

**ALASKA RETIREMENT MANAGEMENT BOARD
BOARD OF TRUSTEES MEETING
HYBRID/TEAMS**

**September 15 & 16, 2022
9:00 a.m.**

**Originating at:
Atwood Conference Center
550 West 7th Avenue, 1st Floor
Anchorage, Alaska 99501**

Trustees Present:

Bob Williams, Chair
Sandra Ryan
Mike Williams
Allen Hippler
12:00pm)

Donald Krohn
Dennis Moen
Lorne Bretz
Commissioner Deven Mitchell (left at

Department of Revenue Staff Present:

Zach Hanna, Chief Investment Officer
Scott Jones, Head of Investment Operations,
Performance & Analytics
Ryan Kauzlarich, Assistant Comptroller
Steve Sikes, State Investment Officer
Chris Madsen, Administrative Operations Manager
Cahal Morehouse, State Investment Officer
Grant Ficek, Business Analyst
Benjamin Garret, State Investment Officer

Pamela Leary, Director, Treasury Division Sam
Hobbs, Accountant 5
Michelle Prebula, Investment Officer Shane
Carson, State Investment Officer Sean Howard,
State Investment Officer
Tina Martin, Accountant 4
Hunter Romberg, Investment Data Analyst
Alysia Jones, Board Liaison
Victor Djajalie, State Investment Officer

Department of Law Staff Present:

Ben Hofmeister, Assistant Attorney General

Department of Administration Staff Present:

Hans Zigmund, Deputy Commissioner

Investment Advisory Council Present:

Dr. William W. Jennings
Ruth Ryerson

Dr. Jerrold Mitchell

Department of Administration, Division of Retirement & Benefits Present:

Ajay Desai, Director
Jim Puckett, Chief Pension Officer
Kris Humbert, Business Integration Officer

Kevin Worley, Chief Financial Officer
Emily Ricci, Chief Health Administrator

BUCK:

David Kershner, Principal, Consulting Actuary
Tonya Manning, Practice Leader & Chief Actuary

Stephen Oates, Principal, Health Actuary

GRS:

Bill Detweiler, Consultant

Callan:

Steve Center, Senior Vice President

Ivan “Butch” Cliff, Executive Vice President, Director of Research

Jonathan Gould, Senior Vice President

Avery Robinson, Senior Vice President

Guests/Presenters:

George Tietjen, Managing Director & Portfolio Manager, Sentinel

Greg Macchia, Portfolio Associate, Sentinel

Jim McCandless, Managing Director, Co-CIO, Senior Portfolio Manager, UBS Farmland

Dan Murray, Executive Director, Co-CIO, FO, & Head of Asset Management, UBS Farmland

Thomas O’Shea, Head of Portfolio & Client Service Unit, UBS

Nicholas Moller, Managing Director, JP Morgan

Jeffrey Shields, Executive Director, JP Morgan

Julio Garcia, Head of Infrastructure, North America, IFM

David Altshuler, Head of Global Relationship Group, North America, IFM

Laura Champion, Director, BlackRock Institutional Client Business

Elizabeth Kurz, Lead Portfolio Manager, BlackRock U.S. Core Property Fund

Benjamin Young, Director, BlackRock Institutional Client Business

Jeffrey Maguire, Lead Portfolio Manager, UBS

Pete Gilbertie, Manager Portfolio Operations, UBS

Tom Johnson, Managing Director, Client Relationship Manager, TIR

Mark Seaman, Chief Investment Officer, TIR

Hong Fu, Managing Director, Economic Research and Analysis, TIR

Chris Mathis, Managing Director, Real Estate & Corporate Development, TIR

Public Present:

Tom Klaameyer, NEA Alaska President

Doug Woodby, 350 Juneau

Randall Burns, RPEA President

PROCEEDINGS

CALL TO ORDER

CHAIR BOB WILLIAMS called the Alaska Retirement Management Board meeting to order and asked for a roll call.

MS. JONES called the roll.

PUBLIC MEETING NOTICE

CHAIR BOB WILLIAMS asked to confirm that the public meeting notice requirement was met.

MS. JONES replied, yes, it had.

PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS AND APPEARANCES

CHAIR BOB WILLIAMS stated that they were at the Public/Members Participation, Communications and Appearances and reminded callers that there was a three-minute limit. He recognized Doug Woodby.

MR. WOODBY stated he was a state pension beneficiary and was with 350 Juneau, Climate Action for Alaska. He addressed two issues regarding fiduciary duty and understood that the Board and Department staff do their best to adhere to the principles of fiduciary duty. He proposed that the expectations for fiduciary duty had evolved for the simple reason of the world changing tremendously. The first issue was the FCC announced that it was developing rules to require public companies to increase disclosures related to climate risk. Those rules were an important step for protecting investors, and they are important because climate risks are significant. He requested that the Board require climate risk assessments to protect investments. He stated that the second issue was the huge increase in investments in crisis, which he explained with examples. He thanked all and asked for any questions.

CHAIR BOB WILLIAMS asked if the trustees had any questions for Mr. Woodby. He thanked Mr. Woodby, and recognized Randall Burns.

MR. BURNS stated that he was president of the Retired Public Employees of Alaska (RPEA) and that he listened in to the committee meetings. He spoke about the fiduciary responsibility to the health of the trust fund, and specifically to the health of the trust beneficiaries for which those trusts were formed. He stated that the Alaska Supreme Court in its diminishment clause recognized healthcare as a dynamic, and ever-changing field, and it has been clear that the State's duty must encompass and allow for its health plans to recognize the ongoing changes around the sciences and pharmaceutical. He went on record on behalf of the RPEA to the fact that the Division of Retirement Benefits has been working hard to ensure the health of its retirees, its beneficiaries, with changes adopted earlier this year with respect to preventive services; which ultimately save the plan money, while also improving the health of the beneficiaries. He stated that DRB is seriously considering and discussing raising the lifetime limits from \$1 million to \$2 million, in recognition of the increasing costs to healthcare and the length of time that retirees are living. For that reason, he encouraged looking at the overfunding of the health plan not as a gift, but as a benefit that allows the trust to better serve its members by continuing to allow the health plan to grow and change to meet the sciences. He thanked all.

CHAIR BOB WILLIAMS thanked Mr. Burns and asked for any questions. He then asked if there was anyone else in the room or online that would like to speak. Hearing none, he concluded the Public/Member Participation Communications and Appearances for this section of the meeting.

APPROVAL OF MINUTES

CHAIR BOB WILLIAMS moved to the ARM Board Meeting minutes of June 16-17, 2022, and asked for a motion to approve the minutes.

MOTION: A motion to accept the minutes of June 16-27, 2022, was made by TRUSTEE RYAN; seconded by TRUSTEE MIKE WILLIAMS.

