2026
ANNUAL REPORT

01 FOUNDATION

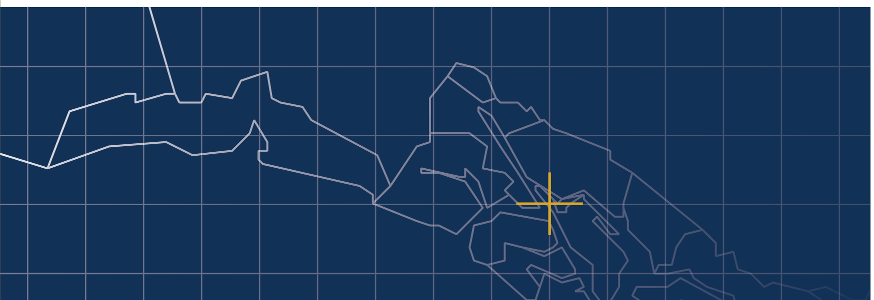
WHAT ALASKA BUILT

02 LONG VIEW

A Sovereign Wealth Fund
A Shared Legacy
A Vision for the Future

03 LEGACY

50
STEWARDSHIP FOR GENERATIONS
ALASKA PERMANENT FUND
EST. 1976



APFC ALASKA PERMANENT FUND CORPORATION

2026 ANNUAL REPORT

WHAT ALASKA BUILT

Strengthened through generations of stewardship and invested for Alaska's future.

A SOVEREIGN WEALTH FUND

Created by constitutional amendment in 1976, the Alaska Permanent Fund was established on the principle that Alaska's nonrenewable resource wealth could create lasting value long after those resources are gone. Through disciplined governance and long-term investment, it has grown into a globally diversified sovereign wealth fund built for every generation.

A SHARED LEGACY

For decades, the Permanent Fund has connected the benefits of Alaska's natural resources to the people who call this state home. By contributing to public services in communities statewide and providing for the annual Permanent Fund Dividend (PFD), it connects Alaska's resource wealth to a shared prosperity while reflecting the stewardship, accountability, and intergenerational responsibility carried forward by that original promise.

A VISION FOR THE FUTURE

The founders of the Permanent Fund understood that true wealth is measured not only by what is enjoyed today, but by what is preserved for tomorrow. That vision continues to guide the Fund's mission to protect purchasing power, generate risk-adjusted returns, and strengthen Alaska's long-term fiscal future.

What Alaska built is more than a Fund. It is a promise to turn the wealth of one era into an opportunity for future generations.

1969
PRUDHOE BAY
LEASE SALE

TABLE OF CONTENTS

1975
CONSTRUCTION OF THE TRANS-ALASKA PIPELINE SYSTEM

Mission

To manage and invest the assets of the Permanent Fund and other funds designated by law.

Vision

To deliver outstanding returns for the benefit of all current and future generations of Alaskans.

1980
APFC ESTABLISHED
SIGNING OF SENATE BILL 161

Values

APFC's values embody the standards that guide the Corporation's work and service to Alaskans.

INTEGRITY

We act in an honorable, respectful, and professional manner that continually earns and justifies the trust and confidence of each other and those we serve.

STEWARDSHIP

We are committed to wisely investing and protecting the assets, resources, and information with which we have been entrusted.

PASSION

We are driven to excellence through self-improvement, innovative solutions, and an open, creative culture. We are energized by the reward of serving Alaskans.

FOUNDATION: 1976

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."

FROM THE ARCHIVES

"Twenty-five percent of the mineral bounty has been, in one form or another, parked in the Permanent Fund. That's a huge commitment by the people of Alaska to the future."

Hugh Malone
Trustee 1985–1990*

*About the quotations: Dates shown represent each individual's overall period of service with APFC. Full terms, leadership roles, and details are available at apfc.org/governance/board-of-trustees/

TRANS-ALASKA PIPELINE
BROOKS RANGE, NEAR
COLDFOOT AND PRUDHOE BAY

VALUE GENERATED FOR ALASKA

50 YEARS
Growing Alaska's Wealth

12.42%
FY26 Total Return

8.93%
42.5-Year Annualized Return

$91.9B
Total Fund Value
As of June 30, 2026

Principal
$73.8B

Earnings Reserve Account
$18.1B

FROM THE ARCHIVES

"This accomplishment is something all Alaskans can take great pride in. It is also exciting to think about how large the Fund can grow in the future if we continue the prudent policies of the past."

Oral Freeman
Trustee 1986–1995

$119.8B
TOTAL FUND EARNINGS

42.9% | $51.4B + **57.1% | $68.4B**

PAID OUT TO CURRENT GENERATIONS

Percent of Market Value Distribution Since FY19
22.1% | $26.4B

Dividend Appropriations Through FY18
20.3% | $24.4B

AK Capital Income Fund/ Amerada Hess Earnings
0.5% | $0.6B

FOR FUTURE GENERATIONS

Inflation Proofing
23.0% | $27.6B

Special Appropriations
7.0% | $8.3B

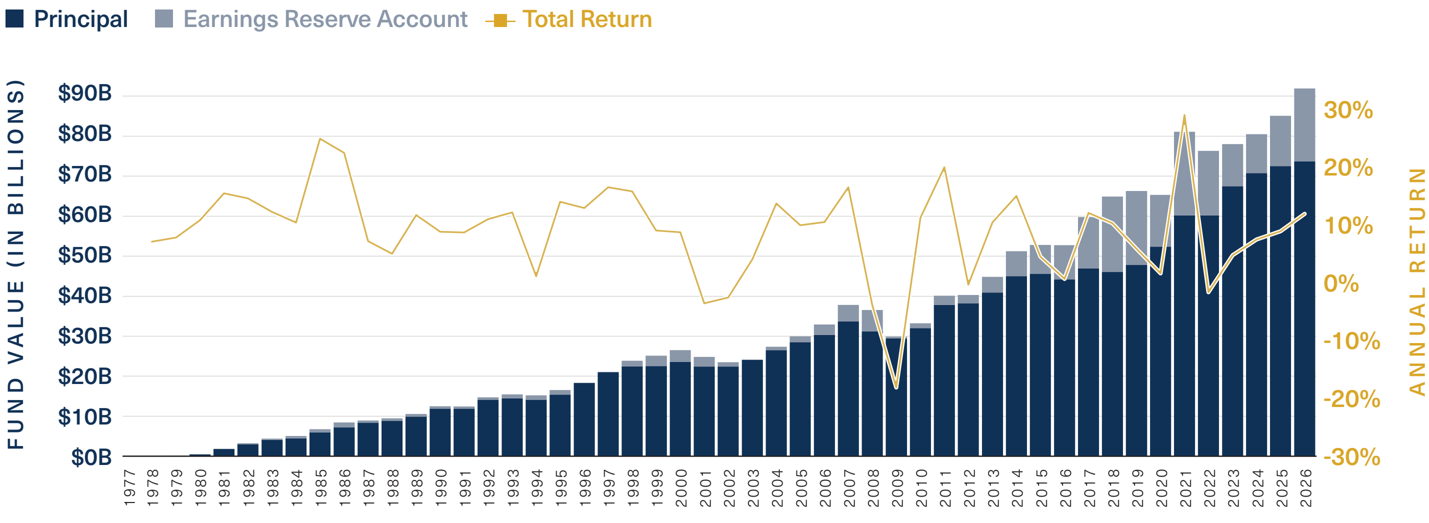
Undistributed Realized Income
12.2% | $14.6B

Unrealized Appreciation on Investments
14.9% | $17.9B

LEGISLATIVE HOUSE APPLAUDS GOVERNOR HAMMOND

FUND VALUES & RETURNS SINCE INCEPTION

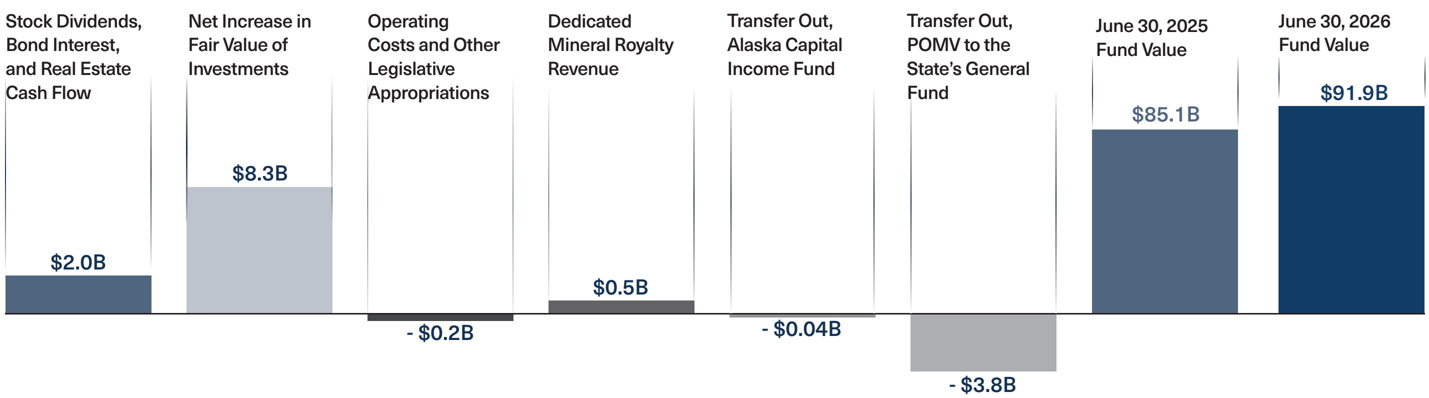
The Alaska Permanent Fund has grown to $91.9 billion from an initial deposit of $734 thousand through decades of disciplined saving, investing, and stewardship. The Principal has steadily increased over time while the Earnings Reserve Account (ERA) holds realized earnings available for appropriation. Although annual returns fluctuate with market conditions, the Fund's long-term growth is a result of Alaska's commitment to preserving resource wealth for future generations.



FY26 SOURCES OF CHANGE IN FUND VALUE

IN BILLIONS

The Fund's value changes each year as several factors affect its balance. Royalty deposits add to the Principal; realized investment earnings accumulate in the ERA; annual Percent of Market Value (POMV) distributions and operating expenses reduce the Fund; and market valuations shift with global investment performance. In FY26, these factors resulted in a net increase of $6.8 billion, bringing the total Fund value to $91.9 billion.



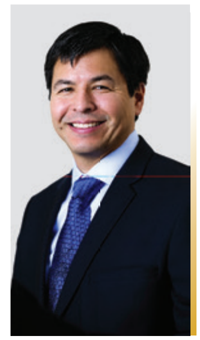
BOARD OF TRUSTEES

The APFC Board of Trustees provides oversight of the Alaska Permanent Fund, with each Trustee serving as a fiduciary responsible for the prudent management and investment of its assets.

The six-member Board sets investment policy and asset allocation, monitors performance and guides the Corporation's strategic direction. Its membership is established in AS 37.13.050 and includes two state officials, one of whom is the Commissioner of the Department of Revenue, and four public members with finance, investment, or business expertise.

Accountability to Alaskans begins with transparency and public engagement. Trustees invite the public to attend Board meetings, stay informed about the Fund's work, and share comments for Trustee consideration at boardpubliccomment@apfc.org.

Jason Brune
Chair
2022-2030



Ethan Schutt
Vice Chair
2020-2028

John Binkley
2025-2027

Ralph Samuels
2025-2029

Ryan Anderson
AK DOT & PF
Commissioner

Janelle Earls
AK DOR
Commissioner

FROM THE ARCHIVES

"Trustees should always have a due regard for the contract with the public and the foundation of the trust upon which this institution is built."

Hugh Malone
Trustee 1985–1990

FROM THE ARCHIVES

"The Permanent Fund is not a private business. It is not a pension fund. There is no other fund like it on the face of the earth... Public confidence is the very backbone and lifeblood of the Permanent Fund Corporation."

Oral Freeman
Trustee 1986–1995

LETTER FROM THE CHAIR

Fellow Alaskans,

Fifty years ago, Alaskans made a strategic and enduring choice: to convert a portion of the state's resource wealth into an asset to benefit all generations by establishing the Alaska Permanent Fund.

That decision has become one of Alaska's most significant achievements. Since 1976, a total of $20.8 billion in mineral royalty deposits have been transformed through disciplined investment and long-term stewardship into a Fund that now exceeds $91.9 billion and serves as the state's primary revenue source.

As Trustees, we are charged with safeguarding this asset on behalf of all Alaskans. The Board establishes long-term objectives, risk tolerance, and asset allocation, while APFC's investment professionals execute the strategy and manage the portfolio through changing market conditions.

The Fund's role in Alaska's fiscal framework continues to expand. Under the Percent of Market Value annual draw, Fund earnings now support roughly two-thirds of state revenue. In FY26, the Fund generated $8.2 billion in statutory net income for the Earnings Reserve Account and received $535 million in royalty deposits from oil, gas, and mining development for the Principal, underscoring the value of disciplined investing and continued resource development.

Looking ahead, the Board continues to support a constitutional amendment to strengthen the Fund through a single-account framework that would constitutionally protect approximately 95% of Fund assets, provide automatic inflation proofing, and better align the Fund's structure with its long-term purpose.

The Permanent Fund's success reflects five decades of leadership, discipline, and service. We welcome Ralph Samuels to the Board and value the experience and perspective he brings. We also extend our sincere appreciation to outgoing Trustee Craig Richards for his service. I am grateful to my fellow Trustees, past and present, and to APFC staff, whose expertise and commitment continue to advance the Fund's mission.

Sincerely,

JASON BRUNE | CHAIR
APFC BOARD OF TRUSTEES

LETTER FROM THE EXECUTIVE DIRECTOR & CEO

To Our Alaskan Neighbors,

I often reflect on the extraordinary vision and selfless nature of those Alaskans from whom each of us benefits today. At a time when a young state had many immediate needs, Alaskans set aside a portion of their new resource wealth and created something for the future.

The creation of the Permanent Fund was one of the most consequential financial decisions in Alaska's history. Fulfilling the vision of transforming finite resource wealth into a renewable financial resource, the Fund has generated more than $51 billion in benefits for Alaskans through dividends and support for public services, including education, public safety, transportation, and other relied-upon state services. The earnings from the Fund are now fundamental to how Alaska supports its people and communities.

Through decades of disciplined stewardship, the Fund has maintained its purchasing power and grown by retaining more than $68 billion in earnings to provide for us and every generation that follows. Today, the Fund represents not only what Alaska has built; it is a central part of what Alaska is building. As the Fund has become more important to Alaska's finances over the past decade, the need for disciplined management, transparent governance, clear structure, and long-term thinking has only increased. The Permanent Fund was created to serve not just the current generation, but all who follow.

In FY26, APFC continued the disciplined work required to manage one of the world's leading sovereign wealth funds. The Alaska Permanent Fund earned a 12.42% return for the fiscal year, achieved a 9.28% return over the 10-year period, and deposited a record $8.2 billion into the Earnings Reserve Account for legislative appropriation.

APFC further emphasized its commitment to risk management, operational excellence, and accountability, including formalizing procedures in the governance manual to enhance oversight, transparency, and public accountability. Together, these accomplishments demonstrate APFC's commitment to long-term performance, sound governance, and effective stewardship, positioning the organization to meet today's responsibilities while preparing for the demands of the future.

ALASKA RANGE,
HOME OF DENALI

At APFC, our responsibility is to manage and invest with integrity, discipline, and purpose. We are proud to do that work on behalf of Alaskans, today and for generations to come.

The next 50 years will be defined in large part by how Alaskans manage the Permanent Fund, not in the amounts saved by Alaskans of the past but rather by how future Alaskans prudently invest and grow those savings—and the Alaskan quality of life that will make possible.

Respectfully,

DEVEN MITCHELL
EXECUTIVE DIRECTOR & CEO

FROM THE ARCHIVES

"Realizing our vision requires a keen eye for the future and thoughtful, intelligent planning."

William G. Moran
Trustee 2006–2021

HOW THE PERMANENT FUND SUPPORTS ALASKA

The Percent of Market Value framework provides a rules-based annual draw equal to 5% of the Fund's average market value over five of the previous six fiscal years. This approach smooths annual market swings and creates greater predictability in annual distributions.

In recent years, the draw has supplied approximately two-thirds of Alaska's unrestricted general fund revenue, helping support the PFD and essential public services while preserving the Fund's long-term earning power.

What began as a disciplined act of saving resource wealth has evolved into one of Alaska's most important financial assets—meeting the needs of today while preserving lasting value for generations to come.

FROM THE ARCHIVES

"The Permanent Fund, sometime in the not-too-distant future, will become the number one producer of revenue for the state. Then, when we can no longer count on oil revenues to provide the level of financial support we have all become accustomed to in Alaska, we will have prudently provided for ourselves by ensuring that there will always be available, each year in the future, large—and ever-growing—amounts of Permanent Fund income."

Oral Freeman
Trustee 1986–1995

FROM THE ARCHIVES

"In the long run, the integrity of the Permanent Fund depends on a lasting consensus as to its purpose."

Stephen Cowper
Trustee 1983–1985

FY28 POMV CALCULATION

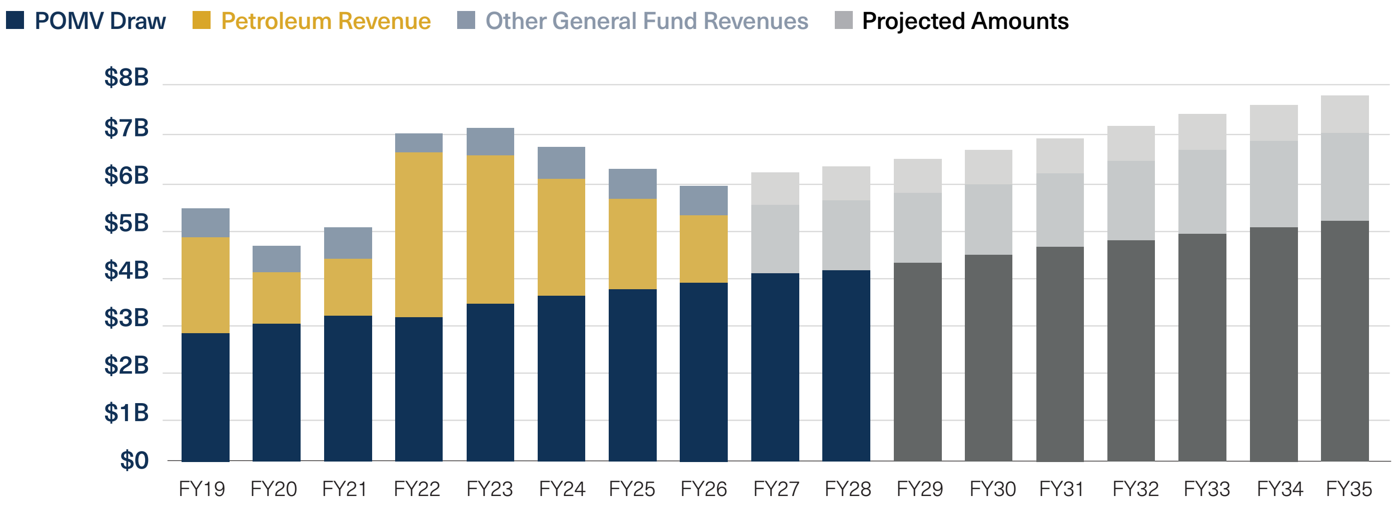
AS 37.13.140(B) VALUE BASED

FY26	$91,476,600,000
FY25	$84,675,500,000
FY24	$80,038,400,000
FY23	$77,587,500,000
FY22	$75,912,800,000
5-Year Average	**$81.9B**
FY28 5% POMV Draw	**$4.1B**

CONTRIBUTIONS TO THE GENERAL FUND

IN BILLIONS

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



ISLAND PEAKS
IN THE ALEUTIANS

PERFORMANCE

Built for the Long Term

12.42%

FY26
Total Return

8.93%

42.5-Year
Annualized Return

APFC delivered a solid 12.42% return in FY26, continuing several years of strong absolute performance, with a 3-year annualized return of 9.84%. These results exceeded the Fund's CPI + 5% total return objective of 8.54% for FY26 and 8.06% annualized over the 3-year period.

"While we evaluate performance over multiple time horizons, we were particularly pleased to see APFC ranked as the #1 performing domestic sovereign wealth fund over both the 5- and 10-year periods based on FY25 performance data, according to industry researcher RVK's 2025 Domestic Sovereign Wealth Fund Report, which was released in April 2026," said Marcus Frampton, Chief Investment Officer.

