

News Release**For Immediate Release: May 31, 2018****Contact: Pauly Swanson, 907.796.1520****APFC Launches Alaska Direct Alternative Credit – ADAC**

The Alaska Permanent Fund Corporation ("APFC") is pleased to announce the launch of a \$1,000 million hybrid credit effort named Alaska Direct Alternative Credit ("ADAC"). Investments in ADAC will include a liquid portfolio of internally managed non-investment grade bonds and ETFs, and a private portfolio of co-investments alongside APFC's private credit managers. ADAC and the private portfolio will be managed by the Private Income team, including Director Marcus Frampton and Senior Portfolio Manager Jared Brimberry. The liquid portfolio will be managed by the Fixed Income team, specifically Director Jim Parise and Senior Portfolio Manager Matt Olmsted.

In conjunction with the launch of ADAC, the Alaska Permanent Fund Corporation is pleased to announce that it has formed Pathway/AK Credit Co-Investment Fund, LP (the "Co-Investment Fund"), a \$500 million private credit co-investment fund in partnership with Pathway Capital Management, LP. The Co-Investment Fund will focus on building a diversified portfolio of co-investments for ADAC's private portfolio, across a range of strategies, managers, and geographies. The Alaska Permanent Fund Corporation has invested in private credit since 2007, generating an Internal Rate of Return (IRR) of 7.0%. In 2015, staff moved the responsibility of manager selection in-house and has since generated an IRR of 11.5%.

"The publicly traded non-investment grade bond portfolio will be managed by our internal fixed income team with the goal of providing a more liquid proxy to the private portfolio, allowing them to be more selective in their co-investments," said Jim Parise, Director of Fixed Income. "Our long-term track record of outperforming our benchmarks and peers over many market cycles should translate to helping the overall ADAC portfolio achieve its performance goals."

"The private portfolio within ADAC represents another example of the APFC using its' scale, strategic external partnerships, and in-house expertise to create a compelling investment opportunity," said Jared Brimberry, Senior Portfolio Manager. "We are excited to build a diversified credit portfolio alongside top-tier managers, with the benefit of removing an additional layer of fees."

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