

**POLICIES AND PROCEDURES APPLICABLE
TO THE TREASURY DIVISION,
DEPARTMENT OF REVENUE,
STATE OF ALASKA**



APPENDIX FH

Investment Management Agreement

Agreement to provide Investment Management Services to the Alaska Student Loan Corporation

Funds: The Treasury division, Alaska Department of Revenue (Treasury) will provide investment management services for three accounts of the Alaska Student Loan Corporation (Corporation). The three accounts are known as the Surplus Account, the Borrower Benefit Account and the Origination Fee Account.

Investment Services: The Treasury will invest funds in the Surplus Account and the Borrower Benefit Account in investments that comply with the AMBAC Assurance Corporation *Permitted Investment Guidelines: Permitted Investments*, October, 2002 (copy attached) and as amended from time to time. From time to time the Corporation may deposit additional funds, or withdraw funds from the accounts. When making deposits or withdrawing funds, the Corporation will make a best effort to provide four (4) business days notice to the Treasury of the action.

Treasury will invest funds in the Origination Fee Account consistent with **Section I Article V: General Requirements for Permitted Investments**, and **Section I Article VI: Investment Manager, Investment Policy and Procedures**, Alaska Student Loan Corporation, currently in effect and as amended from time to time.

Custodial Services: U.S. Bank will be the custodian for all three funds. Custodial fees are the responsibility of the Alaska Student Loan Corporation.

Accounting Reports: Statements of securities held, will be provided by the custodian.

Performance Standards: Performance for the Surplus Account, and the Borrower Benefit Account will be evaluated quarterly and compared to the performance of the Merrill Lynch 1-5 year Government Bond Index. Performance for the Origination Fee Account will be evaluated and compared to the performance of the Lehman Aggregated Bond Index minus BBB rated securities.

Performance Reporting: Each quarter beginning with the quarter ending March 31, 2004, Treasury will provide the Corporation with the following reports: performance using AIMR standards with comparisons to the performance standards benchmarks including quarterly and yearly returns; duration; portfolio quality; and diversification.

Upon request of the Corporation, the Chief Investment Officer or his/her designee will attend Corporation Board meetings for the purpose of reporting on investment returns and describing account activity.

Investment Fees: The annual fee for investment management services is 6 basis points.

Custodian Fees: Custodial fees will be the responsibility of the Student Loan Corporation.

Soft Dollars: The Treasury will not engage in soft dollar agreements.

Brokerage and transfer fees: Brokerage and other fees associated with the transfer of securities will be paid out of sale prices or included in the price of securities purchased.

Notice of Termination: Either party may cancel this agreement after 30 days written notice.

Period of Performance: The Treasury will begin management of the funds January 7, 2004. The period of performance for this contract begins January 7, 2004 and ends January 7, 2006.



Diane Barrans
Executive Officer
Alaska Student Loan Corporation



Tom Boutin
Deputy Commissioner
Alaska Department of Revenue

**Addendum to
Agreement to provide Investment Management Services
to the Alaska Student Loan Corporation**

This ADDENDUM, is made and entered into between the Treasury Division, Alaska Department of Revenue (Treasury) who will provide investment management services to the Alaska Student Loan Corporation (Corporation).

Treasury will invest funds in the *Capital Project Revenue Bond 2004 Series A Account* (CPR Account) consistent with Section 8 of the *ASLC/Capital Project Revenue Bonds, 2004 Series A Custodian/Depository/Servicing Agreement* between the Alaska Student Loan Corporation, Department of Revenue, and the U.S. Bank Trust National Association (the Trustee). When making deposits or withdrawing funds, the Corporation will make a best effort to provide four (4) business days notice to the Treasury of the action.

Custodial Services: U.S. Bank will be the custodian for the fund. Custodial fees are the responsibility of the Corporation.

Accounting Reports: Statements of securities held, will be provided by the custodian.

Performance Standards: Performance for the CPR Account will be evaluated quarterly and compared to the performance of the 91-day Treasury Bill.

Performance Reporting: Each quarter beginning with the quarter ending April 30, 2004, Treasury will provide the Corporation with the following reports: performance calculating performance using AIMR standards with comparisons to the performance standards benchmarks including quarterly and yearly returns; duration; portfolio quality; and diversification.

Investment Fees: The annual fee for investment management services is 6 basis points.

Effective Date: The Treasury will begin management of this fund March 11, 2004.

Soft Dollars: The Treasury will not engage in soft dollar agreements.

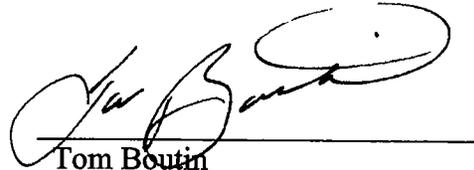
Brokerage and transfer fees: Brokerage and other fees associated with the transfer of securities will be paid out of sale prices or included in the price of securities purchased.

Notice of Termination: Either party may cancel this agreement after 30 days written notice.

Period of Performance: The period of performance for this contract begins March 11, 2004 and ends January 7, 2006.



Diane Barrans
Executive Officer
Alaska Student Loan Corporation



Tom Boutin
Deputy Commissioner
Alaska Department of Revenue