There being no objection, the MOTION was APPROVED.

STAFF REPORTS

CHAIR BOB WILLIAMS moved to Staff Reports and recognized Alysia Jones, ARM Board liaison.

LIAISON REPORT

MS. JONES noted there was one addition to the second quarter financial disclosure memorandum, from Trustee Hippler that would be added to the quarterly report following the meeting because it did not make it into the packet. No disclosure transactions required additional review or discussion. She continued that the communication memorandum listed communications directed to and sent from the Board since the last meeting in June. It was light this time with a fair amount of public records requests. She added that the 2022 and 2023 meeting calendars were included in the packet. The last item is a timeline included for trustee reference that showed contract and review deadlines from FY2023 through FY2028.

CHAIR BOB WILLIAMS thanked Ms. Jones for her report, and recognized Kevin Worley for the fund financial presentation.

FUND FINANCIAL PRESENTATION

MR. KAUZLARICH stated that the financial report began on Page 23, and covered the period ending July 31st of 2022. He went through the numbers and explained that the total nonparticipant-directed plans totaled \$31.9 billion; participant-directed plans totaled \$8.4 billion; total assets were \$40.4 billion; and year-to-date income was \$1.6 billion. The plans experienced a net contribution of \$18.3 million. He continued through the numbers and concluded his report.

CHAIR BOB WILLIAMS thanked Mr. Kauzlarich, and asked if there were any questions.

MR. WORLEY reported that the big items for July were the receipt of the additional State contributions for the PERS DB pension trust of \$33.9 million; for the TRS DB pension trust, \$91 million; and then the Judicial Retirement System pension trust of \$3.2 million. He reminded all that the Division's report just showed contributions and expenditures related to the trust funds; not investment income. This is reporting activity of amounts received and amounts paid out for each of those trust funds. He continued that the June report, also included, and was a fiscal year-to-date report showing the fiscal-year activities on a cash basis. These numbers are

currently being audited by the external auditor, KPMG, and the reports would be issued mid-October.

CHAIR BOB WILLIAMS moved forward to the Retirement & Benefits Division report.

RETIREMENT & BENEFITS DIVISION REPORT

MR. WORLEY began with the summary of monthly billings based on the quarter for Buck Global. He continued that, at the request of the ARM Board, the consultant, Buck, provided a quarterly breakdown of the services provided. He moved on to member statistics. This showed the membership statistics that were changed based on quarter totals for fiscal year '22. The report was for fiscal year ending June 30, 2022. He handed the presentation off to Kris Humbert and Ajay Desai.

MS. HUMBERT reported on the BEARS project. She stated that since the May 2022 update there had been changes in the project scope and cost. This was reported verbally to the Board. She continued that all of the evaluated changes were reviewed, and six of the 13 change requests included in that scope were underway. There are 11 project program modules that were fully designed. The data conversion was well underway with three of 11 modules at 100 percent mapped for data conversion; nine modules that are over 68 percent complete; and two remaining modules are over 30 percent mapped. She went through the budget and spending. With the change in scope, the adjusted implementation date of March 2024 was currently on track, on budget, and making steady, forward progress.

CHAIR BOB WILLIAMS stated that there were some updates at the June meeting that some costs had increased and there was going to be a slight delay, but all seemed to be on track. He asked if there were any changes for increased costs since that meeting.

MS. HUMBERT replied that there had not been any changes or increased costs since that meeting, and the changes discussed at that meeting were going very well. There had been excellent progress in getting those incorporated, and there should be no further impact on the schedule due to those changes, nor are there any additional changes that would impact the schedule or budget.

CHAIR BOB WILLIAMS thanked Ms. Humbert, and asked Director Desai for any comments.

MR. DESAI gave a verbal update that the project was going as smoothly as planned. He added that there was a lot of strain on the Division, especially with approximately 19 vacant positions. Staff was really creative and very overwhelmed with the project; however, they are very excited to see the new system going up and running.

CHAIR BOB WILLIAMS asked for any questions and thanked Mr. Desai. He moved to the Treasury Division Report with Director Leary.

TREASURY DIVISION REPORT

MS. LEARY stated that there is an action memo in the packet, Page 75. She explained that this is the September meeting with the actual expenditures for the preceding fiscal year. The current fiscal year budget, as approved by the Legislature, and the budget proposed for the next fiscal year should be adopted by the Board, which is presented in the Alaska budget system as two

budget components: the ARM Board operations component; and the ARM Board custody and management component. She continued that the schedules on the pages following the action memo combined all of the components into one schedule for greater detail and to give a better understanding of what the expenses were. She explained that all costs were allocated to individual funds based on the federally approved cost allocation plan. It had been a topic of conversation during last year's Audit Committee meetings and included providing responses to questions from the former Chair that CFO Worley and she responded to. She had tried implementing within Treasury the concept of continual improvements and efficiencies, and had made a number of changes over the years. One of the cost allocation incremental changes rolled up into discussions about the budget with the Legislature, and a misconception arose leaving some to believe that a forward improvement indicated that certain funds were inappropriately changed historically. She emphasized that the current methodology for allocating costs was based on appropriate data and assumptions, and results from having more and better information over the years. She explained the management fees and continued to the action memo. She stated that the recommendation would be that the Alaska Retirement Management Board adopt the fiscal year '24 proposed budget that was attached, with the understanding that components would be subject to appropriation by OMB and the Legislature.

CHAIR BOB WILLIAMS stated that there were a couple items where there was a pretty big difference between what was in the past and what was in this budget. One of them was building-related expenses, and he asked Ms. Leary to speak to that.

MS. LEARY replied that there was a set amount of authorization, and we have authorization for the budget process in four categories. The big one is Services, which included a lot of different things. She explained the authorization more fully.

CHAIR BOB WILLIAMS asked if someone would make the motion.

MOTION: A motion that the Alaska Retirement Management Board adopt FY2024 proposed budget, as attached, with the understanding that the components would be subject to appropriation by OMB and the Legislature, was made by TRUSTEE MOEN; seconded by TRUSTEE KROHN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Hippler, yes; Trustee Krohn, yes; Commissioner Mitchell, yes; Trustee Moen, yes; Trustee Ryan, yes; Trustee Mike Williams, yes; Trustee Bretz, yes; Chair Bob Williams, yes.)

MS. LEARY continued that two of the investment staff were retiring: Michelle Prebula had served as manager of external publicity and participant-directed plans; and James McKnight, the senior compliance officer. The committee was also informed that Stephanie Pham, currently in Equity, would be taking over Ms. Prebula's role; and the compliance group was reorganized into the Middle Office under Scott Jones. She explained that the movement of the compliance group would allow the two-person group to have greater support and to modernize its processes, be more efficient, and expand its focus. She publicly acknowledged the significant contributions both Ms. Prebula and Mr. McKnight had made to the State, thanked them for their service, and wished them well in their retirements. She continued that two support staff were hired in accounting and administration, filling some vacancies mentioned in prior meetings. An investment officer was hired, but we did lose an investment officer to an opportunity outside of

Alaska. She talked about looking for additional ways to support staff and assured the Board that they were committed to growing the great Treasury team and the work done for the ARM Board.

