

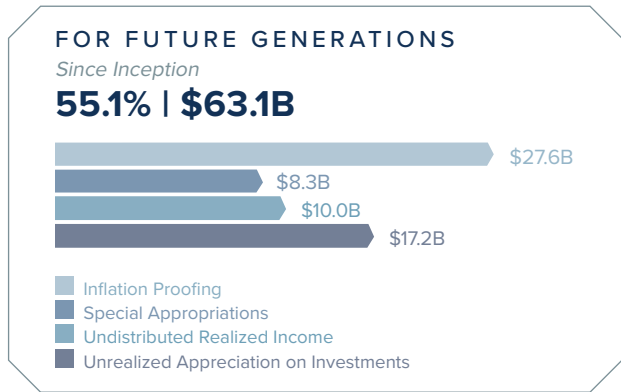
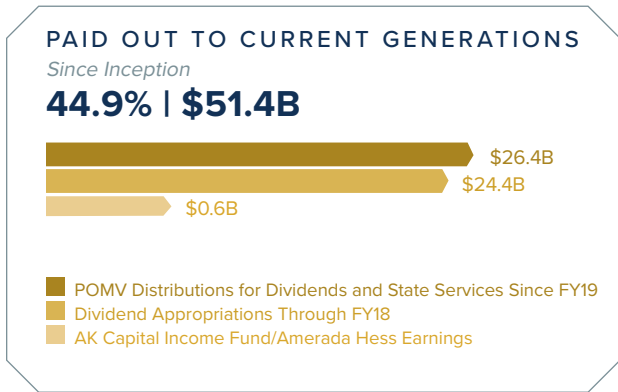


ESTABLISHED BY ALASKANS FOR ALASKANS

2026 MID FISCAL YEAR REVIEW

as of December 31, 2025

As the Alaska Permanent Fund marks 50 years, our mid fiscal year review reflects a legacy of disciplined stewardship and outlines how long-term investing continues to strengthen Alaska's financial future.



Half a century ago, the Fund served as a savings tool to preserve a piece of Alaska's resource wealth. It has since evolved into the state's primary source of revenue. Its realized earnings now support both state services and the Permanent Fund Dividend (PFD) program, illustrating how central it has become to Alaska's fiscal stability.

MESSAGE FROM THE EXECUTIVE DIRECTOR

This year marks the 50th anniversary of the Alaska Permanent Fund, an incredible milestone made possible by the foresight of those Alaskans who saved a portion of their generation's state resource wealth for the benefit of future generations. What began with an initial deposit of \$734 thousand has grown into an \$86.3 billion Alaskan resource. Not only does it support the PFD and public services, it also stands as our nation's largest and one of the world's most well-respected sovereign wealth funds.

A series of disciplined decisions to prioritize Alaska's future helped cement the Permanent Fund's strength. The voter-approved constitutional amendment of 1976 laid the foundation, followed by the creation of the Alaska Permanent Fund Corporation (APFC) to facilitate Fund investment and by the implementation of a statutory framework to strengthen it by guiding deposits and establishing sustainable withdrawal rules. Today, the Board's diligence in its fiduciary duties and the staff's prudent long-term investment management carry forward that legacy, safeguarding and growing the Fund so it can continue to serve Alaskans for generations to come.

APFC's commitment to stewardship remains as essential as ever as the Fund continues to navigate a complex global investment landscape. Clarity and education are required to understand the Fund and its structure, including the distinction between Principal, the Earnings Reserve Account (ERA), realized earnings, and unrealized gains. Tools like inflation proofing and the Percent of Market Value (POMV) draw have helped maintain stability, but the impacts to the Fund from their use must be regularly reviewed.

As the Fund enters its next 50 years, it falls to each generation to carry forward the stewardship that has protected this resource and preserved its benefits for Alaska. Our focus remains unchanged: prudent management, responsible investing, and unwavering dedication to the financial oversight necessary to protect this resource so it continues to serve every generation that calls Alaska home.

