



ALASKA RETIREMENT MANAGEMENT BOARD

Audit Committee
Meeting

March 11, 2025

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD

AUDIT COMMITTEE MEETING

March 11, 2025 – 9:00 AM

Andrew P. Kashevaroff (APK) Building – Lecture Hall, 395 Whittier St., Juneau, AK

Videoconference: Click here to join the meeting Meeting ID: 274 887 509 748 Passcode: 9xK9Xa6R	Teleconference: Call-In #: 1-907-202-7104 Code: 267 405 315#
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- 9:00 a.m.** **Call to Order**
Roll Call
Public Meeting Notice
Approval of Agenda
Approval of Minutes – December 3, 2024
- 9:05 a.m.** **Public / Member Participation, Communications and Appearances**
*(Callers: Select *5 to raise your hand & *6 to unmute. Three minute limit.)*
- 9:10 a.m.** **Reports**
1. Employer Audits
Christopher Novell, Chief Financial Officer, Division of Retirement & Benefits
2. Report on Delinquent/Late Filing Employers
Christopher Novell, Chief Financial Officer, Division of Retirement & Benefits
3. Compliance Report and Update
Hunter Romberg, Senior Compliance Officer, Treasury Division
Mariell Mendoza, Investment Compliance and Performance Officer
- 9:40 a.m.** **Action Item: Repeal Resolution 2012-32**
Zachary Hanna, Chief Investment Officer
Mark Moon, State Investment Officer
Stephanie Pham, State Investment Officer
- 9:50 a.m.** **Future Meetings**
1. Calendar Review
2. Agenda Items
3. Requests / Follow-Ups
- 9:53 a.m.** **Other Matters to Properly Come Before the Committee**
- 9:55 a.m.** **Public / Members Comment**
*(Callers: Select *5 to raise your hand & *6 to unmute. Three minute limit.)*
- 10:00 a.m.** **Adjournment**

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
AUDIT COMMITTEE MEETING MINUTES

December 3, 2024 – 9:00 AM

Atwood Conference Center, Rooms 102 & 104, 550 W. 7th Ave., Anchorage, AK

Committee Members Present:

Lorne Bretz
Donald Krohn
Sandra Ryan
Bob Williams, Acting Chair

Other Trustees Present

Dennis Moen
Spencer Moore
Commissioner Vrana

Department of Revenue – Treasury Division Staff

Zachary Hanna, Chief Investment Officer
Scott Jones, Head of Investment Operations
Grant Ficek, Performance and Data Analyst
Chris Madsen, Administrative Operations Manager
Hunter Romberg, Senior Compliance Officer
Mark Moon, State Investment Officer
Courtney Oliva, Accountant IV

Pamela Leary, Director
Casey Colton, State Investment Officer
Benjamin Garrett, State Investment Officer
Tyler McCormack, State Investment Officer
Mariell Mendoza, Investment Compliance &
Performance Officer
Hunter Romberg, Senior Compliance Officer

Department of Administration – Division of Retirement & Benefits

Kathy Lea, Director
Christopher Novell, Accountant V – Compliance Officer
Roberto Aceveda, Retirement & Benefits Specialist, III
Teresa Kesey, Accountant IV
Brandon Roomsburg, Audit & Review Analyst II
Mindy Voigt, Chief Pension Officer

Christina Maiquis, Accountant V – Accounting
Supervisor
Nimeri Denis, Audit & Review Analyst II
Steve Ramos, Chief Health Administrator
Ronan Tagsip, Program Manager
Traci Walther, Accountant V

Department of Law

Ben Hofmeister, Assistant Attorney General

Investment Advisory Council

Ruth Traylor
Dr. William Jennings

Josh Rabuck

Department of Administration

Dave Donley, Deputy Commissioner

Amanda Pillifant, Executive Assistant

DRAFT

Guest Presenters:

Elizabeth Stuart, Audit Partner

Melissa Beedle, Audit Managing Director

Public

Randall Burns, RPEA

Wendy Woolf, RPEA

Carla Ardell, Empower

PROCEEDINGS

CALL TO ORDER

CHAIR BOB WILLIAMS explained that he would be chairing the Audit Committee meeting since Chair Mike Williams had travel delays, and called the meeting to order at 9:00 a.m.

ROLL CALL

Mr. Bretz, Mr. Krohn, Ms. Ryan, and ARMB Chair Bob Williams were present, representing a quorum.

PUBLIC MEETING NOTICE

MS. JONES confirmed public notice requirements for the meeting were met.

APPROVAL OF AGENDA

CHAIR BOB WILLIAMS asked if there were any changes or additions to the agenda. Hearing none, the agenda was approved.

APPROVAL OF MINUTES

MR. KROHN moved to approve the minutes of the September 17, 2024, and October 11, 2024, meetings, MS. RYAN seconded.

A roll call vote was taken, and the motion passed unanimously.

PUBLIC / MEMBER PARTICIPATION, COMMUNICATIONS AND APPEARANCES – None.

DIVISION OF RETIREMENT AND BENEFITS AUDITED FINANCIAL STATEMENTS

BETH STUART and MELISSA BEEDLE from KPMG presented the audit results for the Division of Retirement and Benefits. MS. BEEDLE explained that they issued unmodified opinions for all reports except the National Guard, which received a disclaimer of opinion due to census data issues. A material weakness was identified again this year related to the inaccurate census data for the National Guard. The valuation of net pension liabilities and assets relies on accurate census data, which has been challenging to obtain from the National Guard.

CHAIR WILLIAMS asked about the inaccuracy of the census data for the National Guard. MS. STUART discussed the challenges and touched potential solutions, emphasizing the importance of the National Guard maintaining proper HR records to improve the audit opinion.

MS. BEEDLE noted that for the PERS and TRS plans, the actuarial assumptions used to value the liabilities and assets were found to be reasonable.

DRAFT

MS. BEEDLE reported that there was an uncorrected audit misstatement relating to the lag in reporting of alternative investments for the Treasury Division. She explained that after Treasury closed their books, there was an additional valuation that would have increased investments by \$67 million. They assessed the materiality of that number to the whole financial statements, discussed with Treasury and determined the financial statements are not materially misstated.

She also noted that KPMG reviewed the Annual Comprehensive Financial Reports (ACFRs) to ensure consistency with the audited financial statements. She added that KPMG does not issue an opinion on the other information within the ACFR. Their opinion is limited to the financial information within.

PERS AND TRS ANNUAL COMPREHENSIVE FINANCIAL REPORTS (ACFRs)

CHRISTINA MAIQUIS, Accountant V - Accounting Supervisor, with the Division of Retirement & Benefits explained the ACFR statements had been reviewed by KPMG and DRB staff and once finalized, they would be submitted to the Commissioner's office for approval and then be posted to the web.

JUNE 30, 2024, PERS / TRS GASB 68 AND 75 AUDITED SCHEDULES

MS. MAIQUIS reviewed the PERS and TRS net defined benefit pension and net other post-employment benefits (OPEB) liability and asset allocation schedules. She noted that the allocation method that is used had been in place since 2014 when they started allocating these liabilities.

INTERNAL AUDIT REPORT

CHRISTOPHER NOVELL, Accountant V – Compliance Officer, Division of Retirement & Benefits presented the internal audit report, outlining the audit unit's structure and responsibilities, including compliance audits and Social Security administration. He reviewed the audit unit's activities for fiscal year 2024, noting that there were currently 6 audits in process. He then discussed audit findings, which included an instance of legal right pay not being reported to DRB correctly and a non-certified peace officer participating in peace officer's PERS.

REPORT ON DELINQUENT/LATE FILING EMPLOYERS

MR. NOVELL presented the delinquent / late filing employers report.

CHAIR B. WILLIAMS expressed his surprise at seeing the University of Alaska and Municipality of Anchorage on the delinquent employers list. MS. MAIQUIS responded that they would need to follow up with payroll processors to see if there's a known issue with the employers that they're working through.

