



APFC

ALASKA PERMANENT
FUND CORPORATION

Senate Finance Committee

Alaska Permanent Fund

February 2025

A Legacy of Intergenerational Resource Contribution

Alaskans' Extraordinary Vision

In 1976 -

Alaskans chose to permanently forgo immediate use of at least 25% of oil and mineral revenues, saving instead to create a renewable financial resource for generations —the Alaska Permanent Fund.

Today, the Fund -

- **Leads the Nation**
The largest U.S. sovereign wealth fund, globally recognized for converting finite resources into lasting wealth.
- **Supports Alaska**
Provides over 50% of the state's unrestricted general fund revenue for dividends and essential services.



Alaska Constitution Article IX, Section 15 Alaska Permanent Fund

At least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the state shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.

Investing for Alaska

Established 1980

Mission

To manage and invest the assets of the permanent fund and other funds designated by law in accordance with AS 37.13.010-37.13.190.

Vision

To deliver outstanding returns for the benefit of all current and future generations of Alaskans.

Board of Trustees

APFC functions as a quasi-independent state entity, governed by a Board of Trustees that oversees the Corporation and serves as the fiduciary for the Fund AS 37.13.

Alaska Permanent Fund

Principal

Constitution and AS 37.13.010

Earnings Reserve Account

AS 37.13.145 (a)

Amerada Hess Settlement

AS 37.13.145 (d)

AK Capital Income Fund

AS 37.05.565

Alaska Mental Health Trust Fund

AS 37.13.300

Alaska Mental Health Trust Authority

Power Cost Equalization Endowment

AS 37.13.310

Alaska Energy Authority – PCE Program

APFC appreciates the support from the Executive Branch and the Legislature. Policy & budget resources play a crucial role in the effective investment management of the Alaska Permanent Fund.

To maintain a high level of investment management, **budget resources enhance our ability to recruit and retain top professional talent:**

- Fully funded incentive compensation
- Increase due diligence capacity of the internal investment team
- Continue IT strategic roadmap to ensure security and architect solutions for data vault implementation

Support has provided the ability to enhance the capacity of our internal investment team by:

- **Bringing the Fixed Income asset class entirely in-house**, which generates performance returns comparable to those of external managers.
- **Developing integrated data and investment systems.**

To ensure the Fund's security and protection, resources and talent have strengthened our IT systems and business continuity plan.

Positive Impact

Insulation without Isolation

A management system for the Fund that is:

- Protected from political influences;
- Responsive to changes in state policy;
- Accountable to the people through their elected officials.

APFC Related Legislation

Seeking Amendments to Improve Corporate Functionality

Amend Existing Law to –

- Protect from public records disclosure the identity of all candidates who would like to be considered for the positions of Executive Director and Chief Investment Officer;
- Provide the Board with the authority to interview the finalists for the positions of Executive Director and Chief Investment Officer in an executive session;
- Provide for the confidentiality of personnel records of all APFC staff.

Sec. 37.13.100 Corporation Staff.

The board may employ and determine the salary of the executive director. The list of applicants and information regarding the applicants for the position of executive director is confidential and is not a public record, and the board may meet in executive session for the purpose of interviewing candidates for the position of executive director notwithstanding any other provision of law to the contrary. The executive director may, with the approval of the board, select and employ additional staff as necessary. An employee of the corporation, including the executive director, may not be a member of the board. The executive director and the other employees of the board are in the exempt service under AS 39.25. Except for the information described in AS 39.25.080(b)(1) – (7), the personnel records of the executive director and other employees of the corporation, including employment applications and examinations and other assessment materials, are confidential and are not open for public inspection.



A Renewable Financial Resource

Transforming a portion of the state's royalty wealth into a financial resource to benefit all generations of Alaskans.

AS 37.13.020

The legislature's findings for the purpose of the Permanent Fund:

- *the fund should provide a means of conserving a portion of the state's revenue from mineral resources to benefit all generations of Alaskans;*
- *the fund's goal should be to maintain safety of principal while maximizing total return;*
- *the fund should be used as a savings device managed to allow the maximum use of disposable income from the fund for purposes designated by law.*

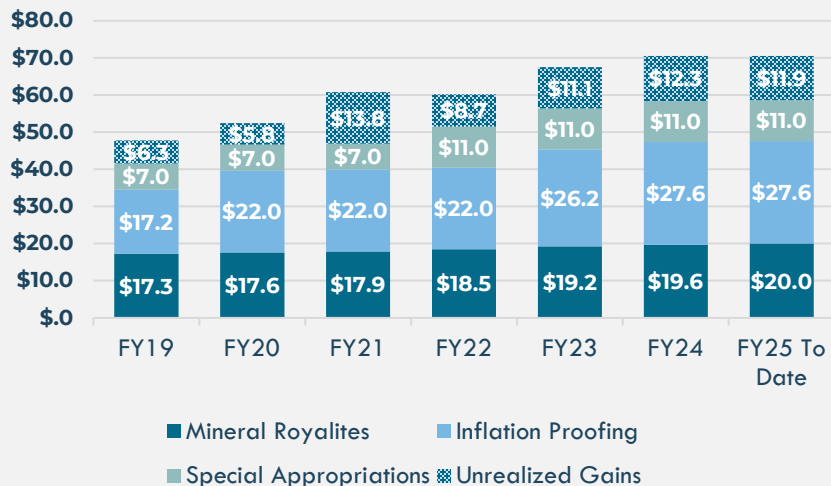
✓ **Permanent Savings**

✓ **Maximum
Risk-Adjusted Returns**

✓ **Use of Earnings:
Driven by Legislation**

Principal: Savings

Cumulative Deposits & Unrealized Gains Balances by Year
\$billions as of December 31, 2024



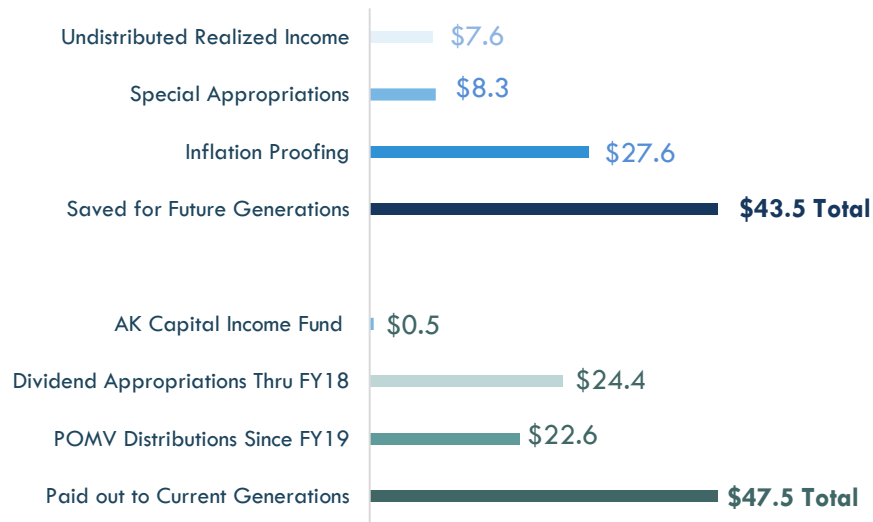
The Principal is the constitutionally protected, nonspendable portion of the Fund that can only be used for income-producing investments.

FY25 Inflation Proofing of \$1.0 billion, as appropriated, will transfer to the Principal at the end of the fiscal year.

\$91.0B

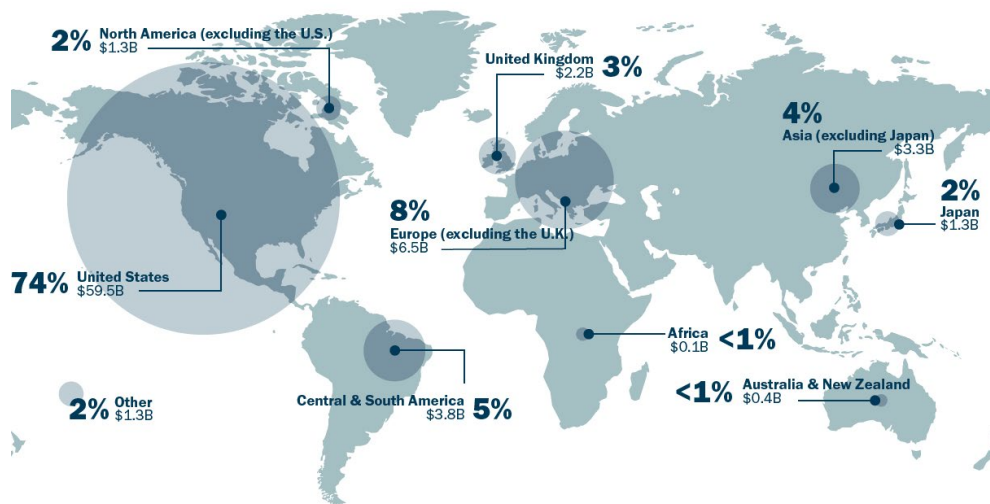
in **Realized Earnings** generated
by the Funds' investments

The legislature and executive branches establish policies for the use of realized earnings in the ERA.



