

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Real Assets Annual Investment Plan

Resolution 2024-13

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

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

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

WHEREAS, the Board contracts an independent consultant to provide experience and expertise in asset allocation and other investment matters to come before the Board; and

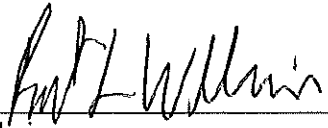
WHEREAS, the Board has established an asset allocation for the funds that considers earnings and liabilities on a current as well as a future basis; and

WHEREAS, the Board has authorized investments in Real Assets for the Public Employees' Retirement System, Teachers' Retirement System, and Judicial Retirement System, including investments for those systems in the State of Alaska Retirement and Benefits Plans Trust; and

WHEREAS, the Board will establish and on an annual basis review an investment plan for Real Assets asset class.

NOW THEREFORE BE IT RESOLVED THAT THE ALASKA RETIREMENT MANAGEMENT BOARD adopt the Real Assets Annual Investment Plan for Fiscal Year 2025, attached hereto and made a part hereof.

DATED at Anchorage, Alaska this 19th day of September, 2024.



Chair

ATTEST:



Secretary

Alaska Retirement Management Board

Real Assets

Fiscal Year 2025 Annual Investment Plan

September 2024

Steve Sikes, CFA, CPA
Director of Real Assets

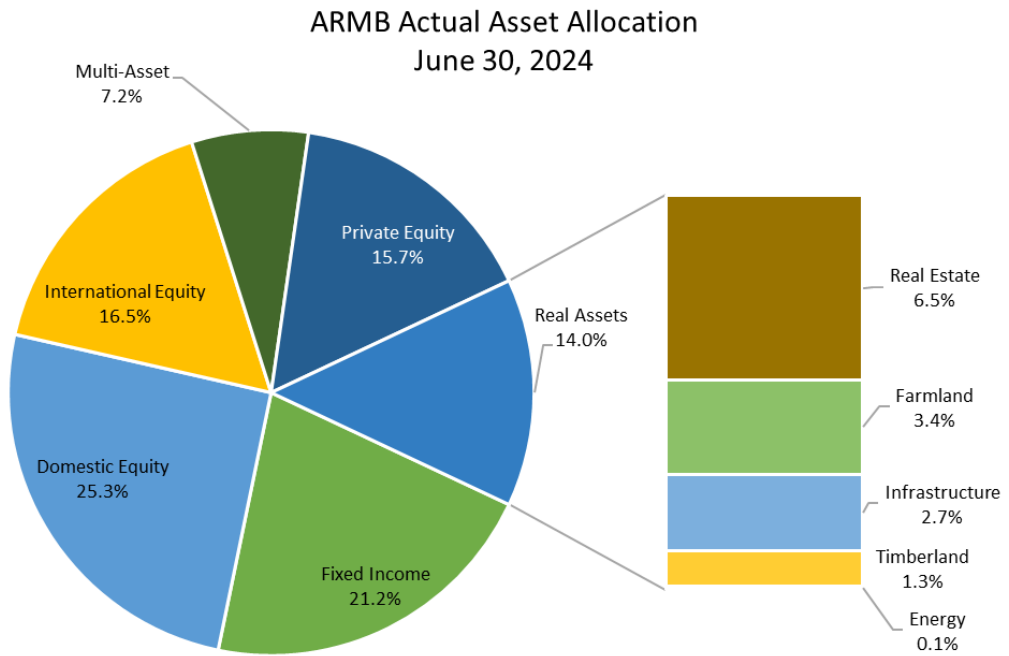
Robyn Mesdag, CFA
State Investment Officer

Agenda

- Real Assets portfolio role
- Fiscal Year 2025 target allocations
- Market backdrop
- ARMB portfolio sector review
- Real Assets Fiscal Year 2025 investment plan

Real Assets Portfolio Role

- Returns between stocks and bonds
- Diversification
- Inflation hedge
- Current income

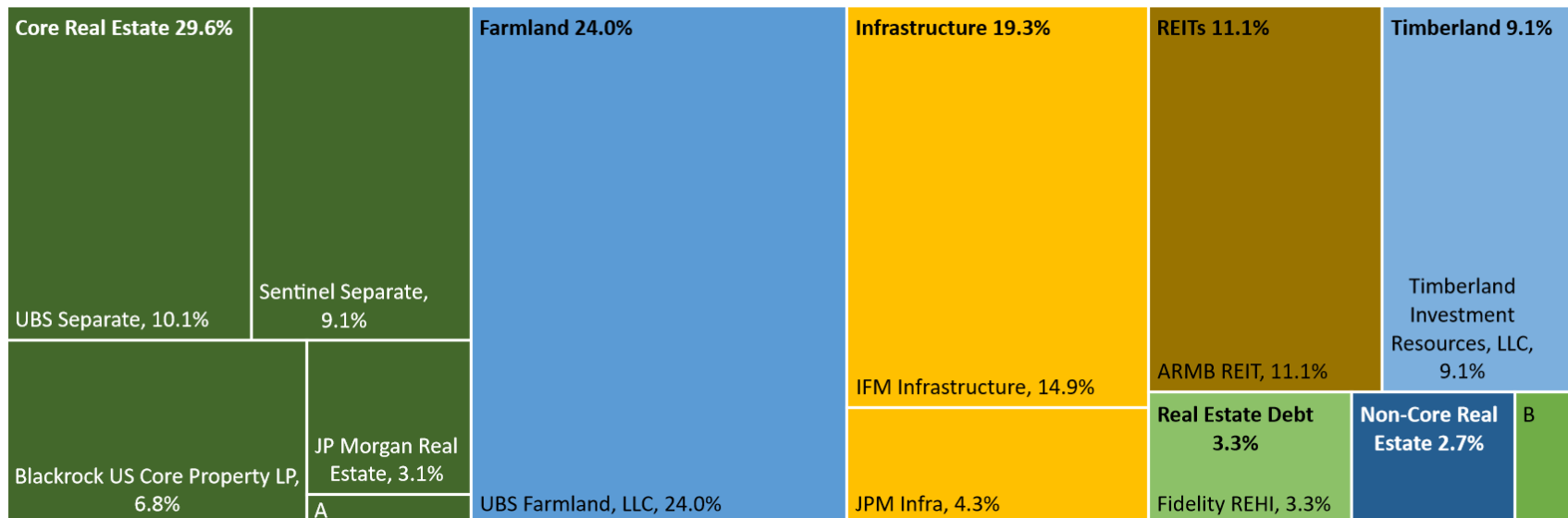


Portfolio Construction

- Actual portfolio weights approximate targets

as of June 30, 2024	Actual	Target	Difference
Core Real Estate	29.6%	30%	-0.4%
Non-Core Real Estate	2.7%	5%	-2.3%
Real Estate Debt	3.3%	5%	-1.7%
REITS	11.1%	10%	1.1%
Timberland	9.1%	10%	-0.9%
Farmland	24.0%	20%	4.0%
Infrastructure	19.3%	20%	-0.7%
Energy	0.9%	0%	0.9%
Total Real Assets	14.0%	14%	0.0%

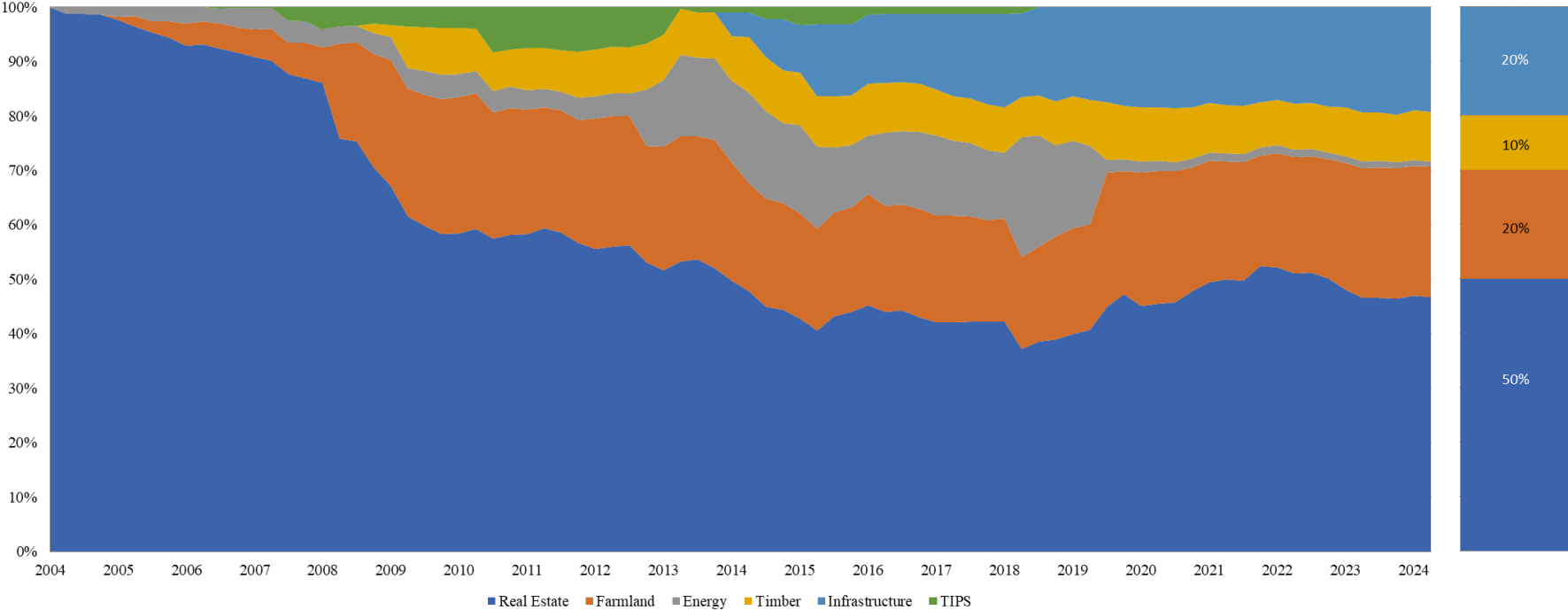
ARMB Real Assets Portfolio
June 30, 2024, \$4.6 billion



A – UBS Trumbull Property Fund, .62%
B – Energy Funds, .95%

Real Assets Portfolio Evolution

Real Assets Component Allocations Over Time



Performance

- The Real Assets portfolio returned 0.53% net in Fiscal Year 2024 compared to the target return of -1.00%.
- Performance has met objectives of producing returns between public equities and fixed income.
- Real Estate returns continued to be under pressure because of poor capital market conditions and valuation adjustments. Longer-term results remain consistent with objectives.
- Farmland, Timberland, and Infrastructure produced strong results in Fiscal Year 2024 which helped to diversify the portfolio.

Portfolio Weight	as of June 30, 2024 (net of fees)	Qtr	1yr	6yr	10yr
100.00%	ARMB Real Assets	0.19%	0.53%	5.41%	5.32%
	ARMB Real Assets Target	0.09%	-1.00%	4.87%	5.60%
	Russell 3000	3.22%	23.13%	13.27%	12.15%
	Bloomberg Barclays Aggregate	0.07%	2.63%	1.07%	1.35%
	CPI	0.59%	2.97%	3.74%	2.80%
29.60%	Core	-0.74%	-9.95%	3.98%	6.10%
	NCREIF ODCE	-0.66%	-9.99%	2.79%	5.47%
2.70%	Non-Core	2.21%	1.30%	4.46%	7.49%
	NCREIF ODCE +1.5%	-0.28%	-8.49%	4.31%	6.97%
11.10%	REITs	-0.89%	5.79%	4.93%	6.07%
	FTSE NAREIT All Equity	-0.90%	5.78%	4.95%	6.11%
3.30%	Real Estate Debt	1.76%	-	-	-
	NCREIF ODCE	-0.66%	-	-	-
24.00%	Farmland	0.50%	6.08%	6.42%	5.75%
	NCREIF Farmland (80/20 Blend)	0.90%	6.96%	7.70%	6.97%
9.10%	Timberland	0.59%	9.29%	5.74%	4.65%
	NCREIF Timberland	1.71%	9.84%	6.46%	5.89%
19.30%	Infrastructure	1.31%	4.60%	9.70%	8.47%
	CPI+4%	1.56%	6.97%	7.75%	6.80%
0.90%	Energy	-2.83%	-11.78%	-3.01%	-4.20%
	CPI+4%	1.56%	6.97%	7.75%	6.80%

