ALASKA PERMANENT FUND

Balance Sheets		
Unaudited	December 31,	June 30,
(millions of dollars)	2012	2012
Assets		
Cash and temporary investments	\$ 1,673.3	1,995.6
Receivables, prepaid expenses and other assets	169.8	506.8
Investments —		
Marketable debt securities	7,666.8	7,568.7
Preferred and common stock	18,941.6	17,425.0
Real estate	5,124.5	4,387.1
Real return	3,133.1	2,924.2
Absolute return, mezzanine debt, distressed and credit opps	3,757.7	3,582.2
Private equity	1,934.2	1,712.9
Infrastructure	784.0	863.2
Emerging markets total opportunities	872.3	524.8
Alaska certificates of deposit	217.8	217.8
Total investments	42,432.0	39,205.9
TOTAL ASSETS	\$ 44,275.1	41,708.3
Liabilities		
Accounts payable	\$ 620.3	752.9
Income distributable to the State of Alaska	0.0	622.3
TOTAL LIABILITIES	620,3	1,375.2
20112222222	0200	1,576.2
Fund Balances		
Nonspendable:		
Permanent Fund corpus - contributions and appropriations	35,475.0	35,032.5
Not in spendable form - unrealized appreciation on invested assets	4,550.5	3,220.0
Total nonspendable	40,025.5	38,252.5
Committed:		
Current FY dividend	433.0	0.0
Current FY inflation proofing	703.0	0.0
Current FY AK Capital Income Fund	13.3	0.0
Total committed	1,149.3	0.0
Assigned for future appropriations:	2007.4	1.007.7
Realized earnings	2,067.4	1,905.5
Unrealized appreciation on invested assets	412.6	175.1
Total assigned	2,480.0	2,080.6
TOTAL FUND BALANCES	43,654.8	40,333.1
TOTAL LIABILITIES AND FUND BALANCES	\$ 44,275.1	41,708.3

ALASKA PERMANENT FUND

Statements of Revenues, Expenditures and Chang	es		
in Fund Balances			
	Month ended	Six months	Fiscal year-end
Unaudited	December 31,	ended December 31,	audited June 30,
(millions of dollars)	2012	2012	2012
Revenues			
Interest \$	22.2	130.0	297.2
Dividends	90.3	248.5	476.4
Real estate and other income	27.9	114.4	214.8
Total interest, dividends, real estate			
and other income	140.4	492.9	988.4
Net increase (decrease) in the fair value of investments	(11.0)	201 7	256.2
Marketable debt securities	(11.2)	201.7	256.2
Preferred and common stock	399.9 8.3	1,638.1 79.1	(1,658.9)
Real estate Real return	8.3 24.9	79.1 190.7	221.8 126.7
Absolute return, credit opps, distressed and mezzanine debt	4.3	105.8	0.3
Private equity	(9.1)	69.5	134.5
Infrastructure	21.4	63.2	(77.8)
Emerging markets total opportunities	19.8	53.9	(74.9)
Forward exchange contracts and equity futures	16.6	47.0	24.7
Currency	(0.2)	(12.6)	57.4
Total net increase (decrease) in investments	474.7	2,436.4	(990.0)
TOTAL REVENUES	615.1	2,929.3	(1.6)
20		_,	(213)
Expenditures			
Operating expenditures	(7.8)	(43.6)	(91.3)
Other legislative appropriations	0.0	(6.4)	(7.0)
TOTAL EXPENDITURES	(7.8)	(50.0)	(98.3)
Excess (deficiency) of revenue over expenditures §	607.3	2,879.3	(99.9)
Other Financing Sources (Uses)			
Transfers in	68.5	442.4	915.1
Transfers out	0.0	0.0	(622.3)
-			
NET CHANGE IN FUND BALANCES	675.8	3,321.7	192.9
Fund Balances			
Beginning of period	42,979.0	40,333.1	40,140.2
End of period	43,654.8	43,654.8	40,333.1
Statutory Income Calculation			
Excess (deficiency) of revenues over (under) expenditures	607.3	2,879.3	(99.9)
Adjustments to bring net income to statutory net income:	(220 5)	(1.5(0.0)	1 (05.0
Unrealized (gains) losses	(238.7)	(1,568.0)	1,685.0
Alaska Capital Income Fund realized income	(3.7)	(13.3)	(17.1)

