

ALASKA PERMANENT FUND

Balance Sheets

| Unaudited (millions of dollars) | January 31, 2010 | June 30, 2009 |
|---|------------------------|------------------------|
| Assets | | |
| Cash and temporary investments | \$ 1,673.8 | 2,385.6 |
| Receivables, prepaid expenses and other assets | 486.8 | 701.4 |
| Investments — | | |
| Marketable debt securities | 6,348.1 | 7,270.6 |
| Preferred and common stock | 17,131.1 | 15,231.4 |
| Real estate | 3,277.6 | 3,364.0 |
| Alternative investments | 5,165.7 | 3,144.1 |
| Alaska certificates of deposit | 217.7 | 252.1 |
| Total investments | <u>32,140.2</u> | <u>29,262.2</u> |
| TOTAL ASSETS | \$ 34,300.8 | 32,349.2 |
| Liabilities | | |
| Accounts payable | \$ 322.3 | 1,576.5 |
| Income distributable to the State of Alaska | 0.0 | 856.6 |
| TOTAL LIABILITIES | <u>322.3</u> | <u>2,433.1</u> |
| Fund Balances | | |
| Reserved — principal: | | |
| Contributions and appropriations | 31,361.0 | 30,944.7 |
| Unrealized appreciation (depreciation) on invested assets | 1,564.4 | (1,448.6) |
| Total reserved | <u>32,925.4</u> | <u>29,496.1</u> |
| Unreserved: | | |
| Realized earnings | 1,003.1 | 440.6 |
| Unrealized appreciation (depreciation) on invested assets | 50.0 | (20.6) |
| Total unreserved | <u>1,053.1</u> | <u>420.0</u> |
| TOTAL FUND BALANCES | <u>33,978.5</u> | <u>29,916.1</u> |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 34,300.8 | 32,349.2 |

ALASKA PERMANENT FUND

Statements of Revenues, Expenditures and Changes in Fund Balances

| Unaudited (millions of dollars) | Month ended January 31, 2010 | Seven months ended January 31, 2010 | Fiscal year-end actual June 30, 2009 |
|---|------------------------------------|---|--|
| Revenues | | | |
| Interest | \$ 23.0 | 187.9 | 431.7 |
| Dividends | 12.7 | 177.1 | 384.5 |
| Real estate and other income | 6.6 | 84.1 | 144.9 |
| Total interest, dividends, real estate and other income | 42.3 | 449.1 | 961.1 |
| Net increase (decrease) in the fair value of investments | | | |
| Marketable debt securities | 65.3 | 450.3 | (121.0) |
| Preferred and common stock | (757.9) | 2,600.0 | (5,898.3) |
| Real estate | (80.7) | (117.4) | (666.9) |
| Alternative investments | 21.6 | 299.0 | (587.8) |
| Forward exchange contracts and futures | 17.9 | 16.4 | 2.2 |
| Currency | (4.1) | (7.1) | (15.9) |
| Total net increase (decrease) in investments | (737.9) | 3,241.2 | (7,287.7) |
| TOTAL REVENUES | (695.6) | 3,690.3 | (6,326.6) |
| Expenditures | | | |
| Operating expenditures | (6.6) | (38.2) | (61.2) |
| Other legislative appropriations | (2.9) | (6.0) | (6.6) |
| TOTAL EXPENDITURES | (9.5) | (44.2) | (67.8) |
| EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES | \$ (705.1) | 3,646.1 | (6,394.4) |
| Other Financing Sources (Uses) | | | |
| Transfers in | 65.7 | 416.3 | 651.4 |
| Transfers out | 0.0 | 0.0 | (874.8) |
| NET CHANGE IN FUND BALANCES | (639.4) | 4,062.4 | (6,617.8) |
| Fund Balances | | | |
| Beginning of period | 34,617.9 | 29,916.1 | 36,533.9 |
| End of period | \$ 33,978.5 | 33,978.5 | 29,916.1 |

Statutory Income Calculation

| | | | |
|---|----------|-----------|-----------|
| Excess (Deficiency) of revenues over (under) expenditures | (705.1) | 3,646.1 | (6,394.4) |
| Adjustments to bring net income to statutory net income: | | | |
| Unrealized (gain) loss | 877.5 | (3,083.7) | 3,885.5 |
| Alaska Capital Income Fund realized (gain) loss | (2.2) | (7.3) | 33.3 |
| STATUTORY NET INCOME (LOSS) | \$ 170.2 | 555.1 | (2,475.6) |

