



ALASKA'S DEVELOPMENT FINANCE AUTHORITY

INVESTING 101
ANVCA Annual Conference
May 31, 2017

What is Investing?



- “Investing is the process of laying out money now to receive more money in the future.” – Warren Buffett
- Investing: The act of committing money or capital to an endeavor with the expectation of obtaining an additional income or profit.
- Put your money to work
- Grow your money over time
- “Work smarter, not harder.”
- Make priorities for your money.
- Prioritize financial futures over present desires.

Investment Vehicles



- Stocks
- Bonds
- Mutual funds
- Exchange Traded Funds
- Real estate
- Acquisitions of existing businesses
- Start-up of new businesses

Goals, Risk, and Knowledge



Every investor has different reasons for investing, different goals, different risk profiles, and varying degrees of knowledge.

Goals

- Job creation with moderate return?
- Risky investment with potential for large payout?
- Low risk investment with steady dividend?

Risk tolerance

- How much can you risk to lose?
- How much of a drop in value for your investments can you stomach?

Knowledge and comfort

- Understand what you don't know.
- Never be talked into investing in something you don't understand or are uncomfortable with.

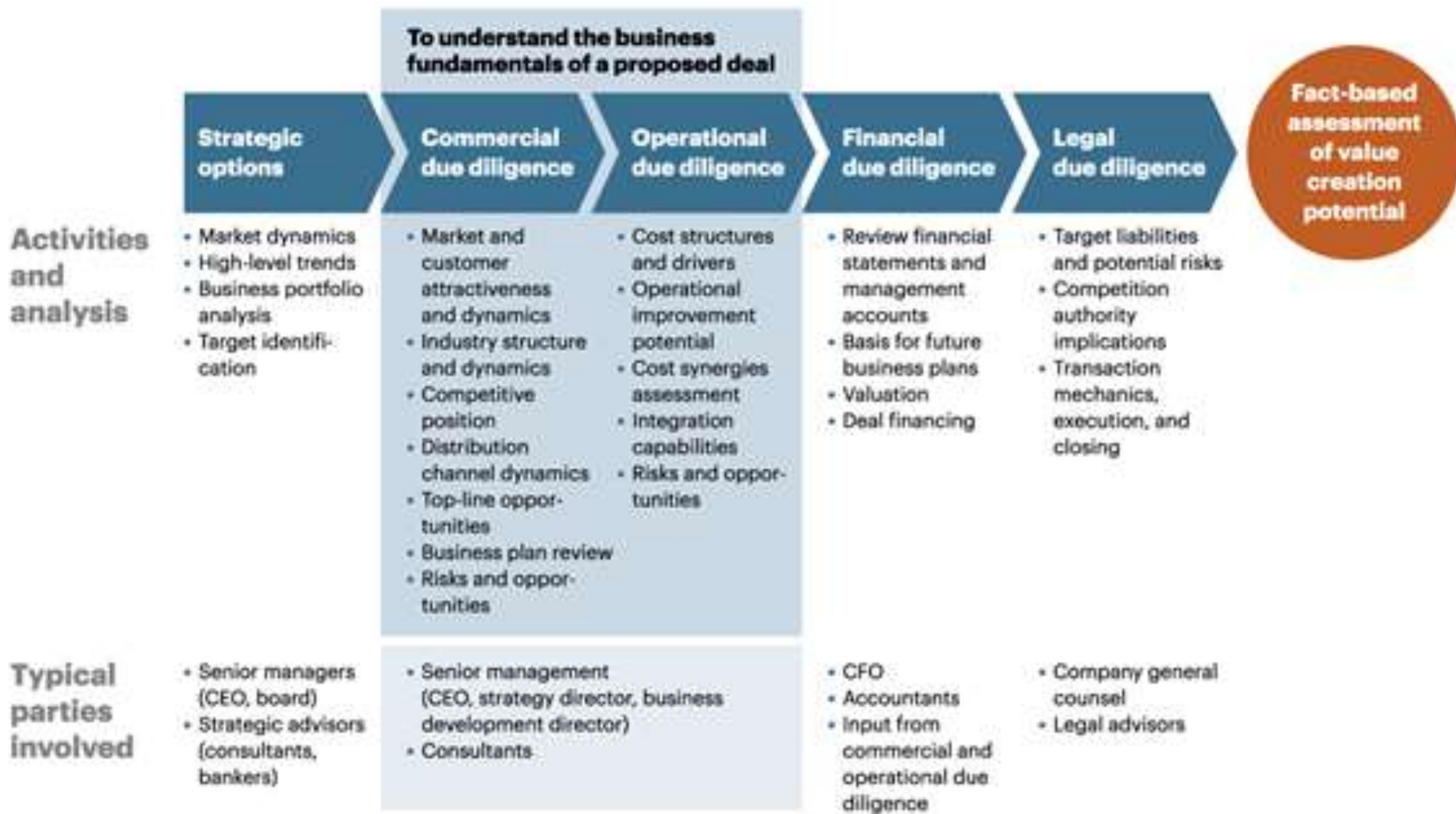
Market Due Diligence



“The essence of strategy is choosing what not to do”

