

The logo for the Alaska Permanent Fund Corporation (APFC) features the letters "APFC" in a white, serif font, centered within a dark blue rectangular box.

APFC

ALASKA PERMANENT
FUND CORPORATION

Alaska Mental Health Trust Authority

August 29, 2019

General Market Overview

Markets continued their positive performance throughout FY18

Fixed Income

- US rates continued to fall with fear of global slowdown
- Inversion of the yield curve
- Concerns over mounting trade tensions and slower global growth keeping yields suppressed

Public Equities

- US Stocks
 - S&P 500 Index up 10.4%
- International Stocks
 - MSCIACWorld Index up 6.3%

Private Markets

- Private equity and venture capital continue to outperform public markets
- Increasing competition for best opportunities
- Credit quality is eroding as deal velocity is increasing

Real Estate

- NCREIF reported highest overall occupancy since 2000
- NCREIF Property Index up 6.5%
- Strongest sector continues to be industrial



Forecasting

- Callan 10yr FY 10-19 Forecast: 8.05%
- Actual 10yr FY 10-19 Return: 9.30%
- The Permanent Fund is invested into perpetuity
- The Fund's portfolio is strategically allocated for long term results
 - Tactical decisions are executed to leverage opportunities based on fluctuations in the market.

FY Total Annual Returns

2010	11.72%
2011	20.56%
2012	-0.01%
2013	10.93%
2014	15.52%
2015	4.91%
2016	1.02%
2017	12.57%
2018	10.74%
2019	6.32%

Callan's Capital Markets Forecast

as of June 30, 2019

10 year horizon	2019	2020
Total Return	6.55%	7.00%
Statutory Return	6.40%	7.00%
Inflation	2.25%	2.25%

Callan projects what a typical fund with the APFC's asset allocation is forecasted to return; Callan does not take into account the specific investments held by the APFC.

Asset Category	Projected 10-Year Geometric Return	Annualized Standard Deviation
Global Equities	7.30%	18.65%
Cash Equivalents	2.50%	0.90%
US TIPS	3.75%	5.05%
US Fixed Income	3.75%	3.75%
Investment Grade Credit	4.20%	4.50%
Non US Fixed Income	1.40%	9.20%
Emerging Markets Debt	5.05%	9.50%
High Yield Fixed Income	5.35%	10.35%
Global REITS	6.75%	19.20%
Global Listed Infrastructure	6.50%	17.75%
Private Equity	8.50%	29.30%
Private Real Estate	6.25%	15.70%
Private Infrastructure	6.75%	18.00%
Absolute Return	5.05%	9.15%

Asset Allocation Structure

Growth

Tradeable/Liquid

- Public Equities (Stocks)

Illiquid

- Private Equity
- Absolute Return
- Allocation Strategies

Income

Tradeable/Liquid

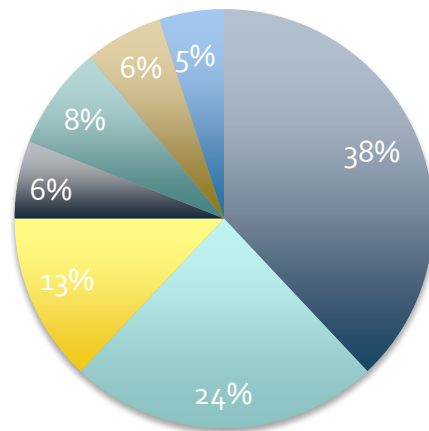
- Fixed Income Plus (Bonds)
- Cash

Illiquid

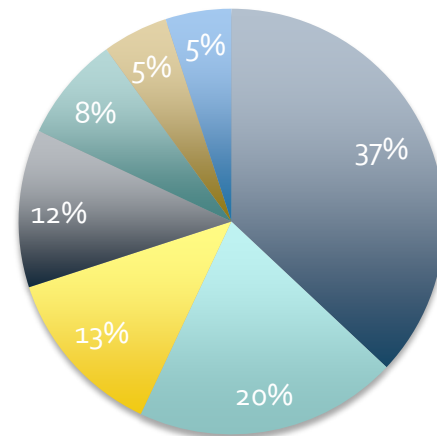
- Real Estate
- Infrastructure

The Portfolio

- Public Equities
- Fixed Income Plus
- Private Equity & Special Opportunities
- Real Estate
- Infrastructure, Credit, & Income Opportunities
- Asset Allocation Strategies
- Absolute Return