MR. BRETZ asked about interest attributed to contributions by employees in the DC plan. MS. MAIQUIS responded that there has not been any structural setup to allocate those at this point, but there are things in the works. CHAIR BOB WILLIAMS commented that he was under the impression that those were going to change on July 1, 2024, as it was an issue the board had brought up previously.

CHAIR WILLIAMS requested future reports include a timeline showing the change in interest payments going to DC instead of DB, as well as an update on the funds since July 1, 2024, being reverted over to DC.

COMMITTEE DISCUSSION WITH MEETING WITH INDEPENDENT AUDITOR

BEN HOFMEISTER, legal counsel for the ARMB, stated that the ARMB, and therefore the committee is governed by the Open Meetings Act, which is founded in AS 44.62.310. The basis for going to Executive Session are found in subsection (c) (2) which says subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; He stated that it was his understanding that the auditors want to discuss personnel issues related to the retirement systems, and therefore there's a need from the chair and the committee a motion to go into executive session.

DRAFT

MR. KROHN moved to go into executive session for the purposes stated above, seconded by MS. RYAN. There being no objection the Audit Committee, went into executive session with all other ARMB Trustees present, MR. HOFMEISTER, and MS. STUART and MS. BEEDLE of KPMG.

Off the record at 9:52 a.m. The committee came back on the record at 10:04 a.m., no actions were taken.

REVIEW OF COMMITTEE CHARTER & PERIODIC SELF-ASSESSMENT

CHAIR WILLIAMS directed the committee to the charter and self-assessment questions. There were no comments from the committee.

FUTURE MEETINGS

CHAIR WILLIAMS reiterated his request for updates to the delinquent employer report noted above.

OTHER MATTERS TO PROPERLY COME BEFORE THE COMMITTEE – None.

PUBLIC / MEMBERS COMMENT – None.

ADJOURNMENT

MS. RYAN moved to adjourn the meeting, seconded by MR. KROHN. The meeting adjourned at 10:06 a.m. with no objection.

Division of Retirement & Benefits

Alaska Retirement Management Board

Audit Committee

March 11, 2025

Audit Unit Report

This report contains information on work performed through February 15, 2025, by the Division of Retirement and Benefit Audit Unit. The Audit Unit is a team of three positions under the supervision of CFO – Christopher Novell. The daily activities of the Audit Unit are overseen by the Accountant 5 and Compliance Officer, a position that is currently vacant. Nimeri Denis serves as one of the Audit and Review Analysts. The other Audit and Review Analyst position is currently vacant.

A. Audit Unit Overview

The Audit Unit audits all employers in PERS and TRS for compliance with state statutes, regulations, and federal code. Per the DRB financial statements for State Fiscal Year (SFY) 2024, there were 151 PERS employers and 57 TRS employers with employer contributions totaling \$701.0 million. Employer contributions through the second quarter of SFY 2025 totaled \$300.1 million.

The Audit Unit also audits for SBS-AP and DCP compliance (when applicable) and reviews the employers’ social security and Medicare withholding for compliance with mandatory and voluntary rules.

B. Employer Audits Performed to Date

	<u>PERS Employers</u>	<u>TRS Employers</u>
CY 2025	00	00
CY 2024	02	02
CY 2023	04	03
CY 2022	05	02
CY 2021	12	05
CY 2020	17	08
CY 2019	10	04
CY 2018	39	14
CY 2017	25	13
CY 2016	17	07

C. Audit Chart SFY 2024 and 2025

Five (5) audits were completed in SFY 2024 and SFY 2025. One (1) commenced in SFY 2023 and Four (4) commenced in SFY 2024.

Seven (8) audits are currently in progress. Five (5) commenced in SFY 2024, and Two (2) commenced in SFY 2025. Three (3) of these are in the Preliminary report stage.

All completed audits were via desk. Of the audits that are in progress; Six (6) are via desk, and One (1) includes some field work.

Audits in Progress	Preliminary Audit Report	Audits Completed from SFY 2024
Matanuska-Susitna Borough School District	North Slope Borough	Aleutians East Borough
North Pacific Rim Housing Authority	Inter-Island Ferry Authority	Klawock City School District
Tlingit-Haida Regional Housing Authority	Bethel, City of	North Slope Borough School District
North Pacific Fisheries Management Council		Aleutian East Borough School District
Ketchikan Gateway Borough		Ketchikan Gateway Borough School District

D. Recent audit findings

The following findings are still in preliminary report stage. Therefore, the entities have yet to provide comment or further information. However, the audit team has identified the following:

- Leave without pay was not reported to DRB
- Non-Certified Peace Officer participated in Peace Officer PERS
- Probationary periods for PERS participation have not been applied inconsistently

E. Audit Team Overview

At this time the Audit Unit has two vacancies. Christopher Novell vacated the Accountant V position during January 2025. Brandon Roomsburg vacated the Audit and Review Analyst II

position, also during January 2025. The Finance team is seeking to fill those positions as soon as possible, and at the same time find new State Social Security Administrators (SSSA).

The SSSA's are a federal requirement, and Christopher Novell is holding that position until the abovementioned recruitment is complete.



ARMB Audit Committee 2024 Annual Investment Compliance Update

Treasury Investment Compliance Section

Hunter Romberg, CPA, CIPM

Mariell Mendoza, CPA

March 11, 2025

Agenda

01 Compliance Program Structure



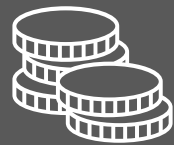
02 Compliance Program Results



03 Iran Divestment Analysis



04 Appendices



The background features several overlapping geometric shapes, primarily diamonds and parallelograms, in teal, yellow, and green. These shapes are arranged in a way that creates a sense of movement and depth, with some shapes appearing to be layered on top of others. The colors are vibrant and the shapes are sharp, contributing to a modern and professional aesthetic.

Compliance Program Structure

Mission & Strategic Goals

Mission Statement

“

Protect invested assets entrusted to the ARMB and the Revenue Commissioner by ensuring compliance with applicable laws, rules, regulations, contracts, policies, and guidelines

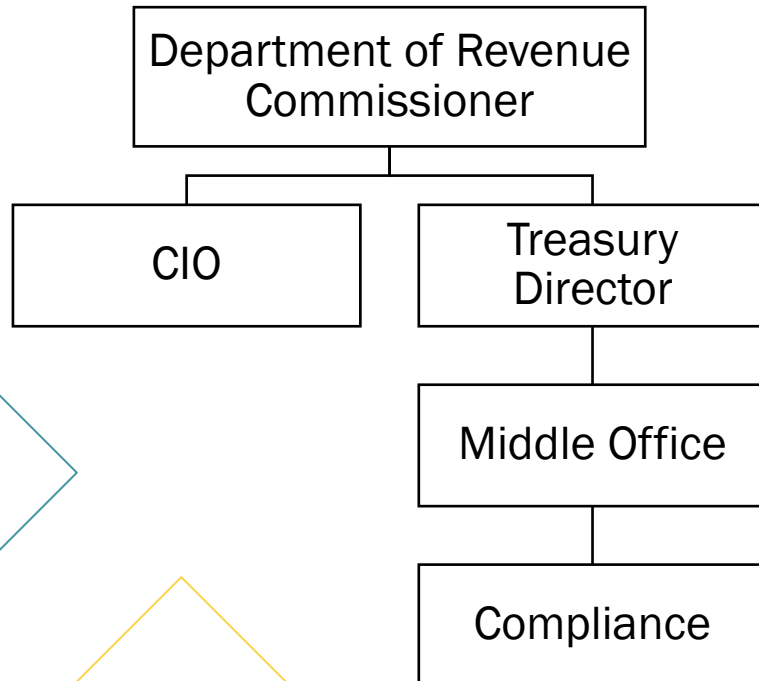
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Goals