Over the 5-year period, the Fund returned 6.61% annualized, vs. the performance benchmark of 6.76%, the passive index of 6.45%, and the total return objective of 9.22%. Over a 10-year period, the Fund returned 9.28% compared with 8.91% for the performance benchmark, 8.36% for the passive index benchmark, and 8.32% for the total return objective.

"We remain mindful of elevated market valuations and a range of ongoing economic and geopolitical risks," said Frampton. "Protecting the Fund's capital, maintaining genuine diversification, and positioning the portfolio to compound returns over the long term remain central to our investment approach."

DALTON HIGHWAY TO PRUDHOE BAY
NORTH SLOPE

Performance Benchmarks

APFC uses benchmarks to evaluate Fund performance. APFC's benchmarks are constructed to reflect the Fund's strategic asset allocation and investment objectives. They serve as important tools for measuring performance, guiding decision-making, and maintaining accountability.

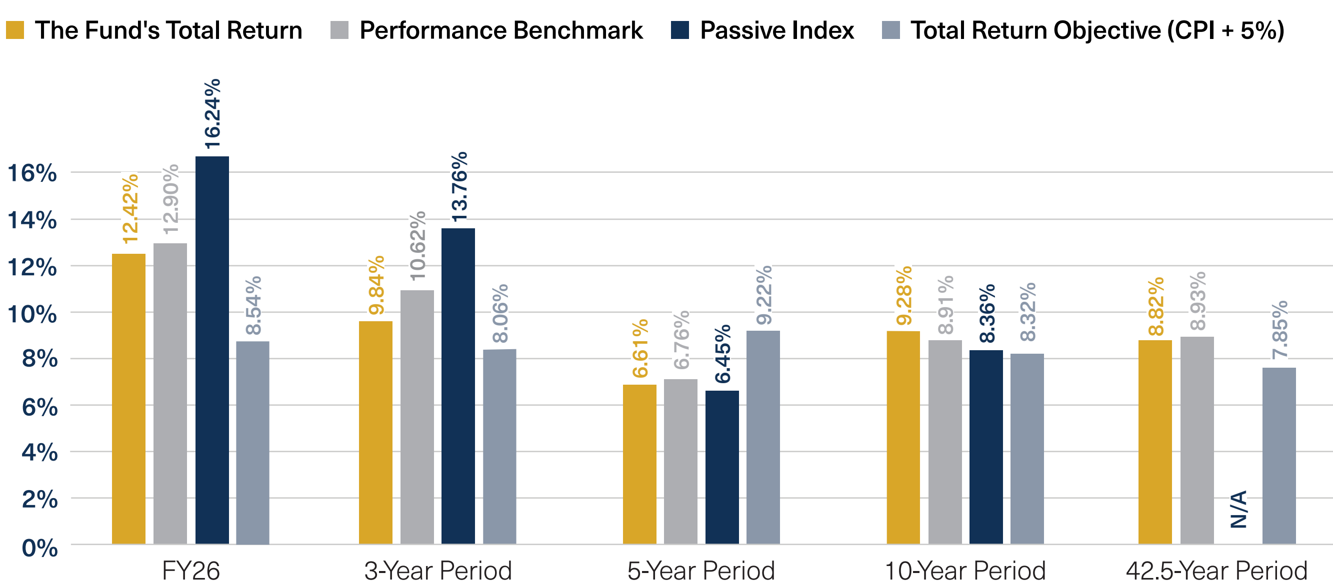
Performance Benchmark: Peer Comparison
The performance benchmark aggregates indices across all asset classes, based on the Fund's target asset allocation. It is designed to reflect the strategic decisions made by APFC's investment managers and to serve as a measure of whether APFC's execution and market calls have added value.

Passive Index: Added Value
This indicator is based on a blend of passive indices that represents a traditional stocks-and-bonds portfolio. This benchmark evaluates whether the added sophistication of APFC's diversified strategy delivers long-term value.

Total Return Objective: Long-Term Target
This benchmark, set by the Board, is an annualized return of inflation (Consumer Price Index or "CPI") + 5%. It measures whether the Fund is meeting its long-term real return goal, preserving and growing value after inflation. It also guides asset allocation and aligns investment strategy with the Fund's long-term obligations and protects intergenerational value.

MEASURING PERFORMANCE ACROSS THREE BENCHMARKS

This chart illustrates how the total Fund's return compares with its benchmarks over 1-, 3-, 5-, 10-, and 42.5-year periods.



FROM THE ARCHIVES

"As one of the early sovereign wealth funds, and the largest state-level fund of its kind in the United States, the Permanent Fund attracts attention from all over the world as a model for how to turn a non-renewable natural resource into a renewable financial resource. It is an important part of Alaska's history and our state's future."

Michael J. Burns
APFC Executive Director 2004–2015

LEGISLATIVE FINDINGS ON THE PURPOSE OF THE FUND

AS OUTLINED IN AS 37.13.020

- The fund should provide a means of conserving a portion of the state's revenue from mineral resources to benefit all generations of Alaskans.
- The fund's goal should be to maintain safety of principal while maximizing total return.
- The fund should be used as a savings device managed to allow the maximum use of disposable income from the fund for purposes designated by law.

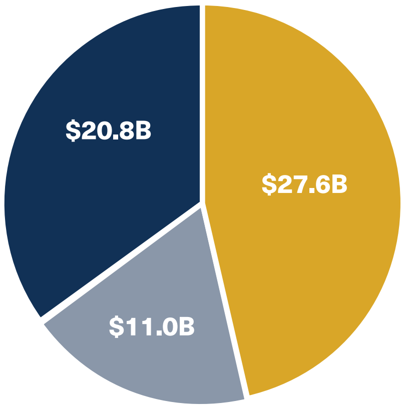
The Fund reflects a simple but powerful idea: save a portion of today's nonrenewable resource wealth, invest it with discipline, and use its earnings to support Alaska while strengthening the Principal for the generations that follow. As Alaska marks the Fund's 50th anniversary, its purpose remains clear: a permanent financial resource, built for Alaska and built for generations.

SEWARD HIGHWAY, TURNAGAIN ARM

PRINCIPAL & ERA

THE FUND'S TWO-ACCOUNT STRUCTURE SEPARATES THE PRINCIPAL FROM REALIZED EARNINGS HELD IN THE EARNINGS RESERVE ACCOUNT

The Principal contains constitutionally protected deposits which include a portion of Alaska's resource wealth from oil, gas, and mining development set aside for all generations. It grows through royalty contributions, inflation proofing, and special appropriations, and may only be used for income-producing investments.



PERMANENT DEPOSITS TO PRINCIPAL

IN BILLIONS

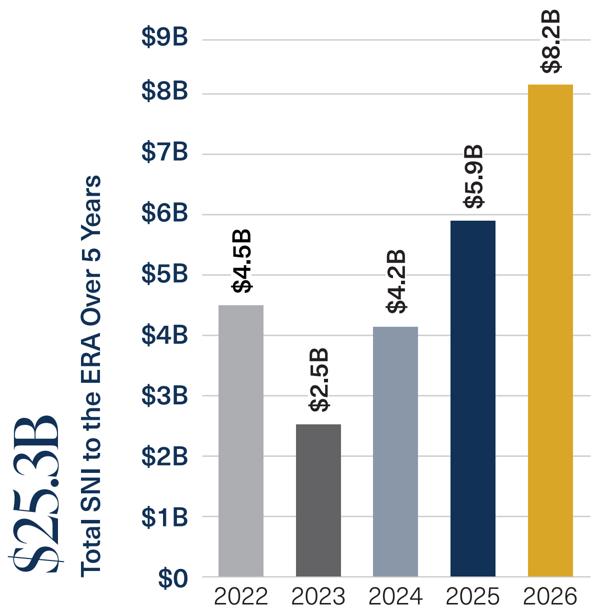
- Inflation-Proofing **$27.6B | 46.4%**
- Royalty Contributions **$20.8B | 35.0%**
- Special Appropriations **$11.0B | 18.6%**

The Earnings Reserve Account accumulates the Fund's realized earnings that are available for legislative appropriation through a simple majority vote. The realized earnings, known as statutory net income (SNI), fund annual POMV distributions for current state needs and inflation proofing for the Principal to help preserve its purchasing power.

In FY26, SNI totaled $8.2 billion, an all-time high. SNI includes income generated from investment cash flows, as well as realized gains or losses from the sale of assets. Because realization depends on market conditions, portfolio activity, and investment timing, SNI can vary significantly from year to year.

STATUTORY NET INCOME

IN BILLIONS



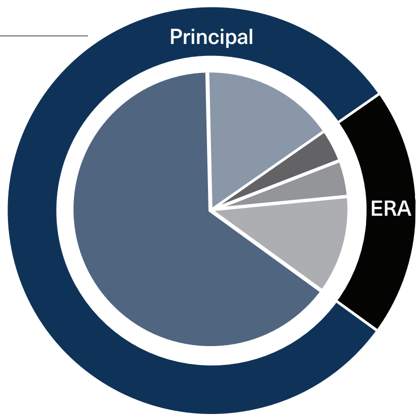
FROM THE ARCHIVES

"The Fund has a proven record of success. That success can and should continue, but we cannot and should not take the future for granted."

Clark S. Gruening, Trustee 1995–2003

FUND VALUES

Together, the Principal and ERA are invested as a single, globally diversified portfolio guided by a disciplined investment strategy. Both components hold a proportional share of the Fund's unrealized gains, reflecting changes in the value of investments still held in the portfolio, while remaining invested to support long-term growth potential.



$91.9B

TOTAL FUND VALUE AS OF JUNE 30, 2026

$73.8B Principal

$59.4B Permanent Deposits

Constitutionally protected deposits to the Principal, including oil, gas, and mining royalties, inflation proofing, and other legislative appropriations

$14.4B Unrealized Gains

Change in the value of Principal assets from the purchase date to the statement date

$18.1B Earnings Reserve Account

$3.5B Unrealized Earnings

Change in the value of ERA assets from the purchase date to the statement date

$4.0B Committed for the FY27 POMV Draw

Amount committed for transfer to the state's general fund for dividends and government services

$10.6B Uncommitted Realized Earnings

Realized income available in the ERA for legislative appropriation

No inflation proofing amount was appropriated for FY26, which was estimated to be $1.6 billion.

Figures shown are audited as of June 30, 2026. Subsequent unaudited monthly financial statements reflect changes in Fund value and are published monthly at apfc.org.

A CONSTITUTIONAL AMENDMENT PROPOSAL

Today, the Alaska Permanent Fund has two accounts: the Principal, with constitutionally protected deposits, and the ERA, which holds realized earnings available for appropriation by the Legislature. Only part of the Fund is protected by the Constitution. For over two decades, the Board has supported a constitutional amendment to merge the Principal and ERA into a single protected endowment and enshrine the annual POMV draw to ensure rules-based distribution.

This approach would:

- Protect the entire Fund under a single constitutional framework
- Preserve the purchasing power of the Fund through automatic inflation protection
- Maintain a predictable and sustainable annual distribution
- Align the Fund's structure with modern endowment management practices

By combining constitutional protection with a sustainable annual draw, the proposal seeks to preserve the Fund's long-term value while continuing to support Alaska's fiscal stability and future generations.

INFLATION PROOFING

IN A TWO-ACCOUNT STRUCTURE, PRESERVING PURCHASING POWER REQUIRES ACTION

Inflation proofing is an important protection for the Alaska Permanent Fund’s long-term value. Without consistent, rules-based transfers to the Principal, inflation quietly erodes the Principal’s purchasing power and reduces what is preserved for future generations.

Under AS 37.13.145(c), inflation proofing has long served as a key discipline within the Fund’s two-account structure. The process requires an annual legislative appropriation from the ERA to the Principal to help offset inflationary effects. However, since FY16, inflation proofing has not been applied consistently.

FROM THE ARCHIVES

“I think we might well preserve the essential objective, which is safety... and offset the ravages of inflation, which I think is prudent for anybody managing money to consider.”

Elmer Rasmuson
First Chair of the Board 1980–1982

INVESTMENT STRATEGY

DISCIPLINED STEWARDSHIP IN PURSUIT OF ENDURING VALUE

The Alaska Permanent Fund is invested to achieve maximum long-term, risk-adjusted returns for the benefit of current and future generations of Alaskans. Because the Fund is designed to endure in perpetuity, APFC takes a long-term approach to investing.

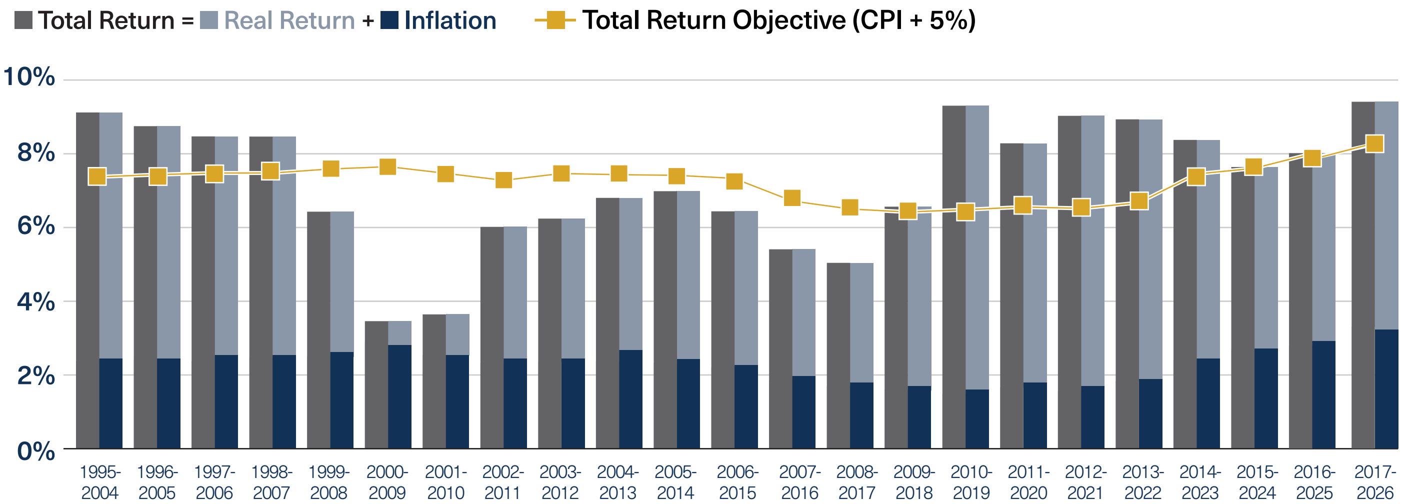
The Fund's asset allocation, which serves as the foundation of APFC's investment strategy, diversifies the Fund across global public and private markets, reducing its reliance on any single asset class, region, or strategy.

Every investment decision is guided by rigorous research, thoughtful analysis, and a disciplined process designed to align with the Fund's objectives and risk tolerance. By maintaining a long-term perspective and prioritizing fundamentals rather than short-term market movements, APFC seeks to preserve purchasing power, generate sustainable returns, and fulfill the Fund's enduring purpose as a lasting source of value for Alaska.

ROLLING 10-YEAR FUND RETURNS

ANNUALIZED

This chart illustrates the Fund's annualized 10-year rolling returns, separated into real return and inflation components over the same period.



FROM THE ARCHIVES

"A year [2002] like this demonstrates quite clearly why it is important to take a disciplined, long-term investment approach and then, regardless of volatility, stay the course. Due diligence matters. Diversification matters. Maturity, balance and permanence matter... While periodic market corrections are inevitable—and frequently healthy over the long term—they can challenge even the most focused, long-term investor. The Board's asset allocation policy balances the risks of negative returns in the short term against the rewards of higher positive returns over the long term."

Jim Sampson
Trustee 1997–2002

RISK MANAGEMENT

APFC is in the business of taking investment risk, and that risk is understood, measured, and managed in a manner consistent with the Fund's long-term objectives.

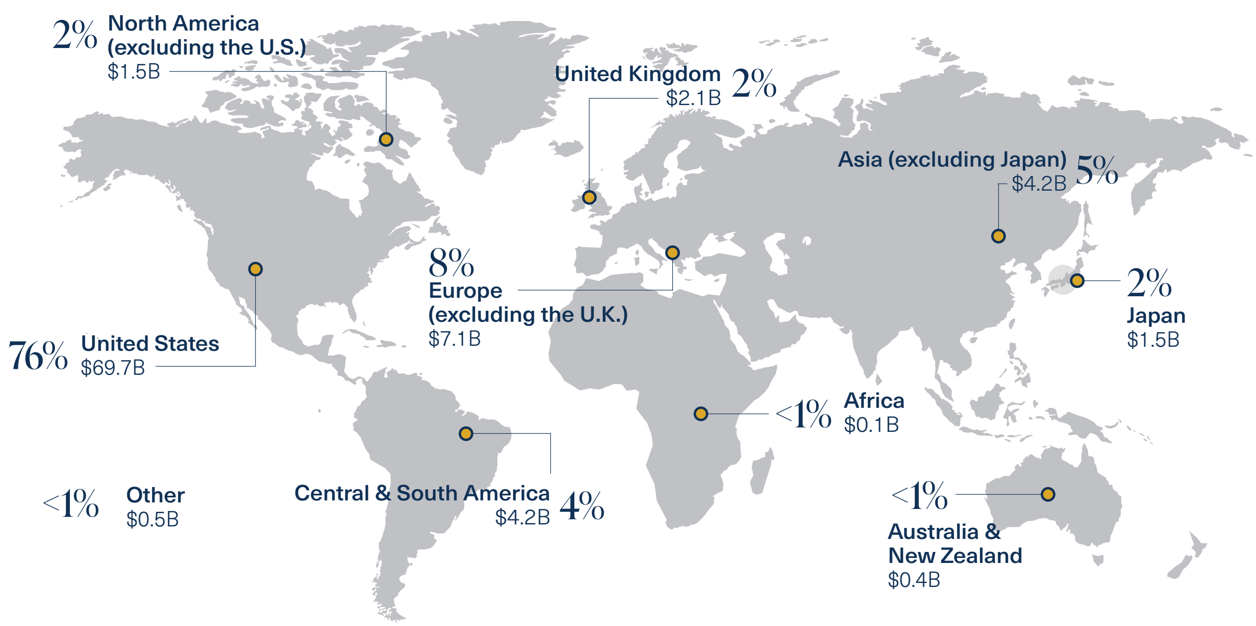
Risk oversight is embedded throughout the investment process and integrated into decision-making at every level of the organization. APFC monitors a range of risks, including market, liquidity, operational, and concentration risks, using a combination of quantitative analysis, stress testing, scenario modeling, and ongoing portfolio review. Independent oversight, established policies, and internal controls reinforce accountability and informed decision-making.

FROM THE ARCHIVES

"[2008] I believe that Alaskans will always be richer for having the foresight 30 years ago to create this Fund. It will have its ups and downs in the future, as it has in the past, but with prudent management it will be here to benefit Alaskans in the years to come."

Steve Frank
Trustee 2003–2012

APFC INVESTMENT HOLDINGS, BY REGIONAL MARKET



ASSET ALLOCATION

The Alaska Permanent Fund has evolved since its early years, when the portfolio consisted entirely of U.S. Treasury bonds. Over time, the Alaska Legislature and the APFC Board of Trustees expanded the Fund's investment authority in accordance with the Prudent Investor Rule.

Today, the Fund is invested across eight asset classes that each play a distinct role within the portfolio, contributing growth, income, liquidity, or stability. Diversification remains one of the Fund's most important safeguards. The Board reviews the Investment Policy Statement and target asset allocation annually to ensure they continue to support the Fund's long-term objectives and mission. The review process aims to ensure the policy adequately balances opportunity and risk while preserving flexibility to respond thoughtfully to changing market conditions.

LOOKING FORWARD

The Board unanimously approved the FY27 Investment Policy Statement, which included adjustments to the target asset allocation. The changes included increasing the portfolio's allocation to Public Equities (34%) and Absolute Return (8%), while reducing allocations to Private Equity (17%), Real Estate (10%), and Private Income (9%).
The updated policy went into effect on July 1, 2026.

