
ALASKA RETIREMENT MANAGEMENT BOARD

BOARD OF TRUSTEES MEETING

June 21-22, 2012

*K'enakatnu Board Room
Dena'Ina Convention Center
600 W. 7th Avenue
Anchorage, Alaska
907 263-2700*

Thursday, June 21, 2012

- I. 9:00 am Call to Order
- II. Roll Call
- III. Public Meeting Notice
- IV. Approval of Agenda
- V. Public/Member Participation, Communications, and Appearances
(Three Minute Limit)
- VI. Approval of Minutes - April 19-20, 2012

- VII. 9:10 Reports
 - 1. Chair Report, *Gail Schubert*
 - 2. Committee Reports
 - 3. Retirement & Benefits Division Report
 - A. Buck Consulting Invoices (informational)
 - B. Membership Statistics
 - C. DRB Update*Jim Puckett, Director, Division of Retirement & Benefits*
 - 4. Treasury Division Report
Deputy Commissioner Angela Rodell
 - 5. CIO Report, *Gary Bader, Chief Investment Officer*
- 9:40-10:00 6. Fund Financial Presentation
Pamela Leary, Comptroller, DOR
Jim Puckett, Director, Division of Retirement & Benefits

10:00 - Break
10 Minutes

- 10:10-11:10 7. Performance Measurement - 1st Quarter
Michael O'Leary and Paul Erlendson, Callan Associates, Inc.
- 11:15-11:45 8. Abbott Capital Management
Jonathan Roth and Tim Maloney

Lunch - 11:45 - 1:15 pm

Thursday Afternoon

- 1:15-1:45 9. BlackRock -
Amber Christman and Chris Barr
- 1:50-2:10 10. UBS AgriVest
James McCandless
- 2:15 11. Actuarial Review
- 2:15-3:00 A. Level Dollar Assumption: Resolution 2012-19
Martin Pihl, Trustee

*3:00 - Break
15 Minutes*

- 3:15-3:30 B. Final: Certification of Actuarial Valuation FY11
PERS/TRS/JRS/NGNMRS

*Action: Board Acceptance of GRS Certification for
PERS/TRS, DC Plan Valuations
NGNMRS/JRS Roll Forward*
- 3:30-3:45 C. Final: Actuarial Valuation - FY11
PERS/TRS/JRS/NGNMRS
Dave Slishinsky, Buck Consultants

*Action: Board Acceptance of FY 11 Valuations for
PERS/TRS, DC Plan, NGNMRS/JRS*

3:45

12. Contribution Rates for FY2014

Action: Relating to FY14 PERS Contribution Rate
Resolution 2012-10

Action: Relating to FY14 PERS RMMI Contribution Rate
and FY14 PERS ODD Contribution Rate
Resolutions 2012-11 and 2012-12

Action: Relating to FY14 TRS Contribution Rate
Resolution 2012-13

Action: Relating to FY14 TRS RMMI Contribution Rate
and FY14 TRS ODD Contribution Rate
Resolutions 2012-14 and 2012-15

Action: Relating to FY14 NGNMRS Contribution Amount
Resolution 2012-16

Information: JRS Contribution

Mike Barnhill, Deputy Commissioner, Dept of Administration

Jim Puckett, Director, Division of Retirement & Benefits

4:00

13. Health Care Plan Update

Mike Barnhill, Deputy Commissioner

Department of Administration

End of Day

Friday, June 22, 2012

9:00 Call to Order

9:05-9:35 13. Eaton Vance Management
Kristin Gaspar and Brian Dillon

9:40-10:00 14. Hancock Agricultural Investment Company
Oliver Williams and Paul Joerger

10:30-10:45 16. IFS Action Items
Item B.1, Recommendation #2 Equity Guidelines
Item B.1, Recommendation #3 Investment Guidelines
Item A.1.b Recommendation #5 Callan DC Report - Fees
Item B.8 Recommendation #1 Passive Watch List Guidelines
Item B.2.1 Recommendation #1 Rebalancing Guidelines
Gary Bader, Chief Investment Officer
Steve Sikes, State Investment Officer

10:50-11:10 17. Investment Actions
A. Contract Extensions:
Callan Associates, Inc.
Townsend Group LLC
Gabriel Roeder Smith
B. RFP Actuary Audit
C. Delegation of Authority
Gary Bader, Chief Investment Officer

VIII.

Unfinished Business

1. Calendar, *Judy Hall, Liaison Officer*
Action: Adopt Proposed 2013 Calendar
2. Disclosure Report, *Judy Hall, Liaison Officer*
3. Legal Report, *Rob Johnson, Legal Counsel*

- IX. New Business
- X. Other Matters to Properly Come Before the Board
- XI. Public/Member Comments
- XII. Investment Advisory Council Comments
- XIII. Trustee Comments
- XIV. Future Agenda Items
- XV. Adjournment

(Times are approximate. Every attempt will be made to stay on schedule; however, adjustments may be made.)

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: Invoices & Summary of Billings - ACTION: _____
Buck Consultants, a Xerox Company

DATE: June 21, 2012 INFORMATION: X

BACKGROUND:

AS 37.10.220(a)(8) prescribes that the Alaska Retirement Management Board (Board) “coordinate with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared to determine system assets, accrued liabilities, and funding ratios and to certify to the appropriate budgetary authority of each employer in the system”.

As part of the oversight process, the Board has requested that the Division of Retirement & Benefits (Division) provide monthly invoices to review billings and services provided.

STATUS:

Attached are monthly invoices to the Division for Fiscal Year 2012 for the months of January, February and March 2012.

Attached are the summary totals for the nine months ended March 31, 2012.

Buck Consultants
Billing Summary
Through the Three Months Ended September 30, 2011

	PERS	TRS	JRS	NG	EPORS	AHF	RHF	GF	SBS	DCP	TOTAL
Actuarial Valuations	\$ 22,089	16,720	-	-	-	-	-	-	-	-	\$ 38,809
ARMB Presentations	-	-	1,437	2,187	-	-	-	-	-	-	3,624
Funding Projections varying int rates and varying amort periods	2,260	1,390	-	-	-	-	-	-	-	-	3,650
SB 121 Analysis	-	-	-	-	-	-	-	8,869	-	-	8,869
Retiree Cash-out actuarial Study	8,133	6,259	-	-	-	-	-	-	-	-	14,392
Funding Projection - Reserve Fund	7,959	5,942	-	-	-	-	-	-	-	-	13,901
Discussion regarding City of Soldotna termination study	1,359	-	-	-	-	-	-	-	-	-	1,359
Salary History used for annual ER contributions to PERS	1,396	-	-	-	-	-	-	-	-	-	1,396
Consulting - Same-sex partner beneficiary hearing	698	-	-	-	-	-	-	-	-	-	698
Study - Retro application of level dollar amortization	4,234	3,465	-	-	-	-	-	-	-	-	7,699
Salaries and normal costs shown separate pension and hithcr	2,991	2,414	-	-	-	-	-	-	-	-	5,405
Cost of eliminating termination cost studies	2,145	-	-	-	-	-	-	-	-	-	2,145
Moody's Disclosure Request	1,022	1,022	-	-	-	-	-	-	-	-	2,044
Preparation and Attendance at Sept ARMB	3,204	1,266	-	-	-	-	-	-	-	-	4,470
Audit Request	969	813	411	234	-	-	-	-	-	-	2,427
Misc emails and phone calls	3,830	1,494	-	-	-	-	-	-	-	-	5,324
TOTAL	62,289	40,785	1,848	2,421	-	-	-	8,869	0	0	\$116,212

Buck Consultants
Billing Summary
Through the Three Months Ended December 31, 2011

	PERS	TRS	JRS	NGNMRS	EPORS	AHF	RHF	GF	SBS	DCP	TOTAL
Actuarial Valuations	\$ 97,768	77,163	818	709	-	-	-	-	-	-	\$176,458
Funding Projections varying int rates and varying amort periods	11,106	6,692	-	-	-	-	-	-	-	-	17,798
SB 121 Analysis	-	-	-	-	-	9,900	-	12,366	-	-	22,266
Cost of eliminating termination cost studies	6,284	-	-	-	-	-	-	-	-	-	6,284
Fitch Disclosure Request	2,212	1,549	-	-	-	-	-	-	-	-	3,761
Preparation and Attendance at Sept ARMB	1,380	545	-	-	-	-	-	-	-	-	1,925
Audit Request	1,180	1,180	957	733	-	-	-	-	-	-	4,050
Completion of CAFR Information	1,603	1,031	-	-	-	-	-	-	-	-	2,634
Funding Options Study	11,561	9,468	-	-	-	-	-	-	-	-	21,029
Consulting Study - Consolidation Project	56,209	17,860	123	2,822	19	3,748	100	-	25,135	4,657	110,675
Misc emails and phone calls	2,642	1,031	-	-	-	-	-	-	-	-	3,673
TOTAL	191,945	116,519	1,898	4,264	19	13,648	100	12,366	25,135	4,657	\$370,553

Buck Consultants
Billing Summary
Through the Three Months Ended March 31, 2012

	PERS	TRS	JRS	NGNMRS	EPORS	AHF	RHF	GF	SBS	DCP	TOTAL
Actuarial Valuations	\$ 56,291	43,692	4,729	2,191	-	-	-	-	-	-	\$106,903
SB 121 Analysis	-	-	-	-	-	-	-	44,768	-	-	44,768
60 year projection of state and employer cont - level dollar	4,853	3,789	-	-	-	-	-	-	-	-	8,642
Total Salary info (DB & DC) by employer	948	775	-	-	-	-	-	-	-	-	1,723
Claims Paid cash flow between Wells Fargo and CAFR	1,083	427	10	-	-	-	-	-	-	-	1,521
SB 100 Analysis	1,447	-	-	-	-	-	-	-	-	-	1,447
Research and Correspondence GASB 43 Discount Rate	801	317	-	-	-	-	-	-	-	-	1,118
SB 211 Fiscal Note	13,119	-	-	-	-	-	-	-	-	-	13,119
SB 187 Analysis	20,942	-	-	-	-	-	-	-	-	-	20,942
Consulting Study - Consolidation Project	27,434	8,717	60	1,377	9	1,829	49	-	12,268	2,273	54,017
Misc emails and phone calls	2,462	961	-	-	-	-	-	-	-	-	3,423
TOTAL	129,381	56,678	4,799	3,568	9	1,829	49	44,768	12,268	2,273	\$257,623

Buck Consultants
Billing Summary
Through the Nine Months Ended March 31, 2012

	<u>PERS</u>	<u>TRS</u>	<u>JRS</u>	<u>NGNMRS</u>	<u>EPORS</u>	<u>AHF</u>	<u>RHF</u>	<u>GF</u>	<u>SBS</u>	<u>DCP</u>	<u>TOTAL</u>
Actuarial Valuations	\$176,148	137,575	5,547	2,900	-	-	-	-	-	-	\$322,170
ARMB Presentations	-	-	1,437	2,187	-	-	-	-	-	-	3,624
Funding Projections varying int rates and varying amort periods	13,386	8,082	-	-	-	-	-	-	-	-	21,468
SB 121 Analysis	-	-	-	-	-	9,900	-	66,003	-	-	75,903
Retiree Cash-out actuarial Study	8,133	6,259	-	-	-	-	-	-	-	-	14,392
Funding Projection - Reserve Fund	7,959	5,942	-	-	-	-	-	-	-	-	13,901
Discussion regarding City of Soldotna termination study	1,359	-	-	-	-	-	-	-	-	-	1,359
Salary History used for annual ER contributions to PERS	1,396	-	-	-	-	-	-	-	-	-	1,396
Consulting - Same-sex partner beneficiary hearing	698	-	-	-	-	-	-	-	-	-	698
Study - Retro application of level dollar amortization	4,234	3,465	-	-	-	-	-	-	-	-	7,699
Salaries and normal costs shown separate pension and hlthcr	2,991	2,414	-	-	-	-	-	-	-	-	5,405
Cost of eliminating termination cost studies	8,429	-	-	-	-	-	-	-	-	-	8,429
Moody's Disclosure Request	1,022	1,022	-	-	-	-	-	-	-	-	2,044
Fitch Disclosure Request	2,212	1,549	-	-	-	-	-	-	-	-	3,761
Preparation and Attendance at Sept ARMB	4,584	1,811	-	-	-	-	-	-	-	-	6,395
Audit Request	2,149	1,993	1,368	967	-	-	-	-	-	-	6,477
Completion of CAFR Information	1,603	1,031	-	-	-	-	-	-	-	-	2,634
Funding Options Study	11,561	9,468	-	-	-	-	-	-	-	-	21,029
60 year projection of state and employer cont - level dollar	4,853	3,789	-	-	-	-	-	-	-	-	8,642
Total Salary Info (DB & DC) by employer	948	775	-	-	-	-	-	-	-	-	1,723
Claims Paid cash flow between Wells Fargo and CAFR	1,083	427	10	-	-	-	-	-	-	-	1,521
SB 100 Analysis	1,447	-	-	-	-	-	-	-	-	-	1,447
Research and Correspondence GASB 43 Discount Rate	801	317	-	-	-	-	-	-	-	-	1,118
SB 211 Fiscal Note	13,119	-	-	-	-	-	-	-	-	-	13,119
SB 187 Analysis	20,942	-	-	-	-	-	-	-	-	-	20,942
Consulting Study - Consolidation Project	83,643	26,577	184	4,200	29	5,578	149	-	37,403	6,930	164,692
Misc emails and phone calls	6,934	3,486	-	-	-	-	-	-	-	-	12,420
TOTAL	383,615	215,982	8,546	10,254	29	15,478	149	66,003	37,403	6,930	\$744,388

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February 15, 2012

Ms. Teresa Kesey
Chief Financial Officer
State of Alaska PERS
333 Willoughby,
6th Floor State Office Building
Juneau, AK 99811-0203

Actuarial Valuation and Consulting Contract
Agency Contract Number 2006-0200-5759

Client #: 00019732
Invoice #: 2101344

REMIT BY CHECK TO:
Buck Consultants, LLC
Dept. CH 14061
Palatine, IL 60055-4061

BY WIRE TO:
Buck Consultants, LLC
The Bank of New York Mellon, NA
A B A # 043000261
D D A # 0038720

Terms: Payable upon receipt. Interest accrues
after 30 days from the invoice date at 1% per
month.

Direct Inquiries to:
Judy Daszkiewicz - Finance Dept.
Email: Judith.Daszkiewicz@acs-inc.com
Phone: (201) 902-2842

Services rendered from January 1 through January 31, 2012 (see attached):

145,338.55
~~819,539.00~~

OK to process
JW 2/17/12

State of Alaska
January 2012 Invoice for Actuarial Services

	Services	January 2012 Expenses	Total	Services	Fiscal Year to Date July 2011 - June 2012 Expenses	Total
Regular Services Under Contract						
Work in process on 2011 actuarial valuations, including review of Medical assumptions						
- PERS						
- TRS	\$ 24,794	\$ 0	\$ 24,794			
- JRS roll-forward	19,910	0	19,910			
- NGNIRS roll-forward	4,257	0	4,257			
	1,719	0	1,719			
Subtotal	\$ 50,880	\$ 0	\$ 50,880	\$ 257,551.00	\$ 0.00	\$ 257,551.00
Non-Regular Services						
Work in process on fiscal note for revised draft of SB 121 DB/DC choice						
- PERS						
- TRS	\$ 15,886	\$ 0	\$ 15,886			
	11,989	0	11,989			
Work in process on 2011 Actuarial Valuations of DCR plans						
- PERS						
- TRS	\$ 7,589	\$ 0	\$ 7,589			
	5,587	0	5,587			
Work in process on reserve fund transfer projections for PERS as proposed under SB 187						
	\$ 2,760	\$ 0	\$ 2,760			
Research and correspondence regarding GASB 43 discount rate						
	\$ 1,118	\$ 0	\$ 1,118			
Miscellaneous administration, emails and phone calls						
	\$ 1,118	\$ 0	\$ 1,118			
Subtotal	\$ 46,057	\$ 0	\$ 46,057	\$ 208,117.00	\$ 5,549.00	\$ 213,666
Total Actuarial Services	\$ 96,737	\$ 0	\$ 96,737	\$ 269,284.00	\$ 7,465.00	\$ 276,749.00
				\$ 510,812.00	\$ 7,188.00	\$ 517,974.00
Special Projects						
Consulting project to assist in the Consolidation of the Retirement and the Health and Welfare Sections within DRB						
	\$ 42,429.55	\$ 6,172	\$ 48,601.55	\$ 150,000.00	\$ 10,886.71	\$ 160,886.71
	-76,689		-76,689	-446,005.00	-9,276.74	-455,281.74
Grand Total	\$ 139,166.55	\$ 6,172	\$ 145,338.55	\$ 650,617.00	\$ 18,455.71	\$ 669,072.71
				465,668.00	5,549.00	471,217.00

Staff Member	January 2012 Hours*	Fiscal Year-to-Date July 2011 - June 2012 Hours*
- Aaron Jurgaitis	20.25	121.50
- Becky Soderfelt	0.00	0.00
- Chris Hulla	3.50	11.25
- Colin Wein	105.75	495.50
- David Slishinsky	62.00	256.00
- Doug Fiddler	0.00	0.00
- Karen Hancock	2.75	33.25
- Kathy Recchiuti	2.00	8.75
- Kyla Kaltenbach	58.00	279.25
- Melissa Bissett	17.25	49.75
- Michael Mills	10.50	43.25
- Michelle Pritchard	27.25	236.75
- Monica DeGraff	0.00	0.00
- Peter Gold	0.00	2.25
- Robert Besenhofer	0.00	1.50
- Robin Simon	0.00	0.25
- Ron Thompson	0.00	3.00
- Soon Kyu Son	0.00	10.25
- Tammy Ringel	12.25	78.50
- William Detweiler	2.00	7.00
	323.50	1638.00

* Excludes consulting project to consolidate Retirement and Health and Welfare Sections within DRB.

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June 5, 2012

REMIT BY CHECK TO:
Buck Consultants, LLC
Dept. CH 14061
Palatine, IL 60055-4061

BY WIRE TO:
Buck Consultants, LLC
The Bank of New York Mellon, NA
A B A # 043000261
D D A # 0038720

Ms. Teresa Kesey
Chief Financial Officer
State of Alaska PERS
333 Willoughby, 6th Floor State Office Building
P.O. Box 110203
Juneau, AK 99811-0203

Terms: Payable upon receipt. Interest accrues after 30 days from the invoice date at 1% per month.

Actuarial Valuation and Consulting Contract
Agency Contract Number 2006-0200-5759

Direct Inquiries to:
Judy Daszkiewicz - Finance Dept.
Email: Judith.Daszkiewicz@acs-inc.com
Phone: (201) 902-2842

Client #: 00019732
Invoice #: 2112047 (replaces invoice #2111890)

Services rendered from February 1 through February 29, 2012
(see attached):

\$70,768.00

Ok to process sh
6/6/12

State of Alaska
February 2012 Invoice for Actuarial Services

	February 2012		Fiscal Year to Date	
	Services	Expenses	Services	Expenses
Regular Services Under Contract				
Work in process on 2011 actuarial valuations. Including review of Medical assumptions				
- PERS	\$ 5,901	\$ 0		
- TRS	4,084	0		
- JRS roll-forward	109	0		
- NGNMRS roll-forward	109	0		
Subtotal	\$ 10,203	\$ 0	\$ 267,764.00	\$ 0.00
Non-Regular Services				
Work in process on fiscal note for revised draft of SB 121 DB/DC choice, including 30-year projections of costs				
- PERS	\$ 9,623	\$ 0		
- TRS	7,260	0		
Subtotal	\$ 16,883	\$ 0	\$ 267,764.00	\$ 0.00
Work in process on 2011 Actuarial Valuations of DCR plans				
- PERS	\$ 11,978	\$ 0		
- TRS	9,369	0		
Subtotal	\$ 21,347	\$ 0	\$ 267,764.00	\$ 0.00
Work in process on reserve fund transfer projections for PERS as proposed under SB 187				
- PERS	\$ 12,963	\$ 0		
- TRS				
Subtotal	\$ 12,963	\$ 0	\$ 267,764.00	\$ 0.00
Completion of total salary information (DB and DCR payroll combined) listed by employer				
- PERS	\$ 948	\$ 0		
- TRS	775	0		
Subtotal	\$ 1,723	\$ 0	\$ 267,764.00	\$ 0.00
Work in process on fiscal note for SB 211 to include military service in retirement eligibility for PERS Peace Officers and Firefighters				
- PERS	\$ 2,443	\$ 0		
- TRS				
Subtotal	\$ 2,443	\$ 0	\$ 267,764.00	\$ 0.00
Miscellaneous administration, emails and phone calls				
- PERS	\$ 1,788	\$ 0		
- TRS				
Subtotal	\$ 1,788	\$ 0	\$ 267,764.00	\$ 0.00
Total Actuarial Services	\$ 57,147	\$ 0	\$ 267,764.00	\$ 0.00
Special Projects				
Consulting project to assist in the Consolidation of the Retirement and the Health and Welfare Sectors within DRB				
- PERS	\$ 0	\$ 3,418		
- TRS				
Subtotal	\$ 0	\$ 3,418	\$ 19,853.71	\$ 732,216.16
Grand Total	\$ 57,147	\$ 3,418	\$ 683,018.00	\$ 732,216.16

265,264.00 5,549.00 270,813.00
 150,000.00 143,047.71 164,304.71
 683,018.00 5,549.00 538,567.00
 19,853.71 732,216.16
702,871.71

Staff Member	February 2012 Hours*	Fiscal Year-to-Date July 2011 - June 2012 Hours*
- Aaron Jurgaitis	7.75	129.25
- Becky Soderfelt	0.00	0.00
- Chris Hulla	3.00	14.25
- Colin Wein	60.75	556.25
- David Slishinsky	52.00	308.00
- Doug Fiddler	1.25	1.25
- Karen Hancock	3.25	36.50
- Kathy Recchiuti	0.00	8.75
- Kyla Kaltenbach	40.50	319.75
- Melissa Bissett	15.25	65.00
- Michael Mills	0.00	43.25
- Michelle Pritchard	27.00	263.75
- Monica DeGraff	0.00	0.00
- Peter Gold	0.00	2.25
- Robert Besenhofer	0.00	1.50
- Robin Simon	1.25	1.50
- Ron Thompson	0.00	3.00
- Soon Kyu Son	0.00	10.25
- Steve Robb	0.50	0.50
- Tammy Ringel	9.25	87.75
- William Detweiler	0.00	7.00
	221.75	1,859.75

* Excludes consulting project to consolidate Retirement and Health and Welfare Sections within DRB.

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A Xerox Company

April 13, 2012

Ms. Teresa Kesey
Chief Financial Officer
State of Alaska PERS
333 Willoughby, 6th Floor State Office Building
P.O. Box 110203
Juneau, AK 99811-0203

Actuarial Valuation and Consulting Contract
Agency Contract Number 2006-0200-5759

Client #: 00019732
Invoice #: 2106714

REMIT BY CHECK TO:
Buck Consultants, LLC
Dept. CH 14061
Palatine, IL 60055-4061

BY WIRE TO:
Buck Consultants, LLC
The Bank of New York Mellon, NA
A B A # 043000261
D D A # 0038720

Terms: Payable upon receipt. Interest accrues
after 30 days from the invoice date at 1% per
month.

Direct Inquiries to:
Judy Daszkiewicz - Finance Dept.
Email: Judith.Daszkiewicz@acs-inc.com
Phone: (201) 902-2842

Services rendered from March 1 through March 31, 2012 (see attached):

~~\$ 41,442.00~~

s/b 41,516.00

OK to process
Teresa Kesey

State of Alaska
March 2012 Invoice for Actuarial Services

	March 2012		Fiscal Year to Date	
	Services	Expenses	Services	Expenses
Regular Services Under Contract				
Work in process on 2011 actuarial valuations. Including preparation for April ARM Board meeting				
- PERS	\$ 2,687	\$ 0		
- TRS	2,289	0		
- JRS roll-forward	363	0		
- NGNMRS roll-forward	363	0		
Subtotal	\$ 5,702	\$ 0	\$ 273,456.00	\$ 273,456.00
Non-Regular Services				
Work in process on 2011 Actuarial Valuations of DCR plans				
- PERS	\$ 3,342	\$ 0		
- TRS	2,453	0		
Consulting, discussions and additional reserve fund transfer projections for PERS as proposed under SB 187	\$ 5,219	\$ 0		
Preparation of 60 year projections of state and employer contributions under a level dollar amortization method				
- PERS	\$ 4,853	\$ 0		
- TRS	3,789	0		
Work in process on fiscal note for SB 211 to include military service in retirement eligibility for PERS Peace Officers and Firefighters	\$ 10,676	\$ 0		
Consulting and discussions on fiscal note for SB 100 regarding the fiscal impact to eliminate PERS termination studies or use 20% of member/salary for partial termination study trigger level	\$ 1,447	\$ 0		
Research and consulting on cash flow differences between CAFR and Wells Fargo accounting of claims paid	\$ 1,521	\$ 0		
Miscellaneous administration, emails and phone calls	\$ 517	\$ 0		
Subtotal	\$ 33,817	\$ 0	\$ 299,081.00	\$ 5,549.00
Total Actuarial Services	\$ 39,519	\$ 0	\$ 402,322.00	\$ 7,159.00
Special Projects				
Consulting project to assist in the Consolidation of the Retirement and the Health and Welfare Sections within DRB	\$ 0	\$ 1,987	\$ 16,301.71	\$ 166,301.71
Grand Total	\$ 39,519	\$ 1,987	\$ 869,231.45	\$ 21,860.71
			722,537.00	488,892.16

Staff Member	March 2012 Hours*	Fiscal Year-to-Date July 2011 - June 2012 Hours*
- Aaron Jurgaitis	7.75	137.00
- Becky Soderfelt	0.00	0.00
- Chris Hulla	2.50	16.75
- Colin Wein	20.75	577.00
- David Slishinsky	31.00	339.00
- Doug Fiddler	0.00	1.25
- Karen Hancock	4.25	40.75
- Kathy Recchiuti	2.25	11.00
- Kyla Kaltenbach	27.75	347.50
- Melissa Bissett	0.25	65.25
- Michael Mills	0.00	43.25
- Michelle Pritchard	19.00	282.75
- Monica DeGraff	1.50	1.50
- Peter Gold	0.00	2.25
- Robert Besenhofer	0.00	1.50
- Robin Simon	0.25	1.75
- Ron Thompson	0.00	3.00
- Soon Kyu Son	0.00	10.25
- Steve Robb	12.00	12.50
- Tammy Ringel	0.00	87.75
- William Detweiler	0.00	7.00
	129.25	1,989.00

* Excludes consulting project to consolidate Retirement and Health and Welfare Sections within DRB.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: Retirement System Membership Activity
as of March 31, 2012

ACTION: _____

DATE: June 21, 2012

INFORMATION: X

BACKGROUND:

Information related to PERS, TRS, JRS, NGNMRS, SBS and DCP membership activity as requested by the Board.

STATUS:

Membership information as of March 31, 2012.

MEMBERSHIP STATISTICS AS OF SEPTEMBER 30, 2011

	PERS					TRS				JRS	NG	SBS	DCP
	DB		DC			DB		DC					
	Tier I	Tier II	Tier III	Tier IV	TOTAL	Tier I	Tier II	Tier III	TOTAL				
Active Members	4,285	6,552	13,497	12,043	36,377	1,487	6,034	3,520	11,041	72	n/a	26,212	7,233
Terminated Members	2,791	5,524	11,427	4,758	24,500	573	2,643	982	4,198	3	n/a	13,638	2,395
Retirees & Beneficiaries	22,152	4,354	1,077	1	27,584	10,176	853	0	11,029	105	577	n/a	n/a
June 21, 2012													
Managed Accounts	n/a	n/a	n/a	7,582	7,582	n/a	n/a	1,915	1,915	n/a	n/a	701	449
Retirements - 1st QTR FY12	279	144	77	n/a	500	278	138	n/a	416	1	24	n/a	n/a
Withdrawals - 1st QTR FY12	32	73	227	368	700	7	67	112	186	0	n/a	625	116
Partial Payments - 1st QTR FY12	n/a	n/a	n/a	17	17	n/a	n/a	16	16	n/a	n/a	325	448

MEMBERSHIP STATISTICS AS OF DECEMBER 31, 2011

	PERS					TRS				JRS	NG	SBS	DCP
	DB		DC			DB		DC					
	Tier I	Tier II	Tier III	Tier IV	TOTAL	Tier I	Tier II	Tier III	TOTAL				
Active Members	4,166	6,482	13,396	12,577	36,621	1,480	6,019	3,547	11,046	70	n/a	26,721	7,376
Terminated Members	2,746	5,479	11,351	4,892	24,468	563	2,618	984	4,165	5	n/a	13,550	2,389
Retirees & Beneficiaries	22,213	4,458	1,131	1	27,803	10,156	859	0	11,015	103	581	n/a	n/a
Managed Accounts	n/a	n/a	n/a	7,458	7,458	n/a	n/a	1,895	1,895	n/a	n/a	722	482
Retirements - 2nd QTR FY12	155	96	51	n/a	302	16	9	n/a	25	0	24	n/a	n/a
Withdrawals - 2nd QTR FY12	36	56	190	308	590	16	50	45	111	0	n/a	548	90
Partial Payments - 2nd QTR FY12	n/a	n/a	n/a	35	35	n/a	n/a	4	4	n/a	n/a	373	436

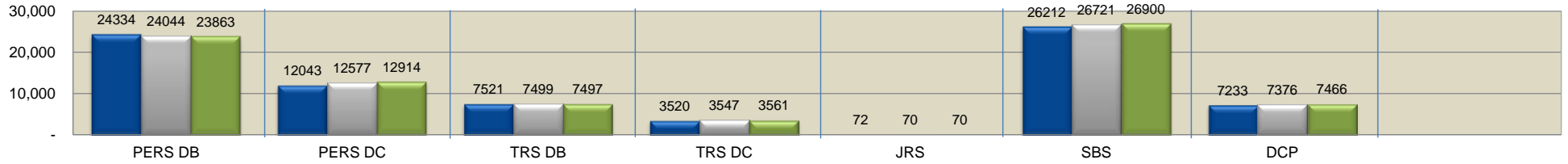
MEMBERSHIP STATISTICS AS OF MARCH 31, 2012

	PERS					TRS				JRS	NG	SBS	DCP
	DB		DC			DB		DC					
	Tier I	Tier II	Tier III	Tier IV	TOTAL	Tier I	Tier II	Tier III	TOTAL				
Active Members	4,120	6,434	13,309	12,914	36,777	1,478	6,019	3,561	11,058	70	n/a	26,900	7,466
Terminated Members	2,694	5,439	11,327	5,102	24,562	551	2,586	962	4,099	5	n/a	13,266	2,345
Retirees & Beneficiaries	22,156	4,469	1,135	1	27,761	10,127	863	0	10,990	102	566	n/a	n/a
Managed Accounts	n/a	n/a	n/a	7,250	7,250	n/a	n/a	1,864	1,864	n/a	n/a	746	558
Retirements - 3rd QTR FY12	144	95	57	n/a	296	16	16	n/a	32	2	43	n/a	n/a
Withdrawals - 3rd QTR FY12	26	38	147	319	530	10	39	45	94	0	n/a	546	133
Partial Payments - 3rd QTR FY12	n/a	n/a	n/a	12	12	n/a	n/a	3	3	n/a	n/a	375	444

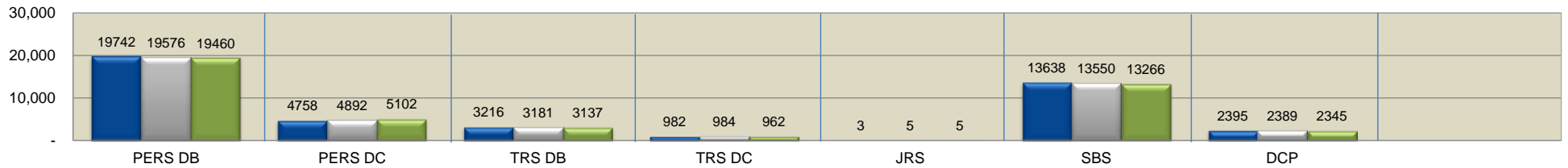
FY 2012 QUARTERLY REPORT OF MEMBERSHIP STATISTICS

as of March 31, 2012

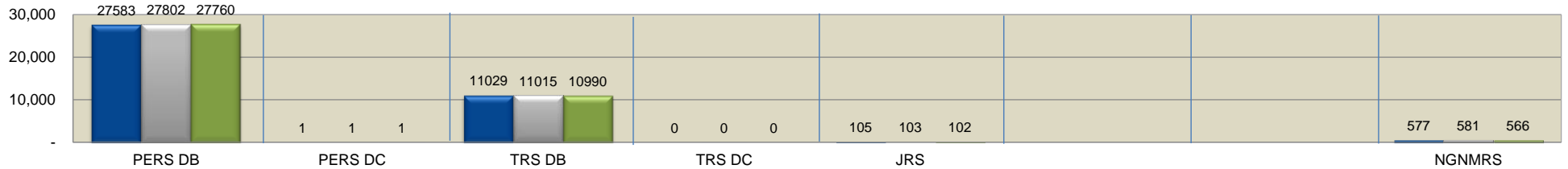
Active Members



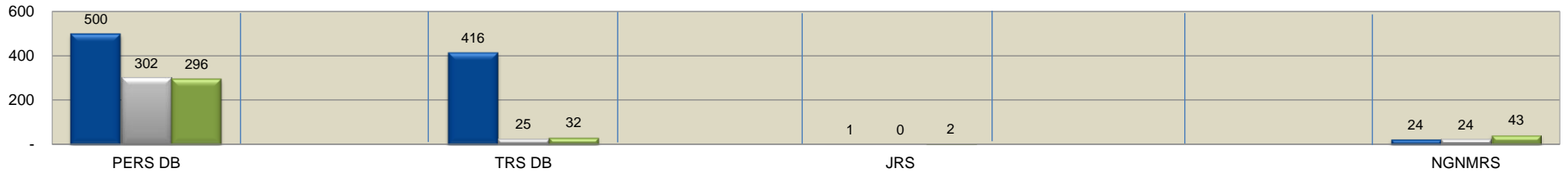
Terminated Members



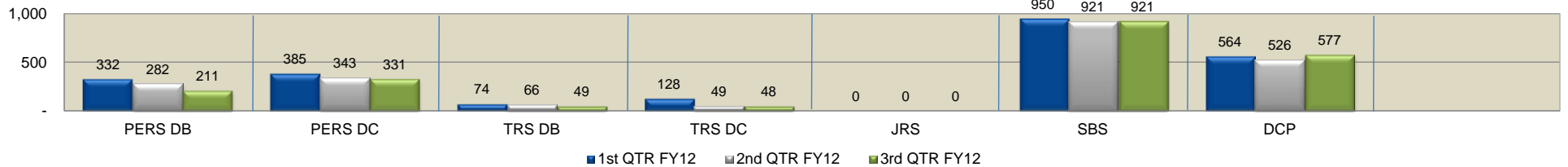
Retirees & Beneficiaries



Retirements



Withdrawals & Partial Payments



■ 1st QTR FY12 ■ 2nd QTR FY12 ■ 3rd QTR FY12

LEGEND

Active Members - All active members at the time of the data pull

Terminated Members - All members who have terminated without refunding their account.

Retirees & Beneficiaries - All members who have retired from the plans, including beneficiaries eligible for benefits.

Managed Accounts - Individuals who have elected to participate in the managed accounts option with Great West.

Retirements - The number of retirement applications processed.

Withdrawals - Full withdrawals from retirement account.

Partial Payments - Partial withdrawals from retirement account. If an account holder takes more than one partial withdrawal during the quarter, the withdrawals are counted once for statistical purposes.



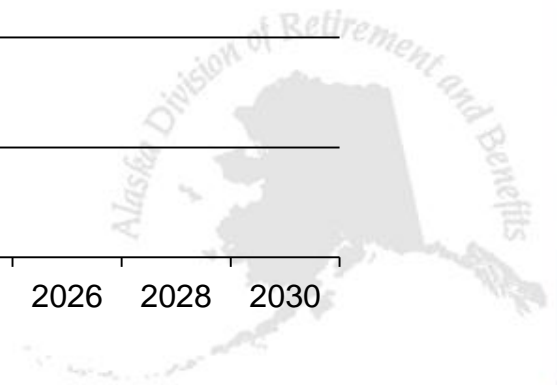
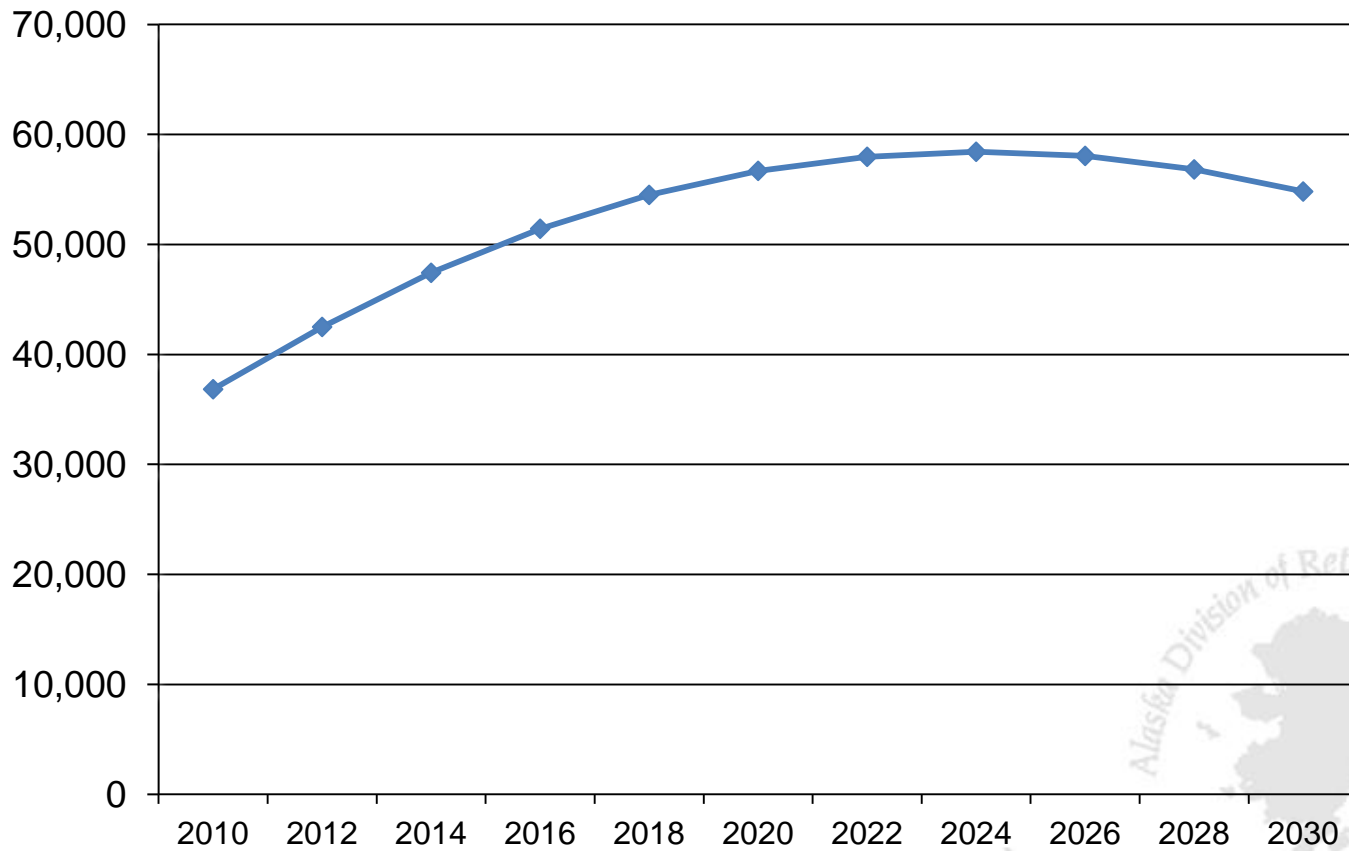
Facing the Future Together

June 2012



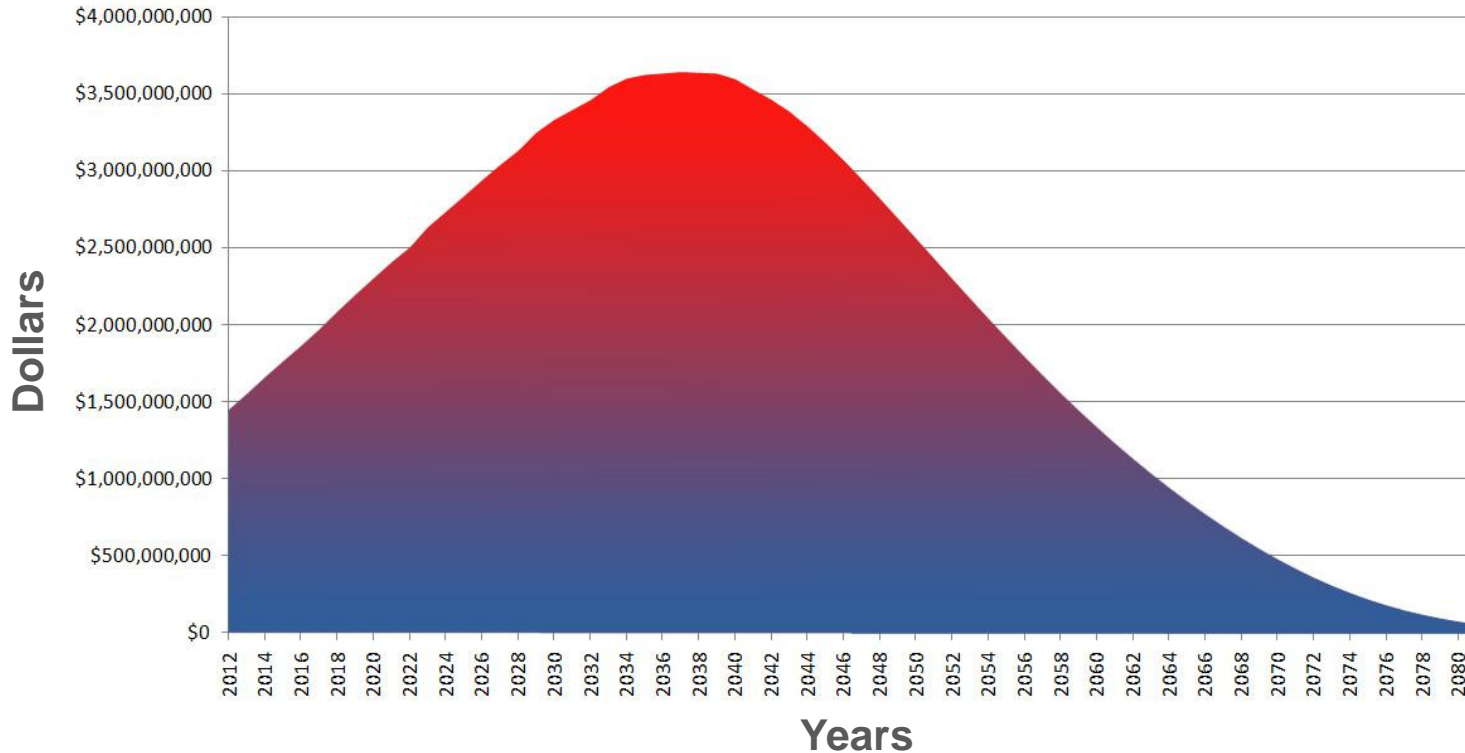
Retiree Population

Projected Retirement System Growth



Big Picture Budget Issues

PERS and TRS promises made



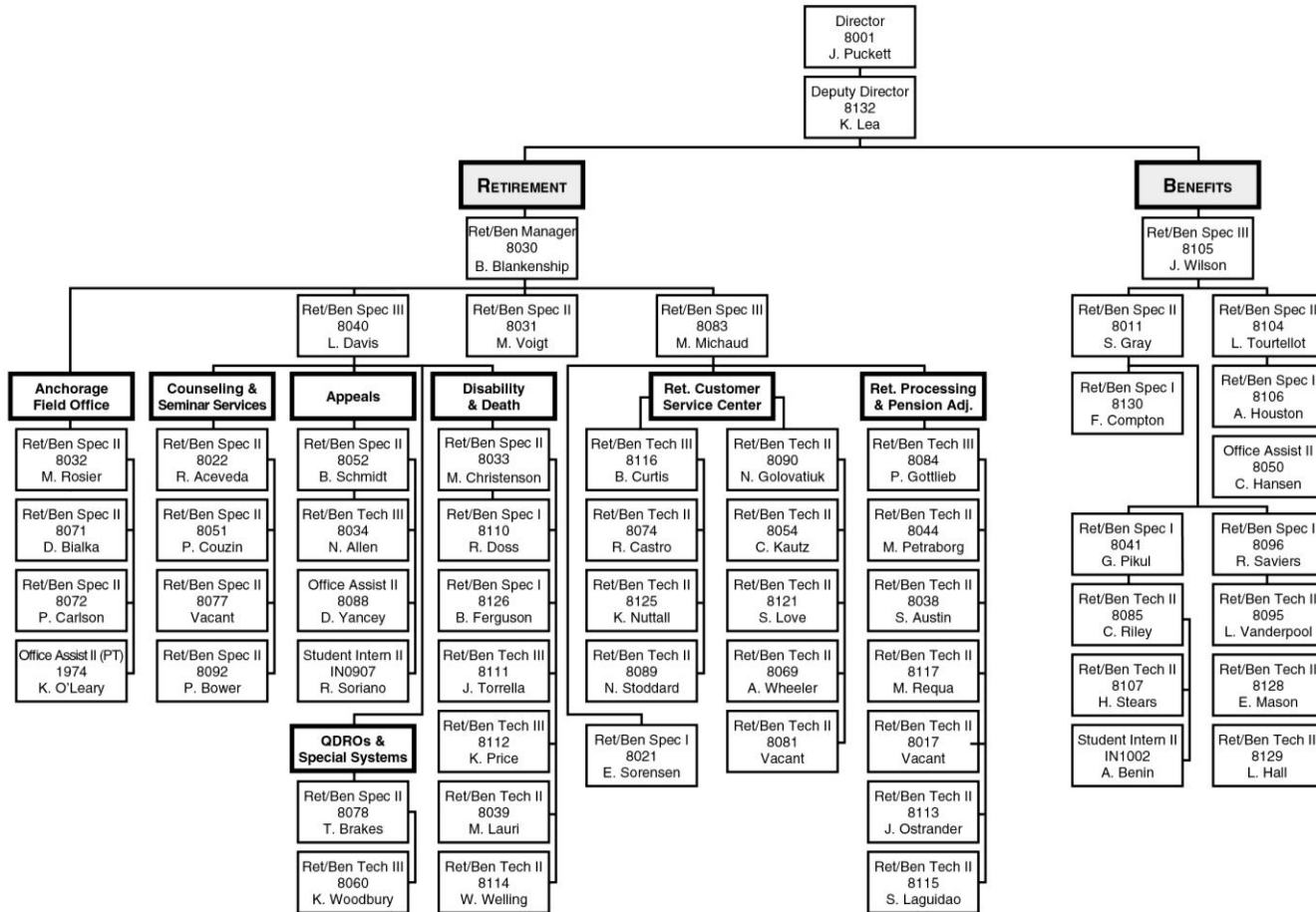
Pay **\$141 billion** in benefits payments over next 70 years

Current PERS/TRS account balance: **\$15.4 billion**

Unfunded Liability: \$11.1 billion

We have rarely seen such dedication and personal identity with one's work as we found within the DRB...

Current Retirement and Benefits Sections



Culture: DRB culturally aligned – Member Services and Workgroups



1 per•sist

2 em•brace

1 2 3

guiding **alaskans** to make the **right decisions** for a

2 3 4

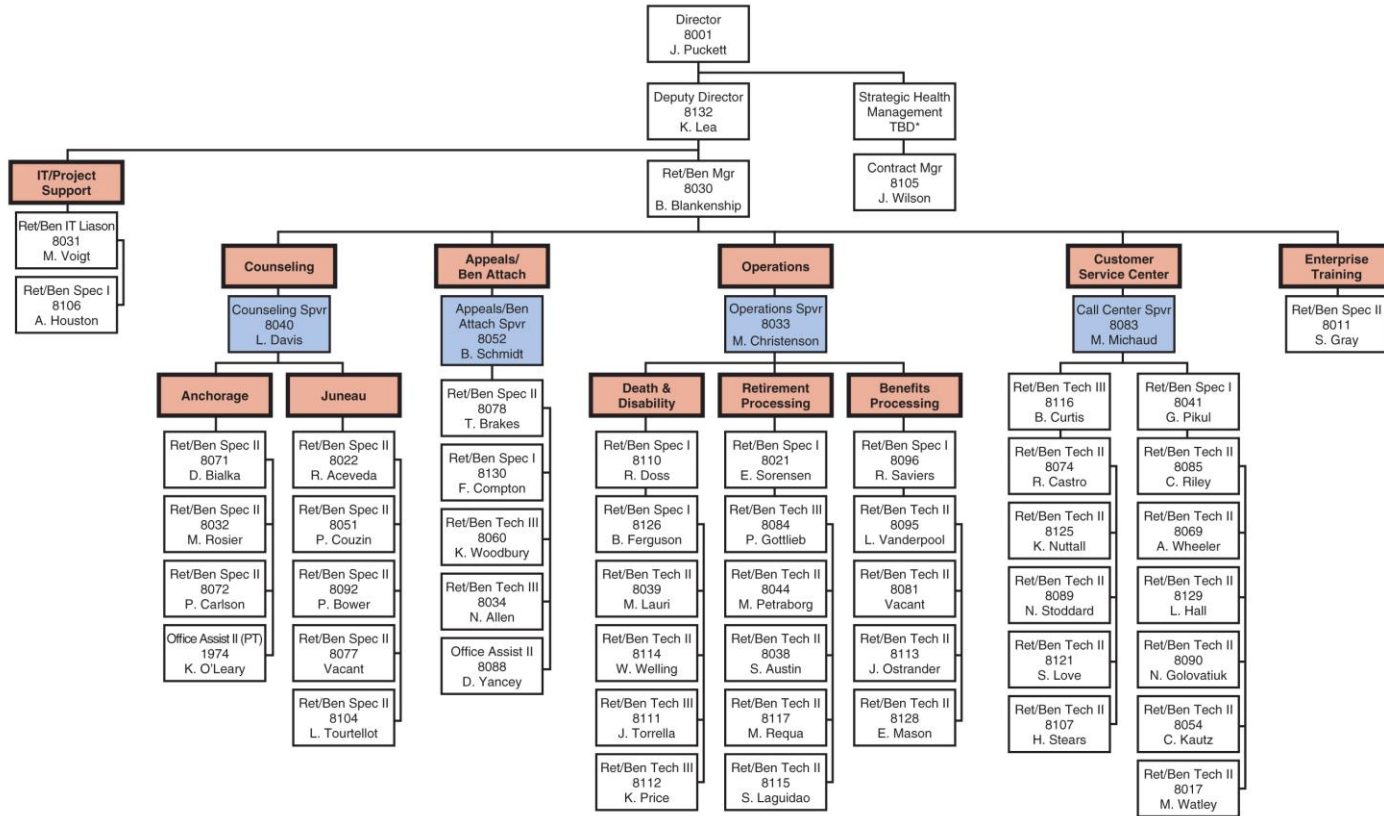
lifetime of **wellbeing**

1 2 3 4

3 a•dapt

4 im•merse

New Member Services Section



Revised 4/10/12

- **Emphasizing teamwork**
- **Encouraging innovation**
- **Elevating our service levels**



Member Services, Facing the Future Together!



CHIEF INVESTMENT OFFICER REPORT

Rebalanced Retirement and Health Pools for various systems.

Transfer funds from TIPS account to Advent Capital Convertible Bond Account

Communication from Blair Thomas of EIG Global Energy Partners

Notice of AI Clerc resignation from Pathway Capital Management.

Watch List Report



Alaska Retirement Management Board

P.O. Box 110405

Juneau, Alaska 99811-0405

(907) 465-3749

May 07, 2012

Mr. Michael McElligott
 State Street Corporation
 Lafayette Corporate Center
 2 Avenue de Lafayette – 2nd Floor
 Boston, MA 02111-2900

Dear Mr. McElligott:

Please make the following transactions on May 10, 2012 to bring the ARMB funds allocations closer to target.

		AY21	AY22	AY23	AY24	AYW2	AYW3	AYW4	AYX2	AYX3	AYY2	AYY3	AYG6	AYG8	AYG1
Broad Domestic Equity															
EXTERNAL LG CAP DOMESTIC	309991916	(2,722,180)	(5,962,509)	(71,202)	31,720	6,542,346	905,652	28,143	118,006	51,090	759,002	251,730	43,239	4,062	20,961
CONVERTIBLE BOND TRUST	938RU0309	(65,923)	(144,037)	(1,722)	766	158,152	21,960	680	2,849	1,233	18,318	6,079	1,043	97	505
EXTERNAL SM CAP DOM EQ POOL	321990921	(609,487)	(1,341,646)	(15,965)	6,990	1,470,242	202,303	6,328	26,600	11,508	171,113	56,703	9,744	913	4,714
Fixed Income															
AY77 AK NET FIX INC POOL	001998933	(12,049)	(29,032)	(327)	(3,917)	33,985	4,931	145	593	256	3,811	1,264	216	20	104
AY1A US TREASURY FI POOL	959WQ4802	25,918,920	23,127,084	374,863	139,122	(36,826,981)	(12,238,096)	(144,034)	(55,876)	(23,901)	(171,157)	(49,551)	(26,422)	(15,757)	(8,214)
INTERNATIONAL FIXED INC POOL	460994932	(236,365)	(570,400)	(6,448)	(76,776)	667,274	96,635	2,839	11,666	5,050	74,926	24,834	4,279	409	2,066
AK HIGH YIELD POOL	01199W902	(274,107)	(659,333)	(7,465)	(89,107)	772,149	112,248	3,311	13,472	5,833	85,513	28,690	4,940	475	2,385
EMERGING MARKETS DEBT POOL A	29099E910	(79,020)	(190,014)	(2,154)	(25,689)	222,550	32,365	954	3,882	1,680	24,929	8,268	1,425	136	688
Global Equity Ex-US															
INTERNATIONAL POOL	460181993	(1,736,187)	(3,856,370)	(45,719)	(95,674)	4,298,673	605,640	18,471	76,718	33,236	493,151	163,704	28,116	2,655	13,585
INTERNATIONAL EQUITY SM CAP	AC0006021	(158,071)	(352,389)	(4,166)	(8,706)	392,395	55,039	1,687	7,019	3,039	45,125	14,970	2,572	244	1,242
EMERGING MARKET EQUITY POOL	290990969	(628,477)	(1,394,488)	(16,545)	(34,639)	1,554,901	219,346	6,682	27,732	12,014	178,255	59,186	10,165	958	4,910
Private Equity															
ALASKA PRIVATE EQUITY POOL	011993995	(1,084,347)	(2,378,979)	(28,389)	-	2,618,240	363,959	11,258	47,114	20,403	302,985	100,517	17,265	1,627	8,347
Real Assets															
ALASKA REAL ESTATE POOL	011991916	(1,393,039)	(1,847,642)	(30,323)	-	2,450,324	392,073	10,435	39,708	17,192	253,987	84,209	14,591	1,466	7,019
REAL ESTATE POOL B	756072922	241,805	(244,196)	2,391	-	-	-	-	-	-	-	-	-	-	-
REIT POOL A	769488917	(128,667)	(282,066)	(3,360)	-	310,503	43,204	1,334	5,585	2,418	35,913	11,916	2,046	193	989
FARMLAND POOL A	311990988	(398,462)	(871,947)	(10,824)	-	960,813	131,376	4,135	17,477	7,570	112,463	37,313	6,402	598	3,096
FARMLAND WATER POOL	313548919	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TIMBER POOL A	886995943	(158,686)	(348,406)	(4,154)	-	383,368	53,244	1,648	6,900	2,988	44,386	14,724	2,528	237	1,223
ENERGY POOL A	293188918	(79,333)	(178,698)	(2,093)	-	195,268	26,271	840	3,569	1,541	22,983	7,590	1,309	122	633
AK TIPS POOL	46699K949	(150,333)	(330,609)	(3,938)	-	363,624	50,398	1,564	6,552	2,837	42,144	13,976	2,400	225	1,160
Absolute Return															
ALASKA ABSOLUTE RETURN POOL	857993901	(492,989)	(1,082,390)	(12,910)	-	1,191,006	165,409	5,123	21,442	9,283	137,891	45,741	7,857	740	3,797
Cash															
AY70 SHORT TERM POOL	825990961	(15,753,001)	(1,061,925)	(109,537)	155,970	12,241,168	8,756,043	38,437	(361,000)	(165,270)	(2,636,728)	(881,863)	(133,715)	580	(68,151)

**Alaska Retirement Management
Board**

P.O. Box 110405
Juneau, Alaska 99811-0405
(907) 465-3749

May 17, 2012

Mr. Michael McElligott
State Street Corporation
Lafayette Corporate Center
2 Avenue de Lafayette – 2nd Floor
Boston, MA 02111-2900


Dear Mr. McElligott:

The Alaska Retirement Management Board (ARMB) requests the following changes to be made on 21 May 2012, for the ARMB Defined Benefit Pension Plans (AY21-AY24), the ARMB Retirement Health Funds (AYW2-AYW4) and the ARMB Defined Contribution Plans (AY6G-AY6I, AYX2-AYX3, AYY2-AYY3). Please use a pro-rata split between all the Pension Plans, Retirement Health Funds and Defined Contribution Plans.

TIPS (AY6N)	<\$20,000,000>
Advent Convertible Bonds (AY52)	\$20,000,000

If you have any questions please call our office at (907) 465-4399.

Sincerely,



Gary M. Bader
Chief Investment Officer

cc: Gail Schubert, ARMB Chair
Angela Rodell, Deputy Commissioner
Pam Leary, State Comptroller
Scott Jones, Assistant State Comptroller
James McKnight, Senior Investment Compliance Officer
Bob Mitchell, Manager of Fixed Income Investments
Casey Colton, State Investment Officer Fixed Income
Elizabeth Walton, State Investment Officer Fixed Income
Steve Sikes, Manager of Real Assets, Public Equity & DC Investments
Paul Hackenmueller, Assistant Investment Officer

GMB/jnw

R. Blair Thomas
CHIEF EXECUTIVE OFFICER

Confidential

April 23, 2012

Dear EIG Client:

As many of you are aware, there has been a significant amount of press coverage in the past week about EIG's involvement as a lender to Aubrey McClendon, the CEO of Chesapeake Energy Corporation (CHK), in connection with the financing of his participation in the Founders Well Participation Program (FWPP). The FWPP is a compensation arrangement put in place by CHK that allows McClendon to participate in a 2.5% gross working interest in each well drilled by CHK in a calendar year and obligates him to pay 2.5% of the costs. As a working interest owner he then takes title to these interests and receives his proportionate share of the production from those wells as and when produced. CHK is currently the most active driller in the United States drilling between 1000-2000 wells per calendar year. Fund XIV made a loan to a company called Larchmont Resources which covers the FWPP for calendar years 2009/2010 and Fund XV made a loan to Jamestown Resources which covers the FWPP for 2011/2012. Both of these investments are performing very well.

Fund XV has also recently entered into two financing transactions directly with CHK to fund the development of oil and gas leaseholds in the Utica formation, located primarily in Ohio, and in the Cleveland/Tonkawa formation in Oklahoma. EIG led the Utica transaction with an investment of \$500 million from Fund XV and arranged \$316 million in co-investment from our limited partners. In the Cleveland/Tonkawa transaction, we participated with an investment of \$100 million alongside several other leading private equity firms. Both deals were structured very similarly.

The existence of the FWPP has been public knowledge (and specifically approved by Chesapeake's shareholders) for many years. The only new development raised in the press was the acknowledgment that McClendon had financed his interest in these programs. CHK appears to be in the process of providing increased disclosure about the programs, starting with the filing of an amended proxy statement last week. We expect that there will be additional information disclosed by the company and/or McClendon during the course of this week. The crux of the story as it relates to EIG seems to be that we got too good a deal for our investors. While it is certainly true that our long-standing relationship with CHK has positioned us attractively from a competitive standpoint, the intimation that a conflict existed that disadvantaged CHK is simply untrue. Both of the deals we recently concluded with CHK included other sophisticated institutional investors and a competitive transaction process. As is often the case with these sorts of things, the reality is much less interesting than the speculation.

We will provide a further update as information develops. Please do not hesitate to contact us with any questions.

Sincerely,





May 17, 2012

Sent via Federal Express

Mr. Zachary Hanna
State Investment Officer
Alaska Retirement Management Board
State of Alaska, Dept of Revenue, Treasury Division
333 Willoughby Avenue, 11th Floor
Juneau, AK 99811-0400

Re: Alaska Retirement Management Board Private Equity Investment Management Agreement
("Agreement")

Dear Zach:

Pursuant to the subject Agreement, this is to notify you that Al Clerc is leaving Pathway Capital Management, LLC to spend more time with his family and to pursue opportunities outside of institutional private equity management. Al was one of Pathway's four cofounders and most recently served as a Senior Managing Director. He has made many contributions to Pathway, its clients, and its internal operations during his tenure with the firm.

Over the remainder of this year, Al will serve as a Special Adviser to Pathway and will transition his client services and other responsibilities to other members of the Pathway team. Pathway is committed to continuously providing exceptional service to its clients and will work with its clients and investment team to make the transition as seamless as possible.

We wish Al the best of luck in his future endeavors. Please call the undersigned if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim", is written over the name of the sender.

James Chambliss
Managing Director

Alaska Retirement Management Board Manager Watch List - June 2012

Manager & Mandate	Reason for Watch	Board Approved	Actions Taken by Staff/Expected Final Disposition
Coventry Real Estate	Performance	Yes 4/23/2009	Formal Notification. Continue Monitoring
Lehman Real Estate	Performance	Yes 4/23/2009	Formal Notification. Continue Monitoring
Lord Abbett - small cap	Performance	Yes 06/16/2011	Formal Notification; Continue Monitoring
Hancock Agricultural	Management Change	Yes 12/02/2011	Formal Notification; Continue Monitoring
McKinley Capital Int'l & large cap	Performance	Yes 12/4/09	Formal Notification - Staff Monitoring 12-18 months
REIT Fund	Performance	Yes 4/25/08	Continued Monitoring - 12/18 months

ALASKA RETIREMENT MANAGEMENT BOARD

FINANCIAL REPORT

As of April 30, 2012

ALASKA RETIREMENT MANAGEMENT BOARD
Schedule of Investment Income and Changes in Invested Assets by Fund
For the Ten Months Ending April 30, 2012

	Beginning Invested Assets	Investment Income ⁽¹⁾	Net Contributions (Withdrawals)	Ending Invested Assets	% Change in Invested Assets	% Change due to Investment Income ⁽²⁾
<u>Public Employees' Retirement System (PERS)</u>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	\$ 6,264,552,684	\$ 97,776,432	\$ (125,103,926)	\$ 6,237,225,190	-0.44%	1.58%
Retirement Health Care Trust	5,134,162,802	90,065,409	48,036,554	5,272,264,765	2.69%	1.75%
Total Defined Benefit Plans	<u>11,398,715,486</u>	<u>187,841,841</u>	<u>(77,067,372)</u>	<u>11,509,489,955</u>	0.97%	1.65%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	180,109,444	5,472,491	48,072,553	233,654,488	29.73%	2.68%
Health Reimbursement Arrangement	53,935,537	2,186,799	15,912,794	72,035,130	33.56%	3.53%
Retiree Medical Plan	12,298,211	431,307	2,316,949	15,046,467	22.35%	3.21%
Defined Benefit Occupational Death and Disability:						
Public Employees	5,286,780	177,194	832,143	6,296,117	19.09%	3.11%
Police and Firefighters	1,917,717	72,404	449,869	2,439,990	27.23%	3.38%
Total Defined Contribution Plans	<u>253,547,689</u>	<u>8,340,195</u>	<u>67,584,308</u>	<u>329,472,192</u>	29.94%	2.90%
Total PERS	<u>11,652,263,175</u>	<u>196,182,036</u>	<u>(9,483,064)</u>	<u>11,838,962,147</u>	1.60%	1.68%
<u>Teachers' Retirement System (TRS)</u>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	3,118,844,542	48,890,963	(89,294,311)	3,078,441,194	-1.30%	1.59%
Retirement Health Care Trust	1,614,432,210	30,043,219	24,752,618	1,669,228,047	3.39%	1.85%
Total Defined Benefit Plans	<u>4,733,276,752</u>	<u>78,934,182</u>	<u>(64,541,693)</u>	<u>4,747,669,241</u>	0.30%	1.68%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	81,208,363	2,126,585	18,686,119	102,021,067	25.63%	2.35%
Health Reimbursement Arrangement	17,780,154	640,347	4,502,915	22,923,416	28.93%	3.20%
Retiree Medical Plan	5,433,467	173,209	866,943	6,473,619	19.14%	2.95%
Defined Benefit Occupational Death and Disability	2,234,171	58,073	44,395	2,336,639	4.59%	2.57%
Total Defined Contribution Plans	<u>106,656,155</u>	<u>2,998,214</u>	<u>24,100,372</u>	<u>133,754,741</u>	25.41%	2.53%
Total TRS	<u>4,839,932,907</u>	<u>81,932,396</u>	<u>(40,441,321)</u>	<u>4,881,423,982</u>	0.86%	1.70%
<u>Judicial Retirement System (JRS)</u>						
Defined Benefit Plan Retirement Trust	110,498,974	1,666,161	(2,772,635)	109,392,500	-1.00%	1.53%
Defined Benefit Retirement Health Care Trust	20,475,723	341,245	(31,023)	20,785,945	1.52%	1.67%
Total JRS	<u>130,974,697</u>	<u>2,007,406</u>	<u>(2,803,658)</u>	<u>130,178,445</u>	-0.61%	1.55%
<u>National Guard/Naval Militia Retirement System (MRS)</u>						
Defined Benefit Plan Retirement Trust	32,995,190	976,669	(359,591)	33,612,268	1.87%	2.98%
<u>Other Participant Directed Plans</u>						
Supplemental Annuity Plan	2,552,981,709	118,399,656	6,432,356	2,677,813,721	4.89%	4.63%
Deferred Compensation Plan	596,689,747	21,444,063	5,036,051	623,169,861	4.44%	3.58%
Total All Funds	<u>\$ 19,805,837,425</u>	<u>\$ 420,942,226</u>	<u>\$ (41,619,227)</u>	<u>\$ 20,185,160,424</u>	1.92%	2.13%

Notes:

(1) Includes interest, dividends, securities lending, expenses, realized and unrealized gains/losses

(2) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates and can be found at: <http://www.revenue.state.ak.us/treasury/programs/programs/other/armb/investmentresults.asp>

ALASKA RETIREMENT MANAGEMENT BOARD
Schedule of Investment Income and Changes in Invested Assets by Fund
For the Month Ended April 30, 2012

	Beginning Invested Assets	Investment Income ⁽¹⁾	Net Contributions (Withdrawals)	Ending Invested Assets	% Change in Invested Assets	% Change due to Investment Income ⁽²⁾
<u>Public Employees' Retirement System (PERS)</u>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	\$ 6,276,447,117	\$ (20,638,381)	\$ (18,583,546)	\$ 6,237,225,190	-0.63%	-0.33%
Retirement Health Care Trust	5,289,891,516	(18,198,626)	571,875	5,272,264,765	-0.33%	-0.34%
Total Defined Benefit Plans	<u>11,566,338,633</u>	<u>(38,837,007)</u>	<u>(18,011,671)</u>	<u>11,509,489,955</u>	-0.49%	-0.34%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	230,078,888	(3,201,764)	6,777,364	233,654,488	1.53%	-1.37%
Health Reimbursement Arrangement	70,144,320	(239,257)	2,130,067	72,035,130	2.62%	-0.34%
Retiree Medical Plan	14,785,403	(50,555)	311,619	15,046,467	1.74%	-0.34%
<u>Defined Benefit Occupational Death and Disability:</u>						
Public Employees	6,207,368	(21,239)	109,988	6,296,117	1.41%	-0.34%
Police and Firefighters	2,391,578	(8,187)	56,599	2,439,990	1.98%	-0.34%
Total Defined Contribution Plans	<u>323,607,557</u>	<u>(3,521,002)</u>	<u>9,385,637</u>	<u>329,472,192</u>	1.78%	-1.07%
Total PERS	<u>11,889,946,190</u>	<u>(42,358,009)</u>	<u>(8,626,034)</u>	<u>11,838,962,147</u>	-0.43%	-0.36%
<u>Teachers' Retirement System (TRS)</u>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	3,111,959,962	(10,318,638)	(23,200,130)	3,078,441,194	-1.09%	-0.33%
Retirement Health Care Trust	1,679,552,533	(5,777,829)	(4,546,657)	1,669,228,047	-0.62%	-0.34%
Total Defined Benefit Plans	<u>4,791,512,495</u>	<u>(16,096,467)</u>	<u>(27,746,787)</u>	<u>4,747,669,241</u>	-0.92%	-0.34%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	100,835,024	(1,333,357)	2,519,400	102,021,067	1.16%	-1.31%
Health Reimbursement Arrangement	22,449,567	(75,967)	549,816	22,923,416	2.07%	-0.33%
Retiree Medical Plan	6,390,678	(21,739)	104,680	6,473,619	1.28%	-0.34%
Defined Benefit Occupational Death and Disability	2,344,741	(8,054)	(48)	2,336,639	-0.35%	-0.34%
Total Defined Contribution Plans	<u>132,020,010</u>	<u>(1,439,117)</u>	<u>3,173,848</u>	<u>133,754,741</u>	1.30%	-1.08%
Total TRS	<u>4,923,532,505</u>	<u>(17,535,584)</u>	<u>(24,572,939)</u>	<u>4,881,423,982</u>	-0.86%	-0.36%
<u>Judicial Retirement System (JRS)</u>						
Defined Benefit Plan Retirement Trust	110,229,321	(361,802)	(475,019)	109,392,500	-0.76%	-0.33%
Defined Benefit Retirement Health Care Trust	20,874,880	(71,719)	(17,216)	20,785,945	-0.43%	-0.34%
Total JRS	<u>131,104,201</u>	<u>(433,521)</u>	<u>(492,235)</u>	<u>130,178,445</u>	-0.71%	-0.33%
<u>National Guard/Naval Militia Retirement System (MRS)</u>						
Defined Benefit Plan Retirement Trust	33,775,976	(32,898)	(130,810)	33,612,268	-0.49%	-0.10%
<u>Other Participant Directed Plans</u>						
Supplemental Annuity Plan	2,678,313,543	577,044	(1,076,866)	2,677,813,721	-0.02%	0.02%
Deferred Compensation Plan	623,358,313	(1,748,929)	1,560,477	623,169,861	-0.03%	-0.28%
Total All Funds	<u>\$ 20,280,030,728</u>	<u>\$ (61,531,897)</u>	<u>\$ (33,338,407)</u>	<u>\$ 20,185,160,424</u>	-0.47%	-0.30%

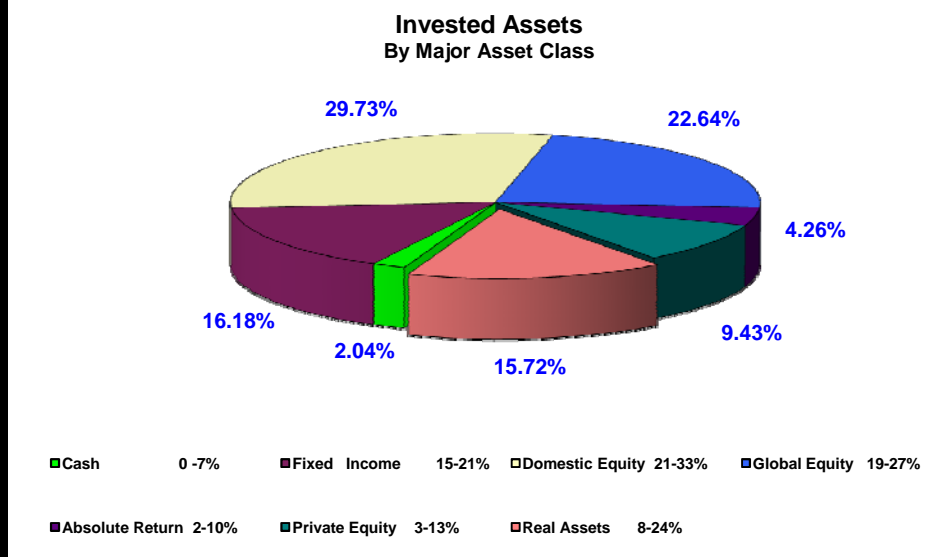
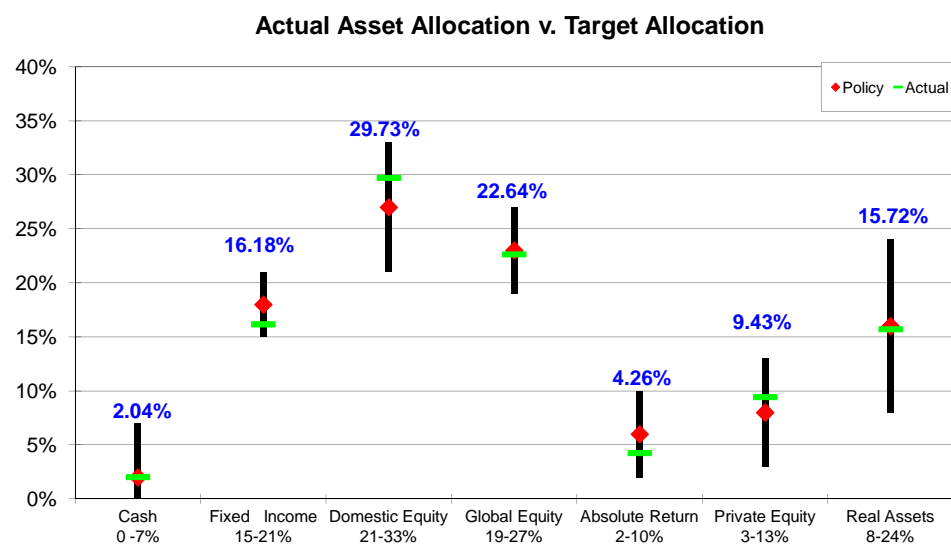
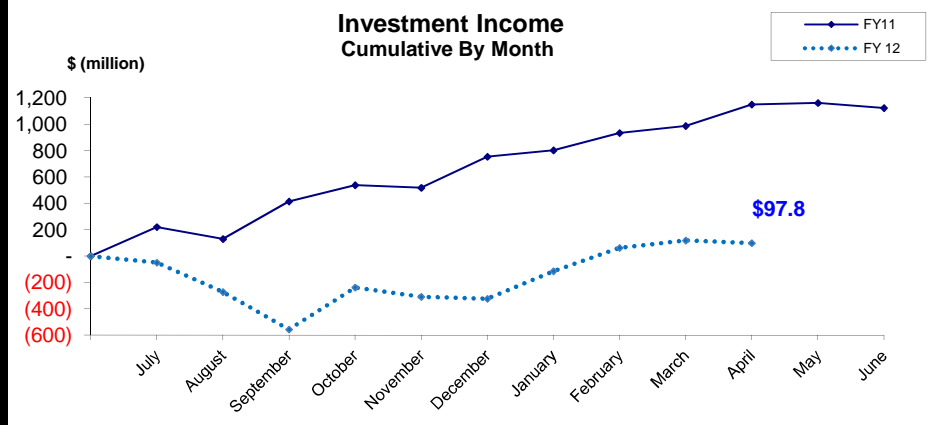
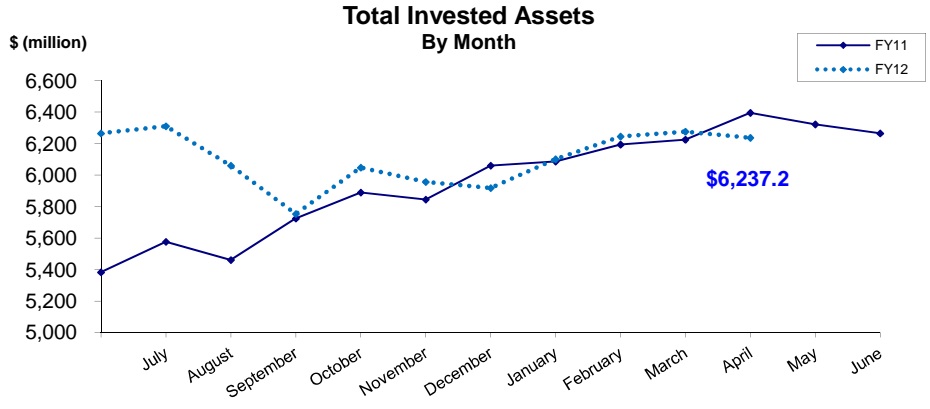
Notes:

(1) Includes interest, dividends, securities lending, expenses, realized and unrealized gains/losses

(2) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates and can be found at: <http://www.revenue.state.ak.us/treasury/programs/programs/other/amb/investmentresults.asp>

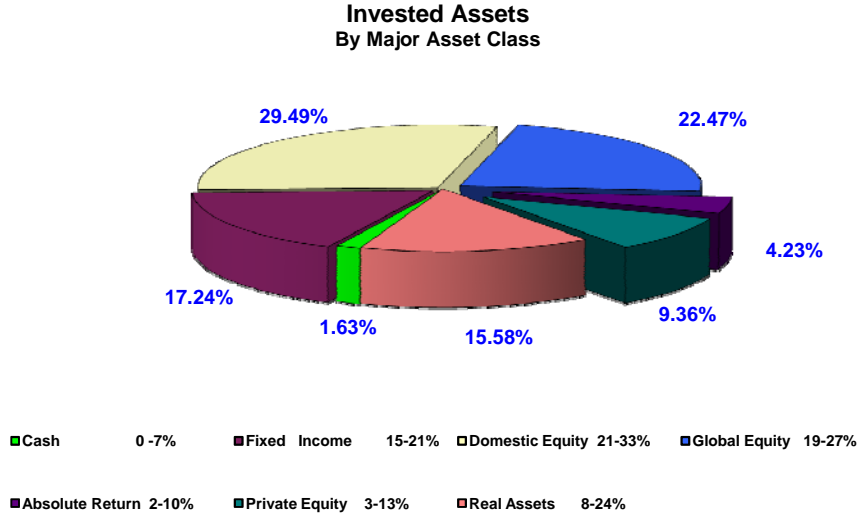
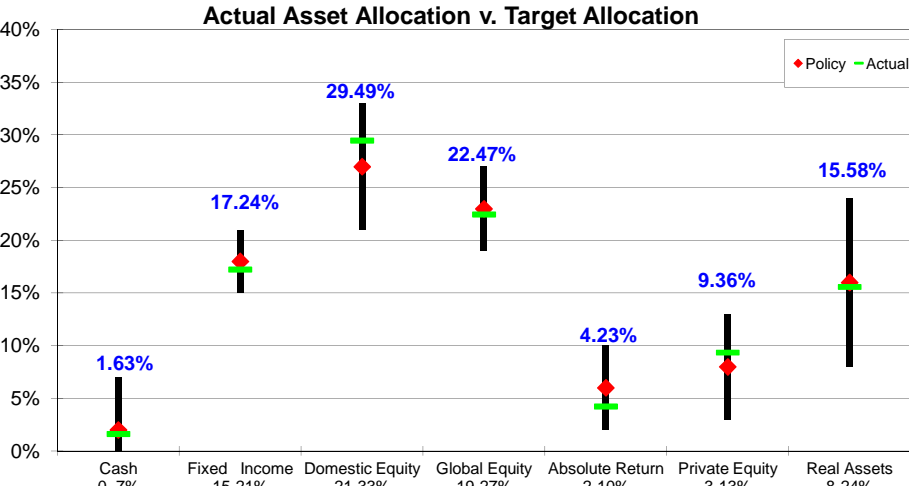
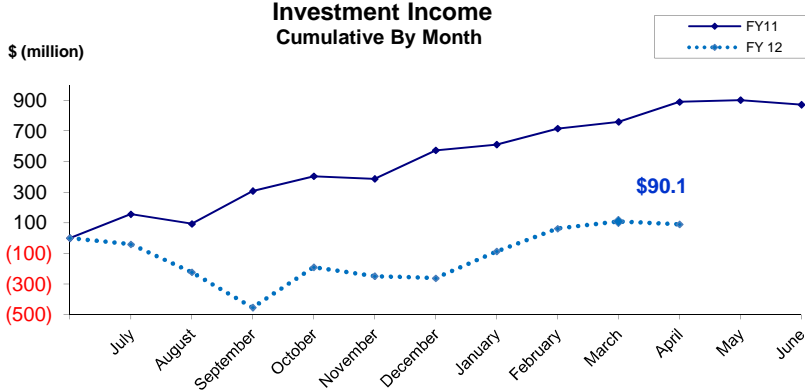
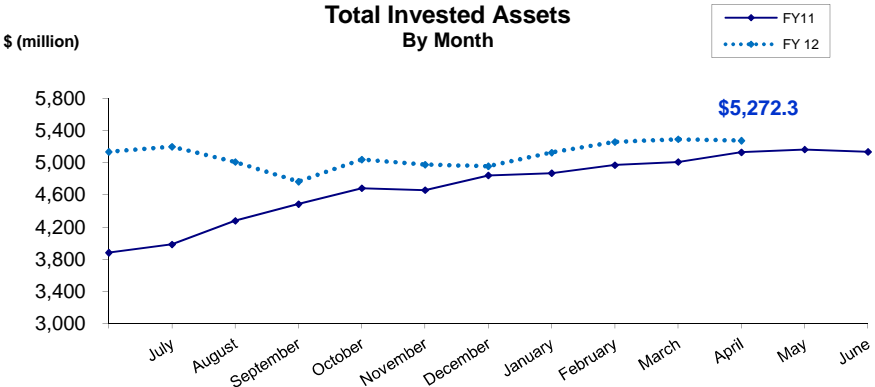
PUBLIC EMPLOYEES' RETIREMENT TRUST FUND

As of April 30, 2012

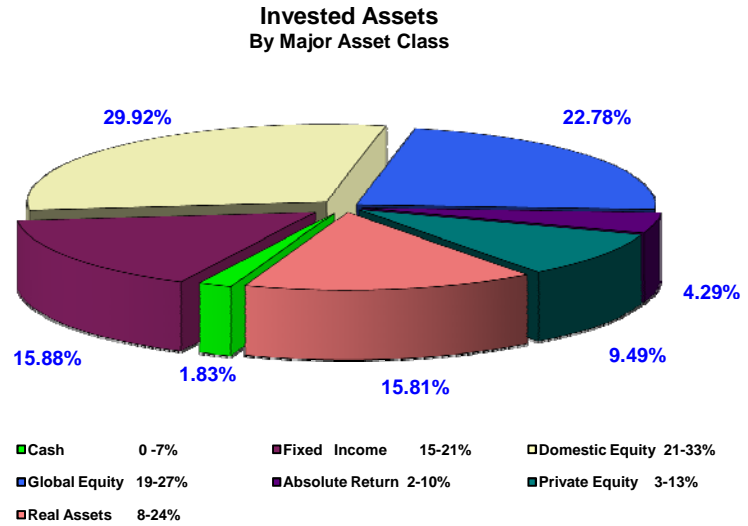
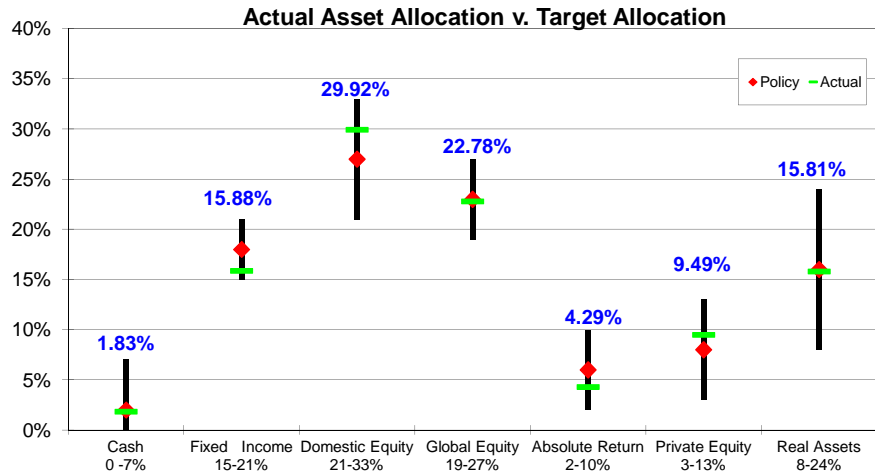
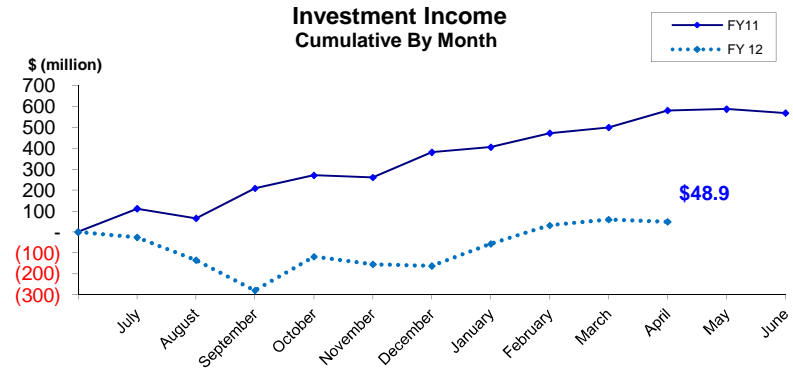
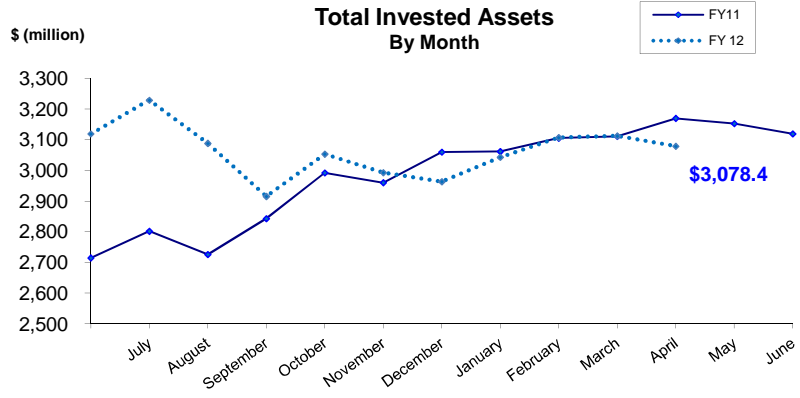


PUBLIC EMPLOYEES' RETIREE HEALTH CARE TRUST FUND

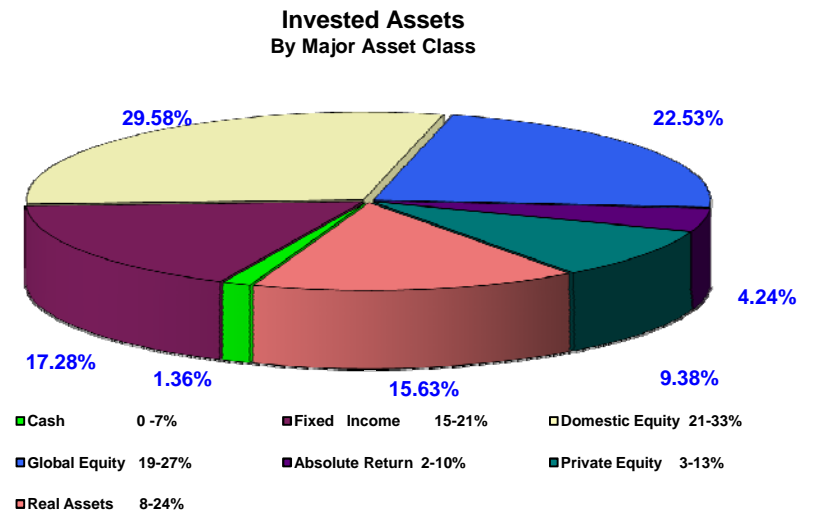
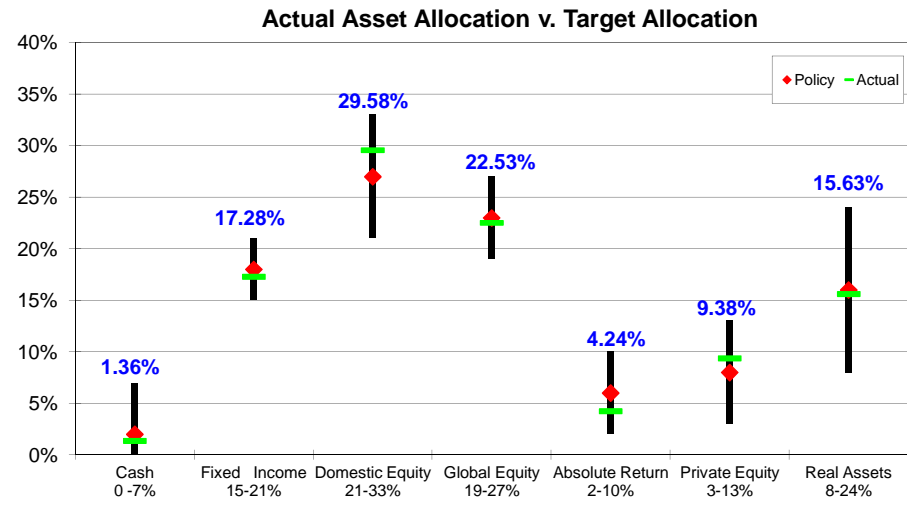
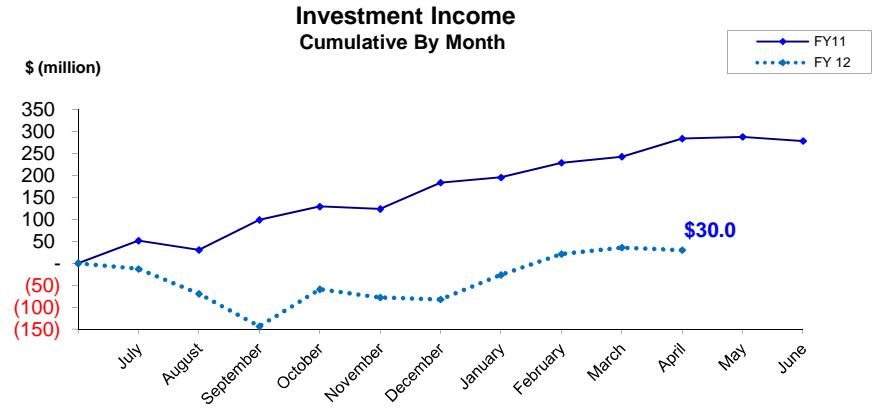
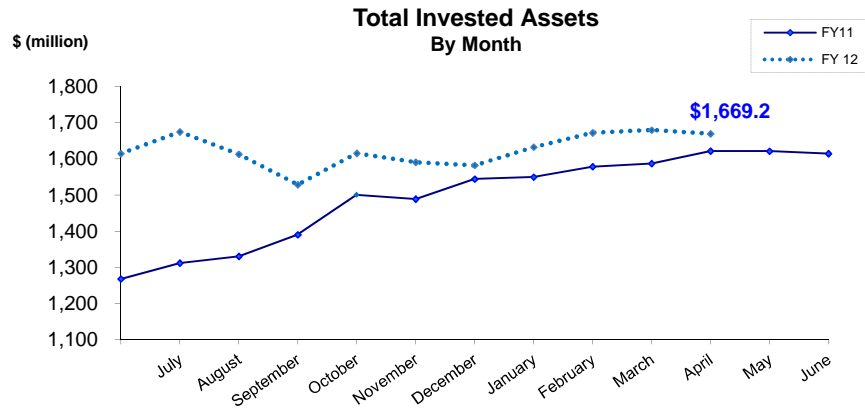
As of April 30, 2012