- Ensure investments comply with Treasury Division and ARMB policies and guidelines
- Ensure Investment Managers and the Custodial Bank adhere to contract provisions
- Ensure compliance with state and federal investment laws, regulations, ethical standards, and best practices
- Provide timely and accurate compliance monitoring results to Treasury Management, ARMB, and the Revenue Commissioner

Team Overview

Treasury Organizational Chart



Treasury Investment Compliance Staff

- **Hunter Romberg, CPA, CIPM**
Senior Investment Compliance Officer
- **Mariell Mendoza, CPA**
Investment Compliance and Performance Officer

Lifecycle Overview



Temporary Resource Reallocation

- Addressing Back Office staff shortages, catching up outstanding tasks, and assuming responsibility for critical daily and monthly operations
- Streamlining processes and optimizing workbooks for efficiency
- Supporting internal inquiries and assisting with training
- Enhancing process documentation to mitigate bottlenecks and improve continuity and handovers
- Managing outsourced service onboarding to de-risk operations

Ongoing & Upcoming Initiatives



- Collaborating with Portfolio staff to identify operational improvements
- Updating risk assessment framework and treatment plan
- Automating monthly compliance report production
- Continuing consolidation, standardization, and automation of the compliance program

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Compliance Program Results

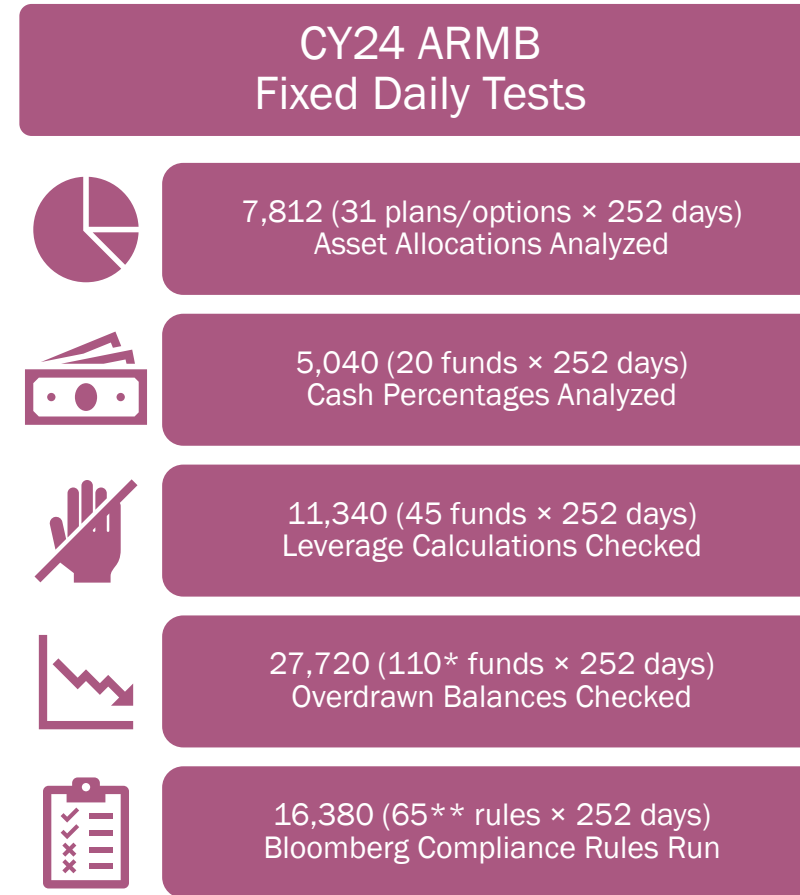
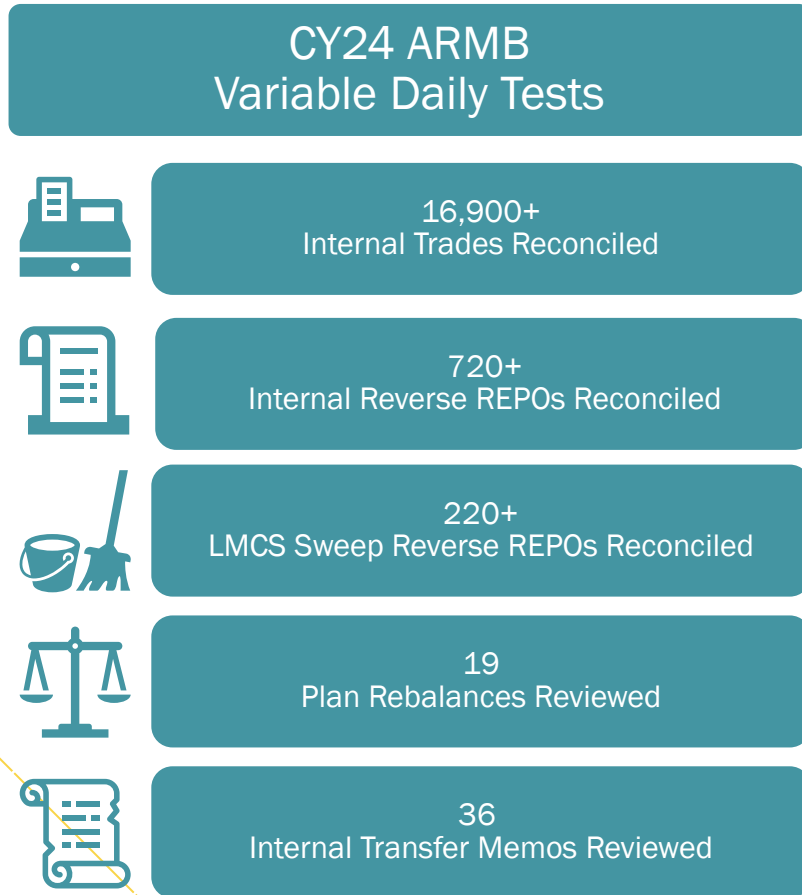
Investment Compliance Scope

- Monitor Assets
- Run Compliance Tests on Various Intervals
 - Daily, Monthly, Quarterly, Annual, and Ad Hoc
 - Real-time daily tests (e.g., Pre-trade Bloomberg Compliance Rules)
 - Most daily tests available the following morning
- Investigate Alerts
- Monitor Corrective Actions

AUM as of December 2024		
ARMB \$43.7B		Commissioner \$8.9B
ARMB		Count
Defined Benefit	Plans Ex: Teachers Retirement Trust (TRS) Fund	14
	Pools Ex: International Equity Large Cap Pool	19*
	Funds Ex: ARMB US Aggregate Fixed Income	110*
Defined Contribution	Plans Ex: Supplemental Annuity Plan	4
	Options Ex: Alaska Target 2045 Trust	27

*Count only includes items with non-zero NAVs as of year-end

Daily Compliance Test Summary



*Count only includes items with non-zero NAVs as of year-end

**Count includes rules for both ARMB and Commissioner assets

Overdraft Monitoring

CY24 ARMB USD Overdraft Charges

	Count	Amount
Gross Charges	12	\$9,600
State Street Bank Reversals	2	(\$2,600)
Manager Reimbursements	1	(\$900)
Net Charges	9	\$6,100

CY24 ARMB Foreign Currency Overdraft Charges

	Count	USD Approx
Gross Charges	23	\$3,100
State Street Bank Reversals	2	(\$100)
Manager Reimbursements	3	(\$900)
Net Charges	18	\$2,100

Other Compliance Monitoring Areas

Annual Proxy Voting Review

- Review ARMB guidelines for updates
- Collect from managers:
 - Current voting policy
 - Voting records (upload to Treasury database)
 - Certification of compliance with ARMB and firm's policies

Periodic Regulatory Filings

- SEC 13F (Quarterly filing for institutional managers with \$100M+ AUM)
 - Discloses equity holdings
- SEC 13H (Annual filing for large traders)
 - Discloses background information

