

NOTICE OF PROPOSED ADOPTION OF REGULATIONS
OF THE ALASKA PERMANENT FUND CORPORATION

In accordance with the special regulations adoption authority granted to the Board of Trustees ("Board") of the Alaska Permanent Fund Corporation ("APFC") under AS 37.13.206, the APFC hereby gives notice that the Board proposes to adopt new regulations in Title 15, Chapter 137 of the Alaska Administrative Code dealing with the investment activities of the APFC. The new regulations, to be effective January 1, 2006, include provisions

- specifically designating the types of investments eligible for investment of assets of the Alaska permanent fund; these investment types include a variety of fixed-income, equity, real estate, and "alternative" securities, real, or "hard," assets, and investment strategies;
- permitting investments in collective or commingled funds that invest predominately in investments otherwise permitted by the regulations;
- authorizing the use of foreign currency transactions, short-selling, and leverage under certain circumstances;
- authorizing the APFC to lend securities owned by the permanent fund;
- permitting the holding of permanent fund assets by the permanent fund directly, through various limited liability entities, or through a collective or commingled fund;
- permitting the permanent fund to hold assets not otherwise permitted under the regulations under certain specified conditions;
- addressing the treatment of a permanent fund asset that ceases to satisfy the prudent investor rule stated in AS 37.13.120(a); and
- defining various terms used in the regulations.

You may comment on the proposed regulations by submitting written comments to Laura Achee, Director of Communications, Alaska Permanent Fund Corporation, 801 West 10th Street, Suite 302, Juneau, AK 99801-1878. Comments may also be faxed to 907-463-1573 or emailed to lachee@alaskapermfund.com. To be considered, the comments must be received no later than Tuesday, November 8, 2005. If you are a person with a disability who needs a special accommodation in order to submit your comments, please contact Laura Achee at 907-465-2059 no later than Tuesday, November 1, 2005 to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulations, contact Laura Achee, Director of Communications, Alaska Permanent Fund Corporation, 801 West 10th Street, Suite 302, Juneau, AK 99801-1878 or go to www.apfc.org.

After the public comment period ends, the Board will, either at its next regular meeting scheduled for November 16 & 17, 2005 or at a special meeting of the Board convened thereafter for that purpose, adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written comments received are public records and are subject to public inspection.

Statutory Authority: AS 37.13.120, AS 37.13.206

Statutes Being Implemented, Interpreted, or Made Specific: AS 37.13.120

DATE: October 12, 2005

/s/ Michael J. Burns, Executive Director
Alaska Permanent Fund Corporation