Deven Mitchell
Deven Mitchell
Executive Director & CEO

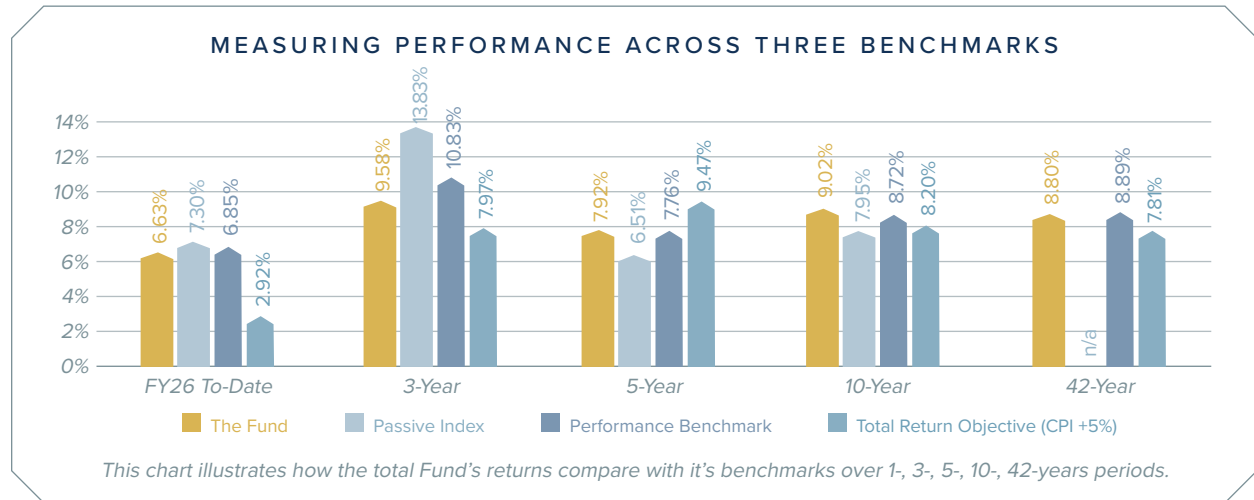


INVESTMENT PERFORMANCE

At the midpoint of FY26, as of December 31, 2025, the Permanent Fund exceeded \$86.3 billion, with a net of fee rate of return of 6.63%, which exceeded the Total Fund Return Objective of 2.92%, but lagged the passive index of 7.30% and the performance benchmark of 6.85%.

Over the 10-year period, the Fund returned 9.02% surpassing the Total Fund Return Objective of 8.20%, the passive index of 7.95%, and the performance benchmark of 8.72%.

“APFC staff have managed the Fund with discipline throughout the exuberant market environment in recent years,” said Chief Investment Officer Marcus Frampton. “While we have outperformed the Fund’s Performance Benchmark over longer periods, shorter-term performance has been softer, driven primarily by our underweight position in expensive software and technology stocks. The Fund started calendar year 2026 strongly, and we continue to prudently manage the portfolio in a diversified, risk-aware manner.”



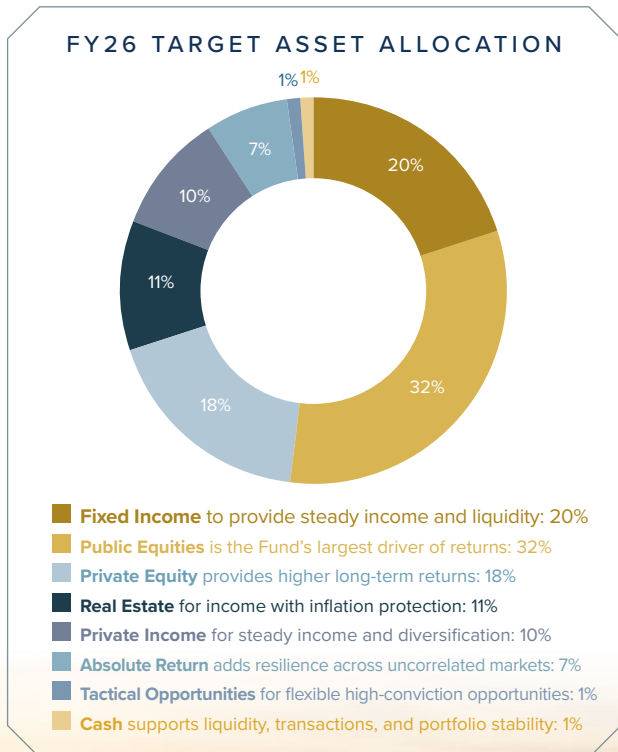
DIVERSIFICATION & ASSET ALLOCATION

Prudent Investment for Alaskans

From its beginnings in U.S. Treasury bonds, the Alaska Permanent Fund has evolved into a globally diversified portfolio spanning public and private markets. This disciplined asset allocation approach strengthens long-term returns while enhancing resilience across market cycles.

