



APFC

ALASKA PERMANENT
FUND CORPORATION

Alaska Mental Health Trust

October 2026

Investing for Alaska

Mission

To manage and invest the assets of the permanent fund and other funds designated by law in accordance with AS 37.13.010-37.13.190.

Vision

To deliver outstanding returns for the benefit of all current and future generations of Alaskans.

Board of Trustees

APFC functions as a quasi-independent state entity, governed by a Board that oversees the Corporation and serves as the fiduciary for the Fund AS 37.13.

Alaska Permanent Fund

Principal

Constitution and AS 37.13.010

Earnings Reserve Account

AS 37.13.145 (a)

Amerada Hess Settlement

AS 37.13.145 (d)

AK Capital Income Fund

AS 37.05.565

Alaska Mental Health Trust Fund

AS 37.13.300

Alaska Mental Health Trust Authority

Power Cost Equalization Endowment

AS 37.13.310

Alaska Energy Authority – PCE Program

Management of the Mental Health Trust

Article 02. Management of Other Assets.

Sec. 37.13.300. Corporation to manage certain assets of the mental health trust.

(a) The corporation shall manage the mental health trust fund.

(b) The corporation shall

(1) hold and invest the mental health trust fund subject to [AS 37.13.120](#);

(2) at least quarterly, prepare, publish, and distribute to the Board of Trustees of the Alaska Mental Health Trust Authority a financial report showing investment revenue and expenditures, including the allocation of the cash assets of the mental health trust fund among investments;

(3) Annually prepare, publish, and distribute to the Board of Trustees of the Alaska Mental Health Trust Authority financial statements prepared in accordance with generally accepted accounting principles consistently applied, and an audit report prepared by a certified public accountant;

(4) periodically advise the Board of Trustees of the Alaska Mental Health Trust Authority when revisions to long-range investment policy, including asset allocation changes, are contemplated, and provide an opportunity for consultation and comment on the changes before they are implemented; and

(5) transfer to the mental health trust settlement income account the net income available for distribution attributable to the mental health trust fund at the end of each fiscal year.

(c) Net income from the mental health trust fund may not be included in the computation of net income available for distribution under [AS 37.13.140](#).

Governance is
fundamental to
APFC's stewardship.

Independence, Oversight & Accountability

APFC operates under state law, Board policy, fiduciary standards, and public accountability expectations.

[APFC Governance Manual](#)

Laws, charters, and policies that guide successful governance.

[APFC Investment Policy](#)

Defines the roles, responsibilities, and investment guidelines.

[Accountability](#)

Through transparent reporting, Alaskans can assess Fund stewardship.

Maximizing a Risk-Adjusted Return

The goal of risk management is not to avoid risks, it is to:

- ✓ know and understand the risks taken,
- ✓ measure, monitor, and report these risks,
- ✓ manage risks to acceptable levels, and
- ✓ review whether returns are commensurate.

AS 37.13.120 Investment Responsibilities

Prudent Management

- Board will follow the prudent investor rule as it relates to institutional investors.
- Board will maintain a reasonable diversification of assets.
- Board adopts regulations defining eligible investments.
- APFC may only borrow money if it is recourse to a specific investment.
- APFC shall invest the Fund's assets in in-state investments, if comparable in risk level and expected return to alternate investment opportunities.

Investing for the Long Term

Real Return

Annual investment performance adjusted for inflation indicates a sustained value and purchasing power.