Other Compliance Monitoring Areas

- Monitor 50+ Treasury Division statutory, regulatory, contractual, and other compliance requirements

Requirement Name	Due To	Responsible Party	Authoritative Reference
Annual Retirement Systems Financial Status	Legislature	ARMB & Commissioner	AS 37.10.220(a)(13)
Quarterly ARMB Investment Performance Reports	LB&A Committee	ARMB & Commissioner	AS 37.10.220(a)(14)
Annual Actuarial Valuation of Retirement Systems	ARMB	ARMB	AS 37.10.220(a)(8)
Quarterly Security Training	OIT	Treasury Director	Department of Revenue Policies
Establish Earnings Rate	ARMB	ARMB	AS 37.10.220(a)(6)

Compliance Findings

1. Leverage Violation

- **Criteria:** ARMB Resolution 2017-18 – Investment Guidelines for Domestic and International Equities
- **Manager:** Northern Trust
- **Dates:** 5/10/2024 through 5/17/2024
- **Effect:** Fund leveraged
- **Cause:** Manager received an inaccurate cash forecast
- **Resolution:** Manager immediately identified and resolved the issue

Compliance Findings

2. Proxy Voting Violation

- **Criteria:** ARMB Resolution 2017-18 – Investment Guidelines for Domestic and International Equities
- **Manager:** Legal & General Investment Management America (LGIMA)
- **Dates:** October 2023 (Fund Inception) through July 2024 (Compliance Annual Proxy Voting Review)
- **Effect:** No proxy votes cast
- **Cause:** Manager improperly configured the MSCI World Ex-USA IMI fund (AY3-"O" vs. AY3-zero), which prevented proxy ballots from being routed from the custodian to Institutional Shareholder Services (ISS)
- **Resolution:** Manager corrected this error upon discovery and instituted additional controls, and Treasury staff implemented procedures to ensure new managers vote proxies after funding

Compliance Findings

3. ARMB Earnings Rate Violation

- **Criteria:** AS 37.10.220(a)(6)
- **Condition:** Last earnings rate was set on **June 15, 2006**, under ARMB Resolution 2006-20, establishing an interest rate of 4.5% for PERS and TRS individual member accounts
- **Cause:** Human error
- **Resolution:** Recommend the ARMB review the earnings rate under this statute every four years along with other earnings rates set by the ARMB

AS 37.10.220(a)(6)

establish the rate of interest that shall be annually credited to each member's individual contribution account in accordance with AS 14.25.145 and AS 39.35.100 and the rate of interest that shall be annually credited to each member's account in the health reimbursement arrangement plan under AS 39.30.300 – 39.30.495; the rate of interest shall be adopted on the basis of the probable effective rate of interest on a long-term basis, and the rate may be changed from time to time;

Iran Divestment Analysis



Iran Divestment Policy

Legal and Fiduciary Requirements

Authority	Source	Date	Scope
Congress	Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA)	Jul 2010	Expands the Iran Sanctions Act (ISA) of 1996
ARMB	ARMB Resolution 2012-32	Sep 2012	Applies to ARMB assets

ARMB Resolution 2012-32

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that for the foregoing reasons, the Board directs investment staff of the Department of Revenue to:

1. Develop and maintain a list of publicly-traded companies doing material business in or with Iran through the Department's direct research and by using publicly available information; and
2. With respect to direct investments, disallow investment in publicly-traded companies on the list created under paragraph 1 above and to call for the orderly divestiture of holdings on behalf of the Board in such companies; and
3. With respect to collective or pooled investments where the selection of investments is managed by third party managers, encourage and direct where possible divestiture of holdings in publicly-traded companies on the list created under paragraph 1 above pursuant to an orderly and prudent divestiture process; and
4. Provide data to the Board for a re-evaluation of this policy by the Board at least annually.

Iran Divestment Process

Implementation

- **Develop the List**
 - Use the Florida State Board of Administration's (SBA) *Iran Scrutinized Companies* list
 - Publish to ARMB website and distribute to managers
- **Disallow Investments in the List**
 - Distinguish between separate accounts and pooled accounts
- **Audit and Monitor**
 - Track holdings via monthly compliance reports
- **Reevaluate Policy Annually**

Challenges

- **Unclear Definition of “Material Business”**
 - Ambiguity can result in misinterpretation and lead to subjective judgement
- **Administrative Burden**
 - Limited resources for in-house list development
 - Reliance on external sources
- **Limitations of Florida's List**
 - Changes in Florida's statutes (e.g., Nov 2023 expansion) impact list scope
 - Opaque research process without clear methodology or company identifiers

State Street Corporation

Global AML and Sanctions Program

- **Regulation**

- State Street is regulated by the US Federal Reserve, with subsidiaries overseen by additional regulatory agencies

- **Sanction Program Overview**

- Designed to ensure compliance with economic and trade sanctions enforced by governments and supranational bodies
- Routinely assessed, updated, and strengthened to align with evolving regulations and maintain adherence to applicable standards and legal requirements

- **Subset of Key Policies and Procedures**

- Screen transactions and customers against sanctions and watch-lists, and monitor for suspicious activity
- Assess risks related to money laundering, terrorist financing, and sanctions at program, customer, and product levels
- Identify, notify, and report suspicious activity through established processes and systems

State Street Corporation Global AML and Sanctions Program

Resources

- State Street AML and Sanctions Compliance Website
 - <https://www.statestreet.com/disclosures-and-disclaimers/aml-compliance>
- Appendix C: State Street Corporation Global AML & Sanctions Program Letter
- Appendix D: State Street Corporation AML & Sanctions Due Diligence Information

State Street Questionnaire (Appendix D)

#	Question
3a	<p>State Street attests that it will not permit any business it conducts to go through, involve, or interact with your institution (unless State Street has a license or other legal permission to do so (see below)), if such business involves either:</p> <ul style="list-style-type: none">• Parties in a Sanctioned Jurisdiction (which includes¹ certain regions of Ukraine², the Democratic People's Republic of Korea (a/k/a North Korea), the Islamic Republic of Iran, the Republic of Cuba, and the Syrian Arab Republic); or• Parties who are designated as sanctioned parties by the United States, European Union, United Nations, or the United Kingdom <p>State Street attests that it will not use a license to conduct otherwise prohibited business, unless:</p> <ul style="list-style-type: none">• State Street has provided the license to your institution; and• State Street has received approval from your institution prior to involving your institution in such business. <p>State Street attests that it will promptly notify your institution if it becomes aware that it has breached this attestation.</p>
3b	<p>State Street does not currently have nor currently expects to have any direct business dealings (such as conducting or facilitating transactions, investing in, opening, closing, or utilizing an account, or providing custodial, advisory, asset management, or other similar services, or have investors in) involving any of the following jurisdictions:</p> <ol style="list-style-type: none">1. Certain regions of Ukraine2. Democratic People's Republic of Korea (a/k/a North Korea)3. Islamic Republic of Iran4. Republic of Cuba5. Syrian Arab Republic

Appendix A:

Commission Recapture Program



Calendar Year	Commissions Directed	Commissions Rebated
2008	\$975,886	\$615,781
2009	\$801,346	\$488,161
2010	\$842,907	\$446,753
2011	\$945,961	\$483,130
2012	\$624,810	\$330,049
2013	\$757,843	\$396,117
2014	\$649,726	\$330,670
2015	\$690,933	\$345,958
2016	\$736,342	\$387,389
2017	\$405,772	\$225,298
2018	\$130,535	\$53,592
2019	\$68,010	\$24,875
2020	\$38,053	\$14,536
2021	\$45,933	\$16,400
2022	\$43,468	\$15,648
2023	\$54,396	\$19,500
2024	\$21,100	\$7,977

Appendix B: ARMB Resolution 2012-32

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Investments in Companies Doing Significant Business in Iran