APFC constructs the portfolio to balance opportunity and risk, investing in non-correlated assets that help offset volatility and downturns. While investing inherently involves risk, broad diversification across asset classes supports smoother, more consistent performance and maximizes risk-adjusted returns.

In today's environment, where major indices like the S&P 500 are heavily concentrated in a single sector, global diversification provides added protection and positions the Fund to deliver enduring value for all Alaskans.



CELEBRATING 50 YEARS OF THE ALASKA PERMANENT FUND

Fifty years ago, Alaskans made a defining choice to set aside a portion of state revenues from oil and minerals, establishing the Alaska Permanent Fund in 1976 to benefit all generations. That decision reflected a shared commitment to transform finite resource wealth into a lasting financial legacy for the people of Alaska.

Over five decades, disciplined investment management, strong governance, and a long-term perspective have enabled the Fund to generate substantial value for the state while preserving its real purchasing power for future Alaskans.

Today, the Permanent Fund plays a central role in Alaska's fiscal foundation. Its earnings support the PFD and provide a majority of the state's unrestricted general fund revenue through the POMV draw, supporting essential public services while promoting stability, predictability, and intergenerational equity.

As Alaska's reliance on the Fund has grown, its role as a renewable financial resource has become increasingly vital. This 50-year milestone is a moment for Alaskans to celebrate what has been achieved together and to reaffirm the disciplined stewardship and public trust required to ensure the Alaska Permanent Fund continues to serve the state for generations to come.

ALASKA CONSTITUTION ARTICLE IX, SECTION 15 ALASKA PERMANENT FUND

At least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.

RULES-BASED SOURCE OF PREDICTABLE REVENUE

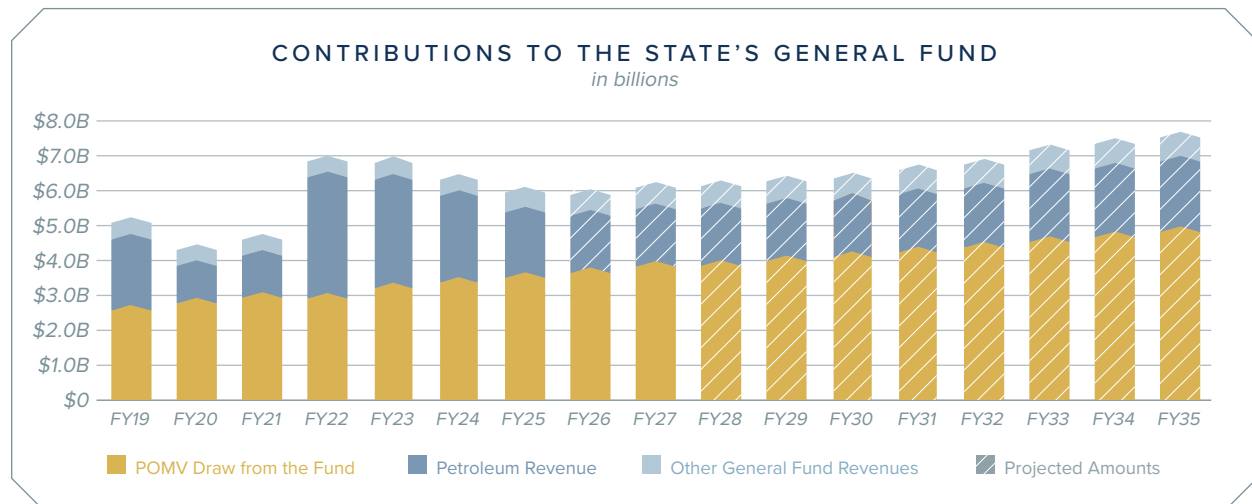
Because the Fund now supplies upwards of 66% of the state's annual revenue, Alaska relies on the disciplined framework established by the POMV formula to guide withdrawals.

The POMV limits the annual draw from the ERA to a maximum of 5% of the Fund's average value over the last five completed fiscal years, providing a smoothing effect that mitigates market volatility and ensures a predictable revenue stream.

