

MEETING AGENDA

Meeting: Finance Committee
Date: October 16, 2025
Time: 9:45 am
Location: Trust Authority Building, 3745 Community Park Loop, Anchorage
Teleconference: [Zoom Link](#); Meeting ID: 842 6183 9319; Passcode: 907
Call-in number +1 669 444 9171; alaskamentalthrust.org
Trustees: John Morris (Chair), Kevin Fimon, Anita Halterman, Brent Fisher (ex-officio)

Thursday, October 16, 2025

		<u>Page</u>
9:45am	Call Meeting to Order (John Morris, Chair) Roll Call Announcements Approve Agenda Ethics Disclosure Approve Minutes – August 1, 2025	6
9:50am	Staff Report Items June & August Financial Dashboard, Julee Farley, CFO	13
10:10am	Statutory Advisor Update Deven Mitchell, Executive Director, Alaska Permanent Fund Corporation	21
10:40am	Department of Revenue/Treasury Update Steve Sikes, State Investment Officer, DOR	42
11:00am	Commercial Real Estate Update Executive Session – (if necessary) In accordance with the Open Meetings Act, AS 44.62.310(c)	
12:00pm	Lunch Break	
12:30pm	Callan Presentation on Investment Returns and Inflation Proofing - Steve Center Senior Vice President, Callan LLC - Julia Moriarty Senior Vice President, Callan LLC	50
1:00pm	Adjourn	

Future Meeting Dates

Full Board of Trustees / Program & Planning / Resource Management / Audit & Risk / Finance

(Updated – September 2025)

- | | | |
|--------------------------------|-----------------------------|--------------------------|
| • Program & Planning Committee | October 15, 2025 | (Wed) |
| • Audit & Risk Committee | October 16, 2025 | (Thu) |
| • Finance Committee | October 16, 2025 | (Thu) |
| • Resource Mgt Committee | October 16, 2025 | (Thu) |
| • Full Board of Trustees | November 19-20, 2025 | (Wed, Thu) – Anchorage |
| | | |
| • Program & Planning Committee | January 21, 2026 | (Wed) |
| • Finance Committee | January 22, 2026 | (Thu) |
| • Resource Mgt Committee | January 22, 2026 | (Thu) |
| • Audit and Risk Committee | January 22, 2026 | (Thu) |
| • Full Board of Trustees | February 18-19, 2026 | (Wed, Thu) – Juneau |
| | | |
| • Program & Planning Committee | April 22, 2026 | (Wed) |
| • Finance Committee | April 23, 2026 | (Thu) |
| • Resource Mgt Committee | April 23, 2026 | (Thu) |
| • Audit and Risk Committee | April 23, 2026 | (Thu) |
| • Full Board of Trustees | May 20-21, 2026 | (Wed, Thu)– location TBD |
| | | |
| • Program & Planning Committee | July 28, 2026 | (Wed) (T) |
| • Finance Committee | July 29, 2026 | (Thu) (T) |
| • Audit and Risk Committee | July 29, 2026 | (Thu) (T) |
| • Resource Mgt Committee | July 30, 2026 | (Thu) (T) |
| • Full Board of Trustees | August 26-27, 2026 | (Wed, Thu) – Anchorage |

Future Meeting Dates Statutory Advisory Boards (Updated – September 2025)

Alaska Commission on Aging

ACOA: <https://aging.alaska.gov>

Executive Director: Martin Lange, (907) 465-4793, martin.lange@alaska.gov

- December 2-3, 2025 – Virtual
- February 24-26, 2026 - TBD

Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse

AMHB: <http://health.alaska.gov/amhb/Pages/default.aspx>

ABADA: <https://health.alaska.gov/abada/Pages/default.aspx>

Executive Director: Kermit Wilson, (907) 465-4650, kermit.wilson@alaska.gov

- October 14-15, 2025; Virtual

Governor’s Council on Disabilities and Special Education

GCDSE: <http://health.alaska.gov/gcdse/Pages/default.aspx>

Executive Director: Patrick Reinhart, (907)269-8990, patrick.reinhart@alaska.gov

- Triennial Meeting, Oct 6-7 Hybrid/Anchorage
- Disability and Aging Summit Oct 14-15, 2025, Anchorage
- Triennial Meeting, Feb 10-12, Hybrid/Juneau

2026

Alaska Mental Health Trust Authority

MEETING CALENDAR

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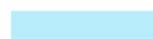
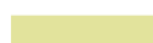
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AMHTA Meeting Schedule

January 21-22, 2026; Committee Meetings
 February 18-19, 2026; Full Board of Trustees
 April 22-23, 2026; Committee Meetings
 May 20-21, 2026; Full Board of Trustees

July 28-30, 2026; Committee Meetings
 August 26-27, 2026; Full Board of Trustees
 October 14-15, 2026; Committee Meetings
 November 18-19, 2026; Full Board of Trustees

-  Holiday
-  Committee Meetings
-  Full Board Meetings

Trust
 Alaska Mental Health
 Trust Authority

Trustee Committee Assignments

Updated August 2025

Executive Committee

- Brent Fisher, Chair
- Corri Feige, Vice Chair
- Anita Halterman, Secretary
- Mary Wilson, staff

Audit & Risk Committee

- Kevin Fimon, Chair
- Corri Feige
- Anita Halterman
- Brent Fisher, *non-voting*
- Julee Farley, staff

Finance Committee

- John Morris, Chair
- Kevin Fimon
- Anita Halterman
- Brent Fisher, *non-voting*
- Julee Farley, staff

Program & Planning Committee

- Agnes Moran, Chair
- Kevin Fimon
- Corri Feige
- Brent Fisher, *non-voting*
- Katie Baldwin, staff

Resource Management Committee

- Corri Feige, Chair
- Anita Halterman
- Josie Hickel
- Brent Fisher, *non-voting*
- Jusdi Warner, staff

**ALASKA MENTAL HEALTH TRUST AUTHORITY
FINANCE COMMITTEE MEETING
HYBRID/ZOOM
August 1, 2025
9:15 a.m.**

**Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508**

Trustees Present:

John Morris, Chair
Anita Halterman
Kevin Fimon
Brent Fisher, Ex-officio (Virtual)

Other Trustees Present:

Agnes Moran
Corri Feige
Josie Hickel

Trust Staff Present:

Mary Wilson
Allison Biastock
Katie Baldwin-Johnson
Shannon Cochran
Valette Keller
Julee Farley
Luke Lind
Carrie Predeger
Mike Baldwin
Eric Boyer
Kat Roch
Kelda Barstad
Tine Voelker-Ross
Eliza Muse
Debbie DeLong
Heather Phelps

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison
Brittany Williams
Blain Alfonso
Mariana Sanchez
Katie Vachris
Pam Cawley

Ashley Oien
Tracy Salinas
Brittany Williams

Also participating:
Catey Habberstad

PROCEEDINGS

CALL TO ORDER

CHAIR MORRIS called the meeting to order and began with a roll call. He asked for any announcements. Hearing none, he moved to the agenda. He stated that the 12:00 p.m. Callan presentation on AMPS was canceled pre-meeting. He asked for a motion to approve the agenda.

APPROVAL OF AGENDA

MOTION: A motion to approve the agenda was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Fimon, yes; Chair Morris, yes.)

CHAIR MORRIS asked for any ethics disclosures. There being none, he moved to the approval of the minutes from April 23, 2025.

APPROVAL OF MINUTES

MOTION: A motion to approve the minutes from April 23, 2025, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

There being no objection, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Fimon, yes; Chair Morris, yes.)

STAFF REPORT ITEMS

FINANCIAL DASHBOARD

CHAIR MORRIS recognized CFO Julee Farley for the financial dashboard.

CFO FARLEY stated that the dashboard is in the expanded format and would continue that way as there has been positive feedback on this additional information. She continued that the dashboard was dated through May 31st, which is 92 percent of the year. The June dashboard numbers would not be finalized until around the time of the audit completion. She asked Kat Roch to present the information.

MS. ROCH begin with the Operating Expenses and went through the numbers, answering questions as she went along.

CHAIR MORRIS questioned as to why the older Authority Grants money from Fiscal Year '22 through '24 had not been spent, and where is it.

MR. LIND explained that those funds were not awarded or granted. They would have been allocated for a purpose, but they were not allocated for various reasons that have to be looked at. In that fiscal year, the partners were not identified, the fiscal year ended, and that is left to lapse. He continued that when he says “allocated,” it means to a specific entity, an allocated grant. The plan is to identify a partner at a later date during the fiscal year and then have trustees designate that. He added that for the bulk of funds never allocated, that partner was not identified and the funds never were granted to anyone specific.

MS. ROCH added that the unspent money does go back into the revenue calculation. The FY22 funds that remain in that budget will go back into future revenue calculation. Any money unspent after the four-year time period will go back in. She continued through the program activities and the Authority agency budget.

CFO FARLEY explained the Land Office information using the expanded dashboard format.

E.D. WARNER reminded the trustees that there was an administrative order in place as a hiring freeze, and they were going through the process of hiring with no luck.

CHAIR MORRIS moved to the Trust Investment Activity.

FORECASTS – FY27 REVENUE AND CALCULATION

CFO FARLEY began with the gains and stated that APFC manages the majority of the Trust investments. She went through the investment earnings, then continued to the FY27 revenue calculation, stating that it is done every year, which sets the stage for the budget approval and what the Trust can spend in FY27. The lapsed appropriations are captured and redeployed. She explained the different numbers and amounts of the available revenue. She stated that the cash management has been the star performer because interest rates came down a little bit.

COMMERCIAL REAL ESTATE UPDATE WITH RCLCO

CHAIR MORRIS asked for a motion to go into Executive Session.

MOTION: A motion that the Alaska Mental Health Trust Authority Board of Trustees Finance Committee move into Executive Session to discuss the potential sale of the Promontory Point property, and to receive an update from RCLCO on commercial real estate evaluation. The Executive Session is permitted by AS 42.62.310(c)(1), as the matters to be discussed would clearly have an adverse effect upon the finances of the Trust. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

There being no objection, the MOTION was APPROVED.

(Executive Session from 10:05 a.m. until 10:58 a.m.)

TRUSTEE HALTERMAN stated, for the record, that she and her fellow trustees are returning to the Finance Committee meeting from Executive Session. During the Executive Session, the Board of Trustees only discussed the items identified in the motion to move into Executive Session and did not take any action.

APPROVALS

BENEFICIARY FACILITIES

MOTION: The Finance Committee recommends the removal of the \$3,655,000 set-aside of budget reserves which was approved by the Board of Trustees on November 14, 2018, for program-related investment. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

CFO FARLEY explained that this motion pertains to a reserve of \$3.7 million that was approved by trustees in 2018. It was intended for a beneficiary-related project. This amount has been invested in the Trust assets by the Department of Revenue in the budget reserves. It has not been drawn upon.

COO BALDWIN-JOHNSON gave a brief history, noting that the Trust had been actively working on resolving the facility needs of two beneficiary organizations, and it put aside some money to buy or lease a building which was being figured out. The initiative has not evolved that way, and the money has been sitting there.

TRUSTEE MORAN asked if there were other items like this buried in that reserve, or if this is the last of it.

CFO FARLEY replied that she was not aware of any other items.

CHAIR MORRIS called the question.

There being no objection, the MOTION was APPROVED.

FY26 BUDGET RATIFICATION AND AMENDMENT RECOMMENDATIONS

MOTION: The Finance Committee recommends that the Full Board of Trustees ratifies the Legislature's Fiscal Year '26 MHTAAR and Mental Health Trust Admin Budget amounts as appropriated, and therefore increases previous Fiscal Year '26 trustee authorization by \$440,200. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

MS. ROCH explained that these increases are driven by increases to benefits and to salary increases. They are all funded either partially or full positions at these other agencies and are often adjustments to benefits, people getting merit increases.

TRUSTEE HALTERMAN asked if a significant adjustment like this was expected for next year's budget and the year after, or if they are going to be more moderate.

MS. ROCH replied that last year a bill was passed giving three years of COLA, and there was also a new contract for the general government union. She was not sure if there would be big increases or not.

CHAIR MORRIS called the question.

There being no objection, the MOTION was APPROVED.

FY26 PAYOUT AUTHORIZATION

MOTION: The Finance Committee recommends that the Full Board of Trustees amend the Fiscal Year '26 budget to move \$30,000 from the Fiscal Year '26 Rural & Community Outreach line to a new line for Conference/Sponsorships. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

MS. BIASTOCK stated that this is a proposal to create a new line of \$30,000 for conference sponsorships. The reason being that bringing a \$2500 conference sponsorship to the Board in the form of a grant and believing that a sponsorship that could be finalized at the staff level is a bit more reflective of what these funds are doing. This is a one-time expense that provides visibility, local placement, and other benefits associated with the conference. It would just be more efficient to do that at a staff level. Trustees will still see what conferences are being supported in the quarterly Authority Grant non-grant signature reports. This will provide up to 12 conference sponsorships not to exceed \$2500 per event. She noted that \$30,000 would be removed from the Rural Community Outreach line still leaving \$100,000 there.

TRUSTEE HALTERMAN recommended to vote on this with some instructions of staff to come back at some point. She continued that they could move forward and ask staff to bring back some recommendations for a policy. She recommended it be included in the communications plan.

CHAIR MORRIS called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Fimon, yes; Chair Moran, no.)

MOTION: The Finance Committee recommends that the Full Board of Trustees amends the FY26 budget to remove the following unallocated budget lines: Comprehensive Program Planning & Consultative Services; Treatment Access and Recovery Supports; Crisis Continuum of Care; HCBS System Sustainability; SHARP Access; Evidence-Based and Promising Employment and Engagement Practices; Screening & Intervention for Infants, Children and Youth or their Families; Infant, Early Childhood & Youth Mental Health Capacity Building; Improve Social Determinants of Health for Children, Youth and Their Families; Foster Care, Child Welfare and Kinship Programs. These ten budget lines, totaling \$7,165,000, will be removed from the budget, and the funds will be added to a new budget line named Trust Focus Area Strategy Implementation. The total budget amount for Fiscal Year '26 remains unchanged. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

COO BALDWIN-JOHNSON clarified that the FY26 budget as approved by trustees on August 29, 2024, contained 13 bucket lines, and ten of those are being proposed to essentially collapse and move into that new strategy line. She stated that the remaining three of unallocated funds in the FY26 budget currently have pending grant requests that will be considered by the Board in August, and that space will be held for right now.

CHAIR MORRIS asked for any further questions. There being none, he called the question.

There being no objection, the MOTION was APPROVED.

TRUST AUTHORITY OFFICE AGENCY BUDGET FY27

MOTION: The Finance Committee recommends that the Full Board of Trustees authorize the transfer of \$30,253,297 from the Alaska Permanent Fund Corporation Budget Reserve Account to the Mental Health Settlement Income Account to finance the Fiscal Year 2026 budget. The CFO may fulfill this motion with one lump sum or multiple transfers, and the full transfer must be made prior to June 30, 2026. The CFO will report to the Finance Committee when transfer or transfers are made. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

CFO FARLEY stated that this is an annual request, and trustees have seen this calculation because it was included in the FY26 available revenue estimate that was provided this time last year. This is a straightforward calculation taking a four-year average of Trust investments and then the approved payout percentage, which for FY26 was 4.25 percent.

CHAIR MORRIS called the question.

There being no objection, the MOTION was APPROVED.

TRUST LAND OFFICE AGENCY BUDGET FY27

MOTION: The Finance Committee recommends that the Full Board of Trustees approve the Fiscal Year '27 Trust Authority Office MHT Agency budget of \$5,771,800.

COO BALDWIN-JOHNSON explained that the FY27 budget reflects a new increase of \$298,500, which is about 5 percent over the FY26 Authority Grant budget.

CHAIR MORRIS called the question.

There being no objection, the MOTION was APPROVED.

MOTION: The Finance Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the Trust Land Office agency budget for Fiscal Year '27 in the amount of \$6,278,300. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

MS. MORRISON stated that this operating budget amount reflects an increase of 10 percent, with a total of \$556,700. She continued that the FY26 management plan is a bit higher than the budget originally approved, which is related to the COLA increase for staff. It also includes increases to the PERS benefit rate and health insurance.

CHAIR MORRIS asked for any further discussion or questions. There being none, he called the question.

There being no objection, the MOTION was APPROVED.

MOTION: A motion to adjourn the meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

There being no objection, the MOTION was APPROVED.

CHAIR MORRIS adjourned the meeting.

(Alaska Mental Health Trust Authority Finance Committee meeting adjourned at 11:56 a.m.)

