

ALASKA PERMANENT FUND

Balance Sheets

Unaudited (millions of dollars)	November 30, 2008	June 30, 2008
Assets		
Cash and temporary investments	\$ 565.9	819.9
Receivables, prepaid expenses and other assets	325.5	1,089.3
Investments —		
Marketable debt securities	8,173.3	9,706.4
Preferred and common stock	12,860.7	19,936.0
Real estate	3,225.3	3,514.1
Alternative investments	2,942.5	3,088.0
Alaska certificates of deposit	232.2	237.2
Total investments	27,434.0	36,481.7
TOTAL ASSETS	\$ 28,325.4	38,390.9
Liabilities		
Accounts payable	\$ 178.2	998.9
Securities sold short at market value	125.4	184.9
Income distributable to the State of Alaska	0.0	1,326.2
TOTAL LIABILITIES	303.6	2,510.0
Fund Balances		
Reserved — principal:		
Contributions and appropriations	29,553.9	29,148.9
Unrealized appreciation (depreciation) on invested assets	(5,675.4)	1,763.3
Total reserved	23,878.5	30,912.2
Unreserved:		
Realized earnings	4,143.3	4,968.7
TOTAL FUND BALANCES	28,021.8	35,880.9
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,325.4	38,390.9

ALASKA PERMANENT FUND

Statements of Revenues, Expenditures and Changes in Fund Balances

Unaudited (millions of dollars)	Month ended November 30, 2008	Five months ended November 30, 2008	Fiscal year-end actual June 30, 2008
Revenues			
Interest	\$ 37.3	186.4	549.5
Dividends	31.3	148.6	457.7
Real estate and other income	0.4	78.2	195.1
Total interest, dividends, real estate and other income	69.0	413.2	1,202.3
Net increase (decrease) in the fair value of investments			
Marketable debt securities	86.3	(698.9)	228.5
Preferred and common stock	(1,035.0)	(7,251.4)	(2,631.2)
Real estate	(87.0)	(331.3)	(176.6)
Alternative investments	(145.6)	(398.0)	97.7
Forward exchange contracts and futures	(3.1)	47.0	(95.1)
Currency	0.3	(13.0)	(4.2)
Total net increase (decrease) in investments	(1,184.1)	(8,645.6)	(2,580.9)
TOTAL REVENUES	(1,115.1)	(8,232.4)	(1,378.6)
Expenditures			
Operating expenditures	(4.7)	(29.1)	(78.4)
Other legislative appropriations	0.0	(2.6)	(6.3)
TOTAL EXPENDITURES	(4.7)	(31.7)	(84.7)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (1,119.8)	(8,264.1)	(1,463.3)
Other Financing Sources (Uses)			
Transfers in	79.5	405.0	844.3
Transfers out	0.0	0.0	(1,326.2)
NET CHANGE IN FUND BALANCES	(1,040.3)	(7,859.1)	(1,945.2)
Fund Balances			
Beginning of period	29,062.1	35,880.9	37,826.1
End of period	\$ 28,021.8	28,021.8	35,880.9

Statutory Income Calculation

Excess (Deficiency) of revenues over expenditures	(1,119.8)	(8,264.1)	(1,463.3)
Adjustments to bring net income to statutory net income:			
Unrealized (gain) loss	893.3	7,438.6	4,434.4
Alaska Capital Income Fund realized earnings	0.0	0.0	(33.0)
STATUTORY NET INCOME (LOSS)	\$ (226.5)	(825.5)	2,938.1

ALASKA PERMANENT FUND

Receivables and Payables

Unaudited
(millions of dollars)

November 30,
2008

Accounts Receivable

Interest Receivable	\$	90.2
Dividends Receivable		40.1
Pending Sales Fixed Income		6.4
Pending Sales Equities		40.1
Pending Sales Alternative Investments		0.0
Foreign Exchange Contracts Receivable		28.3
State Dedicated Revenues Receivable		116.8
Pending Sales Real Estate/REITs		3.6
Prepaid and Other Receivables		0.0
TOTAL RECEIVABLES	\$	325.5