Source: Callan Real Assets Quarterly Report June 30, 2024

Fiscal Year 2025 Target Allocations

Callan Real Assets Capital Market Assumptions

Asset Class	Target Weight	PROJECTED RETURN		PROJECTED RISK	
		1-Year Arithmetic	20-Year Geometric Return	Annualized Standard Deviation	Projected Yield
Public Equities	45.0%				
Broad US Equity	27.0%	9.00%	7.75%	17.40%	1.95%
Global Ex-US Equity	18.0%	9.85%	7.85%	21.40%	3.70%
Fixed Income	19.0%				
ARMB Core Fixed Income	19.0%	5.10%	5.10%	4.05%	4.60%
Multi-Asset	8.0%				
Multi-Asset	8.0%	7.65%	7.30%	10.95%	3.45%
Private Equity	14.0%				
Private Equity	14.0%	12.35%	8.90%	27.60%	0.00%
Real Assets	14.0%	7.40%	6.80%	12.20%	4.25%
Real Estate	4.20%	7.05%	6.25%	14.00%	4.00%
Non-Core Real Estate	0.70%	8.80%	7.85%	15.55%	2.70%
Real Estate Debt	0.70%	6.50%	6.45%	6.25%	5.10%
REITs	1.40%	9.25%	7.30%	20.90%	4.65%
Timber	1.40%	6.60%	5.55%	15.60%	3.75%
Farmland	2.80%	7.15%	6.05%	15.95%	4.30%
Private Infrastructure	2.80%	7.60%	6.65%	15.20%	4.80%
Cash Equivalents	0.0%				
Cash Equivalents	0.0%	3.00%	3.00%	0.90%	3.00%
Inflation			2.45%	1.60%	
Total Fund	100.0%	8.55%	7.90%	13.61%	2.94%

Source: Callan ARMB Presentation, 2024 Capital Market Projections, March 7, 2024

Real Assets Target Allocations

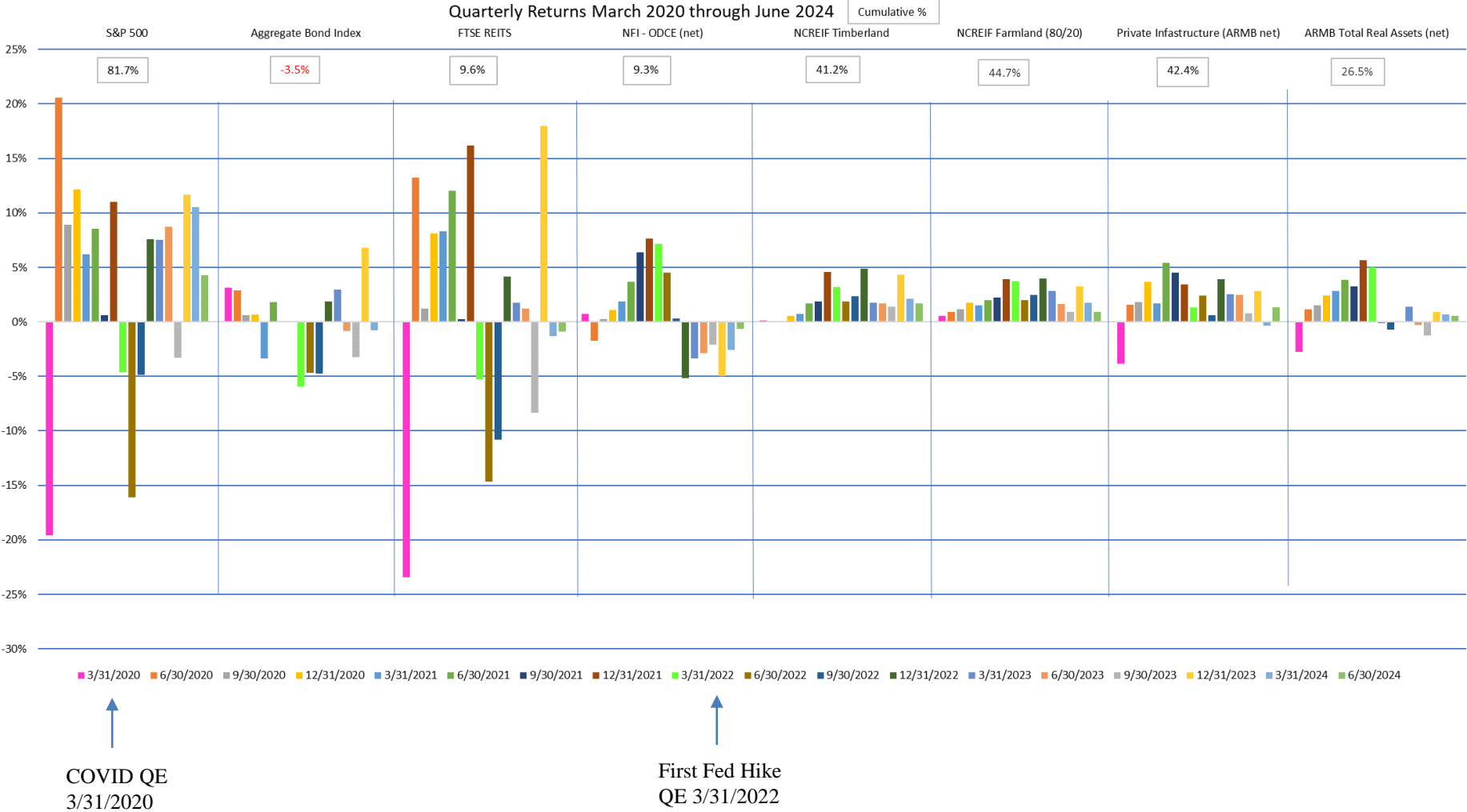
- Target allocations were adjusted as part of the Fiscal Year 2024 Real Assets plan.
- Callan and staff concluded these targets continue to be reasonable.
- No changes proposed to allocations for Fiscal Year 2025.

Real Assets Sector	FY 2023 Real Assets Target	FY 2024 Real Assets Target	FY 2024 Change
Core Real Estate	35%	30%	-5%
Non-Core Real Estate	0%	5%	5%
Real Estate Debt	0%	5%	5%
REITs	15%	10%	-5%
Timberland	10%	10%	0%
Farmland	25%	20%	-5%
Infrastructure	15%	20%	5%
Energy	0%	0%	0%
Total	100%	100%	0%