**Actual Asset Allocation
6/30/19 (unaudited)**



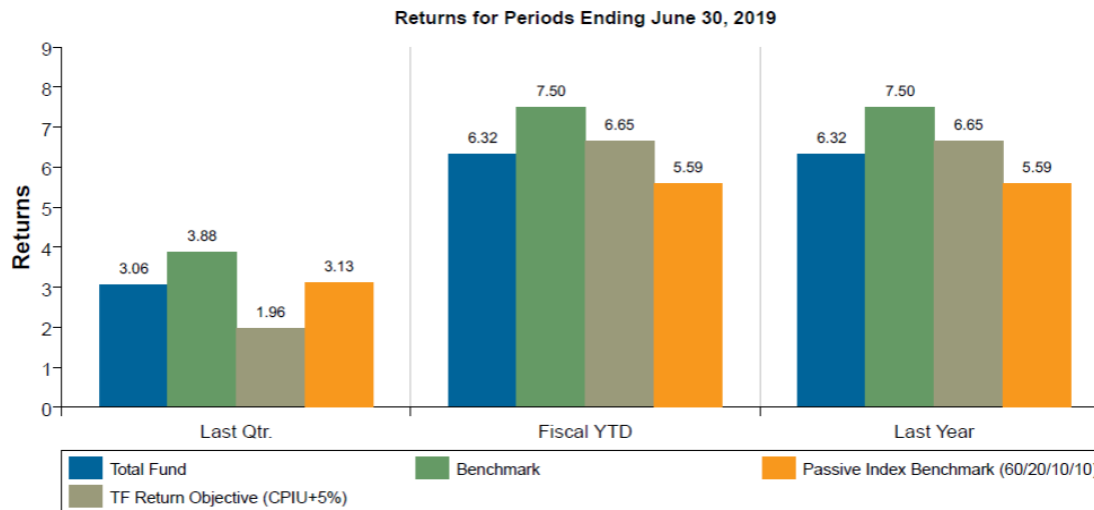
Target FY20

Performance

APFC Total Fund Cumulative Returns

Callan

Total Fund versus Total Fund Targets



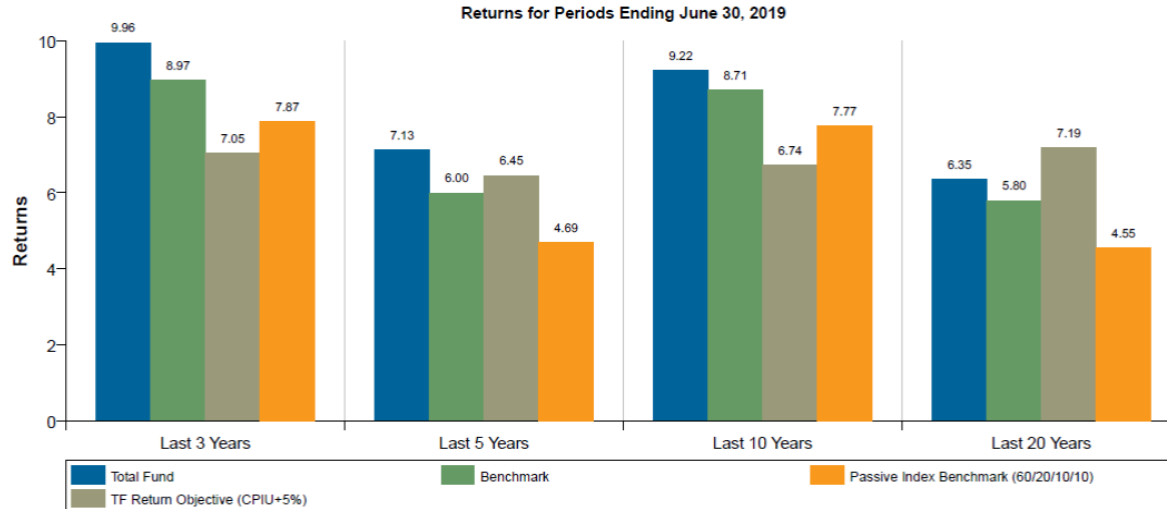
- Benchmark (FY18-FY19) = 38% MSCI ACWI IMI, 1.1% 90 Day T-Bills, 1.1% BB US TIPS, 5.5% BB Agg, 5.5% BB Corp IG, 2.2% BB Global Treasury ex-US Hedged, 0.55% JPM EMBI Global Diversified, 0.55% JPM GBI-EM Global Diversified TR, 2.2% BB US High Yield 2% Issuer Cap, 2.2% S&P Global REIT, 1.1% S&P Global Listed Infrastructure, 12% Cambridge PE (lagged), 11% NCREIF Total Index (lagged), 4.2% FTSE Developed Core Infrastructure (lagged), 2.8% BB US High Yield 2% Issuer Cap (lagged), 5% HFRI Total HFOF Universe (weighted), 2% 90 Day T-Bills, and 3% Performance Benchmark (rounded to nearest tenth).

