

ALASKA PERMANENT FUND

Balance Sheets

Unaudited (millions of dollars)	June 30, 2010	June 30, 2009
Assets		
Cash and temporary investments	\$ 1,519.5	2,385.6
Receivables, prepaid expenses and other assets	239.0	701.4
Investments —		
Marketable debt securities	6,347.9	7,270.6
Preferred and common stock	16,379.2	15,231.4
Real estate	3,273.4	3,364.0
Real return	2,483.3	0.0
Absolute return, Distressed and Mezzanine debt	2,452.6	2,065.9
Private equity	1,017.9	705.1
Infrastructure	524.4	373.1
Alaska certificates of deposit	217.6	252.1
Total investments	<u>32,696.3</u>	<u>29,262.2</u>
TOTAL ASSETS	\$ 34,454.8	32,349.2
Liabilities		
Accounts payable	\$ 342.0	1,576.5
Income distributable to the State of Alaska	858.0	856.6
TOTAL LIABILITIES	<u>1,200.0</u>	<u>2,433.1</u>
Fund Balances		
Reserved — principal:		
Contributions and appropriations	31,624.1	30,944.7
Unrealized appreciation (depreciation) on invested assets	420.9	(1,448.6)
Total reserved	<u>32,045.0</u>	<u>29,496.1</u>
Unreserved:		
Realized earnings	1,193.9	440.6
Unrealized appreciation (depreciation) on invested assets	15.9	(20.6)
Total unreserved	<u>1,209.8</u>	<u>420.0</u>
TOTAL FUND BALANCES	<u>33,254.8</u>	<u>29,916.1</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 34,454.8	32,349.2

ALASKA PERMANENT FUND

Statements of Revenues, Expenditures and Changes in Fund Balances

Unaudited (millions of dollars)	Month ended June 30, 2010	Twelve months ended June 30, 2010	Fiscal year-end actual June 30, 2009
Revenues			
Interest	\$ 21.5	294.1	431.7
Dividends	28.6	351.0	384.5
Real estate and other income	18.8	155.5	144.9
Total interest, dividends, real estate and other income	68.9	800.6	961.1
Net increase (decrease) in the fair value of investments			
Marketable debt securities	72.7	517.4	(121.0)
Preferred and common stock	(649.6)	1,864.8	(5,898.3)
Real estate	22.5	(166.3)	(666.9)
Real return	3.4	1.2	0.0
Absolute return, Distressed and Mezzanine debt	(31.2)	311.4	(380.9)
Private equity	1.0	161.2	(198.6)
Infrastructure	(37.2)	17.7	(8.3)
Forward exchange contracts and futures	(6.5)	96.4	2.2
Currency	21.2	(11.3)	(15.9)
Total net increase (decrease) in investments	(603.7)	2,792.5	(7,287.7)
TOTAL REVENUES	(534.8)	3,593.1	(6,326.6)
Expenditures			
Operating expenditures	(5.5)	(69.1)	(61.2)
Other legislative appropriations	(0.4)	(6.7)	(6.6)
TOTAL EXPENDITURES	(5.9)	(75.8)	(67.8)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	\$ (540.7)	3,517.3	(6,394.4)
Other Financing Sources (Uses)			
Transfers in	5.3	679.4	651.4
Transfers out	(858.0)	(858.0)	(874.8)
NET CHANGE IN FUND BALANCES	(1,393.4)	3,338.7	(6,617.8)
Fund Balances			
Beginning of period	34,648.2	29,916.1	36,533.9
End of period	\$ 33,254.8	33,254.8	29,916.1

Statutory Income Calculation

Excess (Deficiency) of revenues over (under) expenditures	(540.7)	3,517.3	(6,394.4)
Adjustments to bring net income to statutory net income:			
Unrealized (gain) loss	703.0	(1,906.0)	3,885.5
Alaska Capital Income Fund realized (gain) loss	(2.1)	(20.8)	33.3
STATUTORY NET INCOME (LOSS)	\$ 160.2	1,590.5	(2,475.6)

ALASKA PERMANENT FUND

Receivables and Payables

Unaudited (millions of dollars)	June 30, 2010
Accounts Receivable	
Interest Receivable	\$ 66.6
Dividends Receivable	29.5
Pending Sales Fixed Income	66.8
Pending Sales Equities	74.3
Pending Sales Alternative Investments	0.0
Foreign Exchange Contracts Receivable	0.0
State Dedicated Revenues Receivable	0.8
Pending Sales Real Estate/REITs	1.0
Prepaid and Other Receivables	0.0
TOTAL RECEIVABLES	\$ 239.0
Accounts Payable	
Accrued Operating Payables	\$ 21.3
Pending Purchase Fixed Income	198.6
Pending Purchase Equities	121.0
Pending Purchase Real Estate/REITs	1.1
Foreign Exchange Contracts Payable	0.0
TOTAL PAYABLES	\$ 342.0



ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of June 30, 2010

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- priations ⁽¹⁾	Dedicated ⁽²⁾		FY-End Balance Contributions	Unrealized Gain (Loss)		FY-End Reserved Balance	Acct. Net Income ⁽³⁾	Statutory Net Income ⁽³⁾	Distributions of Realized Net Income			Realized Earnings Account			FY-End Balance	FY		
			State Revenues	Inflation Proofing		Net Change	FY-End Balance				Dividends	Inflation Proofing	Gen. Fund / Other ⁽⁴⁾	Net Change	Unrealized Allocation	FY-End Balance				
77-99	0	6,775	6,405	5,821	19,001	3,541	3,541	22,542	22,831	21,211	8,634	5,821	271	2,590	2,590	77-99	25,132			
00	19,001	264	326	423	20,014	(12)	3,529	23,543	2,249	2,222	1,172	423	3	382	2,972	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 ⁽⁵⁾	398	352	22,988	601	1,106	24,094	963	355	691	352	0	(1,035)	100	03	24,194			
04	22,988	(339) ⁽⁵⁾	353	524 ⁽⁵⁾	23,526	1,909	3,015	26,541	3,434	1,502	581	170 ⁽⁵⁾	0	759	859	04	27,400			
05	23,526	0	480	641	24,647	859	3,875	28,522	2,640	1,754	532	641	27	581	1,440	05	29,962			
06	24,647	0	601	856	26,104	347	4,221	30,325	3,072	2,690	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	(4,343)	2,064	31,213	(1,372)	2,938	1,293	808	33	837	5,321	08	36,534			
09	29,149	0	651	1,144	30,944	(3,513)	(1,449)	29,496	(6,394)	(2,476)	875	1,144	0 ⁽⁴⁾	(4,495)	420	09	29,916			
10	30,944 ⁽⁶⁾	0	679	0 ⁽⁷⁾	31,624	1,870	421	32,045	3,517	1,591	858	0 ⁽⁷⁾	0 ⁽⁴⁾	733	16	1,210	10	33,255		
11	31,624	0	684	888	33,197	1,148	1,569	34,766	2,710	1,504	734	888	8 ⁽⁴⁾	(118)	51	1,139	11	35,904		
12	33,197	0	716	933	34,846	1,181	2,750	37,596	2,929	1,629	545	933	20	151	99	1,338	12	38,933		
13	34,846	0	733	978	36,557	1,207	3,957	40,514	3,178	1,771	422	978	20	371	180	1,790	13	42,304		
14	36,557	0	745	1,026	38,328	1,270	5,228	43,555	3,456	1,929	885	1,026	20	19	236	1,864	14	45,420		
15	38,328	0	752	1,075	40,155	1,314	6,542	46,696	3,712	2,075	935	1,075	20	66	303	1,997	15	48,693		
16	40,155	0	753	1,125	42,033	1,351	7,892	49,925	3,981	2,229	1,012	1,125	20	92	382	2,167	16	52,093		
17	42,033	0	746	1,176	43,955	1,375	9,268	53,223	4,260	2,388	1,091	1,176	20	120	477	2,383	17	55,606		
18	43,955	0	723	1,229	45,906	1,383	10,650	56,557	4,548	2,552	1,173	1,229	20	150	593	2,649	18	59,206		
19	45,906	0	687	1,281	47,874	1,365	12,015	59,889	4,842	2,720	1,256	1,281	20	182	737	2,976	19	62,865		
20	47,874	0	635	1,334	49,843	1,315	13,330	63,174	5,140	2,890	1,342	1,334	20	214	915	3,368	20	66,541		
Cumulative Totals																				
Proj. for 2011-2020	0		7,174	11,045		12,910			38,757	21,686	9,395	11,045	189	1,246						

Preliminary Return Calculations for FY 2010

Assumptions:	Total Return	- Inflation	= Total Real Return	Statutory Return
FY 2010	11.83%	-0.36%	12.19%	4.91%
FY 2011-2020	8.28%	2.75%	5.53%	4.75% ⁽⁶⁾

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 future fiscal years are based on the Spring 2010 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, less any earnings/losses of the Alaska Capital Income Fund.
- ⁽⁴⁾ FY05 and forward, Amerada Hess, et al. settlement earnings are transferred to Alaska Capital Income Fund per AS 37.13.145(d). FY09 realized losses. FY09 losses of \$33 million are net with FY10 gains of \$21 million and are carried forward in the earnings reserve account, until offset by future earnings.
- ⁽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 mm needed to fully inflation proof the Fund.
- ⁽⁶⁾ FY10 and earlier values are actual. Future amounts are based on 2009 Callan capital market assumptions and median expected returns. Actual results will vary
- ⁽⁷⁾ FY10 did not incur inflation proofing as there was a negative inflation calculation.

Unaudited Income as of June 30, 2010

FY10 Statutory net income

Interest, dividends, real estate & other income	\$ 800.6
Realized gains on the sale of invested assets	886.5
Less operating exp / Legis. appropriations	(75.8)
Less AK Capital Income Fund realized earnings	(20.8)
Statutory net income	\$ 1,590.5

FY10 Accounting (GAAP) net income

Statutory net income	\$ 1,590.5
Unrealized gains on invested assets	1,906.0
and transfer to Alaska Capital Income Fund balance	20.8
GAAP (accounting) net income	\$ 3,517.3

PERFORMANCE SUMMARY

(preliminary as of June 30, 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	1.28%	2.74%	11.52%	4.64%	11.52%	6.94%	5.31%
Non-Domestic Fixed Income	0.52%	2.65%	7.88%	4.23%	7.88%	7.41%	5.09%
Domestic Equities	-5.98%	-11.24%	15.88%	-5.85%	15.88%	-8.35%	0.19%
Non-Domestic Equities	-1.04%	-11.18%	11.82%	-9.90%	11.82%	-10.11%	3.80%
Global Equities	-3.15%	-12.18%	11.58%	-9.48%	11.58%	-11.75%	0.00%
Real Estate	-1.97%	-1.60%	-3.64%	-2.78%	-3.64%	-7.56%	2.22%
Private Equity	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Absolute Return	-0.33%	-0.24%	12.21%	2.27%	12.21%	-0.55%	4.46%
External CIO/Real Return Mandate	0.27%	-2.11%	0.72%	0.72%	0.72%	0.72%	0.72%
Total Fund	-1.46%	-4.90%	11.83%	-2.13%	11.83%	-4.01%	2.82%
<i>Total Fund Return Benchmark</i>	-1.44%	-6.76%	9.80%	-4.50%	9.80%	-4.13%	2.67%