



APFC

ALASKA PERMANENT
FUND CORPORATION

Alaska Permanent Fund

September 2017

APFC's Strategic 5 Year Plan

Strategic Priorities FY17-FY21

- Gain greater control of resource allocations
- Optimize APFC's operational processes and use of financial networks and resources
- Develop best-in-class investment management capabilities, partnerships, and geographic reach to maximize investment returns
- Enhance talent and staff across APFC

Asset Allocation Structure

Growth

Tradable/Liquid

- Public Equities (stock)

Illiquid

- Private Equity
- Absolute Return
- Allocation Strategies

Income

Tradable/Liquid

- Fixed Income Plus (Bonds)
- Cash

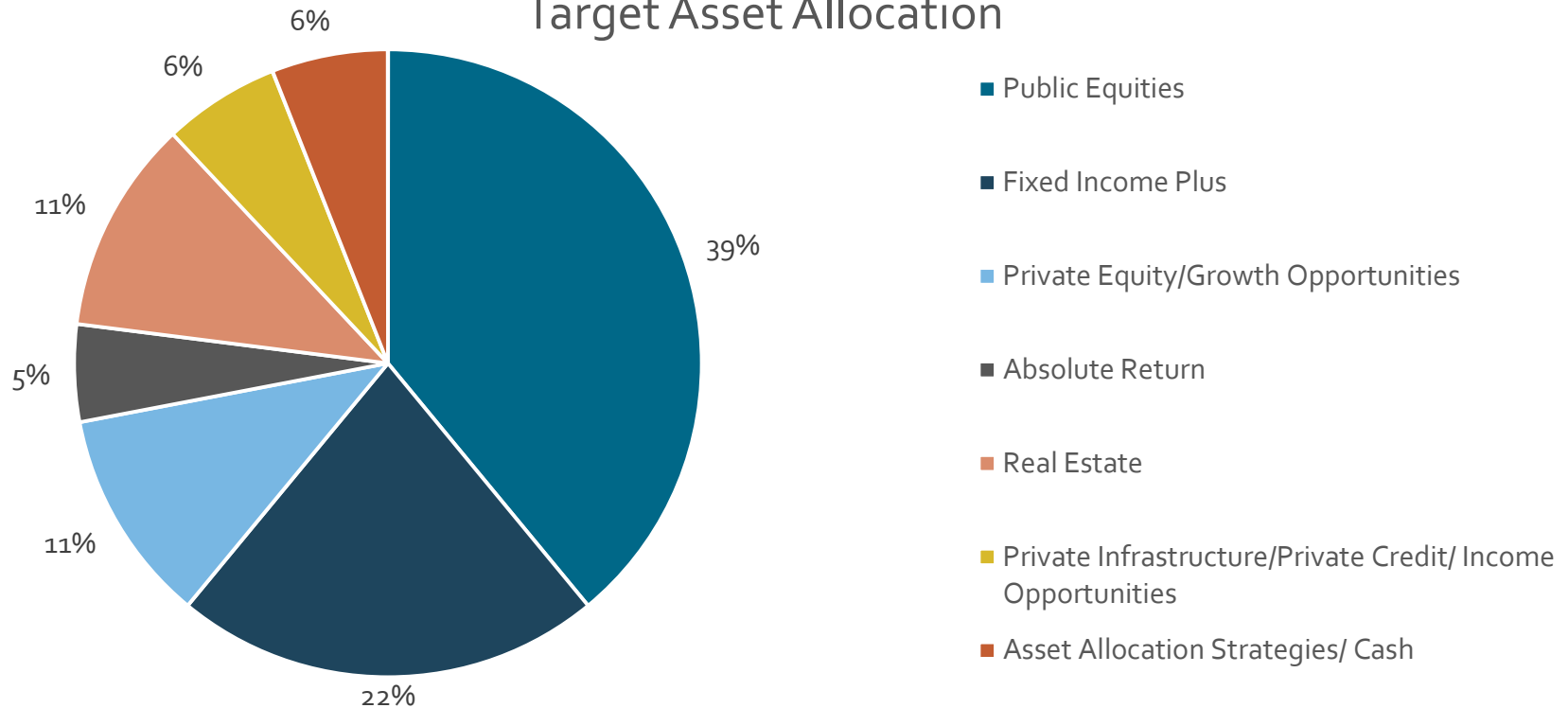
Illiquid

- Real Estate
- Infrastructure

59.8 Billion Portfolio

FY17 Q4 as of 6/30/17

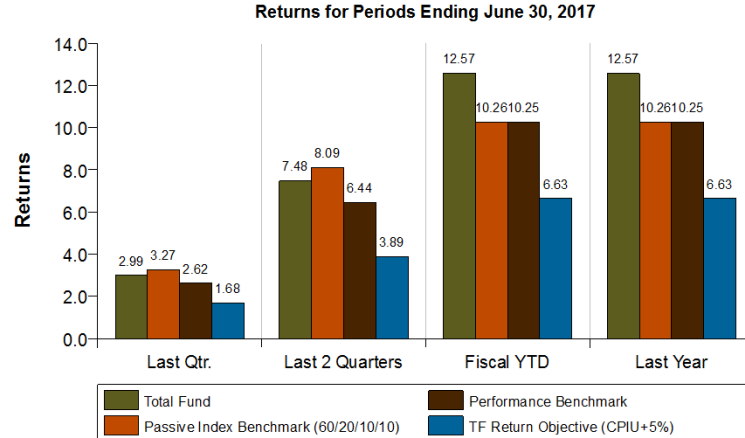
Target Asset Allocation



Performance Past 20 Years

APFC Total Fund Cumulative Returns

Total Fund versus Total Fund Targets

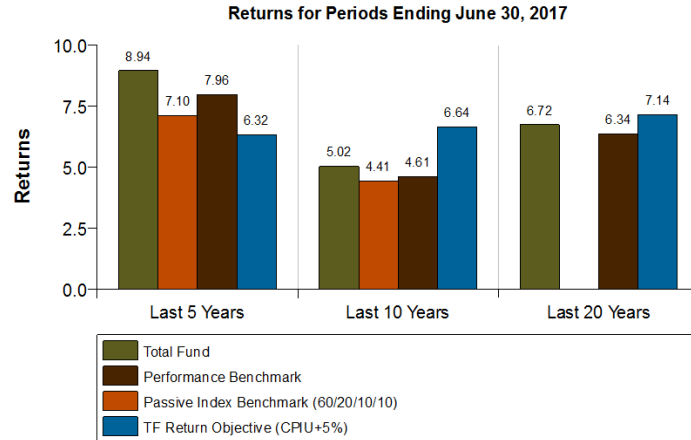


- Current Total Fund Target (Performance Benchmark) = 41.7% MSCI ACWI IMI, 11.5% NCREIF Total Index, 11.5% Cambridge Private Equity Index, 5.7% Bloomberg Aggregate, 5.7% Bloomberg Corporate, 5.2% HFRI Fund Weighted Composite, 3.1% FTSE Developed Core Infrastructure, 2.3% Bloomberg Global ex-US Treasury Hedged, 