



State of Alaska

An Update on the Public School Trust

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Department of Revenue
Treasury Division

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Public School Trust Fund Overview

- **Created by Congress as a Land Trust in 1915**
- **Converted to Cash Trust in 1978 AS 37.14.110 – 37.14.170.**
- **Funded by one-half of one percent of State receipts from the management of all State lands**
- **Principal and capital gains are retained in fund**
- **Net income must be used for the State public school program Alaska AS 37.14.140**
- **Constitutionally dedicated fund as existed prior to statehood and created by Federal Act**

Public School Trust Fund (Principal and Income)

Fiduciary oversight: Commissioner of Revenue

		Public School Trust Fund (Principal)	Public School Trust Fund (Income)	
Investment Objective		Moderate Risk, Long Term investment horizon	Low Risk, Short investment horizon	
Target Asset Allocation		<p>REITs: 3% International Equity: 22% Domestic Equity: 32% Broad FI: 43%</p>	<p>Short-Term Fixed Income: 100%</p>	
Market Value (\$thousands)	12/31/2014 12/31/2015 12/31/2016	Actuals		Actuals
		\$566,200	\$561,900	\$20,400 \$23,500 \$25,400
Returns @ 6/30/16	FY16	Actuals	Benchmark ¹	Actuals
		2.11%	1.67%	0.56% 0.19%
Returns 12/31/16 (Rolling)	FYTD	2.99%	2.80%	0.37% 0.18%
		6.06%	5.82%	0.78% 0.33%
		4.27%	4.04%	0.45% 0.14%
		6.77%	6.63%	0.01% 0.12%
Callan Projected 10 Year Return: Principal 6.08%				

¹Short-term: 3-month U.S. Treasury Bill; Broad Fixed Income: Barclays U.S. Aggregate; Domestic Equity: Russell 3000 Stock Index; International Equity: MSCI ACWI ex-US; REITs: FTSE NAREIT All Equity Index

THANK YOU

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