Alaska Mental Health Trust

For period ending: June 30, 2025

% of FY reported: 100%

TRUST AUTHORITY	FY25 July-June Expenditures	% of budget	FY25 Remaining/Projected/ Encumbered	Approved Budget	Projected Lapse over/(under)
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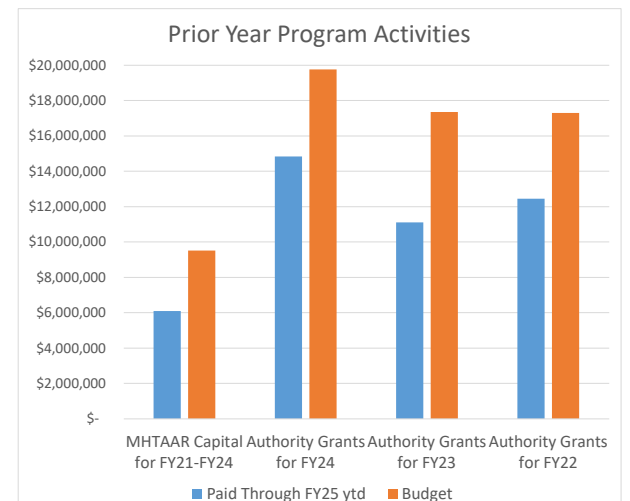
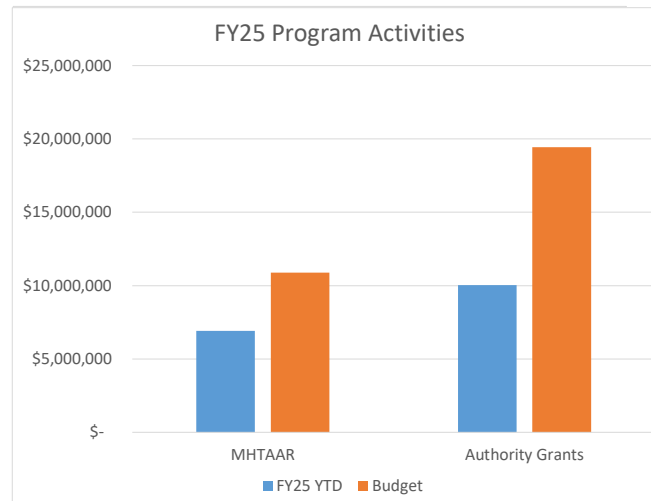
Operating Expenditures

FY25 Trust Authority Agency Exp.	\$ 4,781,000	92%	\$ -	\$ 5,173,300	\$ (392,347)
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Program Activities

	Paid in FY25		Trustee Encumbered/Approved	To be approved or encumbered	Approved Budget	
MHTAAR	\$ 6,924,473	64%	\$ -	\$ 3,469,927	\$ 10,894,400	\$ (500,000)
Authority Grants	10,025,399	52%	4,578,777	4,337,824	19,442,000	(500,000)
FY25 Budget	\$ 16,949,872	56%	\$ 4,578,777	\$ 7,807,751	\$ 30,336,400	(1,000,000)
	Paid in FY25		Previously Paid	Remaining Budget	Approved Budget	% expended
MHTAAR Capital for FY21-FY24	\$ 1,365,307		\$ 4,731,900	3,417,493	9,514,700	64%
Authority Grants for FY24	4,648,717		10,193,528	4,903,755	19,746,000	75%
Authority Grants for FY23	684,446		10,423,740	6,241,514	17,349,700	64%
Authority Grants for FY22	63,415		12,376,121	4,850,400	17,289,900	72%
Total FY21-FY24 Budgets	\$ 6,761,885					

Total Program Activities paid FY25 \$ 23,711,757



Alaska Mental Health Trust

For period ending: June 30, 2025

TRUST LAND OFFICE		July-June	% budget	Approved Budget		Projected Lapse
Operating Expenditures		Expended		FY25 Remaining/ Projected/Encumbered		
FY25 TLO Agency Expenditures		4,079,000	75%	698,100		5,417,100 (640,000)
Revenues (excl. CRE and Capital Projects)		Revenue		Approved Plan		
Trust Land Office-Income*		\$ 4,787,918	115%	\$ 4,173,400		
Trust Land Office-Principal		5,706,455	77%	7,395,100		
Land Office Revenues		\$ 10,494,374	91%	\$ 11,568,500		

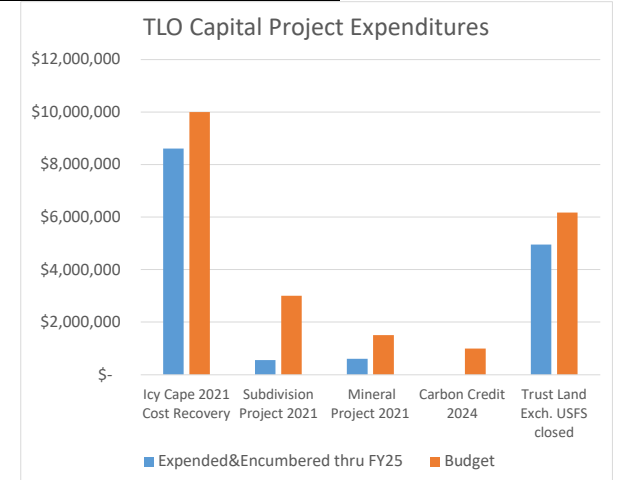
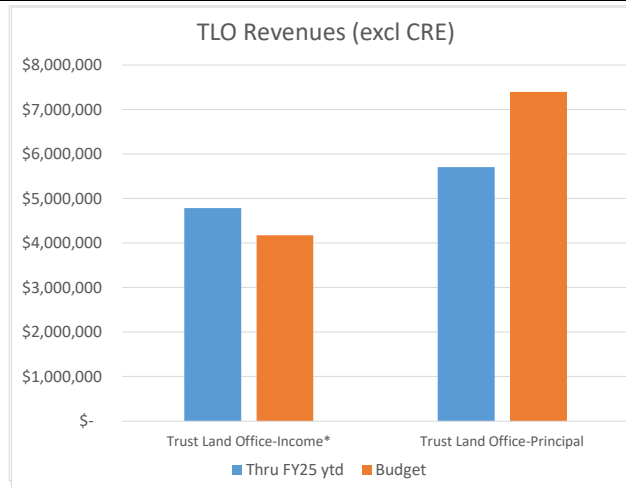
* does not include \$1.3M of FY26 revenue

Capital Projects		July-June	Expended	Encumbered	Cumulative Expended & Encumbered thru May2025	YTD Principal	YTD Income	Inception to date Principal & Income	Approved Budget	Remaining Budget	
Icy Cape 2021 Cost Recovery		\$	934,200	\$	161,000	\$	8,611,000		\$	10,000,000	\$ 1,389,000 14%
Subdivision Project 2021		\$	127,100	\$	296,500	\$	551,400		\$	3,000,000	\$ 2,448,600 82%
Mineral Project 2021		\$	300,000			\$	600,000		\$	1,500,000	\$ 900,000 60%
Carbon Credit 2024		\$	-			\$	-		\$	1,000,000	\$ 1,000,000 100%
Trust Land Exch. USFS closed		\$	-			\$	4,950,000	\$ 637,600 \$ 112,500	\$ 10,621,900	\$ 6,170,000	\$ - 0%
Icy Cape 2016 closed		\$	-			\$	2,000,000		\$	2,000,000	\$ - 0%
Icy Cape 2017 closed		\$	-			\$	3,000,000		\$	3,000,000	\$ - 0%
Total Capital Projects		\$	1,361,300	\$	457,500	\$	19,712,400		\$	26,670,000	\$ 5,737,600 22%
Shelter Cove (DOT funded)		\$	152,200	\$	220,800	\$	7,140,280	\$ - \$ -	\$ -	\$ 7,175,000	\$ 34,720

FY25YTD

TLO Total Principal Revenue incl. Capital Projects \$ 6,344,055

TLO Total Income Revenue incl. Capital Projects \$ 4,900,418

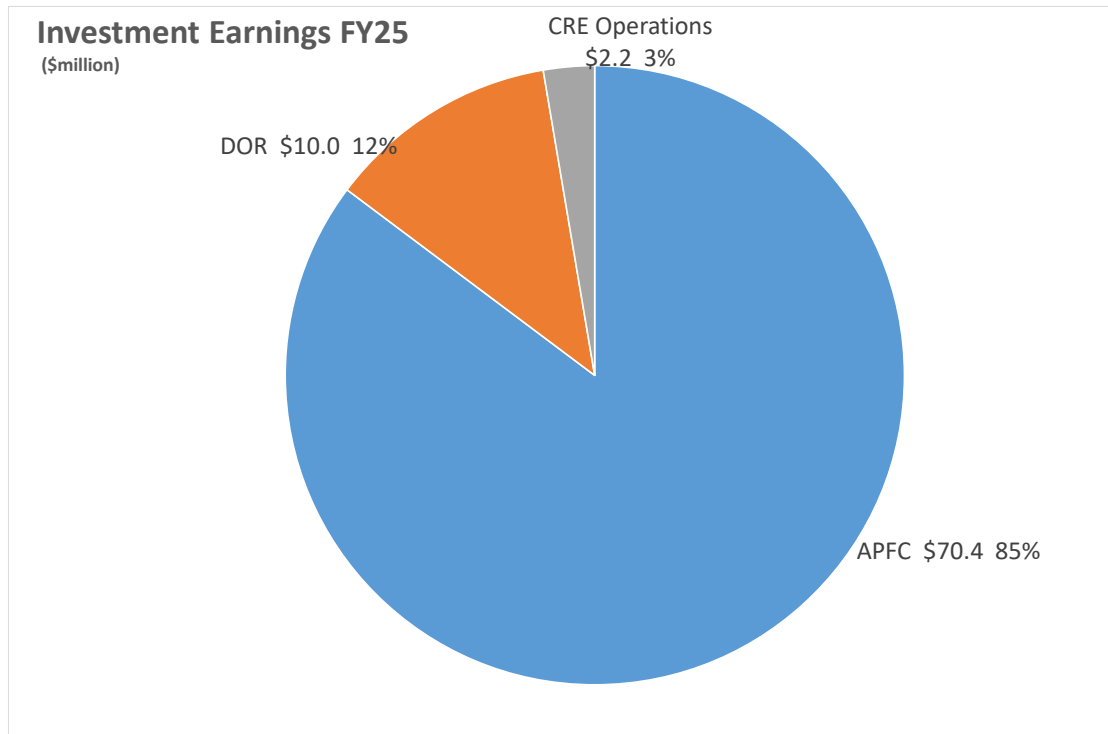


Alaska Mental Health Trust

For period ending: June 30, 2025

TRUST INVESTMENT ACTIVITY

	July-June	% budget	Plan	Performance
Managed by APFC (inc. Principal and Budget Reserves)				
APFC Unrealized gain(loss)	16,679,000			
APFC Statutory Net Income	53,766,000			
APFC Gain \$	70,445,000	123%	\$ 57,124,800	FY25 thru June 9.4% vs 9.3% bench (LT expected return 7.7%)
Managed by DOR				
Budget Reserves gain (loss)	7,528,900	200%	3,763,900	FY25 thru June 12.4% vs 12.2% bench (LT expected return 7.0%)
GeFONSI Interest earnings	2,444,100	128%	1,915,800	
DOR	9,973,000		5,679,700	
Commercial Real Estate Distributions from Operations				
Managed by TLO	2,192,400	106%	2,069,000	
Managed by RCLCO	-		-	
Total Investment Earnings	\$ 82,610,400	127%	\$ 64,873,500	
CRE Distribution from Property Sales	21,172,600		-	20,600,000
FY25 CRE Owner Contributions	(7,800,000)			



Alaska Mental Health Trust

For period ending: June 30, 2025

TRUST ASSETS at June 30, 2025

Investments

APFC-Managed Trust Corpus	\$ 559,321,000
APFC-Managed Unrealized Gains	125,053,000
APFC-Managed Spendable Reserves	<u>70,084,400</u>
Total APFC Managed Funds	\$ 754,458,400

Trust Reserves at DOR	\$ 73,570,900
Total Externally Managed Investments	\$ 828,029,300

Basis for 4.5% payout calculation on June 30, 4yr avg.

Commercial Real Estate	\$ 31,190,500
------------------------	---------------

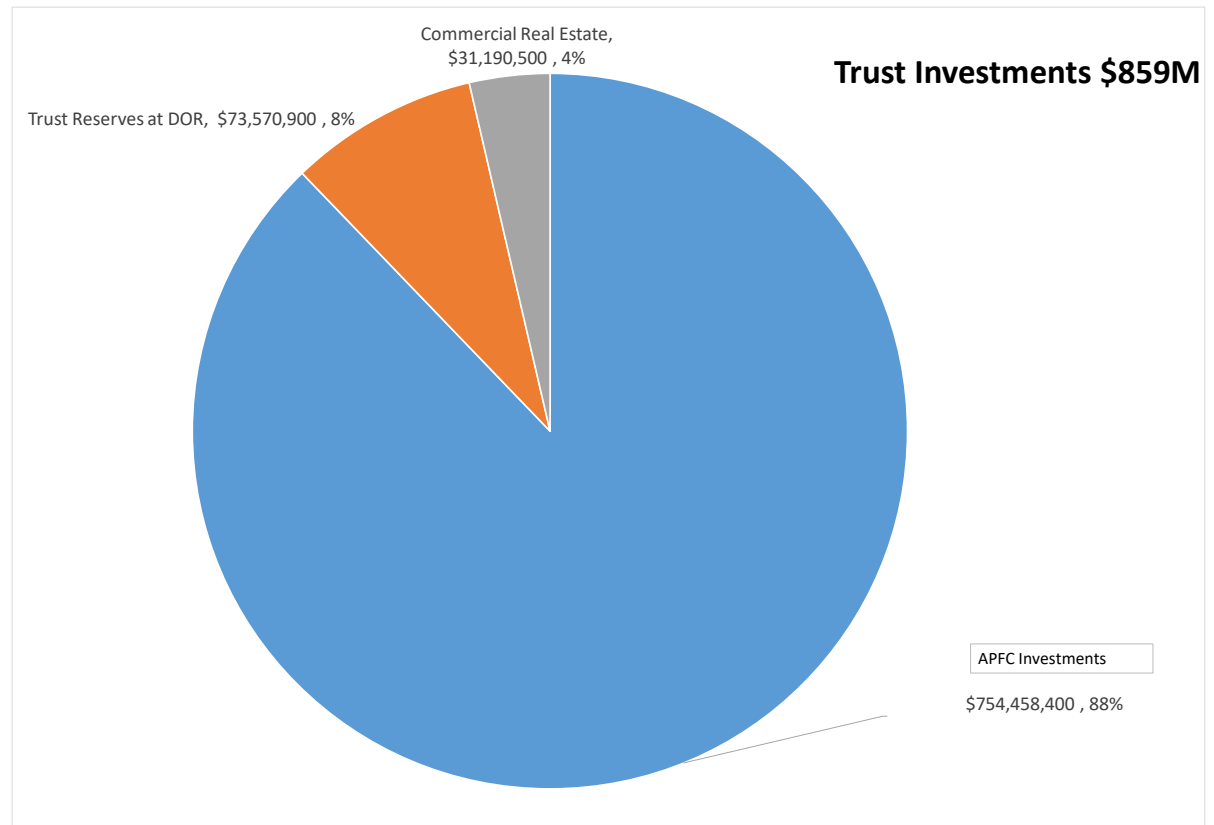
Value at June 30, 2025 (excl Cordova), pending BDO audit completion

Total Investments	\$ 859,219,800
--------------------------	-----------------------

Reserves (included in above Investments)	\$ 143,655,300
Reserves as % of FY26 Payout	475%
Less Trustee Approvals to be funded from Reserves:	
<u>FY26 payout not yet taken</u>	<u>(30,253,297)</u>
Adjusted Reserve Balance	113,402,008
Available Reserves as % of FY26 Payout	375%
Amount Above (Below) Target	(7,611,200)

Cash Managed by DOR (GeFONSI)

Trust Authority Development (Principal) Account	90,706
TLODA	6,342,473
Central Facility Fund Avail Bal	1,756,270
DOR Operating Funds*	<u>67,336,004</u>
Total	75,525,453



Alaska Mental Health Trust

For period ending: August 31, 2025

% of FY reported: 17%

TRUST AUTHORITY	FY26 July-Aug Expenditures	% of budget	FY26 Remaining/Projected/ Encumbered	Approved Budget	Projected Lapse over/(under)
-----------------	----------------------------------	----------------	--	-----------------	------------------------------------

Operating Expenditures

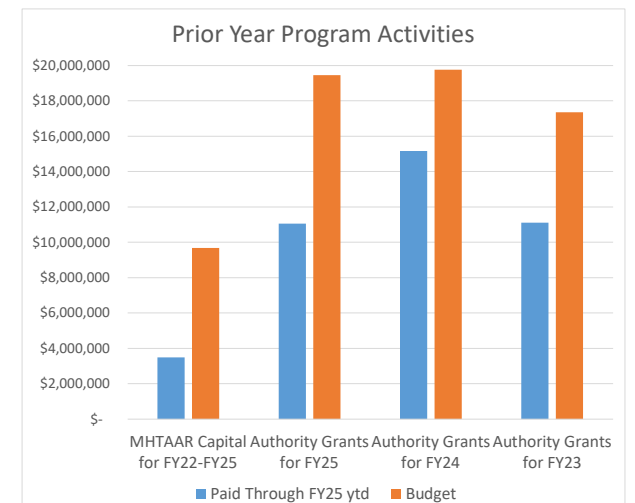
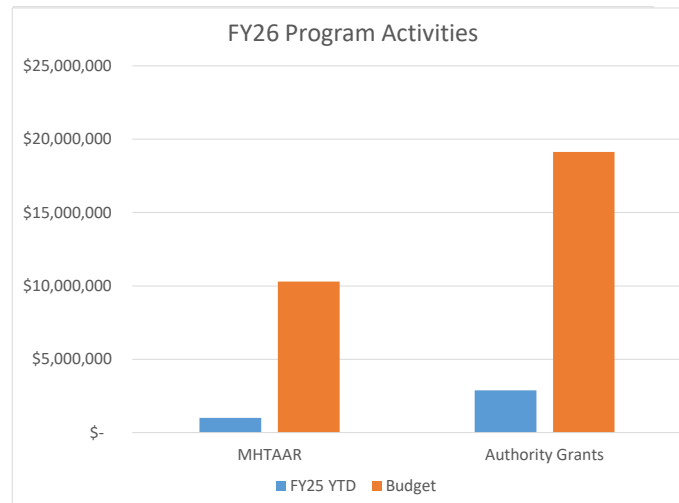
FY26 Trust Authority Agency Exp. \$ 744,900 14% \$ 4,546,923 \$ 5,473,300

Program Activities

	Paid in FY26		Trustee Encumbered/Approved	To be approved or encumbered	Approved Budget	
MHTAAR	\$ 1,007,857	10%	\$ -	\$ 9,297,643	\$ 10,305,500	
Authority Grants	2,885,607	15%	3,277,687	12,956,006	19,119,300	
FY26 Budget	\$ 3,893,464	13%	\$ 3,277,687	\$ 22,253,649	\$ 29,424,800	-
	Paid in FY26		Previously Paid	Remaining Budget	Approved Budget	% expended
MHTAAR Capital for FY22-FY25	\$ 8,088		\$ 3,482,860	6,189,290	9,680,238	36%
Authority Grants for FY25	1,025,167		10,025,399	8,391,434	19,442,000	57%
Authority Grants for FY24	310,622		14,842,245	4,593,133	19,746,000	77%
Authority Grants for FY23	3,206		11,108,186	6,238,308	17,349,700	64%
Total FY22-FY25 Budgets	\$ 1,347,083					

Total Program Activities paid FY26

\$ 5,240,547



Alaska Mental Health Trust

For period ending: August 31, 2025

TRUST LAND OFFICE		July-Aug	% budget	Approved Budget	Projected Lapse/Notes
Operating Expenditures		Expended		FY26 Remaining/ Projected/Encumbered	
FY26 TLO Agency Expenditures		463,400	8%	5,258,200	5,721,600
Revenues (excl. Capital Projects)		Revenue		Approved Plan	
Trust Land Office-Income*		\$ 1,973,839	50%	\$ 3,933,587	*Includes \$1.3M collected in FY25
Trust Land Office-Principal		466,222	6%	8,314,250	
Land Office Revenues		\$ 2,440,061	20%	\$ 12,247,837	