Performance

APFC Total Fund Cumulative Returns

Callan

Total Fund versus Total Fund Targets



- Benchmark (FY18-FY19) = 38% MSCI ACWI IMI, 1.1% 90 Day T-Bills, 1.1% BB US TIPS, 5.5% BB Agg, 5.5% BB Corp IG, 2.2% BB Global Treasury ex-US Hedged, 0.55% JPM EMBI Global Diversified, 0.55% JPM GBI-EM Global Diversified TR, 2.2% BB US High Yield 2% Issuer Cap, 2.2% S&P Global REIT, 1.1% S&P Global Listed Infrastructure, 12% Cambridge PE (lagged), 11% NCREIF Total Index (lagged), 4.2% FTSE Developed Core Infrastructure (lagged), 2.8% BB US High Yield 2% Issuer Cap (lagged), 5% HFRI Total HFOF Universe (weighted), 2% 90 Day T-Bills, and 3% Performance Benchmark (rounded to nearest tenth).

Growth (FY19 Returns as of 06/30/19)

International Equities	(0.38%)
Global Equities	3.96%
Domestic Equities	4.75%
Private Equity & Special Opportunities	19.18%
Asset Allocation Strategies	2.50%
Absolute Return (Hedge Funds)	1.94%

Income (FY19 Returns as of 6/30/2019)

Fixed Income Aggregate	8.22%
US Investment Grade Corporate	11.33%
Non US Fixed Income	7.89%
Global High Yield	7.14%
Emerging Market Debt	10.77%
TIPS	4.81%
REITS	9.72%
Cash	2.71%
Real Estate	(1.29%)
Infrastructure	15.68%
Private Credit	6.19%
Income Opportunities	4.91%

