

**State of Alaska
Department of Revenue**

State Investment Review Meeting

**December 16, 2020 – 10:00 a.m.
TELECONFERENCED MEETING ONLY**

Call-In: 1-907-202-7104

Code: 998 830 711

10:00am

- I. Introduction**
Lucinda Mahoney, Commissioner of Revenue

- II. Role of the State Investment Advisory Council**
Lucinda Mahoney, Commissioner of Revenue

- III. State Investments**
Zachary Hanna, Chief Investment Officer
 - A. Overview State Funds and Asset Allocation**

 - B. September 30, 2020 Performance**

 - C. Non-Routine Investments**

- IV. State IAC Comments**
Investment Advisory Council Members

- V. Future Agenda Items & Calendar Review**
Zachary Hanna, Chief Investment Officer
Alysia Jones, Board Liaison

- VI. Other Matters for Discussion**

- VII. Adjournment**



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

State Investment Review Meeting

Overview of State Funds and Asset Allocation

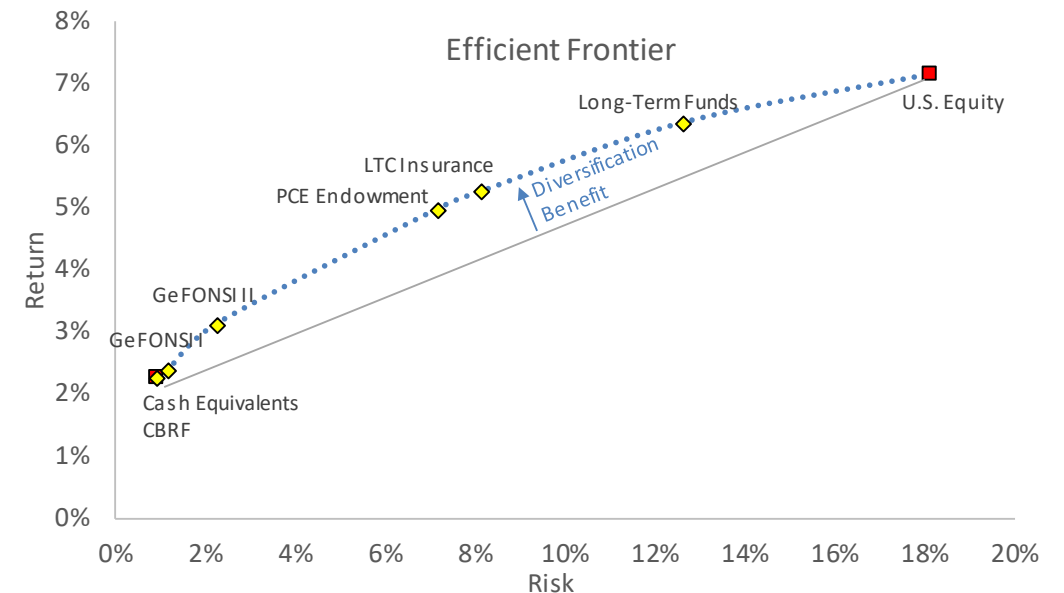
December 2020

Zachary Hanna, CFA
Chief Investment Officer
State of Alaska, Department of Revenue

SOA Investment Policy Process

- The Commissioner of Revenue is the fiduciary for \$6.9 billion in State assets across 100+ accounts pooled into 25 funds with similar assets or mandates.
- Setting investment policies and asset allocations are key fiduciary duties for these funds.
- Staff reviews and makes recommendations on the investment policy and asset allocation of each fund at least annually.
- Each investment program is designed to balance fund investment objectives, risk tolerance, and other attributes:
 - Time horizon
 - Nominal or real return objectives
 - Cashflows, liquidity, and income needs
 - Capacity for loss or volatility over short, medium, and longer time horizons

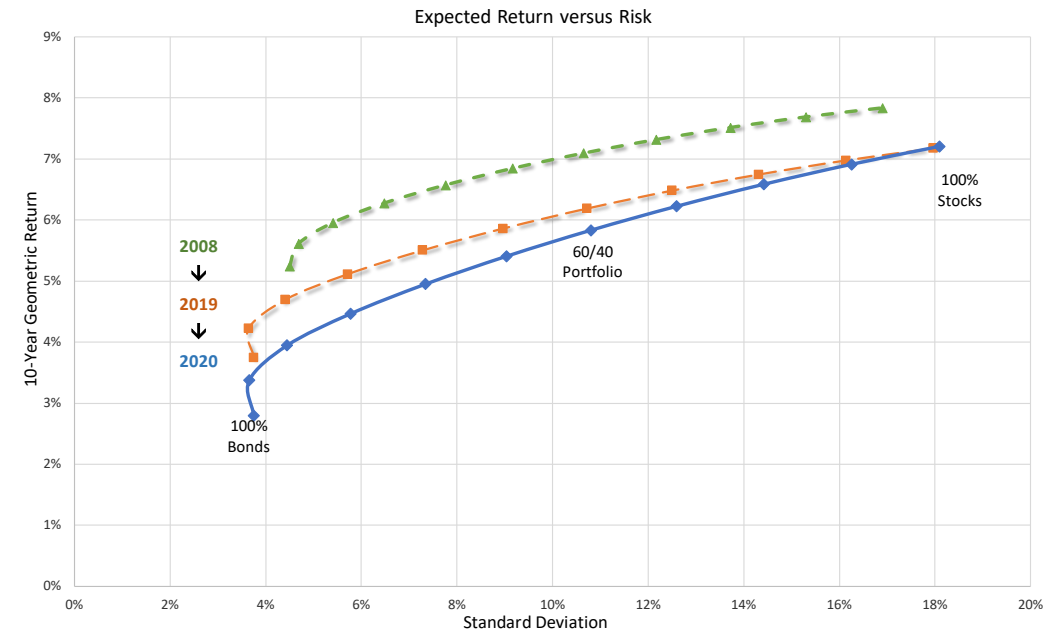
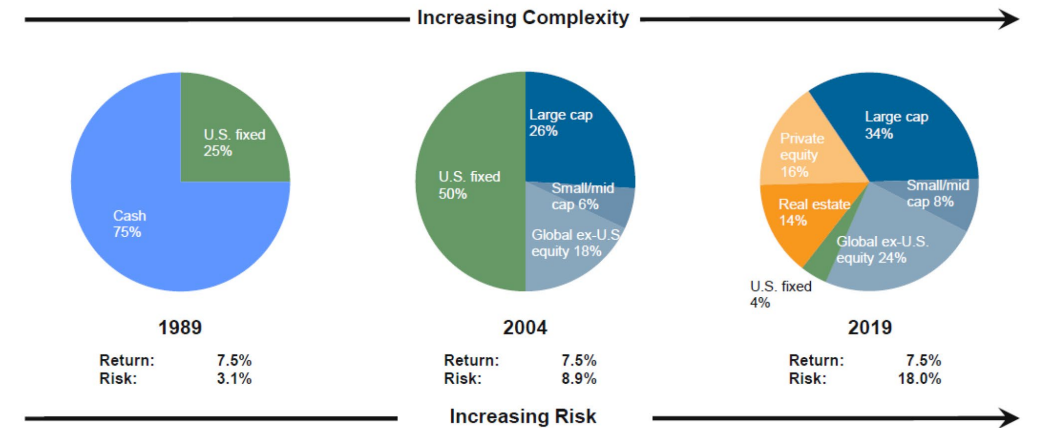
Fund - Account	Assets (9/30/20)	Risk Tolerance	Policy 1yr Risk/Loss
Short-Term Funds	\$231,021,881	Low	<1%
CBRF - AY19	\$1,049,658,016	Low	<1%
GeFONSI - AY01	\$1,520,769,799	Moderate	1-5%
International Airport - AY04	\$165,697,894	Moderate	1-5%
GeFONSI II - AY3F	\$1,147,508,454	Moderate-High	5-10%
PCE Endowment - AY13	\$1,078,232,463	High	>10%
Retiree LTC - AY11	\$658,937,288	High	>10%
Public School Trust Fund - AY08	\$699,543,475	High	>10%
AK Higher Education - AY3L	\$354,183,710	High	>10%
Illinois Creek Mine - AY9J	\$1,225,813	High	>10%
Education Endowment - AY3G	\$498,052	High	>10%



Asset Allocation

- Financial consultant, Callan LLC, develops annual 10-year capital market assumptions for risk, return, and correlations using a building block approach:
 - Large Cap Stocks: 7.0% nominal, 4.75% real, 4.25% premium over bonds
 - Bonds: 2.75% nominal, 0.50% real, 0.50% premium over cash
 - Cash: 2.25% nominal, 0.0% real
 - Inflation: 2.25%
 - Underlying economic growth (real GDP) – 2 to 2.5% per year
- Return expectations have steadily declined over time due largely to lower growth and inflation expectations caused by global trade, technology, and the transition toward a service economy.
- Staff evaluates Callan’s capital market assumptions and current market conditions to develop an asset allocation approach for each State fund.
- The goal is generally to maximize return or minimize risk consistent with investment objectives and risk tolerance using a combination of Modern Portfolio Theory and investment judgment.

7.5% Expected Returns Over Past 30+ Years



2020 Capital Market Assumptions

- Callan developed their latest 10-year capital market assumptions in January.
- Staff selects a subset of these asset classes for use in State funds based on risk, return, diversification, and other attributes.
- For FY21, staff recommends using Broad U.S. Equities, International Equities, Core U.S. Fixed Income, and Cash Equivalents for State funds.
- These asset classes are expected to provide a balance of reasonable diversification without undue complexity and cost.
- The capital market assumptions were developed with market volatility in mind – Callan has decided not to change them due to Covid-19 and still recommends using them for longer time-horizon funds.

Asset Classes	1-Year Arithmetic Return	10-Year Geometric Return	Standard Deviation	Projected Yield	10-Year Sharpe Ratio	Correlation to Domestic Equity
Broad U.S. Equity	8.6%	7.2%	18.1%	2.0%	0.35	1.00
Large Cap U.S. Equity	8.4%	7.0%	17.7%	2.1%	0.34	1.00
Small/Mid Cap U.S. Equity	9.3%	7.3%	21.2%	1.6%	0.33	0.95
Global ex-U.S. Equity	9.1%	7.3%	20.5%	3.1%	0.33	0.81
Developed ex-U.S. Equity	8.7%	7.0%	19.7%	3.3%	0.33	0.78
Emerging Market Equity	10.3%	7.3%	25.7%	2.7%	0.31	0.78
Government 1-3 year	2.5%	2.5%	2.2%	2.7%	0.09	-0.25
Core U.S. Fixed	2.8%	2.8%	3.8%	3.4%	0.15	-0.11
TIPS	2.5%	2.4%	5.1%	3.2%	0.05	-0.05
Emerging Market Sovereign Debt	4.7%	4.4%	9.5%	6.7%	0.26	0.53
High Yield	5.1%	4.7%	10.3%	7.3%	0.28	0.61
Core Real Estate	7.1%	6.3%	14.0%	4.8%	0.34	0.70
REITs	8.6%	6.7%	20.7%	5.0%	0.31	0.75
Private Equity	12.0%	8.5%	27.8%	0.0%	0.35	0.84
Hedge Funds	5.3%	5.0%	8.7%	0.0%	0.34	0.78
Cash Equivalents	2.3%	2.3%	0.9%	2.3%	0.00	-0.03
Inflation	2.3%	2.3%	1.5%			-0.01