Capital Projects

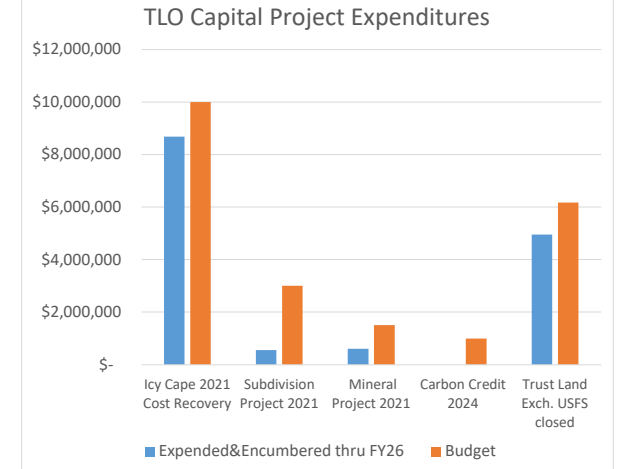
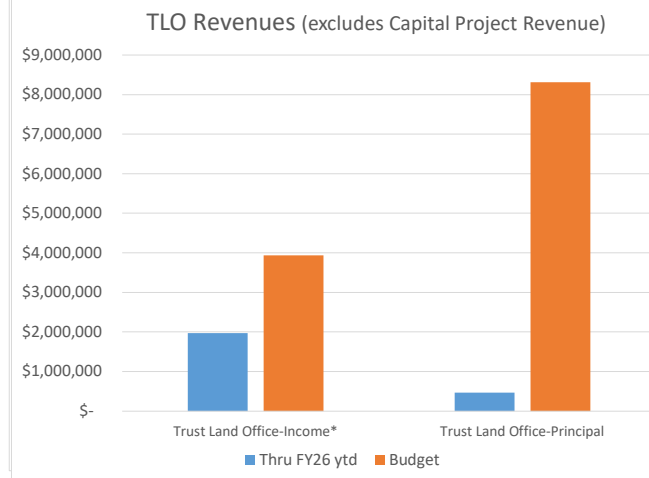
funded from Budget Reserves
approval year noted

	August	Expended	Encumbered	Cumulative Expended & Encumbered thru Aug2025	YTD Principal	YTD Income	Inception to date Principal & Income	Approved Budget	Remaining Budget	
Icy Cape 2021 Cost Recovery	\$	68,603	\$ 100,024	\$ 8,678,600				\$ 10,000,000	\$ 1,321,400	13%
Subdivision Project 2021			\$ 293,457	\$ 551,400				\$ 3,000,000	\$ 2,448,600	82%
Mineral Project 2021				\$ 600,000				\$ 1,500,000	\$ 900,000	60%
Carbon Credit 2024	\$	-		\$ -				\$ 1,000,000	\$ 1,000,000	100%
Trust Land Exch. USFS closed	\$	-		\$ 4,950,000	\$ 133,522	\$ 23,563	\$ 10,778,958	\$ 6,170,000	\$ -	0%
Icy Cape 2016 closed	\$	-		\$ 2,000,000				\$ 2,000,000	\$ -	0%
Icy Cape 2017 closed	\$	-		\$ 3,000,000				\$ 3,000,000	\$ -	0%
Total Capital Projects	\$	68,603	\$ 393,481	\$ 19,780,000				\$ 26,670,000	\$ 5,670,000	21%
Shelter Cove (DOT funded)				\$ 7,140,280	\$ -	\$ -	\$ -	\$ 7,175,000	\$ 34,720	

FY26YTD

TLO Total Principal Revenue incl. Capital Projects \$ 599,744

TLO Total Income Revenue incl. Capital Projects \$ 1,997,401

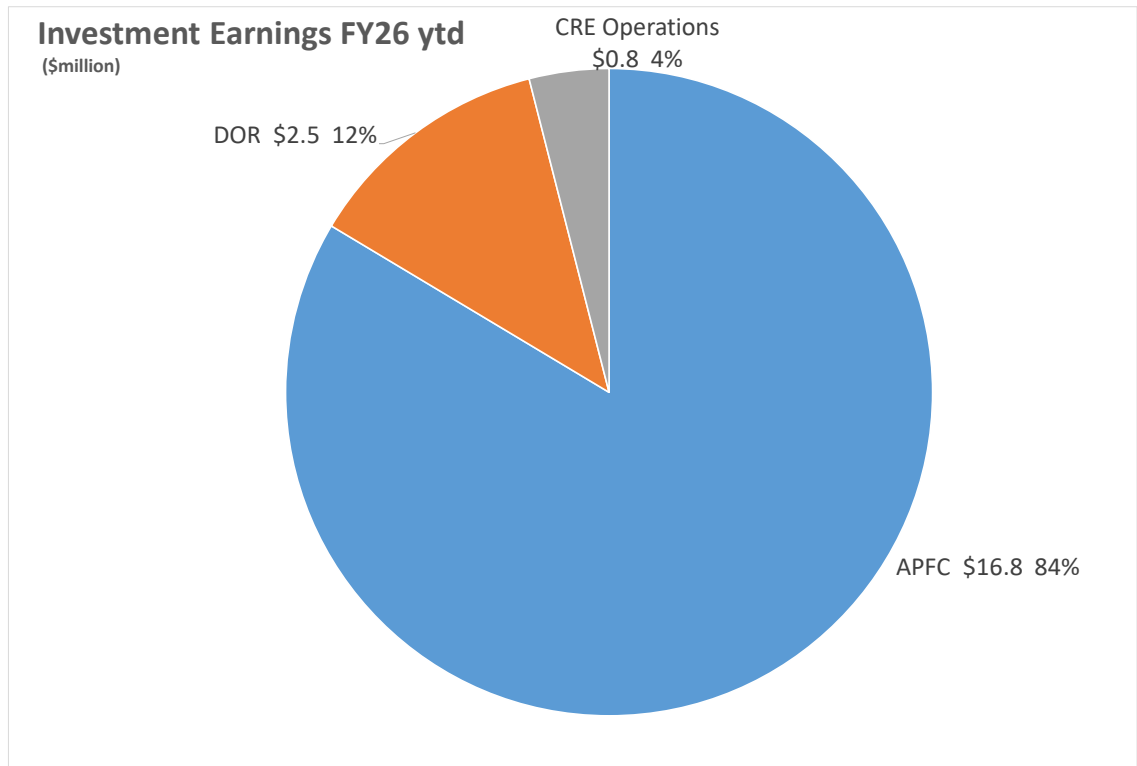


Alaska Mental Health Trust

For period ending: August 31, 2025

TRUST INVESTMENT ACTIVITY

	July-Aug	% budget		Plan	Lapse	Performance
Managed by APFC (inc. Principal and Budget Reserves)						
APFC Unrealized gain(loss)	6,261,000					
APFC Statutory Net Income	10,582,000					
APFC Gain	\$ 16,843,000	29%		\$ 58,368,100		FY26 ytdAug 1.8% vs 1.6% bench (LT expected return 7.6%)
Managed by DOR						
Budget Reserves gain (loss)	1,913,800	40%		4,782,100		FY26 ytdAug 2.6% vs 2.5% bench (LT expected return 6.5%)
GeFONSI Interest earnings	572,500	22%		2,570,100		
DOR	2,486,300			7,352,200		
Commercial Real Estate Distributions from Operations						
Managed by RCLCO	815,535					
Total Investment Earnings	\$ 20,144,835	31%	\$ -	\$ 65,720,300		
FY26 CRE Distribution from Property Sales	270,000					
FY26 CRE Owner Contributions	20,000					



Alaska Mental Health Trust

For period ending: August 31, 2025

TRUST ASSETS at August 31, 2025

Investments

APFC-Managed Trust Principal	\$ 559,901,000
APFC-Managed Unrealized Gains	127,664,000
APFC-Managed Spendable <u>Reserves</u>	<u>80,666,400</u>
Total APFC Managed Funds	\$ 768,231,400

Trust <u>Reserves</u> at DOR	\$ 75,484,600
Total Externally Managed Investments	\$ 843,716,000

Basis for 4.5% payout calculation on June 30, 4yr avg.

Commercial Real Estate	\$ 31,052,700
------------------------	---------------

Inv. value at June 30, 2025 (excl Cordova)

Total Investments	\$ 874,768,700
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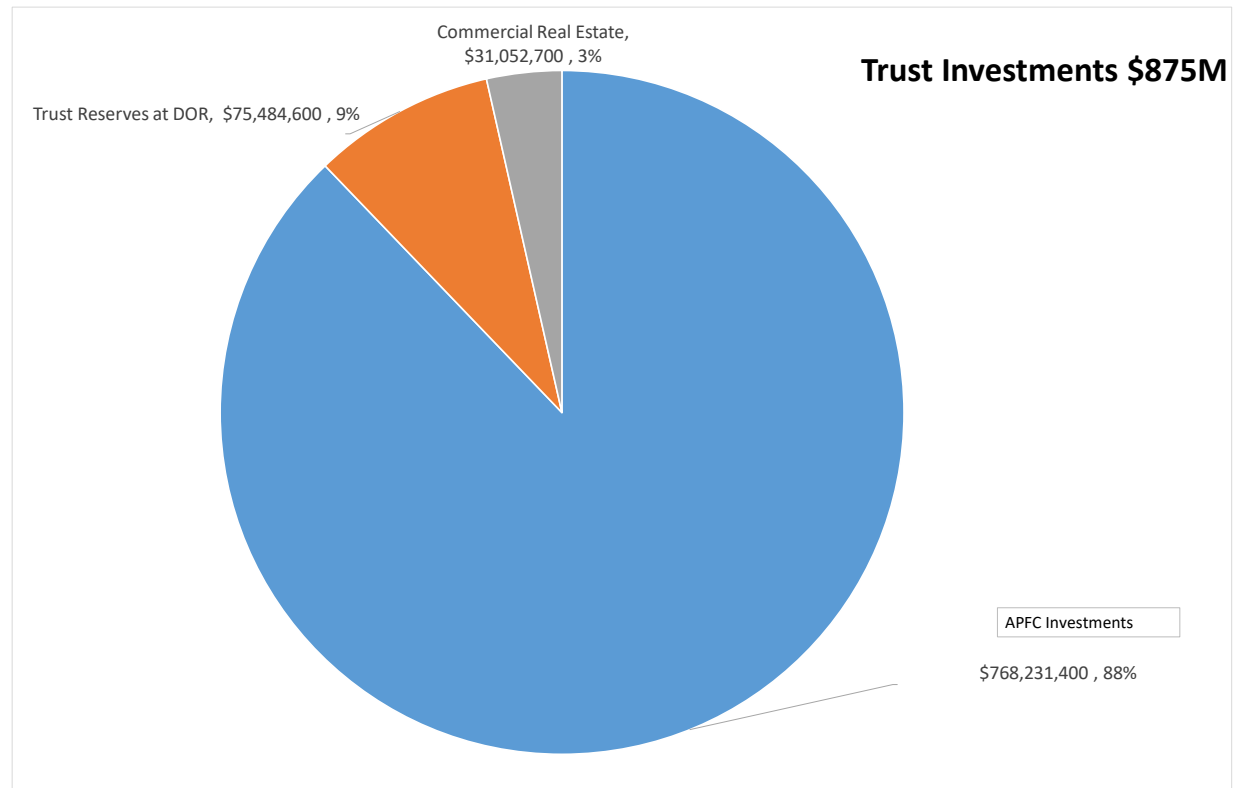
Reserves (included in above Investments)	\$ 156,151,000
---	-----------------------

FY26 payout not yet taken	(30,253,297)
Adjusted Reserve Balance*	125,898,000
Available Reserves as % of FY25 Payout	416%
Amount Above (Below) Target	4,885,000

*Does not include Trustee approved FY27 budgeted payout of \$34,290,600

Cash Managed by DOR (GeFONSI)

Trust Authority Development (Principal) Account	75,798
TLODA	6,180,728
Central Facility Fund Avail Bal	1,756,270
DOR Operating Funds	60,497,186
Total	68,509,982





APFC

ALASKA PERMANENT
FUND CORPORATION

Alaska Mental Health Trust

October 2025



ALASKA PERMANENT
FUND CORPORATION

Mission

To manage and invest the assets of the permanent fund and other funds designated by law in accordance with AS 37.13.

Vision

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

Alaska Permanent Fund
Principal
Constitution and AS 37.13.010
Earnings Reserve Account
AS 37.13.145 (a)

Amerada Hess Settlement
AS 37.13.145 (d)
AK Capital Income Fund
AS 37.05.565

Alaska Mental Health Trust Fund
AS 37.13.300
Alaska Mental Health Trust
Authority

Power Cost Equalization
Endowment
AS 42.45.080 (a)
Alaska Energy Authority – PCE
Program

Management of the Mental Health Trust

Article 02. Management of Other Assets.

Sec. 37.13.300. Corporation to manage certain assets of the mental health trust.

(a) The corporation shall manage the mental health trust fund.

(b) The corporation shall

(1) hold and invest the mental health trust fund subject to [AS 37.13.120](#);

(2) at least quarterly, prepare, publish, and distribute to the Board of Trustees of the Alaska Mental Health Trust Authority a financial report showing investment revenue and expenditures, including the allocation of the cash assets of the mental health trust fund among investments;

(3) Annually prepare, publish, and distribute to the Board of Trustees of the Alaska Mental Health Trust Authority financial statements prepared in accordance with generally accepted accounting principles consistently applied, and an audit report prepared by a certified public accountant;

(4) periodically advise the Board of Trustees of the Alaska Mental Health Trust Authority when revisions to long-range investment policy, including asset allocation changes, are contemplated, and provide an opportunity for consultation and comment on the changes before they are implemented; and

(5) transfer to the mental health trust settlement income account the net income available for distribution attributable to the mental health trust fund at the end of each fiscal year.

(c) Net income from the mental health trust fund may not be included in the computation of net income available for distribution under [AS 37.13.140](#).

APFC is in the business of taking risks to achieve return objectives

The goal of risk management is not to avoid risks, it is to:

- ✓ know and understand the risks taken,
- ✓ measure, monitor, and report these risks,
- ✓ manage risks to acceptable levels, and
- ✓ review whether returns are commensurate.

Maximizing A Risk-Adjusted Return

AS 37.13.120 Investment Responsibilities

- Board will follow the prudent investor rule as it relates to institutional investors.
- Board will maintain a reasonable diversification of assets.
- Board adopts regulations defining eligible investments.
- APFC may only borrow money if it is recourse to a specific investment.
- APFC shall invest the Fund's assets in in-state investments, if comparable in risk level and expected return to alternate investment opportunities.

Investing for the Long Term

A Maximum Risk-Adjusted Return

Real Return

Annual investment performance adjusted for inflation indicates sustained value and purchasing power.

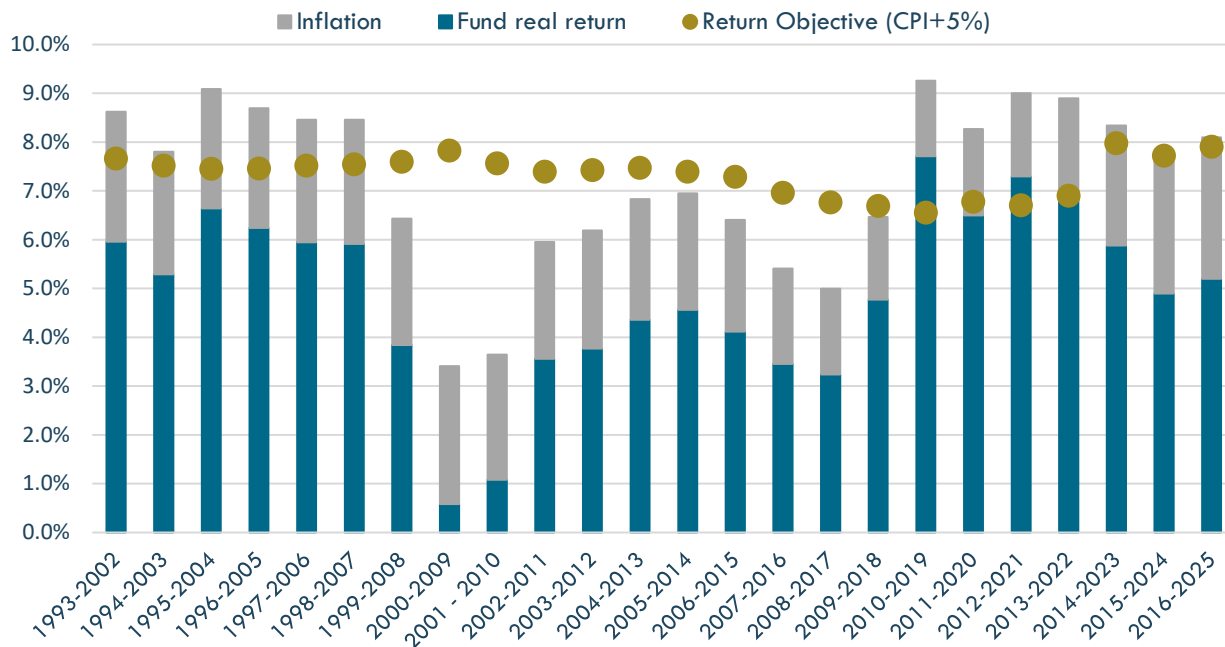
The Board's Total Fund Objective

Investment Performance

Ability to generate an annualized return of inflation (CPI) + 5% over a 10-year period.

Investment Risk

Ability of the Fund to achieve the long-term target while conforming to the Board's approved risk appetite metric.



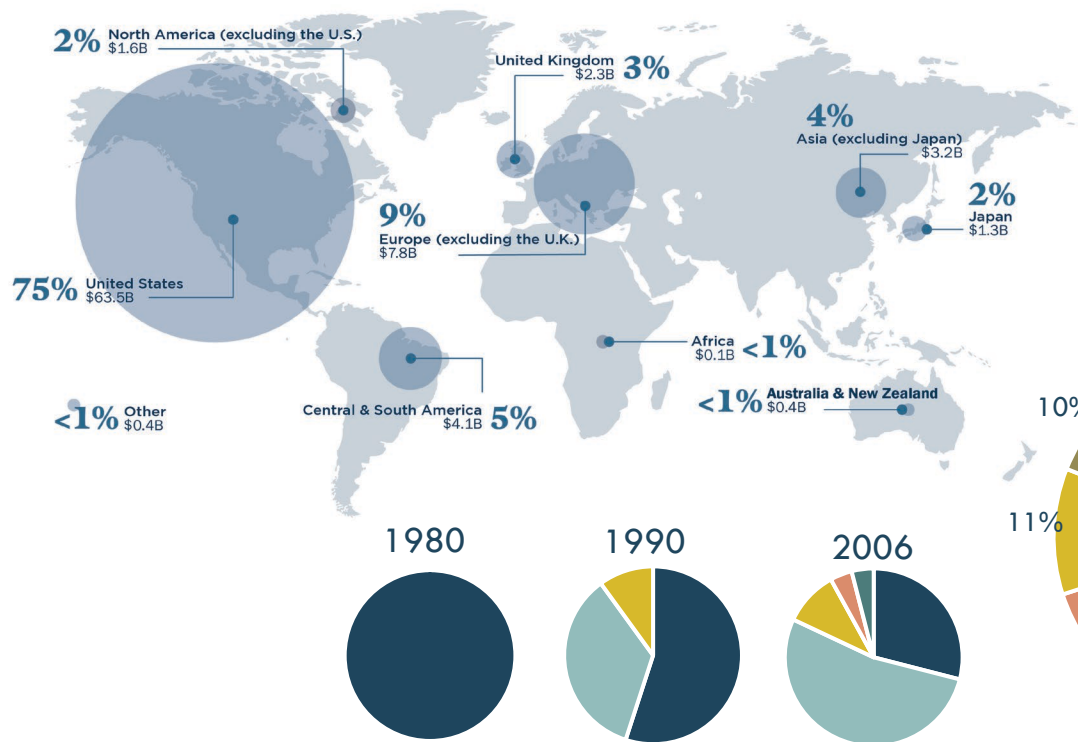


Global Investment

Our vision is to deliver outstanding returns for the benefit of all current and future generations of Alaskans.

