

**Alabama Trust Fund
Balance Sheet (unaudited)
September 30, 2018**

	Quarter Ended		Change
	9/30/2018	6/30/2018	
Assets:			
Cash/Cash Equivalents	\$ 156,038,213	\$ 130,705,313	\$ 25,332,900
Fixed Income Securities	1,042,082,011	1,039,485,607	\$ 2,596,404
Equity Securities	1,658,211,596	1,659,217,287	\$ (1,005,690)
Receivable-Pending Sale of Securities	22,081,807	37,864,428	\$ (15,782,621)
Receivable-Investment Income	10,273,881	10,173,602	\$ 100,279
Due From CMT Fund	-	-	\$ -
Land	241,863,098	237,998,420	\$ 3,864,678
Total Assets	<u>\$ 3,130,550,606</u>	<u>\$ 3,115,444,656</u>	<u>\$ 15,105,950</u>
Liabilities:			
Payable - Pending Purchase of Securities	\$ 80,364,537	\$ 108,200,812	\$ (27,836,275)
Total Liabilities	<u>\$ 80,364,537</u>	<u>\$ 108,200,812</u>	<u>\$ (27,836,275)</u>
Capital:			
Trust Capital	\$ 963,153,666	\$ 931,353,243	\$ 31,800,423
Oil and Gas Capital Payments	3,051,999,689	3,040,857,887	11,141,802
Equity Gain Transfers	(770,229,803)	(770,229,803)	-
CMT Transfers (25% of Rainy Day Transfers)	(194,737,483)	(194,737,483)	-
Total Capital	<u>\$ 3,050,186,069</u>	<u>\$ 3,007,243,844</u>	<u>\$ 42,942,226</u>
Total Liabilities and Capital	<u>\$ 3,130,550,606</u>	<u>\$ 3,115,444,656</u>	<u>\$ 15,105,950</u>

Alabama Trust Fund
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance
Quarter Ended September 30, 2018

	Quarter Ended 9/30/2018	Fiscal Year 2018
Revenues:		
Investment Income	\$ 17,687,161	\$ 68,991,301
Realized Gains (Losses) on Sale of Securities	40,779,666	134,916,190
Gross Oil and Gas Capital Payments	11,254,346	47,694,378
Total Revenues:	\$ 69,721,173	\$ 251,601,869
 Expenditures:		
Professional Fees	\$ (2,479,979)	\$ (10,206,632)
1% Oil and Gas Capital Payment-Conservation	(112,543)	(476,944)
35% Oil & Gas Capital Payment	-	(16,529,920)
Distributions	(28,051,104)	(145,914,555)
Total Disbursements:	\$ (30,643,626)	\$ (173,128,051)
 Other Financing Sources(Uses):		
Land Purchase	\$ 3,864,678	\$ 8,735,898
 Beginning Fund Balance	\$ 3,007,243,844	\$ 2,962,976,353
 Ending Fund Balance	\$ 3,050,186,069	\$ 3,050,186,069

**Alabama Trust Fund
Balance Sheet (unaudited)
September 30, 2018**

	Year Ended 9/30/2018	Year Ended 9/30/2017	Change
Assets:			
Cash/Cash Equivalents	\$ 156,038,213	\$ 119,197,742	\$ 36,840,471
Fixed Income Securities	1,042,082,011	1,019,859,006	22,223,006
Equity Securities	1,658,211,596	1,628,700,639	29,510,957
Receivable-Pending Sale of Securities	22,081,807	60,414,098	(38,332,291)
Receivable-Investment Income	10,273,881	7,853,205	2,420,676
Due From CMT Fund	-	12,470,000	(12,470,000)
Due From General Fund	-	-	-
Land	241,863,098	233,127,200	8,735,898
Total Assets	\$ 3,130,550,606	\$ 3,081,621,889	\$ 48,928,717
Liabilities:			
Payable - Pending Purchase of Securities	\$ 80,364,537	\$ 118,645,536	\$ (38,281,000)
Total Liabilities	\$ 80,364,537	\$ 118,645,536	\$ (38,281,000)
Capital:			
Trust Capital	\$ 963,153,666	\$ 906,631,464	\$ 56,522,203
Oil and Gas Capital Payments	3,051,999,689	3,021,312,176	30,687,514
Reserve for Rainy Day Accounts	-	-	-
Equity Gain Transfers	(770,229,803)	(770,229,803)	-
CMT Transfers (25% of Rainy Day Transfers)	(194,737,483)	(194,737,483)	-
Total Capital	\$ 3,050,186,069	\$ 2,962,976,353	\$ 87,209,717
Total Liabilities and Capital	\$ 3,130,550,606	\$ 3,081,621,889	\$ 48,928,717