4.4% Bloomberg US HY Corporate 2% Cap, 2.3% S&P Global REIT (Net), 3.2% 3-month Treasury Bill, 1.1% Bloomberg Emerging Markets Bond, 1.1% Bloomberg US TIPS, and 1.1% S&P Global Infrastructure Net (rounded to nearest tenth)

Performance FY17

APFC Total Fund Cumulative Returns

Total Fund versus Total Fund Targets



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Growth (FYTD Returns as of 6/30/17)

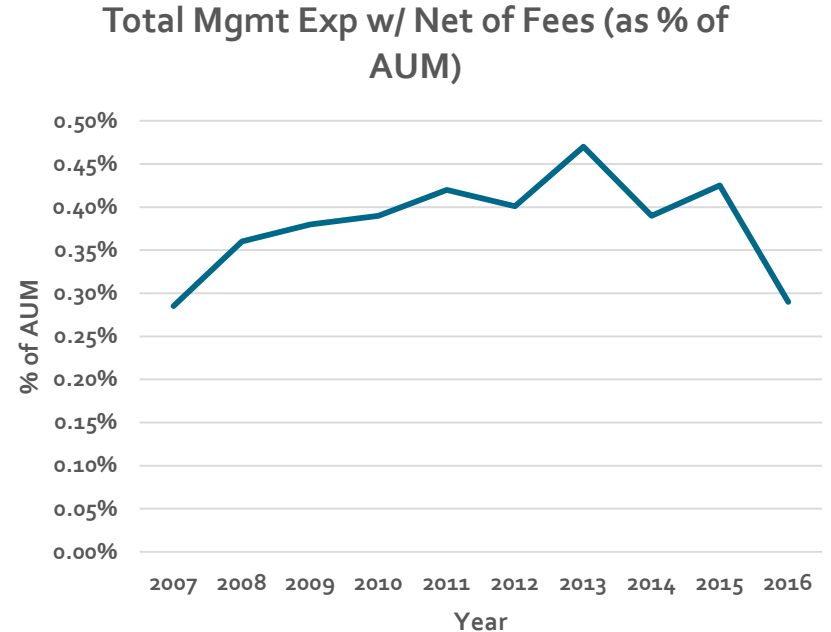
International Equities	22.57%
Global Equities	18.77%
Domestic Equities	20.08%
Private Equity	20.98%
Asset Allocation	7.75%
Absolute Return (Hedge)	7.22%

Income (FYTD Returns as of 6/30/17)

Real Estate	4.45%
Infrastructure	8.55%
Public/Private Credit	9.59%
Income Opportunities	9.52%
Fixed Income Aggregate	0.62%
US Investment Grade Corporate	3.29%
Non US Fixed Income	-1.57%
Global HighYield	10.80%
Emerging Market Debt	7.15%
Cash	0.48%
TIPS	-0.62%
REITS	1.54%

Last 5 years, APFC has:

- **Beat Passive Benchmark:** Outperformed 60% stock, 30% bond, 10% real assets mix by 1.84% (8.94% versus 7.10%)
- **Improved Diversification:** Reduced value-at-risk from 20% to 18% by managing risk budget more efficiently
- **Reduced Management Expenses:** Declined from 42bps on assets-under-management to 29bps (a 31% reduction)



Value of the AMHT Assets Managed by APFC