\$

364.9

1,298.0

1,568.0

STATUTORY NET INCOME

ALASKA PERMANENT FUND

Receivables and Payables

Unaudited (millions of dollars)	Dec	cember 31, 2012
Accounts Receivable		
Interest Receivable Dividends Receivable Pending Sales Fixed Income Pending Sales Equities Pending Sales Alternative Investments State Dedicated Revenues Receivable Pending Sales Real Estate/REITs Prepaid and Other Receivables TOTAL RECEIVABLES	\$	61.8 27.6 6.5 11.0 0.0 62.0 0.9 0.0
Accounts Payable		
Accrued Operating Payables Pending Purchase Fixed Income Pending Purchase Equities Pending Purchase Real Estate/REITs TOTAL PAYABLES	\$ <u></u>	20.0 581.0 19.1 0.2 620.3



ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS

as of December 31, 2012

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

				Nonspe	endable Fun	d Balance - Pr	incipal								und Balance	!					TOTAL
				•			Unreal	lized					Distributions of	_		Unrea	lized				FUND
		FY-Begin		Dedicated (2)		FY-End	Gain (l	_oss)	FY-End Non-	Acct.	Statutory	Si	tatutory Net Income	е	FY-End	Gain (l	_oss)	Net	FY-End		
		Contrib.	Appro- (1)	State	Inflation	Balance	Net	FY-End	spendable	Net	Net		Inf-Proofing	Gen. Fund	Balance	Net	FY-End	Assigned	Assigned		FY-End
	γ	Balance	priations	Revenues	Proofing (Contributions	Change	Balance	Balance	Income (3)	Income (3)	Dividends	/ Other (10)	/ Other (4)	Realized	Change	Balance (5)	Change	Balance	FY	Balance
77	-03	0	7,378	7,726	7,884	22,988	1,106	1,106	24,094	24,502	25,244	12,535	11,979	282	100	0	0	(1,035)	100	77-03	24,194
)4	22,988	(339)	353	524	23,526	1,909	3,015	26,541	3,434	1,502	581	170	0	859	0	0	759	859	04	27,400
)5	23,526	0	480	641	24,647	859	3,874	28,522	2,640	1,754	532	641	27 (4)	1,440	0	0	581	1,440	05	29,962
	06	24,647	0	601	856	26,104	347	4,221	30,325	3,072	2,689	689	856	37	2,585	0	0	1,145	2,585	06	32,910
	07	26,104	0	532	860	27,497	1,977	6,198	33,694	5,448	3,429	1,022	860	42	4,132	0	0	(1,505)	4,132	07	37,826
	08	27,497	0	844	808	29,149	(3,886)	2,064	31,213	(1,372)	2,938	1,293	808	33	4,969	352	352	1,189	5,321	80	36,534
_)9	29,149	0	651	1,144	30,944	(3,513)	(1,449)	29,496	(6,394)	(2,509) ⁽⁸⁾	875	1,144	0 (8)	441	(373)	(21)	(4,901)	420	09	29,916
_	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	33,255
_	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	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
10%	13	35,033	0	796	896	36,724	(3,981)	(761)	35,963	(3,107)	1,072	409	896	13	1,673	(210)	(35)	(443)	1,638	13	37,601
25%	13	35,033	0	796	896	36,724	(1,669)	1,551	38,276	(427)	1,322	436	896	15	1,896	(95)	80	(105)	1,976	13	40,251
Mid	13	35,033 ⁽⁶⁾	0	796 ⁽²⁾	896	36,724	984	4,204	40,928	2,726 (6)	1,648	470	896	19	2,188	75	250	358	2,438	13	43,366
	13	35,033	0	796	896	36,724	3,780	7,000	43,725	6,127	2,019	509	896	23	2,520	305	480	920	3,000	13	46,725
	13	35,033	0	796	896	36,724	6,363	9,583	46,308	9,349	2,390	548	896	26	2,852	569	744	1,515	3,596	13	49,904
<u> </u>	14	36,724	0	833	939	38,496	682	4,886	43,382	2,936	2,169	958	939	22	2,460	62	312	334	2,773	14	46,155
_	15	38,496	0	821	983	40,300	720	5,606	45,906	3,127	2,313	1,033	983	22	2,757	71	384	368	3,141	15	49,047
	16	40,300	0	816	1,028	42,144	753	6,359	48,503	3,326	2,462	1,067	1,028	22	3,125	88	472	455	3,596	16	52,100
<u> </u>	17	42,144	0	768	1,073	43,985	795	7,155	51,140	3,534	2,619	1,177	1,073	22	3,494	97	568	466	4,063	17	55,202
_	18	43,985	0	711	1,117	45,813	840	7,994	53,808	3,745	2,778	1,296	1,117	22	3,859	105	673	470	4,532	18	58,340
	19	45,813	0	658	1,162	47,633	878	8,872	56,505	3,959	2,939	1,377	1,162	22	4,259	120	793	520	5,052	19	61,557
	20	47,633	0	620	1,206	49,459	916	9,787	59,247	4,178	3,104	1,460	1,206	22	4,697	136	929	574	5,626	20	64,873
	21	49,459	0	580	1,251	51,291	953	10,741	62,031	4,405	3,274	1,545	1,251	22	5,175	154	1,084	633	6,259	21	68,290
	22	51,291	0	545	1,296	53,131	991	11,732	64,863	4,638	3,450	1,632	1,296	22	5,697	174	1,258	697	6,955	22	71,819
	23	53,131	0	505	1,341	54,977	1,029	12,761	67,738	4,879	3,631	1,722	1,341	22	6,266	196	1,454	765	7,720	23	75,458
		ive Totals	•	7.450	40.000		0.544			44.450	00.000	40.707	40.000	044		4.070		F (00			
Pr	oj. for	2013-2023	Ü	7,653	12,292		9,541			41,452	30,389	13,737	12,292	244		1,279		5,639			