Diversification

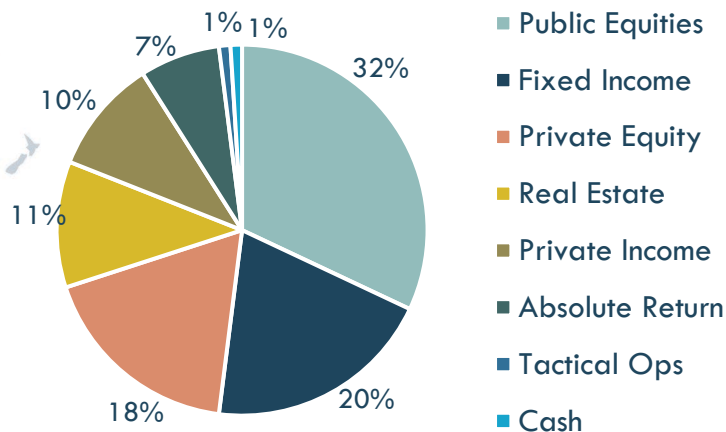
APFC seeks to balance the goals of maximizing returns and minimizing risks.



Risk Management

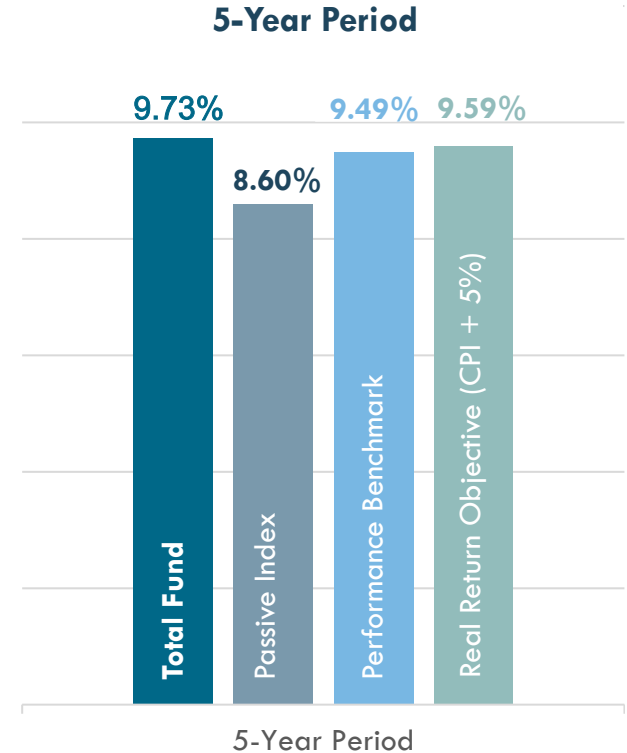
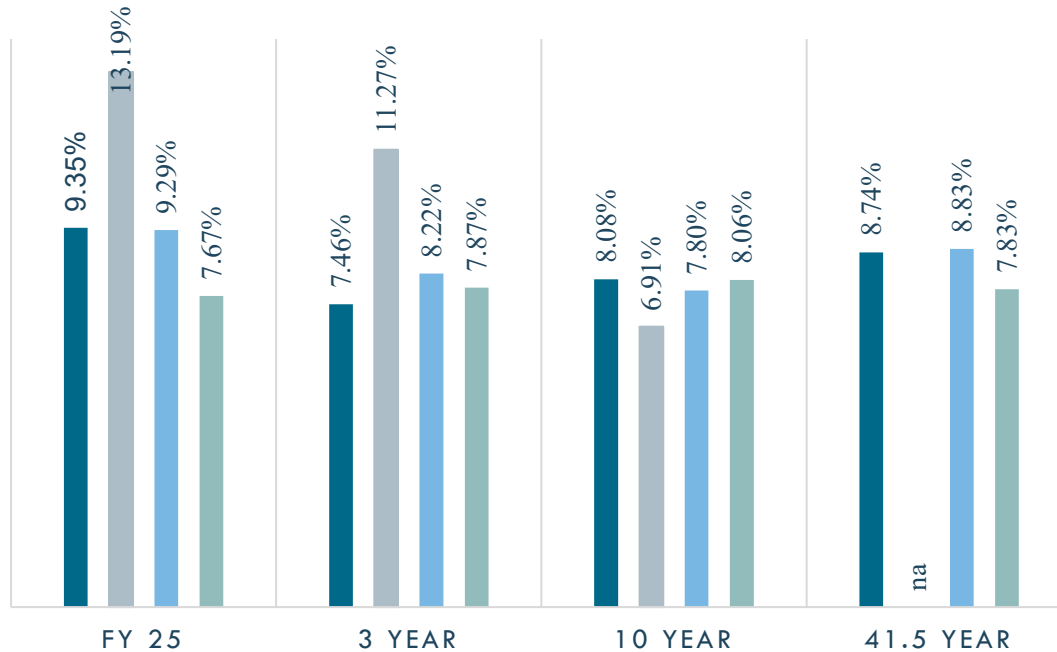
The goal of risk management is not to avoid risk but to identify, understand, and manage it to acceptable levels.

2026 Target Allocation



Benchmarked Performance

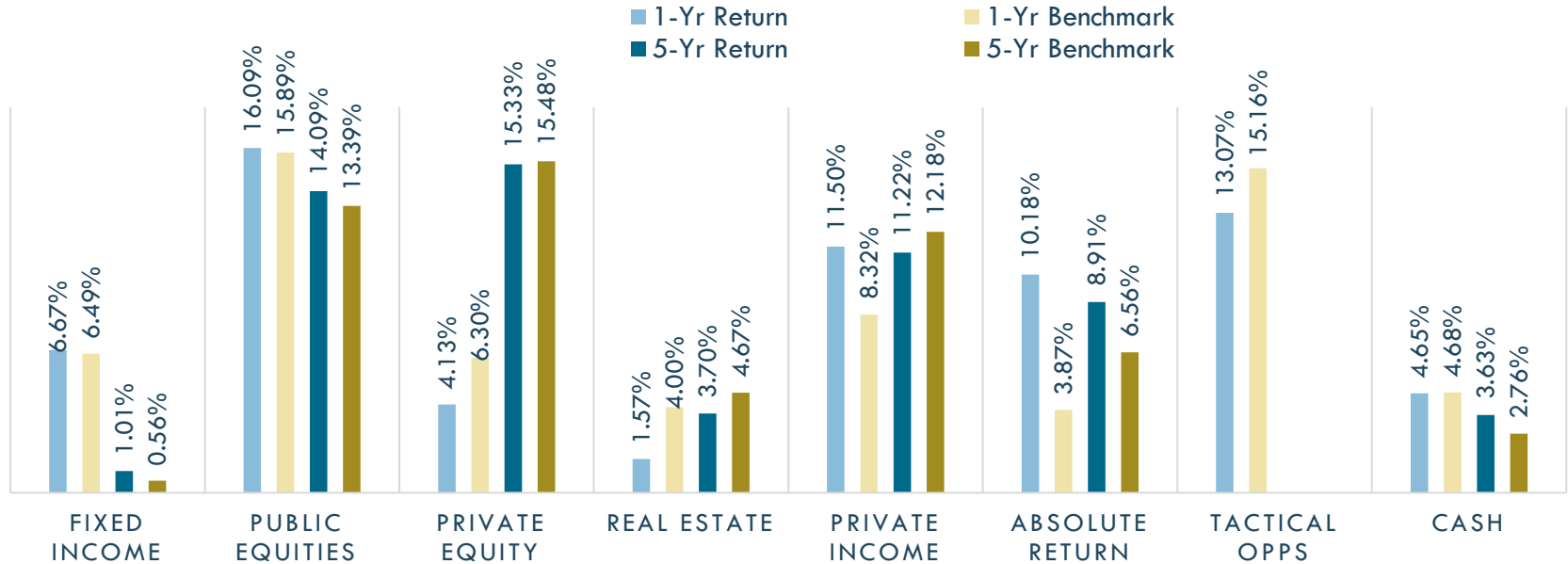
FUND PERFORMANCE as of June 30, 2025



The Portfolio

	Public Equities	The Public Equities allocation is comprised of U.S., International, and Global Stocks and is the Fund's primary source of growth.
	Fixed Income	The internally managed Fixed Income portfolio acts as an anchor to the Fund, generating stable returns and providing a source of liquidity.
	Private Equity	Private equity includes a wide array of investments in privately held, non-publicly traded companies. The range of investment strategies, structures, and underlying assets are linked by common characteristics, including long investment horizons and limited liquidity, and offer diversification and superior returns.
	Private Income	Private Income consists of three sub-portfolios: infrastructure, private credit, and other income-producing assets. The asset class provides the Fund with a high level of income with limited volatility.
	Real Estate	APFC has partial or complete ownership of 76 residential, retail, industrial, and office buildings in the United States and abroad providing a steady inflation-adjusted cash yield.
	Absolute Return	Absolute Return strategy aims to provide a consistent, uncorrelated return that is accretive to the overall target.
	Tactical Opps	Tactical Opportunities is designed to provide an area for the investment team to execute opportunistic investments across public and private markets.
	Cash	Cash Portfolio provides stability for the portfolio as well as liquidity and risk balance through diversification benefits relative to other riskier asset classes.

Asset Class Performance as of June 30, 2025

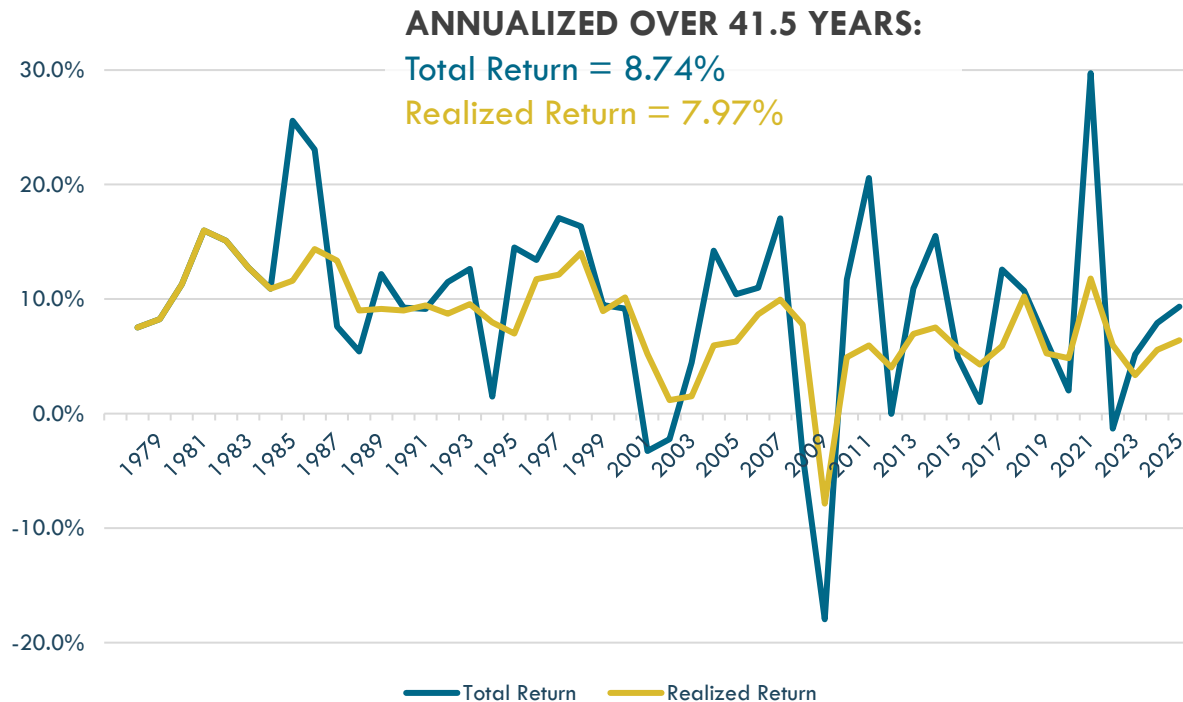




Income Producing

APFC manages the portfolio to provide a maximum risk-adjusted return, not toward annual gain realization.

Total vs Realized Return



Total Return is the overall rate of return of the portfolio over a specific period. It encompasses interest, dividends, distributions, and capital gains, *realized and unrealized*.

Realized Return is the income that is collected from investment activity over a given period. It is the profit or loss from an investment, accounting for interest, dividends, and *realized* capital gains.

1996 – The Alaska Mental Health Trust came under APFC's management

How does APFC Earn Money?

Realized Earnings including Capital Gains

- Dividends on Stocks
- Interest Income on Bonds
- Rents on Property
- Distributions from Private Investments
- Capital gains when an investment is sold at a price higher than it was purchased

APFC manages the portfolio to provide a maximum risk-adjusted return, not toward annual gain realization.

Earnings are income collected and increases in the value of investments.

Unrealized Gains on Portfolio Holdings

- Any investment that has increased in value but has not yet been sold.
- Increase in Value of Stocks
- Increase in Value of Bonds
- Appreciation on Property Value

Tyson's Corner

Purchased 1985
\$523 million in
unrealized gains
as of June 30, 2025



Retail Property | McLean, Virginia

Fees paid and allocated to the Trust included 89 basis points for external investment management and 14 basis points for APFC management. This totals 103 basis points, or 1.03% combined.

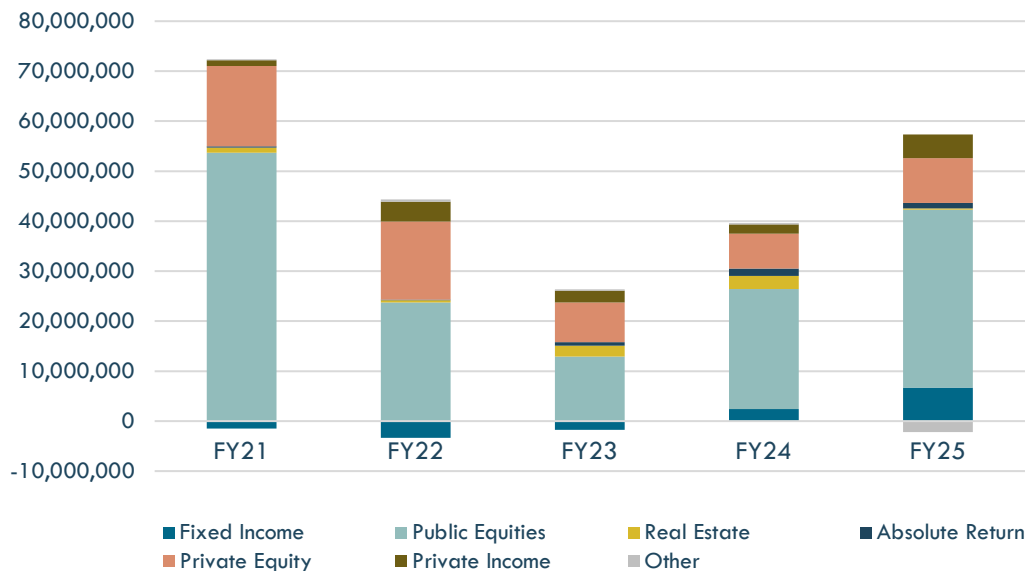
Investment returns are reported net of fees.

The Alaska Mental Health Trust

Investments are managed, and were managed in FY25, consistent with the APFC Board of Trustees' approved Investment Policy, which aligns with state statutes and the Prudent Investor Rule.

AMHT: Realized Earnings by Asset Class

Includes Cash Flow & Gains, as of June 30, 2025



*Other: Securities lending, commission recapture and class action proceeds.

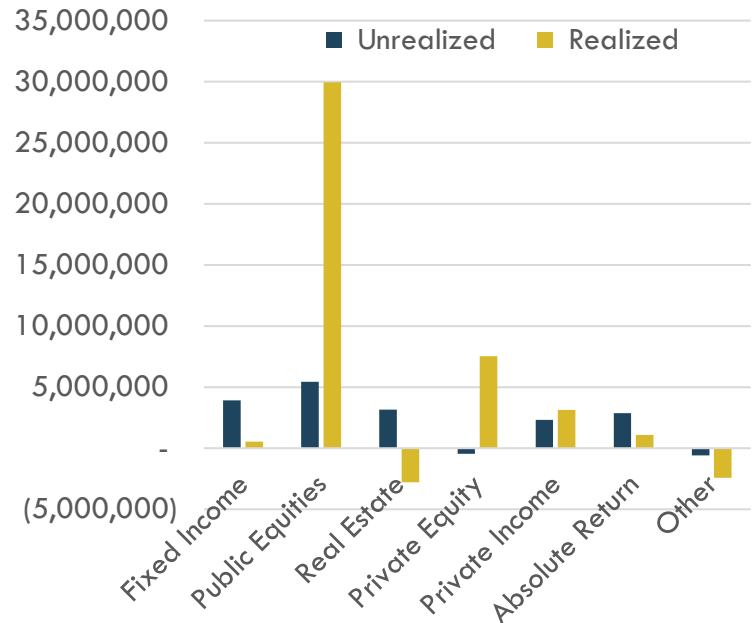
APFC began with a portfolio of U.S. treasuries, offering steady returns based on a historical endowment model focused on bonds.

The Fund's current asset allocation is much more complex, with exposure to investments for which the majority of income is only realized when an asset is sold.

Many assets are held for years or decades, and realized earnings are often not tied to annual investment performance.