TEACHERS' RETIREMENT TRUST FUND As of April 30, 2012

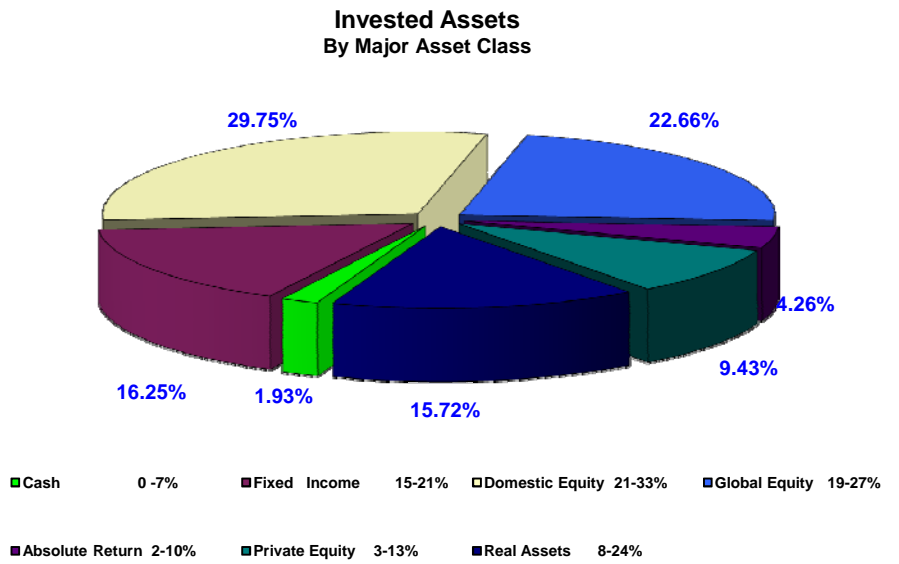
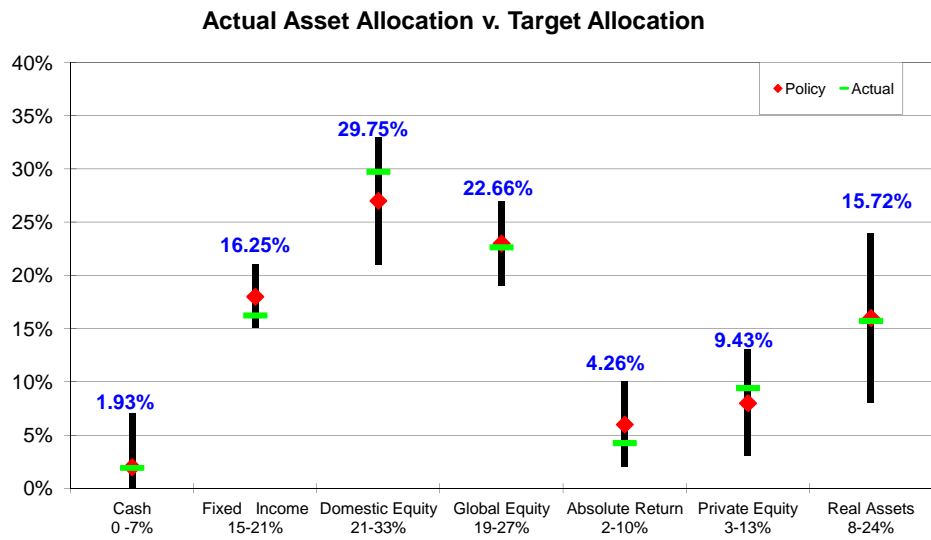
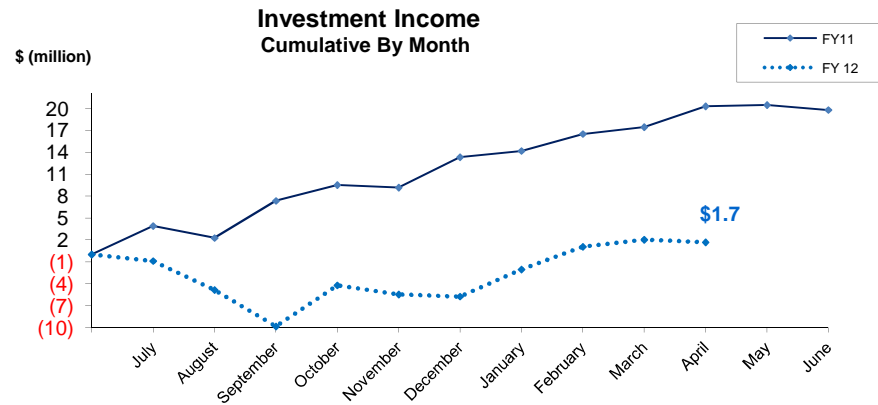
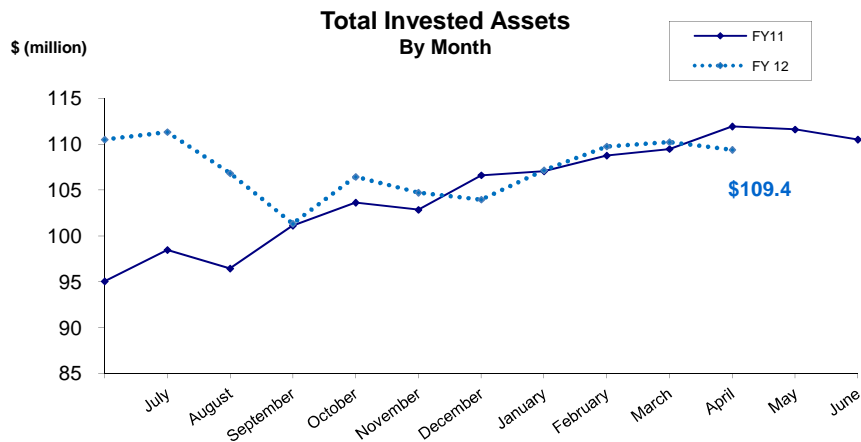


TEACHERS' RETIREE HEALTH CARE TRUST FUND As of April 30, 2012



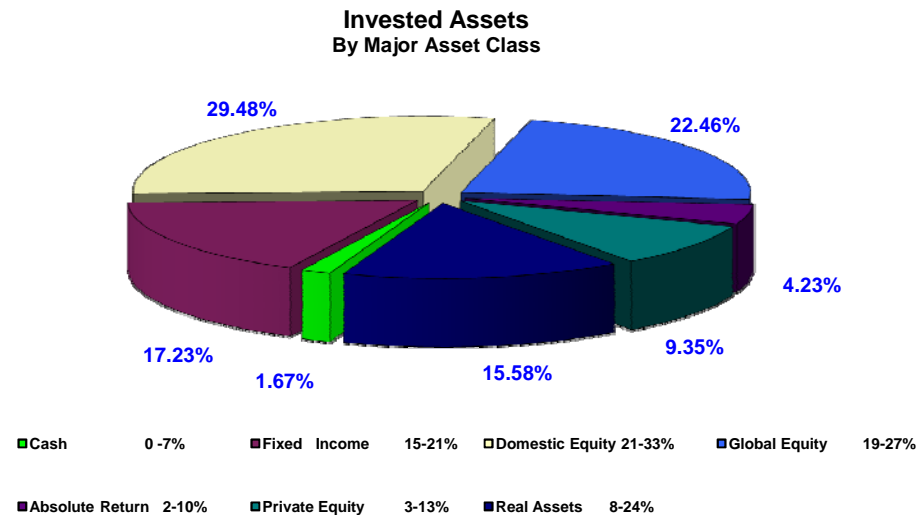
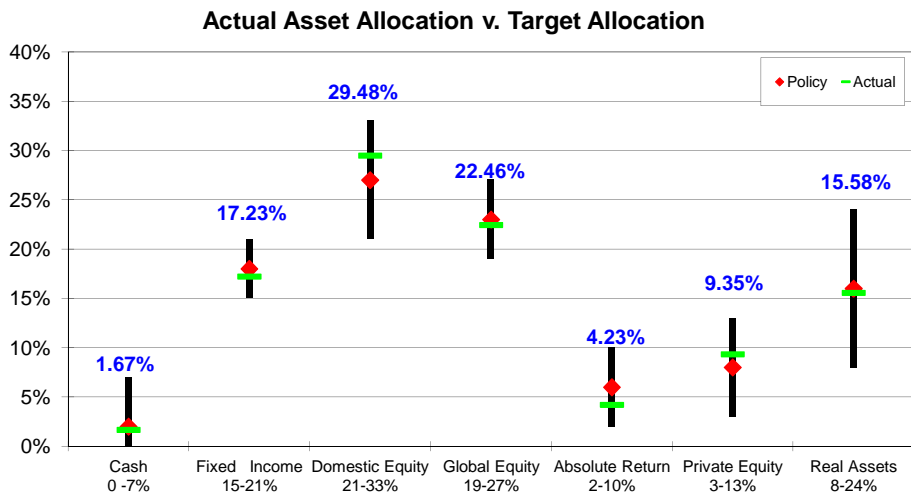
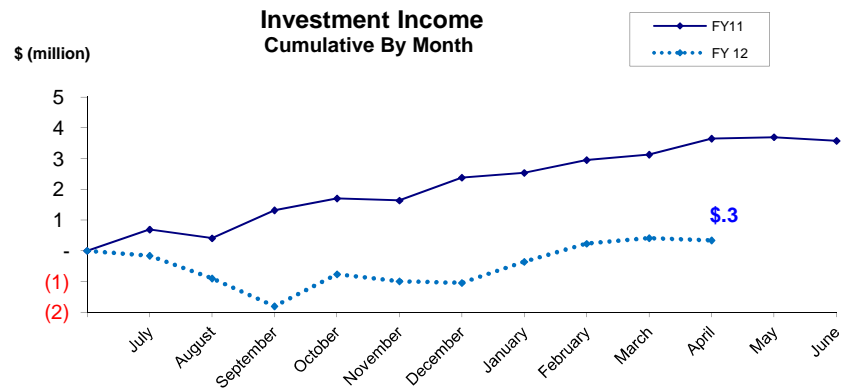
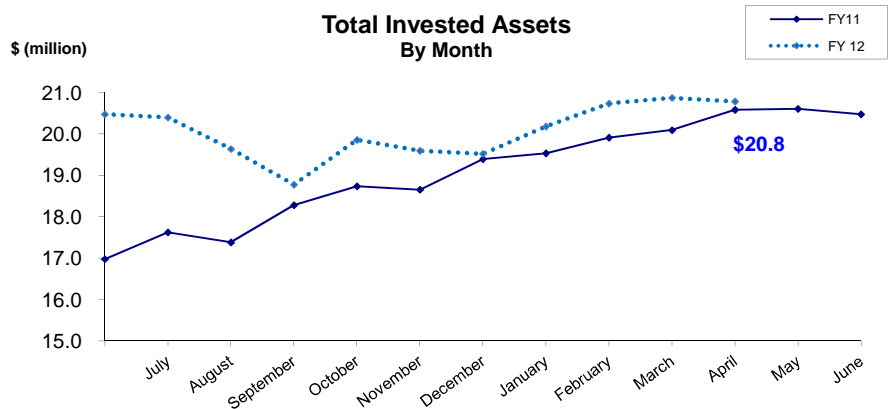
JUDICIAL RETIREMENT TRUST FUND

As of April 30, 2012



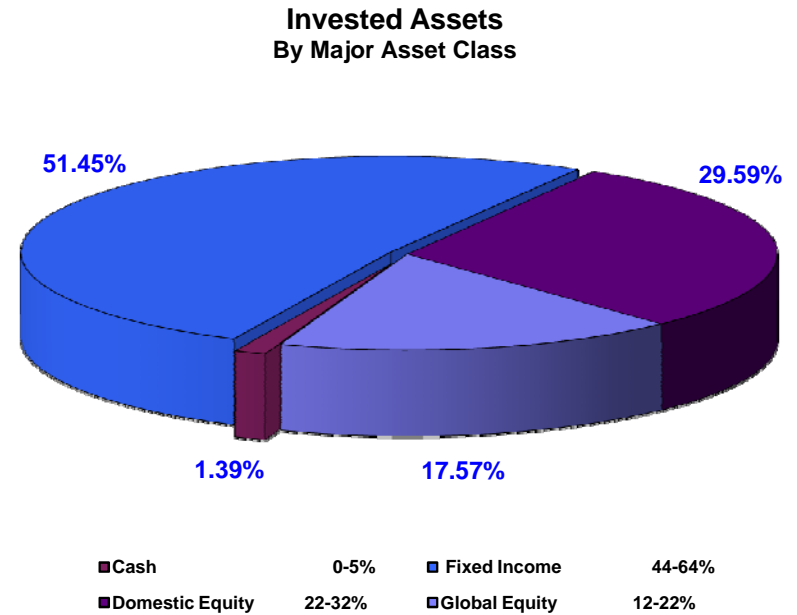
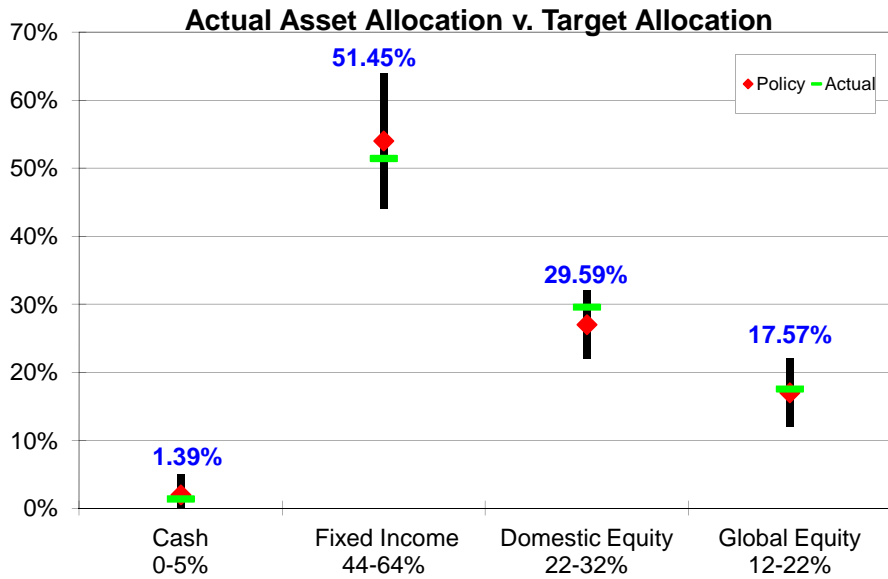
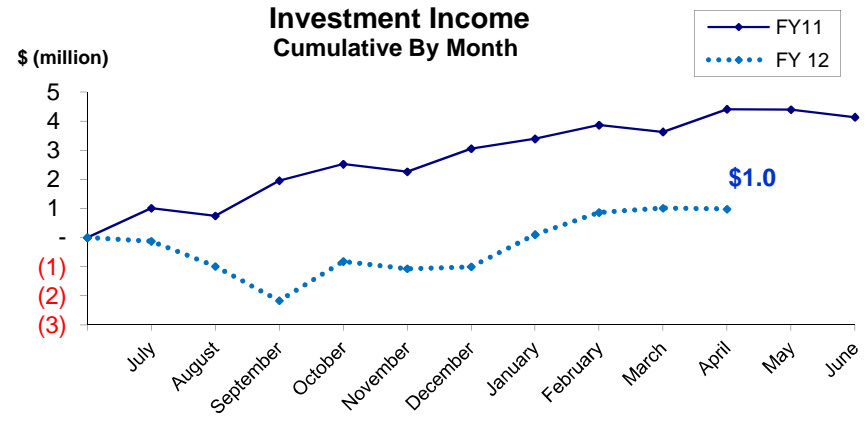
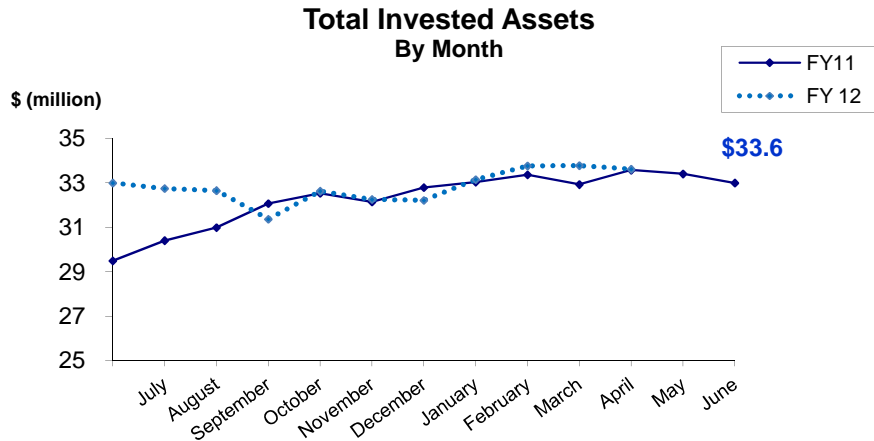
JUDICIAL RETIREE HEALTH CARE TRUST FUND

As of April 30, 2012



MILITARY RETIREMENT TRUST FUND

As of April 30, 2012



ALASKA RETIREMENT MANAGEMENT BOARD
Reporting of Funds by Manager

All Non-Participant Directed Plans

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended April 30, 2012

AY		Beginning Invested Assets	Total Investment Income	Net Contributions (Withdrawals) & Transfers In (Out)	Ending Invested Assets	% increase (decrease)
	Cash					
70	Short-Term Fixed Income Pool	\$ 281,864,295	\$ 37,527	\$ 19,391,884	\$ 301,293,706	6.89%
	Total Cash	<u>281,864,295</u>	<u>37,527</u>	<u>19,391,884</u>	<u>301,293,706</u>	<u>6.89%</u>
	Fixed Income					
1A	US Treasury Fixed Income	<u>1,607,588,313</u>	<u>16,840,856</u>	<u>163,338,660</u>	<u>1,787,767,829</u>	<u>11.21%</u>
77	Internal Fixed Income Investment Pool	<u>19,268,679</u>	<u>110,973</u>	<u>-</u>	<u>19,379,652</u>	<u>0.58%</u>
	International Fixed Income Pool					
63	Mondrian Investment Partners	<u>374,940,420</u>	<u>6,621,793</u>	<u>-</u>	<u>381,562,213</u>	<u>1.77%</u>
	High Yield Pool					
9P	MacKay Shields, LLC	<u>434,568,769</u>	<u>4,558,793</u>	<u>-</u>	<u>439,127,562</u>	<u>1.05%</u>
	Total High Yield	<u>434,568,769</u>	<u>4,558,793</u>	<u>-</u>	<u>439,127,562</u>	<u>1.05%</u>
	Emerging Debt Pool					
5M	Lazard Emerging Income	<u>127,314,621</u>	<u>(120,195)</u>	<u>-</u>	<u>127,194,426</u>	<u>-0.09%</u>
	Total Fixed Income	<u>2,563,680,802</u>	<u>28,012,220</u>	<u>163,338,660</u>	<u>2,755,031,682</u>	<u>7.46%</u>
	(cont.)					

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended April 30, 2012

	Beginning Invested Assets	Total Investment Income	Net Contributions (Withdrawals) & Transfers In (Out)	Ending Invested Assets	% increase (decrease)	
Domestic Equities						
Small Cap Pool						
Passively Managed						
4N	SSgA Russell 2000 Growth	27,055,263	(349,031)	(15,000,000)	11,706,232	-56.73%
4P	SSgA Russell 2000 Value	73,376,130	(1,094,106)	(20,000,000)	52,282,024	-28.75%
	Total Passive	<u>100,431,393</u>	<u>(1,443,137)</u>	<u>(35,000,000)</u>	<u>63,988,256</u>	<u>-36.29%</u>
Actively Managed						
4E	DePrince, Race & Zollo Inc.- Micro Cap	76,213,598	(1,916,308)	-	74,297,290	-2.51%
4F	Luther King Capital Management	138,812,551	(2,758,647)	-	136,053,904	-1.99%
4G	Jennison Associates, LLC	132,623,807	(2,028,337)	-	130,595,470	-1.53%
5G	Frontier Capital Mgmt Co.	117,082,400	(1,115,756)	-	115,966,644	-0.95%
6A	SSgA Futures Small Cap	6,648,895	(154,255)	-	6,494,640	-2.32%
4H	Lord Abbett & Co.	139,732,772	(2,053,875)	-	137,678,897	-1.47%
4Q	Barrow, Haney, Mewhinney & Strauss	124,402,260	(4,407,520)	-	119,994,740	-3.54%
4Z	Lord Abbett & Co.- Micro Cap	79,459,643	(2,405,856)	-	77,053,787	-3.03%
	Total Active	<u>814,975,926</u>	<u>(16,840,554)</u>	<u>-</u>	<u>798,135,372</u>	<u>-2.07%</u>
	Total Small Cap	<u>915,407,319</u>	<u>(18,283,691)</u>	<u>(35,000,000)</u>	<u>862,123,628</u>	<u>-5.82%</u>
Large Cap Pool						
Passively Managed						
4L	SSgA Russell 1000 Growth	824,546,768	(1,132,324)	(25,000,000)	798,414,444	-3.17%
4M	SSgA Russell 1000 Value	995,207,657	(9,911,827)	(25,000,000)	960,295,830	-3.51%
4R	SSgA Russell 200	404,937,915	(2,738,306)	-	402,199,609	-0.68%
	Total Passive	<u>2,224,692,340</u>	<u>(13,782,457)</u>	<u>(50,000,000)</u>	<u>2,160,909,883</u>	<u>-2.87%</u>
Actively Managed						
47	Lazard Freres	312,025,652	(3,134,517)	-	308,891,135	-1.00%
48	McKinley Capital Mgmt.	370,594,130	(1,814,910)	(25,000,000)	343,779,220	-7.24%
4U	Barrow, Haney, Mewhinney & Strauss	152,030,410	(2,278,086)	-	149,752,324	-1.50%
4V	Quantitative Management Assoc.	147,482,960	(2,207,338)	-	145,275,622	-1.50%
4W/4X	Analytic Buy Write Account	112,355,812	704,013	-	113,059,825	0.63%
4Y	RCM Buy Write Account	101,902,292	(398,847)	-	101,503,445	-0.39%
38	RCM	394,747,247	(2,568,955)	(25,000,000)	367,178,292	-6.98%
6B	SSgA Futures large cap	9,201,157	(68,116)	-	9,133,041	-0.74%
4J	Relational Investors, LLC	314,659,380	(4,182,289)	(56,808,298)	253,668,793	-19.38%
	Total Active	<u>1,914,999,040</u>	<u>(15,949,045)</u>	<u>(106,808,298)</u>	<u>1,792,241,697</u>	<u>-6.41%</u>
	Total Large Cap	<u>4,139,691,380</u>	<u>(29,731,502)</u>	<u>(156,808,298)</u>	<u>3,953,151,580</u>	<u>-4.51%</u>

(cont.)

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended April 30, 2012

	Beginning Invested Assets	Total Investment Income	Net Contributions (Withdrawals) & Transfers In (Out)	Ending Invested Assets	% increase (decrease)
Convertible Bond Pool					
52	Advent Capital	95,069,901	(772,110)	94,297,791	-0.81%
	Total Convertible Bond Pool	95,069,901	(772,110)	94,297,791	-0.81%
	Total Domestic Equity	5,150,168,600	(48,787,303)	4,909,572,999	-4.67%
Global Equities Ex US					
Small Cap Pool					
5B	Mondrian Investment Partners	117,176,936	1,587,460	118,764,396	1.35%
5D	Schroder Investment Management	115,524,745	(79,821)	115,444,924	-0.07%
	Total Small Cap	232,701,681	1,507,639	234,209,320	0.65%
Large Cap Pool					
65	Brandes Investment Partners	792,446,484	(38,155,679)	754,290,805	-4.81%
58	Lazard Freres	385,623,508	(4,879,568)	380,743,940	-1.27%
67	Cap Guardian Trust Co	605,297,957	(4,457,388)	600,840,569	-0.74%
68	State Street Global Advisors	520,272,949	(7,238,992)	513,033,957	-1.39%
6D	SSgA Futures International	-	-	-	-
69	McKinley Capital Management	324,363,944	1,718,554	326,082,498	0.53%
	Total Large Cap	2,628,004,842	(53,013,073)	2,574,991,769	-2.02%
Emerging Markets Equity Pool A ⁽¹⁾					
6P	Lazard Asset Management	340,692,557	(8,469,779)	332,222,778	-2.49%
6Q	Eaton Vance	209,521,582	(2,870,159)	206,651,423	-1.37%
62	The Capital Group Inc.	396,447,163	(7,138,904)	389,308,259	-1.80%
	Total Emerging Markets Pool A	946,661,302	(18,478,842)	928,182,460	-1.95%
	Total Global Equities	3,807,367,825	(69,984,276)	3,737,383,549	-1.84%
Private Equity Pool					
7Z	Merit Capital Partners	7,377,436	-	7,377,436	0.00%
98	Pathway Capital Management LLC	725,549,147	6,537,327	728,055,607	0.35%
85	Abbott Capital	698,359,466	8,078,810	706,445,942	1.16%
8A	Blum Capital Partners-Strategic	13,329,618	2,494,289	15,823,907	18.71%
8P	Lexington Partners	31,963,319	93	31,102,630	-2.69%
8Q	Onex Partnership III	10,622,427	(18)	10,586,592	-0.34%
8W	Warburg Pincus X	28,408,319	6,279	28,864,598	1.61%
8X	Angelo, Gordon & Co.	26,405,539	254,647	25,670,490	-2.78%
	Total Private Equity	1,542,015,271	17,371,427	1,553,927,202	0.77%

(cont.)

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended April 30, 2012

	Beginning Invested Assets	Total Investment Income	Net Contributions (Withdrawals) & Transfers In (Out)	Ending Invested Assets	% increase (decrease)	
Absolute Return Pool ⁽²⁾						
8M	Global Asset Management (USA) Inc.	145,835,715	125,959	-	145,961,674	0.09%
8N	Prisma Capital Partners	147,294,433	1,234,196	-	148,528,629	0.84%
9D	Mariner Investment Group, Inc.	177,650,411	991,852	(26,000,000)	152,642,263	-14.08%
9E	Cadogan Management LLC	93,714	-	-	93,714	0.00%
9F	Crestline Investors, Inc.	253,626,027	1,330,962	-	254,956,989	0.52%
	Total Absolute Return Investments	724,500,300	3,682,969	(26,000,000)	702,183,269	-3.08%
Real Assets						
Farmland Pool A						
9B	UBS Agrivest, LLC	334,048,781	-	-	334,048,781	0.00%
9G	Hancock Agricultural Investment Group	211,313,328	-	1,500,000	212,813,328	0.71%
	Total Farmland Pool A	545,362,109	-	1,500,000	546,862,109	0.28%
Farmland Water Pool						
8Y	Hancock Water PPTY	8,448,337	-	-	8,448,337	0.00%
8Z	UBS Argivest, LLC	18,908,629	-	-	18,908,629	0.00%
	Total Farmland Water Pool	27,356,966	-	-	27,356,966	0.00%
Timber Pool A						
9Q	Timberland INVT Resource LLC	146,350,991	-	-	146,350,991	0.00%
9S	Hancock Natural Resource Group	79,672,119	-	-	79,672,119	0.00%
	Total Timber Pool A	226,023,110	-	-	226,023,110	0.00%
Energy Pool A						
5A	EIG Energy Fund XV	20,821,880	(9)	3,000,000	23,821,871	14.41%
9A	EIG Energy Fund XD	11,093,675	-	-	11,093,675	0.00%
9Z	EIG Energy Fund XIV-A	80,392,479	-	-	80,392,479	0.00%
	Total Energy Pool A	112,308,034	(9)	3,000,000	115,308,025	2.67%
REIT Pool						
9H	REIT Holdings	179,188,637	4,781,437	-	183,970,074	2.67%
Treasury Inflation Proof Securities						
6N	TIPS Internally Managed Account (cont.)	209,755,454	4,460,452	-	214,215,906	2.13%

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended April 30, 2012

	Beginning Invested Assets	Total Investment Income	Net Contributions (Withdrawals) & Transfers In (Out)	Ending Invested Assets	% increase (decrease)	
Real Estate						
Core Commingled Accounts						
7A	JP Morgan	173,579,564	2,546,356	(1,782,609)	174,343,311	0.44%
7B	UBS Trumbull Property Fund	73,372,541	2,009,277	(564,619)	74,817,199	1.97%
	Total Core Commingled	<u>246,952,105</u>	<u>4,555,633</u>	<u>(2,347,228)</u>	<u>249,160,510</u>	0.89%
Core Separate Accounts						
7D	Cornerstone Real Estate Advisers Inc.	90,725,169	(5)	(118,741)	90,606,423	-0.13%
7E	LaSalle Investment Management	198,820,523	61	(788,801)	198,031,783	-0.40%
7F	Sentinel Separate Account	111,594,165	(30)	(538,102)	111,056,033	-0.48%
7G	UBS Realty	249,779,008	53	(125,938)	249,653,123	-0.05%
	Total Core Separate	<u>650,918,865</u>	<u>79</u>	<u>(1,571,582)</u>	<u>649,347,362</u>	-0.24%
Non-Core Commingled Accounts						
7H	Coventry	20,997,146	-	-	20,997,146	0.00%
7J	Lowe Hospitality Partners	5,103,553	-	-	5,103,553	0.00%
7N	ING Clarion Development Ventures II	13,082,391	-	(2,850,000)	10,232,391	-21.79%
7P	Silverpeak Legacy Pension Partners II, L.P. ⁽³⁾	71,955,044	-	-	71,955,044	0.00%
7Q	Almanac Realty Securities IV ⁽⁵⁾	41,877,056	-	-	41,877,056	0.00%
7R	Tishman Speyer Real Estate Venture VI	63,794,692	-	-	63,794,692	0.00%
7X	Tishman Speyer Real Estate Venture VII	17,467,024	-	-	17,467,024	0.00%
7S	Almanac Realty Securities V ⁽⁶⁾	21,040,603	-	-	21,040,603	0.00%
7V	ING Clarion Development Ventures III	20,681,322	-	-	20,681,322	0.00%
7W	Silverpeak Legacy Pension Partners III, L.P. ⁽⁴⁾	10,157,780	-	-	10,157,780	0.00%
8R	BlackRock Diamond Property Fund	23,695,842	44,953	(15,710)	23,725,085	0.12%
8S	Colony Investors VIII, L.P.	18,191,963	-	-	18,191,963	0.00%
8U	LaSalle Medical Office Fund II	21,894,507	-	(297,012)	21,597,495	-1.36%
8V	Cornerstone Apartment Venture III	30,043,664	-	-	30,043,664	0.00%
	Total Non-Core Commingled	<u>379,982,587</u>	<u>44,953</u>	<u>(3,162,722)</u>	<u>376,864,818</u>	-0.82%
	Total Real Estate	<u>1,277,853,557</u>	<u>4,600,665</u>	<u>(7,081,532)</u>	<u>1,275,372,690</u>	-0.19%
	Total Real Assets	<u>2,577,847,867</u>	<u>13,842,545</u>	<u>(2,581,532)</u>	<u>2,589,108,880</u>	0.44%
	Totals	<u>\$ 16,647,444,960</u>	<u>\$ (55,824,891)</u>	<u>\$ (43,118,782)</u>	<u>\$ 16,548,501,287</u>	-0.59%

Notes

- (1) Investment is represented by shares in (or as a percentage of) commingled equity investments which, at any given time, may be a combination of securities and cash.
- (2) Investment is represented by shares in various hedge funds.
- (3) Previously titled Lehman Brothers Real Estate Partners II
- (4) Previously titled Lehman Brothers Real Estate Partners III
- (5) Previously titled Rothschild Five Arrows Realty Securities V
- (6) Previously titled Rothschild Five Arrows Realty Securities IV

ALASKA RETIREMENT MANAGEMENT BOARD

Participant Directed Plans

Supplemental Annuity Plan
Schedule of Investment Income and Changes in Invested Assets
for the Month Ended
April 30, 2012

	<u>Beginning Invested Assets</u>	<u>Investment Income</u>	<u>Net Contributions (Withdrawals)</u>	<u>Transfers in (out)</u>	<u>Ending Invested Assets</u>
Interim Transit Account					
Treasury Division ⁽¹⁾					
Cash and Cash Equivalents	\$ 6,686,441	\$ 625	\$ (936,985)	\$ -	\$ 5,750,081
Participant Options ⁽²⁾					
T. Rowe Price					
Stable Value Fund	314,767,437	736,153	(1,008,205)	2,245,523	316,740,908
Small-Cap Stock Fund	96,419,468	(338,783)	395,802	(2,207,963)	94,268,524
Alaska Balanced Fund	1,110,141,065	4,166,885	(4,485,280)	782,475	1,110,605,145
Long Term Balanced Fund	360,504,771	(368,063)	1,890,247	(315,916)	361,711,039
AK Target Date 2010 Trust	5,722,173	(2,684)	32,041	(337,903)	5,413,627
AK Target Date 2015 Trust	89,171,821	(140,584)	157,351	264,888	89,453,476
AK Target Date 2020 Trust	37,519,544	(97,829)	244,958	(24,097)	37,642,576
AK Target Date 2025 Trust	19,344,134	(66,502)	306,199	82,551	19,666,382
AK Target Date 2030 Trust	8,034,810	(44,661)	215,046	(319,473)	7,885,722
AK Target Date 2035 Trust	7,211,025	(41,619)	248,666	(58,650)	7,359,422
AK Target Date 2040 Trust	6,905,485	(42,411)	286,864	(44,199)	7,105,739
AK Target Date 2045 Trust	6,629,045	(38,631)	294,680	69,837	6,954,931
AK Target Date 2050 Trust	6,970,685	(41,262)	351,301	(16,574)	7,264,150
AK Target Date 2055 Trust	4,335,637	(29,608)	155,003	(135,807)	4,325,225
Total Investments with T. Rowe Price	<u>2,073,677,100</u>	<u>3,650,401</u>	<u>(915,327)</u>	<u>(15,308)</u>	<u>2,076,396,866</u>
State Street Global Advisors					
State Street Treasury Money Market Fund - Inst.	35,856,047	2	(561,817)	(389,469)	34,904,763
S&P 500 Stock Index Fund Series A	247,350,649	(1,540,955)	489,009	(2,143,886)	244,154,817
Russell 3000 Index	17,951,520	(122,690)	87,020	452,950	18,368,800
US Real Estate Investment Trust Index	26,039,777	761,186	109,682	1,224,711	28,135,356
World Equity Ex-US Index	12,089,148	(171,229)	59,328	555,463	12,532,710
Long US Treasury Bond Index	14,410,100	640,089	56,274	2,938,738	18,045,201
US Treasury Inflation Protected Securities Index	17,898,355	367,298	36,840	1,159,405	19,461,898
World Government Bond Ex-US Index	4,884,581	83,461	29,773	489,233	5,487,048
Global Balanced Fund	53,533,118	(100,553)	(19,593)	(560,447)	52,852,525
Total Investments with SSGA	<u>430,013,295</u>	<u>(83,391)</u>	<u>286,516</u>	<u>3,726,698</u>	<u>433,943,118</u>
BlackRock					
Government Bond Fund	53,132,117	690,363	(55,642)	(2,138,714)	51,628,124
Intermediate Bond Fund	14,125,646	123,540	57,080	(172,727)	14,133,539
Total Investments with BlackRock	<u>67,257,763</u>	<u>813,903</u>	<u>1,438</u>	<u>(2,311,441)</u>	<u>65,761,663</u>
Brandes Institutional					
International Equity Fund Fee	69,834,654	(3,609,223)	336,059	(1,776,422)	64,785,068
RCM					
Sustainable Opportunities Fund	30,844,290	(195,271)	151,433	376,473	31,176,925
Total Externally Managed Funds	<u>2,671,627,102</u>	<u>576,419</u>	<u>(139,881)</u>	<u>-</u>	<u>2,672,063,640</u>
Total All Funds	<u>\$ 2,678,313,543</u>	<u>\$ 577,044</u>	<u>\$ (1,076,866)</u>	<u>\$ -</u>	<u>\$ 2,677,813,721</u>

Notes: (1) Represents net contributions in transit to/from the record keeper. (2) Source data provided by the record keeper, Great West Life.

Supplemental Annuity Plan
Schedule of Invested Assets with
Schedule of Investment Income and Changes in Invested Assets
By Month Through the Month Ended
April 30, 2012
\$(Thousands)

<u>Invested Assets (At Fair Value)</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
Investments with Treasury Division										
Cash and cash equivalents	\$ 8,592	\$ 7,922	\$ 8,146	\$ 7,972	\$ 7,123	\$ 6,382	\$ 6,672	\$ 6,507	\$ 6,686	\$ 5,750
Investments with T. Rowe Price										
Stable Value Fund	307,698	310,946	307,698	313,922	312,557	316,824	314,443	310,418	314,767	316,741
Small-Cap Stock Fund	90,243	80,388	70,487	82,828	83,568	82,943	89,606	95,247	96,419	94,269
Alaska Balanced Fund	1,081,747	1,058,805	1,028,933	1,068,346	1,062,547	1,068,797	1,092,345	1,106,185	1,110,141	1,110,605
Long Term Balanced Fund	327,767	316,287	302,465	325,296	325,532	329,690	342,236	352,849	360,505	361,711
AK Target Date 2010 Trust	6,647	5,964	6,057	6,417	5,752	5,784	6,194	5,803	5,722	5,414
AK Target Date 2015 Trust	84,469	81,242	77,846	83,027	82,614	82,376	85,174	88,383	89,172	89,453
AK Target Date 2020 Trust	34,412	33,333	31,251	33,520	33,644	33,534	35,837	37,180	37,520	37,643
AK Target Date 2025 Trust	15,871	15,118	14,377	15,853	16,033	16,196	17,672	18,598	19,344	19,666
AK Target Date 2030 Trust	5,316	4,998	4,840	5,831	5,892	6,121	6,636	7,142	8,035	7,886
AK Target Date 2035 Trust	5,199	5,068	4,822	5,500	5,615	5,845	6,305	6,858	7,211	7,359
AK Target Date 2040 Trust	4,438	4,365	4,431	5,044	5,061	5,384	5,923	6,366	6,905	7,106
AK Target Date 2045 Trust	3,971	3,950	3,941	4,576	4,757	5,098	5,628	6,141	6,629	6,955
AK Target Date 2050 Trust	4,072	4,177	4,093	4,910	5,136	5,358	5,955	6,502	6,971	7,264
AK Target Date 2055 Trust	1,942	2,250	2,258	2,779	2,592	2,852	3,192	3,919	4,336	4,325
Investments with State Street Global Advisors										
State Street Treasury Money Market Fund - Inst.	37,730	38,037	37,636	38,085	38,422	37,723	36,343	34,950	35,856	34,905
S&P 500 Stock Index Fund Series A	224,458	212,540	198,227	219,397	218,537	218,768	228,360	237,021	247,351	244,155
Russell 3000 Index	12,066	11,219	10,741	12,182	12,347	12,486	14,090	15,767	17,952	18,369
US Real Estate Investment Trust Index	24,290	22,031	18,603	21,302	20,707	21,354	24,016	26,100	26,040	28,135
World Equity Ex-US Index	12,393	11,150	9,576	10,807	9,950	9,639	10,481	12,036	12,089	12,533
Long US Treasury Bond Index	6,274	14,980	19,947	15,293	20,541	21,813	20,695	17,685	14,410	18,045
US Treasury Inflation Protected Securities Index	17,366	18,996	18,235	17,950	18,280	19,060	19,665	20,759	17,898	19,462
World Govt Bond Ex-US Index	5,622	5,590	5,265	5,047	4,966	4,879	5,074	4,920	4,885	5,487
Global Balanced Fund	51,620	50,392	47,598	51,447	50,516	50,893	52,419	53,576	53,533	52,853
Investments with BlackRock										
Government Bond Fund	50,261	50,950	52,294	52,440	52,350	53,474	54,267	54,086	53,132	51,628
Intermediate Bond Fund	11,871	13,396	13,264	13,062	14,147	13,808	13,993	14,338	14,126	14,133
Investments with Brandes Investment Partners										
International Equity Fund Fee	74,909	67,515	62,982	68,413	65,352	62,645	65,225	69,466	69,835	64,785
Investments with RCM										
Sustainable Opportunities Fund	29,348	26,326	24,643	28,501	28,566	27,521	28,568	29,370	30,844	31,177
Total Invested Assets	\$ 2,540,592	\$ 2,477,935	\$ 2,390,656	\$ 2,519,747	\$ 2,513,104	\$ 2,527,247	\$ 2,597,014	\$ 2,648,172	\$ 2,678,314	\$ 2,677,814
Change in Invested Assets										
Beginning Assets	\$ 2,552,982	\$ 2,540,592	\$ 2,477,935	\$ 2,390,656	\$ 2,519,747	\$ 2,513,104	\$ 2,527,247	\$ 2,597,014	\$ 2,648,172	\$ 2,678,314
Investment Earnings	(11,959)	(63,592)	(88,791)	126,143	(8,733)	14,088	70,272	53,607	26,787	577
Net Contributions (Withdrawals)	(431)	935	1,512	2,948	2,090	55	(505)	(2,449)	3,355	(1,077)
Ending Invested Assets	\$ 2,540,592	\$ 2,477,935	\$ 2,390,656	\$ 2,519,747	\$ 2,513,104	\$ 2,527,247	\$ 2,597,014	\$ 2,648,172	\$ 2,678,314	\$ 2,677,814

Deferred Compensation Plan
Schedule of Invested Assets and Changes in Invested Assets
for the Month Ended
April 30, 2012

	<u>Beginning Invested Assets</u>	<u>Investment Income</u>	<u>Net Contributions (Withdrawals)</u>	<u>Transfers in (out)</u>	<u>Ending Invested Assets</u>
Participant Options					
T. Rowe Price					
Interest Income Fund	\$ 175,006,608	\$ 456,224	\$ (229,633)	\$ 514,581	\$ 175,747,780
Small Cap Stock Fund	74,239,879	(285,107)	285,769	(950,375)	73,290,166
Long Term Balanced Fund	37,107,191	(41,424)	237,000	(611,204)	36,691,563
Alaska Balanced Trust	7,880,420	30,726	93,357	309,215	8,313,718
AK Target Date 2010 Trust	1,794,844	(321)	22,464	(18,135)	1,798,852
AK Target Date 2015 Trust	4,361,793	(5,693)	58,781	104,124	4,519,005
AK Target Date 2020 Trust	3,906,897	(7,045)	136,969	254,558	4,291,379
AK Target Date 2025 Trust	2,113,539	(8,576)	89,025	(261,824)	1,932,164
AK Target Date 2030 Trust	1,271,144	(6,356)	59,711	(25,405)	1,299,094
AK Target Date 2035 Trust	1,041,667	(6,062)	33,025	(44,544)	1,024,086
AK Target Date 2040 Trust	621,131	(3,679)	40,528	(1,310)	656,670
AK Target Date 2045 Trust	278,028	(1,625)	26,240	(2,069)	300,574
AK Target Date 2050 Trust	231,579	(1,489)	13,170	(1,172)	242,088
AK Target Date 2055 Trust	599,536	(4,156)	9,722	(140,886)	464,216
Total Investments with T. Rowe Price	<u>310,454,256</u>	<u>115,417</u>	<u>876,128</u>	<u>(874,446)</u>	<u>310,571,355</u>
State Street Global Advisors					
State Street Treasury Money Market Fund - Inst.	7,412,791	-	(1,428)	90,745	7,502,108
Russell 3000 Index	6,812,154	(45,776)	44,541	103,550	6,914,469
US Real Estate Investment Trust Index	8,647,019	250,256	80,320	517,063	9,494,658
World Equity Ex-US Index	4,660,520	(70,774)	47,680	(97,658)	4,539,768
Long US Treasury Bond Index	4,195,513	187,847	36,201	1,138,043	5,557,604
US Treasury Inflation Protected Securities Index	9,595,778	199,403	45,973	704,249	10,545,403
World Government Bond Ex-US Index	1,976,854	31,786	20,739	21,921	2,051,300
Global Balanced Fund	38,381,526	(68,308)	273,875	(269,645)	38,317,448
Total Investments with SSGA	<u>81,682,155</u>	<u>484,434</u>	<u>547,901</u>	<u>2,208,268</u>	<u>84,922,758</u>
BlackRock					
S&P 500 Index Fund	131,762,751	(822,494)	(160,976)	(511,573)	130,267,708
Government/Credit Bond Fund	32,531,656	429,737	(60,385)	(192,976)	32,708,032
Intermediate Bond Fund	16,139,263	143,334	(14,503)	(78,946)	16,189,148
Total Investments with Barclays Global Investors	<u>180,433,670</u>	<u>(249,423)</u>	<u>(235,864)</u>	<u>(783,495)</u>	<u>179,164,888</u>
Brandes Institutional					
International Equity Fund Fee	39,241,836	(2,026,171)	256,391	(599,421)	36,872,635
RCM					
Sustainable Core Opportunities Fund	11,546,396	(73,186)	115,921	49,094	11,638,225
Total All Funds	<u>\$ 623,358,313</u>	<u>\$ (1,748,929)</u>	<u>\$ 1,560,477</u>	<u>\$ -</u>	<u>\$ 623,169,861</u>

Source data provided by the record keeper, Great West Life.

Deferred Compensation Plan
Schedule of Invested Assets with
Schedule of Investment Income and Changes in Invested Assets
By Month Through the Month Ended
April 30, 2012
\$ (Thousands)

Invested Assets (at fair value)	July	August	September	October	November	December	January	February	March	April
Investments with T. Rowe Price										
Interest Income Fund										
Cash and cash equivalents	\$ 14,523	\$ 13,862	\$ 12,858	\$ 14,318	\$ 13,355	\$ 13,623	\$ 12,003	\$ 12,505	\$ 11,475	\$ 12,368
Synthetic Investment Contracts	158,211	159,215	159,461	160,073	161,186	161,770	162,047	161,794	163,532	163,380
Small Cap Stock Fund	71,095	63,402	56,494	65,732	65,835	65,253	70,096	73,039	74,240	73,290
Long Term Balanced Fund	34,734	33,452	31,160	33,291	33,527	33,828	35,229	36,468	37,107	36,692
Alaska Balanced Trust	5,710	5,500	5,133	5,366	5,348	5,767	6,469	7,027	7,880	8,314
AK Target Date 2010 Trust	1,186	1,581	1,515	1,590	1,652	1,669	1,727	1,785	1,795	1,799
AK Target Date 2015 Trust	3,430	3,275	3,178	3,208	3,358	3,321	3,743	4,207	4,362	4,519
AK Target Date 2020 Trust	2,547	2,567	2,449	2,741	2,924	2,951	3,582	3,784	3,907	4,291
AK Target Date 2025 Trust	1,426	1,365	1,307	1,480	1,641	1,630	1,824	1,852	2,114	1,932
AK Target Date 2030 Trust	805	804	760	919	960	1,096	1,150	1,231	1,271	1,299
AK Target Date 2035 Trust	911	838	766	918	975	973	978	1,033	1,042	1,024
AK Target Date 2040 Trust	452	425	403	450	480	508	552	586	621	657
AK Target Date 2045 Trust	127	135	135	168	200	227	230	250	278	301
AK Target Date 2050 Trust	187	159	150	172	179	191	207	220	232	242
AK Target Date 2055 Trust	818	776	720	834	801	884	949	972	599	464
State Street Global Advisors										
State Street Treasury Money Market Fund - Inst.	6,909	7,219	7,174	8,081	8,905	7,823	7,652	7,206	7,413	7,502
Russell 3000 Index	4,839	4,708	4,224	5,163	5,253	5,200	5,699	6,201	6,812	6,914
US Real Estate Investment Trust Index	8,769	7,638	6,414	7,021	7,019	7,787	8,181	8,471	8,647	9,495
World Equity Ex-US Index	4,742	4,220	3,608	4,084	3,794	3,644	4,154	4,702	4,660	4,540
Long US Treasury Bond Index	2,096	4,661	5,711	4,888	5,612	6,482	5,766	4,937	4,195	5,558
US Treasury Inflation Protected Securities Index	7,863	8,588	8,629	8,878	9,091	9,529	9,736	10,389	9,596	10,545
World Government Bond Ex-US Index	2,104	2,286	2,125	1,991	1,940	1,950	1,981	1,932	1,977	2,051
Global Balanced Fund	38,066	36,875	34,806	37,240	36,484	36,342	37,565	38,414	38,381	38,317
Investments with BlackRock										
S&P 500 Index Fund	119,165	112,540	105,259	116,497	115,549	116,891	122,970	126,781	131,763	130,268
Government/Credit Bond Fund	31,263	31,347	31,881	32,023	31,926	32,800	33,354	33,025	32,532	32,708
Intermediate Bond Fund	15,848	16,370	16,305	16,031	16,185	16,383	16,454	16,381	16,139	16,189
Investments with Brandes Institutional										
International Equity Fund Fee	42,051	38,770	35,870	38,390	37,116	36,279	37,695	39,255	39,242	36,873
Investments with RCM										
Sustainable Opportunities Fund	10,481	9,723	8,996	10,238	10,362	10,432	10,888	11,142	11,546	11,638
Total Invested Assets	\$ 590,358	\$ 572,301	\$ 547,491	\$ 581,785	\$ 581,657	\$ 585,233	\$ 602,881	\$ 615,589	\$ 623,358	\$ 623,170
Change in Invested Assets										
Beginning Assets	\$ 596,690	\$ 590,358	\$ 572,301	\$ 547,491	\$ 581,785	\$ 581,657	\$ 585,233	\$ 602,881	\$ 615,589	\$ 623,358
Investment Earnings	(5,314)	(19,842)	(23,155)	32,447	(1,483)	2,034	17,524	13,464	7,517	(1,749)
Net Contributions (Withdrawals)	(1,018)	1,785	(1,655)	1,847	1,355	1,542	124	(756)	252	1,561
Ending Invested Assets	\$ 590,358	\$ 572,301	\$ 547,491	\$ 581,785	\$ 581,657	\$ 585,233	\$ 602,881	\$ 615,589	\$ 623,358	\$ 623,170

Defined Contribution Retirement - Participant Directed PERS
Schedule of Investment Income and Changes in Invested Assets
for the Month Ended
April 30, 2012

	<u>Beginning Invested Assets</u>	<u>Investment Income</u>	<u>Net Contributions (Withdrawals)</u>	<u>Transfers in (out)</u>	<u>Ending Invested Assets</u>
Interim Transit Account					
Treasury Division ⁽¹⁾					
Cash and Cash Equivalents	\$ 7,504,901	\$ 877	\$ 1,189,841	\$ -	\$ 8,695,619
Participant Options ⁽²⁾					
T. Rowe Price					
Alaska Money Market	2,956,512	585	(10,962)	(291,532)	2,654,603
Small-Cap Stock Fund	40,645,960	(127,788)	590,527	(13,279)	41,095,420
Long Term Balanced Fund	5,462,773	(3,859)	65,541	128,440	5,652,895
Alaska Balanced Fund	463,337	2,087	23,289	26,165	514,878
AK Target Date 2010 Trust	571,432	195	38,711	-	610,338
AK Target Date 2015 Trust	2,306,673	(2,644)	120,069	1,000	2,425,098
AK Target Date 2020 Trust	4,246,385	(9,874)	224,911	(12,231)	4,449,191
AK Target Date 2025 Trust	5,646,510	(20,101)	297,379	49,971	5,973,759
AK Target Date 2030 Trust	5,717,210	(25,377)	321,609	-	6,013,442
AK Target Date 2035 Trust	6,271,875	(33,757)	380,094	(10,975)	6,607,237
AK Target Date 2040 Trust	9,165,920	(52,720)	447,417	(15,331)	9,545,286
AK Target Date 2045 Trust	9,782,342	(55,889)	534,430	20,680	10,281,563
AK Target Date 2050 Trust	11,083,757	(62,701)	597,002	(34,934)	11,583,124
AK Target Date 2055 Trust	3,714,273	(20,459)	267,407	3,622	3,964,843
Total Investments with T. Rowe Price	<u>108,034,959</u>	<u>(412,302)</u>	<u>3,897,424</u>	<u>(148,404)</u>	<u>111,371,677</u>
State Street Global Advisors					
Money Market	448,530	-	15,751	107,289	571,570
S&P 500 Stock Index Fund Series A	30,280,688	(216,682)	421,418	(3,204,654)	27,280,770
Russell 3000 Index	664,718	3,898	17,102	762,640	1,448,358
US Real Estate Investment Trust Index	551,066	36,911	14,366	916,581	1,518,924
World Equity Ex-US Index	345,702	15,295	9,816	1,880,093	2,250,906
Long US Treasury Bond Index	509,631	20,494	9,439	(95,917)	443,647
US Treasury Inflation Protected Sec Index	521,627	11,589	10,640	169,443	713,299
World Government Bond Ex-US Index	1,049,221	22,283	16,628	347,554	1,435,686
Global Balanced Fund	9,609,082	(31,383)	106,481	(1,882,354)	7,801,826
Total Investments with SSGA	<u>43,980,265</u>	<u>(137,595)</u>	<u>621,641</u>	<u>(999,325)</u>	<u>43,464,986</u>
BlackRock					
Government Bond Fund	8,326,382	109,247	111,338	(103,097)	8,443,870
Intermediate Bond Fund	331,013	3,009	7,945	5,499	347,466
Total Investments with BlackRock	<u>8,657,395</u>	<u>112,256</u>	<u>119,283</u>	<u>(97,598)</u>	<u>8,791,336</u>
Brandes Institutional					
International Equity Fund Fee	52,055,238	(2,722,077)	775,948	(915,080)	49,194,029
RCM					
Sustainable Opportunities Fund	9,846,130	(42,923)	173,227	2,160,407	12,136,841
Total Externally Managed Funds	<u>222,573,987</u>	<u>(3,202,641)</u>	<u>5,587,523</u>	<u>-</u>	<u>224,958,869</u>
Total All Funds	<u>\$ 230,078,888</u>	<u>\$ (3,201,764)</u>	<u>\$ 6,777,364</u>	<u>\$ -</u>	<u>\$ 233,654,488</u>

Notes: (1) Represents net contributions in transit to/from the record keeper. (2) Source data provided by the record keeper, Great West Life.

Defined Contribution Retirement - Participant Directed PERS
Schedule of Invested Assets with
Schedule of Investment Income and Changes in Invested Assets
By Month Through the Month Ended
April 30, 2012
\$ (Thousands)

Invested Assets (At Fair Value)	July	August	September	October	November	December	January	February	March	April
Investments with Treasury Division										
Cash and cash equivalents	\$ 6,118	\$ 5,758	\$ 6,892	\$ 6,668	\$ 9,035	\$ 8,843	\$ 8,763	\$ 7,333	\$ 7,505	\$ 8,696
Investments with T. Rowe Price										
Alaska Money Market	3,987	3,654	3,448	3,333	3,298	3,327	3,141	2,993	2,957	2,655
Small-Cap Stock Fund	30,937	29,193	26,836	32,172	32,400	32,387	34,940	37,874	40,646	41,095
Long Term Balanced Fund	11,358	9,535	7,773	6,529	5,216	3,970	3,790	4,650	5,463	5,653
Alaska Balanced Fund	339	368	352	383	365	388	425	448	463	515
AK Target Date 2010 Trust	335	348	354	404	438	472	509	552	571	610
AK Target Date 2015 Trust	1,373	1,415	1,425	1,631	1,722	1,842	2,028	2,137	2,307	2,425
AK Target Date 2020 Trust	2,448	2,503	2,530	2,942	3,118	3,360	3,667	3,986	4,246	4,449
AK Target Date 2025 Trust	3,237	3,282	3,299	3,870	4,090	4,355	4,826	5,257	5,646	5,974
AK Target Date 2030 Trust	3,358	3,349	3,312	3,875	4,104	4,430	4,864	5,297	5,717	6,013
AK Target Date 2035 Trust	3,472	3,492	3,463	4,096	4,346	4,680	5,225	5,811	6,272	6,607
AK Target Date 2040 Trust	5,512	5,496	5,467	6,416	6,719	7,136	7,823	8,564	9,166	9,545
AK Target Date 2045 Trust	5,452	5,502	5,473	6,492	6,875	7,422	8,252	9,090	9,782	10,281
AK Target Date 2050 Trust	6,231	6,275	6,273	7,443	7,908	8,492	9,431	10,367	11,084	11,583
AK Target Date 2055 Trust	1,834	1,918	1,948	2,344	2,500	2,741	3,066	3,404	3,714	3,965
Investments with State Street Global Advisors										
Money Market	327	257	349	388	392	420	473	493	449	572
S&P 500 Stock Index Fund Series A	32,075	30,646	28,694	32,338	32,714	33,779	35,083	32,933	30,281	27,281
Russell 3000 Index	323	319	298	356	368	375	460	553	665	1,448
US Real Estate Investment Trust Index	456	475	429	478	414	443	537	557	551	1,519
World Equity Ex-US Index	320	302	245	263	273	280	298	308	346	2,251
Long US Treasury Bond Index	153	297	399	321	447	538	536	500	510	444
US Treasury Inflation Protected Sec Index	225	244	220	252	293	306	338	474	522	713
World Government Bond Ex-US Index	168	195	171	167	175	174	258	661	1,049	1,436
Global Balanced Fund	3,307	4,942	6,301	8,759	10,258	11,823	12,215	11,220	9,609	7,802
Investments with BlackRock										
Government Bond Fund	9,546	9,277	9,024	8,984	9,387	9,895	9,791	9,054	8,326	8,444
Intermediate Bond Fund	244	308	327	332	334	353	319	324	331	347
Investments with Brandes Investment Partners										
International Equity Fund Fee	42,803	39,486	37,680	40,981	40,752	40,957	44,736	49,490	52,055	49,194
Investments with RCM										
Sustainable Opportunities Fund	2,440	2,941	3,185	3,967	3,806	3,624	4,345	7,027	9,846	12,137
Total Invested Assets	\$ 178,378	\$ 171,777	\$ 166,167	\$ 186,184	\$ 191,747	\$ 196,812	\$ 210,139	\$ 221,357	\$ 230,079	\$ 233,654
Change in Invested Assets										
Beginning Assets	\$ 180,109	\$ 178,378	\$ 171,777	\$ 166,167	\$ 186,184	\$ 191,747	\$ 196,812	\$ 210,139	\$ 221,357	\$ 230,079
Investment Earnings	(3,541)	(10,141)	(11,358)	15,270	(1,478)	(57)	8,761	7,717	3,503	(3,202)
Net Contributions (Withdrawals)	1,810	3,540	5,748	4,747	7,041	5,122	4,566	3,501	5,219	6,777
Ending Invested Assets	\$ 178,378	\$ 171,777	\$ 166,167	\$ 186,184	\$ 191,747	\$ 196,812	\$ 210,139	\$ 221,357	\$ 230,079	\$ 233,654

**Defined Contribution Retirement - Participant Directed TRS
Schedule of Investment Income and Changes in Invested Assets**

**for the Month Ended
April 30, 2012**

	<u>Beginning Invested Assets</u>	<u>Investment Income</u>	<u>Net Contributions (Withdrawals)</u>	<u>Transfers in (out)</u>	<u>Ending Invested Assets</u>
Interim Transit Account					
Treasury Division ⁽¹⁾					
Cash and Cash Equivalents	\$ 2,757,766	\$ 355	\$ (173,533)	\$ -	\$ 2,584,588
Participant Options ⁽²⁾					
T. Rowe Price					
Alaska Money Market	1,330,596	268	29,667	(71,761)	1,288,770
Small-Cap Stock Fund	17,136,517	(53,851)	273,734	(95,381)	17,261,019
Long Term Balanced Fund	2,501,531	(252)	34,243	240,517	2,776,039
Alaska Balanced Fund	133,252	550	5,795	97	139,694
AK Target Date 2010 Trust	254,980	2	11,120	-	266,102
AK Target Date 2015 Trust	889,297	(1,027)	28,093	-	916,363
AK Target Date 2020 Trust	1,617,774	(3,427)	95,287	-	1,709,634
AK Target Date 2025 Trust	2,037,943	(6,871)	108,982	-	2,140,054
AK Target Date 2030 Trust	1,946,656	(8,239)	105,774	-	2,044,191
AK Target Date 2035 Trust	3,283,449	(17,214)	172,375	(4)	3,438,606
AK Target Date 2040 Trust	3,616,755	(16,852)	192,170	93,614	3,885,687
AK Target Date 2045 Trust	6,618,386	(36,766)	339,959	-	6,921,579
AK Target Date 2050 Trust	8,507,578	(47,428)	473,219	(5,377)	8,927,992
AK Target Date 2055 Trust	557,812	(2,853)	63,975	-	618,934
Total Investments with T. Rowe Price	<u>50,432,526</u>	<u>(193,960)</u>	<u>1,934,393</u>	<u>161,705</u>	<u>52,334,664</u>
State Street Global Advisors					
Money Market	51,321	-	965	-	52,286
S&P 500 Stock Index Fund Series A	12,311,631	(90,163)	182,744	(1,428,115)	10,976,097
Russell 3000 Index	326,328	1,715	7,213	337,845	673,101
US Real Estate Investment Trust Index	185,336	13,843	4,704	350,400	554,283
World Equity Ex-US Index	76,050	8,788	5,582	835,909	926,329
Long US Treasury Bond Index	38,026	1,667	2,165	16	41,874
US Treasury Inflation Protected Sec Index	146,078	3,312	3,911	73,713	227,014
World Government Bond Ex-US Index	425,525	9,792	6,804	187,023	629,144
Global Balanced Fund	5,601,400	(16,903)	70,421	(903,925)	4,750,993
Total Investments with SSGA	<u>19,161,695</u>	<u>(67,949)</u>	<u>284,509</u>	<u>(547,134)</u>	<u>18,831,121</u>
BlackRock					
Government Bond Fund	3,678,072	47,731	56,617	(102,368)	3,680,052
Intermediate Bond Fund	80,170	720	1,361	-	82,251
Total Investments with BlackRock	<u>3,758,242</u>	<u>48,451</u>	<u>57,978</u>	<u>(102,368)</u>	<u>3,762,303</u>
Brandes Institutional					
International Equity Fund Fee	21,179,997	(1,106,657)	346,409	(408,964)	20,010,785
RCM					
Sustainable Opportunities Fund	3,544,798	(13,597)	69,644	896,761	4,497,606
Total Externally Managed Funds	<u>98,077,258</u>	<u>(1,333,712)</u>	<u>2,692,933</u>	<u>-</u>	<u>99,436,479</u>
Total All Funds	\$ <u>100,835,024</u>	\$ <u>(1,333,357)</u>	\$ <u>2,519,400</u>	\$ <u>-</u>	\$ <u>102,021,067</u>

Notes: (1) Represents net contributions in transit to/from the record keeper. (2) Source data provided by the record keeper, Great West Life.

Defined Contribution Retirement - Participant Directed TRS
Schedule of Invested Assets with
Schedule of Investment Income and Changes in Invested Assets
By Month Through the Month Ended
April 30, 2012
\$ (Thousands)

Invested Assets (At Fair Value)	July	August	September	October	November	December	January	February	March	April
Investments with Treasury Division										
Cash and cash equivalents	\$ 1,992	\$ 1,955	\$ 2,117	\$ 2,279	\$ 2,767	\$ 2,831	\$ 2,629	\$ 2,617	\$ 2,758	\$ 2,585
Investments with T. Rowe Price										
Alaska Money Market	1,717	1,475	1,359	1,309	1,338	1,322	1,404	1,351	1,331	1,289
Small-Cap Stock Fund	13,648	12,618	11,418	13,704	13,822	13,854	14,835	15,959	17,136	17,261
Long Term Balanced Fund	4,767	3,967	3,162	2,548	1,999	1,460	1,456	1,982	2,502	2,776
Alaska Balanced Fund	88	88	89	97	106	112	120	127	133	140
AK Target Date 2010 Trust	216	204	198	220	233	251	260	252	255	266
AK Target Date 2015 Trust	639	611	596	671	700	733	794	852	889	916
AK Target Date 2020 Trust	1,041	1,000	989	1,143	1,223	1,316	1,438	1,515	1,618	1,710
AK Target Date 2025 Trust	1,249	1,219	1,195	1,398	1,480	1,589	1,743	1,895	2,038	2,140
AK Target Date 2030 Trust	1,201	1,125	1,096	1,295	1,390	1,525	1,667	1,822	1,947	2,044
AK Target Date 2035 Trust	2,153	2,014	1,938	2,234	2,316	2,555	2,802	3,040	3,283	3,439
AK Target Date 2040 Trust	2,318	2,195	2,063	2,456	2,597	2,815	3,106	3,366	3,617	3,886
AK Target Date 2045 Trust	4,350	4,105	3,866	4,544	4,790	5,150	5,663	6,167	6,618	6,921
AK Target Date 2050 Trust	5,457	5,116	4,865	5,760	6,106	6,610	7,285	7,924	8,508	8,928
AK Target Date 2055 Trust	198	175	182	252	300	360	427	494	558	619
Investments with State Street Global Advisors										
Money Market	15	15	15	16	28	47	48	50	51	52
S&P 500 Stock Index Fund Series A	13,583	12,753	11,793	13,361	13,633	14,105	14,546	13,615	12,312	10,976
Russell 3000 Index	145	138	141	160	159	165	172	245	326	673
US Real Estate Investment Trust Index	139	130	117	147	141	146	158	159	185	554
World Equity Ex-US Index	51	51	45	51	52	53	60	65	76	926
Long US Treasury Bond Index	19	21	23	35	45	48	49	53	38	42
US Treasury Inflation Protected Sec Index	109	113	106	74	73	76	82	119	146	227
World Government Bond Ex-US Index	9	10	2	3	1	1	29	232	426	629
Global Balanced Fund	1,918	2,676	3,189	4,436	4,965	5,702	6,150	6,027	5,601	4,751
Investments with BlackRock										
Government Bond Fund	4,149	4,015	3,841	3,765	3,884	4,091	4,138	3,929	3,678	3,680
Intermediate Bond Fund	70	71	71	72	76	78	79	80	80	82
Investments with Brandes Investment Partners										
International Equity Fund Fee	18,584	16,705	15,697	17,008	17,019	17,130	18,513	20,257	21,180	20,011
Investments with RCM										
Sustainable Opportunities Fund	1,326	1,374	1,418	1,636	1,531	1,435	1,619	2,486	3,545	4,498
Total Invested Assets	\$ 81,151	\$ 75,939	\$ 71,591	\$ 80,674	\$ 82,774	\$ 85,560	\$ 91,272	\$ 96,680	\$ 100,835	\$ 102,021
Change in Invested Assets										
Beginning Assets	\$ 81,208	\$ 81,151	\$ 75,939	\$ 71,591	\$ 80,674	\$ 82,774	\$ 85,560	\$ 91,272	\$ 96,680	\$ 100,835
Investment Earnings	(1,643)	(4,710)	(5,065)	6,709	(626)	(36)	3,868	3,414	1,549	(1,333)
Net Contributions (Withdrawals)	1,586	(503)	717	2,374	2,726	2,822	1,844	1,994	2,606	2,519
Ending Invested Assets	\$ 81,151	\$ 75,939	\$ 71,591	\$ 80,674	\$ 82,774	\$ 85,560	\$ 91,272	\$ 96,680	\$ 100,835	\$ 102,021

ALASKA RETIREMENT MANAGEMENT BOARD

FINANCIAL REPORT

(Supplement to the Treasury Division Report)

As of April 30, 2012

Prepared by the Division of Retirement & Benefits

ALASKA RETIREMENT MANAGEMENT BOARD
SCHEDULE OF NON-INVESTMENT CHANGES BY FUND
(Supplement to the Treasury Division Report)
For the Ten Months Ending April 30, 2012

	Contributions				Expenditures				Net Contributions/ (Withdrawals)
	Contributions		Other	Total Contributions	Benefits	Refunds	Administrative	Total	
	EE and ER	State of Alaska					& Investment	Expenditures	
Public Employees' Retirement System (PERS)									
<u>Defined Benefit Plans:</u>									
Retirement Trust	243,137,325	130,911,946	27,214	374,076,485	(464,173,866)	(9,341,008)	(25,665,537)	(499,180,411)	(125,103,926)
Retirement Health Care Trust	195,554,087	111,697,451	39,595,497	346,847,035	(292,073,160)	-	(6,737,323)	(298,810,483)	48,036,552
Total Defined Benefit Plans	438,691,412	242,609,397	39,622,711	720,923,520	(756,247,026)	(9,341,008)	(32,402,860)	(797,990,894)	(77,067,374)
<u>Defined Contribution Plans:</u>									
Participant Directed Retirement	58,674,008	-	1,680,319	60,354,327	-	(10,614,035)	(1,667,737)	(12,281,772)	48,072,555
Health Reimbursement Arrangement	(a) 15,912,793	-	-	15,912,793	-	-	-	-	15,912,793
Retiree Medical Plan	(a) 2,316,950	-	-	2,316,950	-	-	-	-	2,316,950
Occupational Death and Disability:	(a)								
Public Employees	832,143	-	-	832,143	-	-	-	-	832,143
Police and Firefighters	489,341	-	-	489,341	(39,471)	-	-	(39,471)	449,870
Total Defined Contribution Plans	78,225,235	-	1,680,319	79,905,554	(39,471)	(10,614,035)	(1,667,737)	(12,321,243)	67,584,311
Total PERS	516,916,647	242,609,397	41,303,030	800,829,074	(756,286,497)	(19,955,043)	(34,070,597)	(810,312,137)	(9,483,063)
Teachers' Retirement System (TRS)									
<u>Defined Benefit Plans:</u>									
Retirement Trust	67,457,076	157,387,504	16,094	224,860,674	(300,839,285)	(2,381,884)	(10,933,816)	(314,154,985)	(89,294,311)
Retirement Health Care Trust	49,559,165	77,129,829	15,663,329	142,352,323	(115,041,931)	-	(2,557,774)	(117,599,705)	24,752,618
Total Defined Benefit Plans	117,016,241	234,517,333	15,679,423	367,212,997	(415,881,216)	(2,381,884)	(13,491,590)	(431,754,690)	(64,541,693)
<u>Defined Contribution Plans:</u>									
Participant Directed Retirement	22,215,625	-	739,984	22,955,609	-	(3,681,910)	(587,581)	(4,269,491)	18,686,118
Health Reimbursement Arrangement	(a) 4,502,914	-	-	4,502,914	-	-	-	-	4,502,914
Retiree Medical Plan	(a) 866,943	-	-	866,943	-	-	-	-	866,943
Occupational Death and Disability:	(a)								
Total Defined Contribution Plans	27,629,878	-	739,984	28,369,862	-	(3,681,910)	(587,581)	(4,269,491)	24,100,371
Total TRS	144,646,119	234,517,333	16,419,407	395,582,859	(415,881,216)	(6,063,794)	(14,079,171)	(436,024,181)	(40,441,322)
Judicial Retirement System (JRS)									
Defined Benefit Plan Retirement Trust	3,302,553	2,205,898	11	5,508,462	(8,000,926)	-	(280,172)	(8,281,098)	(2,772,636)
Defined Benefit Retirement Health Care Trust	742,390	125,827	200,840	1,069,057	(1,081,196)	-	(18,884)	(1,100,080)	(31,023)
Total JRS	4,044,943	2,331,725	200,851	6,577,519	(9,082,122)	-	(299,056)	(9,381,178)	(2,803,659)
National Guard/Naval Militia Retirement System (NGNMRS)									
Defined Benefit Plan Retirement Trust	(a) 895,611	-	-	895,611	(1,083,651)	-	(171,551)	(1,255,202)	(359,591)
Other Participant Directed Plans									
Supplemental Annuity Plan	124,812,363	-	-	124,812,363	-	(114,608,742)	(3,771,266)	(118,380,008)	6,432,355
Deferred Compensation Plan	32,834,244	-	-	32,834,244	-	(26,928,414)	(869,778)	(27,798,192)	5,036,052
Total All Funds	824,149,927	479,458,455	57,923,288	1,361,531,670	(1,182,333,486)	(167,555,993)	(53,261,419)	(1,403,150,898)	(41,619,228)

(a) Employer only contributions.

ALASKA RETIREMENT MANAGEMENT BOARD
SCHEDULE OF NON-INVESTMENT CHANGES BY FUND
(Supplement to the Treasury Division Report)
For the Month Ended April 30, 2012

	Contributions			Expenditures				Net Contributions/ (Withdrawals)	
	Contributions EE and ER	State of Alaska	Other	Total Contributions	Benefits	Refunds	Administrative & Investment		Total Expenditures
Public Employees' Retirement System (PERS)									
<u>Defined Benefit Plans:</u>									
Retirement Trust	31,310,686	-	-	31,310,686	(46,072,202)	(715,641)	(3,106,389)	(49,894,232)	(18,583,546)
Retirement Health Care Trust	30,286,942	-	193,683	30,480,625	(29,208,772)	-	(699,978)	(29,908,750)	571,875
Total Defined Benefit Plans	61,597,628	-	193,683	61,791,311	(75,280,974)	(715,641)	(3,806,367)	(79,802,982)	(18,011,671)
<u>Defined Contribution Plans:</u>									
Participant Directed Retirement	7,911,265	-	-	7,911,265	-	(1,053,247)	(80,654)	(1,133,901)	6,777,364
Health Reimbursement Arrangement	(a) 2,130,067	-	-	2,130,067	-	-	-	-	2,130,067
Retiree Medical Plan	(a) 311,619	-	-	311,619	-	-	-	-	311,619
Occupational Death and Disability:	(a)								
Public Employees	109,988	-	-	109,988	-	-	-	-	109,988
Police and Firefighters	60,546	-	-	60,546	(3,947)	-	-	(3,947)	56,599
Total Defined Contribution Plans	10,523,485	-	-	10,523,485	(3,947)	(1,053,247)	(80,654)	(1,137,848)	9,385,637
Total PERS	72,121,113	-	193,683	72,314,796	(75,284,921)	(1,768,888)	(3,887,021)	(80,940,830)	(8,626,034)
Teachers' Retirement System (TRS)									
<u>Defined Benefit Plans:</u>									
Retirement Trust	8,223,202	-	1,539	8,224,741	(29,786,474)	(229,517)	(1,408,880)	(31,424,871)	(23,200,130)
Retirement Health Care Trust	7,464,482	-	75,374	7,539,856	(11,812,271)	-	(274,242)	(12,086,513)	(4,546,657)
Total Defined Benefit Plans	15,687,684	-	76,913	15,764,597	(41,598,745)	(229,517)	(1,683,122)	(43,511,384)	(27,746,787)
<u>Defined Contribution Plans:</u>									
Participant Directed Retirement	2,700,110	-	-	2,700,110	-	(155,640)	(25,070)	(180,710)	2,519,400
Health Reimbursement Arrangement	(a) 549,816	-	-	549,816	-	-	-	-	549,816
Retiree Medical Plan	(a) 104,680	-	-	104,680	-	-	-	-	104,680
Occupational Death and Disability:	(a)								
(48)	(48)	-	-	(48)	-	-	-	-	(48)
Total Defined Contribution Plans	3,354,558	-	-	3,354,558	-	(155,640)	(25,070)	(180,710)	3,173,848
Total TRS	19,042,242	-	76,913	19,119,155	(41,598,745)	(385,157)	(1,708,192)	(43,692,094)	(24,572,939)
Judicial Retirement System (JRS)									
Defined Benefit Plan Retirement Trust	346,429	-	-	346,429	(787,019)	-	(34,429)	(821,448)	(475,019)
Defined Benefit Retirement Health Care Trust	93,032	-	583	93,615	(108,724)	-	(2,107)	(110,831)	(17,216)
Total JRS	439,461	-	583	440,044	(895,743)	-	(36,536)	(932,279)	(492,235)
National Guard/Naval Militia Retirement System (NGNMRS)									
Defined Benefit Plan Retirement Trust	(a) -	-	-	-	(113,620)	-	(17,190)	(130,810)	(130,810)
Other Participant Directed Plans									
Supplemental Annuity Plan	12,803,251	-	-	12,803,251	-	(13,616,166)	(263,951)	(13,880,117)	(1,076,866)
Deferred Compensation Plan	4,818,891	-	-	4,818,891	-	(3,170,221)	(88,193)	(3,258,414)	1,560,477
Total All Funds	109,224,958	-	271,179	109,496,137	(117,893,029)	(18,940,432)	(6,001,083)	(142,834,544)	(33,338,407)

(a) Employer only contributions.



ARMB Board Meeting

Investment Performance
First Quarter 2012

Michael J. O'Leary, CFA
Executive Vice President

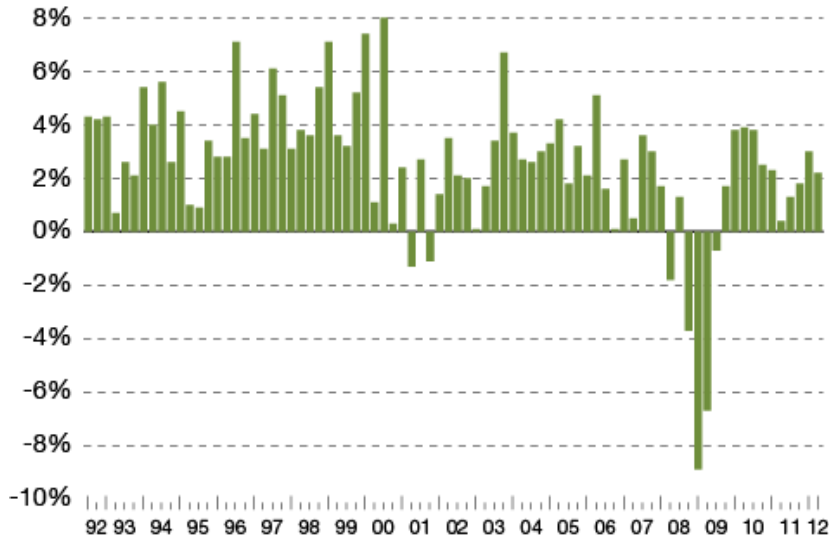
Paul M. Erlendson
Senior Vice President

Agenda

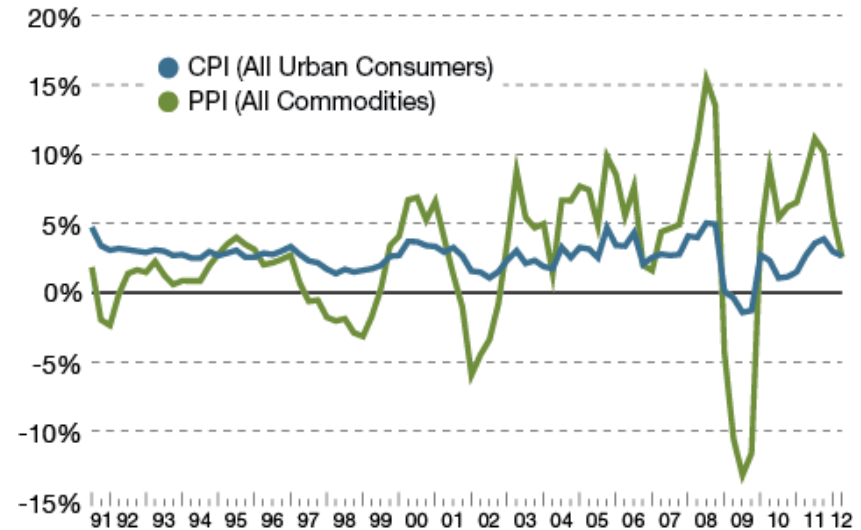
- Market review
- DB Plan Performance - Total Plan
- DB Plans Major Asset Categories
- DC Performance Update
- Comments regarding subsequent developments

State of the Economy

Quarterly Real GDP Growth* (20 Years)



Inflation Year-Over-Year



Recent Quarterly Indicators

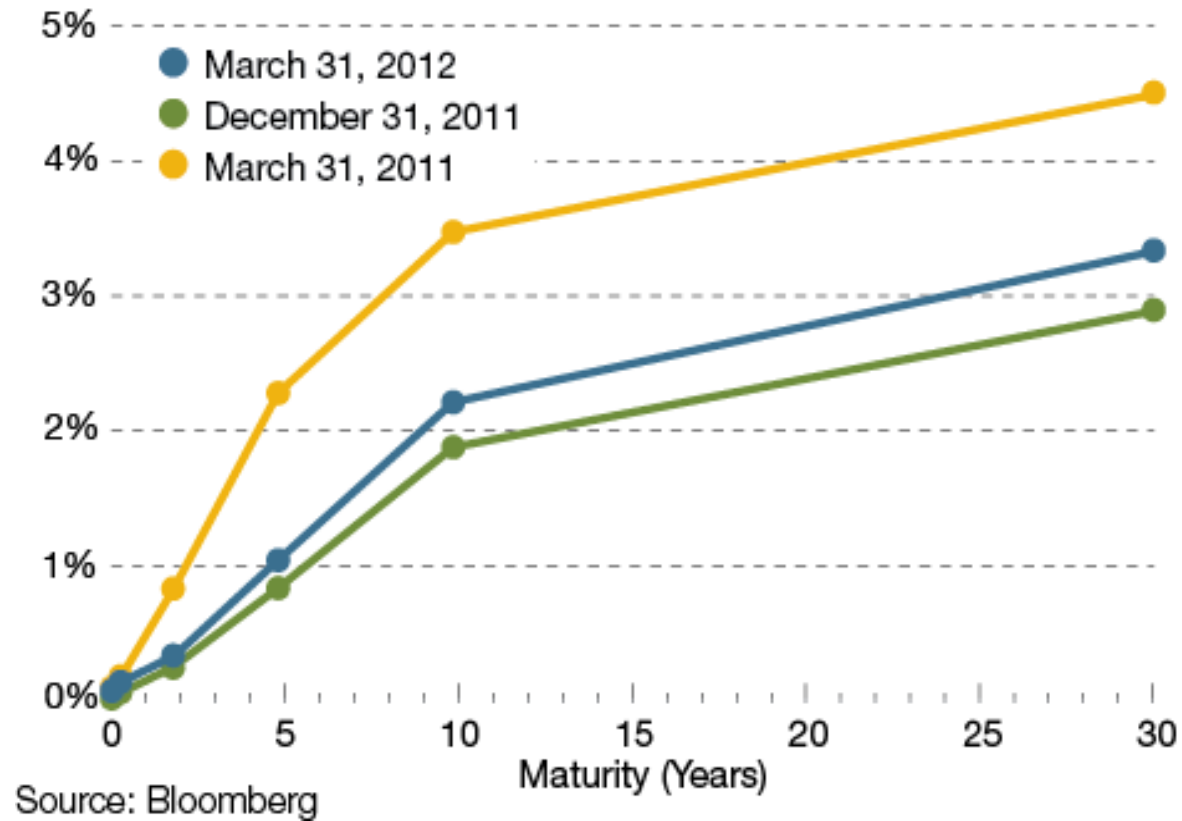
Economic Indicators (seasonally adjusted)	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12
CPI-All Urban Consumers (year-over-year)	1.0%	1.1%	1.5%	2.7%	3.6%	3.9%	3.0%	2.7%
PPI-All Commodities (year-over-year)	5.5%	6.3%	6.6%	8.6%	11.1%	10.2%	5.5%	2.6%
Employment Cost-Total Compensation Growth	1.8%	1.8%	2.2%	2.1%	3.2%	1.4%	1.8%	2.3%
Nonfarm Business-Productivity Growth	-1.7%	2.3%	2.9%	-0.6%	-0.1%	1.8%	0.9%	-1.0%
GDP Growth*	3.8%	2.5%	2.3%	0.4%	1.3%	1.8%	3.0%	2.2%
Manufacturing Capacity Utilization (level %)	71.4	72.6	73.3	74.5	74.4	75.2	76.0	77.6
Consumer Sentiment Index (1966=1.000)	0.739	0.683	0.713	0.731	0.719	0.597	0.648	0.755

*The GDP estimates released on April 27, 2012 reflect the results of the comprehensive (or benchmark) revision of the national income and product accounts, according to the Bureau of Economic Analysis (BEA) Web site. More information on the revision is available at www.bea.gov/national/an1.htm.

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve, Reuters/University of Michigan

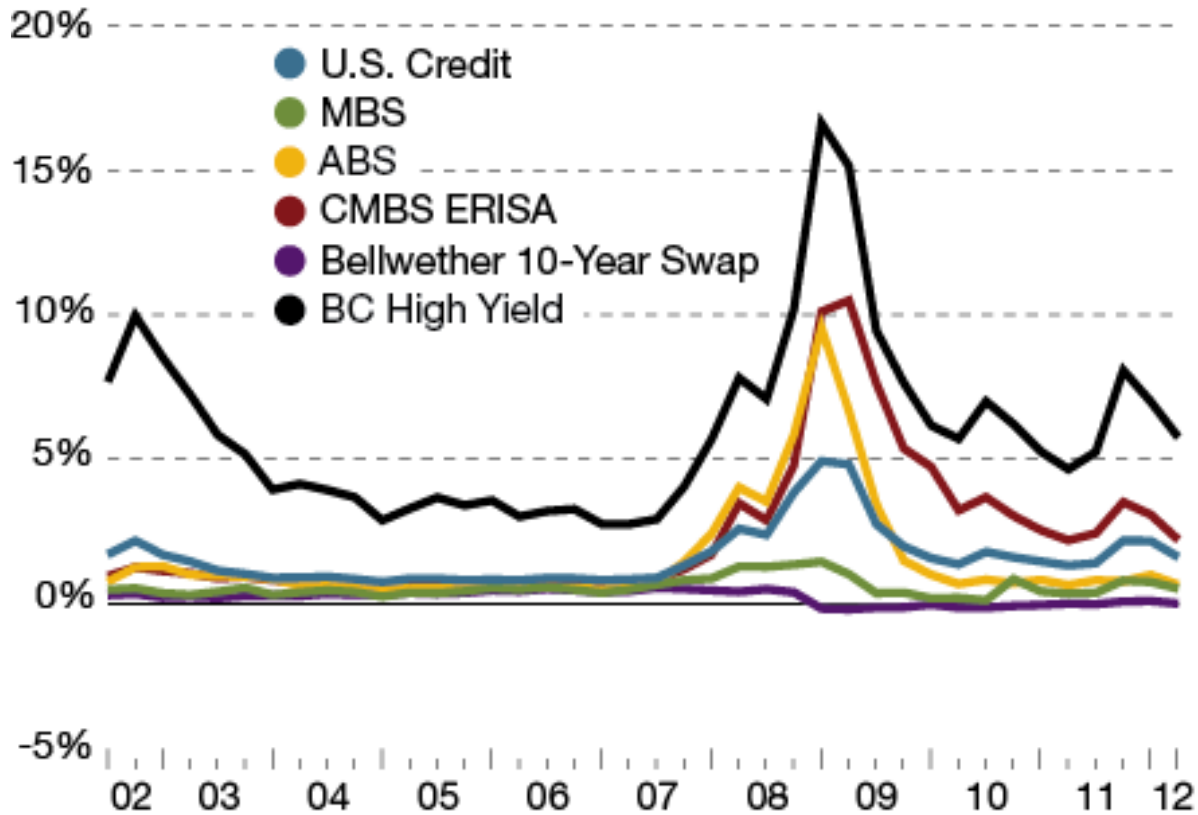
Fixed Income – Treasury Yield Curve

U.S. Treasury Yield Curves



Credit Spreads Narrowed

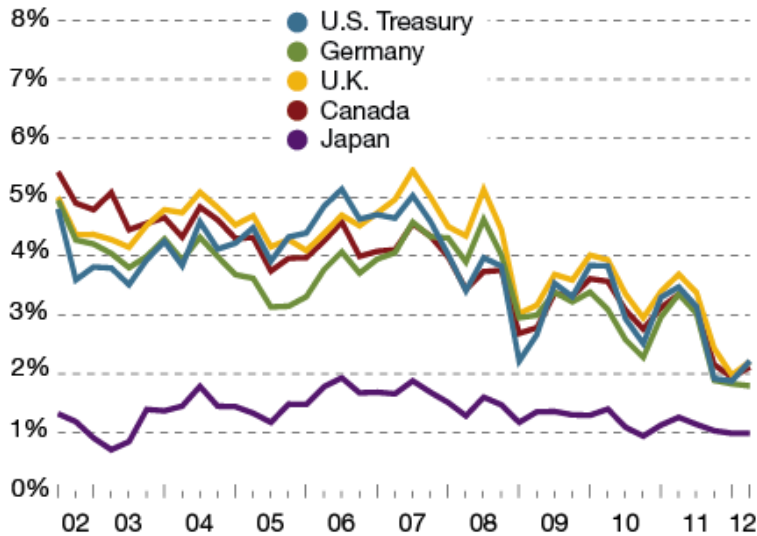
Effective Yield Over Treasuries



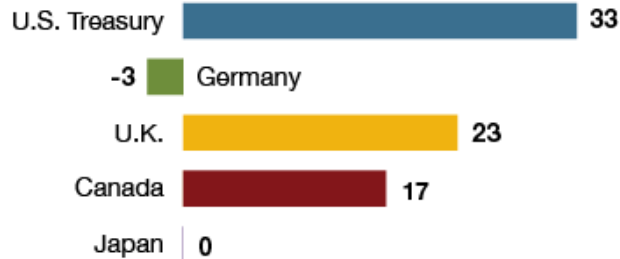
Source: Barclays Capital Inc.

More Spread Info

10-Year Global Government Bond Yields

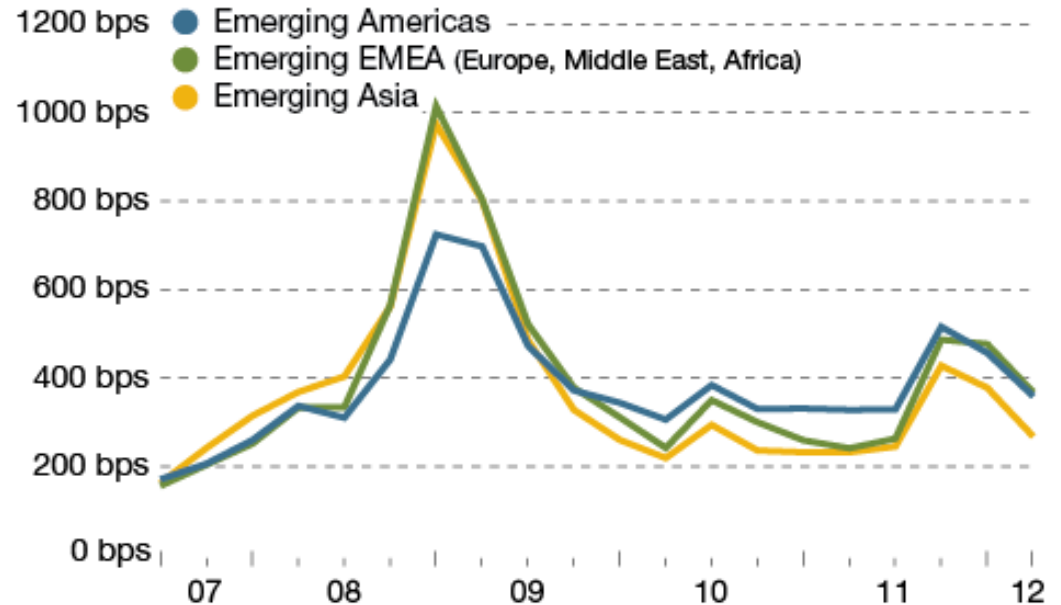


Change in 10-Year Yields from 4Q11 to 1Q12 (bps)



Source: Citigroup

Emerging Spreads by Region



Source: Barclays Capital Inc.

