

## ALASKA PERMANENT FUND

### Balance Sheets

Unaudited (millions of dollars)	May 31, 2009	June 30, 2008
<b>Assets</b>		
Cash and temporary investments	\$ 1,226.2	819.9
Receivables, prepaid expenses and other assets	526.7	1,089.3
Investments —		
Marketable debt securities	7,597.9	9,706.4
Preferred and common stock	15,171.8	19,936.0
Real estate	3,486.8	4,160.8
Alternative investments	2,966.2	3,088.0
Alaska certificates of deposit	252.1	237.2
Total investments	29,474.8	37,128.4
<b>TOTAL ASSETS</b>	<b>\$ 31,227.7</b>	<b>39,037.6</b>
<b>Liabilities</b>		
Accounts payable	\$ 477.9	998.9
Securities sold short at market value	0.0	184.9
Income distributable to the State of Alaska	0.0	1,326.2
<b>TOTAL LIABILITIES</b>	<b>477.9</b>	<b>2,510.0</b>
<b>Fund Balances</b>		
Reserved — principal:		
Contributions and appropriations	29,794.2	29,148.9
Unrealized appreciation (depreciation) on invested assets	(1,513.1)	2,410.0
Total reserved	28,281.1	31,558.9
Unreserved:		
Realized earnings	2,468.7	4,968.7
<b>TOTAL FUND BALANCES</b>	<b>30,749.8</b>	<b>36,527.6</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,227.7</b>	<b>39,037.6</b>

## ALASKA PERMANENT FUND

### Statements of Revenues, Expenditures and Changes in Fund Balances

Unaudited (millions of dollars)	Month ended May 31, 2009	Eleven months ended May 31, 2009	Fiscal year-end actual June 30, 2008
<b>Revenues</b>			
Interest	\$ 34.1	401.5	549.5
Dividends	55.5	359.6	457.7
Real estate and other income	8.8	143.4	195.1
Total interest, dividends, real estate and other income	98.4	904.5	1,202.3
Net increase (decrease) in the fair value of investments			
Marketable debt securities	156.2	(159.8)	228.5
Preferred and common stock	1,081.0	(5,868.9)	(2,631.2)
Real estate	(208.4)	(532.0)	(94.1)
Alternative investments	(14.9)	(675.0)	97.7
Forward exchange contracts and futures	(26.1)	3.6	(95.1)
Currency	0.5	(14.8)	(4.2)
Total net increase (decrease) in investments	988.3	(7,246.9)	(2,498.4)
<b>TOTAL REVENUES</b>	<b>1,086.7</b>	<b>(6,342.4)</b>	<b>(1,296.1)</b>
<b>Expenditures</b>			
Operating expenditures	(4.8)	(56.0)	(78.4)
Other legislative appropriations	0.0	(6.3)	(6.3)
<b>TOTAL EXPENDITURES</b>	<b>(4.8)</b>	<b>(62.3)</b>	<b>(84.7)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 1,081.9</b>	<b>(6,404.7)</b>	<b>(1,380.8)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	38.8	645.1	844.3
Transfers out	0.0	(18.2)	(1,326.2)
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,120.7</b>	<b>(5,777.8)</b>	<b>(1,862.7)</b>
<b>Fund Balances</b>			
Beginning of period	29,629.1	36,527.6	38,390.3
End of period	<b>\$ 30,749.8</b>	<b>30,749.8</b>	<b>36,527.6</b>

#### Statutory Income Calculation

Excess (Deficiency) of revenues over expenditures	1,081.9	(6,404.7)	(1,380.8)
Adjustments to bring net income to statutory net income:			
Unrealized (gain) loss	(1,114.9)	3,922.9	4,351.9
Alaska Capital Income Fund realized earnings	0.0	0.0	(33.0)
<b>STATUTORY NET INCOME (LOSS)</b>	<b>\$ (33.0)</b>	<b>(2,481.8)</b>	<b>2,938.1</b>

## ALASKA PERMANENT FUND

### Receivables and Payables

Unaudited (millions of dollars)	May 31, 2009
<b>Accounts Receivable</b>	
Interest Receivable	\$ 83.4
Dividends Receivable	52.1
Pending Sales Fixed Income	245.4
Pending Sales Equities	75.2
Pending Sales Alternative Investments	0.0
Foreign Exchange Contracts Receivable	0.0
State Dedicated Revenues Receivable	70.1
Pending Sales Real Estate/REITs	0.5
Prepaid and Other Receivables	0.0
<b>TOTAL RECEIVABLES</b>	<b>\$ 526.7</b>
<b>Accounts Payable</b>	
Accrued Operating Payables	\$ 11.4
Pending Purchase Fixed Income	374.8
Pending Purchase Equities	79.5
Pending Purchase Real Estate/REITs	0.4
Foreign Exchange Contracts Payable	11.8
<b>TOTAL PAYABLES</b>	<b>\$ 477.9</b>



# ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of May 31, 2009

*Projections will extend ten years, and are based on best available information (\$ in millions)*

Reserved Fund Balance - Principal										Unreserved Fund Balance							TOTAL FUND FY-End Balance					
FY	FY-Begin Contrib. Balance	Appro- <sup>(1)</sup> priations	Dedicated <sup>(2)</sup> State Revenues		Inflation Proofing	FY-End Balance Contributions	Unrealized Gain (Loss)		FY-End Reserved Balance	Acct. Net Income <sup>(3)</sup>	Statutory Net Income <sup>(3)</sup>	Distributions of Statutory Net Income			Realized Earnings							
							Net Change	FY-End Balance				Dividends	Inflation Proofing	Gen. Fund / Other <sup>(4)</sup>	Net Change	FY-End Balance						
77-00	0	7,039	6,731	6,244	20,014	3,529	3,529	23,543	25,080	23,433	9,806	6,244	274	2,972	2,972	77-00	26,515					
01	20,014	8	339	686	21,047	(2,146)	1,383	22,430	(924)	1,199	1,113	686	4	(588)	2,384	01	24,814					
02	21,047	(23)	258	602	21,884	(878)	505	22,389	(617)	257	926	602	5	(1,248)	1,136	02	23,525					
03	21,884	354 <sup>(5)</sup>	398	352	22,988		1,106	24,094	963	355	691	352	0	(1,035)	100	03	24,194					
04	22,988	(339) <sup>(5)</sup>	353	524	23,526	1,909	3,015	26,541	3,434	1,502	581	170 <sup>(5)</sup>	0	759	859	04	27,400					
05	23,526	0	480	641	24,647	859	3,874	28,522	2,640	1,754	532	641	27 <sup>(4)</sup>	581	1,440	05	29,962					
06	24,647	0	601	856	26,104	347	4,221	30,325	3,072	2,689	689	856	37	1,145	2,585	06	32,910					
07	26,104	0	532	860	27,497	1,977	6,198	33,694	5,448	3,429	1,022	860	42	1,547	4,132	07	37,826					
08	27,497	0	844	808	29,149	(3,788)	2,410	31,559	(1,381)	2,938	1,293	808	33	837	4,969	08	36,528					
10% 09	29,149	0	614	1,143	30,906	(4,131)	(1,721)	29,185	(6,531)	(2,400)	883	1,143	0	(4,426)	543	09	29,728					
25% 09	29,149	0	614	1,143	30,906	(4,013)	(1,603)	29,303	(6,398)	(2,385)	885	1,143	0	(4,412)	556	09	29,859					
Mid 09	29,149 <sup>(6)</sup>	0	614 <sup>(2)</sup>	1,143	30,906	(3,825)	(1,416)	29,490	(6,194) <sup>(6)</sup>	(2,368)	886	1,143	0	(4,398)	571	09	30,062					
25% 09	29,149	0	614	1,143	30,906	(3,670)	(1,260)	29,646	(6,019)	(2,349)	889	1,143	0	(4,380)	589	09	30,234					
10% 09	29,149	0	614	1,143	30,906	(3,497)	(1,087)	29,819	(5,825)	(2,328)	891	1,143	0	(4,362)	607	09	30,426					
10	30,906	0	558	865	32,329	925	(490)	31,839	2,498	1,573	867	865	0	(160)	412	10	32,250					
11	32,329	0	622	906	33,851	972	482	34,339	2,679	1,686	762	906	21	17	429	11	34,768					
12	33,851	0	676	950	35,483	1,071	1,552	37,036	2,886	1,794	590	950	21	254	683	12	37,718					
13	35,483	0	691	995	37,169	1,161	2,713	39,883	3,126	1,943	486	995	21	463	1,146	13	41,028					
14	37,169	0	705	1,042	38,916	1,262	3,976	42,891	3,395	2,111	956	1,042	21	114	1,259	14	44,151					
15	38,916	0	705	1,090	40,710	1,357	5,333	46,043	3,648	2,270	1,029	1,090	21	151	1,410	15	47,453					
16	40,710	0	719	1,139	42,569	1,458	6,791	49,360	3,917	2,437	1,108	1,139	21	190	1,600	16	50,960					
17	42,569	0	714	1,190	44,473	1,565	8,356	52,830	4,201	2,615	1,194	1,190	21	230	1,831	17	54,660					
18	44,473	0	713	1,243	46,429	1,678	10,034	56,463	4,501	2,802	1,285	1,243	21	274	2,105	18	58,568					
19	46,429	0	765	1,298	48,492	1,798	11,832	60,324	4,820	3,001	1,378	1,298	21	325	2,430	19	62,754					
Cumulative Totals																						
Proj. for 2009-2019										0	7,483	11,860			9,423	29,476	19,863	10,541	11,860	191	(2,539)	

