

Board of Trustees

Monthly Performance Report - September 30, 2012

Returns are unaudited, preliminary, and include some estimates

Consolidated Assets - APF assets equal 99% of total assets. Slight differences are due to rounding.

Market values shown are unaudited, and returns for periods greater than one year are annualized.

Direct real estate, Fund benchmark and total Fund returns are preliminary and are calculated internally based on most recent Callan quarterly data.

All other returns are provided by Callan Associates, Inc. and are shown gross of fees (before fees) except as noted.



		9/30/2012 Market Value (\$ in millions)	Returns as of 9/30/2012						
			Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
RETURNS BY ASSET CLASS									
Domestic Fixed Income	\$	8,818.8	0.49%	2.43%	2.43%	6.30%	8.41%	7.16%	6.70%
Non-Domestic Fixed Income		576.0	0.36%	1.89%	1.89%	4.25%	4.97%	4.46%	5.15%
Domestic Equities		5,958.8	2.63%	6.20%	6.20%	15.79%	29.98%	13.06%	1.85%
Non-Domestic Equities		7,938.4	4.25%	7.50%	7.50%	10.68%	14.58%	3.61%	-3.83%
Global Equities		5,200.0	2.93%	6.96%	6.96%	12.96%	21.61%	8.32%	-2.06%
Real Estate		4,517.8	0.23%	1.47%	1.47%	7.35%	9.75%	9.23%	0.87%
Private Equity ¹		1,784.2	N/M	1.18%	1.18%	10.92%	7.58%	16.21%	5.58%
Absolute Return		3,535.1	0.63%	2.23%	2.23%	5.93%	6.46%	5.32%	1.68%
Infrastructure ¹		850.6	N/M	1.03%	1.03%	-8.17%	-7.82%	4.93%	
External CIO/Real Return Mandate		3,097.4	1.29%	4.98%	4.98%	9.55%	13.08%		
American Homes 4 Rent		400.0							
	\$	42,677.2							
RETURNS BY RISK CLASS									
Company Exposure		25,096.0	2.73%	5.99%	5.99%	12.39%	19.06%	9.24%	
Interest Rates		2,573.1	-0.03%	0.99%	0.99%	2.77%	3.56%	4.26%	
Real Assets		6,604.7	0.60%	2.27%	2.27%	5.65%	7.83%	8.71%	
Opportunity Pool		7,685.6	1.18%	3.83%	3.83%	7.71%	9.37%	7.56%	
Cash		717.9	0.03%	0.09%	0.09%	0.24%	0.31%	0.30%	
Total Fund	\$	42,677.2	1.92%	4.61%	4.61%	9.72%	14.20%	8.42%	1.65%
Total Fund Return Objective			0.83%	2.04%	2.04%	6.24%	7.00%	7.33%	7.12%
Total Fund Risk Benchmark			1.83%	4.68%	4.68%	10.29%	15.63%	7.88%	1.89%
COMPANY EXPOSURE									
Passive Large-Cap Domestic Equity Managers									
Mellon S&P 500	\$	1,150.1	2.58%	6.34%	6.34%	16.44%	30.18%	13.45%	1.33%
Mellon FTSE RAFI US Large Cap	\$	1,313.4	3.20%	6.43%	6.43%	14.69%	28.89%		
S&P 500 Index			2.58%	6.35%	6.35%	16.44%	30.20%	13.20%	1.05%
FTSE RAFI US 1000 Index			3.20%	6.45%	6.45%	14.69%	28.91%		
Large-Cap Growth Domestic Equity Managers									
RCM - Large Cap	\$	1,604.5	1.71%	4.99%	4.99%	13.36%	26.81%	10.97%	2.27%
GE Asset Mgmt	\$	687.2	2.77%	9.26%	9.26%	23.66%	37.01%	13.88%	4.33%
Russell 1000 Index			2.57%	6.31%	6.31%	16.28%	30.06%	13.27%	1.22%
Russell 1000 Growth			1.96%	6.11%	6.11%	16.80%	29.19%	14.73%	3.24%
Passive Small-Cap Domestic Equity Manager									
Mellon S&P 400	\$	211.5	1.93%	5.44%	5.44%	13.77%	28.54%	14.38%	3.87%
S&P 400			1.94%	5.44%	5.44%	13.77%	28.54%	14.33%	3.83%
Small-Cap Core Manager									
Jennison Associates LLC	\$	188.2	3.18%	4.56%	4.56%	10.27%	27.10%	15.31%	3.67%
Russell 2000 Index			3.28%	5.25%	5.25%	14.23%	31.91%	12.99%	2.21%

¹ Time-Weighted Returns (TWR) are shown for commitment based assets as they are used to calculate the Total Fund return. Internal Rate of Return (IRR) calculations are more meaningful for such investments. Shorter time periods (< 3 months) and periods of new investment (first 3 - 5 years) are not meaningful.

