



APFC

ALASKA PERMANENT
FUND CORPORATION

House Finance Budget Subcommittee Overview February 22, 2024

Mission

To manage and invest the assets of the Permanent Fund and other funds designated by law in accordance with AS 37.13.

Vision

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

Fiduciaries

The Board of Trustees has a duty to ensure that the Fund is managed and invested in a manner consistent with constitutional and statutory mandates, including the Prudent Investor Rule.

Assets Under Management

- Invested Under the Same Asset Allocation
- Total Fund Portfolio Performance
- Monthly Financial Reconciliation of Accounts

Alaska Permanent Fund

Principal - Constitution and AS 37.13.010

Earnings Reserve Account - AS 37.13.145 (a)

Savings - Income Producing Investments - Annual Value-Based Distribution

Amerada Hess Settlement - AS 37.13.145 (d)

\$424.4 million from 1977 royalty disputes, ring-fenced within Principal Earnings for appropriation to the AK Capital Income Fund AS 37.05.565

Alaska Mental Health Trust Fund - AS 37.13.300

\$727.3 million invested on behalf of the Alaska Mental Health Trust Authority Deposits and Withdrawals managed by AMHTA

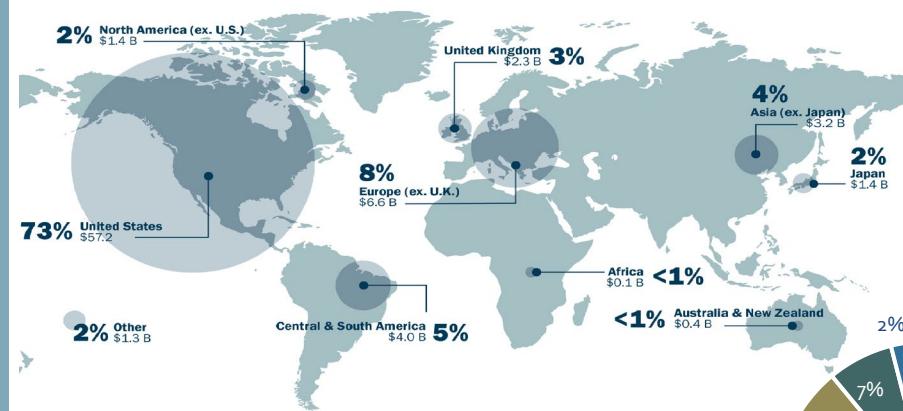
Power Cost Equalization Endowment - AS 42.45.080 (a)

\$957.1 million invested on behalf of the Power Cost Equalization Program Annual value and earnings-based distributions by appropriation with program management through the Alaska Energy Authority

Diversification

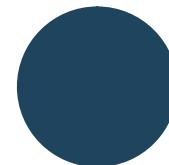
APFC seeks to balance the goals of maximizing returns and minimizing risks.

Risk Management
The goal of risk management is not to avoid risk but to identify, understand, and manage it to acceptable levels.



2024 Target Allocation

1980



1990



2006

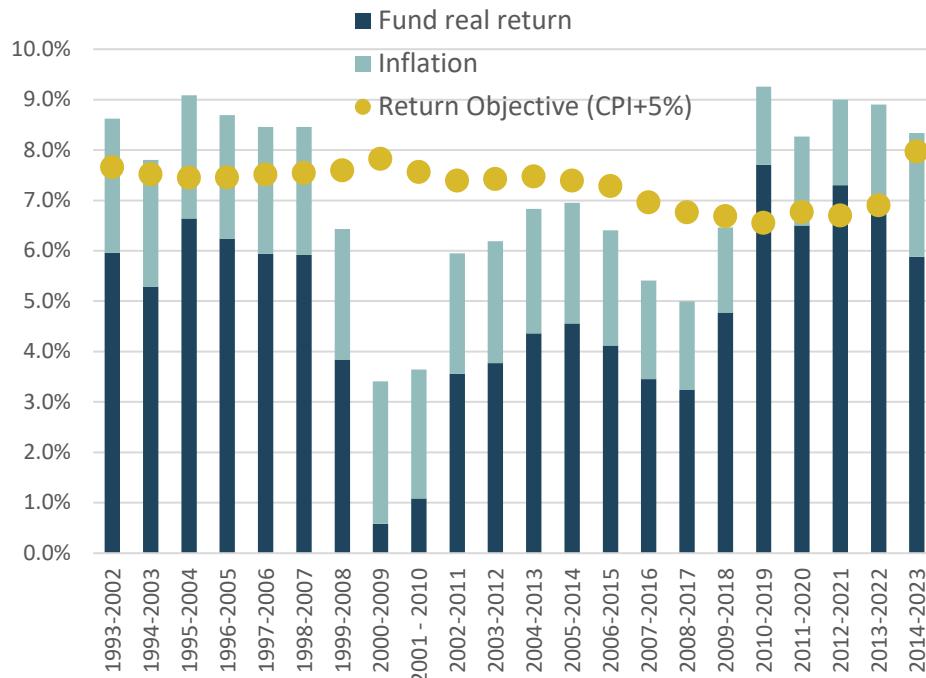


ALASKA PERMANENT FUND CORPORATION

- Public Equities
- Fixed Income
- Private Equity
- Real Estate
- Private Income
- Absolute Return
- Tactical Ops
- Cash