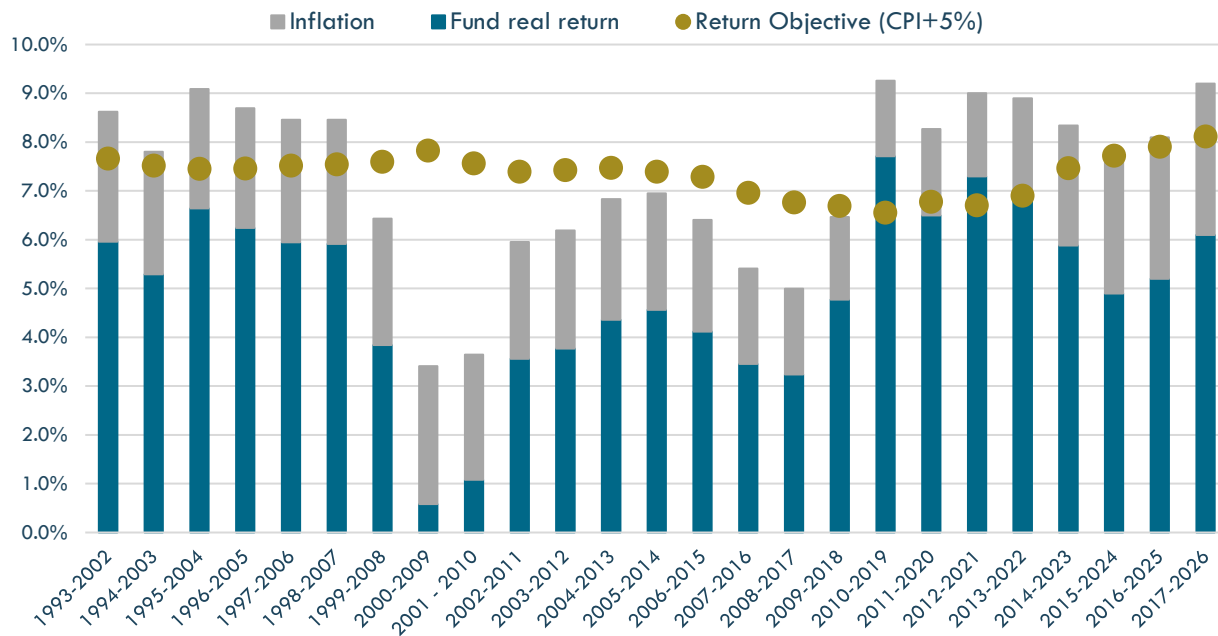
The Board's Total Fund Objective

Investment Performance

Ability to generate an annualized return of inflation (CPI) + 5% over a 10-year period.

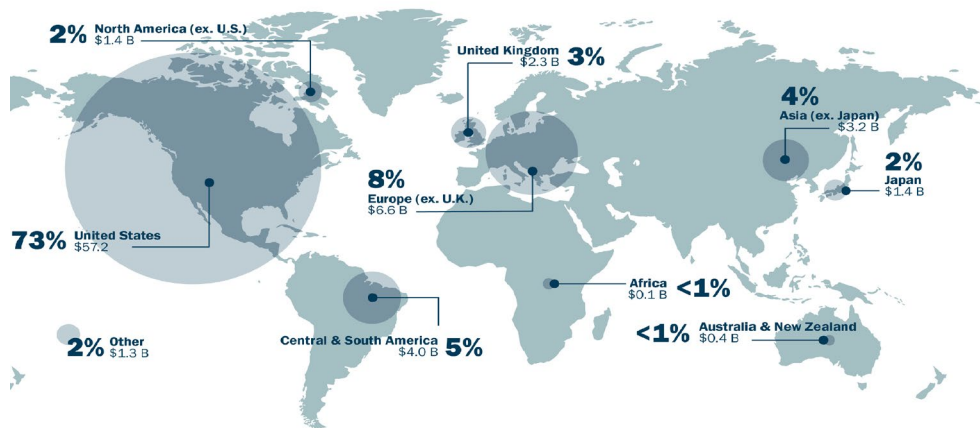
Investment Risk

Ability of the Fund to achieve the long-term target while conforming to the Board's approved risk appetite metric.



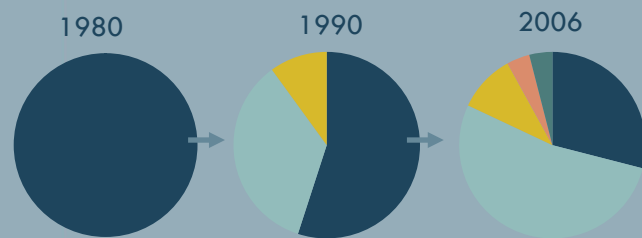
How APFC Invests the Fund

Maximizing Returns & Minimizing Risks

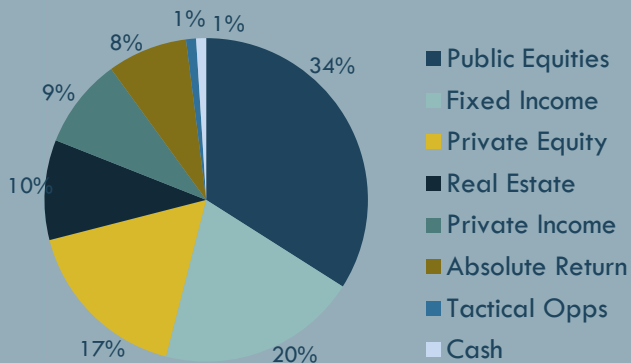


Diversified for Long-Term Performance

- Invested globally across multiple asset classes.
- Investment decisions are guided by fiduciary responsibility.
- Long-term discipline remains central to protecting the Fund.



2027 Target Allocation



The Portfolio

APFC began with a portfolio of U.S. treasuries, offering steady returns.

The current asset allocation is more complex, with exposure to investments in which most income is realized only when an asset is sold.

Many assets are held for years or decades, and realized earnings are often not tied to annual investment performance.



Public Equities

Comprised of U.S., international, and global stocks, it is the Fund's primary source of growth.



Fixed Income

Managed internally, serving as a stabilizer for the Fund, generating returns and providing liquidity.



Private Equity

Investments in privately held companies with long horizons and limited liquidity offer diversification and superior returns.



Private Income

Infrastructure, private credit, and other income-producing assets that provide a high level of income with limited volatility.



Real Estate

Partial or complete ownership of residential, retail, industrial, and office buildings with a steady inflation-adjusted cash yield.



Absolute Return

Designed to provide consistent, uncorrelated returns accretive to the overall target.



Tactical Opps

Enables the team to execute on opportunistic or niche investments across public and private markets.

