



ALASKA RETIREMENT MANAGEMENT BOARD

Pooled Investments under the Investment Authority of the
Alaska Retirement Management Board

Financial Statements

June 30, 2025

(With Independent Auditors' Report Thereon)

ALASKA RETIREMENT MANAGEMENT BOARD

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Alaska Retirement Management Board

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KPMG LLP
Suite 200
3800 Centerpoint Drive
Anchorage, AK 99503

Independent Auditors' Report

Alaska Retirement Management Board and
State of Alaska, Department of Revenue, Treasury Division:

Opinion

We have audited the financial statements of the Pooled Investments Under the Investment Authority of the Alaska Retirement Management Board (the Pool) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Pool as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Alaska Management Retirement Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements present only the Pool and do not purport to, and do not, present fairly the financial position of the State of Alaska's Retirement and Benefit Plans or the State of Alaska, as of June 30, 2025, or the changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in



the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements are not affected by this missing information.

KPMG LLP

Anchorage, Alaska
October 16, 2025

ALASKA RETIREMENT MANAGEMENT BOARD
Pooled Investments Under the Investment Authority of the Alaska
Retirement Management Board

Statement of Net Position

June 30, 2025

(in thousands)

Assets:

Investments (at fair value):

Pooled investments:

Fixed income	\$ 8,016,164
Broad domestic equity	8,685,423
Global equity ex-U.S.	5,874,377
Multi-asset	1,983,664
Private equity	5,339,124
Real assets	<u>4,783,305</u>

Total pooled investments	34,682,057
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Participant directed investments:

Participant directed	10,445,803
Synthetic investment contracts (at contract value)	<u>703,008</u>

Total participant directed investments	11,148,811
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Securities lending collateral	<u>29,312</u>
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Total investments	45,860,180
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Receivables

Receivables for investment purposes	637,148
Investment income receivable	<u>1,454</u>

Total receivables	638,602
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Total assets	46,498,782
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Liabilities:

Payables for investment purposes	442,747
Securities lending collateral	<u>29,312</u>

Total liabilities	472,059
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Net position	\$ <u>46,026,723</u>
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See accompanying notes to financial statements

ALASKA RETIREMENT MANAGEMENT BOARD
Pooled Investments Under the Investment Authority of the Alaska
Retirement Management Board

Statement of Changes in Net Position

Year ended June 30, 2025

(in thousands)

Investment income:

Pooled investments:

Fixed income	\$ 475,463
Broad domestic equity	1,111,302
Global equity ex-U.S.	1,034,257
Multi-asset	101,790
Private equity	517,515
Real assets	<u>247,908</u>

Pooled investment income 3,488,235

Participant directed investments:

Participant directed	1,207,367
Synthetic investment contracts (at contract value)	<u>17,391</u>

Participant directed investment income 1,224,758

Securities lending:

Securities lending income	2,382
Less: securities lending expense	<u>(1,492)</u>

Net securities lending income 890

Net investment income 4,713,883

Capital transactions

Total contributions	1,799,074
Total (withdrawals)	<u>(3,383,012)</u>

Net contributions/(withdrawals) (1,583,938)

Change in net position 3,129,945

Net position, beginning of year 42,896,778

Net position, end of year \$ 46,026,723

See accompanying notes to financial statements

**POOLED INVESTMENTS UNDER THE INVESTMENT AUTHORITY OF THE
ALASKA RETIREMENT MANAGEMENT BOARD**

Notes to Financial Statements

June 30, 2025

(1) The Financial Reporting Entity

The Alaska Retirement Management Board (Board) is the investment oversight authority for the State of Alaska's Retirement and Benefits Plans (Plans). These Plans are made up of six systems: the Public Employees' Retirement System (PERS), Teachers Retirement System (TRS), Judicial Retirement System (JRS), National Guard and Naval Militia Retirement Systems (MRS), Supplemental Benefits System (SBS), and Deferred Compensation Plan (DCP). The systems comprise a mix of individual defined benefit and defined contribution retirement plans. The statements of net position and changes in net position (the Statements) are those of the six systems' invested assets and not the systems as a whole. Fiduciary responsibility for the Board's Invested Assets is pursuant to Alaska Statutes 37.10.210-390.

