



ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of July 31, 2016

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

Nonspendable Fund Balance - Principal										Assigned Fund Balance										TOTAL FUND								
FY	FY-Begin Contrib. Balance	Appro- priations	Dedicated ⁽²⁾		FY-End Balance Contributions	Unrealized Gain (Loss)		FY-End Nonspendable Balance	Acct. Net Income ⁽³⁾	Statutory Net Income ⁽³⁾	Distributions of Statutory Net Income			FY-End Balance Realized	Unrealized Gain (Loss)		Net Assigned Change	FY-End Assigned Balance	FY		FY-End Balance							
			State Revenues	Inflation Proofing		Net Change	FY-End Balance				Dividends	Inf-Proofing / Other ⁽¹⁰⁾	Gen. Fund / Other ⁽⁴⁾		Net Change	FY-End Balance ⁽⁵⁾												
77-07	0	7,039	9,693	10,765	27,497	6,198	6,197	33,694	39,096	34,618	15,359	14,506	388	4,132	0	0	(1,504)	4,133	77-07	37,827								
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	30,945	(3,513)	(1,449)	29,496	(6,394)	(2,509)	875	1,144	0 ⁽⁸⁾	441	(373)	(21)	(4,901)	420	09	29,917								
10	30,944	0	679	0 ⁽⁹⁾	31,624	1,869	421	32,045	3,517	1,590 ⁽⁸⁾	858	0 ⁽⁹⁾	0 ⁽⁸⁾	1,194	37	16	790	1,210	10	33,255								
11	31,624	0	887	533	33,044	4,367	4,788	37,832	6,812	2,143 ⁽⁸⁾	801	533	13 ⁽⁸⁾	2,016	276	292	1,098	2,308	11	40,140								
12	33,044	0	915	1,073	35,033	(1,568)	3,220	38,253	(100)	1,568	605	1,073	17	1,905	(117)	175	(227)	2,081	12	40,333								
13	35,033 ⁽⁶⁾	0	840	743	36,615	964	4,184	40,800	4,314 ⁽⁶⁾	2,928	604	743	30	3,487	392	567	1,973	4,054	13	44,853								
14	36,615	0	779	546	37,941	2,878	7,062	45,002	6,848	3,531	1,235	546	32	5,237	408	975	2,158	6,211	14	51,214								
15	37,941	0	600	624	39,165	(589)	6,473	45,638	2,384	2,907	1,373	624	24	6,147	41	1,016	951	7,162	15	52,800								
16	39,165	0	284	0	39,449	(1,723)	4,750	44,199	398	2,198	696	0	18	7,649	(95)	921	1,408	8,570	16	52,769								
10%	39,449	0	219	893	40,560	564	7,037	47,598	465	168	1,232	893	22	4,191	(289)	727	(2,246)	4,917	17	52,515								
25%	39,449	0	219	893	40,560	1,096	7,569	48,129	2,014	993	1,318	893	22	4,930	(96)	920	(1,314)	5,849	17	53,978								
Mid	39,449	0	219	893	40,560	717	5,467	46,027	3,532	2,648	1,492	893	22	7,913	146	1,067	409	8,979	17	55,007								
25%	39,449	0	219	893	40,560	1,636	8,109	48,669	5,425	3,372	1,568	893	22	7,059	395	1,411	1,307	8,469	17	57,139								
10%	39,449	0	219	893	40,560	1,482	7,955	48,515	6,985	4,853	1,724	893	22	8,384	628	1,644	2,865	10,027	17	58,543								
18	40,560	0	244	918	41,722	734	6,201	47,923	3,684	2,763	1,475	918	22	8,284	165	1,231	535	9,514	18	57,437								
19	41,722	0	280	945	42,947	744	6,944	49,891	3,849	2,889	1,408	945	22	8,819	195	1,426	731	10,245	19	60,136								
20	42,947	0	296	973	44,216	761	7,706	51,922	4,033	3,028	1,420	973	22	9,454	222	1,648	857	11,102	20	63,024								
21	44,216	0	299	1,002	45,517	791	8,496	54,013	4,229	3,177	1,523	1,002	22	10,106	239	1,887	891	11,993	21	66,007								
22	45,517	0	278	1,030	46,826	815	9,311	56,137	4,430	3,330	1,595	1,030	22	10,811	263	2,150	968	12,961	22	69,098								
23	46,826	0	260	1,059	48,145	839	10,150	58,295	4,639	3,489	1,671	1,059	22	11,569	289	2,439	1,048	14,008	23	72,304								
24	48,145	0	242	1,089	49,476	863	11,014	60,490	4,856	3,653	1,751	1,089	22	12,383	317	2,756	1,131	15,139	24	75,629								
25	49,476	0	226	1,118	50,820	887	11,901	62,721	5,081	3,824	1,835	1,118	22	13,253	347	3,104	1,218	16,357	25	79,078								
26	50,820	0	212	1,148	52,180	911	12,812	64,992	5,314	4,001	1,921	1,148	22	14,185	379	3,483	1,312	17,669	26	82,661								
Cumulative Totals																												
Proj. for 2017-2026										0	3,278	11,960	9,457	56,454	43,226	20,079	11,960	282	3,491	14,678								