AMHT: Unrealized & Realized Gains in FY25

	Unrealized Gain/Loss	Realized Gain/Loss
Fixed Income	3,919,000	550,000
Public Equities	5,433,000	29,940,000
Real Estate	3,145,000	-2,797,000
Private Equity	-463,000	7,521,000
Private Income	2,312,000	3,118,000
Absolute Return	2,857,00	1,095,000
Other	-583,00	-2,430,000
Total	16,680,000	36,997,000



AMHT: Unrealized Gains (Losses) as of June 30

	FY21	FY22	FY23	FY24	FY25
Fixed Income	4,083,000	-8,648,000	-6,406,000	-4,769,000	-1,321,000
Public Equity	61,362,000	6,274,000	23,412,000	38,081,000	43,737,000
Real Estate	11,567,000	18,415,000	16,398,000	11,644,000	14,628,000
Absolute Return	7,852,000	9,338,000	10,112,000	13,234,000	15,862,000
Private Credit	2,715,000	2,539,000	2,521,000	2,870,000	2,821,000
Private Equity	54,834,000	46,382,000	42,976,000	38,055,000	38,298,000
Infrastructure	5,019,000	6,368,000	7,916,000	9,117,000	11,347,000
Derivatives & Currency	253,000	307,000	-26,000	142,000	-318,000
Total Unrealized Gains	147,685,000	80,975,000	96,903,000	108,374,000	125,054,000

AMHT: Values in \$ millions

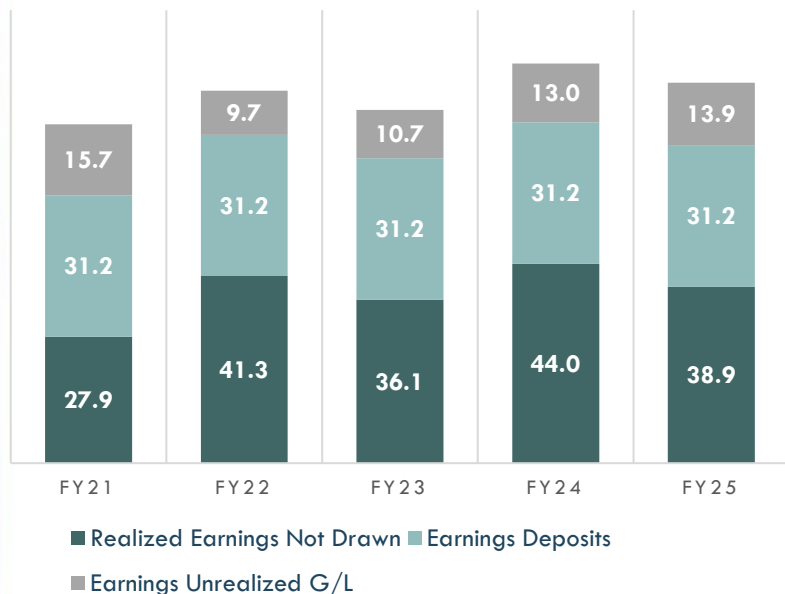
FY21 - FY25

\$ 137.4M Principal Growth

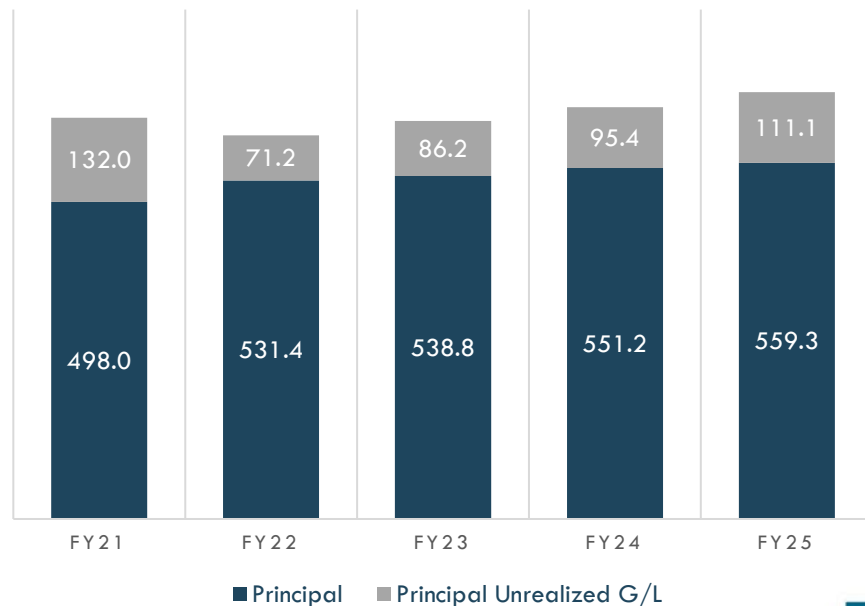
\$ 61.1M in AMH Deposits

\$ 76.3M in AMH Realized Earnings Transfers

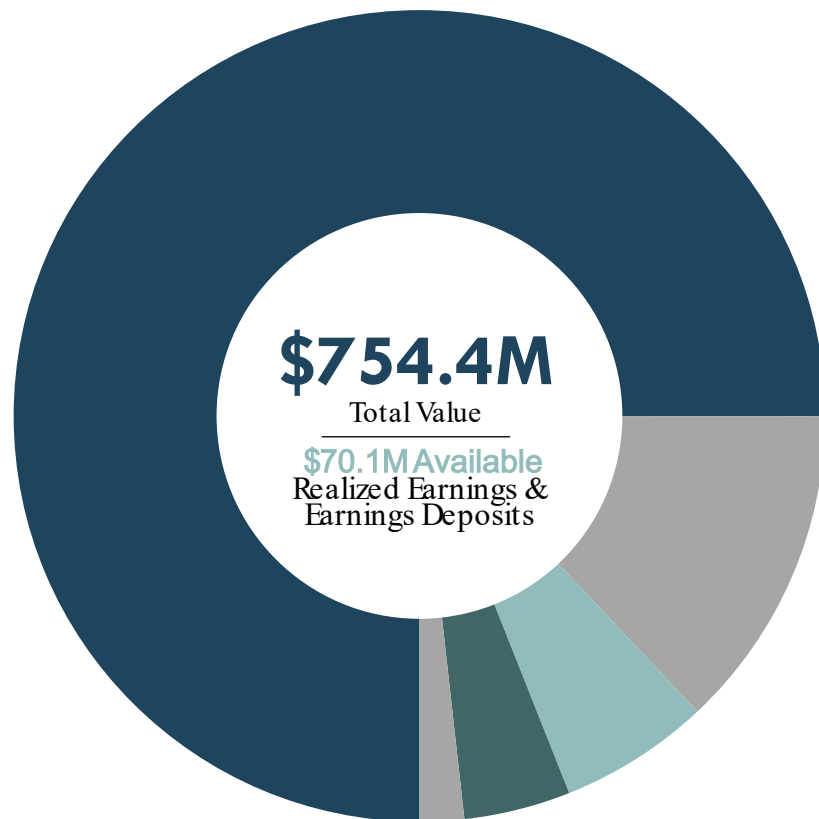
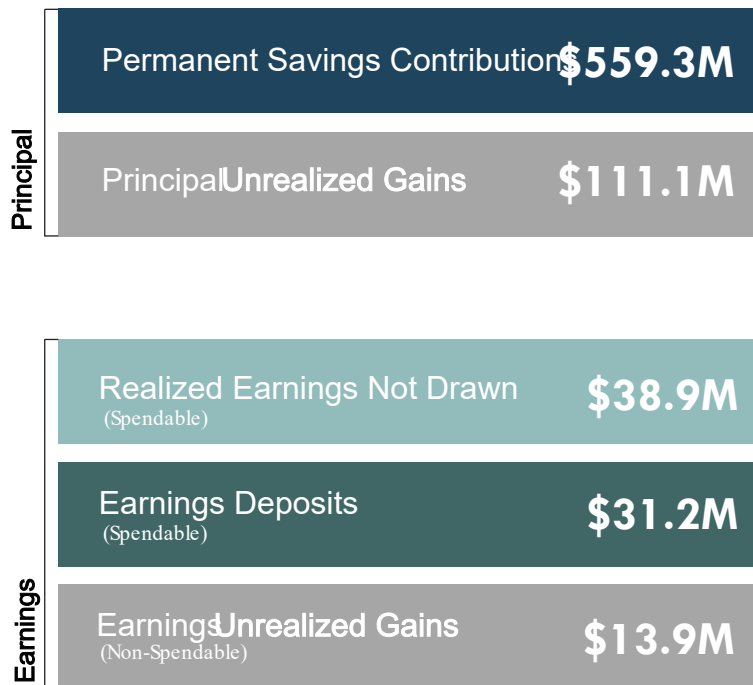
EARNINGS



PRINCIPAL



ALASKA PERMANENT FUND CORPORATION



AMHT: Earnings & Draws

as of June 30

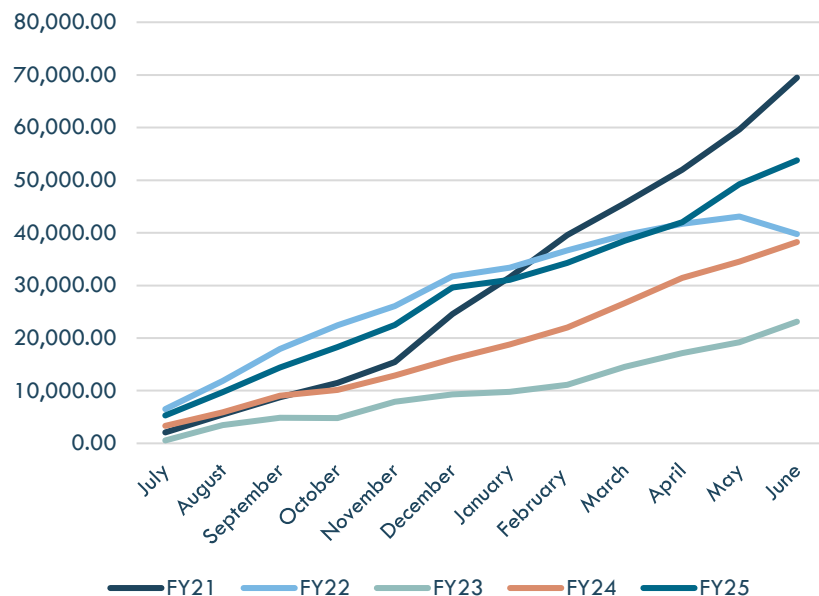
FY21 - FY25

\$ 218.0M drawn from AMH Realized Earnings

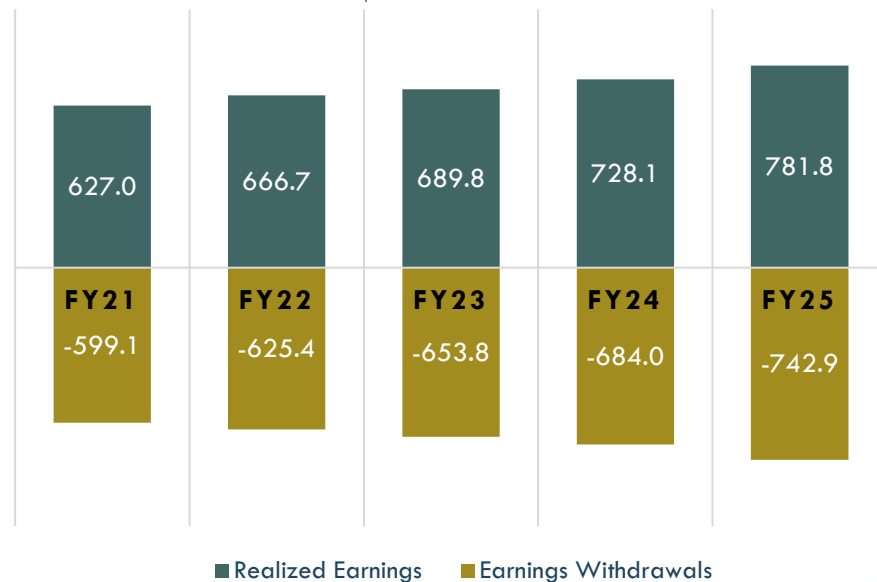
\$ 141.7M transferred out to AMHTA

\$ 76.3M transferred to AMH Principal

REALIZED EARNINGS
\$ THOUSANDS



CUMULATIVE
\$ MILLIONS



The logo for Alaska Permanent Fund Corporation (APFC) is displayed in white serif font on a dark blue rectangular background. The background of the entire image is a semi-transparent blue overlay on a financial data dashboard. The dashboard includes a table of stock prices on the left, a line chart at the bottom left, and a candlestick chart on the right. The candlestick chart shows price movement over time, with a volume bar at the bottom. The line chart shows a price trend with a recent increase of 6.71 and a 3.77% change. The table lists various stock prices and their changes. The candlestick chart has a price range from 70.50 to 71.50. The volume bar shows a volume of 1300. The line chart has a price range from 165 to 190. The table lists stock prices such as 134104.11, 1297.62, 113019.86, 120199.41, 148577.13, 114146.2, 15405.30, 1121.26, 1124826.8, 19935.94, 13756.06, 7515.75c, 6528.32c, 13626.71, 8434.80c, 2757.81, 723.09c, 2034.764, 11128.19, and 1136.40c. The candlestick chart has a price range from 70.50 to 71.50. The volume bar shows a volume of 1300. The line chart has a price range from 165 to 190. The table lists stock prices such as 134104.11, 1297.62, 113019.86, 120199.41, 148577.13, 114146.2, 15405.30, 1121.26, 1124826.8, 19935.94, 13756.06, 7515.75c, 6528.32c, 13626.71, 8434.80c, 2757.81, 723.09c, 2034.764, 11128.19, and 1136.40c.

ALASKA PERMANENT
FUND CORPORATION



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Alaska Mental Health Trust Authority

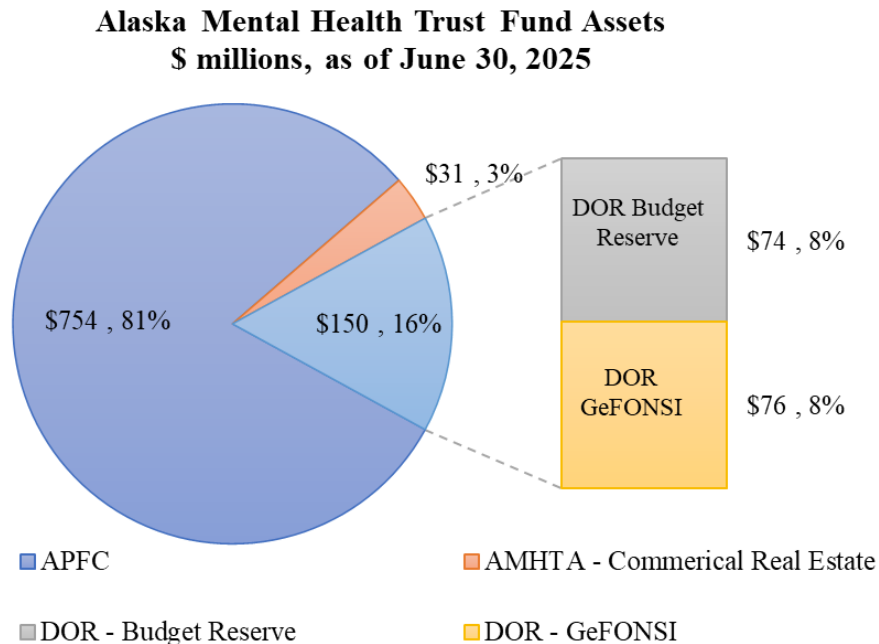
Assets Managed by the State of Alaska Department of Revenue

Performance Review
October 2025

Steve Sikes, CFA, CPA
State Investment Officer

Alaska Mental Health Trust Assets

- The Department of Revenue (DOR) manages approximately \$150 million for the Alaska Mental Health Trust Authority (AMHTA), or ~16% of its assets.
- Assets are roughly split between investments in the Budget Reserve Account and shorter-term investments in the GeFONSI pool.

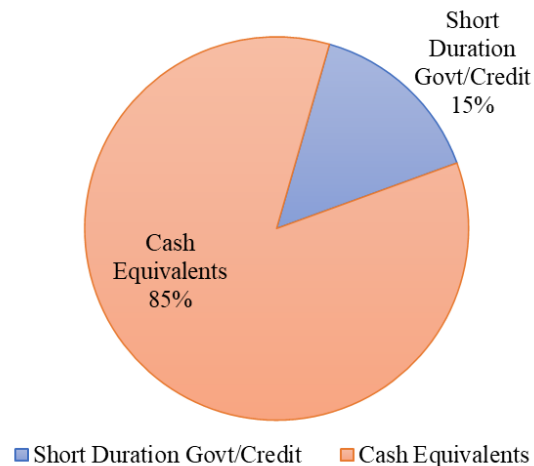


GeFONSI

GeFONSI Investments:

- The General Fund and Other Non-segregated Investments (the GeFONSI) is a commingled pool invested internally by DOR staff. Commingling AMHTA assets with other short-term State funds as one investment pool creates several efficiencies that benefit all participants. GeFONSI currently holds over \$2 billion in assets including \$76 million on behalf of AMHTA.
- GeFONSI asset allocation is recommended by DOR staff and approved by the Commissioner of Revenue annually, effective as of July 1. No change in asset allocation was made for Fiscal Year 2026.
- GeFONSI is designed to be conservative with low exposure to principal loss and a high liquidity requirement given the short-term time horizon.
- Returns are above benchmark for Fiscal Year 2025 and over the longer term. Returns have been historically low because of a protracted period of low interest rates but have improved recently as yields have increased.

GeFONSI Target Asset Allocation



Expected Return/Risk(std dev): 3.97%/.93%.

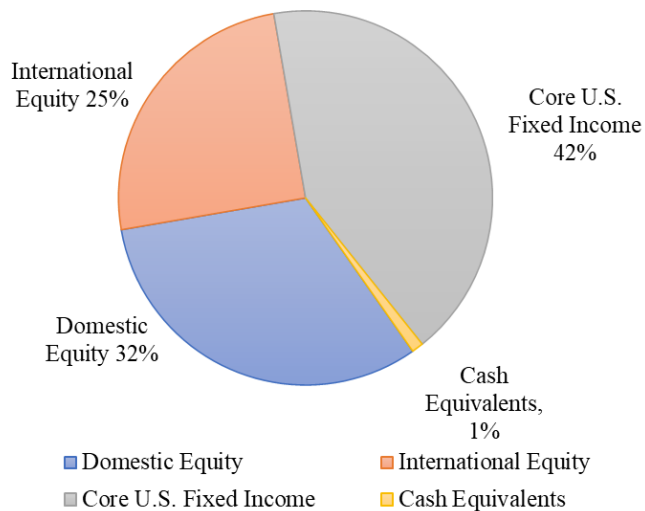
Performance as of June 30, 2025			
	1 Year	6 year	10 year
GeFONSI	5.23%	2.49%	2.04%
GeFONSI Benchmark	4.84%	2.27%	1.82%
Difference	0.39%	0.22%	0.22%

Budget Reserve

Alaska Mental Health Trust Budget Reserve Investments:

- Alaska Mental Health Trust Reserve assets are invested internally by DOR staff and externally in passive commingled funds managed by State Street Global Advisors and Fidelity.
- The asset allocation is approved by Alaska Mental Health Trust Authority based on the investment policy established in its Asset Management Policy Statement (AMPS).
- As stated in AMPS, the Alaska Mental Health Budget Reserve Fund has a moderate risk tolerance with a medium-term time horizon of five to seven years with an emphasis on balancing preservation of capital while still achieving growth.

FY25 Budget Reserve Asset Allocation



Expected Return/Risk(std dev): 7.00%/10.6%.