Alaska Statute 37.10.071 provides that investments shall be made with the judgment and care under circumstances then prevailing that an institutional investor of ordinary professional prudence, discretion, and intelligence exercises in managing large investment portfolios.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board. Investment income, including interest and dividends, is recognized in the period in which it is earned. Investment income also includes gains and losses from changes in the fair value of investments as well as fees incurred for investment management services. Investment management expenses for publicly traded investments are accrued daily according to contractual fee schedules; expenses for private market investments are recognized when reported by the fund manager. Contributions and withdrawals are recorded when cash is received or disbursed, respectively.

(b) Investments

Investments, except for Synthetic Investment Contracts (SICs), are reported at fair value. SICs are reported at contract value.

Securities are valued each business day using prices obtained from a pricing service when such prices are available; otherwise, such securities are valued at the most current sale price or based on a valuation provided by investment managers. Fair values of investments that have no readily determinable fair value are generally reported by using the net asset value per share (or its equivalent) of the investment. Pooled participant directed accounts and the collective investment funds are valued based on a unit value determined by the managers or trustees multiplied by the total units held by each Plan. The unit value is determined by the respective managers or trustees based on the fair value of the underlying assets.

Investment purchases and sales are recorded on a trade-date basis.

**POOLED INVESTMENTS UNDER THE INVESTMENT AUTHORITY OF THE
ALASKA RETIREMENT MANAGEMENT BOARD**

Notes to Financial Statements

June 30, 2025

(3) Fair Value Measurements

GAAP establishes a hierarchy of inputs used to value investments emphasizing observable inputs and minimizing unobservable inputs. These inputs are summarized as follows:

Level 1 – Quoted or published prices (unadjusted) for identical assets in an active market.

Level 2 – Inputs, other than quoted or published prices included in level 1, that are observable for an asset, either directly or indirectly.

Level 3 – Unobservable inputs. Unobservable inputs should only be used to the extent that observable inputs are not available for a particular asset.

The Board categorizes fair value measurements within the fair value hierarchy established by GAAP. The Board has the following fair value measurements as of June 30, 2025 (in thousands):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash Equivalents				
Deposits	\$ 28,216	28,216	—	—
Money Market	67,782	—	67,782	—
Repurchase Agreement	76,449	—	76,449	—
Total cash equivalents	<u>172,447</u>	<u>28,216</u>	<u>144,231</u>	<u>—</u>
Debt Securities				
Commingled Debt Funds	2,326,839	2,326,839	—	—
Corporate Bonds	1,540,933	—	1,539,708	1,225
Mortgage Backed	1,674,743	—	1,674,743	—
Other Asset Backed	290,942	—	290,942	—
U.S. Government Agency	469,534	—	469,534	—
U.S. Treasury Bills, Notes, and Bonds	2,052,789	—	2,052,789	—
Yankee Corporate Bonds	313,811	—	313,811	—
Yankee Government Bonds	75,877	—	75,877	—
Total debt securities	<u>8,745,468</u>	<u>2,326,839</u>	<u>6,417,404</u>	<u>1,225</u>
Equity				
Commingled Equity Funds	630,250	630,250	—	—
Common and Preferred Equity	13,422,012	13,421,957	5	50
Depository Receipts	242,934	242,934	—	—
Futures	18	18	—	—
Real Estate Investment Trust	835,081	835,081	—	—
Rights	19	19	—	—
Warrants	92	92	—	—
Total equity	<u>15,130,406</u>	<u>15,130,351</u>	<u>5</u>	<u>50</u>

