

# ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS as of October 31, 2020

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

FY	Nonspendable Fund Balance - Principal						Assigned Fund Balance - Earnings Reserve								TOTAL FUND FY-End Balance			
	FY-Begin Contrib. Balance	Dedicated <sup>(1)</sup> State Revenues	Inflation Proofing & Special Approp.	FY-End Balance Contributions	Unrealized Gain (Loss) FY-End Balance	FY-End Non-spendable Balance	Acct. Net Income <sup>(2)</sup>	Statutory Net Income <sup>(3)</sup>	Distributions			FY-End Balance Realized	Unrealized Gain (Loss) FY-End Balance	FY-End Assigned Balance				
									Div/POMV Transfer <sup>(9)</sup>	Inflation Prftg & Spec Approp.	ACIF							
77-11	0	12,755	20,289	33,044	4,788	37,832	41,659	38,780	19,186	16,991	434	2,016	292	2,308	77-11	40,140		
12	33,044	915	1,073	35,033	3,220	38,253	(100)	1,568	605	1,073	17	1,905	175	2,081	12	40,333		
13	35,033	840	743	36,615	4,184	40,800	4,314	2,928	604	743	30	3,487	567	4,054	13	44,854		
14	36,615	779	546	37,941	7,062	45,002	6,848	3,531	1,235	546	32	5,237	975	6,212	14	51,214		
15	37,941	600	624	39,165	6,473	45,638	2,384	2,907	1,373	624	24	6,147	1,016	7,163	15	52,801		
16	39,165	284	0 <sup>(6)</sup>	39,449	4,750	44,199	398	2,198	696 <sup>(7)</sup>	0 <sup>(8)</sup>	18	7,649	921	8,571	16	52,770		
17	39,449	365	0 <sup>(6)</sup>	39,814	7,155	46,969	6,676	3,214	0	0 <sup>(8)</sup>	25	10,863	1,952	12,816	17	59,785		
18	39,814	353	0 <sup>(6)</sup>	40,167	5,863	46,030	5,526	6,324	726	0 <sup>(8)</sup>	43	16,461	2,403	18,864	18	64,894		
19	40,167	385	989	41,542	6,278	47,821	3,766	3,305	2,723	989	22	16,053	2,426	18,481	19	66,301		
20	41,542	319	4,758 <sup>(10)</sup>	46,619	5,789	52,408	1,637	3,106	2,933	4,758 <sup>(10)</sup>	21	11,470	1,424	12,894	20	65,302		
Lo 21	46,619	230	0 <sup>(6)</sup>	46,849	3,549	50,398	(240)	2,577	3,092	0 <sup>(6)</sup>	18	10,956	830	11,786	21	62,184		
Mid 21	46,619	230	0 <sup>(6)</sup>	46,849	6,299	53,148	4,007	3,326	3,092	0 <sup>(6)</sup>	23	11,704	1,574	13,278	21	66,427		
Hi 21	46,619	230	0 <sup>(6)</sup>	46,849	9,242	56,092	8,740	4,202	3,092	0 <sup>(6)</sup>	29	12,580	2,482	15,062	21	71,154		
22	46,849	229	1,059	48,138	6,530	54,668	4,252	3,998	3,069	1,059	27	11,574	1,570	13,144	22	67,812		
23	48,138	228	1,088	49,454	6,776	56,230	4,337	4,078	3,206	1,088	27	11,358	1,556	12,914	23	69,144		
24	49,454	252	1,118	50,824	7,032	57,856	4,421	4,158	3,286	1,118	27	11,111	1,537	12,648	24	70,504		
25	50,824	273	1,150	52,247	7,293	59,540	4,509	4,240	3,329	1,150	27	10,872	1,518	12,390	25	71,930		
26	52,247	285	1,182	53,714	7,559	61,273	4,600	4,326	3,371	1,182	27	10,646	1,498	12,144	26	73,417		
27	53,714	309	1,216	55,239	7,832	63,072	4,694	4,416	3,437	1,216	27	10,409	1,476	11,885	27	74,957		
28	55,239	329	1,250	56,819	8,114	64,933	4,792	4,508	3,507	1,250	27	10,160	1,451	11,611	28	76,544		
29	56,819	345	1,286	58,450	8,404	66,854	4,893	4,603	3,578	1,286	27	9,899	1,423	11,322	29	78,176		
30	58,450	358	1,323	60,131	8,702	68,834	4,996	4,701	3,652	1,323	27	9,624	1,393	11,017	30	79,851		
Cumulative Totals																		
Proj. for FY21-FY30							2,840	10,673										
							45,501	42,354	33,526	10,673	268							