FY27 POMV CALCULATION

AS 37.13.140(b) Value Based

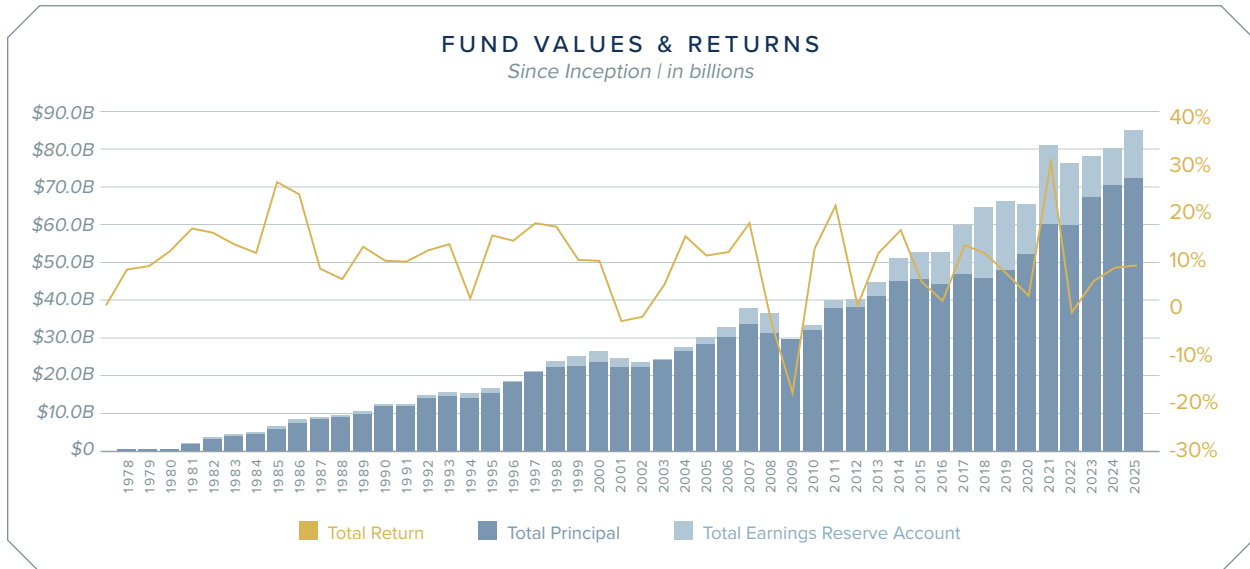
FY25	\$84,675,500,000
FY24	\$80,038,500,000
FY23	\$77,587,500,000
FY22	\$75,912,800,000
FY21	\$81,472,800,000
5-Year Avg.	\$79.9B
FY27 5% POMV Draw	\$4.0B



This chart illustrates the steady and reliable contribution of the POMV draw to Alaska's general fund revenue now and into the future.

50 YEARS FROM THE FIRST DEPOSIT OF \$734,000 TO \$86.3 BILLION

as of December 31, 2025



INFLATION PROOFING

Consistent royalty deposits and inflation proofing measures over the past 50 years have steadily maintained the Principal, preserving the Fund’s real value over time and building long-term value for future generations.

Today, inflation proofing remains a core responsibility. Adjusted for inflation \$1 in 1980 has the buying power of \$0.21 in 2026, emphasizing the importance of inflation proofing. By setting aside a portion of annual earnings, Alaska protects the purchasing power of the Principal, allowing it to support future generations. Under the two-account structure, inflation proofing requires annual diligence and the appropriation of realized earnings from the ERA to protect the Principal from eroding over time and maintain the Fund’s ability to serve the state for decades to come.

VALUES THAT GUIDE STEWARDSHIP



APFC’s recognition as a Best Place to Work in Money Management—five years running—by Pensions & Investments reflects a

culture grounded in our values of integrity, passion, and stewardship. These values shape how we work, how we invest, and how we serve Alaska. Our professional and mission-driven organization attracts and retains the expertise required to steward Alaska’s most important financial resource, ensuring the Fund remains strong, trusted, and built to serve generations to come.

FUND VALUES

Alaska’s Permanent Fund is a globally recognized investment model of success that Alaskans can take pride in.

8.80%

42-Year Annualized Fund Return

\$86.3B

Total Fund Value as of December 31, 2025

PRINCIPAL

\$73.8B

Mineral Royalties, Inflation Proofing, and Special Appropriations: \$59.1B
Unrealized Gains/Appreciation: \$14.7B

EARNINGS RESERVE ACCOUNT

\$12.5B

Realized Earnings: \$6.0B
Unrealized Gains/Appreciation: \$2.5B
FY27 POMV Commitment: \$4.0B

Looking forward to July 1, 2026 (the start of the fiscal year), \$5.6 billion will be needed to commit the FY28 POMV draw (\$4.1 billion) and provide inflation proofing for Principal deposits (est. \$1.5 billion).