CHAIR BOB WILLIAMS moved to the CIO report and recognized Chief Investment Officer Hanna.

CIO REPORT

MR. HANNA stated that his report was on Pages 78 and 79 of the board packet. He noted that the start of the fiscal year had been better than the end. The market tug-of-war between inflation and growth continued, and it clearly is going to be exceedingly difficult for the Fed and other Central Banks to control inflation without material growth consequences. The markets continue going through alternating waves of fear and relief. He updated the Board on the two Callan manager searches that were authorized at the last meeting. Callan has provided a preliminary list of 19 private-debt manager prospects out of a larger universe. Semifinalists were discussed, and we are moving forward with on-site due diligence conducted largely by Mr. Carson. The expectation would be to report to the Board in December on the intended hire, the final negotiation and contracting process. The second search was an international equity manager search, and we expect to recommend a few additional international equity managers to the Board from the 16 prospects. Staff is doing further analysis and due diligence to narrow the list prior to having a semifinalist discussion with Callan in October. He moved to the watchlist, which currently has four managers on it: Two for personnel turnover; and two for performance. There is also one recommended addition at this meeting. One of the international equity managers' performance, Baillie Gifford, had lagged the index. There was also a peer-comparison task: if a manager fails, they would qualify for watchlist placement.

CHAIR BOB WILLIAMS requested a motion to add Baillie Gifford to the watchlist.

MOTION: A motion to add Baillie Gifford to the watchlist was made by TRUSTEE RYAN; seconded by TRUSTEE KROHN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moen, yes; Trustee Ryan, yes; Trustee Bretz, yes; Trustee Hippler, yes; Commissioner Mitchell, yes; Trustee Mike Williams, yes; Trustee Krohn, yes; Chair Bob Williams, yes).

MR. HANNA continued that private equity would be discussed in depth at the December meeting, including selection, the processes that staff and managers go through. He added that the first two items would be the private-equity investments made by staff during this period. He continued that Item B was a \$40 million private equity commitment to Glendon Opportunities Fund III. He explained that Glendon was a distressed debt group targeting market dislocations. Items C and D were talked about in committee and were amendments to Stable Value Wrap contracts with Mass Mutual and New York Life to reduce fees. Item E is a sizeable amendment to the T. Rowe Price Target and Balance Fund contract that both increases investment options and either lowers or leaves the fees the same for all participants. He stated that Item 4 continues with the summary of the portfolio rebalancings from between May and August. He added that five internal rebalance transactions were conducted over this period to equalize the relative allocations across the plans they run.

CHAIR BOB WILLIAMS thanked Mr. Hanna and moved to the Legal Report with Assistant

Attorney General Ben Hofmeister.

LEGAL REPORT

MR. HOFMEISTER began with the good news of no constitutional and unfinished new clause cases to report on. He reported on one case that he touched on in November after oral arguments were heard from the Supreme Court. Miller versus the Division of Retirement and Benefits deals with the jurisdiction of the Office of Administrative Hearings. He explained what the quasi-judicial agency within the executive branch did and explained the case. He concluded his report and mentioned that there would be a few more administrative decisions that would be talked about in future months.

CHAIR BOB WILLIAMS thanked Mr. Hofmeister and moved to the Chair report.

CHAIR REPORT

CHAIR BOB WILLIAMS stated that he had preparation meetings with CIO Hanna, Actuarial Chair Hippler, Kevin Worley, David Kershner for the committee meeting and this meeting. He expressed his deep appreciation for the retirees that Director Leary mentioned and looks forward to working with the incoming staff that will replace them. He also wished a happy retirement to former Commissioner Lucinda Mahoney, and warmly welcomed current Commissioner Mitchell. He continued that Commissioner Mitchell had some prior commitments and would not be present late this afternoon or tomorrow. He added that Commissioner Mitchell was also on the Permanent Fund Board. He shared that IAC Member Jerry Mitchell who, on June 30th next year, will have served in that capacity to this Board for 30 years. Dr. Mitchell would be stepping off of the IAC on June 30th. He reminded all that Dr. Mitchell managed domestic international equity portfolios for the Institution of Mutual Funds for over 25 years at Wellington Management Company where he was a partner. He shared a deep appreciation for Dr. Mitchell's service.

DR. JERRY MITCHELL thanked the Chair.

CHAIR BOB WILLIAMS concluded his report, and moved to Committee Reports.

COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

CHAIR MIKE WILLIAMS stated that the Audit Committee of the Alaska Retirement and Management Board met on Wednesday, September 14, 2022. The status report from the outside auditors, KPMG, and their work for the fund financials for fiscal year ending on June 30, 2022, was reviewed. He continued that they were midway into the audit with the objective of completing in early October. The committee would follow up on October 10th with the goal of completing working on the retirement fund financials by October 15th. He said that the committee heard reports from the Division of Retirement Benefits on staff vacancies and the status of employer audits. There were some challenges with staff turnover, and other issues, and they are behind schedule, but hoped to be back on track soon. He concluded the Audit Committee's report.

DC PLAN COMMITTEE REPORT

CHAIR BOB WILLIAMS reported that this meeting had a risk discussion and went over a lot of information. He thanked T. Rowe Price for giving a thoughtful overview of the work they had

done to transition the target date funds. This was one of the most important things for most of the DC members. He added that the target date fund is the main building block for them. He continued that Treasury negotiated a reduction in fees while improving quality with T. Rowe Price; which was going well and on track. He thanked Assistant Attorney General Hofmeister for putting together a presentation looking at what the pathways would be if there was a desire to increase the retirement security of some of the DC members that did not have supplemental benefits. He moved to the report by Chief Pension Officer Puckett. There was a prior understanding that they were looking for a one-year extension for doing the recordkeeping RFP, and he was surprised that they put in for a two-year extension. There was also an update from Empower on fee transparency, and there were still some of the same issues discussed in prior meetings. There was an update from CIO Hanna which resulted in a motion from the Defined Contribution Committee.

MOTION: A motion from the Defined Contribution Committee recommended that the Board have staff enter into a contract with Callan to do an investment structure analysis which would provide a report which would include an in-depth, comprehensive evaluation, improved investment options and products, as well as possible candidates for addition, removal, or replacement. The investment structure around employee-directed Defined Contribution Plan should offer an array of non-overlapping investment options and enable each participant to construct and diversify the portfolio in accordance with their individual time horizon and risk tolerance.