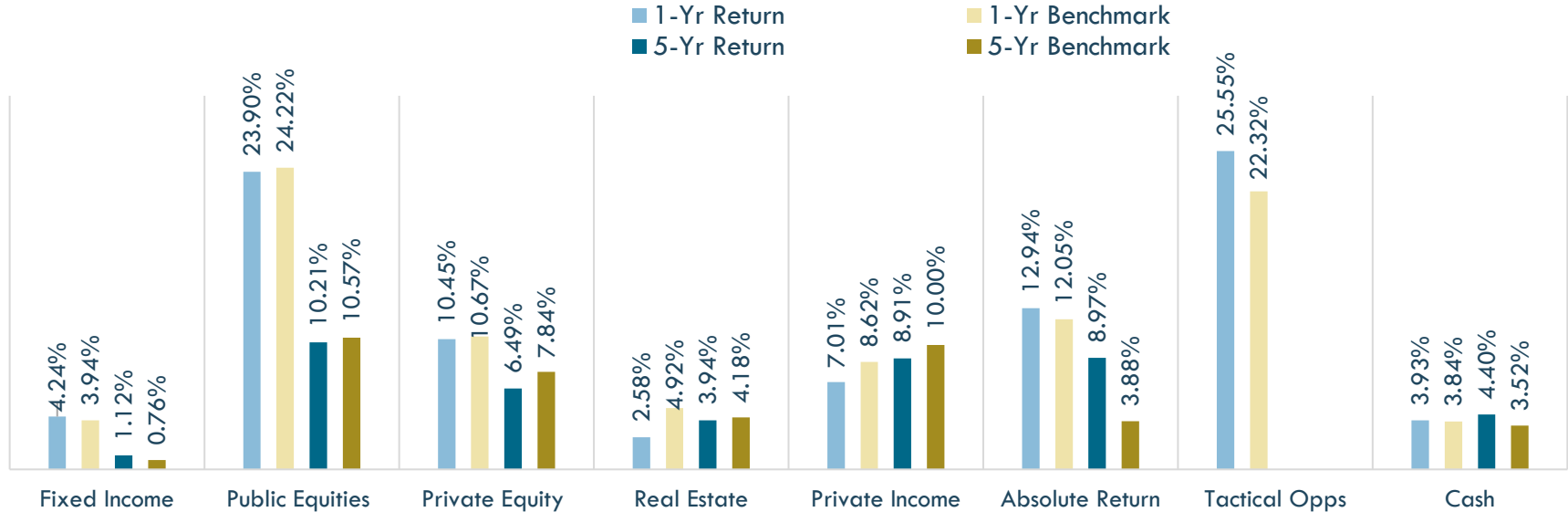


Cash

Stability and liquidity through diversification benefit relative to other riskier asset classes.

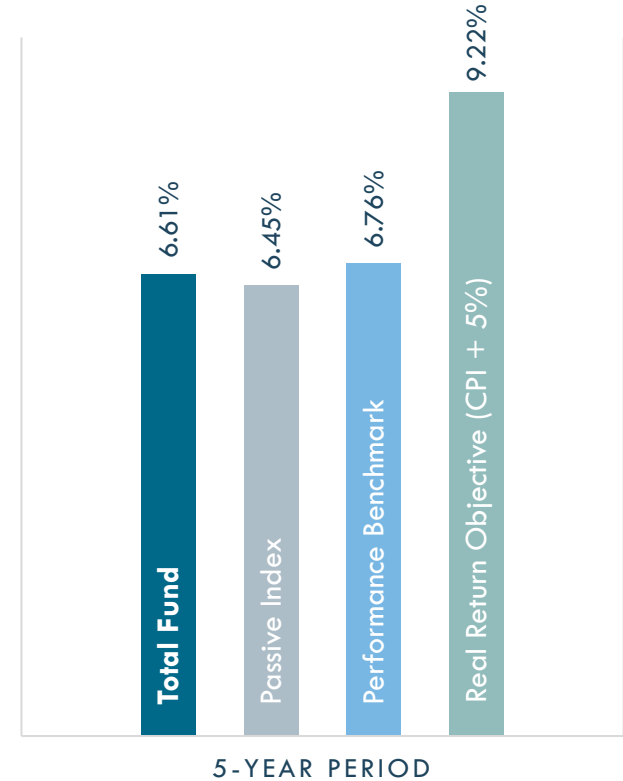
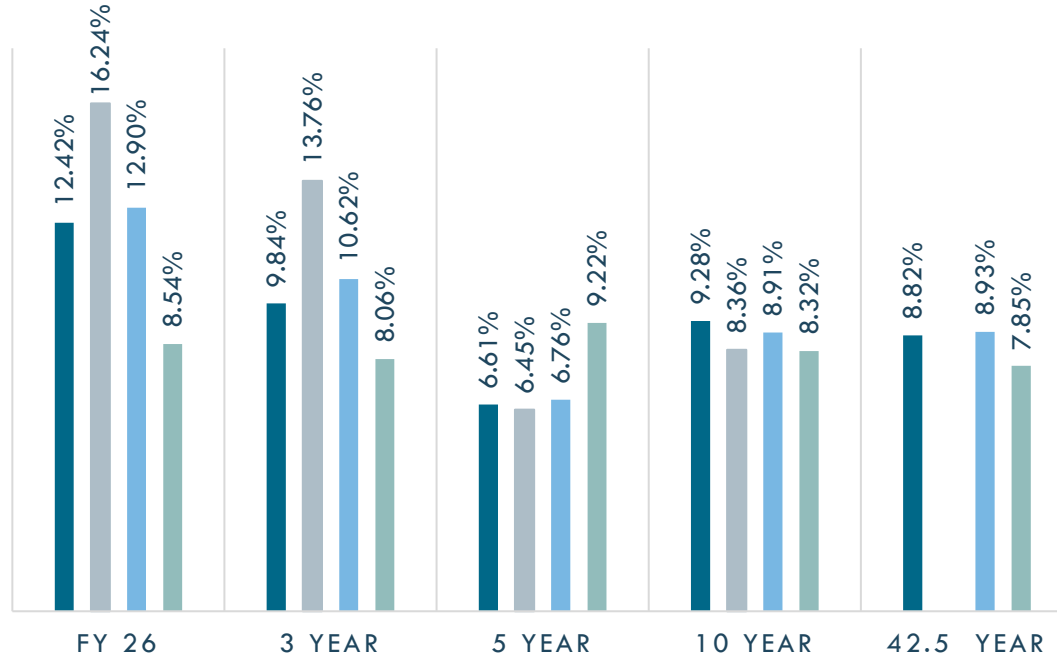
Asset Class Performance

