



APFC

ALASKA PERMANENT
FUND CORPORATION

Senate Finance Budget Subcommittee
Department of Revenue
FY26 Operating Budget Request

March 2025

APFC appreciates the support from the Executive Branch and the Legislature. Policy & budget resources play a crucial role in the effective investment management of the Alaska Permanent Fund.

To maintain a high level of investment management, **budget resources enhance our ability to recruit and retain top professional talent:**

- Fully fund incentive compensation
- Increase due diligence capacity of the internal investment team
- Continue IT strategic roadmap to ensure security and architect solutions for data vault implementation

Support has provided the ability to enhance the capacity of our internal investment team by:

- **Bringing the Fixed Income asset class entirely in-house,** which generates performance returns comparable to those of external managers.
- **Developing integrated data and investment systems.**

To ensure the Fund's security and protection, resources and talent have strengthened our IT systems and business continuity plan.

Positive Impact

Insulation without Isolation

A management system for the Fund that is:

- Protected from political influences;
- Responsive to changes in state policy;
- Accountable to the people through their elected officials.

FY2026 Governor's Amended Budget

FY2025 BOY AUM		\$ 82,169,000,000	
		FY2026 Gov AMD	Basis Points
Operations	\$	30,596,917	4
Investment Management	\$	199,496,100	24
Facilities Rent	\$	615,000	0
Total APFC Appropriation	\$	230,708,017	28

Fund Sources:

Permanent Fund Gross Receipts (PF Gross)

Statutory Designated Program Receipts (SDPR)

	FY2024 Actuals	FY2025 Management Plan (MP)
Operations Allocation	22,488,285	28,400,900
Investment Management Allocation	127,563,328	198,163,600
Facilities Rent Allocation	-	-
Total Appropriation	150,051,613	226,564,500

FY2026 Gov AMD	BPS
30,596,917	4
199,496,100	24
615,000	
230,708,017	28

FY26 Gov AMD to FY25 MP	FY26 Gov AMD to FY24 Actuals
2,196,000	8,108,615
1,332,500	71,932,772
615,000	615,000
4,143,500	80,656,387

Budget Resources FY26 Request

Fund Source: 1105 PF Gross Receipts and SDPT

The Governor's Amended proposed operating budget brought forth funding to support the Board's priorities, including:

- **Budget Structure that Provides Flexibility and Accountability**
A single appropriation with two allocations
- **Recruiting, Developing, and Retaining Exceptional Staff**
\$810,000 Fully funded Incentive Compensation
\$391,600 Additional PCN in Private Income
- **Standard Setting Business and IT Systems**
\$89,000 Business continuity: Legal, Middle Office, Audit
\$307,500 Cybersecurity Diligence & Software Increases
\$68,500 Enhanced data applications
\$45,500 WorkStation replacement cycle
- **Travel – Statutory Designated Program Receipt Authority**
\$250,000 Authorization for third-party travel reimbursement
- **Investment Management Fees \$1,332,500**
Detailed on following slide

Currently-

- 67 Full-Time Positions
- 2 Summer Internships

In the Adjusted Base of the Governor's FY26 budget -

- the FY26 salary (3% adjustment), health, and retirement increases, totaling \$848,900, are funded
- the transfer of \$615,000 from contractual leases (Juneau and Anchorage offices) to state facilities rent allocation in adherence to AS37.07.020(e) is implemented

APFC Investment Management Allocation

FY26 Proposed Increments 1105 PF Gross Receipts

Investment Management Fees | flat

Based upon Callan's growth assumptions by asset class, the Fund's asset allocation, and the contractual fee terms for external management.

Investment Due Diligence | \$521,700

An essential business component of investment management activity, it is primarily comprised of funding for fiduciary advisors across various asset classes as well as market research data.

Investment Systems | \$810,800

Providing for consulting services for increased shared services and data analytics. Also includes consulting for the data vault implementation to architect solutions for use cases as well as provide for our middle office team as a contingency resource to develop processes or integrate systems if the need should arise.

Custody Fees | flat

Obligations for custodial Bank of New York Mellon fees, collateral management, and tax advisory services.

Operations Allocation

Budget Components

	FY2024 Actuals	FY2025 Management Plan (MP)
Personal Services	17,547,933	23,032,900
Travel	624,065	775,000
Contractual Services	3,446,285	3,792,100
Commodities	427,001	200,900
Equipment	443,001	600,000
Total APFC Operations	22,488,285	28,400,900

FY2026 Gov Amend	BPS
25,083,400	3
1,025,000	0
3,642,097	0
246,420	0
600,000	0
30,596,917	4

FY26 Gov Amend to FY25 MP	FY26 Gov Amend to FY24 Actuals
2,050,500	7,535,467
250,000	400,935
(150,003)	195,812
45,520	(180,581)
-	156,999
2,196,017	8,108,632

Investment Management ALLOCATION

	FY2024 Actuals	FY2025 Management Plan (MP)	FY2026 Gov Amend	BPS	FY26 Gov Amend to FY25 MP	FY26 Gov Amend to FY24 Actuals
Investment Systems	7,516,845	11,599,200	12,410,000	2	810,800	4,893,155
Investment Due Diligence	3,151,780	5,813,400	6,335,100	1	521,700	3,183,320
Custody Fees	1,350,948	2,500,000	2,500,000	0	-	1,149,052
Investment Management Fees	115,543,754	178,251,000	178,251,000	22	-	62,707,246
Public Equity	84,135,305	139,157,000	139,157,000		-	84,015,064
Real Estate	2,349,033	3,594,000	3,594,000		-	1,244,967
Alternative Investments	29,059,416	35,500,000	35,500,000		-	6,440,584
Investment Management	127,563,328	198,163,600	199,496,100	24	1,332,500	71,932,772

APFC Return on Investment

FY23 & FY24 APFC Operating Budget Actuals

exclusive of the net of fee arrangements

Fiscal Year
2024



Total Accounting Net
Income: **\$5.5 billion**

252 trading days =
\$21.8 million/day



Total Statutory Net
Income: **\$4.2 billion**

252 trading days =
\$16.7 million/day



APFC Annual
Operations Budget:
\$22.5 million



Annual Investment
Management Fees:
\$127.5 million

Fiscal Year
2023

Total Accounting Net
Income: **\$4.3 billion**

252 trading days =
\$17.1 million/day

Total Statutory Net
Income: **\$2.5 billion**

252 trading days =
\$9.9 million/day

APFC Annual
Operations Budget:
\$19.2 million

Annual Investment
Management Fees:
\$144.0 million

The logo for the Alaska Permanent Fund Corporation (APFC) is a dark blue rectangle containing the letters "APFC" in a white, serif font.

APFC

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.