

ALASKA PERMANENT FUND

Balance Sheets

Unaudited (millions of dollars)	December 31, 2009	June 30, 2009
Assets		
Cash and temporary investments	\$ 1,433.8	2,385.6
Receivables, prepaid expenses and other assets	174.9	701.4
Investments —		
Marketable debt securities	6,425.9	7,270.6
Preferred and common stock	18,377.7	15,231.4
Real estate	3,350.5	3,364.0
Alternative investments	4,725.5	3,144.1
Alaska certificates of deposit	217.7	252.1
Total investments	<u>33,097.3</u>	<u>29,262.2</u>
TOTAL ASSETS	\$ 34,706.0	32,349.2
Liabilities		
Accounts payable	\$ 88.1	1,576.5
Income distributable to the State of Alaska	0.0	856.6
TOTAL LIABILITIES	88.1	2,433.1
Fund Balances		
Reserved — principal:		
Contributions and appropriations	31,295.3	30,944.7
Unrealized appreciation (depreciation) on invested assets	2,427.7	(1,448.6)
Total reserved	<u>33,723.0</u>	<u>29,496.1</u>
Unreserved:		
Realized earnings	830.5	440.6
Unrealized appreciation (depreciation) on invested assets	64.4	(20.6)
Total unreserved	<u>894.9</u>	<u>420.0</u>
TOTAL FUND BALANCES	34,617.9	29,916.1
TOTAL LIABILITIES AND FUND BALANCES	\$ 34,706.0	32,349.2

ALASKA PERMANENT FUND

Statements of Revenues, Expenditures and Changes in Fund Balances

Unaudited (millions of dollars)	Month ended December 31, 2009	Six months ended December 31, 2009	Fiscal year-end actual June 30, 2009
Revenues			
Interest	\$ 27.8	164.9	431.7
Dividends	41.9	164.4	384.5
Real estate and other income	14.1	77.5	144.9
Total interest, dividends, real estate and other income	83.8	406.8	961.1
Net increase (decrease) in the fair value of investments			
Marketable debt securities	(130.8)	384.9	(121.0)
Preferred and common stock	473.7	3,357.9	(5,898.3)
Real estate	7.5	(36.6)	(666.9)
Alternative investments	38.9	277.5	(587.8)
Forward exchange contracts and futures	50.7	(1.5)	2.2
Currency	(2.9)	(3.0)	(15.9)
Total net increase (decrease) in investments	437.1	3,979.2	(7,287.7)
TOTAL REVENUES	520.9	4,386.0	(6,326.6)
Expenditures			
Operating expenditures	(5.4)	(31.7)	(61.2)
Other legislative appropriations	0.0	(3.0)	(6.6)
TOTAL EXPENDITURES	(5.4)	(34.7)	(67.8)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	\$ 515.5	4,351.3	(6,394.4)
Other Financing Sources (Uses)			
Transfers in	65.3	350.5	651.4
Transfers out	0.0	0.0	(874.8)
NET CHANGE IN FUND BALANCES	580.8	4,701.8	(6,617.8)
Fund Balances			
Beginning of period	34,037.1	29,916.1	36,533.9
End of period	\$ 34,617.9	34,617.9	29,916.1

Statutory Income Calculation

Excess (Deficiency) of revenues over (under) expenditures	515.5	4,351.3	(6,394.4)
Adjustments to bring net income to statutory net income:			
Unrealized (gain) loss	(407.6)	(3,961.3)	3,885.5
Alaska Capital Income Fund realized (gain) loss	(1.3)	(5.0)	33.3
STATUTORY NET INCOME (LOSS)	\$ 106.6	385.0	(2,475.6)

ALASKA PERMANENT FUND

Receivables and Payables

Unaudited
(millions of dollars)

December 31,
2009

Accounts Receivable

Interest Receivable	\$	74.2
Dividends Receivable		25.5
Pending Sales Fixed Income		3.6
Pending Sales Equities		19.2
Pending Sales Alternative Investments		0.0
Foreign Exchange Contracts Receivable		0.2
State Dedicated Revenues Receivable		51.5
Pending Sales Real Estate/REITs		0.7
Prepaid and Other Receivables		0.0
TOTAL RECEIVABLES	\$	<u>174.9</u>