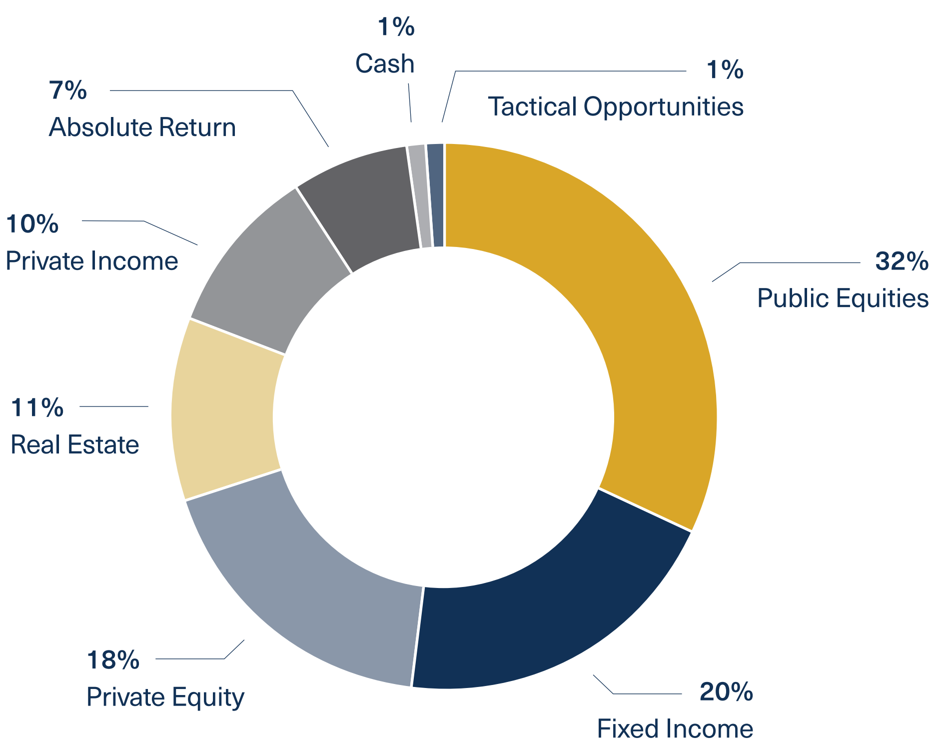
FROM THE ARCHIVES

"Our growth includes keeping abreast of technological advances, which enables our investment practices to be state of the art. Initially the Fund was invested entirely in domestic bonds, but now it is investing in worldwide stock and bond markets, as well as real estate, private equity and absolute return strategies. At one time, brokers used telephones and ticker tape. Now our staff monitors markets using real time displays and we have back-up systems in place to ensure that we can remain connected to the rest of the world in times of crisis."

Carl F. Brady, Jr.
Trustee 1991–2020

FY26 ASSET ALLOCATION ACTUALS & TARGETS

Public Equities the Fund's largest driver of returns	35% | Target 32%
Fixed Income to provide steady income and liquidity	21% | Target 20%
Private Equity provides higher potential long-term returns	16% | Target 18%
Real Estate serves as a hedge against inflation while providing income	9% | Target 11%
Private Income for steady income and diversification	8% | Target 10%
Absolute Return adds resilience across uncorrelated markets	8% | Target 7%
Cash supports liquidity, transactions, and portfolio stability	2% | Target 1%
Tactical Opportunities for flexible high-conviction investments	1% | Target 1%



ASSET ALLOCATION EVOLUTION

ASSET CLASSES

1975
CONSTRUCTION OF THE TRANS-ALASKA PIPELINE SYSTEM

FIXED INCOME

STEADY INCOME & LIQUIDITY

$18.8B As of June 30, 2026

20% Target FY26 Asset Allocation

AT A GLANCE

Purpose in the total portfolio
Stability, liquidity, and income across market cycles

How it is managed
A fully internal management model, with daily trading and portfolio optimization

Why it matters for Alaskans
It provides ballast in volatile markets, helping the Fund stay resilient and positioned to serve future generations

THE ROLE OF FIXED INCOME IN THE PERMANENT FUND

As the Fund's first asset class, Fixed Income has played a foundational role since its establishment in 1976. Today, it continues to serve as a stabilizing force within the portfolio, providing liquidity and more consistent returns relative to other asset classes. This liquidity enables rebalancing during periods of market stress and provides flexibility when investment opportunities arise. Its internally managed structure reduces reliance on external management fees and enhances responsiveness from APFC's team, provided performance meets or exceeds expectations.

APPROACH

APFC's Fixed Income positioning focuses on investing in smaller, repeatable sources of incremental value through credit research, security selection, portfolio construction, and efficient trading.

The team focuses on diversification and rigorous credit work, including both investment-grade and high-yield credit exposures, to build a portfolio that remains aligned with the benchmark but is positioned to add value through selection, structure, and well-researched implementation decisions. Because the portfolio is managed internally, the team can implement those decisions directly and remain responsive to both investment opportunities and the broader liquidity needs of the Permanent Fund.

PERFORMANCE

For FY26, Fixed Income outperformed its benchmark, returning 4.24% compared to 3.94%. Over the past 5 years, it also outperformed its benchmark, returning 1.12% compared to 0.76%.

FY26 bond markets experienced shifting interest-rate expectations, geopolitical uncertainty, economic growth, energy prices, and the direction of central bank policy. Those swings affected bond prices but did not change the fundamental role of APFC's Fixed Income portfolio. Performance was driven by many smaller decisions rather than one large market bet. Not every part of the credit market performed equally. Research and diversification helped limit the effect of weaker areas while allowing the portfolio to benefit from stronger individual investments.

How success is measured: APFC's Fixed Income performance is measured against a custom benchmark that reflects a mix of assets, including corporate bonds, treasuries, asset-backed and commercial mortgage-backed securities, and inflation-linked instruments.

LOOKING FORWARD

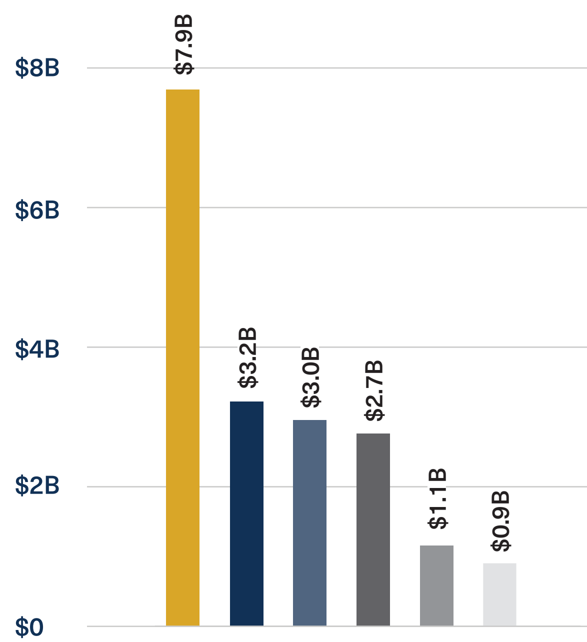
The Fixed Income portfolio's target asset allocation remains at 20% for FY27, as determined by the Board of Trustees' annual Investment Policy Statement review, effective July 1, 2026. APFC's Fixed Income portfolio enters FY27 with attractive yields alongside continued uncertainty around inflation, economic growth, and the direction of interest rates. With a disciplined approach and a long-term investment horizon, the Fixed Income portfolio will remain focused on generating income, maintaining liquidity, and selectively taking investment risk when the Fund is well compensated for it.

> **"Fixed Income serves as a stabilizing force for the Permanent Fund, providing income and liquidity across changing market conditions. Because we manage the portfolio internally, our team can respond quickly, pursue opportunities efficiently, and support the broader needs of the Fund."**

Jim Parise
Deputy Chief Investment Officer - Public Markets and Director of Fixed Income Investments

FIXED INCOME BY TYPE

$18.8B | IN BILLIONS



U.S. Corporates and ETFs	$7.9B	42%
Mortgage-Backed	$3.2B	17%
U.S. Treasuries	$3.0B	16%
Non-U.S. Government	$2.7B	14%
Non-U.S. Corporates	$1.1B	6%
Commercial Mortgage-Backed	$0.9B	5%

PUBLIC EQUITIES

THE FUND'S LARGEST DRIVER OF RETURNS

$33.2B As of June 30, 2026

76 Countries represented in holdings

32% Target FY26 Asset Allocation

AT A GLANCE

Purpose in the total portfolio
Primary driver of growth while providing broad global exposure

How it is managed
Primarily through external fund managers across active, factor-based, and passive index strategies

Why it matters for Alaskans
As the Fund's largest asset class, it is a key contributor to overall returns

THE ROLE OF PUBLIC EQUITIES IN THE PERMANENT FUND

The portfolio spans a range of market capitalizations, geographies, and sectors, providing broad exposure to global economic activity and helping guard against dependencies while positioning APFC to act swiftly when opportunities arise. This diversification is central to fulfilling the Fund's intergenerational mandate of generating sustainable, long-term returns. Alongside this diversification, the portfolio is invested in high-quality, high-value companies and has access to a successful roster of external investment managers with an average 13-year holding period.

APPROACH

The Public Equities portfolio is positioned to earn the greatest potential returns over a 5-year horizon through active allocation and stock selection. The primary source of the portfolio's active selection is through external managers, which represents 97% of the portfolio's assets. Allocation decisions are made across four key dimensions: geographic exposure (domestic vs. international), sector tilts (cyclical vs. defensive), market capitalization (large cap vs. small cap), and investment style (value vs. growth). Through allocation decisions, valuation risk is mitigated by allocating less to areas of the market that may become overvalued relative to their history or the broader market, thereby diminishing long-term performance. The Board approved a phased reduction in tracking error limits through the end of 2026, as part of a deliberate shift toward tighter risk management while preserving the flexibility to outperform.

PERFORMANCE

As the Fund's largest asset class at 32% of the portfolio, the portfolio's performance meaningfully shapes total Fund returns year to year.

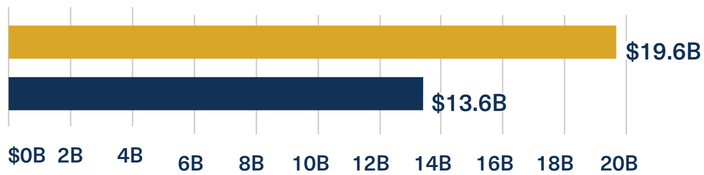
For FY26, the Public Equities portfolio gained 23.90% vs. the benchmark of 24.22%, underperforming its benchmark by 32 basis points. Over the past 5 years, the Public Equities portfolio returned 10.21% annualized, compared with the benchmark's 10.57% return. During FY26, the public equity market was led by cyclical value, small-cap, and emerging-market stocks. Overall, higher-beta, higher-volatility stocks generally outperformed during the year.

Active Allocation & Selection: The portfolio's overweight positions in value stocks, small-cap stocks, and emerging-market equities made a significant positive contribution to relative performance. While owning more small-cap stocks was beneficial from an allocation perspective, the stocks that contributed the most to the small-cap index return were of low quality, high beta, and speculative; these stocks were under-owned by our small-cap managers. In aggregate, manager selection made a negative contribution to relative performance in Public Equities.

How success is measured: APFC benchmarks the Public Equities portfolio to the MSCI ACWI IM, a comprehensive global equity index that represents the performance of companies across both developed and emerging markets.

STOCK PORTFOLIO BY MANDATE

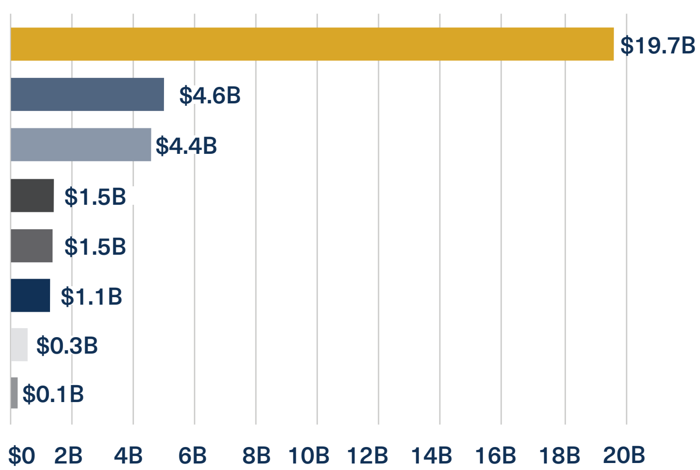
$33.2B | IN BILLIONS



U.S.	$19.6B | 59%
Non-U.S.	$13.6B | 41%

STOCKS BY REGION

$33.2B | IN BILLIONS



U.S.	$19.7B | 59.3%
Asia (Excluding Japan)	$4.6B | 13.9%
Europe (Excluding U.K.)	$4.4B | 13.3%
Japan	$1.5B | 4.5%
Americas (Excluding U.S.)	$1.5B | 4.5%
U.K.	$1.1B | 3.3%
Global	$0.3B | 0.9%
Africa	$0.1B | 0.3%

LOOKING FORWARD

The target asset allocation for the Public Equities portfolio was increased from 32% to 34% for FY27 during the Board of Trustees' annual Investment Policy Statement review, effective July 1, 2026. With a long-term focus on fundamentals, the portfolio will continue to focus on strong fundamentals and risk-adjusted return potential.

> **"For long-term investors, valuation is the most important risk factor that impacts the long-term returns. This valuation discipline allows us to buy low and sell high on a consistent basis and enhances the long-term return potential for Public Equities relative to its benchmark."**

Fawad Razzaque
Director of Investments - Public Equities

REAL ESTATE

$8.4B As of June 30, 2026

11% Target FY26 Asset Allocation

ENHANCING STABILITY, INCOME, AND INFLATION PROTECTION

AT A GLANCE

Purpose in the total portfolio
Provide reliable income and long-term appreciation potential

How it is managed
APFC staff manage the total portfolio strategy and collaborate with external managers

Why it matters for Alaskans
It ensures Fund access to an asset class that grows steadily and naturally resists inflation

THE ROLE OF REAL ESTATE IN THE PERMANENT FUND

The Real Estate portfolio helps deliver consistent, risk-adjusted returns for the Fund. Balancing investments in fully and jointly owned properties across the residential, industrial, retail, and office sectors ensures asset-class diversity, thereby increasing long-term growth opportunities. Funds generated by real estate investments can be immediately redeployed or distributed to the State. In addition, the portfolio serves as a hedge against inflation due to the physical property's potential value appreciation over time. Its built-in diversity, as assets are owned across residential and commercial sectors (as well as geographies), helps solidify the asset class for long-term success.

APPROACH

To meet the return objectives, APFC invests across a range of property types and deal structures, from fully built, income-generating core properties to new developments that offer long-term growth potential. Direct acquisitions and co-investments alongside external managers help the Fund access unique opportunities, strengthen diversification, and complement exposure gained through commingled fund vehicles.

PERFORMANCE

For the last 5-year period, Real Estate returned 3.94% vs. its benchmark of 4.18%. In FY26, the portfolio lagged its benchmark, returning 2.58% compared to 4.92%. Real estate transaction activity increased across all sectors during FY26. However, the narrow spread between capitalization rates and interest rates continued to limit potential returns, although the underlying properties generally remained stable. Performance was supported by APFC's direct industrial, residential, and office investments, along with residential and industrial equity funds and real estate debt. The portfolio's long-term relative performance also continued to improve, with the five-year gap narrowing during FY26.

How success is measured: The Real Estate portfolio's performance is measured against the NCREIF (NPI) benchmark, a broad U.S. real estate index of core property investments.

LOOKING FORWARD

The Real Estate portfolio's target asset allocation was decreased from 11% to 10% for FY27, during the Board of Trustees' annual Investment Policy Statement review, effective July 1, 2026. Although Real Estate remains a reliable performer and continues to play a stabilizing role for the Fund, the team has recently adjusted its strategy to reduce direct real estate holdings. APFC staff have focused on shifting capital to investment strategies that offer more compelling risk-adjusted returns and improve portfolio diversification, including commingled funds and co-investments, while carefully approaching sector and manager selection.

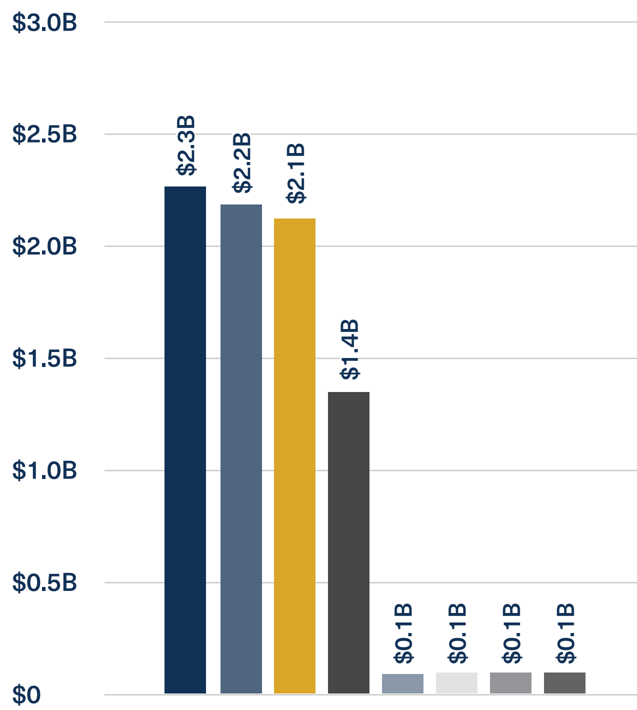
The real estate team will remain diligent in its analysis of new investments, with the team tracking opportunities in residential, self-storage, debt, and opportunistic funds. The portfolio anticipates development exposure through co-investments with APFC's fund managers and partners, ensuring alignment and attractive fee structures.

> **"The real estate team has worked diligently to reposition the portfolio by selling underperforming assets and redeploying capital into attractive sectors and opportunities. We expect long-term net operating income growth and property fundamentals will strengthen the portfolio's performance."**

Eric Ritchie
Senior Portfolio Manager - Real Estate

REAL ESTATE PORTFOLIO BY SECTOR

$8.4B | IN BILLIONS



Office	$2.3B | 27%
Industrial	$2.2B | 26%
Residential	$2.1B | 25%
Retail	$1.4B | 16%
Hotel	$0.1B | 2%
Other	$0.1B | 2%
Self Storage	$0.1B | 1%
Senior Housing	$0.1B | 1%

PRIVATE EQUITY

INVESTING IN PRIVATE BUSINESSES FOR LONG-TERM RETURNS

$15.3B As of June 30, 2026

$38.9B Generated in total value from APFC's contributions of $21.7B

18% Target FY26 Asset Allocation

AT A GLANCE

Purpose in the total portfolio: Strong return potential to generate long-term value and diversification

How it is managed: APFC staff execute their strategy through investments made by external investment managers, co-investments alongside those managers, and direct investments

Why it matters for Alaskans: Private Equity offers an array of investments across geographies and industries, with the potential for strong long-term returns, while generating cash flow

THE ROLE OF PRIVATE EQUITY IN THE PERMANENT FUND

The Private Equity portfolio invests in privately held companies outside public markets. These long-horizon investments offer diversification, limited liquidity, and strong return potential because of market inefficiencies across varied strategies, structures, and underlying assets. These investments are generally in the form of commitments to commingled funds managed by experienced external investment managers, complemented by select co-investments or targeted direct investments. These investments enable APFC to deploy capital into opportunities where additional exposure is sought, allowing more control over investment timing than traditional commingled funds. As an asset class, Private Equity is characterized by its global footprint, flexible investment structure, and focus on long-term investments (the average targeted investment is 3-10 years).

APPROACH

APFC's Private Equity team has a selective, proven investment strategy. APFC's Private Equity team aims to generate strong returns while managing risk across a portfolio that includes venture capital, growth equity, buyouts, and special situations. The team targets annual returns of 15% to 25% over 3- to 10-year periods, with flexibility to pursue longer-term, high-conviction, theme-driven investments. To manage the higher risk inherent in private markets, the portfolio is diversified across stages, industries, geographies, and other factors. The team also tracks larger thematic changes that may drive opportunities across sectors over time.

PERFORMANCE

The Private Equity portfolio lagged its benchmark in FY26, returning 10.45% vs. 10.67%, and over the 5-year period, returning 6.49% vs. 7.84%.

How success is measured: APFC benchmarks the Private Equity portfolio, in aggregate and by vintage year, against the Cambridge Global All Private Equity benchmark, which excludes energy and includes debt-related strategies.