Alabama State Waters Gas Production, Sales, & Price

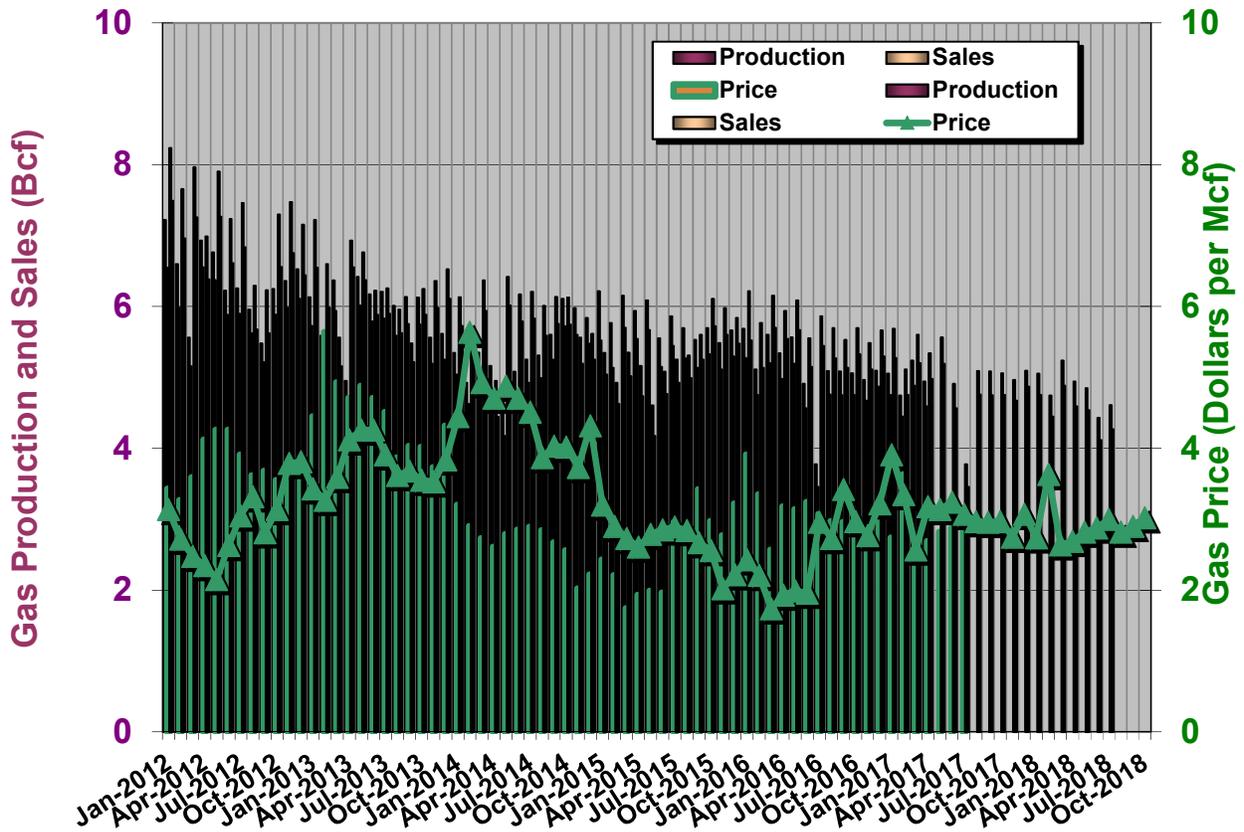


Chart provided by the Alabama Oil and Gas Board

	Current Fiscal Year		Prior Fiscal Year	
	Quarter	Year-to-Date	Quarter	Year-to-Date
Oil & Gas Capital Payments	\$ 11,254,346	\$ 47,694,378	\$ 11,542,782	\$ 47,705,398
Less: Transfer to Lands Division	(112,543)	(476,944)	(115,428)	(477,054)
Total	\$ 11,141,802	\$ 47,217,434	\$ 11,427,354	\$ 47,228,344