Alaska Permanent Fund Performance FY19

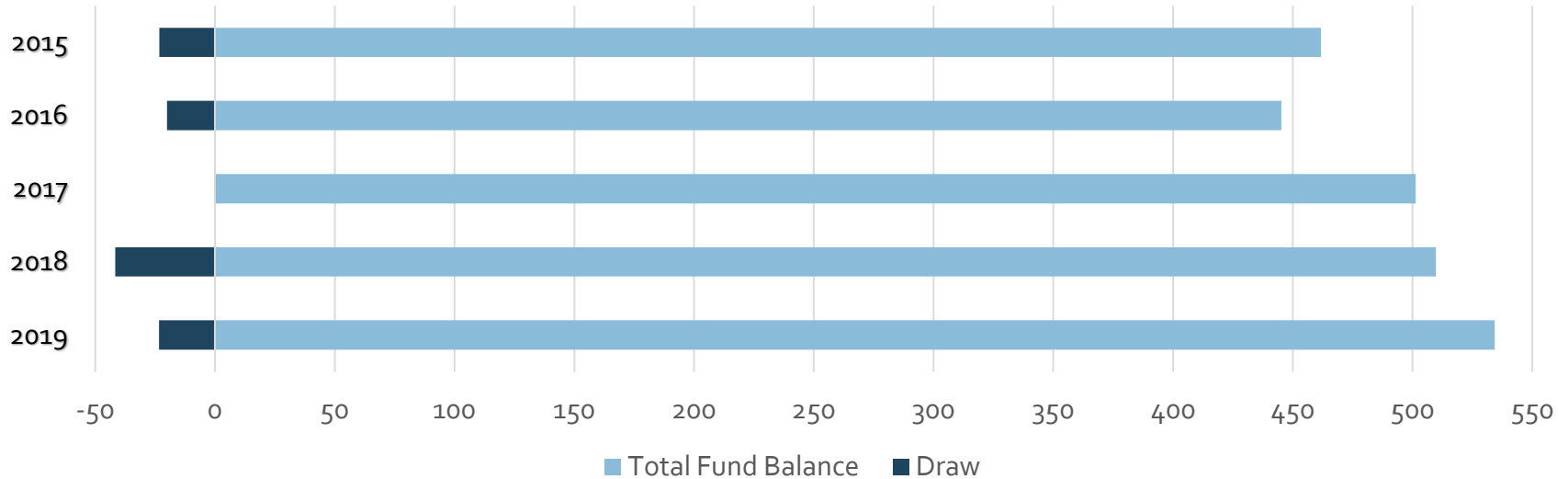
As of June 30, 2019

	Market Value	1 Year	3 Years	5 Years
TOTAL FUND	\$ 66,819,900,681	6.32%	9.96%	7.13%
Passive Index Benchmark		5.59%	7.87%	4.69%
Performance Benchmark		7.51%	8.97%	6.00%
Total Fund Return Objective CPI+5%		6.65%	7.05%	6.45%
PUBLIC EQUITY	\$ 25,418,242,851	2.96%	11.49%	5.61%
MSCI ACWI IMI BENCHMARK		4.56%	11.42%	6.03%
FIXED INCOME PLUS	\$ 16,069,000,956	9.28%		
PUBLIC INCOME BENCHMARK		8.60%		
PRIVATE EQUITY & SPECIAL OPPORTUNITIES	\$ 8,828,494,762	19.18%	21.56%	23.09%
CAMBRIDGE PRIVATE EQUITY BENCHMARK		12.71%	14.68%	12.30%
REAL ESTATE	\$ 4,085,520,737	-1.29%	5.25%	7.47%
NCREIF TOTAL INDEX BENCHMARK		6.83%	7.07%	9.13%
INFRASTRUCTURE, CREDIT, & PRIVATE INCOME	\$ 5,153,126,555	10.94%	13.19%	11.94%
60% FTSE/40% BC US Corp HY BENCHMARK		13.61%	10.36%	7.27%
ABSOLUTE RETURN	\$ 3,756,625,206	1.94%	5.27%	2.64%
CUSTOM ABSOLUTE RETURN BENCHMARK		1.52%	4.45%	4.97%
ASSET ALLOCATION	\$ 3,512,416,550	2.50%	3.29%	1.95%
CUSTOM ASSET ALLOCATION BENCHMARK		5.47%	6.65%	4.64%

- ❖ All returns are annualized (for periods greater than one year) and provided by Callan Associates, Inc.
- ❖ For investments within Private Equity and Special Opportunities, Real Estate, and Infrastructure, Private Credit, and Income Opportunities asset classes, returns are lagged one (1) quarter.