CHAIR BOB WILLIAMS stated that since it was a motion from the committee, there was no need for a second. He asked for discussion.

COMMISSIONER MITCHELL added to the financial component a legal component and suggested that the Attorney General's Office be engaged in that recommendation process to ensure that the prudent course was taken.

CHAIR BOB WILLIAMS included that within the motion. He asked for any other questions. There being none, he asked for a roll-call vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Ryan, yes; Trustee Moen, yes; Commissioner Mitchell, yes; Trustee Krohn, yes; Trustee Hippler, yes; Trustee Bretz, yes; Trustee Mike Williams, yes; Chair Bob Williams, yes.)

CHAIR BOB WILLIAMS concluded his report, and recognized Chair Moen for the Operations Committee report.

OPERATIONS COMMITTEE

TRUSTEE MOEN stated that the Operations Committee met September 14, 2022. There was a Treasury report from Director Leary on trustee travel and honorarium meeting cost, and a follow-up on the new format for minutes. He added that original transcripts of meetings will continue to be available for anyone that wants them. There was also a report on the Treasury Middle Office update. He said the committee also discussed future calendars, agenda items, and possibly some future meetings in Fairbanks.. He stated that one motion came out of the Operations Committee which was approving the renewal of Ms. Ryerson's IAC contract. The

motion was to approve the contract for a 2.5-year period in order to get it aligned with the fiscal year.

MOTION: A motion from the Operations Committee recommended that the Board approve renewing Ms. Ryerson's IAC contract for a 2.5-year period, to realign it with the fiscal year.

TRUSTEE MOEN stated that since the motion came out of the Operations Committee, a second was not needed. He asked for a roll-call vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Ryan, yes; Trustee Moen, yes; Commissioner Mitchell, yes; Trustee Krohn, yes; Trustee Hippler, yes; Trustee Bretz, yes; Trustee Mike Williams, yes; Chair Bob Williams, yes.)

CHAIR BOB WILLIAMS thanked Trustee Moen and moved to the Alaska Retirement Health Plan Advisory Board with the ARM Board representative Trustee Bretz.

ALASKA RETIREMENT HEALTH PLAN ADVISORY BOARD

TRUSTEE BRETZ reported that there was an upcoming meeting on September 27th, and we will have a more in-depth report at the next ARM Board meeting.

CHAIR BOB WILLIAMS thanked Trustee Bretz, and moved to the Actuarial Committee report from Trustee Hippler.

ACTUARIAL COMMITTEE REPORT

TRUSTEE HIPPLER stated that the Actuarial Committee met yesterday and the first thing they went over was inflation. He continued that the inflation numbers are much more volatile currently than they had been in a while. We will continue monitoring the inflation numbers over the near term, looking at the appropriateness of the projections of inflation in the future. The majority of the discussion focused on the funding rates for various plans, the appropriate levels of funding, the normal cost of the healthcare trusts. He added that Mr. Detweiler from GRS pointed out that looking at the present value of future benefits of the plan as a more comprehensive viability measure, which was still overfunded. He stated that the committee did ultimately recommend adopting seven resolutions. Then there was a discussion on the update on the actuarial standards, which included a measurement that would be indicated in the future. There were some legislative changes discussed by Mr. Oates. Mr. Kershner reviewed the online dashboards available for several members of staff, as well as all trustees, and they can be accessed at any time to see the modeling of the funds. He asked if it was acceptable for the committee to move the recommendations to adopt the resolutions.

MOTION: A motion from the Actuarial Committee recommended that the Board adopt Resolutions 2022-5, 6, 8, 9, and 10, as presented. This did not include Resolutions 2022-04 and 2022-07, which referenced exhibits and had more discussion.

CHAIR BOB WILLIAMS thanked Trustee Hippler for his report and added that the motions would not need a second because they were coming from the committee.

After the roll-call vote, the MOTION was APPROVED. (Trustee Krohn, yes; Commissioner Mitchell, yes; Trustee Ryan, yes; Trustee Moen, yes; Trustee Mike Williams, yes; Trustee Bretz, yes; Trustee Hippler, yes; Chair Bob Williams, yes.)

MOTION: A motion from the Actuarial Committee recommended that the Board adopt Resolutions 2002-04 and 2002-07, the versions indicated in Exhibit 2.

After the roll-call vote, the MOTION was APPROVED. (Trustee Krohn, yes; Commissioner Mitchell, yes; Trustee Ryan, no; Trustee Moen, yes; Trustee Mike Williams, yes; Trustee Bretz, yes; Trustee Hippler, yes; Chair Bob Williams, yes.)

TRUSTEE HIPPLER stated that there was an information item on JRS contributions, but it had no action item related to it, and concluded his report.

CHAIR BOB WILLIAMS called a 15-minute break.

(Break.)

CHAIR BOB WILLIAMS called the meeting back into session and welcomed Steve Center and Butch Cliff.

PRESENTATIONS

PERFORMANCE MEASUREMENT 2nd QUARTER

MR. CENTER began by congratulating and welcoming Commissioner Mitchell to the Board. He then introduced Butch Cliff, executive vice president and director of research at Callan. He continued that in his role, he oversees the goal manager research and the capital markets research teams. He initially helped develop their performance measurement system; and was also the chair of the Alternatives Review Committee. Mr. Cliff relocated from San Francisco to Portland when that office opened and was excited to make work with the Alaska Retirement Board. Mr. Center noted that Paul Erlendson would be retiring at the end of the calendar year, and will be at the December meeting. He also mentioned Michelle Prebula's retirement and stated that she was a great person to work with on the defined contribution side. He congratulated her on her retirement and wished her the best of luck. He asked Mr. Cliff to talk about the markets.

MR. CLIFF stated that it was an honor to be there and that he had worked with Paul Erlendson for over 30 years, and he has earned his retirement. He began with some perspective on the market performance pre-pandemic, to the post-pandemic peak, to the present. He went through the market performance and talked about inflation. He moved to U.S. Equity and talked about value versus growth. He stated that value did much better than growth. He continued that bonds were hit very hard, and high-yield bonds went down a lot. He added that the private equity universe had not done as badly as the public equity universe. There may be more negative returns, but not as negative as the public equity numbers.

