Callan

July 30, 2026

Alaska Mental Health Trust Authority

Inflation Proofing Discussion
SUPPLEMENTAL SLIDES

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Real Value Funded Ratio Equation – Take Two

$$RVFR = \frac{TA_{APFC} + IPD}{IPT}$$

$RVFR$	=	**Real Value Funded Ratio**
TA_{APFC}	=	**Total Trust assets held at APFC, *excluding* Trust Budget Reserve balances held at APFC**
TP_{APFC}	=	**Trust Principal at APFC, including initial deposit, principal inflows from TLO income, and ad-hoc inflation-proofing deposits approved by the Board**
IPT	=	**Inflation-Proofing Target: Includes initial deposit, principal inflows from TLO income, and calculated inflation-proofing transfers based upon the CPI-U Index[1]**
IPD	=	**Inflation-Proofing Deficit: Defined as $TP_{APFC} - IPT$. Excluded from equation if deficit is not negative, $TP_{APFC} > IPT$**

[1] CPI-U = Consumer Price Index for All Urban Consumers as published buy the U.S. Bureau of Labor Statistics

Real Value Funded Ratio (Take Two) – Illustration

Using June 30, 2025 Figures

$$\boldsymbol{RVFR = \frac{(\$684) + (\$560 - \$721)}{\$721} = \frac{\$523}{\$721} = 0.73}$$

$RVFR$	=	**Real Value Funded Ratio**
TA_{APFC}	=	**Total Assets = \$754M, Budget Reserve Balances at APFC = \$70M,** TA_{APFC} **= \$684M**
TP_{APFC}	=	**\$204 Initial Deposit, \$206M Principal Inflows, \$150M Ad-Hoc Inflation-Proofing Deposits = \$560M**
IPT	=	**\$204 Initial Deposit, \$206M Principal Inflows, \$311M Inflation Impact = \$721M**
IPD	=	$\boldsymbol{TP_{APFC} - IPT}$ **= -\$161M**

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