Assumptions:	Total Return - Inflation=Total Real Return	Statutory Return			
10% FY 2009	-5.08%	3.84%	-8.92%	10%	3.02%
25% FY 2009	0.10%	3.84%	-3.74%	25%	3.61%
Mid FY 2009	8.05%	3.84%	4.21%	Mid	4.25%
25% FY 2009	14.87%	3.84%	11.03%	25%	5.02%
10% FY 2009	22.43%	3.84%	18.59%	10%	5.82%
FY 2010-2019 <sup>(7)</sup>		8.05%	2.75%	5.30%	5.00%

**Notes related to financial history and projections FY1977 - FY2019**

<sup>(1)</sup> Appropriations include special general fund, realized earnings, and other miscellaneous appropriation transfers into principal.

<sup>(2)</sup> Dedicated State Revenues in current and future fiscal years are based on the Spring 2009 Department of Revenue forecast.

<sup>(3)</sup> Accounting net income is based on United States Generally Accepted Accounting Principles (GAAP). Statutory net income is accounting net income, excluding any unrealized gains and losses on investments.

<sup>(4)</sup> FY05 and forward, Amerada Hess, et al. settlement earnings are transferred to Alaska Capital Income Fund per AS 37.13.145(d).

<sup>(5)</sup> FY03 Senate Bill 100 transferred \$354 million from realized earnings to principal. FY04 Senate Bill 283 defined that appropriation as pre-FY04 inflation proofing, so it was moved from appropriations to inflation proofing, along with the balance of \$170 necessary to fully inflation proof the Fund. \$15 million in settlement earnings remained in appropriations per AS 37.13.145(d).

<sup>(6)</sup> Current year amounts are based actuals through May plus one months of Callan capital market assumptions (2008). A range of possible returns illustrates potential outcomes across various market scenarios.

<sup>(7)</sup> Future returns are based on 2008 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.

### Income year-to-date as of May 31, 2009

FY09 Statutory net income	
Interest, dividends, real estate & other income	\$ 904.5
Realized gains (losses) on the sale of invested assets	(3,324.0)
Less operating exp / Legis. Appropriations	(62.3)
Less AK Capital Inc. Fund committed realized earnings	-
Statutory net income (loss)	\$ (2,481.8)

FY09 Accounting (GAAP) net income	
Statutory net income (loss)	\$ (2,481.8)
Unrealized gains (losses) on invested assets	(3,922.9)
AK Capital Income Fund committed realized earnings	-
Accounting (GAAP) net income (loss)	\$ (6,404.7)

PERFORMANCE SUMMARY (preliminary as of May 31, 2009)	Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
Alaska CDs	0.08%	0.25%	1.19%	0.39%	1.34%	3.48%	3.29%
Domestic Fixed Income	1.82%	5.71%	2.45%	4.27%	2.05%	4.99%	4.33%
Non-Domestic Fixed Income	2.14%	4.36%	3.02%	-0.66%	2.89%	5.17%	5.46%
Domestic Equities	5.25%	27.04%	-25.33%	5.47%	-31.14%	-7.78%	-1.05%
Non-Domestic Equities	13.41%	37.62%	-30.58%	15.53%	-36.28%	-4.85%	4.96%
Global Equities	8.85%	28.24%	-30.82%	5.87%	-36.21%		
Real Estate	0.67%	2.39%	-15.63%	-3.54%	-16.96%	0.59%	9.17%
Absolute Return	2.57%	3.23%	-14.76%	4.35%	-14.97%	-0.71%	
Total Fund	4.46%	15.61%	-17.61%	4.63%	-21.50%	-2.37%	2.95%
Total Fund Benchmark Return	5.20%	19.86%	-16.49%	4.69%	-20.69%	-1.86%	3.15%