Value of the AMHTA Assets Managed by APFC

All Values in Millions

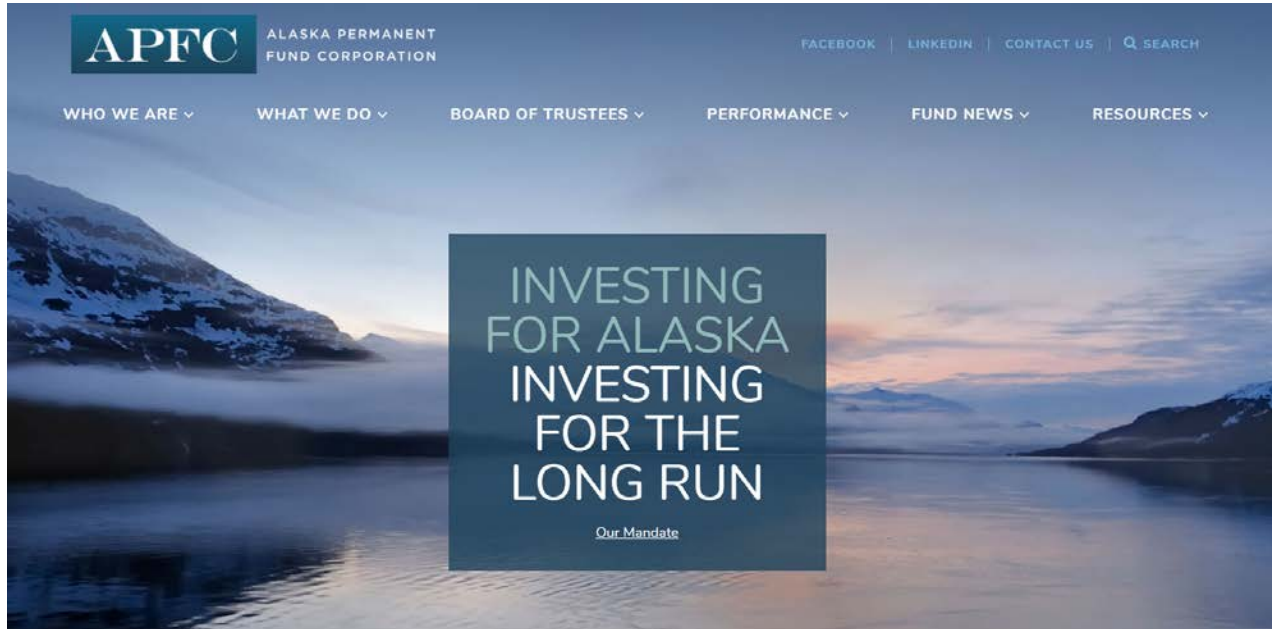




Awards & Accomplishments

- Angela Rodell, CEO ranked in the Top 10 of *Sovereign Wealth Quarterly's* 100 Most Significant and Impactful Asset Owner and Public Executives of 2018.
- Marcus Frampton, CIO named one of *Private Equity International's* 40 under 40 Future Leaders of Private Equity and *Trusted Insight's* Sovereign Wealth Fund CIO of the Year for 2019.
- *PEI's Private Debt Magazine* recognized APFC in their inaugural 30 Most Influential Investors in Private Credit for our internal management team's pioneering contributions in this asset class.
- Jared Brimberry, Senior Portfolio Manager was selected as one of *Private Debt Investor's* (PDI) Rising Stars 2019
- Chad Brown, Human Resources Manager was accepted into *Forbes Human Resource Council*.
- Tom O'Day, Portfolio Manager – Fixed Income, selected by *Chief Investment Officer Magazine* for their Class of 2019 NextGen Award.
- Steve Moseley, Director of Alternative Assets was recognized as one of the 2018 Top 30 Private Equity, Venture Capital Investors by *Trusted Insight*.
- The Alaska Permanent Fund selected as North American Limited Partner of the Year for 2018 by *Private Equity International* for the second year in a row.
- APFC received dual nominations for 2018 Partnership of the Year for *Institutional Investor's Allocators' Choice Awards* and won the award for our Capital Constellation Partnership:
 - Private Market Partnership, Capital Constellation - won
 - Public Market Partnership, Middle East Africa South Asia (MEASA) Fund with McKinley Capital - nominated

Additional Resources



www.apfc.org

- Annual Report
- Daily Fund Market Value
- Financial Statements
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Questions?