**Alabama Trust Fund
Securities Lending Income
Quarter Ended September 30, 2018**

<u>Bank of New York Mellon:</u>	<u>Quarter Ended 9/30/2018</u>	<u>Fiscal Year 2018</u>
Gross Revenues	\$ 1,285,596	\$ 3,956,063
Broker Rebates	<u>(1,037,591)</u>	<u>(3,141,020)</u>
Net Earnings	248,006	815,043
BNY Mellon Share	<u>(49,583)</u>	<u>(162,944)</u>
Paid To ATF	<u>\$ 198,422</u>	<u>\$ 652,099</u>
% of Net Income Paid To ATF	80%	80%
% of Broker Rebates Returned	81%	79%
<u>Retirement Systems of Alabama:</u>		
Gross Revenues	\$ 39,562	\$ 162,008
Broker Rebates	<u>(19,729)</u>	<u>(84,088)</u>
Net Earnings	19,833	77,920
RSA Share	<u>(5,959)</u>	<u>(22,490)</u>
Paid To ATF	<u>\$ 13,875</u>	<u>\$ 55,430</u>
% of Net Income Paid To ATF	70%	71%
% of Broker Rebates Returned	50%	52%
Total Securities Lending Income Paid to ATF	<u>\$ 212,297</u>	<u>\$ 707,529</u>

Downgrades

Security	PAR Amount	Rating Agency	Credit Rating Date	Maturity Date	From	To
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There were no downgrades this quarter.

**Forever Wild Land Trust Stewardship Account
Investment Report
September 30, 2018**

	<u>Market Value</u>
BNYM Money Market	\$ 174,438
WAMCO Core Plus Fund	23,115,376
SSgA Russell 3000	6,648,878
SSgA Global Equity	3,152,405
Interest Receivable	264
Total Fund	<u>\$ 33,091,361</u>

Notes To The Report:

- 1) Amendment 543 states that The Alabama Trust Fund Board shall establish a separate account within the Alabama Trust Fund to be known as the Forever Wild Land Trust Stewardship Account(Stewardship Account). When the Forever Wild Land Trust acquires property or an interest in property pursuant to this Amendment, the Board of Trustees of the Forever Wild Land Trust shall set aside an amount from the Forever Wild Trust equal to fifteen percent (15%) of the appraised value of the land acquired, or the land affected if less than a fee interest was acquired.
- 2) The Alabama Trust Fund Board shall provide for the investment of the Stewardship Account.
- 3) The Board of Trustees of the Alabama FWLT may expend these funds.

**Fund Performance
September 30, 2018**

	<u>Last Quarter</u>	<u>Benchmark</u>	<u>Plus/Minus</u>
BNYM MM Currnet Yeild APR	1.99%	N/A	N/A
WAMCO Core Plus Fund	0.27%	0.02%	0.25%
SSgA Russell 3000	7.13%	7.12%	0.01%
SSgA Globel Equity	0.78%	0.71%	0.07%

Notes to the report:

- 1) The financial performance data was provided by Investment Managers.
- 2) Current Portfolio inception date February 2018

**Alabama Capital Improvement Trust Fund
Investment Report
September 30, 2018**

	<u>Market Value</u>
Cash and Equivalents:	
Cash/Cash Equivalents	\$ 3,595,318
Investments:	
U S Gov't & Agencies	1,457,975
Mortgage Backed Securities	57,071
Total Fund	\$ 5,110,364

Notes To The Report:

- 1) Short Term investments include Federated Government Obligations and Fidelity Government Money Market Funds. Fixed income investments are invested in the Regions Government Enhanced Cash Fund.
- 2) Funded by 28% of annual Oil and Gas Capital Payments received by the Alabama Trust Fund
- 3) "Funds in the Alabama Capital Improvement Trust Fund shall be invested by the Board of Trustees in such kinds of investments as are authorized for the investment of the Alabama Trust Fund."
- 4) All income deposited into the General Fund monthly.
- 5) Funds may be appropriated for capital improvements as defined by Amendment 666.