ALASKA PERMANENT FUND

Receivables and Payables

| Unaudited (millions of dollars) | January 31, 2010 |
|------------------------------------|---------------------|
|------------------------------------|---------------------|

Accounts Receivable

| | |
|---------------------------------------|-----------------|
| Interest Receivable | \$ 62.1 |
| Dividends Receivable | 18.6 |
| Pending Sales Fixed Income | 243.1 |
| Pending Sales Equities | 110.9 |
| Pending Sales Alternative Investments | 0.0 |
| Foreign Exchange Contracts Receivable | 0.2 |
| State Dedicated Revenues Receivable | 51.3 |
| Pending Sales Real Estate/REITs | 0.6 |
| Prepaid and Other Receivables | 0.0 |
| TOTAL RECEIVABLES | \$ 486.8 |

Accounts Payable

| | |
|------------------------------------|-----------------|
| Accrued Operating Payables | \$ 23.2 |
| Pending Purchase Fixed Income | 180.7 |
| Pending Purchase Equities | 116.9 |
| Pending Purchase Real Estate/REITs | 1.5 |
| Foreign Exchange Contracts Payable | 0.0 |
| TOTAL PAYABLES | \$ 322.3 |



ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS

as of January 31, 2010

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- priations (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 | | Change | FY-End Balance | | | | Dividends | Inflation Proofing | Gen. Fund / Other (4) | | 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 (8) | | 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 (8) | | 0 | 0 | 455 | (8) | (29) | 6 | 426 | 10 | 29,943 | | | | | | | | |
| 10 | 30,944 (6) | 0 | 602 (2) | 0 | 31,546 | 1,489 | 40 | 31,587 | 2,238 (6) | 727 | 590 (8) | | 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 (8) | | 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 (8) | | 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 appropriations.
- (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.
- (8) Per Alaska statute 34.13.140, dividend projections in FY2010 are limited to one half of projected ending unreserved fund balance.

Income year-to-date as of January 31, 2010

FY10 Statutory net income

| | |
|--|----------|
| Interest, dividends, real estate & other income | \$ 449.1 |
| Realized gains (losses) on the sale of invested assets | 157.5 |
| Less operating exp / Legis. Appropriations | (44.2) |
| Less AK Capital Inc. Fund committed realized earnings | (7.3) |
| Statutory net income (loss) | \$ 555.1 |

FY10 Accounting (GAAP) net income

| | |
|--|------------|
| Statutory net income (loss) | \$ 555.1 |
| Unrealized gains (losses) on invested assets | 3,083.7 |
| AK Capital Income Fund committed realized earnings | 7.3 |
| Accounting (GAAP) net income (loss) | \$ 3,646.1 |

PERFORMANCE SUMMARY

| (preliminary as of January 31, 2010) | 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 | 1.53% | 1.76% | 8.21% | 1.53% | 14.15% | 6.25% | 5.06% |
| Non-Domestic Fixed Income | 0.79% | 1.06% | 4.33% | 0.79% | 7.47% | 6.52% | 4.47% |
| Domestic Equities | -3.57% | 4.92% | 18.69% | -3.57% | 37.23% | -5.98% | 1.10% |
| Non-Domestic Equities | -4.64% | 0.98% | 18.35% | -4.64% | 48.19% | -4.71% | 5.38% |
| Global Equities | -4.46% | 1.73% | 17.76% | -4.46% | 35.39% | -7.83% | |
| Real Estate | -4.77% | -3.24% | -5.60% | -4.77% | -6.70% | -7.43% | 4.05% |
| Absolute Return | 0.52% | 2.69% | 10.15% | 0.52% | 15.71% | 0.84% | 4.32% |
| External CIO/Real Return Mandate | -0.90% | | | -0.90% | | | |
| Total Fund | -1.87% | 2.29% | 12.12% | -1.87% | 22.84% | -2.28% | 3.43% |
| <i>Total Fund Benchmark Return</i> | <i>-2.17%</i> | <i>1.58%</i> | <i>12.48%</i> | <i>-2.17%</i> | <i>25.47%</i> | <i>-1.80%</i> | <i>3.70%</i> |