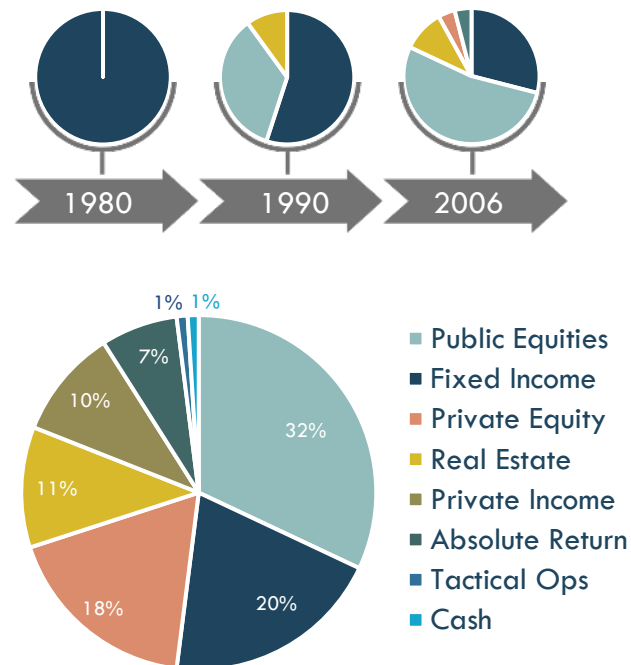
Global Investment

Through prudent asset allocation and strategic decision-making, APFC has robust performance across asset classes, reinforcing our commitment to deliver sustainable value for our stakeholders—the people of Alaska.



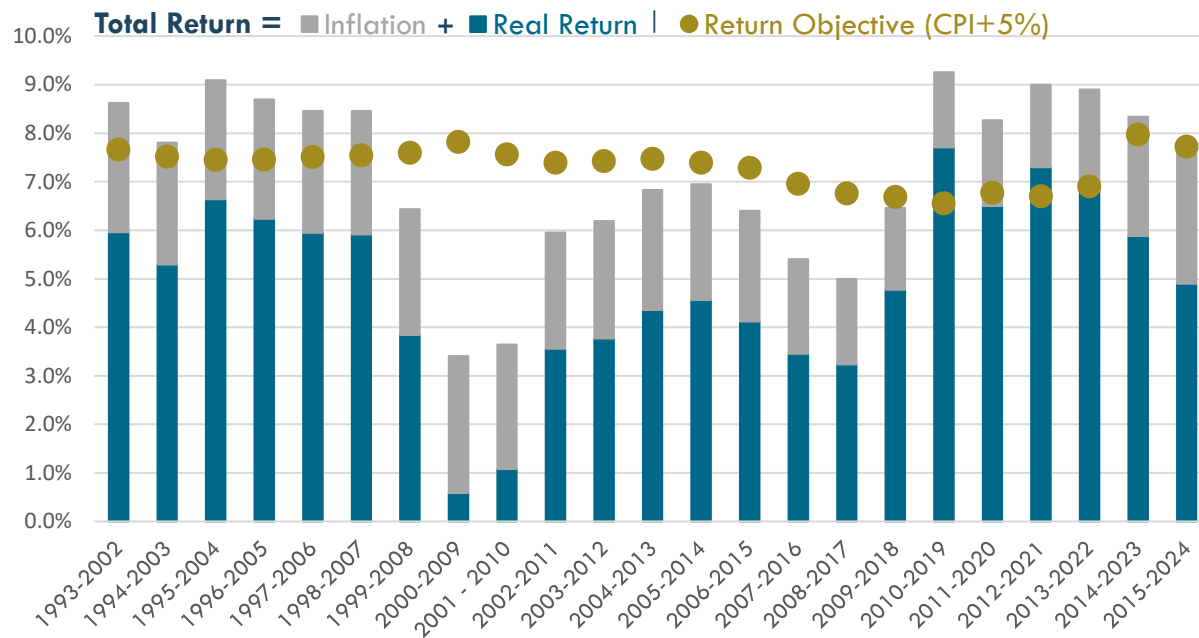
The Alaska Permanent Fund is the largest sovereign wealth fund in the U.S. and is recognized globally as **a model for converting a nonrenewable natural resource into a renewable financial resource.**

Asset Allocation: 1980 to 2025 Target



A maximum risk-adjusted return

Investing for the Long Term



Real Return

Annual investment performance adjusted for inflation indicates sustained value and purchasing power.

The Board's objective for the Fund:

- **Investment Performance**

Ability to generate an annualized return of inflation (CPI) + 5% over a 10-year period.

- **Investment Risk**

Ability of the Fund to achieve the long-term target while conforming to the Board's approved risk appetite metric.



Investment Management

Protecting Principal and achieving a maximum risk-adjusted return to benefit all generations of Alaskans.

Asset Allocation & Callan Projections

Current Target Asset Allocation

Asset Class	Green Zone	
	Target	Range
Public Equity	32%	+/-5%
Fixed Income	20%	+/-5%
Private Equity	18%	+/-5%
Real Estate	11%	+/-3%
Private Income	10%	+/-5%
Absolute Return	7%	+/-3%
Tactical Opportunities	1%	+/-1%
Cash	1%	+/-2%
Total	100%	

Source: APFC Investment Policy Statement as updated July 2024.

Callan Associates Forecasted 10-Year Return

	10-Year Geometric Return
Private Equity	8.75%
Global Equities	7.85%
Tactical Opportunities	7.50%
Private Income	7.20%
Absolute Return	6.05%
Private Real Estate	6.00%
Fixed Income	5.25%
Cash	3.00%

Source: Callan Associates presentation to APFC Trustees February 2024.

Portfolio Projected Nominal Return	7.90%
Less: Projected Inflation	(2.50%)

Portfolio Projected Real Return 5.40%

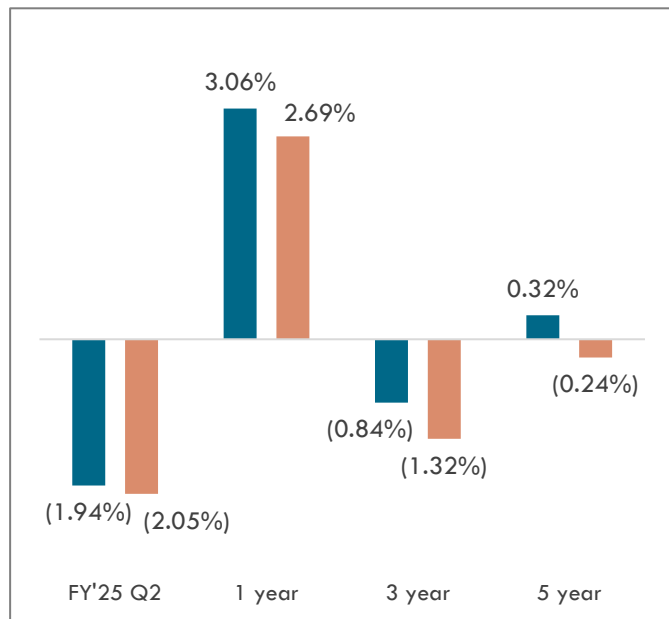
Source: November 2024 History & Projections file based on Callan data.

