accounts

In order to provide maximum value to our clients, we have regular reviews of all accounts.

The Chief Investment Officer (CIO) is responsible for following the client specified guidelines. The CIO may require Portfolio Managers, or other investment team members, to implement processes designed to provide positive assurance the guidelines are being followed. The Fixed Income Portfolio Managers and/or Multi-Asset Team will meet on at least a monthly basis to review portfolio allocation, risk level, performance, diversification, and investment consistency.

Client Referrals and Other Compensation

APCM receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through APCM's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with APCM and does not supervise APCM and has no responsibility for APCM's management of clients' portfolios or other advice or services. APCM pays Schwab fees to receive client referrals through the Service. APCM's participation in the Service raise potential conflicts of interest as described below.

APCM pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by APCM is a percentage of the fees the client owes to APCM or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. APCM pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to APCM quarterly and may be increased, decreased or waived

by Schwab from time to time. The Participation Fee is paid by APCM and not by the client. APCM has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs APCM charges clients with similar portfolios who were not referred through the Service.

APCM generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, APCM will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of APCM's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, APCM will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit APCM's fees directly from the accounts.

Custody

We do not take custody of client assets. Clients are responsible for selecting their own custodian. We recommend that clients compare the account statements received by the custodian to the statement we prepare for them.

Investment Discretion

We have investment discretion on the assets we manage. We accept investment discretion upon the execution of client contract documents granting this authority. On occasion, a client may bring an inherited security with client imposed restrictions into the account we manage. Such restrictions are in writing.

Voting Client Securities

As a matter of policy and as a fiduciary to our clients, we vote proxies for portfolio securities consistent with the best economic interests of the clients. We vote proxies for debt instruments and, with some exceptions, exchange-traded funds and mutual funds. We do not vote proxies for individual equities. Individual equities are held in a client's account as an accommodation to the client and are not part of our overall management strategy or an appropriate focus for research. Clients are notified that we do not vote these proxies and that we will, upon request, arrange for the clients to receive these proxies directly. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies, disclose any potential conflicts of interest, and make information related to proxies available to clients. The term proxy as used here includes corporate actions and tender offers for debt instruments.

Financial Information

As a privately held firm who does not have custody of client assets, we are not required to undergo an audit of our financial statements.