Resolution 2012-32

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, the Board's mandate for exercising its investment duties under AS 37.10.210(a) and AS 37.10.071 is to act in the sole financial best interest of the State's retirement funds; and

WHEREAS, in undertaking investments in the sole financial best interest of the funds, it is appropriate to evaluate all the risks associated with the investment, including political and economic factors which may cause financial failure; and

WHEREAS, other prudent investors including public institutional investors in over twenty states have recognized risks attendant to investing in the Islamic Republic of Iran ("Iran") and have passed legislation or enacted policies restricting investment in Iran; and


WHEREAS, the risks associated with investing in companies doing material business in or with Iran have steadily increased over the past several years due to the high level of economic sanctions and the risks of war, asset appropriation, and investment destabilization;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that for the foregoing reasons, the Board directs investment staff of the Department of Revenue to:

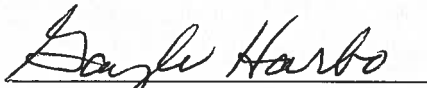
1. Develop and maintain a list of publicly-traded companies doing material business in or with Iran through the Department's direct research and by using publicly available information; and
2. With respect to direct investments, disallow investment in publicly-traded companies on the list created under paragraph 1 above and to call for the orderly divestiture of holdings on behalf of the Board in such companies; and
3. With respect to collective or pooled investments where the selection of investments is managed by third party managers, encourage and direct where possible divestiture of holdings in publicly-traded companies on the list created under paragraph 1 above pursuant to an orderly and prudent divestiture process; and

4. Provide data to the Board for a re-evaluation of this policy by the Board at least annually.

DATED at Fairbanks, Alaska, this 20th day of September, 2012.


Chair

ATTEST


Secretary

Appendix C: State Street Corporation Global AML & Sanctions Program Letter



December 2024

State Street Corporation Global AML and Sanctions Program Letter

To Whom It May Concern:

State Street Corporation is a bank holding company headquartered in Boston, Massachusetts, United States of America and is regulated by the United States Federal Reserve Bank of Boston. Its subsidiaries in the United States are also regulated by several other regulatory agencies including, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Office of the Comptroller of the Currency, the Massachusetts Division of Banks, and the Financial Industry Regulatory Authority. State Street Corporation's subsidiaries outside the United States are subject to regulatory oversight in the jurisdictions in which they are located. State Street Corporation is publicly owned and listed on the New York Stock Exchange (Symbol: STT).

State Street Corporation and its subsidiaries (collectively "State Street") are committed to combating money laundering, terrorist financing, and other financial crimes (collectively "money laundering") and complying fully with all applicable laws and regulations designed to combat money laundering in the jurisdictions in which it does business. State Street is also committed to complying with economic and trade sanctions administered and enforced by governments and supranational bodies, including, among others, the sanctions programs and designated sanctions lists administered by the United States Department of the Treasury's Office of Foreign Assets Control, the United Nations Security Council, and the European Union.

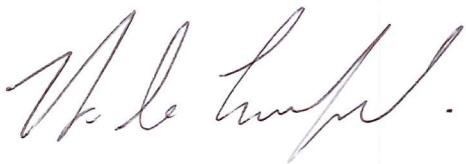
State Street has appointed a Global Head of Financial Crimes and Anti-Money Laundering/Countering the Financing of Terrorism Officer who leads a team of employees with experience in this area who oversee State Street's risk-based Global Anti-Money Laundering ("AML") and Sanctions compliance program (the "Global AML and Sanctions Program"). State Street's risk-based Global AML and Sanctions Program is comprised of written anti-money laundering and sanctions policies, standards, procedures, internal controls and systems, which include but are not limited to the following:

- A customer identification program and procedures;
- Procedures to collect and update, as appropriate, customer due diligence information;
- Screening of customers and transactions against sanctions and other watch-lists;
- Processes to assess money laundering, terrorist financing and sanctions risks at both the program, customer and product level;
- Processes and systems to monitor customer transactions and activity;
- Processes and systems to identify and report suspicious activity;
- Training of employees on AML and sanctions requirements;
- Processes to retain required records; and
- Regular independent testing.
- Prohibition on conducting business with Shell Banks.

The Global AML and Sanctions Program is routinely evaluated, updated and enhanced in order to reflect changes to State Street's business activities, as well as ensuring compliance with applicable supervisory standards and legal requirements. The Program is approved by the Board of Directors on an annual basis. Compliance with our Global AML and Sanctions Program allows State Street to maintain good standing in the jurisdictions in which we conduct business. State Street cooperates fully with law enforcement and regulatory investigations and inquiries.

For further details on State Street's Global AML and Sanctions Program, visit our web page at [AML Compliance | State Street](#).

Sincerely,



H. A. Crawford

SVP, Global Head of Financial Crimes and Anti-Money Laundering/Countering the Financing of Terrorism
Officer
State Street Corporation

Appendix D: State Street Corporation AML & Sanctions Due Diligence Information

Anti-Money Laundering (“AML”) and Sanctions Due Diligence Information for State Street

Introduction

This completed questionnaire is designed to provide information about State Street’s Global AML and Sanctions policies and procedures as well as its products, services, and customer base. The purpose of providing the information in this format is to substitute the completion of a separate questionnaire for each financial institution for which State Street is a customer.

State Street’s Global AML and Sanctions Compliance Program is routinely evaluated, updated and enhanced in order to reflect changes to State Street’s business activities, as well as ensuring compliance with applicable supervisory standards and legal requirements. The Global AML and Sanctions Compliance Program is approved by State Street’s Board of Directors on an annual basis. State Street cooperates fully with law enforcement and regulatory investigations and inquiries.

State Street’s Global AML and Sanctions Compliance Program is designed to mitigate money laundering and sanctions risks in accordance with our risk profile, risk tolerance, and risk appetite. Therefore, our policies and procedures are not shared externally. There may be other types of information that State Street will not be able to provide due to regulatory or other restrictions. The content that is contained within this questionnaire should provide your institution with sufficient information related to our Global AML and Sanctions Compliance Program and associated policies and procedures.

Section 1: Entity and Ownership

1.1 This Questionnaire covers the following Legal Entities, collectively referred to throughout this document as “State Street”:

- **State Street Corporation, on behalf of itself, its subsidiaries, and its affiliates**
- **State Street Bank and Trust Company and its branches (domestic and foreign)**

State Street has a Global AML and Sanctions Compliance Program that is applicable to all State Street legal entities wherever it conducts business, and it includes specific jurisdictional regulatory requirements, where applicable.

1.2 Jurisdiction where the institution was formed/incorporated: **United States**

1.3 Physical business address of institution: **1 Congress Street, Boston, MA 02114**

1.4 State Street’s Global AML and Sanctions Compliance Program is subject to supervisory examination by the Federal Reserve System and other authorities.

1.5 Bank Identifier Code:

- **State Street Bank and Trust Company: SBOSUS33**

1.6 Legal Entity Identifiers (LEIs):

- **State Street Corporation: 549300ZFEEJ2IP5VME73**
- **State Street Bank and Trust Company: 571474TGEMMWANRLN572**

1.7 Executive Leadership:

A list is currently available through the State Street public website:

<https://www.statestreet.com/us/en/individual/about/our-people/leaderships>

1.8 State Street's customers are primarily the following:

- regulated financial institutions
- registered mutual funds
- collective investment funds and other pooled investment vehicles
- corporate and public retirement plans
- insurance companies
- foundations
- endowments
- investment managers

1.9 State Street conducts business in various global jurisdictions, and has locations in the following countries and territories: Australia, Austria, Belgium, Brazil, Brunei Darussalam, Canada, Cayman Islands, Chile, Colombia, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Jersey, Luxembourg, Malaysia, Mexico, Netherlands, People's Republic of China, Poland, Saudi Arabia, Singapore, South Korea, Switzerland, Taiwan, Thailand, United Arab Emirates, United Kingdom and the United States.

