Alaska Permanent Fund Corporation

RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALASKA PERMANENT FUND CORPORATION DEFINING THE TERMS "PRINCIPAL BALANCE" AS UTILIZED BOTH IN THE COMPUTATION FOR INFLATION PROOFING AND FOR COMPUTATION OF EARNED INCOME OF THE UNDISTRIBUTED INCOME ACCOUNT

RESOLUTION 83-8

WHEREAS, an end-of-year calculation must be made to determine the amount of money to be retained for inflation proofing; and

WHEREAS, another end-of-year calculation must be made to determine the amount of money represented by income earned on the Undistributed Income Account which will be placed in a restricted sub-account; and

WHEREAS, both calculations must be based on a single-point-in-time valuation of the corpus of each account identified as a "principal balance"; and

WHEREAS, the Trustees desire to establish the definition of each "principal balance" for the above stated calculations;

NOW THEREFORE BE IT RESOLVED that the Trustees direct the Executive Director to utilize the following definition of " principal balance" for the purpose of inflation proofing calculations:

<u>THE PRINCIPAL BALANCE OF THE PERMANENT FUND</u>

That balance of the Fund at the end of each fiscal year that is to be protected from the ravages of future inflation. This sum is comprised of all:

1. Constitutional and statutory contributions to the Fund since its inception;

2. Special appropriations paid to the Fund since its inception;

3. All prior “inflation proofing” funds retained.

AND BE IT FURTHER RESOLVED that the Trustees direct the Executive Director to utilize the following definition of “ principal balance" for the purpose of computing income earned on the Undistributed Income Account so that the appropriate amount of funds can be removed from the income of commingled investments, segregated for reporting purposes and placed into the Undistributed Income Account:

THE PRINCIPAL BALANCE OF THE UNDISTRIBUTED INCOME ACCOUNT

That balance of the Undistributed Income Account which has been invested, along with Permanent Fund revenues on a commingled basis, during the entire fiscal year just ended. This is the sum reported in the prior-year audited financial statements of the Alaska Permanent Fund Corporation for the Undistributed Income Account. This balance will include, as of the end of the prior year, all accrued interest payable regardless of when paid and all transfers due from the Permanent Fund regardless of when transfer has actually taken place.

PASSED AND APPROVED by the Board of Trustees of the Alaska Permanent Fund Corporation, this 22nd day of July, 1983.

Dr. George Rogers
Chairman, Board of Trustees
Alaska Permanent Fund Corporation

ATTEST:

David A. Rose

Executive Director