LOOKING FORWARD

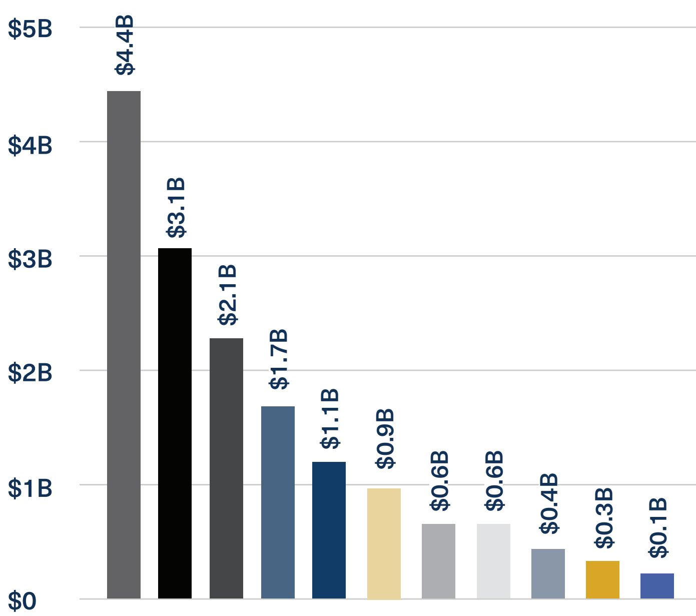
The Private Equity portfolio's target asset allocation was decreased from 18% to 17% for FY27, during the Board of Trustees' annual Investment Policy Statement review, effective July 1, 2026. APFC has been investing in Private Equity for over 20 years and is in a fortunate position to have a portfolio that generates significant positive cash flow for the Fund. This gives the Private Equity team the ability to be tactical and selective about where to position the portfolio, and to play offense during times of volatility or uncertainty. Key themes the team is watching include the impact of AI across industries, the infrastructure and power buildout required to support it, and geopolitical events, particularly in the Middle East, which have disrupted shipping and affected several industries.

> **"The Private Equity portfolio performance continued to recover in FY26, generating significantly higher absolute returns than in the prior three years while also generating significant positive cash flows (>$1B), demonstrating that our focus on backing top managers and selectively co-investing in attractive opportunities is paying dividends."**

Allen Waldrop
Deputy Chief Investment Officer - Private Markets

PRIVATE EQUITY BY SECTOR

$15.3B | IN BILLIONS



Information Technology	$4.4B | 29%
Financials	$3.1B | 20%
Health Care	$2.1B | 14%
Industrials	$1.7B | 11%
Consumer Discretionary	$1.1B | 7%
Energy	$0.9B | 6%
Communication Services	$0.6B | 4%
Other	$0.6B | 4%
Consumer Staples	$0.4B | 2%
Materials	$0.3B | 2%
Real Estate	$0.1B | 1%

PRIVATE INCOME

$6.9B As of June 30, 2026

10% Target FY26 Asset Allocation

INFLATION PROTECTION & DIVERSIFIED YIELD

AT A GLANCE

Purpose in the total portfolio: To provide attractive, risk-adjusted returns with inflation-protection characteristics (infrastructure) and current yield (private credit)

How it is managed: APFC staff execute their strategy by investing in externally managed funds, co-investments alongside those funds, and direct investments

Why it matters for Alaskans: Investments across infrastructure, private credit, and other income-generating assets diversify the portfolio and have lower correlation to other major asset classes

THE ROLE OF PRIVATE INCOME IN THE PERMANENT FUND

Private Income investments span three strategies, each tailored to a distinct role in the portfolio. Together, they provide a diversified platform for generating attractive returns, managing risk, and building long-term value.

Infrastructure: Capital appreciation potential from buying and building essential assets with long-term demand characteristics.

Private Credit: Generating current yield from direct lending to mid-market businesses across sectors.

Income Opportunities: Niche investments that capture specialized sources of income and diversify the Fund's return profile.

APPROACH

The portfolio contributes to the Fund through systematic selection and allocation of investments across each sub-strategy. The portfolio includes investments in infrastructure, middle-market direct lending, asset-based lending, structured credit, real assets, life settlements, leasing and royalty strategies, and more.

PERFORMANCE

Private Income underperformed its benchmark in FY26, returning 7.01% compared to the benchmark's 8.62%. Over the past five years, the Private Income portfolio returned 8.91%, compared to the benchmark of 10.00%.

How success is measured: Performance is measured against a custom benchmark that combines data from two private investment indices, weighted to 60% infrastructure investments and 40% direct lending investments.

Infrastructure: Over the past 5-year period, the infrastructure sub-portfolio outperformed its benchmark, returning 11.42% vs. 9.80%. Its long-term outperformance was driven by targeting top-tier managers. The strategy is mainly focused on capital appreciation, which has provided strong returns. One-year underperformance was largely attributable to write-downs in digital infrastructure and renewable energy investments, reflecting a key valuation risk inherent in APFC's approach. The infrastructure market saw robust activity in connected themes, such as power generation and data centers, accounting for more than 60% of infrastructure deal volume in 2025. While fundraising and investor demand for infrastructure investments remain strong, this limits the attractiveness of new capital deployment.

Private Credit: The Private Credit sub-portfolio underperformed its benchmark across the 1-, 3-, and 5-year periods due to the underperformance of select opportunistic credit investments and a shift in recent years toward lower-risk, lower-return direct lending strategies. As private credit has moved beyond a niche asset class, it is facing a real test amid concerns about credit quality, overexposure to software companies, and a liquidity mismatch between the vehicles retail investors use to access private credit and those vehicles' underlying loans. Staff are watching for further signs of stress as risk metrics like defaults and non-accruals have trended higher in recent quarters.

Income Opportunities: This sub-portfolio has been a detractor to performance across all time periods. Staff deprioritized new investments in this sub-portfolio, and future activities will likely focus on opportunities adjacent to infrastructure or private credit that don't fit within those benchmarks.

LOOKING FORWARD

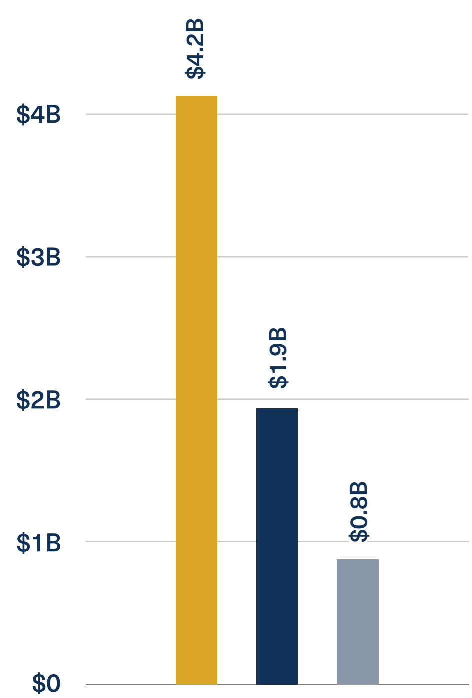
The Private Income portfolio's target asset allocation was reduced from 10% to 9% for FY27, during the Board of Trustees' annual Investment Policy Statement review, effective July 1, 2026. Within infrastructure, the team plans to remain selective by investing in assets that exhibit strong demand and inflation-protection characteristics, with an avenue for growth and value creation to drive strong capital appreciation. Within Private Credit, the team is committed to investing alongside top-tier managers who provide loans to quality middle-market borrowers, mainly in the U.S. Overall, the portfolio remains well-positioned to navigate a range of market scenarios.

> **"Private Income's long-term performance remains attractive, even as near-term results reflect volatility in equity investments and more competitive conditions in direct lending. By remaining disciplined and highly selective in our manager and asset selection, we believe the portfolio is well positioned to generate attractive risk-adjusted returns across market cycles."**

Ross Alexander
Senior Portfolio Manager - Private Income

PRIVATE INCOME PORTFOLIO BY ASSET TYPE

$6.9B | IN BILLIONS



Infrastructure	$4.2B | 61%
Private Credit	$1.9B | 27%
Income Opportunities	$0.8B | 12%

ABSOLUTE RETURN

CONSISTENCY & DIVERSIFICATION

$7.3B As of June 30, 2026

7% Target FY26 Asset Allocation

AT A GLANCE

Purpose in the total portfolio
Delivers steady, uncorrelated returns and diversification

How it is managed
Through 18 external hedge fund managers across multiple strategies

Why it matters for Alaskans
The portfolio reduces overall Fund volatility and provides uncorrelated returns

THE ROLE OF ABSOLUTE RETURN IN THE PERMANENT FUND

The portfolio serves as a critical diversifier, providing returns that differ from the Permanent Fund's equity and fixed income allocations. The portfolio is sized to make a meaningful contribution to the Fund's overall performance while generating consistent, uncorrelated returns. In an environment where public equities and fixed income can move in tandem during periods of stress, the portfolio provides meaningful downside protection.

APPROACH & PERFORMANCE

Absolute Return is organized across a set of beta-neutral strategies that target returns with minimal correlation to broader markets. The portfolio is relatively concentrated while seeking to maximize diversification across strategy styles and sources of return, including macro strategies that capitalize on global economic trends and market-neutral strategies.

APFC's Absolute Return portfolio outperformed its benchmark across all reported time periods, including 1-, 3-, and 5-year returns. Over the past 5 years, it returned 8.97% compared to its benchmark of 3.88%. For FY26, the portfolio returned 12.94% vs. 12.05% for the benchmark.

During FY26, markets experienced healthy dispersion and volatility amid the overarching theme of AI-driven economic expansion and higher interest rates. In addition, the period was characterized by several geopolitical events and macroeconomic uncertainty. All of this resulted in a constructive environment for hedge funds, with most strategies contributing positively and the portfolio generating positive returns. The only exception was the commodities-focused strategies, which detracted slightly due to significant reversals across their main sub-components. Another small headwind to relative performance stemmed from underexposure to trend-following strategies, which performed strongly during the period.

How success is measured: APFC evaluates the Absolute Return portfolio against a custom benchmark that equally blends two indices: one focused on macro strategies and the other on market-neutral equity strategies.

1991
RIG SUNSET
DEADHORSE

LOOKING FORWARD

The Absolute Return portfolio's target asset allocation was increased from 7% to 8% for FY27 during the Board of Trustees' annual Investment Policy Statement review. This change took effect July 1, 2026. The AI-driven economic expansion will continue to be a source of dispersion and opportunity for years to come. In addition, the 2026 midterm elections could become a significant source of uncertainty. Last but not least, the recently appointed Fed chair is looking to reshape how the bank interacts with the economy and market participants, which could also be another source of volatility. All of these should combine for a productive environment for absolute return strategies.

APFC's outlook for the asset class is constructive, with sufficient volatility and dispersion and accumulated market and economic imbalances that create ample uncertainty.

> **"This past fiscal year provided a fertile environment for absolute return strategies. By maintaining a portfolio of high-quality, beta-neutral managers, we aim to generate consistent, uncorrelated returns that strengthen the Permanent Fund across market cycles."**

Youlian Ninkov
Senior Portfolio Manager - Absolute Return

TACTICAL OPPORTUNITIES

HIGH CONVICTION INVESTMENTS

$1.1B As of June 30, 2026

1% Target FY26 Asset Allocation

AT A GLANCE

Purpose in the total portfolio
Pursue opportunistic investments and enhance long-term returns through a flexible mandate

How it is managed
Directed by the Chief Investment Officer as compelling opportunities arise

Why it matters for Alaskans
Provides APFC with the flexibility to pursue high-conviction investments that can enhance returns and diversification

THE ROLE OF TACTICAL OPPORTUNITIES IN THE PERMANENT FUND

While most asset classes operate within defined investment parameters, the Tactical Opportunities portfolio allows APFC to respond to unique investments that may emerge across markets, sectors, or investment structures. This flexibility can be particularly valuable during periods of market disruption, economic transition, or changing investment landscapes. The portfolio is flexible and innovative, and unlike traditional asset classes, it is not constrained by predefined sectors, geographies, or investment structures, allowing APFC to invest where it sees the greatest potential value.

APPROACH

The Tactical Opportunities portfolio is managed with a focus on identifying investments that offer attractive long-term return potential relative to risk. Investments are evaluated using the same discipline and risk management processes applied throughout the broader Fund. By maintaining a selective approach, the portfolio aims to generate differentiated returns while complementing the Fund's overall investment objectives.

SUNRISE OVER THE BERING SEA, NEAR NOME

PERFORMANCE

The Tactical Opportunities portfolio returned 25.55% in FY26, outperforming the benchmark of 22.32%. Over the 3-year period, the portfolio returned 22.96% vs. the benchmark of 20.61%. This strong performance was driven by positive performance in underlying public and private investments that have been closed to date. Investments made during the fiscal year generally performed well, including Pardee Resources, where APFC became the company's largest institutional shareholder. The stock appreciated significantly near year-end following the announcement of a major asset sale at a strong valuation, with proceeds equal to nearly one-third of the company's market capitalization.

How success is measured: APFC benchmarks the Tactical Opportunities portfolio against the S&P 500 while managing the portfolio with greater flexibility.

LOOKING FORWARD

The target asset allocation for Tactical Opportunities remains at 1% for FY27, as determined by the Board of Trustees' annual Investment Policy Statement review, effective July 1, 2026. The investment team plans to remain patient, maintaining passive index exposure until compelling opportunities emerge. In private markets, the team will continue to evaluate complex or out-of-favor investments, situations with motivated or distressed sellers, and structures with attractive asymmetric risk-return profiles.

In public markets, the team focuses on underfollowed companies with limited analyst coverage and on businesses whose underlying hard-asset value may not be fully reflected in their stock prices. These characteristics may also offer resilience in inflationary environments. Through this selective approach, the portfolio will continue to provide APFC with the flexibility to pursue opportunistic investments across changing market conditions.

> **"Although markets have experienced limited distress since Tactical Opportunities launched three years ago, we have identified select opportunities across both public and private markets that have added value relative to the hard-to-beat S&P 500 benchmark. Just as important, we have remained disciplined by keeping most of the portfolio in passive index exposure and moving into active investments only when a truly compelling opportunity presents itself."**

Marcus Frampton
Chief Investment Officer

CASH

ESSENTIAL LIQUIDITY

$2.0B As of June 30, 2026

1% Target FY26 Asset Allocation

AT A GLANCE

Purpose in the total portfolio
Provide liquidity, capital preservation, and operational flexibility

How it is managed
Internally and externally managed by APFC through high-quality short-term securities

Why it matters for Alaskans
Supports the Fund's ability to meet obligations

THE ROLE OF CASH IN THE PERMANENT FUND

While the Cash portfolio is not intended to be a significant driver of long-term returns, it provides the flexibility needed to support capital commitments, portfolio rebalancing, and operational requirements. The Cash portfolio also provides liquidity for transfers to the state's unrestricted general fund, supporting the PFD and government services through the annual POMV draw.

APPROACH & PERFORMANCE

APFC manages the Cash portfolio conservatively. The portfolio primarily consists of short-term, high-quality investments, including U.S. Treasury securities, agency securities, money markets, and other cash equivalents.

In FY26, the portfolio returned 3.93%, outperforming its benchmark of 3.84%. The Cash portfolio benefited from a favorable rate environment and a higher allocation to internally managed assets, which provided a more cost-efficient implementation of this strategy while maintaining essential liquidity. Maintaining flexibility above the 1% target helped APFC manage market volatility and remain prepared to act on investment opportunities.

How success is measured: APFC aims to achieve a return on the Cash portfolio like the 90-day Treasury bill rate while maintaining a strong emphasis on capital preservation and liquidity.

1989
ALASKA RAILROAD
TRAIN CAR

LOOKING FORWARD

The Cash portfolio's target asset allocation remains at 1% for FY27, as determined by the Board of Trustees' annual Investment Policy Statement review, effective July 1, 2026. The Cash portfolio will continue to play an important supporting role within the Alaska Permanent Fund. As market conditions evolve, maintaining adequate liquidity is essential to supporting the Fund's long-term investment strategy.

> **"Cash is a fundamental component of the portfolio, providing liquidity and stability in a dynamic investment environment. By maintaining a well-managed cash position, we can better navigate market volatility, respond quickly to changing conditions, and capitalize on investment opportunities as they emerge."**

Valeria Martinez
Director of Investments - Cash Portfolio

INTERN SPOTLIGHT

APFC's internship program provides real-world experience in finance and investments for Alaskan students with one of the world's largest sovereign wealth funds.

The program gives young Alaskans meaningful early career experience in finance and investment management. Many former interns have gone on to careers in finance, investment, and public service, with some returning to APFC as staff members and Trustees. Interns are selected through an application-based process and placed either at APFC's headquarters in Juneau or with one of APFC's external investment partners. Students support real projects, learn from experienced professionals, and explore career paths in investment management, economics, data science, financial operations, and related fields.

INSIDE APFC'S INTERNAL INTERNSHIP PROGRAM

In 2026, APFC welcomed two interns to its Juneau office with the Finance and Investments teams. Their work provided close-up exposure to the financial, analytical, and operational responsibilities involved in managing the Fund.

EXPERIENCE ACROSS THE INDUSTRY WITH EXTERNAL PARTNERS

Through APFC's external internship program, students worked with APFC's external partners at Denali Advisors and L&B Realty Advisors, gaining practical experience.

LEARN FROM EXPERTS AT APFC

BECOME AN INTERN

APFC's internship program is open to students enrolled full-time at an Alaska university, as well as Alaska residents attending college or university outside the state. Recent graduates are also encouraged to apply. Applications generally open in late fall for the following summer's internship opportunities.

NORTHERN LIGHTS
OVER JUNEAU

JOSIAH NYMAN
APFC Investments Intern

Stevens Institute of Technology, Bachelor of Science in Quantitative Finance

Josiah Nyman worked with CIO Frampton on research supporting APFC's globally diversified portfolio. His projects included Fixed Income data analysis and comparing Private Equity portfolio companies with public-market peers.

> **"I feel fortunate to have worked with Marcus and the rest of the investment team. I had the opportunity to learn from people across APFC about their respective asset classes and the different perspectives they bring to managing the Fund."**

Josiah Nyman

KIAN FLYNN
APFC Finance Intern

University of Michigan, Bachelor of Business Administration

Kian Flynn interned with APFC's Finance team, where he worked directly with the financial and accounting processes that support the management of the Fund. During the internship, he worked on performance and management fee analysis to help the Finance team more accurately reconcile fund values and measure performance.

> **"One of the things that stood out to me is that everyone here is working toward the same purpose—serving Alaskans. This internship confirmed that I want to do work where I can use my skills with that kind of purpose behind it."**

Kian Flynn

LEONARD MLACNIK
Denali Advisors, LLC, Intern

Colorado School of Mines, Bachelor of Science in Applied Mathematics

Leo Mlacnik returned for a second year with Denali Advisors, where he supported the development of a new private credit dashboard that compared publicly and privately traded assets to automate weekly updates, reducing manual preparation and review time for the team.

> **"Returning to intern for Denali allowed me to continue developing the skills and lessons I had learned in my first year and the experience strengthened my passion for quantitative investing."**

Leo Mlacnik

BENNETT MAIN
L&B Realty Advisors Intern

University of Michigan, pursuing a Bachelor of Arts in Economics

Bennett Main completed his internship with L&B Realty Advisors, supporting acquisitions, asset management, and portfolio management. During the internship, Bennett participated in an asset review at Tysons Corner Center, where he evaluated performance, progress, and future strategy, giving him insight into institutional portfolio oversight.

> **"My summer internship deepened my passion for real estate, strengthened my skills, and gave me meaningful relationships that I'm proud to carry forward."**

Bennett Main

MANAGEMENT & PERFORMANCE FEES

MANAGEMENT FEES

Total investment management fees for FY26 were $516.6 million, representing 0.55% of the $93.8 billion in assets under management as of June 30, 2026, including funds for the Alaska Mental Health Trust Authority and the Power Cost Equalization Endowment Fund.

APFC uses three methods for tracking and paying management fees:

$384.5M

41 Basis Points

Fees Funded by Investments

Fees are retained by the investment manager from assets under its management before the net profit is distributed back to the Fund. These fees are not included in the annual APFC investment management fee appropriation in the state's operating budget.

$108.4M

12 Basis Points

Fees Funded by Investment Management Appropriation

Fees based on the value of assets under management, contractual fee terms for external management, and internal costs associated with effective portfolio management including investment systems, due diligence, and custody fees. These fees are funded through APFC's investment management fee appropriation in the state's operating budget.