as of June 30, 2026



Benchmarked Performance

Fund Performance as of June 30, 2026



Earnings are generated through investment income and increases in the value of Fund assets.

How does APFC Earn Money?

Building value through prudent portfolio management

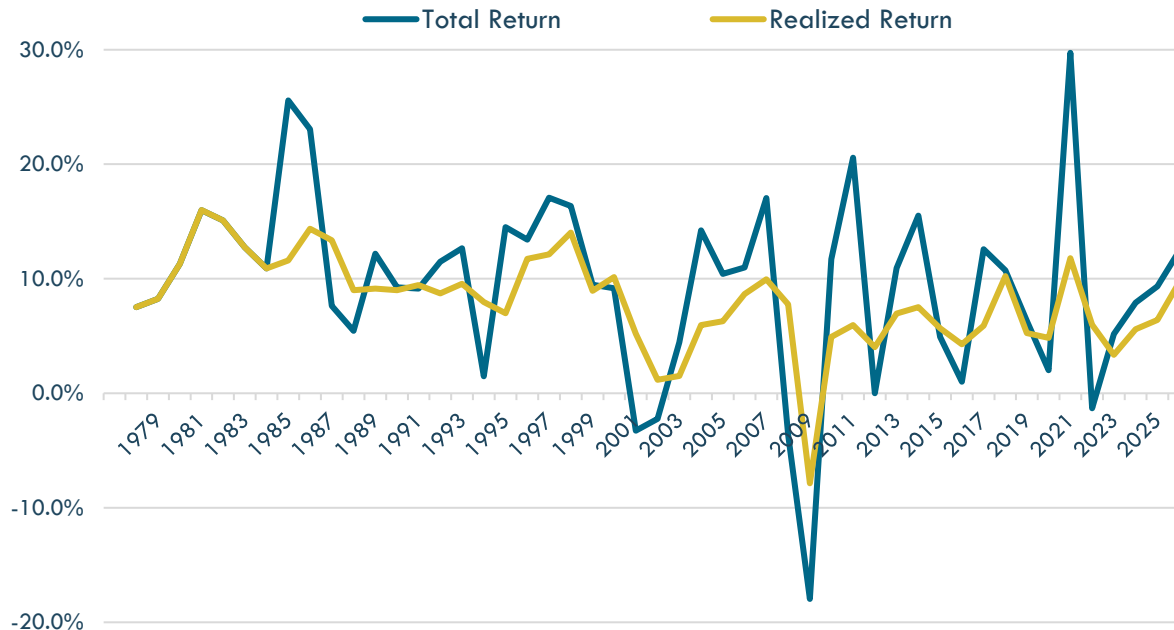
Realized Earnings including Capital Gains

- Dividends on Stocks
- Interest Income on Bonds
- Rents on Property
- Distributions from Private Investments
- Capital gains when an investment is sold at a price higher than it was purchased

Unrealized Gains on Portfolio Holdings

- Any investment that has increased in value but has not yet been sold.
- Increase in Value of Stocks
- Increase in Value of Bonds
- Appreciation of Property Value

Total vs. Realized Return



1996 – The Alaska Mental Health Trust came under APFC's management

ANNUALIZED OVER 42.5 YEARS

8.82%

Total Return is the overall rate of return of the portfolio over a specific period. It encompasses interest, dividends, distributions, and capital gains, *realized and unrealized*.

8.00%

Realized Return is the income that is collected from investment activity over a given period. It is the profit or loss from an investment, accounting for interest, dividends, and *realized capital gains*.