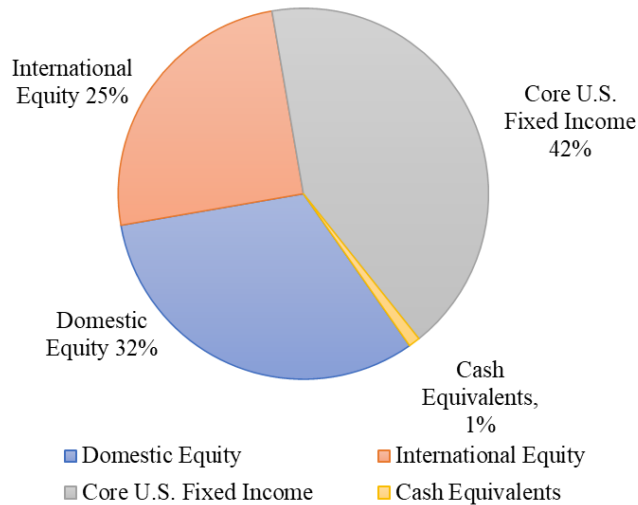
Performance as of June 30, 2025	<u>1 Year</u>	<u>6 year</u>	<u>10 year</u>
Alaska Mental Health Trust Reserve	12.37%	7.97%	7.45%
Alaska Mental Health Reserve Benchmark	12.16%	7.68%	7.23%
Difference	0.21%	0.29%	0.22%
Cash Equivalents	5.02%	2.75%	2.17%
Core U.S. Fixed Income	6.36%	1.22%	2.08%
Core Plus U.S. Fixed Income	6.90%	-	-
Domestic Equity	15.23%	14.34%	-
International Equity	17.72%	7.46%	-

FY26 Budget Reserve Asset Allocation

- Callan's review resulted in recommended changes to the asset allocation for Fiscal Year 2026
- The portfolio changes were implemented over 3-month period and were fully implemented as of September 1, 2025.

	FY25	FY26	Change
Domestic Equity	32%	28%	-4%
International Equity	25%	22%	-3%
Core U.S. Fixed Income	42%	49%	7%
Cash Equivalents	1%	1%	0%
Total	100%	100%	0%

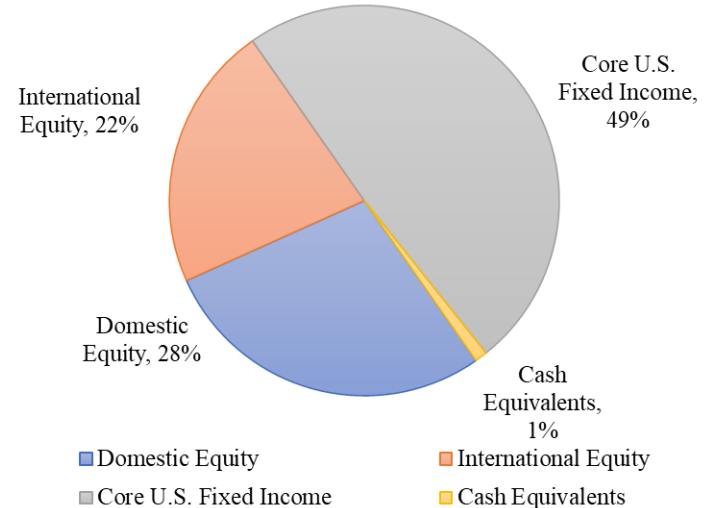
FY25 Budget Reserve Asset Allocation



Expected Return/Risk(std dev): 7.00%/10.6%.



FY26 Budget Reserve Asset Allocation



Expected Return/Risk(std dev): 6.51%/9.4%.

Performance through September 30, 2025

Performance, net of fees as of September 30, 2025	<u>FYTD</u>	<u>1 Year</u>	<u>6 year</u>	<u>10 year</u>
GeFONSI	0.37%	4.70%	2.59%	2.15%
GeFONSI Benchmark	0.35%	4.35%	2.37%	1.92%
Difference	0.02%	0.35%	0.22%	0.23%
Alaska Mental Health Trust Reserve	5.02%	11.12%	8.66%	8.45%
Alaska Mental Health Reserve Benchmark	4.90%	10.71%	8.36%	8.27%
Difference	0.12%	0.41%	0.30%	0.18%
Cash Equivalents	1.17%	4.72%	2.85%	2.28%
Core U.S. Fixed Income	2.15%	3.37%	1.20%	2.17%
Tactical Bond	2.23%	3.74%		
Domestic Equity	8.17%	17.34%	15.61%	
International Equity	6.99%	16.77%	8.99%	

September 30, 2025 performance is preliminary, still going through review process.

Alaska Mental Health Trust – DOR Fees

- No fees are assessed on GeFONSI accounts.
- Department of Revenue assesses a .10% fee on the Budget Reserve account for administration and the cost of internal investment. In Fiscal Year 2025 this fee was \$62,457.
- Investment Management fund fees vary by option as shown in table below.

Investment	% Fee on NAV	\$ Fee
SSGA Russell 3000	0.0075%	1,518
SSGA MSCI ACWI Ex-US Equity	0.0125%	1,933
Fidelity Tactical Bond	0.20%	10,212
DOR Administrative Fee	0.10%	62,457
Total Fee *	0.12%	76,120
* % fee is estimate based on average FY25 asset level of \$63.7 million.		

Questions?

October 16, 2025



Alaska Mental Health Trust Authority

Finance Committee Meeting

Steve Center, CFA
Fund Sponsor Consulting

Julia Moriarty, CFA
Capital Markets Research

Important Disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and should be considered by the user.

Introduction

Presenters



Steve Center, CFA

- 15th year with Callan, 27th Year in the industry
- Senior Vice President, West Coast Consulting Team
- Callan Shareholder
- Manager Search Committee Member
- MBA, University of Washington



Julia Moriarty, CFA

- 35th year with Callan, 35th Year in the industry
- Senior Vice President, Co-Manager of Capital Markets Research
- Callan Shareholder
- MBA, UC Berkeley

Agenda

- Executive Summary
- Trust Overview
- Trust investment performance
- Inflation proofing

Executive Summary

- The Alaska Mental Health Trust Authority (the Trust) had approximately \$1.0 billion in assets at June 30, 2025 with assets segregated into five main buckets managed by four different entities
 - Alaska Permanent Fund Corporation (APFC)
 - Department of Revenue (DOR) Budget Reserve account
 - General Fund and Other Non-Segregated Funds (GeFONSI) – managed by the DOR
 - Trust Land Office (TLO) – manages both lands and developed land-related projects
 - Commercial Real Estate (CRE) investments, now managed by the CEO
- The current structure of the Trust is complicated with multiple portfolios managed by different entities, an intricate flow of funds between the various accounts and accounting items within the funds, and a complex spending policy
- The study is broken into two phases
 - Phase 1 analyzed the Trust's investment program from a number of different angles with recommendations made with respect to the spend rate and inflation proofing, along with a review of the Investment performance and realized risk of the APFC, DOR, and the Commercial Real Estate (CRE) investments managed by the TLO
 - Phase 2, to be completed in early 2026, addresses the Asset Management Policy Statement (AMPS), asset allocation and rebalancing, cash management, reserve levels, investment guidelines and monitoring criteria for internal and external managers, and performance measurement for TLO capital projects

Today's Presentation

CFO Farley has requested that Callan provide the following information to the Trustees on an annual basis:

- Review the investment performance for the Trust
- Review the Trust's inflation proofing methodology and status

Trust Overview

Current Situation

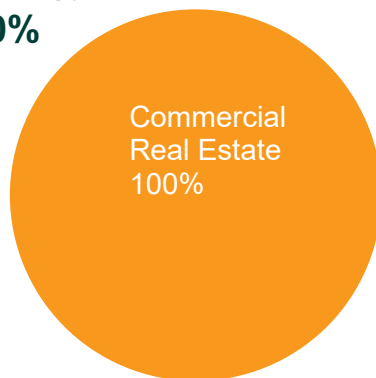
Observations

- The Trust had approximately \$1.05 billion in assets at June 30, 2025
 - \$903 million in non-Land/CRE assets (APFC, DOR, and GeFONSI)
- Assets are segregated into five main buckets (APFC, DOR, GeFONSI, Commercial Real Estate, and Lands) managed by four different entities
 - The Alaska Permanent Fund Corporation manages the APFC assets
 - The Department of Revenue manages the DOR investment portfolio and GeFONSI
 - The Trust Land Office manages the Trust's Land investments
 - The AMHTA CEO oversees the legacy Commercial Real Estate (CRE) holdings
- The spending policy contains six elements – 4.50% of the 4-year average market values at the APFC and DOR, 2-year averages of lapsed funds and spendable income generated by the TLO, interest generated in the GeFONSI accounts, and unobligated prior year funds
- Contributions come in the form of principal from TLO-managed assets
- The current structure of the Trust is complicated with multiple portfolios managed by different entities, an intricate flow of funds between the various accounts and accounting items within the funds, and a complex spending policy

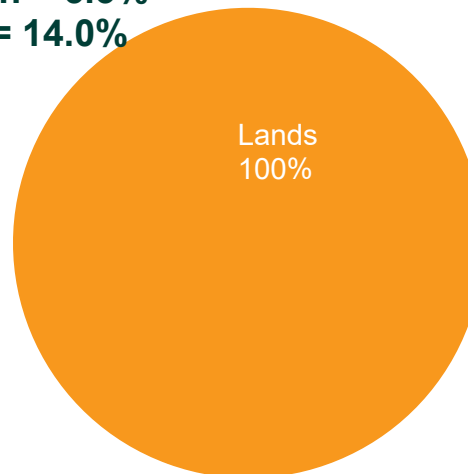
Policy Allocations

- The Trust's assets are shown here along with each portfolio's 10-year return and risk
 - Expected return/risk for APFC, DOR, GeFONSI, and Lands
 - Historical return/risk for CRE
- APFC assets account for 72% of total assets as of June 30, 2025
 - 83% of liquid (non-CRE/Land) assets
- APFC's policy allocation is expected to generate a higher return than the other liquid allocations, albeit with greater risk

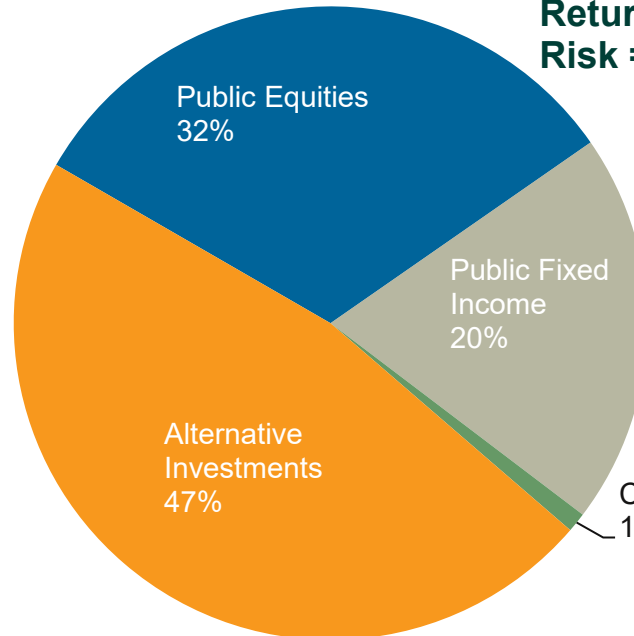
CRE (\$36 Million; 3.4%)
 Return = 4.6%
 Risk = 7.0%



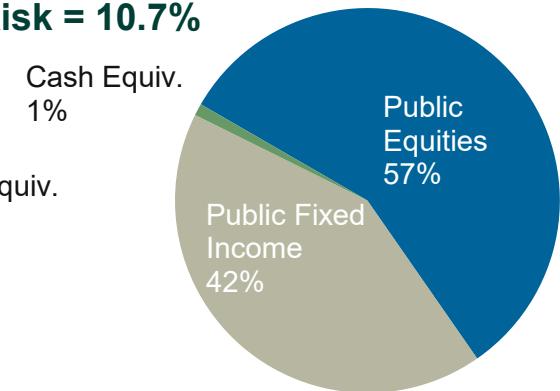
Lands¹ (\$115 Million; 10.9%)
 Return = 5.3%
 Risk = 14.0%



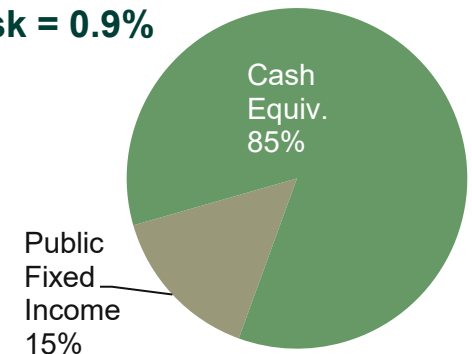
APFC (\$754 Million; 71.6%)
 Return = 7.3%
 Risk = 12.7%



DOR (\$74 Million; 7.0%)
 Return = 7.1%
 Risk = 10.7%



GeFONSI (\$76 Million; 7.2%)
 Return = 3.2%
 Risk = 0.9%



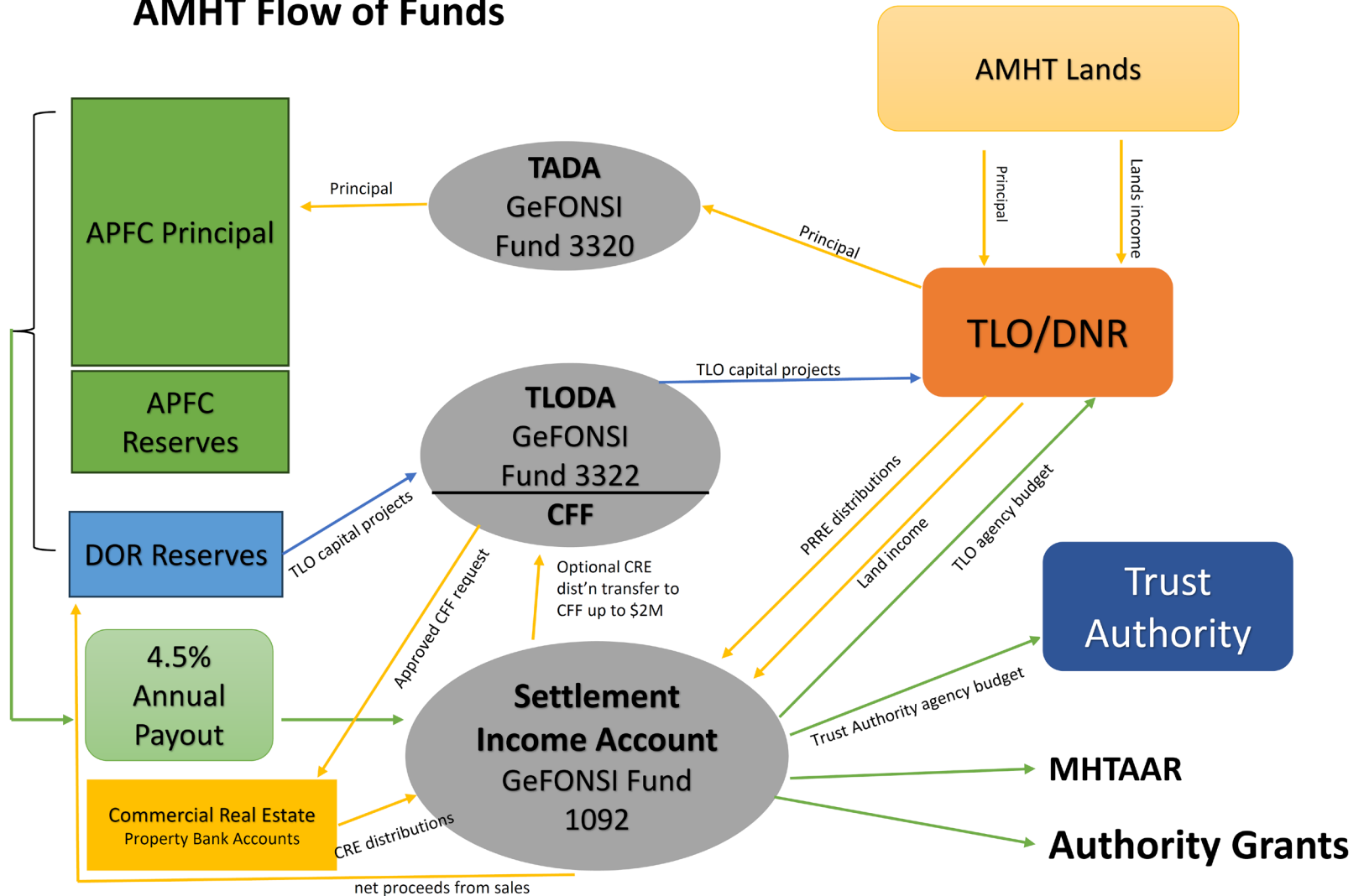
¹Land valuation and return estimates based upon discounted cash flow analysis utilizing Trust Land Office income projections. Risk shown above reflects Callan's 2024 long-term capital market expectation for institutional real estate investments.

