



State of Alaska Performance Comparison

February 28, 2019 Senate Finance presentation

Bruce Tangeman
Commissioner
Alaska Department of Revenue



Investment Performance

12/31/2018

| | | | | | | | Returns | | |
|-------------------------------|--------------------|----------------|--------------------|-----------------------|------------------------------|-------------------|---------|---------|---------|
| Board Managed Funds | Investment Horizon | Risk Tolerance | FY19 Equity Target | 10 Year Return Target | Projected Standard Deviation | Market Value | 1 Year | 3 Years | 5 Years |
| Alaska Permanent Fund | Long | High | 50% | 6.55% | 12.50% | \$ 60,369,700,000 | -1.10% | 7.58% | 6.27% |
| ARMB Non-Participant Directed | Long | High | 46% | 6.60% | 14.70% | \$ 24,874,759,801 | N/A | N/A | N/A |

| Dept. of Revenue Funds | Investment Horizon | Risk Tolerance | 5-Year Equity Target | 10 Year Return Target | Projected Standard Deviation | Market Value | 1 Year | 3 Years | 5 Years |
|------------------------------------|--------------------|----------------|----------------------|-----------------------|------------------------------|------------------|--------|---------|---------|
| GeFONSI | Short to Interm. | Moderate | 0% | 2.38% | 1.08% | \$ 1,822,943,000 | 1.86% | 1.21% | 0.88% |
| GeFONSI II | Interm. | Moderate | 13% | 3.38% | 2.63% | \$ 1,429,858,062 | N/A | N/A | N/A |
| Constitutional Budget Reserve Fund | Interm. | Moderate | 5% | 2.89% | 1.64% | \$ 1,710,519,081 | 0.78% | 1.86% | 1.52% |
| Public School Trust Fund | Long | High | 53% | 6.20% | 12.70% | \$ 612,873,447 | -5.66% | 4.42% | 4.00% |
| PCE Endowment | Long | High | 70% | 6.20% | 12.70% | \$ 959,797,499 | -5.63% | 5.27% | 4.72% |

9/30/2018

| | | | | | | | Returns | | |
|-------------------------------|--------------------|----------------|--------------------|-----------------------|------------------------------|-------------------|---------|---------|---------|
| Board Managed Funds | Investment Horizon | Risk Tolerance | FY19 Equity Target | 10 Year Return Target | Projected Standard Deviation | Market Value | 1 Year | 3 Years | 5 Years |
| Alaska Permanent Fund | Long | High | 50% | 6.55% | 12.50% | \$ 63,918,200,000 | 8.69% | 10.22% | 8.34% |
| ARMB Non-Participant Directed | Long | High | 46% | 6.60% | 14.70% | \$ 26,890,458,666 | 9.39% | 10.60% | 8.20% |

| Dept. of Revenue Funds | Investment Horizon | Risk Tolerance | 5-Year Equity Target | 10 Year Return Target | Projected Standard Deviation | Market Value | 1 Year | 3 Years | 5 Years |
|------------------------------------|--------------------|----------------|----------------------|-----------------------|------------------------------|------------------|--------|---------|---------|
| GeFONSI | Short to Interm. | Moderate | 0% | 2.38% | 1.08% | \$ 2,001,791,383 | 1.16% | 0.90% | 0.74% |
| GeFONSI II | Interm. | Moderate | 13% | 3.38% | 2.63% | \$ 1,424,232,596 | N/A | N/A | N/A |
| Constitutional Budget Reserve Fund | Interm. | Moderate | 4% | 2.89% | 1.64% | \$ 1,710,404,513 | 1.47% | 2.00% | 1.55% |
| Public School Trust Fund | Long | Moderate | 53% | 5.80% | 10.61% | \$ 665,344,928 | 5.57% | 8.32% | 6.41% |
| PCE Endowment | Long | High | 70% | 6.20% | 12.70% | \$ 1,050,504,963 | 7.00% | 9.81% | 8.04% |

Source for Alaska Permanent Fund equity target, return target, projected standard deviation and returns: apfc.org.