Market Backdrop

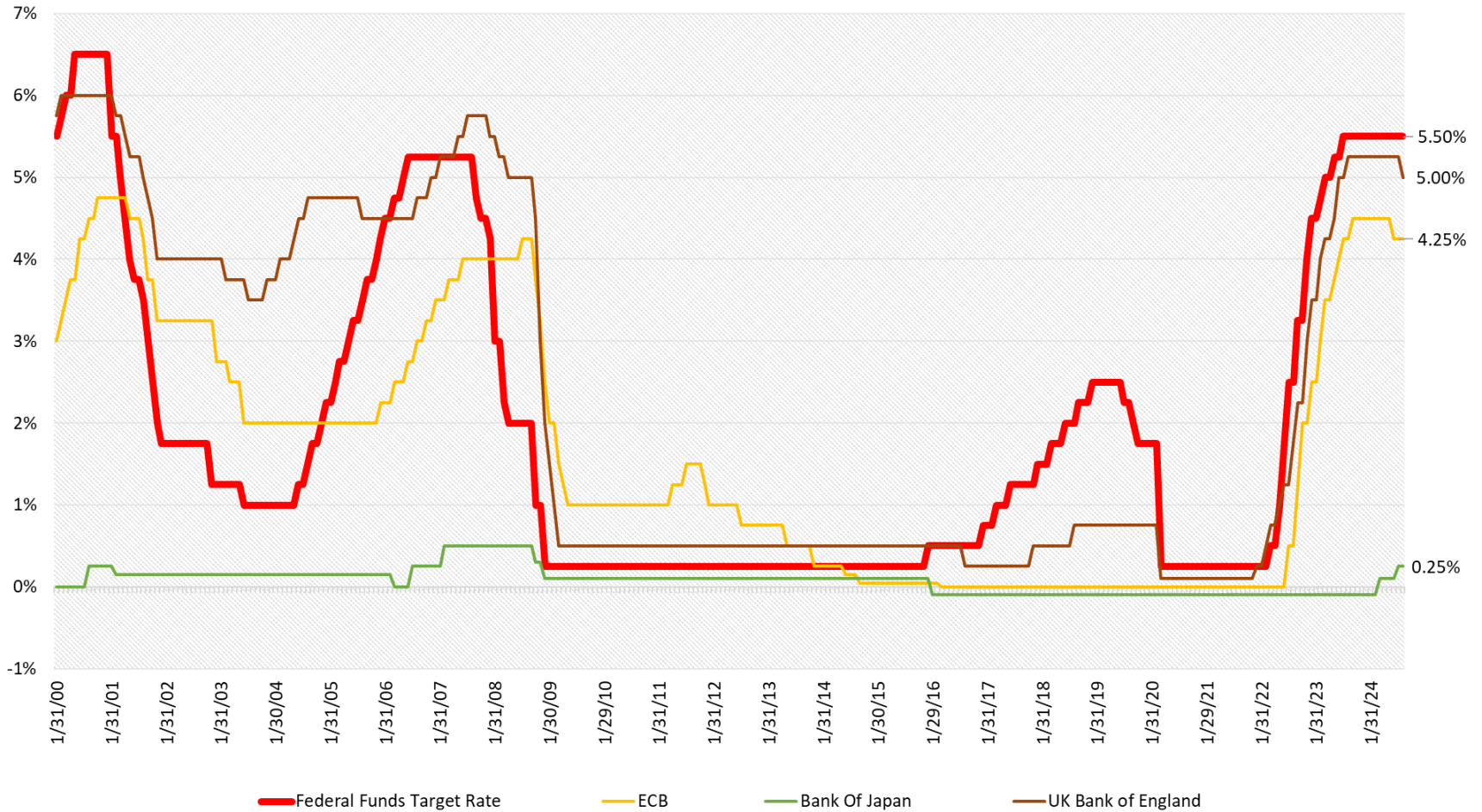
Performance by Market

December 2019 through June 2024



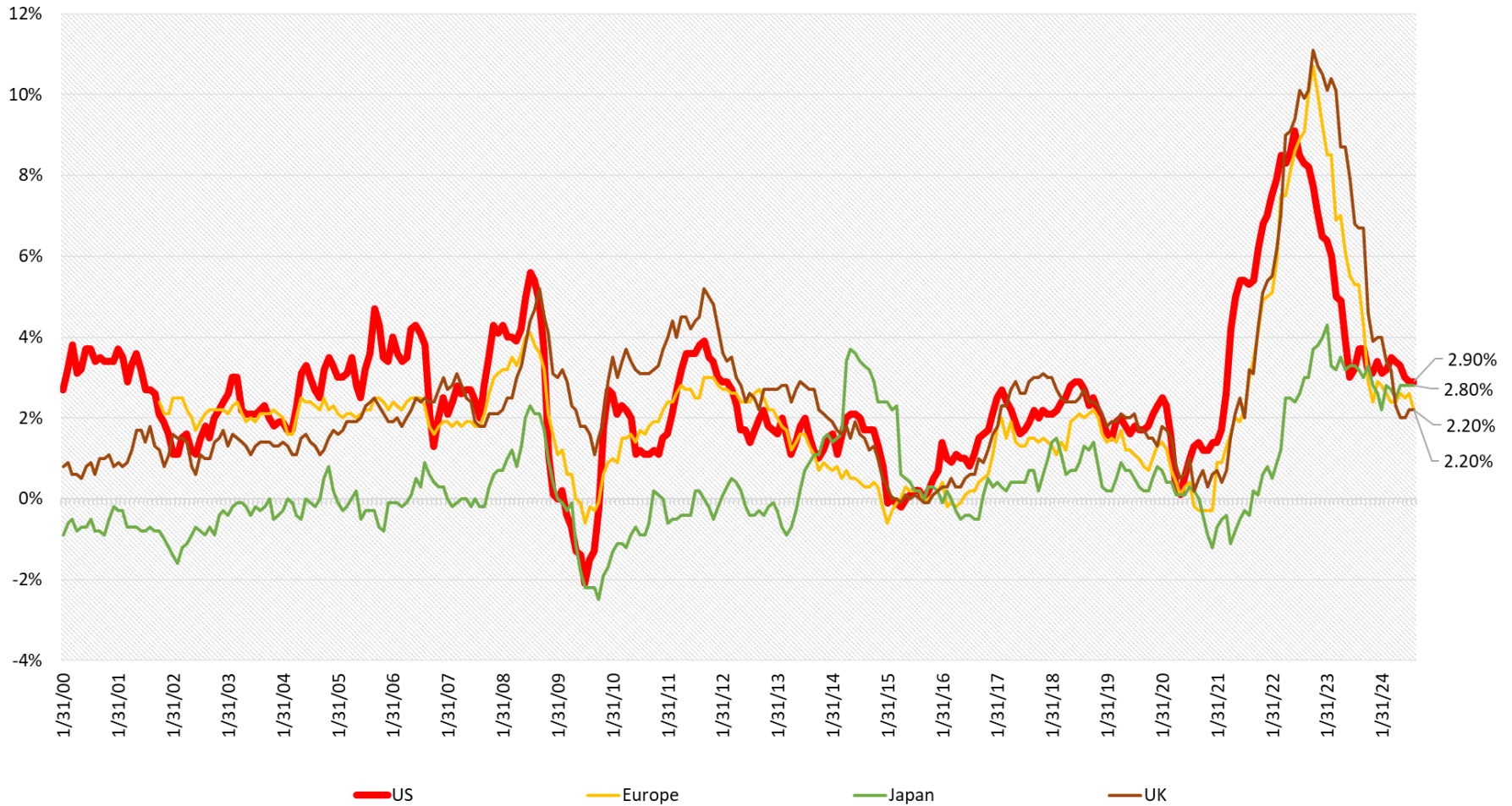
Central Bank Monetary Policy

Monetary Policy
January 2000 through August 2024

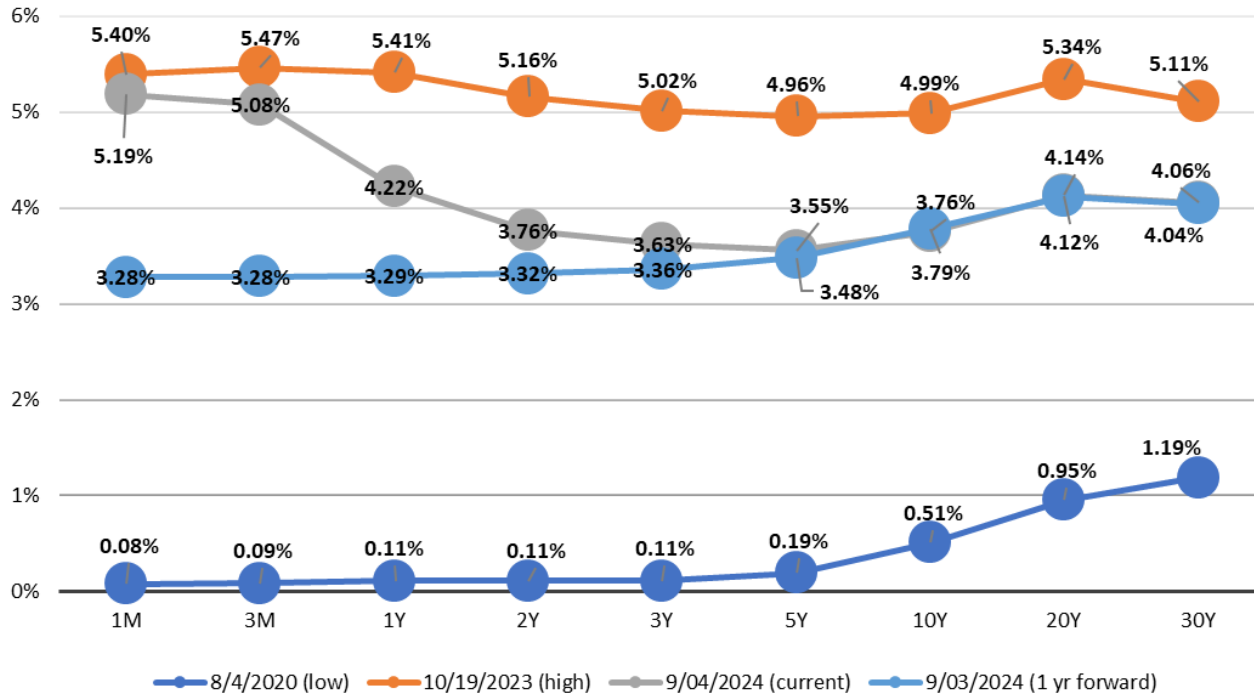


Inflation

Inflation (y/y, monthly)
January 2000 through August 2024



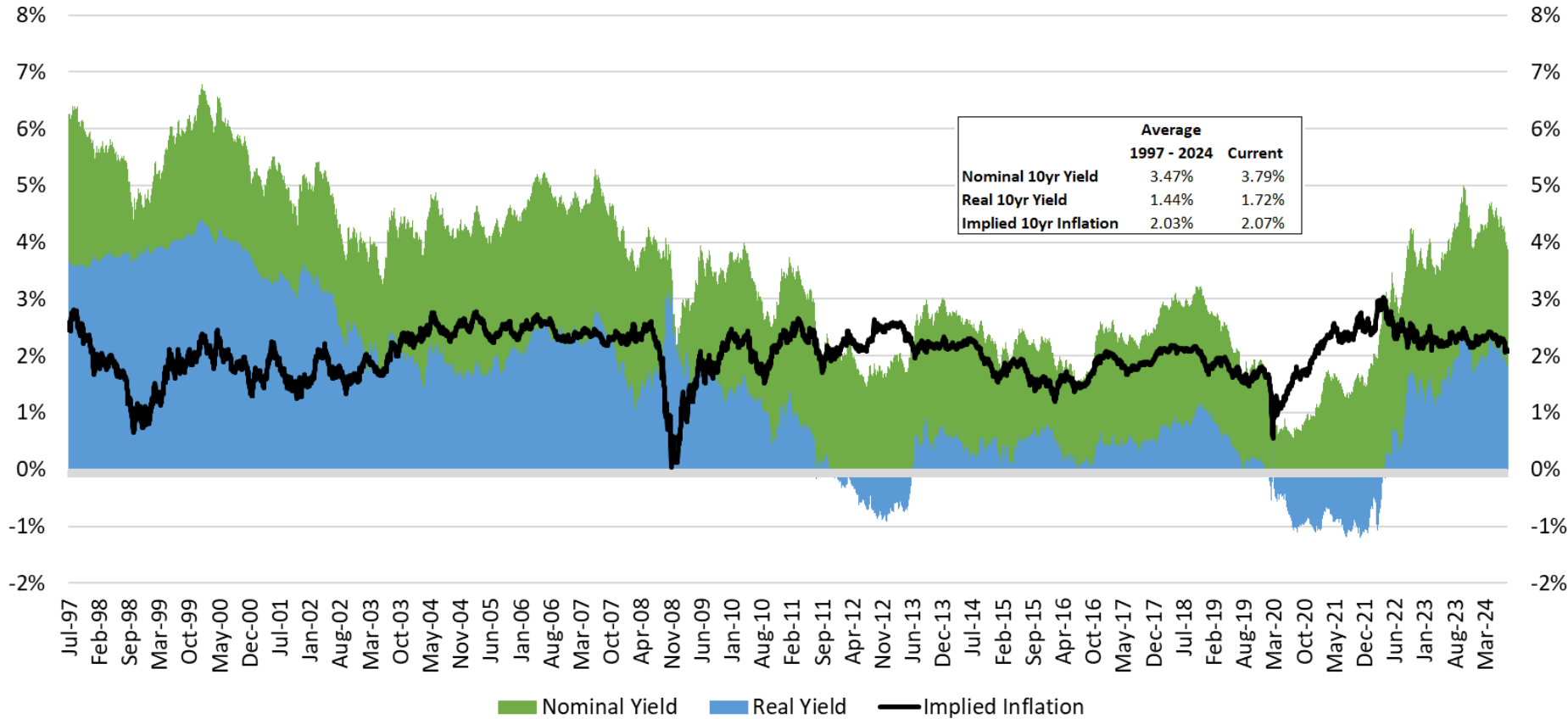
U.S. Treasury Yield Curve Changes



U.S. Treasury 10-year yields from December 31, 2019, through September 3, 2024

Back to “Normal” or Temporary Spike Higher?

U.S. Treasury 10-year yields
1997 through August 2024



ARMB Portfolio Sector Review

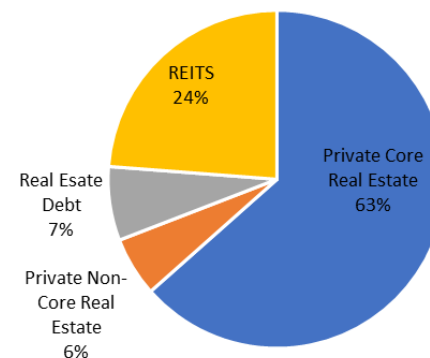
Real Estate Overview

- Two core separate account managers make investments on a discretionary basis within the parameters defined by ARMB's guidelines and annual investment plan up to approved allocations. These investments represent 41% of the real estate portfolio and are currently comprised of 17 assets within the apartment, industrial, office, and retail sectors across the U.S. ARMB owns 100% interest in these assets.
- Three core open-end commingled funds make investments on a discretionary basis according to each fund's strategy. These funds represent 23% of the real estate portfolio and offer well diversified exposure across asset types, markets, and size. ARMB owns units in these funds along with other institutional investors.
- Fund investments with two non-core commingled fund managers represent the majority of non-core real estate strategies. Non-core funds represent 6% of the real estate portfolio. Real estate debt investments in a high yield CMBS strategy reflect 7% of the real estate portfolio.
- The remaining 24% of the real estate portfolio is a passive publicly traded REIT equity portfolio invested internally by staff.

Real Estate Portfolio June 30, 2024

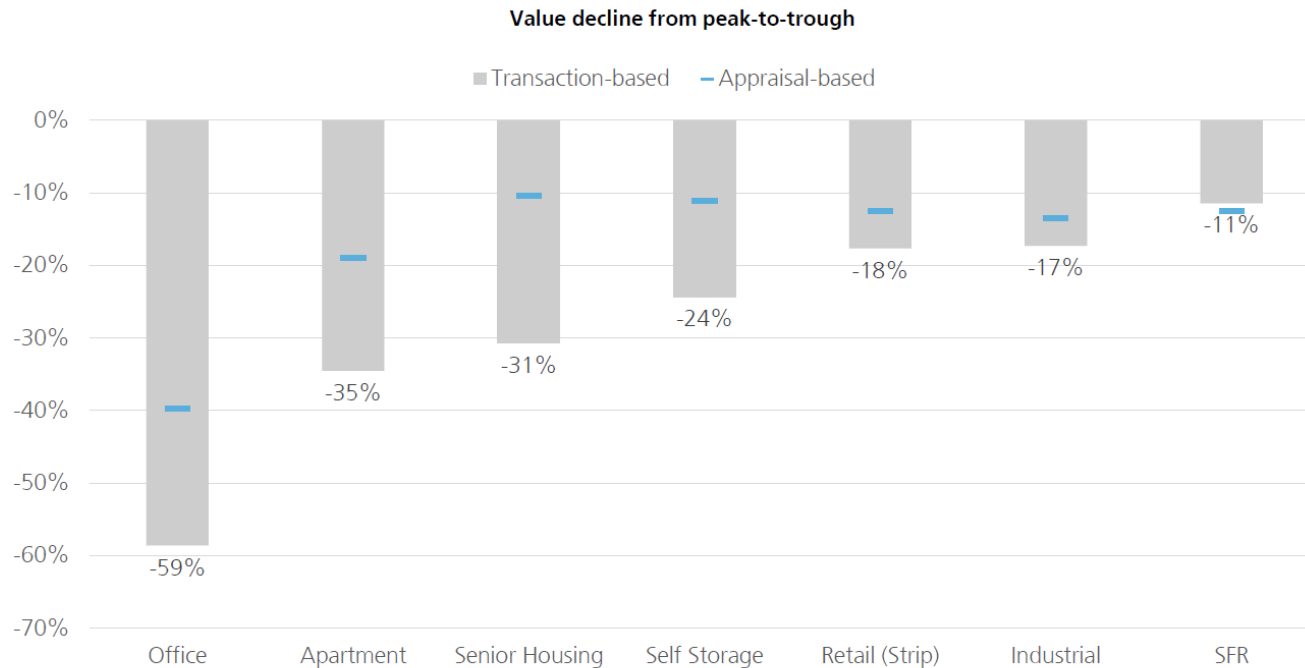
- Net Asset Value: \$2.1 billion
- Number of Assets: 17 + commingled fund interests
- Core Structure: 2 separate accounts, 3 open-end funds
- Non-Core Structure: 11 commingled funds
- Real Estate Debt: 1 commingled fund
- U.S. Domestic REITs

