



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue

COMMISSIONER'S OFFICE

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March 12, 2025

The Honorable Gary Stevens
Senate President
Alaska State Capitol, Room 111
Juneau, AK 99801

The Honorable Bryce Edgmon
Speaker of the House
Alaska State Capitol, Room 208
Juneau, AK 99801

Dear Honorable Legislators,

As prescribed in AS 37.10.430(b), it requires that by March 15 of each year, the Department of Revenue shall, after consulting with the Alaska Permanent Fund Corporation, prepare a report setting out the balance in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) on January 1 and on December 31 of the previous calendar year. The report shall state the nominal, real, and realized return on the budget reserve fund compared to the nominal, real, and realized return on the permanent fund and the general fund during the previous calendar year.

Attached to this letter you will find the required Annual Report on the Constitutional Budget Reserve Fund (CBRF) including the nominal returns and the target asset allocation of the fund as of December 31, 2024.

Specifically, page 1 of the report provides comparative annual rates of return for the CBRF, the General Fund and Other Non-Segregated Investments (GeFONSI) which includes the General Fund as a participant, GeFONSI II, and the Alaska Permanent Fund. The difference in performance results is derived primarily from the classification in asset allocation among the different funds, the relative performance between comparable asset classes, and the differences in cash flow requirements between the respective funds.

In addition, page 2 of the report provides the comparative target asset allocations of these funds as of December 31, 2024, as well as the fund balances for the CBRF at January 1 and December 31, 2024. The CBRF has a low risk tolerance with a high liquidity requirement and is invested in

cash equivalents. The GeFONSI has a moderate risk tolerance with a high liquidity requirement, and is invested in fixed income securities (e.g., bonds and other debt obligations) and cash equivalents. The GeFONSI II has a slightly higher risk tolerance, and in addition to its fixed income allocation, has a modest allocation to domestic and international equities. The Alaska Permanent Fund has the highest risk tolerance of these funds with a greater allocation to public, private, and other equities.

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions surrounding the attached reports.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Crum', with a stylized, cursive script.

Adam Crum

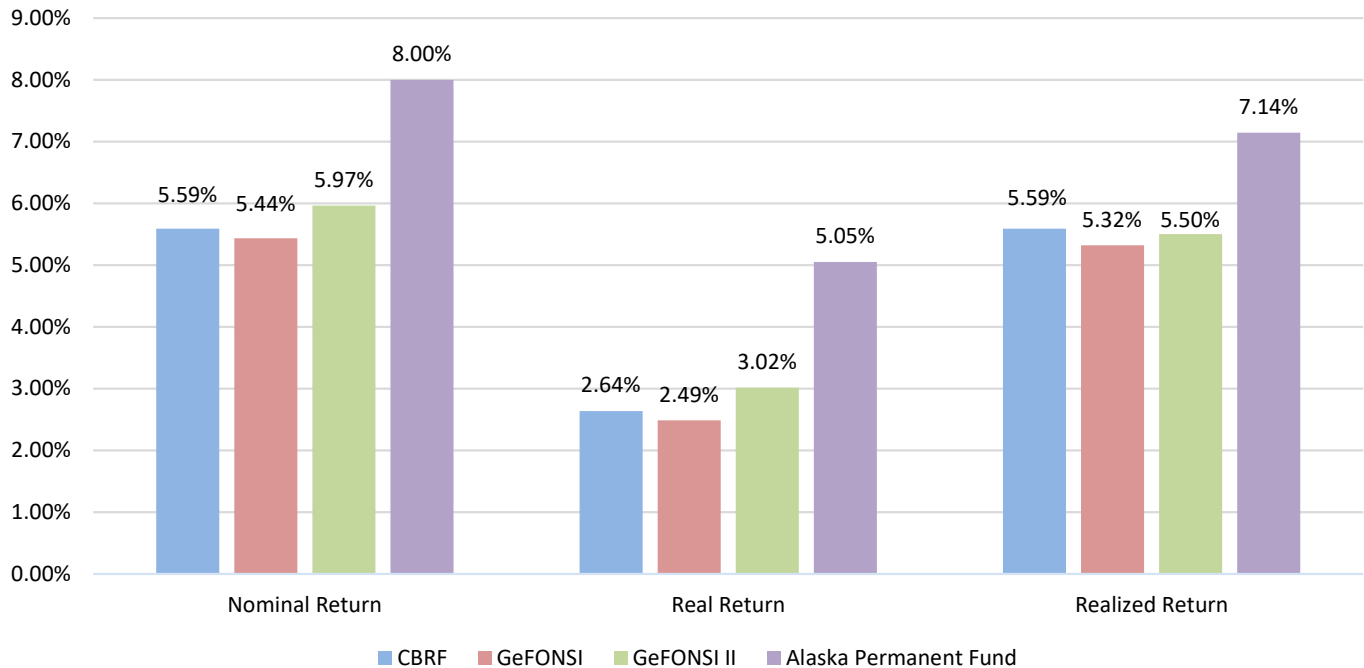
Commissioner, Department of Revenue

Enclosure: Annual Report on the Constitutional Budget Reserve Fund as of December 31, 2024.