		9/30/2012	Returns as of 9/30/2012					
		Market Value	Current	Last 3	Fiscal	Calendar	Last 12	Last 3
		(\$ in millions)	Month	Months	Y-T-D	Y-T-D	Months	Years
COMPANY EXPOSURE (continued)								
<i>Small-Cap Growth Managers</i>								
RBC Asset Mgmt	\$	217.5	4.77%	6.58%	6.58%	19.53%	33.14%	19.18%
Eagle Asset Mgmt	\$	193.8	3.71%	7.52%	7.52%	15.21%	28.63%	16.95%
<i>Russell 2000 Growth Index</i>			3.00%	4.84%	4.84%	14.08%	31.18%	14.19%
<i>Small-Cap Value Managers</i>								
T Rowe Price	\$	201.7	2.82%	5.16%	5.16%	14.71%	34.15%	15.38%
Pzena Investment Mgmt	\$	190.9	3.47%	4.40%	4.40%	17.27%	37.49%	12.78%
<i>Russell 2000 Value Index</i>			3.56%	5.67%	5.67%	14.37%	32.63%	11.72%
<i>International Passive/Quasi-Passive Managers</i>								
Mellon MSCI World ex-USA	\$	1,974.3	3.07%	7.35%	7.35%	10.21%	14.06%	1.84%
DFA International Large Cap	\$	1,142.3	3.52%	7.65%	7.65%	10.10%	13.52%	-5.08%
<i>MSCI World ex-USA/MSCI EAFE¹</i>			3.04%	7.30%	7.30%	9.90%	13.76%	2.10%
<i>International Active Managers</i>								
GE Asset Mgmt	\$	773.3	4.10%	8.16%	8.16%	13.58%	17.72%	1.67%
Acadian Asset Mgmt	\$	537.5	2.24%	7.79%	7.79%	11.55%	14.60%	6.02%
<i>MSCI World ex-USA/MSCI EAFE²</i>			3.04%	7.30%	7.30%	9.90%	13.76%	1.97%
<i>International Small-Cap Managers</i>								
DFA International Small Company	\$	231.2	4.17%	7.48%	7.48%	11.60%	12.96%	
DFA International Small Cap Value	\$	219.0	4.67%	8.21%	8.21%	12.46%	13.99%	
SSgA World ex-USA Small Cap	\$	233.9	4.66%	8.48%	8.48%	12.22%	13.26%	
<i>MSCI World ex-USA Small Cap</i>			4.74%	8.58%	8.58%	12.05%	12.82%	
<i>Emerging Markets Managers</i>								
Capital Guardian EMGF	\$	1,116.0	6.02%	7.17%	7.17%	7.61%	11.87%	2.01%
Mondrian Investment Partners	\$	754.8	5.91%	8.17%	8.17%	14.40%	21.38%	8.54%
SSgA MSCI Emerging Markets	\$	670.8	5.91%	7.75%	7.75%	11.66%	16.60%	
<i>MSCI Emg Mkts Index</i>			6.05%	7.89%	7.89%	12.33%	17.33%	5.96%