$23.7M

2 Basis Points

Fees Funded by APFC Operations Appropriation

The Corporation's operating expenses, including personal services, travel, contractual services, commodities, and equipment, are directly related to the management of all assets in the portfolio. These costs are funded through APFC's operations appropriation in the state's operating budget.

PERFORMANCE FEES

Total investment performance fees for FY26 were $487.4 million (52 basis points) of the $93.8 billion in assets under management as of June 30, 2026. Performance fees are results-based payments to external managers when investment returns exceed agreed benchmarks. Higher performance fees indicate that the Fund has delivered returns well above expectations. Public-market performance fees are generally paid through appropriation, while private-market fees are typically deducted from investment returns.

FINANCIAL STATEMENTS

1964
JUNEAU
FEDERAL
BUILDING

KPMG
Suite 200
3800 Centerpoint Drive
Anchorage, AK 99503

Independent Auditors' Report

The Board of Trustees
Alaska Permanent Fund Corporation:

Opinion

We have audited the accompanying balance sheets of the Alaska Permanent Fund (the Fund), a governmental fund of the State of Alaska, as of June 30, 2026 and 2025, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund, as of June 30, 2026 and 2025, and the changes in its financial position for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements present only the Alaska Permanent Fund and do not purport to, and do not, present fairly the financial position of the State of Alaska, as of June 30, 2026 and 2025, or the changes in its financial position for the years then ended in accordance with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Anchorage, Alaska
September 2, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Unaudited

This Management's Discussion and Analysis (MD&A) of the Alaska Permanent Fund Corporation (APFC) provides an overview and analysis of the financial activities of the Alaska Permanent Fund (Fund) for the fiscal years ended June 30, 2026 and June 30, 2025. The MD&A is intended to assist readers in understanding the Fund's financial position, results of operations, and significant changes from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion should be read in conjunction with the accompanying financial statements and notes. The financial statements include the Balance Sheets; Statements of Revenues, Expenditures and Changes in Fund Balances; and Notes to the Financial Statements. The Balance Sheets present the Fund's financial position at year-end, while the Statements of Revenues, Expenditures and Changes in Fund Balances explain how the Fund's financial position changed during the fiscal year by reporting the revenues and expenditures that affected fund balance. Together, these statements provide complementary information about the Fund's financial condition at year-end and its operating results for the year. The Notes to the Financial Statements provide additional information and context necessary to understand the amounts reported in the financial statements. This MD&A highlights significant financial trends and events that affected the Fund during the fiscal year and discusses currently known facts, decisions, and conditions that may influence future financial results.

FINANCIAL SUMMARY

The volatility in public markets experienced in the prior fiscal year continued through June 30, 2026. The Fund ended the fiscal year (FY) at a total return of 12.42 percent. This represents a significant increase from the total return for FY2025 of 9.35 percent and is much higher than the median projection of 7.60 percent. The Fund underperformed the performance benchmark by 48 basis points in FY2026 and outperformed the performance benchmark by six basis points in FY2025. The biggest contributor to total fund performance for both FY2026 and FY2025 was the public equity asset class with returns of 23.90 percent and 16.09 percent, respectively.

FY2026's excess of revenues over expenditures was $10.1 billion. As with total return, this is a significant increase from the excess of revenues over expenditures of $7.8 billion and $5.5 billion experienced in FY2025 and FY2024, respectively.

Fund balance increased by $6.8 billion in FY2026 and $4.6 billion in FY2025. The larger increase in FY2026 was largely driven by an increase of 38 percent to the net increase in the fair value of investments, which went from $6.0 billion in FY2025 to $8.3 billion in FY2026.

During FY2018, legislation was passed which, subject to appropriation, provides for a transfer from the Earnings Reserve Account to the General Fund to help balance the State's budget. The amount of the transfer is based upon a percentage of the average market value of the Fund at the end of the first five of the preceding six fiscal years. The funding for the Alaska Permanent Fund dividend is then transferred from the General Fund. The June 30, 2026 balance sheet reflects a $4.0 billion commitment of fund balance for the appropriation to be transferred to the General Fund in FY2027. The June 30, 2025 balance sheet reflects a $3.8 billion commitment of fund balance for the appropriation that was transferred to the General Fund in FY2026.

The portion of dedicated State of Alaska revenues deposited into the Principal (or "corpus") of the Fund is based on mineral prices and production. In FY2026, this amount came in at $535 million. Deposits recorded in FY2025 were $489 million.

The table below shows comparative balances for key financial metrics as of and for the years ended June 30, 2026 and 2025:

	June 30, 2026	2025	Net change	Percent
Total Assets	**$ 98,228,957,000**	90,057,471,000	8,171,486,000	9%
Total Liabilities	**6,327,953,000**	4,957,600,000	1,370,353,000	28%
Total Fund Balance	**91,901,004,000**	85,099,871,000	6,801,133,000	8%
Total Revenue	**10,290,230,000**	8,000,002,000	2,290,228,000	29%
Total Expenditures	**(184,151,000)**	(163,033,000)	(21,118,000)	13%
Other Financing Sources	**535,039,000**	488,723,000	46,316,000	9%
Other Financing Uses	**(3,839,985,000)**	(3,688,590,000)	(151,395,000)	4%
Change in Fund Balance	**6,801,133,000**	4,637,102,000	2,164,031,000	47%

The biggest driver of the change in total assets is the net increase/decrease in the fair value of investments. The Fund experienced a total return of 12.42 percent, which, when netted with the net outflows during the year, caused a 9 percent increase in total assets.

Cash collateral held by the Fund related to public securities out on loan makes up the largest liability balance. This amount fluctuates on a daily basis depending on the amount and type of collateral on hand and can be volatile. This balance increased by $751 million during FY2026 and was the largest contributor to the 28 percent increase in total liabilities.

Total fund balance increases by the excess of revenues over expenditures recorded during the year net of cash inflows (mineral royalties) and outflows to the General Fund. The $6.8 billion increase during FY2026 is consistent with the excess of revenues over expenditures of $10.1 billion and net cash outflows of $3.3 billion.

Total revenue consists of cash flow income and the change in fair value of investments. While cash flow income is relatively stable from one year to the next, change in fair value is recorded with movements in the markets and is typically volatile. During FY2026, the change in fair value was 38 percent higher than in FY2025, contributing to the 29 percent increase in total revenue.

Operating expenditures tend to increase slightly over time with the exception of investment management fees. These management fees are largely for externally managed public equity portfolios and are based upon the market value of the securities under management. As asset values change, fees will increase or decrease accordingly. The positive returns experienced in the public equity asset class during FY2026 is the primary cause for the 13 percent increase in expenditures.

Other financing sources consists of mineral royalties that are deposited into the Fund as required in the Alaska Constitution and Statutes. This amount fluctuates with the price and production of oil.

There are two main categories of other financing uses – transfers of realized earnings to the Alaska Capital Income Fund (ACIF) as required in Alaska Statute and transfers to the State of Alaska General Fund under the Percent of Market Value (POMV) construct. The small increase in other financing uses for FY2026 was due to the increase in the POMV transfer caused by the increase in fund value over time.

Changes in fund balance are the cumulative effect of all changes outlined above. The primary driver of the $2.2 billion increase is the higher total revenue for FY2026 over FY2025.

DETAILED ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

Financial Position

The value of the Fund's assets, excluding securities lending collateral, increased by $7.4 billion between June 30, 2026 and June 30, 2025. The value of the Fund's assets is most significantly impacted by investment performance. Comparative performance for each asset class is shown below:

	FY2026	FY2025
Public equities	**23.90%**	16.09%
Fixed income	**4.24%**	6.67%
Private equity	**10.45%**	4.13%
Real estate	**2.58%**	1.57%
Private income	**7.01%**	11.50%
Absolute return	**12.94%**	10.18%
Tactical opportunities	**25.55%**	13.07%
Cash	**3.93%**	4.65%
TOTAL FUND	**12.42%**	9.35%

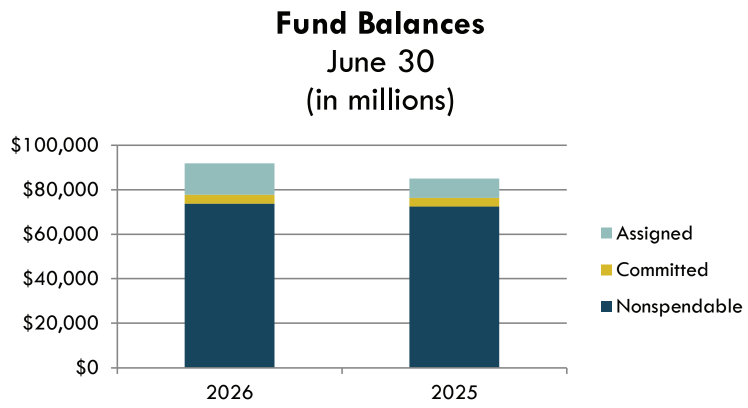
The sole amount due to the State of Alaska at the end of FY2026 and FY2025 is the transfer to the ACIF. This amount is calculated based on realized earnings and was $41 million for FY2026 and $31 million for FY2025. The $10 million increase from the prior year is due to healthier realized returns in FY2026 versus FY2025.

Total fund balance increased by 8 percent, or $6.8 billion, from FY2025 to FY2026, which is consistent with the 12.42 percent total return for the year and the net transfers out of the Fund. Components of this increase were bond interest, stock dividends, and cash flow income from other investments totaling $2.0 billion, a net increase in the fair value of investments of $8.3 billion, and dedicated mineral deposits of $535 million offset by operating expenses and other appropriations of $184 million, the General Fund transfer of $3.8 billion, and the ACIF transfer of $41 million.

In comparison, total fund balance increased by 6 percent, or $4.6 billion, from FY2024 to FY2025 which is consistent with the 9.35 percent total return for the year and the net transfers out of the Fund. Components of this increase were bond interest, stock dividends, and cash flow income from other investments totaling $2.0 billion, a net increase in the fair value of investments of $6.0 billion, and dedicated mineral deposits of $489 million offset by operating expenses and other appropriations of $163 million, the General Fund transfer of $3.7 billion, and the ACIF transfer of $31 million.

The table below shows comparative balances for the components of fund balance as of June 30, 2026 and 2025:

Balance Sheets	June 30, 2026	June 30, 2025	Net change	Percent
Fund balances				
Nonspendable:				
Permanent Fund corpus contributions and appropriations	**$ 59,389,557,000**	58,854,517,000	535,040,000	1%
Unrealized appreciation on invested assets	**14,354,252,000**	13,642,208,000	712,044,000	5%
Total nonspendable	**73,743,809,000**	72,496,725,000	1,247,084,000	2%
Committed:				
General Fund appropriation	**3,996,865,000**	3,798,888,000	197,977,000	5%
Total committed	**3,996,865,000**	3,798,888,000	197,977,000	5%
Assigned for future appropriations:				
Realized earnings	**10,626,027,000**	6,432,637,000	4,193,390,000	65%
Unrealized appreciation on invested assets	**3,534,303,000**	2,371,621,000	1,162,682,000	49%
Total assigned	**14,160,330,000**	8,804,258,000	5,356,072,000	61%
Total fund balances	**$ 91,901,004,000**	85,099,871,000	6,801,133,000	8%



The largest category of fund balance is nonspendable (80 percent and 85 percent as of years ended 2026 and 2025, respectively), which is not available for government appropriation by the State of Alaska.

Committed fund balance (4 percent as of years ended 2026 and 2025) represents amounts that have been signed into law before the end of the fiscal year for transfer to another account or for another purpose during the subsequent fiscal year. In both years, this includes the Percent of Market Value transfer from the Earnings Reserve Account to the General Fund.

The remaining balance (the assigned fund balance) is available for government appropriation. Generally, five factors contribute significantly to changes in the assigned fund balance: investment cash flow income including transactional realized gains and losses (statutory net income); the State of Alaska General Fund transfer; inflation proofing (a transfer of assets from the assigned to the nonspendable fund balance); special appropriations out of the Earnings Reserve Account; and the change in unrealized gains and losses allocated to the assigned fund balance.

During FY2026, the amounts contributing to the net increase of approximately $5.4 billion in the assigned fund balance were:

(i) realized income of $8.2 billion
(ii) the commitment of $4.0 billion for transfer to the General Fund
(iii) the liability to the Alaska Capital Income Fund of $41 million
(iv) the allocation of a portion of unrealized gains and losses, which increased from FY2025 to FY2026 by $1.2 billion, to a balance of $3.5 billion.

Results of Operations

During FY2026, cash flow revenue from interest, dividends, real estate, and other sources was slightly higher than FY2025 levels at $169 million per month on average versus $166 million per month for FY2025. Cash flow income for both FY2026 and FY2025 was higher than the average in FY2024 of $138 million.

The change in the fair value of investments increased by 38 percent from $6.0 billion in FY2025 to $8.3 billion in FY2026 due to strong market performance during the year. FY2025's change in the fair value of investments was a 51 percent increase from $4.0 billion in FY2024.

Operating expenditures increased from FY2025 to FY2026 by 14 percent and from FY2024 to FY2025 by 4 percent. The volatility between years is mainly caused by fluctuations in amounts paid in investment management fees. Investment management fees depend upon the value of assets under management by external managers and their performance relative to their benchmarks. Market volatility and changes to asset allocation cause fees to fluctuate.

Transfers in of dedicated State revenues increased from FY2025 to FY2026 by 9 percent ($46 million), totaling $535 million in FY2026 compared to $489 million in FY2025. These transfers totaled $533 million in FY2024. The Alaska Constitution requires that at least 25 percent of mineral royalties and related payments received by the State be transferred to the Permanent Fund. State statutes mandate an additional 25 percent on select leases be deposited. Amounts collected are dependent upon production and mineral pricing. Transfers in of dedicated State revenues under these statutes are subject to legislative appropriation.

Transfers out of the Fund are for two purposes: 1) an appropriation to the General Fund and 2) an appropriation to the ACIF. The General Fund and ACIF transfers are subject to legislative appropriation. The total transfer amount is shown as committed fund balance at the end of the year in which the appropriation is made, and the commitment is released when the transfers are made. The ACIF transfer is based on realized earnings for only one year; it is not averaged over multiple years. ACIF realized earnings of $41 million in FY2026 and $31 million in FY2025. The earnings for FY2024 were $24 million.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The market value of, and earnings from, the Fund's assets are directly impacted by the volatility of the financial markets, as well as investment decisions made by the Trustees, internal Fund management, and external Fund investment managers. Diversification of asset allocation and investments within each allocation are intended to mitigate the risk of volatility of the financial markets.

The APFC, as a component unit of the State of Alaska, is subject to legislative changes that govern the APFC and the Fund. All transfers out of the Fund, including corporate operating expenses, are subject to legislative appropriation. APFC's operating budget must be approved by the Legislature and Governor each year.

This financial report provides an overview of the Alaska Permanent Fund's ending fund balances and fiscal year financial activities. The report does not include any other funds owned or managed by the State of Alaska or the Alaska Permanent Fund Corporation. Given the inherent volatility of financial markets, Fund values and income will vary significantly from period to period. For current and historical information on the Fund, please visit www.apfc.org, or send specific information requests to contact@apfc.org or by mail to the Alaska Permanent Fund Corporation at 801 West 10th Street, Suite 302, Juneau, Alaska 99801.

Alaska Permanent Fund

Balance Sheets

		June 30,	
		2026	**2025**
Assets			
Cash and temporary investments	$	**3,644,691,000**	3,797,281,000
Receivables and other assets		**1,694,522,000**	689,898,000
Investments:			
Marketable debt securities		**18,378,149,000**	15,987,472,000
Preferred and common stock		**32,500,026,000**	28,373,005,000
Real estate		**8,275,904,000**	9,292,029,000
Absolute return		**7,200,631,000**	5,836,798,000
Private credit		**2,650,992,000**	2,760,821,000
Private equity		**15,026,903,000**	14,875,225,000
Infrastructure		**4,089,145,000**	4,428,240,000
Total investments		**88,121,750,000**	81,553,590,000
Securities lending collateral		**4,767,994,000**	4,016,702,000
Total assets	$	**98,228,957,000**	90,057,471,000
Liabilities			
Accounts payable		**1,518,862,000**	909,571,000
Income distributable to the State of Alaska		**41,097,000**	31,327,000
Securities lending collateral		**4,767,994,000**	4,016,702,000
Total liabilities	$	**6,327,953,000**	4,957,600,000
Fund balances			
Nonspendable:			
Permanent Fund corpus - contributions and appropriations		**59,389,557,000**	58,854,517,000
Unrealized appreciation on invested assets		**14,354,252,000**	13,642,208,000
Total nonspendable		**73,743,809,000**	72,496,725,000
Committed:			
General Fund appropriation		**3,996,865,000**	3,798,888,000
Total committed		**3,996,865,000**	3,798,888,000
Assigned for future appropriations:			
Realized earnings		**10,626,027,000**	6,432,637,000
Unrealized appreciation on invested assets		**3,534,303,000**	2,371,621,000
Total assigned		**14,160,330,000**	8,804,258,000
Total fund balances	$	**91,901,004,000**	85,099,871,000
Total liabilities and fund balances	$	**98,228,957,000**	90,057,471,000

See accompanying notes to the financial statements.

Alaska Permanent Fund

Statements of Revenues, Expenditures and Changes in Fund Balances

	Years Ended June 30,	
	2026	**2025**
Revenues		
Interest	$ **761,406,000**	677,324,000
Dividends	**564,562,000**	617,716,000
Real estate and other income	**704,028,000**	702,046,000
Total interest, dividends, real estate and other income	**2,029,996,000**	1,997,086,000
Net increase (decrease) in the fair value of investments:		
Marketable debt securities	**(49,030,000)**	505,167,000
Preferred and common stock	**6,092,859,000**	3,963,444,000
Real estate	**(157,429,000)**	44,996,000
Absolute return	**862,544,000**	432,719,000
Private credit	**18,029,000**	56,316,000
Private equity	**1,197,215,000**	785,273,000
Infrastructure	**245,346,000**	544,319,000
Foreign currency forward exchange contracts and futures	**149,164,000**	(99,624,000)
Currency	**(98,464,000)**	(229,694,000)
Total net increase in the fair value of investments	**8,260,234,000**	6,002,916,000
Total revenues	$ **10,290,230,000**	8,000,002,000
Expenditures		
Operating expenditures	**(173,283,000)**	(152,630,000)
Other legislative appropriations	**(10,868,000)**	(10,403,000)
Total expenditures	$ **(184,151,000)**	(163,033,000)
Excess of revenues over expenditures	**10,106,079,000**	7,836,969,000
Other financing sources (uses)		
Transfers in - dedicated State revenues	**535,039,000**	488,723,000
Transfers out - appropriations	**(3,839,985,000)**	(3,688,590,000)
Net change in fund balances	$ **6,801,133,000**	4,637,102,000
Fund balances		
Beginning of period	**85,099,871,000**	80,462,769,000
End of period	$ **91,901,004,000**	85,099,871,000

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2026 and 2025

1. ENTITY

The Constitution of the State of Alaska (State) was amended by public referendum in 1976 to dedicate a portion of certain natural resource revenues to the Alaska Permanent Fund (Fund). Contributions to the Fund are to be invested in income-producing investments in accordance with the prudent investor rule. In 1980, the Alaska State Legislature (Legislature) established the Alaska Permanent Fund Corporation (APFC), a State governmental instrumentality within the Department of Revenue, to manage and invest Fund assets. The APFC is managed by a six-member board of trustees ("Trustees" or "Board") consisting of the Commissioner of Revenue, one other head of a principal state department, and four public members with recognized competence and experience in finance, investments, or other business management related fields. The Governor appoints the public members to staggered four-year terms and can remove public members only for cause. The Board employs an executive director who, in turn, employs additional staff as necessary. The Fund's assets are diversified across a wide variety of investments in accordance with statutes, regulations, and the APFC investment policy. The Fund's investment performance is generally related to the success of the financial markets. While diversification aims to mitigate volatility, significant period to period fluctuations in investment performance may occur.

