



ALASKA PERMANENT  
FUND CORPORATION

# ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of January 31, 2018

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

Nonspendable Fund Balance - Principal									Assigned Fund Balance												TOTAL FUND
FY-Begin					Unrealized		FY-End Non- spendable Balance	Acct. Net Income <sup>(3)</sup>	Statutory Net Income <sup>(3)</sup>	Distributions of Statutory Net Income			FY-End Balance Realized	Unrealized		Net Assigned Change	FY-End Assigned Balance	FY			
Contrib.	Appro- priations	State Revenues	Inflation Proofing	Balance Contributions	Net Change	FY-End Balance				Dividends	Inf-Proofing / Other <sup>(10)</sup>	Gen. Fund / Other <sup>(4)</sup>		Net Change	FY-End Balance <sup>(5)</sup>						
FY	Balance																				
77-08	0	7,039	10,537	11,573	29,149	2,312	2,064	31,213	37,724	37,556	16,652	15,314	421	4,969	352	352	5,942	5,321	77-08	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 <sup>(8)</sup>	441	(373)	(21)	(4,901)	420	09	29,917	
10	30,944	0	679	0 <sup>(9)</sup>	31,624	1,869	421	32,045	3,517	1,590 <sup>(8)</sup>	858	0 <sup>(9)</sup>	0 <sup>(8)</sup>	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 <sup>(8)</sup>	801	533	13 <sup>(8)</sup>	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	0	840	743	36,615	964	4,184	40,800	4,314	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 <sup>(6)</sup>	2,198	696 <sup>(11)</sup>	0 <sup>(12)</sup>	18	7,649	(95)	921	1,408	8,570	16	52,769	
17	39,449	0	365	0	39,814	2,405	7,155	46,969	6,676	3,214	0	0 <sup>(12)</sup>	25	10,864	1,031	1,952	4,246	12,816	17	59,785	
Lo	39,814	0	291	1,402	41,507	(3,734)	3,421	44,928	(947)	3,688	726	1,402 <sup>(13)</sup>	27	12,424	(928)	1,024	632	13,448	18	58,376	
Mid	39,814	0	291	1,402	41,507	(1,078)	6,077	47,584	3,314	4,391	726	1,402 <sup>(13)</sup>	32	13,126	(31)	1,922	2,232	15,048	18	62,632	
Hi	39,814	0	291	1,402	41,507	1,321	8,477	49,984	7,503	5,242	726	1,402 <sup>(13)</sup>	38	13,977	902	2,854	4,015	16,831	18	66,815	
19	41,507	0	352	942	42,801	(109)	5,968	48,769	3,959	3,950	1,705	942	28	14,429	90	2,012	1,394	16,442	19	65,211	
20	42,801	0	350	971	44,121	(109)	5,859	49,981	4,123	4,115	1,749	971	28	15,825	89	2,101	1,485	17,926	20	67,907	
21	44,121	0	359	1,001	45,481	(101)	5,758	51,239	4,295	4,288	1,876	1,001	28	17,236	81	2,182	1,492	19,418	21	70,657	
22	45,481	0	368	1,032	46,881	(86)	5,672	52,553	4,471	4,464	2,096	1,032	28	18,573	65	2,247	1,402	20,820	22	73,372	
23	46,881	0	367	1,063	48,311	(81)	5,591	53,903	4,643	4,638	2,227	1,063	28	19,920	58	2,305	1,406	22,226	23	76,129	
24	48,311	0	377	1,095	49,784	(83)	5,508	55,292	4,819	4,814	2,253	1,095	28	21,386	61	2,366	1,526	23,752	24	79,044	
25	49,784	0	403	1,129	51,316	(81)	5,427	56,743	5,005	5,001	2,344	1,129	28	22,914	57	2,423	1,585	25,338	25	82,081	
26	51,316	0	430	1,164	52,910	(79)	5,348	58,258	5,200	5,196	2,437	1,164	28	24,510	54	2,477	1,649	26,987	26	85,245	
27	52,910	0	453	1,201	54,563	(77)	5,271	59,834	5,402	5,400	2,532	1,201	28	26,177	51	2,529	1,718	28,705	27	88,540	
28	54,563	0	469	1,238	56,271	(76)	5,195	61,466	5,612	5,611	2,630	1,238	28	27,919	49	2,578	1,792	30,497	28	91,964	
Cumulative Totals																					
Proj. for 2018-2027		0	4,219	12,238		(1,960)			50,844	51,869	22,575	12,238	309		625		17,681				