MR. CENTER continued with the PERS DC plan which ended the fiscal year with about \$1.8 billion in assets. About 65 percent of those assets were invested in the asset allocation funds, which was the Alaska Balance Trust and the target date funds. The remainder split between the active and passive and specialty options. He moved to some of the quarterly dynamics as far as cash flows in and out, and the impact of the market. He looked at performance and talked about

the benchmarks that had fallen below the median. He stated that the actual target date funds managed by T. Rowe Price had performed very well relative to both peers and their benchmarks over all time periods shown. He touched on the two J.P. Morgan smart retirement funds, which were designed to be retirement income options for participants. He stated that when there is strong relative out-performance, particularly in a down market, it is called downside protection. This was pretty great downside protection from the investment team. The asset allocation, as of the end of the fiscal year, was pretty close to its targets; slightly underweight to the public equity markets. He continued that the domestic equity portfolio had a strong performance for the last year relative to its benchmark. He invited the trustees to attend Callan's annual conference in Scottsdale, Arizona, scheduled for April 2023. There will be more information as the date approaches.

CHAIR BOB WILLIAMS thanked Callan, and moved to the risk report by State Investment Officer Shane Carson.

RISK REPORT

MR. CARSON stated that he would provide an oversight of the multi-asset asset classes that were renamed for this fiscal year. He also presents risk reporting to the Board twice a year. In most cases, there is usually not a lot to be concerned about. He said he would try to provide some context, but the overall theme is everything looks as it should, with not a lot of concerns. He explained that the Board sets the asset allocation which effectively dictates a lot of the overlying risks, and he provided some long-term reports of those risks. He commented that there were a lot of risks that the retirement systems face. The focus of this particular presentation is on investment risk. He added that there was also operational risk, longevity risk, different demographics, and changes in demographics. A lot of those are addressed decisions the Board makes. He explained the Risk Monitoring Tool, truView, that is used to answer several key questions: What is the portfolio positioning? Where is this asset allocation? What were the potential losses? He added that there were no concerns at this time. He continued that all risk metrics were within expectations, with equities being the largest driver of volatility and value-at-risk. The ARM Board invests in a diversified basket of international stocks. There were not any significant changes, especially on the negative side, in any of the scenarios that would cause alarm or concern in the portfolio.

CHAIR BOB WILLIAMS thanked Mr. Carson and called for a lunch break.

(Lunch break.)

CHAIR BOB WILLIAMS stated that the meeting was back in session and recognized Steve Sikes to make introductions for the BlackRock US Corp Property Fund presentation.

BLACKROCK US CORE PROPERTY FUND

MR. SIKES explained that real assets are defined by return objectives. The asset class over a market cycle was expected to provide an experience between stocks and bonds to provide both income and a source of equity growth. This was illustrated by real estate where leases provide current income where the value of the asset can also grow through appreciation. These assets are tangible, physical assets with an intrinsic value tied to their utility for productivity potential. The infrastructure portfolio reflected this with investments in utilities, ports, airports, and energy infrastructure. These assets are expected to diversify the portfolio and provide an inflation

hedge. He continued that, as investment managers make their presentations, how these assets responded for inflation will be heard. He introduced the BlackRock U.S. Corp Property Fund. ARMB had \$435 million invested in the BlackRock fund as of June. He continued that the BlackRock fund is an open-end comingled fund which invests in multiple property types. It is a perpetual life vehicle where institutional investors pool capital to achieve scale and bear diversification and strategy execution. One of the key characteristics of this portfolio is the large asset investment exposure it could provide to ARMB. He introduced Laura Champion, director with BlackRock Institutional Client Business.

MS. CHAMPION thanked Chair Williams, the ARM Board and staff for the opportunity to present today. She stated great appreciation to the partnership with the ARM Board and the continued trust placed with them on behalf of the underlying beneficiaries. She continued that she worked on the broader ARM Board relationship on behalf of BlackRock. She introduced her colleagues, Lizzy Kurz and Ben Young. Mr. Young oversees the U.S. Real Estate Private Equity business, in addition to the global real estate separate accounts. Ms. Kurz is the lead portfolio manager for the U.S. Core Property Fund. The plan for the presentation was to provide an update on the platform, the real estate business, and where the U.S. core property strategy sits within the broader BlackRock U.S. system. She welcomed the opportunity to keep things conversational and to ask questions along the way.

MR. YOUNG stated that it was nice to be in Alaska in person and thanked all for the time in the partnership. He began with a brief background of BlackRock, and then moved to the partnership with Alaska Retirement. He also discussed the awareness of market volatility and the understanding of what was happening in the public and the private markets. He asked Ms. Kurz to continue.

MS. KURZ emphasized three key points and began with the volatility of the market environment and how they were positioned to perform in that environment. Second was performing in an inflationary or high inflationary environment. Third was adapting to the market with their investment style and how that benefitted the Fund with respect to future performance.

MR. YOUNG highlighted that last year was an anomaly with the returns in core real estate. He stated that they had outperformed over the past four years. Even though it was an open-ended fund, it is a long-term investment in real estate, and it was how they performed through the ups and downs of the cycles. The consistent nature of it shows the confidence about those returns.

CHAIR BOB WILLIAMS thanked BlackRock for the presentation, and recognized Steve Sikes for a presentation by USB Real Estate Separate Account.

UBS REAL ESTATE SEPARATE ACCOUNT

MR. SIKES stated that UBS had managed the Real Estate Separate Account for ARMB since 1997; 25 years. It is currently just under \$770 million. UBS strategy invests core U.S. real estate across property sectors and is ARMB's largest real estate account. He recognized Tom O'Shea, head of Portfolio Client Services.

MR. O'SHEA stated that it was great to be back in Anchorage. He noted that he heads up the portfolio and client service group, and introduced Jeff Maguire, the managing director and lead

portfolio manager for the account, and Pete Gilbertie, the executive director and manager of Portfolio Operations for the account. They had been with the account for a number of years. He gave a brief history on the background of the business and asked Jeff Gilbertie to continue.

MR. GILBERTIE began with some general comments about the overall market and then moved to the account and talked about its composition, its recent performance, and then explained how it performed the way it had, what drove it. He noted some key factors.

MR. MAGUIRE continued to the leverage and volatility. He explained that volatility was measured in terms of the gross standard deviation. He stated that the ODCE Index was a collection of data kept by the National Council of Real Estate Investment Fiduciaries, NCREIF. NCREIF has some major indices with comparative data available of performance for comparison purposes. The ODCE is an open-end fund index. All of the open-end funds report their performance to NCREIF, which is presented as an index; a collection of fund-level returns. It is a good benchmark, particularly if the comparison is separate account versus investing in an open-end fund.

MR. GILBERTIE presented the one-year attribution for the four property sectors in the account.

MR. MAGUIRE did a quick review of the plan for the current fiscal year ending June 30, 2023. There was a budgeted NOI increase. He acknowledged that the office properties in the account have the negative impact on the NOI growth. That was one of the reasons to pare back the relatively small 22 percent, which could continue for a couple of years.

CHAIR BOB WILLIAMS thanked USB for the presentation, and called a break.

(Break.)

CHAIR BOB WILLIAMS called the meeting back to order and recognized Steve Sikes to introduce the Timberland Investment Resources presentation.

