Alaska Permanent Fund Corporation

RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALASKA PERMANENT FUND CORPORATION PERTAINING TO THE DEFINITION OF "INCOME-PRODUCING"

RESOLUTION 87-5A

WHEREAS, AS 37.13.120(b) states that the corporation assets shall only be used for income-producing investments; and

WHEREAS, permitted investment in corporate equities are set forth in AS 37.13.120(g) (18) and AS 37.13.120(i); and

WHEREAS, the Trustees have reviewed the meaning of " income-producing investments" in the context of investing in corporate equities; and

WHEREAS, they have solicited and received assistance from legal counsel in this review; and

WHEREAS, they wish to establish a consistent policy involving the application of "income-producing investments" to corporate equities,

NOW THEREFORE BE IT RESOLVED that the Trustees find that:

1. The Fund may invest in common stocks that do not pay dividends.
2. The term "income-producing" allows the Fund to look to the overall return on the equity investments as a whole.
3. Since investment in corporate equities are specifically authorized by statute, such investment need not necessarily produce a cash return each and every year if the equity portfolio as a whole is invested both to appreciate in value and to provide a reasonable yearly income.

Passed and approved by the Board of Trustees of the Alaska Permanent Fund Corporation this 20th day of April, 1987.

Byron I. Mallott
Chairman, Board of Trustees
Alaska Permanent Fund Corporation

ATTEST:

David A. Rose
Corporate Secretary