Benchmarks – Internal Fixed Income

Returns as of 12/31/2024

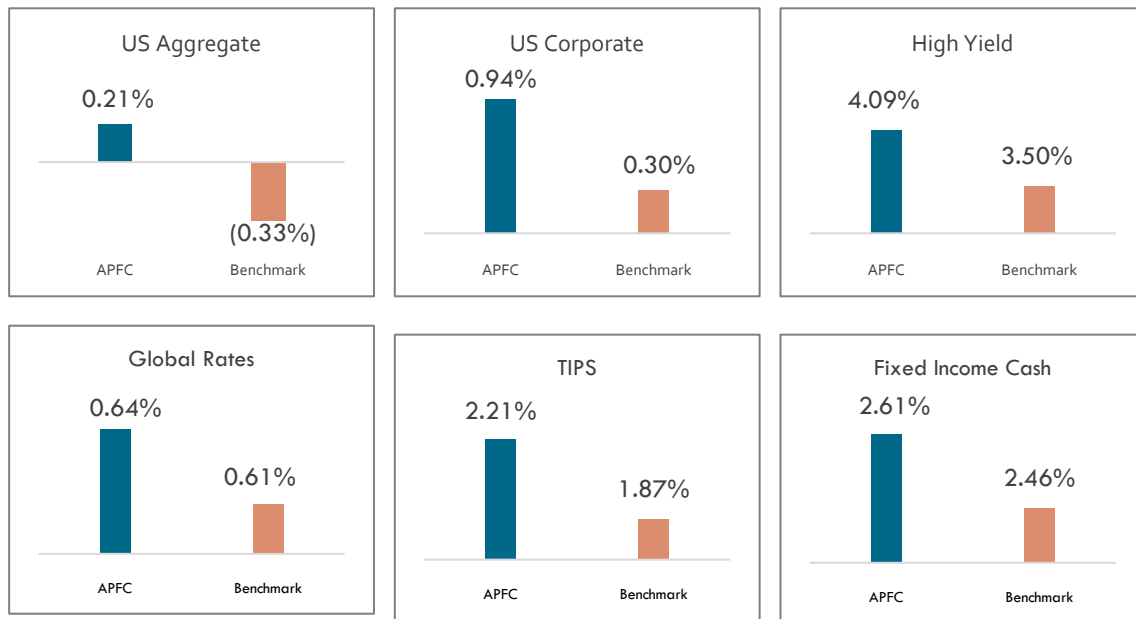
Example

Fixed Income Composite



■ APFC ■ Benchmark

5-Year Performance of Portfolio Components



Recent Performance & Benchmarks

APFC has outperformed all benchmarks over a
10-year period

FYTD, 3-, 5-, & 10-Year Performance Summary as of Dec. 2024

	<u>Fiscal</u> <u>Year-to-date</u>	<u>3-Year</u> <u>Annualized</u>	<u>5-Year</u> <u>Annualized</u>	<u>10-Year</u> <u>Annualized</u>
Fund Return	3.65%	3.13%	7.88%	8.10%
Performance Benchmark	4.08%	3.46%	7.42%	7.19%
APFC (Under)/Out-Performance	(0.43%)	(0.33%)	0.46%	0.91%
Passive Benchmark	4.37%	1.32%	5.77%	6.12%
APFC (Under)/Out-Performance	(0.72%)	1.81%	2.11%	1.98%
Return Objective (CPI + 5%)	2.91%	9.23%	9.20%	8.01%
APFC (Under)/Out-Performance	0.74%	(6.10%)	(1.32%)	0.09%

Performance Benchmark

- What APFC portfolio managers manage against day-to-day; benchmark weights for asset classes equal to target asset allocation (32% global equities, 20% fixed income, 18% private equity, 11% real estate 10% private income, 7% absolute return, etc.)
- Investible benchmarks for public markets, universe of peers for private markets
- Answers the question of whether APFC's execution and market calls have added value over time periods measured
- **Through November 2024, the Fund was beating performance benchmark FYTD, 3-year, 5-year, and 10-year; December rally in growth vs. value stocks brought performance below on FYTD and 3-year, we believe that this was reversed in January/February**

Passive Benchmark

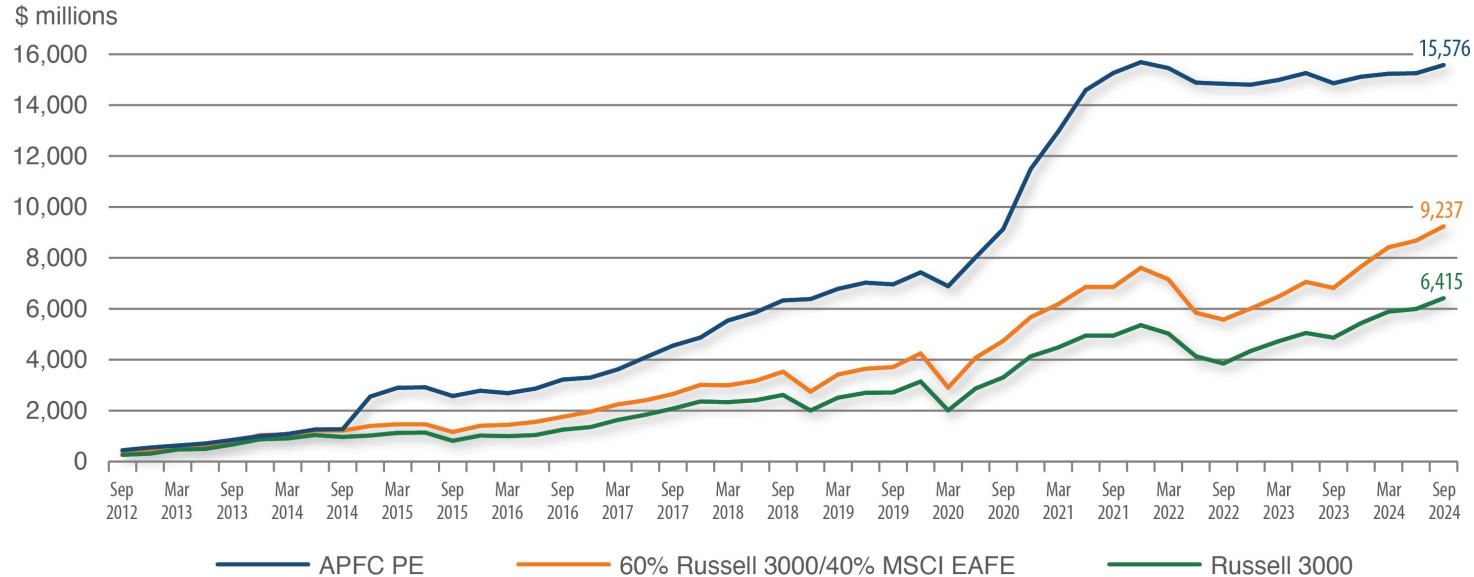
- A benchmark portfolio that is investible "with the click of a mouse" – 60% global equities, 20% fixed income, 10% REIT's, 10% TIP's
- Answers the question of whether over longer-term periods the complexity of APFC's investment strategies and the inclusion of private markets is adding value
- Measured over short-term time periods, private markets-heavy portfolios like APFC's almost always lag in bull stock markets and outperform in bear stock markets
- **APFC has outperformed on 3-year, 5-year, and 10-year time periods**

Return Objective (CPI + 5%)

- APFC's asset allocation targets, informed by third party consultant's capital market forecasts, are intended to build a portfolio that can deliver expected returns consistent with the return objective of CPI + 5%
- Answers the question of whether APFC's asset allocation (by far biggest driver) coupled with investment execution have resulted in achievement of return objective with the benefit of hindsight
- **APFC has lagged on 3-year and 5-year time periods (along with virtually all peer institutions), but outperformed on a 10-year basis**

Private Markets

PRIVATE EQUITY - SINCE-INCEPTION GAIN/LOSS COMPARISON WITH PUBLIC BENCHMARKS



- Private Markets strategies continue to drive significant value for APFC
- Mature portfolio provides a stable base of unrealized gains (\$4.6bn) which can provide a buffer against more volatile public markets

A Peer Comparison: Norges Bank



• Reporting Currency	→	US\$	“Fund Currency Basket” & Krone
• Asset Allocation	→	Diversified	Predominantly Public Markets
• Size	→	~US\$80 BN	~US\$1.7 trillion
• Alternative Investments	→	~45+%	~2%
• Offices	→	Alaska	Oslo, London, New York, Singapore
• Employees	→	~60	~650
• Tracking Error	→	~150 bps	~45 bps
• Active Management	→	High	Moderate
• Headline Return	→	Net-of-Fees	Gross-of-Fees
• Fiscal Year End	→	June 30	December 31

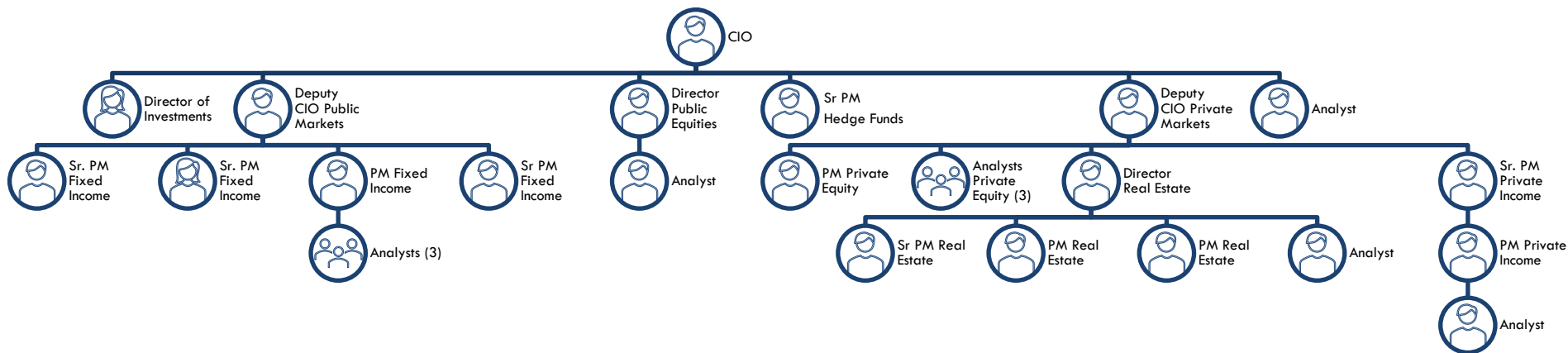
Investment Committee

- Approves new investments
- Oversees, monitors, and reviews performance, and strategic and tactical investment decisions
- Meeting open to all Investment Staff and the Risk Officer
- Diverse, balanced, and open-minded interaction
- IC voting members: CIO, Deputy CIO-Private Markets, and Deputy CIO-Public markets

Committee Participation



Investment Department Org Chart

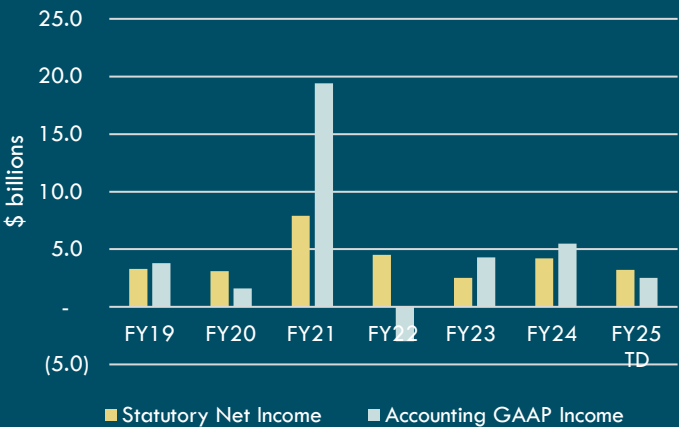


Full time employees 26

Producing Income

The Earnings Reserve Account (ERA) AS 37.13.145 (a) grows through the realized investment income that is defined as **Statutory Net Income (SNI) AS 37.13.140 (a)**.