TIMBERLAND INVESTMENT RESOURCES

MR. SIKES stated that Timberland Investment Resources had been an investment manager for ARMB since 2018. TIR was exclusively focused on timberland management in the middle-market transactions and manages a separate property for ARMB with a value of just over \$380 million. He recognized Tom Johnson, head of client services and business development.

MR. JOHNSON provided introductions for Mark Seaman, chief executive officer; Hong Fu, director of economic research; and Chris Mathis, director of real estate and corporate development. He began with a quick update on the firm, covered the timber basics, and the role of timberland in the portfolio. He explained that they were known as the middle market, value-oriented manager. They look for properties that have some type of inefficiencies or mispricing. He asked Mr. Fu to continue.

MR. FU continued with a quick review of what happened last year and identified some key economic trends and market developments that would have an impact on timberland investment in general, as well as their portfolio for this year and coming years.

MR. JOHNSON stated that one of the objectives was diversification, and he highlighted the broad footprint throughout the United States. He reviewed the portfolio, and summarized that the timber market's strength was because of the housing sector; not only new housing starts, but also repair and remodeling. There was also a lot of interest in timberland by retail investors that purchase some of the smaller parcels because they want to recreate, have a place to visit, and a long-term investment. Those parcels get premium prices, which is an attractive part of the opportunities set. He continued that the losses over the last five years were one basis point a year. The average in the industry is about three basis points. The experience from a risk perspective had been very good over the last five years. He touched on some emerging and developing trends, and thanked the Board for the relationship.

CHAIR BOB WILLIAMS thanked TIR, and called a break.

(Break.)

CHAIR BOB WILLIAMS called the meeting back in session and asked for a motion to go into Executive Session.

MOTION: A motion for the Alaska Retirement Management Board to go into Executive Session to consider a matter related to a specific manager, the immediate knowledge of which may harm the character or reputation of the persons discussed, was made by TRUSTEE RYAN; seconded by TRUSTEE HIPPLER.

There being no objection, the MOTION was APPROVED.

CHAIR BOB WILLIAMS stated that the Executive Session would be for staff in the room and trustees.

(Executive Session from 4:06 p.m. until 4:37 p.m.)

(Alaska Retirement Management Board recessed at 4:38 p.m.)

September 16, 2022

CALL TO ORDER

CHAIR BOB WILLIAMS called the Alaska Retirement Management Board meeting into session and welcomed all back. He noted that yesterday they came out of Executive Session at 4:37 p.m., and no actions or decisions were made within Executive Session. He stated that they would begin with Sentinel Real Estate Separate Account, and asked Steve Sikes for the introduction.

SENTINEL REAL ESTATE SEPARATE ACCOUNT

MR. SIKES stated that, similar to UBS, Sentinel manages the real estate separate account. He continued that the properties discussed were 100 percent owned by ARMB and under its control. The Sentinel strategy is focused on their specialty, apartment properties. One of the unique characteristics of Sentinel is that it is a vertically integrated business; it handles not only investment selection and management, but also operates the properties day to day. He introduced George Tietjen, the portfolio manager.

MR. TIETJEN apologized for not presenting in person. He noted that all at Sentinel remain thankful for the opportunity to be the real estate investment manager since 1984. This is a 38-year relationship, and they looked forward to providing the same high-quality service many years into the future. He stated that he was the managing director at Sentinel and has been a portfolio manager of the ARM Board separate account since 2016 when David Weiner retired from Sentinel. He noted that he is also a portfolio manager for the flagship core, open-end apartment fund and a few other separate accounts. He added that he had been with the firm for 33 years in a number of different capacities. He introduced Greg Macchia, an associate in the global portfolio management group at Sentinel, who supports this account. David Stenger was a long-term co-portfolio manager with him and moved, within Sentinel, over to an acquisition role where he continues providing good quality service to the account. The most recent acquisition of a property for this account was led by his efforts. He provided an overview of Sentinel, and where they are presently. He gave an update on the multifamily market conditions in the United States, and on this account. Included was a brief discussion on each of the five investments this account has made. He also made sure to adequately cover the impact that inflation and the higher interest rates were having on the real estate sector and, in particular, the multifamily sector. He stated appreciation for the opportunity to provide this presentation and looked forward to continuing to work hard in the future.

CHAIR BOB WILLIAMS thanked him, and recognized Steve Sikes to introduce the UBS Farmland presentation.

UBS FARMLAND

MR. SIKES stated that ARMB made a decision to begin investing in farmland, which is not a common institutional portfolio component. He continued that the asset class is difficult and time-consuming to penetrate at scale due to its fragmented ownership. He added that the idea was simple: find a farmland and rent it out to good farmers; collect the rent; and enjoy modest appreciation along the way. With patience and persistence, that portfolio has grown to just over \$964 million and delivered on its original performance objectives. He recognized Tom O'Shea, head of portfolio and client service, to introduce the farmland team and review the portfolio.

MR. O'SHEA introduced Jim McCandless and Dan Murray. Mr. McCandless was the founder of a business a number of years ago. He is an industry expert and very active in the farmland space. Mr. Murray has over 13 years of experience in the field and is co-chief investment officer of the business.

MR. McCANDLESS gave a brief overview of the firm and the business; and then looked at the Midnight Sun portfolio, which is the name of the entity that holds titles to properties in the portfolio. He explained that the business is based in Hartford, and in the same offices as UBS Realty. The team just focuses on farmland investing and utilizes UBS Realty staff for back-office and client-facing activities. There are four regional offices across the country, and farmland investing is very local. In order to be successful, there is a need to have a lot of local contacts in order to originate investment opportunities. He added that the offices are also responsible for the asset management of the properties and the dispositions along the way.

MR. MURRAY explained, in detail, the performance and updated what had happened over the last four quarters.

CHAIR BOB WILLIAMS stated concern on the very consistent underperformance of the benchmark.

MR. MURRAY replied that there were a number of issues with the benchmark in that it is not investable and is a material issue in that it removes properties from the benchmark that are undergoing complete development. He gave an apple orchard as an example. He stated that some of those benchmark returns do not necessarily reflect what is investable with a number of issues with the index. He continued explaining how farmland returns tended to pick up when there were more extreme areas of inflation.

CHAIR BOB WILLIAMS thanked them for their stewardship, and for the presentation. He called a break.

(Break.)

JPM ASSET MANAGEMENT INFRASTRUCTURE INVESTMENT FUND

CHAIR BOB WILLIAMS called the meeting back into session and recognized Mr. Sikes to introduce the J. P. Morgan Asset Management Infrastructure Investment Fund.