Asset Class Returns can be Volatile

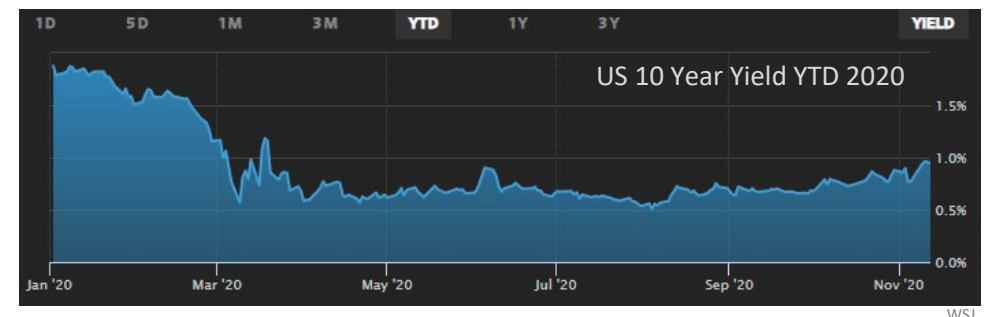
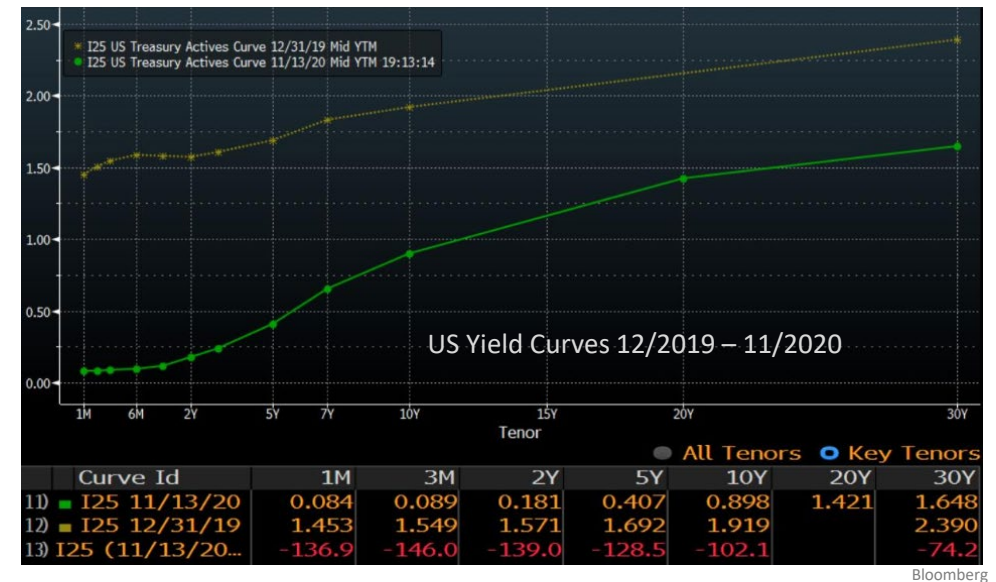
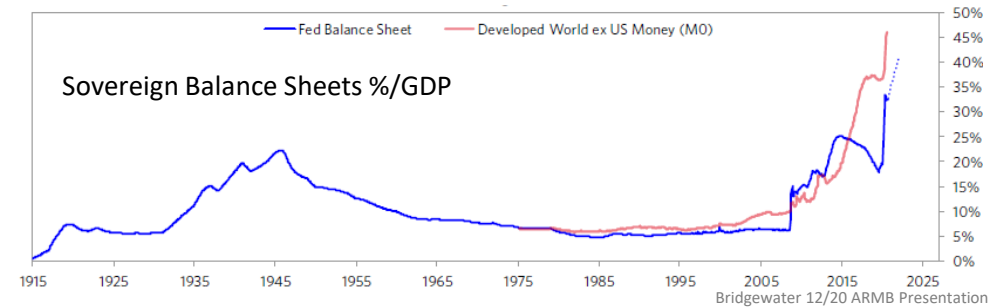
Callan Periodic Table of Investment Returns

Annual Returns			Monthly Returns									
2017	2018	2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	YTD 2020
Emerging Market Equity	U.S. Fixed Income	Large Cap Equity	U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	Small Cap Equity	Small Cap Equity	Emerging Market Equity	Emerging Market Equity	Large Cap Equity	U.S. Fixed Income	U.S. Fixed Income
37.28%	0.01%	31.49%	1.92%	1.80%	-0.59%	13.74%	6.51%	7.35%	8.94%	7.19%	-0.05%	6.79%
Dev ex-U.S. Equity	High Yield	Small Cap Equity	Real Estate	Global ex-U.S. Fixed Income	Global ex-U.S. Fixed Income	Large Cap Equity	Large Cap Equity	Small Cap Equity	Large Cap Equity	Small Cap Equity	Global ex-U.S. Fixed Income	Large Cap Equity
24.21%	-2.08%	25.52%	0.84%	-0.20%	-3.22%	12.82%	4.76%	3.53%	5.64%	5.63%	-0.58%	5.57%
Large Cap Equity	Global ex-U.S. Fixed Income	Dev ex-U.S. Equity	Global ex-U.S. Fixed Income	High Yield	High Yield	Emerging Market Equity	High Yield	Dev ex-U.S. Equity	High Yield	Dev ex-U.S. Equity	High Yield	Global ex-U.S. Fixed Income
21.83%	-2.15%	22.49%	0.76%	-1.41%	-11.46%	9.16%	4.41%	3.42%	4.69%	5.16%	-1.03%	4.77%
Small Cap Equity	Large Cap Equity	Real Estate	High Yield	Emerging Market Equity	Large Cap Equity	Real Estate	Dev ex-U.S. Equity	Real Estate	Global ex-U.S. Fixed Income	Real Estate	Emerging Market Equity	High Yield
14.65%	-4.38%	21.91%	0.03%	-5.27%	-12.35%	7.06%	4.25%	2.57%	4.44%	2.52%	-1.60%	0.62%
Global ex-U.S. Fixed Income	Real Estate	Emerging Market Equity	Large Cap Equity	Large Cap Equity	Dev ex-U.S. Equity	Dev ex-U.S. Equity	Emerging Market Equity	Large Cap Equity	Real Estate	Emerging Market Equity	Dev ex-U.S. Equity	Emerging Market Equity
10.51%	-5.63%	18.44%	-0.04%	-8.23%	-14.12%	6.97%	0.77%	1.99%	2.78%	2.21%	-2.82%	-1.16%
Real Estate	Small Cap Equity	High Yield	Dev ex-U.S. Equity	Real Estate	Emerging Market Equity	High Yield	U.S. Fixed Income	Global ex-U.S. Fixed Income	Small Cap Equity	High Yield	Real Estate	Dev ex-U.S. Equity
10.36%	-11.01%	14.32%	-1.94%	-8.24%	-15.40%	4.51%	0.47%	1.01%	2.77%	0.95%	-3.11%	-7.13%
High Yield	Dev ex-U.S. Equity	U.S. Fixed Income	Small Cap Equity	Small Cap Equity	Small Cap Equity	Global ex-U.S. Fixed Income	Global ex-U.S. Fixed Income	High Yield	Dev ex-U.S. Equity	Global ex-U.S. Fixed Income	Small Cap Equity	Small Cap Equity
7.50%	-14.09%	8.72%	-3.21%	-8.42%	-21.73%	2.04%	0.30%	0.98%	2.66%	0.29%	-3.34%	-8.69%
U.S. Fixed Income	Emerging Market Equity	Global ex-U.S. Fixed Income	Emerging Market Equity	Dev ex-U.S. Equity	Real Estate	U.S. Fixed Income	Real Estate	U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	Large Cap Equity	Real Estate
3.54%	-14.57%	5.09%	-4.66%	-8.88%	-22.76%	1.78%	0.23%	0.63%	1.49%	-0.81%	-3.80%	-19.69%

Sources: ● Bloomberg Barclays Aggregate ● Bloomberg Barclays Corp High Yield ● Bloomberg Barclays Global Aggregate ex US
 ● FTSE EPRA Nareit Developed ● MSCI World ex USA ● MSCI Emerging Markets ● Russell 2000 ● S&P 500

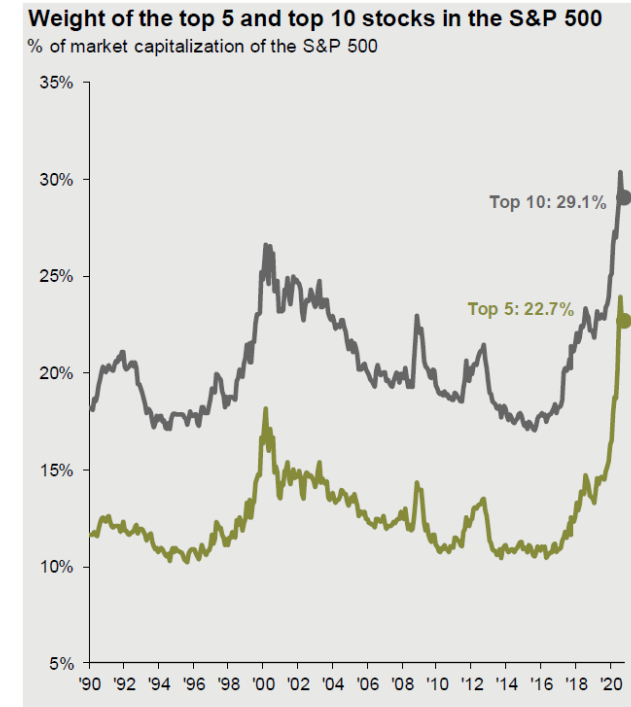
Pandemic, Stimulus, and Interest Rates

- Rapid and far-reaching fiscal and monetary stimulus has stabilized capital markets and led to all-time low interest rates. All shorter tenors on the yield curve have dropped over 100 basis points.
- The Fed has committed to low rates for the foreseeable future and is willing to allow inflation to move “moderately above” its 2% target “for some time” before raising rates.
- Current bond yields will reduce bond return expectations over the intermediate term and higher debt levels may have a dampening impact on future economic growth.



Equity Markets and Risk Assets

- Overall, broad market equities have returned to pre-pandemic levels.
- Many other liquid risk assets have recovered as well, particularly those supported by the Fed's asset purchase programs.
- The equity recovery has been concentrated, with less impacted sectors like technology, consumer staples, and healthcare benefiting most.
- There is more widespread economic damage elsewhere in the economy, partially in smaller and more value-oriented companies.



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

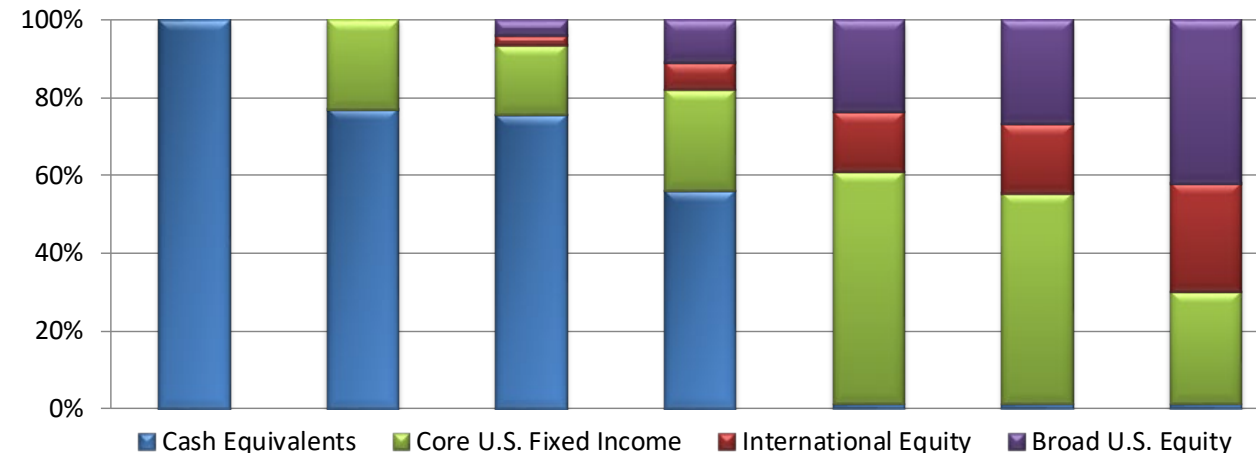


Source: WSJ

State Asset Allocation Approach for FY2021

- Evaluate the current attributes of each fund to identify the best balance of risk and return.
- Use Callan’s capital market assumptions and Modern Portfolio Theory to arrive at asset allocations.
- Set short-term return expectations using current yields (YTW) for cash and fixed income.
- Emphasize diversification in a particularly uncertain market.
- The statistical risk of a 1-year loss is a wide range this year due to low rates – bracketed by the loss estimates using the CMA’s and yields (YTW). Both staff and Callan expect the yield-based risk of loss to be overstated due to Fed support for low, but positive rates.

Asset Classes	Lowest Risk CBRF	Moderate GeFONSI I	GeFONSI II	All SOA	PCE Endowment	LTC Insurance	High Risk Tolerance
Broad U.S. Equity		0%	4%	11%	24%	27%	42%
International Equity		0%	3%	7%	16%	18%	28%
Core U.S. Fixed Income		23%	18%	26%	60%	55%	29%
Cash Equivalents	100%	77%	76%	56%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%
Long Term Expected Return	2.25%	2.38%	2.78%	3.57%	5.00%	5.25%	6.37%
Risk (Std. Dev.)	0.90%	1.16%	1.47%	3.33%	7.20%	8.08%	12.60%
Sharpe Ratio	0.00	0.11	0.36	0.40	0.38	0.37	0.33
Short-Term Expected Return (YTW)	0.15%	0.44%	0.94%	2.02%	4.27%	4.66%	6.54%
Long Term Real Return (CMA)	0.00%	0.13%	0.53%	1.32%	2.75%	3.00%	4.12%
Income/Yield (CMA)	2.25%	2.51%	2.47%	2.58%	3.01%	2.96%	2.71%
Capital Gain (CMA)	0.00%	-0.14%	0.31%	0.98%	1.99%	2.29%	3.66%
Probability of Loss - 10 Year (CMA)	0.0%	0.0%	0.0%	0.0%	1.4%	2.0%	5.5%
Probability of Loss - 1 Year (CMA)	0.6%	2.0%	3.0%	14.2%	24.4%	25.8%	30.7%
Probability of Loss - 1 Year (YTW)	43.4%	35.4%	26.2%	27.2%	28.3%	29.0%	31.9%



Investment Policy Summary

Risk and Time Horizon

Low risk tolerance	Unwilling to risk material short-term volatility because of the immediate need for the invested funds. Minimizing exposure of principal to loss is very important.
Moderate risk tolerance	Willing to assume an average amount of market risk and volatility to achieve higher returns.
Moderately high risk tolerance	Willing to assume an above average amount of risk, volatility and loss of principal to take advantage of higher return opportunities.