By annual appropriation, the APFC transfers (i) a portion of the Fund's realized earnings to the State's General Fund, (ii) a portion of realized earnings sufficient to offset the effect of inflation on contributions and appropriations to the nonspendable balance of the Fund, (iii) realized earnings on the balance of the North Slope royalty case settlement money (*State v. Amerada Hess, et al.*) to the Alaska Capital Income Fund (ACIF), and (iv) any special appropriations authorized by the Legislature and the Governor. The remaining balance of the Fund's realized earnings (referred to in Alaska Statute as the Earnings Reserve Account) is held in the assigned fund balance by the APFC and is subject to appropriation by the Legislature. The nonspendable fund balance (referred to in the Alaska Constitution as the Principal) includes the historical cost basis of contributions and appropriations. Because the Alaska Constitution specifies that the Principal can only be used for income-producing investments, it is unavailable for appropriation by the Legislature. Unrealized gains and losses (appreciation/depreciation) on Fund assets are allocated proportionately between the Principal and the Earnings Reserve Account. The unrealized amounts allocated to contributions and appropriations are considered a component of the Principal and are nonspendable until they become realized, at which point they are transferred to the Earnings Reserve Account in the assigned (realized earnings) fund balance. All assets are aggregated for investment purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Fund's financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. In preparing the financial statements, APFC management is required to make estimates and assumptions as of the date of the balance sheet that affect the reported amounts of assets and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses for the period. The fair value of real estate, private credit, private equity, and infrastructure investments, and the related unrealized gains and losses thereon, are particularly sensitive estimates. Actual results could differ from those estimates.

Cash and temporary investments

The amounts shown on the balance sheets as cash and temporary investments include cash on deposit at the custodian bank, cash swept to overnight investment funds, cash collateral held at derivatives brokers, U.S. Treasury bills, commercial paper, and the net fair value of foreign exchange forward contracts. The APFC's asset allocation includes approximately one percent in cash. The APFC investment policy specifies that funds dedicated to this portion of the asset allocation will be invested in money market funds or fixed income securities with weighted average maturities of no greater than 24 months.

Forward exchange contracts

Fund managers enter into a variety of forward currency contracts in their trading activities and management of foreign currency exchange rate risk exposure. These contracts are typically intended to neutralize the effect of foreign currency fluctuations and the contract amounts do not appear on the balance sheet. Realized gains and losses are included in the net increase/decrease in the fair value of investments at the time the contract is settled and determined based on the difference between the contract rate and the market rate at the time of maturity or closing. Unrealized gains and losses are also included in the net increase/decrease in the fair value of investments and are calculated based on the difference between the contract rate and a forward market rate determined as of the balance sheet date.

A portion of the investment in forward exchange contracts is intended to manage, rather than neutralize, foreign currency fluctuations. Certain managers seek to control the effect of fluctuations in foreign exchange rates within their overall portfolio strategy rather than on a security-by-security basis. They attempt to optimize their foreign currency exposure in a market rather than accept the natural geographical exposure to the market's currency.

Futures

Certain equity and fixed income managers for the Fund are permitted to buy and sell equity and interest rate index futures. The gross contract amounts and fair value of futures do not appear in the balance sheets. The net unrealized gain or loss on open futures trades is included in investments on the balance sheets based on the difference between the future's purchase price and the current value of such futures. Realized gains and losses on futures are included in the net increase/decrease in the fair value of investments at the time the futures contract expires. The net change in unrealized gains and losses is also included in the net increase/decrease in the fair value of investments.

Investments and related policies

Carrying value of investments

The Fund considers all of its ownership interests in securities and other assets to be investments because they are held for the purpose of income or profit and have a present service capacity based solely on their ability to generate cash or be sold to generate cash. Investments are reported at fair value in the financial statements. Investments without a readily determinable fair value are generally reported at the net asset value per share (or its equivalent) of the investment. Securities transactions are recorded on the trade date that securities are purchased or sold. Unrealized gains and losses are reported as components of net change in fund balance.

State investment regulations

In accordance with Alaska Statute 37.13.120(a), the Trustees have adopted regulations designating the types of assets eligible for Fund investment. The regulations follow the prudent investor rule, requiring the exercise of judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the Fund over time while maximizing the expected total return from both income and the appreciation of capital.

Investment policy – Asset allocation

The Trustees have established a long-term goal of achieving a five percent real rate of return over time on the Fund's investment portfolio. To help achieve this goal, the Trustees allocate the Fund's investments among various asset classes. At June 30, 2026, the APFC's strategic asset allocation targets were as follows:

Asset class	Asset class target
Public equities	32%
Fixed income	20%
Private equity	18%
Real estate	11%
Private income	10%
Absolute return	7%
Tactical opportunities	1%
Cash	1%

To allow for market fluctuations and to minimize transaction costs, the Trustees have adopted ranges that permit percentage deviations from the strategic asset allocation targets in accordance with specified reporting requirements and other procedures. Generally, for each asset class, the APFC's Chief Investment Officer has discretionary authority to permit target deviations within one specified range (referred to as the "green zone" in the APFC investment policy), the APFC's Executive Director can approve target deviations for up to 90 days within a broader range (the "yellow zone"), and the Board can approve operating for longer than 30 days within a third range (the "red zone"). For example, the target dollar allocation for the public equities class is 32 percent, with the green zone range set at plus or minus five percent, the yellow zone range set at zero to five percent beyond the green zone, and the red zone range set at greater than five percent beyond the green zone. In a similar manner, the APFC investment policy also requires the APFC to monitor relative risk (the expected investment portfolio's risk and return relative to the risk benchmark using standard industry risk measures), active budget risk (risk due to active management decisions made by managers), and limits on private investments and future commitments.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributable to holding investments from a single issuer. The APFC manages the Fund's concentration of credit risk by following its strategic asset allocation policy, diversifying investments among managers with varying investment styles and mandates, and monitoring tracking error. Tracking error is a measure of how closely a portfolio follows the index to which it is benchmarked. The APFC's policy for mitigating this risk of loss for fixed income and equity investments is to ensure compliance with the APFC investment policy and investment manager contracts. There is no single-issuer exposure within the APFC portfolio that comprises five percent or more of the overall portfolio. Therefore, no concentration of credit risk is reported in the Notes to the Financial Statements.

Credit risk

Credit risk is the risk that an issuer or other counterparty to a marketable debt investment will not fulfill its obligations. The APFC requires that its investment grade fixed income managers invest in domestic and non-domestic bonds that have an explicit or implied investment grade rating. Should the required ratings on an existing fixed income security fall below the minimum standards, the security must be sold within seven months. Certain high yield investment managers are allowed to invest a specified amount of funds in bonds rated below investment grade.

Custodial credit risk

Custodial credit risk is the risk that in the event of a bank failure the Fund's deposits may not be returned. The APFC generally requires that all investment securities at custodian banks be held in the name of the Fund or the APFC (on behalf of the Fund). For the Fund's non-domestic securities held by most sub-custodians, the APFC's primary custodian provides contractual indemnities against sub-custodial credit risk. Excess cash in custodial accounts is swept daily to a money market fund. Late deposits of cash which miss the money market sweep deadline are deposited into an interest-bearing account at the custodian. These deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times, balances in individual accounts exceed this limit.

Foreign currency risk

Foreign currency risk is the risk of loss from adverse changes in foreign currency exchange rates. Foreign currency risk is managed through foreign currency forward contracts and by diversifying assets into various countries and currencies.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The APFC manages the Fund's exposure to interest rate risk in part through tracking error guidelines set forth in the APFC investment policy.

Duration is an indicator of a portfolio's market sensitivity to changes in interest rates. In general, the major factors affecting duration are, in order of importance, maturity, prepayment frequency, level of market interest rates, size of coupon, and frequency of coupon payments. Rising interest rates generally translate into the value of fixed income investments declining, while falling interest rates are generally associated with increasing value. Effective duration attempts to account for the price sensitivity of a bond to changes in prevailing interest rates, including the effect of embedded options. As an example, for a bond portfolio with a duration of five years, a one percentage point parallel decline in interest rates would result in an approximate price increase on that bond portfolio of five percent.

The Fund held fixed income investments with floating, variable, step, and zero interest rates valued at $2.0 billion at June 30, 2026 and $1.7 billion at June 30, 2025. The current annual interest rates range from 0 to 9.0 percent.

General Fund appropriations

In FY2018, the Legislature passed Senate Bill 26, which created a Percent of Market Value draw on the Earnings Reserve Account for transfer to the General Fund. Alaska Statute 37.13.140 was amended to specify the formula for Percent of Market Value as five percent of the average market value of the Fund as of June 30 for the first five of the preceding six fiscal years, including the fiscal year just ended. The average market value of the Fund includes the Earnings Reserve Account but not the Principal attributed to the settlement of *State v. Amerada Hess, et al.* Transfers out of the Fund are done in accordance with appropriations by the Legislature. The amount appropriated prior to year-end as transferable to the General Fund for the next fiscal year is shown as committed fund balance on the financial statements at June 30.

Inflation proofing

Alaska statutes require that the contributions and appropriations of the Fund be adjusted annually to offset the effect of inflation on the Principal during the fiscal year. Based on advice from the Alaska Department of Law, an annual intra-fund inflation proofing transfer (from the assigned to the nonspendable fund balance) should occur only by legislative appropriation. The APFC measures inflation by (i) computing the percentage change in the averages of the monthly U.S. Consumer Price Index for all urban consumers for the two previous calendar years and (ii) applying that percentage to the total nonspendable fund balance, excluding unrealized gains and losses, at the end of the fiscal year. Using this formula, the inflation proofing rates were 2.63 percent for FY2026 and 2.95 percent for FY2025, resulting in transfer amounts of $1.6 billion and $1.7 billion, respectively. There was no appropriation for inflation proofing for FY2025 or FY2026 so nothing was transferred in either year.

Fund balance

- *Nonspendable Fund balance*
  Nonspendable fund balance includes items that cannot be spent. This includes the corpus of the Permanent Fund and the unrealized gains and losses allocated to it.

- *Committed Fund balance*
  Committed fund balance can only be used for specific purposes subject to constraints imposed by a formal action of the Alaska Legislature, the State's highest level of decision-making authority. This formal action is the passage of a law creating, modifying, or rescinding an appropriation. Earnings Reserve Account amounts appropriated to the General Fund are included in this classification. The commitment is released when the transfer to the General Fund has been made.

- *Assigned Fund balance*
  Assigned fund balance includes amounts that are constrained by the State's intent to be used for a specific purpose but are not committed. The Alaska Legislature is the body authorized by the Alaska Constitution to assign amounts to a specific purpose. Alaska Statute 37.13.020 authorizes the Legislature to assign funds in the Earnings Reserve Account. The Earnings Reserve Account includes realized earnings and the unrealized gains and losses allocated to it.

- *Unrealized gains and losses*
  A State of Alaska Attorney General's Opinion dated June 16, 2009 clarified the accounting treatment of the Fund's unrealized gains and losses by providing that unrealized appreciation or depreciation on invested assets should be allocated proportionately to the Principal and the Earnings Reserve Account.

Transfers in

Contributions from dedicated State revenues are recorded when certain revenues defined by the constitution or by statute and legislative appropriation are received or reported by the Alaska Department of Natural Resources and are available to meet current obligations. Contributions from appropriations and other sources are recorded when received.

Transfers out

Transfers out to other State agencies are recorded when measurable and represent a present obligation to pay.

Income taxes

In the opinion of legal counsel, the Fund should not be subject to U.S. federal income taxation under the doctrine of implied statutory immunity for states because it is an integral part of the State and it performs an essential governmental function with its income, if any, accruing to the State. The Fund may be subject to tax in certain international jurisdictions.

3. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments, which include the market values of foreign currency (FX) and FX forward exchange contracts, are summarized as follows at June 30:

		2026	2025
Cash	$	**369,366,000**	240,230,000
Pooled funds		**1,278,446,000**	1,601,479,000
U.S. Treasury bills		**1,943,013,000**	1,993,359,000
FX forward exchange contracts		**53,866,000**	(37,787,000)
Total cash and temporary investments	$	**3,644,691,000**	3,797,281,000

Uninvested cash was held at the custodian, sub-custodian, or derivatives broker banks, primarily in interest-bearing accounts. All pooled funds were invested in a money market fund. U.S. Treasury bills are explicitly guaranteed by the U.S. government. Late deposits of cash that miss the money market sweep deadline and foreign currency are deposited in an interest-bearing account at the custodian. Cash held outside Bank of New York was $48 million at June 30, 2026 and $85 million at June 30, 2025. Deposit amounts at Bank of New York that exceeded the FDIC insurance limit were $323 million at June 30, 2026 and $152 million at June 30, 2025.

4. RECEIVABLES AND OTHER ASSETS

Receivables and other assets at June 30 are as follows:

		2026	2025
Interest receivable	$	**169,111,000**	141,367,000
Dividends receivable		**70,484,000**	75,076,000
Sales receivable		**1,345,926,000**	404,172,000
Dedicated State revenues receivable		**108,989,000**	69,283,000
Accounts receivable		**12,000**	—
Total receivables and other assets	$	**1,694,522,000**	689,898,000

5. MARKETABLE DEBT SECURITIES

Marketable debt securities categorized by debt instrument type at June 30 are summarized as follows:

2026	Cost	Fair value	Unrealized gains (losses)
Mortgage-backed securities	**$ 3,120,945,000**	**3,071,142,000**	**(49,803,000)**
U.S. Treasury and government notes/bonds	**2,962,307,000**	**2,936,659,000**	**(25,648,000)**
U.S. corporate bonds	**7,885,808,000**	**7,727,934,000**	**(157,874,000)**
U.S. commercial mortgage and asset-backed securities	**845,542,000**	**832,425,000**	**(13,117,000)**
U.S. exchange traded funds	**21,124,000**	**21,201,000**	**77,000**
Non-U.S. government bonds	**2,749,089,000**	**2,667,751,000**	**(81,338,000)**
Non-U.S. corporate bonds	**1,098,881,000**	**1,089,234,000**	**(9,647,000)**
Non-U.S. commercial mortgage and asset-backed securities	**32,441,000**	**31,803,000**	**(638,000)**
Total marketable debt securities	**$ 18,716,137,000**	**18,378,149,000**	**(337,988,000)**

2025			
Mortgage-backed securities	$ 2,675,438,000	2,600,950,000	(74,488,000)
U.S. Treasury and government notes/bonds	2,592,090,000	2,594,136,000	2,046,000
U.S. corporate bonds	6,757,376,000	6,601,598,000	(155,778,000)
U.S. commercial mortgage and asset-backed securities	624,492,000	613,105,000	(11,387,000)
U.S. exchange traded funds	104,077,000	107,620,000	3,543,000
Non-U.S. government bonds	2,201,193,000	2,268,048,000	66,855,000
Non-U.S. corporate bonds	1,167,394,000	1,157,493,000	(9,901,000)
Non-U.S. commercial mortgage and asset-backed securities	19,441,000	19,254,000	(187,000)
Non-U.S. exchange traded funds	24,416,000	25,268,000	852,000
Total marketable debt securities	$ 16,165,917,000	15,987,472,000	(178,445,000)

6. MARKETABLE DEBT CREDIT RATINGS

To manage credit risk for marketable debt securities, the APFC monitors fair values of all securities daily and routinely reviews its investment holdings' credit ratings. For accounts with an investment grade mandate, issues falling below the minimum standards are required to be sold within seven months of the downgrade date. Minimum standards are a Standard & Poor's Corporation rating of BBB or better, or Moody's Investors Service Inc. rating of Baa or better, or a comparable rating by another Nationally Recognized Statistical Rating Organization (NRSRO) or by a recognized rating service in the jurisdiction of the issuer. Accounts with high yield mandates are allowed to hold positions in assets with below investment grade ratings (high yield bonds). For purposes of this note, if credit ratings differ among the NRSROs used, the rating with the highest degree of risk (the lowest rating) is reported. At June 30, the Fund's credit ratings for its marketable debt securities are as follows:

2026 NRSRO quality ratings		Domestic	Non-domestic	Total fair value	Percentage of holdings
AAA	$	730,905,000	272,295,000	1,003,200,000	5.46%
AA		580,972,000	505,979,000	1,086,951,000	5.91%
A		2,151,985,000	925,287,000	3,077,272,000	16.74%
BBB		3,219,527,000	731,543,000	3,951,070,000	21.50%
BB		1,463,718,000	299,376,000	1,763,094,000	9.59%
B		365,997,000	42,023,000	408,020,000	2.22%
CCC		-	450,000	450,000	0.00%
CC		-	-	-	0.00%
C		-	-	-	0.00%
D		-	192,073,000	192,073,000	1.05%
Total fair value rated debt securities	**$**	**8,513,104,000**	**2,969,026,000**	**11,482,130,000**	**62.48%**
Exchange traded funds		21,201,000	-	21,201,000	**0.12%**
Not rated		66,875,000	819,762,000	886,637,000	**4.82%**
U.S. government explicitly backed by the U.S. government		3,666,110,000	-	3,666,110,000	**19.95%**
U.S. government implicitly backed by the U.S. government		2,322,071,000	-	2,322,071,000	**12.63%**
Total fair value debt securities	**$**	**14,589,361,000**	**3,788,788,000**	**18,378,149,000**	**100.00%**

2025 NRSRO quality ratings	Domestic	Non-domestic	Total fair value	Percentage of holdings
AAA	$ 521,134,000	260,564,000	781,698,000	4.89%
AA	399,822,000	529,584,000	929,406,000	5.81%
A	1,952,459,000	429,567,000	2,382,026,000	14.90%
BBB	2,799,952,000	860,329,000	3,660,281,000	22.90%
BB	1,115,906,000	267,625,000	1,383,531,000	8.65%
B	363,243,000	89,203,000	452,446,000	2.83%
CCC	-	729,000	729,000	0.01%
CC	-	-	-	0.00%
C	-	-	-	0.00%
D	-	69,367,000	69,367,000	0.43%
Total fair value rated debt securities	**$ 7,152,516,000**	**2,506,968,000**	**9,659,484,000**	**60.42%**
Exchange traded funds	107,620,000	25,268,000	132,888,000	**0.83%**
Not rated	77,096,000	937,827,000	1,014,923,000	**6.35%**
U.S. government explicitly backed by the U.S. government	3,211,944,000	-	3,211,944,000	**20.09%**
U.S. government implicitly backed by the U.S. government	1,968,233,000	-	1,968,233,000	**12.31%**
Total fair value debt securities	**$ 12,517,409,000**	**3,470,063,000**	**15,987,472,000**	**100.00%**

7. MARKETABLE DEBT DURATION

To manage its interest rate risk on marketable debt securities, the APFC monitors fair values daily and routinely reviews portfolio duration in comparison to established benchmarks. At June 30, the effective duration by investment type, based on fair value, is as follows:

2026	Percentage of holdings	Duration
Domestic bonds		
Mortgage-backed securities	21.05%	5.36
Treasury and government notes/bonds	20.13%	5.65
Corporate bonds	52.97%	6.63
Commercial mortgage and asset-backed securities	5.71%	1.62
Exchange traded funds	0.15%	-
Total domestic bonds	**100.00%**	**5.87**
Non-domestic bonds		
Treasury and government bonds	70.41%	7.00
Corporate bonds	28.75%	5.37
Commercial mortgage and asset-backed securities	0.84%	0.25
Exchange traded funds	0.00%	-
Total non-domestic bonds	**100.00%**	**6.47**

2025	Percentage of holdings	Duration
Domestic bonds		
Mortgage-backed securities	20.78%	5.55
Treasury and government notes/bonds	20.72%	5.62
Corporate bonds	52.74%	6.57
Commercial mortgage and asset-backed securities	4.90%	1.79
Exchange traded funds	0.86%	-
Total domestic bonds	**100.00%**	**5.87**
Non-domestic bonds		
Treasury and government bonds	65.36%	7.43
Corporate bonds	33.36%	6.42
Commercial mortgage and asset-backed securities	0.55%	0.99
Exchange traded funds	0.73%	-
Total non-domestic bonds	**100.00%**	**7.00**

8. PREFERRED AND COMMON STOCK

Direct investments in preferred and common stock are held by the APFC's custodian bank on behalf of the Fund. The Fund also invests in commingled stock funds, which are held by the custodian bank of the fund manager on behalf of fund investors, and equity index futures, which are held at the prime broker.