**POOLED INVESTMENTS UNDER THE INVESTMENT AUTHORITY OF THE
ALASKA RETIREMENT MANAGEMENT BOARD**

Notes to Financial Statements

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	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Participant directed				
Money market	\$ 139,411	—	139,411	—
Balanced funds	2,202,903	—	2,202,903	—
Target date funds	4,589,312	—	4,589,312	—
Commingled debt funds	543,279	—	543,279	—
Commingled equity funds	2,970,898	—	2,970,898	—
Total participant directed	<u>10,445,803</u>	<u>—</u>	<u>10,445,803</u>	<u>—</u>
Total investments by fair value level	<u>34,494,124</u>	<u>17,485,406</u>	<u>17,007,443</u>	<u>1,275</u>
Investments measured at NAV:				
Multi-asset	1,271,590			
Energy	32,233			
Farmland	1,091,283			
Infrastructure	973,415			
Private equity	5,322,492			
Real estate	1,551,137			
Timber	420,898			
Total investments measured at NAV	<u>10,663,048</u>			
Total investments measured at fair value	45,157,172			
Synthetic investment contracts at contract value	<u>703,008</u>			
Total investments	<u>\$ 45,860,180</u>			

Securities classified as level 1 are valued using prices quoted or published in active markets for those securities. Securities classified as level 2 are valued using matrix pricing with various defined pricing sources or based on published prices in inactive markets. Each balanced and target date option classified as level 2 is priced daily by the investment managers based on the prevailing market values of the underlying security portfolios. Securities classified as level 3 are valued using the last traded price or a price determined by the investment manager's valuation committee.

Investments in multi-asset, energy, farmland, infrastructure, private equity, real estate, and timber are measured at net asset value (NAV) per share of the investments (or its equivalent) of the capital account balance nearest to the balance sheet date, adjusted for subsequent contributions and distributions. These

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investments undergo annual independent financial statement audits. Additional information about these investments is listed in the following table (in thousands):

	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if currently available)</u>	<u>Redemption notice period</u>
Multi-asset	\$ 1,271,590	891,488	Quarterly	2-90 days
Energy	32,233	30,275	N/A	No
Farmland	1,091,283	—	N/A	N/A
Infrastructure	973,415	75,000	Quarterly	30-90 days
Private equity	5,322,492	2,284,215	N/A	No
Real estate	1,551,137	308,347	Varied	Varied
Timber	<u>420,898</u>	<u>—</u>	N/A	N/A
Total investments measured at NAV	\$ <u>10,663,048</u>			

Multi-Asset: Investment strategies include pooled investment vehicles and securities in a variety of markets.

Energy: This type includes investments in three energy funds which invest in the debt and equity of energy-related companies. These investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets of the funds. These investments are expected to be funded for 10 years after the commitment date of the most recent commitment.

Farmland: This investment consists of one wholly owned fund. This fund is for the purpose of owning and managing real estate property devoted to agricultural use. Investment properties include row crops, permanent crops, and vegetable crops. The nature of this investment is such that properties held in the fund can be liquidated at the discretion of the ARMB through the fund advisor.

Infrastructure: This includes investments in two open-ended infrastructure funds. Investments include electricity generation, transmission, toll roads, pipelines, bridges, and other infrastructure-related assets. Funds can be redeemed on a quarterly basis with proper notice.

Private Equity: This type includes investments in 44 private equity funds including two gatekeeper managers who invest on behalf of the Alaska Retirement Management Board. These funds are diversified in various sectors including but not limited to venture capital, acquisitions, debt, and special situations. These investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets of the funds. These investments are expected to be funded for 10 years after the commitment date of the most recent commitment.

Real Estate: This type includes investments in 20 real estate funds that invest primarily in U.S. commercial real estate including value-added, opportunistic and core investments. Of these funds, three are

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open-ended and two others are separately managed accounts that can be liquidated at any time. For the remaining 15 funds, investments can never be redeemed. The nature of these investments is such that distributions are received through the liquidation of underlying assets. The funds are expected to be liquidated 10 years after the commitment date of the most recent commitment.

Timber: This investment is in one wholly owned fund that invests in timberland property and related opportunities.