10 Year Annualized Returns

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



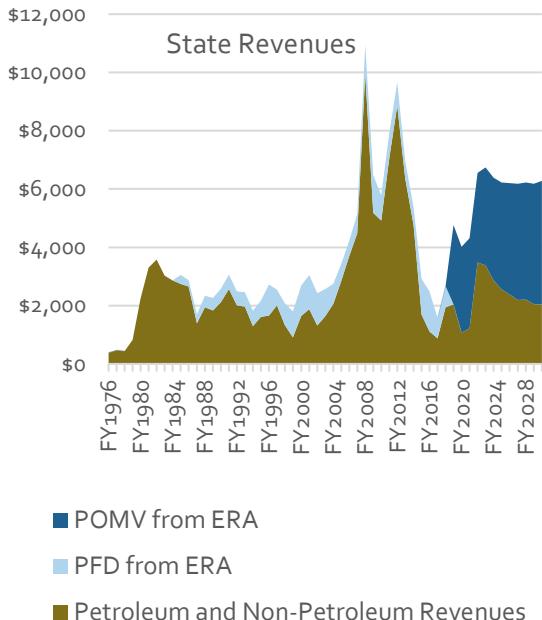
Performance as of Fiscal Year-end 23		Fund	Passive Index	Performance Benchmark	Return Objective CPI + 5%
1 Year		5.18%	8.78%	5.74%	7.97%
3 Year		10.49%	6.05%	9.45%	10.78%
5 Year		7.93%	4.98%	7.52%	8.91%
10 Year		8.42%	5.89%	7.54%	7.72%
39.5 Year		8.74%	NA	8.80%	7.83%

Long-term target return objective: 5% + inflation (CPI).

Revenue

Supporting the State's General Fund Revenue

in millions



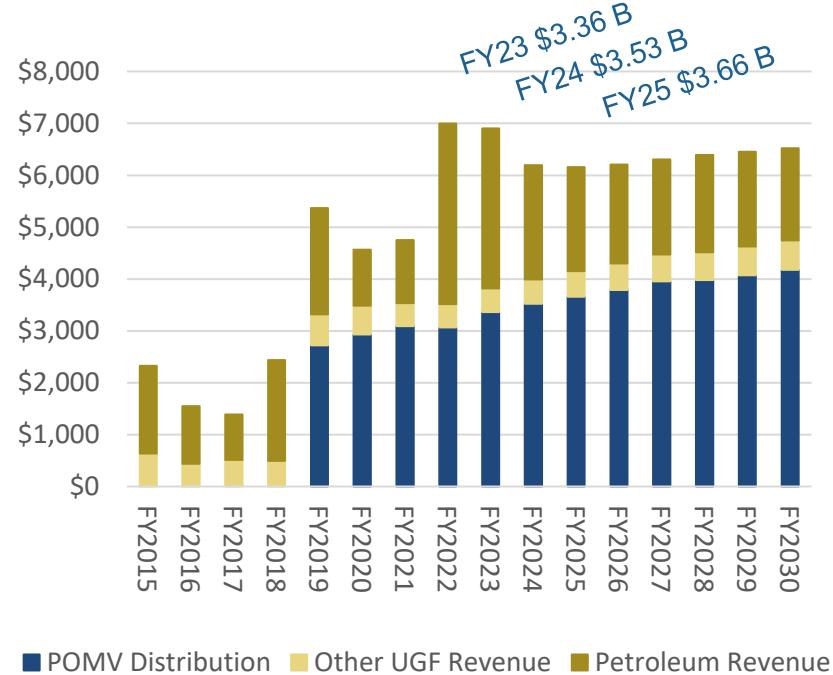
Percent of Market Value (POMV)

Calculation
AS 37.13.140 (b)
Fund Value-Based

FY 25 POMV

FY23	\$77,586.8
FY22	\$75,911.5
FY21	\$81,471.5
FY20	\$64,876.5
FY19	\$65,876.0

Avg. \$73,144.5
5% \$ 3,657.2



Positive Impact

APFC is grateful for the resources that contribute significantly to the effective investment and management of the Alaska Permanent Fund.

- Annual Merit and Incentive Compensation have bolstered APFC's ability to remain competitive within a challenging labor market.
- The Fixed Income asset class is now managed fully in-house, forwarding performance and saving fees.
- The Fund remains secure and protected through strengthened IT systems and the continuation of a business continuity plan.

FY 25 Budget Request

Supporting the high level of investment management services demanded of the Corporation.

- **Forward** the Board's strategic priorities, including the Anchorage Office and improved communications
- **Retain and Recruit** top professional talent with & including the support of -
 - Consistent Annual Merit Salary Adjustments
 - Fully funded Incentive Compensation
- **Ensure** cutting-edge infrastructure for data and systems
- **Maintain** quality services of due diligence/travel, reporting, stakeholder communications, administrative support, and investment management services and partnerships



ALASKA PERMANENT
FUND CORPORATION

As a public endowment, the wealth of
the Permanent Fund is the responsibility of every Alaskan.

Together, we are obligated to protect it for both today and tomorrow.