Assumptions: Total Return - Inflation = Total Real Return					Statutory Return	
Lo	FY21	-0.17%	2.25%	-2.42%	Lo	4.27%
Mid	FY21 <sup>(3)</sup>	6.48%	2.25%	4.23%	Mid	5.45%
Hi	FY21	13.89%	2.25%	11.64%	Hi	6.83%
FY22-FY30 <sup>(4)</sup>		6.75%	2.25%	4.50%		6.40%

**Notes related to financial history and projections:**

<sup>(1)</sup> Dedicated State Revenues in current and future fiscal years are based on the Spring 2020 Department of Revenue forecast.

<sup>(2)</sup> Accounting net income is based on United States Generally Accepted Accounting Principles (GAAP).

<sup>(3)</sup> Current year returns and inflation are based on 2020 Callan capital market assumptions. Actual results will vary.

<sup>(4)</sup> Future returns are based on 2020 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.

<sup>(5)</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>(6)</sup> The statutory inflation calculation for FY 2010 was -.36%; therefore, there was no inflation proofing transfer during FY 2010.

<sup>(7)</sup> The dividend transfer reported for FY16 was paid out in dividends during FY17.

<sup>(8)</sup> There was no appropriation for inflation proofing in FY16, FY17, FY18 and FY21.

<sup>(9)</sup> Per AS 37.13.140, beginning in FY19, transfers are based on a percent of market value (POMV) calculation and are to the General Fund. In previous years, transfers were based on an earnings calculation and were to the Dividend Fund.

<sup>(10)</sup> In FY20, an additional \$4 billion was appropriated from the ERA to principal. The intent of the legislation was to forward fund inflation proofing.

<sup>(11)</sup> All transfers out of the Earnings Reserve are subject to Legislative appropriation

FY21 POMV Distribution (actual) <sup>(11)</sup>		FY21 Statutory Dividend Transfer (actual) <sup>(11)</sup>	
Ending Fund Value (ex Am Hess)		Statutory Net Income	
FY19	\$ 65,876.7	FY20	\$ 3,106.0
FY18	64,469.9	FY19	3,305.0
FY17	59,360.8	FY18	6,324.4
FY16	52,345.1	FY17	3,214.2
FY15	52,376.1	FY16	2,198.0
Average Value \$ 58,885.7		Avail for Dist (21%)	\$ 3,811.0
Statutory Distribution \$ 3,091.5		Statutory Trnsfr Amt	\$ 1,905.5

FY22 POMV Distribution (actual) <sup>(11)</sup>		FY22 Statutory Dividend Transfer (projected)	
Ending Fund Value (ex Am Hess)		Statutory Net Income	
FY20	\$ 64,877.4	FY21	\$ 3,326.0
FY19	65,876.7	FY20	3,106.0
FY18	64,469.9	FY19	3,305.0
FY17	59,360.8	FY18	6,324.4
FY16	52,345.1	FY17	3,214.2
Average Value \$ 61,386.0		Avail for Dist (21%)	\$ 4,047.9
Statutory Distribution \$ 3,069.3		Statutory Trnsfr Amt	\$ 2,023.9

### Income Year-to-Date as of October 31, 2020

FY21 YTD Statutory Net Income	
Interest, dividends, real estate & other income	\$ 371.1
Realized gains (losses) on the sale of assets	1,058.2
Less operating expenses	(41.4)
Less AK Capital Inc. Fund realized earnings	(9.1)
	\$ 1,378.9

FY21 YTD Accounting (GAAP) Net Income	
Statutory net income (loss)	\$ 1,378.9
Unrealized gains (losses) on invested assets	1,366.6
AK Capital Income Fund realized earnings	9.1
Accounting (GAAP) net income (loss)	\$ 2,754.6