Assumptions:	Total Return - Inflation = Total Real Return	Statutory Return			
10% FY 2017	1.10%	2.25%	-1.15%	10%	0.58%
25% FY 2017	4.03%	2.25%	1.78%	25%	2.14%
Mid FY 2017 ⁽⁶⁾	6.90%	2.25%	4.65%	Mid	4.10%
25% FY 2017	10.48%	2.25%	8.23%	25%	6.64%
10% FY 2017	13.43%	2.25%	11.18%	10%	9.44%
FY 2018-2026 ⁽¹⁾	6.90%	2.25%	4.65%		5.27%

Notes related to financial history and projections FY1977 - FY2026:

- ⁽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 Spring 2016 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 of the Alaska Capital Income Fund (AM Hess, et al principal).
- ⁽⁴⁾ FY05 and forward, Amerada Hess, et al. annual net positive settlement earnings are transferred to Alaska Capital Income Fund (ACIF) per AS 37.13.145(d).
- ⁽⁵⁾ Beginning in FY08, based on legal opinion, unrealized gains and losses were allocated between the nonspendable fund balance (principal) and the assigned fund balance (earnings reserve). Prior to FY08, all unrealized gains and losses were included with principal.
- ⁽⁶⁾ Current year returns and inflation are based on 2016 Callan capital market assumptions.
- ⁽⁷⁾ Future returns are based on 2016 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.
- ⁽⁸⁾ During FY 2009, the ACIF realized losses of \$33.3 million, which are excluded from statutory net income, and are included in the ending unreserved balance as a deficit account. During FY 2010 and FY 2011, the ACIF had realized income of \$20.8 and \$25.3 million, which is excluded from statutory net income, and served to reduce the FY 2009 deficit.
- ⁽⁹⁾ The statutory inflation calculation for FY 2010 was -.36%; therefore, there was no inflation proofing transfer during FY 2010.
- ⁽¹⁰⁾ FY77-07 includes special appropriations to principal of \$3.7 billion.

Income year-to-date as of July 31, 2016

FY16 Statutory net income	
Interest, dividends, real estate & other income	\$ 58.5
Realized gains (losses) on the sale of invested assets	66.2
Less operating exp / Legis. Appropriations	(21.0)
Less AK Capital Inc. Fund committed realized earnings	(0.9)
Statutory net income (loss)	\$ 102.8

FY16 Accounting (GAAP) net income	
Statutory net income (loss)	\$ 102.8
Unrealized gains (losses) on invested assets	1,083.8
AK Capital Income Fund committed realized earnings	0.9
Accounting (GAAP) net income (loss)	\$ 1,187.5

PERFORMANCE SUMMARY

(preliminary as of July 31, 2016)	Current	Last 3	Fiscal	Calendar	Last 12	Last 3	Last 5
	Month	Months	Y-T-D	Y-T-D	Months	Years	Years
Domestic Fixed Income	1.00%	2.47%	1.00%	6.68%	5.94%	3.92%	3.66%
Non-Domestic Fixed Income	0.44%	3.04%	0.44%	9.14%	7.31%	4.04%	3.91%
Public and Private Credit	N/A	1.50%	N/A	3.19%	2.57%	5.82%	7.15%
Domestic Equities	4.58%	5.56%	4.58%	7.02%	3.15%	10.31%	12.75%
Non-Domestic Equities	5.40%	2.99%	5.40%	6.62%	-2.90%	1.65%	1.10%
Global Equities	4.21%	3.15%	4.21%	4.78%	-1.11%	6.35%	7.89%
Real Estate	2.54%	9.34%	2.54%	13.39%	17.09%	13.49%	12.10%
Private Equity	N/A	N/A	N/A	6.40%	10.86%	17.33%	15.54%
Absolute Return	N/A	0.64%	N/A	-0.52%	-2.58%	2.64%	3.51%
Infrastructure	N/A	1.81%	N/A	6.75%	14.25%	13.71%	8.57%
Private CIOs/Real Return Mandate	N/A	-0.15%	N/A	-1.83%	1.78%		
True Special Opportunity	N/A	-9.25%	N/A	-11.09%	-17.85%		
Total Fund	2.25%	3.09%	2.25%	5.88%	3.31%	7.04%	6.90%
Total Fund Return Objective	0.25%	1.79%	0.25%	4.60%	5.84%	6.00%	6.27%