Section 2: Products or Services Not Offered to Customers

#	Products or Services Not Offered to Customers
2a	State Street does not provide payable through accounts as a service to its customers.
2b	State Street does not provide nested accounts as a service to its customers.
2c	State Street does not offer anonymous accounts to its customers.
2d	State Street does not offer banknotes services to its customers.

Section 3: Sanctions

#	Question
3a	<p>State Street attests that it will not permit any business it conducts to go through, involve, or interact with your institution (unless State Street has a license or other legal permission to do so (see below)), if such business involves either:</p> <ul style="list-style-type: none"> • Parties in a Sanctioned Jurisdiction (which includes¹ certain regions of Ukraine², the Democratic People's Republic of Korea (a/k/a North Korea), the Islamic Republic of Iran, the Republic of Cuba, and the Syrian Arab Republic); or

¹ The Sanctioned Jurisdictions listed could change over time.

² As of November 2022, this includes Donetsk People's Republic, Luhansk People's Republic (a/k/a the Donbas region), Kherson, Zaporizhzhya, and Crimea regions of Ukraine. These regions may change over time and are intended to include any disputed territory between Russia and Ukraine.

#	Question
	<ul style="list-style-type: none"> Parties who are designated as sanctioned parties by the United States, European Union, United Nations, or the United Kingdom <p>State Street attests that it will not use a license to conduct otherwise prohibited business, unless:</p> <ul style="list-style-type: none"> State Street has provided the license to your institution; and State Street has received approval from your institution prior to involving your institution in such business. <p>State Street attests that it will promptly notify your institution if it becomes aware that it has breached this attestation.</p>
3b	<p>State Street does not currently have nor currently expects to have any direct business dealings (such as conducting or facilitating transactions, investing in, opening, closing, or utilizing an account, or providing custodial, advisory, asset management, or other similar services, or have investors in) involving any of the following jurisdictions:</p> <ol style="list-style-type: none"> Certain regions of Ukraine Democratic People's Republic of Korea (a/k/a North Korea) Islamic Republic of Iran Republic of Cuba Syrian Arab Republic
3c	<p>Will or does State Street maintain omnibus accounts at institutions or will/is an omnibus account utilized to facilitate State Street's use of product(s) at institutions?</p> <p>An omnibus account is an account held at an institution for State Street to process transactions where the account is used, in whole or in part, to hold assets on behalf of State Street's customers.</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
3d	<p><u>Sanctions Attestation for Omnibus Accounts</u></p> <p>State Street attests it will not use omnibus accounts to knowingly transact or facilitate transactions, with, for, or on behalf of any individual or entity who:</p> <ol style="list-style-type: none"> Is based in a sanctioned jurisdiction (listed in question 3.2); Is designated as a sanctioned party by the United States, European Union, United Nations, or the United Kingdom; or Primarily does business in a sanctioned jurisdiction, as listed in 3b, or with a sanctioned party. <p>Check ALL boxes to complete the Attestation.</p> <p>a) <input checked="" type="checkbox"/> b) <input checked="" type="checkbox"/> c) <input checked="" type="checkbox"/></p>

Section 4: State Street's AML and Sanctions Compliance Program

#	AML and Sanctions Compliance Program	Yes/No
4a	Does State Street have an AML and Sanctions compliance program?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4b	Does the jurisdiction where State Street was formed/incorporated adhere to the current Financial Action Task Force ("FATF") recommendations.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

4c	Does State Street's AML and Sanctions compliance program require approval of its Board of Directors or a senior committee thereof?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4d	Does State Street have a designated compliance officer with sufficient experience/expertise that is responsible for co-coordinating and overseeing the AML and Sanctions compliance program on a day-to-day basis, which has been approved by senior management?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4e	Has State Street developed written policies documenting the processes that are in place to prevent and detect suspicious transactions and to report suspicious transactions that have been approved for reporting by senior management?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4f	In addition to inspections by the government supervisors/regulators, does State Street have an internal audit function or other independent third party that assesses AML and Sanctions policies and practices on a regular basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4g	Does State Street have a policy prohibiting relationships with shell banks? (A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence, and which is unaffiliated with a regulated financial group.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4h	Does State Street have policies that assess the risks of relationships with politically exposed persons ("PEPs"), including their family members and close associates?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4i	Does State Street have appropriate record retention procedures pursuant to applicable laws?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4j	Does State Street provide transparency practices relating to operations for wire transfers (for instance, does State Street utilize MT 202 COV when utilizing the SWIFT messaging infrastructure for cover payments) and/or adhere to the Wolfsberg Group Payment Transparency Standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4k	Is State Street's AML and Sanctions Program applicable to its foreign branches and majority-owned subsidiaries?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
#	Risk Assessment	
4l	Does State Street's AML and Sanctions enterprise-wide risk assessment cover the inherent risk components below?	
4l1	Customer base	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4l2	Products and services	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4l3	Delivery channels	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4l4	Geography	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
#	Know Your Customer, Customer Due Diligence and Enhanced Due Diligence	

4m	Has State Street implemented processes for the identification and verification of its customers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4n	<p>Which of the following does State Street collect and retain when performing customer due diligence? Select all that apply.</p> <input checked="" type="checkbox"/> Ownership structure <input checked="" type="checkbox"/> Customer identification <input checked="" type="checkbox"/> Expected activity <input checked="" type="checkbox"/> Nature of business/employment <input checked="" type="checkbox"/> Product usage <input checked="" type="checkbox"/> Purpose and nature of relationship <input checked="" type="checkbox"/> Source of funds <input checked="" type="checkbox"/> Source of wealth	
4o	Does State Street collect information and assess its financial institution customers' AML and Sanctions policies or practices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4p	Does State Street have procedures to establish a record for each customer noting their respective identification documents and due diligence information collected at on-boarding?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4q	Does State Street determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that State Street has reason to believe pose a heightened risk of illicit activities at or through your institution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
#	Reportable Transactions and Prevention and Detection of Transactions with Illegally Obtained Funds	
4r	Does State Street have policies, procedures, and processes to review and escalate matters arising from the identification and reporting of transactions that are required to be reported to the authorities?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4s	Does State Street have regulatory requirements to report currency transactions?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4s1	<p>Does State Street have policies, procedures, and processes to comply with currency reporting requirements?</p> <p>State Street prohibits the acceptance of physical currency. Accordingly, there should be no currency transactions by, through or to State Street that would necessitate the filing of a currency transaction report. If State Street were to receive unsolicited physical currency in error from its customer, State Street may be required to follow technical regulatory requirements related to Currency Transaction Reporting.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4t	Does State Street screen customers and transactions against persons, entities or countries that are contained on lists issued by government/international bodies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4u	Does State Street have policies to reasonably ensure that it only operates with financial institutions that possess licenses to operate in their countries of origin?	<input checked="" type="checkbox"/> Yes

		<input type="checkbox"/> No
#	Transaction Monitoring	
4v	Does State Street have a transaction monitoring program for suspicious or unusual activity that covers funds transfers and monetary instruments (such as traveler's checks, money orders, etc.)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
#	AML and Sanctions Training	
4w	<p>Does State Street provide AML and Sanctions training to relevant employees, which includes the following:</p> <ul style="list-style-type: none"> • Identification and reporting of transactions that must be reported to government authorities; • Examples of different forms of money laundering involving State Street's products and services; and • Internal policies to prevent money laundering? 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4x	Does State Street retain records of its training sessions including attendance records and relevant training materials used?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4y	Does State Street have policies to communicate new AML and Sanctions related laws or changes to existing AML and Sanctions related policies or practices to relevant employees?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4z	If State Street employs agents to carry out some of its functions, does State Street provide AML and Sanctions training to relevant agents that include identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering involving State Street's products and services, and internal policies to prevent money laundering?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

CERTIFICATION

On behalf of my institution, I/we hereby certify:

- ☒ To the best of my knowledge, the information provided in this questionnaire is complete, correct, and up to date.
- ☒ State Street is subject to AML/CTF regulations and our institution's customer due diligence procedures adhere to local regulatory requirements.
- ☒ State Street retains copies of the underlying customer identification and verification documents which will be maintained as required by the applicable laws and regulations. Upon request, State Street will make available the customer identification and verification documents.