MR. SIKES explained the expansion of the real assets portfolio to add infrastructure strategies. Infrastructure offered immediate characteristics to the first area where a global strategy was pursued. He continued that while the investments were identifiable, they were made in confidence, requiring the management boards' corporate governance oversight. He pointed out that infrastructure came with additional complexity and was calibrated with a highest risk and return expectation. He introduced Jeff Shields.

MR. SHIELDS stated he was a client adviser in San Francisco covering Western U.S. institutional clients, including the Alaska Retirement Management Board. He introduced Nick Moller, the senior member of the infrastructure team. He thanked the ARMB, and stated appreciation for the opportunity to manage money on behalf of all the beneficiaries.

MR. MOLLER reminded all about what infrastructure was from an investment perspective, which was critical to some of the updates in terms of performance over the last four years and year to date. He explained that the core is regulated utilities. Think of natural monopolies where commodity risk is passed to customers such as heat, water, electricity, gas, utilities. Contracted assets, which could be renewable, and GDP sensitive assets: Rail leasing, storage, midstream, ports, airports. He stated that the majority of investments were those regulated utilities or long-term contracted assets. The goal of the strategy is diversification, inflation protection, and yield, which is pertinent to what was seen this year. He talked more about inflation protection, and continued discussing recent investments indicative of the expansion. He stated that Enstor Gas was the most recent new platform investment and is very small to start. It is for natural gas storage in the United States. Most contracted revenue is from utility customers. He explained that utilities have the ability to fill the storage when gas is cheaper, and to draw it down when it is more expensive. It helps with security and supply and not relying on the gas pipelines.

CHAIR BOB WILLIAMS thanked them for their presentation and recognized Steve Sikes to introduce IFM Global Infrastructure Funds.

IFM GLOBAL INFRASTRUCTURE FUND

MR. SIKES stated that IFM, similar to J. P. Morgan, also manages an open-end perpetual life commingled fund in which ARMB invests. He continued that ARMB would probably not be able to invest in these assets privately if it were not for commingled vehicles, as a single asset size would be too big from a diversification standpoint. The IFM Fund owns assets such as the Indiana Toll Road and the Sydney Airport, which are substantial in size. He added that ARMB has \$651 million invested in the IFM Fund. He introduced David Altshuler, head of the North American relationship.

MR. ALTSHULER stated that Julio Garcia, the head of North American infrastructure was with him. He asked Mr. Garcia to continue.

MR. GARCIA stated that it had been business as usual over the last few years, and certainly since the last presentation. The fund has continued to grow and diversify both from an industry and a geographic perspective. This fund is approaching about \$45 billion of equity value with assets located in many parts of the ODCE. He moved to strategy, which was very consistent for many years: they invest in core structure assets with very high barriers to entry that are essential to the communities and economies in which they operate. He continued that they focus on three industry segments: utilities, which include gas and electric, water and telecom facilities; energy, midstream assets such as pipelines, LNG processing facilities, storage facilities and generation, both renewable and traditional; and transportation assets, primarily toll roads, airports, and seaports. One of the important components to the sector was protection from inflation. Next is interest in the investment strategy, and that it is an open-ended fund. There is also a focus on managing the assets. The view is the need to be very active in the management of the assets in order to continue to derive the target rate of return of the fund. He added that the fund itself targets investment-grade credit ratings for the majority of the assets. The team is very stable, and is one of the largest infrastructure teams around the world, with over 110 investment professionals, and also an additional legal, tax, and structuring group that works in-house. He talked about the steady team and the length they had been with the fund. He added that the diversification of the fund was quite beneficial and would help continue to the performance expected. He then went through the history of IFM and the ownership structure.

CHAIR BOB WILLIAMS thanked IFH, and called a lunch break.

(Lunch break.)

CHAIR BOB WILLIAMS called the meeting back into session and moved to Real Assets Annual Plan with State Investment Officer Steve Sikes.

REAL ASSETS ANNUAL PLAN

MR. SIKES provided an overview of the portfolio and made recommendations for the fiscal year 2023 investment plan. After his presentation, Callan, the board's real assets consultant, provided their independent review of the portfolio and the strategy.

DR. JENNINGS stated that in looking at the REIT indices, a third of them were not things thought of as real estate. It underscored Mr. Sikes' diversification point. He continued, those

other consultants he worked with basically added a return premium for the nontraditional aspects of the REIT portfolio. He added that that was an interesting compliment to the rest of the portfolio.

MR. SIKES moved to the summary of the recommendations for the real estate portfolio. The core portfolio is slightly overweight, with no recommendations to add anymore capital. Both UBS and Sentinel have uninvested capital, and they have the ability to do financing, if there is an opportunity, and they think the market was attractive. He recommended an action item for the BlackRock Real Estate Open-End Fund. That fund is calibrated to reinvest the dividend instead of taking the distribution. Given that real estate is overweight and real assets are slightly overweight, he recommended taking the distribution. The non-core portion of the portfolio would stay the course. He moved to the farmland portfolio and stated that an interesting part of farmland investing was that many states have a prohibition of corporate ownership. He went through the Timberland portfolio and stated that the strategy would be to stay the course with the current portfolio, and not making additional allocations. He reported that the Board had been working on an HBU project in a Timberland property. Recently, the denial of a permit halted progress on that project. Going forward he talked about terminating the contract with TIR since that project is no longer viable, and to move those assets back into the separate account. He moved to the last component, which was the infrastructure portfolio. He stated that the encouraging thing about infrastructure was the discount rate the assets are valued at right now. The one recommendation in this portfolio is similar to the BlackRock Fund, currently with J.P. Morgan, in which we are reinvesting the dividend. Infrastructure is overweight, and the way to do that is take that dividend in cash. IFM had the reinvestment turned off a while ago because it was a much larger position. At the end of this, all of the open-ended funds will be calibrated to distribute the cash flow.

CALLAN REAL ASSETS PLAN/PERFORMANCE REVIEW

CHAIR BOB WILLIAMS moved to Callan, Real Assets Plan Performance Review, and asked Mr. Sikes to make the introduction.

MR. SIKES stated that the Board had two relationships with Callan: one is the general consulting relationship; and the other is real asset specialist. This started in 2019, and we just contractually executed the first of two one-year extensions.

MR. GOULD stated that he was in Callan's real assets consulting group. He added that online was Avery Robinson, who heads the group and works with him on the ARM Board Plan. He gave an overview of the plan structure, what its objectives were, and its role in the overall portfolio; and then touched on the portfolio composition, and performance. He reminded all that the role of the portfolio was to be a diversifier to the overall portfolio, and to add a bit of income, a bit of inflation protection, and to be more of a steady return in between stocks and bonds over time.

CHAIR BOB WILLIAMS moved to Real Asset Action Items, Plans and Guidelines, and recognized Steve Sikes.