Fund Performance

	<u>Fund</u>	<u>Barclays 1-3 Yr Gov't Index</u>	<u>Plus/Minus</u>
Last Quarter	0.28%	0.20%	0.08%
1 Year	0.24%	-0.01%	0.25%
3 Years	0.54%	0.38%	0.16%
Since Inception	0.98%	0.86%	0.12%

Notes to the report:

- 1) The financial performance data was provided by Regions Investment Management.
- 2) Returns are time-weighted total returns, net of fees and returns longer than 1 year are annualized.
- 3) Portfolio inception date September 30, 2009

Alabama Trust Fund Rainy Day Accounts

Education Trust Fund

FY2019

Prior Year Appropriated Amount:	\$ 6,423,919,332
Annual Available Fund Balance:	417,554,757

*Rainy Day account equals 6.5% of the prior year's appropriations.
Amounts supplied by Budget Office and are to be repaid within 6 years.

General Fund

FY2019

Prior Year Appropriated Amount:	\$ 1,966,934,002
Annual Available Fund Balance:	196,693,400

*Rainy Day account equals 10% of the prior year's appropriations.
Amounts supplied by Budget Office and are to be repaid within 10 years.

Transfer of Royalties in accordance with Amendment 666

Calculation of Amount to be Transferred:

Gross Oil and Gas Royalties	\$	47,694,377.73
Less: 1% Paid to Conservation		(476,943.78)
FY11 Net Oil/Gas Royalties	\$	47,217,433.95
Total Amount Distributed (35%) in October 2018	\$	16,526,101.88

County & Municipal Government Capital Improvement Trust Fund (7%)	\$	3,305,220.38
Alabama Government Capital Improvement Trust Fund (28%)		13,220,881.51
Total Amount Distributed in October 2018	\$	16,526,101.88

Amendment No. 666: Section IV

Beginning on October 1 immediately following the ratification of this amendment, 35% of all Oil and Gas Capital Payments paid into the Alabama Trust Fund in any fiscal year shall be transferred by the State treasurer to the special trust funds created by this amendment in the following manner: (a) an amount equal to seven percent (7%) of all Oil and Gas Capital Payments received by the Alabama Trust Fund during the preceding fiscal year shall be paid into the County and Municipal Government Capital Improvement Trust Fund; and (b) an amount to twenty-eight percent (28%) of all Oil and Gas Capital Payments received by the Alabama Trust Fund during the preceding fiscal year shall be paid into the Alabama Capital Improvement Trust Fund.

**ALABAMA TRUST FUND
DISTRIBUTION SCHEDULE
FY 2019**

Total Distributions by Fund	
General Fund	\$ 104,228,914.88
County Government Capital Improvement Fund	15,092,267.71
Municipal Government Capital Improvement Fund	15,092,267.71
Forever Wild Land Trust	15,000,000.00
Senior Services Trust Fund	<u>1,509,226.76</u>
Total Distributions	<u>\$ 150,922,677.06</u>

Total Distributions by Quarter	
First Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	377,306.69
General Fund	<u>26,057,228.72</u>
Total	<u>\$ 30,184,535.41</u>

Second Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	377,306.69
General Fund	<u>26,057,228.72</u>
Total	<u>\$ 30,184,535.41</u>

Third Quarter	
County Government Capital Improvement Fund	\$ 15,092,267.71
Municipal Government Capital Improvement Fund	15,092,267.71
Forever Wild (capped @ \$15 million) until FY 2032	3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	377,306.69
General Fund	<u>26,057,228.72</u>
Total	<u>\$ 60,369,070.83</u>

Fourth Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	377,306.69
General Fund	<u>26,057,228.72</u>
Total	<u>\$ 30,184,535.41</u>

Total Distributions	\$ 150,922,677.06
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**ALABAMA TRUST FUND
DISTRIBUTION SCHEDULE
FY 2020**

Total Distributions by Fund	
General Fund	\$ 114,945,747.60
County Government Capital Improvement Fund	16,448,828.81
Municipal Government Capital Improvement Fund	16,448,828.81
Forever Wild Land Trust	15,000,000.00
Senior Services Trust Fund	<u>1,644,882.88</u>
Total Distributions	<u>\$ 164,488,288.10</u>

Total Distributions by Quarter	
First Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	411,220.72
General Fund	<u>28,736,436.90</u>
Total	<u>\$ 32,897,657.62</u>
Second Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	411,220.72
General Fund	<u>28,736,436.90</u>
Total	<u>\$ 32,897,657.62</u>
Third Quarter	
County Government Capital Improvement Fund	\$ 16,448,828.81
Municipal Government Capital Improvement Fund	16,448,828.81
Forever Wild (capped @ \$15 million) until FY 2032	3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	411,220.72
General Fund	<u>28,736,436.90</u>
Total	<u>\$ 65,795,315.24</u>
Fourth Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	411,220.72
General Fund	<u>28,736,436.90</u>
Total	<u>\$ 32,897,657.62</u>
Total Distributions	<u>\$ 164,488,288.10</u>