¹ MSCI EAFE through 5/26/10, then MSCI World ex-USA

² MSCI EAFE through 2/28/11, then MSCI World ex-USA

		9/30/2012 Market Value (\$ in millions)	Returns as of 9/30/2012							
			Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years	
COMPANY EXPOSURE (continued)										
Global Equity Managers										
AQR Global Equity	\$	985.3	2.46%	7.62%	7.62%	13.52%	24.59%	8.45%	-1.64%	
SSgA Russell Fundamental Developed Lrg Co	\$	883.2	2.85%	6.60%	6.60%	11.33%	20.40%			
MSCI World Index			2.75%	6.71%	6.71%	13.01%	21.59%	7.48%	-2.15%	
Russell Fundamental Dvlpd Lrg Co Index			2.89%	6.68%	6.68%	11.44%	20.51%			
Lazard Asset Management ¹	\$	1,364.4	3.35%	7.62%	7.62%	15.02%	24.54%	8.14%	-0.25%	
McKinley Capital Mgmt	\$	692.5	3.59%	6.92%	6.92%	13.03%	18.75%	9.30%	-2.40%	
GMO Global Equity ¹	\$	1,274.6	2.57%	6.04%	6.04%	11.48%	18.83%	8.26%	-1.38%	
MSCI All-Country World Index ²			3.15%	6.84%	6.84%	12.88%	20.98%	6.68%	-2.59%	
Private Equity Managers ³			\$ 1,784.2	N/M	1.18%	1.18%	10.92%	7.58%	16.21%	5.58%
Private equity custom index ⁴				6.51%	6.51%	13.70%	23.48%	8.75%	-1.25%	
Fixed Income Managers										
In House Corporate Bonds	\$	2,892.7	0.78%	4.08%	4.08%	9.88%	11.86%	9.59%		
Barclay's Capital U.S. Corporate Index			0.70%	3.83%	3.83%	8.66%	10.76%	9.09%		
Capital Guardian High Yield	\$	224.3	1.13%	3.95%	3.95%	9.84%	15.16%	10.85%	8.87%	
Oaktree High Yield	\$	410.2	1.20%	4.11%	4.11%	10.89%	18.62%			
BC Global High Yield Corporate (Hedged)			1.64%	5.24%	5.24%	13.89%	20.78%	12.80%	9.59%	
Public/Private Credit										
Crestline Credit Opportunities Fund	\$	777.5	1.29%	3.61%	3.61%	9.29%	15.21%			
Oaktree III Mezzanine Debt ³	\$	115.0	N/M	N/M	N/M	N/M	N/M			
Audax III Mezzanine Debt ³	\$	80.1	N/M	N/M	N/M	N/M	N/M			
INTEREST RATES										
In House MBS	\$	906.9	0.24%	1.13%	1.13%	2.75%	3.83%	5.11%		
Barclay's Capital U.S. MBS Index			0.21%	1.13%	1.13%	2.80%	3.71%	4.99%		
In House Government Bonds	\$	1,375.5	-0.28%	0.69%	0.69%	2.09%	2.79%	3.90%		
Barclay's Capital U.S. Treasury Index			-0.31%	0.57%	0.57%	2.08%	2.99%	5.41%		
Non-domestic Fixed Income Managers										
Rogge Global Partners	\$	290.6	0.36%	1.90%	1.90%	4.46%	5.35%	5.23%	5.57%	
BC Global Treasury ex-US Index (Hedged)			0.51%	1.79%	1.79%	4.27%	4.94%	3.80%	4.70%	
CASH										
Alaska CD	\$	220.4	0.08%	0.26%	0.26%	0.76%	0.93%	0.90%	1.31%	
Internal Cash	\$	497.5	0.00%	0.01%	0.01%	0.04%	0.05%	0.04%		
Three-month T-Bill Rate			0.01%	0.03%	0.03%	0.07%	0.07%	0.11%	0.72%	

¹ Lazard and GMO global equity accounts' annual fees do not include fees paid on imbedded mutual fund positions. As of 4/30/12, 22.89% of Lazard's investments and 15.44% of GMO's investments are in mutual funds.

² MSCI World through 9/30/10, then MSCI All Country World (net), thereafter.

³ Time-Weighted Returns (TWR) are shown for commitment based assets as they are used to calculate the Total Fund return. Internal Rate of Return (IRR) calculations are more meaningful for such investments. Shorter time periods (< 3 months) and periods of new investment (first 3 - 5 years) are not meaningful.

⁴ As of July 1, 2009, the private equity custom index is 60% Russell 3000 and 40% MSCI EAFE.