Accounts Payable

Accrued Operating Payables	\$	18.8
Pending Purchase Fixed Income		52.6
Pending Purchase Equities		16.3
Pending Purchase Real Estate/REITs		0.4
Foreign Exchange Contracts Payable		0.0
TOTAL PAYABLES	\$	<u>88.1</u>



ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS

as of December 31, 2009

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

Reserved Fund Balance - Principal										Unreserved Fund Balance										TOTAL FUND								
FY	FY-Begin Contrib. Balance	Appro. (1)	Dedicated (2)		FY-End Balance	Unrealized Gain (Loss)		FY-End Reserved Balance	Acct. Net Income (3)	Statutory Net Income (3)	Distributions of Statutory Net Income			FY-End Balance Realized	Unrealized Gain (Loss)		Net Unreserved Change	FY-End Unreserved Balance	FY	FY-End Balance								
			State Revenues	Inflation Proofing		Net Change	FY-End Balance				Dividends	Inflation Proofing	Gen. Fund / Other (4)		Net Change	FY-End Balance												
77-01	0	7,047	7,070	6,930	21,047	1,383	1,383	22,430	24,156	24,632	10,919	6,930	278	2,384	0	0	2,384	2,384	77-01	24,814								
02	21,047	(23)	258	602	21,884	(878)	505	22,389	(617)	257	926	602	5	1,136	0	0	(1,248)	1,136	02	23,525								
03	21,884	354 (5)	398	352	22,988	601	1,106	24,094	963	355	691	352	0	100	0	0	(1,035)	100	03	24,194								
04	22,988	(339) (5)	353	524	23,526	1,909	3,015	26,541	3,434	1,502	581	170 (5)	0	859	0	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 (4)	1,440	0	0	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	2,585	0	0	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	4,132	0	0	(1,505)	4,132	07	37,826								
08	27,497	0	844	808	29,149	(3,886)	2,064	31,213	(1,372)	2,938	1,293	808	33	4,969	352	352	1,189	5,321	08	36,534								
09	29,149	0	651	1,144	30,944	(3,513)	(1,449)	29,496	(6,394)	(2,509)	875	1,144	0	441	(373)	(21)	(4,901)	420	09	29,916								
10	30,944	0	602	0	31,546	(1,928)	(3,376)	28,170	(1,694)	249	351	0	0	339	(15)	(36)	(117)	303	10	28,473								
10	30,944	0	602	0	31,546	(581)	(2,030)	29,517	(107)	482	468	0	0	455	(8)	(29)	6	426	10	29,943								
10	30,944 (4)	0	602 (2)	0	31,546	1,489	40	31,587	2,238 (4)	727	590	0	0	577	22	1	158	578	10	32,165								
10	30,944	0	602	0	31,546	3,515	2,067	33,613	4,504	923	688	0	0	676	65	44	300	720	10	34,333								
10	30,944	0	602	0	31,546	5,199	3,751	35,297	6,426	1,113	783	0	0	771	113	92	443	863	10	36,160								
11	31,546	0	673	886	33,105	1,133	1,174	34,279	2,600	1,449	637	886	3	504	17	18	(57)	522	11	34,800								
12	33,105	0	721	930	34,756	1,416	2,590	37,346	3,005	1,556	440	930	20	689	34	51	219	741	12	38,087								
13	34,756	0	732	976	36,464	1,498	4,088	40,552	3,281	1,710	311	976	20	1,112	73	125	496	1,237	13	41,789								
14	36,464	0	749	1,023	38,237	1,652	5,739	43,976	3,591	1,883	769	1,023	20	1,203	56	181	147	1,383	14	45,359								
15	38,237	0	746	1,072	40,055	1,781	7,520	47,574	3,889	2,050	908	1,072	20	1,272	58	239	128	1,512	15	49,086								
16	40,055	0	746	1,122	41,922	1,904	9,424	51,346	4,200	2,224	989	1,122	20	1,385	73	311	186	1,697	16	53,043								
17	41,922	0	739	1,173	43,834	2,030	11,454	55,288	4,531	2,409	1,079	1,173	20	1,542	92	403	248	1,945	17	57,233								
18	43,834	0	716	1,225	45,775	2,158	13,612	59,387	4,880	2,604	1,173	1,225	20	1,748	117	520	323	2,269	18	61,656								
19	45,775	0	681	1,278	47,733	2,287	15,899	63,633	5,248	2,810	1,270	1,278	20	2,011	150	670	413	2,681	19	66,314								
20	47,733	0	630	1,330	49,694	2,416	18,316	68,009	5,634	3,027	1,373	1,330	20	2,335	191	861	515	3,197	20	71,206								
Cumulative Totals																												
Proj. for 2010-2020										0	7,734	11,015	19,764	43,095	22,449	9,539	11,015	184	882	2,777								