Accounts Payable

Accrued Operating Payables	\$	16.1
Pending Purchase Fixed Income		94.6
Pending Purchase Equities		65.9
Pending Purchase Real Estate/REITs		1.6
Foreign Exchange Contracts Payable		0.0
TOTAL PAYABLES	\$	178.2



ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of November 30, 2008

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

Reserved Fund Balance - Principal									Unreserved Fund Balance									TOTAL FUND
FY-Begin						Unrealized		FY-End	Distributions of					Realized Earnings				
FY	Contrib.	Appro-	Dedicated	Inflation	FY-End	Gain (Loss)			Acct.	Statutory	Statutory Net Income			Gen. Fund	Net	FY-End	FY	
						Balance	Balance				Net	FY-End	Income					
	Balance	priations	Revenues	Proofing	Contributions	Change	Balance	Balance	Income	Income	Dividends	Proofing	/ Other	Change	Balance			
77-00	0	7,039	6,731	6,244	20,014	3,529	3,529	23,543	25,080	23,433	9,806	6,244	274	2,972	2,972	77-00		
01	20,014	8	339	686	21,047	(2,146)	1,383	22,430	(924)	1,199	1,113	686	4	(588)	2,384	01		
02	21,047	(23)	258	602	21,884	(878)	505	22,389	(617)	257	926	602	5	(1,248)	1,136	02		
03	21,884	354	398	352	22,988	601	1,106	24,094	963	355	691	352	0	(1,035)	100	03		
04	22,988	(339)	353	524	23,526	1,909	3,015	26,541	3,434	1,502	581	170	0	759	859	04		
05	23,526	0	480	641	24,647	859	3,874	28,522	2,640	1,754	532	641	27	581	1,440	05		
06	24,647	0	601	856	26,104	347	4,221	30,325	3,072	2,689	689	856	37	1,145	2,585	06		
07	26,104	0	532	860	27,497	1,977	6,198	33,694	5,448	3,429	1,022	860	42	1,547	4,132	07		
08	27,497	0	844	808	29,149	(4,434)	1,763	30,912	(1,463)	2,938	1,293	808	33	837	4,969	08		
10%	09	29,149	0	724	1,180	(2,936)	(1,172)	29,880	(1,928)	994	1,240	1,180	13	(1,425)	3,544	09		
25%	09	29,149	0	724	1,180	(1,272)	491	31,544	(51)	1,206	1,262	1,180	15	(1,236)	3,733	09		
Mid	09	29,149	0	724	1,180	1,377	3,140	34,193	2,830	1,435	1,286	1,180	18	(1,031)	3,938	09		
25%	09	29,149	0	724	1,180	31,052	5,333	36,386	5,302	1,711	1,315	1,180	21	(784)	4,185	09		
10%	09	29,149	0	724	1,180	31,052	7,783	38,836	8,042	1,997	1,345	1,180	25	(527)	4,441	09		
10	31,052	0	659	872	32,584	1,173	4,313	36,897	3,006	1,812	1,168	872	21	(228)	3,710	10		
11	32,584	0	639	914	34,137	1,248	5,562	39,699	3,202	1,933	1,186	914	21	(167)	3,543	11		
12	34,137	0	630	956	35,723	1,328	6,890	42,613	3,412	2,062	1,120	956	21	(14)	3,529	12		
13	35,723	0	619	999	37,341	1,417	8,307	45,648	3,642	2,204	992	999	21	213	3,742	13		
14	37,341	0	591	1,043	38,975	1,515	9,822	48,797	3,900	2,363	1,089	1,043	21	231	3,972	14		
15	38,975	0	618	1,089	40,682	1,619	11,441	52,123	4,170	2,530	1,165	1,089	21	276	4,248	15		
16	40,682	0	620	1,136	42,437	1,729	13,170	55,608	4,457	2,707	1,246	1,136	21	325	4,574	16		
17	42,437	0	620	1,184	44,242	1,845	15,015	59,257	4,761	2,895	1,333	1,184	21	377	4,951	17		
18	44,242	0	674	1,235	46,151	1,969	16,984	63,134	5,084	3,094	1,427	1,235	21	432	5,383	18		
19	46,151	0	671	1,288	48,109	2,100	19,084	67,193	5,428	3,306	1,526	1,288	21	493	5,876	19		
Cumulative Totals																		
Proj. for 2009-2019		0	7,064	11,896		17,321			43,892	26,341	13,538	11,896	230	907				