Synthetic Investment Contracts: The Board's investment manager entered into investment contracts, on behalf of the Board, with five financial institutions. These institutions provide wrap contracts that cover separately managed SIC portfolios. The accounts are credited with earnings and investment deposits, less administrative expenses charged by the financial institutions and investment withdrawals. The contracts are included in the Board's statements at contract value. They are fully benefit-responsive. There are no reserves against contract value for the credit risk of the contract issuer or otherwise. The crediting interest rate is based on the approximate rate of interest that will amortize differences between contract and market value over the portfolio's average duration. Accounts and terms of SICs are as follows as of June 30, 2025:

Contract provider	Contract value of investment contract	Market value of portfolio	Average crediting rate
American General Life Insurance Company	\$ 138,059,257	128,468,700	2.49
Massachusetts Mutual Life Insurance Company	137,285,301	127,191,450	2.39
New York Life Insurance and Annuity Corporation	137,262,984	127,215,183	2.35
Pacific Life Insurance Company	138,093,139	128,169,332	2.43
The Prudential Insurance Company of America	137,864,526	127,923,311	2.41

(4) Deposit and Investment Risk

(a) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The ARMB invests its cash in the State of Alaska, Treasury Division's (Treasury) Short-Term Fixed Income Pool. As a means of limiting its exposure to fair value losses arising from increasing interest rates, Treasury's investment policy limits individual fixed rate securities to 14 months to maturity or 14 months expected average life for amortizing securities upon purchase. Floating rate securities are limited to three years to maturity or three years expected average life for amortizing securities upon purchase. These constraints apply to trade date, except for securities bought at new issue, for which settlement date applies.

Duration is a measure of interest rate risk. It measures a security's sensitivity to a 100-basis point change in interest rates. The duration of a pool is the average fair value weighted duration of each security in the pool taking into account all related cash flows. Through its investment policy, the ARMB manages its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of its domestic fixed income pool portfolios to $\pm 20\%$ of the Bloomberg U.S. Aggregate Total Return Bond Index.

**POOLED INVESTMENTS UNDER THE INVESTMENT AUTHORITY OF THE
ALASKA RETIREMENT MANAGEMENT BOARD**

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June 30, 2025

At June 30, 2025, the Board's effective duration by investment type was as follows:

	Effective duration <hr/> (in years)
Corporate bonds	6.85
Mortgage backed	5.47
Other asset backed	0.81
U.S. Government agency	3.55
U.S. Treasury bills, notes, and bonds	6.43
Yankee corporate bonds	5.02
Yankee government bonds	<hr/> 3.92
Total portfolio	5.62

Synthetic Investment Contracts

The Board contracts with an external investment manager who is given the authority to invest in SICs and a reserve. This external manager also manages the securities underlying the SICs. In the case of the Board's constant duration SICs, duration is the fair value weighted average term to maturity of all fixed income securities underlying the contracts and their related cash flows. Duration of the Plan's structured payout SICs is the weighted average maturity of the contract payments. Through the Board's investment policy, exposure to fair value losses arising from increasing interest rates is managed by limiting the duration on SICs as follows:

The duration of constant duration SICs cannot exceed the longer of six years or the duration of the Bloomberg U.S. Aggregate Total Return Bond Index plus one-half year. The weighted average duration of the constant duration SICs was 4.39 years at June 30, 2025. The duration of the Bloomberg U.S. Aggregate Total Return Bond Index was 6.06 years at June 30, 2025. The account's weighted average effective duration will generally not exceed the effective duration of the Bloomberg U.S. Aggregate Intermediate Total Return Bond Index plus 10%. The weighted average duration of the account was 4.39 years at June 30, 2025. The duration of the Bloomberg U.S. Aggregate Intermediate Total Return Bond Index was 4.39 years at June 30, 2025. The balance of the reserve is invested in the custodian's Institutional Treasury Money Market Fund and the external manager's Cash Reserves Trust Fund.

The account did not hold any buy-and-hold SICs or structured payout SICs investments at June 30, 2025.

(b) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

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Domestic Fixed Income investments can include instruments with investment grade credit ratings, some high yield credit ratings, commercial paper rated at least P-1 or equivalent, and corporate debt securities rated at least investment grade.

