

News Release**For Immediate Release: April 5, 2021****Contact: Pauly Swanson 907.796.1520****Board of Trustees Hold Asset Allocation Workshop**

Juneau – APFC's Board held a virtual workshop today to review the long-term asset allocation plan for the Alaska Permanent Fund and the capital market projections provided by Callan, APFC's general consultant.

Asset allocation is a primary component of a long-term, risk-adjusted return and is based on strategic decisions: return objective, risk appetite, liquidity need, and resources. Peer comparisons are also an essential aspect in assessing asset allocation and associated risk metrics. Callan projects a median 10-year annualized return of 6.20% for the Alaska Permanent Fund's portfolio in the fiscal year 2022, which is a reduction of 55 basis points relative to the current fiscal year.

Chief Investment Officer Marcus Frampton offered a presentation that provided peer portfolio comparisons and assessed the return, risk, and correlation for each asset class within the Permanent Fund's portfolio based on the target objective. Callan offers that the percent probability of the portfolio exceeding 5% annualized real return over a 10-year horizon is estimated to be 45.6%.

APFC staff recognizes that the current asset allocation falls short of the Fund's CPI + 5% target return objective based on Callan forecasts. However, APFC is focused on crafting a portfolio that can outperform the baseline numbers and delivering on the Board's return objective based on the current five-year asset allocation plan.

Angela Rodell, Chief Executive Officer, states that this workshop provided an important foundation to understanding the Fund's asset allocation and the impact of any changes. Changes to the portfolio are not made lightly, as the stability of the Alaska Permanent Fund is so vital to the stability of the State.

The Board of Trustees will consider any action to change the asset allocation at their next meeting, scheduled for May 19-20, 2021, in Juneau, Alaska.

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