Assumptions: Total Return - Inflation=Total Real Return					Statutory Return	
10% FY 2009	-5.08%	3.95%	-9.03%	10%	3.02%	
25% FY 2009	0.10%	3.95%	-3.85%	25%	3.61%	
Mid FY 2009 ⁽⁶⁾	8.05%	3.95%	4.10%	Mid	4.25%	
25% FY 2009	14.87%	3.95%	10.92%	25%	5.02%	
10% FY 2009	22.43%	3.95%	18.48%	10%	5.82%	
FY 2010-2019 ⁽⁷⁾					5.00%	
	8.05%	2.75%	5.30%			

Notes related to financial history and projections FY1977 - FY2019

⁽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 is based on the Fall 2008 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.

⁽⁴⁾ FY05 and forward, Amerada Hess, et al. settlement earnings are transferred to Alaska Capital Income Fund per AS 37.13.145(d)

⁽⁵⁾ FY03 Senate Bill 100 transferred \$354 million from realized earnings to principal. FY04 Senate Bill 283 defined that appropriation as pre-FY04 inflation proofing, so it was moved from appropriations to inflation proofing, along with the balance of \$170 necessary to fully inflation proof the Fund. \$15 million in settlement earnings remained in appropriations per AS 37.13.145(d).

⁽⁶⁾ Current year returns are based on 2008 Callan capital market assumptions. A range of possible returns illustrates shows different outcomes across various market scenarios.

⁽⁷⁾ Future returns are based on 2008 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary

Income year-to-date as of November 30, 2008

FY09 Statutory net income

Interest, dividends, real estate & other income	\$	413.2
Realized gains (losses) on the sale of invested assets	(1,207.0)	
Less operating exp / Legis. appropriations	(31.7)	
Less AK Capital Inc. Fund committed realized earnings	-	
Statutory net income (loss)	\$	(825.5)

FY09 Accounting (GAAP) net income

Statutory net income (loss)	\$	(825.5)
Unrealized gains (losses) on invested assets	(7,438.6)	
AK Capital Income Fund committed realized earnings	-	
Accounting (GAAP) net income (loss)	\$	(8,264.1)

PERFORMANCE SUMMARY

(preliminary as of November 30, 2008)

	Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
Alaska CDs	0.12%	0.41%	0.73%	2.00%	2.34%	4.08%	3.33%
Domestic Fixed Income	1.22%	-5.73%	-5.36%	-4.68%	-4.51%	2.32%	2.80%
Non-Domestic Fixed Income	2.91%	-1.29%	-1.39%	1.26%	1.04%	4.90%	5.04%
Domestic Equities	-8.05%	-31.29%	-30.40%	-37.72%	-38.18%	-9.07%	-1.28%
Non-Domestic Equities	-5.95%	-38.34%	-43.55%	-49.03%	-49.33%	-7.18%	2.30%
Global Equities	-6.38%	-34.14%	-37.10%	-43.62%	-44.23%		
Real Estate	-1.77%	-6.71%	-8.14%	-9.23%	5.72%	12.27%	
Absolute Return	-2.43%	-13.60%	-16.46%	-17.46%	-17.27%	0.86%	
Total Fund	-3.28%	-20.85%	-22.39%	-26.72%	-27.05%	-2.76%	2.62%
Total Fund Benchmark Return	-3.80%	-20.77%	-22.52%	-27.02%	-27.44%	-2.63%	2.57%