Risk categories

Risk categories	Probability of a loss over next one year period
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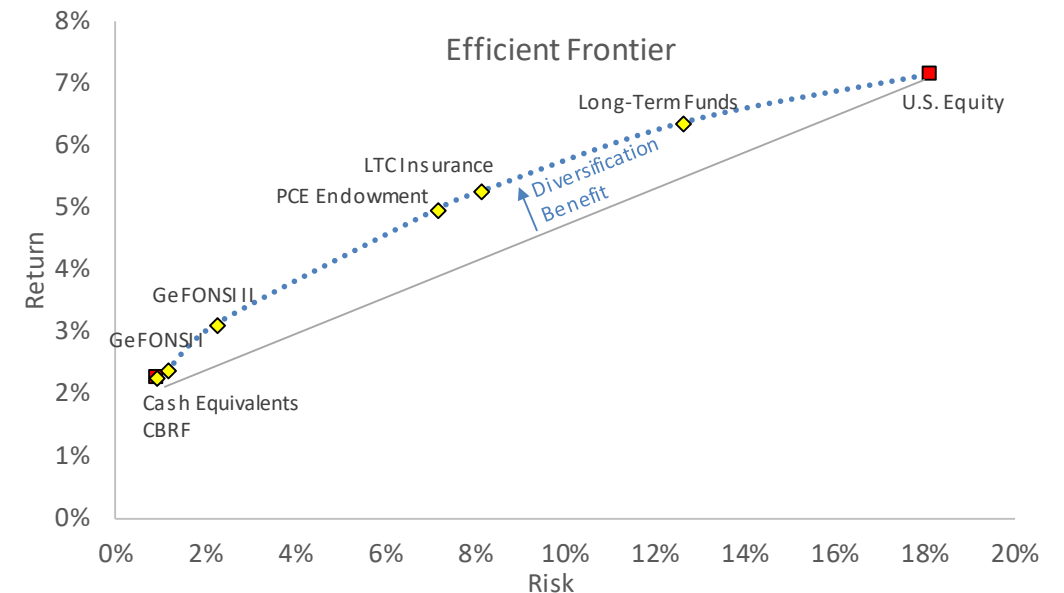
Low risk	< 1%
Moderate risk	1 - 5%
Moderately high risk	5 - 10%
High risk	>10%

Time horizon specification

Time horizon specification	Estimated time period before State will need funds
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Very short time horizon	less than 6 months
Short time horizon	6 months to 1 year
Intermediate time horizon	1 to 4 years
Moderately long time horizon	4 to 8 years
Long time horizon	over 8 years

Fund - Account	Assets (9/30/20)	Risk Tolerance	Policy 1yr Risk/Loss
Short-Term Funds	\$231,021,881	Low	<1%
CBRF - AY19	\$1,049,658,016	Low	<1%
GeFONSI - AY01	\$1,520,769,799	Moderate	1-5%
International Airport - AY04	\$165,697,894	Moderate	1-5%
GeFONSI II - AY3F	\$1,147,508,454	Moderate-High	5-10%
PCE Endowment - AY13	\$1,078,232,463	High	>10%
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AK Higher Education - AY3L	\$354,183,710	High	>10%
Illinois Creek Mine - AY9J	\$1,225,813	High	>10%
Education Endowment - AY3G	\$498,052	High	>10%



Short Term Funds - \$231 Million

FY2021 Short-Term Funds Investment Policy

The Department manages several funds that have high liquidity requirements necessitating investment entirely in short-term fixed income. The following funds are covered by this policy:

AY03 - Retiree Health Insurance Fund	AY3B - International Airports 2010-B
AY05 - International Airport Repair and Replacement Fund	AY3V - 2010-C GO Bonds
AY28 - Investment Loss Trust Fund	AY3Y - 2013-C GO Bonds
AY2E - 2002 Series Reserve Account	AY3Z - 2013-B GO Bonds
AY2G - Permanent Fund Dividend Holding Account	AY9X - 2006B Non-AMT Construction Fund
AY2Q - 2008 Transportation Project GO Bonds	AY9Y - 2006 Series Variable Rate
AY2U - 2003 Series Reserve Account	AY3Q - FY 2017 2016B - 2012 Transportation Bond Act
AY3A - International Airports 2010-A	

Investment Topic	Proposed Policy	Current Policy
Investment Objective	Very low exposure to principal loss. Modest current income requirement. Little inflation protection needed. High liquidity requirement.	No Change
Risk Tolerance	Low	No Change
Policy Risk/Loss Range	<1%	No Change
Time Horizon	Short	No Change
Asset Allocation	Cash Equivalents 100%	100%
Short-Term Expected Return	0.17%	1.93%
Long-Term Expected Return	2.25%	2.50%
Expected Risk (Std. Dev.)	0.90%	0.90%
Probability of Loss - 10 Year (CMA)	0.0%	
Probability of Loss - 1 Year (CMA)	0.6%	2.0%
Probability of Loss - 1 Year (YTW)	42.5%	1.6%

CBRF – \$1.0 Billion

AY19: FY2021 CBRF Investment Policy

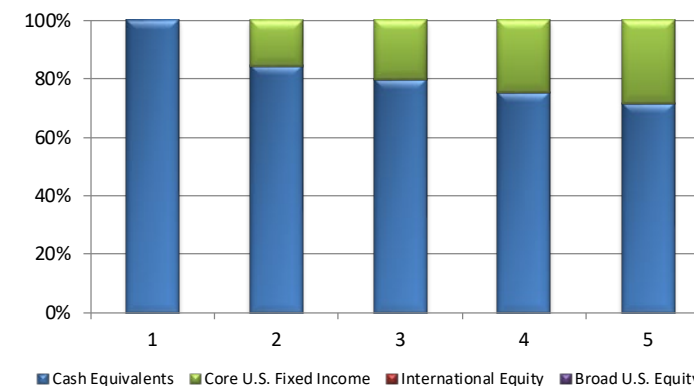
The investment policies for the Constitutional Budget Reserve Fund (CBRF) have changed over the years as the balance and the expected uses of the CBRF have changed. Declining production of Alaska North Slope crude oil and the inconsistency of future prices are still a concern. The CBRF is the state’s “savings account” and as such is responsible for covering fluctuations in the general fund.

Financial planning by the administration and the legislature is highly dependent upon the CBRF balance maintaining stability and high liquidity. Given the short-term expected requirement for these funds, a cash equivalent investment program is warranted.

Investment Topic	Proposed Policy	Current Policy
Investment Objective	Very low exposure to principal loss. Little inflation protection needed. High liquidity requirement.	Proposed Change
Risk Tolerance	Low	Moderate
Policy Risk/Loss Range	<1%	1-5%
Time Horizon	Short	Intermediate
Asset Allocation	Broad U.S. Equity International Equity Core U.S. Fixed Income Cash Equivalents	21% ±10% 79% ±10%
Short-Term Expected Return	0.17%	0.42%
Long-Term Expected Return	2.25%	2.37%
Expected Risk (Std. Dev.)	0.90%	1.11%
Probability of Loss - 10 Year (CMA)	0.0%	0.0%
Probability of Loss - 1 Year (CMA)	0.6%	1.7%
Probability of Loss - 1 Year (YTW)	42.5%	35.4%

AY19: FY2021 CBRF

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year
	1	2	3	4	5	
Broad U.S. Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
International Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Core U.S. Fixed Income	0.0%	15.4%	20.4%	24.7%	28.4%	21.0%
Cash Equivalents	100.0%	84.6%	79.6%	75.3%	71.6%	79.0%
Total	100%	100%	100%	100%	100%	100%
Long-Term Expected Return	2.25%	2.33%	2.36%	2.39%	2.41%	2.37%
Risk (Std. Dev.)	0.90%	1.00%	1.10%	1.20%	1.30%	1.11%
Sharpe Ratio	0.00	0.08	0.10	0.11	0.12	0.10
Short-Term Expected Return (YTW)	0.17%	0.35%	0.41%	0.46%	0.50%	0.42%
Long-Term Real Return (CMA)	0.00%	0.08%	0.11%	0.14%	0.16%	0.12%
Income/Yield (CMA)	2.25%	2.43%	2.49%	2.53%	2.58%	2.49%
Capital Gain (CMA)	0.00%	-0.09%	-0.12%	-0.15%	-0.17%	-0.13%
Probability of Loss - 10 Year (CMA)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Probability of Loss - 1 Year (CMA)	0.6%	1.0%	1.6%	2.3%	3.2%	1.7%
Probability of Loss - 1 Year (YTW)	42.5%	36.3%	35.5%	35.1%	34.9%	35.4%



GeFONSI - \$1.5 Billion

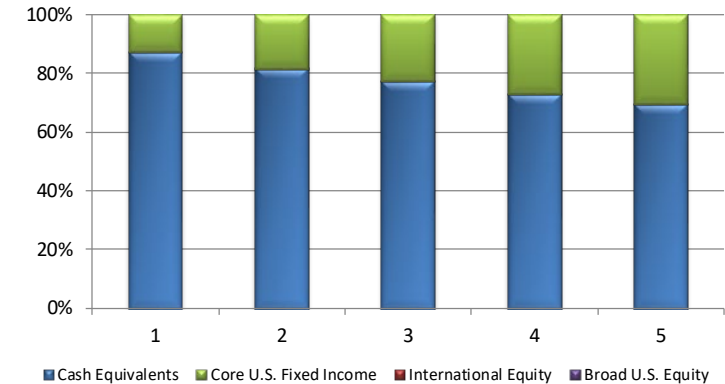
AY01: FY2021 GeFONSI Investment Policy

The General Fund constitutes the largest element of the General Fund and Other Non-Segregated Investments (GeFONSI) fund. Much of the money in the fund has been appropriated and a material loss could affect the state's ability to fulfill its obligations. Treasury expects much of the money in the pool to be spent in less than one year. Accordingly, the allocation should allow minimal exposure to principal loss. Equities are not recommended for the GeFONSI. The inclusion of Broad Fixed Income with a 10% upper band allows for tactical investment in other fixed income options not otherwise available.

Investment Topic	Proposed Policy	Current Policy															
Investment Objective	Minimal exposure to principal loss. Maximize current income within moderate risk tolerance. Minimal inflation protection needed. High liquidity requirement.	No Change															
Risk Tolerance	Moderate	No Change															
Policy Risk/Loss Range	1 - 5%	No Change															
Time Horizon	Short to Intermediate	No Change															
Asset Allocation	<table border="0"> <tr> <td>1-3 Year Government</td> <td></td> <td></td> <td>17%</td> <td>±10%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>23%</td> <td>±10%</td> <td></td> <td></td> </tr> <tr> <td>Cash Equivalents</td> <td>77%</td> <td>±10%</td> <td>83%</td> <td>±10%</td> </tr> </table>	1-3 Year Government			17%	±10%	Core U.S. Fixed Income	23%	±10%			Cash Equivalents	77%	±10%	83%	±10%	
1-3 Year Government			17%	±10%													
Core U.S. Fixed Income	23%	±10%															
Cash Equivalents	77%	±10%	83%	±10%													
Short-Term Expected Return	0.44%	1.91%															
Long-Term Expected Return	2.38%	2.65%															
Expected Risk (Std. Dev.)	1.16%	0.93%															
Probability of Loss - 10 Year (CMA)	0.0%	0.0%															
Probability of Loss - 1 Year (CMA)	2.0%	0.2%															
Probability of Loss - 1 Year (YTW)	35.2%	2.0%															