Printed Name: **H. A. Crawford**

Title: **SVP, Global Head of Financial Crimes and Anti-Money Laundering/Countering the Financing of Terrorism Officer**

Signature: 

Date: 

ALASKA RETIREMENT MANAGEMENT BOARD

Audit Committee

SUBJECT: Repeal of Resolution 2012-32

ACTION: X

DATE: March 12, 2025

INFORMATION: _____

BACKGROUND

The Alaska Retirement Management Board (the "Board") is responsible for managing the State's retirement assets in the sole financial best interest of beneficiaries, as mandated by AS 37.10.210(a) and AS 37.10.071. Resolution 2012-32 was originally enacted to mitigate perceived investment risks associated with Iran, requiring the Board to identify and divest from companies engaged in material business with Iran.

STATUS

Investment in Iranian companies is prohibited in any case. The United States enforces comprehensive federal sanctions against Iran, primarily through the Office of Foreign Assets Control (OFAC) under the U.S. Department of the Treasury. These sanctions prohibit U.S. persons and entities, including pension funds like the ARMB, from engaging in most transactions with Iran, effectively barring direct investments in Iranian businesses or government entities. The sanctions impose broad restrictions on trade, investment, and financial dealings with designated Iranian sectors and individuals.

Additionally, the ARMB's benchmark index provider, MSCI, does not include countries with significant sanctions. From MSCI: "Examples of such countries as of February 2018 are Iran, Cuba, Democratic Republic of Congo, Libya, North Korea, Iraq, Somalia, Sudan and Syria. Companies that are classified to and/or incorporated in such countries are not eligible for inclusion in the MSCI Global Investable Market Indexes."

As a standard practice, ARMB external equity managers and the ARMB's custodial bank conduct sanction screenings against applicable regulatory lists, such as the OFAC list and any additional list of prohibited securities specified by the ARMB.

A primary challenge with the existing ARMB resolution is maintaining a list of companies engaged in material business in or with Iran.' This process is resource-intensive and subjective, leading to inconsistencies and staffing challenges. It either requires continuous monitoring of ever-changing global business activities by staff or necessitates oversight of outsourcing some of the work.

Currently, to comply with the resolution, staff relies on a list published by another U.S. public pension fund as an indicator of companies engaged in material business with Iran. Staff publishes this 'Iran List' on the ARMB website for ARMB managers to use for divestment purposes. Unfortunately, the methodology used to create the list is not publicly disclosed, cannot be independently evaluated, and changes over time based on the specific sponsor's requirements.

As of January 30, 2025, the most recent Iran List as applied to the ARMB's portfolio resulted in:

- 9 securities out of 2,056 securities in the MSCI ACWI ex US Index are on the most recently published Iran list – 0.25% of the weight in the index.
- 3 stocks held by ARMB managers are on the most recent but not yet published Iran List.
- 5 ARMB managers collectively hold \$4.1 million in total equity of the 3 companies, which would need to be sold when the list is published.
- The current weight in the ARMB portfolio held is 0.08%.

These holdings represent a small portion of the ARMB's international equity portfolio, but divestment continues to require ongoing monitoring and transaction costs to manage. Additionally, the ARMB has historically prioritized investments based on expected risk-adjusted returns rather than divestment driven by a limited set of risks.

In summary, staff recommends that the ARMB repeal Resolution 2012-32, since federal sanctions render it unnecessary, it is an excessive administrative burden, and the ARMB has traditionally refrained from divestment to focus on risk-adjusted returns in fulfilling its fiduciary duties.

RECOMMENDATION

The Audit Committee recommends that the Alaska Retirement Management Board repeal Resolution 2012-32.

Attachment: ARMB Resolution 2012-32

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Investments in Companies Doing Significant Business in Iran

Resolution 2012-32

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, the Board's mandate for exercising its investment duties under AS 37.10.210(a) and AS 37.10.071 is to act in the sole financial best interest of the State's retirement funds; and

WHEREAS, in undertaking investments in the sole financial best interest of the funds, it is appropriate to evaluate all the risks associated with the investment, including political and economic factors which may cause financial failure; and

WHEREAS, other prudent investors including public institutional investors in over twenty states have recognized risks attendant to investing in the Islamic Republic of Iran ("Iran") and have passed legislation or enacted policies restricting investment in Iran; and


WHEREAS, the risks associated with investing in companies doing material business in or with Iran have steadily increased over the past several years due to the high level of economic sanctions and the risks of war, asset appropriation, and investment destabilization;

NOW THEREFORE, BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD, that for the foregoing reasons, the Board directs investment staff of the Department of Revenue to:

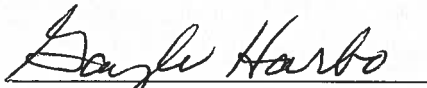
1. Develop and maintain a list of publicly-traded companies doing material business in or with Iran through the Department's direct research and by using publicly available information; and
2. With respect to direct investments, disallow investment in publicly-traded companies on the list created under paragraph 1 above and to call for the orderly divestiture of holdings on behalf of the Board in such companies; and
3. With respect to collective or pooled investments where the selection of investments is managed by third party managers, encourage and direct where possible divestiture of holdings in publicly-traded companies on the list created under paragraph 1 above pursuant to an orderly and prudent divestiture process; and

4. Provide data to the Board for a re-evaluation of this policy by the Board at least annually.

DATED at Fairbanks, Alaska, this 20th day of September, 2012.


Chair

ATTEST


Secretary

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Repeal of Resolution 2012-32

Resolution 2025-06

WHEREAS, the Alaska Retirement Management Board (the "Board") is responsible for managing the State's retirement assets in the sole financial best interest of its beneficiaries; and

WHEREAS, the United States enforces comprehensive federal sanctions against Iran, primarily through the Office of Foreign Assets Control (OFAC) under the U.S. Department of the Treasury, which prohibit U.S. persons and entities, including pension funds, from engaging in most transactions with Iran, effectively barring direct investments in Iranian businesses or government entities; and

WHEREAS, federal sanctions encompass a wide range of restrictions, including prohibitions on trade, investment, and financial dealings with designated Iranian sectors and individuals, rendering additional Board-level oversight redundant; and

WHEREAS, the Board does not have a material investment presence in Iran and does not intend to pursue investments that conflict with U.S. federal law; and

WHEREAS, Resolution 2012-32 imposes an administrative requirement to track and divest from companies engaged in "material business" with Iran, despite existing federal measures that already enforce these prohibitions; and

WHEREAS, Resolution 2012-32 lacks clear definitions of "material" and "significant" business, leading to subjective interpretations and inconsistent enforcement; and

WHEREAS, the Board's investment strategy relies on broad, investment strategies where individual stock selection and exclusions are impractical and do not align with fiduciary responsibilities; and

WHEREAS, repealing Resolution 2012-32 allows the Board to focus on its core investment responsibilities while maintaining compliance with all applicable federal regulations;

NOW, THEREFORE, BE IT RESOLVED, that the Alaska Retirement Management Board formally repeals Resolution 2012-32, effective immediately, to eliminate redundant administrative burdens and align investment governance with fiduciary best practices.

This resolution repeals and replaces Resolution 2012-32.

DATED at Juneau, Alaska this ____ day of March, 2025.