		9/30/2012 Market Value (\$ in millions)	Returns as of 9/30/2012						
			Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
REAL ASSETS									
Real Estate Investment Trusts (REITs)									
AEW Global RE Securities	\$	332.6	0.39%	4.67%	4.67%	19.46%	29.92%	15.90%	-0.14%
MSCI US REIT Index			-1.83%	0.00%	0.00%	14.89%	32.44%	20.52%	2.13%
UBS Global Real Estate Investors Index			0.20%	4.09%	4.09%	19.46%	29.80%	15.53%	-0.93%
			Direct Real Estate - Net of Fees as of 6/30/2012						
Direct Real Estate ¹									
CB Richard Ellis	\$	786.5		1.28%			8.44%	6.58%	0.92%
L&B Realty Advisors		1,448.4		1.97%			9.79%	6.75%	3.89%
LaSalle Investment Mgmt		894.5		3.05%			10.06%	10.76%	4.01%
Sentinel Real Estate		310.6		4.77%			15.70%	11.16%	3.41%
Simpson Housing (SHLP) REOC		745.2		2.39%			9.58%	3.67%	0.84%
Total Direct Real Estate	\$	4,185.3		2.35%			9.97%	8.61%	2.87%
NCREIF Property Index				2.68%			12.04%	8.82%	2.51%
Total Real Estate ²				2.39%			9.47%	8.67%	1.03%
			Returns as of 9/30/2012						
In House TIPS	\$	624.0	0.56%	2.27%	2.27%	6.34%	9.21%	9.44%	
Alaska Permanent Capital Mgmt	\$	612.3	0.55%	2.18%	2.18%	6.35%	9.08%	9.15%	
Barclay's Capital U.S. TIPS Index			0.51%	2.12%	2.12%	6.25%	9.10%	9.29%	
Infrastructure ³	\$	850.6	N/M	1.03%	1.03%	-8.17%	-7.82%	4.93%	
OPPORTUNITY POOL									
In House CMBS	\$	391.1	0.79%	2.60%	2.60%	5.15%	7.36%	8.98%	
BC U.S. CMBS ERISA Eligible Aaa Index			0.74%	2.56%	2.56%	5.95%	8.25%	9.69%	
Capital Guardian HY Emerging Markets Gov't	\$	468.8	2.47%	6.56%	6.56%	13.93%	18.22%		
PIMCO EMAF	\$	368.4	3.47%	5.80%	5.80%	7.15%	9.01%		
Capital Guardian ETOP	\$	202.3	3.54%	6.94%	6.94%	10.40%	14.93%		
American Homes 4 Rent	\$	400.0							
External CIO/Real Return Mandate									
Bridgewater ECIO/Real Return	\$	646.0	1.34%	5.19%	5.19%	10.36%	14.85%		
AQR ECIO/Real Return	\$	601.1	1.00%	6.03%	6.03%	11.02%	16.34%		
GMO ECIO/Real Return	\$	598.5	0.56%	2.44%	2.44%	4.92%	4.26%		
Goldman Sachs ECIO/Real Return	\$	633.8	1.57%	5.52%	5.52%	12.35%	18.76%		
PIMCO ECIO/Real Return	\$	618.2	1.92%	5.71%	5.71%	9.20%	11.99%		
CPI + 5% ⁴			0.83%	2.04%	2.04%	6.24%	7.00%		
Absolute Return and Distressed Debt ⁵									
Crestline Investors	\$	1,011.4	0.13%	1.51%	1.51%	3.85%	3.81%	4.78%	0.49%
Lazard Alternatives	\$	368.6	0.59%	2.87%	2.87%	4.56%	4.13%	3.53%	1.13%
Mariner Frontier Fund	\$	1,097.0	0.78%	1.74%	1.74%	4.55%	4.37%	3.62%	0.50%
Oaktree Opportunities Fund VIII ³	\$	280.6	N/M	N/M	N/M	N/M	N/M		
One-month USD LIBOR plus 4%			0.35%	1.05%	1.05%	3.17%	4.26%	4.25%	5.06%
One-month USD LIBOR plus 6%			0.50%	1.53%	1.53%	4.66%	6.26%	6.25%	7.06%

¹ Direct real estate returns are net of fees (after fees) and are subject to change in the future.

² Total real estate returns include REIT returns for the corresponding period.

³ Time-Weighted Returns (TWR) are shown for commitment based assets as they are used to calculate the Total Fund return. Internal Rate of Return (IRR) calculations are more meaningful for such investments. Shorter time periods (< 3 months) and periods of new investment (first 3 - 5 years) are not meaningful.

⁴ CPI means the Consumer Price Index (All Urban Consumers, U.S. City Average, All Items, Unadjusted Index)

⁵ Return values are preliminary and subject to adjustments. The benchmark for the absolute return strategy managers is LIBOR + 4%, and the benchmark for the distressed debt managers is LIBOR + 6%.



Board of Trustees

Monthly Performance Report - September 30, 2012

Consolidated Assets - APF assets equal 99% of total assets. Slight differences are due to rounding.
Values shown are unaudited. \$ in millions.

