

HCR

26

Representative
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Alaska State Legislature



While in Session
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House District 33

House of Representatives

Sponsor Statement

HCR 26 Permanent Fund Investments in Alaska

The Alaska Permanent fund corporation has invested billions of dollars in corporations worldwide. Today Alaska owns stock in approximately 2000 corporations nation wide and 1000 corporations overseas; lending creditability that Alaska has influenced corporate America in other regions of the world. While at the same time, less than 1% of the permanent fund is invested here in Alaska. A change in the Permanent Fund Corporation's policy toward investing at a higher percent in Alaska could energize our economy.

With House Concurrent Resolution 26 businesses and organizations would know they have the Permanent fund trustees' and legislature's support in encouraging Corporate America investments in growing Alaska's economy.

I urge your support in sending this message to the corporate world; "Alaska is open for business" as one of the world's largest corporate investors.

Committee Substitute
HCR26 – Relating to investments in Alaska by corporate
America in which the permanent fund invests

After Line 13 Add new section:

Whereas Alaska's own economic well being is tied to businesses in Alaska; and
Whereas Alaska's health and well being of our communities is assisted by one or more of the nearly 7000 nonprofit organizations in Alaska; and

Whereas by enactment of this resolution we recognize we, as members of Alaska's Legislature, are providing opportunity for Alaska's nonprofit and for profit sectors to declare their independence through encouraging them to recognize the powerful buying support the \$24,000,000,000 permanent fund represents;

Line 15 – after “to encourage investments in” change Alaska to Alaska's; Then add:
nonprofit and for profit sectors

Page Two – Line 2 – After Corporation, Please delete: “for public record.” Then add: and
make available at public request.

GRANT STOCKS

NAME	# OF SHARES	COST	MARKET
3 M CoCom	325,400	32,190,101	40,121,820
3 M com corp	184,300	1,941,014	853,309
Abbott Laboratories	775,700	25,857,527	31,028,000
Aetna	108,462	4,137,619	4,459,958
Affiliated computer svcs inc	279,700	11,998,125	14,726,205
Anheuser-Bush	1,690,828	71,817,329	81,836,076
Avon	105,400	3,950,898	5,677,898
Black & Decker	25,400	890,345	1,089,406
Boeing Company	317,928	10,542,570	10,488,455
Bristol Myer Squibb	1,537,860	43,303,715	36,032,060
Caterpillar	169,200	6,099,704	7,735,824
Cheveron Texaco	652,758	47,564,945	43,395,352
Coca Cola	4,300	245,119	277,393
Coca Cola Co	1,236,000	57,303,252	54,186,240
Coca Cola Enterprises	850,800	18,290,121	18,479,376
Colgate Palmolive	735,092	34,896,977	38,540,874
Deere Company	100,400	4,157,426	4,625,428
Dell Computer corpcom	1,731,800	39,585,711	46,308,332
Dow Chemical	755,990	23,210,613	22,706,160
Electronic Artscom	208,400	11,548,082	10,372,068
Eli Lilly Co	557,548	28,994,700	35,404,298
Evergreen	189,830	4,564,184	5,524,053
Fannie Mae	1,331,600	84,514,917	85,661,828
Ford Motor Corp	846,171	12,100,649	7,869,391
Forest Laboratories	163,700	12,945,998	16,078,614
GCI (Stoops)	30,700	210,390	205,997
General Electric	6,577,712	173,891,778	161,417,053
Harley Davidson	154,800	6,774,472	7,151,760
Hewlett Packard	2,393,068	45,277,540	41,735,106
Home Depot	1,414,809	39,691,504	33,983,617
Intel Corp	3,748,400	80,601,280	58,362,588
JC Penney	79,900	2,642,592	1,838,499
Kraft	822,100	29,174,508	32,127,668
Lowe's Companies inc	414,400	10,414,186	15,540,000
Microsoft corp com	3,547,000	185,157,392	204,059,900
Nike	243,800	11,391,049	10,875,918
Pepsi America	74,600	1,113,969	1,001,878
Pepsi Bottling group	146,544	3,320,860	3,769,047
Pepsico inc	1,965,730	76,942,959	83,289,946
PPG Industries	277,000	15,726,960	13,891,550
Procter Gamble	1,025,700	67,949,555	88,148,658
Safeway (uk)	1,662,120	7,806,300	5,788,385
Safeway inc. com new	135,500	7,543,589	3,585,760
SC Johnson	2,395,904	100,690,236	128,684,004
Sears (Shaub)	119,000	4,215,790	2,877,420
Tyco ltd	935,107	25,753,844	15,982,626
Wal-Mart	3,102,300	121,921,109	156,929,958

PFD Corporation Investments

<u>Co</u>	<u># of stocks</u>	<u>\$ paid</u>	<u>Market Value</u>
<i>Safeway inc Com new</i>	153,500	7,543,589	3,585,760
<i>Safeway(uk) Gpbo .25</i>	1,662,120	7,806,300	5,788,385
<i>J C Penney</i>	79,900	2,642,592	1,838,499
<i>Sears (Shaub)</i>	119,000	4,215,790	2,877,420
<i>Aetna (Stoops)</i>	108,462	4,137,619	4,459,958
<i>GCI (Stoops)</i>	30,700	210,390	205,997
<i>Evergreen</i>	189,830	4,564,184	5,524,053



Alaska Permanent Fund Corporation

P.O. Box 25500 Juneau, Alaska 99802-5500
(907) 465-2047

April 5, 2004

Representative Bruce Weyhrauch
Chair, House State Affairs Committee
Alaska State Legislature
Capitol Room 102

Representative Weyhrauch,

Both Bob Bartholomew and I will be out of state and not available to attend the hearing on House Concurrent Resolution 26 on April 8.

The Alaska Permanent Fund Corporation does encourage investment in Alaska. The Alaska Certificate of Deposit program provides up to \$200 million to local banks. Every summer Alaskan students are placed in internships with our money managers across the United States and in London where they can get real world investment experience. Pathways Capital Management, the private equity manager for the APFC, is directed in their contract to provide semi-annual education forums in Alaska and to seek investment opportunities within the state.

As a practical matter, neither APFC nor the Board of Trustees have direct contact with the companies in which the Fund holds equity. We employ managers that purchase and sell equities on our behalf. The APFC owns shares of over 2000 US corporations and over 1000 overseas corporations, but the exact number changes on a daily basis.

In order to ensure adequate diversification, the Fund never holds a significant portion of any company, rarely owning even 1% of a company's shares. This limited ownership does not grant the APFC any direct influence on the operations of these companies.

If you have any questions about APFC's investment policies please let me know.

Sincerely,

A handwritten signature in black ink that reads "Robert D. Storer".

Robert D. Storer
Executive Director