



OFFICE OF THE  
**ARIZONA STATE TREASURER**

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**ARIZONA'S PERMANENT LAND ENDOWMENT TRUST FUND  
TOPS \$4 BILLION FOR THE FIRST TIME IN STATE HISTORY**

**PHOENIX** – February's closing market value for the Permanent Land Endowment Trust Fund was \$4,010,564,397.13, marking the first time in state history the fund has ended a month above the \$4 BILLION mark. It took 88.5 years for the endowment to reach its first \$1 billion in August 2000, a little more than 6.5 years to get to \$2 billion in March 2006, and then a little more than 4.5 years to reach the \$3 billion mark in November 2010. It only took 2.25 years to cross the \$4 billion threshold. The unrealized gains for the fund are also at an all-time high of approximately \$1.238 billion.

If Arizona's endowment were a college endowment it would be the twenty-first largest in the country. The estimated market value of the remaining 9 million acres of unsold state trust land exceeds \$70 billion – twice the size of Harvard's endowment.

“Our Endowment is something all Arizonans can be proud of,” said State Treasurer Doug Ducey. “Unlike many other states we've managed to protect those dollars for the beneficiaries, mainly K-12 education.”

Through an Act of Congress in 1863 that established the Territory of Arizona and the State Enabling Act of 1910, the federal government granted more than 10 million acres of land to Arizona public institutions. Every time the state sells a piece of state land, those proceeds are deposited into the State Treasurer's Office to be managed into perpetuity. Today state trust land makes up approximately 12 percent of all land in Arizona.

The endowment's asset allocation is 60 percent stocks all passively indexed to the S&P 400, S&P 500 and S&P 600, with the remaining 40 percent invested in fixed income products including high grade corporate bonds and United States Treasury securities.

Earning money for Arizona's public schools is the primary mission of the trust's management. In 2012 the State Treasurer's Office and the Board of Investment completed the first-ever asset allocation study for the fund. The analysis uncovered a critically flawed formula used to distribute earnings to the fund's 13 beneficiaries, with K-12 education receiving more than 90 percent of all proceeds. Prop 118 introduced a simplified formula to ensure more consistent and reliable distributions of earnings. With its passage in November 2012 Arizona voters provided K-12 education an additional \$8.9 million distribution from the endowment in FY 2013 for a total of \$62.4 million. The FY 2014 K-12 distribution will be \$67.7 million, an 8.6% increase over the previous year with the passage of Prop 118.

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