ARMB Real Estate Weights as of
June 30, 2024



Valuations have declined across real estate sectors

Pricing



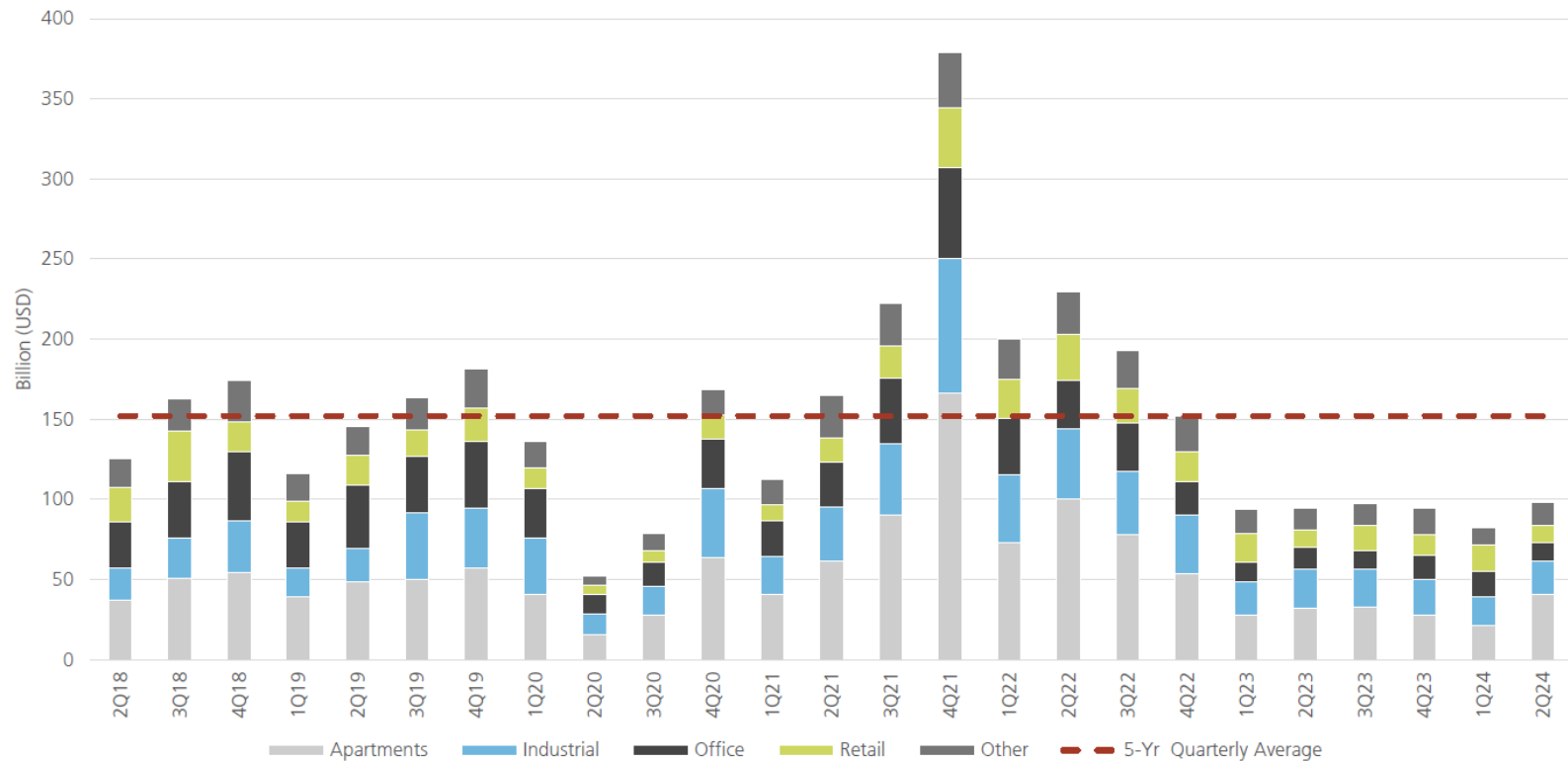
Transaction-based: peak-to-trough was Office (1Q20-2Q24), Apartment (4Q21-Q23), Industrial (1Q22-1Q24), Strip Retail (1Q22-1Q24), Self-Storage (1Q22-1Q24), Senior Housing (1Q22-4Q23), and SFR (1Q22-2Q23).

Appraisal-based: Peak was 1Q20 for Office, 3Q22 for Apartment, Industrial, Self Storage and SFR, and 2Q22 for Retail, and Senior Housing. Trough was 2Q24 for all sectors except SFR (1Q24).

Source: UBS Realty Investors LLC, GreetStreet (CPPI Index), NCREIF (NPI Plus Capital Returns). Data as of 2Q24.

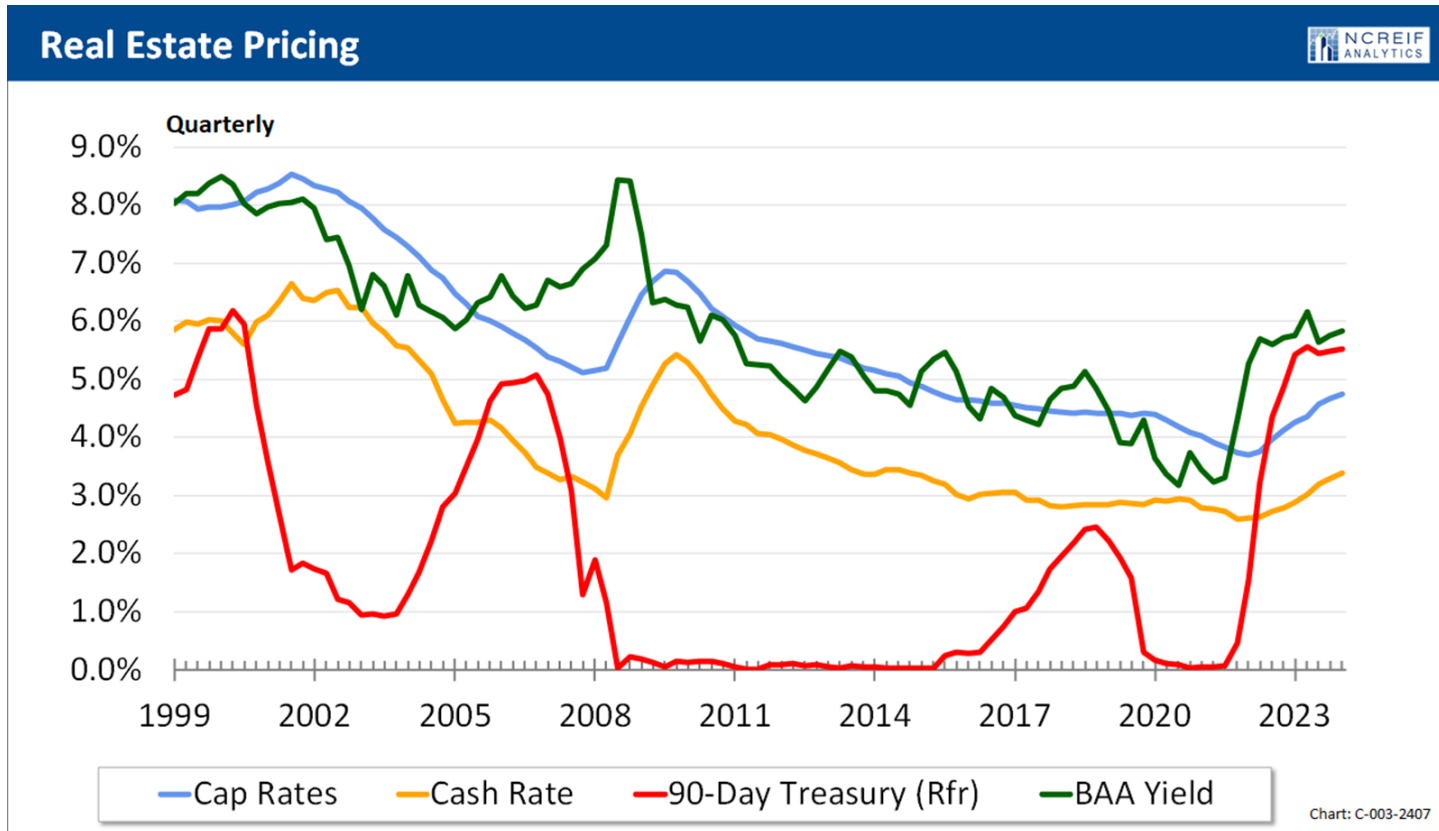
Transaction volume has slowed

US transactions



Source: UBS Realty Investors LLC, MSCI Real Capital Analytics as of June 2024. Data include entity-level transactions.

Historical Rate Relationships

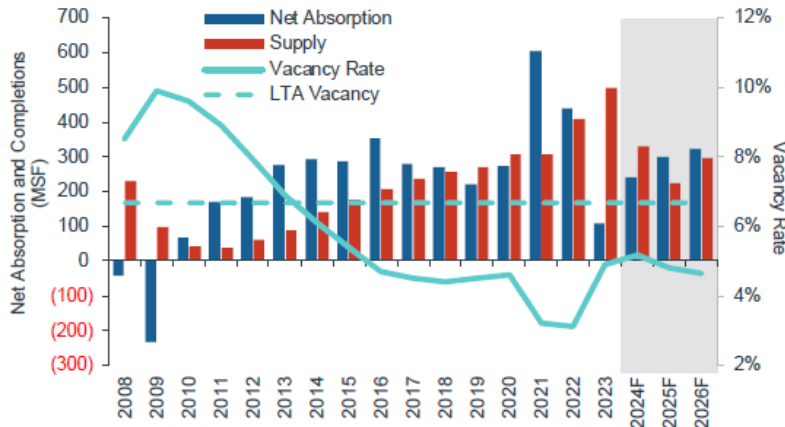


Source: NCREIF

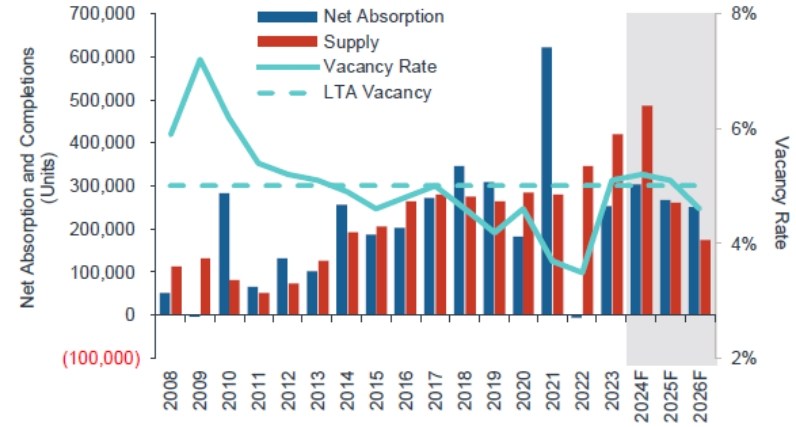
Supply and absorption trends are favorable

Net absorption, new supply, & vacancy

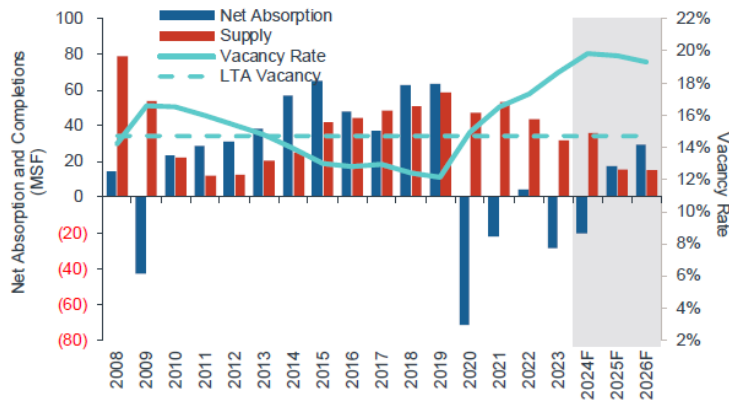
U.S. Industrial



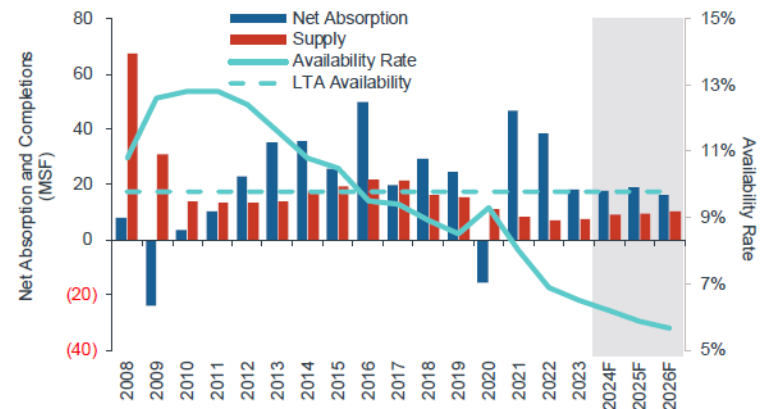
U.S. Multifamily



U.S. Office

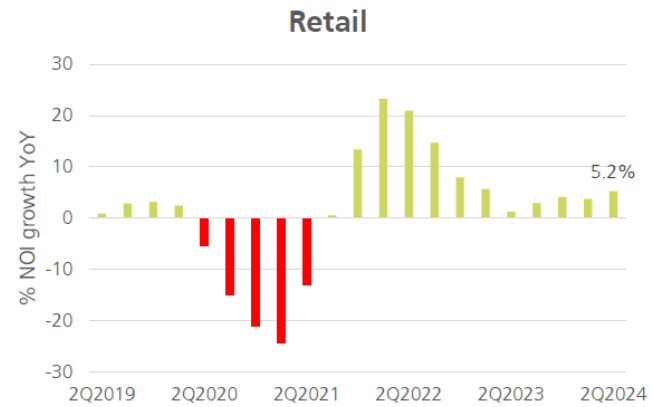
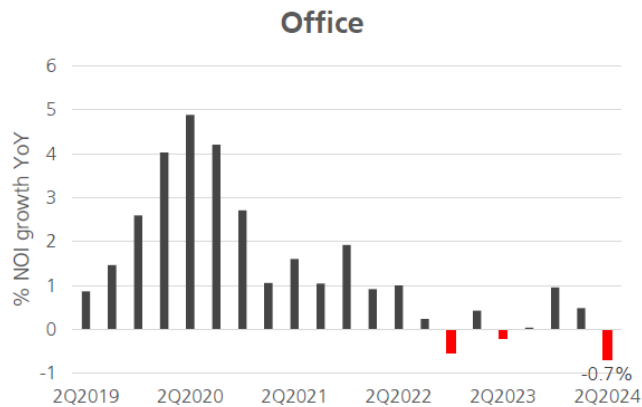
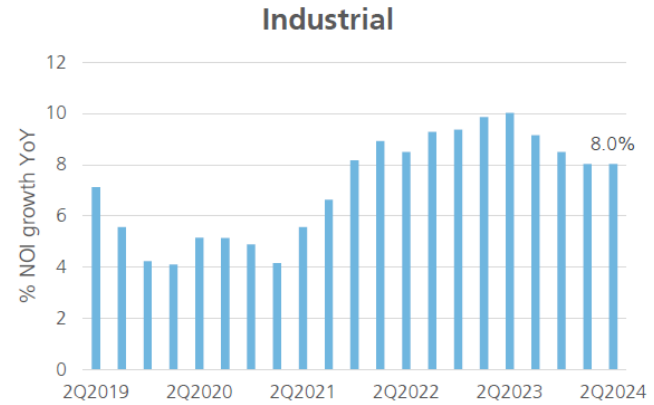
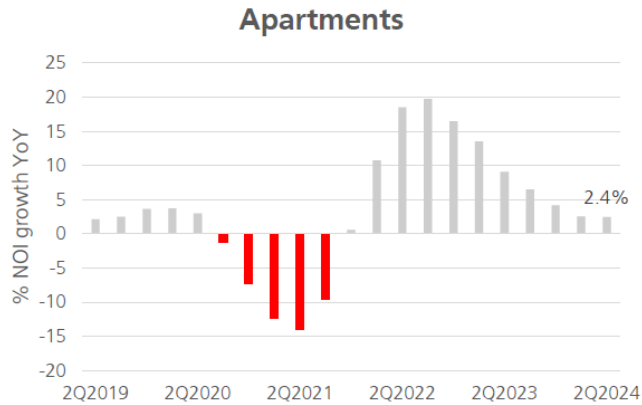