At June 30, 2025, the Board's Invested Assets consisted of fixed income securities with credit quality ratings issued by nationally recognized statistical rating organizations (NRSROs). Securities lending collateral was invested in a registered 2(a)-7 money market fund that was not rated. Using Standard & Poor's Corporation rating scale, the values for the ARMB's individually held debt securities by rating are as follows (in thousands):

Rating	US dollar
AAA	\$ 297,093
AA	76,666
A	758,468
A-1	1,177
BBB	998,380
BB	4,908
U.S. Government Agency	469,534
U.S. Treasury Bills, Notes, and Bonds	2,052,789
Not Rated	1,836,063
Grand total	\$ <u>6,495,078</u>

Synthetic Investment Contracts

The Board's investment policy has the following credit risk limitations for SICs, investments underlying the SICs and the reserve:

SICs issuers must have an investment grade rating by at least one NRSROs. Obligations of supranational agencies, foreign governments, and foreign government entities must have a minimum rating of A- or equivalent by at least one NRSRO. Corporate debt securities must have a minimum rating of BBB- of equivalent by at least one NRSRO. Maximum exposure to corporate debt securities rated BBB- to BBB+ or equivalent by two or more NRSROs is 20% of the account's total value. The ratings assigned to issuers of money market instruments must have the highest rating assigned to such instruments by at least one NRSRO. Asset-backed securities must have a minimum rating of AAA or equivalent by at least one NRSRO. This limitation does not apply to the investment funds maintained by the custodian.

(c) Custodial Credit Risk

Custodial credit risk is the risk that deposits may not be returned in the event of a bank failure. The Board does not have a policy in relation to custodial credit risk for deposits. At June 30, 2025, the Board's Invested Assets had uncollateralized and uninsured foreign currency deposits of \$23,964,000. Treasury requires the State's custodial banks to hold investment securities in the name of the State of Alaska.

**POOLED INVESTMENTS UNDER THE INVESTMENT AUTHORITY OF THE
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Notes to Financial Statements

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(d) Foreign Currency Risk

Foreign Currency Risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Board's Stable Value Fund policy requires that all investments underlying a SIC be denominated in U.S. dollars. For all other funds, through its asset allocation, the Board limits risk by limiting total investments in foreign currencies to the following as of June 30, 2025:

<u>Pension system</u>	<u>Multi-asset</u>	<u>Global equity ex-U.S.</u>	<u>Private equity pool</u>	<u>Real assets pool</u>
PERS	10 %	21 %	21 %	21 %
TRS	10	21	21	21
JRS	10	21	21	21
MRS	10	13	12	11

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Notes to Financial Statements

June 30, 2025

At June 30, 2025, the Board had exposure to foreign currency risk with the following deposits and investments (in thousands):

	<u>Equity</u>	<u>Deposits</u>	<u>Futures</u>	<u>Private equity</u>	<u>Rights and warrants</u>
Australian Dollar	\$ 155,287	311	—	82	—
Brazilian Real	73,058	126	—	—	—
Canadian Dollar	313,192	9,797	10	—	—
Chilean Peso	3,001	17	—	—	—
Colombian Peso	698	17	—	—	—
Czech Koruna	5,572	9	—	—	—
Danish Krone	72,140	415	—	—	—
Euro Currency	1,283,169	760	—	465,345	—
Hong Kong Dollar	324,877	1,368	—	—	—
Hungarian Forint	1,587	99	—	—	—
Indian Rupee	101,906	69	—	—	2
Indonesian Rupiah	11,702	140	—	—	—
Japanese Yen	795,496	4,924	—	—	—
Kazakhstan Tenge	389	—	—	—	—
Kuwaiti Dinar	6,653	77	—	—	—
Malaysian Ringgit	8,700	46	—	—	95
Mexican Peso	47,232	62	—	—	—
New Israeli Sheqel	21,176	847	—	—	—
New Taiwan Dollar	198,877	154	—	—	—
New Zealand Dollar	5,004	174	—	—	—
Norwegian Krone	26,737	293	—	—	—
Philippine Peso	2,752	56	—	—	—
Polish Zloty	25,140	107	—	—	—
Pound Sterling	515,800	847	—	76,789	—
Qatari Rial	3,201	16	—	—	—
Russian Ruble	—	1,480	—	—	—
Saudi Riyal	23,576	91	—	—	—
Singapore Dollar	73,000	177	—	—	—
South African Rand	18,932	67	—	—	—
South Korean Won	180,509	195	—	—	14
Swedish Krona	132,915	40	—	10,089	—
Swiss Franc	313,291	147	—	—	—
Thailand Baht	16,153	47	—	—	—
Turkish Lira	3,701	51	—	—	—
Uae Dirham	24,384	47	—	—	—
Yuan Renminbi	98,381	(10,002)	—	—	—
Yuan Renminbi Offshore	—	10,893	—	—	—
	<u>\$ 4,888,188</u>	<u>23,964</u>	<u>10</u>	<u>552,305</u>	<u>111</u>