AMHTA Flow of Funds

DEFINITIONS

- TLODA:** Trust Land Office Development Account
- TADA:** Trust Authority Development Account
- GeFONSI:** DOR-managed General Fund and Other Non-Segregated Investments
- CFF:** Central Facility Fund
- CRE:** Commercial Real Estate
- MHTAAR:** Mental Health Trust Authority Authorized Receipts, aka grants to SOA agencies

AMHT Flow of Funds



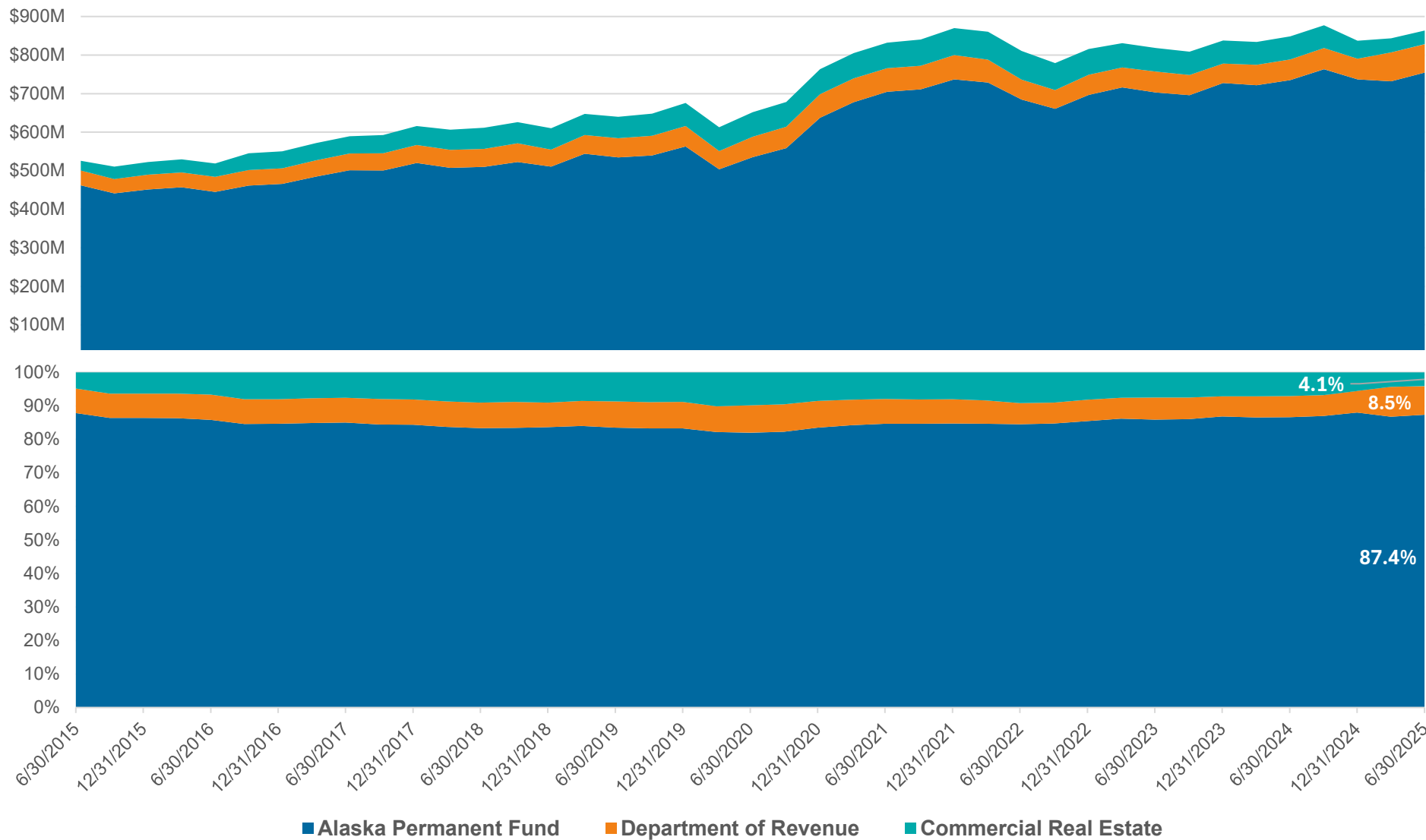
9/25/2025

Trust Investment Performance

AMHTA Investment Mix (ex-GeFONSI, TLO Assets and TLODA Projects)

Fiscal Years 2015-2025

Alaska Mental Health Trust - Asset Breakdown

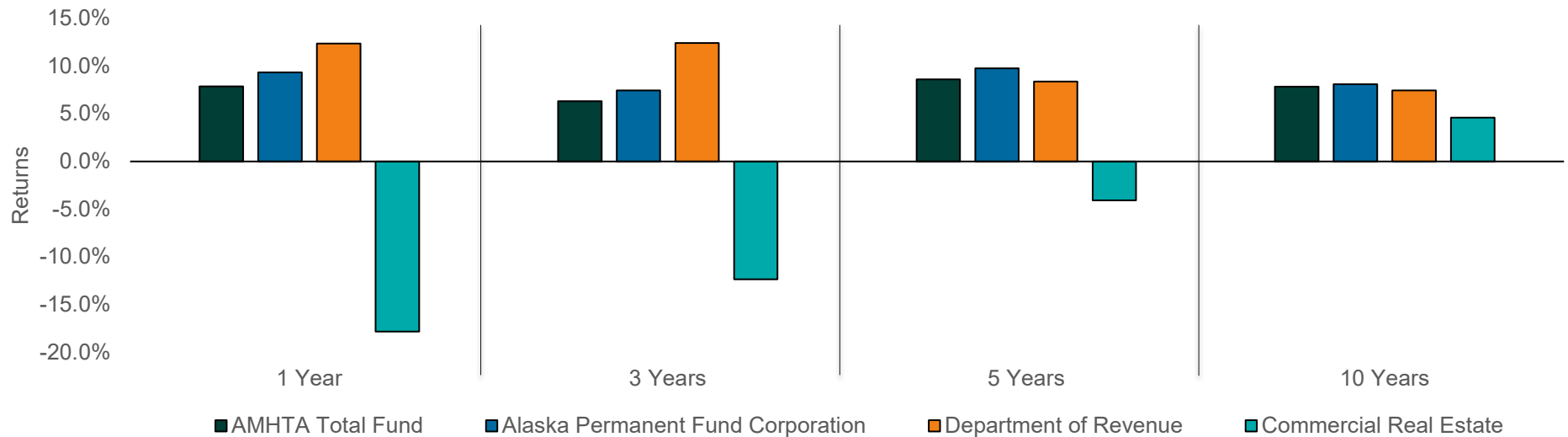


Historical Annualized Performance and Investment Mix

Alaska Mental Health Trust Authority - Historical Investment Performance

As of June 30, 2025

	1 Year	3 Years	5 Years	10 Years
AMHTA Total Fund¹	7.88%	6.32%	8.62%	7.83%
Alaska Permanent Fund Corporation	9.35%	7.46%	9.77%	8.10%
<i>APFC Performance Benchmark</i>	9.31%	8.22%	9.49%	7.80%
Department of Revenue	12.37%	12.41%	8.38%	7.45%
<i>DoR Performance Benchmark</i>	12.16%	12.08%	8.14%	7.23%
Commercial Real Estate²	-17.84%	-12.35%	-4.08%	4.60%
<i>NCREIF Office</i>	-0.16%	-9.94%	-4.41%	0.86%
<i>NCREIF Total</i>	4.23%	-2.75%	3.70%	5.22%



SOURCE: AMHTA, Trust Land Office, APFC, Alaska Department of Revenue, Callan

Returns over one year are annualized. APFC and DoR Returns are shown net of investment management fees. CRE returns are shown gross of expenses.

¹Total Fund performance excludes GeFONSI, TLO land assets, and Trustee approved TLODA projects of \$26.67M, of which \$19.7M has been funded by the Trust to date

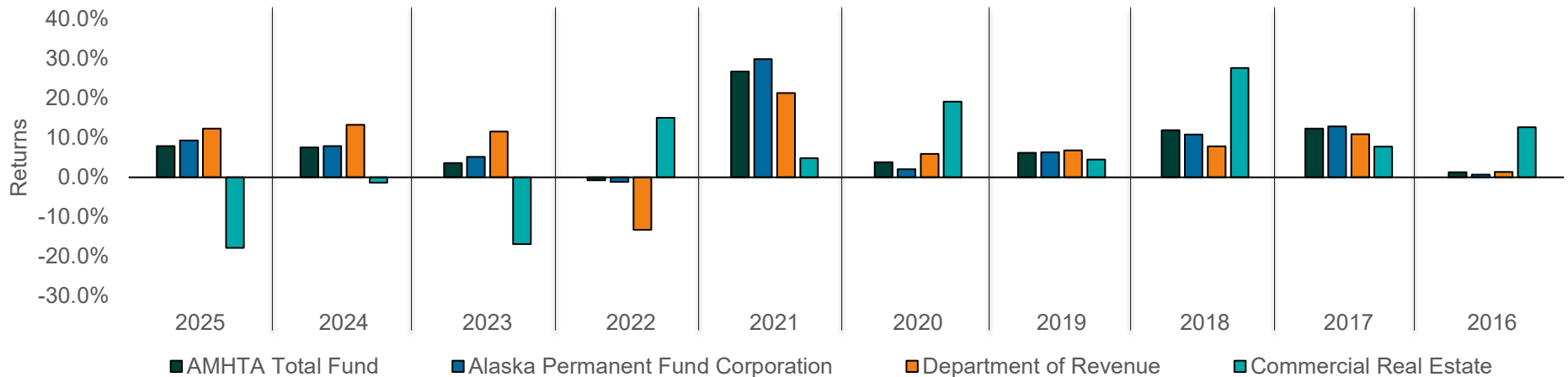
²Returns are estimated using the Modified Deitz method, assuming mid-year distributions and actual property purchase dates. CRE net distributions used for return calculations. Includes Cordova, though the Board has approved reclassifying this holding as program-related as of 7/1/2024. FY 2025 CRE performance ex-Cordova was -19.63%.

Fiscal Year Performance

Alaska Mental Health Trust Authority - Fiscal Year Investment Performance

Fiscal Years Ending June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
AMHTA Total Fund¹	7.88%	7.55%	3.59%	-0.78%	26.80%	3.83%	6.23%	11.93%	12.36%	1.32%
Alaska Permanent Fund Corporation	9.35%	7.90%	5.18%	-1.17%	29.93%	2.06%	6.34%	10.84%	12.89%	0.65%
<i>APFC Performance Benchmark</i>	9.31%	9.62%	5.78%	-3.08%	28.10%	2.03%	7.42%	8.25%	11.23%	2.05%
Department of Revenue	12.37%	13.27%	11.61%	-13.27%	21.36%	5.96%	6.84%	7.86%	10.92%	1.33%
<i>DoR Performance Benchmark</i>	12.16%	12.98%	11.12%	-13.41%	21.28%	5.42%	7.15%	7.39%	11.40%	0.60%
Commercial Real Estate²	-17.84%	-1.36%	-16.92%	15.04%	4.82%	19.14%	4.47%	27.70%	7.77%	12.70%
<i>NCREIF Office</i>	-0.16%	-14.41%	-14.53%	5.85%	3.25%	3.97%	6.79%	6.55%	5.57%	9.31%
<i>NCREIF Total</i>	4.23%	-5.53%	-6.60%	21.45%	7.37%	2.69%	6.51%	7.19%	6.97%	10.64%



SOURCE: AMHTA, Trust Land Office, APFC, Alaska Department of Revenue, Callan.

Returns over one year are annualized. APFC and DoR Returns are shown net of investment management fees. CRE returns are shown gross of expenses.

¹Total Fund performance excludes GeFONSI, TLO land assets, and Trustee approved TLODA projects of \$26.67M, of which \$19.7M has been funded by the Trust to date

²Returns are estimated using the Modified Deitz method, assuming mid-year distributions and actual property purchase dates. CRE net distributions used for return calculations. Includes Cordova, though the Board has approved reclassifying this holding as program-related as of 7/1/2024. FY 2025 CRE performance ex-Cordova was -19.63%.

Commercial Real Estate Historical Annualized Performance

Income and Appreciation Return Details – Gross of Expenses

Alaska Mental Health Trust Authority - Commercial Real Estate Investment Performance
As of June 30, 2025

	1 Year	3 Years	5 Years	10 Years
Commercial Real Estate¹				
Income Return	4.22%	3.39%	2.93%	3.43%
Appreciation Return	-22.05%	-15.76%	-7.11%	1.13%
NCREIF Office				
Income Return	6.00%	5.39%	5.00%	4.76%
Appreciation Return	-5.89%	-14.72%	-9.07%	-3.77%
NCREIF Total				
Income Return	4.83%	4.47%	4.34%	4.48%
Appreciation Return	-0.58%	-6.98%	-0.62%	0.72%



SOURCE: AMHTA Annual Reports, Trust Land Office
Returns over one year are annualized. CRE returns are shown gross of expenses. Includes the Cordova property, though the Board reclassified it as program-related as of 7/1/2024.
¹Returns are estimated using the Modified Deitz method, assuming mid-year distributions and actual property purchase dates. CRE net distributions used for income return calculations.

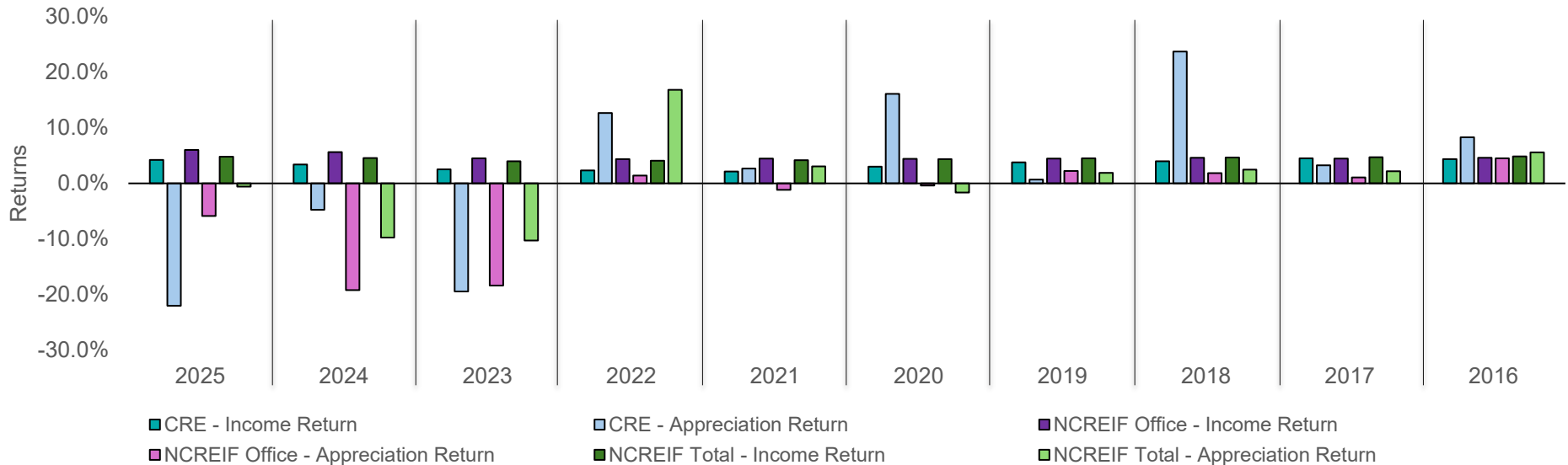
Commercial Real Estate Fiscal Year Performance

Income and Appreciation Return Details – Gross of Expenses, Trailing and Fiscal Years

Alaska Mental Health Trust Authority - Commercial Real Estate Investment Performance

Fiscal Years Ending June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commercial Real Estate¹										
Income Return	4.22%	3.42%	2.55%	2.35%	2.15%	3.01%	3.77%	3.96%	4.52%	4.39%
Appreciation Return	-22.05%	-4.78%	-19.47%	12.69%	2.67%	16.13%	0.71%	23.74%	3.25%	8.31%
NCREIF Office										
Income Return	6.00%	5.66%	4.52%	4.38%	4.47%	4.40%	4.46%	4.64%	4.49%	4.63%
Appreciation Return	-5.89%	-19.23%	-18.41%	1.43%	-1.18%	-0.41%	2.25%	1.85%	1.05%	4.52%
NCREIF Total										
Income Return	4.83%	4.59%	3.99%	4.10%	4.19%	4.40%	4.53%	4.64%	4.69%	4.88%
Appreciation Return	-0.58%	-9.78%	-10.27%	16.85%	3.08%	-1.65%	1.91%	2.46%	2.20%	5.56%



SOURCE: AMHTA Annual Reports, Trust Land Office

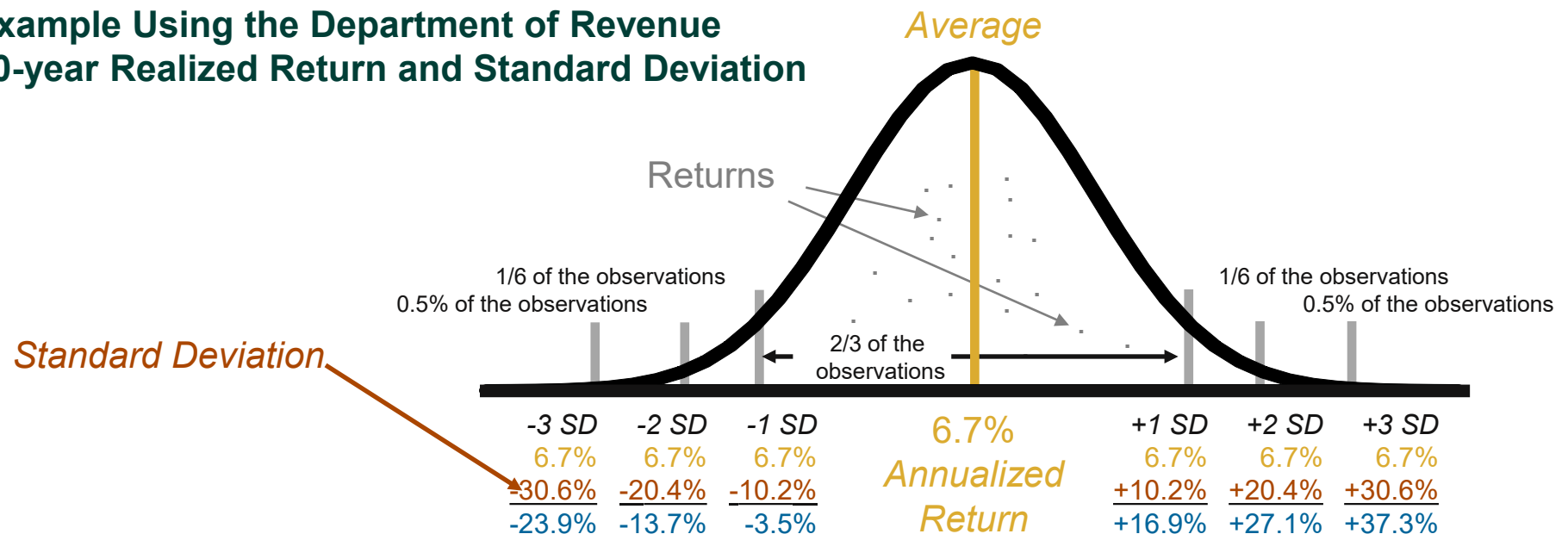
Returns over one year are annualized. CRE returns are shown gross of expenses. Includes the Cordova property, though the Board reclassified it as program-related as of 7/1/2024.

¹Returns are estimated using the Modified Deitz method, assuming mid-year distributions and actual property purchase dates. CRE net distributions used for income return calculations.

