

Memorandum of Agreement Between the Alaska Permanent Fund Corporation and the Alaska Mental Health Trust Authority

Under AS 37.13.300, the Mental Health Trust Fund (MHTF), a separate fund of the Alaska Mental Health Authority (AMHTA), shall be managed by the Alaska Permanent Fund Corporation (APFC). The APFC shall:

1. Hold and invest the MHTF in a commingled pool with the assets of the Permanent Fund and other funds managed by APFC. The MHTF shall be managed in accordance with the prudent investor rule pursuant to AS 37.13.120(a).
2. Provide complete monthly financial reports on the Permanent Fund and the MHTF to the chairman of the Board of Trustees of the AMHTA, through the Chief Financial Officer (CFO).
3. Provide an annual financial report prepared in accordance with generally accepted accounting principles (GAAP), including an opinion thereon, prepared by an independent certified public accountant. Additionally, the APFC Executive Director shall provide the AMHTA with an annual certification that the MHTF was invested in conformity with the APFC board approved asset allocation, investment policy statement and the prudent investor rule set out in AS 37.13.120.
4. Publicly post the APFC schedule of board meetings and advance copies of all APFC Board of Trustees meeting packets on APFC's website, including any discussion about possible changes to the asset allocation. The AMHTA is encouraged to provide any comments that it has on proposed changes to the asset allocation or other matters at an APFC Board meeting.
5. Allocate on a monthly basis, net income earned by the MHTF based on its pro rata share of Permanent Fund net income. Net income for the MHTF shall be calculated by the APFC pursuant to AS 37.13.140 in the same manner as Permanent Fund net income.

For accounting purposes, the Permanent Fund is a non-expendable governmental trust fund. In accordance with GAAP, the accounting principles which apply to the Permanent Fund control the accounting principles applied to the commingled pool. Therefore:

1. Commingled assets will be valued in accordance with GAAP.
2. Each participant fund is credited with unit shares and fractions of unit shares based directly upon the dollar amount per share of funds contributed to the pool.
3. Each participant fund is charged with unit shares and fractions of unit shares based directly upon the dollar amount per share of funds withdrawn from the pool.
4. Each unit share has a beneficial interest in the pool equal to the proportion which it bears to the total units outstanding.
5. Net earnings and portfolio activity are allocated as a contribution to the commingled investment pool on the basis of the total unit shares outstanding.
6. The last calendar day of each month is designated the Valuation Date.
7. Unit shares are calculated based on balances on Valuation Date for the prior month.
8. Contributions and withdrawals are effective as of the Valuation Date following the transfer. Reasonable prior written notification must be provided for withdrawals.

Effective Date: May 1, 2026

Chair
Board of Trustees
Alaska Mental Health Trust Authority

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