

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-End Balance				
FY	FY-Begin Contrib. Balance	Appro- priations	Dedicated ⁽²⁾ State Revenues	Inflation Proofing	FY-End Balance	Unrealized Gain (Loss)		FY-End Non- spendable Balance	Distributions of Statutory Net Income				FY-End Balance Realized	Unrealized Gain (Loss)			Net Assigned Change	FY-End Assigned Balance		
						Net Change	FY-End Balance		Net Income ⁽³⁾	Statutory Net Income ⁽³⁾	Dividends	Inf-Proofing / Other ⁽¹⁰⁾	Gen. Fund / Other ⁽⁴⁾	FY-End Change	FY-End Balance ⁽⁵⁾	Assigned Change				
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	
09	29,149	0	651	1,144	30,945	(3,513)	(1,449)	29,496	(6,394)	(2,509) ⁽⁸⁾	875	1,144	0 ⁽⁸⁾	441	(373)	(21)	(4,901)	420	09	
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	
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	
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	
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	
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	
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	
16	39,165	0	284	0	39,449	(1,723)	4,750	44,199	398 ⁽⁶⁾	2,198	696 ⁽¹¹⁾	0 ⁽¹²⁾	18	7,649	(95)	921	1,408	8,570	16	
17	39,449	0	365	0	39,814	2,405	7,155	46,969	6,676	3,214	0	0 ⁽¹²⁾	25	10,864	1,031	1,952	4,246	12,816	17	
Lo	18	39,814	0	291	1,402	41,507	(3,734)	3,421	44,928	(947)	3,688	726	1,402 ⁽¹³⁾	27	12,424	(928)	1,024	632	13,448	18
Mid	18	39,814	0	291	1,402	41,507	(1,078)	6,077	47,584	3,314	4,391	726	1,402 ⁽¹³⁾	32	13,126	(31)	1,922	2,232	15,048	18
Hi	18	39,814	0	291	1,402	41,507	1,321	8,477	49,984	7,503	5,242	726	1,402 ⁽¹³⁾	38	13,977	902	2,854	4,015	16,831	18
Cumulative Totals								50,844 51,869 22,575 12,238 309 625 17,681												
Proj. for 2018-2027																				

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

Notes related to financial history and projections FY1977 - FY2027:																	
⁽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 2017 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 2017 Callan capital market assumptions.																	
⁽⁷⁾ Future returns are based on 2017 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⁾ FY77-08 includes special appropriations to principal of \$3.7 billion.																	
⁽¹¹⁾ The dividend transfer reported for FY16 was paid out in dividends during FY17.																	
⁽¹²⁾ There was no appropriation for inflation proofing for FY16 and FY17.																	
⁽¹³⁾ Current year inflation proofing includes unfunded amounts from prior years.																	

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.