AY01: FY2021 GeFONSI

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year
	1	2	3	4	5	
Broad U.S. Equity	0.0%	0.0%	0.0%	0.0%	0.0%	
International Equity	0.0%	0.0%	0.0%	0.0%	0.0%	
1-3 Year Government	0.0%	0.0%	0.0%	0.0%	0.0%	17.0%
Core U.S. Fixed Income	12.8%	18.6%	23.0%	27.0%	30.6%	
Cash Equivalents	87.2%	81.4%	77.0%	73.0%	69.4%	83.0%
Total	100%	100%	100%	100%	100%	100%
Arithmetic Return	2.32%	2.35%	2.38%	2.40%	2.42%	2.65%
Long-Term Expected Return	2.32%	2.35%	2.38%	2.40%	2.42%	2.65%
Risk (Std. Dev.)	0.96%	1.06%	1.16%	1.26%	1.36%	0.93%
Sharpe Ratio	0.07	0.10	0.11	0.12	0.12	0.16
Short-Term Expected Return (YTW)	0.32%	0.39%	0.44%	0.49%	0.53%	1.91%
Long-Term Real Return (CMA)	0.07%	0.10%	0.13%	0.15%	0.17%	0.15%
Income/Yield (CMA)	2.40%	2.46%	2.51%	2.56%	2.60%	2.63%
Capital Gain (CMA)	-0.08%	-0.11%	-0.14%	-0.16%	-0.18%	0.02%
Probability of Loss - 10 Year (CMA)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Probability of Loss - 1 Year (CMA)	0.8%	1.3%	2.0%	2.8%	3.8%	0.2%
Probability of Loss - 1 Year (YTW)	37.0%	35.7%	35.2%	35.0%	34.9%	2.0%



International Airport Revenue Fund - \$166 Million

AY04: FY2021 International Airport Revenue Fund Investment Policy

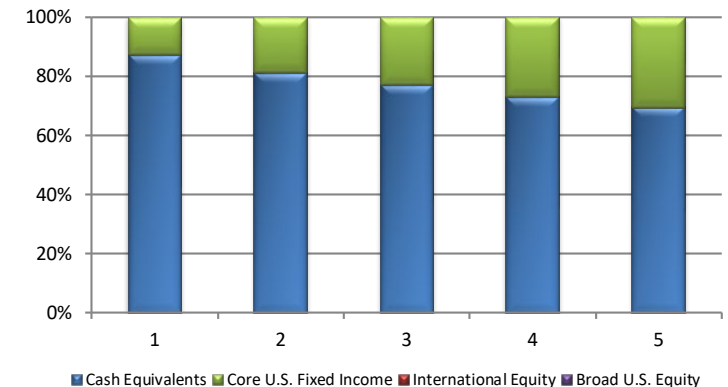
The Revenue Fund maintains a significant balance and the investment earnings on that balance are a revenue source for the airport system. Airport management and airline representatives want to keep fees as stable and low as practical. Relatively stable investment earnings assist the airport system and the airlines in meeting that goal.

Beginning October 2000, the Revenue Fund contained receipts from passenger facility charges collected at the Anchorage and Fairbanks International Airports. All the airport systems' revenue and expenses flow through the Revenue Fund. This includes normal operating transactions and most repair and maintenance projects. This subjects the Revenue Fund to the possibility of relatively significant cash inflows and outflows.

Investment Topic	Proposed Policy	Current Policy
Investment Objective	Minimal exposure to principal loss. Maximize current income within moderate risk tolerance. Minimal inflation protection needed. High liquidity requirement.	No Change
Risk Tolerance	Moderate	No Change
Policy Risk/Loss Range	1 - 5%	No Change
Time Horizon	Short to Intermediate	No Change
Asset Allocation	Broad U.S. Equity International Equity Core U.S. Fixed Income 23% ±10% Cash Equivalents 77% ±10%	2% - 2%/+5% 2% - 2%/+5% 21% ±10% 75% ±10%
Short-Term Expected Return	0.44%	2.32%
Long-Term Expected Return	2.38%	3.01%
Expected Risk (Std. Dev.)	1.16%	1.23%
Probability of Loss - 10 Year (CMA)	0.0%	0.0%
Probability of Loss - 1 Year (CMA)	2.0%	0.7%
Probability of Loss - 1 Year (YTW)	35.2%	3.0%

AY04: FY2021 International Airport Revenue Fund

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year
	1	2	3	4	5	
Broad U.S. Equity	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%
International Equity	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%
Core U.S. Fixed Income	12.8%	18.6%	23.0%	27.0%	30.6%	21.0%
Cash Equivalents	87.2%	81.4%	77.0%	73.0%	69.4%	75.0%
Total	100%	100%	100%	100%	100%	100%
Arithmetic Return	2.32%	2.35%	2.38%	2.40%	2.42%	3.01%
Long-Term Expected Return	2.32%	2.35%	2.38%	2.40%	2.42%	3.01%
Risk (Std. Dev.)	0.96%	1.06%	1.16%	1.26%	1.36%	1.23%
Sharpe Ratio	0.07	0.10	0.11	0.12	0.12	0.41
Short-Term Expected Return (YTW)	0.32%	0.39%	0.44%	0.49%	0.53%	2.32%
Long-Term Real Return (CMA)	0.07%	0.10%	0.13%	0.15%	0.17%	0.51%
Income/Yield (CMA)	2.40%	2.46%	2.51%	2.56%	2.60%	1.98%
Capital Gain (CMA)	-0.08%	-0.11%	-0.14%	-0.16%	-0.18%	1.03%
Probability of Loss - 10 Year (CMA)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Probability of Loss - 1 Year (CMA)	0.8%	1.3%	2.0%	2.8%	3.8%	0.7%
Probability of Loss - 1 Year (YTW)	37.0%	35.7%	35.2%	35.0%	34.9%	3.0%



GeFONSI II - \$1.1 Billion

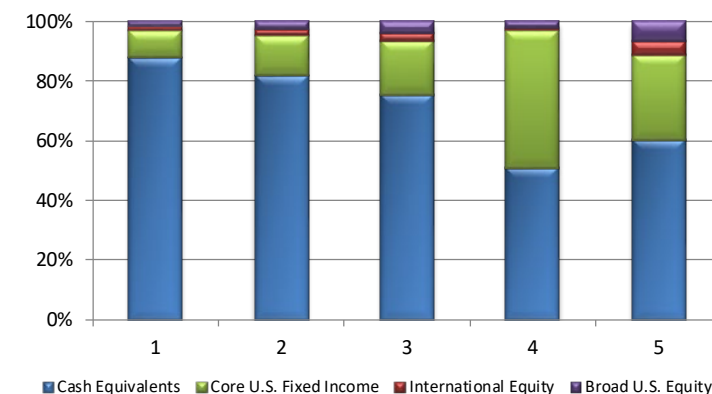
AY3F: FY2021 GeFONSI II Investment Policy

GeFONSI II is comprised of funds that do not benefit from positive investment returns, nor bear the risk of loss in the event of negative returns. The General Fund benefits, or is harmed, by these returns. GeFONSI II is invested more aggressively than is the GeFONSI. The premise for the higher risk posture is that over the course of several years the General Fund will generate more total return, despite having a higher risk of loss in any given year.

Investment Topic	Proposed Policy	Current Policy																									
Investment Objective	Tolerate moderate exposure to principal loss to target modestly higher returns.	No Change																									
Risk Tolerance	Moderate-High	No Change																									
Policy Risk/Loss Range	5 - 10%	No Change																									
Time Horizon	Intermediate	No Change																									
Asset Allocation	<table border="0"> <tr> <td>Broad U.S. Equity</td> <td>4%</td> <td>- 4%/+5%</td> <td>4%</td> <td>- 4%/+5%</td> </tr> <tr> <td>International Equity</td> <td>3%</td> <td>- 3%/+5%</td> <td>3%</td> <td>- 3%/+5%</td> </tr> <tr> <td>1-3 Year Government</td> <td></td> <td></td> <td>31%</td> <td>±10%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>18%</td> <td>±10%</td> <td>9%</td> <td>± 5%</td> </tr> <tr> <td>Cash Equivalents</td> <td>75%</td> <td>±10%</td> <td>53%</td> <td>±10%</td> </tr> </table>	Broad U.S. Equity	4%	- 4%/+5%	4%	- 4%/+5%	International Equity	3%	- 3%/+5%	3%	- 3%/+5%	1-3 Year Government			31%	±10%	Core U.S. Fixed Income	18%	±10%	9%	± 5%	Cash Equivalents	75%	±10%	53%	±10%	
Broad U.S. Equity	4%	- 4%/+5%	4%	- 4%/+5%																							
International Equity	3%	- 3%/+5%	3%	- 3%/+5%																							
1-3 Year Government			31%	±10%																							
Core U.S. Fixed Income	18%	±10%	9%	± 5%																							
Cash Equivalents	75%	±10%	53%	±10%																							
Short-Term Expected Return	0.94%	2.37%																									
Long-Term Expected Return	2.78%	3.30%																									
Expected Risk (Std. Dev.)	1.47%	1.61%																									
Probability of Loss - 10 Year (CMA)	0.0%	0.0%																									
Probability of Loss - 1 Year (CMA)	3.0%	2.0%																									
Probability of Loss - 1 Year (YTW)	26.1%	7.0%																									

AY3F: FY2021 GeFONSI II

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year
	1	2	3	4	5	
Broad U.S. Equity	1.7%	2.8%	3.9%	2.3%	6.6%	4.0%
International Equity	1.2%	1.9%	2.6%	0.8%	4.4%	3.0%
1-3 Year Government	0.0%	0.0%	0.0%	0.0%	0.0%	31.0%
Core U.S. Fixed Income	9.2%	13.4%	17.9%	46.1%	28.5%	9.0%
Cash Equivalents	87.9%	81.9%	75.6%	50.8%	60.5%	53.0%
Total	100%	100%	100%	100%	100%	100%
Long-Term Expected Return	2.49%	2.63%	2.78%	2.71%	3.13%	3.30%
Risk (Std. Dev.)	1.00%	1.20%	1.47%	1.85%	2.23%	1.61%
Sharpe Ratio	0.24	0.32	0.36	0.25	0.39	0.50
Short-Term Expected Return (YTW)	0.53%	0.73%	0.94%	0.98%	1.45%	2.37%
Long-Term Real Return (CMA)	0.24%	0.38%	0.53%	0.46%	0.88%	0.80%
Income/Yield (CMA)	2.36%	2.41%	2.47%	2.78%	2.60%	2.53%
Capital Gain (CMA)	0.13%	0.22%	0.31%	-0.08%	0.53%	0.77%
Probability of Loss - 10 Year (CMA)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Probability of Loss - 1 Year (CMA)	0.6%	1.4%	3.0%	7.2%	8.1%	2.0%
Probability of Loss - 1 Year (YTW)	29.9%	27.2%	26.1%	29.9%	25.7%	7.0%



PCE Endowment - \$1.1 Billion

AY13: FY2021 PCE Endowment Investment Policy

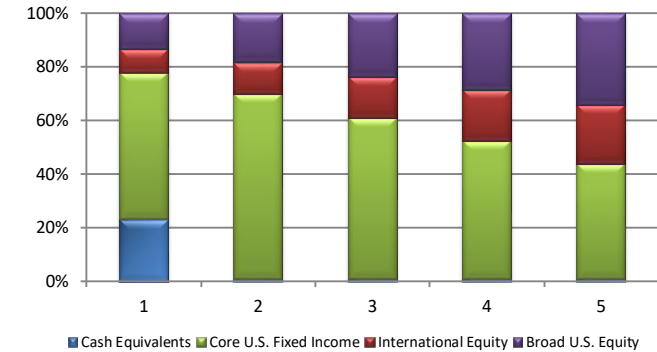
AS 42.45.080(a)(2) directs the commissioner to invest in a manner likely to achieve at least a four percent nominal return over a five-year period.

On July 1 of each year, the commissioner shall determine the monthly average market value of the fund for the previous three fiscal years. Five percent of the amount determined by the commissioner, pending the governor signing legislation, may be appropriated for the fiscal year beginning the following July 1.