**POOLED INVESTMENTS UNDER THE INVESTMENT AUTHORITY OF THE
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Notes to Financial Statements

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(e) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The Board's policy regarding concentration of credit risk for domestic fixed income are as follows:

The account manager is prohibited from purchasing more than ten percent of the currently outstanding par value of any corporate bond issue or more than five percent of the account's assets of high yield securities.

The account manager may not invest more than forty percent of the account's assets in investment grade corporate debt, more than the benchmark weight plus five percent of debt securities rated below A- or equivalent, more than twenty-five percent of the account's assets in any one corporate sector defined by the Bloomberg U.S. Aggregate Total Return Bond Index, or more than five percent of the account's assets in corporate bonds of any one company or affiliated group.

The Board's policy regarding concentration of credit risk for domestic and international equities are as follows:

The Board may not invest more than five percent of total shares outstanding of any security or more than ten percent of any international account benchmarked against the MSCI EAFE Index or MSCI EAFE Small Cap Index in emerging markets.

Synthetic Investment Contracts

The Board's policy regarding concentration of credit risk for the underlying investments and the reserve are as follows:

No investment will be made if, at the time of purchase, total investment in any single issuer of investment contracts would exceed thirty-five percent of the account's total value.

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June 30, 2025

No investment will be made if, at the time of the purchase, the total investment in any single issuer or in all issuers of the securities held as supporting investments under the SICs in the table below would exceed the respective percentage of the account's total value.

Investment type	Maximum per issuer	Maximum for all issuers
U.S. Treasuries, U.S. Agency, and U.S. Government Entity Securities – Full faith and credit	100 %	100 %
U.S. Agency Securities and U.S. Government Entity Securities – Non full faith and credit	100	100
Agency mortgage-backed securities	50	50
Non-agency mortgage-backed securities	5	50
Asset-backed securities	5	50
Domestic and foreign corporate debt securities	5	50
Supranational agency, foreign government, and foreign government entity securities	5	50
Money market instruments – non government/agency	5	100
Custodian short-term	100	100

No investment will be made if, at the time of purchase, the total investment in all domestic and foreign corporate debt securities of any one industry would exceed twenty-five percent of the account's total value.

For the reserve, no investment will be made if, at the time of purchase, the total investment of any single issuer of money market instruments exceeds five percent of the account's total value. This limitation does not apply to the investment funds maintained by the custodian and obligations of the U.S. Government or U.S. Government Agencies.

For corporate debt securities rated BBB- to BBB+ or equivalent by two of more NRSROs, the maximum exposure is limited to twenty percent of the account's total value.

(5) Derivatives, Foreign Exchange, and Counterparty Credit Risk

The Board is exposed to credit risk on investment derivative instruments that are in asset positions. The Board has no policy of requiring collateral or other security to support derivative instruments subject to credit risk. Additionally, the Board has no policy regarding entering into netting arrangements when it enters into derivative instrument transactions with a counterparty, nor does the Board have a policy for contingencies.