Standard Deviation as a Measure of Risk

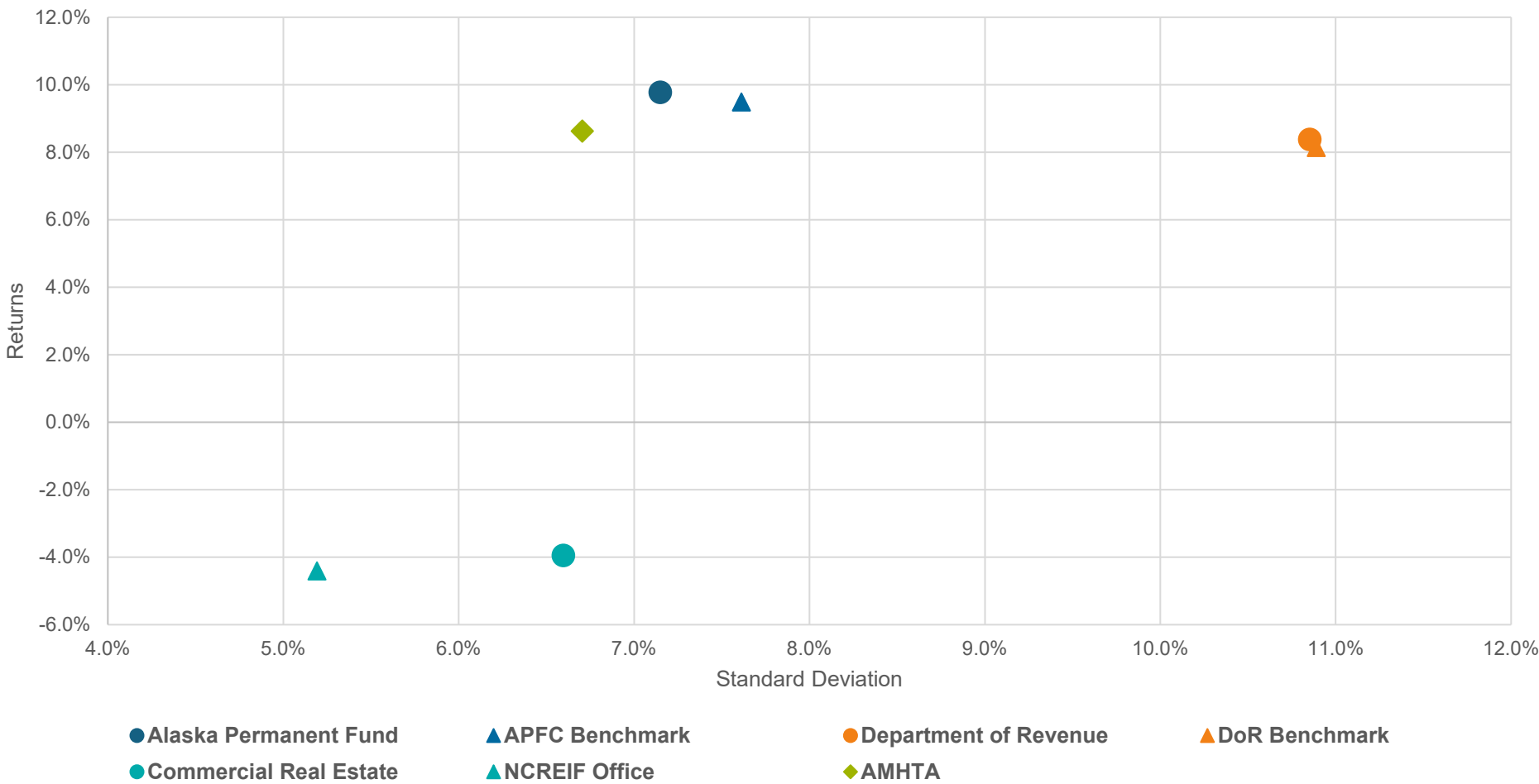
- Risk is measured by the standard deviation of returns, which can be thought of as the average difference from the average return over a period of time
 - If there are large deviations from the average, the standard deviation is high—meaning returns have historically been very volatile
- Calculation of standard deviation includes returns both above and below the average

Example Using the Department of Revenue 10-year Realized Return and Standard Deviation



Five Year Risk Analysis

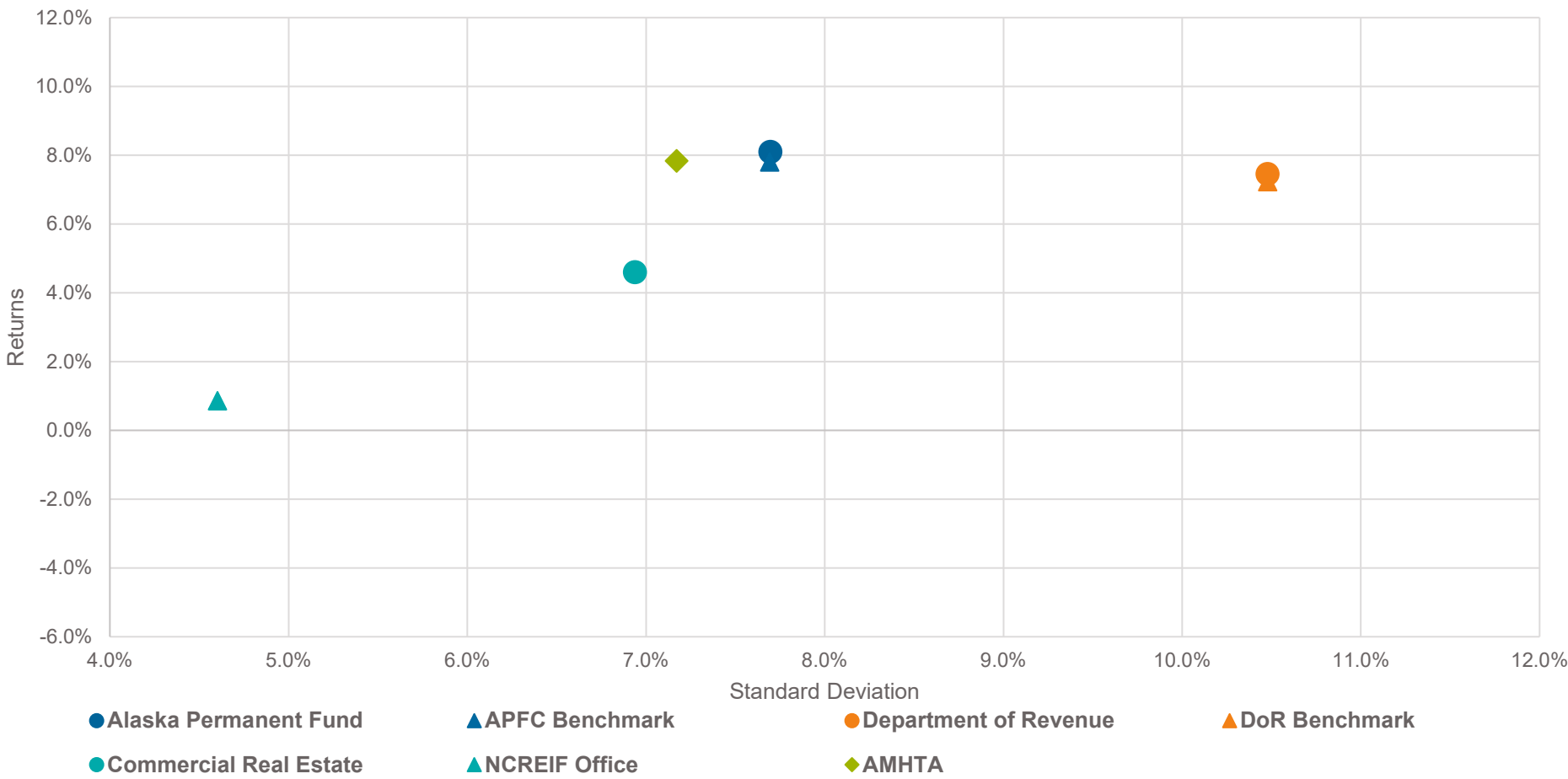
Five Year Annualized Risk vs. Return



	Alaska Permanent Fund	APFC Benchmark	Department of Revenue	DoR Benchmark	Commercial Real Estate	NCREIF Office	AMHTA ex-GeFONSI, TLO & TLODA
Standard Deviation	7.15%	7.61%	10.85%	10.89%	6.67%	5.19%	6.70%
Return	9.77%	9.49%	8.38%	8.14%	-4.08%	-4.41%	8.63%

Ten Year Risk Analysis

Ten Year Annualized Risk vs. Return



	Alaska Permanent Fund		Department of Revenue		Commercial Real Estate		AMHTA ex-GeFONSI, TLO & TLODA	
Standard Deviation	APFC Benchmark		DoR Benchmark		NCREIF Office			
Return	7.70%	7.69%	10.48%	10.48%	6.94%	4.60%	7.17%	
	8.10%	7.80%	7.45%	7.23%	4.60%	0.86%	7.83%	

Notes on the Commercial Real Estate Return Calculations

- The performance of the Commercial Real Estate (CRE) investments presented in this analysis is significantly influenced by the annual valuation model utilized for commercial real estate investments
- Unlike the CRE investments, the APFC and DoR portfolios are valued monthly, providing additional data for accurate time-weighted rate of return calculations
- The annual valuation of the CRE investments also results in lower historical realized standard deviation figures
- Furthermore, the ultimate performance of the CRE investments will be greatly affected by the final sale prices of any assets sold
- Currently, the CRE portfolio has an outstanding equity valuation of approximately \$35.6 million, but any asset sales may occur at prices well below this valuation
- All CRE data presented herein includes Cordova (estimated equity valuation of \$4.5M as of June 30, 2025, approximately 13% of the CRE assets), which has been classified as “Program-Related” as of July 1, 2024

Inflation Proofing

The “Two Account Structure” – Principal and Reserves

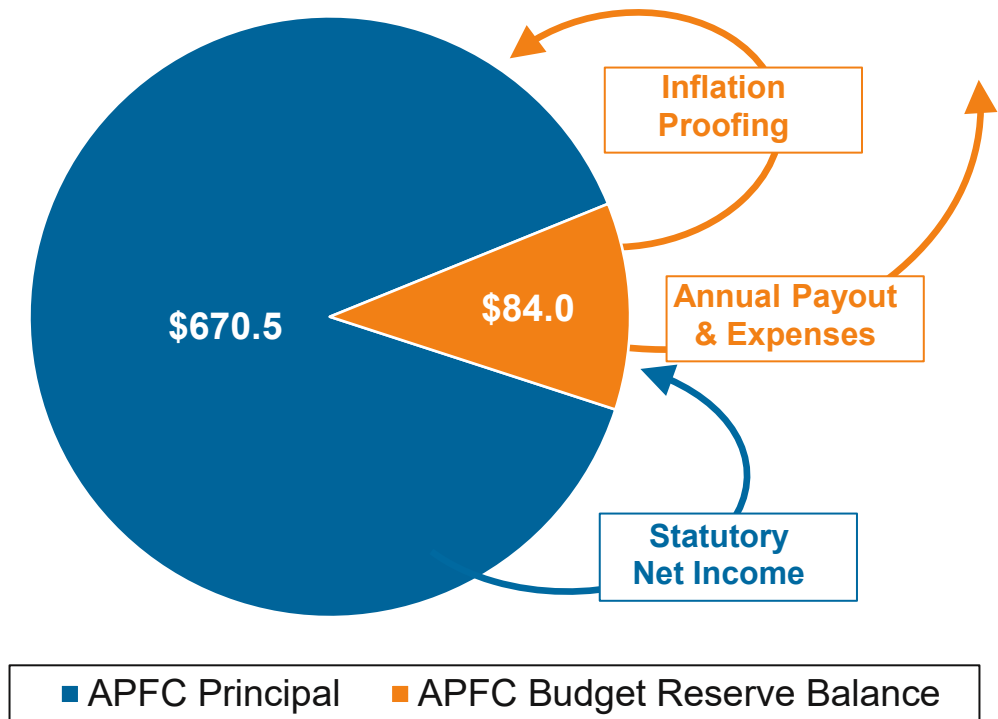
AMHTA balances held at APFC are subject to the Alaska Permanent Fund’s two-account structure, in which only income held in the Earnings Reserve Account (“ERA”) can be spent. This design protects the Principal from appropriation and spending. **The AMHTA Budget Reserve is analogous to the APFC Earnings Reserve Reserve**

Within the Permanent Fund, the ERA grows as investments generate Statutory Net Income (“SNI”). SNI includes dividends, interest, and lease payments, along with net realized gains/losses from asset sales. The ERA shrinks due to withdrawals for Trust payouts and expenditures.

Additionally, excess funds in the ERA can be used to “inflation proof” the Principal by appropriating funds from the ERA back to Principal. Inflation proofing helps to maintain the future purchasing power of the Principal.

AMHTA Balances at APFC

As of June 30, 2025 (in \$mm)

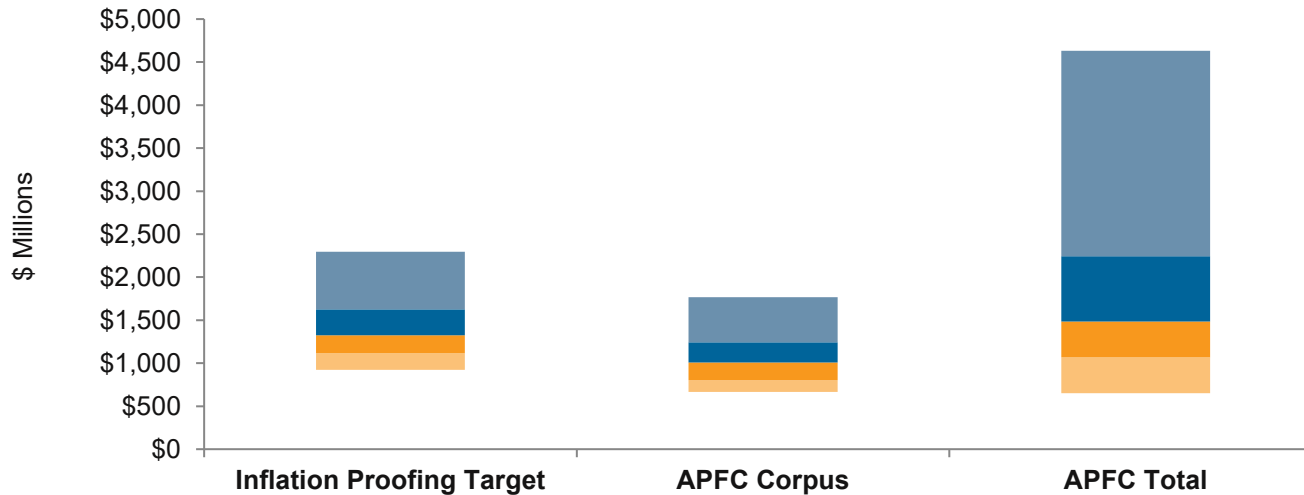


Annual Inflation Proofing Formula:

$(\text{Beginning Inflation-Proofed Balance} + \text{TLO Principal Inflows}) * \text{CPI-U}$

Note: CPI-U is the Consumer Price Index-All Urban Consumers; U.S. All Items (1967=100)

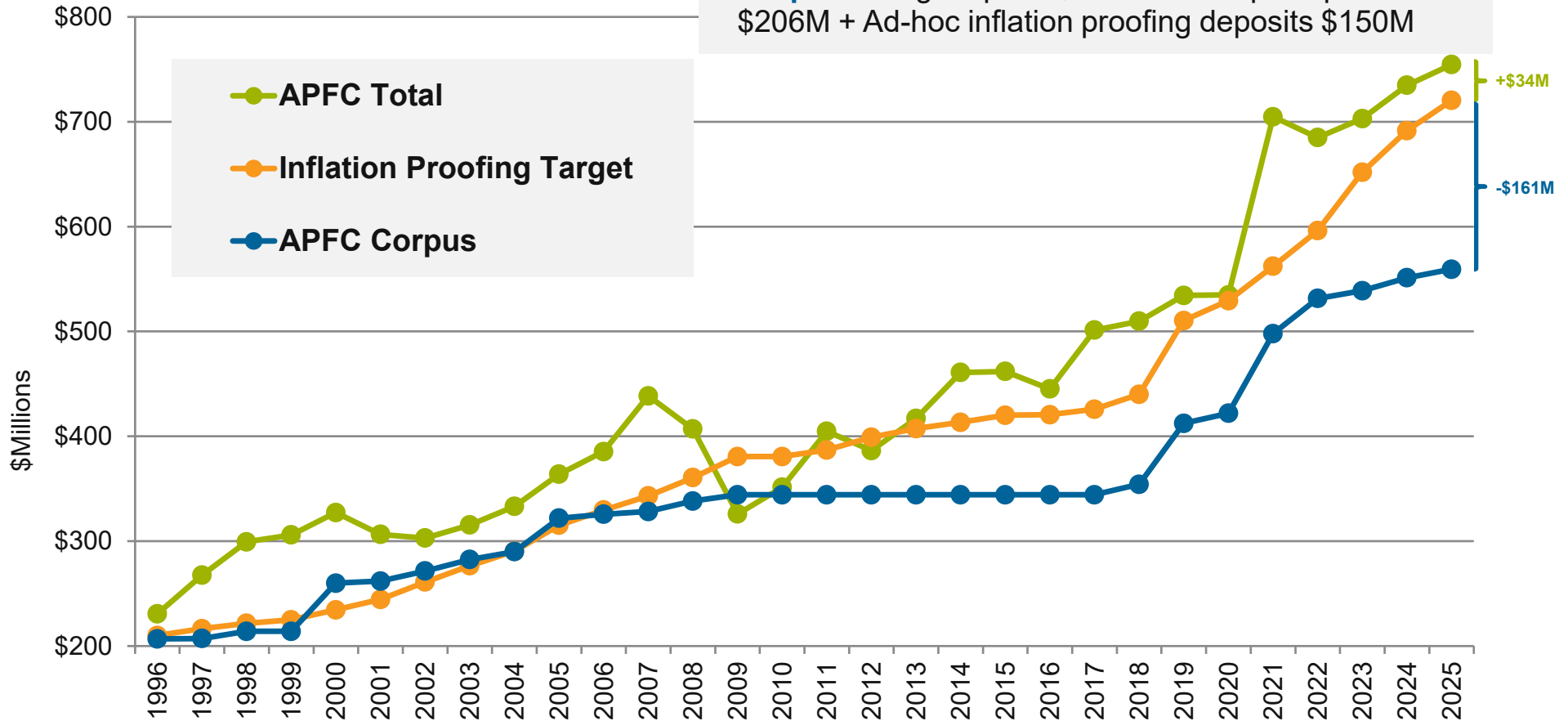
Projected Inflation Proofing: Nominal Values in 20 Years – As Of 6/30/2024



- The goal is for the Authority's APFC Corpus to keep pace with the Inflation Proofing Target ("IPT")
 - The Inflation Proofing Target grows with TLO principal inflows and inflation
 - The Corpus grows with TLO principal inflows and inflation-proofing deposits when reserves exceeds the targeted amount
 - *Half of excess reserves are assumed to transfer to the Corpus to bring it up to (but not exceed) the IPT if underwater*
- The Corpus (\$140M behind the IPT at FY2024) is **expected** to be over \$300M behind in 20 years (~\$218M in today's dollars)
 - The Corpus only meets or exceeds the IPT in 6.2% of scenarios at the end of the 20-year projection period
- The Total MV (\$43M ahead at FY2024) is **expected** to be over \$100M ahead in 20 years (~\$64M in today's dollars)
 - The Total MV exceeds the IPT in 61.2% of scenarios at the end of the 20-year projection period

Historical Inflation Proofing

Fiscal Year Values



- The Authority's APFC Corpus, which has fallen short of the Inflation Proofing Target (IPT) since FY2006, is currently behind the by the widest margin to date (\$161 million)
- The Authority's APFC Total market value is currently ahead of the IPT by \$34 million and has been ahead of the Inflation Proofing Target in 27 of the 30 fiscal years

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Callan was founded as an employee-owned investment consulting firm in 1973. Ever since, we have empowered institutional investor with creative, customized investment solutions backed by proprietary research, exclusive data, and ongoing education. Today, Callan advises clients with more than \$3 trillion in total assets, which makes it among the largest independently owned investment consulting firms in the U.S. Callan uses a client-focused consulting model to serve pension and defined contribution plan sponsors, endowments, foundations, independent investment advisers, investment managers, and other asset owners. Callan has six offices throughout the U.S. For more information, please visit www.callan.com.

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Corporate Headquarters

One Bush Street
Suite 700
San Francisco, CA 94104

www.callan.com

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