Asset Class Performance

Periods Ending March 31, 2012

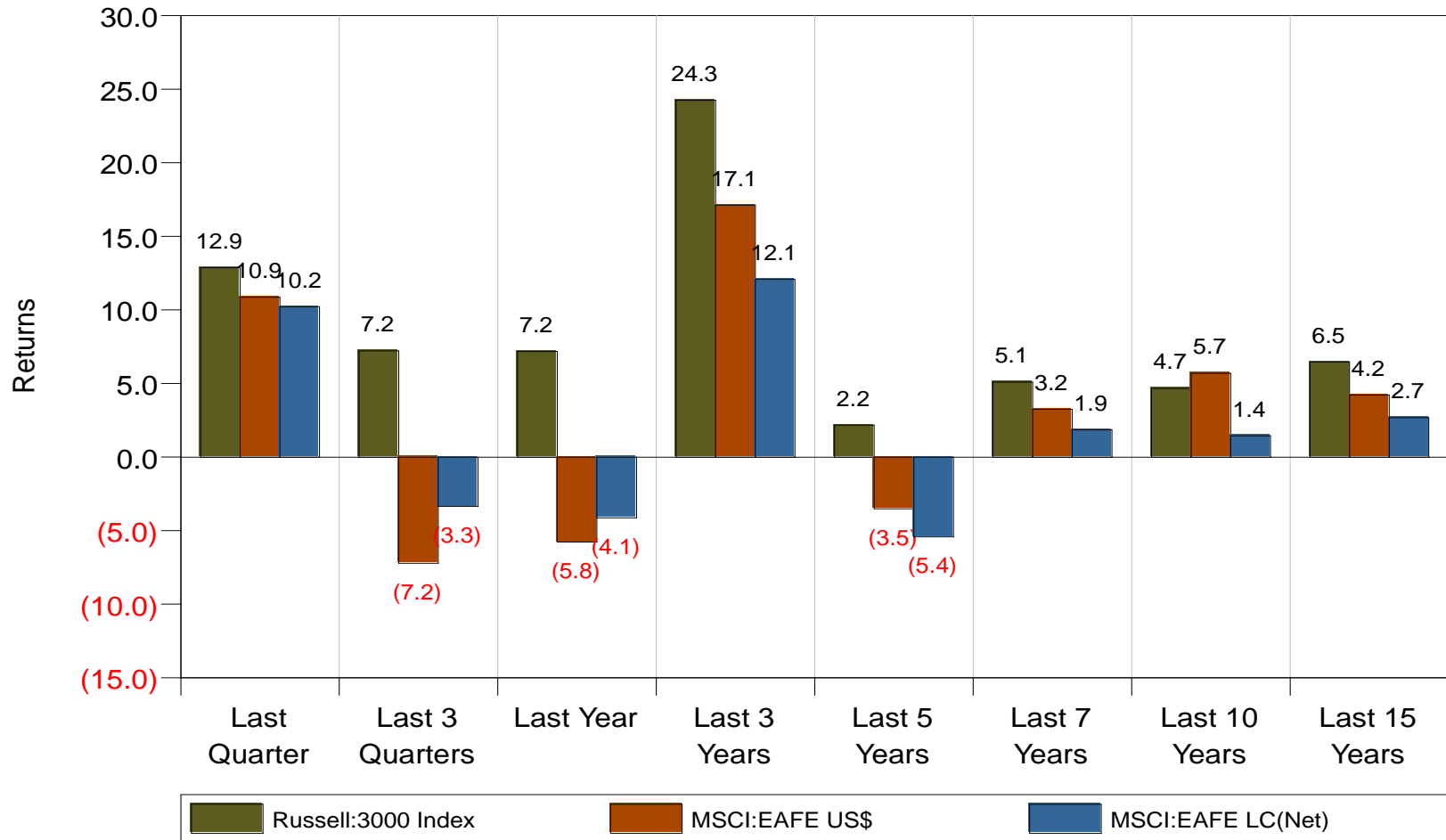
- For Quarter:
 - Equities ahead of Bonds
 - Emerging Markets on top
- Last Year:
 - Bonds best
 - Intl and EM Equities far behind domestic equities
- Last 3 Years:
 - Emerging Markets on top
 - **Cash** worst performer
- Last 5 years:
 - **Cash** beat US & Developed Intl Equities
- Last 10 years:
 - Emerging Markets best

Periodic Table of Investment Returns
for Periods Ended March 31, 2012

Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:Emer Markets 14.1%	Barclays:Aggr Bd 7.7%	MSCI:Emer Markets 25.4%	Barclays:Aggr Bd 6.2%	MSCI:Emer Markets 14.5%
Russell:3000 Index 12.9%	Russell:3000 Index 7.2%	Russell:3000 Index 24.3%	MSCI:Emer Markets 5.0%	Barclays:Aggr Bd 5.8%
MSCI:EAFE US\$ 10.9%	3 Month T-Bill 0.1%	MSCI:EAFE US\$ 17.1%	Russell:3000 Index 2.2%	MSCI:EAFE US\$ 5.7%
Barclays:Aggr Bd 0.3%	MSCI:EAFE US\$ (5.8%)	Barclays:Aggr Bd 6.8%	3 Month T-Bill 1.2%	Russell:3000 Index 4.7%
3 Month T-Bill 0.0%	MSCI:Emer Markets (8.5%)	3 Month T-Bill 0.1%	MSCI:EAFE US\$ (3.5%)	3 Month T-Bill 1.9%

Local Versus Dollar Returns

Returns for Various Periods
Current Quarter Ending March 31, 2012



Real Estate – Continued Improvement

Style Median and Index Returns* for Periods ended March 31, 2012

Private Real Estate	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Real Estate Database (net of fees)	2.62	13.96	3.35	-1.41	5.95	8.14
NCREIF Property**	2.59	13.41	5.96	2.88	8.17	9.43
Public Real Estate	Quarter	Year	3 Years	5 Years	10 Years	15 Years
REIT Database	10.97	14.07	43.30	0.84	11.59	11.49
FTSE NAREIT Equity	10.79	12.83	42.34	-0.06	10.46	9.61
Global Real Estate	Quarter	Year	3 Years	5 Years	10 Years	15 Years
REIT Global Database	12.64	4.00	30.68	-3.02	11.02	-
FTSE EPRA/NAREIT Developed	12.90	3.19	31.46	-4.12	10.35	7.40

*Returns less than one year are not annualized.

**Represents data available as of publication date.

All REIT returns are reported gross in USD.

Sources: Callan Associates Inc., NAREIT, NCREIF, The FTSE Group

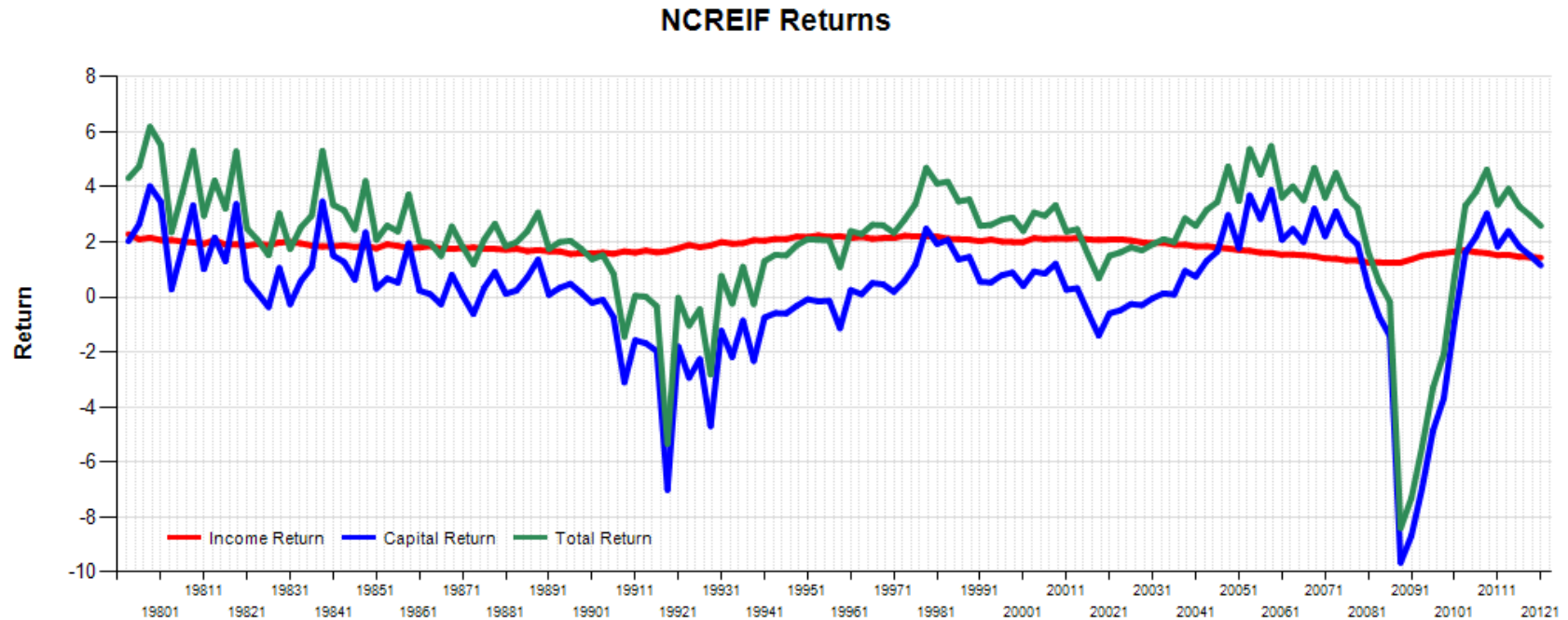
Overall Capitalization Rates

Sector	1Q12	4Q11	1Q11
Apartment	5.04%	5.15%	5.26%
Industrial	6.05%	6.08%	6.30%
Office	5.42%	5.36%	5.90%
Retail	5.91%	6.26%	6.32%

Rates based on unleveraged, value-weighted, appraisal capitalization data.

Source: NCREIF

Real Estate – Continued Recovery

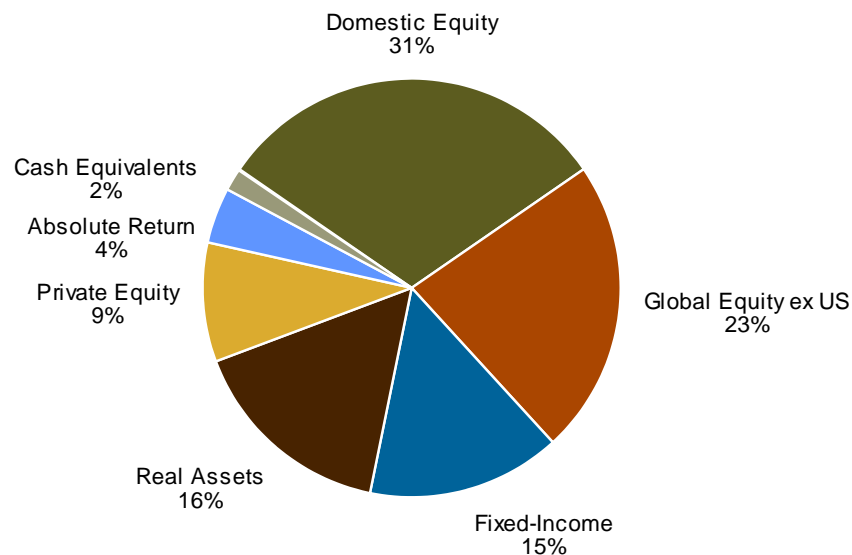


- Unlevered real estate enjoyed another positive quarterly return (2.59%). NCREIF Index trailing 4 quarter return = 13.41%.
- REITs began their recovery along with the stock market in early 2009. Over the trailing 12 months, FTSE NAREIT Index up 12.83%.
- Global Real Estate securities FTSE EPRA/NAREIT gained 12.90% in the quarter, bringing its trailing 12 month return to 3.19%.

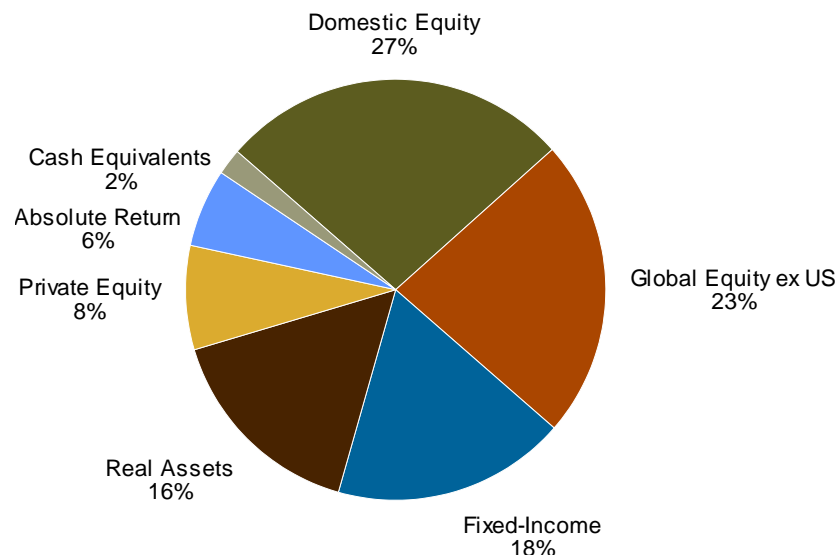
Asset Allocation – Employees’ Retirement Plan

ERP is used as illustrative throughout the presentation. The other plans exhibit similar modest and understandable variations from strategic target allocations.

Actual Asset Allocation



Target Asset Allocation

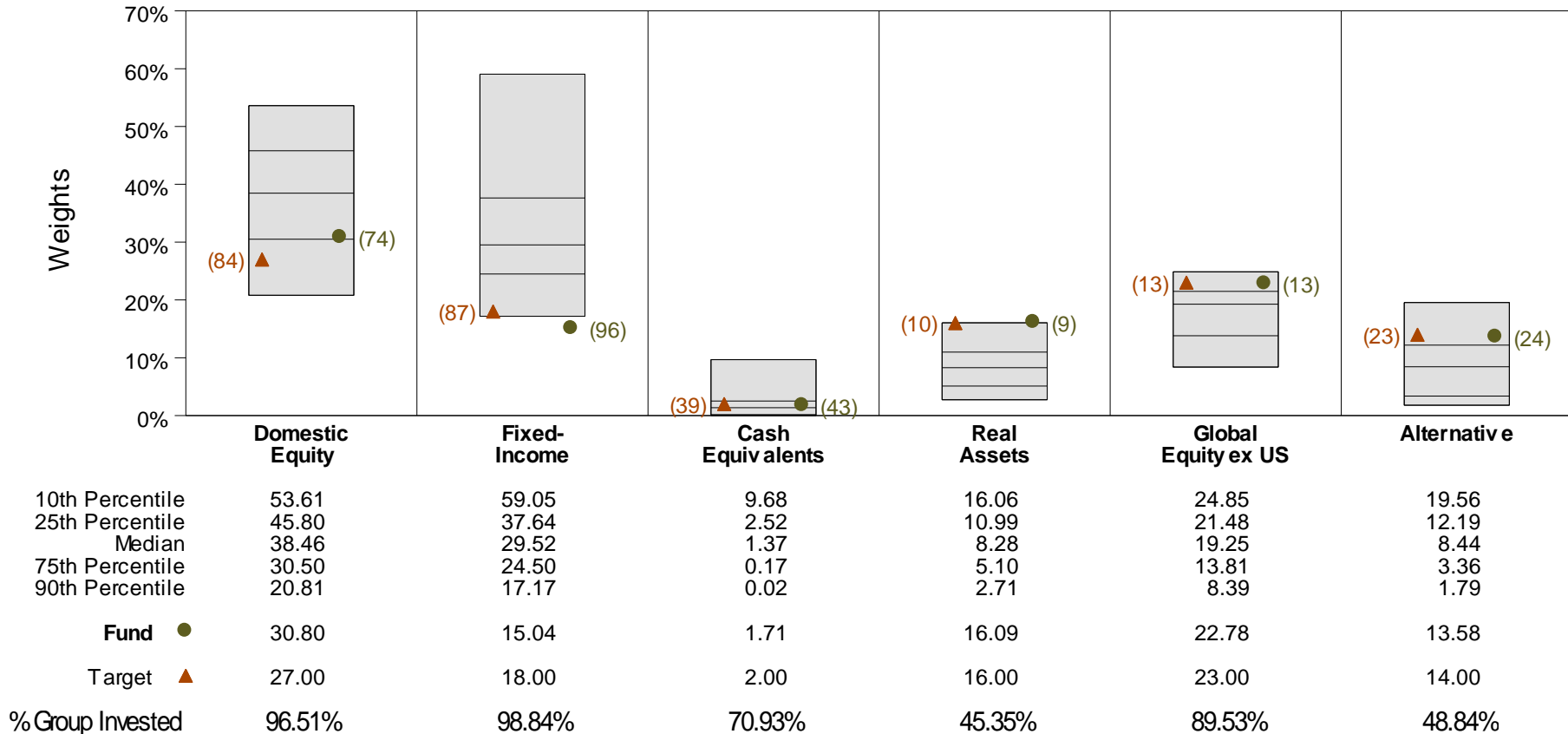


Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
Domestic Equity	1,945,443	30.8%	27.0%	3.8%	239,878
Global Equity ex US	1,438,857	22.8%	23.0%	(0.2%)	(14,032)
Fixed-Income	950,293	15.0%	18.0%	(3.0%)	(186,751)
Real Assets	1,016,096	16.1%	16.0%	0.1%	5,391
Private Equity	583,670	9.2%	8.0%	1.2%	78,330
Absolute Return	274,231	4.3%	6.0%	(1.7%)	(104,783)
Cash Equivalents	108,318	1.7%	2.0%	(0.3%)	(18,020)
Total	6,316,908	100.0%	100.0%		

Asset Allocation Versus Public Funds (ERP)

Callan Public Fund Database

Asset Class Weights vs CAI Public Fund Sponsor Database



- Total fixed income is below target while real assets and alternatives are high when compared to other public funds. Policy is “growth” oriented as opposed to “income” oriented.

*Note that “alternative” includes private equity and absolute return

ERP Performance – First Quarter 2012

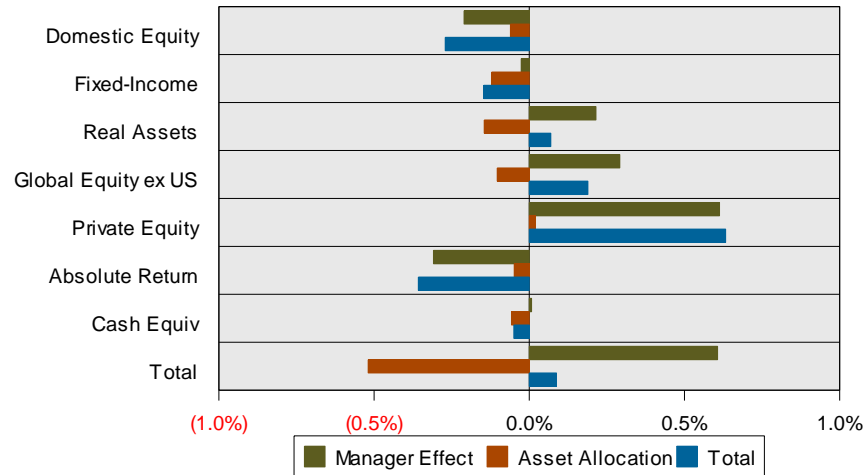
Relative Attribution Effects for Quarter ended March 31, 2012

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	29%	27%	12.75%	12.87%	(0.04%)	0.13%	0.09%
Fixed-Income	17%	18%	1.22%	0.11%	0.18%	0.11%	0.30%
Real Assets	16%	16%	5.12%	2.14%	0.49%	(0.02%)	0.47%
Global Equity ex US	22%	23%	12.63%	11.34%	0.28%	(0.05%)	0.23%
Private Equity	10%	8%	3.35%	11.96%	(0.83%)	0.08%	(0.75%)
Absolute Return	5%	6%	2.45%	1.24%	0.06%	0.09%	0.15%
Cash Equivalents	2%	2%	0.24%	0.01%	0.00%	0.01%	0.01%
Total			7.97%	= 7.48%	+ 0.14%	+ 0.35%	0.49%

- All asset classes returned positive returns for the quarter
- Domestic & Global Equities were top performers

Trailing 12 Months

One Year Relative Attribution Effects



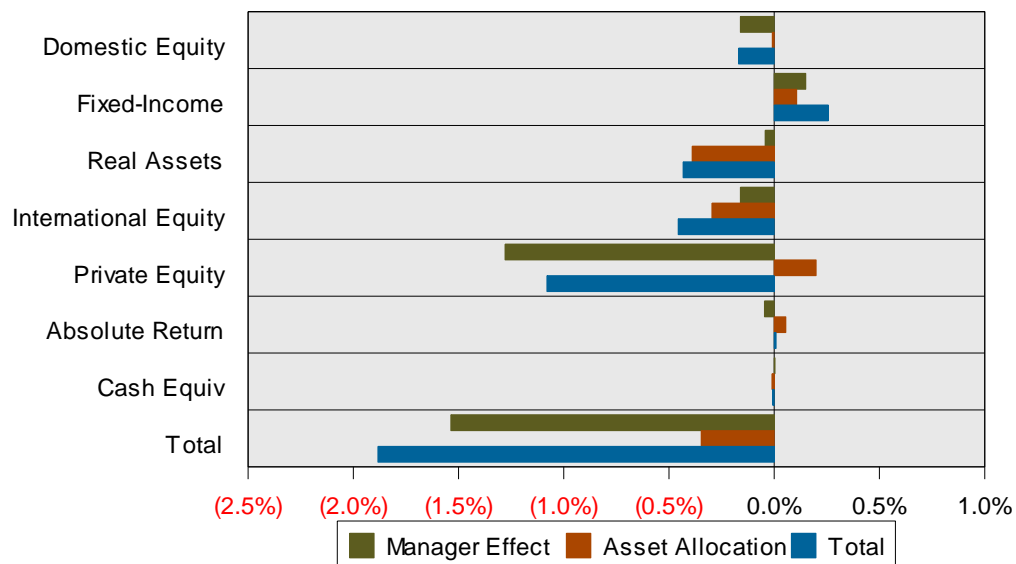
One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	29%	28%	6.38%	7.18%	(0.21%)	(0.06%)	(0.27%)
Fixed-Income	17%	18%	5.94%	5.91%	(0.03%)	(0.12%)	(0.15%)
Real Assets	16%	16%	14.09%	12.25%	0.21%	(0.15%)	0.07%
Global Equity ex US	23%	23%	(5.62%)	(6.75%)	0.29%	(0.10%)	0.19%
Private Equity	10%	8%	9.70%	0.89%	0.61%	0.02%	0.63%
Absolute Return	5%	6%	(1.27%)	5.07%	(0.31%)	(0.05%)	(0.36%)
Cash Equiv	2%	2%	0.46%	0.07%	0.01%	(0.06%)	(0.05%)
Total			4.53%	4.44%	+ 0.61%	+ (0.52%)	0.09%

- Factors that detracted include actual asset allocations that differ from target allocations in every asset class except private equity
- Factors that helped active management in private equity, global ex-US equity, and real assets

ERP Intermediate Term Performance

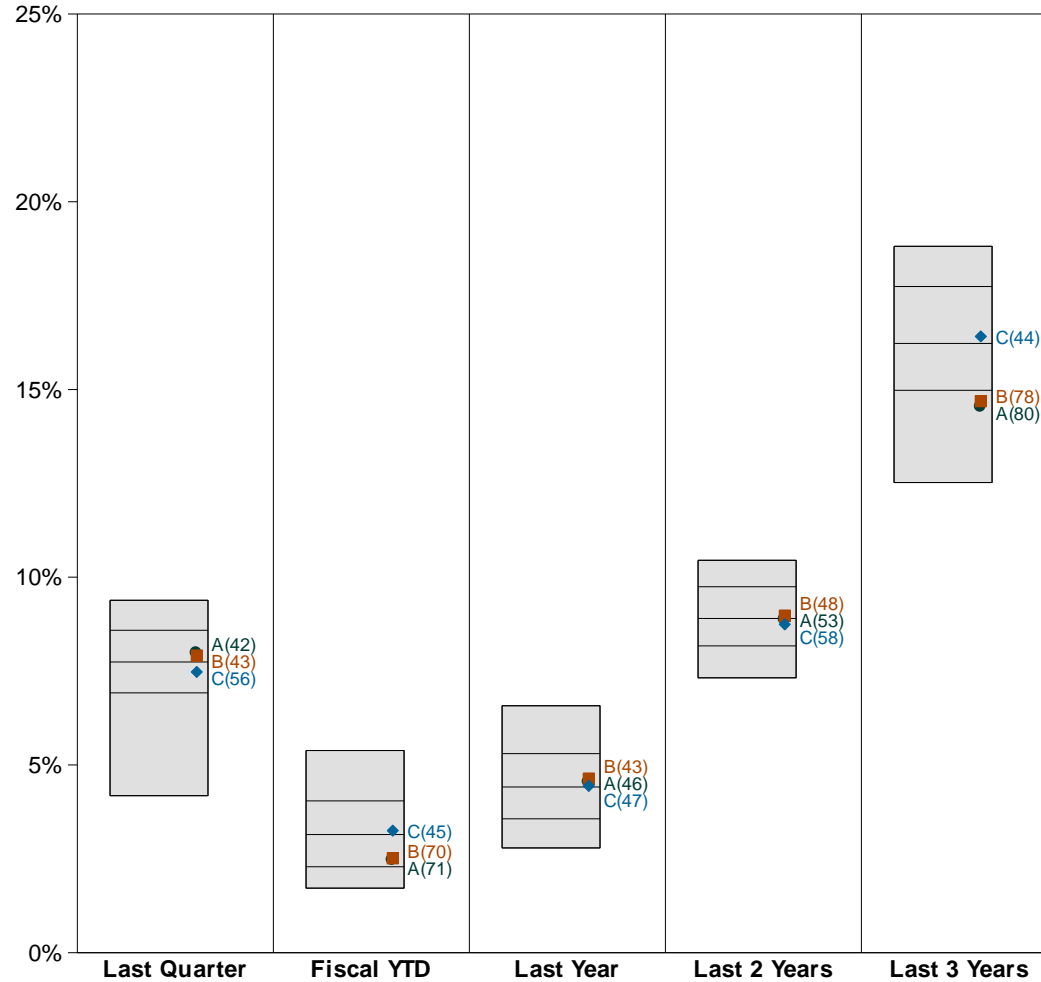
Three Year Annualized Relative Attribution Effects



Three Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	30%	29%	23.68%	24.26%	(0.16%)	(0.01%)	(0.17%)
Fixed-Income	18%	19%	8.49%	7.56%	0.15%	0.11%	0.26%
Real Assets	16%	16%	6.22%	6.31%	(0.04%)	(0.39%)	(0.43%)
International Equity	22%	22%	18.84%	19.65%	(0.16%)	(0.30%)	(0.46%)
Private Equity	9%	7%	10.40%	22.60%	(1.28%)	0.20%	(1.08%)
Absolute Return	5%	5%	4.44%	5.13%	(0.05%)	0.05%	0.01%
Cash Equiv	1%	1%	-	-	0.00%	(0.01%)	(0.01%)
Total			14.53%	16.41%	+ (1.54%)	+ (0.35%)	(1.88%)

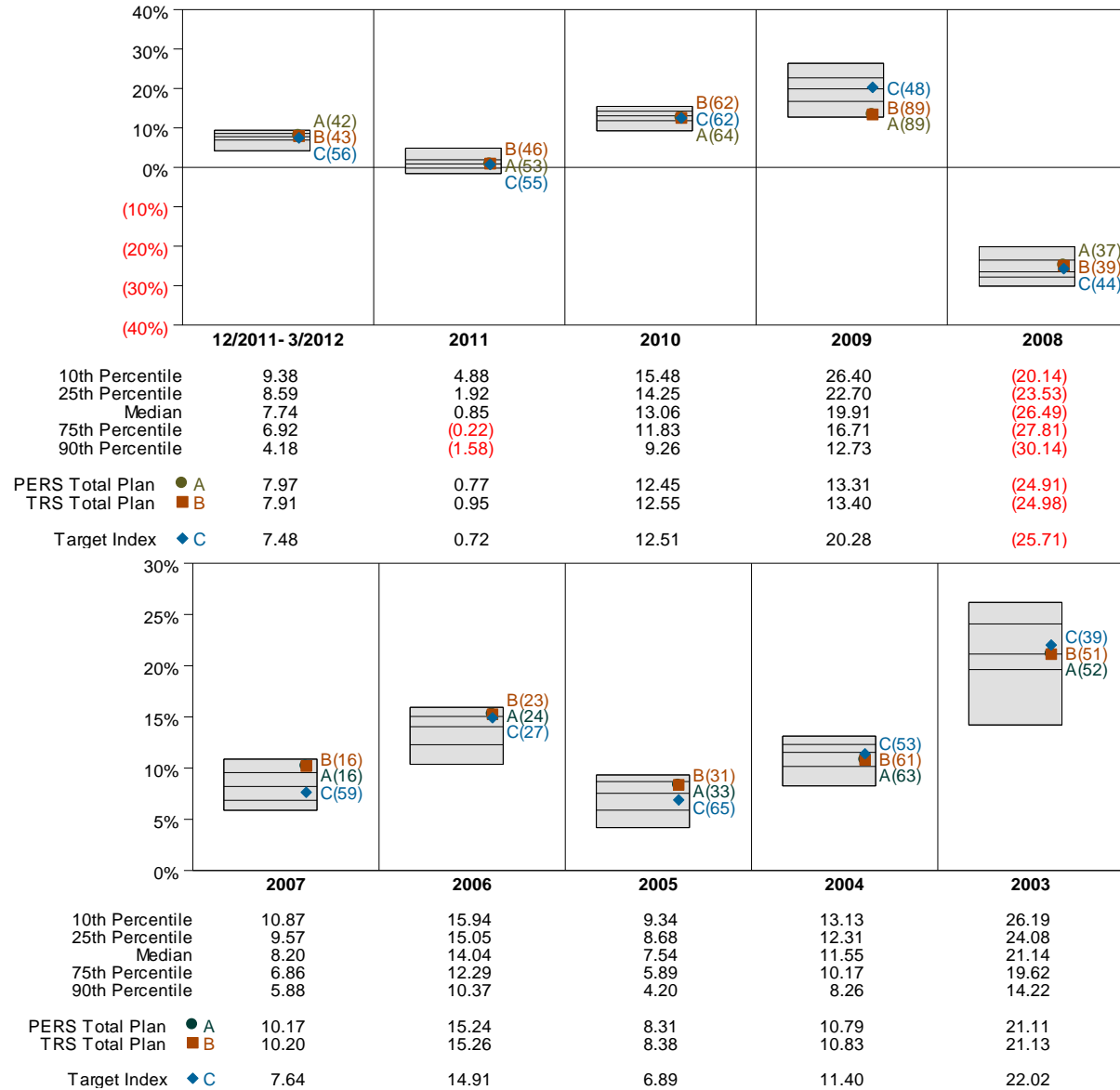
Cumulative Total Fund Returns



	Last Quarter	Fiscal YTD	Last Year	Last 2 Years	Last 3 Years
10th Percentile	9.38	5.39	6.58	10.45	18.81
25th Percentile	8.59	4.04	5.30	9.74	17.74
Median	7.74	3.15	4.41	8.90	16.23
75th Percentile	6.92	2.29	3.57	8.17	14.98
90th Percentile	4.18	1.72	2.79	7.32	12.52
PERS Total Plan ● A	7.97	2.46	4.53	8.86	14.53
TRS Total Plan ■ B	7.91	2.52	4.64	8.98	14.69
Target Index ◆ C	7.48	3.25	4.44	8.74	16.41

Calendar Period Performance

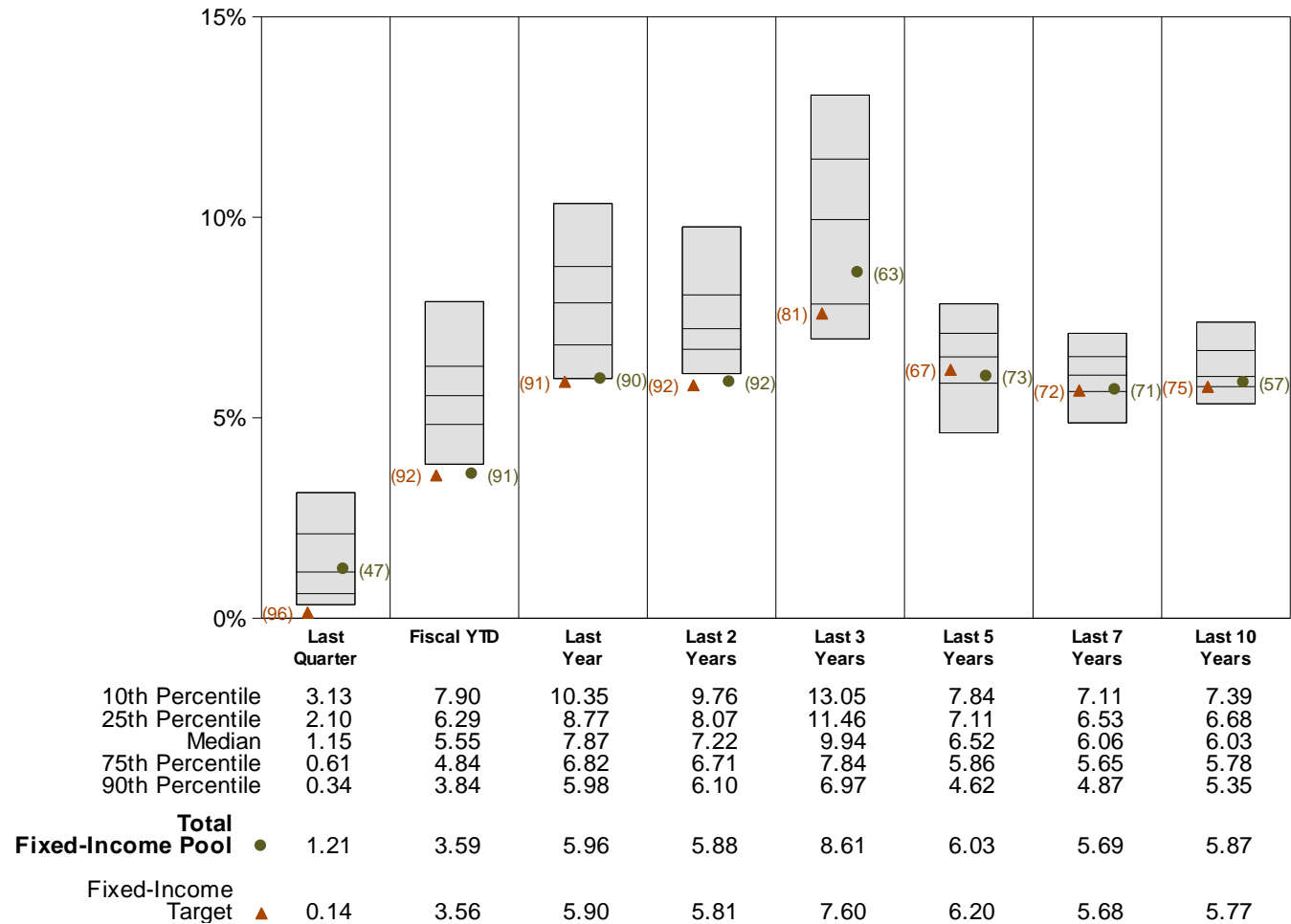
Relative to Public Fund Database



Total Bond Performance

Includes In-House and External Portfolios

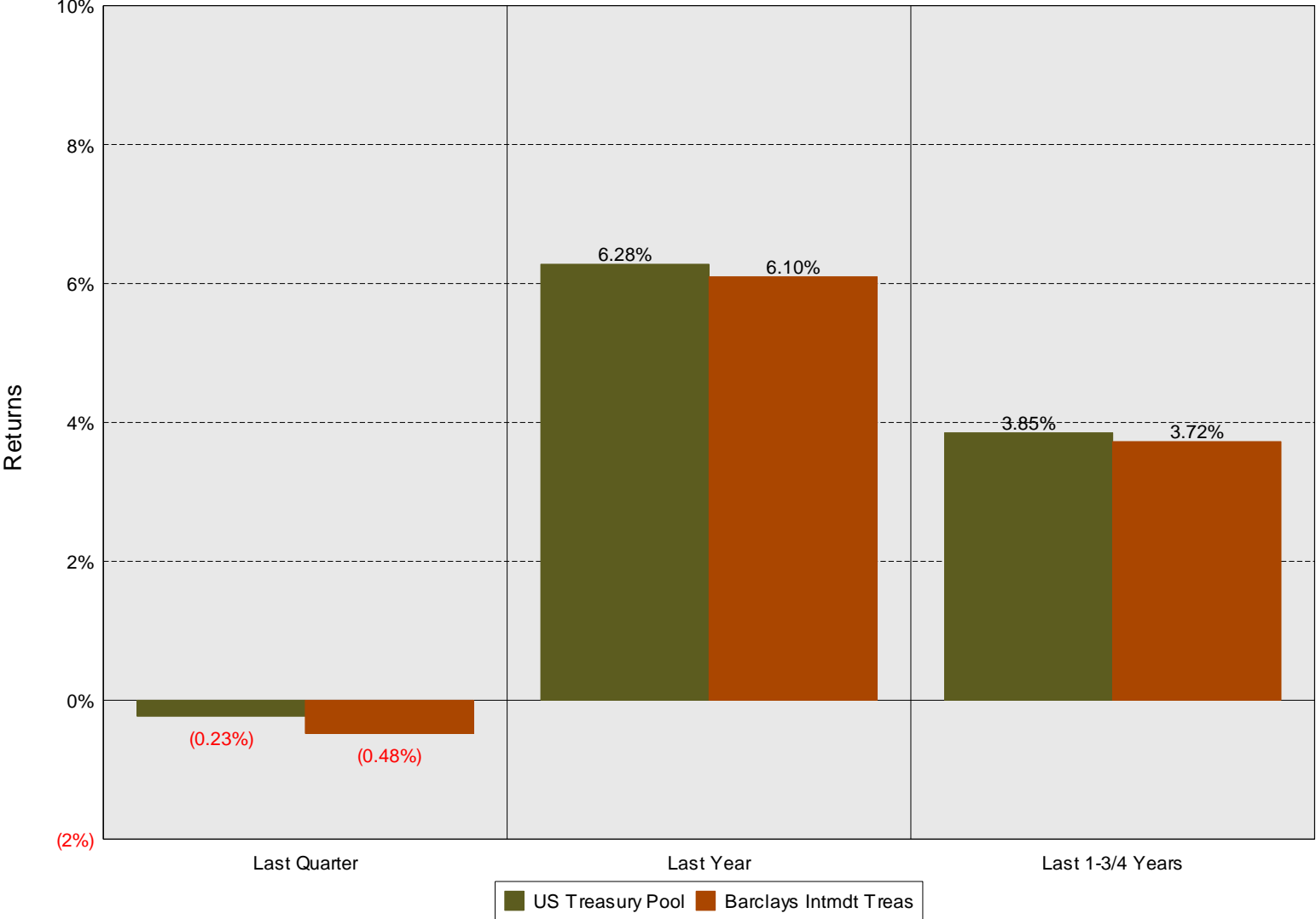
Performance vs Public Fund - Domestic Fixed (Gross)



- Please note that the fixed income target was changed for fiscal 2011. This change reflects the shift from BC Aggregate to BC Intermediate Treasury Index for the majority of fixed assets.

In-House Portfolio

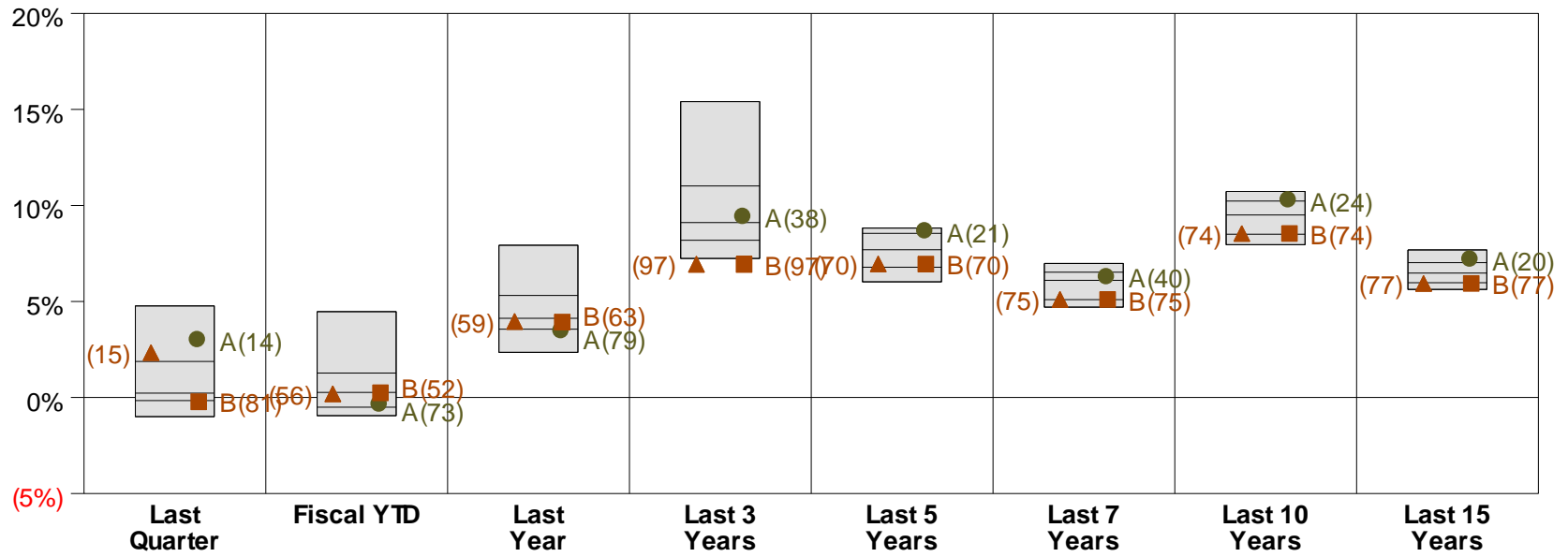
Compared to BC Intermediate Treasury Index



Non-US Fixed Income

Mondrian

Performance vs CAI Non-U.S. Fixed-Inc Style (Gross)

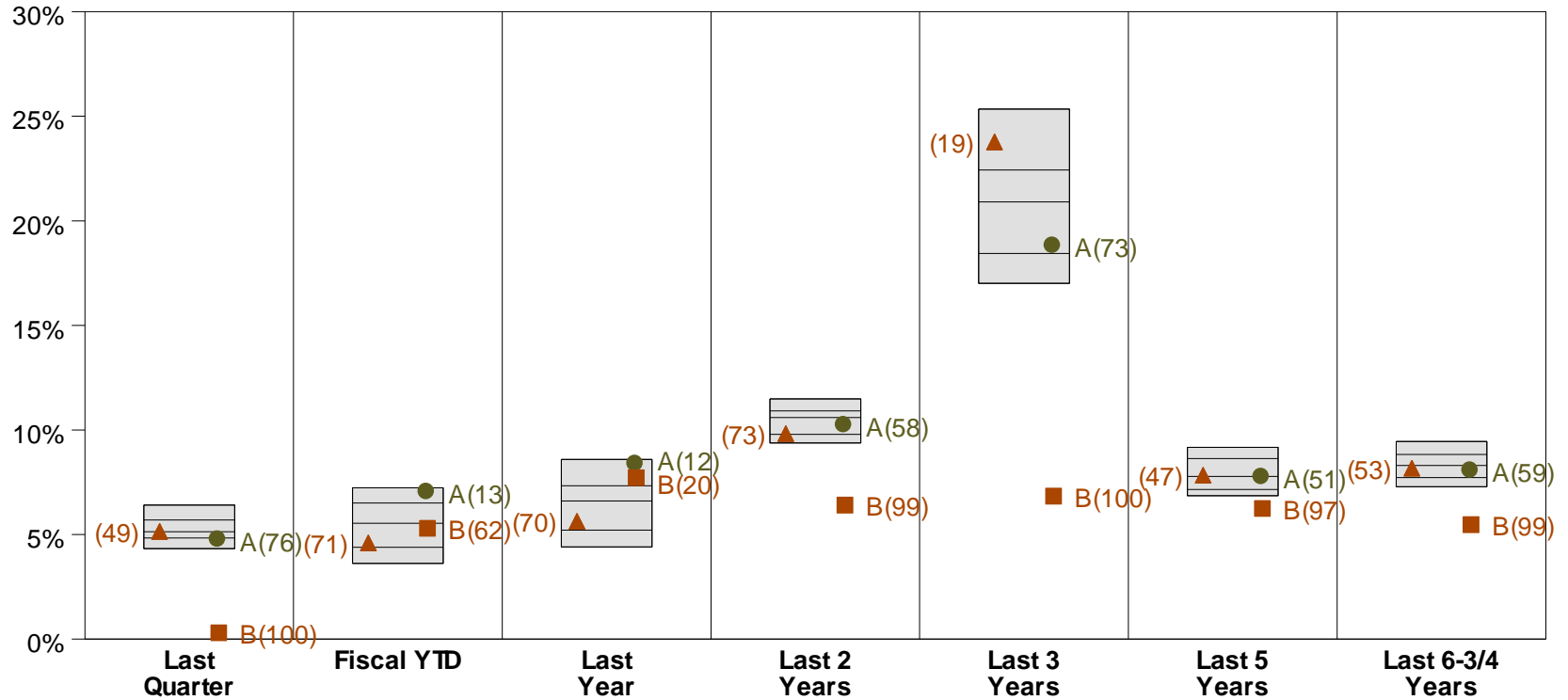


	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years
10th Percentile	4.78	4.47	7.93	15.41	8.83	6.99	10.73	7.68
25th Percentile	1.88	1.27	5.31	11.02	8.55	6.53	10.23	7.02
Median	0.23	0.27	4.13	9.11	7.70	6.11	9.51	6.48
75th Percentile	(0.16)	(0.50)	3.56	8.19	6.79	5.10	8.51	5.98
90th Percentile	(0.99)	(0.94)	2.36	7.24	6.03	4.71	7.97	5.63
Mondrian Investment Partners	● A 2.96	(0.40)	3.41	9.38	8.63	6.23	10.24	7.16
Citi WGBI Non-US Idx	■ B (0.22)	0.25	3.93	6.93	6.95	5.11	8.54	5.94
Mondrian Benchmark	▲ 2.34	0.20	3.96	6.94	6.96	5.11	8.54	5.94

High Yield Bonds

MackKay Shields

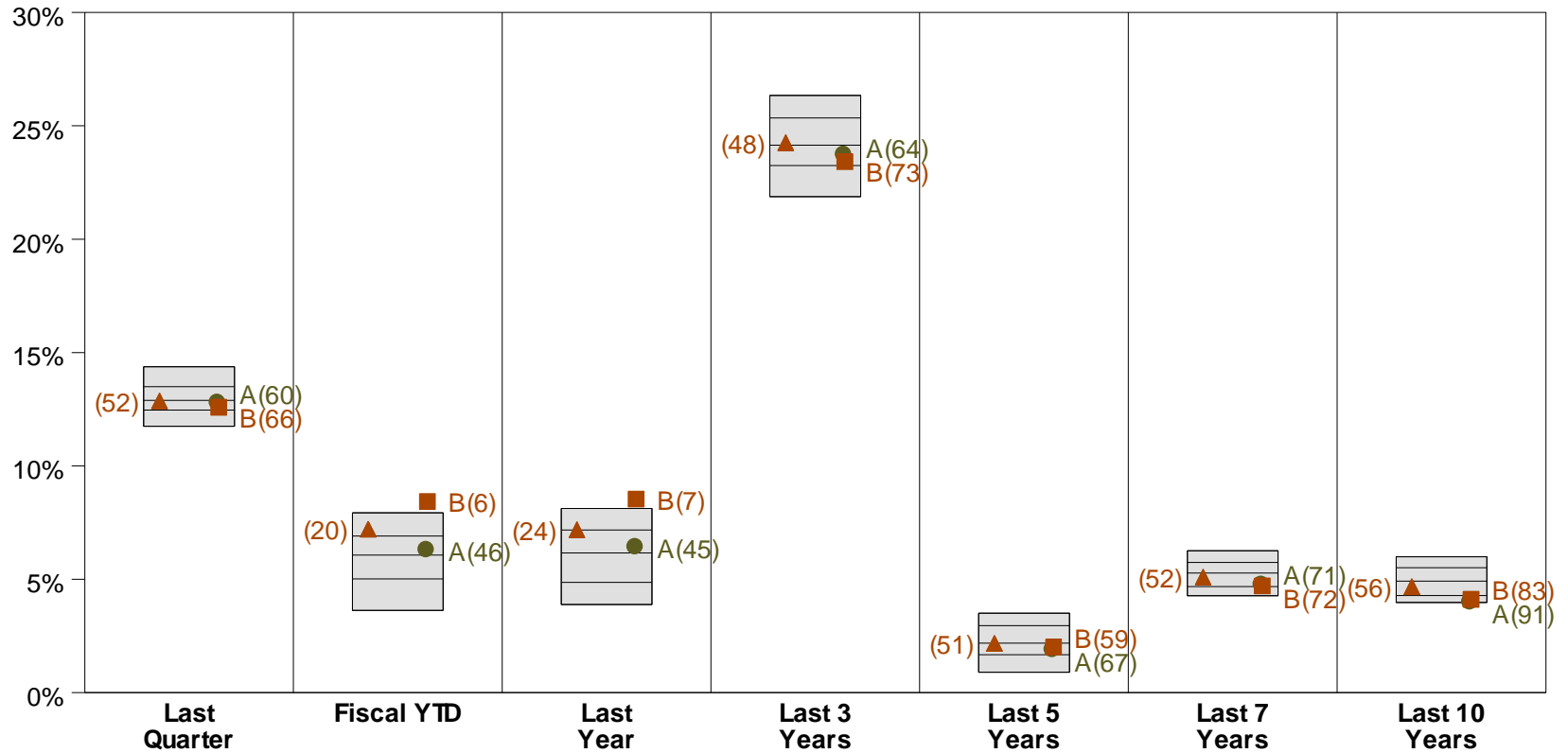
Performance vs CAI High Yield Fixed-Inc Style (Gross)



	Last Quarter	Fiscal YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 6-3/4 Years
10th Percentile	6.41	7.23	8.59	11.49	25.34	9.17	9.45
25th Percentile	5.69	6.51	7.33	10.91	22.43	8.64	8.83
Median	5.13	5.54	6.61	10.60	20.90	7.77	8.30
75th Percentile	4.83	4.39	5.21	9.79	18.44	7.15	7.72
90th Percentile	4.33	3.62	4.41	9.38	17.01	6.86	7.28
MackKay Shields A	4.71 (76)	7.00 (13)	8.34 (12)	10.19 (58)	18.77 (73)	7.71 (51)	8.02 (59)
BC Aggregate Index B	0.30 (100)	5.30 (62)	7.71 (20)	6.41 (99)	6.83 (100)	6.25 (97)	5.47 (99)
High Yield Target	5.15 (49)	4.60 (71)	5.63 (70)	9.82 (73)	23.77 (19)	7.84 (47)	8.17 (53)

Total Domestic Equity

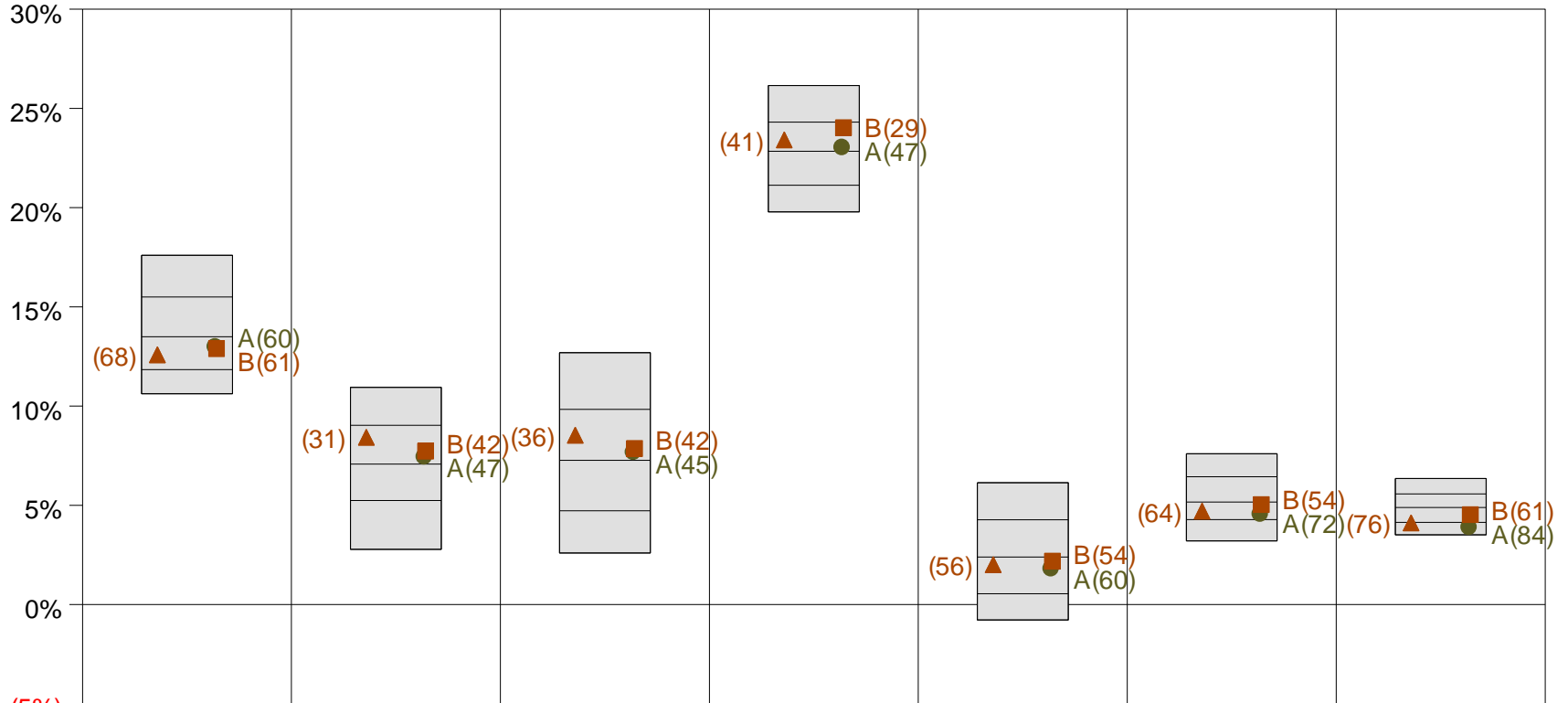
Performance vs Public Fund - Domestic Equity (Gross)



	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	14.38	7.94	8.12	26.34	3.51	6.26	5.99
25th Percentile	13.49	6.91	7.18	25.35	2.96	5.75	5.51
Median	12.89	6.07	6.16	24.15	2.18	5.28	4.92
75th Percentile	12.47	5.02	4.86	23.25	1.67	4.68	4.28
90th Percentile	11.75	3.63	3.89	21.88	0.90	4.27	3.97
Domestic Equity Pool Standard	● A 12.75	● A 6.25	● A 6.39	● A 23.68	● A 1.86	● A 4.72	● A 3.96
& Poor's 500	■ B 12.59	■ B 8.43	■ B 8.54	■ B 23.42	■ B 2.01	■ B 4.71	■ B 4.12
Russell 3000 Index	▲ 12.87	▲ 7.21	▲ 7.18	▲ 24.26	▲ 2.18	▲ 5.10	▲ 4.67

Large Cap Domestic Equity Pool

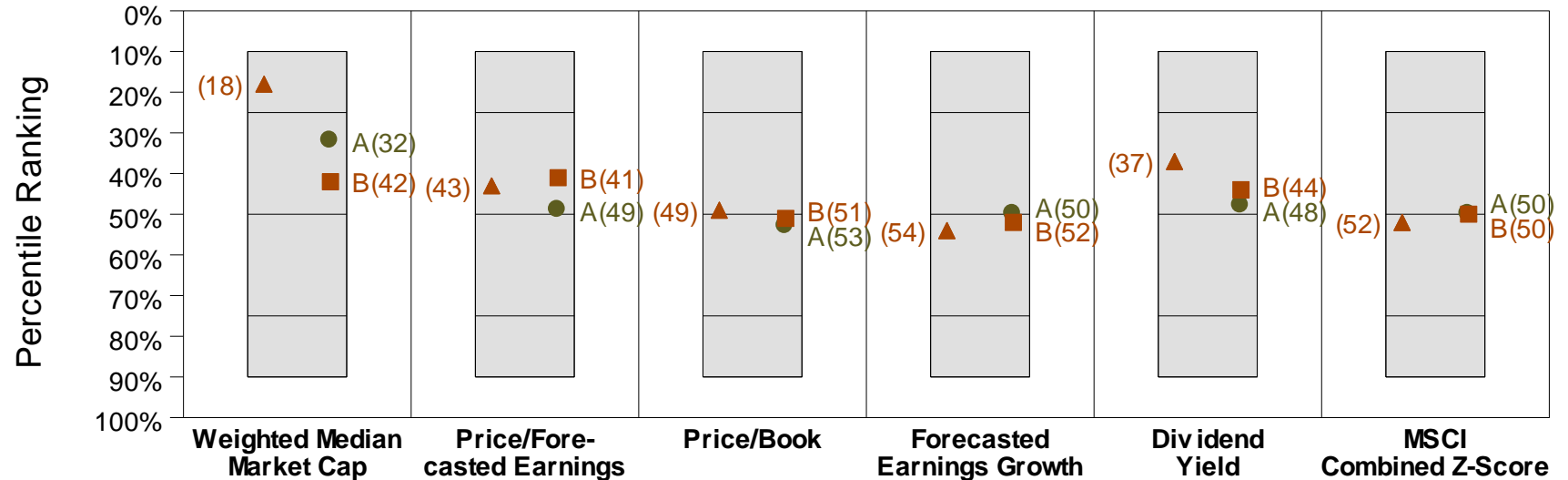
Performance vs CAI Large Capitalization Style (Gross)



		Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile		17.60	10.94	12.69	26.15	6.14	7.60	6.35
25th Percentile		15.50	9.04	9.84	24.31	4.27	6.44	5.58
Median		13.50	7.08	7.27	22.84	2.40	5.17	4.90
75th Percentile		11.84	5.25	4.73	21.13	0.55	4.29	4.15
90th Percentile		10.63	2.79	2.60	19.79	(0.77)	3.21	3.51
Large Cap Pool	● A	12.91	7.37	7.61	22.97	1.73	4.50	3.83
Russell 1000	■ B	12.90	7.73	7.86	24.03	2.19	5.04	4.53
S&P 500 Index	▲	12.59	8.43	8.54	23.42	2.01	4.71	4.12

Large Cap Total Equity Characteristics

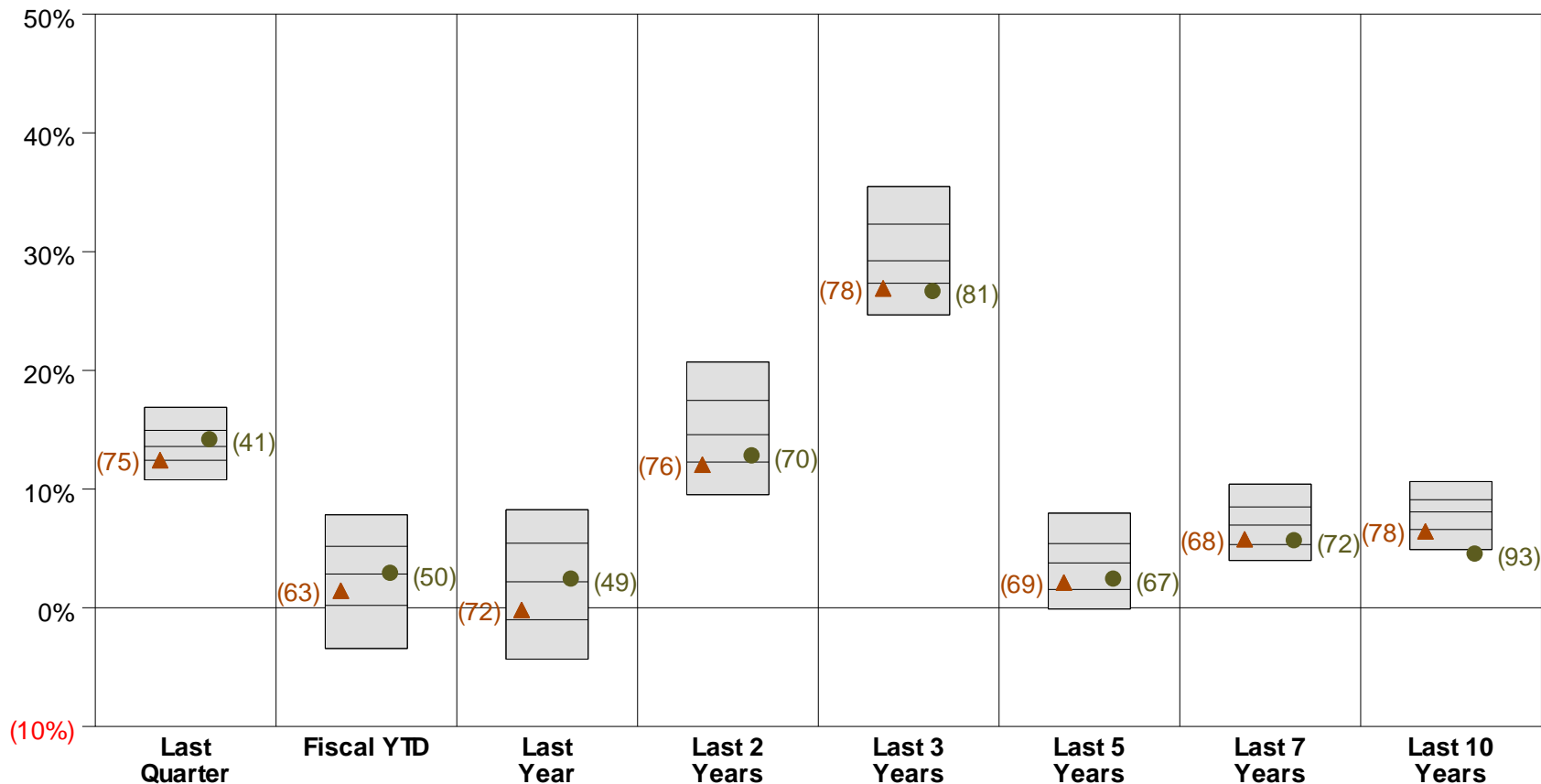
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Capitalization Style as of March 31, 2012



10th Percentile	62.66	17.13	4.17	16.67	2.58	1.49
25th Percentile	49.84	14.81	3.40	14.82	2.27	0.99
Median	39.01	12.61	2.22	11.61	1.87	0.07
75th Percentile	30.38	11.52	1.72	9.55	1.17	(0.59)
90th Percentile	22.41	10.83	1.52	8.44	0.80	(0.87)
Large Cap Pool	● A 46.79	12.62	2.16	11.61	1.90	0.07
Russell 1000	■ B 40.83	13.26	2.22	11.49	1.96	0.07
S&P 500 Index	▲ 57.37	13.04	2.23	11.21	2.04	0.04

Small Cap Pool

Performance vs CAI Small Capitalization Style (Gross)



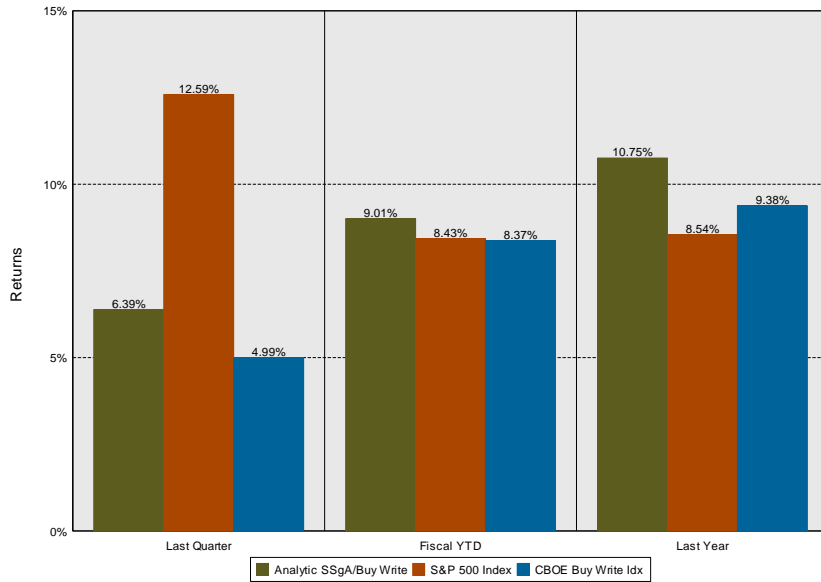
	Last Quarter	Fiscal YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	16.88	7.83	8.27	20.70	35.49	7.97	10.42	10.62
25th Percentile	14.94	5.18	5.43	17.47	32.32	5.41	8.49	9.10
Median	13.58	2.84	2.19	14.57	29.23	3.77	6.96	8.07
75th Percentile	12.43	0.20	(1.01)	12.27	27.34	1.54	5.33	6.60
90th Percentile	10.77	(3.44)	(4.33)	9.52	24.67	(0.10)	3.99	4.90

Small Cap Pool ●	14.04	2.79	2.31	12.69	26.53	2.31	5.54	4.41
Russell 2000 Index ▲	12.44	1.45	(0.18)	12.05	26.90	2.13	5.77	6.45

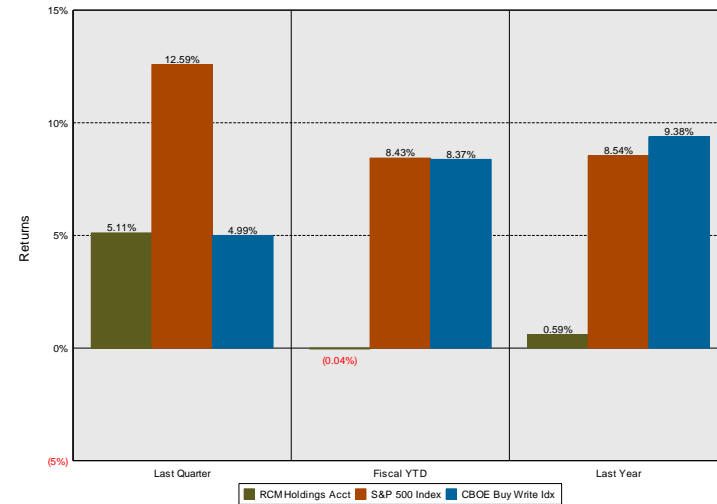
Other Equity

Convertible Bonds, Option Strategies

Analytic Buy-Write

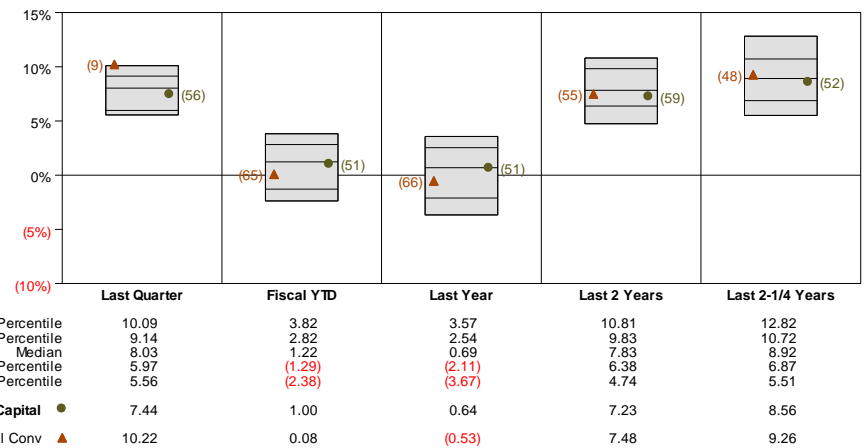


RCM Buy Write



Advent – Convertible Bonds

Performance vs CAI Convertible Bonds Database (Gross)

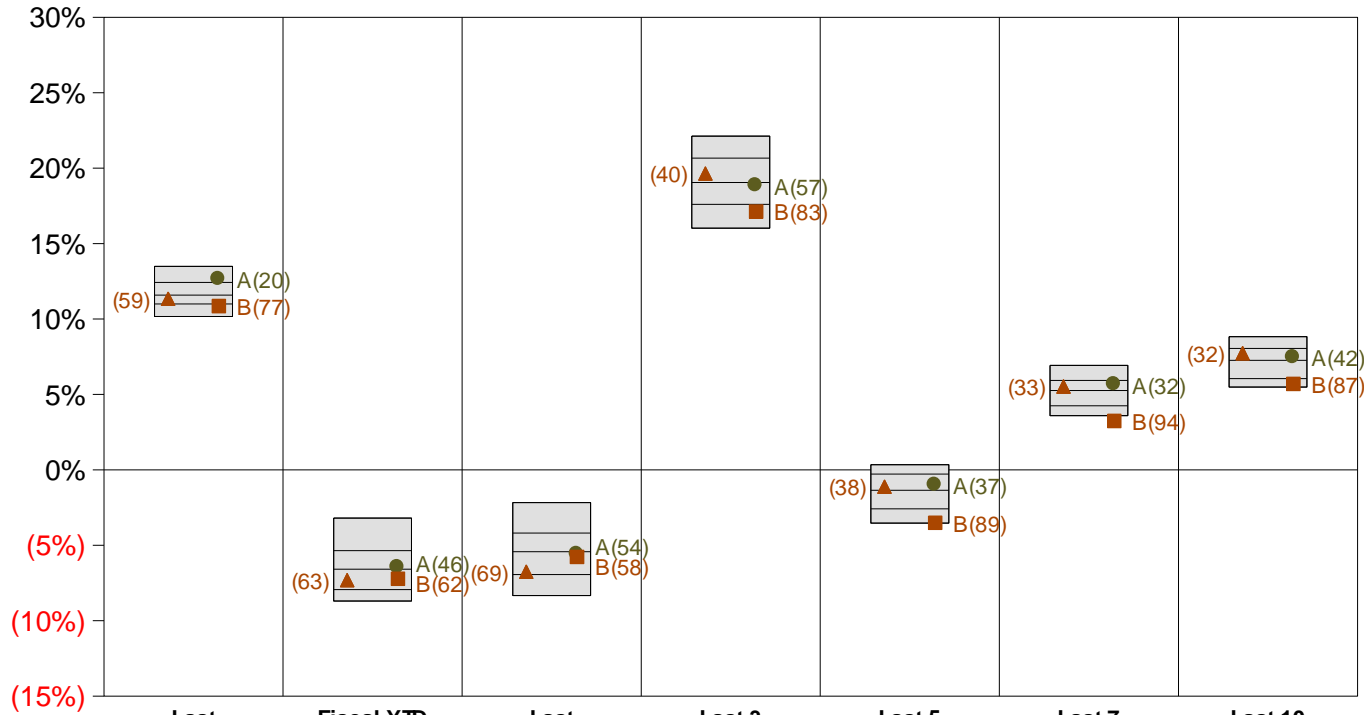


- While it is much too soon to form conclusions regarding the success, all three portfolios did worse than the equity market in the strong market (as expected).
- The target is to produce equity-like long term returns with lower volatility.

International Equity

Compared to Other Public Funds

Performance vs Public Fund - International Equity (Gross)

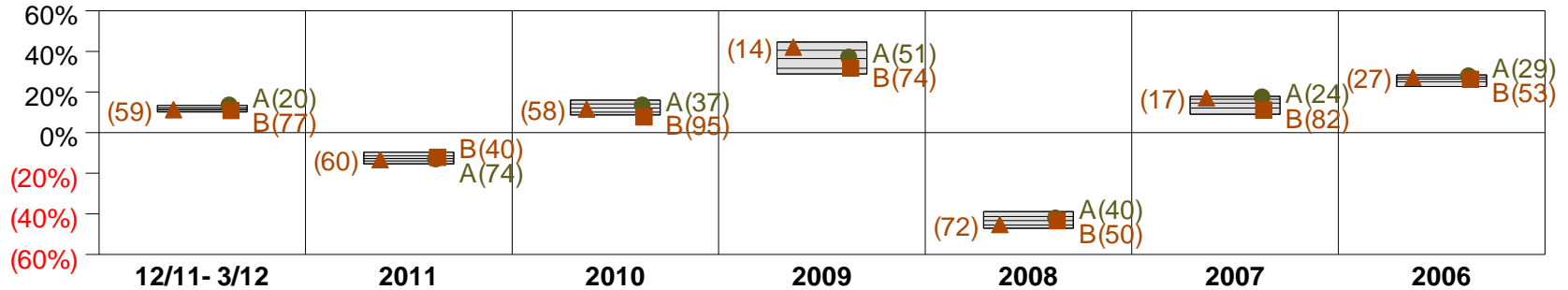


	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	13.50	(3.20)	(2.16)	22.13	0.35	6.93	8.83
25th Percentile	12.43	(5.35)	(4.19)	20.67	(0.27)	5.93	8.05
Median	11.59	(6.58)	(5.42)	19.06	(1.36)	5.27	7.27
75th Percentile	11.00	(7.94)	(6.93)	17.60	(2.58)	4.25	6.06
90th Percentile	10.16	(8.70)	(8.33)	16.02	(3.53)	3.60	5.49
Employees' Total Int'l Equity MSCI	● A 12.63	(6.48)	(5.62)	18.84	(1.03)	5.65	7.44
EAFE Index	■ B 10.86	(7.22)	(5.77)	17.13	(3.51)	3.25	5.70
MSCI ACWI ex-US Index	▲ 11.34	(7.31)	(6.75)	19.65	(1.11)	5.53	7.74

International

Calendar Periods

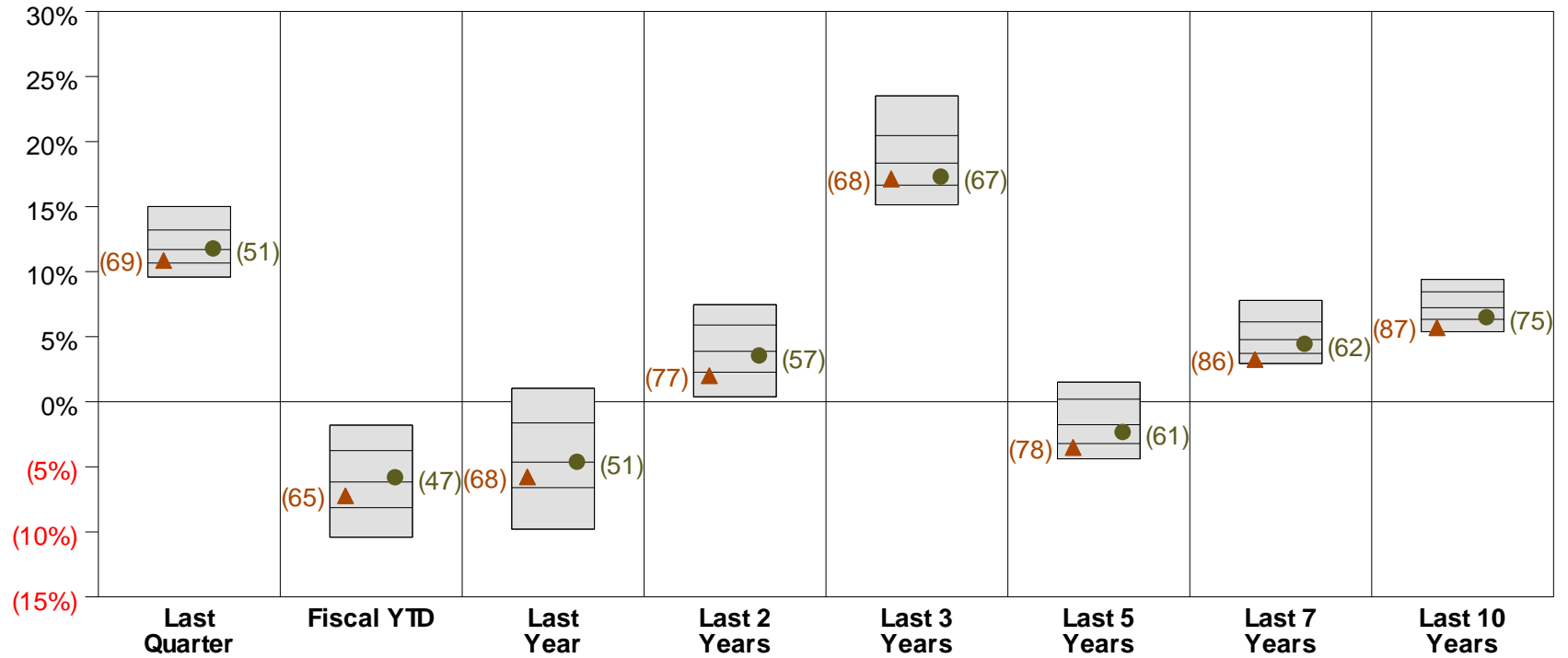
Performance vs Public Fund - International Equity (Gross)



	12/11- 3/12	2011	2010	2009	2008	2007	2006
Total International Equity	12.63	(13.95)	12.70	36.35	(43.03)	16.61	27.06
MSCI EAFE Index	10.86	(12.14)	7.75	31.78	(43.38)	11.17	26.34
MSCI ACWI ex-US Index	11.34	(13.33)	11.60	42.14	(45.24)	17.12	27.16

International ex EM Versus Managers

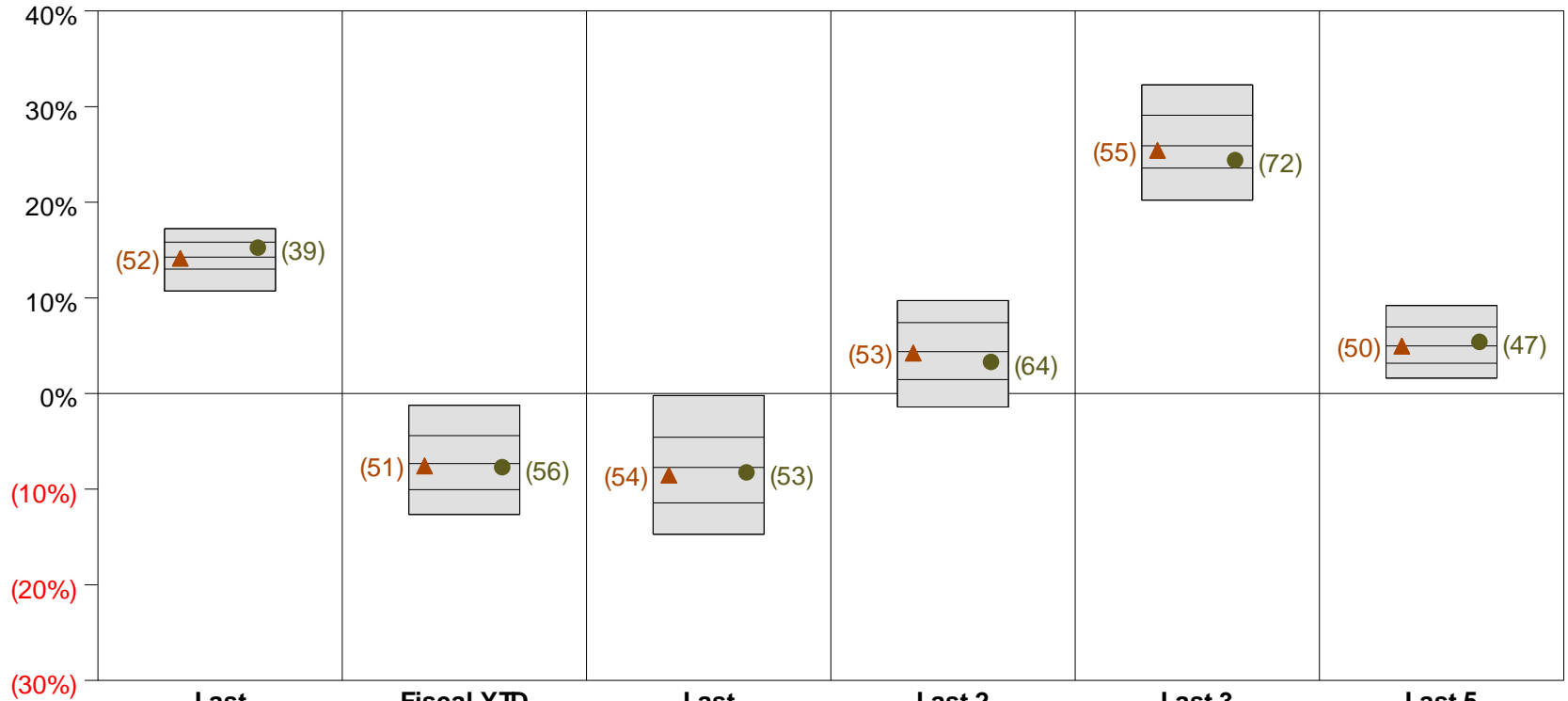
Performance vs CAI Non-U.S. Equity Style (Gross)



	Last Quarter	Fiscal YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	15.01	(1.79)	1.04	7.47	23.51	1.52	7.80	9.41
25th Percentile	13.19	(3.75)	(1.63)	5.90	20.46	0.20	6.14	8.45
Median	11.69	(6.17)	(4.64)	3.88	18.34	(1.76)	4.78	7.22
75th Percentile	10.66	(8.14)	(6.60)	2.28	16.65	(3.21)	3.72	6.34
90th Percentile	9.59	(10.42)	(9.79)	0.38	15.13	(4.38)	2.94	5.39
Int'l Equity Pool (ex Emerging. Mkt) ●	11.64	(5.95)	(4.76)	3.40	17.17	(2.47)	4.31	6.37
MSCI EAFE Index ▲	10.86	(7.22)	(5.77)	2.00	17.13	(3.51)	3.25	5.70

Emerging Markets Pool

Performance vs CAI Emerging Markets Equity DB (Gross)

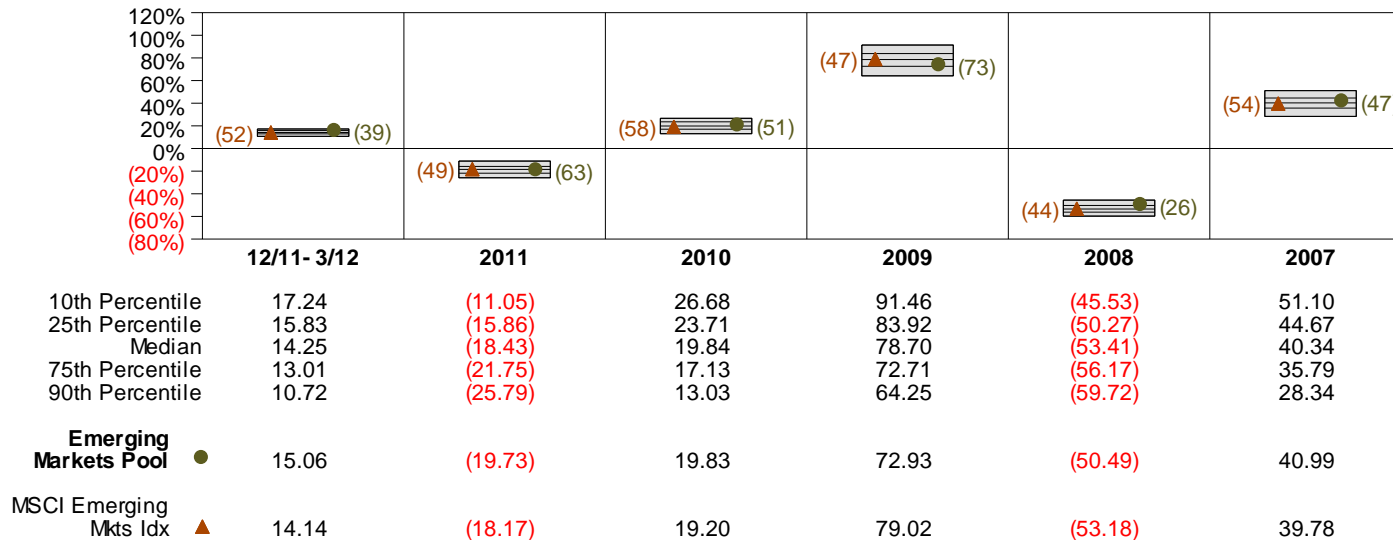


	Last Quarter	Fiscal YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
10th Percentile	17.24	(1.23)	(0.22)	9.72	32.29	9.20
25th Percentile	15.83	(4.41)	(4.56)	7.41	29.10	6.95
Median	14.25	(7.32)	(7.73)	4.38	25.90	4.98
75th Percentile	13.01	(10.05)	(11.42)	1.47	23.57	3.17
90th Percentile	10.72	(12.64)	(14.72)	(1.40)	20.22	1.61
Emerging Markets Pool ●	15.06	(7.92)	(8.43)	3.12	24.21	5.20
MSCI Emerging Mkts Idx ▲	14.14	(7.56)	(8.52)	4.24	25.42	4.97

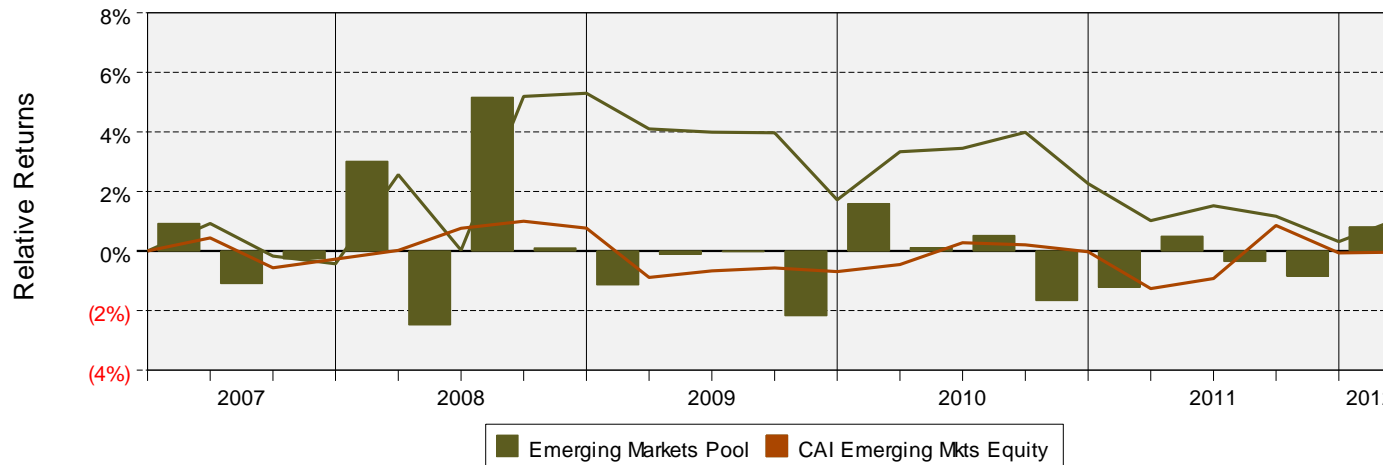
Emerging Markets Pool

Calendar Periods

Performance vs CAI Emerging Markets Equity DB (Gross)



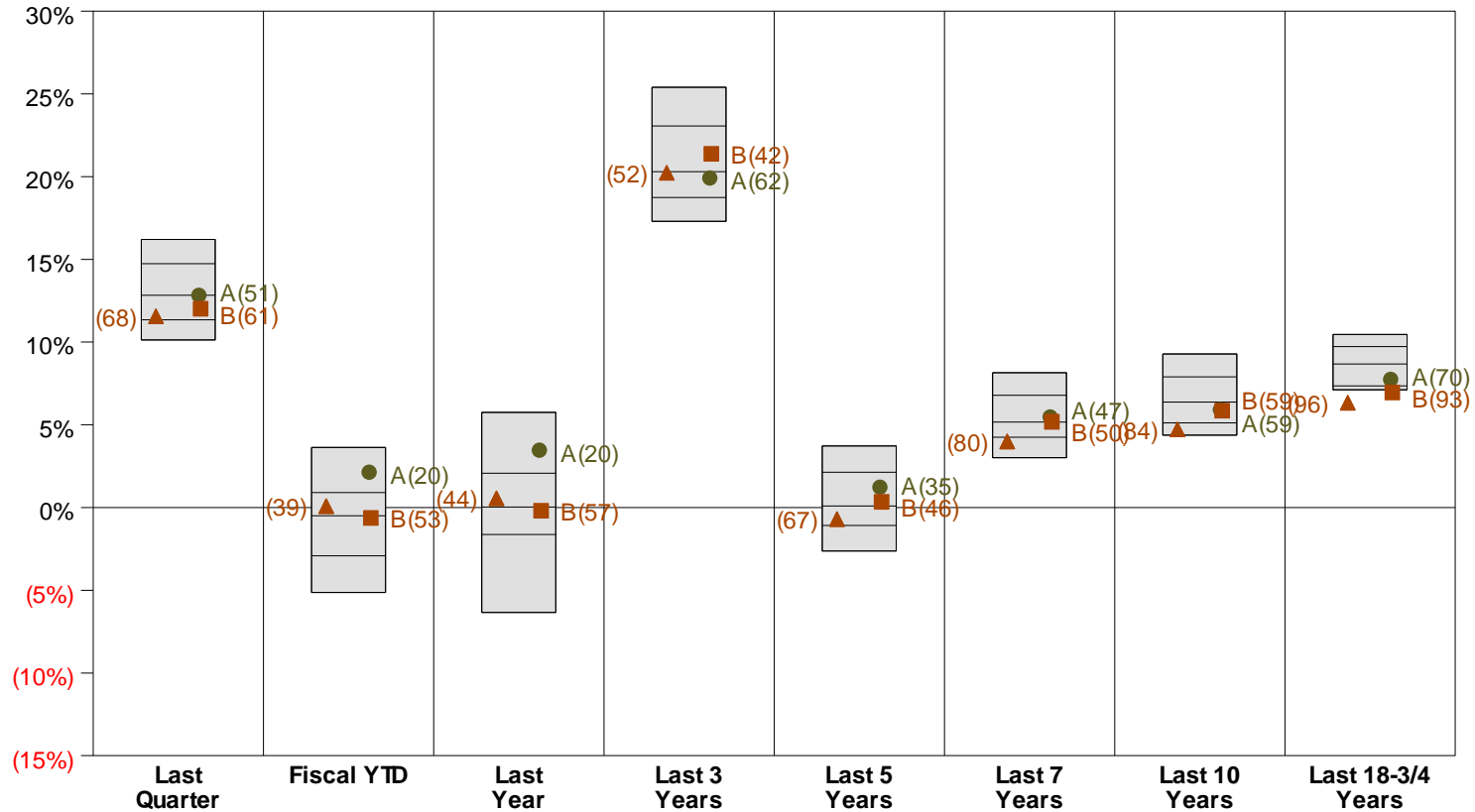
Cumulative and Quarterly Relative Return vs MSCI Emerging Mkts Idx



Global

Lazard

Performance vs CAI Global Equity Broad Style (Gross)



	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 18-3/4 Years
10th Percentile	16.20	3.63	5.75	25.40	3.73	8.15	9.28	10.46
25th Percentile	14.74	0.90	2.08	23.06	2.14	6.78	7.90	9.73
Median	12.83	(0.50)	0.03	20.30	0.09	5.17	6.37	8.67
75th Percentile	11.35	(2.92)	(1.63)	18.74	(1.09)	4.25	5.11	7.35
90th Percentile	10.13	(5.13)	(6.34)	17.30	(2.63)	3.01	4.38	7.11
Lazard Global	● A 12.73	2.03	3.36	19.81	1.13	5.38	5.80	7.64
MSCI ACWI Idx	■ B 12.02	(0.63)	(0.19)	21.38	0.34	5.18	5.86	6.95
MSCI World Index	▲ 11.56	0.09	0.56	20.24	(0.70)	4.00	4.72	6.34

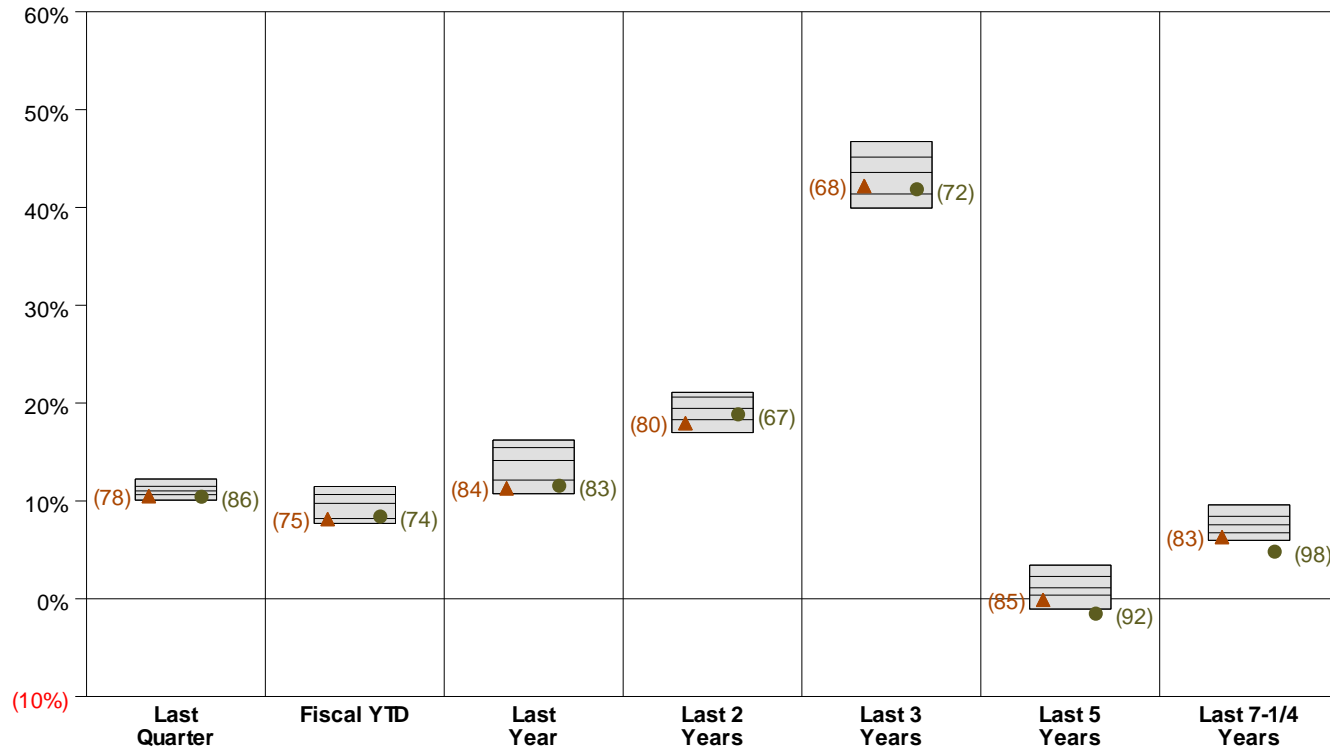
Real Assets Category

	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Real Assets(prelim)	5.18%	8.58%	14.06%	5.98%	-
Real Assets Target (1)	2.14%	8.65%	12.25%	6.31%	5.02%
Real Estate Pool	4.00%	7.20%	12.87%	4.64%	(2.31%)
Real Estate Target (2)	3.38%	9.29%	13.48%	9.62%	3.13%
Private Real Estate	3.20%	6.92%	12.89%	3.17%	(2.59%)
NCREIF Total Index	2.59%	9.11%	13.41%	5.96%	2.88%
REIT Internal Portfolio	10.28%	8.25%	11.40%	41.69%	(1.67%)
NAREIT Equity Index	10.49%	8.15%	11.29%	42.21%	(0.11%)
Total Farmland	12.08%	14.00%	15.12%	10.18%	11.23%
UBS Agrivest	12.46%	14.48%	15.87%	10.15%	11.43%
Hancock Agricultural	11.48%	13.23%	13.92%	10.41%	11.46%
ARMB Farmland Target (3)	5.22%	14.91%	17.15%	10.97%	12.62%
Total Timber	1.20%	5.49%	4.81%	2.24%	-
Timberland Investment Resources	1.44%	3.19%	2.30%	0.97%	-
Hancock Timber	0.79%	9.07%	8.75%	-	-
NCREIF Timberland Index	0.36%	0.52%	1.18%	(1.27%)	4.30%
TIPS Internal Portfolio	0.63%	8.57%	13.09%	9.03%	-
BC US TIPS Index	0.86%	8.25%	12.20%	8.74%	7.60%
Total Energy Funds *	(0.27%)	2.69%	0.02%	6.10%	10.30%
CPI + 5%	3.11%	5.45%	7.85%	7.98%	7.44%

- Please note that real estate returns are provided by ARMB's real estate consultant

REIT Portfolio

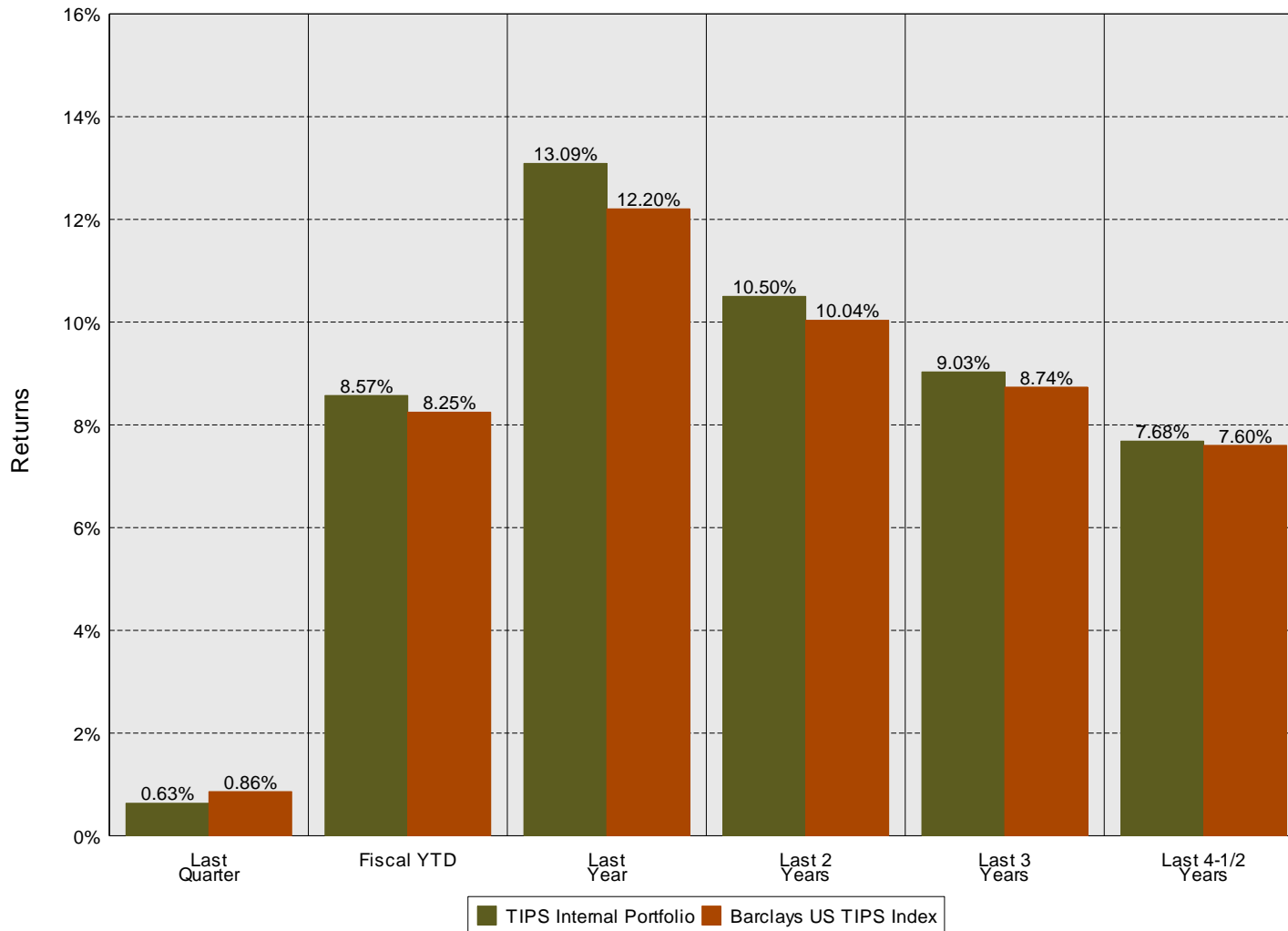
Performance vs CAI Real Estate-REIT DB (Gross)



	Last Quarter	Fiscal YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7-1/4 Years
10th Percentile	12.24	11.47	16.22	21.10	46.73	3.44	9.60
25th Percentile	11.49	10.65	15.44	20.61	45.14	2.29	8.43
Median	11.02	9.76	14.13	19.46	43.57	1.13	7.55
75th Percentile	10.64	8.19	12.13	18.30	41.38	0.37	6.74
90th Percentile	10.08	7.70	10.73	16.99	39.93	(1.05)	5.97
REIT Holdings ●	10.28	8.25	11.40	18.69	41.69	(1.67)	4.65
NAREIT All Equity Index ▲	10.49	8.15	11.29	17.96	42.21	(0.11)	6.31

- Good absolute results in quarter
- Good performance relative to market over the last 1- and 2-year periods

Internally Managed TIPS Portfolio

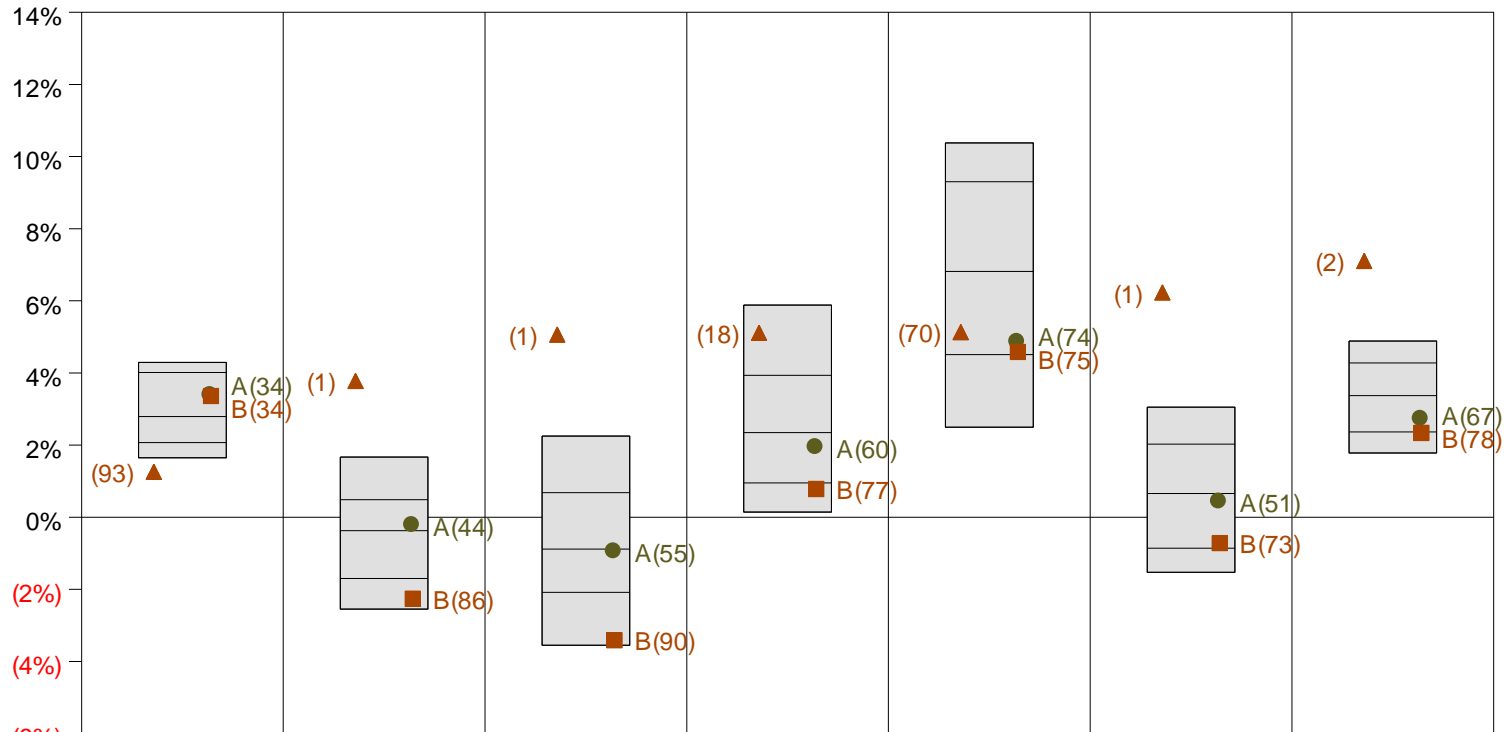


- Index+ performance over longer-term periods at minimal cost

Absolute Return Composite

Reflects March 31 values, while SS data used to calculate total fund is lagged 1-month

Performance vs Absolute Return Hedge FoFs Style (Net)



	Last Quarter	Fiscal YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7-1/4 Years
10th Percentile	4.29	1.67	2.25	5.88	10.38	3.05	4.89
25th Percentile	4.01	0.48	0.68	3.94	9.30	2.03	4.28
Median	2.79	(0.37)	(0.88)	2.35	6.82	0.66	3.37
75th Percentile	2.07	(1.70)	(2.08)	0.95	4.51	(0.86)	2.36
90th Percentile	1.65	(2.55)	(3.55)	0.14	2.50	(1.53)	1.78

	Absolute Return Composite	Fund of Funds Index	T-Bills + 5%
● A	3.36	(0.23)	1.26
■ B	3.36	(2.26)	3.78
▲	(0.96)	(3.41)	5.07
	1.93	0.78	5.11
	4.85	4.58	5.13
	0.41	(0.72)	6.23
	2.71	2.34	7.11

Summary Manager Views

Managers With Strong Relative Performance for 1-year and 5-year (or since Inception)

- LC Domestic Equity
 - Barrow Hanley & Quantitative posted better than benchmark performance versus Value index for the year and since inception
- SC Domestic Equity
 - Jennison Associates
 - Lord Abbett
 - Luther King
 - While records are limited, Barrow Hanley, DePrince Race & Zollo and Frontier have gotten off to a good start. Lord Abbett's Micro Cap Value portfolio also has done well
- International Equity
 - Brandes
 - Capital Guardian
 - Lazard
 - Schroder & Mondrian – Intl SC – too early but both good through 6 quarters
- Emerging Markets
 - Lazard – Inception was 4-1/4 years ago
- Global
 - Lazard

Summary Manager Views

Disappointing Performance for Either 1 or 5 Year Periods (or since inception)

- Domestic Equity
 - Relational – LC Value – trails S&P and Value index for last year and 5-year period
 - RCM – LC Growth – underperformed Growth benchmark but outperformed S&P over year and 5 year periods (S&P is contractual benchmark)
- High Yield
 - Mackay Shields – strong for 1-year but still slightly under target over last 5 years
- International Fixed
 - Mondrian trailing over last year, but very good 5–year results
- International Equity
 - McKinley – trailing over both time periods
- Emerging Markets
 - Capital Guardian – trailing over both time periods
 - Eaton Vance – outperformed over last year and three year periods but trailing over 4 years
- Absolute Return
 - Crestline and Mariner – trailing Callan Absolute Fund of Funds median over both time periods but have achieved better than HFR Fund of Funds Index.
 - GAM and Prisma – trailing 1-year return and since inception (2 years) lag absolute return target but strong relative to peers and HFR index.