U.S. Neighborhood Shopping Center



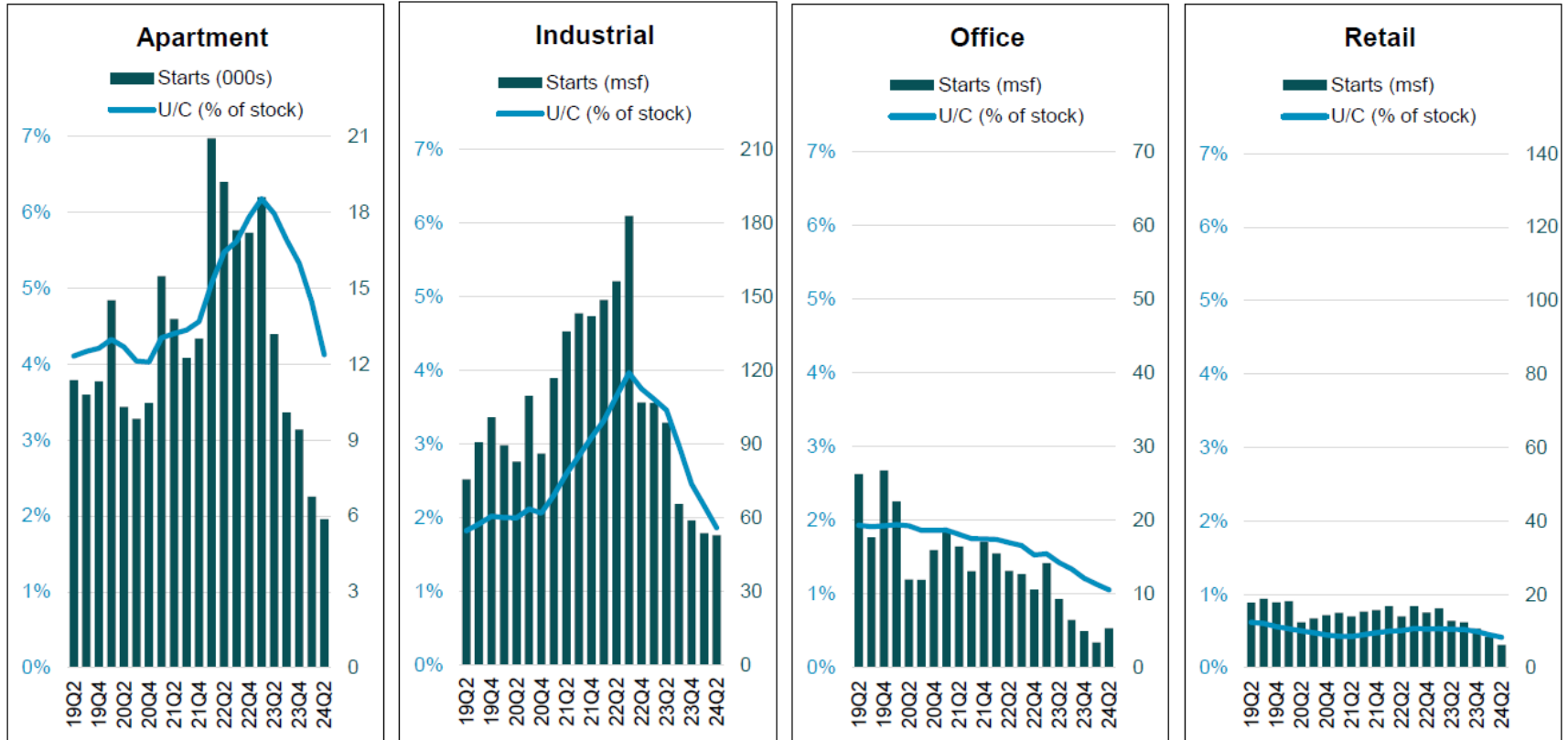
Real estate income has been generally growing at healthy levels

NOI Growth (YoY) by Property Type



Source: UBS Realty Investors LLC, IDR, NFI-ODCE. Year-over-year same store NOI growth by property type as of 2Q 2024. Past performance is not a guarantee of future results.

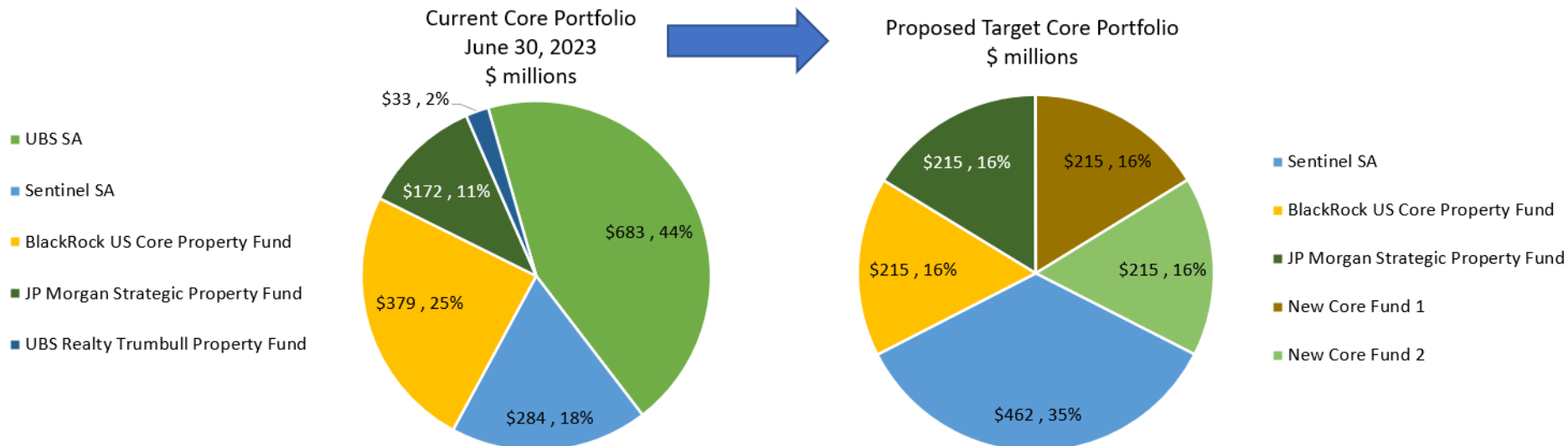
Pace of real estate new supply is declining



Sources: coStar (Q2 2024 data as of 24 July); Nuveen Real Estate Research. Note: U/C stands for under construction.

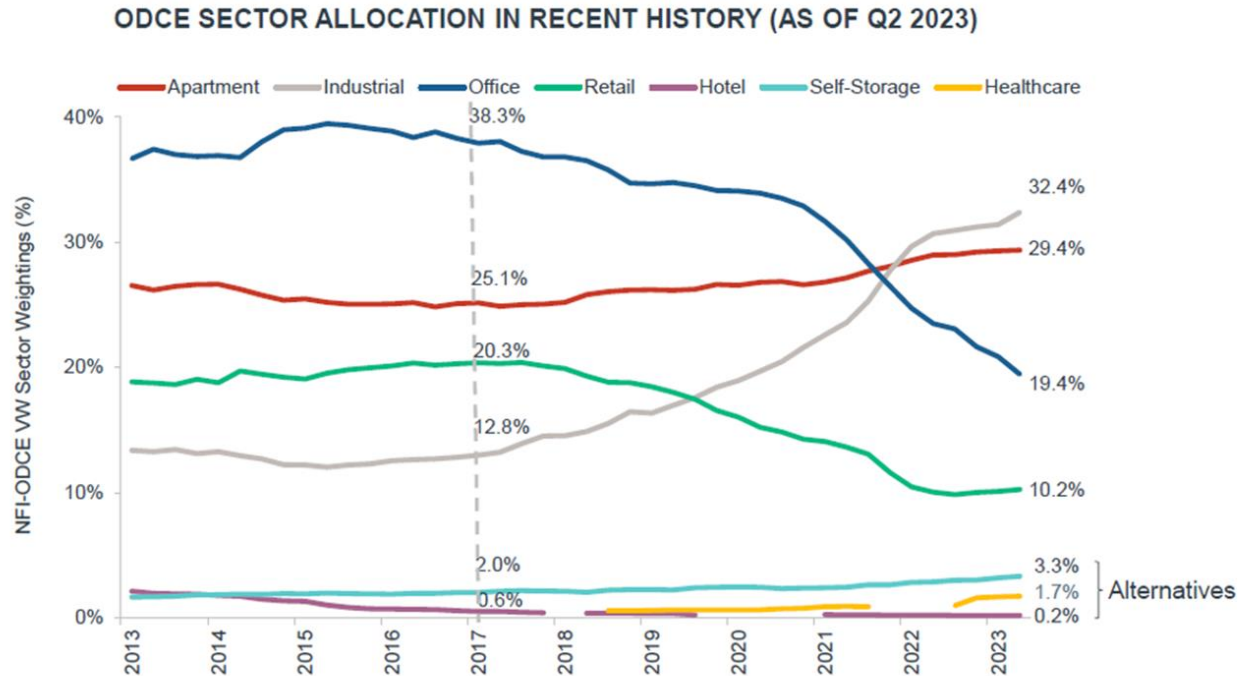
FY 2024 Plan (Last Year) - Core Real Estate

- Maintain expected returns, reduce risk.
- Wind down UBS separate account and invest in two new core open-end fund mandates.
 - Transfer three UBS apartment properties to the Sentinel separate account. Liquidate remaining UBS holdings if in-kind contributions to new funds are not an option.
 - Engage Callan to perform search to hire two new open-end funds that compliment existing ARMB funds.
 - Rebalance fund positions to optimal mix.



NCREIF ODCE sector weights over time

- Real Estate investing has been going through a period of evolution largely due to technological impacts on space usage.

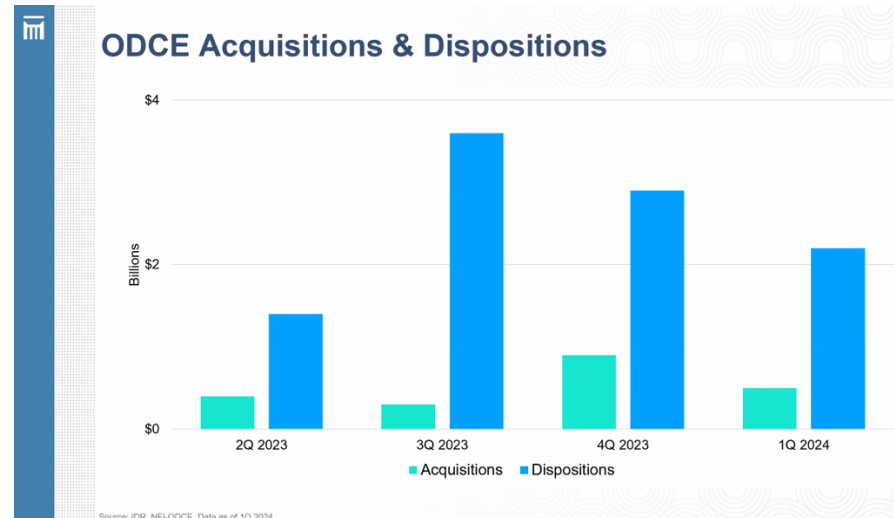
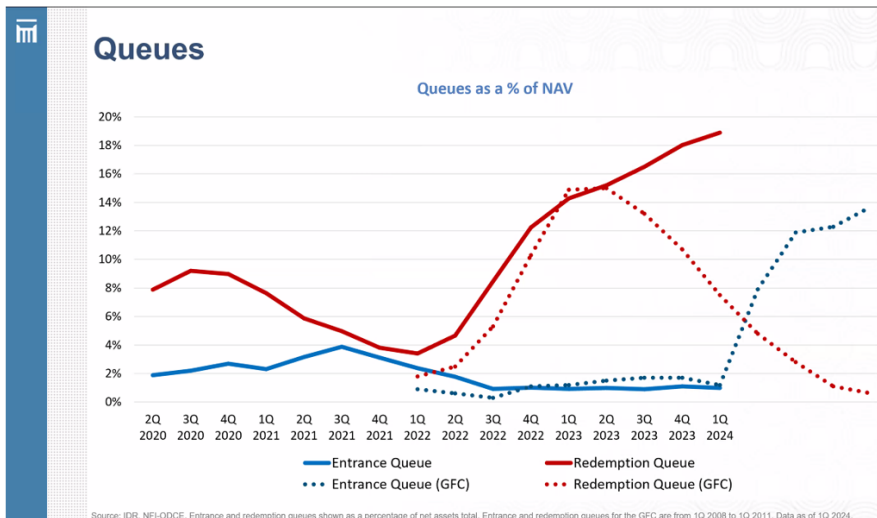


Source: NCREIF, Clarion Partners Investment Research, Q2 2023.