Assum	ptions:	Total Return -	Inflation = Tota	al Real Return	ı Statı	utory Return
10%	FY 2013	-7.32%	2.50%	-9.82%	10%	2.97%
25%	FY 2013	-0.74%	2.50%	-3.24%	25%	3.59%
Mid	FY 2013	⁽⁶⁾ 7.00%	2.50%	4.50%	Mid	4.40%
25%	FY 2013	15.35%	2.50%	12.85%	25%	5.32%
10%	FY 2013	23.26%	2.50%	20.76%	10%	6.24%
F	Y 2014-2023	3 ⁽⁷⁾ 7.00%	2.50%	4.50%		5.30%

Income year-to-date as of December 31, 2012

FY13 Statutory net income	
Interest, dividends, real estate & other income	\$ 492.9
Realized gains (losses) on the sale of invested assets	868.4
Less operating exp / Legis. Appropriations	(50.0)
Less AK Capital Inc. Fund committed realized earnings	(13.3)
Statutory net income (loss)	\$ 1,298.0

FY13 Accounting (GAAP) net income	
Statutory net income (loss)	\$ 1,298.0
Unrealized gains (losses) on invested assets	1,568.0
AK Capital Income Fund committed realized earnings	13.3
Accounting (GAAP) net income (loss)	\$ 2,879.3

Notes related to financial history and projections FY1977 - FY2023

- (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 Fall 2012 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).
- (a) 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 2012 Callan capital market assumptions
- (7) Future returns are based on 2012 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) FY77-02 includes special appropriations to principal of \$4 billion.

PERFORMANCE SUMMARY	Current	Last 3	Fiscal	Calendar	Last 12	Last 3	Last 5
(preliminary as of December 31, 2012)	Month	Months	Y-T-D	Y-T-D	Months	Years	Years
Domestic Fixed Income	-0.05%	0.85%	3.30%	7.20%	7.20%	7.04%	6.34%
Non-Domestic Fixed Income	0.09%	1.02%	2.92%	5.31%	5.31%	4.72%	4.80%
Domestic Equities	1.42%	0.74%	6.98%	16.64%	16.64%	11.18%	2.63%
Non-Domestic Equities	3.52%	5.75%	13.69%	17.05%	17.05%	4.04%	-2.82%
Global Equities	2.73%	3.73%	10.95%	17.17%	17.17%	7.96%	-0.93%
Real Estate	0.33%	1.84%	3.80%	9.82%	9.82%	10.26%	1.50%
Private Equity	N/M	3.86%	5.08%	15.20%	15.20%	15.54%	6.08%
Absolute Return	0.79%	1.45%	3.85%	7.61%	7.61%	4.83%	1.63%
Infrastructure	N/M	7.32%	8.42%	-1.45%	-1.45%	7.18%	
External CIO/Real Return Mandate	1.15%	2.10%	7.18%	11.85%	11.85%		
American Homes 4 Rent	0.00%	0.00%					
Total Fund	1.54%	2.67%	7.34%	12.58%	12.58%	8.15%	2.27%