Individual Account Option Performance

Balanced & Target Date Funds

Investment Manager	3/4 Year Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	5 Year Risk	5 Year Risk Quadrant	5 Year Excess Rtn Ratio	3 Year Tracking Error	5 Year Sharpe Ratio
Balanced & Target Date Funds										
Alaska Balanced Fund CAI Mt Fd: Dom Bal Style	5.3 46	6.8 34	12.8 93	5.1 8	5.7 16	8.0 99		0.1 4	0.6 100	0.5 1
Passive Target	5.2 47	6.9 33	12.4 95	5.0 8	5.6 17	7.6 99				0.5 1
Long Term Balanced Fund CAI Mt Fd: Dom Bal Style	5.2 47	6.1 40	16.8 60	3.8 28	5.4 20	13.7 86		0.0 27	0.5 100	0.2 20
Passive Target	5.0 52	6.2 40	16.5 62	3.8 28	5.4 20	13.3 91				0.2 19
Target 2010 Trust CAI Tgt Date 2010	4.5 5	5.4 14								
Custom Index	4.4 9	5.5 13								
Target 2015 Trust CAI Tgt Date 2015	4.7 4	5.5 9	14.2 69	5.4 1	6.3 1	11.2 91		0.7 1	0.3 100	0.4 3
Custom Index	4.5 5	5.5 9	14.2 69	5.1 1	6.1 1	11.3 91				0.3 3
Target 2020 Trust CAI Tgt Date 2020	4.7 9	5.4 11	17.8 42	2.8 21	5.4 7	16.0 63		0.2 5	0.3 100	0.1 22
Custom Index	4.6 9	5.5 10	17.9 40	2.7 26	5.3 7	16.1 60				0.1 24
Target 2025 Trust CAI Tgt Date 2025	4.7 3	5.3 4	20.2 22	1.7 43		19.0 49		0.1 36	0.2 100	0.0 42
Custom Index	4.7 3	5.5 4	20.3 20	1.7 44		19.1 48				0.0 43
Target 2030 Trust CAI Tgt Date 2030	4.7 7	5.2 8								
Custom Index	4.6 7	5.2 8								
Target 2035 Trust CAI Tgt Date 2035	4.5 3	4.9 4								
Custom Index	4.4 3	5.0 4								
Target 2040 Trust CAI Tgt Date 2040	4.6 6	5.0 7								
Custom Index	4.5 6	5.1 7								
Target 2045 Trust CAI Tgt Date 2045	4.6 6	5.0 7								
Custom Index	4.5 6	5.1 7								
Target 2050 Trust CAI Tgt Date 2050	4.6 8	5.0 9								
Custom Index	4.5 8	5.1 9								
Target 2055 Trust CAI Tgt Date 2055	4.6 2	5.0 1								
Custom Index	4.5 2	5.1 1								

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk:
■ below median
■ second quartile
■ first quartile

Risk Quadrant:


Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Tracking Error:
■ below median
■ second quartile
■ first quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

Passive Options

Gross & Net of Fee

Investment Manager	3/4 Year Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	5 Year Risk	5 Year Risk Quadrant	5 Year Excess Rtn Ratio	3 Year Tracking Error	5 Year Sharpe Ratio
Index Funds (Gross of Fee)										
State Street S&P Fund (i) CAI Large Cap Core Style	8.4 37	8.5 45	23.4 40	2.1 67	4.8 73	21.8 56		0.6 10	0.0 99	0.0 67
S&P 500 Index	8.4 37	8.5 45	23.4 39	2.0 70	4.7 79	21.8 55				0.0 67
Russell 3000 Index (i) CAI Large Cap Style	7.3 48	7.3 50	24.4 24						0.1 100	
Russell 3000 Index	7.2 49	7.2 51	24.3 26	2.2 54	5.1 53	22.6 50				0.0 54
World Eq Ex-US Index (i) CAI Non-U.S. Equity Style	-7.6 70	-7.1 78	18.6 46						0.9 100	
MSCI ACWI x US (Net)	-7.5 69	-7.2 78	19.1 41	-1.6 48	5.1 42	27.0 29				-0.1 46
Long US Treasury Bond Index (i) CAI Extended Mat FI Style	19.6 8	23.5 8	7.2 92						0.2 96	
BC Long Treas	19.6 8	23.6 8	7.1 93	9.5 65	8.0 60	16.7 8				0.5 92
US Treasry Infl Prtcd SEC (i) CAI Real Return	8.1 77	12.0 59	8.6 74						0.0 94	
BC US TIPS Index	8.2 68	12.2 54	8.7 62	7.6 63	6.3 73	5.4 28				1.2 71
World Gov't Bond Ex-US Indx (i) CAI Non-U.S. F-I Style	0.1 59	3.8 66	6.4 99						0.6 99	
Citi WGBI Non-US Idx	0.2 52	3.9 63	6.9 97	6.9 70	5.1 75	10.4 47				0.6 65
US Real Estate Invmnt Trust (i) CAI Real Estate-REIT DB	9.0 61	13.3 62	43.3 52						1.0 100	
US Select REIT Index	9.2 56	13.5 56	44.5 38	-0.8 87	7.6 87	36.5 12				-0.1 87

Investment Manager	3/4 Year Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	5 Year Risk	5 Year Risk Quadrant	5 Year Excess Rtn Ratio	3 Year Tracking Error	5 Year Sharpe Ratio
Index Funds (Net of Fee)										
BlackRock Govt/Credit Bond Fund (i) CAI Core Bond Mut Fds	6.0 19	8.4 17	6.8 92	6.1 44	5.5 48	4.8 42		-1.1 99	0.1 99	1.0 69
BC Govt/Credit Bd	6.1 12	8.5 9	7.1 92	6.3 41	5.7 45	4.8 44				1.1 68
Intermediate Bond Fund (i) CAI Intermediate F-I Mut	3.4 41	5.5 38	3.2 83	5.4 42	5.0 44	4.3 22		-0.3 77	0.0 99	1.0 78
BC Gov Inter	3.5 40	5.7 37	3.4 82	5.5 41	5.0 38	4.3 26				1.0 75
State Street Inst Trsry MM Money Market Funds	0.0 100	0.0 100	0.0 100						0.0 91	
Citigroup 3mo T-Bills	0.0 100	0.0 100	0.1 100	1.1 100	2.0 100	0.8 79				-0.1 100

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk:
■ below median
■ second quartile
■ first quartile

Risk Quadrant:

Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Tracking Error:
■ below median
■ second quartile
■ first quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

(i) – Indexed scoring method used. Green: manager & index differ by less than +/- 10 percentiles; Yellow: manager and index differ by +/- 20 percentiles; Red: manager & index differ by more than 20 percentiles.

Other Options

Active Equity, Stable Value, and Interest Income

Investment Manager	3/4 Year Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	5 Year Risk	5 Year Risk Quadrant	5 Year Excess Rtn Ratio	3 Year Tracking Error	5 Year Sharpe Ratio
Active Funds										
Brandes Int'l Fund CAI Non-U.S. Equity MF	-5.5 34	-4.9 39								
MSCI EAFE Index	-7.2 52	-5.8 47	17.1 66	-3.5 68	3.2 65	25.9 66				-0.2 71
SSgA Global Balanced CAI Mt Fd: GI Bal Style	2.0 55	3.3 53								
Custom Benchmark	1.8 56	3.0 54								
RCM Soc Resp CAI Core Equity Mut Fds	4.4 81	4.6 70	21.3 51						3.0 55	
S&P 500 Index	8.4 25	8.5 28	23.4 13	2.0 38	4.7 34	21.8 60				0.0 38
T. Rowe Price Small Cap CAI Sm Cap Broad Mut Fds	4.5 16	4.0 19	32.3 10	6.1 12	8.4 12	26.4 59		1.1 1	0.6 99	0.2 14
Russell 2000 Index	1.4 39	-0.2 53	26.9 62	2.1 59	5.8 56	26.5 59				0.0 59
T. Rowe Price Stable Value Fd CAI Stable Value DB	2.4 14	3.3 16	3.7 22	4.0 26	4.1 35	0.3 95		3.4 18	0.1 94	10.2 12
5 Yr US Treas Rolling	1.9 45	2.7 44	3.2 40	3.5 57	3.6 75	0.2 99				9.7 14
Def Comp Interest Income Fund CAI Stable Value DB	4.4 1	6.5 1								
5 Yr US Treas Rolling	1.9 45	2.7 44	3.2 40	3.5 57	3.6 75	0.2 99				9.7 14

Returns:
■ above median
■ third quartile
■ fourth quartile

Risk:
■ below median
■ second quartile
■ first quartile

Risk Quadrant:

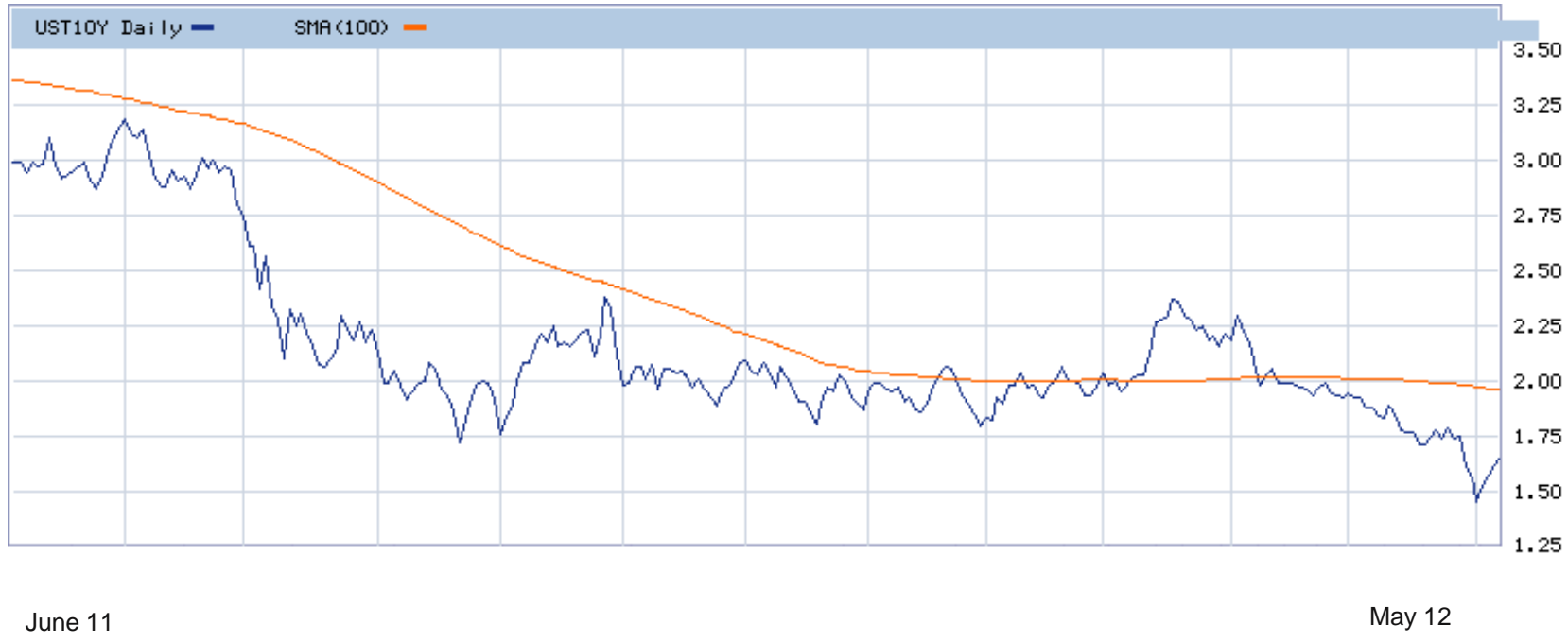

Excess Return Ratio:
■ above median
■ third quartile
■ fourth quartile

Tracking Error:
■ below median
■ second quartile
■ first quartile

Sharpe Ratio:
■ above median
■ third quartile
■ fourth quartile

10 Year Treasury

Source WSJ on line



Index Data as of Close on 6/1/12

Index Data: 06/01/2012							
Advisor	Product	Asset Class	Style	Week	MTD	QTD	YTD
All Cap Domestic Equity							
S&P	Supercomposite 1500	Dom Equity	Core	-3.07%	-2.54%	-9.01%	2.49%
Russell	3000 Index	Dom Equity	Core	-3.14%	-2.58%	-9.20%	2.49%
Large Cap Domestic Equity							
S&P	500 Index	Dom Equity	Large Cap	-2.96%	-2.46%	-8.90%	2.57%
Russell	1000 Index	Dom Equity	Large Cap	-3.09%	-2.52%	-9.05%	2.69%
Russell	1000 Growth Index	Dom Equity	Large Growth	-3.31%	-2.60%	-8.99%	4.38%
Russell	1000 Value Index	Dom Equity	Large Value	-2.86%	-2.45%	-9.10%	1.00%
Mid Cap Domestic Equity							
S&P	400 Index	Dom Equity	Mid Cap	-4.06%	-3.17%	-9.65%	2.54%
Russell	Mid Cap Index	Dom Equity	Mid Cap	-3.90%	-2.96%	-9.77%	1.90%
Small Cap Domestic Equity							
S&P	600 Index	Dom Equity	Small Cap	-3.67%	-3.07%	-10.30%	0.46%
Russell	2000 Index	Dom Equity	Small Cap	-3.75%	-3.20%	-11.00%	0.07%
Russell	2000 Growth Index	Dom Equity	Small Growth	-4.21%	-3.48%	-11.83%	-0.12%
Russell	2000 Value Index	Dom Equity	Small Value	-3.28%	-2.92%	-10.17%	0.24%
International Equity							
MSCI	EAFE	Int'l Equity	Non-US	-2.73%	-1.53%	-14.54%	-5.26%
MSCI	EAFE Small Cap	Int'l Equity	Non-US	-2.11%	-2.09%	-14.03%	-1.25%
MSCI	Emerging Markets Index	Int'l Equity	Emerging Mkt	-0.79%	-1.36%	-13.40%	-1.16%
MSCI	ACWI ex-US	Int'l Equity	Global ex-US	-2.27%	-1.52%	-13.90%	-4.14%
MSCI	ACWI	Int'l Equity	Global	-2.65%	-2.00%	-11.66%	-1.04%
Fixed Income							
Barclays	Aggregate Index	Fixed Income	Core Bond	0.85%	0.29%	2.32%	2.63%
Barclays	U.S. TIPS Index	Fixed Income	Inflation Linked	1.39%	0.52%	4.27%	5.17%
Barclays	High Yield 2% Constrained	Fixed Income	High Yield	-0.44%	-0.51%	-0.83%	4.48%

Abbott Capital Management, LLC

Mandate: Invest in private equity limited partnerships to achieve superior long-term rates of return and portfolio diversification.

Hired: September 1998

Firm Information

Abbott is a leading independent investment management firm founded in 1986. Abbott creates and manages private equity separate accounts and fund of funds for institutional investors worldwide. The firm currently manages approximately \$7.1 billion. Abbott focuses on private equity investments in venture capital, buyouts and special situations.

Abbott is registered as an investment advisor with the SEC in the United States. In 2011, Abbott formed Abbott Capital Management (Europe), LLP (“Abbott Europe”) as a subsidiary located in London.

Abbott has twenty-six employees including twelve investment professionals and fourteen professional staff.

Key Executives:

Jonathan D. Roth, President.
Thaddeus I. Gray, Chief Investment Officer.
Tim W. Maloney, Managing Director.

Investment Approach

Abbott’s decision-making process uses a team approach; no one individual has authority to make decisions regarding portfolio management without the input of other senior professionals.

Abbott is extremely selective in choosing private equity investment funds. Every partnership must meet rigid standards regarding the overall quality of the investment opportunity, such as:

- Target markets that can support private equity investing;
- Long-term and proven private equity business model;
- Stable management team operating under a consistent firm culture;
- Proven access to high-quality investment opportunities and resources;
- Strong track record.

Final investment decisions are made using a consensus-driven approach. Investment decisions are made based on a team effort emphasizing the ongoing responsibility and accountability of Abbott’s investment staff with analysis and further review designed to meet the rigorous levels of Abbott’s managing directors and investment staff.

Benchmark: Russell 3000 +350 basis points and the Thomson Reuters vintage year peer comparison.

Total ARMB Mandate & Fees

Assets Under Management: (5/31/12)
Commitments: \$1,634.4 million
Market Value: \$717.3 million

2011 Management Fees: \$1,806,784

Concerns:

Performance

The since inception internal rate of return (IRR) for Abbott’s ARMB portfolio is 9.0%, which compares favorably with the public market equivalent return for the Russell 3000 of 3.8%.

In Callan’s December 2011 vintage year comparison of the Abbott portfolio and the Thomson Reuters database for the ten years from 1998 through 2007, the Abbott portfolio is in the top quartile for 5 years and in the second quartile for 5 years.

Alaska Retirement Management Board

June 21, 2012

Important Disclosure Statements

Past returns are not an indicator of future performance or indicative of expected returns. There can be no assurance that the Alaska Retirement Management Board portfolio, its Partnerships, or the private and public equity markets in general will perform similarly to prior investments or Partnerships.

Forward-Looking Statements:

Statements or information contained herein that are not historical fact may constitute "forward-looking statements" regarding the future plans, opinions, objectives and performance of Abbott, the Alaska Retirement Management Board portfolio, the Partnerships, their underlying portfolio companies and the private equity and financial markets in general. These statements may be identified by the use of forward-looking terminology such as "may," "will," "likely," "appear," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or comparable terminology. Due to various risks and uncertainties, such as the stability of the public capital and debt markets, the impact of increased regulatory market oversight, changes to the regulatory environment in general and the reliability and timeliness of the data and information received by third party sources, including the managers or general partners of the Partnerships, actual events or results and the actual performance of the private equity and the financial markets, Abbott, the Alaska Retirement Management Board portfolio, any Partnerships or any underlying portfolio company may differ materially and adversely from the performance reflected or contemplated by such forward-looking statements. No representation or warranty is made as to the accuracy of any forward-looking statement contained herein, the future stability of the private equity and financial markets, or the performance of Abbott, the Alaska Retirement Management Board portfolio, the Partnerships or underlying portfolio companies. Abbott undertakes no duty and expressly disclaims any obligation or implied undertaking, to disseminate any updates or revisions to analysis, or any forward-looking statements, contained herein, whether to reflect any change in expectations with regard thereto as a result of a change in events, conditions, regulatory landscape or environment or circumstances on which such statement or opinion is based, or receipt of new information, future events or otherwise.

Summary and Statements of Investments:

Amounts with respect to Commitments, Amount Paid and Net Distributions may reflect additional fee or interest payments paid by, or received from the Partnerships in excess of the actual Alaska Retirement Management Board subscription amount. Latest Valuation for the account and with respect to any Partnership reflects most recently available "Fair Value" as of December 31, 2011. "Fair Value" is based on the capital account balances reported to Abbott Capital Management, LLC by the Partnerships as of the report date, including allocations of unrealized gain or loss on the underlying portfolio company investments. The capital account balances may have been adjusted by other amounts necessary to reflect the fair value of the Partnerships as determined by Abbott during its most recently completed valuation review. Latest Valuation with respect to the account also includes the value of distributed stock not yet sold. Total Value equals distributions plus latest valuation. Commitments with respect to Partnerships denominated in non-U.S. currency reflect the amount funded (in U.S. dollars) plus the unfunded portion of the foreign-denominated commitment amount converted to U.S. dollars at the relevant December 31, 2011 exchange rates. With respect to secondary interests, "Maximum Cash Outlay" refers to the purchase price plus the unfunded capital commitment of the secondary interest at the time of purchase and the "Amount Paid" refers to the purchase price plus the amounts contributed to the secondary interest subsequent to purchase.

Return Data:

Alaska Retirement Management Board pooled net returns are calculated by Abbott and are net of Partnership management fees, expenses and carried interest, but do not reflect any deduction for advisory fees paid by Alaska Retirement Management Board to Abbott. Returns were calculated using the Fair Value of the Partnerships and net monthly cash flows between the Alaska Retirement Management Board portfolio and the Partnerships. Fair Value is based on the capital account balances reported to Abbott Capital Management, LLC by the Partnerships as of the report date, including allocations of unrealized gain or loss on the underlying portfolio company investments. The capital account balances may have been adjusted by other amounts necessary to reflect the fair value of the Partnerships as determined by Abbott during its most recently completed valuation review. Pooled performance data set forth herein is unaudited and does not represent the actual return anticipated for the Alaska Retirement Management Board account. Except as otherwise noted, pooled returns are not net of gains and losses realized upon the sale of distributed stock, including brokerage and other related commissions.

Unrealized investments may not be realized at the values used herein. While Abbott believes that the unrealized values used when calculating the returns set forth herein are based on assumptions that are likely reasonable under the circumstances and at the time made, actual realized returns on unrealized investments will depend upon, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions used for the valuations incorporated herein. Accordingly, actual realized returns on unrealized investments may differ materially and adversely from the (assumed) pooled returns indicated herein.

Interim performance data regarding an underlying partnership investment may not accurately reflect the current or expected future performance of the Partnership or the fair value of the Alaska Retirement Management Board portfolio. Such performance data should not be used to compare returns among multiple private equity funds due to, among other factors, differences in vintage year, investment strategy, investment size, etc., and has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partner or the advisor of the Partnership investment, or any of their affiliates.

The information set forth herein is based on information received by Abbott from the underlying Partnerships as of December 31, 2011 and is qualified in its entirety by reference to the detailed and updated information set forth in the Quarterly Reports to be delivered to Alaska Retirement Management Board by Abbott.

Additional Disclosure Statements

Industry Data:

This presentation contains information sourced from, based on, or derived from data received or provided by managers or general partners of underlying partnership investments, independent third-party sources, and information otherwise publicly available. Unless otherwise noted, private equity market information and data is sourced from Thomson Reuters; all fundraising information and data is sourced from Thomson Reuters/Thomson ONE database, January 10, 2012; all information and data with respect to venture IPO and exit activity is sourced from Thomson Reuters/NVCA, January 3, 2012; all information and data with respect to venture investment activity is sourced from PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report, Data: Thomson Reuters, Q3 2011; and all information and data with respect to buyout/LBO investment, IPO and exit activity is sourced from Buyouts, January 2, 2012 or Thomson Reuters. While Abbott believes that the third party independent sources cited herein are widely-cited sources of market information for the private equity industry, Abbott cannot guarantee the accuracy of any information from such third party sources and has not independently verified the accuracy or completeness of such information or the assumptions on which such information is based. Information sourced from third parties, such as Thomson Reuters, is continually updated to account for new information, and therefore all data herein is subject to change. Third party sources of information often include data from only a limited number of private equity funds and may not be representative of the entire private equity market. Any statistical or third party information contained herein has been supplied for informational purposes only.

- I. Review of Market Conditions
- II. Abbott Capital Management Update
- III. 2011 / 2012 Investment Activity
- IV. Portfolio Review & Partnership Investments
- V. Summary & Outlook

Appendix

- Statement of Investments

I. Review of Market Conditions

Highlights of an evolving private equity investment landscape

Buyouts and Special Situations

- Credit markets seem receptive to PE-related transactions one day, less so the next, and we expect this trend to continue for the foreseeable future
- A tale of 1H 2011 versus 2H 2011 for exit activity as momentum abated in the 2H driven primarily by global economic uncertainty
- Abbott expects GPs to continue to take advantage of investment opportunities for new and existing portfolio companies where available

Venture Capital and Growth Equity

- Relatively healthy exit environment driven by smaller number of transactions
- Do VCs have greater experience weathering this type of environment?
- Portfolio management considerations remain important

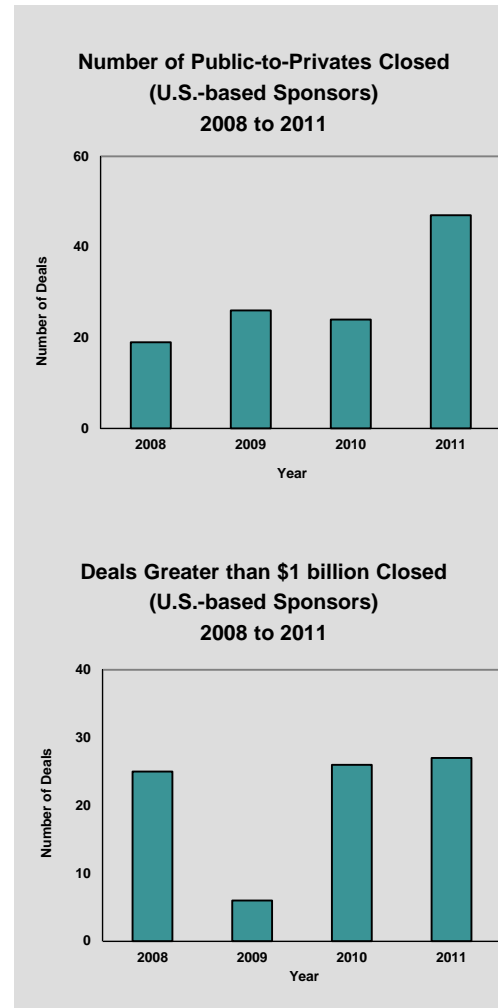
Other Topics of Interest in Private Equity

- How will the economic uncertainty impact both private equity deals and fundraising?
- How will PE firms weather an uncertain economic environment?

Global Deal Volume



Types of Private Equity Deals



Signs of Recovery for Private Equity?

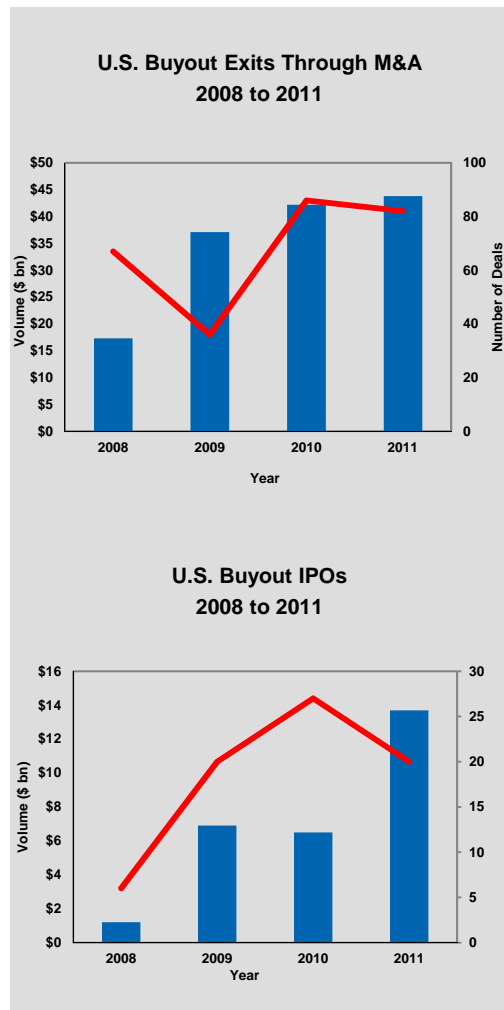
- **Global M&A volume**
 - \$481.2 billion in 1Q12 versus \$543.8 billion in 4Q11

- **Private equity M&A volume**
 - \$49.6 billion in 1Q12 versus \$125.1 billion in 4Q11

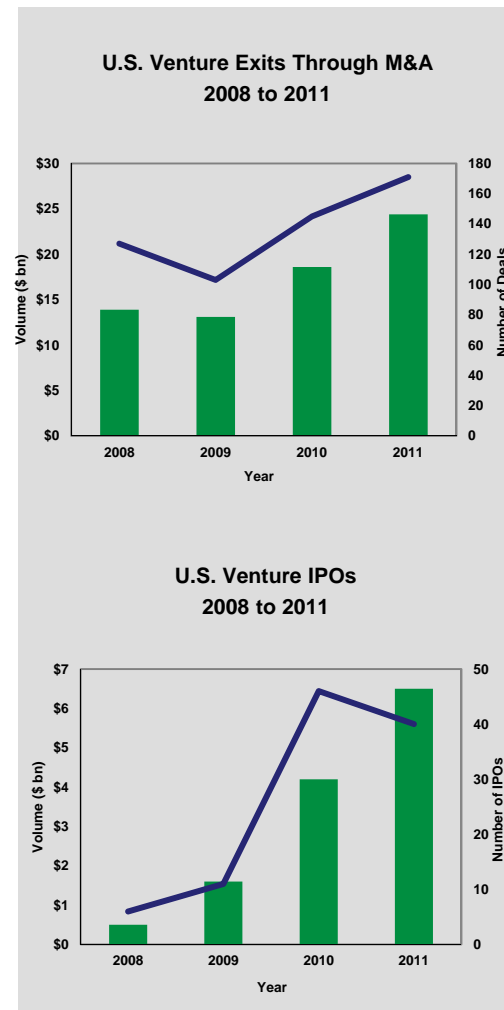
- **Significant increase in deal activity during the later half of 1Q12**

Source: Thomson Reuters and Buyouts. See Additional Disclosure Statements for additional sourcing information
 Past returns are not an indicator of future performance or indicative of expected returns. Returns will vary in the future.

U.S. Buyout Exits



U.S. Venture Exits



Exit Markets Provided Increasing Liquidity for Many GPs and LPs

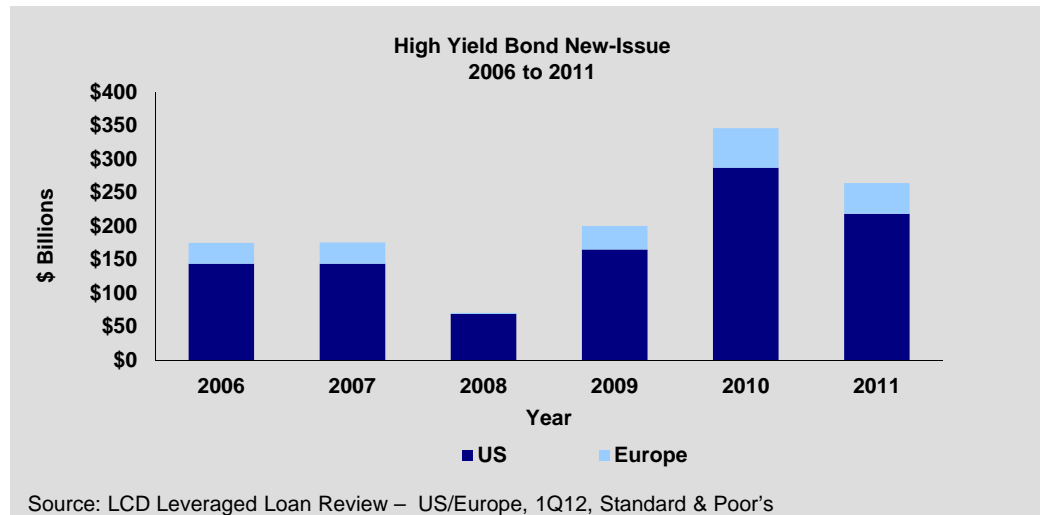
- **YTD 2012 IPO activity up from 2011**
 - 11 U.S. buyout-backed IPOs in 1Q12 versus 2 in 4Q211
 - 18 U.S. venture-backed IPOs in 1Q12 versus 12 in 4Q211

- **GPs continue to take advantage of openings in equity markets to sell public stock holdings**

Source: Thomson ONE, May 31, 2012

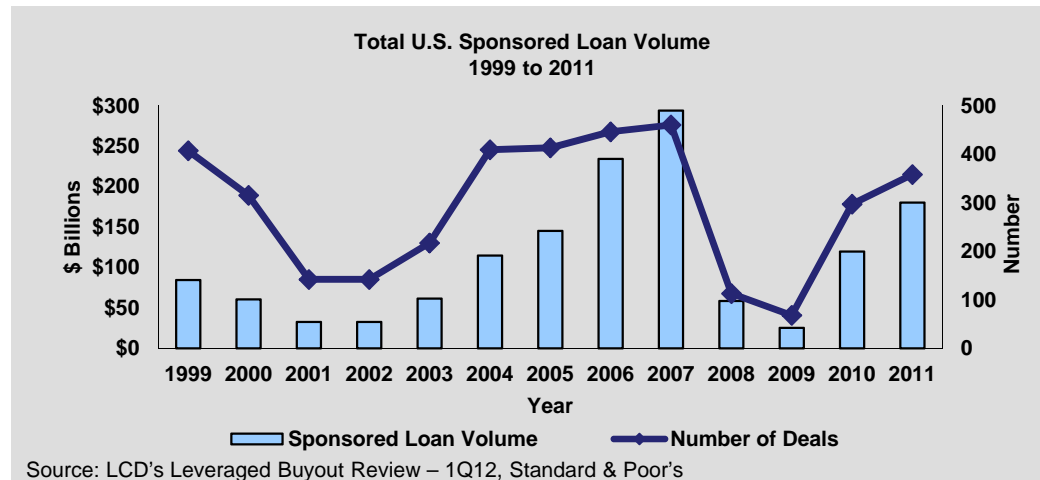
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Sources of Leverage



Increasing Support for Transactions?

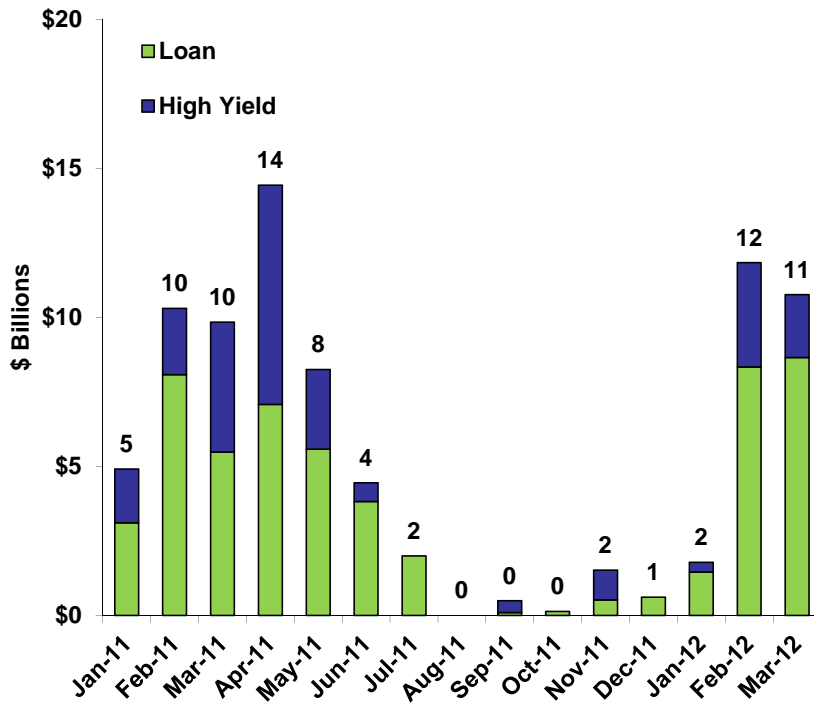
- **High Yield: active for refinancing and new deals**
 - 1Q12 high yield issuance totaled \$116.2 billion versus \$37.4 in 4Q11
 - Return of the dividend recap
- **Bank Lending: increasingly available**
- **Europe: markets more selective**



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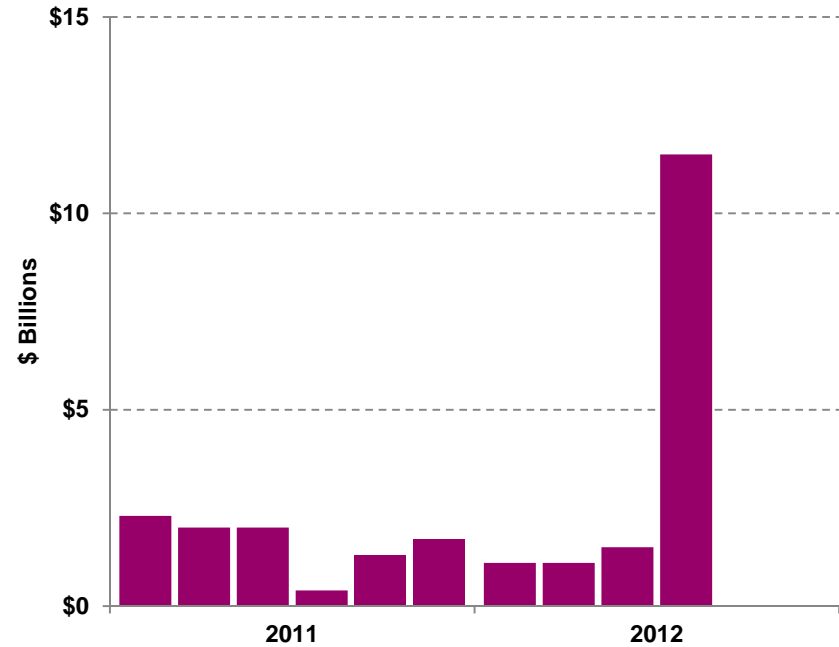
Risk on: At its Best? Or Worst?

Dividend/Stock Repurchase Volume
January 2011 to March 2012



Source: LCD's Leveraged Buyout Review – 1Q12, Standard & Poor's 2012

Issuance of Covenant-Lite Loans
(i.e. which come without typical restrictions)
July 2011 to April 2012



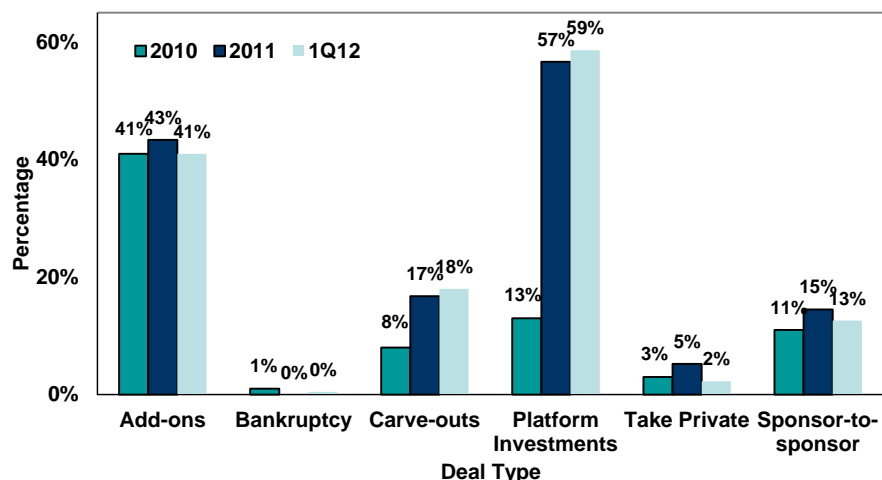
Source: Information derived by Abbott from The Wall Street Journal, April 30, 2012

New Deal Environment – Choppy Waters

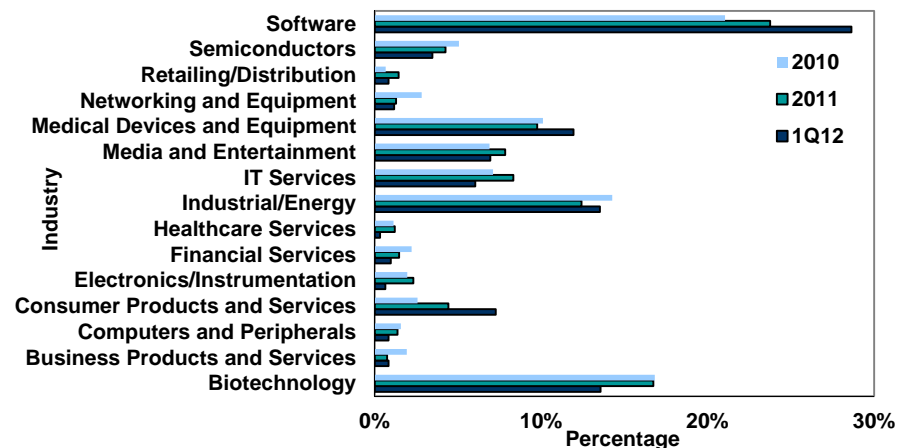
- **Pace of buyout deals slowly improving, capacity for larger deals steadily increasing**
 - 2011 volume of disclosed deals increased 13% from 2010: \$98.2 billion in 2011 (as of 12/15) versus \$85.7 billion in 2010
 - Platform investments jumped from 2010 to 2011, indicating a potentially healthier environment to execute new investments
 - Add-ons remained abundant in 2011 and 1Q 2012, suggesting sponsors are still spending time building out existing portfolios in hopes of a higher exit multiple

- **Venture investments driven by a few sectors of interest**
 - Number of venture investments for 2011 increased 4% from 2010, amount invested increased 22%
 - The average annual deal size increased to \$7.7 million, the highest since 2001
 - “Hot segments saw some outlandish prices paid” while “certain out of favor sectors suffered mediocre valuations” (*Venture Capital Journal, January 2012*)
 - GP concerns about valuations of big name deals may have negatively impacted 4Q levels of venture investments

**Buyout Deals by Type
2010, 2011 and 1Q 2012**



**Venture Capital Investments by Industry by Percentage
2010, 2011 and 1Q 2012**



Source: All buyout information on this page has been sourced from Buyouts, January 3, 2011, January 2, 2012 and April 9, 2012 and all venture information on this page has been sourced from PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report, Data: Thomson Reuters, unless otherwise noted. Past returns are not an indicator of future performance or indicative of expected returns. Returns will vary in the future.

- **IPOs – Fewer companies raised more money overall compared to 2010**
 - 52 venture-backed IPO's in 2011 valued at \$9.9 billion versus 75 venture backed IPO's in 2010 valued at \$7.0 billion
 - One-third of the total raised came from the top four offerings: Yandex, Zynga, Groupon and Renren
 - 23 companies raised \$2.0 billion via IPOs in 2012 through April

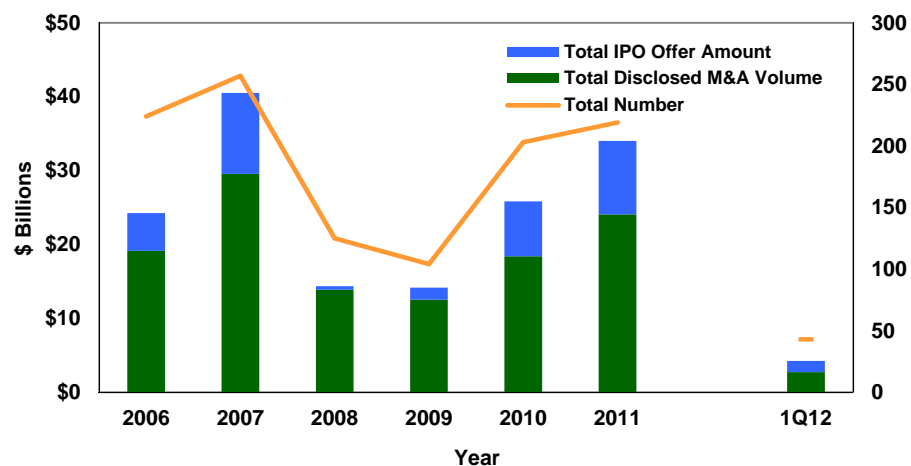
- **M&A – Valuations on the rise**
 - 429 acquisitions were completed during 2011, just under the number completed in 2010
 - Aggregate value of disclosed deals in 2011 increased 23% from 2010
 - Deals with returns greater than 4x the venture investment appear to have accounted for over 50% of the disclosed transactions in 2011 and 1Q 2012

- **Tech sector leads the charge**
 - Hot subsectors included: data and analytics, social media, online gaming and cloud computing

NVCA Valuations Analysis
M&A Transaction Values versus Amounts Invested

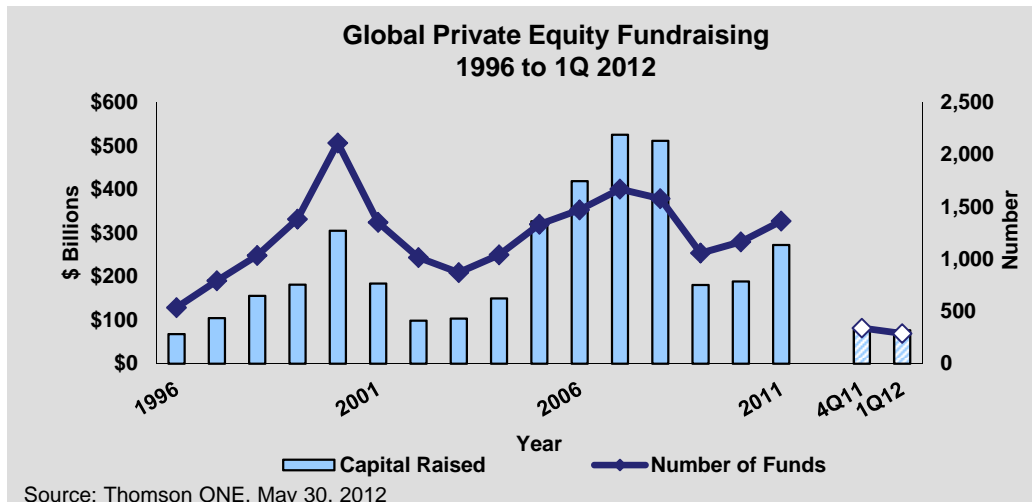
Relationship between transaction value and venture investment	2006 M&A	2007 M&A	2008 M&A	2009 M&A	2010 M&A	2011 M&A	1Q12 M&A
< 1x	42	34	24	32	24	28	5
1x – 4x	54	55	23	16	36	40	6
4x – 10x	30	32	26	23	31	45	11
> 10x	25	29	14	11	18	29	2
Total Disclosed Deals	151	150	87	82	109	142	24

Venture-Backed Disclosed M&A Deals & IPOs
2005 to 1Q 2012



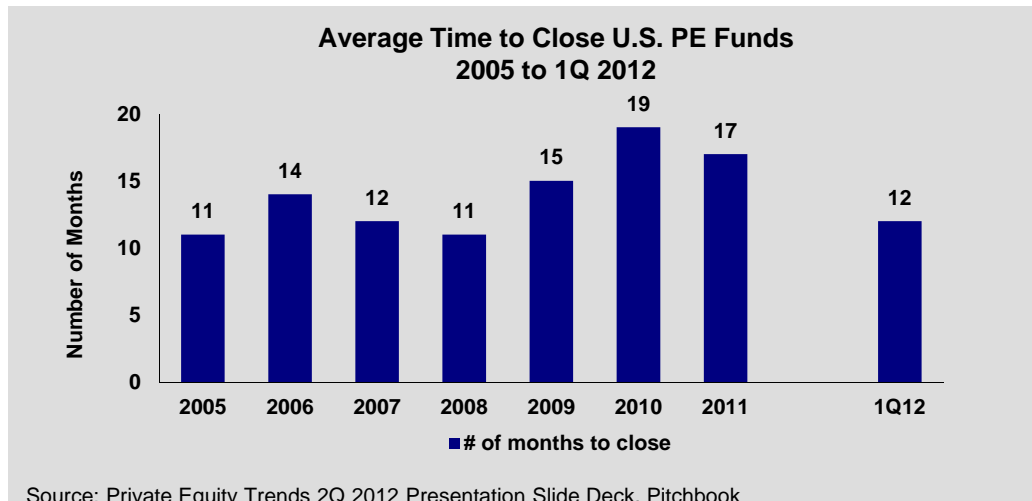
Source: All information on this page has been sourced from NVCA, January 2, 2008, January 2, 2009, July 1, 2009, January 4, 2010, January 3, 2011, January 3, 2012, and April 2, 2012 unless otherwise noted.

Past returns are not an indicator of future performance or indicative of expected returns. Returns will vary in the future.

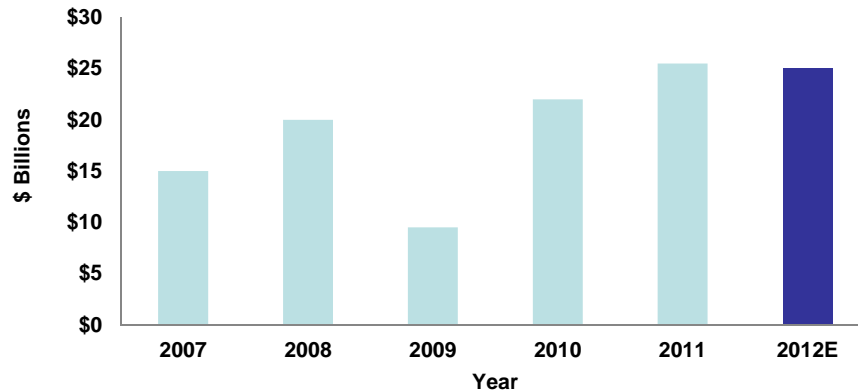


- **2011 private equity fundraising was up ~38% from amounts raised in 2010**
 - Many buyout GPs in the market as they run out of capital to invest
 - The trend away from mega-buyout funds continues
 - Uptick in venture fundraising driven by fewer funds raising more capital

- **But... still a mixed market**
 - Well established and niche firms appear to be having more success than firms with only two or three previous funds
 - Average time spent in the market has shortened



**Secondary Transaction Volume
2007 to 2012E**



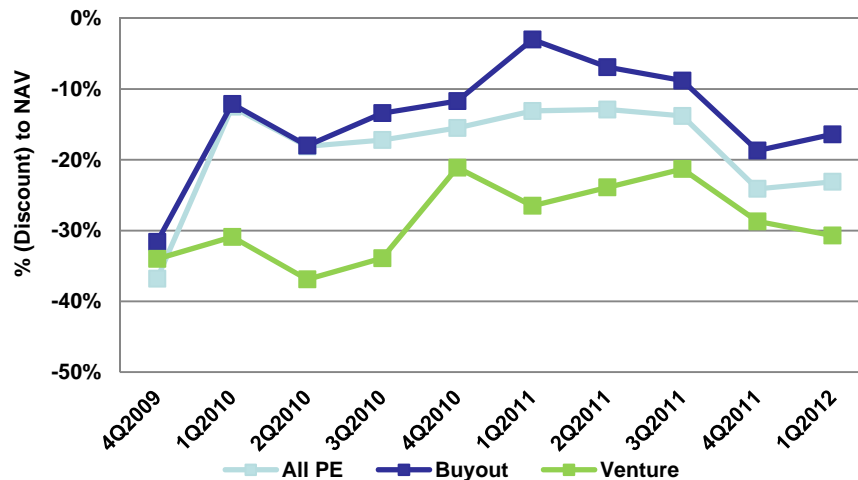
Current Market Conditions

2012 secondary volume expected to be driven by:

- **Financial institutions seeking to reduce exposure to assets for regulatory reasons**
 - Solvency II (Europe)
 - Basel III
 - Volker Rule (U.S.)

- **Pension fund portfolio management considerations**

**Historical Secondary Market Pricing
4Q 2009 to 1Q 2012**

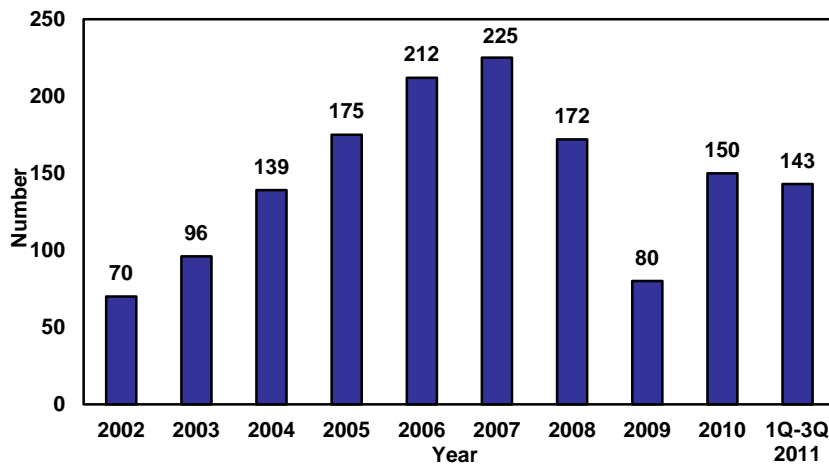


Information derived by Abbott from UBS, Secondary Market Update, UBS Private Funds Group, May 2012
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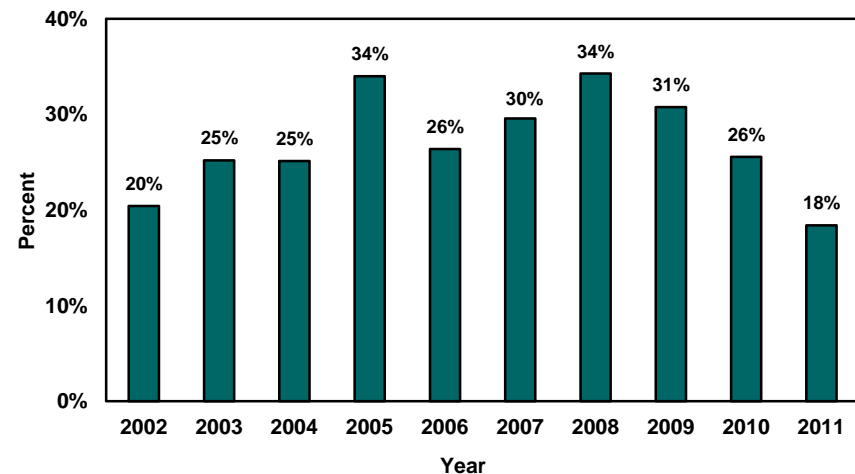
- **Eurozone debt crisis impacted the level of new buyout activity**
 - 1H 2011 activity remained strong but.....
 - 4Q 2011 deal volume was \$11.5 billion, a mere fifth of what it was in 4Q 2010 according to data from Dealogic
 - Banks appear to have curtailed their lending as they are concerned about taking on additional risk

- **What does this mean for 2012 activity?**
 - Some firms may be re-assessing their activities in Europe or considering altogether withdrawing from investing in the region
 - Private equity funds' long-term structure should give flexibility to cycle-tested GPs to hunker down during such storms or even take advantage of them

**Number of Deals Closed by U.S. Buyout Firms in Europe
2002 to 3Q 2011**



**European Leveraged Loan Volume
as a Percent of Global Volume
2002 to 2011**



Source: Buyouts, December 12, 2011.

Source: LCD's Leveraged Lending Review – 4Q11, Standard & Poor's 2011

Past returns are not an indicator of future performance or indicative of expected returns. Returns will vary in the future.

Highlights of an evolving private equity investment landscape

A Final Word – Looking Forward

- **Both GPs and LPs seem to be in a better place than they were a year ago**
 - GPs took advantage of the opening in the exit markets
 - LPs picked up their commitment pace to the asset class
- **GPs taking advantage of opportunities as available for portfolio companies**
 - GPs continue to manage for cash but appear also to be focused on growth (organic and through acquisition)
 - GPs will continue to seek exits where possible, especially in light of the volatile capital markets
- **Liquidity flows remained relatively healthy in 2011 and into the first half of 2012**
 - Pace of capital calls is likely to remain steady for most areas of private equity
 - GPs learned from past cycles to capitalize on attractive exit opportunities when and where available
- **Continued fluctuation in PE valuations anticipated but likely to be less extreme than public market volatility**

II. Abbott Capital Management Update

Experienced Firm

- Leading independent private equity investment adviser with offices in New York and London
- Attractive institutional track record spanning over 20 years
- Solely focused on private equity; approximately \$7 billion in AUM
- Stable, multi-generational management team
- Significant investment alongside fund investors

Consistent Investment Style

- Applying extensive knowledge, experience and resources
- Identifying managers with potentially repeatable attractive performance
- Key disciplines
 - *Rigorous due diligence and selection process*
 - *Balanced diversification*
 - *Extensive monitoring*
 - *Seeking alignment of interests at all levels*

High Conviction Portfolios

- Building portfolios of best of breed private equity managers
 - *Core, globally-diversified*
 - *Specialized strategies*
- Seeking attractive risk-adjusted returns in a variety of economic and financial environments
- Superior client service

An Entire Organization Focused on Private Equity

Investments



Thad Gray
Managing Director
Chief Investment Officer
23 yrs./23 yrs.



Tim Maloney
Managing Director
11 yrs./7 yrs.

Chris Ragazzo
Principal
7 yrs./7 yrs.

Björn Seebach
Investment Associate
3 yrs./<1 yr.



Jonathan Roth
Managing Director
President
20 yrs./20 yrs.



Meredith Rerisi
Managing Director
11 yrs./11 yrs.

Young Lee
Sr. Investment Associate
7 yrs./4 yrs.

Jonathan Tubiana*
Sr. Investment Analyst
4 yrs./2 yrs.



Katie Stokel
Managing Director
Chief Operating Officer
26 yrs./14 yrs.



Matthew Smith*
Managing Director
12 yrs./12 yrs.

Len Pangburn
Sr. Investment Associate
7 yrs./7 yrs.

Lance Zhou
Investment Analyst
5 yrs./5 yrs.

Marketing & Client Services



Charles van Horne
Managing Director
Marketing & Client Services
27 yrs./11 yrs.

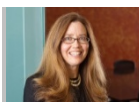
Emily Heimermann
Director
Marketing & Client Services
7 yrs./4 yrs.

Kate Kelly
Analyst
Marketing & Client Services
2 yrs./2 yrs.

Samantha Hewitt
Sr. Associate
Marketing & Client Services
5 yrs./4 yrs.

Adrienne Everett
Analyst
Marketing & Client Services
1 yr./1 yr.

Operations, Legal & Compliance



Lauren Massey
Managing Director
Finance & Administration
21 yrs./17 yrs.



Mary Hornby
Managing Director
General Counsel
16 yrs./7 yrs.

Andrea Heidbreder
Project Manager
17 yrs./11 yrs.

Jennifer Lagnado
Controller
11 yrs./11 yrs.



Paolo Parziale
Managing Director
Corporate & Fund
Accounting
12 yrs./10 yrs.

Joe Juliano
Sr. Manager
Operations
10 yrs./10 yrs.

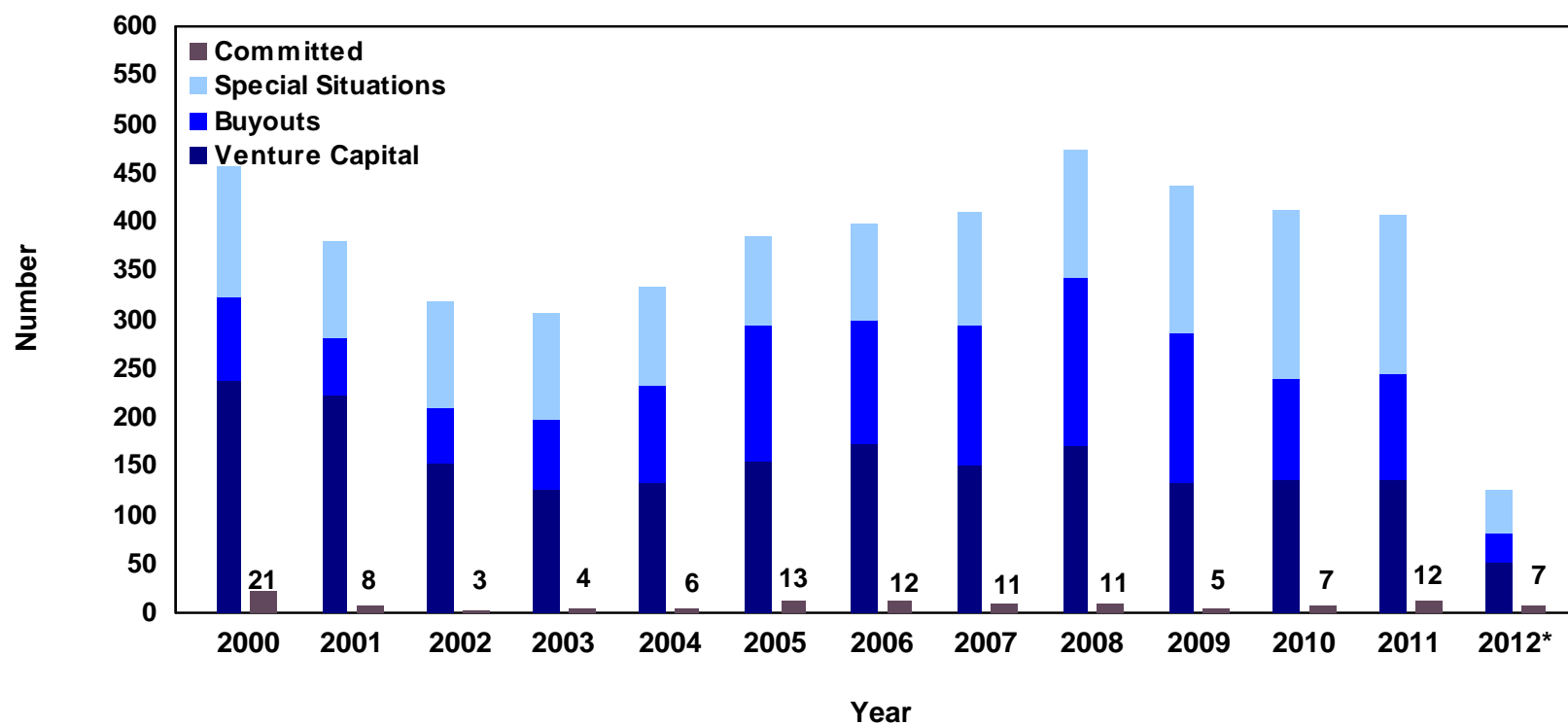
Shauna Harrison
Compliance Manager
3 yrs./3 yrs.

- **Over 40 professionals located in New York and London**
- **Managing Directors together have an average of 18 years private equity experience**
- **Diverse backgrounds, stable team and consensus-driven decision making process**
- **Deep proprietary networks**
- **Focus on delivering superior client service across the organization**
- **Institutional processes and systems**

III. 2011 / 2012 Investment Activity

Abbott Deal Flow and ARMB Primary Commitments

Abbott Deal Flow
ARMB Primary Commitments
2000 to YTD* 2012**



* Through May 15, 2012.

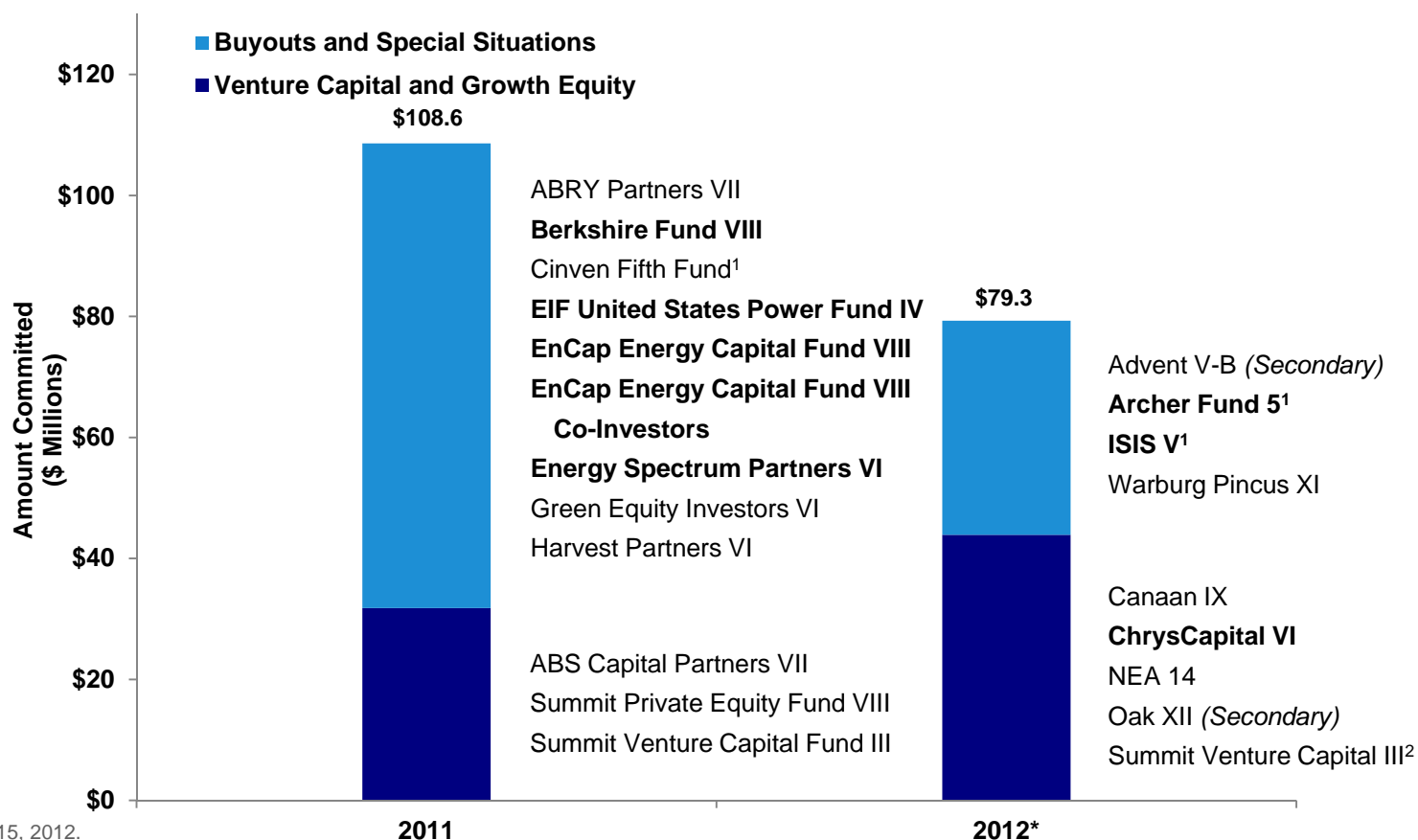
** Abbott Deal Flow represents primary investment opportunities presented to, or reviewed by, Abbott during the referenced calendar year for all client accounts. Investment opportunities presented to Abbott and still under review in a subsequent calendar year may be reflected in the totals for both the year presented and the year under review.

2011 and 2012 Commitment Activity

2011 and 2012 commitment target: \$135.0 million and \$140.0 million

- \$108.6 million committed to partnerships in 2011
- Commitment pace for 2012 on target through May 15

AMRB Commitments 2011 and YTD* 2012



* Through May 15, 2012.

Funds in bold represent a new manager relationship for Abbott.

¹ Non-U.S. dollar denominated Partnership.

² Represents a follow-on commitment to the \$2.8 million commitment made in 2011.

Pipeline of potential investments:

Category	Fund Name	Strategy
VC / Growth Equity	Alta Partners IX	Multi-stage Venture
	Commonwealth Capital Ventures V	Early-stage Venture
	M/C Ventures VII	Multi-stage Venture
	Weston Presidio VI	Late-stage/Growth Equity
Buyouts & Special Situations	ABRY Senior Equity IV	Subordinated Debt
	Advent International GPE VII	Medium Global Buyouts
	Apax Europe VIII	Large Global Buyouts
	Court Square Capital Partners III	Medium North American Buyouts
	CVC European Equity Partners VI	Large Pan-European Buyouts
	EnCap Energy Capital Fund IX	Industry Focused
	First Reserve Fund XIII	Industry Focused
	Friedman, Fleischer & Lowe Capital Partners IV	Hybrid
	Great Hill Equity Partners V	Hybrid
	GI Partners – North American Fund	Hybrid
	KKR North America Fund XI	Large Global Buyouts
	New Mountain Fund IV	Medium North American Buyouts and Special Situations
	Nordic Capital VIII	Medium European Buyouts
	Oak Hill Capital Partners IV	Hybrid
	Resolute Fund III	Medium North American Buyouts
Thomas H. Lee Equity Fund VII	Medium North American Buyouts	
Triton IV	Medium European Buyouts and Special Situations	

Pipeline represents investment opportunities only and an investment decision with respect thereto may not be final. Every investment decision is subject to appropriate due diligence and allocation availability.

IV. Portfolio Review & Partnership Investments

Portfolio Summary – Current & Liquidated

Fund Summary – as of December 31, 2011

Total Partnership Commitments	\$1,661.8 million
Number of Investments	155

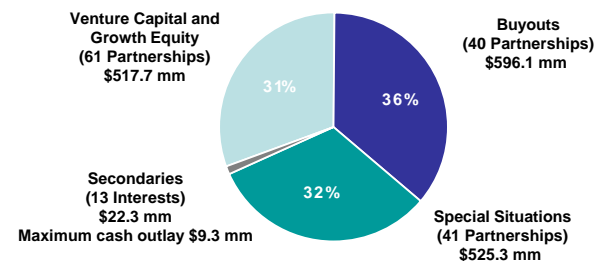
Fund Metrics – as of December 31, 2011

Amount Paid	\$1,297.2 million (78.1%)
Net Distributions*	\$1,074.7 million (64.7%)
Latest Valuation	\$724.3 million
Net IRR	8.8%
Net Multiple (TVPI)	1.4x

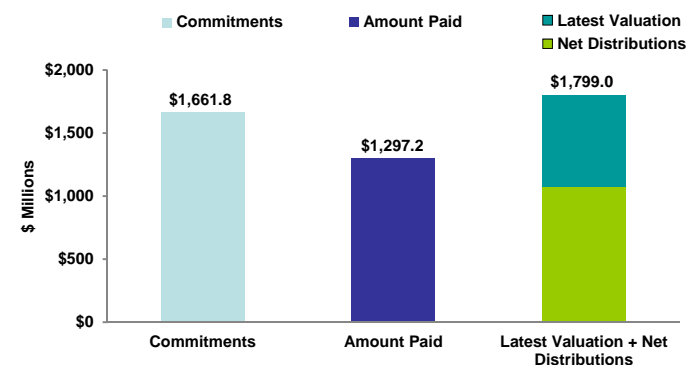
Current Portfolio Metrics – as of December 31, 2011

Underlying portfolio companies	1,796
Underlying portfolio company investments	2,042
Average duration of investments	4.4 years
Number/Percent of Investments valued above cost	876 / 43%
Number/Percent of Investments valued at cost	394 / 19%
Number/Percent of Investments valued below cost	772 / 38%

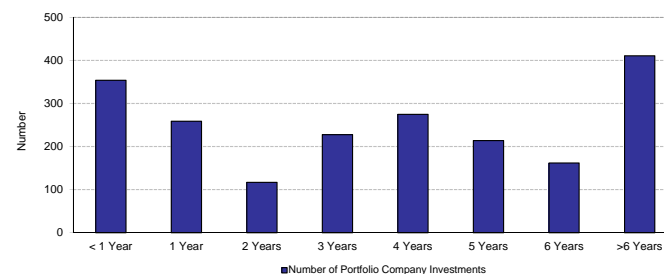
Cumulative Portfolio Commitments – By Style as of December 31, 2011



Fund Metrics – as of December 31, 2011



Current Portfolio Duration – as of December 31, 2011



* Net of gains and losses realized upon the sale of distributed stock, including brokerage and other related commissions.

Please refer to the Important Disclosures page for detail on Abbott's calculation of valuation and return data.

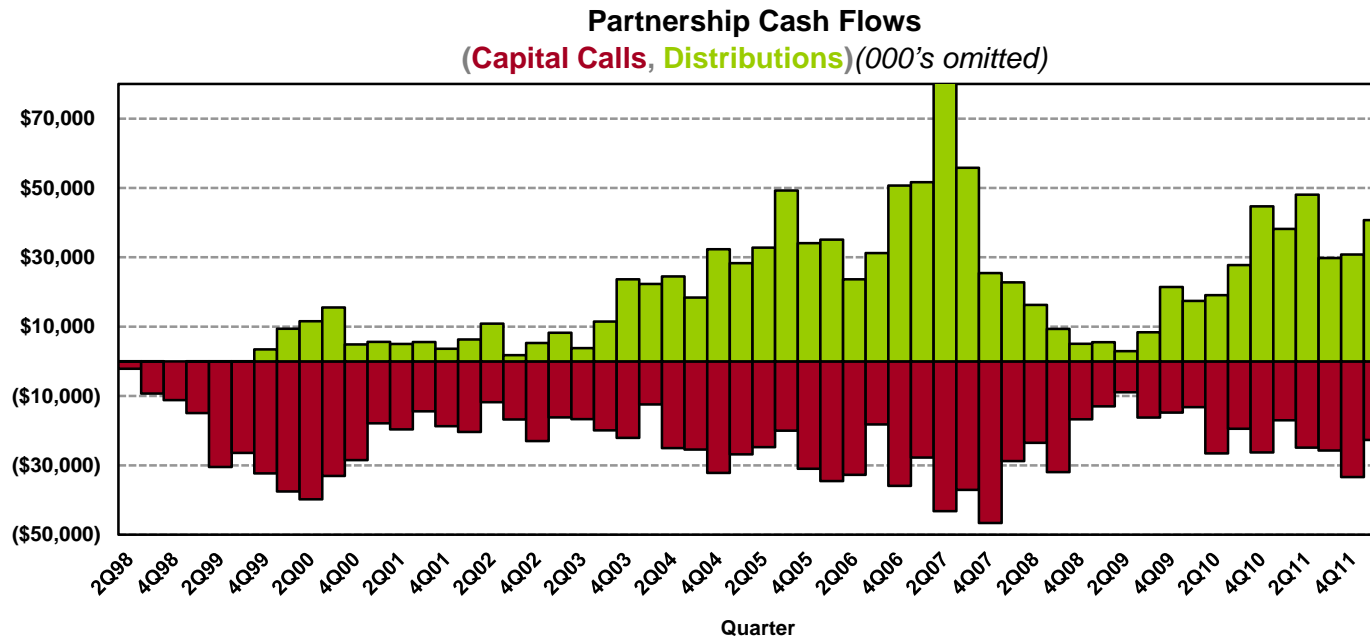
Past returns are not an indicator of future performance or indicative of expected returns. Returns will vary in the future.

ARMB Cash Flows – Current & Liquidated

Partnership Cash Flows

- **Increase in both capital calls and distributions reflect improved deal environment**
 - Capital calls totaled \$101.0 million in 2011, an 18% increase from 2010
 - ARMB received distributions of \$146.8 million in 2011, a 35% increase from 2010

- **83.3% of called capital has been returned by the Partnerships as of December 31, 2011**
 - An additional \$22.7 million was called from 1/1/2012 – 3/31/2012
 - An additional \$40.7 million was distributed from 1/1/2012 – 3/31/2012



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Current Portfolio Company Diversification

Industry

- Current portfolio is well diversified
- Investments in basic industries generally reflect commitments to buyout and special situations funds

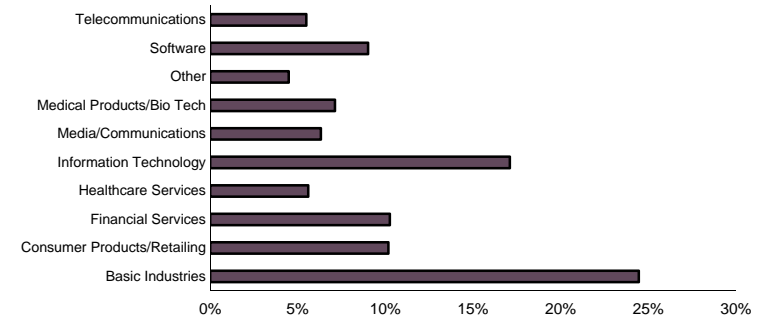
Style

- Venture and growth-oriented portfolio company investments comprise 37% of the portfolio
 - Seed/start-up: 6%
 - Early stage: 11%
 - Late-stage: 20%
- Buyout and special situations comprise 61% of the portfolio (strategies include LBOs, restructuring and industry consolidations)

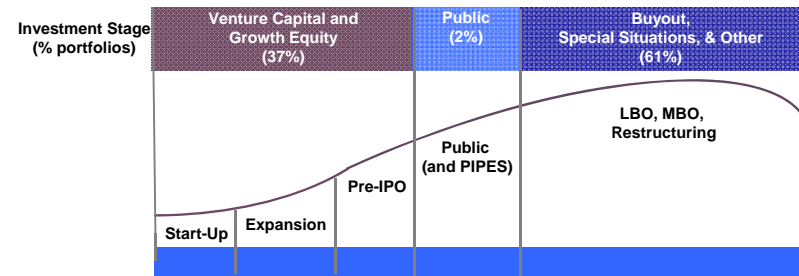
Geography

- Non-U.S. investments reflect principally Western European-based buyouts
- Investments in Asia comprise 3% of the portfolio

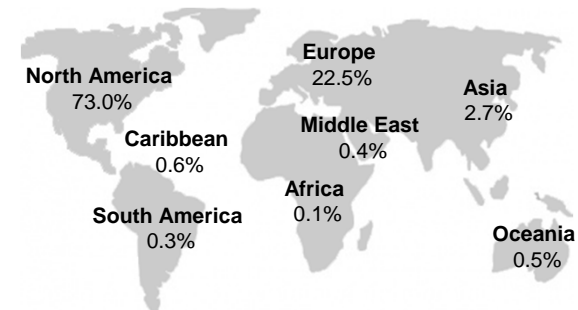
Industry Diversification by Value



Investment Diversification by Value



Geography Diversification by Value



Information is based on the original investment stage and portfolio company values as of December 31, 2011.

Top Ten Portfolio Companies

**Top Ten Portfolio Companies
By Proportionate Value
as of December 31, 2011**

Company Name	Partnership Name
Groupon, Inc.*	Battery Ventures VIII Battery Ventures VIII Side Fund New Enterprise Associates 12
Kosmos Energy Holdings LLC *	Blackstone Capital Partners IV Warburg Pincus Private Equity VIII
Local TV Holdings, LLC	Oak Hill Capital Partners II Oak Hill Capital Partners III
Genpact Limited *	Oak Hill Capital Partners Oak Hill Capital Partners II
KAR Holdings, LLC*	Kelso Investment Associates VII
TJCC Holdings, LLC	The Resolute Fund
Nuance Communications, Inc.*	Warburg Pincus Private Equity VIII Warburg Pincus Private Equity X
NEW Asurion	Madison Dearborn Capital Partners V Welsh, Carson, Anderson & Stowe X
Formula One Group	CVC European Equity Partners IV
RSC Holdings, Inc.*	Oak Hill Capital Partners II
Total Top Ten Portfolio Companies	\$54,201,186

* Denotes publicly traded company.

Proportionate Value is calculated based on ARMB's share of the total reported net asset value of the Partnership.