**POOLED INVESTMENTS UNDER THE INVESTMENT AUTHORITY OF THE
ALASKA RETIREMENT MANAGEMENT BOARD**

Notes to Financial Statements

June 30, 2025

On June 30, 2025, the Board had the following derivative instruments:

Changes in fair value			Fair value		
	Classification	Amount	Classification	Amount	Notional
Commodity Futures Long	Investment income	\$ (50)	Futures	\$ —	—
Fixed Income Futures Long	Investment income	(130,731)	Futures	—	—
FX Forwards	Investment income	(1,156,422)	Long Term Instruments	(1,194,706)	46,214,609
Index Futures Long	Investment income	2,125,644	Futures	—	6,950
Index Futures Short	Investment income	1,107	Futures	—	—
Rights	Investment income	18,396	Common Stock	18,510	42,804
Warrants	Investment income	99,580	Common Stock	92,218	489,459

The Global equity ex-U.S. pool includes foreign currency forward contracts to buy and sell specified amounts of foreign currencies at specified rates on specified future dates for the purpose of hedging existing security positions. The counterparties to the foreign currency forward contracts consist of a diversified group of financial institutions. Credit risk exposure exists to the extent of nonperformance by these counterparties; however, the risk of default is considered to be remote. The market risk is limited to the difference between contractual rates and forward rates at the balance sheet date. At June 30, 2025, the Board had the following Foreign Currency risk related to derivatives:

Currency name	Options	Receivables	Payables	Total exposure
Australian Dollar	\$ —	—	—	—
Canadian Dollar	—	—	—	—
Euro Currency	—	386,124	(1,456,779)	(1,070,655)
Pound Sterling	—	—	(55,652)	(55,652)
Indian Rupee	2,063	—	—	2,063
Japanese Yen	—	18,662	(87,061)	(68,399)
South Korean Won	13,899	—	—	13,899
Malaysian Ringgit	94,765	—	—	94,765
	<u>\$ 110,727</u>	<u>404,786</u>	<u>(1,599,492)</u>	<u>(1,083,979)</u>

At June 30, 2025, the Board had no counterparty credit and counterparty concentration risk associated with its investment derivative positions.

**POOLED INVESTMENTS UNDER THE INVESTMENT AUTHORITY OF THE
ALASKA RETIREMENT MANAGEMENT BOARD**

Notes to Financial Statements

June 30, 2025

(6) Securities Lending

Alaska Statute 37.10.071 authorizes the Board to lend assets, under an agreement and for a fee, against deposited collateral of equivalent fair value. The Board lends marketable debt and equity securities through a contract with State Street Bank and Trust (the Bank). International equity security loans were collateralized at not less than 105 percent of their fair value. All other security loans were collateralized at not less than 102 percent of their fair value. Loaned securities and collateral were marked to market daily and collateral was received or delivered the following day, as necessary, to maintain collateral levels. The Board cannot pledge or sell collateral received until and unless a borrower defaults. At year-end, the Board had no credit risk exposure to the borrowers because the amounts the Board owed to the borrowers exceeded the amounts the borrowers owed the Board.

The fair value of securities on loan at June 30, 2025, was approximately \$28.1 million. June 30, 2025, cash collateral received totaling \$29.3 million is reported as a securities lending payable and the fair value of the re-invested cash collateral totaling \$29.3 million is reported as security lending collateral invested in the Statement of Net Position.

Cash collateral was invested in a registered 2(a)-7 money market fund. Maturities of investments in the money market fund generally did not match the maturities of the loaned securities because the lending agreements were terminable at will. Securities under loan, cash collateral and cash collateral payable are recorded on the Statement of Net Position at fair value. The Bank and the Board received a fee from earnings on invested collateral. The Bank and the Board shared the fee paid by the borrower.

There was limited credit risk associated with the lending transactions since the Board was indemnified by the Bank against any loss resulting from counterparty failure or default on a loaned security or its related income distributions. The Bank further indemnified the Board against loss due to borrower rebates in excess of earnings on cash collateral. Indemnifications were subject to limitation relating to a force majeure event as outlined in the contract.

For the year ended June 30, 2025, there were no losses incurred as a result of securities lending transactions and there were no violations of legal or contractual provisions nor failures by any borrowers to return loaned securities.