Preferred and common stocks and commingled stock funds at June 30, which include the net fair value of equity index futures of $3.8 million at June 30, 2026 and $(2.5) million as of June 30, 2025, are summarized as follows:

2026	Cost	Fair value	Unrealized gains
Direct investments			
Domestic stock	**$ 15,170,108,000**	**19,180,280,000**	**4,010,172,000**
Non-domestic stock	**9,919,920,000**	**13,047,644,000**	**3,127,724,000**
Commingled funds	**156,598,000**	**272,102,000**	**115,504,000**
Total preferred and common stock	**$ 25,246,626,000**	**32,500,026,000**	**7,253,400,000**
2025			
Direct investments			
Domestic stock	$ 12,660,505,000	16,148,076,000	3,487,571,000
Non-domestic stock	9,934,338,000	11,986,838,000	2,052,500,000
Commingled funds	179,898,000	238,091,000	58,193,000
Total preferred and common stock	$ 22,774,741,000	28,373,005,000	5,598,264,000

9. FOREIGN CURRENCY EXPOSURE

Foreign currency risk arises when a loss could result from adverse changes in foreign currency exchange rates. Foreign currency risk is managed by the international investment managers in part through their decisions to enter into foreign currency forward contracts. Foreign currency risk is also managed through the diversification of assets in various countries and currencies.

At June 30, 2026, the Fund's cash holdings, foreign currency forward exchange contracts, non-domestic public and private equity, and debt securities had exposure to foreign currency risk as follows (shown in U.S. dollar equivalent at fair value and based on the currency in which the securities are held and traded):

Foreign currency	Cash and cash equivalents	Foreign exchange forward contracts	Equity, private debt, real estate, infrastructure	Marketable debt	Total foreign currency exposure
Australian Dollar	$ 2,969,000	(53,246,000)	331,312,000	33,036,000	314,071,000
Brazilian Real	(1,727,000)	1,918,000	111,365,000	-	111,556,000
Canadian Dollar	4,044,000	(94,127,000)	739,901,000	77,284,000	727,102,000
Chilean Peso	(646,000)	845,000	7,445,000	-	7,644,000
Chinese Yuan Renminbi	6,301,000	(458,103,000)	288,360,000	450,034,000	286,592,000
Colombian Peso	(268,000)	396,000	3,018,000	-	3,146,000
Czech Koruna	123,000	(10,852,000)	1,460,000	10,928,000	1,659,000
Danish Krone	723,000	(15,287,000)	92,098,000	14,751,000	92,285,000
Egyptian Pound	281,000	(214,000)	2,069,000	-	2,136,000
Euro Currency	71,100,000	(1,167,043,000)	3,895,492,000	956,891,000	3,756,440,000
Hong Kong Dollar	557,000	(21,273,000)	707,996,000	-	687,280,000
Hungarian Forint	93,000	(5,657,000)	9,849,000	6,061,000	10,346,000
Indian Rupee	4,696,000	-	312,023,000	-	316,719,000
Indonesian Rupiah	1,030,000	(27,217,000)	45,905,000	25,386,000	45,104,000
Israeli New Shekel	807,000	(7,318,000)	70,550,000	7,388,000	71,427,000
Japanese Yen	8,283,000	(535,642,000)	1,465,059,000	522,425,000	1,460,125,000
Kuwaiti Dinar	247,000	-	10,152,000	-	10,399,000
Malaysian Ringgit	613,000	(36,698,000)	31,177,000	36,240,000	31,332,000
Mexican Peso	132,000	(22,371,000)	74,358,000	22,040,000	74,159,000
New Taiwan Dollar	1,365,000	(1,159,000)	1,024,772,000	-	1,024,978,000
New Zealand Dollar	958,000	(28,004,000)	17,202,000	25,359,000	15,515,000
Norwegian Krone	7,243,000	(6,662,000)	55,305,000	-	55,886,000
Pakistani Rupee	33,000	-	1,878,000	-	1,911,000
Peruvian Sol	457,000	(18,654,000)	-	17,948,000	(249,000)
Philippine Peso	432,000	-	16,107,000	-	16,539,000
Polish Zloty	1,011,000	(13,694,000)	40,798,000	12,933,000	41,048,000
British Pound	18,475,000	(313,095,000)	1,163,317,000	215,038,000	1,083,735,000
Qatari Riyal	381,000	(78,000)	17,235,000	-	17,538,000
Romanian Leu	12,000	(2,764,000)	-	2,313,000	(439,000)
Russian Ruble	-	-	165,000	-	165,000
Saudi Riyal	(84,000)	478,000	67,536,000	-	67,930,000
Singapore Dollar	1,762,000	(19,103,000)	101,265,000	17,498,000	101,422,000
South African Rand	582,000	(301,000)	103,605,000	-	103,886,000
South Korean Won	(1,061,000)	(54,895,000)	1,181,693,000	58,031,000	1,183,768,000
Swedish Krona	(459,000)	(1,232,000)	154,497,000	-	152,806,000
Swiss Franc	(5,987,000)	(15,572,000)	455,811,000	9,666,000	443,918,000
Thai Baht	591,000	(23,710,000)	46,242,000	23,842,000	46,965,000
Turkish Lira	449,000	(314,000)	15,099,000	-	15,234,000
UAE Dirham	405,000	375,000	65,809,000	-	66,589,000
Total foreign currency exposure	**$ 125,923,000**	**(2,950,273,000)**	**12,727,925,000**	**2,545,092,000**	**12,448,667,000**

Cash amounts in the schedule above include receivables, payables, and cash balances in each related currency. If payables exceed receivables and cash balances in a currency, then the total cash balance for that currency will appear as a negative value. The remaining Fund investments are denominated in U.S. dollars and are not included in the schedule above.

10. REAL ESTATE

The Fund holds a variety of real estate interests, including directly owned real estate, real estate investment trusts, private real estate funds, and other entities in which the assets consist primarily of real property. The Fund also holds a portfolio of real estate loans collateralized by income-producing, institutional real estate in the U.S. that are administered by an external institutional real estate management firm. In recent years, the Fund expanded its real estate portfolio strategy with a "Build-to-Core" investment program, creating high-quality properties.

The Fund's directly owned real estate is held through ownership of interests in corporations, limited liability companies, and partnerships that hold title to the real estate. External institutional real estate management firms administer the majority of the Fund's directly owned real estate investments. An internal real estate program manages two directly owned real estate investments.

The APFC periodically reviews real estate investments for other-than-temporary impairment. During FY2026, it was determined that one real estate holding was impaired because it was more likely than not that the Fund would not recover the carrying cost over the remaining estimated holding period of the assets. In order to reflect the impairment in statutory net income and fund balance classifications, $72 million of unrealized losses were realized through a write-down of cost to fair value. In FY2025, three real estate holdings were determined to be impaired and $154 million of unrealized losses were realized through a write-down of cost to fair value.

Real estate investments at June 30 are summarized as follows:

2026	**Cost**	**Fair value**	**Unrealized gains**
Real estate investment trusts	**$ 402,782,000**	**519,447,000**	**116,665,000**
Real estate funds and notes	**2,236,090,000**	**2,432,071,000**	**195,981,000**
American Homes 4 Rent II	**58,356,000**	**71,423,000**	**13,067,000**
Directly owned real estate			
Retail	**$ 658,822,000**	**1,307,418,000**	**648,596,000**
Office	**1,839,743,000**	**1,938,073,000**	**98,330,000**
Hotel	**58,664,000**	**64,155,000**	**5,491,000**
Industrial	**343,774,000**	**799,320,000**	**455,546,000**
Multifamily	**349,902,000**	**466,840,000**	**116,938,000**
Development	**667,526,000**	**677,157,000**	**9,631,000**
Total directly owned real estate	**$ 3,918,431,000**	**5,252,963,000**	**1,334,532,000**
Total real estate	**$ 6,615,659,000**	**8,275,904,000**	**1,660,245,000**
2025			
Real estate investment trusts	$ 710,534,000	806,778,000	96,244,000
Real estate funds and notes	2,748,236,000	3,049,727,000	301,491,000
American Homes 4 Rent II	82,561,000	105,863,000	23,302,000
Directly owned real estate			
Retail	$ 788,786,000	1,389,605,000	600,819,000
Office	1,684,376,000	1,743,158,000	58,782,000
Hotel	58,643,000	65,299,000	6,656,000
Industrial	361,478,000	935,186,000	573,708,000
Multifamily	345,017,000	461,619,000	116,602,000
Development	639,242,000	734,794,000	95,552,000
Total directly owned real estate	$ 3,877,542,000	5,329,661,000	1,452,119,000
Total real estate	$ 7,418,873,000	9,292,029,000	1,873,156,000

As of June 30, 2026, the APFC, on behalf of the Fund, had outstanding future funding commitments of $1.2 billion for real estate fund investments.

11. ALTERNATIVE INVESTMENTS

Alternative investments include the Fund's investments in absolute return strategies, private credit, private equity, and infrastructure.

Absolute return strategies are investments in specialized funds that seek to deliver returns that are largely uncorrelated with traditional market-driven asset classes. The Fund invested in two absolute return limited partnerships, in which the Fund was the only limited partner ("fund of one"); both are currently in liquidation. The Fund also holds direct hedge fund investments, in which the Fund is one of many limited partners. External investment management services for this strategy are provided by institutional investment managers who have acknowledged their status as fiduciaries to the Fund. Due to the off-exchange and private nature of many absolute return strategies, investments may have no readily determinable fair value, and the estimated fair values could differ significantly from values that would be obtained in a market transaction for the assets. Each manager provides the Fund with fair value estimates of partnership interests and undergoes an annual independent audit.

The Fund invests in private credit through limited partnerships that invest either directly in distressed or mezzanine debt, or in commingled limited liability funds with a distressed debt or credit opportunity focus. These investments are funded over time as opportunities arise. The limited partnerships and funds undergo annual independent audits. Private credit investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that would be obtained in a market transaction for the assets.

The Fund holds private equity through investments in limited liability companies and limited partnerships that typically invest in unlisted, illiquid common and preferred stock and, to a lesser degree, subordinated and senior debt of companies that are in most instances privately held. The APFC has hired external advisors to assist in the selection of private equity holdings diversified by geography and strategy. Private equity is funded slowly over time as opportunities are identified by APFC staff, the external advisors, and the underlying fund managers. The underlying private equity funds provide the Fund with fair value estimates of the investments utilizing the most current information available. In addition, the external advisors review the fair value estimates and the underlying private equity funds undergo annual independent audits. Private equity investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that would be obtained in a market transaction for the assets.

Infrastructure investments involve ownership or operating agreements in essential long-term service assets with high barriers to entry. Examples of infrastructure assets include toll roads, airports, deep water ports, communication towers, and energy generation, storage, and transmission facilities. Investments in this asset class are expected to have inflation protection attributes and exhibit low correlations with other major asset classes in the Fund's investment strategy. The Fund holds infrastructure investments through commingled funds organized as limited partnerships whose investment managers provide periodic fair value estimates and undergo annual independent audits. Infrastructure investments by their nature generally have no readily determinable fair value, and the estimated fair values may differ significantly from values that would be obtained in a market transaction for the assets.

Alternative investments at June 30 are summarized as follows:

2026	Cost	Fair value	Unrealized gains
Absolute return	**$ 4,456,939,000**	**7,200,631,000**	**2,743,692,000**
Private credit	**2,306,421,000**	**2,650,992,000**	**344,571,000**
Private equity	**9,964,468,000**	**15,026,903,000**	**5,062,435,000**
Infrastructure	**2,990,184,000**	**4,089,145,000**	**1,098,961,000**
Total alternative investments	**$ 19,718,012,000**	**28,967,671,000**	**9,249,659,000**
2025			
Absolute return	$ 3,805,560,000	5,836,798,000	2,031,238,000
Private credit	2,399,522,000	2,760,821,000	361,299,000
Private equity	9,971,004,000	14,875,225,000	4,904,221,000
Infrastructure	2,975,185,000	4,428,240,000	1,453,055,000
Total alternative investments	$ 19,151,271,000	27,901,084,000	8,749,813,000

The APFC periodically reviews alternative investments for other-than-temporary impairment. During FY2026, it was determined that three private credit funds, 42 private equity funds, and one infrastructure fund were impaired because it was more likely than not that the Fund would not recover the carrying cost over the remaining estimated holding period of the assets. In order to reflect the impairment in statutory net income and fund balance classifications, $308 million of unrealized losses were realized through a write-down of cost to fair value. In FY2025, five private credit funds, 27 private equity funds, and two infrastructure funds were determined to be impaired and $281 million of unrealized losses were realized through a write-down of cost to fair value. These impairments have no impact on the carrying value of investments or on the net increase in the fair value of investments.

As of June 30, 2026, the APFC, on behalf of the Fund, had outstanding future funding commitments of $49 million for absolute return, $1.5 billion for private credit, $4.6 billion for private equity, and $1.5 billion for infrastructure investments. Many alternative investments have liquidity constraints and may not be available for cash withdrawal until a specified period of time has elapsed.

12. SECURITIES LENDING

State regulations at 15 AAC 137.510 and the APFC investment policy authorize the APFC to enter into securities lending transactions on behalf of the Fund. Through a contract with the Bank of New York (the Bank), the Fund lends marketable debt and equity securities to borrowers who are banks and broker-dealers. The loans are collateralized with cash or certain marketable securities. Under the APFC's contract with the Bank, the Bank must mark the loaned securities and collateral to the market daily, and the loan agreements require the borrowers to maintain the collateral at not less than 102 percent of the fair value of domestic loaned securities (and non-domestic loaned securities denominated in U.S. dollars) and not less than 105 percent of the fair value for other non-domestic loaned securities. The APFC can sell securities that are on loan. If a borrower fails to return the loaned securities (borrower default), the Bank can use cash collateral (and the proceeds from the sale of any noncash collateral) to purchase replacement securities. Generally, the APFC is protected from credit risk associated with the lending transactions through indemnification by the Bank against losses resulting from counterparty failure, reinvestment of cash collateral, default on collateral investments, or a borrower's failure to return loaned securities.

Cash collateral received for loaned securities is reported on the Fund's balance sheets and invested by the Bank on behalf of the Fund. As of June 30, 2026 and 2025, such investments were in overnight repurchase agreements that had a weighted average maturity of one day. The average term of the loans was also one day. At June 30, the value of securities on loan and collateral invested are as follows:

	2026	2025
Fair value of securities on loan, secured by cash collateral	**$ 4,645,155,000**	3,930,579,000
Cash collateral	**4,767,994,000**	4,016,702,000
Fair value of securities on loan, secured by noncash collateral	**10,939,002,000**	7,096,069,000
Noncash collateral	**12,014,997,000**	7,708,733,000

The Fund receives 80 percent of earnings derived from securities lending transactions and the Bank retains 20 percent. During the years ended June 30, 2026 and 2025, the Fund incurred no losses from securities lending transactions. The Fund received income of $30 million and $25 million from securities lending for the years ended June 30, 2026 and 2025, respectively, which is included in the real estate and other income line on the Statements of Revenues, Expenditures and Changes in Fund Balances.

13. ACCOUNTS PAYABLE

Accounts payable include trades entered into on or before June 30 that settle after fiscal year-end. Cash held for trade settlements is included in cash and temporary investments. Accounts payable at June 30 are summarized as follows:

	2026	2025
Accrued liabilities	**$ 28,140,000**	57,947,000
Securities purchased	**1,490,722,000**	851,624,000
Total accounts payable	**$ 1,518,862,000**	909,571,000

14. STATUTORY AND LEGISLATIVE APPROPRIATIONS

Beginning in FY2019, legislation requires that, upon appropriation, a portion of the realized earnings be transferred to the State's General Fund instead of the Dividend Fund based upon a Percent of Market Value calculation. The amount transferred to the General Fund was $3.8 billion in FY2026. For FY2027, the amount appropriated to the General Fund is $4.0 billion. This amount is shown as committed at June 30, 2026.

During the fiscal years 1990 through 1999, the Fund received dedicated State revenues from North Slope royalty case settlements (*State v. Amerada Hess, et al.*). Accumulated settlement-related activity, included in the contributions and appropriations balance of the Fund at June 30, is $424 million. By statute, realized earnings from these settlement payments are to be treated in the same manner as other Fund income, except that these settlement earnings are excluded from the calculation of the transfer to the General Fund and are not subject to inflation proofing.

Since 2005, the Legislature has appropriated these settlement earnings to the Alaska Capital Income Fund (ACIF) established under Alaska Statute 37.05.565. Funds in the ACIF may be further appropriated for any public purpose. During years with net realized losses, no funds are transferred to the ACIF. Prior to 2005, the statute required such earnings to be appropriated to the Principal.

The Fund realized earnings on settlement principal of $41 million during FY2026 and $31 million during FY2025.

	2026	2025
Income distributed during the year:		
General Fund	$ **3,798,888,000**	3,657,263,000
Income distributable at year end:		
Alaska Capital Income Fund	**41,097,000**	31,327,000
Total statutory and legislative appropriations	$ **3,839,985,000**	3,688,590,000

Appropriations for APFC operating expenses and other specific State agencies are made separately and are detailed in Note 20.

15. FUND BALANCES

Fund balance activity during the years ended June 30 is summarized as follows:

	2026	2025
Nonspendable		
Balance, beginning of year	**$ 72,496,725,000**	70,738,976,000
Dedicated State revenues	**535,039,000**	488,723,000
Inflation proofing transfer from assigned	**-**	-
Change in unrealized appreciation on invested assets	**712,045,000**	1,269,026,000
Balance, end of year	**$ 73,743,809,000**	72,496,725,000
Committed		
Balance, beginning of year	**$ 3,798,888,000**	3,657,263,000
General Fund transfer to liability	**(3,798,888,000)**	(3,657,263,000)
General Fund commitment	**3,996,865,000**	3,798,888,000
Balance, end of year	**$ 3,996,865,000**	3,798,888,000
Assigned		
Balance, beginning of year	**$ 8,804,258,000**	6,066,530,000
Inflation proofing transfer to nonspendable	**-**	-
General Fund commitment	**(3,996,865,000)**	(3,798,888,000)
Settlement earnings payable to the ACIF	**(41,097,000)**	(31,327,000)
Realized earnings, net of operating expenditures	**8,231,352,000**	5,897,142,000
Change in unrealized appreciation on invested assets	**1,162,682,000**	670,801,000
Balance, end of year	**$ 14,160,330,000**	8,804,258,000
Total		
Balance, beginning of year	**$ 85,099,871,000**	80,462,769,000
Dedicated State revenues	**535,039,000**	488,723,000
General Fund transfer	**(3,798,888,000)**	(3,657,263,000)
Settlement earnings payable to the ACIF	**(41,097,000)**	(31,327,000)
Excess of investment revenues over expenditures	**10,106,079,000**	7,836,969,000
Balance, end of year	**$ 91,901,004,000**	85,099,871,000

The composition of the contributions and appropriations in the nonspendable fund balance at June 30 is shown as follows:

	2026	2025
Dedicated State revenues	**$ 20,775,023,000**	20,239,983,000
Special appropriations	**10,885,906,000**	10,885,906,000
Inflation proofing	**27,575,717,000**	27,575,717,000
Settlement earnings	**152,911,000**	152,911,000
Total contributions and appropriations	**$ 59,389,557,000**	58,854,517,000

In FY2025, based on discussions with the Legislature and the Board, the $4 billion transfer that occurred in FY2020 was reclassified from special appropriations to inflation proofing.

16. FAIR VALUE MEASUREMENT

Various inputs are used in valuing the investments held by the Fund. U.S. Generally Accepted Accounting Principles (GAAP) establishes a hierarchy of inputs used to value investments emphasizing observable inputs and minimizing unobservable inputs. These input levels are summarized as follows:

Level 1 – Quoted or published prices for identical assets in an active market.

Level 2 – Inputs, other than published prices, which are observable for the asset, either directly or indirectly.

Level 3 – Unobservable inputs should only be used to the extent that observable inputs are not available for a particular asset.