V. Summary & Outlook

ARMB

- High-quality, well-diversified portfolio in place
- Continued development of ARMB's strategic portfolio through selection of best-of-breed managers
- Fundraising and investment pace improved in YTD 2012
 - Commitment pace for 2012 on target through May
 - Abbott's attractive deal flow of high-quality partnerships in 2012 should enable ARMB to commit approximately \$140.0 million
- Discipline and due diligence remain as important as ever when evaluating new investments

Appendix

Statement of Investments – Current Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Initial Closing Date	Amount Committed	Amount Paid	Total Distributions	Fair Value	IRR
<u>Venture Capital and Growth Equity</u>						
ABS Capital Partners VII	10/27/2011	\$9,000,000	\$0		\$0	
Alta Partners VIII	09/25/2006	\$4,000,000	\$2,800,000		\$1,260,167	
Atlas Venture Fund VI	03/27/2001	\$6,200,000	\$6,200,000		\$1,940,959	
Atlas Venture Fund VII	11/21/2005	\$9,000,000	\$7,923,877		\$8,538,465	
Austin Ventures VI	11/17/1998	\$5,000,000	\$5,000,000		\$783,924	
Austin Ventures VII	10/29/1999	\$8,000,000	\$8,000,000		\$2,453,327	
Austin Ventures VIII	01/29/2001	\$5,533,333	\$5,533,333		\$5,317,263	
Austin Ventures IX	04/01/2005	\$6,000,000	\$5,456,820		\$5,633,739	
Battery Ventures VII	09/30/2004	\$800,000	\$769,778		\$512,378	
Battery Ventures VIII	07/02/2007	\$2,300,000	\$2,183,007		\$2,680,914	
Battery Ventures VIII Side Fund	08/15/2008	\$1,035,000	\$816,707		\$1,263,992	
Battery Ventures IX	02/24/2010	\$2,700,000	\$742,500		\$690,457	
Canaan VII	04/18/2005	\$8,000,000	\$7,200,000		\$8,658,267	
Canaan VIII	11/19/2007	\$8,000,000	\$4,720,000		\$5,868,061	
Columbia Capital Equity Partners II	05/27/1999	\$5,842,450	\$5,839,926		\$737,742	
CCEP II (QP) - Riviera	08/11/2000	\$157,550	\$157,550		\$0	
El Dorado Ventures V	09/17/1999	\$5,000,000	\$5,000,000		\$142,043	
El Dorado Ventures VI	11/29/2000	\$10,000,000	\$8,480,000		\$3,115,354	
El Dorado Ventures VII	02/03/2005	\$10,000,000	\$7,850,000		\$4,453,892	
InterWest Partners VIII	07/10/2000	\$7,500,000	\$7,500,000		\$2,665,281	
InterWest Partners IX	08/17/2004	\$9,000,000	\$7,200,000		\$6,986,079	
JMI Equity Fund V	05/20/2005	\$3,900,898	\$3,755,948		\$3,388,406	
JMI Equity Fund VI	06/14/2007	\$6,800,526	\$6,304,126		\$7,060,764	
JMI Equity Fund VII	07/13/2010	\$6,500,000	\$1,963,000		\$1,869,390	
M/C Venture Partners V	09/14/2000	\$10,000,000	\$9,946,344		\$1,761,299	

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Statement of Investments – Current Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Initial Closing Date	Amount Committed	Amount Paid	Total Distributions	Fair Value	IRR
<u>Venture Capital and Growth Equity</u>						
M/C Venture Partners VI	03/03/2006	\$9,000,000	\$8,119,195		\$9,720,196	
Mayfield X	06/17/1999	\$2,300,000	\$2,300,000		\$49,836	
Mayfield X Annex	05/15/2002	\$338,553	\$220,059		\$41,552	
Mayfield XI	04/14/2000	\$9,000,000	\$7,650,000		\$2,639,306	
Morgan Stanley Dean Witter Venture Partners IV	12/20/1999	\$4,501,306	\$4,501,306		\$663,624	
Morgenthaler Partners VI	03/31/2000	\$6,000,000	\$6,000,000		\$451,403	
Morgenthaler Partners VII	07/19/2001	\$12,000,000	\$12,000,000		\$4,684,801	
New Enterprise Associates VIII	02/19/1999	\$13,031,307	\$13,031,307		\$1,887,974	
New Enterprise Associates 9	01/27/2000	\$11,018,353	\$10,798,353		\$2,704,013	
New Enterprise Associates 10	01/25/2001	\$10,013,479	\$9,863,479		\$3,674,228	
New Enterprise Associates 11	12/05/2003	\$12,000,000	\$11,280,000		\$8,933,032	
New Enterprise Associates 12	04/25/2006	\$17,000,000	\$14,620,000		\$21,274,860	
New Enterprise Associates 13	01/15/2009	\$11,000,000	\$6,655,000		\$7,159,331	
Oak Investment Partners VIII	09/14/1998	\$8,000,000	\$8,000,000		\$250,515	
Oak Investment Partners IX	09/30/1999	\$10,000,000	\$10,000,000		\$915,293	
Oak Investment Partners X	12/01/2000	\$15,000,000	\$15,000,000		\$8,275,245	
Oak Investment Partners XI	07/01/2004	\$15,000,000	\$15,000,000		\$8,813,199	
Oak Investment Partners XII	05/19/2006	\$12,000,000	\$11,013,019		\$10,269,043	
Oak Investment Partners XIII	06/30/2009	\$11,500,000	\$3,111,135		\$3,259,347	
Summit Partners Growth Equity Fund VIII	03/11/2011	\$20,000,000	\$0		\$0	
Summit Partners Private Equity Fund VII-A	05/27/2005	\$17,500,000	\$15,575,000		\$14,229,823	
Summit Partners Venture Capital Fund III	03/11/2011	\$2,800,000	\$0		\$0	
Summit Ventures VI-B	12/07/2000	\$10,000,000	\$10,000,000		\$6,116,094	
TA IX	07/11/2000	\$20,000,000	\$19,400,000		\$4,215,892	
TA X	03/23/2006	\$15,000,000	\$14,475,000		\$10,020,143	

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Statement of Investments – Current Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Initial Closing Date	Amount Committed	Amount Paid	Total Distributions	Fair Value	IRR
<u>Venture Capital and Growth Equity</u>						
TA XI	04/30/2009	\$20,000,000	\$7,650,000		\$8,000,540	
Thomas, McNerney & Partners II	08/03/2006	\$6,500,000	\$4,728,750		\$3,783,304	
Trident Capital Fund-V	10/16/2000	\$7,074,667	\$7,015,865		\$3,743,460	
Trident Capital Fund-VI	11/05/2004	\$10,000,000	\$10,000,000		\$7,850,921	
Trident Capital Fund-VII	01/14/2010	\$6,500,713	\$2,925,713		\$2,744,055	
U.S. Venture Partners VI	12/02/1998	\$5,000,000	\$5,000,000		\$21,793	
U.S. Venture Partners VII	12/09/1999	\$7,791,667	\$7,791,667		\$564,316	
U.S. Venture Partners VIII	01/31/2001	\$7,500,000	\$7,380,000		\$4,452,828	
U.S. Venture Partners X	06/24/2008	\$9,100,000	\$4,004,000		\$5,777,475	
Weston Presidio V	03/06/2006	\$6,500,000	\$5,466,500		\$5,295,156	
Total Venture Capital and Growth Equity		\$510,239,801	\$411,918,264	\$230,465,820	\$250,264,759	+3.77%

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Statement of Investments – Current Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Initial Closing Date	Amount Committed	Amount Paid	Total Distributions	Fair Value	IRR
Buyouts						
Advent International GPE V-D*	02/28/2005	\$16,055,457	\$14,990,493		\$15,253,926	
Advent International GPE VI-A	03/12/2008	\$17,000,000	\$11,339,000		\$12,239,052	
Berkshire Fund VIII	05/11/2011	\$6,500,000	\$350,799		\$317,707	
Blackstone Capital Partners IV	11/09/2001	\$15,171,311	\$14,421,336		\$10,972,309	
Candover 2005 Fund*	08/12/2005	\$11,171,334	\$10,615,528		\$5,505,702	
Candover 2008 Fund*	12/18/2008	\$2,158,393	\$1,782,027		\$938,766	
Cinven Second Fund*	04/30/1998	\$18,451,612	\$17,796,052		\$617,789	
Cinven Third Fund*	07/17/2001	\$33,845,429	\$32,114,547		\$6,020,934	
Cinven Fourth Fund*	02/24/2006	\$11,574,290	\$8,298,093		\$8,596,220	
Cinven Fifth Fund*	12/23/2011	\$18,775,325	\$0		\$0	
CVC European Equity Partners II	06/03/1998	\$10,000,000	\$9,218,056		\$1,366,831	
CVC European Equity Partners III	12/29/2000	\$15,000,000	\$14,325,025		\$5,142,697	
CVC European Equity Partners IV*	07/29/2005	\$26,163,291	\$22,989,944		\$17,937,836	
CVC European Equity Partners V*	04/18/2008	\$16,987,621	\$10,109,736		\$10,638,243	
ECI 8*	04/08/2005	\$9,336,043	\$9,181,512		\$5,304,647	
ECI 9*	12/03/2008	\$10,454,710	\$3,861,387		\$3,198,274	
Eos Capital Partners IV	02/28/2007	\$5,000,000	\$2,354,437		\$1,759,508	
EQT IV*	08/03/2004	\$10,409,853	\$9,999,250		\$9,985,794	
EQT V*	10/23/2006	\$12,004,990	\$11,486,356		\$10,125,708	
Green Equity Investors V	01/30/2007	\$10,348,097	\$7,569,111		\$8,469,260	
Green Equity Investors VI	12/23/2011	\$20,000,000	\$0		\$0	
Harvest Partners VI	05/31/2011	\$10,000,000	\$2,473,586		\$2,394,469	
Kelso Investment Associates VII	12/16/2003	\$25,000,000	\$23,375,774		\$21,595,123	
Kelso Investment Associates VIII	07/13/2007	\$20,000,000	\$8,915,577		\$8,474,665	
KKR 2006 Fund	02/13/2007	\$10,445,661	\$9,837,961		\$9,088,575	

* Non-U.S. dollar denominated Partnership.

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Statement of Investments – Current Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Initial Closing Date	Amount Committed	Amount Paid	Total Distributions	Fair Value	IRR
Buyouts						
Montagu IV*	12/22/2010	\$9,910,970	\$863,787		\$616,966	
Phildrew Ventures Fifth Fund*	04/30/1999	\$3,765,068	\$3,701,952		\$1,524	
The Resolute Fund	09/30/2002	\$20,000,000	\$18,893,624		\$20,407,325	
The Resolute Fund II	04/06/2007	\$20,020,429	\$12,983,690		\$12,652,034	
Thomas H. Lee Equity Fund IV	03/23/1998	\$9,456,157	\$9,021,376		\$0	
Thomas H. Lee Equity Fund V	04/21/2000	\$26,331,706	\$26,102,011		\$9,088,265	
Thomas H. Lee Equity Fund VI	04/27/2007	\$10,576,419	\$7,556,240		\$7,638,978	
Three Cities Fund III	10/08/1999	\$9,558,084	\$9,549,242		\$4,624,163	
Vestar Capital Partners IV	10/20/1999	\$7,908,815	\$7,777,034		\$2,853,886	
Vestar Capital Partners V	08/11/2005	\$12,000,000	\$11,665,312		\$8,699,362	
Welsh, Carson, Anderson & Stowe VIII	07/01/1998	\$25,000,000	\$25,000,000		\$288,294	
Welsh, Carson, Anderson & Stowe IX	06/28/2000	\$20,000,000	\$19,600,000		\$6,245,117	
Welsh, Carson, Anderson & Stowe X	12/15/2005	\$15,086,770	\$14,486,770		\$13,568,864	
Welsh, Carson, Anderson & Stowe XI	06/20/2008	\$20,000,000	\$10,208,403		\$10,881,960	
Total Buyouts		\$571,467,835	\$434,815,028	\$390,859,735	\$273,510,774	+12.07%

* Non-U.S. dollar denominated Partnership.

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Statement of Investments – Current Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Initial Closing Date	Amount Committed	Amount Paid	Total Distributions	Fair Value	IRR
<u>Special Situations</u>						
ABRY Partners VII	04/29/2011	\$3,000,000	\$644,778		\$628,283	
ABRY Senior Equity III	03/31/2010	\$4,500,000	\$3,023,019		\$3,169,454	
Alta Communications VIII	02/23/2000	\$15,000,000	\$14,700,000		\$1,612,490	
Apollo Investment Fund IV	06/30/1998	\$10,000,000	\$9,978,482		\$377,586	
BCI Growth V	02/10/1999	\$10,003,256	\$9,477,376		\$530,736	
Blackstone Communications Partners I	08/04/2000	\$10,828,982	\$8,037,371		\$2,711,251	
EIF United States Power Fund IV	06/01/2011	\$7,000,000	\$1,470,846		\$1,314,939	
EnCap Energy Capital Fund VIII	01/31/2011	\$3,500,846	\$430,420		\$458,129	
EnCap Energy Capital Fund VIII Co-Investors	12/08/2011	\$900,000	\$70,720		\$105,395	
Energy Spectrum Partners VI	03/31/2011	\$7,001,433	\$848,299		\$676,051	
First Reserve Fund X	12/23/2003	\$10,000,000	\$10,000,000		\$4,336,200	
First Reserve Fund XI	07/28/2006	\$15,000,000	\$11,846,299		\$10,228,000	
First Reserve Fund XII	10/30/2008	\$20,040,697	\$14,117,210		\$13,466,000	
GTCR Fund VI	04/24/1998	\$25,000,000	\$25,000,000		\$225,152	
GTCR Fund VII	01/06/2000	\$15,002,243	\$14,889,743		\$65,197	
GTCR Fund VIIA	01/06/2000	\$5,000,000	\$3,312,500		\$20,327	
GTCR Fund VIII	05/12/2003	\$10,000,000	\$9,252,480		\$3,454,949	
GTCR Fund IX	06/23/2006	\$10,000,000	\$9,066,955		\$8,936,277	
GTCR Fund X	10/15/2010	\$20,000,000	\$4,089,721		\$3,819,790	
Hellman & Friedman Capital Partners VII	09/08/2009	\$10,000,000	\$2,085,848		\$1,923,815	
Madison Dearborn Capital Partners III	01/26/1999	\$15,000,000	\$14,875,733		\$192,806	
Madison Dearborn Capital Partners IV	11/21/2000	\$13,000,000	\$12,581,554		\$5,657,614	
Madison Dearborn Capital Partners V	02/16/2006	\$15,637,774	\$13,150,215		\$13,087,693	
Madison Dearborn Capital Partners VI	07/11/2008	\$20,911,322	\$5,629,457		\$6,145,835	
Mezzanine Management Fund III	06/22/2000	\$8,063,342	\$7,845,672		\$652,913	

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Statement of Investments – Current Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Initial Closing Date	Amount Committed	Amount Paid	Total Distributions	Fair Value	IRR
<u>Special Situations</u>						
Oak Hill Capital Partners	04/01/1999	\$10,000,000	\$9,996,082		\$2,114,975	
Oak Hill Capital Partners II	12/17/2004	\$25,000,000	\$24,301,035		\$27,603,984	
Oak Hill Capital Partners III	11/21/2007	\$20,000,000	\$13,279,045		\$13,703,620	
Spectrum Equity Investors V	02/17/2005	\$15,000,000	\$14,062,500		\$12,436,900	
Spectrum Equity Investors VI	11/10/2008	\$7,500,000	\$2,456,250		\$2,252,874	
Summit Partners Subordinated Debt Fund IV-A	04/02/2008	\$8,000,000	\$4,160,000		\$4,418,290	
TA Subordinated Debt Fund	03/10/2000	\$15,000,000	\$15,000,000		\$423,233	
TA Subordinated Debt Fund III	05/18/2009	\$5,000,000	\$1,975,000		\$1,988,874	
Trident V (Stone Point)	09/22/2010	\$15,016,858	\$3,903,713		\$3,627,680	
VS&A Communications Partners III	02/05/1999	\$7,500,000	\$7,440,476		\$723,690	
Warburg Pincus Private Equity VIII	02/26/2002	\$20,069,361	\$20,069,361		\$20,411,976	
Warburg Pincus Private Equity X	10/05/2007	\$20,000,000	\$18,240,000		\$18,349,339	
Warburg, Pincus Equity Partners	06/11/1998	\$25,000,000	\$25,000,000		\$1,225,639	
Total Special Situations		\$477,476,114	\$366,308,159	\$316,597,035	\$193,077,956	+9.03%

Please refer to the Important Disclosures page for detail on Abbott's calculation of valuation and return data.
Past returns are not an indicator of future performance or indicative of expected returns. Returns will vary in the future.

Statement of Investments – Current Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Type	Purchase Date	Maximum Cash Outlay	Amount Paid	Total Distributions	Fair Value	IRR
<u>Secondaries</u>							
M/C Venture Partners V	VC and Growth Equity	12/31/2007	\$2,705,634			\$465,385	
Morgenthaler Partners VI	VC and Growth Equity	05/06/2003	\$147,000			\$22,568	
Morgenthaler Partners VII	VC and Growth Equity	05/16/2005	\$690,962			\$303,938	
Oak Investment Partners IX	VC and Growth Equity	12/31/2003	\$322,387			\$99,500	
Oak Investment Partners VIII	VC and Growth Equity	12/31/2003	\$75,508			\$23,626	
Oak Investment Partners X	VC and Growth Equity	07/02/2003	\$311,998			\$224,159	
Oak Investment Partners X	VC and Growth Equity	12/31/2003	\$701,390			\$566,782	
Oak Investment Partners XII	VC and Growth Equity	12/31/2008	\$571,266			\$733,382	
Three Cities Fund III	Buyouts	06/24/2003	\$1,794,926			\$2,312,082	
U.S. Venture Partners VI	VC and Growth Equity	01/01/2009	\$57,271			\$9,293	
U.S. Venture Partners VII	VC and Growth Equity	01/01/2009	\$245,954			\$190,667	
U.S. Venture Partners VIII	VC and Growth Equity	01/01/2009	\$903,065			\$2,335,018	
Total Secondaries			\$8,527,361	\$8,375,349	\$11,634,989	\$7,286,400	+24.88%

Please refer to the Important Disclosures page for detail on Abbott's calculation of valuation and return data.
Past returns are not an indicator of future performance or indicative of expected returns. Returns will vary in the future.

Statement of Investments – Liquidated Portfolio

ABBOTT CAPITAL

As of December 31, 2011

Partnerships	Initial Closing Date	Amount Committed	Amount Paid	Total Proceeds	IRR
<u>Liquidated</u>					
Alta Communications VII	07/09/1998	\$12,000,000	\$12,000,000	\$11,358,601	
First Reserve Fund VIII	04/07/1998	\$20,789,303	\$20,019,582	\$39,941,067	
First Reserve Fund IX	03/09/2001	\$15,000,000	\$15,000,000	\$44,971,370	
Kelso Investment Associates VI	06/01/1998	\$25,000,000	\$21,147,011	\$29,514,170	
M/C Venture Partners IV	01/05/1999	\$7,500,000	\$6,937,500	\$5,202,148	
M/C Venture Partners IV - <i>Secondary</i>	12/31/2007	\$1,000,000	\$700,000	\$493,184	
Total Liquidated		\$81,289,303	\$75,804,093	\$131,480,540	+13.39%

	<u>Amount Committed</u>	<u>Amount Paid</u>	<u>Total Distributions</u>	<u>Latest Valuation</u>
Total Partnerships – Current & Liquidated Portfolio	\$1,661,809,356	\$1,297,220,894	\$1,081,038,120	\$724,139,889

Please refer to the Important Disclosures page for detail on Abbott's calculation of valuation and return data. Past returns are not an indicator of future performance or indicative of expected returns. Returns will vary in the future.

BlackRock

Mandate: S&P 500 Stock Index Fund

Hired: March 2009 (Barclays)

Firm Information

On December 1, 2009, BlackRock purchased Barclays Global Investors. Barclays had been managing funds in the SBS and Deferred Comp programs since 2002.

S&P 500 Equity Index Fund assets under management: \$105.4 billion (as of 03/31/12)

Key Executives:

Richard Kushel, Head of Portfolio Management Group

Amy Schioldager, Global Head of Index Equity

Almond Goduti, Managing Director

Amber Cristman, Vice President, Primary Account Manager

Benchmark: S&P 500 Index

Investment Approach

BlackRock pioneered an investment philosophy based on Total Performance Management, the conscious and structured balancing of risk, return and cost in the delivery of investment results to clients. This three-pronged philosophy is utilized across all BlackRock index equity and fixed income strategies. Index composition, changes and transaction costs are systematically analyzed through Index Research and Trading Research groups to integrate ideas into the portfolio construction process. Investment in research on these two fronts ensures that the passive mandates provide the performance that is expected.

Portfolio managers implement the index strategies by rebalancing the portfolio and working with the trading desk to efficiently execute desired trades; managers are responsible for managing sector/industry allocations to benchmarks, rebalancing activity, corporate actions, contributions and withdrawals. Investment Strategists act as liaisons between the portfolio management team, the client service channel and the client. The traders have primary responsibility to developing and executing the most cost-effective trading strategies for all client and fund accounts.

Total ARMB Mandate & Fees

Assets Under Management:

03/31/11:	\$127,353,889
03/31/12:	\$131,762,751

Fee Schedule:

0.035% of assets

Concerns: None.

Performance (net of fees)

	<u>Last Quarter</u>	<u>Since Inception</u> <u>(03/27/2009)</u>
BlackRock	12.57%	18.50%
Benchmark	12.59%	18.54%

BlackRock

Mandate: Gov/Credit Bond Fund

Hired: March 2009 (Barclays)

Firm Information

On December 1, 2009, BlackRock purchased Barclays Global Investors. Barclays had been managing funds in the SBS and Deferred Comp programs since 2002.

Government/Credit Bond Index Fund assets under management: \$1.07 billion (as of 03/31/12)

Key Executives:

Tim Webb, Chief Investment Officer of Model Based and Index Fixed Income
Richie Prager, Managing Director, Head of Global Trading
Amber Cristman, Vice President, Primary Account Manager

Benchmark: Barclays Gov/Credit Bond

Investment Approach

BlackRock pioneered an investment philosophy based on Total Performance Management, the conscious and structured balancing of risk, return and cost in the delivery of investment results to clients. This three-pronged philosophy is utilized across all BlackRock index equity and fixed income strategies. Index composition, changes and transaction costs are systematically analyzed through Index Research and Trading Research groups to integrate ideas into the portfolio construction process. Investment in research on these two fronts ensures that the passive mandates provide the performance that is expected.

The Fixed Income team is responsible for this fund, with Tim Webb, CIO holding ultimate responsibility for investment and business decisions, including oversight of the portfolio management and trading teams. The portfolio managers, relying on the analytics and input from the Index Fixed Income research, implement the strategy by rebalancing the portfolio and working with the trading desk to efficiently execute desired trades. The portfolio managers are responsible for monitoring the daily investment process, ensuring integrity of all inputs and reviewing recommended trade lists and portfolios to ensure that the investment process is functioning as intended.

Total ARMB Mandate & Fees

Assets Under Management:

03/31/11:	\$83,556,688
03/31/12:	\$97,668,225

Fee Schedule:

0.13% of assets

Concerns: None.

Performance (net of fees)

	<u>Last Quarter</u>	<u>Since Inception</u> <u>(03/27/2009)</u>
BlackRock	0.06%	7.30%
Benchmark	0.08%	7.66%

BlackRock

Mandate: Intermediate Bond Fund

Hired: March 2009 (Barclays)

Firm Information

On December 1, 2009, BlackRock purchased Barclays Global Investors. Barclays had been managing funds in the SBS and Deferred Comp programs since 2002.

Intermediate Bond Fund assets under management: \$17.39 billion (as of 03/31/12)

Key Executives:

Tim Webb, Chief Investment Officer of Model Based and Index Fixed Income

Richie Prager, Managing Director, Head of Global Trading

Amber Cristman, Vice President, Primary Account Manager

Benchmark: Barclays Gov Intermediate Bond

Investment Approach

BlackRock pioneered an investment philosophy based on Total Performance Management, the conscious and structured balancing of risk, return and cost in the delivery of investment results to clients. This three-pronged philosophy is utilized across all BlackRock index equity and fixed income strategies. Index composition, changes and transaction costs are systematically analyzed through Index Research and Trading Research groups to integrate ideas into the portfolio construction process. Investment in research on these two fronts ensures that the passive mandates provide the performance that is expected.

The portfolio managers, relying on the analytics and input from the Index Fixed Income research, implement the strategy by rebalancing the portfolio and working with the trading desk to efficiently execute desired trades. The portfolio managers are responsible for monitoring the daily investment process, ensuring integrity of all inputs and reviewing recommended trade lists and portfolios to ensure that the investment process is functioning as intended. The trading team's duty is to minimize the implementation shortfall of the trade list, including opportunity cost. The team also includes investment strategists who coordinate and oversee the strategic business and client needs.

Total ARMB Mandate & Fees

Assets Under Management:

03/31/11:	\$28,519,857
03/31/12:	\$30,676,092

Fee Schedule:

0.13% of assets

Concerns: None.

Performance (net of fees)

	<u>Last Quarter</u>	<u>Since Inception</u> <u>(03/27/2009)</u>
BlackRock	-0.42%	3.69%
Benchmark	-0.38%	3.88%

Alaska Retirement Management Board

June 21, 2012

Table of Contents

I. Executive Summary

II. Fixed Income Overview

III. BlackRock Equity Indexing

Appendix

I. Executive Summary

Executive Summary: Recent Performance

Alaska Retirement Management Board

Alaska Deferred Comp-Equity T (inception 27 March 2009)	May 2012 %	Q1 %	Since inception %
Equity Index Non-Lending	-6.01	12.57	18.50
S&P 500 Index	-6.01	12.59	18.54
Difference	0.00	-0.02	-0.04
AUM			\$122,707,582

Alaska Supplemental Annuity Plan (inception 27 March 2009)	May 2012 %	Q1 %	Since inception %
Alaska Def Comp Gov/Credit Non-Lending Fund	1.20	0.06	7.30
Barclays Government/Credit Index	1.22	0.08	7.66
Difference	-0.02	-0.02	-0.36
AUM			\$50,442,212

Alaska Deferred Comp- Gov/Credit E (inception 27 March 2009)	May 2012 %	Q1 %	Since inception %
Alaska Def Comp Gov/Credit Non-Lending Fund	1.20	0.06	7.30
Barclays Government/Credit Index	1.22	0.08	7.66
Difference	-0.02	-0.02	-0.36
AUM			\$32,896,271

Performance as of 05/31/12. Net of Fee funds.

Executive Summary: Recent Performance

Alaska Retirement Management Board

Alaska Public Employee Retirement System (inception 27 March 2009)	May 2012 %	Q1 %	Since inception %
Alaska Def Comp Gov/Credit Non-Lending Fund	1.20	0.06	7.30
Barclays Government/Credit Index	1.22	0.08	7.66
Difference	-0.02	-0.02	-0.36
AUM			\$9,218,601

Alaska Teachers' Retirement System (inception 27 March 2009)	May 2012%	Q1 %	Since inception %
Alaska Def Comp Gov/Credit Non-Lending Fund	1.20	0.06	7.30
Barclays Government/Credit Index	1.22	0.08	7.66
Difference	-0.02	-0.02	-0.36
AUM			\$4,099,753

Alaska Deferred Comp- Int Gov E (inception 27 March 2009)	May 2012 %	Q1 %	Since inception %
Alaska Def Comp Int Gov Non-Lending Fund	0.67	-0.42	3.69
Barclays Intermediate Government Index	0.67	-0.38	3.88
Difference	0.00	-0.04	-0.19
AUM			\$31,309,662

Total AUM **\$250,674,082**

Performance as of 05/31/12. Net of Fee funds.

II. Fixed Income Overview

Table of contents

- I. Index Overview
- II. Account Review
- III. Market Update

Appendix

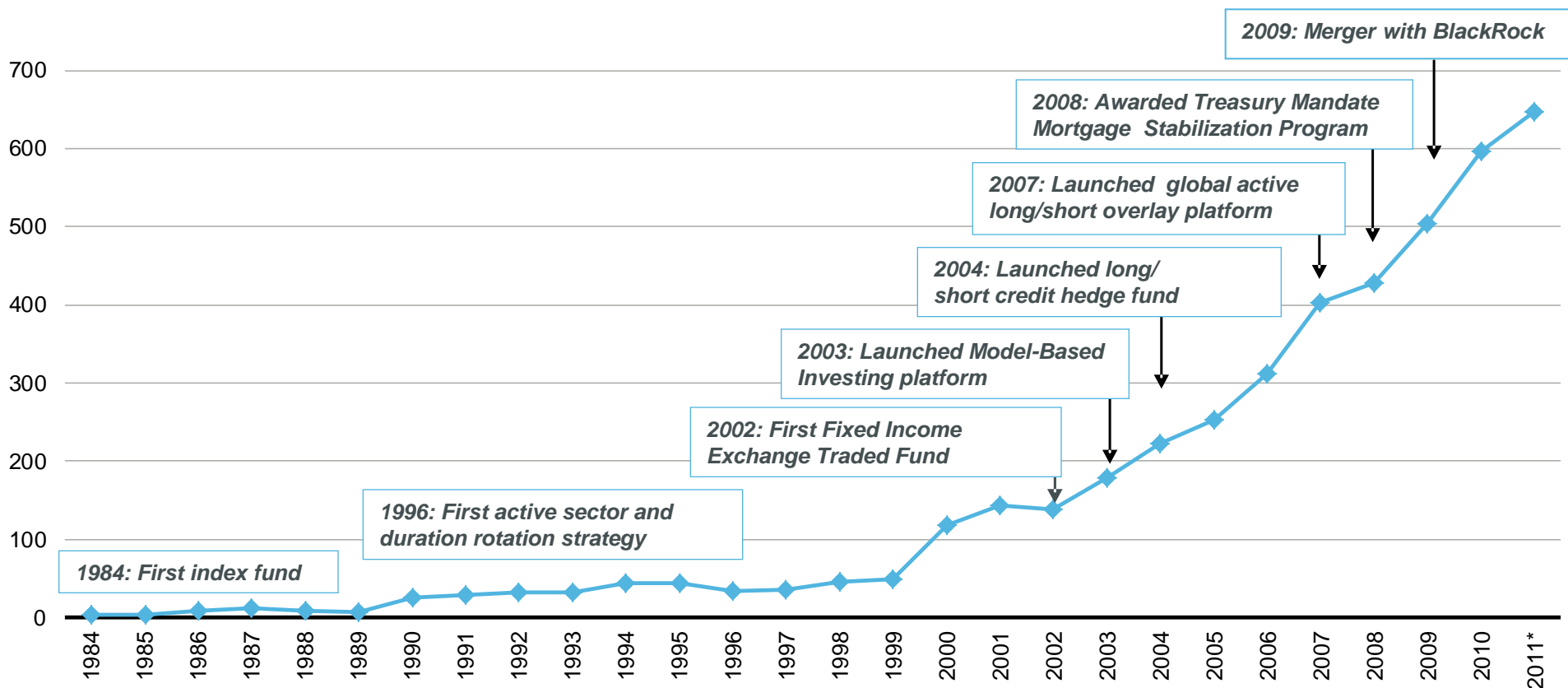
I. Index Overview

BlackRock model-based global fixed income Pioneer for over 25 years

Pioneer in:

- Fixed Income index investing — largest fixed income index and ETF manager globally
- Model-Based active fixed income management

BlackRock model-based Global fixed income assets under management (\$ billions)

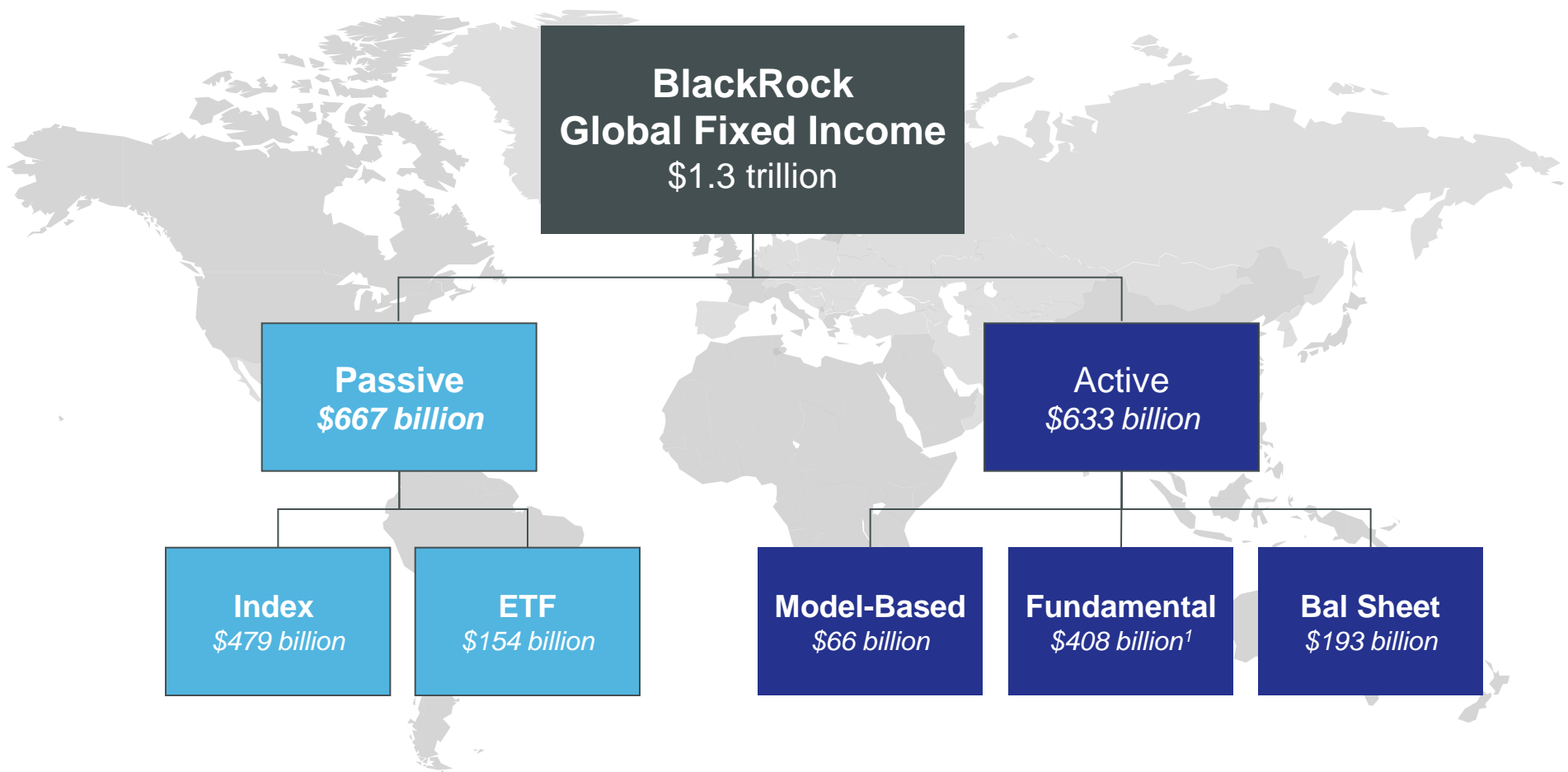


* As of 31 December 2011

Fixed Income investing at BlackRock

Benefits of BlackRock's unique size and scale

- Talent: Over 400 fixed income professionals allows for extensive market coverage
- Risk Management: Proprietary analytics platform overseeing \$9 trillion in fixed income
- Trading: Global execution platform provide unique access to liquidity
- Trust: Fiduciary commitment to advising and serving clients, and clients only



AUM in USD as of 31 December 2011

1. Portfolios moving to Financial Management Advisory (FMA) accounted for \$32.4 billion of the change in Fundamental Active AUM during the quarter.

BlackRock Fixed Income Organization

	Fundamental Investment Strategy	Global Fixed Income Portfolio Management	Model-Based Investment Strategy	
	Rick Rieder – CIO Scott Thiel – Deputy CIO	Peter Fisher Head of Fixed Income Portfolio Management Mark Paltrowitz – Performance Andy Phillips – Product Strategy	Tim Webb – CIO Tom Parker – Deputy CIO	
	Tax Exempt	Credit, Rates, and Alternative Strategies	Multi-Sector	EMEA/APAC and Global Alpha
Head of Business	Peter Hayes	Rick Rieder	Kevin Holt	Tim Webb
Investment Leads	Henderson <i>Liquidity Portfolios</i>	Rieder – R3 Spodek – Obsidian	Bassas – North America LDI	Webb / Parker – Global Alpha Strategies
	Jaeckel / O'Connor <i>Funds Portfolios</i>	Keenan – Leveraged Finance Phelps – European Credit	Jacobs – Financial Institutions Group	Thiel – Global/Euro Krautzberger – European Sterling Winship – Sterling
	Pruskowski <i>Institutional Portfolios</i>	Dickstein/ Sion – Mortgages Miller – Multi-Sector Mutual Funds	Musmanno – Short Duration	Harper – EMEA Portfolio Solutions
	Gorman <i>SMA Portfolios</i>	Roberston – Securitized Cucunato – US IG Credit Pellicciaro – Rates	Radell – North America Portfolio Solutions Weinstein – Institutional Multi-Sector Hegarty – Global Inflation-Linked & TIPS	Kim – Asia-Pac Endo – Japan Miller – Australia Trigo-Paz** – Emerging Markets Sobel – iShares
Product Strategy Leads	Ken Jacob	Robert Stanley*	Chris Barr / Kelly Campbell	Jon Cohen / David Gibbon Dominic Pegler***

* Head of Retail Fixed Income and Private Investors

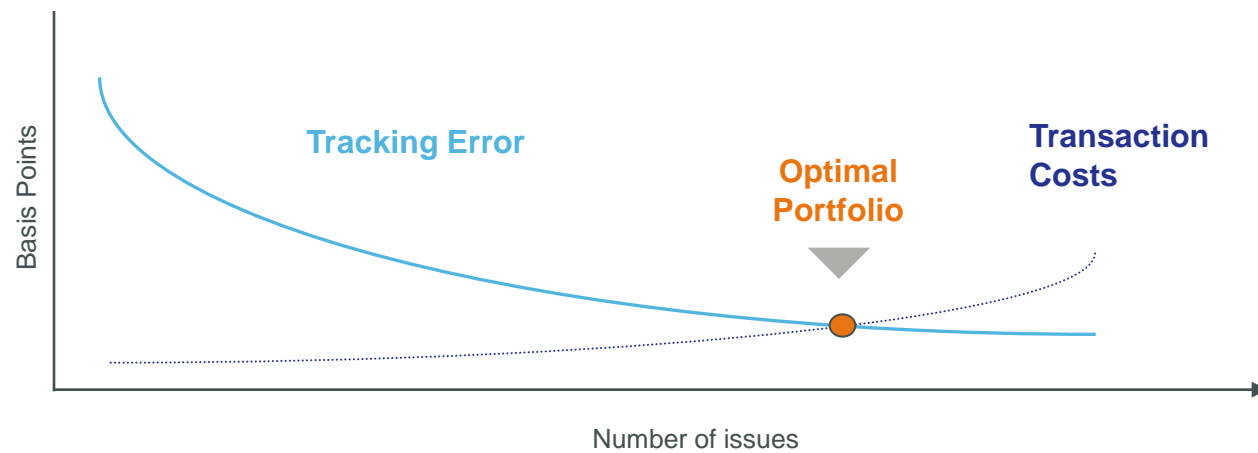
** Joins BlackRock in July 2012

*** APAC resource reporting into Joel Kim, Head of Asia Pacific

Fixed Income indexing: different market, different strategy

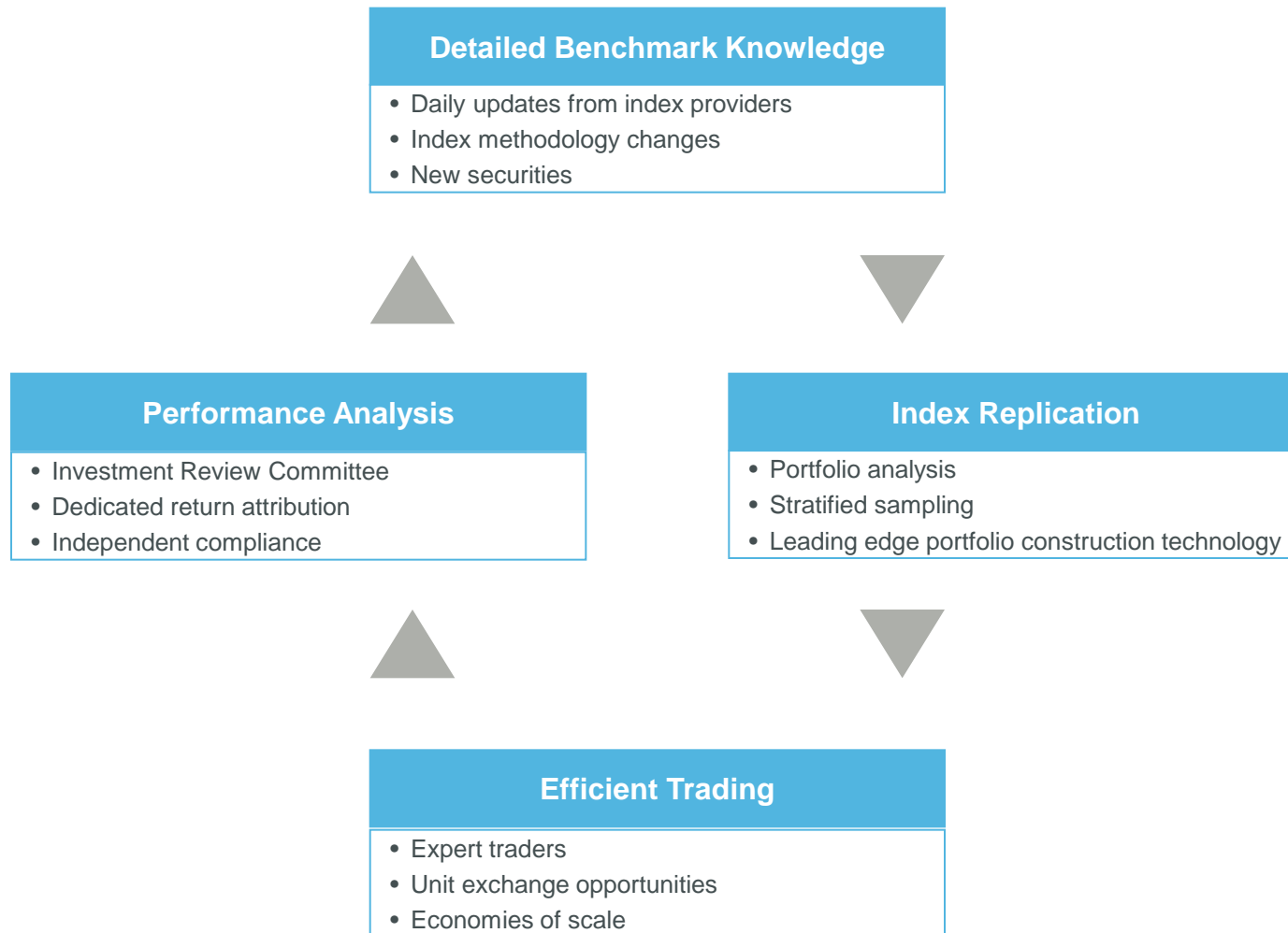
Quantitative process balances tracking error & transaction costs

- Unlike equities, Fixed Income is not traded on exchanges
- Prohibitive costs, uncertain liquidity, and issue scarcity often makes perfect replication infeasible
- Index process optimizes marginal contribution to tracking error with T-Costs



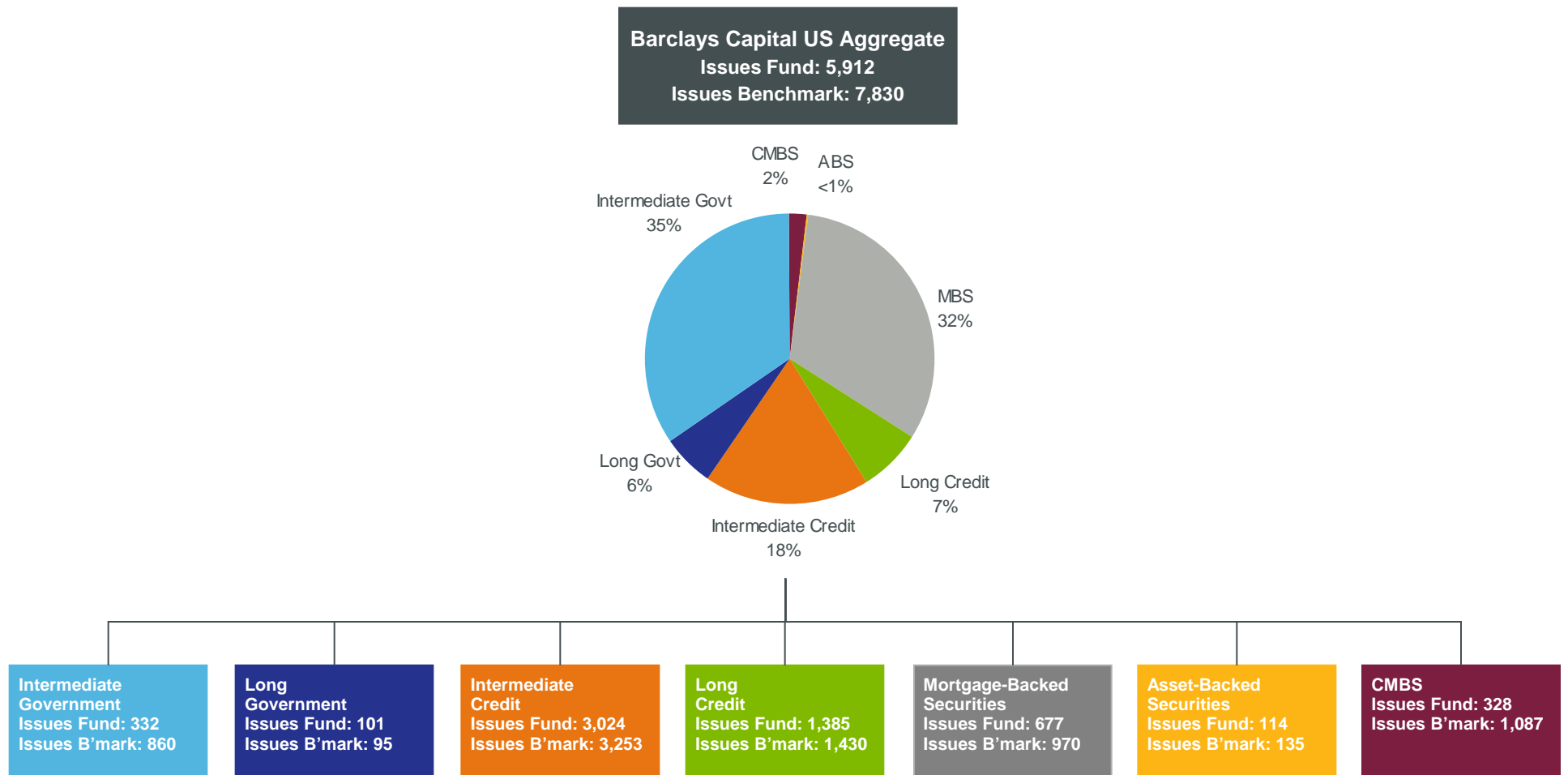
For illustrative purpose only.
Source: BlackRock

Index Portfolio Construction Process



Modular Fund Design

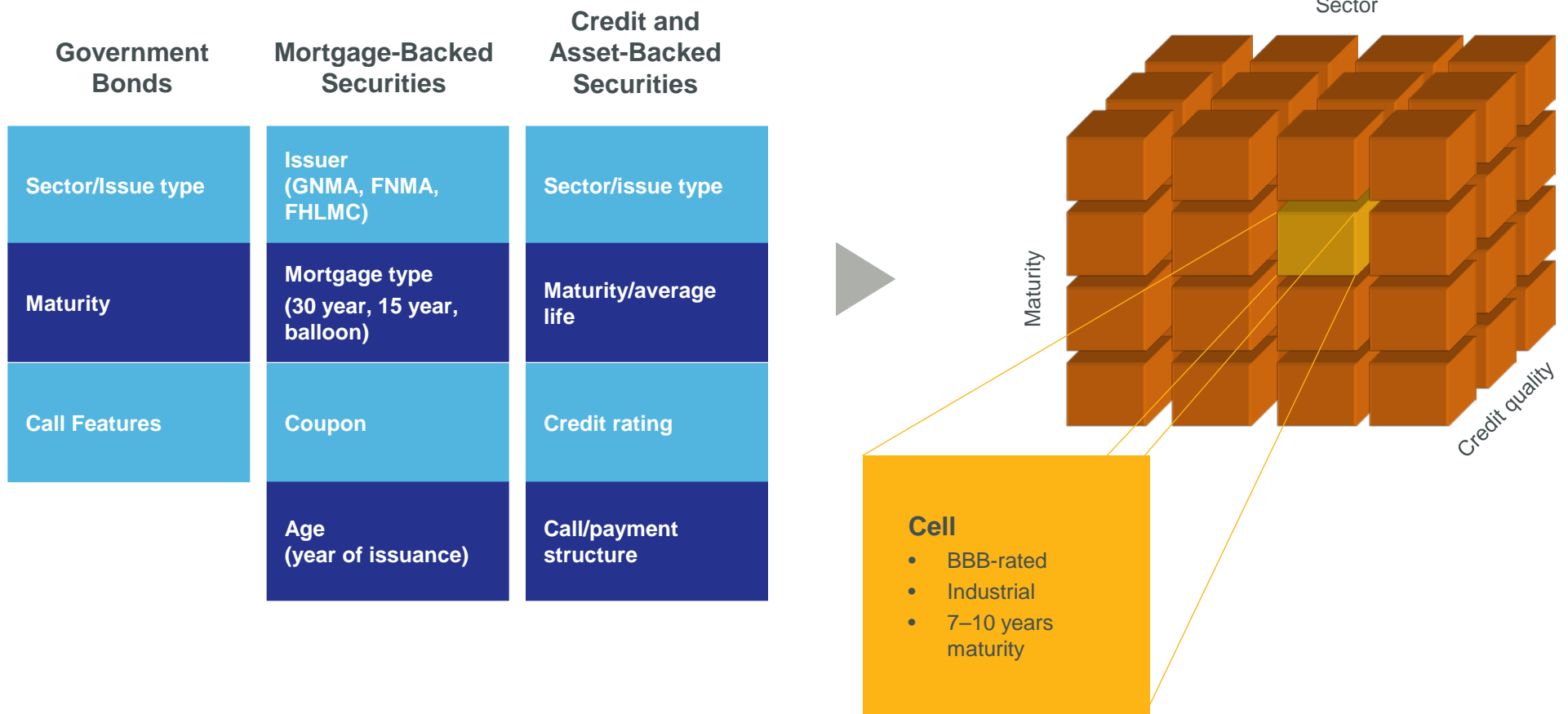
BlackRock's modular fund design leverages our scale and facilitates crossing opportunities for clients



Source: BlackRock; data as of 31 December 2011

Portfolio construction

Stratified sampling methodology: Dividing the various indexes into subsets (cells) based upon relative parameters



Portfolios are constructed by sampling bonds from each index cell

Portfolio construction: Sample/Optimize

Part 1

Stratify Universe by Risk Cells

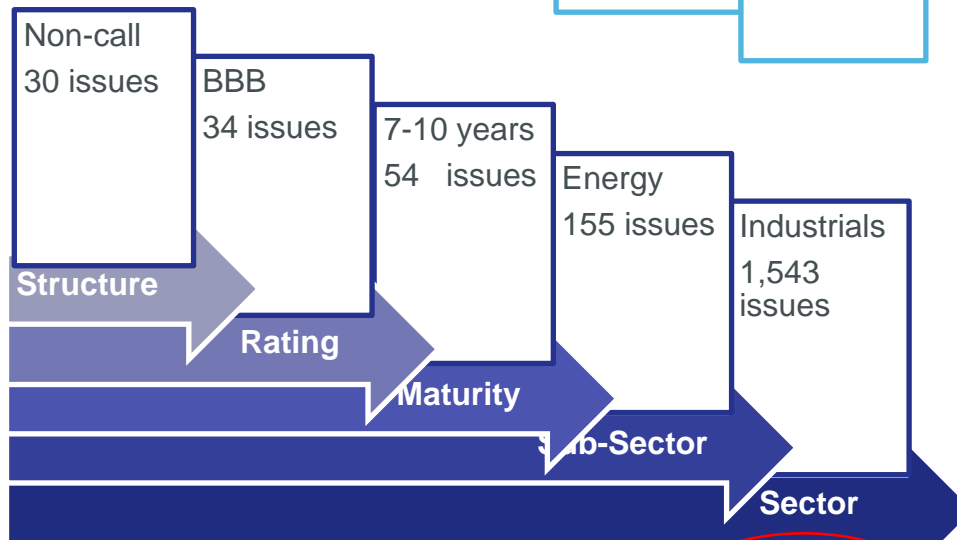
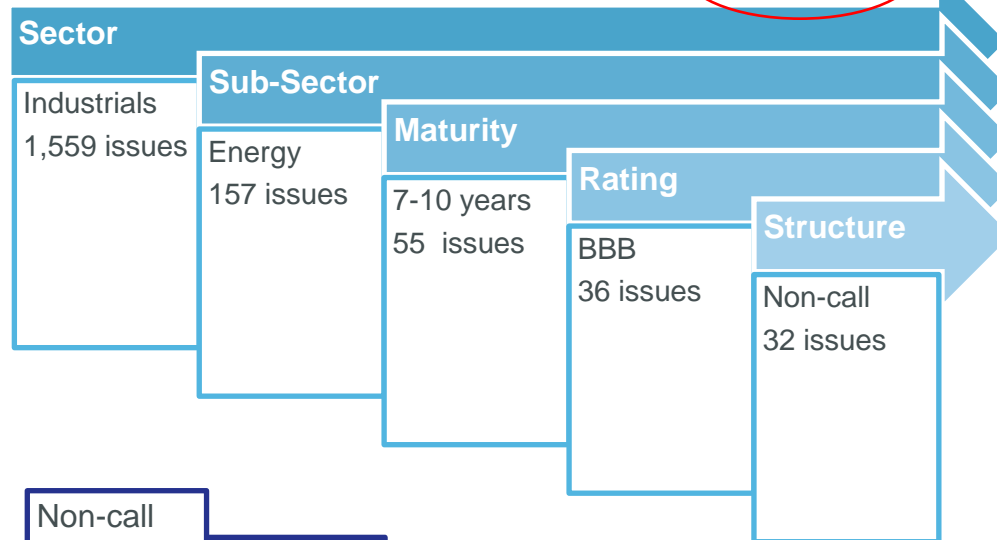
- Sector
- Industry / sub-sector
- Maturity
- Credit
- Optionality

Part 2

Optimize by Risk Factors

- Key Rate Duration
- Convexity
- Duration Times Spread
- T-Cost

Barclays Capital Intermediate Credit Index: 3,253 issues

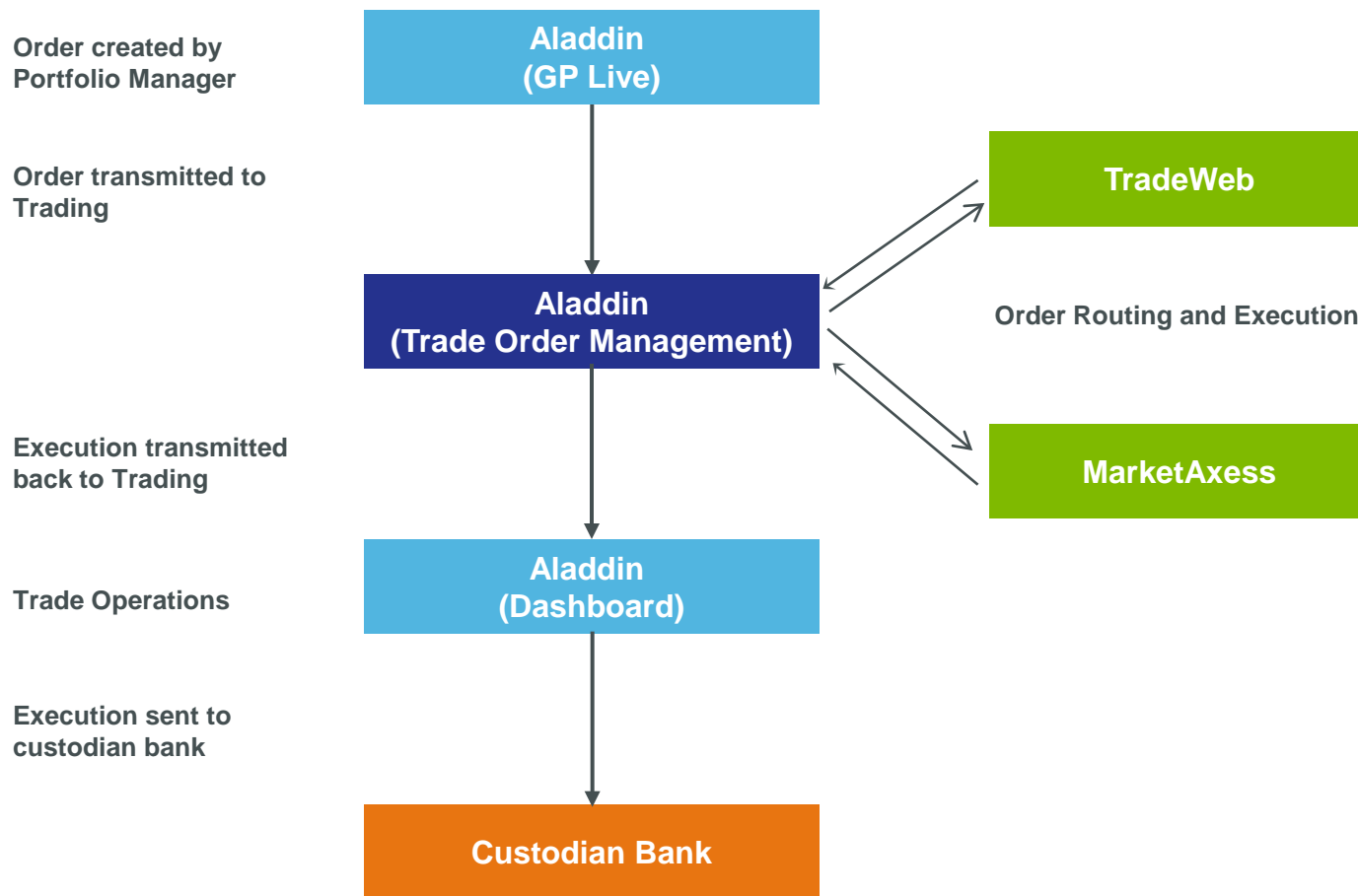


BlackRock Intermediate Credit Bond Index: 3,024 issues

Source: BlackRock; data as of 31 December 2011

Efficient trading

Electronic linkages between systems

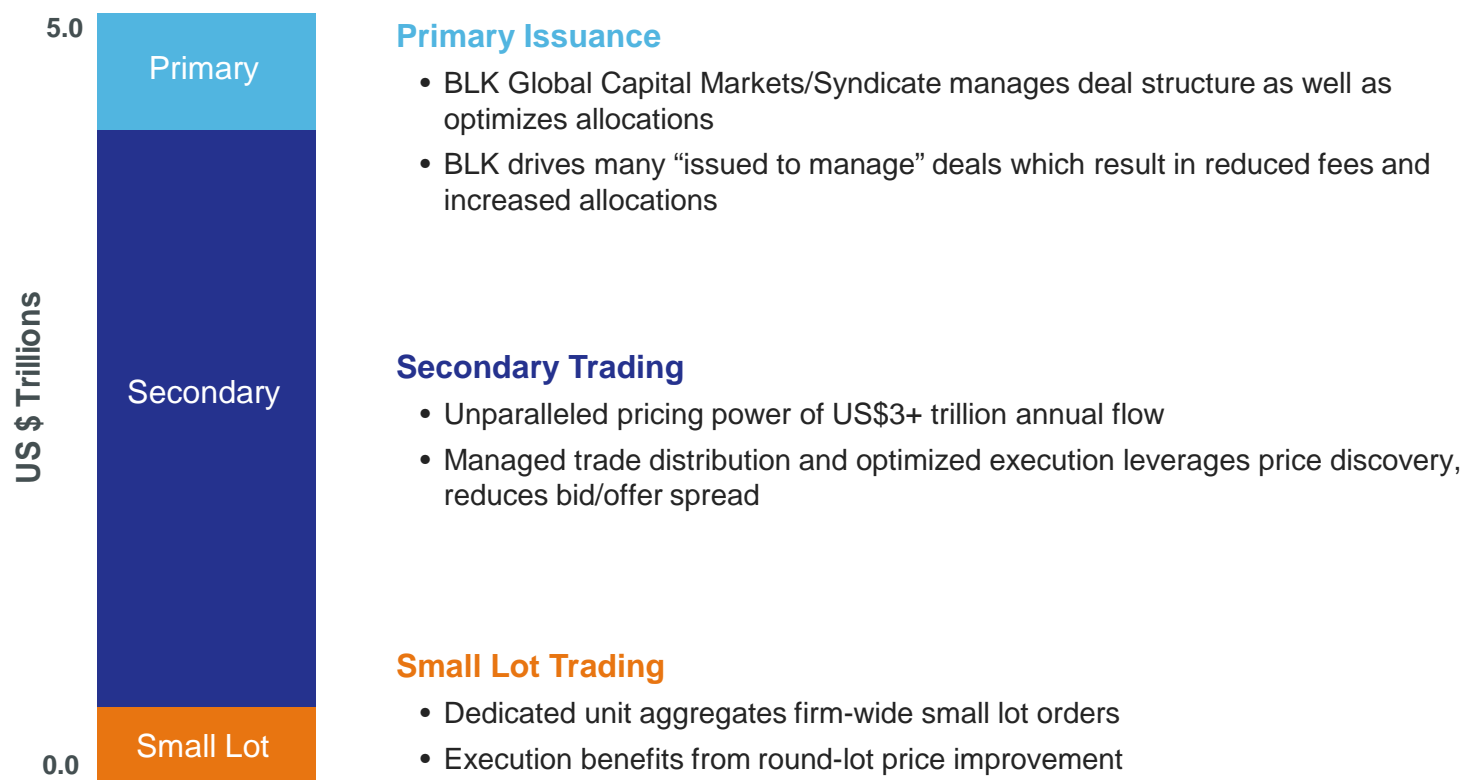


BlackRock Global Fixed Income Trading

Executing on Scale

BlackRock traded \$5 trillion of fixed income last year

The uniqueness of our breadth and depth benefits our trading experience at all levels of execution



Source: BlackRock; Data as of 31 December 2010

Risk Management

Aladdin® Enterprise System

“One Database, One System, One Process”

- \$9.5 tln maintained and analyzed across 2 million positions
- 180 million option adjusted calculations per week
- 8,000 live portfolios held by 6,000 Aladdin users

The screenshot displays the Aladdin Enterprise System interface. The top window is titled "GREENPACKAGE" and shows a "Risk Country Bloc Summary Exposure Report" for 07-SEP-2010. Below this is a table with columns for Market Index (USD, EUR, JPY) and various GOVT and Libor indices. The bottom window is titled "PORTFOLIORISKTOOLS" and shows a "Risk Calc" window. The "Report" is set to "Contribution to Analytical Risk" and "Using" is set to "Portfolio". The "Portfolio" field is empty, and the "NAV" is 1,251,966,622 EUR. The "Benchmark" is set to "1 Primary" and is "MEMUGOVAAA - BofA ML EMU Direct Governments AAA 10+ Year Index". The "Portfolio Risk" is 1125 bps, the "Benchmark Risk" is 1125 bps, and the "Active Risk" is 0 bps. The "Active Risk" value is circled in red.

Market Index	3M GOVT	6M GOVT	1Yr GOVT	2Yr GOVT	3Yr GOVT	5Yr GOVT	10Yr GOVT	30Yr GOVT	1M Libor	3M Libor	CDX.NA.HY.14	CDX.NA.IG.14
USD	0.1320	0.1830	0.2350	0.4900	0.7420	1.4060	2.6070	3.6690	0.2577	0.2919	571.3	107.1
EUR	0.2525	0.3735	1.1700	1.7600	2.3000	3.2800	4.8300	5.1300	0.6170	0.8810	571.3	107.1
JPY	0.1100	0.1100	0.1100	0.1300	0.1900	0.3700	1.1400	1.9700	0.1481	0.2300	571.3	107.1

Fund/ Sector	Market Value (m)	Count	%NAV			Duration			Duration Contribution		
			Port	Bench	Active	Port	Bench	Active	Port	Bench	Active
[-] TOTAL ASSETS	1,251,967	36	100.00	100.00		13.58	13.58	-0.00	13.58	13.58	-0.00
[-] CASH	0	0									
[-] Cash Equiv and FX	302	1	0.02		0.02	0.00		0.00			
[-] Euro Bloc	1,251,665	35	99.98	100.00	-0.02	13.58	13.58	0.00	13.58	13.58	-0.00
[-] Austria	92,517	4	7.39	7.36	0.03	11.74	11.78	-0.04	0.87	0.87	0.00

II. Account Review

Government/Credit Bond Index Non-Lendable Fund "E"

	Government/Credit Bond Index NL Fund "E"	Barclays Gov/Credit Bond Index
Market value (\$B)	0.11	10,866.33
# Issues	4,848	5,763
Characteristics		
Coupon (%)	3.62	3.50
Nominal yield (%)	1.79	1.79
Current yield (%)	3.30	3.17
Yield to maturity (YTM) (%)	1.80	1.81
Weighted avg life (yrs)	7.99	8.01
Effective duration (yrs)	5.61	5.62
Spread duration	2.80	2.80
Option adjusted spread (bps)	67	67
Convexity	0.64	0.64
Avg price (\$)	107.86	109.61
Moody rating	Aa2	Aa2
S&P rating	AA-	AA-

	Government/Credit Bond Index NL Fund "E"	Barclays Gov/Credit Bond Index
Sector breakdown (mkt val %)		
Treasury	52.44	53.34
Agencies	7.92	8.00
Financials	10.24	10.24
Industrials	16.82	16.67
Utilities	3.33	3.39
Non-US credit	6.81	6.85
Taxable muni	1.38	1.50
Cash	1.06	0.00
Quality breakdown (mkt value%)		
AAA or above	65.09	65.10
AA	4.85	4.83
A	16.04	16.10
BBB	14.02	13.98
Weighted avg life breakdown (mkt val %)		
0-1	2.22	0.88
1-2	16.07	16.70
2-3	13.41	14.98
3-5	21.34	20.92
5-7	15.20	13.44
7-10	13.45	14.56
10-20	4.65	4.92
20-30	13.18	13.12
30+	0.47	0.49

Data is for analytical purposes only. Index data points may differ to those published by the Index due to calculation methods

Breakdowns may not sum to total due to rounding, exclusion of cash, STIF, and statistically immaterial factors

Source: BlackRock

Alaska Retirement Management Board Government/Credit Bond Index Non-Lendable Fund “E”

	Net of Fees Fund Return ²	Barclays Gov't/Credit Index ³
2009¹	5.57%	6.25%
2010	6.39	6.59
2011	8.55	8.74
1 Yr⁴	8.12	8.29
3 Yrs Annualized	7.38	7.65
2012		
Jan	1.07%	1.07%
Feb	-0.09	-0.11
Mar	-0.91	-0.86
1st Qtr.	0.06%	0.08%
Apr	1.33%	1.35%
May	1.20	1.22
Jun		
2nd Qtr.		
Jul		
Aug		
Sep		
3rd Qtr.		
Oct		
Nov		
Dec		
4th Qtr.		
YTD 2012	2.61%	2.67%
Last 3 months	1.62%	1.70%
Last 6 months	3.86	3.99
Last 9 months	4.84	4.95
Last 12 months	8.12	8.29
Annualized Since Inception	7.30%	7.66%

General Notes:

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the reporting requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.

¹ Account Inception 03/27/09

² Net of fees is based on annual fee of 8 bps. Actual fees may vary.

³ As of 7/01/00 Barclays has changed the benchmark name from Gov't Corporate to Gov't Credit

Barclays Inc. is affiliated with Barclays Bank PLC, a principal shareholder of BlackRock, Inc.

⁴ Performance figures are annualized as of period end.

Intermediate Government Bond Index Non-Lendable Fund

	Intermediate Government Bond Index Non-Lendable Fund	Barclays Intermediate Government Bond Index
Market value (\$B)	4.54	5,764.78
# Issues	277	885
Characteristics		
Coupon (%)	2.58	2.19
Nominal yield (%)	0.71	0.69
Current yield (%)	2.42	2.08
Yield to maturity (YTM) (%)	0.71	0.70
Weighted avg life (yrs)	3.96	3.94
Effective duration (yrs)	3.65	3.67
Spread duration	0.36	0.36
Option adjusted spread (bps)	3	2
Convexity	0.16	0.17
Avg price (\$)	103.78	105.79
Moody rating	Aaa	Aaa
S&P rating	AA+	AA+
Sector breakdown (mkt val %)		
Treasury	84.40	86.10
Agencies	13.79	13.90
Cash	1.80	0.00
Quality breakdown (mkt val %)		
AAA or above	99.77	99.85
AA	0.23	0.13
A	0.01	0.02
Weighted avg life breakdown (mkt val %)		
0-1	3.12	1.33
1-2	23.98	24.37
2-3	17.16	20.36
3-5	25.70	25.49
5-7	18.86	14.85
7-10	11.19	13.61
10-20	0.00	0.00
20-30	0.00	0.00
30+	0.00	0.00

Data is for analytical purposes only. Index data points may differ to those published by the Index due to calculation methods

Breakdowns may not sum to total due to rounding, exclusion of cash, STIF, and statistically immaterial factors

Source: BlackRock

Alaska Retirement Management Board Intermediate Government Bond Index Non-Lendable Fund

	Net of Fees Fund Return ²	Barclays Intermed Gov't Index
2009¹	-0.07%	0.13%
2010	4.81	4.98
2011	5.92	6.08
1 Yr³	4.92	5.07
3 Yrs Annualized	4.15	4.39
2012		
Jan	0.51%	0.51%
Feb	-0.44	-0.43
Mar	-0.49	-0.46
1st Qtr.	-0.42%	-0.38%
Apr	0.89%	0.91%
May	0.67	0.67
Jun		
2nd Qtr.		
Jul		
Aug		
Sep		
3rd Qtr.		
Oct		
Nov		
Dec		
4th Qtr.		
YTD 2012	1.14%	1.20%
Last 3 months	1.07%	1.11%
Last 6 months	1.66	1.74
Last 9 months	2.05	2.15
Last 12 months	4.92	5.07
Annualized Since Inception	3.69%	3.88%

General Notes:

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the reporting requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.

¹ Account Inception 03/27/09

² Net of fees is based on annual fee of 8 bps. Actual fees may vary.

Barclays Inc. is affiliated with Barclays Bank PLC, a principal shareholder of BlackRock, Inc.

³ Performance figures are annualized as of period end.

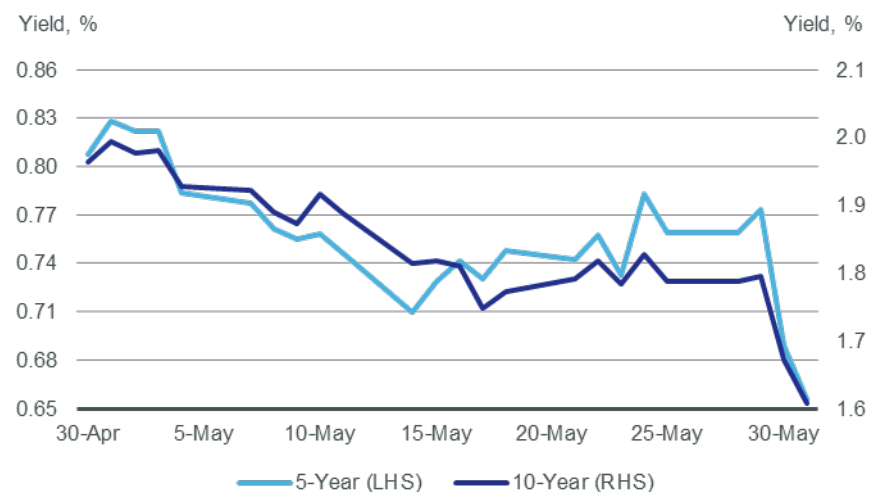
III. Market Update

Market Return Summary – Interest Rates & Spreads

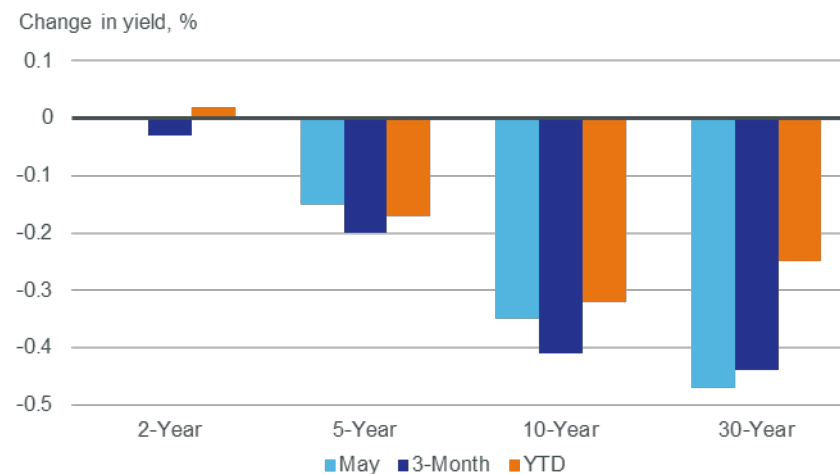
Global Interest Rate & Spread Summary

	Open	High	Low	Close	Change
US Treasuries					
2 Yr US Treasury	0.26	0.30 05/24/12	0.25 05/04/12	0.26	0.00
5 Yr US Treasury	0.81	0.83 05/01/12	0.66 05/31/12	0.66	-0.15
10 Yr US Treasury	1.91	1.94 05/01/12	1.56 05/31/12	1.56	-0.35
30 Yr US Treasury	3.11	3.15 05/01/12	2.64 05/31/12	2.64	-0.47
Swap Rates					
2 Yr Swap Rate	0.55	0.67 05/18/12	0.54 05/03/12	0.62	0.07
5 Yr Swap Rate	1.09	1.12 05/24/12	1.00 05/31/12	1.00	-0.09
10 Yr Swap Rate	2.04	2.07 05/01/12	1.74 05/31/12	1.74	-0.30
30 Yr Swap Rate	2.82	2.86 05/01/12	2.38 05/31/12	2.38	-0.44
Swap Spreads (in bps)					
2 Yr Swap Spread	29	39 05/15/12	28 05/01/12	35	6
5 Yr Swap Spread	29	38 05/15/12	28 05/02/12	35	6
10 Yr Swap Spread	13	18 05/31/12	12 05/18/12	18	5
30 Yr Swap Spread	-29	-26 05/31/12	-31 05/18/12	-26	3
German Govt					
2 Yr German Govt	0.08	0.10 05/07/12	0.00 05/31/12	0.00	-0.08
5 Yr German Govt	0.60	0.61 05/01/12	0.34 05/31/12	0.34	-0.26
10 Yr German Govt	1.66	1.66 04/30/12	1.20 05/31/12	1.20	-0.46
30 Yr German Govt	2.36	2.39 05/01/12	1.74 05/31/12	1.74	-0.62
Japan Govt					
2 Yr JGB	0.11	0.12 05/01/12	0.09 05/31/12	0.09	-0.02
5 Yr JGB	0.26	0.27 05/02/12	0.21 05/31/12	0.21	-0.05
10 Yr JGB	0.90	0.89 05/02/12	0.82 05/31/12	0.82	-0.08
30 Yr JGB	1.90	1.87 05/02/12	1.74 05/18/12	1.77	-0.13

US Treasury Curve



US Treasury Curve Changes



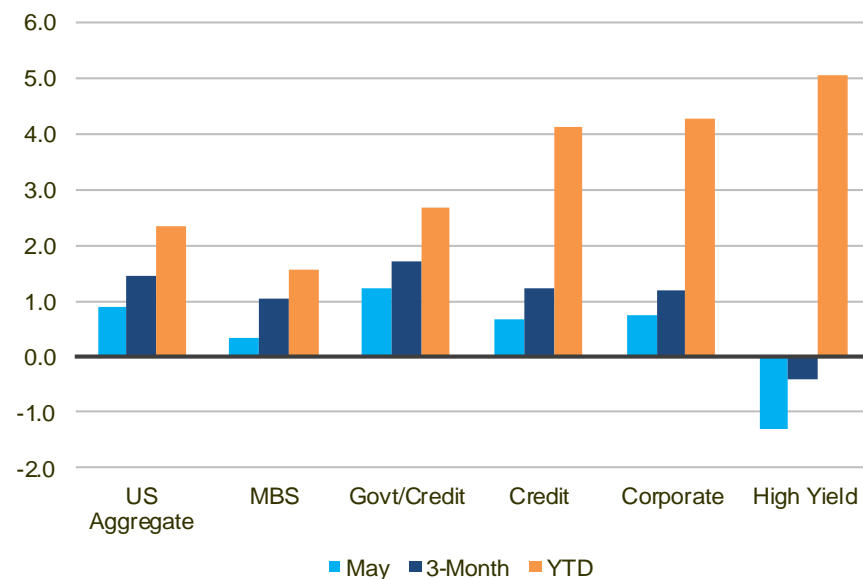
Source: Bloomberg; as of 31 May 2012. Note: Generic yields and spreads may not correspond to specific securities

Market Return Summary – Index Total & Excess Returns

Barclays Index Returns Summary (%)

	Total Return			Excess Return		
	1-Month	3-month	YTD 2012	1-Month	3-month	YTD 2012
US Aggregate	0.90	1.46	2.33	-0.64	-0.55	0.53
Treasury	1.71	2.16	1.86	0.00	0.00	0.00
TIPS	1.67	2.62	4.62	0.00	0.00	0.00
Agency	0.42	0.94	1.42	-0.39	-0.24	0.34
Gov/Credit	1.22	1.70	2.67	-0.64	-0.64	0.65
Credit	0.68	1.22	4.10	-1.61	-1.63	1.66
Corporate	0.75	1.17	4.28	-1.59	-1.73	1.79
Industrial	1.00	0.99	3.29	-1.61	-2.20	0.58
Utility	1.89	2.20	3.85	-1.41	-1.70	0.63
Finance	-0.02	1.14	6.13	-1.63	-0.98	4.22
Sov./Supra	0.40	1.39	3.41	-1.67	-1.24	1.15
High Yield	-1.31	-0.41	5.05	-2.26	-1.89	3.57
BB	-0.78	-0.10	4.74	-1.99	-1.89	2.98
B	-1.39	-0.52	4.56	-2.21	-1.83	3.22
CCC	-2.35	-0.58	6.72	-3.02	-1.69	5.57
Securitized	0.28	0.99	1.67	-0.65	-0.37	0.30
ABS	0.39	0.88	1.93	-0.19	0.01	1.10
Credit Cards	0.45	0.97	2.04	-0.33	-0.20	0.92
Autos	-0.02	0.50	1.56	-0.09	0.26	1.34
CMBS	-0.34	0.38	3.62	-0.73	-0.39	2.81
MBS	0.32	1.03	1.54	-0.64	-0.37	0.13
Hybrid ARM	0.13	0.60	1.21	0.21	0.56	1.10
Other						
Taxable Munis: Agg Eligible	2.32	3.18	7.81	-2.90	-2.71	3.23
BABs	2.65	3.34	8.38	-3.38	-3.33	3.30
Emerging Markets (USD hedged)	-2.68	-1.00	4.08	-4.87	-3.93	1.34
German Bunds	2.41	3.51	4.50	-0.19	-0.01	0.43

Barclays Index Total Returns (%)



As of 31 May 2012
Source: Barclays Capital

Market Data & Commentary: Economic Data

After a strong first quarter, May marked the second straight month of disappointing US economic data

Consumer

Date	Event		Survey	Actual	Prior	Revised
05/01/2012	Total Vehicle Sales	APR	14.40M	14.38M	14.32M	--
05/01/2012	Domestic Vehicle Sales	APR	11.10M	11.12M	11.09M	--
05/15/2012	Advance Retail Sales	APR	0.1%	0.1%	0.8%	0.7%
05/15/2012	Retail Sales Ex Auto & Gas	APR	0.3%	0.1%	0.7%	0.8%
05/29/2012	Consumer Confidence	MAY	69.6	64.9	69.2	68.7

Consumer Confidence reported below expectations in May, coming in at 64.9, versus consensus estimates of 69.6. March was revised down from 69.2 to 68.7. While May marks a continued decline from the numbers seen earlier in 2012, the report is still stronger than what we grew accustomed to seeing in the second half of 2011. The Present Situation (consumer's assessment of the present) decreased to 45.9 from 51.4 last month. This decline reflects the deteriorating job situation and may provide early insight to the payrolls number that comes out on June 1st.

April Retail Sales came in at 0.1% compared to estimates of 0.1% and March's number was revised down from 0.8% to 0.7%. Ex Autos & Gas increased less than expected at 0.1% versus estimates of 0.3%. Retail Sales ex Auto/Gas/Building Materials, the component that matters for estimating GDP increased more than expected up 0.4% (vs. 0.3% estimates) and the last two months were each revised up one tenth to 0.5% and 0.6% respectively. Overall, this was a solid report. While the strong ex Autos/Gas/Building Materials momentum has slowed, this was expected given the strong 1% increase seen in January.

Inflation

Date	Event		Survey	Actual	Prior	Revised
05/15/2012	Consumer Price Index (MoM)	APR	0.00%	0.00%	0.30%	--
05/15/2012	CPI Ex Food & Energy (MoM)	APR	0.20%	0.20%	0.20%	--
05/15/2012	Consumer Price Index (YoY)	APR	2.30%	2.30%	2.70%	--
05/15/2012	CPI Ex Food & Energy (YoY)	APR	2.30%	2.30%	2.30%	--

Consumer Price Index was flat at 0.0%, which was inline with consensus. Core CPI was up 0.20% compared to estimates of 0.20%. Owner's Equivalent Rent and Primary Rents continue to remain strong up 0.17% and 0.21% respectively. New and Used Vehicles and Public Transportation had another strong month up 0.43%, 1.5%, and 1.63% respectively. While Energy inflation will likely ease in the coming months as wholesale gasoline has fallen in May, Core CPI prints remain solid.

Market Data & Commentary: Economic Data

Housing

Date	Event		Survey	Actual	Prior	Revised
05/16/2012	Housing Starts	APR	685K	717K	654K	699K
05/16/2012	Building Permits	APR	730K	715K	747K	769K
05/22/2012	Existing Home Sales MoM	APR	2.90%	3.40%	-2.60%	-2.80%
05/23/2012	New Home Sales MoM	APR	2.10%	3.30%	-7.10%	-7.30%

April Housing Starts reported above expectations, coming in at 717k compared to estimates of 685k. Housing Permits however, came in below consensus at 715k versus estimates of 730k. Both Starts and Permits from March were revised up by 45k and 22k, respectively. The Starts number continues to impress even after the unseasonably warm winter weather effect has worn off. The past six reports have all trended around 700k which is very solid compared to the ~600k level we saw in most of 2011.

Existing home sales for April were 4.62 million on a seasonally adjusted annualized basis which was below consensus of 4.66 million. This does however mark an uptick from March's revised number of 4.47 million. This was a very solid start as April's number is in line with the strong numbers we saw in January and February. April's report saw gains in every geographic region as well as in both single-family and multifamily homes.

New Home Sales improved from March, and just touched out expectations, coming in at 343k compared to estimates of 335k. The revision to March's number was minimal as it increased from 328k to 332k. Regionally, sales saw double digit declines in the South, which is disappointing given that it is the largest region. All other regions saw positive gains.

Manufacturing

Date	Event		Survey	Actual	Prior	Revised
05/01/2012	ISM Manufacturing	APR	53.0	54.8	53.4	--
05/16/2012	Industrial Production	APR	0.60%	1.10%	0.00%	-0.60%
05/16/2012	Capacity Utilization	APR	79.00%	79.20%	78.60%	78.40%
05/24/2012	Durable Goods Orders	APR	0.20%	0.20%	-4.20%	-3.70%
05/24/2012	Durables Ex Transportation	APR	0.80%	-0.60%	-1.10%	-0.80%

ISM Manufacturing surprised to the upside at 54.8 versus estimates of 53.0. The gains were seen across the board with New Orders, Production, and Employment up nearly 4pts, 2pts, and 1pt respectively. New Orders to Inventories ratio increased to 1.2, which is its highest level since December of 2011. ISM ex Inventories increased for the third month in a row to its highest level since April 2011.

Industrial Production came in above expectations at 1.1% compared to estimates of 0.5%. The report was strong with the utilities and manufacturing components showing improvements. This is a particularly strong report given March's disappointing report that showed a -0.6% change in production after revisions. The utilities strength is largely a correction from the depressed numbers we saw in the winter months when the weather was atypically warm. Capacity utilization improved to 79.2% compared to estimates of 79%. This is an improvement over last month's revised level of 78.4%.

Market Data & Commentary: Economic Data

Labor

Date	Event		Survey	Actual	Prior	Revised
5/3/2012	Initial Jobless Claims	28-Apr	379K	365K	388K	392K
5/3/2012	Continuing Claims	21-Apr	3311K	3276K	3315K	3329K
05/04/2012	Change in Nonfarm Payrolls	APR	160K	115K	120K	143K
05/04/2012	Unemployment Rate	APR	0.082	0.081	0.082	--
5/10/2012	Initial Jobless Claims	5-May	368K	367K	365K	368K
5/10/2012	Continuing Claims	28-Apr	3275K	3229K	3276K	3290K
5/17/2012	Initial Jobless Claims	12-May	365K	370K	367K	370K
5/17/2012	Continuing Claims	5-May	3225K	3265K	3229K	3247K
5/24/2012	Initial Jobless Claims	19-May	370K	370K	370K	372K
5/24/2012	Continuing Claims	12-May	3250K	3260K	3265K	3289K
5/31/2012	Initial Jobless Claims	26-May	370K	383K	370K	373K
5/31/2012	Continuing Claims	19-May	3250K	3242K	3260K	3278K

Payrolls in April rose less than expected, up 115,000 compared to estimates of 160,000. This disappointment was somewhat muted due to March being revised up 23,000. Private Payrolls were up 130,000 versus estimates of 165,000 and net revisions were up 45,000. The unemployment rate dropped 0.1% to 8.1%, but this was really only due to a decline in the Participation Rate as Household Employment fell -169,000. Overall, this is a pretty mixed report. The headline was a miss, but the revisions were upward. The unemployment rate was down, but only because people are leaving the workforce.

Over the month claims increased with the final report coming in at 383,000 compared to estimates of 370,000. The ending four week average was 374,500. Claims are starting to grind higher which is concerning given the headwinds that the broad economy is facing.

Market Data & Commentary: Equities, Currencies/Commodities

Equities

	Open	High	Low	Close	MTD Return	YTD Return
DJ Industrial Average	13214	13279.32 5/1/2012	12369.38 5/18/2012	12393.45	-5.82%	2.67%
S&P 500 Index	1398	1405.82 5/1/2012	1295.22 5/18/2012	1310.33	-6.01%	5.16%
NASDAQ Composite	3046	3059.85 5/2/2012	2778.79 5/18/2012	2827.34	-7.04%	9.05%

Equities continued to fade in May with the S&P 500 down 6% and the NASDAQ down just over 7%. The decline continued on the back of disappointing news out of Europe as Greek political turmoil mounted and fears of a major Spanish banking crisis drove a risk-off move.

Currencies

	Open	High	Low	Close	Return	\$ Comment
Japanese Yen	79.82	78.32 5/31/2012	80.33 5/16/2012	78.32	-1.88%	\$ Weaker
Euro	1.32	1.32 5/1/2012	1.24 5/31/2012	1.24	-6.60%	\$ Stronger
Canadian Dollar	0.99	0.99 5/1/2012	1.03 5/31/2012	1.03	4.62%	\$ Stronger
DXY	78.78	83.04 5/31/2012	78.86 5/1/2012	83.04	5.42%	\$ Stronger
DJ-UBS	141.29	141.53 5/1/2012	128.38 5/31/2012	128.38	-9.14%	

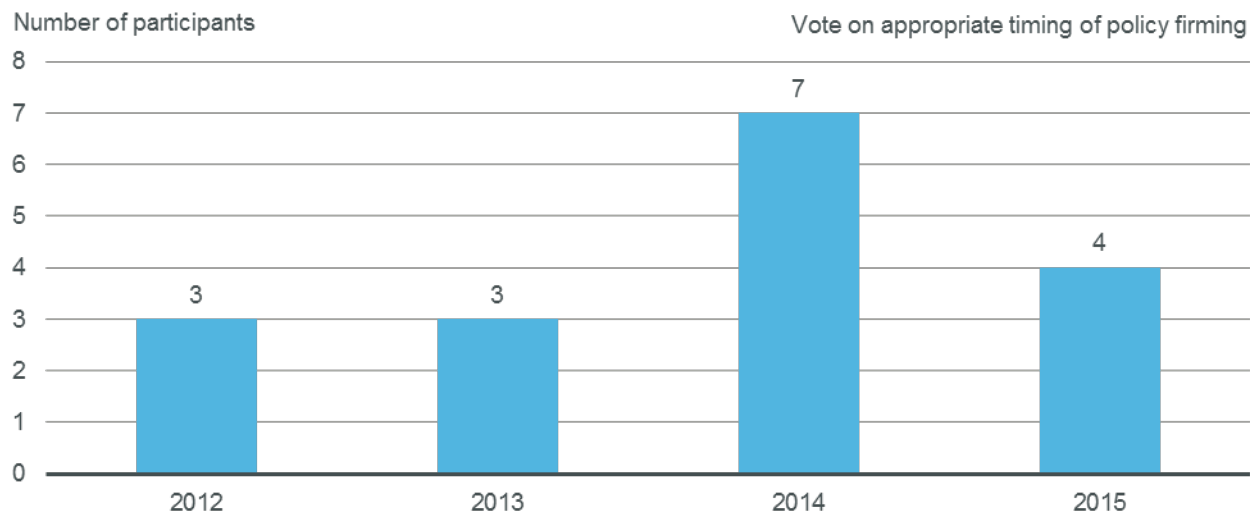
Note: Equity returns assume dividend reinvestment

Market Data & Commentary: Federal Reserve

Fed Funds Target Rate range is 0.00% to 0.25%

	Open	High	Low	Close	Change
Jun 12 Fed Funds Futures	0.14	0.17	5/17/2012	0.16	0.02
Oct 12 Fed Funds Futures	0.15	0.17	5/25/2012	0.17	0.02

There was no Federal Open Markets Committee meeting in May, leaving the market to debate what would be announced in June's meeting. The Fed continued with Operation Twist in May, purchasing approximately \$45 billion in long duration Treasuries and selling \$43 billion of shorter dated Treasuries. As of now, Operation Twist is scheduled to come to an end in June, a program that was first introduced in September of 2011. While the market expects the Fed to remain dovish going forward, it will likely be the strength (or weakness) of economic data over the next several weeks that will drive the Fed's decision in June.



Source: Federal Reserve

BLACKROCK

BlackRock Equity Indexing

Business Update and Indexing Trends

Global Index Equity AUM of \$1.44 trillion

- \$971 billion in institutional assets
- \$467 billion in iShares assets

- US Equities: 50%
- Developed Non-US: 38%
- Emerging Markets: 11%
- Commodities: 1%

Reduction in home equity bias among institutional clients continues to drive secular shifts in asset allocation

- Increasing allocations to non-US equities
- Increasing adoption of “IMI” strategies
- Increasing allocations to Emerging Markets

Growing interest in Alternatively Weighted strategies

- BlackRock now manages over \$9 billion in non-cap weighted strategies
 - MSCI Minimum Volatility and Russell Defensive
 - Fundamentally Weighted
 - GDP-weighted, Equal-weighted
 - Income focused

Data as of 3/31/2012

Americas Index Equity Portfolio Management

Richard Kushel
Head of Portfolio Management Group

Amy Schioldager
Global Head of Index Equity

Edward Corallo
Head of Americas Index Equity

Corin Frost, CFA
Global Head of Index Strategy

Debbie Jelilian
Chief Operating Officer

Christopher Bliss, CFA
Head of Institutional Portfolio Management

Greg Savage, CFA
Head of iShares Portfolio Management

Creighton Jue, CFA
Head of Alternative Beta

Matthew Lee, Ph.D.
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Stephanie Allen
Head of Index Research

Karen Kraut
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Peter Sietsema, CFA
Senior Portfolio Manager

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Rachel Aguirre
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Investment Strategist

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Portfolio Manager

Timothy Parsons*
Investment Strategist

Sara Shores, CFA
Investment Strategist

*Located outside of the US As of February 2012

BlackRock has 40 years of success in index management

Performance-focused culture leads to superior results

- Attention to the many complexities of index management results in consistently superior performance relative to competitors
- Size and diversity of our business translates directly into lower costs for clients

A fiduciary to our clients in every aspect of our relationship

- All trades seek best execution, including FX
- No hidden fees or cross subsidization from other businesses
- No custody business frees us from conflict of interest, perceived or otherwise

Research & technology dedicated to indexing

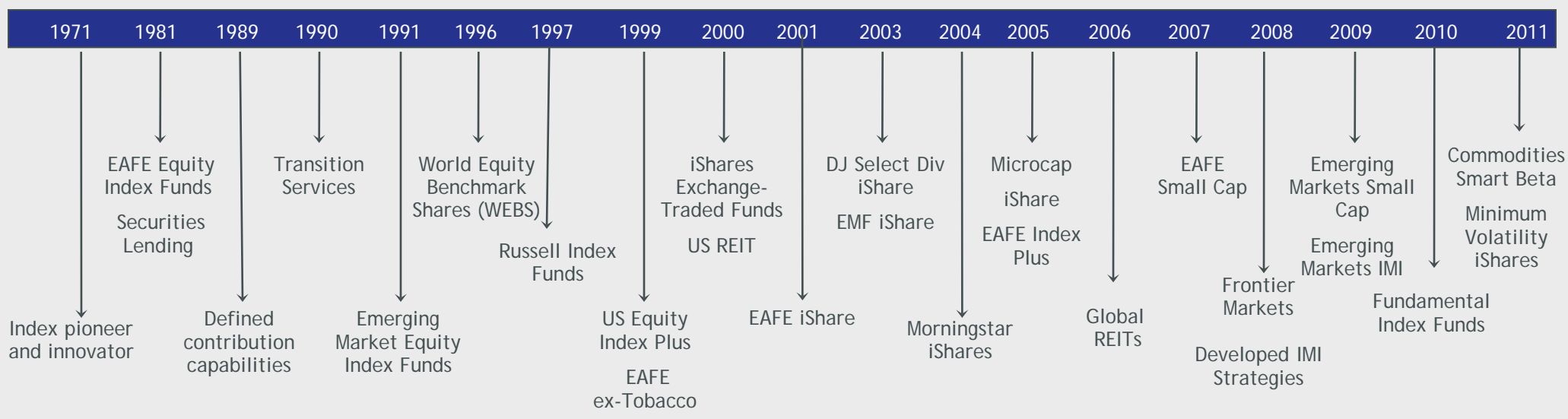
- Experienced portfolio managers partner with industry leading risk models and technology
- Dedicated index research teams focus on index methodology, projection of index changes and value-added trading strategies
- Proprietary transaction cost model is explicitly incorporated into portfolio construction process, resulting in lower costs

Leveraging the BlackRock organization

- Best in class teams specialize in risk oversight, compliance monitoring, corporate actions, securities lending, tax reclaims, corporate governance, counterparty evaluation...