Note: ODCE = NCREIF Open-End Diversified Core Equity Index. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

NCREIF ODCE Funds

- NCREIF ODCE Funds are in extreme dislocation with GFC level exit queues, low transaction volume, and poor capital market conditions.
- ODCE funds are more diversified but separate accounts provide full control and a stable monthly distribution that is valuable for paying monthly pension benefits. Returns have been better in the separate accounts compared to ODCE funds over time.
- ARMB currently has a mix of both commingled funds and separate accounts offering good diversification by structure.
- ODCE funds offer broad diversification while separate accounts offer superior income, better fees, and more control. Maintaining both structures appears attractive.

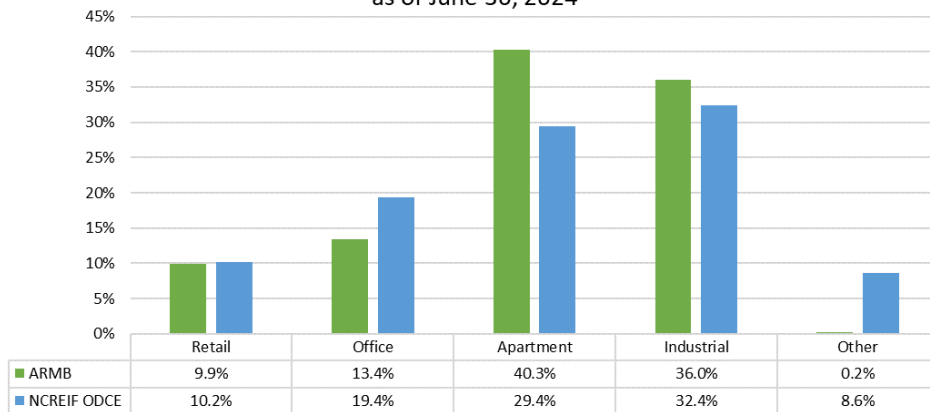


Core Real Estate Performance

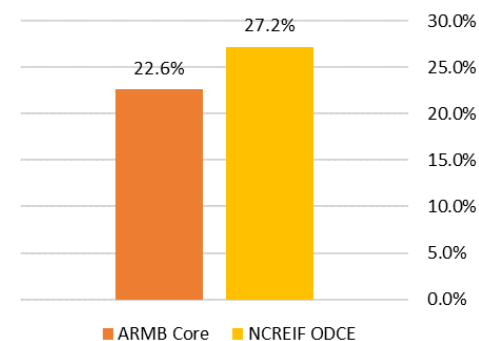
as of June 30, 2024	ARMB NAV		1 Year		5 year		10 year	
	\$millions	Core Weight	Income	Total	Income	Total	Income	Total
UBS Separate Account (net)	464	34%	4.64%	-5.57%	4.41%	5.86%	4.42%	8.70%
Sentinel Separate Account (net)	416	31%	3.68%	-8.47%	4.08%	6.12%	4.49%	8.06%
BlackRock Core Property Fund (net)	312	23%	2.35%	-16.41%	3.03%	1.02%	3.32%	5.23%
JPM Strategic Property Fund (net)	143	10%	2.80%	-14.80%	2.56%	0.64%	3.10%	4.33%
UBS Trumbull Property Fund (net)	28	2%	3.01%	-8.51%	3.05%	-1.11%	3.38%	2.48%
ARMB Total Core Real Estate (net)	1,363	100%	3.73%	-9.95%	3.63%	3.83%	3.91%	6.10%
NCREIF ODCE Value Wt (net)				-9.99%		2.27%		5.47%

Source: Callan and BlackRock (10r BlackRock numbers reflect general fund returns and not ARMB results)

ARMB Core Real Estate Sector Weights
as of June 30, 2024



Leverage - Loan to Value %



Fiscal Year 2025 Plan - Core Real Estate

FY 2024 Portfolio Actions:

- Three apartment properties valued at \$213 million were transferred to Sentinel as of April 1, 2024.
- No further actions were taken to wind down the UBS portfolio due to poor capital market conditions.

FY 2025 Revised Core Plan:

- Discontinue effort to wind down UBS Real Estate Separate Account and the search for two new core ODCE funds. Recommit to UBS portfolio being a key component of the core strategy for the long-term.
 - Cost of diversification appears too high given uncertainty of navigating queues, transaction markets, and capital market conditions.
 - UBS portfolio is performing well and produces strong monthly cash flows.
 - Separate account fees are relatively attractive
 - Separate account offers better control than ODCE funds

Non-Core Real Estate / Real Estate Debt

Non-Core Real Estate Equity

- Made \$50 million commitment to KKR Real Estate Partners IV to invest in transitional assets, real estate companies and platforms, and distressed/complex situation targeting 12-15% net returns. Competitive advantage is created from leadership/culture, deal flow created from larger private equity footprint, and its captive real estate operating platforms.
- Existing commitments to KKR and Almanac funds create opportunity for ARMB to participate in market dislocation and expectation for good vintage year returns.
- Fiscal Year 2025 plan is to continue plan targeting 5% exposure to non-core strategies consistent with pacing model.

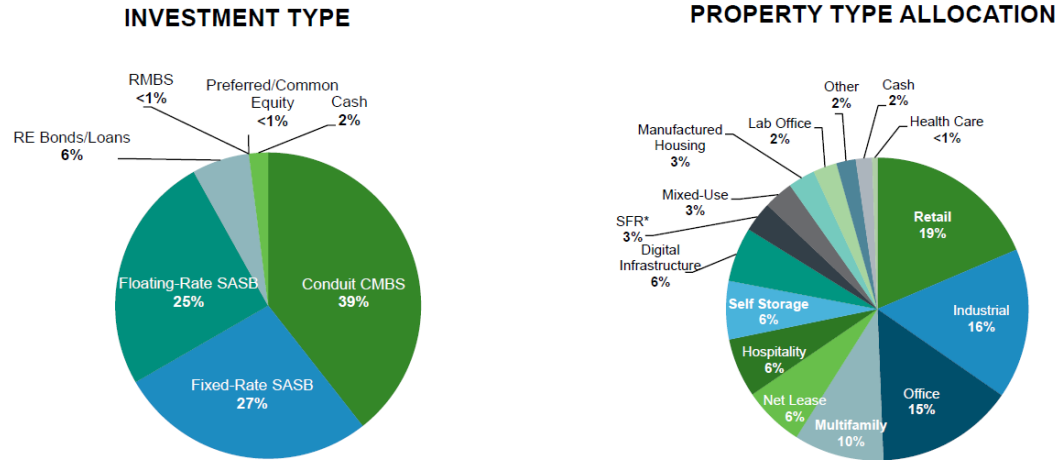
Real Estate Debt

- Transferred Fidelity REHI portfolio from Fixed Income to Real Assets during FY 2024.
- Staff worked with Callan to identify two real estate debt investments. The initial screen identified 27 funds to consider. Final selection was made after iterative due diligence process including on-site evaluation of finalists.
- Final investment level is expected to approximate 5% target once invested. No additional debt related investment actions are planned for FY 2025.

	Real Estate Debt Fund 1	Real Estate Debt Fund 2
Strategy	Loans secured by stabilized or near stabilized commercial real estate in the United States.	Senior and subordinate financing on transitional real estate and senior construction loans in the United States.
Target Return	7 – 8% net	10 – 12% net
Structure	Open-end	Closed-end
Loan Structure	3-7 year, fixed and floating	3-5 year, fixed and floating
Target Size	\$75 million	\$75 million

Real Estate Debt – Fidelity Real Estate High Income (REHI)

Portfolio characteristics As of June 30, 2024



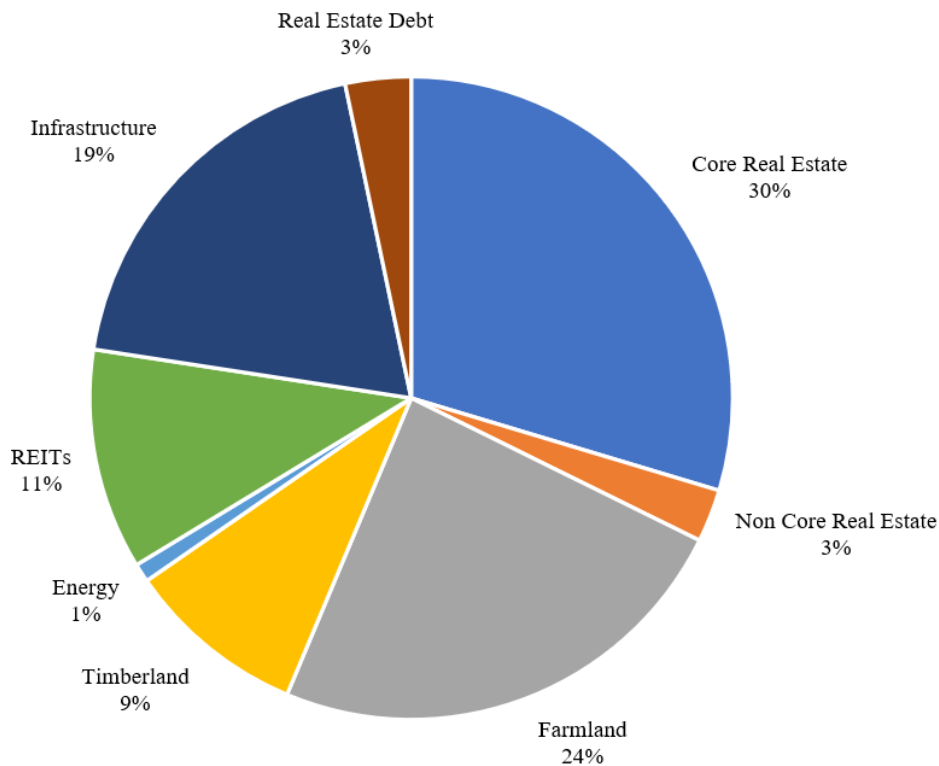
- Fidelity High Yield CMBS strategy delivered strong results in Fiscal Year 2024.
- Current yield of 10.1% suggests strong income potential in the future.

as of June 30, 2024	QTR	1yr	3yr	6yr	ARMB ITD 8.75yr
Fidelity REHI	1.76%	10.87%	0.06%	1.98%	2.37%
CMBS Benchmark	1.09%	7.51%	-2.94%	1.74%	2.24%
NCREIF ODCE	-0.66%	-9.99%	1.02%	2.79%	4.35%
FTSE NAREIT All Equity	-0.90%	5.78%	-1.63%	4.95%	6.39%
Bloomberg U.S. Aggregate	0.07%	2.63%	-3.02%	1.07%	1.18%

Source: Callan

REITs Overview

- ARMB REIT exposure is provided through internal management, passively managed to the FTSE Nareit All Equity REITs Index.