cc: House Finance Committee
Senate Finance Committee

Annual Report on the Constitutional Budget Reserve Fund

Comparative Returns for the Calendar Year 2024



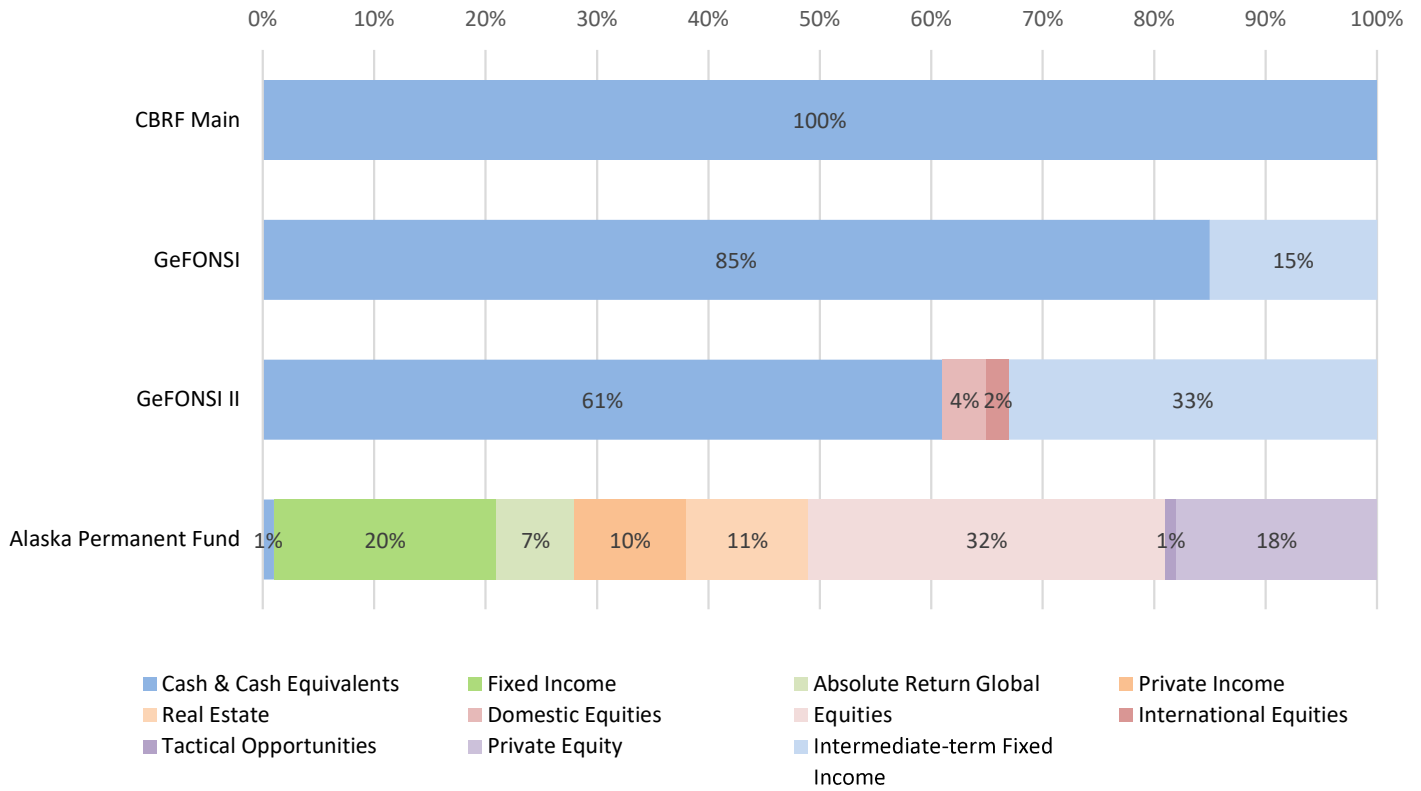
	Nominal (Total) Return ¹	Real Return ²	Realized Return ³
CBRF	5.59%	2.64%	5.59%
GeFONSI	5.44%	2.49%	5.32%
GeFONSI II	5.97%	3.02%	5.50%
Alaska Permanent Fund	8.00%	5.05%	7.14%

¹Total return includes all components of investment income, including interest, dividends and realized and unrealized gains and losses. Data for the CBRF, GeFONSI and GeFONSI II was calculated by the Treasury Division. Data for the Alaska Permanent Fund was calculated by the Alaska Permanent Fund Corporation.

²Total return adjusted for the effect of inflation (2.95%) as calculated by the Alaska Permanent Fund Corporation per AS 37.13.145 (c)

³Realized returns *do not* include unrealized gains and losses in investment income; therefore, *comparisons cannot be made between total return and realized return data*. Data for the CBRF, GeFONSI and GeFONSI II was calculated by the Treasury Division. Data for the Alaska Permanent Fund was calculated by the Alaska Permanent Corporation.

Target Asset Allocations at December 31, 2024



CBRF Balances at January 1 and December 31, 2024 (in millions)