Longevity of indexing business

With over 40 years of indexing experience, BlackRock is a thought leader in strategy innovation and index advocacy



BlackRock's Core investment philosophy

Total performance management

We believe that superior investment outcomes are best achieved through a disciplined, objective process to managing return, risk and cost

Return

- Performance as planned with value added portfolio management
- Flexible strategies and solutions

Risk

- Proprietary portfolio & risk management systems controls investment and operational risk

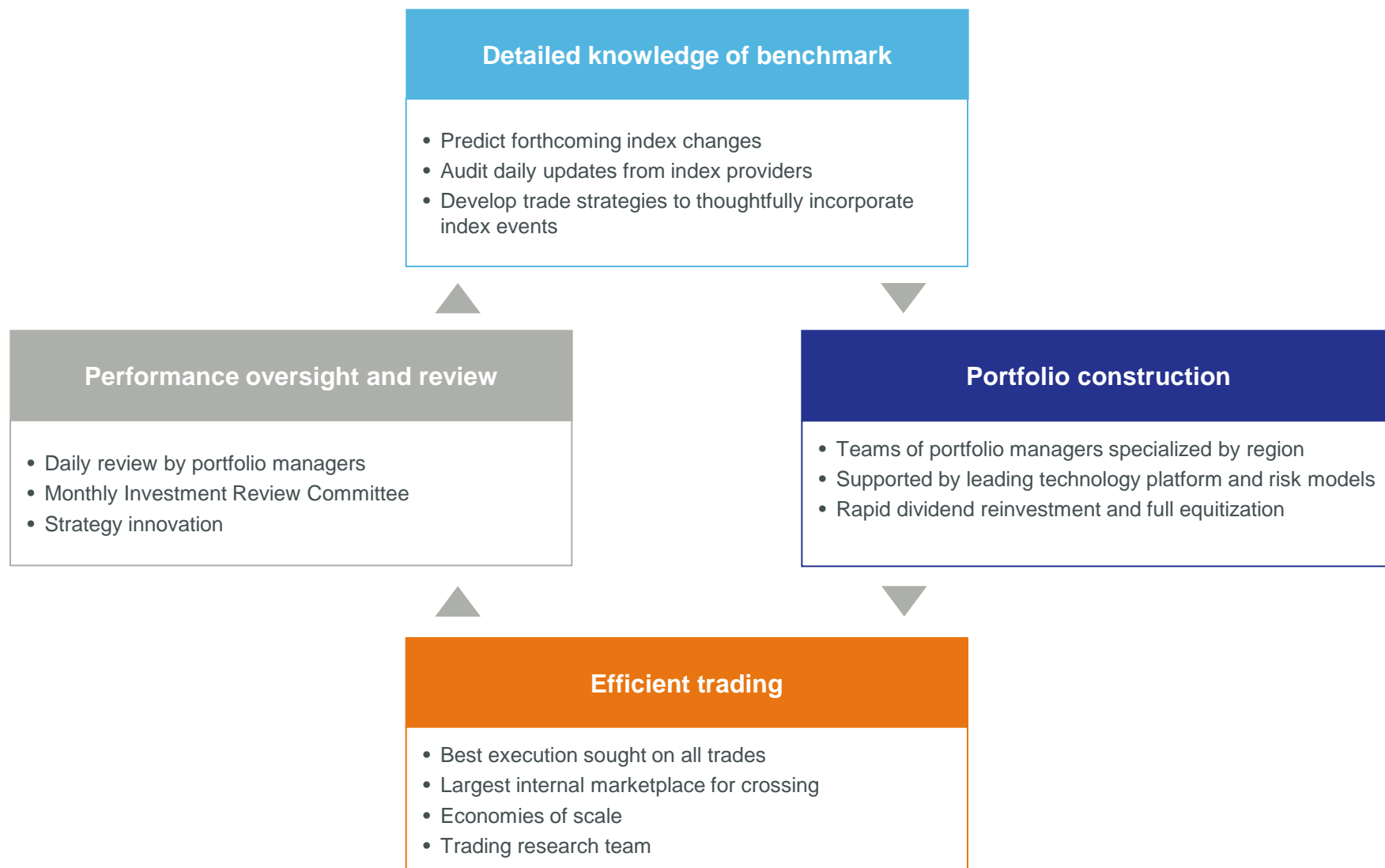
Cost

- Trading costs integrated into portfolio construction using proprietary transaction cost models
- Transaction costs minimized through use of internal crossing network
- For all external trading including FX, focus on best execution



The investment management cycle

Specialized expertise and resources



BlackRock's scale and internal crossing network delivers significantly lower transaction costs

BlackRock maintains the world's largest internal crossing network

- Provides clients with unparalleled access to lowest-cost trades – a particularly significant value in less-liquid markets
 - Example: on an emerging markets equity sale of \$100, average transaction fees would be ~30bps
 - On average, BlackRock will cross ~50% of those transactions, resulting in an average transaction cost over time of ~4bps
- For many clients, crossing savings can amount to a year or more of management fees

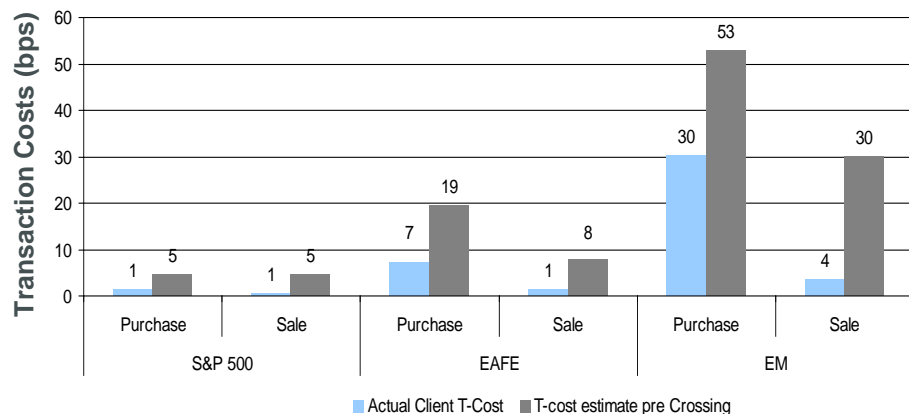
BlackRock provides clients unparalleled access to liquidity (over \$7 Trillion annually)*

- External indications of interest from over 60 brokers and over 40,000 indications of interest captured electronically on a daily basis
- Direct market access for greater control and cost savings for clients

The annual averages reflected below reflect the high balance of trades executed through our internal crossing network

BlackRock transaction costs vs. industry estimates¹

2-year average as of Nov 30, 2011

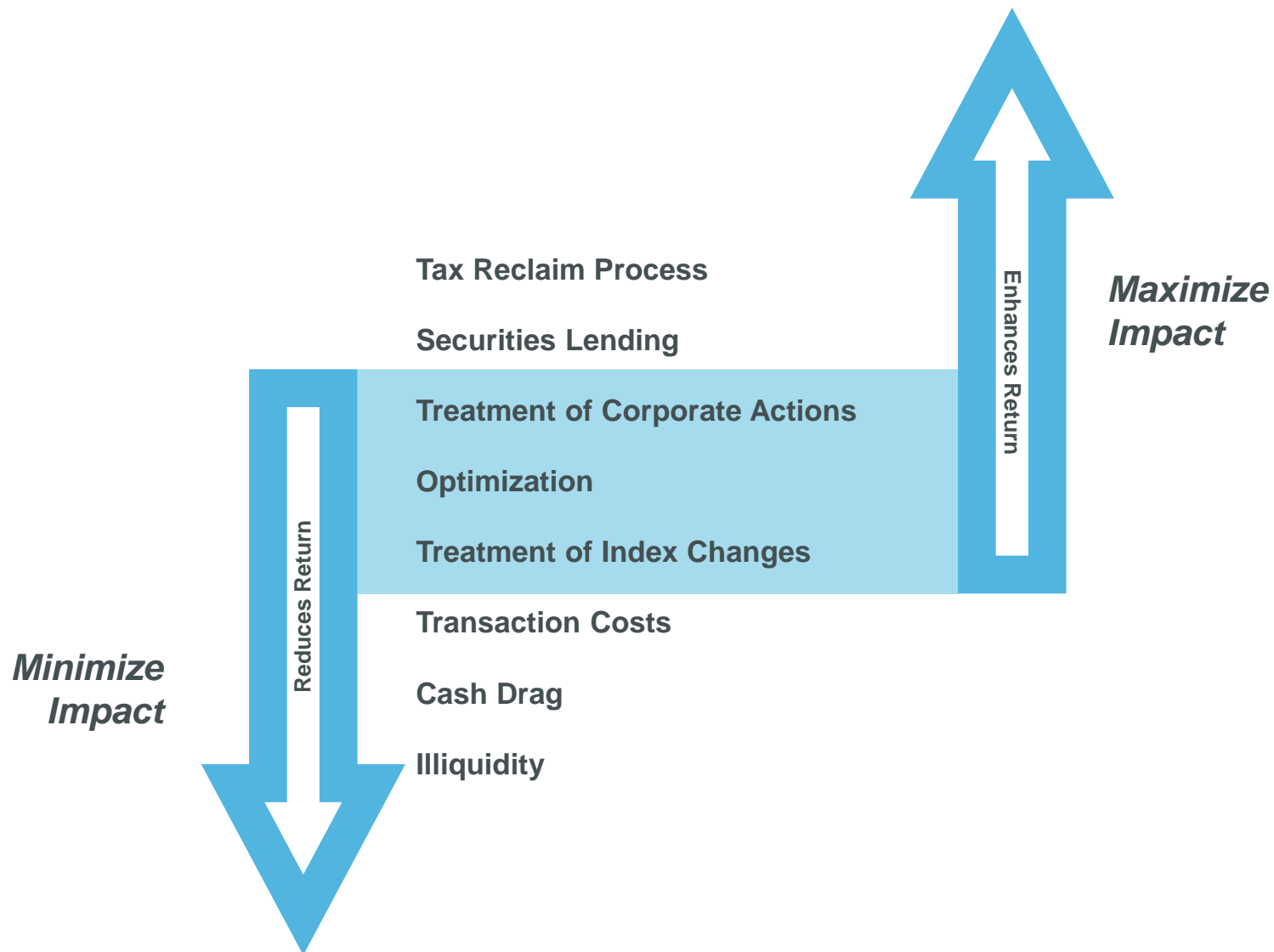


BlackRock Flagship Funds Average Crossing Rates²

As of Dec 31, 2011

	S&P 500	EAFE	Emerging Markets
2011	38%	45%	48%
5-year Average	44%	48%	58%

Major sources of tracking error Global & Domestic index funds



Equity Index Non-Lending Fund Characteristics

As of 30 April 2012

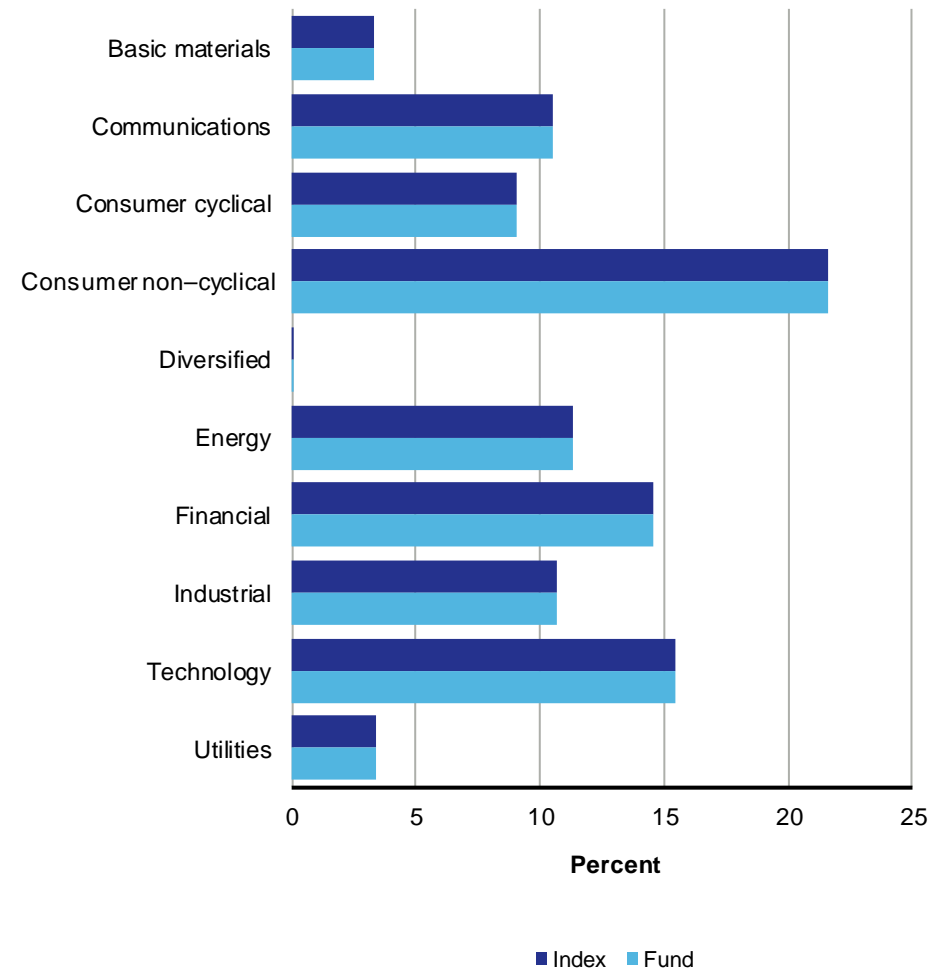
Characteristics

Strategy	S&P 500® Index
Beta	1.00
Yield	2.03%
Total fund assets	\$19.16
Number of holdings	500

Top 10 holdings

	Fund %	Index %
APPLE INC	4.31	4.31
EXXON MOBIL CORP	3.22	3.22
INTL BUSINESS MACHINES CORP	1.90	1.90
MICROSOFT CORP	1.89	1.89
CHEVRON CORP	1.67	1.67
GENERAL ELECTRIC CO	1.64	1.64
AT&T INC	1.54	1.54
JOHNSON & JOHNSON	1.41	1.41
WELLS FARGO & CO	1.40	1.40
PROCTER & GAMBLE CO/THE	1.39	1.39

Sector diversification



Alaska Retirement Management Board Equity Index Fund Non-Lending Fund

	Net of Fees Fund Return ²	Benchmark Total Return	Tracking Difference
2009¹	38.96%	38.97%	-0.01%
2010	15.00	15.06	-0.06
2011	2.08	2.11	-0.03
1 Yr³	-0.43	-0.41	-0.02
3 Yrs Annualized	14.88	14.92	-0.04
2012			
Jan	4.47%	4.48%	-0.01%
Feb	4.33	4.32	0.01
Mar	3.28	3.29	-0.01
1st Qtr.	12.57%	12.59%	-0.02%
Apr	-0.63%	-0.63%	0.00%
May	-6.01	-6.01	0.00
Jun			
2nd Qtr.			
Jul			
Aug			
Sep			
3rd Qtr.			
Oct			
Nov			
Dec			
4th Qtr.			
YTD 2012	5.14%	5.16%	-0.02%
Last 3 months	-3.54%	-3.53%	-0.01%
Last 6 months	6.19	6.23	-0.04
Last 9 months	9.30	9.32	-0.02
Last 12 months	-0.43	-0.41	-0.02
Cumulative Since Inception	71.52%	71.70%	-0.18%
Annualized Since Inception	18.50%	18.54%	-0.04%

General Notes:

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the reporting requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.

¹ Client Inception 3/27/09

² Net of fees is based on annual fee of 3.5 bps. Actual fees may vary.

Benchmark performance does not reflect any investment management fees.

³ Performance figures are annualized as of period end.

Appendix

Important notes

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UBS AgriVest LLC

Mandate: Farmland

Hired: 2004

Firm Information	Investment Approach	Total ARMB Mandate & Fees										
<p>UBS AgriVest LLC is a subsidiary of UBS Realty Investors LLC, which is an indirect wholly owned subsidiary of UBS AG. UBS AG is a pre-eminent global financial services firm, with stock registered on both the New York and Zurich stock exchanges.</p> <p>As of 3/31/2012, AgriVest's total assets under management were \$675 million.</p> <p>Key Executives: <i>Jim McCandless</i>, Head of Global Real Estate - Farmland <i>J. Scott Haffner</i>, Director</p>	<p>UBS AgriVest investment decision-making is team oriented. Regional managers work with the portfolio manager and investment committee in the decision-making process. Regional managers source and screen new investment opportunities in consultation with the portfolio manager and members of the investment committee to ensure that the investments meet the established guidelines and standards. Approval and commitment of capital must be cleared by the regional manager, portfolio manager and investment committee.</p> <p>Inputs to the process include:</p> <ul style="list-style-type: none"> Comparable sales and rent data Rainfall and growing season statistics Irrigation sources and water costs Drainage systems Crop yield history Soil types and topography Crop marketing and/or contracts Buildings and improvements Conservation plans Mineral exploration/production activity Economic analysis – returns/projections Phase I environment site assessment Legal (access, encroachment, etc) <p>Benchmark: Leased only properties in NCREIF Farmland Index weighted 80% row and 20% permanent crop.</p>	<p>Assets Under Management:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">03/31/11:</td> <td style="text-align: right;">\$348,503,850</td> </tr> <tr> <td>03/31/12:</td> <td style="text-align: right;">\$397,198,990</td> </tr> </table> <p>Fee Schedule:</p> <p><u>Gross Appraised Value</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">First \$50 Million</td> <td style="text-align: right;">90 bp</td> </tr> <tr> <td>Second \$50 Million</td> <td style="text-align: right;">85 bp</td> </tr> <tr> <td>Above \$100 Million</td> <td style="text-align: right;">80 bp</td> </tr> </table>	03/31/11:	\$348,503,850	03/31/12:	\$397,198,990	First \$50 Million	90 bp	Second \$50 Million	85 bp	Above \$100 Million	80 bp
03/31/11:	\$348,503,850											
03/31/12:	\$397,198,990											
First \$50 Million	90 bp											
Second \$50 Million	85 bp											
Above \$100 Million	80 bp											

Concerns:

3/31/2012 Performance (net of fees)

	<u>Last Quarter</u>	<u>1-Year</u>	<u>3-Years Annualized</u>	<u>5-Years Annualized</u>
AgriVest	12.46%	15.87%	10.15%	11.43%
Benchmark	5.22%	17.15%	10.97%	12.62%

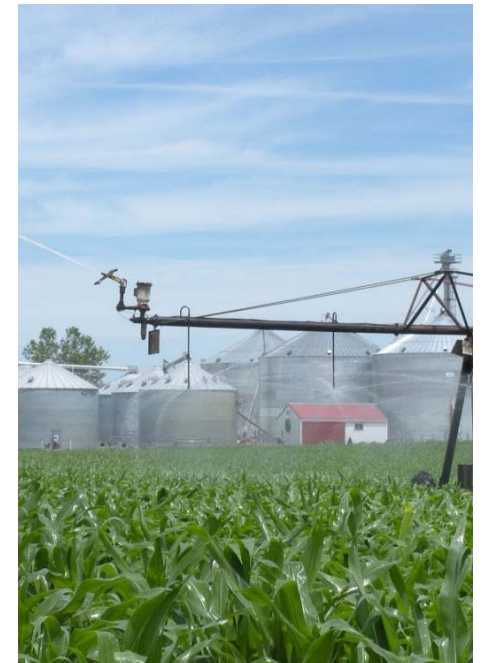
Global Real Estate – Farmland

Alaska Retirement Management Board

James B. McCandless

Managing Director, Head of Global Real Estate – Farmland

June 21, 2012



UBS AgriVest LLC

Northwest Region
Charles W. Bryan, Jr.
ARA
Director

Midwest Region
Michael P. Septer
Director

Western Region
Erik C. Roget,
ARA, RPRA
Director

Southern Region
D. Cullum Jefferies
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Director

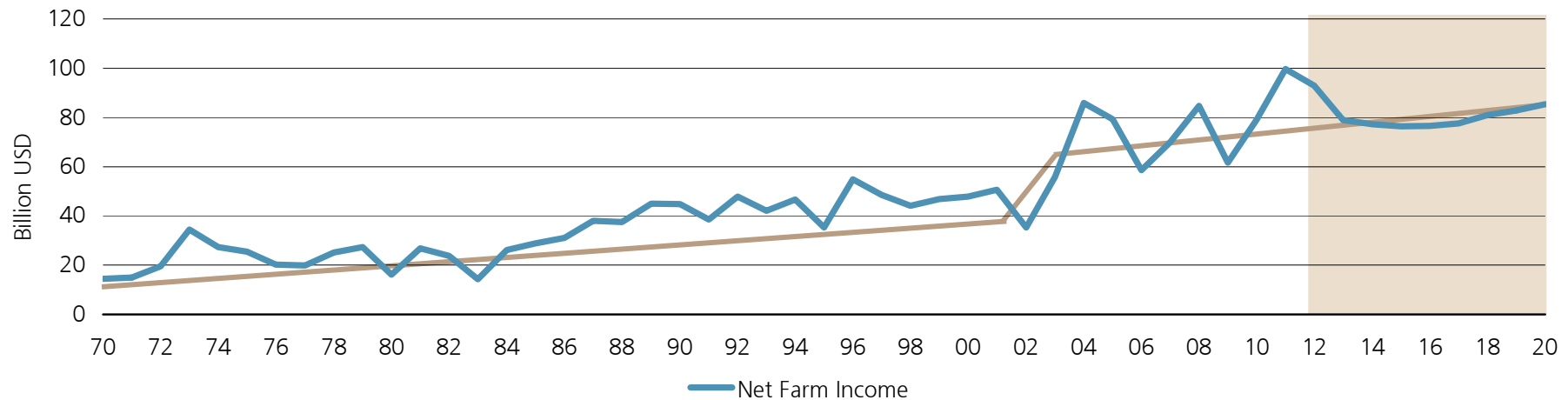
- UBS AgriVest LLC is the farmland investment business within UBS Global Asset Management, Global Real Estate
- UBS AgriVest LLC began investing for US tax-exempt investors in 1991 through its predecessor and has been a major contributor to the NCREIF Farmland Index since its inception in that same year
- Our seasoned regional officers are responsible for the sourcing, acquiring, managing and selling of properties in their regions subject to investment committee approval

Updated May 21, 2012

US farm *income*

Net Farm Income

1970 - 2021



Source: USDA as of March 2012. 2012 through 2021 are forecasted by the USDA.

- A structural change in commodity prices from the persistent increase in global demand has been occurring in recent years
- The trend line in US farm income has jumped to a higher level
- Farmland rents and values are in the process of shifting to higher levels
- Current rents and values are supported by what we believe are sustainable net farm income levels

Updated March 27, 2012

Farmland markets

- Low turnover, very few attractive offerings
 - Strong farm economy
 - Unattractive alternative investments
- Farmers are largest single group of buyers
 - Flush with cash from strong earnings
 - Expanding holdings
 - Low debt
- Significant increases in farmland prices
 - More buyers than sellers
 - Favorable, positive earnings expectations
 - Low interest rate environment

Farmland markets

- Is there a “bubble” in farmland prices?
 - Corn Belt pricing appears over-optimistic – risky
 - No large debt build-up, debt is declining
 - No “flipping” of farms by speculators
 - Most pricing is supported by earnings
 - Most buyers are knowledgeable

Farmland markets

- What would cause farmland values to decline?
 - Fast, unexpected increase in interest rates
 - Significant drop in farm income, fast rising input costs
 - Significant increase in farms “for sale”

Midnight Sun *portfolio*

Summary as of March 31, 2012

- 65 farms
99,266 acres
13 states
- Cost basis: USD 313.8 million
- Market value: USD 397.2 million

Portfolio diversification matrix as of March 31, 2012

(percent by market value)

Crops	Mountain	Pacific West	Delta	Southern Plains	Corn Belt	Pacific Northwest	Southeast	Total
Corn	7.21		4.57	3.78	5.55		0.15	21.26
Vegetables	6.35	10.82		1.16		0.90		19.24
Wheat	7.03		0.28	1.69		3.09		12.08
Permanent		7.05				1.17	3.52	11.74
Cotton		1.59	6.20	1.83			0.14	9.76
Soybeans			3.68		5.36			9.04
Sugar crops	4.13	1.08		1.06				6.27
Feed grains	0.84			1.63		0.83		3.30
Other	1.31	0.82				0.81		2.94
Rice			2.06					2.06
Berries		1.14						1.14
Range & hay	0.47	0.50				0.05		1.02
Peanuts							0.14	0.14
Total	27.35	23.00	16.78	11.15	10.91	6.85	3.96	100.00

*Rounding errors may occur

Source: UBS Global Asset Management, Global Real Estate – Farmland

Midnight Sun *portfolio*

Portfolio compared to constraints established in the ARMB Policies and Procedures Investment Guidelines

- As of March 31, 2012 the existing Midnight Sun, Inc./ARMB agriculture portfolio reflects the following distribution of properties compared to the Investment Guidelines for the listed categories:

Guidelines-maximum	Maximum amount (USD mil) @ 438.9* million	Market value (USD mil) of amount invested as of 3/31/12
40% in any NCREIF region	175.6	108.6 Mountain
30% in any single commodity	131.7	84.4 Vegetables
15% leased to single tenant	65.8	18.5 Midnight Circles
15% in single property	65.8	20.5 Monarch Orchard
80% row crop, \pm 10%	307.2 to 395.0	350.6
20% permanent crop, \pm 10%	43.9 to 131.7	46.6

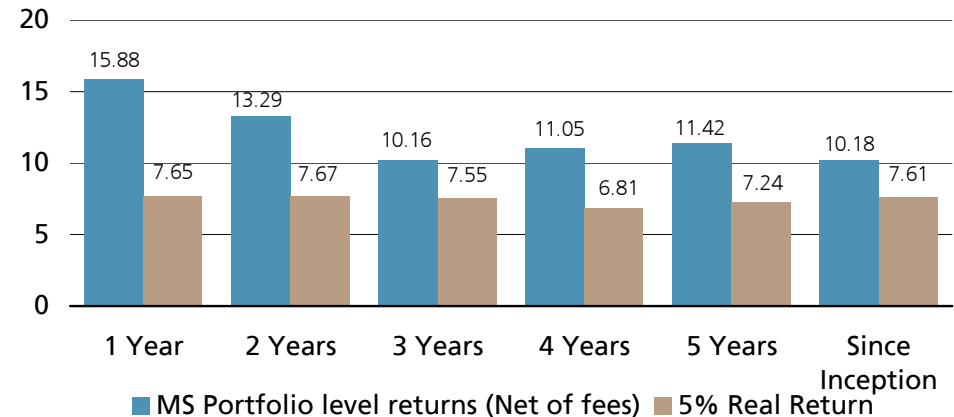
*Maximum amount equals Total Allocation plus unrealized gain in existing portfolio

- Total amount invested as of March 31, 2012: USD 313.3 million
Amount remaining to invest as of March 31, 2012: USD 41.6 million

Midnight Sun *portfolio*

Comparisons to portfolio return objectives

- Total return – over rolling five-year periods, a minimum total real rate-of-return (net of investment management fees) of 5% using a time-weighted rate of return calculation and the CPI All Urban Inflation Index



Source: UBS Global Asset Management, Global Real Estate – Farmland. Past performance is not an indication of future results. Inception date for portfolio calculations is 1/1/05

- Income return – defined as cash distributed, is expected to produce 4% returns over rolling five-year period with a minimum of 3% distributed income for individual properties after fees and projected capital expenditures

	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	From inception 4/1/05 – 3/31/12
MS cash distributed returns (%)	4.66	5.42	4.80	4.58	4.68	4.54

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This is not an official statement of your account. Refer to your client statement and the quarterly report.

Contact information

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Dated: February 29, 2012



ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: Certification of Actuarial Review

ACTION: X

DATE: June 21, 2012

INFORMATION:

BACKGROUND:

AS 39.10.220 (a) (9) prescribes certain duties and reports that the Alaska Retirement Management Board is responsible for securing from a member of the American Academy of Actuaries. Additionally it contains a requirement that “the results of all actuarial assumptions prepared under this paragraph shall be reviewed and certified by a second member of the American Academy of Actuaries before presentation to the board.”

STATUS:

Buck Consultants, the board’s actuary, has completed: (1) a valuation of the Public Employees’ Retirement System (PERS) as of June 30, 2011, (2) a valuation of the Teachers’ Retirement System (TRS) as of June 30, 2011, (3) a valuation of the Defined Contribution Retirement Plan as of June 30, 2011, (4) a roll-forward valuation of the Judicial Retirement System (JRS) as of June 30, 2011, and (5) a roll forward valuation of the National Guard Naval Militia System (NGNMRS) as of June 30, 2011.

Gabriel Roeder Smith & Company (GRS), the board’s second actuary, has reviewed the work products prepared by Buck Consultants: (1) A letter and final report describing a review of the June 30, 2011 PERS and TRS valuations, (2) a letter and final report describing a review of the June 30, 2011 Defined Contribution Retirement Plan, (3) a report describing a review of the June 30, 2011 JRS roll forward valuation, and (4) a letter and report describing a review of the June 30, 2011 NGNMRS roll forward valuation.

RECOMMENDATION:

That the Alaska Retirement Management Board formally accept the review and certification of actuarial reports by Gabriel Roeder Smith & Company, and that staff coordinate with the Division of Retirement & Benefits to discuss and implement the suggestions and recommendations of the reviewing actuary where considered appropriate.

ALASKA RETIREMENT MANAGEMENT BOARD
ACTUARIAL REVIEW OF DEFINED CONTRIBUTION
RETIREMENT PLANS
APRIL 19, 2012

April 19, 2012

Mr. Gary Bader
Chief Investment Officer
Department of Revenue, Treasury Division
Alaska Retirement Management Board
P.O. Box 110405
Juneau, AK 99811-0405

Subject: Actuarial Review of June 30, 2011 Defined Contribution Retirement (DCR) Plan valuations for the State of Alaska Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS).

Dear Gary:

We have performed an actuarial review of the June 30, 2011 DCR Actuarial Valuations for PERS and TRS.

This report includes a review of:

- Occupational Death and Disability Assumptions and Benefits
- Retiree Health Care Cost Assumptions
- Actuarial Valuation Methods and Procedures
- Contribution Rate Determination
- Actuarial Valuation Report

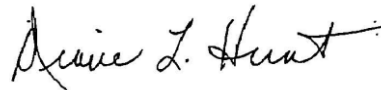
A major part of our review is the analysis of the test lives provided by Buck Consultants. We have included exhibits in our report which summarize the detailed analysis of these sample test cases for the PERS and TRS DCR Plans, as well as a comparison of the results between Buck Consultants and GRS. We wish to thank the staff of the State of Alaska Treasury Division and Buck Consultants without whose willing cooperation this review could not have been completed.

Sincerely,

Gabriel, Roeder, Smith & Company



Leslie L. Thompson, FSA, FCA, EA, MAAA
Senior Consultant



Diane Hunt, FSA, FCA, EA, MAAA
Consultant



Dana L. Woolfrey, ASA, EA, MAAA
Consultant

cc: Ms. Judy Hall

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SECTION 1

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Gabriel, Roeder, Smith & Co. was engaged by the Alaska Retirement Management Board (ARMB) to review the Actuarial Valuations as of June 30, 2011 for the Public Employee's Retirement System Defined Contribution Retirement (DCR) Plan and the Teachers' Retirement System (TRS) Defined Contribution Plan.

This report presents our findings in the following areas:

- General Approach
- Pension Assumptions and Benefits
- Health Care Cost Assumptions
- Actuarial Valuation Methods and Procedures
- Contribution Rate Determination
- Actuarial Valuation Report
- Potential Areas for Future Review
- Summary and Conclusions

FINDINGS FROM THE AUDIT ON THE JUNE 30, 2011 VALUATIONS

Through the test life review completed with this audit, we generally matched the results of Buck Consultants. The liabilities shown in the Buck test lives match our liabilities within an acceptable range of tolerance.

However, while we could reproduce Buck Consultant's test lives, we do have an exception to the interpretation used in valuing the Occupational Death benefit for the PERS and TRS plans.

Exception regarding Occupational Death calculation. The Occupational Death benefits payable from the DCR plans are payable to the spouse until the date that the member would have first qualified for normal retirement, either by service or age and service. For example if a PERS-Other or TRS member dies at age 55 with 28 years of service at the date of death, the benefits would be paid to the spouse for two years, until the date the member would have had 30 years of service, and at that time the benefits to the spouse cease. (Police and Fire have a 25 year normal retirement eligibility instead of 30 years and would be administered in a similar manner.) We have been informed by Alaska staff that this is the way the Plan is administered for the Occupational Death benefits.

Buck Consultants has confirmed that their interpretation has been that if the member did not have the service eligibility at the time of death, then the benefits were assumed to continue to the spouse until the member would have reached normal retirement age at 65.

In the example above, the benefits would be continued to the spouse for an additional 10 years, until the date that the member would have reached age 65. The result is that the valuation assumes the benefits are payable to the spouse for a longer period of time, resulting in a higher liability.

Resolution: *Buck Consultants has agreed to this change and will determine the impact on the valuation results of this revision.*

The valuations did not have any benefit provision or method changes since the prior valuation. The assumptions did not change since the prior valuation, except for the assumption regarding Medicare Part B only participation for pre-65 retirees and active members.

The gain/loss analysis has been revised since last year to provide additional detail, especially for the retiree health benefits. The PERS DCR plan showed fairly large mortality and disability gains for the prior two years. The TRS valuation showed a gain due to mortality and disability. For the retiree health care portion of both the PERS and TRS plans, there were gains due to claim costs and losses due to “other”.

The PERS DCR plan is well-funded, with a funded ratio of 143.8%, a decrease from 168.8% last year. For TRS, the funded ratio is 196.1%, a decrease from 223.5% last year.

SUMMARY OF TEST LIFE REVIEW

We have included as a part of this report a detailed test life results summary.

- We matched the present value of benefits closely in total on test lives submitted for PERS Other, PERS P/F and TRS DCR plans. We have included exhibits in Section 4 of the report which summarize the differences in calculations by decrement for the test lives analyzed. Differences between actuarial firms will always occur due to system differences and other nuances in the calculations.
- As mentioned previously, we are recommending a revision to the calculation of the Occupational Death benefit. The first exhibit shows our calculation matching Buck’s results using their interpretation. The second exhibit shows the results using the revised methodology. Two of the test lives were affected by this change but the third was not impacted since the member reached age 65 before the 25 or 30 years service eligibility.
- The actuarial basis used for the funding of the plan lies within the range of reasonableness.
- The gain/(loss) analysis has been expanded this year, especially for the healthcare plans. As the DCR plan grows, the gain/loss by source will be an important tool in assessing the

reliability of the actuarial assumptions. Monitoring these changes year by year can aid in ensuring the assumptions are kept “up to date” with the experience of the plan.

The table below shows the changes recommended by GRS both in the past years newly identified issues and the resolution of the issue. Newly identified issues are bolded.

Issue	GRS Recommendations	Plan		Buck Comments
1. PERS Peace Officer/Firefighter				
a. Final Average Earnings for disability monthly benefits	Should use three year average instead of five year average.	DCR PERS-PF	✓	Buck agreed to change and was correctly revised in 2010
2. DCR Reports				
a. Participation reconciliation grid	Was not included in 2009	DCR Reports	✓	Included in 2010 report
b. Gain/loss by source	Was not included in 2009	DCR Reports	✓	Included in 2010 report
c. Amortization method description	Enhance clarification	DCR Reports	✓	Included in 2010 report
d. Definition of normal retirement eligibility	Include in report	DCR Reports	<input checked="" type="checkbox"/>	
e. Description of payment of occupational death benefit	Clarify that normal retirement is determined assuming the member had lived	DCR Reports	<input checked="" type="checkbox"/>	
f. Mortality disclosure	Add comment on margin for future mortality improvements	DCR Reports	<input checked="" type="checkbox"/>	
3. Retiree Medical Plans				
a. Participation assumed to be 100%	Study and adopt participation rates	DCR Retiree Health	✓	Adopted assumptions and included in valuation in 2010
b. Claims cost	Provide additional information on adjustments to costs	DCR Retiree Health	✓	Added in 2010
4. Occupational Death Benefit	Stop payment at normal retirement eligibility had the retiree lived.	DCR PERS, TRS	<input checked="" type="checkbox"/>	Buck will measure the impact on the June 30, 2011 valuation

SECTION 2

GENERAL APPROACH

GENERAL APPROACH

Gabriel, Roeder, Smith & Co. was charged with reviewing the actuarial valuations of TRS and PERS DCR plans.

We requested a number of items from Buck Consultants in order to perform the actuarial review:

1. In December, 2011, we received the pension and healthcare test lives for the PERS and TRS DCR plans, and the valuation data for both plans.
2. We received the DCR draft reports on March 13, 2012.

In performing our review, we:

1. Reviewed actuarial assumptions – we checked to see if they were consistent, comprehensive, and appeared reasonable.
2. Reviewed the actuarial valuation reports as of June 30, 2011 for completeness, GASB compliance and a review of financial determinations.
3. Reviewed, in detail, the sample members provided us – This provided us with a perspective on the actuarial process utilized by Buck with respect to the plan and allowed us to review the valuation methods and procedures.
4. Reviewed the health cost assumptions and trend.
5. Identified areas for future more detailed review.

KEY ACTUARIAL CONCEPTS

An actuarial valuation is a detailed statistical simulation of the future operation of a retirement system using the set of actuarial assumptions adopted by the Board. It is designed to simulate all of the dynamics of such a system for each current system member including:

1. Earning future service and making contributions,
2. Receiving changes in compensation,
3. Leaving the system through job change, disablement, death, or retirement, and
4. Determination of and payment of benefits from the System.

This simulated dynamic is applied to each active member of the System. It results in a set of expected future benefit payments to that member. Bringing those expected payments to present value, at the assumed rate of investment return, produces the Actuarial Present Value (“APV”) of future benefits for that member. In like manner, an APV of future salaries is determined.

The actuarial present value of future benefits and the actuarial present value of future salaries for the entire System are the total of these values across all members. The remainder of the actuarial valuation process depends upon these building blocks.

Once the basic results are derived, an actuarial method is applied in order to develop information on contribution levels and funding status. An actuarial method splits the actuarial present value of future benefits into two components:

1. Present value of Future Normal Costs, and
2. Actuarial Accrued Liability (“AAL”).

The actuarial method in use by the State of Alaska is known as the Entry Age Normal (EAN) method. Under entry age normal funding method, the Normal Cost for a member is that portion of the Actuarial Present Value of the increase in the value of that member’s benefit for service during the upcoming year. The actuarial accrued liability is the difference between the total actuarial present value and the present value of all future normal costs.

For TRS and PERS DCR plans, a present value of future benefits applies to the following benefits:

- Occupational Disability benefits
- Occupational Death benefits
- Retiree Medical benefits

The retiree medical benefits are based on potential future retiree health care benefits, while the others are a type of post-employment income replacement benefit, based on salary. For the medical benefits, estimates must be made of the future health care costs. This is done by determining current per capita health care claim costs by age of retiree, and projecting them into the future based on anticipated future health care inflation. Since the DCR plan is relatively new, and based on members hired after 2006, and on different health plan rules, Buck has used the claim costs from the defined benefit plan with adjustments for this particular population. We concur with this approach.

SECTION 3

REVIEW OF ASSUMPTIONS AND BENEFITS

REVIEW OF ASSUMPTIONS AND BENEFITS

GENERAL

In our review of the testlives as well as the report we confirmed that the assumptions shown in the report were the assumptions used in the PERS and TRS DCR valuations.

BACKGROUND

The findings below are based on the detailed review of the following test lives summarized in exhibits at the end of Section 4:

Pension Plans

- ◇ PERS Peace Officer/Firefighter (POLICE/FIRE) : One active
- ◇ PERS – Other: One active
- ◇ TRS: One active 60% part-time

Medical Plans

- ◇ PERS Peace Officer/Firefighter (POLICE/FIRE) : One active
- ◇ PERS – Other: One active
- ◇ TRS: One active 60% part-time

Note that the active test lives analyzed are not necessarily exposed to all of the possible benefits under the plans (i.e. already beyond the eligibility period for certain benefits, or not eligible for particular benefits). Therefore, findings may occur for these other benefits in future audits depending on the set of test lives chosen for review at that time. Also, the impact for any one test life may not be representative of the impact on the total plan.

ECONOMIC ASSUMPTIONS

General

These assumptions simulate the impact of economic forces on the amounts and values of future benefits. Key economic assumptions are the assumed rate of investment return and assumed rates of future salary increase.

Economic assumptions are normally defined by an underlying inflation assumption. Buck has cited 3.12% as its inflation assumption. Over the last year or so, long-term inflation forecasts have been declining. With the decline, the 3.12% inflation assumption is now at the higher end of the generally accepted range.

Investment Return Assumption

The nominal investment return assumption, net of all investment and administrative expenses, was changed to 8.00% from 8.25% in 2010. GRS agrees with this change. Combined with the 3.12% inflation assumption, this yields a 4.88% real net rate of return. This 4.88% real return should be continuously tested with the PERS and the TRS DCR asset allocation.

Other Assumptions

We recognize that the payroll for the DCR population has grown steeply in the past with payroll growth of 98% in the first year, then 56% in the second year and 34% in the third year. This year the rate of growth slowed significantly, with a payroll growth rate of 9.1%. Lower growth of payroll is a trend commonly observed in this economy. The assumption used in the valuation is that payroll will grow at a rate of 3.63% per year.

For PERS, salary increases were slightly higher than assumed, resulting in losses on the accrued liability for the year.

In both 2010 and 2011 valuations, we notice that the retiree medical in both the PERS and TRS plan had losses for the year. We expect some volatility in the gains and losses of a new plan, and we recommend further analysis on the losses so they do not compound over time and create unexpected rate increases.

Claim costs were estimated based on the claim costs in the defined benefit plan. Buck made adjustments to these claim costs to reflect the different population and differing plan provisions and provide detail on the adjustments. We concur with this approach. Until the DCR population has enough credible data, we would recommend using the data that is available from the defined benefit plan, while making adjustments that recognize these differences which affect the underlying claim costs of the plan.

SECTION 4

REVIEW OF ACTUARIAL VALUATION METHODS AND PROCEDURES

REVIEW OF ACTUARIAL VALUATION METHODS AND PROCEDURES

I. Background

An actuarial valuation is a detailed statistical simulation of the future operation of a retirement system using the set of actuarial assumptions adopted by the Board.

The actuarial values generated from this process are based not only on these assumptions, but also on the additional assumptions built into each actuarial firm's pension valuation software.

Our scope for performing the review did not include a complete replication of the valuation results as determined by Buck Consultants at June 30, 2011. Rather, we reviewed a number of sample test lives from Buck in great detail, and made our determinations as to whether the methods and assumptions being employed were being done so properly.

Though this approach does not meet the rigors of a full scale replication of results – it still serves as a strong indicator of the appropriateness of the assumptions and methods being used to value the liabilities and determine the costs for these plans.

II. Process:

Our review process can be summarized as follows:

Computation: Valuation Liabilities

We analyzed test cases to compare the Actuarial Liability under the EAN funding method for the test cases of the PERS and TRS DCR Plans. As a starting point, we wanted to first replicate Buck's test case liabilities by using their assumptions and methods to ensure that the computations were in sync with the descriptions listed in the valuation report.

When conducting an actuarial audit, and reviewing the testlives, we look at the projected benefits at each age for each decrement type. We also look at the component of the benefit (final average earnings and years of service). This is critical to understanding what the valuation system is actually valuing and making sure that the valuation is not "right for the wrong reasons", (meaning, errors could occur in two different directions making total liabilities approximate a correct value.)

We also review the construction of the commutation functions- the varying probabilities for each decrement and the discounting to the valuation date.

III. Actuarial Method:

Findings:

The actuarial method used for producing Alaska PERS and TRS DCR June 30, 2011 Actuarial Valuations is known as the Entry Age Normal (EAN) Method. Under this method, benefits are projected to the assumed occurrence of future events based on future salary levels and service to date. The Normal Cost is the present value of benefits to be earned for the current year while the Actuarial Accrued Liability (AAL) is the present value of benefit earned for all prior years

Conclusion:

To account for the Part D subsidy in the retiree medical plan, a different set of numbers has been disclosed for GASB reporting purposes (again, as opposed to funding purposes). We concur with this approach.

IV. Actuarial Calculations:

We reviewed sample test cases used for the DCR June 30, 2011 valuation draft reports. In order to accomplish this, we requested a number of sample cases from Buck with intermediate statistics to assist us in analyzing the results. We combined this with our understanding of the plan provisions in an attempt to analyze the liability values produced by Buck for these sample cases only.

Conclusion and Results:

Overall, we matched the liabilities in total quite closely for the test cases submitted under the DCR Pension plans for PERS Other and TRS, with the exception of the Occupational Death benefit. These exhibits provide a comparison of the calculations by decrement provided to us from Buck against our replication of those benefits as we interpret them from the plan provisions and assumptions. We completed this detail for all active test lives under the PERS and TRS DCR.

We have also included exhibits that show the revised calculations for the Occupational Death benefit using the methodology that we believe more accurately reflects the Plan provisions, as discussed previously in this report.

DEATH AND DISABILITY PLANS

For PERS Other pension, the test life actuarial present value match was within 0.2% on the test case shown, replicating Buck's approach. This would be considered as an overall match for purposes of the valuation. However, after we revised the Occupational Death benefit calculation, GRS' actuarial present value of benefits is -4.9% lower on the test life than that calculated by Buck.

For PERS Peace Officer/Firefighter pension, the test life actuarial present value match was 0.1% in total on the test case shown, replicating Buck's approach. This would be considered as an overall match for purposes of the valuation. However, after we revised the Occupational Death benefit calculation, GRS' actuarial present value of benefits is -6.4% lower than that calculated by Buck.

For TRS pension, the test life actuarial present value match was within 0.1% on the test case shown. This would be considered as an overall match for purposes of the valuation. This participant is working 60% of full-time, and does not meet service normal retirement eligibility before age 65, so is not impacted by the revision to the Occupational Death calculation.

Buck Consultants will be providing additional information on the impact of the Occupational Death calculation to the valuation results.

RETIREE HEALTH PLANS

For PERS Other retiree health, the test life actuarial present value match on the retirement benefit decrement for active members was within -1.0%. This is considered a reasonable match, as the retirement benefit decrement consists of approximately 90% of the total actuarial present value.

For PERS Peace Officer/Firefighter retiree health, the test life actuarial present value match on the retirement benefit decrement for active members was within 0.1%. This is considered a reasonable match, as the retirement benefit decrement consists of approximately 90% of the total actuarial present value.

For TRS retiree health, the test life actuarial present value match on the retirement benefit decrement for active members was within -0.3%. This is considered a reasonable match, as the retirement benefit decrement consists of approximately 90% of the total actuarial present value.

We have no issues to resolve from the test live review of the retiree health benefits.

ALASKA RETIREMENT MANAGEMENT BOARD
Actuarial Review of DCR Pension and Health Plans - June 30, 2011

BUCK'S CALCULATION FOR DEATH BENEFIT--Comparison of Present Value of Benefits - **DCR PERS and TRS Pension**

Actives	Test Case 1 - PERS Other		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Female	Tier	4
Current Age	25.93	Full time %	100%
Current Credited Service	2.67		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Disability:</u>			
DCR	295.66	295.38	0.1%
Total Disability PVB	295.66	295.38	0.1%
<u>Death:</u>			
DCR - married only	150.73	149.90	0.6%
Total Death PVB	150.73	149.90	0.6%
GRAND TOTAL PVB	446.39	445.28	0.2%

Actives	Test Case 2 - PERS PF		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Male	Tier	4
Current Age	31.80	Full time %	100%
Current Credited Service	4.90		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Disability:</u>			
DCR Deferred Ben	-	-	
DCR Immed Ben	13,278.09	13,278.39	0.0%
DCR	7,124.16	7,124.33	0.0%
Total Disability PVB	20,402.25	20,402.72	0.0%
<u>Death:</u>			
DCR - married only	6,423.31	6,404.57	0.3%
Total Death PVB	6,423.31	6,404.57	0.3%
GRAND TOTAL PVB	26,825.56	26,807.29	0.1%

Actives	Test Case 3 - TRS		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Female	Tier	3
Current Age	35.54	Full time %	60%
Part-Time Credited Service	3.20		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Disability:</u>			
DCR	268.94	268.26	0.3%
Total Disability PVB	268.94	268.26	0.3%
<u>Death:</u>			
DCR - married only	186.56	186.85	-0.2%
Total Death PVB	186.56	186.85	-0.2%
GRAND TOTAL PVB	455.50	455.11	0.1%

Benefits - Buck Valuation Terminology	
<u>Disability:</u>	
DCR Deferred Ben	Disability benefit payable upon eligibility for retirement
DCR Immed Ben	Disability benefit payable until eligible for normal retirement
DCR	Occupational base disability benefit
<u>Death:</u>	
DCR - married only	Occupational death benefit payable as annuity to spouse

* GRS' audit of Buck's calculation includes review of the benefit amounts, annuity values, assumptions and other factors related to the PVB calculation at each projected age. Differences may exist due to different interpretations of the statutes, as well as additional items as discussed throughout this audit report.

ALASKA RETIREMENT MANAGEMENT BOARD
Actuarial Review of DCR Pension and Health Plans - June 30, 2011

REVISED CALCULATION FOR DEATH BENEFIT--Comparison of Present Value of Benefits - **DCR PERS and TRS Pension**

Actives	Test Case 1 - PERS Other		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Female	Tier	4
Current Age	25.93	Full time %	100%
Current Credited Service	2.67		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Disability:</u>			
DCR	295.66	295.38	0.1%
Total Disability PVB	295.66	295.38	0.1%
<u>Death:</u>			
DCR - married only	127.61	149.90	-14.9%
Total Death PVB	127.61	149.90	-14.9%
GRAND TOTAL PVB	423.27	445.28	-4.9%

Actives	Test Case 2 - PERS PF		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Male	Tier	4
Current Age	31.80	Full time %	100%
Current Credited Service	4.90		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Disability:</u>			
DCR Deferred Ben	-	-	
DCR Immed Ben	13,278.09	13,278.39	0.0%
DCR	7,124.16	7,124.33	0.0%
Total Disability PVB	20,402.25	20,402.72	0.0%
<u>Death:</u>			
DCR - married only	4,682.07	6,404.57	-26.9%
Total Death PVB	4,682.07	6,404.57	-26.9%
GRAND TOTAL PVB	25,084.32	26,807.29	-6.4%

Actives	Test Case 3 - TRS		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Female	Tier	3
Current Age	35.54	Full time %	60%
Part-Time Credited Service	3.20		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Disability:</u>			
DCR	268.94	268.26	0.3%
Total Disability PVB	268.94	268.26	0.3%
<u>Death:</u>			
DCR - married only	186.56	186.85	-0.2%
Total Death PVB	186.56	186.85	-0.2%
GRAND TOTAL PVB	455.50	455.11	0.1%

Benefits - Buck Valuation Terminology	
<u>Disability:</u>	
DCR Deferred Ben	Disability benefit payable upon eligibility for retirement
DCR Immed Ben	Disability benefit payable until eligible for normal retirement
DCR	Occupational base disability benefit
<u>Death:</u>	
DCR - married only	Occupational death benefit payable as annuity to spouse

* GRS' audit of Buck's calculation includes review of the benefit amounts, annuity values, assumptions and other factors related to the PVB calculation at each projected age. Differences may exist due to different interpretations of the statutes, as well as additional items as discussed throughout this audit report.

ALASKA RETIREMENT MANAGEMENT BOARD
Actuarial Review of DCR Pension and Health Plans - June 30, 2011

Comparison of Present Value of Benefits - DCR PERS and TRS Retiree Health

Actives	Test Case 1 - PERS Other		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Female	Tier	4
Current Age	25.93	Full time %	100%
Current Credited Service	2.67		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Retirement:</u>			
Post 65 DCR <Member>	20.69	20.97	-1.3%
Post 65 DCR <Spouse>	12.79	13.03	-1.9%
Contrib DCR <Member>	206.89	208.59	-0.8%
Contrib DCR <Spouse>	127.88	129.61	-1.3%
Post 65 Part D DCR <Member>	19.52	19.61	-0.4%
Post 65 Part D DCR <Spouse>	12.11	12.23	-1.0%
Total Retirement PVB	399.88	404.04	-1.0%

Actives	Test Case 2 - PERS PF		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Male	Tier	4
Current Age	31.80	Full time %	100%
Current Credited Service	4.90		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Retirement:</u>			
Post 65 DCR <Member>	174.11	175.81	-1.0%
Post 65 DCR <Spouse>	133.70	131.34	1.8%
Contrib DCR <Member>	1,610.17	1,625.94	-1.0%
Contrib DCR <Spouse>	1,240.88	1,220.06	1.7%
Post 65 Part D DCR <Member>	160.06	161.04	-0.6%
Post 65 Part D DCR <Spouse>	118.15	118.53	-0.3%
Total Retirement PVB	3,437.06	3,432.72	0.1%

Actives	Test Case 3 - TRS		
<u>Basic Data:</u>		<u>Basic Data:</u>	
Sex	Female	Tier	3
Current Age	35.54	Full time %	60%
Current Credited Service	3.20		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff
<u>Retirement:</u>			
Post 65 DCR <Member>	243.55	243.85	-0.1%
Post 65 DCR <Spouse>	166.47	167.28	-0.5%
Contrib DCR <Member>	1,217.75	1,219.25	-0.1%
Contrib DCR <Spouse>	832.34	836.40	-0.5%
Post 65 Part D DCR <Member>	121.21	121.01	0.2%
Post 65 Part D DCR <Spouse>	82.76	82.98	-0.3%
Total Retirement PVB	2,664.08	2,670.77	-0.3%

Benefits - Buck Valuation Terminology	
<u>Retirement:</u>	
Post 65 DCR <Member>	Base benefit paid to employee while employee is at least 65
Post 65 DCR <Spouse>	Base benefit paid to spouse while employee is at least 66
Contrib DCR <Member>	Employee pre-retirement contributions
Contrib DCR <Spouse>	Spouse pre-retirement contributions
Post 65 Part D DCR <Member>	Employee post-age 65 Medicare Part D reimbursement
Post 65 Part D DCR <Spouse>	Spouse post-age 65 Medicare Part D reimbursement

* GRS' audit of Buck's calculation includes review of the benefit amounts, annuity values, assumptions and other factors related to the PVB calculation at each projected age. Differences may exist due to different interpretations of the statutes, as well as additional items as discussed throughout this audit report.

SECTION 5

REVIEW OF CONTRIBUTION RATE DETERMINATION

REVIEW OF CONTRIBUTION RATE DETERMINATION

GRS was to analyze the funding method being used and verify its computation. The goal here is to start with the Actuarial Accrued Liabilities and the Normal Costs that are developed from the data and valuation software and compare this to the Assets in the system. The difference between the two, the Unfunded Actuarial Accrued Liability (UAAL) in conjunction with the Normal Cost forms the basis of the contributions that the Actuary recommends the system make in order to ensure that benefits can be provided for current and future retirees.

FINDINGS:

The calculations were reasonable and consistent with actuarial practice.

SECTION 6

REVIEW OF ACTUARIAL VALUATION REPORT

REVIEW OF ACTUARIAL VALUATION REPORT

GASB No. 25 DISCLOSURE:

GASB (Governmental Accounting Standards Board) sets out guidelines for financial accounting and reporting for state and local government entities. Under GASB No. 25, the actuarial valuation reports for DCR PERS and TRS must disclose a set of financial statistics. These include:

- Schedule of Funding Progress
- Schedule of Employer Contributions
- Notes to Required Supplementary Information

Findings:

No issues to report.

Conclusion:

Buck has indicated that they do calculate the actuarial present value of assumed Part D Retiree Drug Subsidy (RDS) payments separately. For funding purposes, the total healthcare liability is offset by the RDS amounts to conform to the ARMB's current policy of funding discounted net cash flow. Figures used for GASB 43 purposes have been appropriately illustrated without the RDS offset.

VALUATION REPORT:

GRS reviewed the June 30, 2011 DCR valuation reports for scope as well as content to determine if actuarial statistics were being reflected fairly and if the details of the plan were being correctly communicated.

Findings:

The June 30, 2011 DCR draft valuation reports submitted by Buck had the following layout:

1. Actuarial Certification – This introduces the report, lists the valuation date in question, and provides a disclaimer that the results are predicated on the census data received from the Systems and the financial information received from KPMG. It also discusses the basic actuarial concepts and provides the funded ratios.

2. Report Highlights – Shows funding status and the employer recommended contribution rate.
3. Analysis of the Valuation – Explains the change in the funded status and calculated contribution rate. Includes retiree medical costs, investment return, and other factors. Within this section there are three sections that show the development of valuation results, basis of the valuation, and other historical information.
4. Disclosure – Actuarial Standards of Practice No. 35, “Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations” requires additional disclosures in valuation reports effective July 1, 2011. The standard requires that the “disclosure of the mortality assumption should contain sufficient detail to permit another qualified actuary to understand the provision made for future mortality improvement.” The valuation report indicates the mortality table used but does not include information on the whether or not future mortality improvement has been reflected in the assumption. We recommend that additional disclosure be provided on this assumption.
5. Summary of Benefit Provisions – we recommend including the definition of normal retirement eligibility in the summary of benefit provisions. We also recommend clarifying the language regarding the occupational death benefit so that it is clear that normal retirement eligibility is determined assuming the member had lived and continued to work.

Conclusion:

- We consider the scope and content of Buck’s report to be effective in communicating the financial position and contribution requirements of the PERS and TRS DCR plans. We believe it is in accordance with standard actuarial reporting methodologies for public sector systems, with the addition of more disclosure on whether future mortality improvement has been taken into account.

SECTION 7

SUMMARY AND CONCLUSIONS

SUMMARY AND CONCLUSIONS

We have reviewed the testlives in this limited scope audit, the reports, assumptions and the methods. Based upon our review of the report and the test lives, we recommend that the valuation results be revised to reflect the change to the Occupational Death calculation and to include disclosure on future mortality improvement. After these revisions, we believe the results will meet disclosure requirements and reasonably reflect the costs of this plan.

ALASKA RETIREMENT MANAGEMENT BOARD

**ACTUARIAL REVIEW OF PENSION AND POSTEMPLOYMENT
HEALTHCARE PLANS FOR PERS AND TRS**

MAY 15, 2012

May 15, 2012

Mr. Gary Bader
Chief Investment Officer
Department of Revenue, Treasury Division
Alaska Retirement Management Board
P.O. Box 110405
Juneau, AK 99811-0405

Subject: Actuarial Review of June 30, 2011 valuations for the State of Alaska Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS).

Dear Gary:

We have performed an actuarial review of the June 30, 2011 Actuarial Valuations for PERS and TRS.

This report includes a review of:

- Pension Assumptions and Benefits
- Health Care Cost Assumptions
- Actuarial Valuation Methods and Procedures
- Contribution Rate Determination
- Actuarial Valuation Report
- Potential Areas for Future Review

A major part of the review is a thorough analysis of the test lives provided by Buck Consultants. The report includes exhibits which summarize the detailed analysis of these sample test cases for PERS and TRS, as well as a comparison of the results between Buck Consultants and GRS. We wish to thank the staff of the State of Alaska Treasury Division and Buck Consultants without whose willing cooperation this review could not have been completed.

Sincerely,

Gabriel, Roeder, Smith & Company



Leslie L. Thompson, FSA, FCA, EA, MAAA
Senior Consultant



Todd D. Kanaster, ASA, MAAA
Senior Analyst



Dana L. Woolfrey, ASA, EA, MAAA
Consultant

cc: Ms. Judy Hall

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SECTION 1

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Gabriel, Roeder, Smith & Co. was engaged by the Alaska Retirement Management Board (ARMB) to review the June 30, 2010 Actuarial Valuation of the State of Alaska Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS).

This report presents our findings in the following areas:

- General Approach
- Pension Assumptions and Benefits
- Health Care Cost Assumptions
- Actuarial Valuation Methods and Procedures
- Contribution Rate Determination
- Actuarial Valuation Report
- Potential Areas for Future Review
- Summary and Conclusions

In general, we found that the Buck's actuarial results and reports were reasonable. We found no areas of concern in the actuarial valuation results, and find the assumptions consistent with generally accepted actuarial practice. We also verified that the new assumptions have been applied in the determination of the liabilities of the plan. We have also monitored the outcome of findings from prior audits, and have found all outstanding issues from these prior audits to be closed.

FINDINGS FROM JUNE 30, 2011 AUDIT

Through the test life review completed with the June 30, 2011 audit we did find a few issues to be resolved. Our test life work, in general, matches that of Buck Consultants. The liabilities shown in the Buck test lives matches to our liabilities within an acceptable degree of tolerance.

Each year we review the historical gains and losses. This year is the first year of observing gains and losses under the assumptions adopted following the experience study. In looking at the following PERS pension liability gain/(loss) by source, including the 2011 valuation results and comparing these items with the recommendations from the experience study, we have the following observations:

1. There continue to be termination losses.
2. For PERS, there continue to be large losses in the "other demographic experience" category. In our experience, the major components of gain/(loss) should be accounted for in the items shown, and "other" should represent a small portion of the gain/(loss) experience. Buck indicates that a large portion of this item is due to programming changes. We recommend Buck isolate the gain/(loss) due to programming changes rather than including it in other demographic experience.

PERS Historical Pension Gains and Losses by Source

<u>Source</u>	<u>2011 Valuation</u>	<u>2010 Valuation</u>	<u>2009 Valuation</u>	<u>2008 Valuation</u>	<u>2007 Valuation</u>
Retirement	\$(8,116)	\$3,730	\$(6,440)	\$(2,325)	\$(2,716)
Termination	(39,980)	(33,532)	(20,118)	(7,241)	(7,627)
Mortality	(2,020)	(17,350)	(23,756)	(6,842)	(6,426)
Disability	177	(1,837)	(60)	(1,217)	(267)
New Hires and Re-entrants	(25,953)				
Other	(42,015)	(28,765)	(22,113)	(30,528)	(61,451)
Salary	(13,845)	4,617	(20,132)	(60,440)	(65,045)
COLA and PRPA	39,219	86,479	(19,481)	41,400	
Total	\$(92,533)	\$13,342	\$(112,100)	\$(67,193)	\$(143,532)

TRS Historical Pension Gains and Losses by Source

<u>Source</u>	<u>2011 Valuation</u>	<u>2010 Valuation</u>	<u>2009 Valuation</u>	<u>2008 Valuation</u>	<u>2007 Valuation</u>
Retirement	\$3,809	\$7,922	\$8,298	\$3,618	\$6,810
Termination	(14,197)	(9,763)	(10,182)	(2,108)	(3,543)
Mortality	(5,625)	(17,413)	(17,693)	(15,681)	(10,807)
Disability	(974)	(556)	(428)	(320)	180
New Hires and Re-entrants	(14,236)				
Other	8,225	(20,959)	(16,262)	(16,536)	(29,860)
Salary	8,514	(35,479)	(12,153)	(11,870)	21,351
COLA and PRPA	26,347	58,823	(16,355)	20,193	0
Total	\$11,863	(\$17,425)	(\$64,775)	(\$22,704)	(\$15,869)

TEST LIVE OBSERVATIONS

We have noted the most significant areas of concern below, and a more detailed interpretation of the correspondence of resolution and/or explanation between Buck and GRS is noted in Section 3. In addition, we continue to monitor the findings and recommendations from the audit performed in 2011 against the test lives and reports submitted by Buck for the audit performed in 2012. At the end of this Section we have included a checklist of our review of these items and Buck's status and/or explanation for each item.

- ***Retirement benefits – due to averaging benefits determined at beginning and end of year, rather than determining the benefits at middle of year, early retirement factors are being applied in some instances where the member is eligible for an unreduced benefit. This has the impact of valuing too low of a benefit for some members.***
- ***Post-retirement health benefits – due to averaging benefits determined at beginning and end of year, rather than determining the benefits at middle of year, less than 100% participation is being used in the first year of service-related eligibility for system paid coverage. In that same year, retiree contributions are non-zero even though eligible for system paid coverage. This has the impact of valuing too high of retiree contributions and thereby too low of system paid benefits.***
- ***Post-retirement health benefits – one aging factor is misstated in the assumption section of the report.***

SUMMARY OF TEST LIFE REVIEW

We have included as a part of this report a detailed test life results summary.

- We matched the present value of benefits closely in total on all testlives submitted. We have included exhibits in Section 5 of the report which summarize the differences in calculations by decrement for the test lives analyzed. Differences between actuarial firms will always occur due to system differences and other nuances in the calculations.
- The actuarial basis used for the funding of the plan lies within the range of reasonableness.

Issues newly identified in the June 30, 2011 actuarial audit:

Issue	GRS Recommendations	Plan	Buck Comments
Benefits			
1. Retirement			
a. Early retirement reduction	Due averaging of beginning of year and end of year statistics, applying early retirement reduction where none is needed in first year of eligibility based on 20 years of service.	TRS	The Buck valuation system does not allow for this. Does not believe their methodology introduces any bias.
2. Post-retirement health			
a. Election percentage	Averaging beginning of year and end of year participation assumption. Should use participation assumption based on middle of year eligibility. Biggest issue for retiree contributions.	PERS, TRS	The Buck valuation system does not allow for this.
b. Aging factors	Age 74 should be 0.5%	PERS, TRS	Buck will update this in the final report.

Resolution of issues identified in the June 30, 2010 actuarial audit:

Issue	GRS Recommendations	Plan	Buck Updated?	Buck Comments
Benefits				
1. Withdrawal				
a. Vested termination benefit	Deferred to earliest unreduced retirement age, but has age 55 early reduction factor applied. Remove early reduction factor.	PERS	✓	
2. Death				
a. Occupational death eligibility	Remove 5-year eligibility requirement.	PERS	✓	
b. Occupational death benefit	Use maximum of projected service at age 60 and service at time of death.	PERS	✓	
3. Disability				
a. Temporary v. deferred disability benefit	Correct the timing of when temporary benefit ends and the deferred benefit commences for members eligible for normal retirement.	PERS, TRS	✓	
b. Occupational disability rates	Assumption ceases at early retirement; the new assumption is that a members will elect to retire.	PERS	✗	Buck indicates this assumption is included in the report.
c. Occupational disability for police officers	Can elect greater of disability benefit or retirement benefit - Buck only values the normal retirement benefit.	PERS	✓	
d. Normal retirement conversion	Timing of normal retirement conversion should match for the annuity value and the benefit.	TRS	✓	
4. OPEB				
a. Election rates	Should be same for member and spouse.	PERS, TRS	✓	

Ongoing outstanding issues:

Issue	GRS Recommendations	Plan	Buck Updated?	Buck Comments
Benefits				
1. Death a. Postretirement benefit adjustments for survivors	Eligibility for post-retirement benefit adjustments is based on the retiree age rather than the surviving spouse age.	PERS, TRS	✘	Agree with GRS, but system limitations prevent this change.

SECTION 2

GENERAL APPROACH

GENERAL APPROACH

Gabriel, Roeder, Smith & Co. was charged with reviewing the actuarial assumptions of the pension and health care provisions of the actuarial valuations of TRS and PERS.

We requested a number of items from Buck Consultants in order to perform the actuarial review and health cost assumption review:

1. We received the draft reports on February 29, 2012. On December 8, 2010, we received valuation data for pension and healthcare for both plans. On December 15, 2010, we received the pension and healthcare test lives for PERS and TRS.

In performing our review, we:

1. Reviewed actuarial assumptions – we checked to see if they were consistent, comprehensive, and appeared reasonable.
2. Reviewed the actuarial valuation reports as of June 30, 2011 for completeness, GASB compliance and a review of financial determinations.
3. Reviewed, in detail, the sample members provided us – This provided us with a perspective on the actuarial process utilized by Buck with respect to the plan and allowed us to review the valuation methods and procedures.
4. Reviewed the health cost assumptions and trend.
5. Identified areas for future more detailed review.

KEY ACTUARIAL CONCEPTS

An actuarial valuation is a detailed statistical simulation of the future operation of a retirement system using the set of actuarial assumptions adopted by the Board. It is designed to simulate all of the dynamics of such a system for each current system member including:

1. Earning future service and making contributions,
2. Receiving changes in compensation,
3. Leaving the system through job change, disablement, death, or retirement, and
4. Determination of and payment of benefits from the System.

This simulated dynamic is applied to each active member of the System. It results in a set of expected future benefit payments to that member. Bringing those expected payments to present value, at the assumed rate of investment return, produces the Actuarial Present Value (“APV”) of future benefits for that member. In like manner, an APV of future salaries is determined.

The APV of future benefits and the APV of future salaries for the entire System are the total of these values across all members. The remainder of the actuarial valuation process depends upon these building blocks.

Once the basic results are derived, an actuarial method is applied in order to develop information on contribution levels and funding status. An actuarial method splits the APV of future benefits into two components:

1. APV of Future Normal Costs, and
2. Actuarial Accrued Liability (“AAL”).

The actuarial method in use by the State of Alaska is known as the Entry Age Normal (EAN) method. Under EAN, the Normal Cost for a member is that portion of the Actuarial Present Value of the increase in the value of that member’s benefit for service during the upcoming year. The AAL is the difference between the total APV and the present value of all future normal costs.

For TRS and PERS, the APV of future benefits applies to the following benefits:

- Retirement benefits
- Withdrawal benefits
- Disability benefits
- Death benefits
- Return of contributions
- Medical benefits
- Indebtedness (from contributions which might be redeposited)

The medical benefits are based on potential future health care benefits, while the others are a type of post-employment income replacement benefit, based on salary. For the medical benefits, estimates must be made of the future health care costs. This is done by determining current per capita health care claim costs by age of retiree, and projecting them into the future based on anticipated future health care inflation.

SECTION 3

REVIEW OF PENSION ASSUMPTIONS AND BENEFITS

REVIEW OF ASSUMPTIONS AND BENEFITS

GENERAL

In the review of the testlives as well as the report we confirmed that the assumptions shown in the report were the assumptions used in the PERS and TRS valuations.

BACKGROUND

The findings below are based on the detailed review of the following test lives summarized in exhibits at the end of Section 5:

- PERS (Pension and Post-retirement Health): Three actives, two retirees, one vested termination and one beneficiary
- TRS (Pension and Post-retirement Health): Three actives, two retirees, one vested termination and one beneficiary

Note that the active test lives analyzed are not necessarily exposed to all of the possible benefits under the plans (i.e. already beyond the eligibility period for certain benefits, or not eligible for particular benefits). Therefore, findings may occur for these other benefits in future audits depending on the set of test lives chosen for review at that time. However, the vast majority of the liability for each plan is due to the retirement benefits (included for all active test lives), and retirement-related withdrawal benefits (one active testlife included per plan), so any future findings are also expected to be de minimus. Also, the impact for any one test life may not be representative of the impact on the total plan.

FINDINGS FROM JUNE 30, 2011 TEST LIFE AUDIT – NEW ISSUES IDENTIFIED AND RESOLUTION OF ITEMS OUTSTANDING FROM JUNE 30, 2010 TEST LIFE AUDIT

Issues identified in the June 30, 2011 test lives

Retirement:

GRS Finding: The valuation uses middle of year decrement timing (assumes members leave July 1st). Buck uses rounded middle of year age and service for eligibility and application of decrements. Buck uses an average of benefits calculated at beginning of year and end of year (rather than calculating the benefit based on the age and service at middle of year). In the majority of cases, this results in a very similar benefit to the mid-year benefit calculation. However, in the Tier 1 test case this year, it did cause a difference in liabilities. The member is age 49.2 with 19.8 years of service at the valuation date. In the first year benefit calculation, Buck assumed that the member would

have a 61% early reduction factor applied to the beginning of year benefit (since the member just barely misses the 20 year normal retirement requirement) and 100% early retirement reduction factor applied to the end of year benefit. The results is an approximate 80% early retirement reduction factor on the middle of year benefit (average of 61% and 100%). A mid-year valuation would determine the benefits using middle of year age and service, resulting in no early retirement reduction, and this method would be more conservative. This discrepancy only applies in one loop year. Had the reduction not been applied, the present value of retirement benefits would be 2.1% higher.

Buck Response: Buck indicates that the member is not eligible for normal retirement at beginning of year and should have the early retirement reduction factor applied. They indicate that there will be members that will retire on either side of the eligibility cutoff and that their methodology approximates the benefits on average.

GRS Comment: The retirement rates applied are for members “eligible for unreduced benefits” and should be applied as such. Assuming that members will take the reduced benefit when they are close to full eligibility undervalues the benefit. In addition, the member is not eligible for early or normal retirement at the beginning of year, at age 49.2

Post-retirement Health:

GRS Finding: Similar to the retirement benefit above, this finding relates to interpolating between beginning of year and end of year benefits. Contributions for healthcare are required for Tier 2 members who retire before age 60 if they don’t have 25 years of service. The valuation methodology assumes that 100% of members eligible for system paid coverage elect post-retirement healthcare benefits and 10% of members who must self-pay elect post-retirement healthcare benefits.

In the first year of service-based eligibility, there is interpolation between beginning of year benefits with the 10% participation rate applied and end of year benefits with the 100% participation applied, effectively using a 55% participation rate. This is acceptable because in some cases, a member would have a 10% participation rate at middle of year and in some cases, a member would have a 100% participation rate at middle of year – it would “come out in the wash.”

The biggest issue presents in the retiree and spouse contribution benefit stream (still in the first year of service-based eligibility). Once the member is eligible for system paid coverage and the 100% participation rate is applied, the retiree contribution benefit should be \$0. Thus, if the Buck middle of year averaging is applied, it should be an average of:

- 10% - applied to the retiree contribution rate beginning of year and

- 100% - applied to \$0 because the retiree no longer contributes.

Instead, the averaged benefit appears to be the average of

- 10% - applied to the retiree contribution rate beginning of year and
- 100% - applied to the retiree contribution rate end of year.

Thus, in this first year of service-based eligibility, the retiree contributions are overstated. The retiree contributions act to reduce the liability, so the liability is understated. This problem occurs in test lives where the retiree reaches service-based retirement first.

Buck Response: Buck has indicated that they do not believe there is any bias in their approach.

GRS Comment: The Buck response addresses the participation rates, but not the benefit issue.

Post-retirement Health:

GRS Finding: The prescription benefit aging factor used at age 74 was 0.5%. The report states on page 100 of the PERS draft report and page 81 of the TRS draft report that it is 1.5%.

Buck Response: Buck will update this assumption in the final reports.

Resolution of Issues identified in the June 30, 2010 test lives

Withdrawal:

A. Deferral age used in the calculation of benefits

GRS Finding: Buck was calculating the PERS deferred vested benefits assuming retirement at first eligibility for reduced retirement; however Buck was valuing the benefit as not payable until eligibility for unreduced retirement. The benefit calculation and payment timing should match.

Buck Response: Buck concurred and indicated they would remove the early retirement reduction from the deferred vested benefits in the 2011 valuation.

Resolution: This change has been made in the June 30, 2011 valuation.

Disability:***B. Occupational disability rates***

GRS Finding: As part of the experience study, Buck chose to stop disability rates at the member's earliest retirement date. We do not concur with this change in methodology. The member may be eligible for a more valuable disability benefit during the early retirement period. The member would benefit doubly from taking the disability benefit due to tax advantages available to them. We recommended continuing to include probability for disability retirement until the member is eligible for normal retirement.

Buck Response: Buck referred us to the experience study and indicated that they assume the member will choose to retire, if eligible.

Closing comment: No change was made and we continue to recommend reconsidering this change in methodology and extending the rates out until normal retirement.

C. Occupational disability benefit for police officers

GRS Finding: Occupationally disabled members are eligible to elect the greater of the occupational disability benefit and the normal retirement benefit. Buck was only valuing the retirement benefit. We recommend valuing the greater of the two benefits.

Resolution: Although this situation did not present in any of the June 30, 2011 test lives for confirmation, Buck has indicated that they have made the change.

D. Normal retirement conversion

GRS Finding: In the prior valuation, Buck assumed the normal retirement conversion benefit will begin at age 60; however, the normal retirement conversion benefit was calculated as of the earliest normal retirement age, which for the observed test cases was substantially earlier. The payment timing and benefit calculation should be based on the same conversion age.

Buck Response: Buck concurred and indicated their valuation system does not allow them to convert to normal retirement at different ages so they would convert everyone at 60 and calculate their benefit accordingly in the 2011 valuation.

Closing comment: Buck has found a way to convert to normal retirement at different ages and is converting at earliest normal retirement age and calculating benefits accordingly. This is the ideal approach.

Death from active status:

E. Occupational death eligibility

GRS Finding: The Buck valuation assumed members were not eligible for occupational death benefits until completing five years of service. We recommend removing this restriction consistent with the provisions.

Resolution: This change has been made in the June 30, 2011 valuation.

F. Occupational death benefit

GRS Finding: Benefits after conversion to the normal retirement were using service at age 60 even if the member death occurs after age 60 and the member had more service at the time of death. Normal retirement benefits payable to the surviving spouse should use the maximum of service projected to age 60 and service at the time of death.

Buck Response: Buck concurred and indicated they would value the greater of the two service amounts in the 2011 valuation.

Resolution: This change has been made in the June 30, 2011 valuation.

G. Election or participation rates for the retiree medical plan

GRS Finding: Buck uses a two-tiered participation assumption based on whether retirees are eligible for employer-paid coverage (based on member age). The assumption was applied incorrectly to spouse benefits based on spouse age rather than member age. As an example, a 58-year old female not meeting the eligibility requirement for employer-paid coverage would have a 10% participation assumption. Her assumed spouse would be three years older, or 61. It is our understanding that the spouse would still have a 10% participation rate based on the member's age. However, the Buck valuation used the spouse age of 61 and applies a participation assumption of 100%. It is our understanding that the member and spouse participation rates should match and should both be based on member age.

Buck Response: Buck concurred and indicated they would use matching participation rates based on member age in the 2011 valuation.

Resolution: This change has been made in the June 30, 2011 valuation.

Ongoing issues from prior audits

There is one ongoing de minimis issue which cannot be corrected due to system limitations. For Post-retirement Pension Adjustments for surviving spouses, Buck's valuation system uses the age of the original member, not the age of the benefit recipient.

ECONOMIC ASSUMPTIONS

General

These assumptions simulate the impact of economic forces on the amounts and values of future benefits. Key economic assumptions are the assumed rate of investment return and assumed rates of future salary increase.

Economic assumptions are normally defined by an underlying inflation assumption. Buck has cited 3.12% as its inflation assumption. Over the last year or so, long-term inflation forecasts have been declining. With the decline, the 3.12% inflation assumption is now at the higher end of the generally accepted range.

Investment Return Assumption

The nominal investment return assumption is 8.00%. The assumption is net of all investment and administrative expenses. A net investment return rate of 8.00% per annum is a commonly used assumption by many large public employee retirement systems. Combined with the 3.12% inflation assumption, this yields a 4.88% real net rate of return. This 4.88% real return should be continuously tested with the PERS and the TRS asset allocation.

Because PERS and TRS are closed to new members, eventually the asset allocation may need to be adjusted to reflect cash flow needs. This should also be considered in the next asset allocation and experience study.

Member Pay Increase Assumption

In sophisticated actuarial models, assumed rates of pay increase are often constructed as the total of several components:

Base salary increases -- base pay increases that include price inflation and general “standard of living” or productivity increases.

An allowance for Merit, Promotion, and Longevity – This portion of the assumption is not related to inflation.

In the context of a typical pay grid, pay levels are set out for various employment grades with step increases for longevity:

The base salary increase assumption reflects overall growth in the entire grid, and The Merit, Promotion, and Longevity pay increase assumption reflects movement of members through the grid, both step increases and promotional increases.

Base Salary Increase Assumption

The Base Salary Increase Assumption (also known as the wage inflation assumption) is 3.62%. The 3.62% is comprised of 3.12% for general inflation and 0.5% for productivity increases.

Merit, Promotion, and Longevity Pay Increase Assumption

As described above, the Merit, Promotion, and Longevity pay increase assumption represents pay increases due to movement through the pay grid. This is based on longevity and job performance. In most models, it is recognized that step increases and promotions are very rare late in careers. Thus, this allowance should trail away from relatively high levels for young or short service members to virtually nothing late in careers. We would expect that, as members approach retirement, this component would fade away.

The assumptions used by Buck are reasonable.

We would also offer that the manner in which pays change over time for teachers in comparison to public employees tends to differ. Since most teachers have a specific skill set, the approach to their compensation tends to follow a more consistent trend. Public Employees however (except for Peace officers and Firefighters) tend to represent a multitude of different skills – from a more generalized, labor intensive capacity (e.g., custodial) to more specialized training (ex. Accounting).

SUMMARY

In summary, the set of actuarial assumptions appear to be reasonable.

SECTION 4

REVIEW OF HEALTH CARE COST METHODS AND ASSUMPTIONS

REVIEW OF HEALTH CARE COST ASSUMPTIONS

GENERAL

Buck was able to complete their analysis of medical costs based on claims information provided by WFIS and Premera. For the 2011 valuation, the claim costs and Medicare offset analyses were updated using claims and enrollment data. Individual claim level detail was obtained from WFIS and Premera for fiscal years 2008 through 2011.

Claims Cost and Medicare Offset

We analyzed the trend in the per capita claim costs over the last four years:

	Age 65 Per Capitas					Trend				
	2008	2009	2010	2011	2012	08-09	09-10	10-11	11-12	Avg.
Med: Pre-Medicare	7,196	7,670	7,503	8,606	9,497	6.6%	-2.2%	14.7%	10.4%	7.2%
Med: Medicare A&B only	1,151	1,296	1,336	1,563	1,551	12.6%	3.1%	17.0%	-0.8%	7.7%
Med: Medicare B only	2,805	3,384	4,754	6,654	6,936	20.6%	40.5%	40.0%	4.2%	25.4%
Rx	2,173	2,379	2,419	2,600	2,799	9.5%	1.7%	7.5%	7.7%	6.5%

The changes in rates between June 30, 2011 and June 30, 2012 for pre-Medicare medical claims outpaced the current trend assumption being used. The changes in rates between June 30, 2011 and June 30, 2012 for post-Medicare medical claims and prescription claims outpaced the current trend assumption being used. This resulted in an overall gain on Postemployment Healthcare Liabilities.

Method and Contributions

- Nothing to recommend

Report

- Nothing to recommend.

Assumptions

- The trend assumptions used for Medical and Prescription Drugs still appear to be reasonable.
- The participation assumption of 100% for employer-paid coverage and 10% for member-paid coverage still appears reasonable.

Incurred Adjustment

- Assumptions were developed regarding the number of Medicare Part B only coverage and associated claims costs. In addition, the assumed lag used to adjust claims data from a paid to incurred basis was 2.0 months for medical claims and 0.04 for prescription claims. We concur with this approach.

Aging of Claim Costs

- Buck used individual claim data to develop age-graded cost rates, and will continue to measure the individual claim data against the aging curve to test its ongoing reasonableness of fit. We concur with this methodology.

Medicare Part B Only

- Eligibility for current active members is now determined based on quarters worked since date of hire or re-hire. This refinement created a liability gain for the plans.

Cadillac Tax

- Buck indicates that the Cadillac Tax will affect the plan sufficiently far in the future to produce a minimal impact to valuation results. We commend Buck for addressing this future provision.

SECTION 5

REVIEW OF ACTUARIAL VALUATION METHODS AND PROCEDURES

REVIEW OF ACTUARIAL VALUATION METHODS AND PROCEDURES

I. Background

An actuarial valuation is a detailed statistical simulation of the future operation of a retirement system using the set of actuarial assumptions adopted by the Board.

The actuarial values generated from this process are based not only on these assumptions, but also on the additional assumptions built into each actuarial firm's pension valuation software.

Our scope for performing the review did not include a complete replication of the valuation results as determined by Buck Consultants at June 30, 2011. Rather, we reviewed a number of sample test lives from Buck in great detail, and made our determinations as to whether the methods and assumptions being employed were being done so properly. We also reviewed the report in order to examine the aggregate results and conclusions of this actuarial valuation.

Though this approach is not intended to meet the rigors of a full scale replication of results – it still serves as a strong indicator of the appropriateness of the assumptions and methods being used to value the liabilities and determine the costs for these plans.

II. Process:

Our review process can be summarized as follows:

Computation: Valuation Liabilities

We analyzed test cases to compare the Actuarial Liability under the EAN funding method for the test cases of the PERS and TRS Systems. As a starting point, we wanted to first replicate Buck's test case liabilities by using their assumptions and methods to ensure that the computations were in sync with the descriptions listed in the valuation report.

When conducting an actuarial audit, and reviewing the testlives, we look at the projected benefits at each age for each decrement type. We also look at the component of the benefit (final average earnings and years of service). This is critical to understanding what the valuation system is actually valuing and making sure that they valuation is not "right for the wrong reasons", (meaning, errors could occur in two different directions making total liabilities approximate a correct value.)

We also review the construction of the commutation functions- the varying probabilities for each decrement and the discounting to the valuation date.

III. Actuarial Method:

Findings:

The actuarial method used for producing Alaska PERS and TRS June 30, 2011 Actuarial Valuations is known as the Entry Age Normal (EAN) Method. Under this method, benefits are projected to the assumed occurrence of future events based on future salary levels and service to date. The Normal Cost is the present value of benefits to be earned for the current year while the Actuarial Accrued Liability (AAL) is the present value of benefit earned for all prior years

Conclusion:

The level percent of pay method for both amortization of the unfunded accrued liability and the normal cost are both appropriate as a funding policy, considering that that payroll is not closed (as promulgated under SB 123.) For GASB reporting purposes (as opposed to funding purposes), a different set of numbers may need to be disclosed to account for the closed nature of the group.

Additionally, to account for the Part D subsidy in the retiree medical plan, a different set of numbers may need to be disclosed for GASB reporting purposes (again, as opposed to funding purposes). The report also recognizes that a different discount rate will need to be utilized for the GASB numbers for the retiree medical liabilities, in order to recognize the partially funded nature of that plan.

The EAN method is the most commonly used method in the public sector. The EAN method tends to produce the most stable costs- a tool widely appreciated for its budgeting purposes.

IV. Actuarial Calculations:

We reviewed sample test cases used for the June 30, 2011 valuation draft reports. In order to accomplish this, we requested a number of sample cases from Buck with intermediate statistics to assist us in analyzing the results. We combined this with our understanding of the plan provisions in an attempt to analyze the liability values produced by Buck for these sample cases only.

Findings:

We analyzed the test cases and found the results to be well within acceptable tolerance limits for differences in the present value of benefits.

Conclusion and Results:

We matched the liabilities in total quite closely for the test cases submitted under the Pension plans for PERS and TRS, and present value of retirement benefits under the PERS Retiree Health plan. In addition we have analyzed the calculations of the ancillary benefits and have provided a summary of this detailed analysis at the end of this section. These exhibits provide a comparison of the calculations by decrement provided to us from Buck against our replication of those benefits as we interpret them from the plan provisions and assumptions. We completed this detail for three active test lives under PERS and TRS (Pension plan), as well as selected inactives and pay status members under PERS and TRS. We continue to refine our review for three active test lives under both the PERS and TRS Retiree Health plans with regards to the retirement benefits, as well as the inactives and pay status. Some of the decrements match very well, and others show more discrepancy. The significant differences are shown in the exhibits where the percentage difference of the comparison between Buck and GRS is not close to 100%. Hence we recommend further study of these particular areas.

In matching the present value of benefits, it is being determined that all benefits are being valued, and that the valuation of the liability for those benefits is consistent with the stated assumptions and methods.

PENSION PLANS

For PERS pension, the test life PVB match was within 0.4% on the three cases shown. The inactive test lives match to within 0.8%. This would be considered as an overall match for purposes of the valuation.

For TRS pension, the PVB of two active test lives matches within 0.1%. The PVB difference on the third active test life is 2.1%. The inactive test lives match to within 1.6%. This would be considered as an overall match for purposes of the valuation.

We have no additional issues to recommend for review.

RETIREE HEALTH PLANS

For PERS retiree health, the test life PVB on the retirement benefit decrement for active members was 3.1%, 1.2%, and 0.4% different of the three test lives. This is considered a reasonable match, as the retirement benefit decrement consists of approximately 90% of the total PVB. The inactive test lives match to within 1.0%. This would be considered as an overall match for purposes of the valuation.

For PERS retiree health, the test life PVB on the retirement benefit decrement for active members was 1.0%, 3.1%, and 2.7% different of the three test lives. This is considered a reasonable match, as the retirement benefit decrement consists of approximately 90% of the total PVB. The inactives test lives match to within 1.0%. This would be considered as an overall match for purposes of the valuation.

NOTE

Ancillary or non-retirement benefits such as death and disability tend to be low probability events (and hence low liability) and they also tend to have many “bells and whistles” which can be valued in different ways by different actuaries. When looking at the test life results, it may be most informative to review the decrement (retirement, termination, disability, death) totals rather than each particular segment of the decrement (married non-occupational death, etc.).