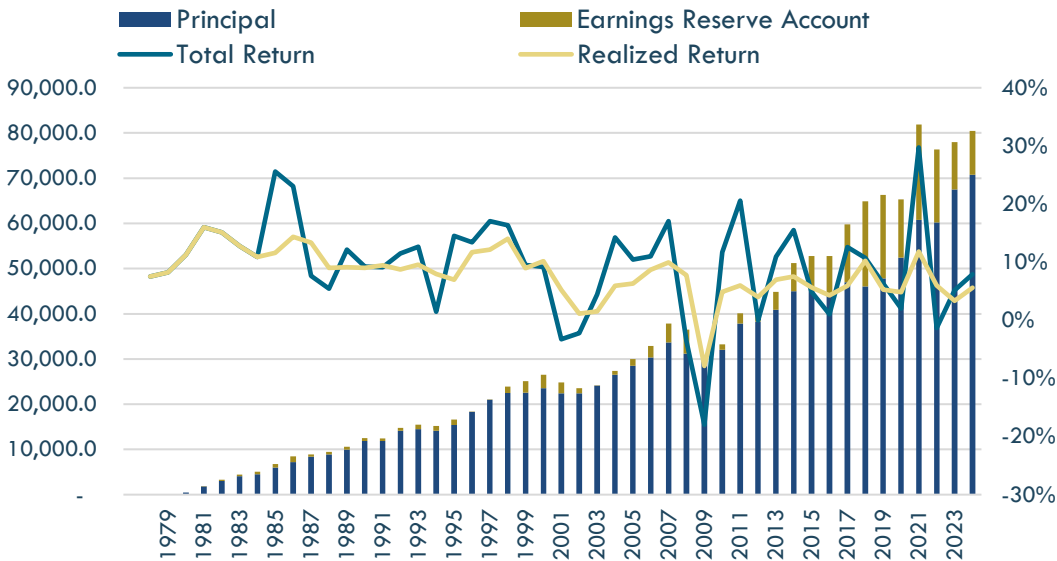
SNI is deposited in the ERA, and the Legislature can appropriate the balance of the ERA by a simple majority vote. This is the spendable income of the Fund.



Statutory Net Income excludes unrealized gains/losses.

Generally Accepted Accounting Principles (GAAP) include unrealized gains/losses.

Returns & Values in \$ millions



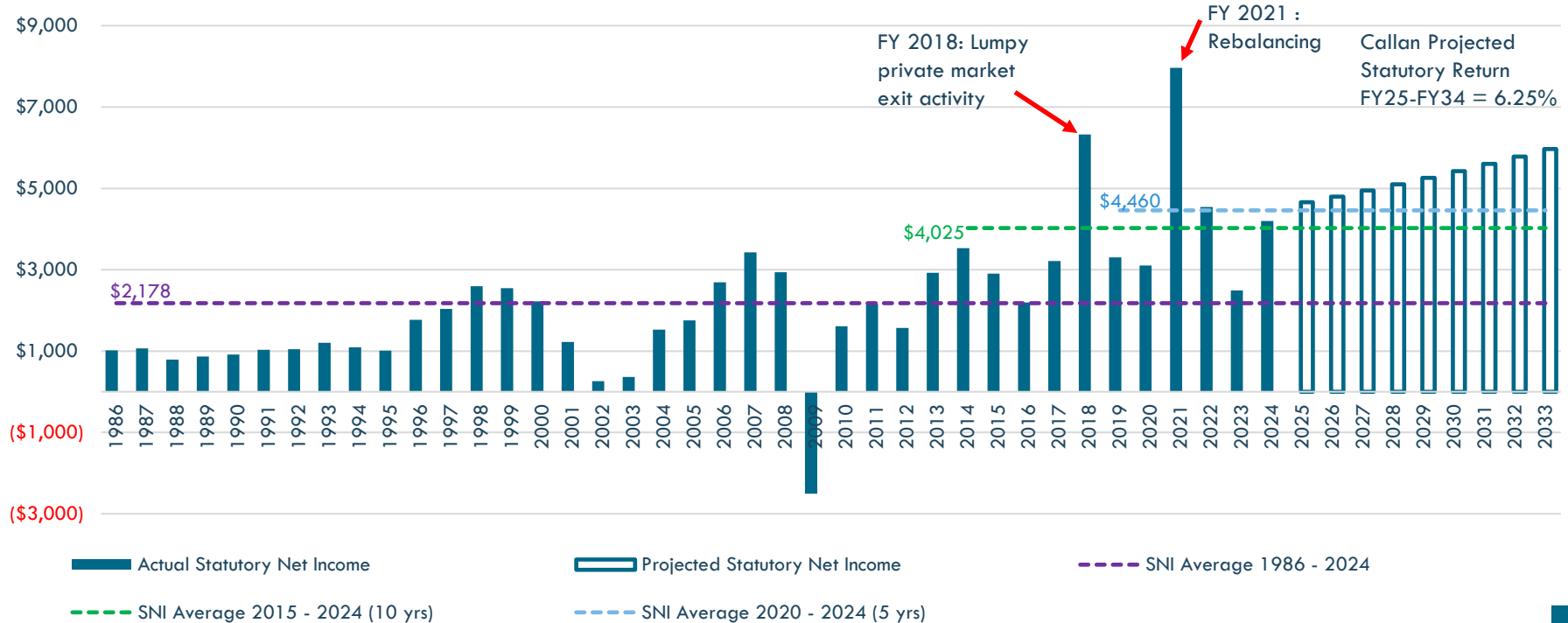
Realized Return (reflective of Statutory Net Income)

The income generated from investments during a period reflects profits or losses from interest, dividends, and realized capital gains; deposited to the Earnings Reserve Account.

Total Return (reflective of GAAP Income)

The overall portfolio return over a specific period, including interest, dividends, distributions, and both realized and unrealized capital gains.

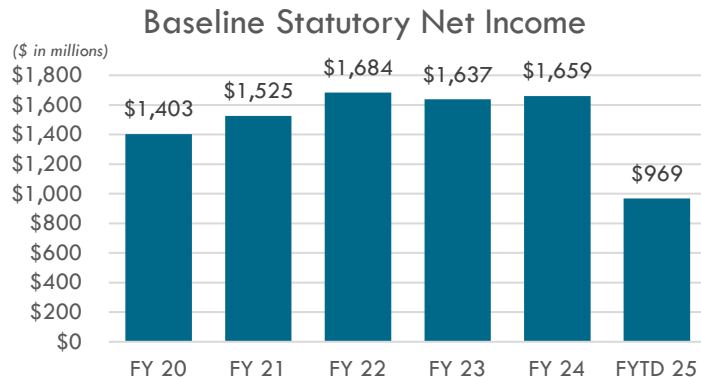
Statutory Net Income – History and Projections



Statutory Net Income Drivers

- The Fund's Statutory Net Income, in a given year, is driven by the combination of the relatively stable "Baseline Statutory Net Income" and the less stable realization of gains on investment positions
- Replenishment of ERA balances as POMV payments are made and inflation proofing transfers occur require multi-billion dollar annual gain realization rates

Interest, Dividends and Rental Income



Source: APFC Financial Statements.

Unrealized Gains (Losses) Sensitivity

	Stocks Lower		Actual	Stocks Higher	
	(25.00%)	(12.50%)	12/31/2024	12.5%	25.0%
Public Equities	(\$1,812)	\$1,430	\$4,671	\$7,913	\$11,154
Private Equity	4,445	4,445	4,445	4,445	4,445
Absolute Return	1,869	1,869	1,869	1,869	1,869
Real Estate	1,435	1,435	1,435	1,435	1,435
Private Income	1,594	1,594	1,594	1,594	1,594
Fixed Income	(596)	(596)	(596)	(596)	(596)
Other	33	33	33	33	33
Total - Overall	\$6,969	\$10,210	\$13,452	\$16,693	\$19,935
Total - Liquid	(\$2,408)	\$834	\$4,075	\$7,317	\$10,558

Source: APFC internal financial records and staff analysis.