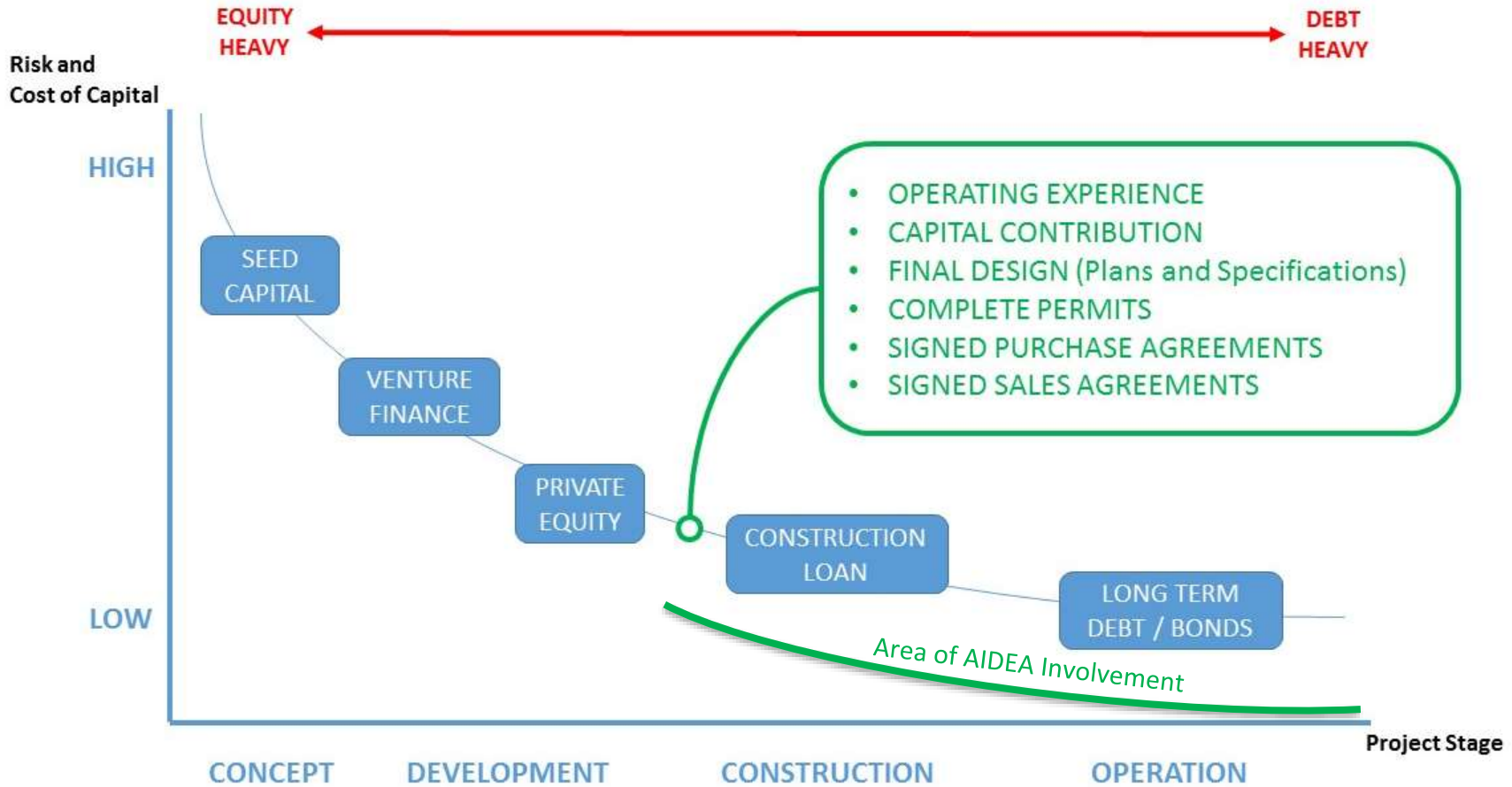
- Michael Porter

Transaction due diligence overview



Source: A.T. Kearney analysis

AIDEA - Best Fit Projects



AIDEA Six Factor Model



- 1. Operating Experience:** The developer has a demonstrated background and history in successfully building and operating the type of project for which they are seeking financing from AIDEA.
- 2. Capital Contribution:** The developer will invest funds in tandem with AIDEA for the project moving forward.
- 3. Plans and Designs:** The developer has complete plans, designs, and specifications for the project they wish to develop.
- 4. Permits:** The developer has the necessary permits for the project.
- 5. Purchase Contracts:** The developer has access to key materials and equipment.
- 6. Sales Contracts:** The developer has revenues under contract from credible entities.

To advance economic growth and diversification in Alaska by providing various means of financing and investment

AIDEA fulfills its mission by providing access to affordable, long-term asset financing for Alaska businesses and projects

AIDEA Overview



- Development Finance Authority created as a public corporation of the State of Alaska in 1967
- Semi-independent entity, overseen by a seven member Board
- AIDEA is self funded and receives no General Fund assistance
- Provides an annual dividend back to the State of Alaska
 - Total since 1997 - \$392 million (declared)
- Revolving Fund \approx \$1.3 billion in assets.
- Standard & Poor's AA+ credit rating for Revolving Fund



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#AIDEA



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