Percent of Market Value Method -

Assumptions: 8.0% rate of return (no market volatility in return assumptions, which makes the projections our best estimate of the median case; actual performance will vary with market volatility)
Amerada Hess earnings transferred to principal
% of payout phased in over 2 years beginning in FY01 (2 years, then 3 years thereafter)
This model allows the user to change the % of payout and the total rate of return assumption
The user can also change the split of the total payout to a % to fund the dividend program and a % to fund government
Investment returns based on 99 Capital Market Assumptions, Fall 99 revenue forecast for dedicated oil revenue (no HB 96)
FY2000 based on 12/31/99 financial statements

3 If cell = 5, then qrt market value, If cell = 3, then 3 yr avg market value, else current market value

Alaska Permanent Fund Projections	FY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Permanent Fund Principal Balance - at start of fiscal year (protected by Alaska Constitution)		19,001	19,694	19,926	20,131	20,339	20,555	20,770	20,984	21,218	21,444	21,662
Realized Earnings Reserve Balance - at start of fiscal year		2,590	3,049	3,592	4,198	4,835	5,501	6,193	6,910	7,651	8,416	9,203
Unrealized Earnings Reserve Balance - at start of fiscal year		3,541	4,295	4,354	4,401	4,437	4,464	4,484	4,499	4,509	4,517	4,523
Market Value of Total Permanent Fund Assets - at start of fiscal year		25,132	27,038	27,871	28,731	29,611	30,520	31,447	32,393	33,379	34,377	35,388
Dedicated Oil Revenue Deposits into principal during fiscal year		240	199	171	170	175	171	166	182	170	157	143
Total Return (FY01 - FY10)	8.00%	2,861	2,171	2,237	2,305	2,376	2,448	2,522	2,599	2,677	2,756	2,837
Deduct costs of running the Fund		42	43	43	44	45	45	46	47	47	48	49
Sub -Total Market Value - at end of fiscal year (before payouts)		28,190	29,366	30,235	31,162	32,118	33,094	34,090	35,127	36,178	37,243	38,318
Transfer from Earnings Reserve to Principal (inflation-proofing in FY00; Am Hess thereafter)		453	32	35	38	41	44	48	52	56	61	65
Remaining income - Inflation-proofing remains in earnings reserve account (FY01 - FY10)			634	689	711	733	756	779	804	829	853	878
Payout % of Market Value	5.30%	**1,152**	**1,495**	**1,504**	**1,550**	**1,598**	**1,647**	**1,697**	**1,748**	**1,801**	**1,855**	**1,909**
Permanent Fund Principal Balance - at end of fiscal year (protected by Alaska Constitution)		19,694	19,926	20,131	20,339	20,555	20,770	20,984	21,218	21,444	21,662	21,870
Total Earnings Reserve Balance - at end of fiscal year		7,344	7,945	8,600	9,273	9,965	10,677	11,408	12,160	12,933	13,726	14,539
Market Value of Total Permanent Fund Assets - at end of fiscal year		27,038	27,871	28,731	29,611	30,520	31,447	32,393	33,379	34,377	35,388	36,409

Payout Decision

	Split	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total PFD Per Person
			$1,495	**$1,504**	**$1,550**	**$1,598**	**$1,647**	**$1,697**	**$1,748**	**$1,801**	**$1,855**	**$1,909**	
Payment to fund government	25.0%		374	376	388	400	412	424	437	450	464	477	
Payout to dividend program	75.0%	1152	1121	1128	1163	1199	1235	1273	1311	1351	1391	1432	
Dividend per person		1,934	1,859	1,850	1,887	1,924	1,962	2,001	2,040	2,079	2,119	2,158	21,813
Effective payout rate (average for the year)			5.30%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	5.18%	