Realized Earnings by Asset Class

(in millions)

Asset Class	FYTD25	FY24	FY23
Marketable Debt Securities	\$383.5	\$486.2	\$(64.5)
Preferred and Common Stock	1,794.5	2,661.3	1,404.8
Real Estate	173.5	285.9	234.9
Absolute Return	19.5	166.0	79.3
Private Credit	74.5	123.1	159.5
Private Equity	725.7	766.2	863.2
Infrastructure	169.1	83.3	102.4
Derivatives & Currency	(103.9)	(220.1)	(128.3)
Other	<u>12.9</u>	<u>24.1</u>	<u>25.6</u>
Total	\$3,249.2	\$4,376.0	\$2,676.9



A Rules-Based Permanent Endowment

Ensuring the Permanent Fund will benefit all Alaskans
for decades and centuries to come.

Structural Challenge

Growing Pressure on the ERA

Alaska's Largest Revenue Source

Since the 5% Percent of Market Value Draw was adopted in 2018, the Permanent Fund has become the largest source of predictable revenue to the State.

Spending is Limited to the ERA

Only the realized earnings in the ERA are available for Legislative appropriation.

ERA Decreasing Availability in the Recent-Term

- The ERA supports the annual 5% Percent of Market Value Draw for current state revenues and Principal Inflation Proofing for intergenerational benefit.
- Since FY22, the available, realized balance of the ERA has continually decreased.

Manual Inflation Proofing

As the ERA Balance is diminished, inflation proofing is more difficult.

The Board of Trustees has been on record for more than 20 years to transition the Fund to a classic endowment, to protect the intergenerational sustainability of the Fund.

Alaska's Largest Revenue Source

Spending is Limited to the ERA

ERA's Decreasing Availability

Manual Inflation Proofing

FY26 POMV Draw Calculation

AS 37.13.140 (b)
Fund Value-Based

FY24	\$80,038.4
FY23	\$77,587.5
FY22	\$75,912.8
FY21	\$81,472.4
FY20	\$64,877.8

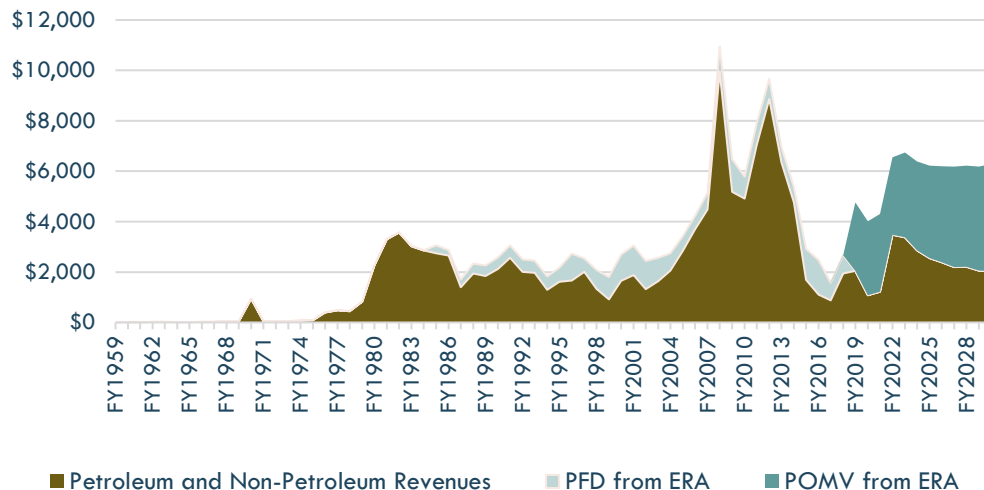
Avg.	\$75,977.8
5%	\$ 3,798.9

The Percent of Market Value (POMV) draw, enacted in 2018, has exceeded traditional revenue sources in providing unrestricted general fund revenues.

Alaska's Largest Revenue Source

Revenue Stability: Alaska's budget has shifted from relying mainly on nonrenewable mineral resources to also depending on sustainable financial revenues generated by the Fund's investments.

State of Alaska Unrestricted General Fund Revenues in \$ millions



Alaska's Largest Revenue Source

Spending is Limited to the ERA

ERA's Decreasing Availability

Manual Inflation Proofing

The balance is held
in two accounts:

**Principal &
Earnings Reserve
Account (ERA)**

**\$70.5B
in the
Principal**

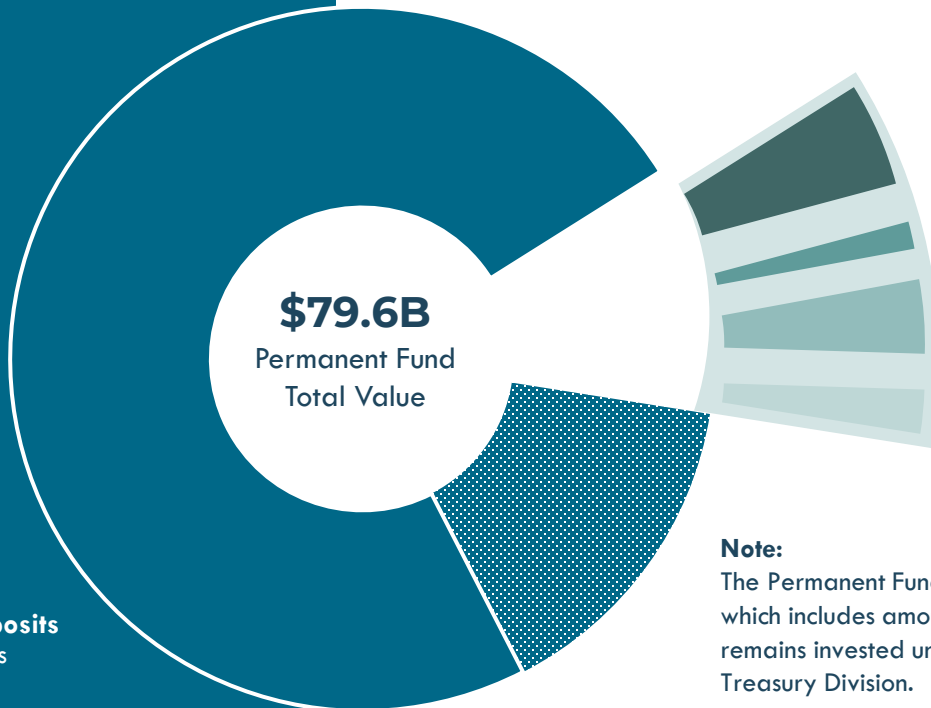
\$58.6B Permanent Deposits

\$11.9B Unrealized Gains

SPENDING IS LIMITED TO THE ERA:

Fund Values - Structure

As of December 31, 2024



\$9.1B in the ERA

\$3.8B Committed

FY26 POMV Draw for the General Fund

\$1.0B Committed

FY25 Inflation Proofing

\$2.7B Spendable Realized Earnings

Uncommitted and Available for Future

\$1.6B Unrealized Gains

**Changes in asset values from the
purchase date to the most current date -
appreciation.**

Note:

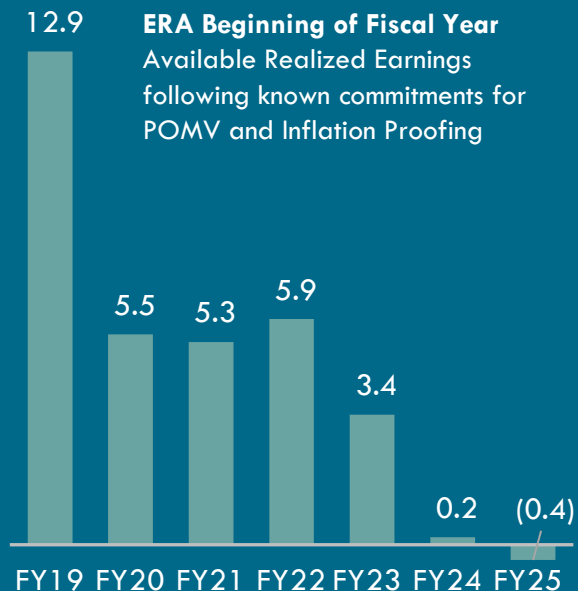
The Permanent Fund's actual Assets Under Management total \$81.3B, which includes amounts set aside like the FY25 POMV Draw, which remains invested until it is sent to the Department of Revenue—Treasury Division.

Alaska's Largest Revenue Source

Spending is Limited to the ERA

ERA's Decreasing Availability

Manual Inflation Proofing



Spending is Limited to the ERA

SUBJECT TO COMMITMENTS – KNOWN OBLIGATIONS

Limited Realized Earnings Availability

Due to the two-account structure, spendable amounts are limited to what's available in the ERA, which is subject to commitments at the beginning of each fiscal year.

\$2.7B

as of Dec. 31, 2024

Available for Appropriation "Spendable"

Uncommitted Realized Earnings
Available in the ERA

Long-Term Investment Focus

Realized earnings generated through investment activity are prioritized by maximum long-term return mandates, not realized gains.