REITs Portfolio Profile June 30, 2024

- Total Net Asset Value: \$511.1 million
- ARMB Sector Target: 10%



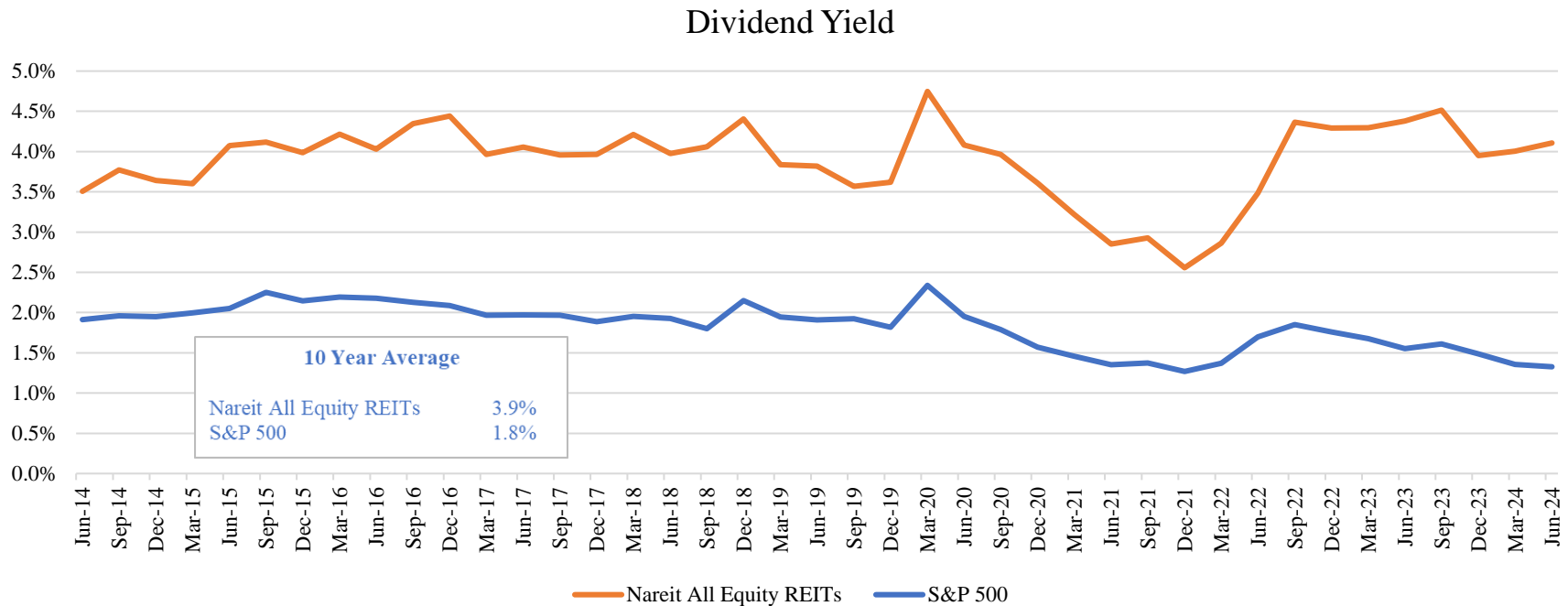
CHS Alaska Valley

Palmer, Alaska
Welltower Inc

Source: Nareit

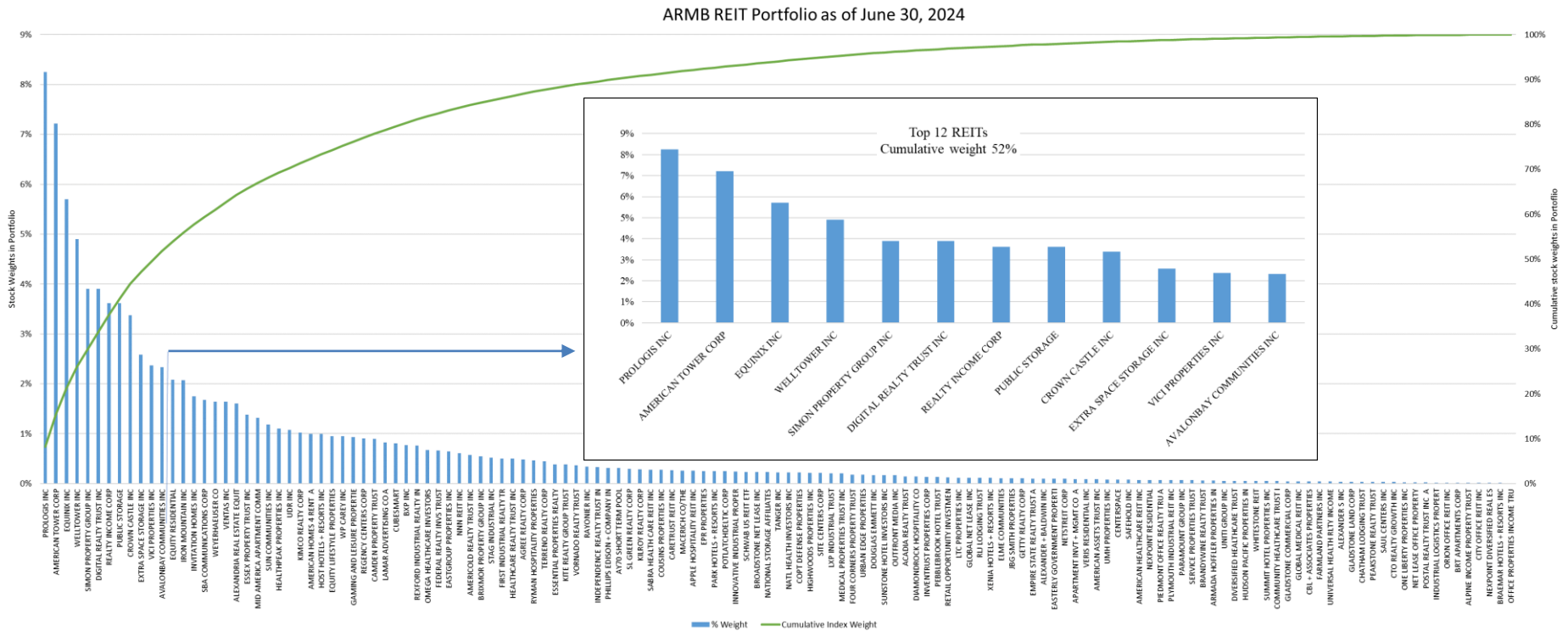
What is a REIT?

- REITs stands for “real estate investment trusts”
- Established in 1960, Tax Reform Act of 1986
- REITs are companies that finance or own real estate that is income producing.
- REITs must distribute a minimum of 90% of taxable income to shareholders through dividends.



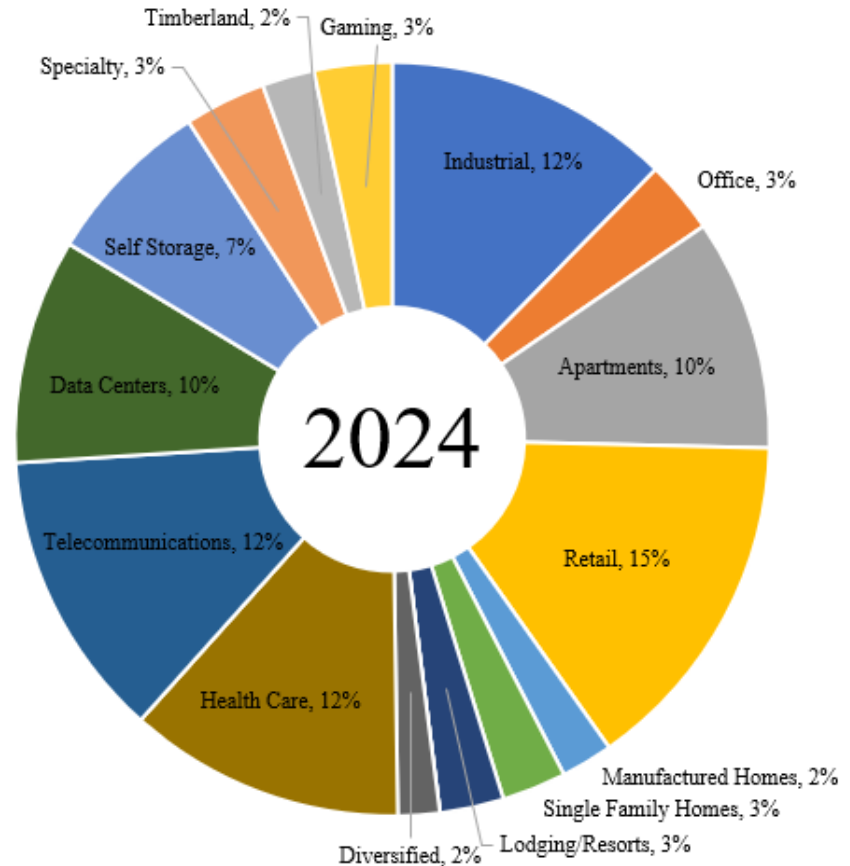
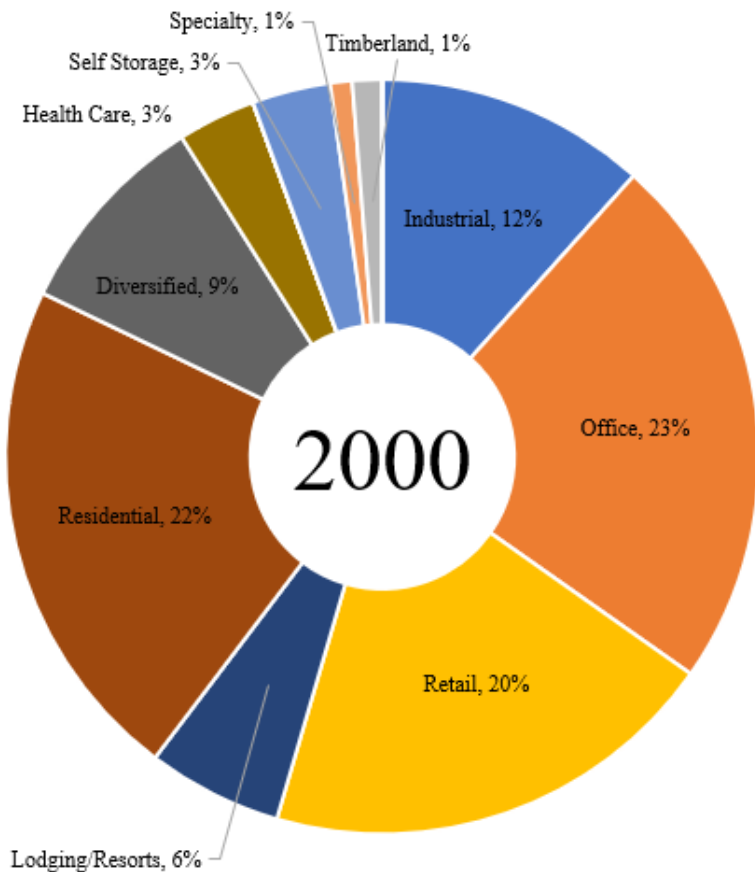
ARMB REIT Portfolio

- The ARMB portfolio is passively managed against the FTSE Nareit All Equity Index which holds ~140 REITs with a market cap of \$1.2 trillion.
- The top 12 REITs make up 52% of the portfolio.



REITs Sector Evolution

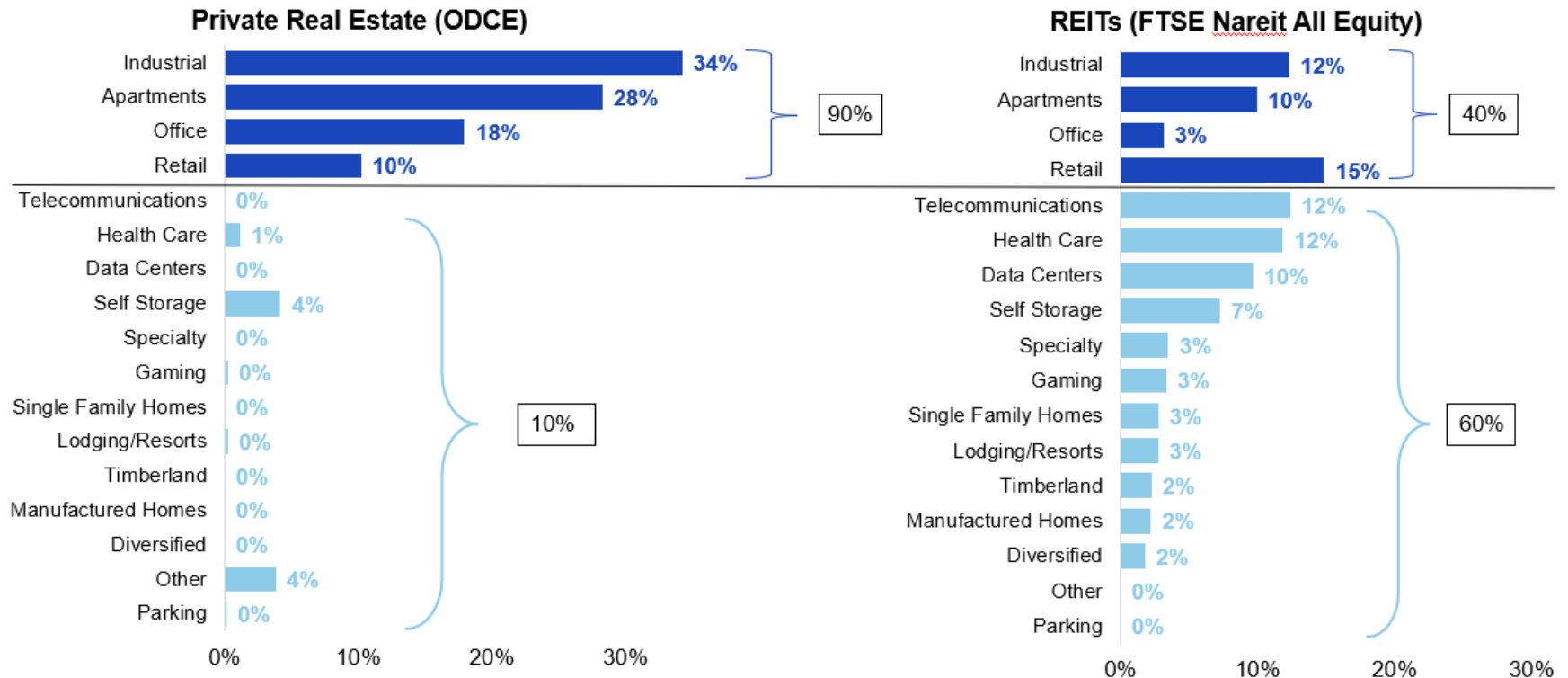
- The FTSE Nareit All Equity REITs Index has expanded to include additional property types.