Investment Topic	Proposed Policy	Current Policy												
Investment Objective	Returns require relatively high exposure to principal loss in return for higher expected longer-term returns. Limited current income requirement. Limited inflation protection needed. Potential for increasing liquidity requirement.	Change Recommended												
Risk Tolerance	High	No Change												
Policy Risk/Loss Range	>10%	No Change												
Time Horizon	Intermediate	Long												
Asset Allocation	<table border="0"> <tr> <td>Broad U.S. Equity</td> <td>24% ± 5%</td> <td>41% ± 5%</td> </tr> <tr> <td>International Equity</td> <td>15% ± 5%</td> <td>27% ± 5%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>60% ± 5%</td> <td>32% ± 5%</td> </tr> <tr> <td>Cash Equivalents</td> <td>1% - 1%/+2%</td> <td></td> </tr> </table>	Broad U.S. Equity	24% ± 5%	41% ± 5%	International Equity	15% ± 5%	27% ± 5%	Core U.S. Fixed Income	60% ± 5%	32% ± 5%	Cash Equivalents	1% - 1%/+2%		
Broad U.S. Equity	24% ± 5%	41% ± 5%												
International Equity	15% ± 5%	27% ± 5%												
Core U.S. Fixed Income	60% ± 5%	32% ± 5%												
Cash Equivalents	1% - 1%/+2%													
Short-Term Expected Return	4.11%													
Long-Term Expected Return	5.00%	6.58%												
Expected Risk (Std. Dev.)	7.20%	12.50%												
Probability of Loss - 10 Year (CMA)	1.4%	4.8%												
Probability of Loss - 1 Year (CMA)	24.4%	29.9%												
Probability of Loss - 1 Year (YTW)	28.4%													

AY13: FY2021 PCE Endowment

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year	70/30
	1	2	3	4	5		
Broad U.S. Equity	13.4%	18.2%	23.7%	28.6%	33.9%	41.0%	70%
International Equity	8.8%	11.9%	15.6%	19.2%	22.2%	27.0%	
Core U.S. Fixed Income	54.7%	68.9%	59.8%	51.2%	42.9%	32.0%	30%
Cash Equivalents	23.1%	1.0%	1.0%	1.0%	1.0%		
Total	100%	100%	100%	100%	100%	100%	100%
Long-Term Expected Return	4.00%	4.53%	5.00%	5.41%	5.79%	6.58%	6.23%
Risk (Std. Dev.)	4.30%	5.75%	7.20%	8.65%	10.10%	12.50%	12.60%
Sharpe Ratio	0.41	0.40	0.38	0.37	0.35	0.33	0.32
Short-Term Expected Return (YTW)	2.72%	3.50%	4.11%	4.64%	5.14%		6.39%
Long-Term Real Return (CMA)	1.75%	2.28%	2.75%	3.16%	3.54%	4.08%	3.98%
Income/Yield (CMA)	2.92%	3.10%	3.01%	2.93%	2.85%	1.66%	2.42%
Capital Gain (CMA)	1.08%	1.43%	1.99%	2.48%	2.94%	4.92%	3.81%
Probability of Loss - 10 Year (CMA)	0.2%	0.6%	1.4%	2.4%	3.5%	4.8%	5.9%
Probability of Loss - 1 Year (CMA)	17.6%	21.5%	24.4%	26.6%	28.3%	29.9%	31.1%
Probability of Loss - 1 Year (YTW)	26.4%	27.1%	28.4%	29.6%	30.5%		32.3%



Retiree LTC Insurance - \$659 Million

AY11: FY2021 Retiree LTC Insurance Investment Policy

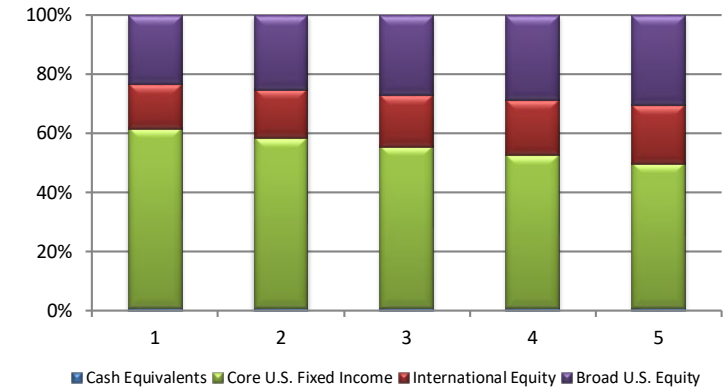
Effective July 1, 1997, the Department of Administration established the Group Health and Life Insurance Fund and the Retiree Health Insurance Fund. The Retiree Health Insurance Fund is further broken down into three plans: 1) medical, 2) dental, vision and audio, and 3) long term care.

The Retiree Long-Term Care Plan consists of premiums paid for retiree long term care. While many retirees are paying premiums into the plan today, at present only a small percentage of the premiums are needed for claims payments. Per the analysis, Actuarial Valuation of the State of Alaska Long-Term Care Program as of June 2019, conducted by Lewis & Ellis, Inc., the actuarial assumed net investment earnings assumption is 5.0%.

Investment Topic	Proposed Policy	Current Policy																		
Investment Objective	To match the fund's assumed actuarial rate of return while minimizing risk	No Change																		
Risk Tolerance	High	No Change																		
Policy Risk/Loss Range	>10%	No Change																		
Time Horizon	Long	No Change																		
Asset Allocation	<table border="0"> <tr> <td>Broad U.S. Equity</td> <td>27%</td> <td>± 5%</td> </tr> <tr> <td>International Equity</td> <td>18%</td> <td>± 5%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>54%</td> <td>± 5%</td> </tr> <tr> <td>Cash Equivalents</td> <td>1%</td> <td>- 1%/+2%</td> </tr> </table>	Broad U.S. Equity	27%	± 5%	International Equity	18%	± 5%	Core U.S. Fixed Income	54%	± 5%	Cash Equivalents	1%	- 1%/+2%	<table border="0"> <tr> <td>19%</td> <td>± 5%</td> </tr> <tr> <td>12%</td> <td>± 5%</td> </tr> <tr> <td>69%</td> <td>± 5%</td> </tr> </table>	19%	± 5%	12%	± 5%	69%	± 5%
Broad U.S. Equity	27%	± 5%																		
International Equity	18%	± 5%																		
Core U.S. Fixed Income	54%	± 5%																		
Cash Equivalents	1%	- 1%/+2%																		
19%	± 5%																			
12%	± 5%																			
69%	± 5%																			
Short-Term Expected Return	4.44%																			
Long-Term Expected Return	5.25%	5.25%																		
Expected Risk (Std. Dev.)	8.08%	6.02%																		
Probability of Loss - 10 Year (CMA)	2.0%	0.3%																		
Probability of Loss - 1 Year (CMA)	25.8%	19.2%																		
Probability of Loss - 1 Year (YTW)	29.2%																			

AY11: Retiree LTC Insurance

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year
	1	2	3	4	5	
Broad U.S. Equity	23.2%	25.0%	26.8%	28.6%	30.5%	19.0%
International Equity	15.3%	16.5%	17.7%	18.8%	19.8%	12.0%
Core U.S. Fixed Income	60.5%	57.5%	54.5%	51.6%	48.7%	69.0%
Cash Equivalents	1.0%	1.0%	1.0%	1.0%	1.0%	
Total	100%	100%	100%	100%	100%	100%
Long-Term Expected Return	4.96%	5.11%	5.25%	5.39%	5.52%	5.25%
Risk (Std. Dev.)	7.08%	7.58%	8.08%	8.58%	9.08%	6.02%
Sharpe Ratio	0.38	0.38	0.37	0.37	0.36	
Short-Term Expected Return (YTW)	4.06%	4.25%	4.44%	4.62%	4.80%	
Long-Term Real Return (CMA)	2.71%	2.86%	3.00%	3.14%	3.27%	2.75%
Income/Yield (CMA)	3.02%	2.99%	2.96%	2.93%	2.90%	0.76%
Capital Gain (CMA)	1.94%	2.12%	2.29%	2.46%	2.62%	4.49%
Probability of Loss - 10 Year (CMA)	1.3%	1.7%	2.0%	2.3%	2.7%	0.3%
Probability of Loss - 1 Year (CMA)	24.2%	25.0%	25.8%	26.5%	27.1%	19.2%
Probability of Loss - 1 Year (YTW)	28.3%	28.8%	29.2%	29.5%	29.9%	



Public School Trust Fund - \$700 Million

AY08: FY2021 Public School Trust Fund Investment Policy

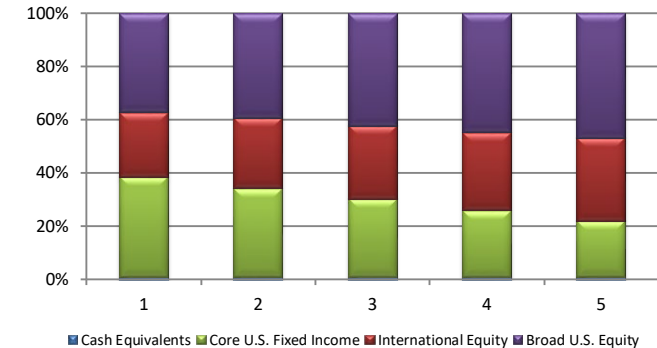
The Public School Trust Fund is a fund dedicated to the benefit of Alaska’s public schools. The central objective is to provide “increasing returns from capital appreciation and net income over long-term periods to the fund’s current beneficiaries.” The fund may be invested “on the basis of probable total rate of return to promote the long-term generation of capital appreciate and income.”

On July 1 of each year, the commissioner shall determine the monthly average market value of the fund for the previous five fiscal years preceding the previous fiscal year. The legislature may appropriate not more than five percent of the amount determined by the commissioner. Pending signature by the governor, the appropriated amount may be expended the following fiscal year.

Investment Topic	Proposed Policy	Current Policy												
Investment Objective	High exposure of principal to loss in return for higher expected Longer-term returns. Limited current income requirement. Limited inflation protection needed. Moderate liquidity requirement.	No Change												
Risk Tolerance	High	No Change												
Policy Risk/Loss Range	>10%	No Change												
Time Horizon	Long	No Change												
Asset Allocation	<table border="0"> <tr> <td>Broad U.S. Equity</td> <td>42% ± 5%</td> <td>41% ± 5%</td> </tr> <tr> <td>International Equity</td> <td>28% ± 5%</td> <td>27% ± 5%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>29% ± 5%</td> <td>32% ± 5%</td> </tr> <tr> <td>Cash Equivalents</td> <td>1% - 1%/+2%</td> <td></td> </tr> </table>	Broad U.S. Equity	42% ± 5%	41% ± 5%	International Equity	28% ± 5%	27% ± 5%	Core U.S. Fixed Income	29% ± 5%	32% ± 5%	Cash Equivalents	1% - 1%/+2%		
Broad U.S. Equity	42% ± 5%	41% ± 5%												
International Equity	28% ± 5%	27% ± 5%												
Core U.S. Fixed Income	29% ± 5%	32% ± 5%												
Cash Equivalents	1% - 1%/+2%													
Short-Term Expected Return	5.93%													
Long-Term Expected Return	6.37%	6.58%												
Expected Risk (Std. Dev.)	12.60%	12.50%												
Probability of Loss - 10 Year (CMA)	5.5%	4.8%												
Probability of Loss - 1 Year (CMA)	30.7%	29.9%												
Probability of Loss - 1 Year (YTW)	31.9%													

AY08: FY2021 Public School Trust Fund

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year	70/30
	1	2	3	4	5		
Broad U.S. Equity	37.2%	39.6%	42.2%	44.8%	47.1%	41.0%	70%
International Equity	24.5%	26.2%	27.7%	29.3%	31.1%	27.0%	
Core U.S. Fixed Income	37.4%	33.2%	29.1%	24.9%	20.9%	32.0%	30%
Cash Equivalents	1.0%	1.0%	1.0%	1.0%	1.0%		
Total	100%	100%	100%	100%	100%	100%	100%
Long-Term Expected Return	6.03%	6.20%	6.37%	6.53%	6.68%	6.58%	6.23%
Risk (Std. Dev.)	11.10%	11.85%	12.60%	13.35%	14.10%	12.50%	12.60%
Sharpe Ratio	0.34	0.33	0.33	0.32	0.31	0.33	0.32
Short-Term Expected Return (YTW)	5.47%	5.70%	5.93%	6.15%	6.36%		6.39%
Long-Term Real Return (CMA)	3.78%	3.95%	4.12%	4.28%	4.43%	4.08%	3.98%
Income/Yield (CMA)	2.79%	2.76%	2.71%	2.67%	2.64%	1.66%	2.42%
Capital Gain (CMA)	3.23%	3.45%	3.66%	3.86%	4.05%	4.92%	3.81%
Probability of Loss - 10 Year (CMA)	4.3%	4.9%	5.5%	6.1%	6.7%	4.8%	5.9%
Probability of Loss - 1 Year (CMA)	29.4%	30.0%	30.7%	31.2%	31.8%	29.9%	31.1%
Probability of Loss - 1 Year (YTW)	31.1%	31.5%	31.9%	32.3%	32.6%		32.3%



Alaska Higher Education - \$354 Million

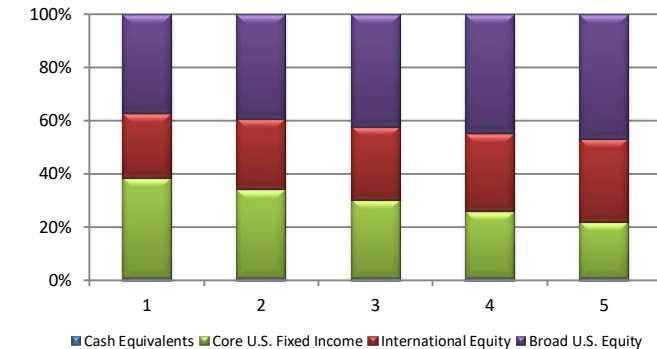
AY3L: FY2021 Alaska Higher Education Investment Policy

The Alaska Higher Education Investment Fund was established to make grants and scholarship payments to qualified postsecondary institutions for students. The Legislature may appropriate up to seven percent of the fund's prior June 30 market value balance each year.