Alaska's Largest Revenue Source Spending is Limited to the ERA ERA's Decreasing Availability Manual Inflation Proofing

Looking Forward

FY27 POMV Draw = \$4.0B

(to be committed in FY26 financials)

Inflation Proofing for FY26 = \$1.5B est.

(to be committed based on appropriation, with final calculation at the close of FY26)

Total Commitments in FY26 = \$5.5B

ERA Realized Avail FYTD 25= \$2.7B

Statutory Net Income FY26 = \$4.2B projected

ERA Shortfalls:

Meeting the annual POMV draw obligations for the state's general fund and ensuring inflation proofing of the Principal can strain the ERA balance.

Earnings Reserve Account Decreasing Availability - Impacts

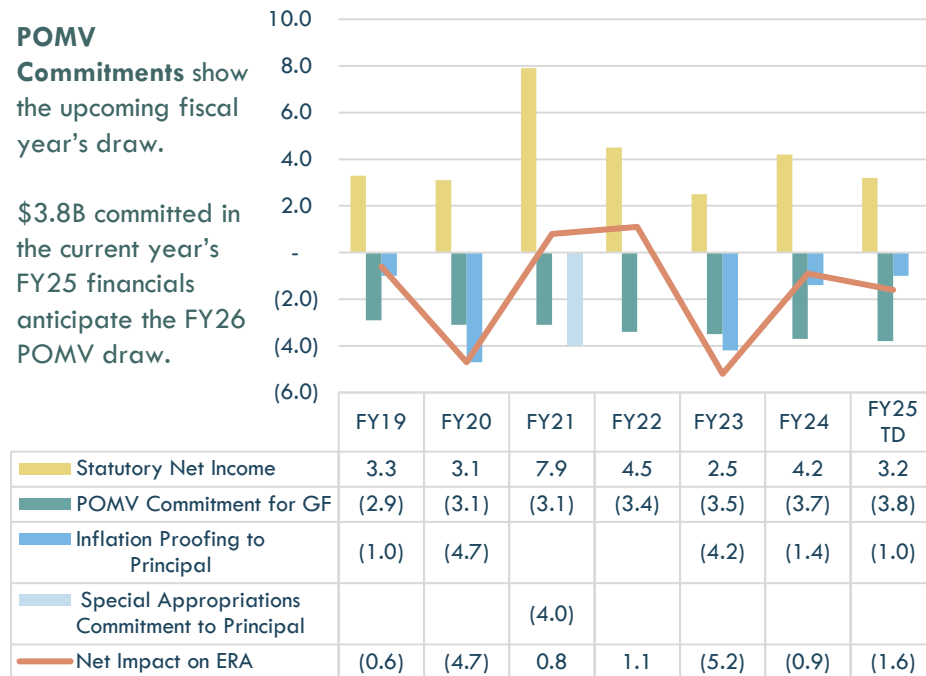
Actuals through FY24 and FY25 to date \$ billions

ERA: Deposits & Withdrawals

POMV

Commitments show the upcoming fiscal year's draw.

\$3.8B committed in the current year's FY25 financials anticipate the FY26 POMV draw.



Alaska's Largest Revenue Source
 Spending is Limited to the ERA
 ERA's Decreasing Availability
Manual Inflation Proofing

FY16: Inflation proofing not funded for the first time.

FY20: Special \$4B appropriation with intent language for inflation proofing.
Ch 1 FSSLA 2019 amended. ... It is the intent of the legislature that the amount appropriated in this subsection not include associated unrealized gains; and be used to satisfy the inflation proofing requirement under AS 37.13.145(c) for the next four fiscal years.

FY22: Special \$4B appropriation.
Ch 1 SSSLA 2021. ... (f) The sum of \$4,000,000,000 is appropriated from the earnings reserve account (AS 37.13.145) to the principal of the Alaska permanent fund.

Manual Inflation Proofing

The Principal's purchasing power is maintained through annual appropriations from earnings to combat inflation.

in \$ millions	AS 37.13.145 (c) Per Statute Calculation	Amount Appropriated	Surplus/ (Deficit)
FY16	\$47.3	-	(\$47.3)
FY17	\$501.6	-	(\$501.6)
FY18	\$855.6	-	(\$855.6)
FY19	\$989.5	\$989.5	-
FY20	\$757.7	\$4,757.7	\$4,000.0
FY21	\$577.3	-	(\$577.3)
FY22	\$2,419.5	-	(\$2,419.5)
FY23	\$4,179.3	\$4,179.3	-
FY24	\$2,346.6	\$1,413.0	(\$933.6)
FY25	Estimated \$1,729.4	\$1,000.0	(\$729.4)
TOTAL	14,403.8	\$12,339.5	(\$2,064.3)
FY26	Estimated \$1,504.00		

Trustees' Paper Volume 10



"Within the world of sovereign wealth funds, the Alaska Permanent Fund is admired and respected for its long tradition of rules-based policymaking, prudent investment management, and sound governance.

That said, the paper shows that the current two-account structure introduces significant risks to the ability to fund the annual POMV transfer that supports the state budget and the Permanent Fund Dividend.

The paper outlines reforms that should be pursued with urgency to ensure that the Fund continues to underpin the sustainability of Alaska's public finances for current and future generations."

*Dr. Malan Rietveld
Sovereign Wealth Fund Expert*

Potential Long-Term Stability Approaches

Each approach addresses specific challenges and potential solutions.

- **A constitutional amendment to establish a single-account endowment –**
 - Durable, Constitutional Spending Limit, Permanent Inflation Proofing
- **Combining the two accounts and establishing the permanent endowment model in statute**
 - Requires consistent discipline
- **Suspending inflation proofing when the ERA balance approaches minimum levels**
 - Impacts intergenerational compact
- **Establishing a policy of forced realizations**
 - Impacts APFC's ability to manage the portfolio to a maximum risk-adjusted return

“The combination of a single-account structure and a Constitutional limit on POMV draws linked to the Fund’s long-term real return...will complete the transition to a permanent-endowment model, with the following attractive features and characteristics:

- ***Total return investing***
- ***POMV spending and automatic inflation proofing***
- ***Alignment with the Prudent Investor Law and best practices.***
- ***Fit for purpose***

*Trustees’ Paper Volume 10
Dr. Malan Rietveld
Sovereign Wealth Fund Expert*



Contributions

- Royalties
- Special Appropriations
- Inflation Proofing



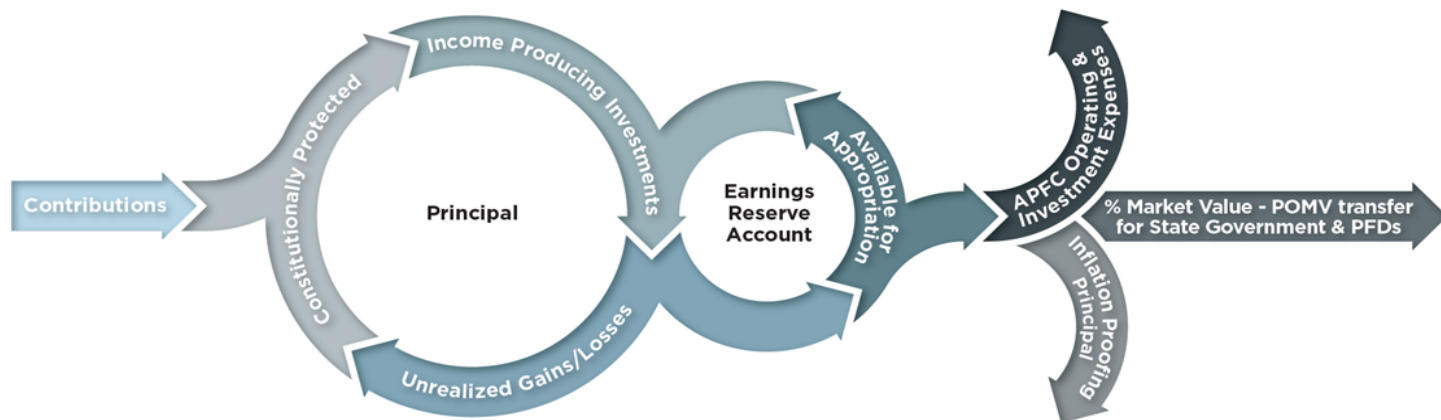
Principal

- Alaska Constitution, Article IX, Section 15



Income Producing Investments

- Alaska Permanent Fund Corporation
- Management and Investment of the Fund
- Single Asset Allocation (pro-rata shares)
- Stocks, Bonds, Real Estate, Alternatives



Sale and Distribution of Assets

- Statutory Net Income AS 37.13.140
- Cash Flow Income
- Realized gains/losses



Earnings Reserve Account

- Alaska Statutes AS 37.13.145(a)
- Realized gains/losses from sale of assets
- Pro-Rata share of investments and net unrealized gains