Unrealized Gain(Loss) Analysis

	Cost	Market	Unrealized Gain(Loss)
COMPANY EXPOSURE			
Corporate Debt			
In House Corporate Bonds	\$ 2,663.3	\$ 2,892.7	\$ 229.4
Capital Guardian High Yield	218.5	224.3	5.8
Oaktree High Yield	406.1	410.2	4.1
Domestic Equities			
Mellon S&P 500	805.5	1,150.1	344.6
Mellon FTSE RAFI US Large Cap	1,045.8	1,313.4	267.6
RCM - Large Cap	1,298.9	1,604.5	305.5
GE Asset Mgmt	499.6	687.2	187.6
Mellon S&P 400 (prev 1000)	182.6	211.5	28.9
T Rowe Price	136.6	201.7	65.1
Jennison Associates LLC	162.8	188.2	25.4
RBC Asset Mgmt	172.7	217.5	44.8
Eagle Asset Mgmt	155.3	193.8	38.5
Pzena Investment Mgmt	183.9	190.9	7.0
Non-domestic Equities			
Mellon MSCI World-ex-USA	1,778.9	1,974.3	195.5
GE Asset Mgmt	706.4	773.3	66.9
Artio EAFE	0.1	0.1	(0.0)
Acadian Asset Mgmt	478.4	537.5	59.1
Capital Guardian EMGF	1,347.5	1,116.0	(231.5)
Mondrian Investment Partners	678.3	754.8	76.4
SSgA MSCI Emerging Markets	634.4	670.8	36.4
SSgA World ex-USA Small Cap	226.8	233.9	7.1
DFA International Large Cap	1,107.8	1,142.3	34.4
DFA International Small Company	219.6	231.2	11.6
DFA International Small Cap Value	219.8	219.0	(0.8)
Global Equities			
Lazard Asset Mgmt	1,217.4	1,364.4	147.0
McKinley Capital Mgmt	575.5	692.5	117.0
GMO Global	1,215.3	1,274.6	59.3
AQR Capital Mgmt	904.6	985.3	80.6
State Street MSCI World	761.6	883.2	121.6
Private Equity			
Pathway	1,418.9	1,559.0	140.1
HarbourVest	223.0	225.2	2.2
Public/Private Credit			
Crestline Credit Opportunities	685.1	777.5	92.3
Oaktree III Mezzanine Debt	122.2	115.0	(7.2)
Audax III Mezzanine Debt	77.5	80.1	2.6
Total Company Exposure	\$ 22,530.8	\$ 25,096.0	\$ 2,565.1

	Cost	Market	Unrealized Gain(Loss)
REAL ASSETS			
Real Estate			
RE Direct Equity	\$ 3,319.9	\$ 4,185.3	\$ 865.4
AEW Global RE Securities	253.9	332.6	78.6
TIPS			
In House TIPS	571.1	624.0	52.9
Alaska Permanent Capital Mgmt	514.0	612.3	98.3
Infrastructure			
	<u>806.0</u>	<u>850.6</u>	<u>44.6</u>
Total Real Assets	\$ 5,464.9	\$ 6,604.7	\$ 1,139.7
OPPORTUNITY POOL			
CMBS and High Yield Debt			
In House CMBS	\$ 364.9	\$ 391.1	\$ 26.2
Cap Guardian High Yield Emerging Markets Gov't	433.4	468.8	35.4
Emerging Markets Total Opportunities			
PIMCO EMAF	414.3	368.4	(45.9)
Capital Guardian ETOP	201.7	202.3	0.6
Absolute Return			
Lazard Alternatives	303.2	368.6	65.4
Mariner Investment Group	996.4	1,097.0	100.6
Crestline Investors	902.3	1,011.4	109.2
Credit Opportunities			
Oaktree Opportunities Fund VIII	262.6	280.6	17.9
External CIO/Real Return Mandate			
Bridgewater ECIO	410.9	646.0	235.1
AQR ECIO	549.2	601.1	51.8
GMO ECIO	594.6	598.5	3.8
Goldman Sachs ECIO	537.6	633.8	96.2
PIMCO ECIO	552.3	618.2	65.9
American Homes 4 Rent			
	<u>400.0</u>	<u>400.0</u>	<u>0.0</u>
Total Opportunity Pool	\$ 6,923.4	\$ 7,685.6	\$ 762.1
INTEREST RATES			
Domestic Government			
In House MBS	889.4	906.9	17.6
In House Government Securities	1,342.7	1,375.5	32.8
International Government			
GAM International Mgmt	0.1	0.1	(0.0)
Rogge Global Partners	<u>277.5</u>	<u>290.6</u>	<u>13.1</u>
Total Interest Rates	\$ 2,509.7	\$ 2,573.1	\$ 63.4
CASH			
Alaska CD Program	\$ 220.0	\$ 220.4	\$ 0.4
Internal Cash	497.5	497.5	0.0
Total Cash	\$ 717.5	\$ 717.9	\$ 0.4
TOTAL FUND	\$ 38,146.4	\$ 42,677.2	\$ 4,530.9