Actuarial Review of Pension and Health Plans - June 30, 2011
 Comparison of Present Value of Benefits - **PERS Active Pension**

Actives	Test Case 1 - PF Tier 3			Test Case 2 - Other Tier 2			Test Case 3 - Other Tier 1		
<u>Basic Data:</u>	Current Age	Credited Service	Sex	Current Age	Credited Service	Sex	Current Age	Credited Service	Sex
	34.8	12.3	Male	57.2	13.9	Female	64.1	28.1	Male
Present Value of Benefits (PVB)	GRS*	Buck	% Diff	GRS*	Buck	% Diff	GRS*	Buck	% Diff
<u>Retirement:</u>									
Main Retirement Benefit	363,117	364,488	-0.4%	197,113	197,327	-0.1%	688,094	691,373	-0.5%
AK COLA	5,653	5,654	0.0%	8,801	8,792	0.1%	40,817	40,816	0.0%
Total Retirement PVB	368,771	370,142	-0.4%	205,914	206,119	-0.1%	728,911	732,189	-0.4%
<u>Withdrawal:</u>									
Vested Term	20,198	20,476	-1.4%	-	-	0.0%	-	-	0.0%
Vested Term AK COLA	552	561	-1.6%	-	-	0.0%	-	-	0.0%
Vested Term (take LS)	5,191	5,258	-1.3%	-	-	0.0%	-	-	0.0%
Vested Term (death during deferral)	250	264	-5.5%	-	-	0.0%	-	-	0.0%
Vested Term (death during deferral AK COLA)	12	19	-37.0%	-	-	0.0%	-	-	0.0%
Total Withdrawal PVB	26,202	26,578	-1.4%	-	-	0.0%	-	-	0.0%
<u>Death:</u>									
NonOcc Dth Marr	632	559	13.0%	461	386	19.5%	4,719	3,840	22.9%
NonOcc Dth Marr AK COLA	6	8	-17.3%	23	17	33.5%	237	223	6.5%
NonOcc Married LS Dth	53	54	-1.1%	33	33	0.6%	334	335	-0.3%
NonOcc Single LS Dth	89	90	-1.2%	94	94	0.7%	556	558	-0.3%
Occ Dth Marr (Pre-NR Conversion Benefit)	444	445	-0.1%	56	56	0.0%	-	-	0.0%
Occ Dth Marr (Post-NR Conversion Benefit)	4,235	4,105	3.2%	1,166	1,145	1.8%	12,703	12,942	-1.8%
Occ Dth Marr AK COLA (Post-NR)	44	59	-26.0%	64	52	21.4%	643	750	-14.2%
Occ Single LS Dth	266	270	-1.2%	115	115	0.7%	680	682	-0.3%
Total Death PVB	5,769	5,588	3.2%	2,012	1,897	6.1%	19,871	19,328	2.8%
<u>Disability:</u>									
NonOcc Dis	993	993	0.0%	-	-	0.0%	-	-	0.0%
NonOcc Dis AK COLA	56	56	0.0%	-	-	0.0%	-	-	0.0%
Occ Dis (Pre-NR Conversion Benefit)	807	807	0.0%	-	-	0.0%	-	-	0.0%
Occ Dis (Post-NR Conversion Benefit)	2,777	2,732	1.7%	-	-	0.0%	-	-	0.0%
Occ Dis AK COLA (Pre-NR)	54	54	0.0%	-	-	0.0%	-	-	0.0%
Occ Dis AK COLA (Post-NR)	159	157	1.7%	-	-	0.0%	-	-	0.0%
Dis Death Ben	200	231	-13.1%	-	-	0.0%	-	-	0.0%
Dis Death Ben AK COLA	13	12	2.6%	-	-	0.0%	-	-	0.0%
Total Disability PVB	5,060	5,042	0.4%	-	-	0.0%	-	-	0.0%
GRAND TOTAL PVB	405,802	407,350	-0.4%	207,927	208,016	0.0%	748,781	751,517	-0.4%

Actuarial Review of Pension and Health Plans - June 30, 2011
 Comparison of Present Value of Benefits - TRS Pension

Actives	Test Case 1 - Tier 1			Test Case 2 - Tier 2			Test Case 3 - Tier 2		
	Current Age	Credited Service	Sex	Current Age	Credited Service	Sex	Current Age	Credited Service	Sex
Basic Data:	49.2158	19.80	Female	34.4918	10.00	Female	29.4699	4.30	Male
Present Value of Benefits (PVB)	GRS*	Buck	% Diff	GRS*	Buck	% Diff	GRS*	Buck	% Diff
Retirement:									
Main Retirement Benefit	409,699.66	401,319.75	2.1%	191,568.85	191,594.23	0.0%	69,695.32	69,721.77	0.0%
AK COLA	21,489.93	21,041.26	2.1%	3,343.19	3,342.39	0.0%	1,274.64	1,274.34	0.0%
Total Retirement PVB	431,189.59	422,361.01	2.1%	194,912.04	194,936.62	0.0%	70,969.96	70,996.11	0.0%
Withdrawal:									
Vested Term	-	-	0.0%	15,397.98	15,409.31	-0.1%	6,792.00	6,799.16	-0.1%
Vested Term AK COLA	-	-	0.0%	476.29	476.26	0.0%	208.76	208.75	0.0%
Vested Term (take LS)	-	-	0.0%	2,556.90	2,556.90	0.0%	1,260.79	1,260.78	0.0%
Vested Term (death during deferral)	-	-	0.0%	118.41	103.50	14.4%	137.96	89.39	54.3%
Vested Term (death during deferral AK COLA)	-	-	0.0%	1.50	5.94	-74.7%	1.66	4.76	-65.1%
Vested Term (death, single)	-	-	0.0%	10.46	47.74	-78.1%	33.91	22.61	50.0%
Total Withdrawal PVB	-	-	0.0%	18,561.54	18,599.65	-0.2%	15,269.11	15,219.46	0.3%
Death:									
Non Vested NonOcc 1<svc<5 LS Dth	-	-	0.0%	-	-	0.0%	27.54	27.58	-0.2%
NonOcc Dth Marr	841.33	816.65	3.0%	505.56	481.27	5.0%	361.75	332.07	8.9%
NonOcc Dth Marr AK COLA	44.13	43.08	2.4%	7.86	7.67	2.5%	6.03	5.65	6.7%
NonOcc Married LS Dth	72.99	71.31	2.4%	36.94	36.93	0.0%	25.38	25.59	-0.8%
NonOcc Single LS Dth	243.31	237.71	2.4%	122.96	122.87	0.1%	44.71	45.06	-0.8%
Occ Dth (Pre-NR Conversion Benefit)	1.35	1.35	0.0%	37.34	37.36	-0.1%	63.81	64.37	-0.9%
Occ Dth (Post-NR Conversion Benefit)	438.69	452.64	-3.1%	214.42	254.86	-15.9%	-	-	0.0%
Occ Dth AK COLA (Pre-NR)	-	-	0.0%	-	-	0.0%	151.02	175.59	-14.0%
Occ Dth AK COLA (Post-NR)	24.06	23.86	0.8%	2.71	4.35	-37.7%	2.02	3.16	-36.1%
Total Death PVB	1,665.86	1,646.60	1.2%	927.79	945.31	-1.9%	682.25	679.07	0.5%
Disability:									
Non-vested LS Ben	-	-	0.0%	-	-	0.0%	4.72	5.23	-9.8%
Dis (Pre-NR Conversion Benefit)	-	-	0.0%	372.34	372.34	0.0%	357.71	357.70	0.0%
Dis (Post-NR Conversion Benefit)	-	-	0.0%	497.27	565.13	-12.0%	285.58	243.55	17.3%
Dis AK COLA (Pre-NR)	-	-	0.0%	21.06	21.05	0.0%	19.69	19.70	-0.1%
Dis AK COLA (Post-NR)	-	-	0.0%	27.79	26.92	3.2%	16.31	12.06	35.2%
Dis Death Ben	-	-	0.0%	12.06	12.07	-0.1%	26.48	26.50	-0.1%
Dis Death Ben AK COLA	-	-	0.0%	0.57	0.56	1.8%	1.21	1.22	-0.8%
Dis Child Ben	-	-	0.0%	151.51	147.31	2.9%	133.14	133.16	0.0%
Dis Child Ben AK COLA	-	-	0.0%	8.46	8.22	2.9%	7.29	7.29	0.0%
Total Disability PVB	-	-	0.0%	1,091.06	1,153.60	-5.4%	852.13	806.41	5.7%
GRAND TOTAL PVB	432,855.45	424,007.61	2.1%	215,492.43	215,635.18	-0.1%	87,773.45	87,701.05	0.1%

Actuarial Review - June 30, 2011
Comparison of Present Value of Benefits - Inactive Pension

PERS Inactives Pension - PVB	GRS	Buck	% Diff
PERS Peace Officer/Firefighter - Retiree	393,387	390,072	0.8%
PERS Others - Retiree	77,803	78,270	-0.6%
PERS Peace Officer/Firefighter - Deferred	18,011	17,904	0.6%
PERS Others - Beneficiary	58,217	58,596	-0.6%

TRS Inactives Pension - PVB	GRS	Buck	% Diff
TRS - Retiree 1	689,904	685,634	0.6%
TRS - Retiree 2	250,399	246,420	1.6%
TRS - Deferred	147,783	146,231	1.1%
TRS - Beneficiary	79,837	79,691	0.2%

Actuarial Review of Pension and Health Plans - June 30, 2011	
Active Pension Test Case Legend	
Benefit	Extended Description
Retirement: Main Retirement Benefit AK COLA	Early/Normal Retirement (base) Benefit Alaska Cost of Living Allowance (10% of Ret base benefit)
Withdrawal: Vested Term Vested Term AK COLA Vested Term (take LS) Vested Term (death during deferral) Vested Term (death during deferral AK COLA) Vested Term (death, single)	Deferred retirement (base) Benefit (deferred to early retirement eligibility) Alaska Cost of Living Allowance (10% of Term base benefit) Refund of employee contributions upon termination of (vested) member Death (base) Benefit payable upon death after withdrawal but before benefit commencement Alaska Cost of Living Allowance (10% of DV Dth base benefit) Return of employee contributions upon death during deferral period for single members
Death: Non Vested NonOcc 1<svc<5 LS Dth NonOcc Dth Marr NonOcc Dth Marr AK COLA NonOcc Married LS Dth NonOcc Single LS Dth Occ Dth (Pre-NR Conversion Benefit) Occ Dth (Post-NR Conversion Benefit) Occ Dth AK COLA (Pre-NR) Occ Dth AK COLA (Post-NR) Occ Single LS Dth	Refund of employee contributions upon death of non-vested member Non-Occupational Death (base) benefit Alaska Cost of Living Allowance (10% of Non-Occupational Dth base benefit) Refund of employee contributions upon non-occupational death of married (vested) member Refund of employee contributions upon non-occupational death of single (vested) member Occupational Death (base) benefit until normal retirement conversion Occupational Death (base) benefit after normal retirement conversion Alaska Cost of Living Allowance (10% of Occupational Dth base benefit pre-conversion) Alaska Cost of Living Allowance (10% of Occupational Dth base benefit post-conversion) Refund of employee contributions upon occupational death of single (vested) member
Disability: Non-vested LS Ben Dis (Pre-NR Conversion Benefit) Dis (Post-NR Conversion Benefit) Dis AK COLA (Pre-NR) Dis AK COLA (Post-NR) Dis Death Ben Dis Death Ben AK COLA Dis Child Ben Dis Child Ben AK COLA	Refund of employee contributions payable upon disability before vested Disability benefit prior to normal retirement conversion Disability benefit after normal retirement conversion Alaska Cost of Living Allowance (10% of pre-conversion disability benefit) Alaska Cost of Living Allowance (10% of post-conversion disability benefit) Death (base) Benefit payable upon death after disability Alaska Cost of Living Allowance (10% of Dis Dth base benefit) Disability (base) Child Benefit payable until eligible for normal retirement Alaska Cost of Living Allowance (10% of Temp Dis Child base benefit)

Actuarial Review of Pension and Health Plans - 2011
 Comparison of Present Value of Benefits - PERS Retiree Health

Actives	Test Case 1 - PF Tier 3			Test Case 2 - Other Tier 2			Test Case 3 - Other Tier 1		
Basic Data:									
Sex	Male			Female			Male		
Current Age	34.82			57.19			64.11		
Current Credited Service	12.32			13.91			28.08		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff	GRS*	Buck	% Diff	GRS*	Buck	% Diff
Retirement:									
Tier x <Member>	68,160.51	68,285.01	-0.2%	98,722.73	96,433.45	2.4%	68,910.21	70,006.16	-1.6%
Tier x <Spouse>	63,718.82	62,577.97	1.8%	51,267.29	51,835.70	-1.1%	74,503.79	72,887.69	2.2%
Contrib Tier 3 <Member>	(2,755.22)	(4,275.69)	-35.6%	(322.37)	(322.62)	-0.1%	-	-	0.0%
Contrib Tier 3 <Spouse>	(2,223.12)	(3,445.00)	-35.5%	(224.19)	(225.02)	-0.4%	-	-	0.0%
Post 65 Part D Tier 3 <Member>	(3,071.19)	(3,100.77)	-1.0%	(7,905.39)	(7,676.73)	3.0%	(7,454.26)	(7,581.86)	-1.7%
Post 65 Part D Tier 3 <Spouse>	(2,643.64)	(2,555.92)	3.4%	(5,003.55)	(5,066.61)	-1.2%	(6,752.28)	(6,588.99)	2.5%
Total Retirement PVB	121,186.17	117,485.60	3.1%	136,534.52	134,978.17	1.2%	129,207.45	128,723.00	0.4%

Inactives - PVB	GRS*	Buck	% Diff
Retiree - PF Tier 1 - Female	116,056	114,946	1.0%
Retiree - Other Tier 2 - Male	282,446	281,996	0.2%
Vested Termination - PF Tier 3 - Male	1,658	1,660	-0.1%
Beneficiary - Other Tier 1 - Female	69,046	68,753	0.4%

* GRS' audit of Buck's calculation includes review of the benefit amounts, annuity values, assumptions and other factors related to the PVB calculation at each projected age. Differences may exist due to different interpretations of the statutes, as well as additional items as discussed throughout this audit report.

Benefits - Buck Valuation Terminology	Description*
Retirement:	
Tier x <Member>	Base Benefit Paid to Employee
Tier x <Spouse>	Base Benefit Paid to Spouse
Contrib <Member>	Employee Pre-Retirement Contributions
Contrib <Spouse>	Spouse Pre-Retirement Contributions
Post 65 Part D <Member>	Employee Post-age 65 Medicare Part D Reimbursement
Post 65 Part D <Spouse>	Spouse Post-age 65 Medicare Part D Reimbursement

Actuarial Review of Pension and Health Plans - 2011
 Comparison of Present Value of Benefits - TRS Retiree Health

Actives	Test Case 1 - Tier 1, high svc			Test Case 2 - Tier 2			Test Case 3 - Tier 2, low svc		
<u>Basic Data:</u>									
Sex	Female			Female			Male		
Current Age	49.22			34.49			29.47		
Current Credited Service	33			10			4		
Present Value of Benefits (PVB)	GRS*	Buck	% Diff	GRS*	Buck	% Diff	GRS*	Buck	% Diff
<u>Retirement:</u>									
Tier x <Member>	148,697.40	146,984.32	1.2%	65,330.51	64,659.79	1.0%	34,902.56	34,610.71	0.8%
Tier x <Spouse>	96,404.69	95,656.43	0.8%	41,479.81	41,142.02	0.8%	33,994.17	33,651.65	1.0%
Post 65 Part D Tier 2 <Member>	(7,652.85)	(7,555.91)	1.3%	(3,554.76)	(3,518.04)	1.0%	(1,881.21)	(1,868.35)	0.7%
Post 65 Part D Tier 2 <Spouse>	(5,602.28)	(5,557.95)	0.8%	(2,616.25)	(2,594.78)	0.8%	(1,624.60)	(1,611.06)	0.8%
Contrib <Member>				(2,083.03)	(3,233.53)	-35.6%	(1,060.78)	(1,635.52)	-35.1%
Contrib <Spouse>				(1,551.15)	(2,409.76)	-35.6%	(906.48)	(1,396.70)	-35.1%
Total Retirement PVB	231,846.95	229,526.89	1.0%	97,005.12	94,045.70	3.1%	63,423.66	61,750.73	2.7%

Inactives - PVB	GRS*	Buck	% Diff
Vested Termination - Male	269,252	266,483	1.0%
Retiree - Male	307,615	305,190	0.8%
Retiree - Female	164,871	165,083	-0.1%
Beneficiary - Female	76,166	75,876	0.4%

* GRS' audit of Buck's calculation includes review of the benefit amounts, annuity values, assumptions and other factors related to the PVB calculation at each projected age. Differences may exist due to different interpretations of the statutes, as well as additional items as discussed throughout this audit report.

Benefits - Buck Valuation Terminology	Description*
<u>Retirement:</u>	
Tier x <Member>	Base Benefit Paid to Employee
Tier x <Spouse>	Base Benefit Paid to Spouse
Contrib <Member>	Employee Pre-Retirement Contributions
Contrib <Spouse>	Spouse Pre-Retirement Contributions
Post 65 Part D <Member>	Employee Post-Age 65 Medicare Part D Reimbursement
Post 65 Part D <Spouse>	Spouse Post-Age 65 Medicare Part D Reimbursement

SECTION 6

REVIEW OF CONTRIBUTION RATE DETERMINATION

REVIEW OF CONTRIBUTION RATE DETERMINATION

GRS was to analyze the funding method being used and verify its computation (as shown in pages 18, 21, and 24 of the PERS valuation report and page 14 of the TRS valuation report). The goal here is to start with the Actuarial Accrued Liabilities and the Normal Costs that are developed from the data and valuation software and compare this to the Assets in the system. The difference between the two, the Unfunded Actuarial Accrued Liability (UAAL) in conjunction with the Normal Cost forms the basis of the contributions that the Actuary recommends the system make in order to ensure that benefits can be provided for current and future retirees. As noted in the Buck report, the compensation used to develop the rates is a combination of both this plan's compensation, as well as the DCR compensation.

FINDINGS:

The calculations were reasonable and consistent with actuarial practice. It is outside of the norm to use compensation other than the compensation that relates directly to the plan; however, the Buck report provides an adequate disclosure of this method in the determination of the rates.

We noted that there was more volatility in the normal cost rates than we would have expected for a large stable plan with no major assumption changes. We would encourage Buck to provide additional documentation on the underlying causes of the changes in rate.

Total Normal Cost Rate			
	Pension	HC	Total
TRS Current	12.18%	4.96%	17.14%
TRS Prior	12.51%	5.25%	17.76%
Change	-0.33%	-0.29%	-0.62%
PERS Current	10.75%	7.19%	17.94%
PERS Prior	10.22%	7.79%	18.01%
Change	0.53%	-0.60%	-0.07%

SECTION 7

REVIEW OF ACTUARIAL VALUATION REPORT

REVIEW OF ACTUARIAL VALUATION REPORT

GASB No. 25 DISCLOSURE:

GASB (Governmental Accounting Standards Board) sets out guidelines for financial accounting and reporting for state and local government entities. Under GASB No. 25, the actuarial valuation reports for PERS and TRS must disclose a set of financial statistics. These include:

- Schedule of Funding Progress
- Schedule of Employer Contributions
- Notes to Required Supplementary Information

Findings:

No issues to report.

Conclusion:

Buck has indicated that they do calculate the actuarial present value of assumed Part D Retiree Drug Subsidy (RDS) payments separately. For funding purposes, the total healthcare liability is offset by the RDS amounts to conform to the ARMB's current policy of funding discounted net cash flow. Figures used for GASB 43 purposes have been illustrated without the RDS offset.

VALUATION REPORT:

GRS reviewed the June 30, 2011 valuation report for scope as well as content to determine if actuarial statistics were being reflected fairly and if the details of the plan were being correctly communicated.

Findings:

The June 30, 2011 draft valuation report submitted by Buck to the board had the following layout:

1. Actuarial Certification – This introduces the report, lists the valuation date in question, and provides a disclaimer that the results are predicated on the census data received from the Systems and the financial information received from KPMG. It also discusses the basic actuarial concepts and provides the funded ratios.

2. Report Highlights – Shows funding status, including a graph of the funding ratio history, and the employer recommended contribution rate.
3. Analysis of the Valuation – Explains the change in the funded status and calculated contribution rate. Includes retiree medical costs, investment return, and other factors. Within this section there are three sections that show the development of valuation results, basis of the valuation, and other historical information. These include projections which are beyond those commonly produced in actuarial valuation reports.

Conclusion:

We consider the scope and content of Buck's report to be effective in communicating the financial position and contribution requirements of PERS and TRS.

The Actuarial Standard of Practice with regard to the mortality assumption has recently been revised. ASOP No. 35 Disclosure Section 4.1.1 now states:

“The disclosure of the mortality assumption should contain sufficient detail to permit another qualified actuary to understand the provision made for future mortality improvement. If the actuary assumes zero mortality improvement after the measurement date, the actuary should state that no provision was made for future mortality improvement.”

This new standard applies to actuarial valuations dated on or after June 30, 2011. This disclosure should be added to the valuation report.

ALASKA RETIREMENT MANAGEMENT BOARD
ACTUARIAL REVIEW OF THE:
NATIONAL GUARD AND NAVAL MILITIA RETIREMENT
SYSTEM PENSION PLAN; AND
JUDICIAL RETIREMENT SYSTEM PENSION AND HEALTH
PLANS
ROLL-FORWARD ACTUARIAL VALUATIONS
MARCH 28, 2012

March 28, 2012

Mr. Gary Bader
Chief Investment Officer
Department of Revenue, Treasury Division
Alaska Retirement Management Board
P.O. Box 110405
Juneau, AK 99811-0405

Subject: Actuarial Review of the Roll-Forward June 30, 2011 valuations for the State of Alaska National Guard and Naval Militia Retirement System (NGNMRS) and Judicial Retirement System (JRS)

Dear Gary:

We have performed an actuarial review of the June 30, 2011 Roll-Forward Actuarial Valuation for NGNMRS and JRS.

This audit includes a review of the results of the roll forward calculations using actuarial methods, assumptions and procedures from the most recent actuarial valuation reports and Buck Consultants (Buck) letter dated January 27, 2012 (re: Judicial Retirement System and National Guard and Naval Militia Retirement System Roll-Forward Actuarial Valuations as of June 30, 2011). The steps of the process of our audit, including potential areas for future review, are as follows:

1. The first step in reviewing the calculations shown in the Roll-Forward letter was to confirm that the results shown as of June 30, 2010 in the Roll-Forward letter match Buck's June 30, 2010 actuarial valuation reports.
 - a. GRS has confirmed that all results match.
2. The second step involved verification of Buck's June 30, 2011 Roll-Forward calculations using information from the most recent June 30, 2010 Buck actuarial valuations and Roll Forward letter and financial statements for the fiscal year ending June 30, 2011. GRS completed this review by estimating these results using the appropriate methods, assumptions and procedures. Overall, the audit results were very close.

Mr. Gary Bader
March 28, 2012
Page 2

3. We calculated the actuarial value of assets as of June 30, 2011 using the financial statements provided and the historical gains and losses shown in the June 30, 2010 report. The results were very close.
4. Finally we audited the contribution rate calculations using the past service base and payment information, and estimated FY11 Gain/Loss noted in Buck's Roll Forward letter.

We wish to thank the staff of the State of Alaska Treasury Division and Buck Consultants without whose willing cooperation this review could not have been completed.

Sincerely,

Gabriel, Roeder, Smith & Company



Leslie L. Thompson, FSA, FCA, EA, MAAA
Senior Consultant



Dana Woolfrey, ASA, EA, MAAA
Consultant

cc: Ms. Judy Hall

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ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: Acceptance of Actuarial Reports PERS DB ACTION: X
TRS DB, PERS DCR and TRS DCR

DATE: June 21, 2012 INFORMATION: _____

BACKGROUND:

AS 37.10.220(a)(8) prescribes that the Alaska Retirement Management Board (Board) “coordinate with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared to determine system assets, accrued liabilities, and funding ratios and to certify to the appropriate budgetary authority of each employer in the system”.

AS 37.10.220(a)(9) provides that the Board have “the results of all actuarial assumptions prepared under this paragraph shall be reviewed and certified by a second member of the American Academy of Actuaries before presentation to the Board”.

STATUS:

Buck Consultants has completed the following reports and the reports have been presented to the Board:

- 1) an actuarial valuation of the Public Employees’ Retirement System as of June 30, 2011
- 2) an actuarial valuation of the Teachers’ Retirement System as of June 30, 2011
- 3) an actuarial valuation of the Public Employees’ Retirement System – Defined Contribution Retirement Plan (for Occupational Death and Disability and Retiree Medical Benefits) as of June 30, 2011
- 4) an actuarial valuation of the Teachers’ Retirement System – Defined Contribution Retirement Plan (for Occupational Death and Disability and Retiree Medical Benefits) as of June 30, 2011

Gabriel Roeder Smith & Company (GRS), the Board’s actuary, has reviewed the above actuarial valuations and has provided their report to the Board.

RECOMMENDATION:

That the Alaska Retirement Management Board accepts the actuarial valuation reports prepared by Buck Consultants for the Public Employees’, Teachers’, Public Employees’ Defined Contribution (for Occupational Death and Disability and Retiree Medical Benefits) and Teachers’ Defined Contribution (for Occupational Death and Disability and Retiree Medical Benefits) retirement system as of June 30, 2011 in order to set the actuarially determined contribution rates attributable to employers.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT:	Acceptance of Actuarial Valuation	ACTION:	X
	Report - NGNMRS		
DATE:	June 21, 2012	INFORMATION:	

BACKGROUND:

AS 37.10.220(a)(8) prescribes that the Alaska Retirement Management Board (Board) “coordinate with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared to determine system assets, accrued liabilities, and funding ratios and to certify to the appropriate budgetary authority of each employer in the system”.

AS 37.10.220(a)(9) provides that the Board have “the results of all actuarial assumptions prepared under this paragraph shall be reviewed and certified by a second member of the American Academy of Actuaries before presentation to the Board”.

STATUS:

Buck Consultants has completed the roll-forward actuarial valuation of the National Guard and Naval Militia Retirement System as of June 30, 2011 and the report has been presented to the Board.

Gabriel Roeder Smith & Company (GRS), the Board’s actuary, has reviewed the actuarial valuation and has provided their report to the Board.

RECOMMENDATION:

That the Alaska Retirement Management Board accepts the roll-forward actuarial valuation report prepared by Buck Consultants for the National Guard and Naval Militia Retirement System as of June 30, 2011 in order to set the actuarially determined contribution amount.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: FY 2014 PERS Retiree Major ACTION: X
Medical Insurance and Occupational
Death & Disability Benefit Rates

DATE: June 21, 2012 INFORMATION: _____

BACKGROUND:

The Alaska Retirement Management Board (Board) establishes rates for the Public Employees' Retirement System (PERS) Tier IV Defined Contribution Retirement Plan (DCR) for the following plans: 1) Retiree Major Medical Insurance (RMMI) and 2) Occupational Death & Disability (OD&D) under the following two sections in Alaska Statute:

Retiree Major Medical Insurance

AS 39.35.750 (b) requires that "An employer shall also contribute an amount equal to a percentage, as adopted by the board, of each member's compensation from July 1 to the following June 30 to pay for retiree major medical insurance."

and:

Occupational Death & Disability

AS 39.35.750 (e) requires that "An employer shall make annual contributions to the plan in an amount determined by the board to be actuarially required to fully fund the cost of providing occupational disability and occupational death benefits under AS 39.35.890 and 39.35.892. The contribution required under this subsection for peace officers and fire fighters and the contribution required under this subsection for other employees shall be separately calculated based on the actuarially calculated costs for each group of employees."

STATUS:

The Division of Retirement & Benefits' actuary, Buck Consultants, has completed the actuarial valuation of the PERS DCR Plan as of June 30, 2011. The valuation has been reviewed by the Board's actuary, Gabriel, Roeder, Smith & Co. (GRS).

According to the PERS DCR Plan actuarial valuation report, and confirmed by GRS, the Fiscal Year 2014 actuarially determined contribution rate attributable to employers for the Retiree Major Medical Insurance (RMMI) should be 0.48 percent; for the peace officer/firefighter

Occupational Death & Disability (OD&D) Benefit should be 1.14 percent; and for “all other” OD&D Benefit should be 0.20 percent.

RECOMMENDATION:

That the Alaska Retirement Management Board set Fiscal Year 2014 Retiree Major Medical Insurance and Occupational Death & Disability Benefit rates as set out in the following resolutions:

- 1) Resolution 2012-11: Public Employees’ Defined Contribution Retirement Plans Retiree Major Medical Insurance Rate
- 2) Resolution 2012-12: Public Employees’ Defined Contribution Retirement Plan Occupational Death & Disability Benefit Rates

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2014 Employer Contribution Rate
For Public Employees' Defined Contribution Retirement Plan
Retiree Major Medical Insurance

Resolution 2012-11

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, AS 37.10.220 requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios; and

WHEREAS, AS 39.35.750(b) requires the Board to approve an amount equal to a percentage of each member's compensation from July 1 to the following June 30 to pay for retiree major medical insurance;

WHEREAS, the June 30, 2011 PERS Defined Contribution actuarial valuation report determines that the actuarially determined contribution rate for retiree major medical insurance is 0.48 percent composed of the normal cost rate of 0.49 percent and past service rate of -0.01 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, the Fiscal Year 2014 employer contribution rate for the retiree major medical insurance for the public employees' defined contribution plan is set at 0.48 percent.

DATED at Anchorage, Alaska this _____ day of June, 2012.

Chair

ATTEST:

Secretary

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2014 Employer Contribution Rate
For Public Employees' Defined Contribution Retirement Plan
Occupational Death & Disability Benefit Rates

Resolution 2012-12

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, AS 37.10.220 requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios; and

WHEREAS, AS 39.35.750(e) requires the Board to determine an actuarially sound amount required to fully fund the cost of providing occupational disability and occupational death benefits under AS 39.35.890 and 39.35.892, and that such contribution for peace officers and fire fighters, and the contribution for other employees shall be calculated separately;

WHEREAS, the June 30, 2011 PERS Defined Contribution actuarial valuation report determines that the actuarially determined contribution rate for peace officer / firefighter occupational death & disability is 1.14 percent composed of the normal cost rate of 1.20 percent and past service rate of -0.06 percent and the "all other" is 0.20 percent composed of the normal cost rate of 0.26 percent and past service rate is -0.06 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, the Fiscal Year 2014 employer contribution rate for public employees' occupational death and disability benefit rate is set at 1.14 percent for peace officers and fire fighters, and at 0.20 percent for all other Public Employees' Retirement System employees.

DATED at Anchorage, Alaska this _____ day of June, 2012.

Chair

ATTEST:

Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: FY 2014 TRS Retiree Major ACTION: X
Medical Insurance and Occupational
Death & Disability Benefit Rates

DATE: June 21, 2012 INFORMATION: _____

BACKGROUND:

The Alaska Retirement Management Board (Board) establishes rates for the Teachers' Retirement System (TRS) Tier III Defined Contribution Retirement Plans for the following plans: 1) Retiree Major Medical Insurance (RMMI) and 2) Occupational Death & Disability (OD&D) under the following two sections in Alaska Statute:

Retiree Major Medical Insurance

AS 14.25.350 (b) requires that "An employer shall also contribute an amount equal to a percentage, as approved by the board, of each member's compensation from July 1 to the following June 30 to pay for retiree major medical insurance."

and:

Occupational Death & Disability

AS 14.25.350 (e) requires that "An employer shall make annual contributions to a trust account in the plan, applied as a percentage of each member's compensation from July 1 to the following June 30, in an amount determined by the board to be actuarially required to fully fund the cost of providing occupational disability and occupational death benefits under AS 14.25.310 - 14.25.590. The contribution required under this subsection for peace officers and fire fighters and the contribution required under this subsection for other employees shall be separately calculated based on the actuarially calculated costs for each group of employees."

STATUS:

The Division of Retirement & Benefits' actuary, Buck Consultants, has completed the actuarial valuation of the TRS DCR Plan as of June 30, 2011. The valuation has been reviewed by the Board's actuary, Gabriel, Roeder, Smith & Co. (GRS).

According to the TRS DCR Plan actuarial valuation report, and confirmed by GRS, the Fiscal Year 2014 actuarially determined contribution rate attributable to employers for the Retiree

Major Medical Insurance (RMMI) should be 0.47 percent and for the Occupational Death & Disability (OD&D) Benefit should be 0.00 percent.

RECOMMENDATION:

That the Alaska Retirement Management Board set Fiscal Year 2014 TRS Retiree Major Medical Insurance and Occupational Death & Disability Benefit rates as set out in the following resolutions:

- 1) Resolution 2012-14: Teachers' Defined Contribution Retirement Plans Retiree Major Medical Insurance Rate
- 2) Resolution 2012-15: Teachers' Defined Contribution Retirement Plan Occupational Death & Disability Benefit Rate

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2014 Employer Contribution Rate
For Teachers' Defined Contribution Retirement Plan
Retiree Major Medical Insurance

Resolution 2012-14

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, AS 37.10.220 requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios; and

WHEREAS, AS 14.25.350(b) requires the Board to approve an amount equal to a percentage of each member's compensation from July 1 to the following June 30 to pay for retiree major medical insurance;

WHEREAS, the June 30, 2011 TRS Defined Contribution actuarial valuation report determines that the actuarially determined contribution rate for retiree major medical insurance is 0.47 percent composed of the normal cost rate of 0.54 percent and past service rate of -0.07 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, the Fiscal Year 2014 employer contribution rate for the retiree major medical insurance for the teachers' defined contribution plan is set at 0.47 percent.

DATED at Anchorage, Alaska this _____ day of June, 2012.

Chair

ATTEST:

Secretary

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2014 Employer Contribution Rate
For Teachers' Defined Contribution Retirement Plan
Occupational Death & Disability Benefit Rate

Resolution 2012-15

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, AS 37.10.220 requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios; and

WHEREAS, AS 14.25.350 (e) requires the Board to determine an actuarially sound amount required to fully fund the cost of providing occupational disability and occupational death benefits under AS 14.25.310 – 14.25.590;

WHEREAS, the June 30, 2011 TRS Defined Contribution actuarial valuation report determines that the actuarially determined contribution rate for occupational death & disability is 0.00 percent composed of the normal cost rate of 0.05 percent and past service rate of -0.05 percent;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, the Fiscal Year 2014 employer contribution rate for teachers' occupational death and disability benefit rate is set at 0.00 percent for all Teachers' Defined Contribution Retirement Plan employees.

DATED at Anchorage, Alaska this _____ day of June, 2012.

Chair

ATTEST:

Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: FY 14 Alaska National Guard and Naval ACTION: X
Militia Contribution Amount
DATE: June 21, 2012 INFORMATION: _____

BACKGROUND:

AS 26.05.226 requires that “(a) The Department of Military and Veterans’ Affairs (DMVA) shall contribute to the Alaska National Guard and Alaska Naval Militia retirement system the amounts determined by the Alaska Retirement Management Board as necessary to (1) fund the system based on the actuarial requirements of the system as established by the Alaska Retirement Management Board; and (2) administer the system. (b) The amount required for contributions from the Department of Military and Veterans’ Affairs under (a) of this section shall be included in the annual appropriations made to the Department of Military and Veterans’ Affairs.”

STATUS:

The Division of Retirement & Benefits’ (Division’s) actuary, Buck Consultants, has completed the roll-forward actuarial valuation of the Alaska National Guard and Naval Militia Retirement System (NGNMRS) as of June 30, 2011. The valuation has been reviewed by the Alaska Retirement Management Board’s (Board) actuary, Gabriel, Roeder, Smith & Co. (GRS) and then certified and accepted by the Board.

According to the NGNMRS June 30, 2011 roll-forward actuarial valuation report, and confirmed by GRS, the Fiscal Year 2014 actuarially determined contribution amount should be \$474,791.

For Fiscal Year 2013, the Legislature appropriated the normal cost in House Bill (HB) 284, Section 1 in DMVA’s operating budget. The NGNMRS was fully funded as of the June 30, 2011 valuation, therefore no separate appropriation was made for past service cost. The Division anticipates a similar approach for FY 2014.

RECOMMENDATION:

That the Alaska Retirement Management Board set the Fiscal Year 2014 NGNMRS annual actuarially determined contribution amount consistent with its fiduciary duty, as set out in the attached form of Resolution 2012-16.

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to the Fiscal Year 2014 Actuarially Determined Contribution Amount
For the Alaska National Guard and Naval Militia Retirement System

Resolution 2012-16

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, AS 37.10.220(a)(8) requires the Board to coordinate with the retirement system administrator to conduct an annual actuarial valuation of each retirement system to determine system assets, accrued liabilities and funding ratios, and to certify to the appropriate budgetary authority of each employer in the system an appropriate contribution rate for normal costs and an appropriate contribution rate for liquidating any past service liability;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that the Fiscal Year 2014 actuarially determined contribution amount for the State of Alaska, Department of Military and Veterans' Affairs to the Alaska National Guard and Naval Militia Retirement System is set at \$474,791, composed of the contribution amount for the normal cost of \$605,097, past service cost of (\$265,306), and expense load cost of \$135,000.

DATED at Anchorage, Alaska this _____ day of June, 2012.

Chair

ATTEST:

Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: FY 14 JRS Employer Contribution Rate

ACTION: _____

DATE: June 21, 2012

INFORMATION: X

BACKGROUND:

AS 22.25.046 states in part that:

(a) The state court system shall contribute to the judicial retirement system at the rate established by the commissioner of administration. The contribution rate shall be based on the results of an actuarial valuation of the judicial retirement system. The results of the actuarial valuation shall be based on actuarial methods and assumptions adopted by the commissioner of administration.

(b) The contribution rate shall be a percentage which, when applied to the covered compensation of all active members of the judicial retirement system, will generate sufficient money to support, along with contributions from members, the benefits of the judicial retirement system.

(c) Employer contributions shall be separately computed for benefits provided by AS 22.25.090 and shall be deposited in the Alaska retiree health care trust established under AS 39.30.097(a)."

Discussion at prior Alaska Retirement Management Board (Board) meetings noted that Alaska Statutes state the Commissioner of Administration shall establish the employer contribution rate for JRS. However, AS 37.10.220(a)(8) states that the board shall "coordinate with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared to determine system assets, accrued liabilities, and funding ratios and to certify to the appropriate budgetary authority of each employer in the system."

STATUS:

The Division of Retirement & Benefits' consulting actuary, Buck Consultants, has completed the roll-forward actuarial valuation of the Alaska Judicial Retirement System (JRS) as of June 30, 2011.

According to the JRS actuarial valuation report as of June 30, 2011, the Fiscal Year 2014 employer contribution rate should be 73.28 percent based on the following table:

	Pension	Post-Employment Health Care	Total
Normal Cost Rate	34.82%	5.28%	40.10%
Past Service Cost Rate	31.86%	1.32%	33.18%
Total Employer Contribution Rate	66.68%	6.60%	73.28%

RECOMMENDATION:

Per AS 22.25.046(a), the Commissioner of Administration has established the Fiscal Year 2014 JRS annual employer contribution rate at 73.28% according to the attached memorandum dated June 5, 2012.

STATE OF ALASKA

Sean Parnell, GOVERNOR

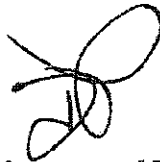
**Department of Administration
Division of Retirement and Benefits**

P.O. Box 110203
Juneau, AK 99811-0203
Phone: (907) 465-4460
Fax: (907) 465-3086

To: Becky Hultberg
Commissioner
Department of Administration

Date: June 5, 2012

From: Jim Puckett
Director
Division of Retirement and Benefits
Department of Administration



Phone: 465-4471

Subject: FY 2014 Contribution Rate for
the Judicial Retirement System

BACKGROUND

AS 22.25.046 (a) states, "The state court system shall contribute to the judicial retirement system at the rate established by the Commissioner of Administration. The contribution rate shall be based on the results of an actuarial valuation of the judicial retirement system. The results of the actuarial valuation shall be based on actuarial methods and assumptions adopted by the Commissioner of Administration."

DISCUSSION

At the request of the Division of Retirement & Benefits (Division), Buck Consultants, a Xerox Company, completed a roll-forward actuarial valuation as of June 30, 2011, for the Judicial Retirement System (JRS). The roll-forward actuarial valuation report dated January 27, 2012 is attached for your review.

Traditionally, actuarial valuations for the JRS are completed every even fiscal year (e.g. 2010, 2012, and 2014) to calculate the actuarially required contribution rate for the fiscal year three years forward. In the odd fiscal years (e.g. 2009, 2011, and 2013), an analysis is prepared using data from the previous year's actuarial valuation report, with financial data and assumptions rolled forward to calculate the actuarially required contribution rate (in this case, Fiscal Year 2014).

As stated in the roll-forward actuarial valuation report, in lieu of collecting new data as of June 30, 2011, and performing a full actuarial valuation, it is an acceptable practice to project or "roll forward" liabilities calculated in the last complete valuation as of June 30, 2010 to June 30, 2011 by assuming the actuarial assumptions during the year are exactly realized. The actuarial roll forward reflects a funding ratio of 70.1%; down from the funding ratio reflected in the June 30, 2010, actuarial valuation report of 72.9%.

When setting the budget for FY 2014 the Alaska Court System should request legislative authorization and appropriation to pay the employer normal cost rate of 40.1% for FY 2014, and the employer past service cost of 33.18% for FY 2014.

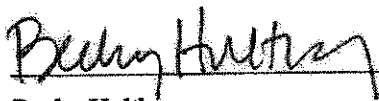
RECOMMENDATION

The attached JRS roll-forward actuarial valuation report recommends an employer normal cost contribution rate of 40.1% for Fiscal Year 2014, a decrease from the Fiscal Year 2013 employer normal cost contribution rate of 40.3%. The report recommends a past service cost employer contribution rate of 33.18%, an increase from the Fiscal Year 2013 past service cost employer contribution rate of 29.18%. The total employer contribution rate for Fiscal year 2014 is 73.28%, an increase from the Fiscal Year 2013 total employer contribution rate of 69.48%.

Please note below your approval or disapproval of the Fiscal Year 2014 Judicial Retirement System's total employer cost contribution rate of 73.28%:

Approve

Disapprove



Becky Hultberg
Commissioner

6-8-12

Date

Attachments:

Judicial Retirement System Roll-Forward Valuation Report as of June 30, 2011

- cc: Michael Barnhill, Deputy Commissioner
Kathy Lea, Deputy Director
Teresa Kesey, Chief Financial Officer
Bernadette Blankenship, Retirement Manager
Tim Adair, Administrative Manager
Christina Maiquis, Accounting Supervisor

January 27, 2012

VIA EMAIL

Mr. Jim Puckett
Director
Division of Retirement and Benefits
Department of Administration
State of Alaska
333 Willoughby Avenue
6th Floor State Office Building
Juneau, AK 99811-0208

**Re: Judicial Retirement System and National Guard and
Naval Militia Retirement System Roll-Forward Actuarial Valuations as of June 30, 2011**

Dear Jim:

We have completed the roll-forward actuarial valuations for the State of Alaska Judicial Retirement System (JRS) and the National Guard and Naval Militia Retirement System (NGNMRS) as of June 30, 2011. The valuations have been performed by a projection or "roll forward" of liabilities from the last valuation date of June 30, 2010 to June 30, 2011. A summary of our results and methods is included in this letter.

RESULTS

The actuarial valuation produced an increase of 3.80% in the employer contribution rate for JRS and an increase of \$43,424 in the annual contribution amount for NGNMRS. A full description of the results can be found in the attachments. A summary of the results are as follows:

	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Judicial Retirement System	69.48%	73.28%
National Guard and Naval Militia Retirement System	\$431,367	\$474,791

ACTUARIAL ASSUMPTIONS AND METHODS

In lieu of collecting new data as of June 30, 2011 and performing a full actuarial valuation, it is an acceptable practice to project or "roll forward" liabilities calculated in the last complete valuation as of June 30, 2010 to June 30, 2011 by assuming the actuarial assumptions during the year are exactly realized. This process produces liabilities and normal costs which reflect the best available estimates of the major factors that would be reflected in a full actuarial valuation, including salary increases, cost of living adjustments and increases in medical costs. All data, actuarial assumptions, methods and plan provisions are the same as those used for the June 30, 2010 valuation unless otherwise noted in this letter, including a valuation interest rate of 8.00% for JRS, a valuation interest rate of 7.00% for NGNMRS, and payroll growth for JRS of 3.62%.

Mr. Jim Puckett
January 27, 2012
Page 2

The actuarial value of assets was calculated as of June 30, 2011 using actual assets and cash flows during the year. Asset gains experienced during FY11 are recognized at 20%.

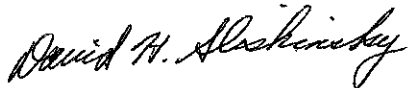
Contributions during the year were less than the 2010 actuarial valuation requirement for JRS, creating an actuarial loss, and more than the 2010 actuarial valuation requirement for NGNMRS, creating an actuarial gain. Large gains were experienced during the year by both plans with 20% of the asset gains recognized in this valuation and 80% deferred over the next four years. However, large asset losses still being recognized from prior years created net asset losses for both plans. The net result was an overall actuarial loss for both plans. The net actuarial loss for JRS was \$7,948,000, and the net actuarial loss was \$223,000 for NGNMRS. The sources of actuarial gain/(loss) for these roll-forward valuations are as follows:

	JRS	NGNMRS
Asset gain/(loss)	\$ (3,884,241)	\$ (759,829)
Healthcare claims gain/(loss)	455,729	N/A
Contribution gain/(loss)	(4,519,781)	537,029
Total gain/(loss)	\$ (7,948,293)	\$ (222,800)

Net actuarial losses have the effect of increasing the unfunded liability from what was expected. Given the differences between actual and expected contributions and investment return, this results in changes in the employer contributions from the previous year.

Please let us know if you have any questions.

Sincerely,



David H. Sliskinsky, A.S.A.
Principal and Consulting Actuary

/mlp

Attachments

- c: Ms. Teresa Kesey, State of Alaska
- Ms. Kathy Lea, State of Alaska
- Ms. Melissa Bissett, Buck Consultants
- Mr. Chris Hulla, Buck Consultants
- Ms. Kyla Kaltenbach, Buck Consultants

**State of Alaska
Judicial Retirement System**

	June 30, 2010	June 30, 2011
Total Pension Accrued Liability	\$ 164,523,775	\$ 173,424,484
Pension Actuarial Value of Assets (AVA)	\$ 115,000,226	\$ 116,213,133
Pension Funded Ratio based on AVA	69.9%	67.0%
Pension Market Value of Assets (MVA)	\$ 95,833,522	\$ 110,601,487
Pension Funded Ratio based on MVA	58.2%	63.8%
Annual Pension Normal Cost	\$ 4,885,249	\$ 5,062,095
Total Postemployment Healthcare Accrued Liability	\$ 20,304,331	\$ 21,406,833
Postemployment Healthcare Actuarial Value of Assets (AVA)	\$ 19,693,969	\$ 20,333,071
Postemployment Healthcare Funded Ratio based on AVA	97.0%	95.0%
Postemployment Healthcare Market Value of Assets (MVA)	\$ 16,983,413	\$ 20,381,131
Postemployment Healthcare Funded Ratio based on MVA	83.6%	95.2%
Annual Postemployment Healthcare Normal Cost	\$ 661,591	\$ 661,591
Total Accrued Liability	\$ 184,828,106	\$ 194,831,317
Actuarial Value of Assets	\$ 134,694,195	\$ 136,546,204
Unfunded Liability	\$ 50,133,911	\$ 58,285,113
Funded Ratio based on Actuarial Value of Assets	72.9%	70.1%
Market Value of Assets	\$ 112,816,935	\$ 130,982,618
Funded Ratio based on Market Value of Assets	61.0%	67.2%
Total Normal Cost	\$ 5,546,840	\$ 5,723,686
Pension Contribution Rate		
– Employer Normal Cost Rate	34.82%	34.82%
– Past Service Rate	28.14%	31.86%
– Pension Contribution Rate	62.96%	66.68%
Postemployment Healthcare Contribution Rate		
– Employer Normal Cost Rate	5.48%	5.28%
– Past Service Rate	1.04%	1.32%
– Postemployment Healthcare Contribution Rate	6.52%	6.60%
Total Employer Contribution Rate		
– Employer Normal Cost Rate	40.30%	40.10%
– Past Service Rate	29.18%	33.18%
– Total Employer Contribution Rate	69.48%	73.28%

This exhibit is an attachment to a letter dated January 27, 2012.

**State of Alaska
National Guard and Naval Militia Retirement System**

	June 30, 2010	June 30, 2011
Total Accrued Liability	\$ 30,034,407	\$ 31,324,457
Actuarial Value of Assets	32,000,585	33,019,577
Unfunded Liability	(1,966,178)	(1,695,120)
Funded Ratio based on Actuarial Value of Assets	106.5%	105.4%
Market Value of Assets	\$ 29,431,722	\$ 32,912,815
Funded Ratio based on Market Value of Assets	98.0%	105.1%
Normal Cost	\$ 605,097	\$ 605,097
Past Service Payment	(307,730)	(265,306)
Expense Load	134,000	135,000
Total Contribution	\$ 431,367	\$ 474,791

This exhibit is an attachment to a letter dated January 27, 2012.

Eaton Vance Management

Mandate: Emerging Markets Equity

Hired: 2008

Firm Information	Investment Approach	Total ARMB Mandate & Fees
<p>Eaton Vance Management is organized as a Massachusetts business trust and is registered as an investment adviser with the SEC. Providing investment management services is the sole business of Eaton Vance Management. Eaton Vance conducts its U.S. investment business through four wholly owned affiliates and four other consolidated subsidiaries.</p> <p>The Structured Emerging Markets strategy is sub-advised by Parametric Portfolio Associates. Parametric is based in Seattle with day-to-day portfolio management and trading decisions implemented by the Parametric trading desk.</p> <p>As of 3/31/12, assets under management for Eaton Vance and their affiliates totaled \$197.2 billion.</p> <p>Key Executives: <i>David Stein</i>, Chief Investment Officer <i>Thomas Seto</i>, Director of Portfolio Management <i>Kristen Gaspar</i>, Vice President, Senior Relationship Manager</p>	<p>Parametric's Structured Emerging Markets Equity approach is based upon quantitative research at the strategic level and observation of emerging market behavior. Quantitative factors involving liquidity, volatility, correlation, reversion to the mean and the importance of country size in expected returns dictate the investment process.</p> <p>The strategy employs a long-term, model-based approach implemented by a team of experienced professionals.</p> <p>Investment inputs include: <i>Investment Universe:</i> comprised of more than 45 countries using criteria that emphasize broad exposure and diversification among emerging and frontier market countries, sectors and individual issuers. <i>Investment process:</i> Each country is assigned to one of four tiers, with each tier determined based upon size and liquidity characteristics. Larger, more liquid countries such as Brazil and China are assigned to Tier 1, while smaller markets, such as Vietnam and Morocco are assigned to lower tiers. <i>Quantitative vs Qualitative:</i> 95% of the processes that lead to inclusion in the fund are quantitative. When utilized, fundamental analysis is applied at the country level only.</p> <p>Benchmark: MSCI Emerging Markets Index</p>	<p>Assets Under Management: 3/31/11: \$226,954,981 3/31/12: \$209,521,582</p> <p>Fee Schedule: Expense Ratio: 1.20%</p>

Concerns:

3/31/12 Performance (gross of fees)

	<u>Last Quarter</u>	<u>1-Year</u>	<u>3-Years Annualized</u>	<u>4-Years Annualized</u>
Eaton Vance	15.05%	-7.68%	26.33%	-0.59%
Benchmark	14.14%	-8.52%	25.42%	1.17%



Parametric™

An Eaton Vance Company

Eaton Vance Parametric Structured Emerging Markets Fund – I Shares

Alaska Retirement Management Board

June 22, 2012

Kristen Gaspar

Senior Relationship Manager

(617) 672-8440

kgaspar@eatonvance.com

Brian Dillon

Institutional Portfolio Manager

Parametric - Portfolio Associates

(206) 381-6137

bdillon@paraport.com

Not FDIC Insured

Not Bank Guaranteed

May Lose Value

For Institutional Investors Only

Table of Contents

Firm Overview

Eaton Vance Parametric Structured Emerging Markets Fund I-Share

Appendix

Eaton Vance Corp.

Our Firm

- Boston-based, NYSE public company with a history dating to 1924
- Voting control by senior management
- Investment management is our only business
- \$197.2 billion assets under management*

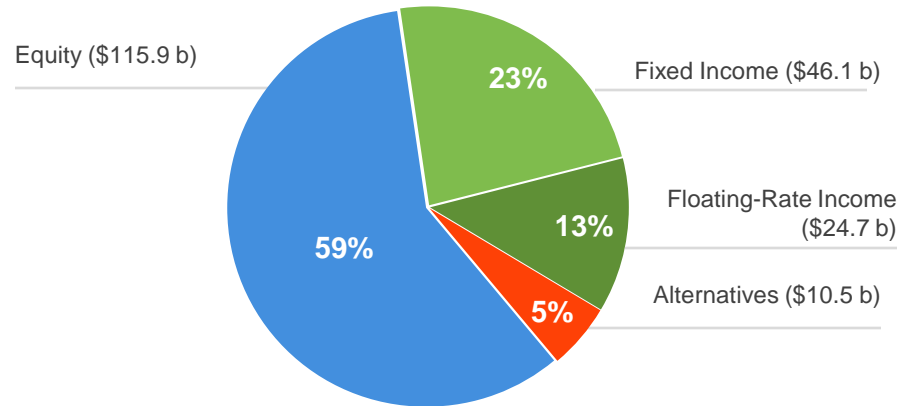
Our Philosophy

- Long-term approach to business and investing
- Time-tested investment principles
- Constant pursuit of excellence
- Innovation to meet evolving client needs

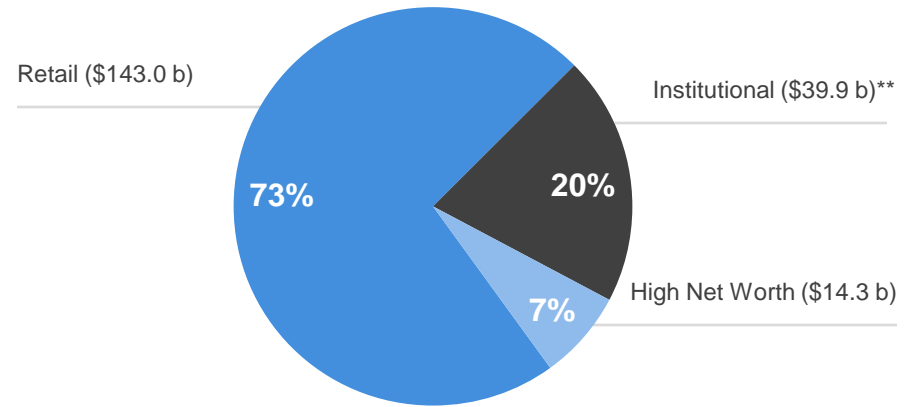
Our Culture

- Values-driven organization
- Consistency and continuity of leadership
- Collaborative and team-based
- Low staff turnover

AUM by Investment Mandate*



AUM by Market Channel*



*Eaton Vance Management and its affiliates as of March 31, 2012.

**Eaton Vance Management's institutional assets represent 10.98% of the total firm assets, with the remaining percentage representing institutional assets of EVM affiliates.

Representative Clients List

Clients

Corporations

- Colgate-Palmolive Company
- DTE Energy Company
- GATX Corporation
- Hallmark Cards
- Harley-Davidson, Inc.
- IKON Office Solutions, Inc.
- Macy's, Inc.
- Navistar, Inc.
- NSTAR Gas & Electric Company
- Southwest Gas Corporation
- Transamerica Asset Management, Inc.

Endowments and Foundations

- Allina Health System
- Angel Ramos Foundation
- Auburn University
- The Baptist Foundation of Oklahoma
- Catholic Health Partners
- Fairfield University
- Ministers and Missionaries Benefit Board
- San Francisco Foundation
- Stetson University
- United Jewish Communities of MetroWest New Jersey
- University of Louisville Foundation
- University of Missouri System
- University of Oklahoma Foundation
- University of Vermont and State Agricultural College

Public Funds

- ACAA
- Alaska Management Retirement Board
- Arizona State Retirement System
- City of Kissimmee (FL) General Employee Retirement System
- Clearwater (FL) Employees' Pension Fund
- Commonwealth of Massachusetts Deferred Compensation Plan
- Contra Costa (CA) Water District Retirement System
- Jacksonville (FL) Police & Fire Pension Fund
- Maryland-National Capital Park and Planning Commission Employees' Retirement System
- New Mexico Public Employees Retirement Association
- Pension Reserves Investment Management (MA)
- Philadelphia Public Employees Retirement System
- Plymouth County (MA) Retirement System
- Southeastern Pennsylvania Public Transportation Authority (SEPTA)
- Tacoma Employees Retirement System

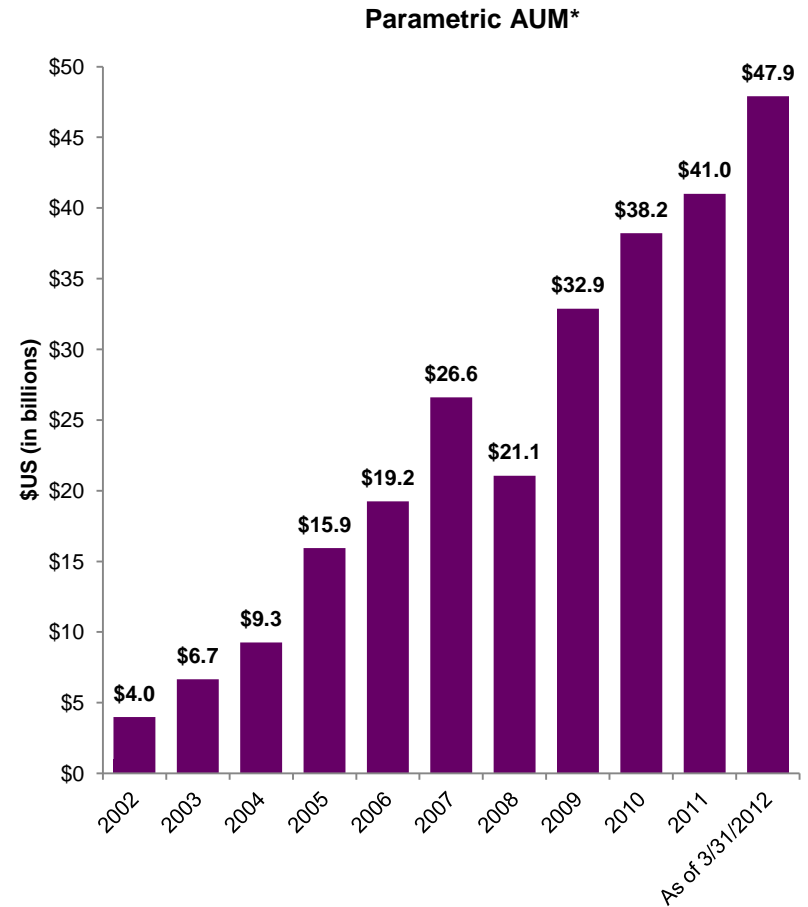
Taft-Hartley

- Boston (MA) Plasterers & Cement Masons Local 534 Trust Fund
- Building Trades United Pension Fund
- Retail, Wholesale, Department Store Union Local 338 Retirement Fund
- Sheet Metal Workers Insurance Fund Local 17

This random sampling of Eaton Vance Management's firm-wide institutional clients as of March 31, 2012 is provided for informational purposes only, and does not represent an endorsement or testimonial by these clients. Listed clients may approve or disapprove of Eaton Vance and the advisory services we provide.

Parametric Portfolio Associates LLC Profile

- Founded in 1987, became part of Eaton Vance in 2003
- Recognized leader in structured portfolio management, with over 20 years of global equity management experience
- \$47.9 billion in client assets under management*
- 33 investment professionals*
- 4 PhDs, 16 CFAs, 20 MBAs and others with advanced degrees and designations*
- Investment offices in Seattle, Washington (global equities, commodities and currencies) and Westport, Connecticut (Parametric Risk Advisors — managed options)
- Self-managed, boutique investment culture with emphasis on innovation
- Demonstrable strengths in quantitative investment research, portfolio implementation and investment technology



*As of March 31, 2012. Includes \$11.2 billion in Eaton Vance Management portfolio assets that are sub-advised by Parametric and its affiliates, Parametric Risk Advisors. Parametric is a majority-owned subsidiary of Eaton Vance Corp.

Investment Philosophy

Investment Philosophy

Innovation & Implementation

Structured Capabilities

Leadership Team

Investment Philosophy

Parametric's investment approaches are long-term and, at their roots, disciplined and rules-based. They evolve over time, as they don't require repeated tactical insights into valuations or market direction.

Each of the firm's strategies builds upon a well-researched, straightforward and compelling investment thesis. Efficient implementation is central to their success.

Parametric's investment staff act as investment "engineers," researching and creating portfolios with explicit risk and potential return targets while continually measuring and managing the impact of relevant costs.

Observations: Markets are hard to beat

As a result, successful long-term investing requires:

- Careful creation and balance of systematic/market (beta) and active (alpha) exposures
- Focus on risk management, investment costs and portfolio implementation

Approach: Structured, rules-based investment practice

- Built upon quantitative, scientific research
- Capturing market exposures while seeking to improve risk and return
- Focus on volatility management and rebalancing
- Transforming investment exposures through options management

Benefits

- Risk management
- Active tax management (where applicable)
- Eliminating the emotional component of investment decision making

Innovation & Implementation

Investment Philosophy

Innovation & Implementation

Structured Capabilities

Leadership Team

A structured approach to investing provides an elegant solution to even the most complex asset classes.

For more than twenty years, Parametric has been implementing strategies to gain exposure to markets across the globe.

To take these strategies from concept to reality requires a wide range of resources from across the firm.

Research

- Incubation of new strategies
- Current product enhancement and evolution

Portfolio Management and Operational Excellence

- Specialists in the thoughtful application of disciplined rules-based strategies
- Dedicated team managing assets across institutional and individual clients
- Continuous and proactive communication with custodians





Technology

- Proprietary tools to manage assets to exact specifications
- Support infrastructure to service ongoing business needs

Trading

- In-depth knowledge of trading in more than 60 countries
- Average 200,000+ trades executed per week
- FX trades executed via competitive third parties, when possible

Structured Capabilities

Investment Philosophy	Innovation & Implementation	Structured Capabilities	Leadership Team
U.S. / Global Equity <ul style="list-style-type: none">– Structured International– Structured Global– Structured U.S.– Structured U.S. Microcap 	Emerging Markets Equity <ul style="list-style-type: none">– Structured Emerging Markets– Structure Emerging Markets-Core 	Options <ul style="list-style-type: none">– Stock DeltaShift™– Portfolio DeltaShift™– ParaHedge™– Option Absolute Return Strategy 	Specialty / Alternative <ul style="list-style-type: none">– Structured Commodity– Structured Currency– Structured Absolute Return 

Leadership Team

Investment Philosophy		Innovation & Implementation		Structured Capabilities		Leadership Team	
<p>David Stein, PhD Chief Investment Officer</p>			<p>Brian Langstraat, CFA Chief Executive Officer</p>				
<p>Thomas Seto Managing Director - Portfolio Management</p>		<p>Paul Bouchey, CFA Managing Director - Research</p>	<p>Ross Chapin Managing Director – Product Management</p>	<p>James Barrett Managing Director - Institutional Sales & Service</p>	<p>Andrew Abramsky Chief Operating Officer</p>		<p>Aaron Singleton Chief Financial Officer</p>
<p>Portfolio Management</p>		<p>Research</p>	<p>Product Development</p>	<p>Product Specialists Sales/Client Services Marketing Analytics/Support</p>	<p>Trading Operations Technology/ Infrastructure Technology/ Development</p>		<p>Administration Compliance Finance</p>

Alaska Retirement Management Board Relationship with Eaton Vance/Parametric

Relationship Management Team

Kristen Gaspar

Senior Relationship Manager

617-672-8440

kgaspar@eatonvance.com

Emily Levine

Senior Client Service Associate

617-672-8612

elevine@eatonvance.com

Kristen Novello

Client Service Coordinator

617-672-7238

knovello@eatonvance.com

Portfolio Management

David Stein, Ph.D.

Thomas Seto

Product Management

Reuben Butler

Brian Dillon

Chris Sunderland

New Business Development

Joseph Furey

Vice President

617-672-8960

jfurey@eatonvance.com

Features and Benefits

- Your advocates within Eaton Vance/Parametric
- Broad knowledge of your portfolio, investment strategy and the market
- Single point of contact to coordinate all matters related to your portfolio
- Manage dynamic client objectives and goals

Reporting and Communication

- Account performance, appraisals and trading activity
- Written portfolio investment review and market commentary
- Periodic portfolio review meetings and updates
- White papers and market overviews

Alaska Retirement Management Board Relationship Review

March 26, 2008: ARMB invested \$100,000,000 into the Eaton Vance Parametric Structured Emerging Markets Strategy.

April 30, 2012: Market Value: \$206,651,424

As of April 30, 2012

Periods over one year are annualized

Total Returns at NAV (%)	YTD	1 Year	3 Year	Since ARMB's Inception Annualized (3/26/2008)
EV Parametric Structured Emerging Markets Fund	13.47%	-12.39%	19.15%	-0.25%
Alaska Management Retirement Board*	13.47%	-12.39%	19.15%	-0.75%
MSCI Emerging Markets (net divs) Index	12.71%	-12.61%	18.33%	0.49%

*Performance Calculation Method:

Performance for ARMB is linked. Returns through 1/31/09 reflect ARMB's participation in the EV/PPA SEM Collective Trust CIT. For the transition period 2/1/09 -3/31/09, asset-weighted (based on beginning of month values) CIT/Mutual Fund performance is used. Beginning 4/1/2009, the EV/PPA Structured Emerging Markets Equity Fund is included. Performance is net of fees.

Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance is for the stated time period only; due to market volatility, the Fund's current performance may be lower or higher than quoted. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) with all distributions reinvested. Returns for other classes of shares offered by the Fund are different. Performance less than one year is cumulative. Total return prior to the commencement of the class reflects returns of another Fund class that invests in the same Portfolio. Prior returns are adjusted to reflect applicable sales charge (but were not adjusted for other expenses). If adjusted for other expenses, returns would be lower.

Emerging Market Characteristics

Emerging Markets are generally characterized by the following:

- Highly volatile assets with low correlations
- Poor information
- High transaction costs

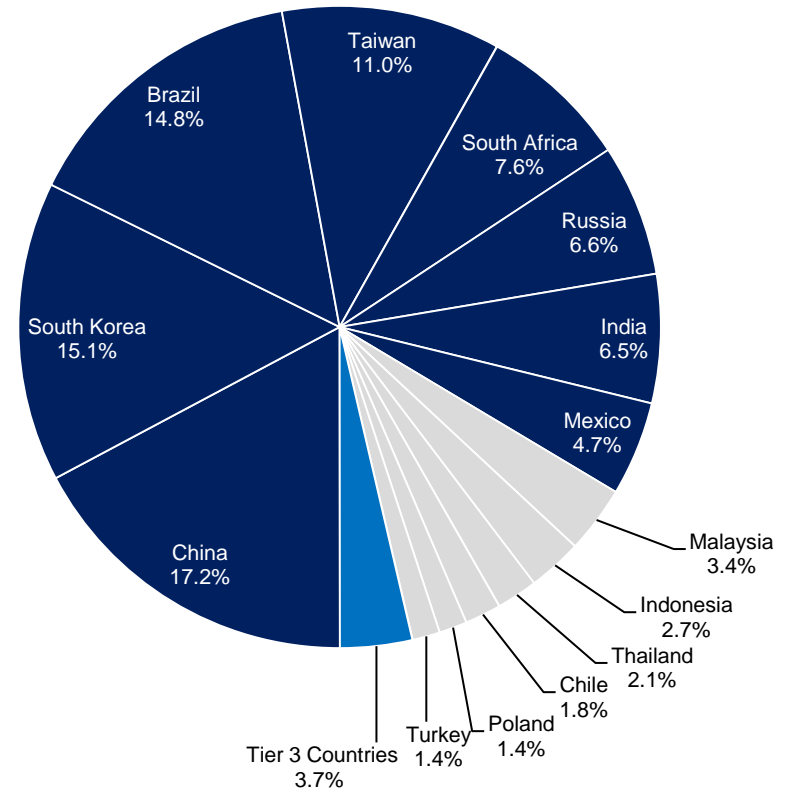
A capitalization-weighted index is risky:

- Highly concentrated country allocations
- Over 83% of the Index** concentrated in just 8 countries

Traditional active portfolio management can be problematic:

- High transaction costs and expenses

MSCI Emerging Markets Index**



** Source: Parametric Portfolio Associates and MSCI as of 3/31/2012. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder. It is not possible to directly invest in an Index. Past performance does not predict future results. Please refer to the Appendix for additional important information and disclosure.

Investment Philosophy

We seek broad exposure to the emerging markets equity asset class with less risk and higher return versus capitalization-weighted indices

- Exploit the low correlations of emerging markets to reduce risk
- Diversify through emphasis of smaller countries vs. indices
- Rebalance process seeks to exploit price reversals
- Focus on reducing volatility to enhance long-term returns

A careful weighting and systematic rebalancing process can add value

- Rebalance to avoid concentration and exploit mean reversion
- Capture a rebalancing premium

Investment Process

We utilize a structured and disciplined approach to exploit the unique characteristics of the emerging markets equity asset class

- Broad country universe
- Countries are equally-weighted within each of the model tiers

- A systematic rebalancing trigger brings countries back to target model weights
- Determined by specific volatility and transaction costs

- Robust investment process maintains exposure to major economic sectors
- Highly diversified equity holdings throughout the global marketplace

Country Selection

Rebalancing

Sector and Stock Allocation

Current Country Model - SEM

Example: Structured Emerging Markets Target Model Portfolio

Assigned to tiers based upon market capitalization and liquidity, we endeavor to gain exposure across representative model countries as liquidity allows.

Tier I:

Brazil, China, India, Mexico, Russia, South Africa, South Korea, Taiwan

Tier II:

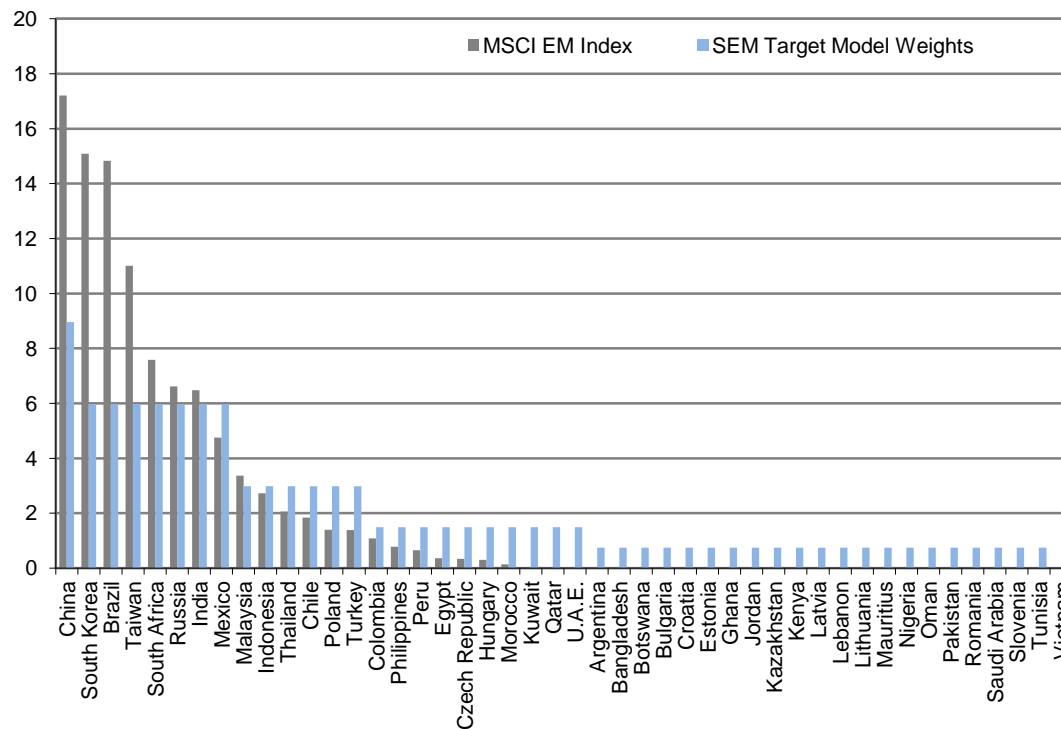
Chile, Indonesia, Malaysia, Poland, Thailand, Turkey

Tier III:

Colombia, Czech Republic, Egypt, Hungary, Kuwait, Morocco, Peru, Philippines, U.A.E., Qatar

Tier IV:

Argentina, Bangladesh, Botswana, Bulgaria, Croatia, Estonia, Ghana, Jordan, Kazakhstan, Kenya, Latvia, Lebanon, Lithuania, Oman, Pakistan, Romania, Mauritius, Nigeria, Saudi Arabia, Slovenia, Tunisia, Vietnam

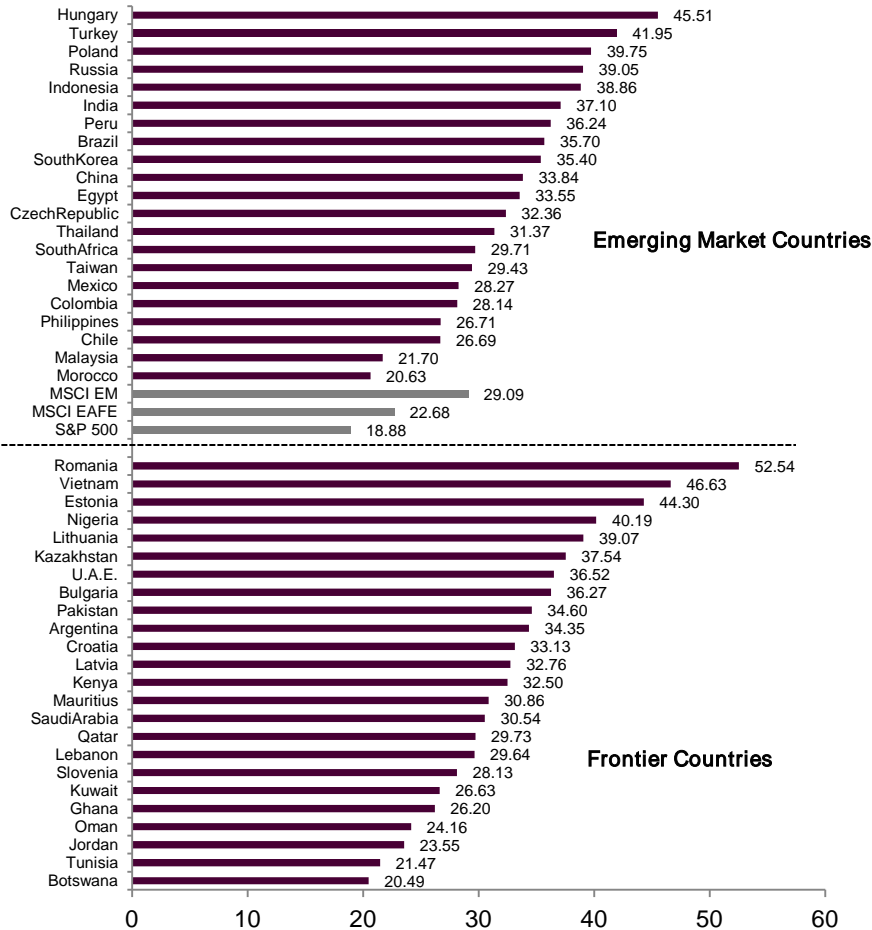


*We monitor and manage country specific risk: When a country's contribution to tracking error (relative risk) exceeds 30% of total portfolio tracking error, its weight may be adjusted in steps to reduce this concentration of risk.

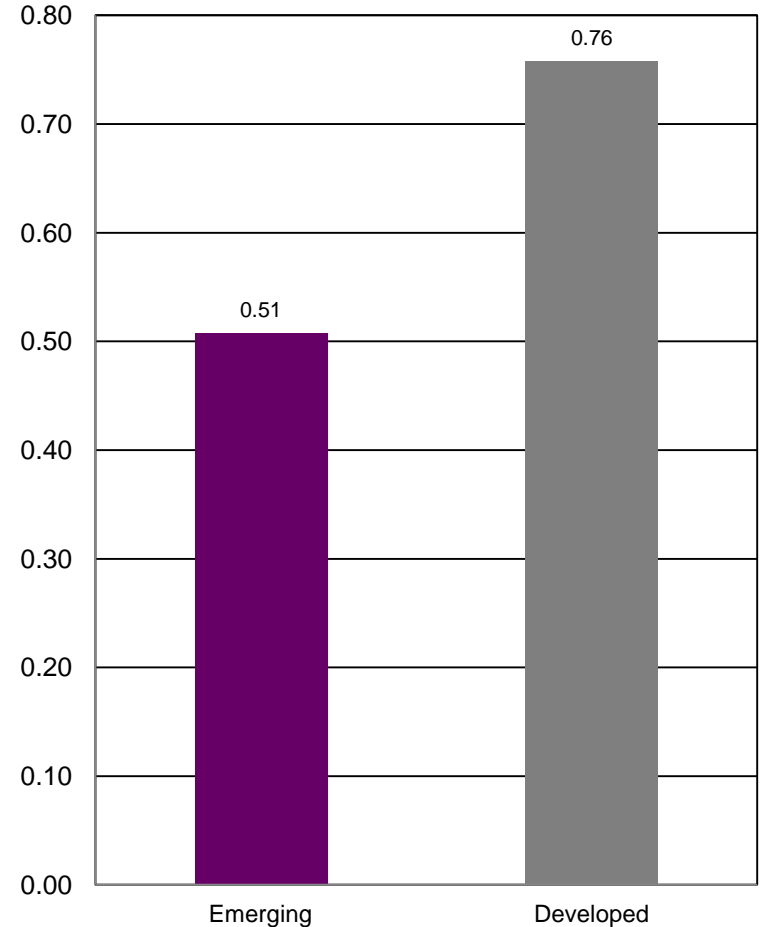
Source: Parametric Portfolio Associates and MSCI as of 3/31/2012. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder. The data and target model information presented is based, in part on hypothetical assumptions and the experience of Parametric. It is for informational and illustrative purposes only. This material does not constitute investment advice and should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy. The allocations in the above sample target portfolio are for modeling purposes only as of the date shown and such allocations or sample may change at any time without notice. The strategy target models presented do not represent the allocation experience and results that any particular investor actually attained. Actual performance results and portfolio characteristics may differ, and may differ substantially, from the strategy target model. It is not possible to directly invest in an Index. Past performance does not predict future results. Please refer to the Appendix for additional important information and disclosure.

Managing Risk

**Annualized Standard Deviation
5 Years Ending December 2011**

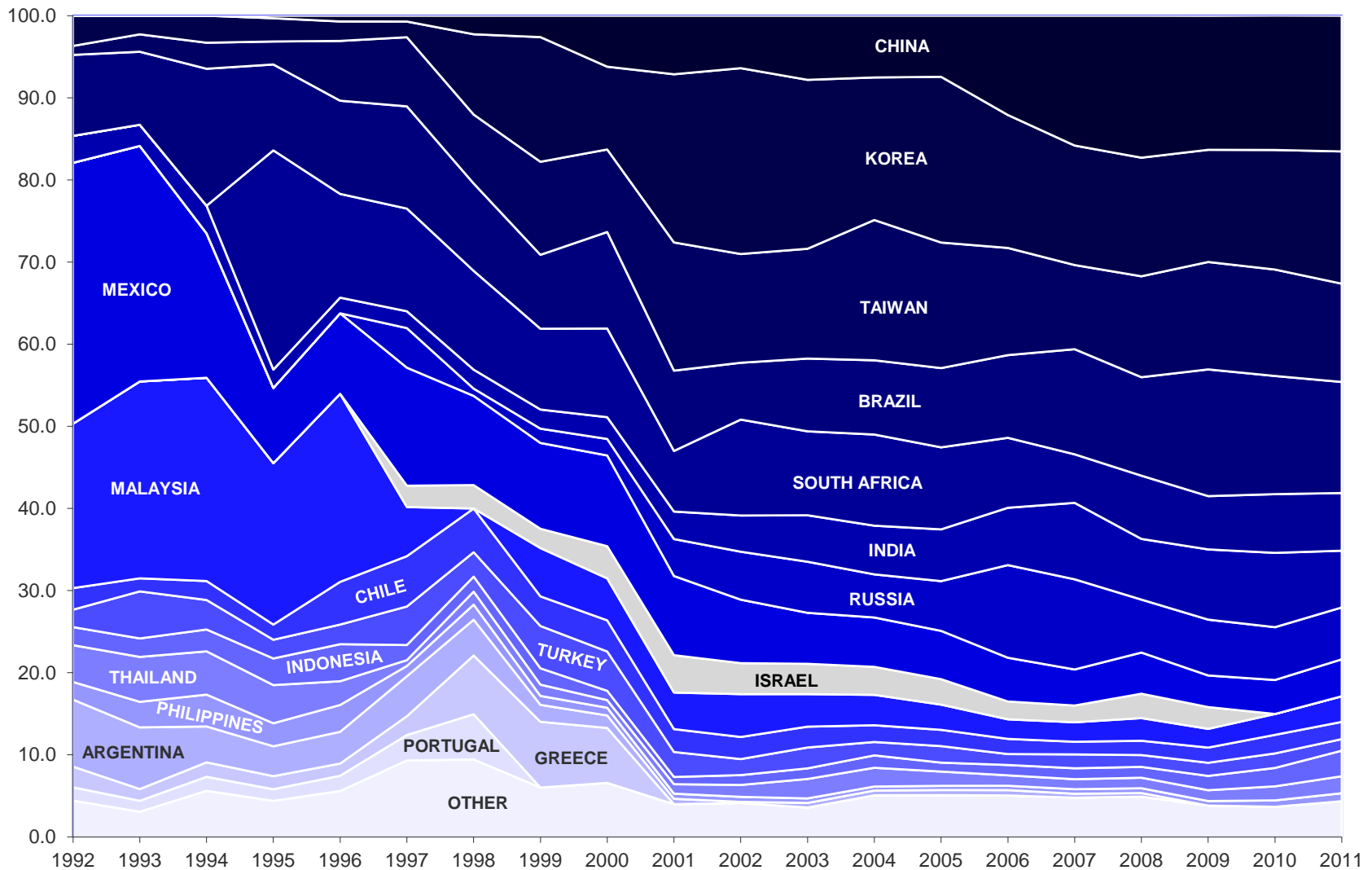


**Average Cross Correlation
5 Years Ending December 2011**



Source: S&P/IFCI Index and MSCI, S&P 500. Emerging Markets = S&P/IFCI Country Indices. Developed = MSCI EAFE Indices and the S&P 500. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder. It is not possible to directly invest in an index.

Index Weights Over Time



Sources: S&P/International Financial Corporation Investable Index and Factset Research Systems. All data as of 12/31/2011. *It is not possible to directly invest in an index.*

Structured Emerging Markets

Key Characteristics: *Target Strategy Model*

SEM

Countries:	MSCI-EM + Frontier
Inception:	1994
Benchmark:	MSCI EM Index (Net Div)
Expected Tracking error:	4.5-6.5%
Expected Volatility:	85-95% of index
Expected Annual Turnover:	10-15%
Tiers	4
Number of Countries:	up to 45
Number of Stocks:	~1,000-1,600

Source: Parametric as of 3/31/2012

The above information is for informational and illustrative purposes only and does not constitute investment advice or a recommendation to adopt any particular investment strategy. The information provides a general example of the implementation of the target strategy models, including objectives, potential allocations and portfolio characteristics. This information is for modeling purposes only as of the date hereof, may change at any time without notice, and does not represent the experience of the fund. Actual holdings, performance, portfolio characteristics and allocations will vary for each client. It is not possible to directly invest in an index. The strategy target models presented does not represent the holdings of the any mutual fund. Past performance does not predict future results. Please see the Appendix for additional important information and disclosure.

Systematic Rebalancing

Current Rebalance Bounds

Systematic rebalancing is triggered by a country overweight within the portfolio: Countries are rebalanced based on their transaction costs and volatility. These two key inputs are optimized taking into account country cross correlations.

When implemented in a consistent disciplined manner, systematic rebalancing serves two main purposes:

- **Reduces concentration risk**
- **Captures a premium**

20% Bound:

China, Malaysia, Mexico, South Africa, Taiwan

30% Bound:

Argentina, Brazil, Chile, Colombia, Czech Republic, India, Indonesia, Jordan, Kuwait, Oman, Pakistan, Philippines, Qatar, Russia, Saudi Arabia, South Korea, Thailand, Turkey

40% Bound:

Botswana, Croatia, Egypt, Kazakhstan, Kenya, Lebanon, Mauritius, Morocco, Nigeria, Peru, Poland, Slovenia, Tunisia, U.A.E., Vietnam

50% Bound:

Bulgaria, Estonia, Ghana, Hungary, Latvia, Lithuania, Romania

Source: Parametric as of 3/31/2012. *The above information is for illustrative, informational purposes only and is based, in part, upon hypothetical assumptions and the experience of Parametric. This material does not constitute investment advice and is not to be viewed as recommendation to buy or sell any security or adopt any investment strategy. Generally, the "Bound" is a weight to the upside where a country will be rebalanced back to its target weight. This information for the strategy target model is as of the date hereof and may change at any time without notice. This does represent the allocation or experience that any particular investor actually attained. Please refer to disclosure in the Appendix for additional important information and disclosure.*

Portfolio Construction

We implement a structured, rules-based process to construct portfolios in a top-down fashion

Country Allocation

Exposure to emerging and frontier markets around the globe

Sector Allocation

Constructed country by country across economic sectors

Stock Allocation

Diversified subset of holdings

Portfolio Construction

Example: Hypothetical Implementation of Exposure to Brazil

- Sectors represent major economic activity

Parametric sector constraints

- Minimum: 0.75x index weight
- Maximum: 4x index weight

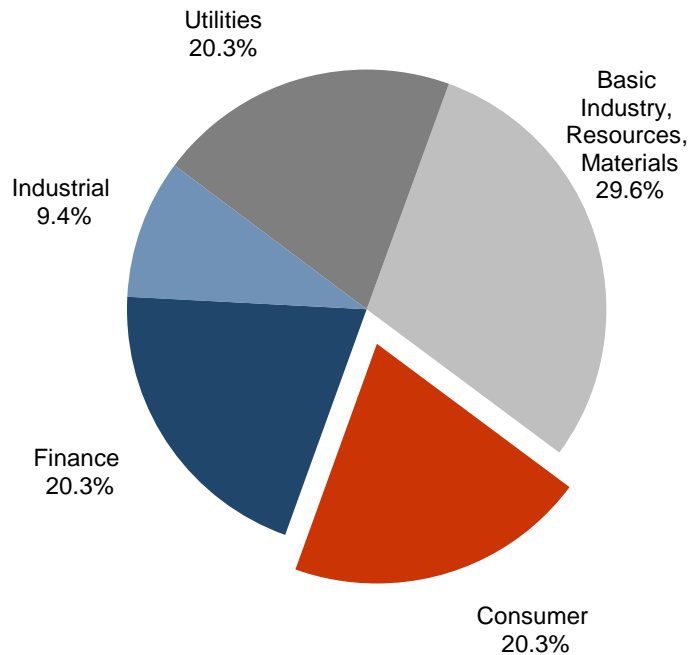
Sample Country Allocation: Brazil Data as of 12/31/2011	S&P Emerging Plus BMI	Strategy Target Model Weight
Basic Industry, Resources, Materials	38.3%	29.6%
Consumer	18.4%	20.3%
Finance	24.7%	20.3%
Industrial	4.9%	9.4%
Utility	13.7%	20.3%

Source: Parametric, S&P/IFCI Index *The data and strategy target model information presented is based, in part on hypothetical assumptions and the experience of Parametric. It is for informational and illustrative purposes only. This material does not constitute investment advice and should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy. The hypothetical strategy target models presented do not represent the of the mutual fund. Actual performance results and portfolio characteristics may differ, and may differ substantially, from the hypothetical model.*

Portfolio Construction

Example: Hypothetical Implementation of Exposure to Brazil

**Approximate Strategy Model
Sector Weights in Brazil**



Top-5 Weights

Security	Stock Weight In Consumer Sector	
	S&P Emerging Plus BMI	Strategy Target Model Weight
AmBev	30.23%	30.23%
Brasil Foods SA	12.62%	12.62%
Souza Cruz SA	4.55%	4.55%
Natura Cosméticos	3.71%	3.71%
PDG Realty SA	3.52%	3.52%
Other	45.38%	45.38%
Total	100%	100%

**Brazil was arbitrarily chosen due to its representative size and liquidity.*

Source: Parametric, S&P/IFCI Index as of 12/31/2011. The data and model information presented is based, in part on hypothetical assumptions and the experience of Parametric. It is for informational and illustrative purposes only. This material does not constitute investment advice and should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy. This information, including the Top-5 list is based upon the total assets of the S&P/IFCI Index and the hypothetical allocation of the Strategy Target Model as of 12/31/10. The strategy target model and specific securities mentioned are not representative of all the securities that will or may have been purchased, sold within the Fund. It should not be assumed that any of the securities were or will be profitable. Actual portfolio holdings will vary for the Fund. It is not possible to directly invest in an index. Past performance does not predict future results.

Implementation Considerations for the Target Model

Structured Emerging Markets					
Country Allocation				Sector Allocation	Stock Allocation
Risk Profile	Market Capitalization or liquidity	Market access or liquidity	Index Constituents	Liquidity	Market access or liquidity
Country contribution to tracking error (China) Nationalization threats (Venezuela)	Reclassification between tiers (Philippines)	Placing a country on hold (Latvia)	Graduation or downgrade by index providers (Israel)	Average daily trading volumes	Foreign ownership restrictions Pricing mismatches (Local versus ADRs)

The countries identified above are for illustrative purposes only and are meant to generally demonstrate the application and effect certain strategy implementation considerations may have on the country allocation(s) of the SEM Strategy Target Model portfolio. It should not be assumed that any of the allocations noted have or will produce investment results that were or will be profitable. The strategy target models presented do not represent the holdings of the any mutual fund. Past performance does not predict future results. Please refer to the

22 Appendix for additional important information and disclosure.

Implementation Excellence

A structured approach to investing provides an elegant solution to even the most complex asset classes. For more than twenty years, Parametric has been implementing strategies to gain exposure to equity markets across the globe. To take these strategies from concept to reality requires the dedication of resources from across the firm.

Research

- Incubation of new strategies
- Enhancement of current products

Technology

- Development of proprietary tools to manage assets to exact specifications
- Maintain infrastructure to support ongoing business needs

Operations

- Ongoing account maintenance
- Proactive communication with custodians

Portfolio Management

- Specialists in the thoughtful application of quantitative, rules-based strategies
- Dedicated team managing assets across more than 12,000 accounts

Trading

- Parametric traders average over 12 years experience understanding the intricacies of trading in more than 60 countries across the globe.
- Over 200,000 trades executed on average per week across all product types.
- FX trades executed via third party providers when possible.
- Excellent access to liquidity sourcing worldwide, even in the most esoteric markets.

Why Select EV-Parametric Structured Emerging Markets?

Structured Design

- We believe the emerging markets asset class lends itself to a structured portfolio management approach when combined with systematic rebalancing. Parametric's strategy has the benefits of a capitalization-weighted index while avoiding the uncertain nature of traditional active management.

Investment Management & Research

- Parametric's continued innovation and research drive strategy enhancements that evolve with the marketplace.

Implementation

- The ongoing development of tools and tactics to implement Parametric's unique rules-based methodology is essential. When coupled with the efficient execution of global transactions, these advancements enable the strategy's systematic capture of market imbalances.

Track Record

- Since the Fund's inception Parametric's focused, structured approach has produced a long-standing historical track record of consistent excess returns versus the benchmark and peers.

Performance

Eaton Vance-Parametric Structured Emerging Markets Fund - I

Average Annual Total Returns as of 3/31/2012

	QTD	1 Year	3 Years	5 Years	Life of Fund
Returns at NAV¹	15.05%	-7.68%	25.86%	3.71%	7.92%
MSCI Emerging Markets Index (net divs)	14.08	-8.80	25.04	4.66	8.32

¹Net Asset Value: without sales charge
Trailing period over one year is annualized
Fund inception is June 30, 2006

Total Annual Operating Expenses: 1.26%

Source: Prospectus dated 3/1/11.

Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Class I shares generally have no sales charge. Performance is for the stated time period only; due to market volatility, the Fund's current performance may be lower or higher than quoted. For the Fund's performance as of the most recent month end, please refer to www.eatonvance.com. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) with all distributions reinvested. Class I Shares of Eaton Vance-Parametric Structured Emerging Markets Fund redeemed or exchanged within 90 days of settlement of purchase are subject to a 1% redemption fee. Returns for other classes of shares offered by the Fund are different. †Inception date for Structured Emerging Markets Fund — I Shares is 6/30/06.

Performance

Eaton Vance - Parametric Structured Emerging Markets Fund - I

Calendar Year History as of 3/31/2012

	2011	2010	2009	2008	2007	2006*
EV- Parametric Structured Emerging Markets Fund - I	-19.15%	22.14%	67.84%	-51.62%	36.23%	–
MSCI Emerging Markets Index (net divs)¹	-18.42%	18.88%	78.51%	-53.33%	39.39%	32.17%

¹MSCI is a capitalization-weighted unmanaged index. It is not possible to invest in an index. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.

*2006 reflects a partial period
Fund inception is June 30, 2006

Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Class I shares generally have no sales charge. Performance is for the stated time period only; due to market volatility, the Fund's current performance may be lower or higher than quoted. For the Fund's performance as of the most recent month end, please refer to www.eatonvance.com. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) with all distributions reinvested. Class I Shares of Structured Emerging Markets Fund redeemed or exchanged within 90 days of settlement of purchase are subject to a 1% redemption fee. Returns for other classes of shares offered by the Fund are different.

26 †Inception date for Structured Emerging Markets Fund — I Shares is 6/30/06.

Holdings

Eaton Vance-Parametric Structured Emerging Markets Fund - I

Country Allocation as of 3/31/2012 (total net assets)

Africa	10.50%
South Africa	6.29%
Morocco	1.57%
Kenya	0.87%
Nigeria	0.79%
Mauritius	0.57%
Botswana	0.30%
Ghana	0.11%

Central Asia	6.81%
India	5.98%
Pakistan	0.83%

Eastern Europe	15.55%
Russia	6.28%
Poland	3.19%
Hungary	1.64%
Czech Republic	1.62%
Kazakhstan	0.78%
Romania	0.60%
Croatia	0.51%
Slovenia	0.50%
Estonia	0.24%
Bulgaria	0.10%
Lithuania	0.07%
Latvia	0.02%

Latin America	20.16%
Brazil	6.30%
Mexico	6.44%
Chile	3.34%
Peru	1.65%
Colombia	1.65%
Argentina	0.78%

Middle East	12.70%
Turkey	3.33%
Qatar	1.62%
Kuwait	1.58%
U.A.E.	1.73%
Egypt	1.72%
Jordan	0.84%
Saudi Arabia	0.92%
Oman	0.74%
Lebanon	0.22%

Pacific Rim	34.25%
China	8.97%
Taiwan	6.30%
Korea	6.28%
Thailand	3.65%
Indonesia	3.33%
Malaysia	3.15%
Vietnam	0.89%
Philippines	1.68%

Appendix

Eaton Vance-Parametric Structured Emerging Markets Fund - I

Investment Objective

The Fund's objective is to seek long-term capital appreciation.