Current Structure: Two Accounts



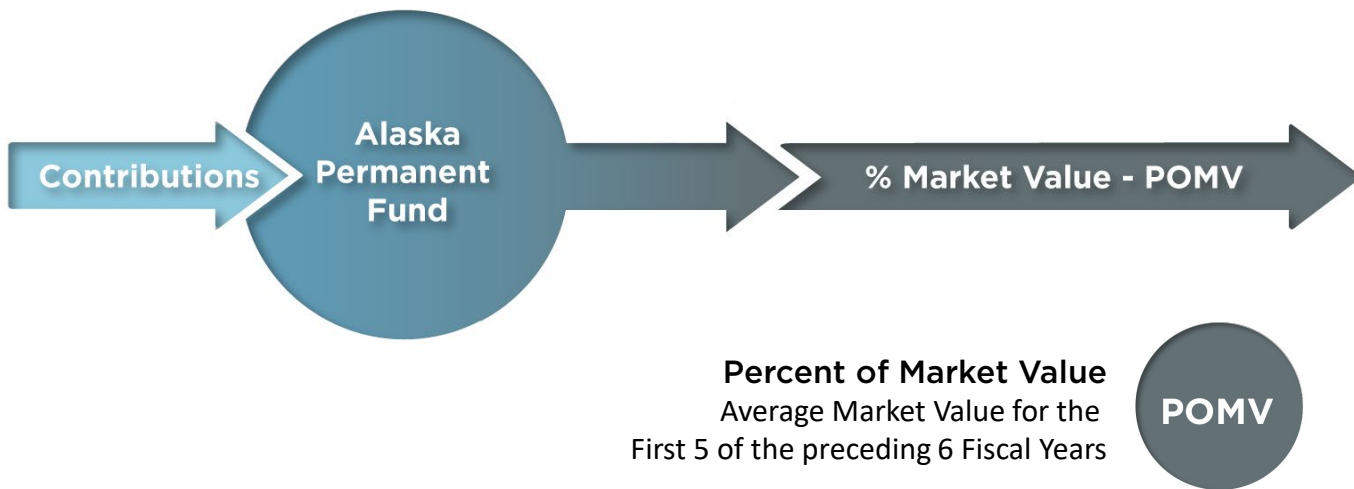
Contributions

Royalties
Special Deposits



Income Producing Investments

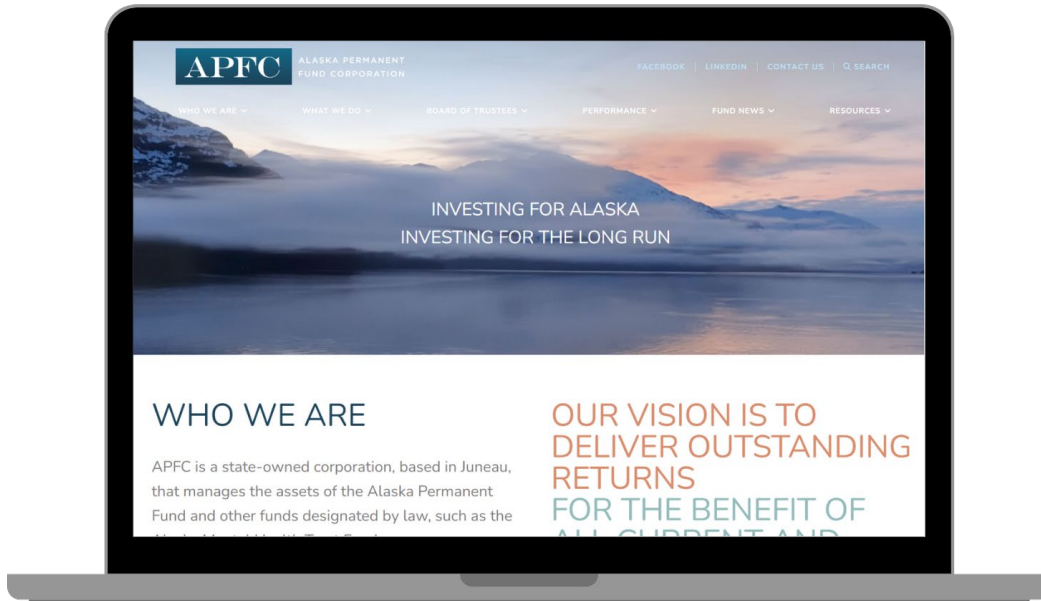
Alaska Permanent Fund Corporation
Management and Investment of the Fund



Proposed: Classic Endowment Structure

Transparency at Your Fingertips

Visit apfc.org for the most up-to-date information.



facebook.com/AlaskaPFC



linkedin.com/company/alaska-permanent-fund-corporation/

Annual Report

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Monthly Fund Values

Financial Statements

Performance Reports

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Follow APFC on Social:

The logo for Alaska Permanent Fund Corporation (APFC) is displayed in white serif font on a dark blue rectangular background. The letters 'APFC' are large and bold, with the 'A' and 'P' being slightly taller than the 'F' and 'C'.

APFC

ALASKA PERMANENT
FUND CORPORATION



Appendices

Growth of the Fund - Components of Principal
FY25 History & Projections as of Dec. 31, 2024



ALASKA PERMANENT
FUND CORPORATION

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Growth of the Fund - Components of Principal
in millions

Fiscal Year	Dedicated Mineral Revenue	Inflation Proofing Transfer	Other Appropriations	Total Contributions & Appropriations	Unrealized Earnings Balance - Principal	Total Principal	Total Earnings Reserve Account (ERA)	Total Fund Value
1978	54.5		0.0	54.5	0.0	54.5	0.0	54.5
1979	83.8		0.2	138.5	-0.7	137.9	0.0	137.9
1980	344.4	0.3	0.0	483.2	10.6	493.8	0.0	493.8
1981	385.1	0.2	900.0	1,768.5	19.5	1,788.1	58.7	1,846.8
1982	400.5	0.0	800.0	2,969.0	68.4	3,037.5	243.8	3,281.3
1983	421.0	231.2	400.0	4,021.2	54.3	4,075.6	353.8	4,429.4
1984	366.2	150.9	300.0	4,838.3	-351.0	4,487.4	557.3	5,044.7
1985	368.0	234.6	300.0	5,740.9	250.0	5,990.9	763.3	6,754.2
1986	323.4	216.4	0.0	6,280.7	937.0	7,217.7	1,264.4	8,482.1
1987	170.6	148.1	1,264.4	7,863.8	532.5	8,396.3	529.4	8,925.7
1988	417.9	302.9	15.8	8,600.4	297.5	8,898.0	591.3	9,489.3
1989	228.4	360.2	0.7	9,189.7	746.8	9,936.5	635.4	10,572.0
1990	267.1	454.0	1.5	9,912.3	970.5	10,882.9	604.7	11,487.6

Fiscal Year	Dedicated Mineral Revenue	Inflation Proofing Transfer	Other Appropriations	Total Contributions & Appropriations	Unrealized Earnings Balance - Principal	Total Principal	Total Earnings Reserve Account (ERA)	Total Fund Value
1991	435.0	558.8	1.6	10,907.7	967.5	11,875.3	581.5	12,456.8
1992	337.8	476.9	1.8	11,724.2	2,385.9	14,110.2	645.2	14,755.4
1993	315.3	362.5	6.5	12,408.5	2,090.4	14,499.0	965.4	15,464.5
1994	209.6	372.3	7.8	12,998.2	1,108.3	14,106.7	1,116.6	15,223.3
1995	318.1	347.6	8.2	13,672.1	1,706.5	15,378.8	1,202.6	16,581.4
1996	263.7	407.1	1,862.5	16,205.4	2,084.0	18,289.6	103.4	18,393.1
1997	308.4	485.6	827.9	17,827.3	3,169.0	20,996.6	107.1	21,103.6
1998	230.5	422.7	35.3	18,515.8	3,971.4	22,487.4	1,388.9	23,876.3
1999	155.5	288.2	41.3	19,000.8	3,540.8	22,541.7	2,590.4	25,132.2
2000	310.5	422.9	280.3	20,014.5	3,528.8	23,543.4	2,972.5	26,516.0
2001	339.3	685.9	7.7	21,047.4	1,383.6	22,431.2	2,383.8	24,815.0
2002	257.7	602.3	-23.4	21,884.0	505.2	22,389.4	1,135.8	23,525.2
2003	397.6	352.1	354.2	22,987.9	1,106.3	24,094.3	100.0	24,194.3
2004	353.1	524.1	-354.2	23,525.6	3,015.5	26,541.2	858.6	27,399.8
2005	480.5	641.0	0.0	24,647.1	3,874.6	28,521.8	1,439.8	29,961.6
2006	601.1	855.9	0.0	26,104.1	4,220.7	30,325.0	2,584.7	32,909.7
2007	532.3	860.4	0.0	27,496.8	6,197.6	33,694.5	4,131.6	37,826.1
2008	844.3	807.7	0.0	29,148.8	2,064.3	31,213.3	5,320.7	36,533.9