Investment Fund Snapshot

12/31/2018

| Board Managed Funds | Investment Horizon | Risk Tolerance | 10 Year Geometric Return | | Projected Standard Deviation | Market Value | Returns | | | Target Asset Allocation | | | | | |
|---------------------------------|--------------------|----------------|--------------------------|--------|------------------------------|----------------|---------|--------|--------|-------------------------|--------------------------|------------------------|-------------|---------------|-----------|
| | | | Target | Return | | 12/31/2018 | 1 Year | 3 Year | 5 Year | Short Term Fixed Income | Medium Term Fixed Income | Long Term Fixed Income | U.S. Equity | Non-US Equity | REIT Pool |
| Alaska Permanent Fund | Long | High | 6.55% | 12.50% | | 60,369,700,000 | -1.10% | 7.58% | 6.27% | | | | | | |
| ARMB Non-Participant Directed * | Long | High | 6.60% | 14.70% | | 24,874,759,801 | N/A | N/A | N/A | | | | | | |

Intermediate - Long-term State Investment Funds

| | | | | | | Market Value | Returns (as of 12/31/2018) | | | | | | | | |
|------------------------------------|------------------|----------|-------|--------|--|---------------|----------------------------|--------|--------|-----|-----|-----|-----|-----|----|
| | | | | | | 12/31/2018 | 1 Year | 3 Year | 5 Year | | | | | | |
| GeFONSI | Short to Interm. | Moderate | 2.38% | 1.08% | | 1,822,943,000 | 1.86% | 1.21% | 0.88% | 64% | 36% | | | | |
| Constitutional Budget Reserve Fund | Interm. | Moderate | 2.89% | 1.64% | | 1,710,519,081 | 0.78% | 1.86% | 1.52% | 67% | | 26% | 4% | 2% | 1% |
| GeFONSI II | Interm. | Moderate | 3.38% | 2.63% | | 1,429,858,062 | | | | 8% | 70% | 9% | 8% | 5% | |
| PCE Endowment Fund | Long | High | 6.20% | 12.70% | | 959,797,499 | -5.63% | 5.27% | 4.72% | | | 31% | 40% | 24% | 5% |
| Public School - Principal | Long | High | 6.20% | 12.70% | | 612,873,447 | -5.66% | 4.42% | 4.00% | | | 32% | 40% | 24% | 4% |
| RHIF LTC Insurance | Long | High | 5.25% | 8.17% | | 499,812,629 | -3.59% | 3.96% | 3.72% | | | 56% | 25% | 16% | 3% |
| AK Higher Education Investment | Long | High | 6.20% | 12.70% | | 313,416,573 | -5.60% | 5.24% | 4.55% | | | 31% | 40% | 24% | 5% |
| Int'l Airport Revenue Fund | Interm. | Moderate | 2.89% | 1.64% | | 122,673,421 | 0.88% | 1.91% | 1.41% | 67% | | 26% | 4% | 2% | 1% |
| EVOS Research Investment | Long | High | 5.78% | 10.59% | | 97,253,387 | -4.08% | 6.23% | 5.41% | | | 43% | 35% | 22% | |
| EVOS Habitat Investment | Long | High | 5.78% | 10.59% | | 82,499,108 | -4.00% | 6.34% | 5.47% | | | 43% | 35% | 22% | |
| AK Mental Health Trust Reserve | Long | High | 6.17% | 11.54% | | 44,492,163 | -4.68% | 5.25% | 4.60% | 10% | | 29% | 40% | 21% | |
| Illinois Creek Mine Reclamation | Long | High | 6.20% | 12.70% | | 1,049,781 | -5.60% | 5.22% | 3.21% | | | 31% | 40% | 24% | 5% |
| | | | | | | 7,697,188,151 | | | | | | | | | |

| | | | | | | |
|-------|-------|-------|--------|---------|--------|-------------------------|
| 1.88% | 1.58% | 0.01% | -5.24% | -14.20% | -4.39% | 1 Year Benchmark Return |
| 1.02% | 0.96% | 2.06% | 8.97% | 3.30% | | 3 Year Benchmark Return |
| 0.63% | 0.82% | 2.52% | 7.91% | 0.78% | | 5 Year Benchmark Return |