Investment returns are reported net of fees.

Fees paid and allocated to the Trust included 88 basis points for external investment management and 19 basis points for APFC management.

This totals 107 basis points, or 1.07% combined.

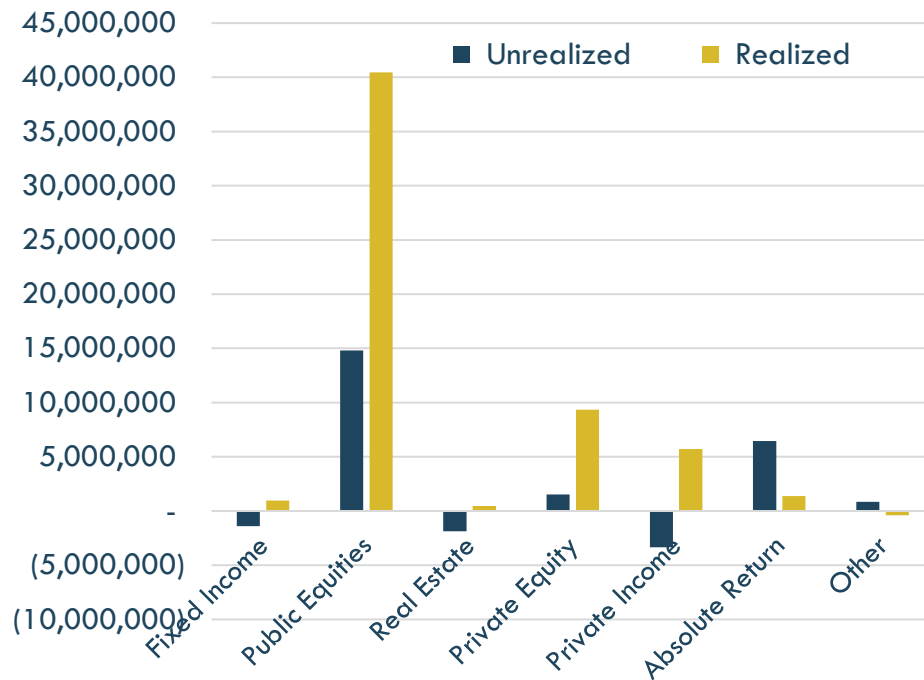
The Alaska Mental Health Trust

Investments are managed, and were managed in FY26, consistent with the APFC Board of Trustees' approved Investment Policy, which aligns with state statutes and the Prudent Investor Rule.

AMHT: Unrealized & Realized Gains Recorded in FY26

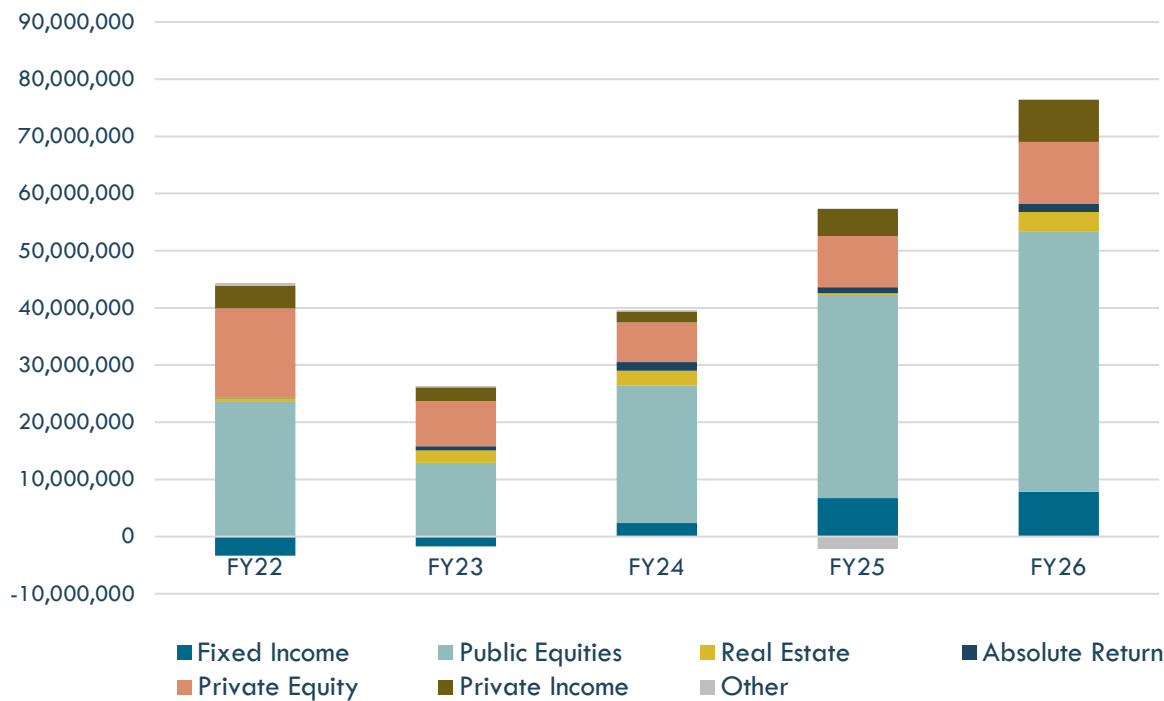
Income as of June 30

	Unrealized Gain/(Loss)	Realized Gain/(Loss)
Fixed Income	(1,384,000)	967,000
Public Equities	14,817,000	40,445,000
Real Estate	(1,881,000)	457,000
Private Equity	1,537,000	9,353,000
Private Income	(3,336,000)	5,711,000
Absolute Return	6,439,000	1,388,000
Other	849,000	(404,000)
Total	17,041,000	57,917,000