About Risk

Fund share values are sensitive to stock market volatility. Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical or other conditions. In emerging countries, these risks may be more significant. No Fund is a complete investment program and you may lose money investing in a Fund. The Fund may engage in other investment practices that may involve additional risks and you should review the Fund prospectus for a complete description.

Portfolio Facts—Eaton Vance-Parametric Structured Emerging Markets Fund - I

Symbol - CUSIP Number

I Shares EIEMX 277923751

Portfolio Facts

Inception June 30, 2006

Total Net Assets \$2.6 billion

Minimum Investment \$250,000

Subsequent Investment Any

Portfolio Managers David Stein, Ph.D., Chief Investment Officer
Thomas Seto, Director – Portfolio Management

Disclosure

Before investing, investors should consider carefully the investment objectives, risks, charges and expenses of a mutual fund. This and other important information is contained in the prospectus and summary prospectus which can be obtained from a financial advisor. Prospective investors should read the prospectus carefully before investing.

Mutual Funds are distributed by Eaton Vance Distributors, Inc. 2 International Place Boston, MA 02109 800-225-6265

Roles & Responsibilities as of 3/31/2012

	Strategy	David Stein* Chief Investment Officer Portfolio Strategist for Structured Emerging Markets	Brian Langstraat Chief Executive Officer
	Research <i>Model portfolio creation and evolution</i>	Paul Bouchey Managing Director - Research Vassilii Nemtchinov Director - Applied Research	Timothy Atwill Director - Research & Strategy Hemambara Vadlamudi Senior Researcher
	Portfolio Management <i>Portfolio construction and rebalancing</i>	Thomas Seto* Managing Director - Portfolio Management Jodi Wong* Director - Emerging Markets Portfolio Management Rainer Germann Senior Portfolio Manager Thomas Hardy Portfolio Manager	Anu Ganti Associate Portfolio Manager Rob Yocum Associate Portfolio Manager Robert Osborne Assistant Portfolio Manager Lorraine Hickey Portfolio Analyst
	Trading <i>Implementation of trades</i>	Lee Thacker Director - Trading	Kim Day Senior Trader Stephen Daspit Senior Trader
	Product Management <i>Delivers client solutions</i>	Ross Chapin* Managing Director - Product Management James Barrett Managing Director - Institutional Sales & Client Service Gregory Johnsen Director – Institutional Portfolio Manager	Brian Dillon Director - Institutional Portfolio Manager Jeffrey Brown Director - Wealth Management Portfolio Specialist Reuben Butler Director - Institutional Portfolio Manager

*Investment Committee Voting Members

32 Note: All members of the Team are employees of Parametric.

Biographies

Brian Langstraat, CFA
Chief Executive Officer

Mr. Langstraat is responsible for Parametric's firm-wide strategy and organizational development. Since joining Parametric in 1990, Brian has held positions in portfolio management, product development, portfolio administration, marketing, and client service. He received a B.A. in Economics from the University of Washington.

David Stein, Ph.D.
Chief Investment Officer

Mr. Stein leads Parametric's Investment, Research and Technology activities. David's experience in the investment industry dates back to 1987. Prior to joining Parametric in 1996, he held senior research, development and portfolio management positions at GTE Investment Management Corp., The Vanguard Group, and IBM Retirement Funds. He has additional experience as a Research Scientist with IBM Research Laboratories where he designed computer hardware and software systems. He has served on the After-Tax Subcommittee of the AIMR-PPS standards committee, and on the advisory board of the Journal of Wealth Management. David holds a number of patents and is published in multiple academic journals, including "Mathematics of Operations Research," "The Journal of Wealth Management" and the "Journal of Portfolio Management." He earned B.S. and M.S. degrees from the University of Witwatersrand, South Africa. He earned a Ph.D. in Applied Mathematics from Harvard University.

Thomas Seto, M.B.A.
Managing Director - Portfolio Management

Mr. Seto is responsible for all portfolio management at Parametric, including taxable, tax-exempt, quantitative-active and international strategies. Prior to joining Parametric in 1998, Thomas served as the Head of U.S. Equity Index Investments at Barclays Global Investors. He holds an M.B.A. in Finance from the University of Chicago, and a B.S. in Electrical Engineering from the University of Washington.

Jodi Wong, M.B.A.
Director - Emerging Markets Portfolio Management

Ms. Wong is the Director overseeing the Portfolio Management team responsible for all the emerging markets products in the form of commingled vehicles and separately managed accounts. These duties include strategy implementation, cash management, rebalancing decisions, investment guideline protocols, and client service. Before joining Parametric in 2004, Jodi was a Portfolio Analytics Manager at G.E. Financial Assurance, with subsequent posts at Frank Russell Company and Quellos Fixed Income Advisors. She holds a B.A. in Biochemistry from Columbia University, a C.A.S. in Computer Science from Harvard University, and an M.B.A. from the University of Washington.

Rainer Germann, CFA
Senior Portfolio Manager

Mr. Germann is a Senior Portfolio Manager with the Structured Emerging Markets strategy. Previously, Rainer worked as a Portfolio Manager for Parametric's private client business and as a Research Analyst with the relationship management team for family office clientele. Prior to joining Parametric in 2005, he worked at Aon Re Services as a reinsurance consulting actuary in Chicago. He graduated from the University of Manitoba, Canada with a B.S. in Actuarial Sciences.

Thomas Hardy, CFA
Portfolio Manager

Mr. Hardy is a Portfolio Manager with the Structured Emerging Markets strategy. Thomas' experience in the investment management industry dates back to 1997. Prior to joining Parametric in 2008, he was a Senior Financial Trader at Washington Mutual and an Assistant Portfolio Manager at Asset Allocation & Management. He holds a B.A. in Business Administration from University of Washington.

Robert Yocum, M.B.A.
Associate Portfolio Manager

Mr. Yocum is an Associate Portfolio Manager with the Structured Emerging Markets strategy. Prior to joining Parametric in 2011, Robert worked as an Underwriter in Commercial Banking at Bank of America. He began his professional career as a Product Engineer at Eclipse, Inc. He holds a B.S. degree in Mechanical Engineering from the University of Illinois and an M.B.A. from the University of Washington.

Biographies

Anu Ganti

Associate Portfolio Manager

Ms. Ganti is an Associate Portfolio Manager with Parametric's Structured Emerging Markets strategy. Prior to joining Parametric in 2012, Anu was in the Global Rotational Program at Russell Investments, with prior positions at Deloitte Consulting, LLC and Citigroup, Inc. She holds a B.S. in Finance and Marketing from New York University and an M.B.A. from Columbia University.

Robert Osborne

Assistant Portfolio Manager

Mr. Osborne is an Assistant Portfolio Manager with the Structured Emerging Markets strategy. Robert joined Parametric in 2008, as an Operations Associate working with Corporate Actions and Valuation. Later, he worked as a Portfolio Accountant assigned to the emerging markets and international developed accounts. Most recently Robert was an Emerging Markets Portfolio Analyst, specializing in client service, prospect, and research analytics. He graduated from Principia College with a B.A. in Political Science and has passed the CFA Level I exam.

Lorraine Hickey

Portfolio Analyst

Ms. Hickey is a Portfolio Analyst with Parametric's Structured Emerging Markets strategy. Lorraine joined Parametric in 2008 as an international portfolio accountant and later joined the corporate actions team. Her career began at State Street Corporation, with roles in Custody and Portfolio Administration. She holds a B.A. in Business from the University of Massachusetts.

Paul Bouchey, CFA

Managing Director - Research

Mr. Bouchey is responsible for leading the Research and Product Development team. Prior to joining Parametric, Paul was a Senior Quantitative Research Analyst at Russell Investment Group. During his ten years with Russell, he focused on the research and development of simulation, optimization, and other quantitative decision models for institutional and private clients. He received a B.A. in Mathematics and Physics from Whitman College.

Vassilii Nemtchinov, Ph.D.

Director - Applied Research

Mr. Nemtchinov's primary responsibilities are the management and implementation of Parametric's product development research. Within his broader responsibilities, Vassilii maintains particular focus on Parametric's proprietary portfolio optimization technologies and advanced quantitative portfolio management. Prior to joining Parametric in 2003, he worked in both industry and academia. Vassilii holds a Ph.D. from State University of New York.

Timothy Atwill, CFA, Ph.D., FCAS

Director - Research & Strategy

Mr. Atwill is a member of the Research and Product Development team. Prior to his current role, Timothy worked at Russell Investments in their manager research unit, performing due diligence duties for the firm's consulting clients, and in their trading group, implementing derivative strategies for institutional clients. Prior to his time at Russell, he worked as a non-life actuary and derivatives Portfolio Manager at Safeco Insurance Company. He holds a Ph.D. in Mathematics from Dartmouth College, as well as a B.A. in Mathematics from Reed College.

Hemambara Vadlamudi, M.B.A., CFA

Senior Researcher

Mr. Vadlamudi is responsible for working on prototyping research ideas and various research tasks. He also works on developing and supporting research simulation tools used by the portfolio managers to analyze the portfolio performance. Prior to joining Parametric, Hemambara worked as a Senior Software Engineer in the Ultrasound division at Philips Medical Systems. He received an M.B.A. from the University of Washington, and a B.S. in Electronics and Telecommunications Engineering from National Institute of Technology, India.

Biographies

Ross Chapin, M.B.A.

Managing Director - Product Management

Mr. Chapin oversees business, product, and partner development. Prior to joining Parametric, Ross co-founded and managed a family-office sponsored private equity firm, Orca Bay Partners. Before forming Orca Bay, he held similar senior positions in private equity, mergers and acquisitions, and corporate finance with Capstan Partners, Ragen MacKenzie and Paine Webber. He earned an M.B.A from Columbia University and a B.A. from Denison University.

James Barrett

Managing Director - Institutional Sales & Client Service

Mr. Barrett manages a team of product specialists and leads the development of Parametric's institutional client base, both in the U.S. and globally. Prior to joining Parametric, James was with Russell Investments, where he held the position of Managing Director, Business Development - Americas. He also served as a member of the institutional investment group's senior management team overseeing Russell's institutional business. James received his B.A., Business Administration degree from the University of Washington and is also a Licensed Registered Representative, FINRA Series 7, 24 and 66.

Jeffrey Brown, CFA

Director - Wealth Management Portfolio Specialist

Mr. Brown is responsible for increasing the knowledge and use of all the Parametric products distributed in the wealth management channel. Jeffrey joined Parametric in 2000 as a member of the client service team. He has been in the investment industry since 1992 with specific experience in the wealth management marketplace. Before joining Parametric, he spent two years as Portfolio Manager, with Laird Norton Trust Company where he worked closely with taxable clients to design, develop and implement various portfolio solutions. Jeff has also worked at Quadra (now Blackrock) and the Russell Investment Group. He holds the CFA and is a member of the Seattle Society of Financial Analysts. He holds a B.A. in Business from the University of Washington.

Reuben Butler

Director - Institutional Portfolio Manager

Mr. Butler is responsible for supporting development and distribution of Parametric's institutional investment products. Prior to joining Parametric in 2011, Reuben was Director, APAC for Russell Indexes, where his responsibilities included the development and management of the Russell Index business throughout Asia and Australia/NZ. At Russell, his previous roles include Portfolio Trader, Portfolio Transition Manager and Associate Regional Director for Russell's implementation services and Russell's Americas institutional business. He received his B.A. from Seattle University.

Brian Dillon

Director - Institutional Portfolio Manager

Mr. Dillon has responsibility for the development and distribution of Parametric's institutional investment products. As a member of the Portfolio Management and Product Management teams, Brian works to implement and develop Parametric's structured investment strategies as well as oversees ongoing client service needs. He joined Parametric in 2008 as a member of the Structured Emerging Markets Portfolio Management team. He has been in the investment industry since 1996 with specific experience in the institutional marketplace. Before joining Parametric, Brian spent seven years as Senior Portfolio Manager with Russell Investments where he worked closely with institutional clients to design, develop and implement complex asset transitions for both defined benefit and defined contribution plans. Brian has also worked in sales, trading and underwriting in the fixed income securities market. He holds a B.S. in Business Systems with a minor in Economics from Taylor University.

Gregory Johnsen, M.B.A., CFA

Director - Institutional Portfolio Manager

Mr. Johnsen is responsible for supporting development and distribution of Parametric's institutional investment products. Prior to joining Parametric in 2012, Greg was with Wellington Management as the Vice President and Investment Director, Product Management. He served as the portfolio management liaison with the Business Development and Client Service teams, and worked closely with the equity portfolio managers in evaluating overall portfolio characteristics and performance. Prior to Wellington, Greg held a similar position at American Century Management, as well as working as an investment consultant at Kidder, Peabody & Co., and DiMeo, Schneider & Associates, LLC. He also worked as a senior investigator for the Chicago Board Options Exchange and as a derivatives trader. Greg earned his M.B.A. from the University of Chicago and his B.S. in Economics from the University of Minnesota. He holds the Chartered Financial Analyst designation.

Biographies

Lee Thacker, CFA

Director - Trading

Mr. Thacker heads the Trading team for Parametric. Lee transferred to the trading desk after managing the implementation of the firm's Overlay account program. Prior to joining Parametric in 1998, he worked as a Staff Accountant at Moss Adams L.L.P. He also served as a Database Administrator for a small investment company in Bellingham, Washington. He graduated from Western Washington University with a B.A. in Accounting and minor in Business Administration.

Kim Day

Senior Trader

Ms. Day is one of the traders responsible for trading Parametric's Emerging Markets Strategy. Before joining Parametric, Kim was a Portfolio Assistant at Neuberger Berman in New York, with subsequent posts as an International Trader with Marsico Capital in Denver and with Fidelity Capital Markets in Boston. She holds a B.S. in Nutrition from the University of New Hampshire.

Stephen Daspit

Senior Trader

Mr. Daspit trades in all markets at Parametric and has been with the firm for three years. Before joining Parametric, Stephen worked in operations management at UPS and corporate finance at Microsoft. He holds a B.A. in Business Administration from The University of Texas at Austin. While a student, he worked as an analyst for the MBA Investment Fund and for Murray & Company Asset Management.

Biographies

Kristen Gaspar

Vice President, Senior Relationship Manager

Kristen is a vice president of Eaton Vance Management and a senior relationship manager for institutional clients. Her experience in the investment management industry dates back to 1994. Kristen joined Eaton Vance in 2010 from The Boston Company Asset Management, LLC, where she was responsible for new business development and relationship management. Previously, she was an assistant portfolio manager with Private Wealth Management at BNY Mellon and before that supervised the daily operations of the Money Market Center in BNY Mellon's Deposit Group. Kristen has a M.B.A. from the Boston College Carroll School of Management and a B.S. in marketing from Providence College. In addition, she holds Series 7 and 63 licenses with FINRA.

Emily Levine

Senior Client Service Associate

Emily is a senior client service associate, responsible for supporting the senior relationship managers in all aspects of maintaining institutional client relationships across various products. Her experience in the investment management industry dates back to 2002. Before joining the Client Service team, Emily was a Senior RFP Specialist within Eaton Vance. Prior to joining the firm in 2008, she was a Product Information Specialist with BNY Mellon Wealth Management. Previous industry experience includes two years in Institutional Client Service at State Street Global Advisors. Emily graduated from Florida State University with B.S. degrees in business management and human resources. She holds the Series 7 license with FINRA and has completed Level I of the Chartered Financial Analyst (CFA) Program.

Joseph Furey

Vice President, Director of Institutional Business Development

In 2011 Joe was promoted to Co-Director of Institutional Sales with responsibility for the Taft-Hartley and state public pension plan markets. Previously, Mr. Furey was vice president of business development at Eaton Vance Management focused on the institutional channel in the eastern United States. Prior to joining Eaton Vance in 2005, Joe was a vice president of Fox Asset Management, a subsidiary of Eaton Vance, where he was responsible for sales and client service of the firm's institutional client base. Previous to that, he was a senior vice president at Cutler & Company LLC. Before that, Joe was director of marketing for Consulting Services at the Hannah Group where his focus was on municipalities and Taft-Hartley plans. Joe graduated from Suffolk University with a B.A. in finance and holds a Series 7 licenses with FINRA.

Chris A. Sunderland

Vice President, Institutional Portfolio Manager, Equity

Chris is a vice president of Eaton Vance Management and a director of the equity product management team. He is responsible for the product development effort, communication of investment strategy, and portfolio positioning and analysis. Chris joined Eaton Vance in June 2010 from AXA Rosenberg, where he served as an institutional portfolio manager representing the firm's strategies to the marketplace while managing client relationships. Prior to that, Chris was a principal of State Street Global Advisors and a senior portfolio manager in the firm's Global Fundamental Strategies group. He was a member of the U.S. Large Cap Equity Team managing the U.S. Large Cap Core, Large Cap Growth, Concentrated Growth and SRI Strategies. Prior to assuming that role, Chris was a portfolio manager in the U.S. Quantitative Active Equities group. He has been working in the investment management field since 1990. Chris graduated from Babson College with a B.S. in finance and received his M.B.A. from the F.W. Olin School of Business at Babson College. He is a member of the Boston Security Analysts Society and the CFA Institute. He holds a series 65 license with FINRA.

Hancock Agricultural Investment Group

Mandate: Farmland

Hired: 2004

Firm Information	Investment Approach	Total ARMB Mandate & Fees
<p>The Hancock Agricultural Investment Group (HAIG) is an operating division of the Hancock Natural Resource Group, an indirect, wholly-owned subsidiary of Manulife Financial Corporation. Manulife is a leading financial services group headquartered in Toronto, Canada and operates in the United States primarily under the brand name “John Hancock.”</p> <p>As of 3/31/2012, HAIG’s total assets under management were \$1.6 billion.</p> <p>Key Executives: <i>Oliver Williams</i>, President <i>Carolyn Bailey</i>, Director of Financial Accounting and Client Reporting <i>Kenneth Warlick</i>, Director of Acquisitions <i>Melanie Murphy</i>, Senior Investment Analyst/Client Relationship Contact</p>	<p>Investment decisions are made as a team and in conjunction with property managers in the field. Investments are modeled after initial due diligence to determine possible purchase price and quality of the asset. The process is a collaborative effort between portfolio management, acquisitions and asset management and includes vetting the initial investment to see if the property is an attractive asset based on soil type, water availability, yield history, location, commodity type and return potential. The investment is then evaluated for portfolio requirements: diversification, size, return hurdles, and risk/reward profiles.</p> <p>Fundamental and quantitative commodity research underlies the investment decision – both top-down and bottom-up approaches are used. The two most important criteria are soil quality and water supply – if these criteria are not met, the property is not considered. Due diligence includes extensive research on the property, the seller, and all aspects of the transaction including external environmental audits. The type of crop grown, and location and size are also central components of the purchase decision.</p> <p>Benchmark: Leased only properties in NCREIF Farmland Index weighted 80% row and 20% permanent crop.</p>	<p>Assets Under Management: 12/31/10: \$215,425,083 03/31/12: \$245,108,733</p> <p>Fee Schedule: <u>Gross Appraised Value</u> First \$50 Million 90 bp Second \$50 Million 85 bp Above \$100 Million 80 bp</p>

Concerns: Effective September 30, 2011, Jeff Conrad retired from HAIG. As such, Oliver Williams was appointed the new President. Due to the change in key personnel, HAIG was placed on the Manager Watch List

To date, staff has not observed any negative impacts as a result of the change in personnel.

3/31/2012 Performance (net of fees)

	<u>Last Quarter</u>	<u>1-Year</u>	<u>3-Years Annualized</u>	<u>5-Years Annualized</u>
HAIG	11.48%	13.92%	10.41%	11.46%
Benchmark	5.22%	17.15%	10.97%	12.62%



Combined Northern Agriculture Portfolio – Update

Prepared for :

Alaska Retirement Management Board

June 22, 2012

*Oliver S. Williams, IV, CFA
President
Hancock Agricultural Investment Group
(617) 747-1645
owilliams@hnrg.com*

*Paul J. Joerger, AFM
Vice President, Director of Asset Management
Hancock Agricultural Investment Group
(617) 747-1548
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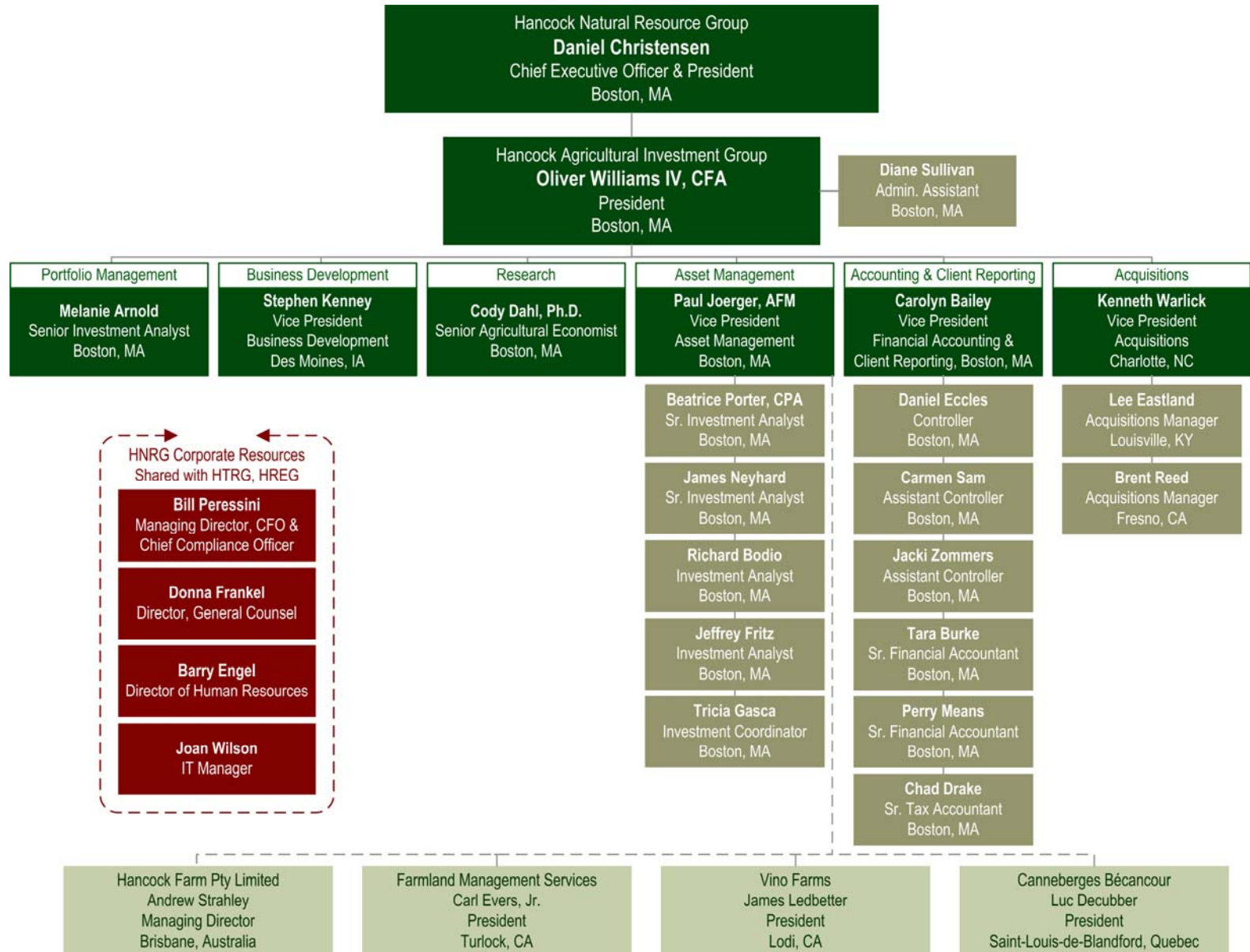
I. Hancock Agricultural Investment Group Update



- Hancock Agricultural Investment Group (HAIG)
 - A division of Hancock Natural Resource Group, Inc., a wholly-owned indirect subsidiary of Manulife Financial Corporation
 - Total AUM of \$1.6B as of March 31, 2012
 - Currently managing over 260,000 acres of U.S. farmland, including 6,000 acres of farmland in Australia and 1,000 acres of farmland in Canada

- 2012 organization changes:
 - Paul Joerger joins as Director of Asset Management in May
 - B.S./M.S. in Agricultural Economics from North Dakota State University
 - Accredited Farm Manager (AFM) and incoming president of the American Society of Farm Managers and Rural Appraisers
 - HAIG team plans to add associates in 2012

I. Hancock Agricultural Investment Group Update





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II. Northern Agriculture Farmland Portfolio

Portfolio Overview

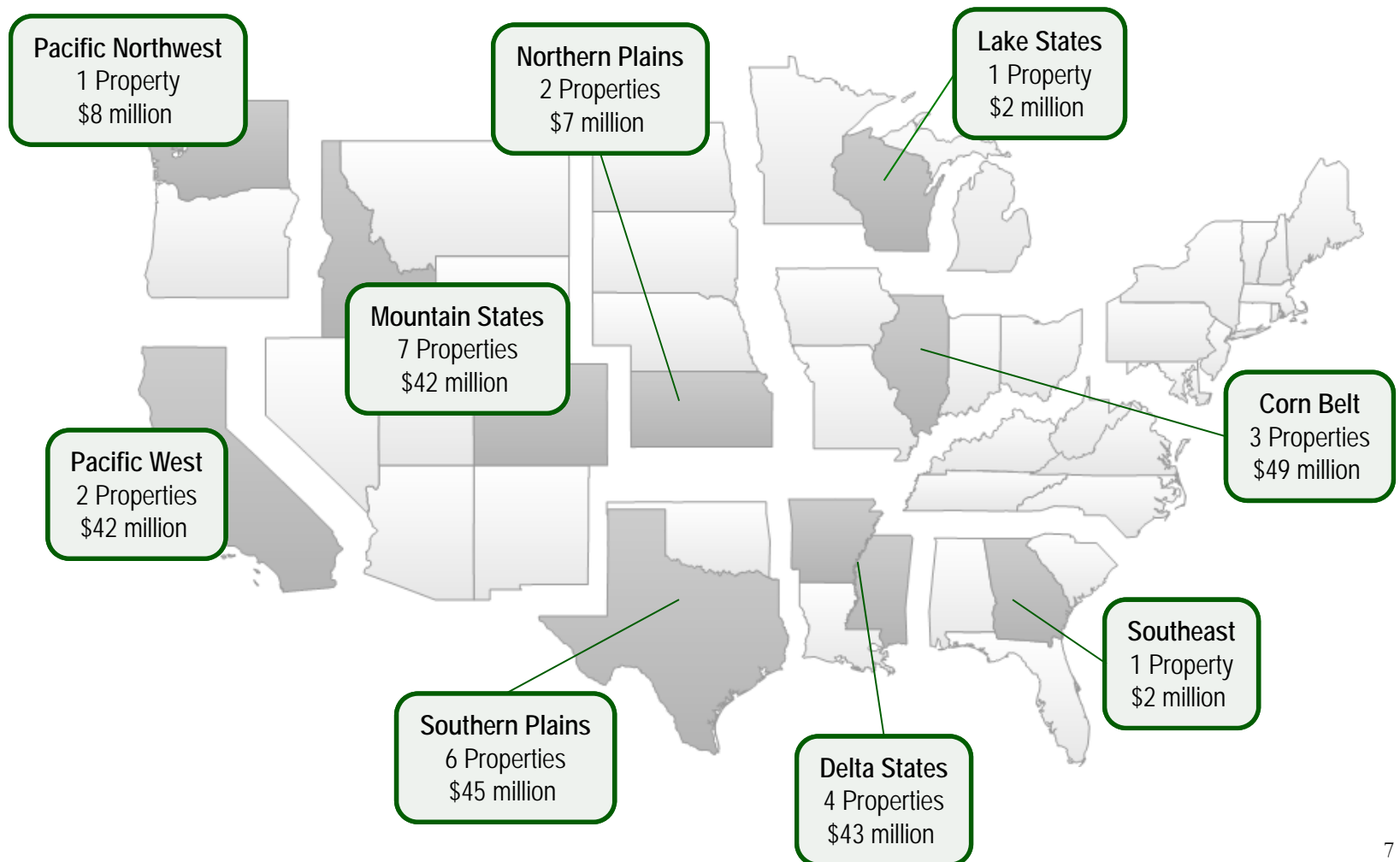
- Established January 2005
- Account aims to achieve portfolio diversification and attain optimum return, consistent with the assumption of prudent risk and safety of principal. Investments will generate current income while being sensitive to inflation.
- 80% Leased Row Crops / 20% Leased Permanent Crops (changed from 90% / 10% effective 1/1/2008)
- Total allocation of \$245.25 million
 - Current investment commitments total \$214 million
 - Funds available for investment of approximately \$31 million
- Six operating entities
 - Northern Agriculture LLC
 - Northern Agriculture II LLC
 - Northern Agriculture III LLC
 - Northern Agriculture IV LLC
 - Northern Agriculture V LLC
 - Northern Agriculture Nebraska LLC



II. Northern Agriculture Farmland Portfolio

Portfolio Overview

\$240 MM* farmland portfolio composed of 27 properties in 9 NCREIF regions



*Real estate market value as 3/31/2012.



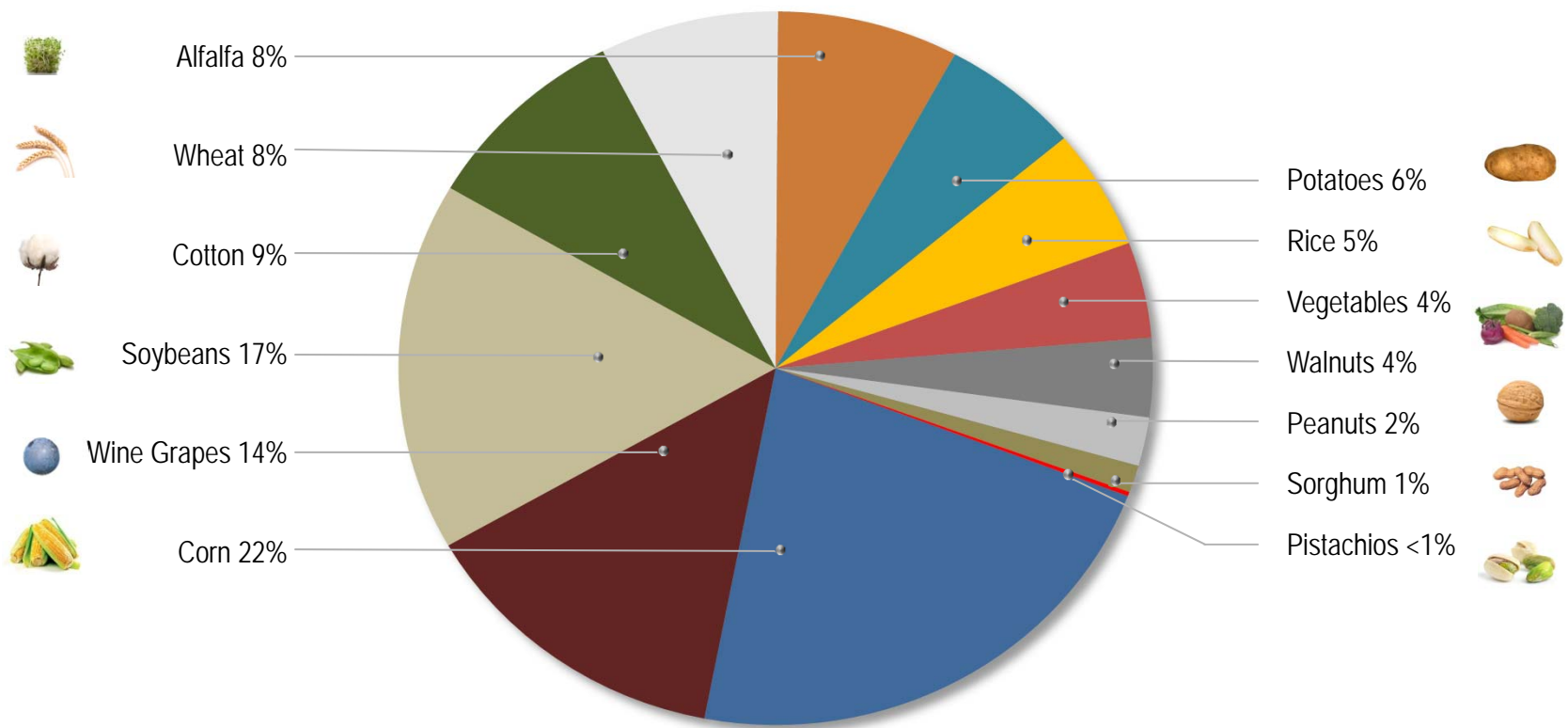
II. Northern Agriculture Farmland Portfolio

Portfolio Overview



A Manulife Asset Management Company

Combined Northern Agriculture \$240MM Farmland Portfolio
Commodity diversification by market value as of 3/31/2012



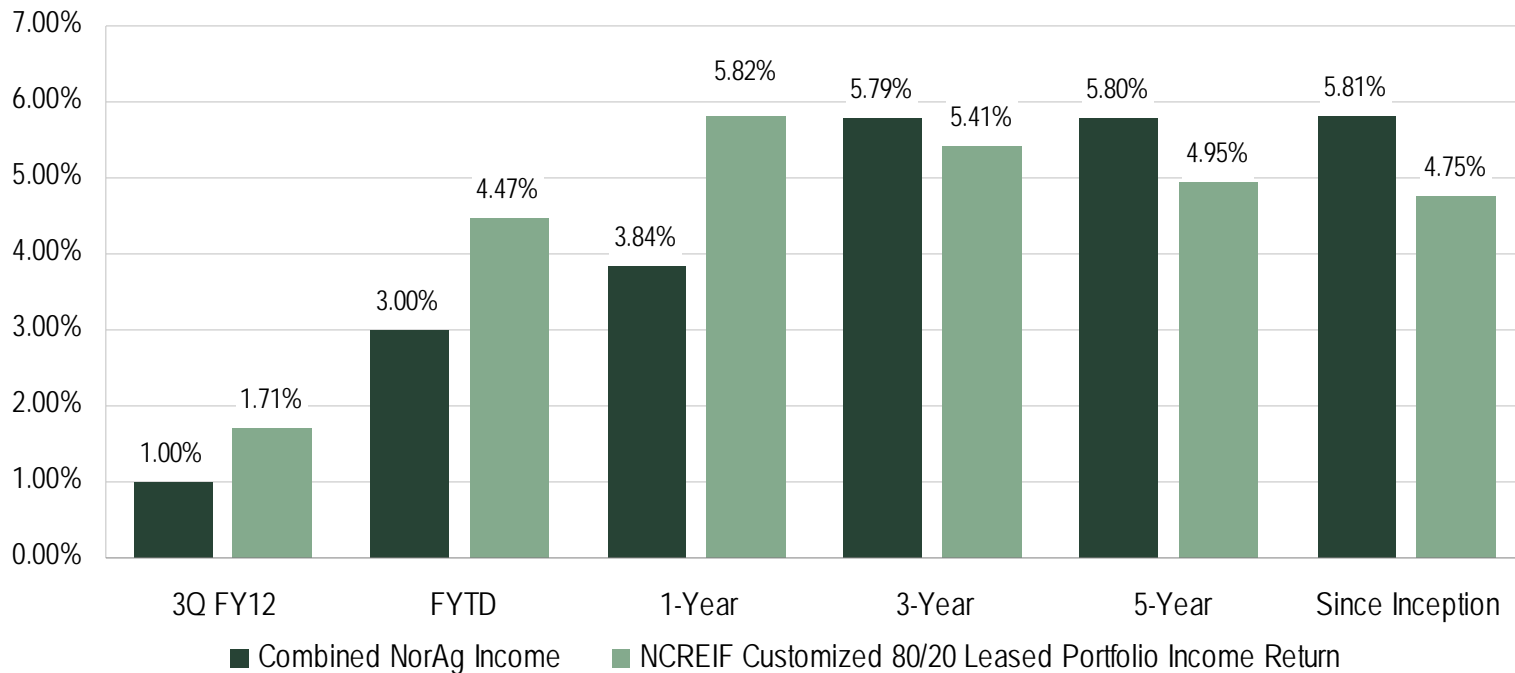
81% Row Crops : 19% Permanent Crops



II. Northern Agriculture Farmland Portfolio

Investment Performance as of March 31, 2012

Combined NorAg Income vs. NCREIF Farmland Index Income Return
Returns before fees as of 3/31/2012



- NorAg farmland income outperforms NCREIF over periods of three years and longer
- Sonoma 12 redevelopment impacts past year returns

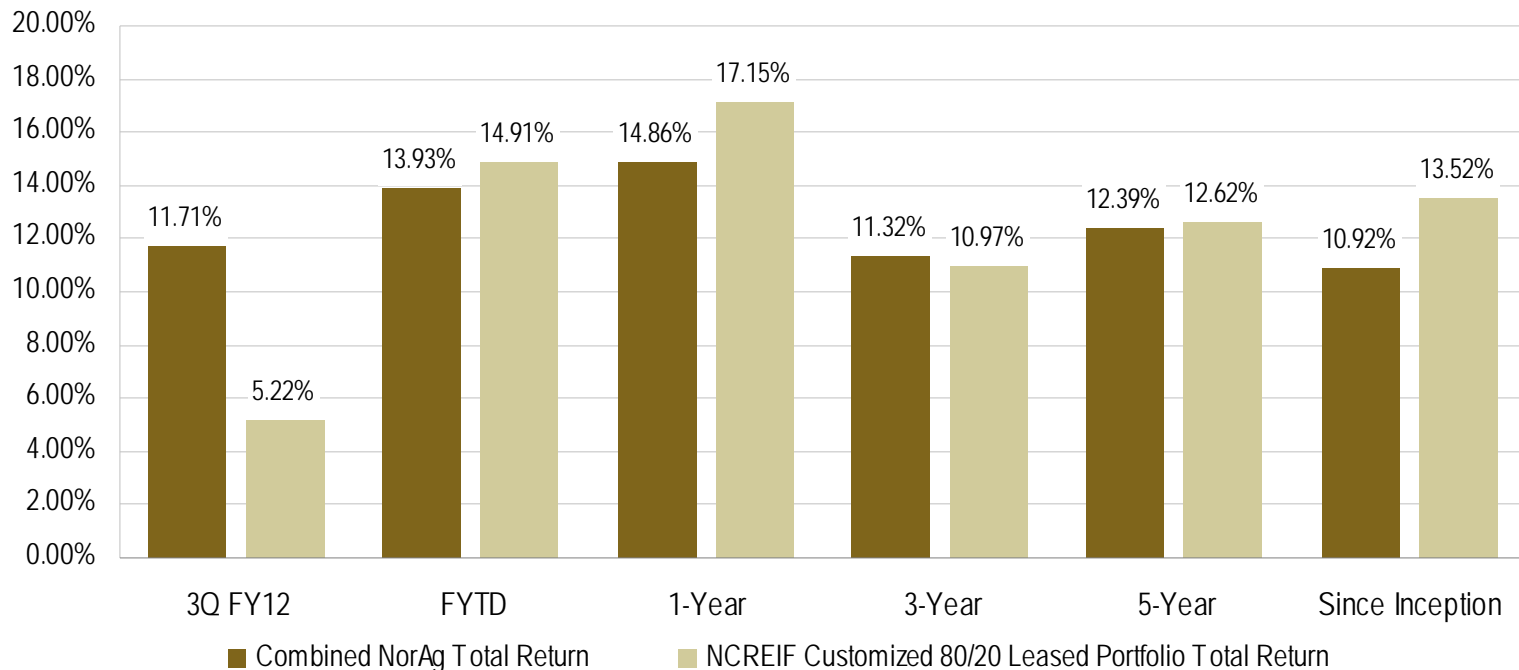
1. All returns are calculated at portfolio level on market value before deducting investment management fees. Please refer to fee addendum in the appendix for a further description of investment performance calculations and fees. Past performance is no guarantee of future results. Potential for profit as well as loss exists. Fund since inception period as of July 1, 2005. 2. The NCREIF Farmland Index is a property-level index that does not reflect the impact of debt, fund-level expenses or investment management fees. NCREIF returns presented above are customized for NorAg to depict a portfolio composed of 80% permanent and 20% row crop holdings that are 100% leased under fixed and variable rent. Benchmark re-weighted from 90% row crops / 10% lease permanent crops effective 1/1/2008.



II. Northern Agriculture Farmland Portfolio

Investment Performance as of March 31, 2012

Combined NorAg Total Returns vs. NCREIF Farmland Index Total Return
Returns before fees as of 3/31/2012



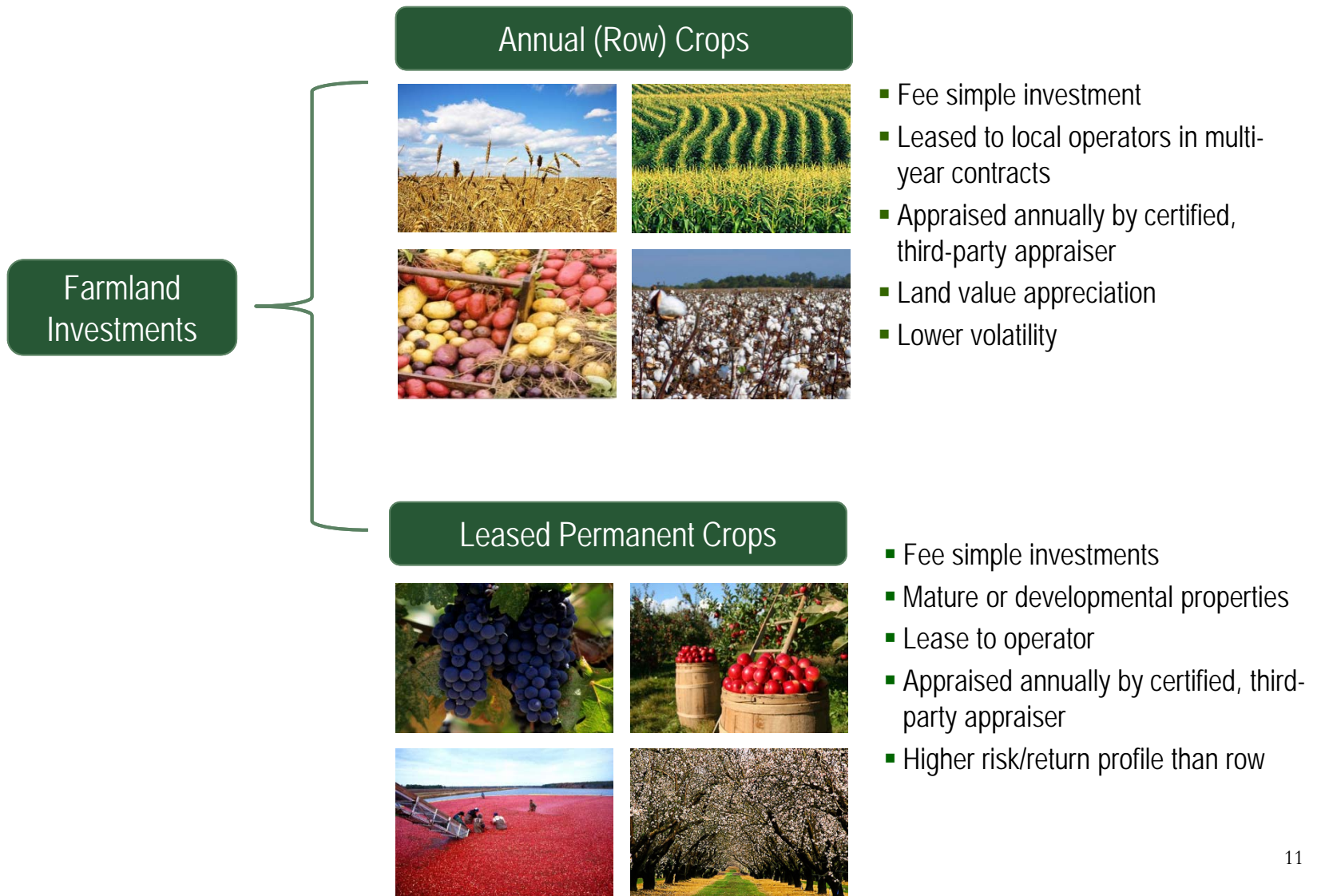
- NorAg outperforms over most recent quarter due to portfolio appraisals
- NorAg underperforms NCREIF over recent year, outperforms over three years

1. All returns are calculated at portfolio level on market value before deducting investment management fees. Please refer to fee addendum in the appendix for a further description of investment performance calculations and fees. Past performance is no guarantee of future results. Potential for profit as well as loss exists. Fund since inception period as of July 1, 2005. 2. The NCREIF Farmland Index is a property-level index that does not reflect the impact of debt, fund-level expenses or investment management fees. NCREIF returns presented above are customized for NorAg to depict a portfolio composed of 80% permanent and 20% row crop holdings that are 100% leased under fixed and variable rent. Benchmark re-weighted from 90% row crops / 10% lease permanent crops effective 1/1/2008.



II. Northern Agriculture Farmland Portfolio

Select Properties





II. Northern Agriculture Farmland Portfolio

Select Properties

Yuma 20 – Row crop property

Property Summary

County:	Yuma	Crops Grown:	Corn, wheat	Market Value (3/31/12):	\$6,146,000
State:	Colorado	Gross Acres:	1,958	Purchase Price:	\$4,850,000
NCREIF Region:	Mountain States	Net Farmland Acres:	1,541	Date Acquired:	1/8/2010

- Leased row crop property located in Mountain States
- Four tracts covering nearly 2,000 acres including grain storage capacity of approximately 223,000 bushels
- Predominantly grows corn, wheat
- Since inception annualized returns of 16.2%



Yuma 20, Fall 2011

Yuma 20: Property-level returns, before fees Periods ending March 31, 2012

	Income	Appreciation	Total Return
1-Year	5.29%	22.05%	28.23%
2-Year	5.57%	10.28%	16.30%
Since Inception	6.34%	9.38%	16.19%

All returns are calculated at property-level on market value, before deducting investment management fees, using NCREIF methodology. Please refer to fee addendum in the Appendix for a further description of investment performance calculations and fees. Past performance is no guarantee of future results. Potential for profit as well as loss exists.



II. Northern Agriculture Farmland Portfolio

Select Properties

Tulare 176 – Permanent crop property

Property Summary

County:	Tulare	Crops Grown:	Walnuts, pistachios	Market Value (3/31/12):	\$9,060,000
State:	California	Gross Acres:	520	Purchase Price:	\$5,736,443
NCREIF Region:	Pacific West	Net Farmland Acres:	470	Date Acquired:	4/20/2005

- California nut orchard with long-term lease to local operator
- 446 acres of Chandler and Tulare walnuts, 24 acres Kerman pistachios
- Since inception annualized returns of 13.4%



Tulare 176: Property-level returns, before fees Periods ending March 31, 2012

	Income	Appreciation	Total Return
1-Year	4.70%	9.04%	14.04%
2-Year	5.47%	13.77%	19.80%
Since Inception	6.43%	6.64%	13.39%

All returns are calculated at property-level on market value, before deducting investment management fees, using NCREIF methodology. Please refer to fee addendum in the Appendix for a further description of investment performance calculations and fees. Past performance is no guarantee of future results. Potential for profit as well as loss exists.



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Appendix: Investment Performance Calculations, Notes and Disclosures
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III. Summary

- Combined NorAg portfolio returns 14.9% YTD FY2012 (before fees)
 - Income returns of 3.0% FYTD
 - 3QFY12 appraisals produce 10.7% gains

- Budgeted to produce \$8.1 million for FY2012 (property-level income, before fees)

- Approximately \$31 million of capital to deploy





Appendix: Investment Performance Calculations

Notes and Disclosures

Hancock Agricultural Investment Group is a division of Hancock Natural Resource Group, Inc., a registered investment adviser and wholly owned subsidiary of Manulife Financial Corporation.

Projected Performance

Projected performance figures are based on a model containing certain assumptions, including but not limited to assumptions as to appreciation of farmland, increases in cash rental rates, increases in production costs. They should not be construed as guarantees of future returns, nor should they be interpreted as implications of future profitability. Potential for profit as well as for loss exists. The impact of future economic, market and weather factors may adversely affect model results. Performance objectives and projections are based on information available to us at this time and are not meant to be interpreted as guarantees or commitments to future results. The economic outlook is developed by HAIG's professionals. Our outlook is based on the information available to us at this time and our analysis of same. While we are confident in our projections, one should not interpret them as a guarantee of performance.

Before Fees Performance

Performance figures do not reflect the deduction of investment advisory fees. The client's return will be reduced by advisory fees and any other expenses it may incur in the management of its investment advisory account. Investment advisory fees of Hancock Natural Resource Group are described in Part II of Advisors Form ADV.

Effect of Advisory Fees Over 10-Year Period

If, for example, the gross total annualized return of a \$10 million investment over a 10-year period were 9.5% nominal, deducting an annual investment management fee of 100 basis points on the invested capital over a 10-year period would produce a total value of \$25.8 million after fees, versus \$26.8 million before fees.

Representative Example of Compounded Effect of Investment Advisory Fee

A representative 1.00% management fee deducted from a portfolio quarterly (0.25%/quarter) would result in the following cumulative compound reduction of the portfolio time-weighted rate of return.

Years	Cumulative Fee	Years	Cumulative Fee
1	1.004%	6	6.176%
2	2.018%	7	7.241%
3	3.042%	8	8.318%
4	4.076%	9	9.405%
5	5.121%	10	10.503%



Appendix: Biographies

Oliver S. Williams IV, CFA, President

Mr. Williams is President of the Hancock Agricultural Investment Group, directs the institutional farmland investment program and serves on the Investment Committee of the Hancock Natural Resource Group (HNRG). Mr. Williams is in his fifteenth year with HAIG. Prior to joining HAIG, he spent five years with the First Pioneer Farm Credit, ACA, one of the largest farm credit associations in the country. At Farm Credit, he was responsible for evaluating and appraising farmland and farm businesses for potential loans. He also managed a farm loan portfolio, which included both row and permanent cropland. He is a member of the American Society of Farm Managers and Rural Appraisers, the Association for Investment Management and Research and the Boston Security Analysts Society. He earned a B.S. in Agricultural Economics, with a concentration in finance, from Cornell University. Mr. Williams grew up on a poultry and grain farm in western New York.

Paul J. Joerger, AFM, Vice-President, Director of Asset Management

Mr. Joerger is responsible for US and international farmland operations, property-level risk management, underwriting, valuations (appraisals) and finance. Prior to joining HAIG, he was an Area Vice President for the South Central US for Farmers National Company. In this role he was responsible for the management of nearly 400,000 acres of land. He earned his B.S. and M.S. in Agricultural Economics degrees from North Dakota State University. He is an Accredited Farm Manager with the American Society of Farm Managers and Rural Appraisers (ASFMRA). In the fall of 2012, Mr. Joerger will become the President of the ASFMRA. Mr. Joerger grew up on a dairy farm in central Minnesota.

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Investment Guidelines for
Domestic and International Equities

Resolution 2012-08

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for each of the funds entrusted to it; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

WHEREAS, the Board contracts an independent consultant to provide experience and expertise in asset allocation and other investment matters to come before the Board; and

WHEREAS, the Board has established an asset allocation for the funds that considers earnings and liabilities on a current as well as a future basis; and

WHEREAS, the Board has authorized investment in domestic and international equities; and

WHEREAS, the Board will establish and from time to time as necessary modify guidelines for domestic and international equities.

NOW THEREFORE BE IT RESOLVED THAT THE ALASKA RETIREMENT MANAGEMENT BOARD adopt the Investment Guidelines for Domestic and International Equities, attached hereto and made a part hereof, regarding investment in domestic and international equities.


This resolution repeals and replaces Resolution 2011-21

DATED at Anchorage, Alaska this 19th day of April, 2012.



Chair

ATTEST:



Secretary

ALASKA RETIREMENT MANAGEMENT BOARD (ARMB)

INVESTMENT GUIDELINES FOR DOMESTIC AND INTERNATIONAL EQUITIES

- A. Purpose.** The portfolio will have a primary emphasis on diversification to minimize risk.
- B. Investment Structure.** Permissible equity investments include:
1. Common and preferred stock of corporations incorporated in the United States that are listed on the New York or American exchanges or are NASDAQ listed;
 2. International equity and equity related securities listed on recognized stock exchanges, or securities of closed-end funds listed on other recognized stock exchanges and whose primary purpose is to invest in securities listed on recognized stock exchanges and where recognized stock exchanges are those acknowledged by a manager as a source of prudent investments for the fund;
 3. American Depository Receipts, American Depository Securities and Global Depository Securities; and
 4. Convertible Debentures; and
 5. Publicly traded partnerships listed on recognized stock exchanges, where recognized stock exchanges are those acknowledged by a manager as a source of prudent investments for the fund; and
 6. Securities delisted and/or deregistered, owned as a result of a corporate action and not a direct purchase, and held at a value deemed to be de minimis.
- C. External Equity Management.** The manager must represent and warrant:
1. that it is an "investment advisor" or "bank" as defined in the Investment Advisors Act of 1940 as amended; and
 2. that it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for acts contemplated by this contract;
 3. that it is a "Fiduciary", as that term is defined in Section 3(21)(a)(ii) of ERISA with respect to the securities, and that it will discharge its duties with respect to the securities solely in the interest of the ARMB and the beneficiaries of the funds administered by the ARMB; and
 4. that it has and will maintain all forms of insurance and other prerequisites required by the ARMB.

D. Investment Management Service to be Performed. From time to time, equity managers shall invest and reinvest the cash and securities allocated to it and deposited in their account, without distinction between principal and income, in a portfolio consisting of stocks or other securities when market conditions warrant alternatives to stock. These securities will be selected and retained by the manager solely on the basis of their independent judgment relating to economic conditions, financial conditions, market timing, or market analysis, and will not be subject to direction from the ARMB; provided, however, that in the event the aggregate total of any security held by the ARMB exceeds five percent (5%) of total shares outstanding, the ARMB may direct portfolio managers to sell securities to the extent the aggregate is below five percent (5%). Other securities shall be limited to:

1. obligations of the United States government;
2. obligations of United States government agencies;
3. certificates of deposit;
4. corporate debt obligations;
5. commercial paper;
6. warrants;
7. bankers acceptances; and
8. repurchase agreements.

E. Managers will be Authorized. Managers are authorized to invest or reinvest or dispose of any cash or securities held in their account or invest the proceeds of any disposition, provided that:

1. no more than ten percent of the voting stock of any corporation is acquired or held;
2. certificates of deposit have been issued by domestic United States banks or trust companies which are members of the Federal Deposit Insurance Corporation, and are readily saleable in a recognized secondary market for such instruments;
3. corporate debt obligations are rated A or better by Moody's, Standard & Poor's or Fitch rating services (Note: This rating restriction does not apply to convertible debentures);
4. commercial paper bears the highest rating assigned by Moody's, Standard & Poor's or Fitch rating services;
5. bankers' acceptances must have been drawn on and accepted by United States banks which have capital and surplus of at least \$200 million each;

6. repurchase agreements must be secured by the debt obligations set forth in 2 through 5 above;
7. future contracts for sale of investments or for the sale of currencies may be entered into only for the purpose of hedging an existing ownership in these investments;
8. futures and options will be authorized for the purposes of implementing a portfolio reallocation to gain immediate exposure to the appropriate country weighting:
 - a. contracts are traded on recognized exchanges, or that OTC instruments are traded with AA rated or equivalent counterparts and no contracts exceed a period of twelve months;
 - b. futures and options are not used to leverage the portfolio; and
 - c. all futures and options positions must be reported to the client each month. The report must show both the nominal position and the “economic impact” of all derivative positions;
9. standardized equity index futures and ETFs will be authorized for the purpose of cash equitization;
10. purchases in commodities or the commodities of futures market of any kind are specifically prohibited;
11. no more than ten percent of any international small cap portfolio benchmarked against the MSCI EAFE Small Cap Index may be invested in emerging markets.

F. Cash Held in Portfolio. Managers are expected to maintain fully invested equity portfolios. The ARMB considers a portfolio to be fully invested as long as cash levels are below a maximum of 5 percent for small capitalization and international equity managers and 3 percent for all other equity managers, calculated using a 10-day moving average. In implementing this portion of the equity guidelines, the Chief Investment Officer will consider any cash in an individual equity account in excess of the maximum to be available for use as a funding source for other ARMB needs. Any manager that expects to exceed the maximum cash level in the short-term as the result of a specific strategy must notify ARMB in writing in advance. Such notice will temporarily exempt the manager from the maximum cash rebalancing threshold. Staff shall regularly report all equity manager net cash holdings.

G. Performance Standards. Managers are expected to have returns, over time, in excess of their appropriate contractual benchmark, net of fees.

H. Performance Benchmarks. ARMB’s asset class level benchmarks for domestic and international equities are as follows:

Broad Domestic Equity – Russell 3000 Index

Global Equity ex US – MSCI ACWI ex US Index

I. Brokerage and Commissions. In carrying out its functions, a manager will use its best efforts to obtain prompt execution of orders at the most favorable prices reasonably obtainable, and in doing so, will consider a number of factors, including, without limitation, the overall direct net economic result to the ARMB (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range), the financial strength and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, the availability of the broker to stand ready to execute possible difficult transactions in the future and other matters involved in the receipt of “brokerage and research services” as defined in and in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended, and regulations thereunder.

Provided that, in the judgment of the manager, purchase or sale execution and transactions are competitive, approximately 30% of all listed large capitalization domestic equity trades will be executed with a brokerage firm participating in a commission recapture program with the ARMB.

The Chief Investment Officer will evaluate and report the commission recapture program to the ARMB that will include:

1. total commission dollars recaptured;
2. actual percentage of commissions recaptured; and
3. a full analysis of the commission recapture program with recommendations for expanding the program.

J. Voting and Other Action. The managers shall vote any or all of the securities held by or for the account of the ARMB, unless written instructions to the contrary have been proved by ARMB. In voting securities of the ARMB, the managers shall act prudently in the interest and for the benefit of the ARMB and the beneficiaries of the funds administered by the ARMB. The manager is to furnish, on an annual basis, copies of the contractor’s policy and voting records in regards to voting proxies.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: IFS Report Recommendation ACTION: X
Task Area B.1., Recommendation #3
Equity Investment Guidelines INFORMATION: _____
DATE: June 22, 2012

BACKGROUND

AS 37.10.220(a)(11) and (12) require that the Alaska Retirement Management Board (Board) contract for an independent audit of the state's performance consultant not less than once every four years, obtain an external performance review to evaluate the investment policies of each fund entrusted to the board and report the results of the review. The Board entered into a contract with Independent Fiduciary Services (IFS) to provide the required reviews. IFS presented its final report at the December 2, 2010 Board meeting. At the conclusion of the presentation, CIO Gary Bader advised the trustees that each individual recommendation would be brought before the trustees at future meetings with a staff recommendation on action or implementation.

STATUS – IFS Task Area B.1. Publicly Traded Asset Classes

IFS Report Recommendation #3, page 41, states:

ARMB should consider adopting customized investment manager guidelines for each investment manager – or at a minimum, create separate guidelines for domestic versus international equity, and consider breaking down further into capitalization and market segment (e.g., developed versus emerging markets) with portfolio requirements/restrictions that are more tailored by strategy.

The IFS recommendation appears to be addressing guideline structure rather than substance. ARMB's current use of a singular equity guideline document across equity strategies helps promote consistency across equity mandates and board-level understanding of its policies. While possibly making it easier for investment managers, creating new guideline documents by dispersing the existing guidelines along the lines of region, capitalization, and market segment would likely make it more challenging, over time, for the Board to keep track of what policies it has approved across the equity landscape and introduce the risk of inconsistency and error between these policy documents.

RECOMMENDATION

The ARMB affirm the existing Investment Guidelines for Domestic and International Equities in Resolution 2012-08.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: IFS Report Recommendation ACTION: X
Task Area A.1.b., Recommendation #5
Callan Defined Contribution Report – INFORMATION: _____
Fee Disclosure
DATE: June 22, 2012

BACKGROUND

AS 37.10.220(a)(11) and (12) require that the Alaska Retirement Management Board (Board) contract for an independent audit of the state's performance consultant not less than once every four years, obtain an external performance review to evaluate the investment policies of each fund entrusted to the board and report the results of the review. The Board entered into a contract with Independent Fiduciary Services (IFS) to provide the required reviews. IFS presented its final report at the December 2, 2010 Board meeting. At the conclusion of the presentation, CIO Gary Bader advised the trustees that each individual recommendation would be brought before the trustees at future meetings with a staff recommendation on action or implementation.

STATUS – IFS Task Area A.1.b Investment Reporting to the Board

IFS Report Recommendation #5, page 22, states:

ARMB should ask Callan to display the total fee for each fund shown in the defined contribution report.

This IFS recommendation regarding fee disclosure appears to be motivated by the desire to ensure investors are considering fees when selecting investment funds. In the case of all participant directed plans, the participants are the investors and the Division of Retirement and Benefits reports this information on their website. A printed copy of this information is attached. Participants should be fully informed regarding fees when selecting funds. As it relates to ARMB considering new options, the fee analysis is part of the hiring process, which is separate from the Callan defined contribution report. Asking Callan to reproduce what is already being reported by the Division of Retirement and Benefits is unnecessary.

RECOMMENDATION

The ARMB affirm the current fee reporting process via the Division of Retirement and Benefits.

State of Alaska Defined Contribution Plans

FEES AND EXPENSES

Great-West Retirement Services® is responsible for the administration of the State of Alaska Defined Contribution Plans. Fees and expenses associated with the day-to-day management of the Plans are deducted from your account to support the Plan, as follows.

Administrative Fees

This fee covers the cost of Plan recordkeeping expenses. Fees are assessed to the Plans separately and are based on your account balance.

State of Alaska Plan Type	Annual Administrative Fee
457(b) Deferred Compensation Plan (DCP)	0.17%, or 0.17 of 1%
Alaska Supplemental Annuity Plan (SBS)	0.11% + \$35 annual fee (\$25 for non-contributing participants)
PERS/TRS Defined Contribution Retirement Plan (DCR)	0.11% + \$35 annual fee (\$25 for non-contributing participants)

- ◇ For the DCP, the 0.17% administrative fee is assessed monthly at 0.0142%, based on the total balance.
- ◇ For the SBS and DCR Plans, the 0.11% administrative fee is assessed monthly at 0.009%, based on the total balance. Annually, a fixed fee of \$35 (or \$25 for non-contributing participants) is charged.

Realty Investing® Advisory Services Fees

- ◇ There is no cost to use Online Investment Guidance.
- ◇ There is a \$25 annual fee assessed quarterly at \$6.25 for Online Investment Advice.
- ◇ If you choose the Managed Account service, the quarterly fee will be based on your account balance, as follows:

Account Balance	Quarterly Fee	Example: Account Balance	Quarterly Fee Charged
<\$100,000	0.125%	\$10,000	\$12.50
Next \$150,000	0.10%	\$20,000	\$25.00
Next \$150,000	0.075%		
>\$400,000	0.05%		

There is no guarantee that participation in Realty Investing Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

1 Each fund has its own fund operating expenses that vary depending on the investment options you select. Actual fund operating expenses may be less if the fund currently offers a waiver or reimbursement of a portion of this expense.

2 Not all investment options are available in all Plans.

3 Specialty funds invest in a limited number of companies and are generally non-diversified. As a result, changes in market value of a single issuer could cause greater volatility than with a more diversified fund.

4 The investment management fees for the Russell 3000 Index Fund, U.S. Real Estate Investment Trust Index, World Equity ex-U.S. Index, Long U.S. Treasury Index, U.S. Treasury Inflation Protected Securities Index, and the World Government Bond ex-U.S. Index vary based on total assets of all participants in each fund.

5 Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

6 Foreign investments involve special risks, including currency fluctuations and political developments.

7 S&P 500® Index is a registered trademark of Standard & Poor's Financial Services LLC, and is an unmanaged index considered indicative of the domestic Large-Cap equity market.

8 The investment management fees for the S&P 500 Stock Index Fund vary based on total assets of all participants in each fund. The fees for the S&P 500 Stock Index Fund include custodial expenses of approximately 0.05%.

9 The date in a Target Date Fund represents when an investor expects to retire. The principal value of the funds is not guaranteed at any time, including the target date.

10 A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.

11 U.S. Treasury securities are guaranteed as to the timely payment of principal and interest if held to maturity. Fund shares are neither issued nor guaranteed by the U.S. Government.

12 Access to KeyTalk and the Website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Website or KeyTalk received on business days prior to close of the New York Stock Exchange (12:00 p.m. Alaska Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

Investment Management Fees¹

- ◇ Investment management fees are deducted from the investment return of the fund, before the daily price or performance is calculated.
- ◇ Investment management fees are not shown on quarterly statements.
- ◇ You can also view the fees charged for each investment option on the “Fund Performance” document located on the Website. Fees are listed in the “Gross/Net Expense Ratio” column.

Investment Option ²	Annual Mgmt. Fee	Investment Option ²	Annual Mgmt. Fee
U.S. Real Estate Investment Trust Index ³	0.17% ⁴	SSgA Global Balanced Fund ^{5,6}	0.10%
T. Rowe Price Small-Cap Stock Trust ⁵	0.70%	Alaska Long-Term Balanced Trust	0.13%
Brandes Instl International Equity Fund ⁶	0.50%	Alaska Target Retirement 2015 Trust ⁹	0.13%
World Equity Ex-U.S. Index ⁶	0.17% ⁴	Alaska Target Retirement 2010 Trust ⁹	0.13%
RCM Socially Responsible Investment Fund	0.50%	Alaska Balanced Trust	0.12%
Russell 3000 Index Fund	0.03% ⁵	World Government Bond Ex-U.S. Index ^{6,10}	0.09% ⁴
S&P 500 [®] Index Fund ⁷	0.035%	Long U.S. Treasury Bond Index ^{10,11}	0.07% ⁴
S&P 500 [®] Stock Index Fund ⁷	0.04%-0.12% ⁸	Government/Credit Bond Index Fund ^{10,11}	0.13%
Alaska Target Retirement 2055 Trust ⁹	N/A	U.S. Treasury Inflation Protected Securities Index ¹¹	0.09% ⁴
Alaska Target Retirement 2050 Trust ⁹	N/A	Intermediate Bond Fund ^{10,11}	0.13%
Alaska Target Retirement 2045 Trust ⁹	N/A	Stable Value Fund	0.00%-0.20%
Alaska Target Retirement 2040 Trust ⁹	0.15%	Alaska Target 2010 Fund	0.10%
Alaska Target Retirement 2035 Trust ⁹	0.15%	Interest Income Fund	0.20%
Alaska Target Retirement 2030 Trust ⁹	0.15%	Alaska Money Market Fund	0.33%
Alaska Target Retirement 2025 Trust ⁹	0.15%	State Street Treasury Money Market Fund—Inst.	0.14%
Alaska Target Retirement 2020 Trust ⁹	0.14%		

Asset allocation funds may be subject to a fund operating expense at the fund operating expense level, as well as a prorated fund operating expense for each underlying fund in which they invest. For more information, please refer to the fund disclosure document.

An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the Fund.

For more information on fees or the investment options, or for any other questions, visit the Website at www.akdrb.com or call KeyTalk[®] at 1-800-232-0859 toll-free, seven days a week, 24 hours a day (except between 10:00 p.m. Saturday and 10:00 a.m. Sunday, Alaska Time).¹²

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, your registered representative can provide you with mutual fund prospectuses for the Brandes Institutional International Equity Fund and the State Street Treasury Money Market Fund – Inst., as well as disclosure documents for the investment options exempt from SEC registration. Read them carefully before investing.

Securities, when offered, are offered through GWFS Equities, Inc.

Investment options offered through a combination of mutual funds and separately managed accounts. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution and administrative services. Great-West Retirement Services[®] refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser. AAG and GWFS Equities, Inc. are wholly owned subsidiaries of Great-West Life & Annuity Insurance Company. Representatives of GWFS Equities, Inc. are not registered investment advisers and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed. Great-West Retirement Services[®], Reality Investing[®] and KeyTalk[®] are registered trademarks of Great-West Life & Annuity Insurance Company. Not intended for Plan Sponsors whose situs is in New York. ©2010 Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1092FD (10/2010) PT109483

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: IFS Report Recommendation ACTION: X
Task Area B.8., Recommendation #1
Watch List Guidelines – Passive INFORMATION: _____
Managers
DATE: June 22, 2012

BACKGROUND

AS 37.10.220(a)(11) and (12) require that the Alaska Retirement Management Board (Board) contract for an independent audit of the state's performance consultant not less than once every four years, obtain an external performance review to evaluate the investment policies of each fund entrusted to the board and report the results of the review. The Board entered into a contract with Independent Fiduciary Services (IFS) to provide the required reviews. IFS presented its final report at the December 2, 2010 Board meeting. At the conclusion of the presentation, CIO Gary Bader advised the trustees that each individual recommendation would be brought before the trustees at future meetings with a staff recommendation on action or implementation.

STATUS – IFS Task Area B.8 Watch List Guidelines

IFS Report Recommendation #1, page 75, states:

Consider adjusting the quantitative factors in the Watch List Guidelines to accommodate passive index investment managers.

Staff believes it is unnecessary to create adjusted Watch List Guidelines for passive investment managers. All managers are subject to the existing guidelines. While the recommendation appears straightforward, and suggests of tight tolerances around index returns for passive mandates, external cash flows (transfers in and out of an account) can create significant tracking error to the index return. This tracking error does not reflect poor management but rather the incidental byproduct of market performance during transfer periods and performance calculation methods. Therefore, implementing tight quantitative Watch List guidelines for passive mandates is likely to produce false indications of poor manager performance. Staff monitors daily performance of all accounts. For passive managers, any significant deviations from the benchmark (positive or negative) will trigger follow-up with a manager. If poor performance compared to the index is a legitimate concern, staff will recommend the manager be placed on the Watch List as part of its daily monitoring activities.

RECOMMENDATION

The ARMB affirm the existing Watch List Guidelines in Resolution 2006-01.

ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Watch List Guidelines

Resolution 2006-01

WHEREAS, the Alaska Retirement Management Board (Board) was established by law to serve as trustee to the assets of the State's retirement systems; and

WHEREAS, under AS 37.10.210-220, the Board is to establish and determine the investment objectives and policy for the funds of the Public Employees' Retirement System, Teachers' Retirement System, Judicial Retirement System, and Alaska National Guard and Naval Militia Retirement System; and

WHEREAS, AS 37.10.071 and AS 37.10.210-220 require the Board to apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the funds entrusted to it and treat beneficiaries thereof with impartiality; and

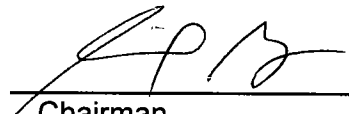
WHEREAS, the Board contracts an independent consultant to provide experience and expertise in asset allocation and other investment matters to come before the Board; and

WHEREAS, the Board has established qualitative and quantitative criteria to evaluate investment manager performance; and

WHEREAS, the Board will from time to time as necessary modify guidelines for the evaluation.

NOW THEREFORE BE IT RESOLVED THAT THE ALASKA RETIREMENT MANAGEMENT BOARD adopt the Watch List Guidelines, attached hereto and made a part hereof.

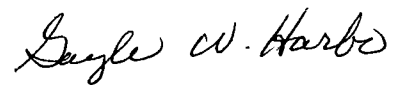
DATED at Juneau, Alaska this 13th day of January, 2006.



Chairman

[SEAL]

ATTEST:



Secretary

GUIDELINES FOR MANAGER "WATCH LIST"

The performance of the Board's investment managers will be monitored on an ongoing basis. The Board may place a manager on a "Watch List" at any time. The Board may also terminate a manager at any time whether or not a manager is on the "Watch List".

Managers may be placed on a "Watch List" for a variety of reasons: Personnel changes, violation of policy and investment guidelines, style deviation, underperformance and asset allocation changes. The ASPIB has two clearly stated fund performance objectives in the investment guidelines, the preservation of capital and consistent positive returns. These "Watch List" guidelines were formulated with these objectives as a foundation. There are various factors that should be taken into account when considering placing a manager on a "Watch List". These can be separated into two broad categories – qualitative and quantitative factors. The former focuses on personnel, organizational and legal issues while the latter addresses performance.

Placing a manager on the "Watch List" is an intermediate step which may be taken to either resolve the problem or terminate the manager. Managers may only be removed from the "Watch List" under these two conditions.

QUALITATIVE FACTORS

Below are *qualitative* factors that may be considered in determining whether an investment manager should be terminated.

FACTOR	EVALUATION	ACTION STEPS
<ul style="list-style-type: none"> • Violation of investment guidelines 	<ul style="list-style-type: none"> • Review portfolio holdings vis-a-vis the investment guidelines <ul style="list-style-type: none"> - individual securities. - their percentage weight in the portfolio. 	Correct violation. Review violations with manager to reestablish appropriate guidelines. Manager to compensate ASPIB for any losses that occurred from violation. Place on watch list for one year – may terminate on additional violation.
<ul style="list-style-type: none"> • Deviation from stated investment style and philosophy 	<ul style="list-style-type: none"> • Style mapping – total fund analysis. • Style attribution – manager specific style analysis. 	Place on watch list. Monitor for ongoing fit with asset allocation policy. Terminate if no longer consistent with asset allocation structure.
<ul style="list-style-type: none"> • Changes in ownership 	Require immediate notification of any pending changes in ownership.	Place on watch list for 18 months. Qualitatively determine if change may detrimentally affect asset performance.
<ul style="list-style-type: none"> • Turnover of key personnel 	Require manager to establish a list of key personnel, and rank in level of importance, at the inception of the account. Manager updates on an as needed basis.	Place on watch list. May terminate if 60% of the key personnel turnover on the account (as specified in the manager-provided list) and/or 2 out of the top 3 people leave.
<ul style="list-style-type: none"> • Litigation 	Require manager to notify immediately if entity which manages the funds is involved in any litigation.	Evaluate seriousness and likely impact of changes on the investment process and take appropriate action.

QUANTITATIVE FACTORS

Below are *quantitative* factors to be considered in determining the appropriateness of placing and investment manager on the "Watch List".

- ⇒ Minimum of three years of performance required prior to placement on the watch list.
- ⇒ Three out of three (where applicable) performance tests must be failed for watch list.

PERFORMANCE TEST	BENCHMARK	FAIL CRITERIA
Test 1: Trailing 3 year results	Annualized performance relative to the agreed upon market index.	Fail if underperform index by 1% per annum over measurement period, gross of fees.
Test 2: Trailing 3 year results	Relative to an appropriate style index (if applicable).	Fail if underperform style index by 1% per annum over measurement period, gross of fees.
Test 3: Peer group comparison	Performance compared to that of an appropriate peer group.	Fail if cumulative performance is at 65% percentile or lower over relevant timeframe.

The following factors are important to monitor on an ongoing basis to understand and track the performance of the investment managers who have been placed on the watch list:

FACTOR	EVALUATION TECHNIQUE
Consistency of returns	<ul style="list-style-type: none"> • Rolling 3 year returns relative to market index. • Rolling 3 year returns relative to appropriate style group. • Rolling correlations to market index.
Risk-adjusted performance	<ul style="list-style-type: none"> • Rolling 3 year information ratio. • Risk reward chart. • Sharpe ratio. • Treynor ratio.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: Rebalancing Guidelines

ACTION: X

DATE: June 22, 2012

INFORMATION: _____

BACKGROUND:

AS 37.10.220(a)(11) and (12) require that the Alaska Retirement Management Board (Board) contract for an independent audit of the state's performance consultant not less than once every four years, obtain an external performance review to evaluate the investment policies of each fund entrusted to the board and report the results of the review. The Board entered into a contract with Independent Fiduciary Services (IFS) to provide the required reviews. IFS presented its final report at the December 2, 2010 Board meeting. At the conclusion of the presentation, CIO Gary Bader advised the trustees that each individual recommendation would be brought before the trustees at future meetings with a staff recommendation on action or implementation.

STATUS – IFS Task Area B.2.1 Rebalancing Guidelines:

IFS Report Recommendation #1, page 51 states:

Amend the Rebalancing Policy so that it references the ranges that are found in the annual asset allocation resolutions.

RECOMMENDATION:

That the Alaska Retirement Management Board approve Resolution 2012-17, which amends the Rebalancing Policy to reference the ranges that are found in the annual asset allocation resolutions.

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Rebalancing Policy

Resolution ~~2012-17~~2010-20

WHEREAS the Alaska Retirement Management Board (Board) was established by law to provide prudent and productive management and investment of certain trusts or other State funds; and

WHEREAS the Board shall establish investment policies for the funds for which it is responsible; and

WHEREAS the Board contracts an independent consultant to provide experience and expertise in asset allocation and other investment matters to come before the Board; and

WHEREAS a prudent, diversified portfolio reduces risk and volatility and considers short term and long term earnings requirements for the funds; and

WHEREAS, for each fund for which it is responsible, the Board establishes the asset allocation specified as a long term target asset allocation and an allowable range or band for each asset class; and

WHEREAS the Board continues to review, evaluate and make appropriate adjustments to each fund's asset allocation on a periodic basis; and

WHEREAS a prudent process for investing fund assets includes monitoring each fund's asset allocation and rebalancing each fund's portfolio if necessary; and

WHEREAS AS 37.10.260(a) establishes that the Department of Revenue shall provide staff for the Board; and

WHEREAS the Board has delegated to the Chief Investment Officer of the Department of Revenue certain powers including authority to adjust each fund's asset allocation within Board approved parameters.

NOW THEREFORE, BE IT RESOLVED that the Alaska Retirement Management Board adopts the following rebalancing policy which repeals and replaces Resolution ~~2009-04~~2010-20:

Rebalancing Policy

The staff of the Department of Revenue shall be responsible for reviewing the actual asset allocation of each fund on a monthly basis, typically within the first five working days after the end of a month. If an asset class weighting for a fund falls outside the allowable band established by the Board in the fund's asset allocation resolution~~for that asset class~~, the Chief Investment Officer (CIO), pursuant to authority delegated by the Board, will take steps within a reasonable period of time to rebalance the fund's portfolio in order to return the actual asset allocation within the approved band unless the CIO judges the cost of rebalancing to exceed the benefit of rebalancing. For example, if the act of rebalancing forces the sale of assets at distressed values the CIO may opt to delay rebalancing until such time as assets can be sold at non-distressed values.

Additionally, the CIO is allowed the discretion to adjust asset class weights subject to the constraint that the weights must lie within the board approved bands.

The CIO will advise the Board of the rebalancing at its next regularly scheduled meeting.

The CIO may delegate this responsibility to a senior investment officer should portfolio rebalancing be necessary during the CIO's absence.

DATED at Anchorage, Alaska this _____ day of ~~December~~June, ~~2010~~2012.

Chair

ATTEST:

Secretary

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: Callan Associates Inc. ACTION: X
General Consulting Contract
DATE: June 22, 2012 INFORMATION: _____

BACKGROUND:

The Alaska Retirement Management Board (Board) has a consulting contract with Callan Associates Inc. (Callan) for general investment consulting services. This contract also includes general investment consulting services provided to the Commissioner of the Department of Revenue on behalf of the State of Alaska.

STATUS:

The current consulting contract with Callan runs from July 1, 2009, through June 30, 2012, with two optional one-year extensions. In consultation with the Commissioner, staff recommends exercising the first optional one-year extension through June 30, 2013.

RECOMMENDATION:

That the Board direct staff to exercise the first one-year contract option, extending the consulting contract with Callan Associates Inc. until June 30, 2013.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: The Townsend Group Inc.
Real Estate Consultant Contract

DATE: June 22, 2012

ACTION: X

INFORMATION: _____

BACKGROUND:

The Alaska Retirement Management Board (Board) has a contract with The Townsend Group, Inc. (Townsend) for real estate consulting services.

STATUS:

The contract period with Townsend runs from April 1, 2009, through June 30, 2012, with two optional one-year extensions. Staff recommends that the Board exercise the first one-year optional extension of the Townsend contract to June 30, 2013.

RECOMMENDATION:

That the Board direct staff to exercise the first one-year contract option, extending the contract with Townsend until June 30, 2013.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: Gabriel Roeder Smith ACTION: X
Actuary Review Contract
DATE: June 22, 2012 INFORMATION: _____

BACKGROUND:

The Alaska Retirement Management Board (Board) has a contract with Gabriel Roeder Smith (GRS) for actuary review services.

STATUS:

The contract period with GRS runs from February 1, 2006, through June 30, 2010, with three optional one-year extensions. The second one-year extension option ends June 30, 2012. Staff recommends that the Board exercise the final one-year optional extension of the GRS contract to June 30, 2013.

RECOMMENDATION:

That the Board direct staff to exercise the final one-year contract option, extending the contract with GRS until June 30, 2013.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: ARMB Actuary Procurement

ACTION: X

DATE: June 22, 2012

INFORMATION:

BACKGROUND:

AS 37.10.220(a)(10) provides that the Alaska Retirement Management Board (the board) shall contract for an independent audit of the state's actuary not less than once every four years. In 2008, Aon Consulting was selected after an RFP process, and performed the required independent audit on the following valuation reports: Fiscal Year 2007 Actuarial Valuation for the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS), 2005 Actuarial Experience Study – July 1, 2001-June 30-2005, Fiscal Year 2006 Actuarial Valuation for the National Guard/Naval Militia System (NGNMRS), and the Judicial Retirement System (JRS).

STATUS:

The independent audit would be performed on the following valuations: FY2011 actuarial valuations for the PERS and TRS systems. Valuations for NGNMRS and JRS are completed every other year, so the most recent valuation of each system is the FY2010 valuation. The most recent Experience Analysis was completed in 2010 for the years July 1, 2005 – June 30, 2009.

RECOMMENDATION:

That the Board direct staff to prepare an RFP for an independent audit of the state's actuary to be conducted during FY13.

ALASKA RETIREMENT MANAGEMENT BOARD

SUBJECT: Amending ARMB Delegation of Authority
Resolution 2012-18

ACTION: X

DATE: June 22, 2012

INFORMATION:

BACKGROUND:

Resolution 2010-21 delegates investment authority to the CIO. This delegation provides the CIO discretion and latitude to act on behalf of the Board. The current Alaska Retirement Management Board (ARMB) investment management contract states that investment managers are required to obtain ARMB's approval prior to using ARMB as a reference or naming ARMB in any publication or written material. This approval process is not required for instances where the investment manager is required to furnish information through legally required reports or responses.

STATUS

Given that ARMB investments are public knowledge, the ability of the Chief Investment Officer to approve investment manager requests to disclose the relationship with ARMB in publications and written materials would allow for a more timely approval due to the infrequency of ARMB board meetings.

RECOMMENDATION:

The Alaska Retirement Management Board approve Resolution 2012-18, modifying the delegation of authority to grant the Chief Investment Officer authority to approve investment manager requests to name ARMB in publications and written materials.

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Delegation of Authority

Resolution ~~2012-18~~~~2010-21~~

WHEREAS AS 37.10.210 established the Alaska Retirement Management Board (Board) to provide prudent and productive management and investment of trusts or other State funds; and

WHEREAS the Board shall establish investment policies for the funds for which it is responsible; and

WHEREAS the Board shall select and retain certain external and internal money managers; and

WHEREAS the Board may contract certain services to carry out its powers and duties; and

WHEREAS AS 37.10.260(a) establishes that the Department of Revenue shall provide staff for the Board; and

WHEREAS AS 37.10.260(b) authorizes the Board of Trustees to be responsible for designating a trustee or an officer or an employee of the Department of Revenue to sign on behalf of the Board any deed, contract, or other document that must be executed by or on behalf of the Board;

NOW THEREFORE BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, as follows: (1) To expedite business between meetings, either the Chairman or the Secretary of the Board is authorized to sign all deeds, contracts or other documents. All documents so signed shall be effective immediately but shall be presented to the Board at the succeeding meeting for Board information. (2) The Board will delegate to the Chief Investment Officer, or his designee, certain powers noted in the attachment entitled "Delegation Investment Authority." (3) This resolution repeals and replaces Resolution ~~2010-21~~~~2006-24~~.

DATED at Anchorage, Alaska this _____ day of ~~June, 2012~~~~December, 2010~~.

Chair

ATTEST:

Secretary

Delegation of Investment Authority

Pursuant to Resolution ~~2012-182010-21~~, the Chief Investment Officer (CIO) of the Department of Revenue is hereby authorized to commit, bind, and obligate the State of Alaska for transactions for all funds under the Alaska Retirement Management Board's management, consistent with actions and directions from the Board. The CIO is not authorized to significantly alter credit quality or duration parameters of any portfolios without prior approval from the Board or its designee.

The CIO is authorized to open an account or accounts with one or more firms or financial institutions for the purpose of engaging in transactions to purchase, sell, assign, or transfer the assets, or to otherwise enter into agreements, contracts, commitments or similar arrangements, including for cash or forward settlement or futures or options contracts relating to the investment of the above funds.

The CIO is authorized to execute those transactions, and in connection therewith to deliver securities and monies, to sign and deliver agreements, contracts, commitments and confirmations and other necessary, desirable or customary documents. Other parties to the transactions may rely and act upon any verbal or written orders and instructions from him in connection with such accounts and transactions.

The CIO is further authorized to delegate the above responsibilities to other individuals. The Board shall be notified at the next meeting as to which individuals have received such delegation.

With respect to security transactions for all funds, including funds other than fixed income portfolio, the CIO is authorized to adjust asset allocation within Board approved parameters. All asset allocation adjustments, with a complete explanation for the action, must be reported to the Board at the next meeting. The CIO will also be required to submit quarterly reports to the Board discussing market conditions, performance, and portfolio conditions.

The CIO is authorized to approve investment manager requests to name ARMB in publications or written materials.

In the CIO's absence, responsibilities may be delegated to a senior investment officer, who will assume the CIO's delegated investment authority.

State of Alaska

ALASKA RETIREMENT MANAGEMENT BOARD

Addendum to Delegation of Authority Resolution 2012-18

Alaska Retirement Management Board Resolution 2012-18 delegates certain responsibilities to the Chief Investment Officer (CIO). The Chief Investment Officer is Gary M. Bader and his specimen signature follows.

Chief Investment Officer:

Gary M. Bader

Effective the 22nd day of June, 2012

Gail Schubert, Chair, Alaska Retirement Management Board

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Delegation of Authority

Resolution 2012-18

WHEREAS AS 37.10.210 established the Alaska Retirement Management Board (Board) to provide prudent and productive management and investment of trusts or other State funds; and

WHEREAS the Board shall establish investment policies for the funds for which it is responsible; and

WHEREAS the Board shall select and retain certain external and internal money managers; and

WHEREAS the Board may contract certain services to carry out its powers and duties; and

WHEREAS AS 37.10.260(a) establishes that the Department of Revenue shall provide staff for the Board; and

WHEREAS AS 37.10.260(b) authorizes the Board of Trustees to be responsible for designating a trustee or an officer or an employee of the Department of Revenue to sign on behalf of the Board any deed, contract, or other document that must be executed by or on behalf of the Board;

NOW THEREFORE BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, as follows: (1) To expedite business between meetings, either the Chairman or the Secretary of the Board is authorized to sign all deeds, contracts or other documents. All documents so signed shall be effective immediately but shall be presented to the Board at the succeeding meeting for Board information. (2) The Board will delegate to the Chief Investment Officer, or his designee, certain powers noted in the attachment entitled "Delegation Investment Authority." (3) This resolution repeals and replaces Resolution 2010-21.

DATED at Anchorage, Alaska this _____ day of June, 2012.

Chair

ATTEST:

Secretary

Delegation of Investment Authority

Pursuant to Resolution 2012-18, the Chief Investment Officer (CIO) of the Department of Revenue is hereby authorized to commit, bind, and obligate the State of Alaska for transactions for all funds under the Alaska Retirement Management Board's management, consistent with actions and directions from the Board. The CIO is not authorized to significantly alter credit quality or duration parameters of any portfolios without prior approval from the Board or its designee.

The CIO is authorized to open an account or accounts with one or more firms or financial institutions for the purpose of engaging in transactions to purchase, sell, assign, or transfer the assets, or to otherwise enter into agreements, contracts, commitments or similar arrangements, including for cash or forward settlement or futures or options contracts relating to the investment of the above funds.

The CIO is authorized to execute those transactions, and in connection therewith to deliver securities and monies, to sign and deliver agreements, contracts, commitments and confirmations and other necessary, desirable or customary documents. Other parties to the transactions may rely and act upon any verbal or written orders and instructions from him in connection with such accounts and transactions.

The CIO is further authorized to delegate the above responsibilities to other individuals. The Board shall be notified at the next meeting as to which individuals have received such delegation.

With respect to security transactions for all funds, including funds other than fixed income portfolio, the CIO is authorized to adjust asset allocation within Board approved parameters. All asset allocation adjustments, with a complete explanation for the action, must be reported to the Board at the next meeting. The CIO will also be required to submit quarterly reports to the Board discussing market conditions, performance, and portfolio conditions.

The CIO is authorized to approve investment manager requests to name ARMB in publications or written materials.

In the CIO's absence, responsibilities may be delegated to a senior investment officer, who will assume the CIO's delegated investment authority.

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State of Alaska

ALASKA RETIREMENT MANAGEMENT BOARD

Addendum to Delegation of Authority Resolution 2012-18

Alaska Retirement Management Board Resolution 2012-18 delegates certain responsibilities to the Chief Investment Officer (CIO). The Chief Investment Officer is Gary M. Bader and his specimen signature follows.

Chief Investment Officer:

Gary M. Bader

Effective the 22nd day of June, 2012

Gail Schubert, Chair, Alaska Retirement Management Board

Alaska Retirement Management Board
2012 Meeting Calendar

<p>February 16-17 Thursday-Friday Juneau</p>	<p>*Review Capital Market Assumptions *Manager Presentations *Actuarial Audit Report</p>
<p>April 19-20 Thursday-Friday Anchorage</p>	<p>*Adopt Asset Allocation *Performance Measurement - 4th Quarter *Buck Consulting Actuary Report *GRS Actuary Certification *Review Private Equity Annual Plan Pathway Capital Management *Manager Presentations</p>
<p>June 20</p>	<p>Committee Meetings: Audit</p>
<p>June 21-22 Thursday-Friday Anchorage</p>	<p>*Final Actuary Report/Adopt Valuation/Contribution Rates *Performance Measurement - 1st Quarter *Manager Presentations</p>
<p>September 19</p>	<p>Committee Meetings: Audit Budget Defined Contribution Plan</p>
<p>September 20-21 Thursday-Friday Fairbanks</p>	<p>*Audit Results/Assets - KPMG *Approve Budget *Performance Measurement - 2nd Quarter *Real Estate Annual Plan *Real Estate Evaluation - Townsend Group *Manager Presentations</p>
<p>October 17</p>	<p>Committee Meeting: Audit (Teleconference)</p>
<p>October 25-26 New York City</p>	<p>Education Conference</p>
<p>December 5</p>	<p>Committee Meetings: Audit</p>
<p>December 6-7 Thursday-Friday Anchorage</p>	<p>Audit Report - KPMG Performance Measurement - 3rd Quarter Manager Review (Questionnaire) Private Equity Review Economic Round Table *Manager Presentations</p>

Alaska Retirement Management Board
Proposed 2013 Meeting Calendar

February 20	Committee Meetings: Audit
February 21-22 Thursday-Friday Juneau	*Review Capital Market Assumptions *Manager Presentations *Actuarial Audit Report
April 18-19 Thursday-Friday Anchorage	*Adopt Asset Allocation *Performance Measurement - 4 th Quarter *Buck Consulting Actuary Report *GRS Actuary Certification *Review Private Equity Annual Plan Pathway Capital Management *Manager Presentations
June 19	Committee Meetings: Audit
June 20-21 Thursday-Friday Anchorage	*Final Actuary Report/Adopt Valuation/Contribution Rates *Performance Measurement - 1 st Quarter *Manager Presentations
September 18	Committee Meetings: Audit Budget Defined Contribution Plan
September 19-20 Thursday-Friday Fairbanks	*Audit Results/Assets - KPMG *Approve Budget *Performance Measurement - 2 nd Quarter *Real Estate Annual Plan *Real Estate Evaluation - Townsend Group *Manager Presentations
October _____	Education Conference
December 4	Committee Meetings: Audit
December 5-6 Thursday-Friday Anchorage	Audit Report - KPMG Performance Measurement - 3 rd Quarter Manager Review (Questionnaire) Private Equity Review Economic Round Table *Manager Presentations

**ALASKA RETIREMENT MANAGEMENT BOARD
M E M O R A N D U M**

To: ARMB Trustees
From: Judy Hall
Date: June 8, 2012
Subject: Financial Disclosures

As required by AS 37.10.230 and Alaska Retirement Management Board policy relating to investment conduct and reporting, trustees and staff must disclose certain financial interests. We are hereby submitting to you a list of disclosures for individual transactions made by trustees and staff.

Name	Position Title	Disclosure Type	Disclosure Date
Victor Djajalie	Investment Officer	Equities	5/21/12
Steve Verschoor	Investment Officer	Equities	5/25/12