Assumptions: Total Return - Inflation = Total Real Return					Statutory Return			
Lo	FY 2018	-1.38%	2.13%	-3.51%	Lo	6.40%		
Mid	FY 2018 <sup>(6)</sup>	5.73%	2.13%	3.60%	Mid	7.58%		
Hi	FY 2018	12.72%	2.13%	10.59%	Hi	9.01%		
FY 2019-2027 <sup>(7)</sup>					6.50%	2.25%	4.25%	6.53%

## Notes related to financial history and projections FY1977 - FY2027:

- Appropriations include special general fund, realized earnings, and other miscellaneous appropriation transfers into principal.
- Dedicated State Revenues in current and future fiscal years are based on the Spring 2017 Department of Revenue forecast.
- 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).
- 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).
- 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.
- Current year returns and inflation are based on 2017 Callan capital market assumptions.
- Future returns are based on 2017 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.
- 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.
- The statutory inflation calculation for FY 2010 was -36%; therefore, there was no inflation proofing transfer during FY 2010.
- FY77-08 includes special appropriations to principal of \$3.7 billion.
- The dividend transfer reported for FY16 was paid out in dividends during FY17.
- There was no appropriation for inflation proofing for FY16 and FY17.
- Current year inflation proofing includes unfunded amounts from prior years.

## Income year-to-date as of January 31, 2018

### FY18 Statutory net income

Interest, dividends, real estate & other income	\$	841.9
Realized gains (losses) on the sale of invested assets		2,791.1
Less operating exp / Legis. Appropriations		(79.4)
Less AK Capital Inc. Fund committed realized earnings		(24.3)
Statutory net income (loss)	\$	3,529.3

### FY18 Accounting (GAAP) net income

Statutory net income (loss)	\$	3,529.3
Unrealized gains (losses) on invested assets		3,203.5
AK Capital Income Fund committed realized earnings		24.3
Accounting (GAAP) net income (loss)	\$	6,757.1

## PERFORMANCE SUMMARY

(preliminary as of January 31, 2018)

	Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
PUBLIC EQUITIES	5.53%	9.56%	18.09%	5.53%	28.40%	12.29%	10.96%
FIXED INCOME PLUS	-0.58%	0.46%	2.07%	-0.58%	5.38%	2.92%	2.88%
PRIVATE EQUITY AND GROWTH OPPORTUNITIES	N/A	4.38%	13.91%	N/A	21.16%	23.62%	21.62%
REAL ESTATE	N/A	2.37%	3.06%	N/A	5.50%	9.48%	10.15%
INFRASTRUCTURE/PRIVATE CREDIT/INCOME OPPS	N/A	2.66%	9.52%	N/A	14.26%	12.06%	11.48%
ABSOLUTE RETURN	N/A	1.12%	4.95%	N/A	7.81%	3.59%	3.79%
ASSET ALLOCATION	1.20%	2.09%	4.94%	1.20%	6.01%	3.05%	2.63%
TOTAL FUND	2.39%	5.30%	11.04%	2.39%	17.21%	9.93%	9.12%
Total Fund Return Objective	0.93%	1.70%	4.05%	0.93%	7.07%	6.98%	6.49%

Note related to the performance summary:

Effective October 1, 2016, the Board of Trustees changed the target asset allocation of the Fund. Historical returns for the new asset classes will be reported over time.