AMHT: Realized Earnings by Asset Class

Includes Cash Flow & Gains, as of June 30



*Other: Securities lending, commission recapture and class action proceeds.

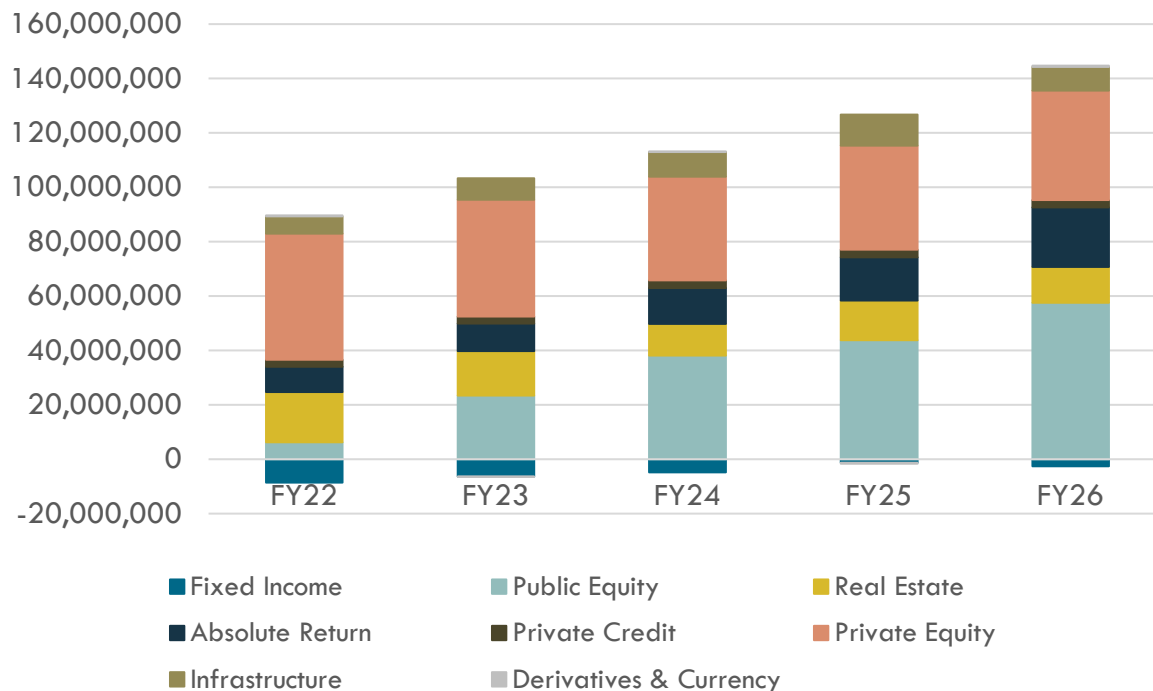
Realized earnings increased to \$76.3 million in FY26, an all-time high.

Public equities generated the largest share, followed by private equity, fixed income, and private income.

Realized earnings reflect income and gains recognized during the year and may not correspond directly with annual investment performance.

AMHT: Unrealized Gains (Losses)

Balances as of June 30



Total unrealized gains increased each year, rising from \$81.0 million in FY22 to \$142.1 million in FY26. The increase from FY25 is approximately \$17.0 million.

Public equity totaled \$57.6 million, private equity accounted for \$40.2 million, and absolute return reached \$21.8 million for the largest FY26 unrealized gain balances.

Unrealized values fluctuate with market conditions and remain subject to change until investments are sold.