**ALABAMA TRUST FUND
ANNUAL HISTORICAL REPORT
UNAUDITED**

	FY18	FY17	FY16	FY15	FY14
Royalties					
Gross Royalties	47,694,378	47,705,398	43,391,160	61,366,127	88,054,780
Less: State Lands 1%	(476,944)	(477,054)	(433,912)	(613,661)	(880,548)
Settlement Received	N/A	N/A	N/A	N/A	N/A
Net Royalties Received	<u>47,217,434</u>	<u>47,228,344</u>	<u>42,957,248</u>	<u>60,752,466</u>	<u>87,174,232</u>
Transfers from the Alabama Trust Fund					
General Fund (90% of Income prior to FY13)	96,782,802	98,040,084	103,310,045	100,933,482	103,828,576
Foreverwild (10% of Income prior to FY13)	14,026,493	14,208,708	14,972,470	14,628,041	15,000,000
Income reverted to ATF (Prior to FY13)	N/A	N/A	N/A	N/A	N/A
Cities (10% of Income prior to FY13)	14,026,493	14,208,708	14,972,470	14,628,041	15,041,592
Counties (10% of Income prior to FY13)	14,026,493	14,208,708	14,972,470	14,628,041	15,041,592
Senior Services	1,402,649	1,420,871	1,497,247	1,462,804	1,634,874
Ala. Capital Improvement Trust Fund (28% of prior year royalties)	13,223,936	12,028,030	17,010,690	24,408,785	23,015,682
Ala. Capital Improvement Trust Fund (Armory Bonds Debt Service)	5,927,200	1,397,259	N/A	N/A	N/A
County Municipal Trust Fund (7% of prior year royalties)	3,305,984	3,007,007	4,252,673	6,102,196	5,753,920
General Fund (Amendment 856)	N/A	(238,434,126)	N/A	135,796,943	140,796,943
Capital Gains (Prior to FY13)	N/A	N/A	N/A	N/A	N/A
ETF Rainy Day Account	N/A	N/A	N/A	(92,588,873)	(330,388,971)
General Fund Rainy Day Account	N/A	(161,565,874)	N/A	N/A	N/A
Total Transfers	<u>162,722,051</u>	<u>(241,480,625)</u>	<u>170,988,066</u>	<u>219,999,460</u>	<u>(10,275,792)</u>
Transfers from County and Municipal Trust Fund					
Cities (50% of CMT Fund Income prior to FY13)	11,298,216	11,075,555	11,004,948	10,637,279	10,275,948
Counties (50% of CMT Fund Income prior to FY13)	11,298,216	11,075,555	11,004,948	10,637,279	10,275,948
Total Transfer from CMT Fund	<u>22,596,431</u>	<u>22,151,110</u>	<u>22,009,896</u>	<u>21,274,558</u>	<u>20,551,896</u>
Book Value of Assets excluding Land	<u>2,884,822,830</u>	<u>2,848,494,689</u>	<u>2,482,604,737</u>	<u>2,522,952,228</u>	<u>2,698,796,847</u>
(Includes Non-Invested Assets)					
Market Value of Investments	<u>3,244,384,950</u>	<u>3,146,387,231</u>	<u>2,543,619,915</u>	<u>2,430,232,273</u>	<u>2,591,490,100</u>
(MV of Invested Assets provided by Callan)					
Investment Manager Returns for FY	6.99%	11.55%	10.61%	-0.09%	8.48%

**CMT FUND
DISTRIBUTION SCHEDULE
FY 2019**

Total Amount of Distribution	<u>\$ 23,245,397.20</u>
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April 2019 Distribution

County Government Capital Improvement Fund	\$ 11,622,698.60
Municipal Government Capital Improvement Fund	<u>11,622,698.60</u>

Total Distributions	<u><u>\$ 23,245,397.20</u></u>
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Distributions made accordance with Amendment 856 from
County and Municipal Government Capital Improvement Trust Fund (CMT)