REAL ASSETS ACTION ITEMS – PLANS & GUIDELINES

MR. SIKES stated that he had presented the annual plan and highlighted the big action items that will drive changes. The changes are around the J.P. Morgan Open-Ended Infrastructure Fund and the BlackRock Real Estate Open-End Fund as it related to the reinvestment of dividends. Currently, those funds are reinvesting the dividend, and this action will change that. The Board will receive the cash flow. He moved to the HBU project in the Timberland portfolio due to the denial of permits necessary for that project. He recommended the ARMB approve Resolution 2022-11, which adopted the Real Assets Annual Investment Plan for Fiscal Year 2023.

CHAIR BOB WILLIAMS requested a motion.

MOTION: A motion that the ARMB approve Resolution 2022-11, which adopts the Real Assets Annual Investment Plan for Fiscal Year 2023, was made by TRUSTEE HIPPLER; seconded by TRUSTEE KROHN.

CHAIR BOB WILLIAMS called a roll-call vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moen, yes; Trustee Ryan, yes; Trustee Mike Williams, yes; Trustee Hippler, yes; Trustee Krohn, yes; Chair Bob Williams, yes.)

CHAIR BOB WILLIAMS moved to the next one.

MR. SIKES stated that the next action item related to the Real Estate Investment Guidelines. He explained that each one of the major areas have their own guidelines, and he walked through real estate, then farmland, then timberland, and then infrastructure. He added that part of this annual process is going through the guidelines to see if anything needed to change. The real estate investment guidelines recommended two changes. First, is calibrating the real estate benchmark weights and the guidelines to the target weights in the real-assets portfolio.

MOTION: A motion that the ARMB approve Resolution 2022-12, which adopts the Revised Real Estate Investment Guidelines, was made by TRUSTEE MIKE WILLIAMS; seconded by TRUSTEE MOEN.

CHAIR BOB WILLIAMS asked for the roll-call vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Ryan, yes; Trustee Mike Williams, yes; Trustee Bretz, yes; Trustee Hippler, yes; Trustee Krohn, yes; Trustee Moen, yes; Chair Bob Williams.)

CHAIR BOB WILLIAMS moved to Resolution 2022-13.

MR. SIKES stated that the next item was the Farmland Guidelines. The change would be viewed as an administrative and catching-up of the guidelines to a decision the Board made in the past. The revision was to align the crop-type weights with the current asset allocation policy; revising from 60/40 to the current 80/20. That was the only change recommended.

MOTION: A motion that the ARMB approve Resolution 2022-13, which adopted the revised Farmland Investment Guidelines, was made by TRUSTEE MIKE WILLIAMS; seconded by TRUSTEE RYAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Hippler, yes; Trustee Krohn, yes; Trustee Bretz, yes; Trustee Moen, yes; Trustee Ryan, yes; Trustee Mike Williams, yes; Chair Bob Williams, yes.)

CHAIR BOB WILLIAMS moved to Resolution 2022-14.

MR. SIKES stated that the next items were for the Timberland Investment Guidelines and the Infrastructure Guidelines. There are no revisions. These guidelines had not been before the Board for a couple of years, and he explained that he wanted to expose the guidelines to the Board as part of the review, and to just ask for approval for them again.

He recommended to approve Resolution 2022-14, which adopted the Revised Timberland Investment Guidelines.

CHAIR BOB WILLIAMS asked for a motion.

MOTION: A motion that the ARMB approve Resolution 2022-14, which adopted the Revised Timberland Investment Guidelines, was made by TRUSTEE RYAN; seconded by TRUSTEE KROHN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moen, yes; Trustee Mike Williams, yes; Trustee Hippler, yes; Trustee Krohn, yes; Trustee Bretz, yes; Trustee Ryan, yes; Chair Bob Williams, yes.)

MOTION: A motion that the ARMB approve Resolution 2022-15, which adopted the Infrastructure Guidelines, was made by TRUSTEE RYAN; seconded by TRUSTEE MIKE WILLIAMS.

MR. SIKES stated that this was the same as Timberland, and he had no revisions. It was brought before the Board for exposure.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moen, yes; Trustee Mike Williams, yes; Trustee Hippler, yes; Trustee Krohn, yes; Trustee Bretz, yes; Trustee Ryan, yes; Chair Bob Williams, yes.)

CHAIR BOB WILLIAMS asked for any unfinished business, new business, or any other matters to properly come before the Board. He asked if there was anyone online or in the room that would like to make public comments. No one identified, and he moved to IAC comments.

INVESTMENT ADVISORY COUNCIL COMMENTS

MS. RYERSON shouted out to Alysia Jones for a seamless Board meeting. She thanked Mr. Sikes for making it so educational. Her last comment was about the BEARS Project. She stated that when she was Santech's first client and continued, they became very happy with them

once the whole system was done. This is a ton of work for the staff. She looked forward to working with them for the next few years.

DR. JENNINGS stated that he had 19 years' experience. One thing about this meeting was how well-designed it was. He lauded staff on the format and the deeper dive, and also the good strategic time allocation.

DR. MITCHELL observed a complete review of the real asset class from consultants, from staff, from managers. Good questions were posed, and good answers were given. If he had been a member of the Board, he would be content that he had done his fiduciary duty; done his due diligence; and understood where the Fund was in terms of real assets. Second, real assets require a long-time horizon, and investing in real assets should be strategic and not tactical, which means long-term, not short-term. Third, if investing in something with a long-term time horizon, there should be long-term relationships with the managers. Fourth, the quality and the weightings of the individual investments in a real asset portfolio were important. In infrastructure, it really needs to be known what is owned because each individual property would influence the portfolio quite a bit. Finally, real assets can be pretty complicated, and someone on staff familiar with the asset class is needed, and Steve Sikes is the person.

CHAIR BOB WILLIAMS moved to trustee comments.

MS. JONES was not aware of any trustee comments. She thanked Ms. Ryerson for her comments, but she could not take all the credit. She acknowledged Grant Ficek and Richard Ebert for their assistance in making things appear seamless.

CHAIR BOB WILLIAMS said thanks to staff for a really well-run, organized, planned and prepared meeting. He stated that Mr. Sikes had a thoughtful, organized and enjoyable deep dive into real assets. He added that he took as a personal mission to talk Dr. Mitchell into coming in person, and he will continue that mission. He brought trustee comments to an end. He asked for any future agenda items. There being none, he asked for a motion for adjournment.

MOTION: A motion to adjourn the meeting was made by TRUSTEE MOEN; seconded by TRUSTEE RYAN.

There being no objections, the MOTION was APPROVED.

(Alaska Retirement Management Board meeting adjourned at 3:03 p.m.)



Bob Williams, Chair
Alaska Retirement Management Board

ATTEST:



Michael Williams, Secretary
Alaska Retirement Management Board