Fiscal Year	Dedicated Mineral Revenue	Inflation Proofing Transfer	Other Appropriations	Total Contributions & Appropriations	Unrealized Earnings Balance - Principal	Total Principal	Total Earnings Reserve Account (ERA)	Total Fund Value
2009	651.4	1,144.3	0.0	30,944.5	-1,448.6	29,496.1	420.0	29,916.1
2010	679.4	0.0	0.0	31,623.9	420.8	32,045.0	1,209.8	33,254.9
2011	887.0	533.2	0.0	33,044.1	4,788.1	37,832.4	2,307.8	40,140.3
2012	915.1	1,073.1	0.0	35,032.3	3,220.0	38,252.5	2,080.6	40,333.1
2013	840.1	703.0	0.0	36,575.4	4,333.8	40,909.4	3,944.0	44,853.4
2014	779.5	585.6	0.0	37,940.5	7,061.8	45,002.4	6,211.3	51,213.8
2015	600.0	624.4	0.0	39,164.9	6,473.1	45,638.1	7,162.4	52,800.5
2016	284.5	0.0	0.0	39,449.4	4,750.3	44,199.7	8,570.0	52,769.7
2017	364.9	0.0	0.0	39,814.3	7,155.3	46,969.6	12,815.5	59,785.1
2018	353.1	0.0	0.0	40,167.4	5,862.6	46,030.0	18,864.6	64,894.6
2019	385.2	989.5	0.0	41,542.1	6,277.5	47,819.6	18,480.6	66,300.2
2020	319.0	4,757.7	0.0	46,618.8	5,789.3	52,408.1	12,894.1	65,302.2
2021	319.6	0.0	0.0	46,938.4	13,810.0	60,749.0	21,148.0	81,896.8
2022	548.9	0.0	4,000.0	51,487.3	8,700.3	60,187.6	16,149.6	76,337.2
2023	753.6	4,179.3	0.0	56,421.0	11,100.0	67,520.0	10,491.0	78,012.0
2024	532.6	1,413.0	0.0	58,365.8	12,373.2	70,738.9	9,724.0	80,462.8
Total	19,751.2	27,575.9	11,038.8	58,365.7	12,373.2	70,738.9	9,724.0	80,462.8

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

Nonspendable Fund Balance - Principal								Assigned Fund Balance - Earnings Reserve										TOTAL FUND	
		FY-Begin	Dedicated ⁽¹⁾	Inflation	FY-End	Unrealized	FY-End Non- spendable	Statutory	Distributions				FY-End Balance	Unrealized Gain (Loss)	FY-End Assigned				
		Contrib.	State	Proofing & Special	Balance	Gain (Loss)													
						FY-End													
FY		Balance	Revenues	Approp.	Contributions	Balance			Income	Net	Div/POMV ⁽⁶⁾	Prfg & Spec					ACIF ⁽⁸⁾		Committed
77-15		0	15,889	23,275	39,164	6,473	45,637	49,714	23,003	19,977	537		6,147	1,016	7,163	77-15			
16		39,164	284	0 ⁽⁵⁾	39,448	4,750	44,198	2,198	696 ⁽⁴⁾	0 ⁽⁵⁾	18		7,649	921	8,571	16			
17		39,448	365	0 ⁽⁵⁾	39,813	7,155	46,968	3,214	0	0 ⁽⁵⁾	25		10,863	1,952	12,816	17			
18		39,813	353	0 ⁽⁵⁾	40,166	5,863	46,030	6,324	726	0 ⁽⁵⁾	43	2,723	13,739	2,403	18,864	18			
19		40,166	385	989	41,541	6,278	47,820	3,305	2,723	989	22	5,933	10,122	2,426	18,482	19			
20		41,541	319	4,758 ⁽⁷⁾	46,618	5,789	52,407	3,106	2,933	4,758 ⁽⁷⁾	21	3,091	8,379	1,424	12,894	20			
21		46,618	320	0 ⁽⁵⁾	46,938	13,810	60,748	7,962	3,091	0 ⁽⁵⁾	50	7,069	9,272	4,807	21,148	21			
22		46,938	549	4,000 ⁽⁵⁾⁽⁷⁾	51,487	8,700	60,187	4,544	3,069	4,000 ⁽⁵⁾⁽⁷⁾	24	3,361	10,455	2,334	16,150	22			
23		51,487	754	4,179	56,420	11,100	67,520	2,491	3,361	4,179	14	3,526	5,241	1,725	10,491	23			
24		56,420	533	1,413	58,366	12,373	70,739	4,195	3,526	1,413	24	3,657	5,240	1,701	9,724	24			
Lo	25	58,366	409	1,000	59,775	10,094	69,869	3,409	3,657	1,000	20	3,799	2,976	1,144	7,919	25			
Mid	25	58,366	409	1,000	59,775	14,071	73,845	4,193	3,657	1,000	24	3,799	3,760	1,779	9,338	25			
Hi	25	58,366	409	1,000	59,775	16,941	76,716	5,997	3,657	1,000	34	3,799	5,563	2,653	12,016	25			
	26	59,775	401	1,504	61,680	15,242	76,922	4,822	3,799	1,504	27	3,978	3,100	1,749	8,827	26			
	27	61,680	432	1,553	63,665	16,479	80,144	4,971	3,978	1,553	27	4,016	2,502	1,687	8,206	27			
	28	63,665	463	1,603	65,731	17,751	83,482	5,126	4,016	1,603	27	4,136	1,889	1,627	7,653	28			
	29	65,731	460	1,655	67,846	19,076	86,921	5,289	4,136	1,655	27	4,268	1,256	1,553	7,077	29			
	30	67,846	478	1,708	70,032	20,456	90,488	5,457	4,268	1,708	27	4,403	601	1,462	6,466	30			
	31	70,032	529	1,764	72,325	21,895	94,220	5,631	4,403	1,764	27	4,468	0	1,353	5,821	31			
	32	72,325	577	1,823	74,725	23,394	98,119	5,813	4,541	1,823	27	3,918	0	1,227	5,145	32			
	33	74,725	616	1,884	77,225	24,955	102,179	6,003	4,684	1,884	27	3,354	0	1,084	4,438	33			
	34	77,225	639	1,947	79,810	26,578	106,388	6,200	4,833	1,947	27	2,774	0	924	3,698	34			
Cumulative Totals																			
Proj. for FY25-FY34								53,505	42,314	16,440	263								

Assumptions:		Total Return - Inflation = Total Real Return			Statutory Return	
Lo	FY25	1.05%	2.50%	-1.45%	Lo	4.65%
Mid	FY25 (2)	7.90%	2.50%	5.40%	Mid	5.65%
Hi	FY25	14.95%	2.50%	12.45%	Hi	7.95%
FY25-FY34 (3)		7.65%	2.50%	5.15%	6.25%	

Notes related to financial history and projections:

- (1) Dedicated State Revenues in current and future fiscal years are based on the Spring 2024 Department of Revenue forecast.
- (2) Current year returns are based on 2024 Callan capital market assumptions. The inflation amount is as appropriated.
- (3) Future returns are based on 2024 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.
- (4) The dividend transfer reported for FY16 was paid out in dividends during FY17.
- (5) There was no appropriation for inflation proofing in FY16, FY17, FY18, FY21, and FY22. An amount less than the statutory amount was appropriated in FY24 and FY25.
- (6) Per AS 37.13.140, beginning in FY19, transfers are based on a percent of market value (POMV) calculation and are to the General Fund. In previous years, transfers were based on an earnings calculation and were to the Dividend Fund.
- (7) In FY20 and FY22, an additional \$4 billion was appropriated from the ERA to principal.
- (8) All transfers out of the Earnings Reserve are subject to Legislative appropriation.

Income Year-to-Date as of December 31, 2024

FY25 YTD Statutory Net Income	
Interest, dividends, real estate & other income	\$ 969.0
Realized gains (losses) on the sale of assets	2,280.0
Less operating expenses	(67.0)
Less AK Capital Income Fund realized earnings	(16.9)
	\$ 3,165.1

FY25 YTD Accounting (GAAP) Net Income	
Statutory net income (loss)	\$ 3,165.1
Unrealized gains (losses) on invested assets	(622.2)
AK Capital Income Fund realized earnings	16.9
Accounting (GAAP) net income (loss)	\$ 2,559.8

FY25 POMV Distribution (actual) (8)		FY25 Statutory Dividend Transfer (actual) (8)	
Ending Fund Value (ex Am Hess)		Statutory Net Income	
FY23	\$ 77,587.5	FY24	\$ 4,195.0
FY22	75,912.8	FY23	2,491.0
FY21	81,472.8	FY22	4,544.0
FY20	64,877.8	FY21	7,962.0
FY19	65,876.1	FY20	3,106.0
Average		Avail for	
Statutory	\$ 73,145.4	Dist (21%)	\$ 4,682.6
Distribution	\$ 3,657.3	Statutory	
		Trnsfr Amt	\$ 2,341.3

FY26 POMV Distribution (actual) (8)		FY26 Statutory Dividend Transfer (projected) (8)	
Ending Fund Value (ex Am Hess)		Statutory Net Income	
FY24	\$ 80,038.5	FY25	\$ 4,193.4
FY23	77,587.5	FY24	4,195.0
FY22	75,912.8	FY23	2,491.0
FY21	81,472.8	FY22	4,544.0
FY20	64,877.8	FY21	7,962.0
Average		Avail for	
Statutory	\$ 75,977.9	Dist (21%)	\$ 4,910.9
Distribution	\$ 3,798.9	Statutory	
		Trnsfr Amt	\$ 2,455.5