Trust
Alaska Mental Health Trust Authority

3745 Community Park Loop, Suite 200
Anchorage, AK 99508
Tel 907.269.7960
www.mhtrust.org

To: Brent Fisher, Chair
Through: Mary Wilson, Chief Executive Officer
From: Julee Farley, Chief Financial Officer
Date: November 18, 2026
Re: Finance Committee Report

Meeting Summary:

The Finance Committee met on October 14, 2026. The meeting was attended by Committee members Kevin Fimon (chair), Josie Hickel, John Morris, and Board Chair Brent Fisher (ex-officio, virtual), and Trustees Anita Halterman and Agnes Moran.

Deven Mitchell, Executive Director of APFC, made the annual presentation to Trustees on the Trust assets managed by APFC. Investments managed by APFC earned 12.4% in FY26 which is below the performance and passive benchmark and higher than CPI+5% objective. Performance over the last 10 years is above their benchmarks and the CPI+5% objective. APFC returns are presented net of fees. Fees include .88% for external investment management and .19% for APFC management, for a combined fee of 1.07%. Mr. Mitchell reported to Trustees that investments are managed, and were managed in FY26, consistent with APFC Board of Trustees' approved Investment Policy, which aligns with state statutes and the Prudent Investor Rule.

Steve Sikes, DOR Investment Officer, provided the FY26 investment update to Trustees. DOR manages approximately $163 million for the Trust, with assets split between Budget Reserves and the GeFONSI pool. In FY26, GeFONSI pool earned 4.04% compared to a benchmark of 3.83%, and Budget Reserves earned 14.60% compared to a benchmark of 14.29%. The GeFONSI asset allocation is approved by the Commission of Revenue, and the Budget Reserve allocation is approved by Trustees. No fees are charged for GeFONSI funds. The fee on Budget Reserves is 0.13% which includes .10% to DOR for fund management and .03% in externally managed fund fees.

Natalie Condon, Senior Associated at RCLCO, provided an update on the Trust's commercial real estate portfolio. There are two remaining assets in the portfolio, North Park and Amber Oaks. North Park is 70% occupied and is being marketed for sale by brokers at Cushman & Wakefield. Amber Oaks is 81% occupied and is expected to list for sale when occupancies reached 85%. Rising interest rates are a concern for real estate pricing and values, and RCLCO will continue to monitor the impact.

Steve Center, Callan LLC, provided an update on the status of the AMPS review process, and Chair Fimon informed the Committee that the review process will continue. Mr. Center also presented the FY26 annual returns for the Trust investments of 12.34% comprised of APFC returns of 12.34%, DOR Budget Reserves of 14.60%, and the Trust's Commercial Real Estate portfolio of 4.56%.

Mr. Center also provided an update on the inflation proofing status of the Trust investment. Considering the principal and income in a manner similar to APFC shows the Trust as being 'under inflation proofed' by $180 million on June 30, 2026, while view Trust assets as an endowment shows in the Trust being 'over inflation proofed' by $176 million.

CFO Farley provided an updated Dashboard for the Committee. FY26 has previously been reported with minor adjustments, and year-to-date FY27 through August represents just 17% of the fiscal year and is not yet a strong indicator of FY27.

Sarah Morrision, TLO Chief Business Officer, presented a summary of FY26 budget-to-actual reporting for the Program Related Real Estate properties. Data presented showed the Trustee approved FY26 budget of $1,004,521 with actual FY26 spending at $701,417. Similar FY26 reporting for Commercial Real Estate properties was presented at the July 2026 Finance Committee meeting.

The next scheduled meeting of the Finance Committee is **January 27/28th*, 2027*.**