



# ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of November 30, 2016

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

Nonspendable Fund Balance - Principal									Assigned Fund Balance										TOTAL FUND							
FY	FY-Begin Contrib. Balance	Appro- <sup>(1)</sup> priations	Dedicated <sup>(2)</sup>		FY-End Balance	Unrealized Gain (Loss)		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 Gain (Loss)		Net Assigned Change	FY-End Assigned Balance	FY	FY-End Balance						
			State Revenues	Inflation Proofing		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>										
77-07	0	7,039	9,693	10,765	27,497	6,198	6,197	33,694	39,096	34,618	15,359	14,506	388	4,132	0	0	(1,504)	4,133	77-07	37,827						
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	08	36,534						
09	29,149	0	651	1,144	30,945	(3,513)	(1,449)	29,496	(6,394)	(2,509) <sup>(8)</sup>	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 <sup>(6)</sup>	0	840	743	36,615	964	4,184	40,800	4,314 <sup>(6)</sup>	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	2,198	696	0	18	7,649	(95)	921	1,408	8,570	16	52,769						
Lo	39,449	0	277	941	40,667	(4,583)	167	40,834	(3,736)	1,725	1,395	941	15	7,039	(892)	29	(1,503)	7,068	17	47,902						
Mid	39,449	0	277	941	40,667	557	5,307	45,974	3,428	2,733	1,501	941	23	7,941	115	1,036	407	8,977	17	54,951						
Hi	39,449	0	277	941	40,667	5,959	10,709	51,376	11,661	4,161	1,651	941	35	9,218	1,507	2,428	3,075	11,646	17	63,022						
18	40,667	0	299	922	41,888	261	5,569	47,457	3,710	3,292	1,539	922	26	8,772	130	1,166	961	9,938	18	57,394						
19	41,888	0	328	950	43,166	260	5,829	48,995	3,877	3,442	1,530	950	26	9,734	148	1,314	1,110	11,048	19	60,043						
20	43,166	0	343	979	44,888	268	6,097	50,584	4,058	3,604	1,603	979	26	10,756	160	1,474	1,182	12,230	20	62,814						
21	44,888	0	357	1,009	45,853	286	6,382	52,236	4,248	3,774	1,769	1,009	26	11,752	162	1,636	1,158	13,388	21	65,623						
22	45,853	0	361	1,040	47,255	299	6,681	53,936	4,439	3,946	1,896	1,040	26	12,762	169	1,804	1,178	14,566	22	68,502						
23	47,255	0	364	1,071	48,690	307	6,988	55,678	4,636	4,122	1,983	1,071	26	13,829	180	1,985	1,248	15,814	23	71,492						
24	48,690	0	364	1,104	50,158	316	7,304	57,462	4,840	4,304	2,074	1,104	26	14,956	193	2,178	1,320	17,134	24	74,596						
25	50,158	0	371	1,137	51,666	325	7,629	59,295	5,052	4,494	2,167	1,137	26	16,146	206	2,384	1,397	18,530	25	77,825						
26	51,666	0	370	1,171	53,207	334	7,962	61,169	5,272	4,692	2,264	1,171	26	17,403	220	2,604	1,477	20,007	26	81,176						
27	53,207	0	366	1,205	54,778	342	8,305	63,083	5,501	4,896	2,363	1,205	26	18,731	235	2,840	1,563	21,571	27	84,653						
Cumulative Totals																										
Proj. for 2017-2026									0	3,801	11,528	3,555	49,060	43,299	20,689	11,528	288	1,919	13,001							

Assumptions: Total Return - Inflation = Total Real Return				Statutory Return			
Lo	FY 2017	-6.84%	2.25%	-9.09%	Lo	3.51%	
Mid	FY 2017 <sup>(6)</sup>	6.70%	2.25%	4.45%	Mid	5.43%	
Hi	FY 2017	22.26%	2.25%	20.01%	Hi	8.15%	
FY 2018-2026 <sup>(7)</sup>				6.95%	2.25%	4.70%	6.24%

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

<sup>(1)</sup> Appropriations include special general fund, realized earnings, and other miscellaneous appropriation transfers into principal.

<sup>(2)</sup> Dedicated State Revenues in current and future fiscal years are based on the Fall 2016 Department of Revenue forecast.

<sup>(3)</sup> 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).

<sup>(4)</sup> 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.

<sup>(5)</sup> Current year returns and inflation are based on 2016 Callan capital market assumptions.

<sup>(6)</sup> Future returns are based on 2016 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.

<sup>(7)</sup> 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.

<sup>(8)</sup> The statutory inflation calculation for FY 2010 was -.36%; therefore, there was no inflation proofing transfer during FY 2010.

<sup>(9)</sup> FY77-07 includes special appropriations to principal of \$3.7 billion.

Income year-to-date as of November 30, 2016	
<b>FY16 Statutory net income</b>	
Interest, dividends, real estate & other income	\$ 453.9
Realized gains (losses) on the sale of invested assets	829.7
Less operating exp / Legis. Appropriations	(50.4)
Less AK Capital Inc. Fund committed realized earnings	(9.6)
Statutory net income (loss)	\$ 1,223.6
<b>FY16 Accounting (GAAP) net income</b>	
Statutory net income (loss)	\$ 1,223.6
Unrealized gains (losses) on invested assets	691.7
AK Capital Income Fund committed realized earnings	9.6
Accounting (GAAP) net income (loss)	\$ 1,924.9

PERFORMANCE SUMMARY (preliminary as of November 30, 2016)	Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
PUBLIC EQUITIES	0.67%						
FIXED INCOME PLUS	-2.41%						
PRIVATE EQUITY AND GROWTH OPPORTUNITIES	-0.57%						
REAL ESTATE	N/A	0.26%	2.53%	9.50%	9.76%	11.24%	10.93%
INFRASTRUCTURE/PRIVATE CREDIT/INCOME OPPTS	0.16%						
ABSOLUTE RETURN	N/A	0.83%	2.24%	-0.02%	-0.74%	1.30%	3.05%
ASSET ALLOCATION	0.01%						
TOTAL FUND	-0.19%	-0.27%	2.78%	6.33%	4.65%	5.27%	8.02%
<b>Total Fund Return Objective</b>	<b>0.26%</b>	<b>1.43%</b>	<b>2.19%</b>	<b>6.61%</b>	<b>6.69%</b>	<b>6.17%</b>	<b>6.31%</b>

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.