Short -term State Investment Funds

| Short -term State Investment Funds | | | | | | Market Value | Returns (as of 12/31/2018) | | | | |
|---|-------|-----|-------|-------|------------|--------------|----------------------------|--------|--------|---------------------|--|
| | | | | | | 12/31/2018 | 1 Year | 3 Year | 5 Year | | |
| 2016B-2012 Transportation Bonds | Short | Low | 2.25% | 0.90% | 91,853,229 | 2.04% | N/A | N/A | 100% | Inception June/2016 | |
| RHIF Major Medical | Short | Low | 2.25% | 0.90% | 17,926,494 | 2.04% | 1.32% | 0.90% | 100% | | |
| AIA Series 2002 Reserve Account | Short | Low | 2.25% | 0.90% | 15,871,097 | 2.04% | 1.32% | 0.90% | 100% | | |
| 2013-B GO Bonds | Short | Low | 2.25% | 0.90% | 10,541,541 | 2.04% | 1.32% | 0.90% | 100% | | |
| AIA Series 2003 Reserve | Short | Low | 2.25% | 0.90% | 10,172,217 | 2.04% | 1.32% | 0.90% | 100% | | |
| Permanent Fund Dividend Holding Account | Short | Low | 2.25% | 0.90% | 8,813,000 | 2.24% | 1.54% | 1.02% | 100% | | |
| International Airports 2010-C | Short | Low | 2.25% | 0.90% | 7,120,225 | 2.04% | 1.32% | 0.90% | 100% | | |
| 2008 Transportation Project Bonds | Short | Low | 2.25% | 0.90% | 6,644,823 | 2.04% | 1.32% | 0.90% | 100% | | |
| Public School - Income | Short | Low | 2.25% | 0.90% | 4,846,712 | 2.05% | 1.32% | 0.90% | 100% | | |
| Investment Loss Trust Fund | Short | Low | 2.25% | 0.90% | 4,081,191 | 2.04% | 1.32% | 0.90% | 100% | | |
| Intl Arpt 2006 Variable | Short | Low | 2.25% | 0.90% | 3,874,454 | 2.04% | 1.32% | 0.90% | 100% | | |
| Intl Arpt 2006 Non-AMT | Short | Low | 2.25% | 0.90% | 3,469,026 | 2.04% | 1.32% | 0.90% | 100% | | |
| 2013-C GO BAN Bonds | Short | Low | 2.25% | 0.90% | 2,689,647 | 2.04% | 1.32% | 0.90% | 100% | | |
| International Airports 2010-D | Short | Low | 2.25% | 0.90% | 2,474,119 | 2.04% | 1.32% | 0.90% | 100% | | |
| Int'l Airport Repair & Replacement Fund | Short | Low | 2.25% | 0.90% | 505,655 | 2.04% | 1.32% | 0.90% | 100% | | |
| 2010-C GO Bonds | Short | Low | 2.25% | 0.90% | 188,193 | 2.04% | 1.32% | 0.90% | 100% | | |
| | | | | | | 191,071,623 | | | | | |

THANK YOU

Please find our contact information below:

Bruce Tangeman

Commissioner

Alaska Department of Revenue

bruce.tangeman@alaska.gov

Bob Mitchell

Chief Investment Officer

Alaska Department of Revenue

bob.mitchell@alaska.gov

Michelle Prebula

State Investment Officer

Alaska Department of Revenue

michelle.prebula@alaska.gov

treasury.dor.alaska.gov