Investment Topic	Proposed Policy	Current Policy												
Investment Objective	High exposure of principal to loss in return for higher expected Longer-term returns. Limited current income requirement. Limited inflation protection needed. Moderate liquidity requirement.	No Change												
Risk Tolerance	High	No Change												
Policy Risk/Loss Range	>10%	No Change												
Time Horizon	Long	No Change												
Asset Allocation	<table border="0"> <tr> <td>Broad U.S. Equity</td> <td>42% ± 5%</td> <td>41% ± 5%</td> </tr> <tr> <td>International Equity</td> <td>28% ± 5%</td> <td>27% ± 5%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>29% ± 5%</td> <td>32% ± 5%</td> </tr> <tr> <td>Cash Equivalents</td> <td>1% - 1%/+2%</td> <td></td> </tr> </table>	Broad U.S. Equity	42% ± 5%	41% ± 5%	International Equity	28% ± 5%	27% ± 5%	Core U.S. Fixed Income	29% ± 5%	32% ± 5%	Cash Equivalents	1% - 1%/+2%		
Broad U.S. Equity	42% ± 5%	41% ± 5%												
International Equity	28% ± 5%	27% ± 5%												
Core U.S. Fixed Income	29% ± 5%	32% ± 5%												
Cash Equivalents	1% - 1%/+2%													
Short-Term Expected Return	5.93%													
Long-Term Expected Return	6.37%	6.58%												
Expected Risk (Std. Dev.)	12.60%	12.50%												
Probability of Loss - 10 Year (CMA)	5.5%	4.8%												
Probability of Loss - 1 Year (CMA)	30.7%	29.9%												
Probability of Loss - 1 Year (YTW)	31.9%													

AY3L: FY2021 Alaska Higher Education

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year	70/30
	1	2	3	4	5		
Broad U.S. Equity	37.2%	39.6%	42.2%	44.8%	47.1%	41.0%	70%
International Equity	24.5%	26.2%	27.7%	29.3%	31.1%	27.0%	
Core U.S. Fixed Income	37.4%	33.2%	29.1%	24.9%	20.9%	32.0%	30%
Cash Equivalents	1.0%	1.0%	1.0%	1.0%	1.0%		
Total	100%	100%	100%	100%	100%	100%	100%
Long-Term Expected Return	6.03%	6.20%	6.37%	6.53%	6.68%	6.58%	6.23%
Risk (Std. Dev.)	11.10%	11.85%	12.60%	13.35%	14.10%	12.50%	12.60%
Sharpe Ratio	0.34	0.33	0.33	0.32	0.31	0.33	0.32
Short-Term Expected Return (YTW)	5.47%	5.70%	5.93%	6.15%	6.36%		6.39%
Long-Term Real Return (CMA)	3.78%	3.95%	4.12%	4.28%	4.43%	4.08%	3.98%
Income/Yield (CMA)	2.79%	2.76%	2.71%	2.67%	2.64%	1.66%	2.42%
Capital Gain (CMA)	3.23%	3.45%	3.66%	3.86%	4.05%	4.92%	3.81%
Probability of Loss - 10 Year (CMA)	4.3%	4.9%	5.5%	6.1%	6.7%	4.8%	5.9%
Probability of Loss - 1 Year (CMA)	29.4%	30.0%	30.7%	31.2%	31.8%	29.9%	31.1%
Probability of Loss - 1 Year (YTW)	31.1%	31.5%	31.9%	32.3%	32.6%		32.3%



Illinois Creek Mine Reclamation - \$1.2 Million

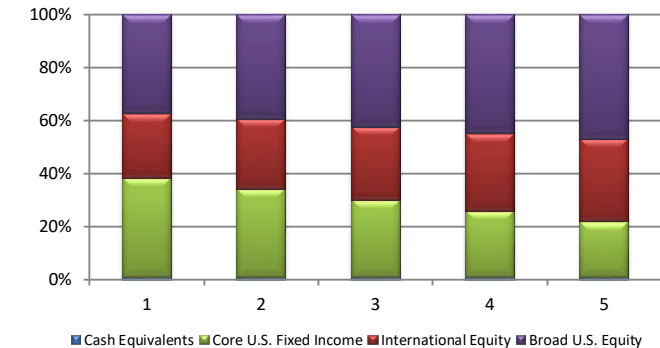
AY9J: FY2021 Illinois Creek Mine Reclamation Investment Policy

The Illinois Creek Gold Mine is a remote gold mine located on state land approximately 51 miles south of Galena, Alaska. Construction of the gold mine began in June, 1996. The companies responsible for the mine dissolved, the financier abandoned its ownership rights, and the State of Alaska inherited operating responsibility for the mine in July 1999. Following reclamation of the mine by American Reclamation Group, the State now assumes responsibility to monitor the site and to fix unexpected post-reclamation problems. To fund the post-closure monitoring and any potential maintenance, this trust fund was created. The Department of Revenue will manage the fund and Department of Natural Resources will withdraw funds for monitoring and reclamation obligations.

Investment Topic	Proposed Policy	Current Policy												
Investment Objective	Maximize return while still being able to fund uncertain maintenance expenditures (amount and size)	No Change												
Risk Tolerance	High	No Change												
Policy Risk/Loss Range	>10%	No Change												
Time Horizon	Long	No Change												
Asset Allocation	<table border="0"> <tr> <td>Broad U.S. Equity</td> <td>42% ± 5%</td> <td>41% ± 5%</td> </tr> <tr> <td>International Equity</td> <td>28% ± 5%</td> <td>27% ± 5%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>29% ± 5%</td> <td>32% ± 5%</td> </tr> <tr> <td>Cash Equivalents</td> <td>1% - 1%/+2%</td> <td>0% + 2%</td> </tr> </table>	Broad U.S. Equity	42% ± 5%	41% ± 5%	International Equity	28% ± 5%	27% ± 5%	Core U.S. Fixed Income	29% ± 5%	32% ± 5%	Cash Equivalents	1% - 1%/+2%	0% + 2%	
Broad U.S. Equity	42% ± 5%	41% ± 5%												
International Equity	28% ± 5%	27% ± 5%												
Core U.S. Fixed Income	29% ± 5%	32% ± 5%												
Cash Equivalents	1% - 1%/+2%	0% + 2%												
Short-Term Expected Return	5.93%													
Long-Term Expected Return	6.37%	6.58%												
Expected Risk (Std. Dev.)	12.60%	12.50%												
Probability of Loss - 10 Year (CMA)	5.5%	4.8%												
Probability of Loss - 1 Year (CMA)	30.7%	29.9%												
Probability of Loss - 1 Year (YTW)	31.9%													

AY9J: FY2021 Illinois Creek Mine Reclamation

FY2021 Asset Allocation Asset Classes	Asset Mix Alternatives					Prior Year	70/30
	1	2	3	4	5		
Broad U.S. Equity	37.2%	39.6%	42.2%	44.8%	47.1%	41.0%	70%
International Equity	24.5%	26.2%	27.7%	29.3%	31.1%	27.0%	
Core U.S. Fixed Income	37.4%	33.2%	29.1%	24.9%	20.9%	32.0%	30%
Cash Equivalents	1.0%	1.0%	1.0%	1.0%	1.0%		
Total	100%	100%	100%	100%	100%	100%	100%
Long-Term Expected Return	6.03%	6.20%	6.37%	6.53%	6.68%	6.58%	6.23%
Risk (Std. Dev.)	11.10%	11.85%	12.60%	13.35%	14.10%	12.50%	12.60%
Sharpe Ratio	0.34	0.33	0.33	0.32	0.31	0.33	0.32
Short-Term Expected Return (YTW)	5.47%	5.70%	5.93%	6.15%	6.36%		6.39%
Long-Term Real Return (CMA)	3.78%	3.95%	4.12%	4.28%	4.43%	4.08%	3.98%
Income/Yield (CMA)	2.79%	2.76%	2.71%	2.67%	2.64%	1.66%	2.42%
Capital Gain (CMA)	3.23%	3.45%	3.66%	3.86%	4.05%	4.92%	3.81%
Probability of Loss - 10 Year (CMA)	4.3%	4.9%	5.5%	6.1%	6.7%	4.8%	5.9%
Probability of Loss - 1 Year (CMA)	29.4%	30.0%	30.7%	31.2%	31.8%	29.9%	31.1%
Probability of Loss - 1 Year (YTW)	31.1%	31.5%	31.9%	32.3%	32.6%		32.3%



Education Endowment - \$498 Thousand

AY3G: FY2020 Education Endowment Investment Policy

AS 43.23.063(b)(2) directs the commissioner to invest in a manner likely to achieve at least a four percent nominal return over a five-year period.

On July 1 of each year, the “commissioner shall determine the fund balance for the previously closed fiscal year, including the earnings of the fund” and “when the average market value for the fiscal year exceeds \$1,000,000,000, transfer 4.5% of the average fiscal-year-end market value of the balance of the fund for the last five fiscal years, including the fiscal year just ended, and including any unrealized gains and losses.”

Investment Topic	Proposed Policy	Current Policy												
Investment Objective	High exposure of principal to loss in return for higher expected Longer-term returns. Limited current income requirement. Limited inflation protection needed. Moderate liquidity requirement.	No Change												
Risk Tolerance	High	No Change												
Policy Risk/Loss Range	>10%	No Change												
Time Horizon	Long	No Change												
Asset Allocation	<table border="0"> <tr> <td>Broad U.S. Equity</td> <td>42% ± 5%</td> <td>41% ± 5%</td> </tr> <tr> <td>International Equity</td> <td>28% ± 5%</td> <td>27% ± 5%</td> </tr> <tr> <td>Core U.S. Fixed Income</td> <td>29% ± 5%</td> <td>32% ± 5%</td> </tr> <tr> <td>Cash Equivalents</td> <td>1% - 1%/+2%</td> <td></td> </tr> </table>	Broad U.S. Equity	42% ± 5%	41% ± 5%	International Equity	28% ± 5%	27% ± 5%	Core U.S. Fixed Income	29% ± 5%	32% ± 5%	Cash Equivalents	1% - 1%/+2%		
Broad U.S. Equity	42% ± 5%	41% ± 5%												
International Equity	28% ± 5%	27% ± 5%												
Core U.S. Fixed Income	29% ± 5%	32% ± 5%												
Cash Equivalents	1% - 1%/+2%													
Short-Term Expected Return	5.93%													
Long-Term Expected Return	6.37%	6.58%												
Expected Risk (Std. Dev.)	12.60%	12.50%												
Probability of Loss - 10 Year (CMA)	5.5%	4.8%												
Probability of Loss - 1 Year (CMA)	30.7%	29.9%												
Probability of Loss - 1 Year (YTW)	31.9%													

AY3G: Education Endowment

FY2021 Asset Allocation

Asset Classes	Asset Mix Alternatives					Prior Year	70/30
	1	2	3	4	5		
Broad U.S. Equity	37.2%	39.6%	42.2%	44.8%	47.1%	41.0%	70%
International Equity	24.5%	26.2%	27.7%	29.3%	31.1%	27.0%	
Core U.S. Fixed Income	37.4%	33.2%	29.1%	24.9%	20.9%	32.0%	30%
Cash Equivalents	1.0%	1.0%	1.0%	1.0%	1.0%		
Total	100%	100%	100%	100%	100%	100%	100%
Long-Term Expected Return	6.03%	6.20%	6.37%	6.53%	6.68%	6.58%	6.23%
Risk (Std. Dev.)	11.10%	11.85%	12.60%	13.35%	14.10%	12.50%	12.60%
Sharpe Ratio	0.34	0.33	0.33	0.32	0.31	0.33	0.32
Short-Term Expected Return (YTW)	5.47%	5.70%	5.93%	6.15%	6.36%		6.39%
Long-Term Real Return (CMA)	3.78%	3.95%	4.12%	4.28%	4.43%	4.08%	3.98%
Income/Yield (CMA)	2.79%	2.76%	2.71%	2.67%	2.64%	1.66%	2.42%
Capital Gain (CMA)	3.23%	3.45%	3.66%	3.86%	4.05%	4.92%	3.81%
Probability of Loss - 10 Year (CMA)	4.3%	4.9%	5.5%	6.1%	6.7%	4.8%	5.9%
Probability of Loss - 1 Year (CMA)	29.4%	30.0%	30.7%	31.2%	31.8%	29.9%	31.1%
Probability of Loss - 1 Year (YTW)	31.1%	31.5%	31.9%	32.3%	32.6%		32.3%



Questions?

