Trust Financial Structure
Core Holdings

Trust Portfolio

- $430 Million (as of 9/30/17)
- Managed by Alaska Permanent Fund Management Corporation

*Generates Revenue from Interest, Dividends, and Capital Gains*

Settlement Land

- One Million Acres of Land
- Managed by Trust Land Office

*Generates Revenue from Sales, Leasing, and Resource Extraction*
Core Holdings-Key Points

Trust Portfolio (Cash Assets)

• Funds are invested by the Permanent Fund following their investment strategy.
• Historic returns have averaged 8.85% annually over the last 5 years.
• Funds are largely invested in stocks and bonds, so the portfolio should follow financial markets closely.

Settlement Land (Non Cash Assets)

• Lands are actively managed by the Trust Land Office.
• Assets are managed for the best interest of Trust beneficiaries over a long term horizon.
• Results include a mix of financial returns as well as program benefits.
Trust Reserves-Preparing for the Future

Trust Reserves (APFC)  
- $68.4 Million (as of 9/30/17)  
- Follows permanent fund investment strategy with the same 5 year average return of 8.85%

Trust Reserves (DOR Treasury)  
- $45.51 Million (as of 10/31/17)  
- Slightly different investment strategy (64% Stock, 27% Fixed Income, 9% Cash) that creates different results.  
- Average 5 year Return is 8.54%

Two approaches to the same goal: Provide Financial Stability
## State of Alaska

### Mental Health Trust Reserve

#### Rates of Return

**September-17**

<table>
<thead>
<tr>
<th></th>
<th>Ending Market Value</th>
<th>1 Month</th>
<th>3 Month</th>
<th>FYTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>ITD</th>
<th>Inception Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alaska Mental Health Trust Reserve</strong></td>
<td>44,908,943</td>
<td>1.33%</td>
<td>3.41%</td>
<td>3.41%</td>
<td>11.21%</td>
<td>6.78%</td>
<td>8.54%</td>
<td>5.71%</td>
<td>September-03</td>
</tr>
<tr>
<td><strong>SDA Short Term Pool (AV79)</strong></td>
<td>0.19%</td>
<td>0.31%</td>
<td>0.31%</td>
<td>1.01%</td>
<td>0.65%</td>
<td>0.48%</td>
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<tr>
<td><strong>Equities</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Equity - Domestic</td>
<td>2.42%</td>
<td>4.55%</td>
<td>4.55%</td>
<td>18.39%</td>
<td>10.61%</td>
<td>14.15%</td>
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<tr>
<td>Equity - Foreign</td>
<td>-1.79%</td>
<td>5.83%</td>
<td>5.83%</td>
<td>18.15%</td>
<td>7.19%</td>
<td>10.01%</td>
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<tr>
<td>Broad Market Fixed Income Pool (AV73)</td>
<td>-0.44%</td>
<td>0.87%</td>
<td>0.87%</td>
<td>0.21%</td>
<td>2.94%</td>
<td>2.15%</td>
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<tr>
<td>Mental Health Trust Fund Benchmark</td>
<td>1.24%</td>
<td>3.39%</td>
<td>3.39%</td>
<td>11.42%</td>
<td>6.36%</td>
<td>8.15%</td>
<td>5.11%</td>
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</tr>
</tbody>
</table>
Investment Summary-Return Spectrum

- Stability
  - DOR Reserve
  - Settlement Land

- Investment Returns
  - Permanent Fund Reserve

- Program Support & Growth
  - Program Related Investments
  - Permanent Fund Portfolio
  - Real Estate Management Program
Program Related Investments

Program Related Real Estate Investments (Non Cash Assets)

- Variety of Real Estate investments made to advance program goals.
- Properties may be leased or made available to support Trust interests at below market rates.

*Return to the Trust is a combination of income, property appreciation, and reduced operating costs for programs*
Trust Development Account

Trust Development Account (Cash Assets)

• This account holds a portion of the revenues generated by the Trust Land Office.
• There are three activities supported by the Development Account:
  1. Fund Program Related Investments
  2. Enhance the Value of Trust Land Assets
  3. Fund Real Estate Management Program

This account does not create a direct financial return for the Trust, instead it enhances the results of other Trust investments.
Real Estate Management Program

• These are investments intended to generate additional income for the Trust.

• The Trust has acquired approximately $90 million in commercial properties using a combination of Trust funds and commercial borrowings.

• The tenants pay market rate for the use of the property and the rental income pays the costs, repays any mortgages, and provides a financial return for the Trust.

• These assets are managed by the Trust Land Office using the Real Estate Management Plan. A detailed presentation is coming up from Wyn Menefee