

**APFC Press Release****For Immediate Release: February 25, 2026****Contact: Pauly Swanson 907.796.1520 – [communications@apfc.org](mailto:communications@apfc.org)****APFC Board Marks 50 Years of the Fund and Reviews Asset Allocation**

JUNEAU, Alaska - February 25, 2026 - The Alaska Permanent Fund Corporation's (APFC) Board of Trustees convened its quarterly meeting on February 23 and 24, 2026, in Juneau and online. Trustees received updates on the Fund's operations and investment activity, including presentations on asset allocation and Fixed Income.

**Legislative Partnership Honoring 50 Years of the Alaska Permanent Fund**

The 34th Alaska State Legislature's presiding officers, Senate President Gary Stevens and Speaker of the House Bryce Edgmon, presented the Legislative Citation in honor of the Alaska Permanent Fund's 50<sup>th</sup> anniversary. This milestone honors the extraordinary vision and foresight of the Alaskans who created and safeguarded the Fund, voters who enshrined it in the Constitution, the legislators and governors who strengthened it, and the Trustees and investment professionals who steward it with integrity. Today, the State depends on the Fund for the majority of unrestricted general fund revenue, supporting statewide public services and the dividend through the annual percent of market value (POMV) draw. Without the bold leadership of past generations, Alaska's fiscal landscape would look profoundly different.

"We are deeply grateful that Senate President Gary Stevens and Speaker Bryce Edgmon were able to join us and participate in our meeting today," said Board Chair Jason Brune. "The continued stewardship of the Fund depends on a shared commitment among the Governor, Legislators, Trustees, and staff to prudent oversight and long-term responsibility."

**Mid Fiscal Year Performance, 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's investment consultant, Callan, noted that APFC maintains a strong focus on cost discipline and fee efficiency, with Fixed Income managed in-house and all performance reported net of fees. Over the past 10 years, the Fund has ranked in the 33rd percentile relative to peers, a strong result that reflects a prudent investment strategy. The analysis confirms that the risks undertaken have been deliberate and well-compensated, generating solid long-term returns.

**Governance Recommendations**

The Board voted to approve the Governance Committee recommendations focused on strengthening disclosure practices, Trustee orientation and education, and memorializing key procedures. The Board directed staff to develop an implementation plan for formal consideration at the May Board Meeting.

**Corporate Operations Overview - Finance**

APFC Chief Financial Officer Val Mertz, along with Senior Portfolio Accountants Chris LaVallee and Jacki Mallinger, delivered a Corporate Operations Overview of APFC's Finance Department. The presentation highlighted how the department supports Fund activities, including core reporting and accounting functions, while providing greater insight into how the team supports the organization's goals and mission.

### **Annual Asset Allocation Presentation & Study**

Chief Investment Officer Marcus Frampton and Chief Risk and Compliance Officer Sebastian Vadakumcherry presented two additional asset allocation options, alongside the Fund's current target allocation, which would increase investments in public equities and fixed income, offset by reducing exposure to private markets. The Board and staff discussed these potential allocation changes, which the Board will vote on at the May 2026 meeting.

"Asset allocation is one of the most important decisions the Board makes, setting the framework for how we invest and manage the Fund," said Frampton. "The rigorous analysis and recommendations we provided are designed to help ensure the portfolio is positioned to meet the Fund's long-term objectives. We appreciate the Board's engagement as it considers these proposals ahead of a formal decision."

### **Callan - Draw Rate Analysis**

Callan conducted an analysis of the current POMV draw rate, providing both historical context and forward-looking simulations to evaluate projected outcomes under 4.5%, 5.0%, and 6.0% scenarios. The analysis highlights how varying draw rates affect the long-term sustainability of the Earnings Reserve Account and underscores the importance of disciplined rate setting. Notably, it demonstrates that establishing a lower draw rate can, within just over a decade, create a crossover effect that supports higher sustainable draws for future generations.

The Board recognizes that setting the draw rate is a policy decision within the Legislature's purview. This modeling and dialogue are offered in response to legislative inquiry to help inform thoughtful, long-term decision-making.

### **Private and Public Markets Overviews**

Allen Waldrop, Deputy CIO – Private Markets, provided high-level reviews of APFC's private asset classes. Private Equity performance continued to improve in the short-term while maintaining a strong liquidity position, with distributions exceeding contributions. Private Credit annual cash flows remain positive, and Real Estate continues to generate steady cash flow for the Fund. Waldrop also touched on private markets strategies, including increasing co-investment activity to gain additional exposures, bolster returns, and reduce fee impacts.

Jim Parise, Deputy CIO – Public Markets, provided an overview of APFC's Public Markets portfolio. Public Equities reflected continued market concentration trends. In Fixed Income, the portfolio benefited from steady income generation and active sector positioning amid an evolving rate environment. Parise also discussed forward-looking strategy, including ongoing evaluation of factor exposures and active risk positioning to capitalize on opportunities while remaining aligned with the Fund's long-term strategic asset allocation.

### **Asset Class Overview: Fixed Income Structured Products**

As part of continued Trustee education, Tom O'Day, Senior Portfolio Manager, presented an overview of the Structured Product strategy, which represents \$3.5 billion, or 20%, of the larger asset class. The Structured Product sub-portfolio contains: Mortgage-Backed, Asset-Backed, and Commercial Mortgage-Backed securities.

"Structured Product is an important component of the Fixed Income portfolio," said Parise. "These investments provide diversification, consistent income, and liquidity across a range of market environments. Our in-house team actively manages this allocation to enhance diversification while maintaining liquidity within the broader Fixed Income portfolio."

**Investment Advisor Presentation for Trustee Education on Digital Assets**

George Zinn and John Skjervem, members of APFC's Investment Advisory Group, collaborated to provide Trustee education focused on digital asset trends. Skjervem provided an overview of the ecosystem and high-level assessments of bitcoin, stablecoins, tokenization, and blockchains. Zinn partnered with Franklin Templeton to discuss more deeply the ways global financial market participants have adopted blockchain infrastructure. They also broke down cash and synthetic approaches to stablecoins, alongside the steps federal policymakers have so far taken to regulate digital assets and create more clarity across the market. APFC's venture capital portfolio currently includes limited exposure to digital assets.

**APFC's Quarterly Meeting: May 2026**

The next meeting of the Board of Trustees will be held on May 26-27, 2026, in Valdez. The public is invited to attend and provide public comments via email at [boardpubliccomment@apfc.org](mailto:boardpubliccomment@apfc.org) as part of APFC's commitment to transparency and accountability.

**About APFC**

The Alaska Permanent Fund Corporation manages the assets of the Alaska Permanent Fund, a globally recognized sovereign wealth fund. Established in 1976, the Fund preserves Alaska's nonrenewable mineral and oil wealth as a renewable financial resource for current and future generations of Alaskans. The Fund also serves as the primary source of revenue for Alaska's unrestricted general funds, supporting the state's economic stability and prosperity.

APFC is a quasi-independent state agency with one mission: to manage and invest the assets of the Alaska Permanent Fund and other funds designated by law. The Alaska Permanent Fund is the largest sovereign wealth fund in the U.S., with \$85.1 billion in assets as of the end of FY25. For more information, visit [www.apfc.org](http://www.apfc.org).