Investments measured using Net Asset Value (NAV) per share as a practical expedient to fair value are not categorized into input levels. The input levels used to measure the Fund's investments at June 30 are summarized as follows:

	Measured using input levels			Measured using	
2026	**Level 1**	**Level 2**	**Level 3**	**NAV**	**Total**
Marketable debt securities					
Mortgage-backed securities	$ -	3,071,142,000	-	-	3,071,142,000
U.S. Treasury and government notes/bonds	2,923,290,000	13,369,000	-	-	2,936,659,000
U.S. corporate bonds	12,058,000	7,715,876,000	-	-	7,727,934,000
U.S. commercial mortgage and asset-backed securities	-	832,425,000	-	-	832,425,000
U.S. exchange traded funds	21,201,000	-	-	-	21,201,000
Non-U.S. government bonds	-	2,667,751,000	-	-	2,667,751,000
Non-U.S. corporate bonds	3,000	1,088,781,000	450,000	-	1,089,234,000
Non-U.S. commercial mortgage and asset-backed securities	-	31,803,000	-	-	31,803,000
Total marketable debt securities	$ 2,956,552,000	15,421,147,000	450,000	-	18,378,149,000
Preferred and common stock					
Domestic stock	19,158,293,000	21,987,000	-	-	19,180,280,000
Non-domestic stock	13,047,644,000	-	-	-	13,047,644,000
Commingled funds	121,332,000	-	-	150,770,000	272,102,000
Total preferred and common stock	$ 32,327,269,000	21,987,000	-	150,770,000	32,500,026,000
Real estate					
Real estate investment trusts	519,447,000	-	-	-	519,447,000
Real estate funds and notes	-	-	-	2,432,071,000	2,432,071,000
American Homes 4 Rent II	-	-	-	71,423,000	71,423,000
Directly owned real estate	-	-	-	5,252,963,000	5,252,963,000
Total real estate	$ 519,447,000	-	-	7,756,457,000	8,275,904,000
Absolute return	-	-	-	7,200,631,000	7,200,631,000
Private credit	-	-	-	2,650,992,000	2,650,992,000
Private equity	-	-	-	15,026,903,000	15,026,903,000
Infrastructure	-	-	-	4,089,145,000	4,089,145,000
Total investments	$ 35,803,268,000	15,443,134,000	450,000	36,874,898,000	88,121,750,000

2025	Measured using input levels Level 1	Level 2	Level 3	Measured using NAV	Total
Marketable debt securities					
Mortgage-backed securities	$ -	2,600,950,000	-	-	2,600,950,000
U.S. Treasury and government notes/bonds	2,587,467,000	6,669,000	-	-	2,594,136,000
U.S. corporate bonds	7,029,000	6,594,569,000	-	-	6,601,598,000
U.S. commercial mortgage and asset-backed securities	-	613,105,000	-	-	613,105,000
U.S. exchange traded funds	107,620,000	-	-	-	107,620,000
Non-U.S. government bonds	-	2,268,048,000	-	-	2,268,048,000
Non-U.S. corporate bonds	3,000	1,157,052,000	438,000	-	1,157,493,000
Non-U.S. commercial mortgage and asset-backed securities	-	19,254,000	-	-	19,254,000
Non-U.S. exchange traded funds	25,268,000	-	-	-	25,268,000
Total marketable debt securities	$ 2,727,387,000	13,259,647,000	438,000	-	15,987,472,000
Preferred and common stock					
Domestic stock	16,130,820,000	17,256,000	-	-	16,148,076,000
Non-domestic stock	11,986,799,000	-	39,000	-	11,986,838,000
Commingled funds	97,669,000	-	-	140,422,000	238,091,000
Total preferred and common stock	$ 28,215,288,000	17,256,000	39,000	140,422,000	28,373,005,000
Real estate					
Real estate investment trusts	806,778,000	-	-	-	806,778,000
Real estate funds and notes	-	-	-	3,049,727,000	3,049,727,000
American Homes 4 Rent II	-	-	-	105,863,000	105,863,000
Directly owned real estate	-	-	-	5,329,661,000	5,329,661,000
Total real estate	$ 806,778,000	-	-	8,485,251,000	9,292,029,000
Absolute return	-	-	-	5,836,798,000	5,836,798,000
Private credit	-	-	-	2,760,821,000	2,760,821,000
Private equity	-	-	-	14,875,225,000	14,875,225,000
Infrastructure	-	-	-	4,428,240,000	4,428,240,000
Total investments	$ 31,749,453,000	13,276,903,000	477,000	36,526,757,000	81,553,590,000

Marketable debt securities and preferred and common stock classified as level 1 are valued using prices quoted in active markets for those securities. Marketable debt securities classified as level 2 are valued using matrix pricing and those classified as level 3 are term loans. Commingled funds reported at NAV use the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date.

Publicly traded real estate investment trusts are valued using prices quoted in active markets and are reported as level 1. Directly held real estate, private real estate funds, and real estate debt investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. The underlying directly owned real estate investments are subject to annual appraisals and audits.

Absolute return investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Absolute return investments undergo annual independent financial statement audits. The redemption notice period is 2-100 days and the frequency of redemption is monthly to semiannually.

Private credit investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Private credit investments undergo annual independent financial statement audits. Redemptions are not allowed, and the usual life of these investments is 5-7 years.

Private equity and infrastructure investments are reported at the NAV of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions made prior to the balance sheet date. Private equity investments undergo annual independent financial statement audits. Redemptions are not allowed, and the usual life of these investments is 10-12 years.

17. STATUTORY NET INCOME

By Alaska law, statutory net income is computed in accordance with GAAP, excluding settlement income from the North Slope royalty case (*State v. Amerada Hess, et al.)* and any unrealized gains or losses. However, the excess of revenues over expenditures is required by GAAP to include unrealized gains and losses, regardless of source. Consequently, GAAP excess of revenues over expenditures and statutory net income differ.

The APFC periodically reviews investments for other than temporary impairment of value. Investments with fair values significantly less than cost over multiple reporting periods may be considered impaired if the cost basis will not be recovered over the investment's remaining estimated holding period. If an other than temporary impairment is determined to exist for an investment, a realized loss will be recorded, which will replace the previously recorded unrealized loss. Carrying value will not be affected, but the reclassification of the loss from unrealized to realized will affect the statutory net income of the Fund. During FY2026 and FY2025, approximately $380 million and $435 million, respectively, of impairments were recorded.

Statutory net income for the years ended June 30 is calculated as follows:

	2026	2025
Excess of revenues over expenditures	$ **10,106,079,000**	7,836,969,000
Unrealized gains	**(1,874,727,000)**	(1,939,827,000)
Settlement earnings	**(41,097,000)**	(31,327,000)
Statutory net income	$ **8,190,255,000**	5,865,815,000

18. INVESTMENT INCOME BY SOURCE

Investment income during the years ended June 30 is summarized as follows:

	2026	2025
Interest		
Short-term	$ **64,654,000**	84,392,000
Marketable debt securities	**696,752,000**	592,932,000
Total interest	$ **761,406,000**	677,324,000
Total dividends	$ **564,562,000**	617,716,000
Real estate and other income		
Real estate investment trusts	$ **18,067,000**	29,573,000
Real estate - funds, notes, direct	**301,019,000**	308,466,000
Absolute return	**-**	40,000
Private credit	**145,184,000**	160,592,000
Private equity	**168,657,000**	155,147,000
Infrastructure	**38,519,000**	21,289,000
Other - class action, securities lending	**32,582,000**	26,939,000
Total real estate and other income	$ **704,028,000**	702,046,000

19. FOREIGN EXCHANGE CONTRACTS, FUTURES, AND OFF-BALANCE SHEET RISK

Certain APFC external investment managers enter into foreign currency forward exchange contracts (FX forward contracts) to buy and sell specified amounts of foreign currencies for the Fund at specified rates and future dates for the purpose of managing or optimizing foreign currency exposure. The maturity periods for outstanding contracts at June 30, 2026 and 2025 ranged between one and 100 days.

The counterparties to the FX forward contracts consist of a diversified group of financial institutions. The Fund is exposed to credit risk to the extent of nonperformance by these counterparties. The Fund's market risk as of June 30, 2026 and 2025 is limited to the difference between contractual rates and forward market rates determined at the end of the fiscal year.

FX forward contracts during the years ended June 30 are summarized as follows:

		2026	2025
Fair value of FX forward contracts, beginning of year	$	**(37,788,000)**	27,603,000
Net change in fair value of FX forward contracts		**91,654,000**	(65,391,000)
Fair value of FX forward contracts, end of year	$	**53,866,000**	(37,788,000)
Notional amount of FX forward contracts, end of year	$	**8,380,015,000**	6,800,721,000

Certain APFC equity and fixed income investment managers are permitted to trade equity and U.S. Treasury index futures for the Fund's account. Equity index futures are traded in both domestic and non-domestic markets based on an underlying stock exchange value. Index futures are settled with cash for the net difference between the trade price and the settlement price.

Futures in equity accounts during the years ended June 30 are summarized as follows:

		2026	2025
Fair value of equity index futures, beginning of year	$	**(2,472,000)**	(732,000)
Net change in fair value of equity index futures		**6,291,000**	(1,740,000)
Fair value of equity index futures, end of year	$	**3,819,000**	(2,472,000)
Notional amount of equity index futures, end of year	$	**43,589,000**	5,657,000

Futures in fixed income accounts during the years ended June 30 are summarized as follows:

		2026	2025
Fair value of U.S. Treasury index futures, beginning of year	$	**(3,426,000)**	135,000
Net change in fair value of U.S. Treasury index futures		**2,224,000**	(3,561,000)
Fair value of U.S. Treasury index futures, end of year	$	**(1,202,000)**	(3,426,000)
Notional amount of U.S. Treasury index futures, end of year	$	**496,556,000**	448,205,000

20. EXPENDITURES

Fund expenditures for the years ended June 30 are summarized as follows:

	2026	2025
Corporate expenditures		
Salaries and benefits	**$ 18,994,000**	18,658,000
Communications and subscriptions	**8,461,000**	9,180,000
Consulting	**3,335,000**	3,151,000
Training, supplies and other	**1,100,000**	1,210,000
Rent	**603,000**	598,000
Travel	**528,000**	491,000
Legal and audit	**914,000**	940,000
Property and equipment	**490,000**	683,000
Subtotal corporate expenditures	**$ 34,425,000**	34,911,000
Investment management and custody fees		
Investment management	**$ 136,988,000**	116,146,000
Custody and safekeeping	**1,870,000**	1,573,000
Subtotal investment management and custody fees	**$ 138,858,000**	117,719,000
Total operating expenditures	**$ 173,283,000**	152,630,000
Other legislative appropriations from corporate receipts		
Department of Natural Resources	**$ 7,636,000**	7,238,000
Department of Law	**3,132,000**	3,065,000
Department of Revenue	**100,000**	100,000
Total other legislative appropriations	**$ 10,868,000**	10,403,000
Total expenditures	**$ 184,151,000**	163,033,000

Through the appropriations and budget process, the Legislature allocates corporate receipts to other State departments ("total other legislative appropriations") to compensate these departments for work done on behalf of the Fund during the year.

21. PENSION PLANS

All APFC full-time, regular employees participate in the State of Alaska Public Employees Retirement System (PERS). PERS is a multiple-employer public employee retirement system established and administered by the State to provide pension and post-employment healthcare benefits to eligible retirees. The PERS financial report can be obtained from the State of Alaska's Retirement and Benefits website. Benefit and contribution provisions are established by state law and can be amended only by the Legislature.

PERS consists of Defined Contribution Retirement (PERS-DCR) and Defined Benefit Retirement (PERS-DBR) plans. Employees who entered the system on or after July 1, 2006 participate in the PERS-DCR plan. Employees who entered the system prior to July 1, 2006 participate in the PERS-DBR plan. PERS-DBR employees contribute 6.75 percent of their annual salaries to PERS and PERS-DCR members contribute 8 percent.

As an integrated cost-sharing plan, the PERS system requires employers to pay a uniform contribution rate of 22 percent of eligible employee salaries for the benefit of PERS members. Total salaries subject to PERS for the years ended June 30, 2026 and 2025 amounted to $13.0 million and $13.1 million, respectively. In addition to the pension plan discussed above, all APFC employees and Trustees participate in the Alaska Supplemental Benefits System Supplemental Annuity Plan (SBS-AP). The SBS-AP is a multiple-employer defined contribution plan created pursuant to Internal Revenue Code section 401(a) to provide benefits in lieu of those provided by the Federal Social Security System. Each year, APFC employees and Trustees contribute 6.13 percent of salaries or honoraria, up to a specified maximum, to SBS-AP. The APFC contributes a matching 6.13 percent. Participants are eligible to withdraw from SBS-AP 60 days after termination of employment or service as a Trustee. Total salaries and honoraria for individuals subject to SBS-AP for the years ended June 30, 2026 and 2025 amounted to $8.5 million and $8.3 million, respectively.

FORT KNOX GOLD MINE
ROYALTIES FROM MINERAL DEVELOPMENT ON STATE LANDS CONTRIBUTE TO PRINCIPAL DEPOSITS

STAFF

EXECUTIVE
Deven Mitchell Executive Director & CEO
Scott Jones Chief Operations Officer
Jennifer Loesch Executive Assistant & Board Liaison
Chris Poag General Counsel

COMMUNICATIONS
Paulyn Swanson Director of Communications
Juliette Alldredge Communications Manager

FINANCE
Valerie Mertz Chief Financial Officer
Kian Flynn Finance Intern
Cassandra King Accounting Technician
Chris LaVallee Senior Portfolio Accountant II
Jacki Mallinger Senior Portfolio Accountant II
Norix Mangual Portfolio Accountant II
Sarah Martin Accounting Technician II
Jordyn Perletti Portfolio Accountant
Jessica Thornsburry Portfolio Accountant

HUMAN RESOURCES
Shannon McCain Director of Human Resources
Lesley Creswell Human Resources Generalist

INFORMATION TECHNOLOGY
Scott Balovich Director of IT
Shawn Calhoon IT Infrastructure and Engineering Lead
Cody Graves IT Security Analyst
Larissa Murray Goecker IT Specialist
Joseph Jeralds IT Specialist
Michael Prebeg IT Systems Engineer
Micah Sommers IT Systems Engineer

INVESTMENT OPERATIONS
Alex Smith Investment Operations Manager
Ean Atchley Investment Operations Analyst

ADMINISTRATIVE OPERATIONS
Kelli Patterson Administrative Operations Manager
Marisa Graves Senior Administrative Specialist
Tara Mendoza Administrative Specialist
Heather Pedersen Procurement Officer
Benjamin Williams Administrative Specialist

RISK & COMPLIANCE
Sebastian Vadakumcherry Chief Risk & Compliance Officer
Sarah Clark Senior Risk & Compliance Officer
Brady Owen Risk Analyst

INVESTMENTS
Marcus Frampton Chief Investment Officer
Jim Parise Deputy Chief Investment Officer - Public Markets
Allen Waldrop Deputy Chief Investment Officer - Private Markets
Luke Kirkham Investment Analyst
Josiah Nyman Investments Intern

FIXED INCOME
Chris Cummins Senior Portfolio Manager
Michael Gumz Credit Analyst
Matt Ives Credit Analyst
Tom O'Day Senior Portfolio Manager
Matt Olmsted Senior Portfolio Manager
Colton Scrudder Credit Analyst
Masha Skuratovskaya Senior Portfolio Manager
Aditya Venkatram Investment Analyst

PUBLIC EQUITIES
Fawad Razzaque Director of Investments
Joe Shinn Senior Investment Analyst

REAL ESTATE
Eric Ritchie Senior Portfolio Manager
Steve Adams Senior Portfolio Manager
Henry Lloyd Investment Associate
Ed Rime Portfolio Manager
Matt Sykes Investment Analyst

2026
BOARD OF TRUSTEES MEETING IN VALDEZ

PRIVATE EQUITY

Steven Gagliardo Portfolio Manager
Lillie Haggard Investment Analyst
Ian Horwood Investment Associate
Lara Pollock Investment Associate
Joshua Ungar Senior Portfolio Manager

PRIVATE INCOME

Ross Alexander Senior Portfolio Manager
Mateo Mateo-Mateo Investment Analyst
Terek Rutherford Investment Associate

ABSOLUTE RETURN

Youlian Ninkov Senior Portfolio Manager

CASH

Valeria Martinez Director of Investments

FROM THE ARCHIVES

"There have been many dedicated professionals who have worked for the success of the Fund over the years, including past Trustees who laid the foundation for where we are today. It's important to recognize the efforts of all of their leadership and the staff who helped the Fund reach the $50 billion milestone."

William Moran
Trustee 2006–2021
Excerpt from the 2014 Annual Report

"For fifty years, APFC employees and Trustees have worked to build on the vision that created the Permanent Fund. Their commitment to stewardship has helped transform a resource-based asset into a globally recognized investment fund approaching $100 billion in value. Through our partnership with the Governor and the Legislature, the Fund's earnings continue to provide a sustainable source of revenue that benefits all Alaskans."

Jason Brune
Trustee 2022–Present

50

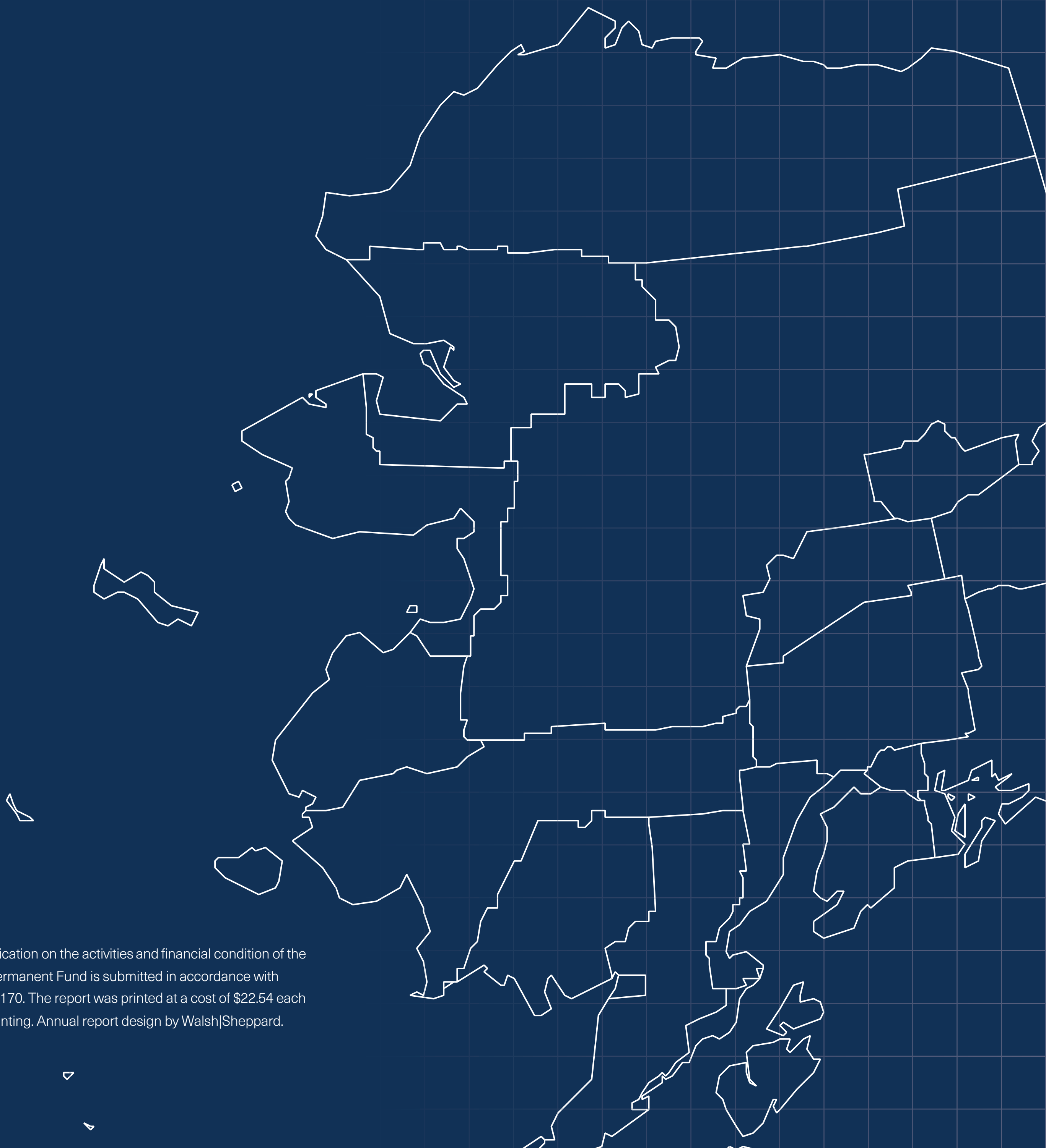
STEWARDSHIP FOR GENERATIONS

ALASKA PERMANENT FUND

EST. 1976

APFC
ALASKA PERMANENT FUND CORPORATION

801 W 10TH STREET, SUITE 302
JUNEAU, AK 99801
APFC.ORG



This publication on the activities and financial condition of the Alaska Permanent Fund is submitted in accordance with AS 37.13.170. The report was printed at a cost of $22.54 each by PIP Printing. Annual report design by Walsh|Sheppard.