Assumptions:	Total Return - Inflation = Total Real Return	Statutory Return
10% FY 2010	-5.31% -0.36% -4.95%	10% 1.12%
25% FY 2010	-0.06% -0.36% 0.30%	25% 1.89%
Mid FY 2010 (6)	7.70% -0.36% 8.06%	Mid 2.70%
25% FY 2010	15.20% -0.36% 15.56%	25% 3.35%
10% FY 2010	21.56% -0.36% 21.92%	10% 3.98%
FY 2011-2020 (7)	8.28% 2.75% 5.53%	4.75%

Notes related to financial history and projections FY1977 - FY2020:

- (1) Appropriations include special general fund, realized earnings, and other miscellaneous appropriation transfers into principal.
- (2) Dedicated State Revenues in current and future fiscal years are based on the Fall 2009 Department of Revenue forecast.
- (3) 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, and excluding earnings on Amerada Hess, et al. settlement principal.
- (4) FY05 and forward, Amerada Hess, et al. annual net positive settlement earnings are transferred to Alaska Capital Income Fund per AS 37.13.145(d).
- (5) 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
- (6) Current year returns are based on 2009 Callan capital market assumptions. A range of returns is shown to illustrate a variety of possible outcomes.
- (7) Future returns are based on 2009 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.

Income year-to-date as of December 31, 2009

FY10 Statutory net income

Interest, dividends, real estate & other income	\$ 406.8
Realized gains (losses) on the sale of invested assets	17.9
Less operating exp / Legis. Appropriations	(34.7)
Less AK Capital Inc. Fund committed realized earnings	(5.0)
Statutory net income (loss)	\$ 385.0

FY10 Accounting (GAAP) net income

Statutory net income (loss)	\$ 385.0
Unrealized gains (losses) on invested assets	3,961.3
AK Capital Income Fund committed realized earnings	5.0
Accounting (GAAP) net income (loss)	\$ 4,351.3

PERFORMANCE SUMMARY

(preliminary as of December 31, 2009)

	Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
Domestic Fixed Income	-0.71%	1.06%	6.44%	11.93%	11.93%	5.68%	4.85%
Non-Domestic Fixed Income	-0.70%	0.27%	3.51%	3.39%	3.39%	5.84%	4.11%
Domestic Equities	3.21%	5.93%	23.09%	30.79%	30.79%	-4.24%	1.32%
Non-Domestic Equities	2.52%	4.45%	24.11%	41.91%	41.91%	-2.96%	6.01%
Global Equities	2.49%	4.76%	23.26%	29.47%	29.47%	-6.15%	
Real Estate	-0.31%	-0.72%	-0.88%	-7.52%	-7.52%	-4.29%	4.22%
Absolute Return	0.90%	2.27%	8.90%	15.73%	15.73%	0.81%	4.18%
Total Fund	1.45%	3.26%	14.15%	18.87%	18.87%	-1.27%	3.47%
<i>Total Fund Benchmark Return</i>	0.94%	3.04%	15.49%	20.71%	20.71%	-0.58%	3.99%