AMHT: Values

in \$ millions

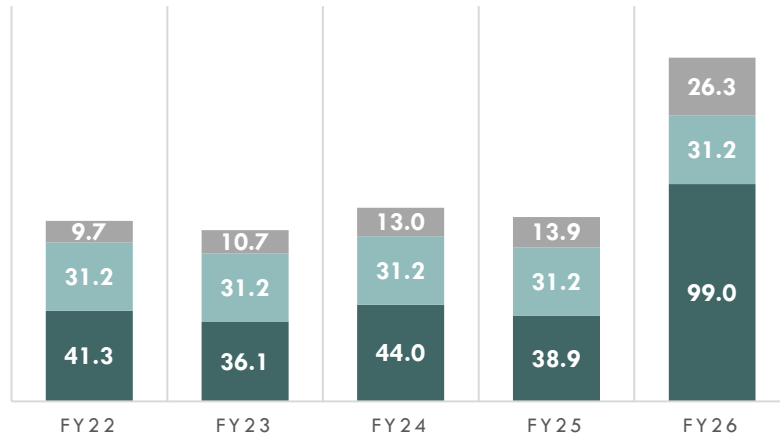
FY22 - FY26

\$ 73.7M Principal Growth

\$47.4M in AMH Deposits

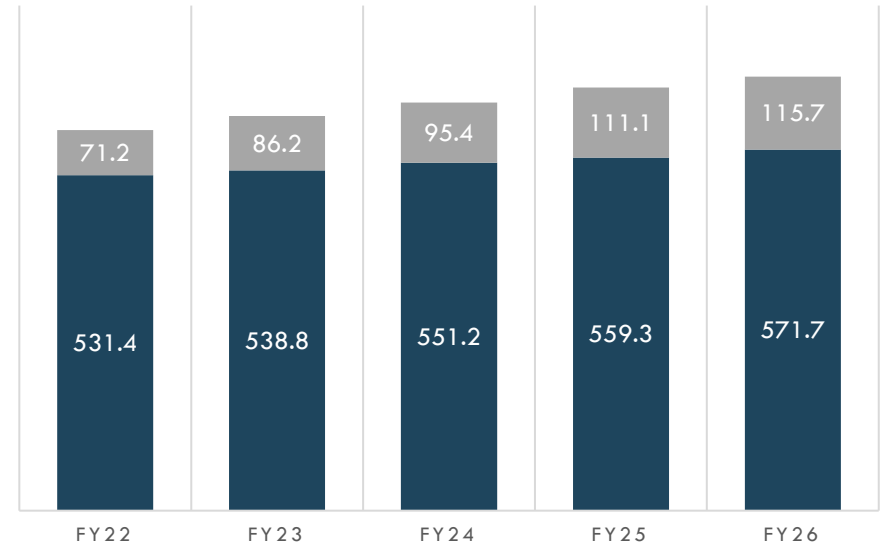
\$26.3M in AMH Realized Earnings Transfers

EARNINGS



- Earnings Unrealized G/L
- Earnings Deposits
- Realized Earnings Not Drawn

PRINCIPAL

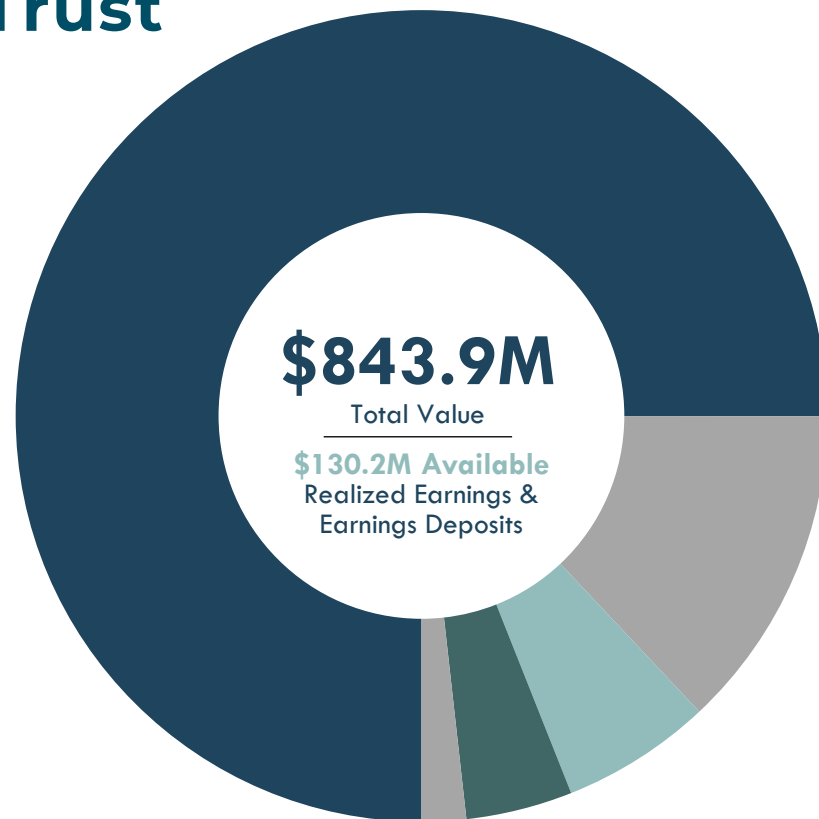
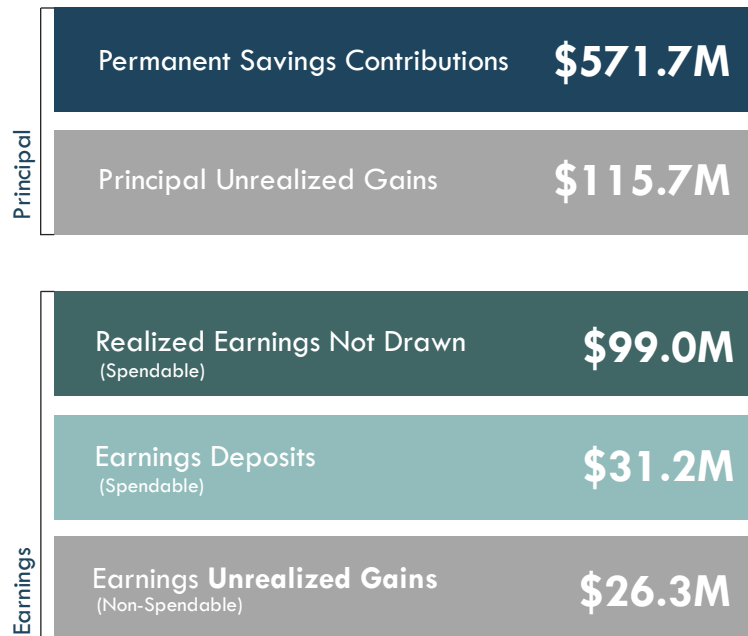