Chair

ATTEST:

Secretary

Audit Committee

2025 SCHEDULE OF MEETINGS

March 11, 2025 (Juneau/Videoconference)

1. Meet with DRB and Treasury staff.
2. Report from DRB on Employer Audit Program. Review list of completed audits, audit schedule, rotation, and significant findings/results. Identify any recurring findings.
3. Report on Delinquent/ Late Filing Employers
4. Report from Treasury Compliance Officer

June 16, 2025 (Anchorage/Videoconference)

1. Review Auditor's audit plan of assets (Treasury) and pension systems and liabilities (Division of Retirement and Benefits). [Charter B 2](#)
2. Review with Staff (DOR and DRB) and Independent Auditors scope of audit, sensitive and risk areas, and compliance. [Charter B 2](#)
3. Report on Delinquent/ Late Filing Employers
4. Audit Committee opportunity to ask auditors to focus on areas of interest/review
5. Review Legal Issues and Regulations with Legal Counsel. [Charter A 5](#)
6. Review Organizational Charts, and Financial and accounting personnel succession. [Charter A 6](#)
7. Review Audit Committee Charter. [Charter A 1](#)
8. Committee Performance Self-Assessment. [Charter A 7](#)

September 16, 2025 (Fairbanks/ Videoconference)

1. Meet with Independent Auditors to receive and review draft audit of pension system invested assets. [Charter A 2-3, B 3-4-5](#)
2. Committee only meeting with auditors without management [Charter B 6](#)
3. Report on Delinquent/ Late Filing Employers

October TBD, 2025 (Videoconference)

1. DRB Financial Statements

December 2, 2025 (Anchorage/ Videoconference)

2. Meet with Independent Auditors to review final audit of pension systems [Charter A 2-3, B 3- 4-5](#)
3. Committee only meeting with Independent Auditors [Charter B 6](#)
4. Report on Delinquent/ Late Filing Employers
5. Committee Performance Self-Assessment. [Charter A 7](#)

Periodic and As-Needed Meeting Topics

1. Annual review with DRB on Independent Auditor procurement and contract (including review of independence and performance of auditors). [Charter B 1](#)
2. Updates by DRB on actuary procurement and second review/audits.
3. Custodian report and procedures review – augmented by staff reports. Biannual or as needed.
4. Regular reports by DRB on Employer Audit Program. Review list of completed audits, audit schedule, rotation, and significant findings/results. Identifying any recurring findings.
5. Regular reports on compliance:

6. "Back Office" compliance review programs.
7. Investment staff programs and procedures on real estate and alternative investment valuation monitoring and checks.
8. Annual Presentation
9. Audit Committee training on special topics

Audit Committee

2026 SCHEDULE OF MEETINGS

March TBD, 2026 (Juneau / Videoconference)

1. Meet with DRB and Treasury staff.
2. Report from DRB on Employer Audit Program. Review list of completed audits, audit schedule, rotation, and significant findings/results. Identify any recurring findings.
3. Report on Delinquent/ Late Filing Employers
4. Report from Treasury Compliance Officer

June TBD, 2026 (Anchorage / Videoconference)

1. Review Auditor's audit plan of assets (Treasury) and pension systems and liabilities (Division of Retirement and Benefits). [Charter B 2](#)
2. Review with Staff (DOR and DRB) and Independent Auditors scope of audit, sensitive and risk areas, and compliance. [Charter B 2](#)
3. Report on Delinquent/ Late Filing Employers
4. Audit Committee opportunity to ask auditors to focus on areas of interest/review
5. Review Legal Issues and Regulations with Legal Counsel. [Charter A 5](#)
6. Review Organizational Charts, and Financial and accounting personnel succession. [Charter A 6](#)
7. Review Audit Committee Charter. [Charter A 1](#)
8. Committee Performance Self-Assessment. [Charter A 7](#)

September TBD, 2026 (TBD / Videoconference)

1. Meet with Independent Auditors to receive and review draft audit of pension system invested assets. [Charter A 2-3, B 3-4-5](#)
2. Committee only meeting with auditors without management [Charter B 6](#)
3. Report on Delinquent/ Late Filing Employers

October TBD, 2026 (Videoconference)

1. DRB Financial Statements

December TBD, 2026 (TBD / Videoconference)

2. Meet with Independent Auditors to review final audit of pension systems [Charter A 2-3, B 3-4-5](#)
3. Committee only meeting with Independent Auditors [Charter B 6](#)
4. June 30, 2026 PERS / TRS GASB 68 and 75 Audited Schedules
5. Report on Delinquent/ Late Filing Employers
6. Committee Performance Self-Assessment. [Charter A 7](#)

Periodic and As-Needed Meeting Topics

1. Annual review with DRB on Independent Auditor procurement and contract (including review of independence and performance of auditors). [Charter B 1](#)
2. Updates by DRB on actuary procurement and second review/audits.
3. Custodian report and procedures review – augmented by staff reports. Biannual or as needed.
4. Regular reports by DRB on Employer Audit Program. Review list of completed audits, audit schedule, rotation, and significant findings/results. Identifying any recurring findings.
5. Regular reports on compliance:
 - “Back Office” compliance review programs.
 - Investment staff programs and procedures on real estate and alternative investment valuation monitoring and checks.
 - Annual Presentation
6. Audit Committee training on special topics

Charter of the Audit Committee of the Board of Trustees of the Alaska Retirement Management Board

I. Audit Committee Purpose.

The Audit Committee provides independent oversight of the integrity of the Alaska Retirement Management Board's financial statements and reporting, systems of internal controls, and compliance with legal and regulatory requirements. It also serves as a conduit of communication among the independent auditors, asset, liability and investment management, the chief financial officers, and the Board of Trustees.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors, as well as ARMB management and staff, legal counsel, and asset managers. The Committee may retain, at the expense of the ARMB and consistent with applicable procurement requirements, special legal, accounting, or other consultants or experts it considers necessary in the performance of its duties.

II. Audit Committee Responsibilities and Duties.

A. The Committee shall carry out the following review responsibilities:

1. Review and assess the adequacy of this Charter at least annually and submit recommended changes to it to the Board of Trustees for approval.
2. Review the annual audited financial statements prior to filing or distribution of the final report. This review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices, and judgments.
3. In consultation with management, the independent auditors, and the chief financial officers, consider the integrity of the financial reporting processes and controls; discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures; and review significant findings prepared by the independent auditors and the chief financial officers together with management's responses.
4. Discuss any significant changes to applicable accounting principles and any items required to be communicated by the independent auditors.
5. At least annually, review with the ARMB's counsel any legal matters that could have a significant impact on the Fund's financial statements, the ARMB's compliance with applicable laws and regulations, and any inquiries received from regulators or governmental agencies.

6. Review financial and accounting personnel succession planning within the ARMB.

7. Periodically perform self-assessment of the Committee's performance.

B. The Committee is recognized as a direct avenue for the reporting of any material or significant finding by the Treasury Division Compliance Office. The Chair of the Committee shall be the primary contact with the external auditors between meetings of the Committee if communications between the external auditors and the Committee are deemed necessary or desirable.

C. The Committee shall have the following responsibilities with respect to the ARMB's independent auditors:

1. Review the independence and performance of the auditors and periodically recommend to the Board of Trustees the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.

2. Review the independent auditors' audit plan - discuss scope, staffing, locations, reliance upon management, and general audit approach.

3. Discuss with management and the independent auditors the accounting principles and underlying estimates used in the preparation of the Fund's financial statements.

4. Review the external auditor's management letter to the ARMB and discuss the contents with the auditors and monitor the follow-up on significant observations, findings and recommendations.

5. Discuss with the independent auditors the clarity of the financial disclosure practices used or proposed by the ARMB.

6. Meet with the auditors, in the absence of management, to review findings, recommendations or other pertinent subjects.

D. In addition to the foregoing, the Committee shall:

1. Perform such other activities consistent with this Charter, and governing law as the Committee considers necessary or appropriate or as the Board of Trustees may otherwise request.

2. Maintain minutes of Committee meetings and periodically report to the Board of Trustees on significant results of the Committee's activities.