

ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of May 31, 2018

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

FY	Nonspendable Fund Balance - Principal						Assigned Fund Balance										TOTAL FUND FY-End Balance										
	FY-Begin Contrib. Balance	Appro- ⁽¹⁾ priations	Dedicated ⁽²⁾		FY-End Balance Contributions	Unrealized Gain (Loss)		FY-End Non-spendable Balance	Acct. Net Income ⁽³⁾	Statutory Net Income ⁽³⁾	Distributions of Statutory Net Income			FY-End Balance Realized	Unrealized Gain (Loss)			Net Assigned Change	FY-End Assigned Balance	FY							
			State Revenues	Inflation Proofing		Net Change	FY-End Balance				Dividends	Inf-Proofing / Other ⁽¹⁰⁾	Gen. Fund / Other ⁽⁴⁾		Net Change	FY-End Balance ⁽⁵⁾											
77-08	0	7,039	10,537	11,573	29,149	2,312	2,064	31,213	37,724	37,556	16,652	15,314	421	4,969	352	352	5,942	5,321	77-08	36,534							
09	29,149	0	651	1,144	30,945	(3,513)	(1,449)	29,496	(6,394)	(2,509) ⁽⁸⁾	875	1,144	0 ⁽⁸⁾	441	(373)	(21)	(4,901)	420	09	29,917							
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							
13	35,033	0	840	743	36,615	964	4,184	40,800	4,314	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 ⁽⁶⁾	2,198	696 ⁽¹¹⁾	0 ⁽¹²⁾	18	7,649	(95)	921	1,408	8,570	16	52,769							
17	39,449	0	365	0	39,814	2,405	7,155	46,969	6,676	3,214	0	0 ⁽¹²⁾	25	10,864	1,031	1,952	4,246	12,816	17	59,785							
Lo 18	39,814	0	310	1,403	41,527	(3,734)	3,421	44,948	(947)	3,689	726	1,403 ⁽¹³⁾	27	12,424	(929)	1,023	631	13,447	18	58,395							
Mid 18	39,814	0	310	1,403	41,527	(1,078)	6,078	47,605	3,315	4,391	726	1,403 ⁽¹³⁾	32	13,126	(31)	1,921	2,231	15,047	18	62,652							
Hi 18	39,814	0	310	1,403	41,527	1,323	8,478	50,005	7,504	5,242	726	1,403 ⁽¹³⁾	38	13,977	901	2,854	4,015	16,831	18	66,836							
19	41,527	0	416	944	42,887	(107)	5,971	48,858	3,963	3,954	1,705	944	28	14,431	88	2,009	1,393	16,441	19	65,298							
20	42,887	0	402	974	44,263	(107)	5,863	50,127	4,131	4,123	1,750	974	28	15,830	88	2,097	1,486	17,927	20	68,054							
21	44,263	0	405	1,005	45,673	(100)	5,763	51,437	4,306	4,299	1,877	1,005	28	17,247	79	2,176	1,497	19,423	21	70,860							
22	45,673	0	400	1,037	47,109	(86)	5,678	52,787	4,485	4,479	2,098	1,037	28	18,591	64	2,241	1,408	20,832	22	73,619							
23	47,109	0	403	1,069	48,581	(80)	5,598	54,179	4,661	4,655	2,231	1,069	28	19,946	58	2,298	1,413	22,244	23	76,424							
24	48,581	0	413	1,102	50,097	(83)	5,515	55,612	4,839	4,835	2,258	1,102	28	21,420	60	2,358	1,534	23,779	24	79,390							
25	50,097	0	433	1,137	51,667	(81)	5,435	57,101	5,029	5,025	2,351	1,137	28	22,957	57	2,415	1,594	25,372	25	82,474							
26	51,667	0	454	1,173	53,293	(79)	5,356	58,649	5,226	5,223	2,446	1,173	28	24,562	54	2,469	1,658	27,030	26	85,679							
27	53,293	0	463	1,210	54,965	(77)	5,279	60,244	5,430	5,428	2,543	1,210	28	26,237	51	2,520	1,727	28,758	27	89,002							
28	54,965	0	479	1,247	56,691	(76)	5,203	61,895	5,642	5,641	2,642	1,247	28	27,989	49	2,569	1,801	30,558	28	92,453							
Cumulative Totals																											
Proj. for 2018-2027									0	4,578	12,300	(1,952)	51,027	52,053	22,627	12,300	309	617	17,742								

Assumptions: Total Return - Inflation = Total Real Return				Statutory Return		
Lo	FY 2018	-1.38%	2.13%	-3.51%	Lo	6.40%
Mid	FY 2018 ⁽⁶⁾	5.73%	2.13%	3.60%	Mid	7.58%
Hi	FY 2018	12.72%	2.13%	10.59%	Hi	9.01%
FY 2019-2027 ⁽⁷⁾				6.50%	2.25%	4.25%
						6.53%

Notes related to financial history and projections FY1977 - FY2028:

⁽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 Spring 2018 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).

⁽⁵⁾ 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 2017 Callan capital market assumptions.

⁽⁷⁾ Future returns are based on 2017 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⁾ FY77-08 includes special appropriations to principal of \$3.7 billion.

⁽¹¹⁾ The dividend transfer reported for FY16 was paid out in dividends during FY17.

⁽¹²⁾ There was no appropriation for inflation proofing for FY16 and FY17.

⁽¹³⁾ Current year inflation proofing includes unfunded amounts from prior years.

Income year-to-date as of May 31, 2018

FY18 Statutory net income

Interest, dividends, real estate & other income	\$ 1,423.6
Realized gains (losses) on the sale of invested assets	4,692.4
Less operating exp / Legis. Appropriations	(135.4)
Less AK Capital Inc. Fund committed realized earnings	(40.8)
Statutory net income (loss)	\$ 5,939.8

FY18 Accounting (GAAP) net income

Statutory net income (loss)	\$ 5,939.8
Unrealized gains (losses) on invested assets	24.4
AK Capital Income Fund committed realized earnings	40.8
Accounting (GAAP) net income (loss)	\$ 6,005.0