- Principal Unrealized G/L
- Principal

ALASKA PERMANENT FUND CORPORATION

Alaska Mental Health Trust

as of June 30, 2026



AMHT: Earnings & Draws

as of June 30

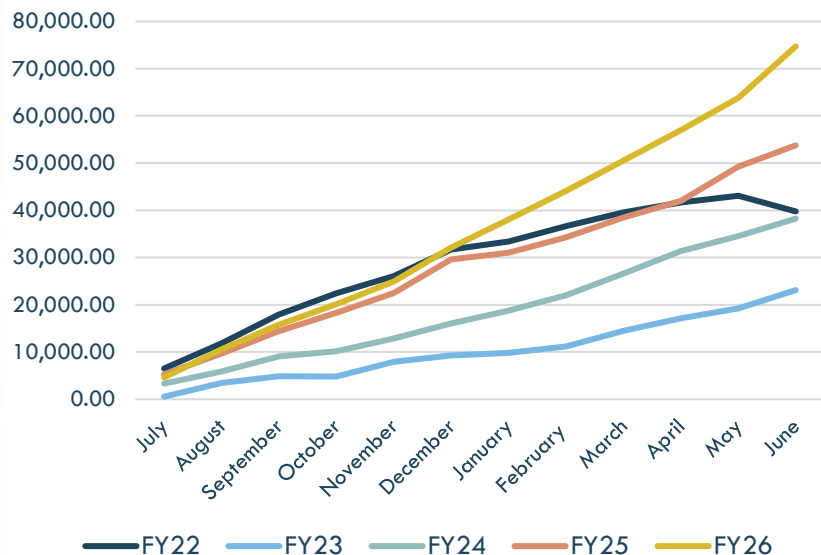
FY22 - FY26

\$158.5M drawn from AMH Realized Earnings

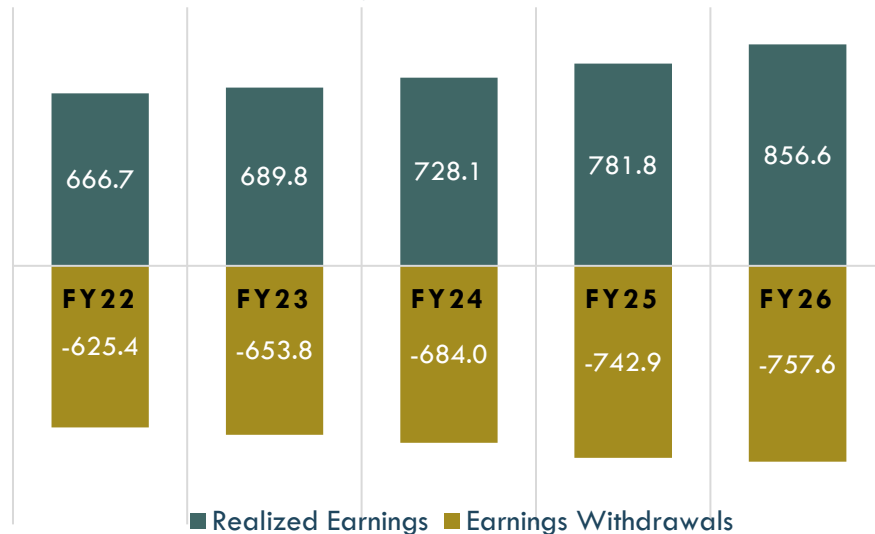
\$132.2M transferred out to AMHTA

\$ 26.3M transferred to AMH Principal

REALIZED EARNINGS
\$ THOUSANDS



CUMULATIVE
\$ MILLIONS



The logo for Alaska Permanent Fund Corporation (APFC) is displayed in white serif font on a dark blue rectangular background. The background of the entire image is a semi-transparent blue overlay on a financial data dashboard. The dashboard includes a table of stock prices on the left, a line chart with volume bars on the right, and various data points and controls at the bottom. The table lists various stock prices and their changes. The line chart shows a price trend over time with volume bars at the bottom. The bottom section contains a 'Related Functions Menu' with options like 'Overnight', 'Nov Aves', 'Key Events', and 'Quick-Add'. It also displays a price range 'G184.76/184.81G' and a volume '1x1'.

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