COMMISSIONER'S REPORT

As of September 30, 2020

DOR Commissioner's Report: Market Values for Month Ending 9/30/2020

Market Value

Plan Name	Cash Equivalents	Domestic Equity	Fixed Income	Int'l Equity	Market Value
2008 Transportation Project Government Bonds (AY2Q)	\$759,562				\$759,562
2010 Education Tax Exempt Bonds (AY3V)	\$2,638				\$2,638
2013B Tax Exempt Education (AY3Z)	\$240,472				\$240,472
2016A - 2012 Transportation Bond Act (AY3Y)	\$1,913,117				\$1,913,117
2016B - 2012 Transportation Bond Act (AY3Q)	\$103,937,179				\$103,937,179
Alaska Higher Education Investment (AY3L)	\$3,274,940	\$147,527,450	\$104,642,449	\$98,738,871	\$354,183,710
Alaska Mental Health Trust Reserve (AY2L)	\$44	\$18,148,234	\$24,880,182	\$12,600,876	\$55,629,335
Constitutional Budget Reserve Fund (AY19)	\$1,049,658,016				\$1,049,658,016
Education Endowment Fund (AY3G)	\$4,736	\$207,420	\$147,095	\$138,800	\$498,052
EVOS Habitat Investment (AY2H)	\$25,244	\$24,763,634	\$44,734,164	\$17,011,449	\$86,534,490
EVOS Research Investment (AY02)	\$19,457	\$34,143,871	\$51,522,720	\$22,320,954	\$108,007,002
GeFONSI I (AY01)	\$1,170,888,665		\$349,881,134		\$1,520,769,799
GeFONSI II (AY3F)	\$860,961,020	\$47,335,428	\$206,222,777	\$32,989,228	\$1,147,508,454
Illinois Creek Mine Reclamation (AY9J)	\$11,550	\$510,518	\$362,039	\$341,706	\$1,225,813
International Airports 2006 Non-AMT (AY9X)	\$2,288,849				\$2,288,849
International Airports 2009 Variable (AY9Y)	\$3,056,133				\$3,056,133
International Airports 2010-A (AY3A)	\$857,193				\$857,193
International Airports 2010-B (AY3B)	\$353,961				\$353,961
International Airports Repair & Replacement Fund (AY05)	\$500,376				\$500,376
International Airports Revenue Fund (AY04)	\$129,840,941		\$35,856,953		\$165,697,894
International Airports Series 2002 Reserve Account (AY2E)	\$16,381,739				\$16,381,739
International Airports Series 2003 Reserve (AY2U)	\$10,499,501				\$10,499,501
Investment Loss Trust Fund (AY28)	\$3,744,912				\$3,744,912
PCE Endowment Fund (AY13)	\$10,030,554	\$255,320,419	\$653,749,884	\$159,131,606	\$1,078,232,463
Permanent Fund Dividend Holding Account (AY2G)	\$67,745,234				\$67,745,234
Public School - Income (AY09)	\$176				\$176
Public School Trust Fund (AY08)	\$6,671,005	\$291,294,333	\$206,617,459	\$194,960,679	\$699,543,475
RHIF LTC Insurance (AY11)	\$5,965,277	\$175,689,358	\$360,254,653	\$117,027,999	\$658,937,288
RHIF Major Medical (AY03)	\$18,741,015				\$18,741,015

DOR Commissioner's Report: Market Values for Month Ending 9/30/2020

Relative Allocation

Plan Name	Cash Equivalents	Domestic Equity	Fixed Income	Int'l Equity
2008 Transportation Project Government Bonds (AY2Q)	0.00% ●			
2010 Education Tax Exempt Bonds (AY3V)	0.00% ●			
2013B Tax Exempt Education (AY3Z)	0.00% ●			
2016A - 2012 Transportation Bond Act (AY3Y)	0.00% ●			
2016B - 2012 Transportation Bond Act (AY3Q)	0.00% ●			
Alaska Higher Education Investment (AY3L)	-0.08% ●	-0.35% ▲	0.54% ◆	-0.12% ●
Alaska Mental Health Trust Reserve (AY2L)	0.00% ●	-0.38% ▲	0.72% ◆	-0.35% ▲
Constitutional Budget Reserve Fund (AY19)	0.00% ●			
Education Endowment Fund (AY3G)	-0.05% ●	-0.35% ▲	0.53% ◆	-0.13% ●
EVOS Habitat Investment (AY2H)	0.03% ●	-0.38% ▲	0.70% ◆	-0.34% ▲
EVOS Research Investment (AY02)	0.02% ●	-0.39% ▲	0.70% ◆	-0.33% ▲
GeFONSI I (AY01)	-0.01% ●		0.01% ●	
GeFONSI II (AY3F)	0.03% ●	0.13% ●	-0.03% ●	-0.13% ●
Illinois Creek Mine Reclamation (AY9J)	-0.06% ●	-0.35% ▲	0.53% ◆	-0.12% ●
International Airports 2006 Non-AMT (AY9X)	0.00% ●			
International Airports 2009 Variable (AY9Y)	0.00% ●			
International Airports 2010-A (AY3A)	0.00% ●			
International Airports 2010-B (AY3B)	0.00% ●			
International Airports Repair & Replacement Fund (AY05)	0.00% ●			
International Airports Revenue Fund (AY04)	1.36% ✖		-1.36% ✖	
International Airports Series 2002 Reserve Account (AY2E)	0.00% ●			
International Airports Series 2003 Reserve (AY2U)	0.00% ●			
Investment Loss Trust Fund (AY28)	0.00% ●			
PCE Endowment Fund (AY13)	-0.07% ●	-0.32% ▲	0.63% ◆	-0.24% ●
Permanent Fund Dividend Holding Account (AY2G)	0.00% ●			
Public School - Income (AY09)	0.00% ●			
Public School Trust Fund (AY08)	-0.05% ●	-0.36% ▲	0.54% ◆	-0.13% ●
RHIF LTC Insurance (AY11)	-0.09% ●	-0.34% ▲	0.67% ◆	-0.24% ●
RHIF Major Medical (AY03)	0.00% ●			

DOR Commissioner's Report: Market Values for Month Ending 9/30/2020

Actual Allocation

Plan Name	Cash Equivalents	Domestic Equity	Fixed Income	Int'l Equity
2008 Transportation Project Government Bonds (AY2Q)	100.00%			
2010 Education Tax Exempt Bonds (AY3V)	100.00%			
2013B Tax Exempt Education (AY3Z)	100.00%			
2016A - 2012 Transportation Bond Act (AY3Y)	100.00%			
2016B - 2012 Transportation Bond Act (AY3Q)	100.00%			
Alaska Higher Education Investment (AY3L)	0.92%	41.65%	29.54%	27.88%
Alaska Mental Health Trust Reserve (AY2L)	0.00%	32.62%	44.72%	22.65%
Constitutional Budget Reserve Fund (AY19)	100.00%			
Education Endowment Fund (AY3G)	0.95%	41.65%	29.53%	27.87%
EVOS Habitat Investment (AY2H)	0.03%	28.62%	51.70%	19.66%
EVOS Research Investment (AY02)	0.02%	31.61%	47.70%	20.67%
GeFONSI I (AY01)	76.99%		23.01%	
GeFONSI II (AY3F)	75.03%	4.13%	17.97%	2.87%
Illinois Creek Mine Reclamation (AY9J)	0.94%	41.65%	29.53%	27.88%
International Airports 2006 Non-AMT (AY9X)	100.00%			
International Airports 2009 Variable (AY9Y)	100.00%			
International Airports 2010-A (AY3A)	100.00%			
International Airports 2010-B (AY3B)	100.00%			
International Airports Repair & Replacement Fund (AY05)	100.00%			
International Airports Revenue Fund (AY04)	78.36%		21.64%	
International Airports Series 2002 Reserve Account (AY2E)	100.00%			
International Airports Series 2003 Reserve (AY2U)	100.00%			
Investment Loss Trust Fund (AY28)	100.00%			
PCE Endowment Fund (AY13)	0.93%	23.68%	60.63%	14.76%
Permanent Fund Dividend Holding Account (AY2G)	100.00%			
Public School - Income (AY09)	100.00%			
Public School Trust Fund (AY08)	0.95%	41.64%	29.54%	27.87%
RHIF LTC Insurance (AY11)	0.91%	26.66%	54.67%	17.76%
RHIF Major Medical (AY03)	100.00%			

DOR Commissioner's Report: Market Values for Month Ending 9/30/2020

Target Allocation

Plan Name	Cash Equivalents	Domestic Equity	Fixed Income	Int'l Equity
2008 Transportation Project Government Bonds (AY2Q)	100.00%			
2010 Education Tax Exempt Bonds (AY3V)	100.00%			
2013B Tax Exempt Education (AY3Z)	100.00%			
2016A - 2012 Transportation Bond Act (AY3Y)	100.00%			
2016B - 2012 Transportation Bond Act (AY3Q)	100.00%			
Alaska Higher Education Investment (AY3L)	1.00%	42.00%	29.00%	28.00%
Alaska Mental Health Trust Reserve (AY2L)	0.00%	33.00%	44.00%	23.00%
Constitutional Budget Reserve Fund (AY19)	100.00%			
Education Endowment Fund (AY3G)	1.00%	42.00%	29.00%	28.00%
EVOS Habitat Investment (AY2H)	0.00%	29.00%	51.00%	20.00%
EVOS Research Investment (AY02)	0.00%	32.00%	47.00%	21.00%
GeFONSI I (AY01)	77.00%		23.00%	
GeFONSI II (AY3F)	75.00%	4.00%	18.00%	3.00%
Illinois Creek Mine Reclamation (AY9J)	1.00%	42.00%	29.00%	28.00%
International Airports 2006 Non-AMT (AY9X)	100.00%			
International Airports 2009 Variable (AY9Y)	100.00%			
International Airports 2010-A (AY3A)	100.00%			
International Airports 2010-B (AY3B)	100.00%			
International Airports Repair & Replacement Fund (AY05)	100.00%			
International Airports Revenue Fund (AY04)	77.00%		23.00%	
International Airports Series 2002 Reserve Account (AY2E)	100.00%			
International Airports Series 2003 Reserve (AY2U)	100.00%			
Investment Loss Trust Fund (AY28)	100.00%			
PCE Endowment Fund (AY13)	1.00%	24.00%	60.00%	15.00%
Permanent Fund Dividend Holding Account (AY2G)	100.00%			
Public School - Income (AY09)	100.00%			
Public School Trust Fund (AY08)	1.00%	42.00%	29.00%	28.00%
RHIF LTC Insurance (AY11)	1.00%	27.00%	54.00%	18.00%
RHIF Major Medical (AY03)	100.00%			

DOR Commissioner's Report: Net Pool Performance for Month Ending 9/30/2020

Relative Performance (Net of Fee)	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	6 Year	10 Year
Broad Market Fixed Income	-0.01% ▲	0.03% ●	0.03% ●	0.61% ●	0.23% ●	0.23% ●	0.23% ●	0.18% ●
Domestic Equity	-0.01% ▲	-0.01% ▲	-0.01% ▲	-0.27% ◆	-0.07% ◆			
International Equity	-0.01% ▲	-0.02% ▲	-0.02% ▲	-0.48% ◆	0.16% ●			
Short-term Fixed Income Pool	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●
Pool Performance (Net of Fee)	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	6 Year	10 Year
Broad Market Fixed Income	-0.07%	0.65%	0.65%	7.59%	5.47%	4.41%	4.20%	3.82%
Domestic Equity	-3.65%	9.20%	9.20%	14.73%	11.57%			
International Equity	-2.47%	6.23%	6.23%	2.53%	1.32%			
Short-term Fixed Income Pool	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.89%
Benchmark Performance	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	6 Year	10 Year
Broad Market Fixed Income	-0.05%	0.62%	0.62%	6.98%	5.24%	4.18%	3.97%	3.64%
Domestic Equity	-3.64%	9.21%	9.21%	15.00%	11.65%			
International Equity	-2.46%	6.25%	6.25%	3.00%	1.16%			
Short-term Fixed Income Pool	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%

