

News Release**For Immediate Release: March 2, 2020****Contact: Pauly Swanson 907.796.1520****APFC Positioned The Fund To Weather Market Volatility**

Juneau – As widely reported and followed, the global stock markets were rocked this past week with double-digit declines across the board, driven by escalating COVID-19 fears and indications that efforts to contain its spread have been ineffective. Fortunately, the Board of Trustees has structured a well-diversified portfolio for the Alaska Permanent Fund (Fund) with a mix of both public and private assets to mitigate market volatility over a long-term investment horizon.

Angela Rodell Chief Executive Officer notes, “We have been in the longest bull run in US history over the last 12 years. During this period, APFC has continued to build a diversified portfolio that is designed to weather many different storms. We are now in one of those forecasted storms. The events of the last few weeks emphasize how interdependent markets have become. Rather than being wholly deployed in the US stock market, the Fund has a significant allocation to Fixed Income and cash. These are assets that are working now to limit the losses on the portfolio.”

APFC entered this week very conservatively positioned with an overweight in our asset allocation to bonds and cash, which has provided an opportunity to leverage opportunities based on market dislocation. Reflective of APFC’s conservative positioning, through Friday, February 28, the Fund declined ~2.4% in February vs. a decline of ~5.5% for the Fund’s Passive Benchmark. The primary driver of the market declines this past week has been the fears about COVID-19. As we begin this trading week, markets are rallying, given the Fed statements that they will support the market. However, there remains a great deal of turbulence with the recognition of the damaging potential of this virus on the global economy.

Despite a state of panic enveloping the markets last week, there was some good news in APFC’s private markets portfolio. The Fund has exposure to several innovative biotech companies in the Venture Capital portion of the portfolio that are positioned to assist in response to a variety of public health crises. Within the Fund’s Alternatives portfolio is a multi-billion dollar Absolute Return portfolio, which performs with no material correlation to the broader markets. Early data on manager performance indicates that this portfolio served its intended role last week.

Marcus Frampton Chief Investment Officer remarks, “Given elevated valuations prevalent in public stock markets and the team’s assessment of the risk/return tradeoff in markets, the Fund has been positioned more conservatively than normal going into February. While a drop-in value is always very difficult, I’m gratified that the team’s positioning of the portfolio served us well last week in a tough market. In this challenging market environment, the Fund has performed well, and we are positioned to weather any future volatility.”

The Alaska Permanent Fund (Fund) ended the week of February 21 with a value of \$67.9 billion and closed Friday, February 28 with a value of \$65.1 billion, a drop in of \$2.8 B. Based on the unaudited financial statement issues for January 31, 2020, the Fund had a value of \$66.7 billion, and thus dropped ~\$1.6 billion in value during February. These losses in value to the portfolio remain unrealized as these assets have not yet been sold, it is only when an asset is sold that it is recognized as statutory net income and deposited into the Earnings Reserve Account of the Fund. The February 29, 2020 financial statements are in the process of being compiled and will be issued in the coming weeks with updated information on the overall Fund values, including those for the Principal and the Earnings Reserve Account.

In closing, APFC’s CEO Angela Rodell offers, “APFC is a long-term investor. This market will recover. It may not be in the timeframe we all would like, but history tells us these events do not last indefinitely. We have seen tough losses before and have been able to recoup and actually build an even stronger base. Our team at APFC is working hard to find the new opportunities this market provides while limiting the downside of the Fund.”



Unaudited values over the course of the past month, and week

Alaska Permanent Fund	Value - unaudited	Change
as of January 31, 2020	\$ 66,688,300,000.00	
as of February 28, 2020	\$ 65,099,700,000.00	\$ (1,588,600,000.00)
Drop in value	-2.4%	
as of February 21, 2020	\$ 67,915,700,000.00	
as of February 28, 2020	\$ 65,099,700,000.00	\$ (2,816,000,000.00)
Drop in value	-4.1%	
		Daily Change
as of February 21, 2020	\$ 67,915,700,000.00	
as of February 24, 2020	\$ 67,158,400,000.00	\$ (757,300,000.00)
as of February 25, 2020	\$ 66,543,800,000.00	\$ (614,600,000.00)
as of February 26, 2020	\$ 66,351,900,000.00	\$ (191,900,000.00)
as of February 27, 2020	\$ 65,549,400,000.00	\$ (802,500,000.00)
as of February 28, 2020	\$ 65,099,700,000.00	\$ (449,700,000.00)
Drop in value	-4.1%	\$ (2,816,000,000.00)

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