DOR Commissioner's Report: Net Plan Performance for Month Ending 9/30/2020

Relative Performance (Net of Fee)	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	6 Year	10 Year
2008 Transportation Project Government Bonds (AY2Q)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●
2010 Education Tax Exempt Bonds (AY3V)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	
2013B Tax Exempt Education (AY3Z)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	
2016A - 2012 Transportation Bond Act (AY3Y)	0.01% ●	0.04% ●	0.04% ●	0.08% ●	0.14% ●	0.23% ●	0.24% ●	
2016B - 2012 Transportation Bond Act (AY3Q)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●			
Alaska Higher Education Investment (AY3L)	-0.03% ▲	0.01% ●	0.01% ●	-0.05% ◆	0.03% ●	0.04% ●	0.10% ●	
Alaska Mental Health Trust Reserve (AY2L)	-0.02% ▲	0.13% ●	0.13% ●	0.60% ●	0.27% ●	0.12% ●	0.34% ●	0.51% ●
Constitutional Budget Reserve Fund (AY19)	0.01% ●	0.04% ●	0.04% ●	0.29% ●	0.15% ●	0.24% ●	0.23% ●	0.20% ●
Education Endowment Fund (AY3G)	-0.01% ▲	0.02% ●	0.02% ●					
EVOS Habitat Investment (AY2H)	-0.02% ▲	0.13% ●	0.13% ●	0.30% ●	0.07% ●	0.05% ●	0.31% ●	0.48% ●
EVOS Research Investment (AY02)	-0.02% ▲	0.13% ●	0.13% ●	0.27% ●	0.05% ●	-0.01% ▲	0.27% ●	0.47% ●
GeFONSI I (AY01)	0.00% ▲	0.03% ●	0.03% ●	0.11% ●	0.15% ●	0.20% ●	0.20% ●	0.22% ●
GeFONSI II (AY3F)	0.00% ▲	0.04% ●	0.04% ●	0.17% ●				
Illinois Creek Mine Reclamation (AY9J)	-0.02% ▲	0.01% ●	0.01% ●	-0.06% ◆	-0.02% ▲	-0.01% ▲	0.04% ●	0.16% ●
International Airports 2006 Non-AMT (AY9X)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●
International Airports 2009 Variable (AY9Y)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●
International Airports 2010-A (AY3A)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	
International Airports 2010-B (AY3B)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	
International Airports Repair & Replacement Fund (AY05)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●
International Airports Revenue Fund (AY04)	0.00% ●	0.03% ●	0.03% ●	0.19% ●	0.13% ●	0.28% ●	0.25% ●	0.24% ●
International Airports Series 2002 Reserve Account (AY2E)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●
International Airports Series 2003 Reserve (AY2U)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●
Investment Loss Trust Fund (AY28)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●
PCE Endowment Fund (AY13)	-0.02% ▲	0.03% ●	0.03% ●	-0.12% ◆	-0.02% ▲	0.02% ●	0.17% ●	0.28% ●
Permanent Fund Dividend Holding Account (AY2G)	0.01% ●	0.04% ●	0.04% ●	0.12% ●	0.42% ●	0.38% ●	0.35% ●	0.30% ●
Public School - Income (AY09)	0.01% ●	0.03% ●	0.03% ●	0.05% ●	0.13% ●	0.23% ●	0.24% ●	0.24% ●
Public School Trust Fund (AY08)	-0.02% ▲	0.01% ●	0.01% ●	-0.05% ▲	-0.01% ▲	0.03% ●	0.09% ●	0.07% ●
RHIF LTC Insurance (AY11)	-0.02% ▲	0.02% ●	0.02% ●	0.27% ●	0.07% ●	0.12% ●	0.21% ●	0.06% ●
RHIF Major Medical (AY03)	0.01% ●	0.04% ●	0.04% ●	0.15% ●	0.16% ●	0.25% ●	0.25% ●	0.25% ●

DOR Commissioner's Report: Net Plan Performance for Month Ending 9/30/2020

Plan Performance (Net of Fee)	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	6 Year	10 Year
2008 Transportation Project Government Bonds (AY2Q)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.88%
2010 Education Tax Exempt Bonds (AY3V)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	
2013B Tax Exempt Education (AY3Z)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	
2016A - 2012 Transportation Bond Act (AY3Y)	0.02%	0.08%	0.08%	1.18%	1.83%	1.43%	1.24%	
2016B - 2012 Transportation Bond Act (AY3Q)	0.02%	0.08%	0.08%	1.25%	1.85%			
Alaska Higher Education Investment (AY3L)	-2.26%	5.83%	5.83%	9.84%	7.31%	8.86%	7.15%	
Alaska Mental Health Trust Reserve (AY2L)	-1.81%	4.90%	4.90%	9.95%	7.40%	8.49%	7.09%	8.30%
Constitutional Budget Reserve Fund (AY19)	0.02%	0.08%	0.08%	2.26%	2.76%	2.56%	2.22%	1.93%
Education Endowment Fund (AY3G)	-2.25%	5.84%	5.84%					
EVOS Habitat Investment (AY2H)	-1.59%	4.39%	4.39%	9.97%	7.48%	9.15%	7.62%	9.15%
EVOS Research Investment (AY02)	-1.72%	4.71%	4.71%	9.89%	7.44%	9.08%	7.57%	9.13%
GeFONSI I (AY01)	-0.01%	0.20%	0.20%	1.77%	2.05%	1.54%	1.37%	1.15%
GeFONSI II (AY3F)	-0.22%	0.75%	0.75%	3.38%				
Illinois Creek Mine Reclamation (AY9J)	-2.25%	5.83%	5.83%	9.83%	7.27%	8.81%	6.48%	5.16%
International Airports 2006 Non-AMT (AY9X)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.88%
International Airports 2009 Variable (AY9Y)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.88%
International Airports 2010-A (AY3A)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	
International Airports 2010-B (AY3B)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	
International Airports Repair & Replacement Fund (AY05)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.88%
International Airports Revenue Fund (AY04)	0.00%	0.20%	0.20%	2.61%	2.89%	2.69%	2.31%	1.79%
International Airports Series 2002 Reserve Account (AY2E)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.88%
International Airports Series 2003 Reserve (AY2U)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.89%
Investment Loss Trust Fund (AY28)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.88%
PCE Endowment Fund (AY13)	-1.29%	3.57%	3.57%	7.41%	6.49%	8.36%	6.81%	8.76%
Permanent Fund Dividend Holding Account (AY2G)	0.02%	0.08%	0.08%	1.22%	2.12%	1.58%	1.35%	0.93%
Public School - Income (AY09)	0.02%	0.07%	0.07%	1.15%	1.82%	1.43%	1.24%	0.87%
Public School Trust Fund (AY08)	-2.25%	5.83%	5.83%	9.84%	7.06%	8.12%	6.69%	7.52%
RHIF LTC Insurance (AY11)	-1.47%	3.99%	3.99%	9.94%	7.04%	7.26%	6.24%	6.94%
RHIF Major Medical (AY03)	0.02%	0.08%	0.08%	1.25%	1.85%	1.45%	1.26%	0.88%

DOR Commissioner's Report: Net Plan Performance for Month Ending 9/30/2020

Benchmark Performance	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	6 Year	10 Year
2008 Transportation Project Government Bonds (AY2Q)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
2010 Education Tax Exempt Bonds (AY3V)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	
2013B Tax Exempt Education (AY3Z)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	
2016A - 2012 Transportation Bond Act (AY3Y)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	
2016B - 2012 Transportation Bond Act (AY3Q)	0.01%	0.04%	0.04%	1.10%	1.69%			
Alaska Higher Education Investment (AY3L)	-2.23%	5.82%	5.82%	9.89%	7.28%	8.82%	7.05%	
Alaska Mental Health Trust Reserve (AY2L)	-1.79%	4.77%	4.77%	9.35%	7.12%	8.37%	6.74%	7.79%
Constitutional Budget Reserve Fund (AY19)	0.01%	0.04%	0.04%	1.97%	2.61%	2.32%	1.99%	1.72%
Education Endowment Fund (AY3G)	-2.23%	5.82%	5.82%					
EVOS Habitat Investment (AY2H)	-1.58%	4.26%	4.26%	9.67%	7.41%	9.10%	7.31%	8.67%
EVOS Research Investment (AY02)	-1.71%	4.57%	4.57%	9.62%	7.39%	9.09%	7.30%	8.66%
GeFONSI I (AY01)	0.00%	0.17%	0.17%	1.65%	1.90%	1.33%	1.17%	0.93%
GeFONSI II (AY3F)	-0.22%	0.70%	0.70%	3.21%				
Illinois Creek Mine Reclamation (AY9J)	-2.23%	5.82%	5.82%	9.89%	7.28%	8.82%	6.44%	5.00%
International Airports 2006 Non-AMT (AY9X)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
International Airports 2009 Variable (AY9Y)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
International Airports 2010-A (AY3A)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	
International Airports 2010-B (AY3B)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	
International Airports Repair & Replacement Fund (AY05)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
International Airports Revenue Fund (AY04)	0.00%	0.17%	0.17%	2.42%	2.76%	2.41%	2.06%	1.54%
International Airports Series 2002 Reserve Account (AY2E)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
International Airports Series 2003 Reserve (AY2U)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
Investment Loss Trust Fund (AY28)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
PCE Endowment Fund (AY13)	-1.28%	3.54%	3.54%	7.53%	6.51%	8.35%	6.64%	8.48%
Permanent Fund Dividend Holding Account (AY2G)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
Public School - Income (AY09)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%
Public School Trust Fund (AY08)	-2.23%	5.82%	5.82%	9.89%	7.07%	8.09%	6.60%	7.45%
RHIF LTC Insurance (AY11)	-1.45%	3.97%	3.97%	9.67%	6.96%	7.14%	6.04%	6.88%
RHIF Major Medical (AY03)	0.01%	0.04%	0.04%	1.10%	1.69%	1.20%	1.00%	0.64%

DOR Commissioner's Report: External Management Fees as of Month Ending 11/30/2020

Plan Fees for the Last Year

Plan	Fee as a %
2008 Transportation Project Government Bonds (AY2Q)	0.0000%
2010 Education Tax Exempt Bonds (AY3V)	0.0000%
2013B Tax Exempt Education (AY3Z)	0.0000%
2016A - 2012 Transportation Bond Act (AY3Y)	0.0000%
2016B - 2012 Transportation Bond Act (AY3Q)	0.0000%
Alaska Higher Education Investment (AY3L)	0.0132%
Alaska Mental Health Trust Reserve (AY2L)	0.0107%
Constitutional Budget Reserve Fund (AY19)	0.0005%
Education Endowment Fund (AY3G)	0.0133%
EVOS Habitat Investment (AY2H)	0.0095%
EVOS Research Investment (AY02)	0.0100%
GeFONSI I (AY01)	0.0000%
GeFONSI II (AY3F)	0.0013%
Illinois Creek Mine Reclamation (AY9J)	0.0132%
International Airports 2006 Non-AMT (AY9X)	0.0000%
International Airports 2009 Variable (AY9Y)	0.0000%
International Airports 2010-A (AY3A)	0.0000%
International Airports 2010-B (AY3B)	0.0000%
International Airports Repair & Replacement Fund (AY05)	0.0000%
International Airports Revenue Fund (AY04)	0.0006%
International Airports Series 2002 Reserve Account (AY2E)	0.0000%
International Airports Series 2003 Reserve (AY2U)	0.0000%
Investment Loss Trust Fund (AY28)	0.0000%
PCE Endowment Fund (AY13)	0.0110%
Permanent Fund Dividend Holding Account (AY2G)	0.0000%
Public School - Income (AY09)	0.0000%
Public School Trust Fund (AY08)	0.0131%
RHIF LTC Insurance (AY11)	0.0065%
RHIF Major Medical (AY03)	0.0000%

Commissioner's Report: Top GeFONSI Accounts for Month Ending: 9/30/2020

Program	Account Name	End Balance
GeFONSI1	General Fund	\$888,395,967.37
	Alaska Clean Water Fund	\$119,078,779.34
	Alaska Drinking Water Fund	\$69,500,100.56
	Mental Health Trust Income Settlement Account	\$55,633,229.73
	Oil & Hazardous Substance Release Response Account	\$41,995,379.35
GeFONSI2	Public Education Fund	\$202,259,468.38
	Highway Equipment Working Capital Fund For Operating Appropriations	\$86,037,398.89
	School Construction Fund	\$83,422,371.10
	Community Revenue Sharing Fund	\$78,546,333.11
	Regional Ed Attendance Area School Fund	\$72,270,292.11
Sum of 5 Largest GeFONSI I and II Funds		\$1,697,139,319.94

Non-Routine Investments

- The Department of Revenue is presented with periodic non-routine investment opportunities that fall outside the scope of its existing investment opportunity set.
- The State does not currently have any non-routine investments, and none are presently contemplated.
- Non-routine investment process summary:
 - Document the investment opportunity and determine if it merits further diligence and/or if it is more suitable for other funding sources.
 - Seek legal advice on DOR eligibility.
 - Seek guidance from external auditors.
 - Use an impartial external expert to evaluate the opportunity and to provide an opinion on the investment.
 - Seek advice from the Investment Advisory Council.
 - Notify the Office of Management and Budget.
 - Complete diligence and investment documentation.
 - Inform the Chairs of the Senate and House Finance Committees of any decision to move forward with an investment.

**State of Alaska
Department of Revenue**

State Investment Review 2021 Meeting Schedule

February 10, 2021 (Teleconference)

1. December 31, 2020 Performance
2. 2021 Capital Market Assumptions Discussion
3. TBD

May 12, 2021 (Teleconference)

1. March 31, 2021 Performance
2. FY2022 State Asset Allocation Discussion
3. TBD

August 25, 2021 (Teleconference)

1. June 30, 2021 Performance
2. TBD

October 27, 2021 (Teleconference)

1. September 30, 2021 Performance
2. TBD

All meetings are scheduled for 10:00 a.m. to Noon.