Source: Nareit, FTSE Nareit All Equity REITs Index. Data as of 6/30/2024

Public and Private Sector Weights

- REITs provide exposure to non-core sectors



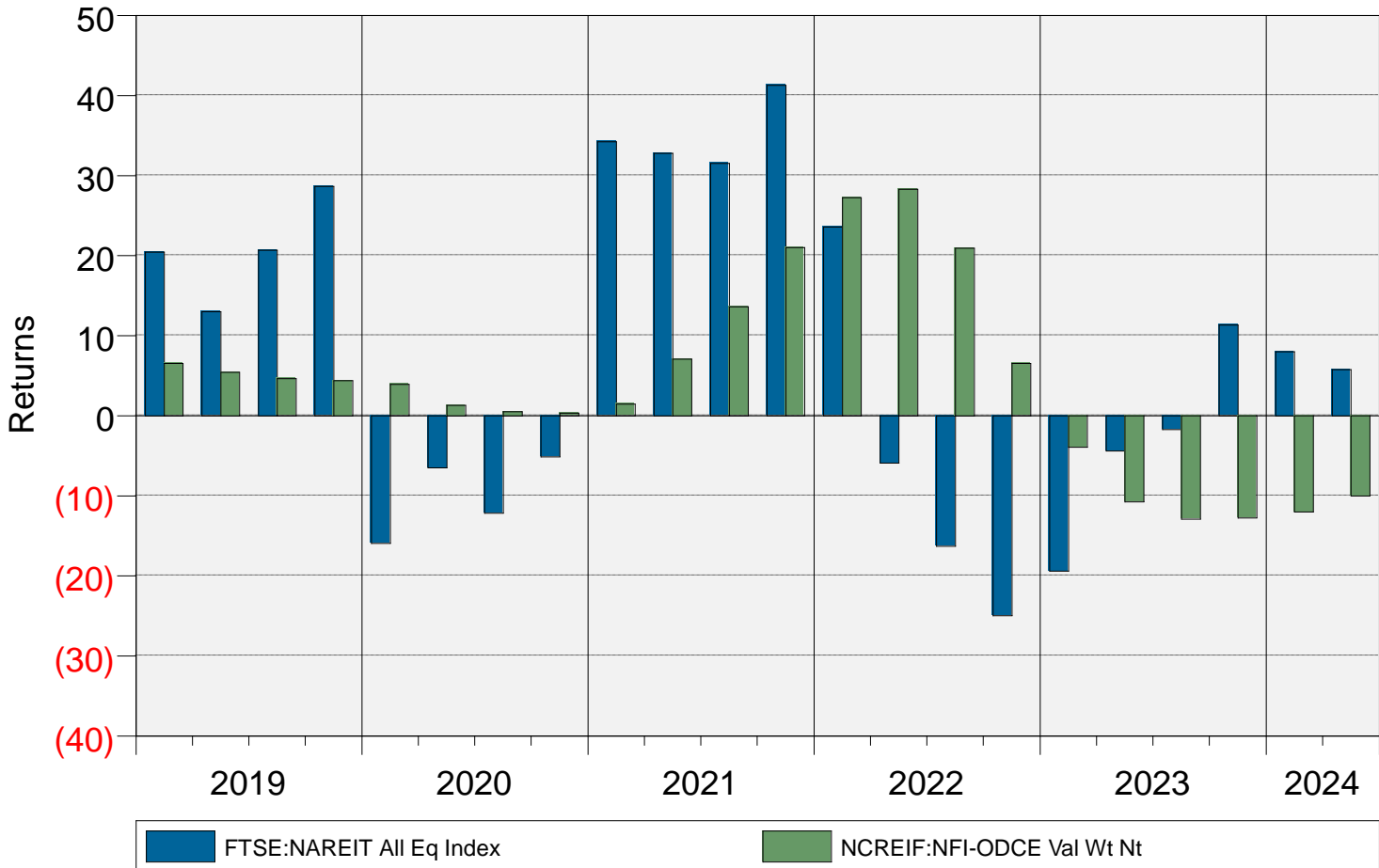
Source: NCREIF Open End Diversified Core Equity ending market value as of Q2 2024 via NCREIF; FTSE Nareit All Equity Index, equity market capitalization as of June 30, 2024 via Factset.

Nareit.

Public and Private Real Estate Returns

- Public real estate is daily priced, private real estate is appraisal based

Rolling 4 Quarter Returns
for 5 1/2 Years Ended June 30, 2024



Source: Callan PEP

Sample REIT Profiles



- Industrial
- Investments located in North America, South America, Europe and Asia
- 1.2 billion square feet
- 1.1 million employees under Prologis' roofs



Source: Prologis



- Telecom Tower
- 224,000 communications sites over 181,000 properties internationally
- 42,000 Tower Sites in the U.S.
- 101 Properties in Alaska



Source: American Tower



- Data Center
- Presence in 33 countries, on 6 continents
- 13,000 global employees
- 31 million square feet
- 260 data centers



Source: Equinix

Real Estate Portfolio Strategy Status

FY 2024 Approved Plan	FY 2024 Accomplishments	FY 2025 Recommended Plan
<ul style="list-style-type: none"> • Wind down UBS Separate Account. Transfer apartment assets to Sentinel. Utilize Callan search process to fund two new core ODCE fund managers with complementary strategies to existing ARMB real estate investments. 	<ul style="list-style-type: none"> • UBS apartment assets were successfully transferred to Sentinel without issue. • No progress was made in winding down the UBS Separate Account due to poor market conditions. 	<ul style="list-style-type: none"> • Discontinue effort to wind down UBS Real Estate Separate Account and the search for two new core ODCE funds as cost of diversification is too high compared to benefit. Recommit to UBS separate account portfolio being a key component of core strategy for the long-term.
<ul style="list-style-type: none"> • Rebalance core fund exposures over time to optimal weights consistent with total core target. 	<ul style="list-style-type: none"> • No progress was made rebalancing core fund exposures due to poor market conditions. 	<ul style="list-style-type: none"> • Rebalance core fund exposures over time to optimal weights.
<ul style="list-style-type: none"> • Implement non-core pacing model and raise exposure to target level consistent with new sector targets. 	<ul style="list-style-type: none"> • One investment was made to a non-core real estate fund, KKR Real Estate Partners IV. 	<ul style="list-style-type: none"> • Add non-core investments consistent with pacing model.
<ul style="list-style-type: none"> • Add debt investments to portfolio initially by transferring Fidelity REHI strategy from fixed income to Real Assets. Utilize Callan search to identify one to two private debt investment funds to compliment existing CMBS portfolio. 	<ul style="list-style-type: none"> • Fidelity REHI strategy transferred to Real Assets. • Staff and Callan worked collaboratively in a search effort to identify two real estate debt managers. Contracts are in final stages of execution with funding expected over time. 	<ul style="list-style-type: none"> • Implement real estate debt investment selections.

Farmland Overview

- Investment manager makes investments on a discretionary basis within the parameters defined by the ARMB's guidelines and annual investment plan up to approved allocations.
- Portfolio is composed of U.S. farmland. Strategy is a leased-based approach targeting both row crops and permanent crops. ARMB owns 100% of the assets.
- The farmland portfolio target benchmark is the NCREIF Farmland Index reweighted to reflect 80% row crops and 20% permanent crops.

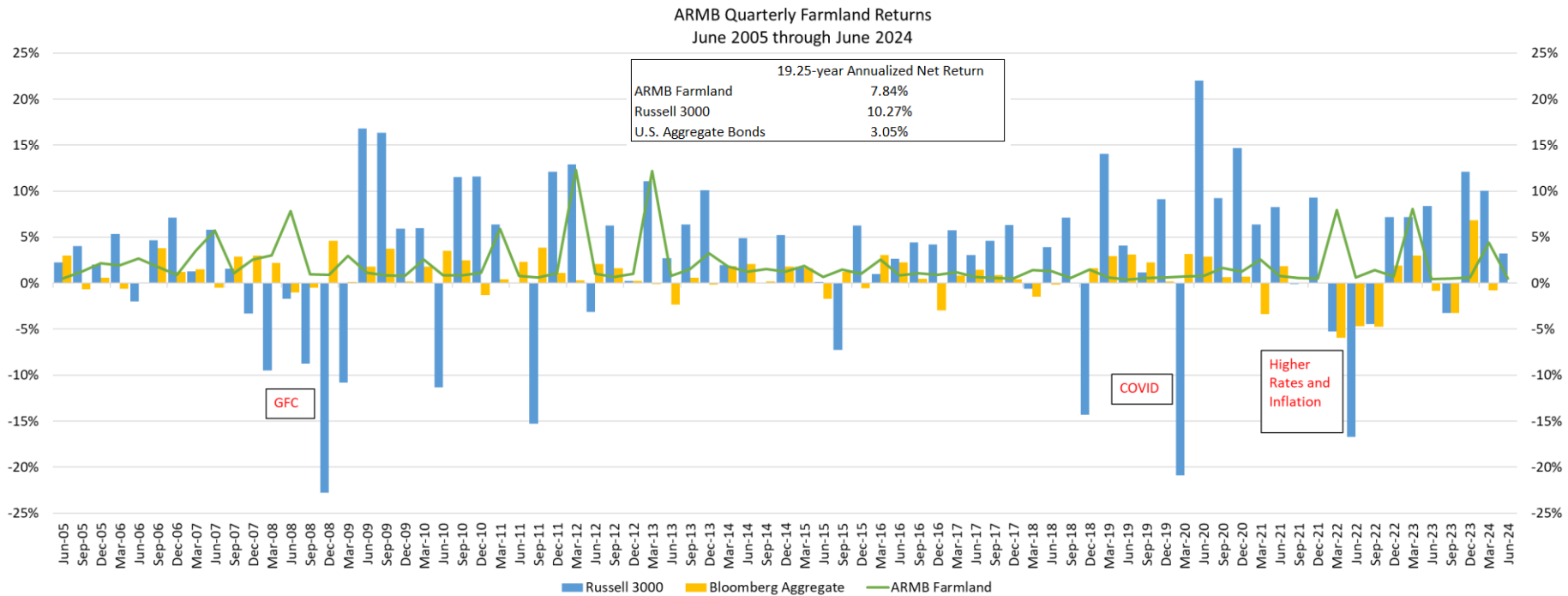
Farmland Portfolio June 30, 2024

- Total Net Asset Value: \$1.1 billion
- Number of Assets: 88
- Total acres: 144,005
- Number of states where investments are located: 16
- Row/Permanent Crop Distribution by MV: 89%/11%



Farmland Performance

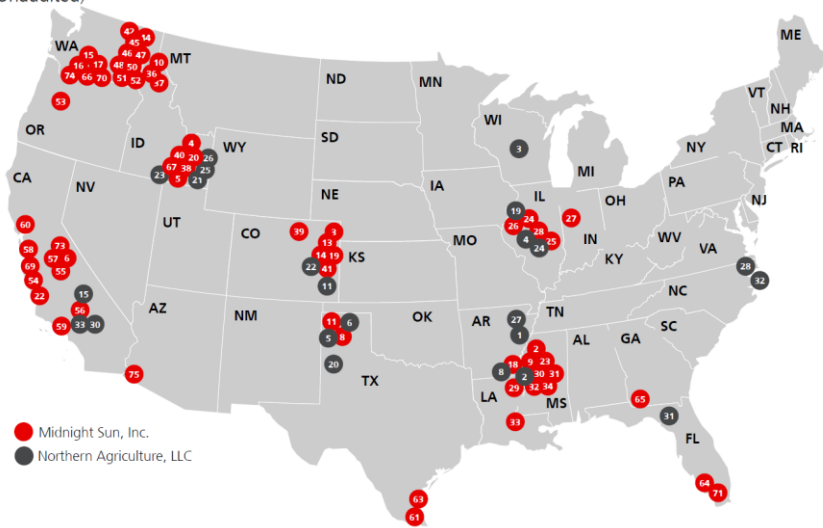
- Historical returns have been remarkably stable. No negative quarters over 19 years.
- No leverage is used in portfolio construction.



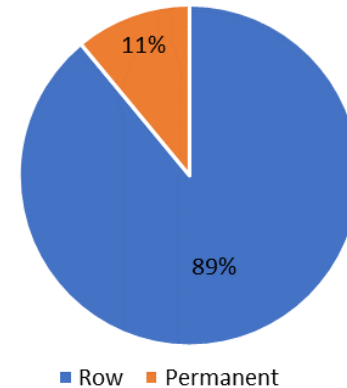
Farmland Portfolio

- No strategy changes are being recommended for Fiscal Year 2025. Plan is to continue selectively reducing portfolio to 20% target as approved in the Fiscal Year 2024 plan. Portfolio is currently ~4% overweight.
- Portfolio is performing well and is diversified.

Midnight Sun property location map
(Unaudited)



ARMB Portfolio by Crop Type
as of June 30, 2024



Timberland Overview

- Investment manager makes investments on a discretionary basis within the parameters defined by ARMB's guidelines and annual investment plan up to approved allocations.
- ARMB allocation is fully invested at current size.
- Portfolios are composed of U.S. timberland. ARMB owns 100% of the assets.
- ARMB portfolio is diversified and well positioned to benefit from building product demand with 67% of portfolio in the U.S. South.

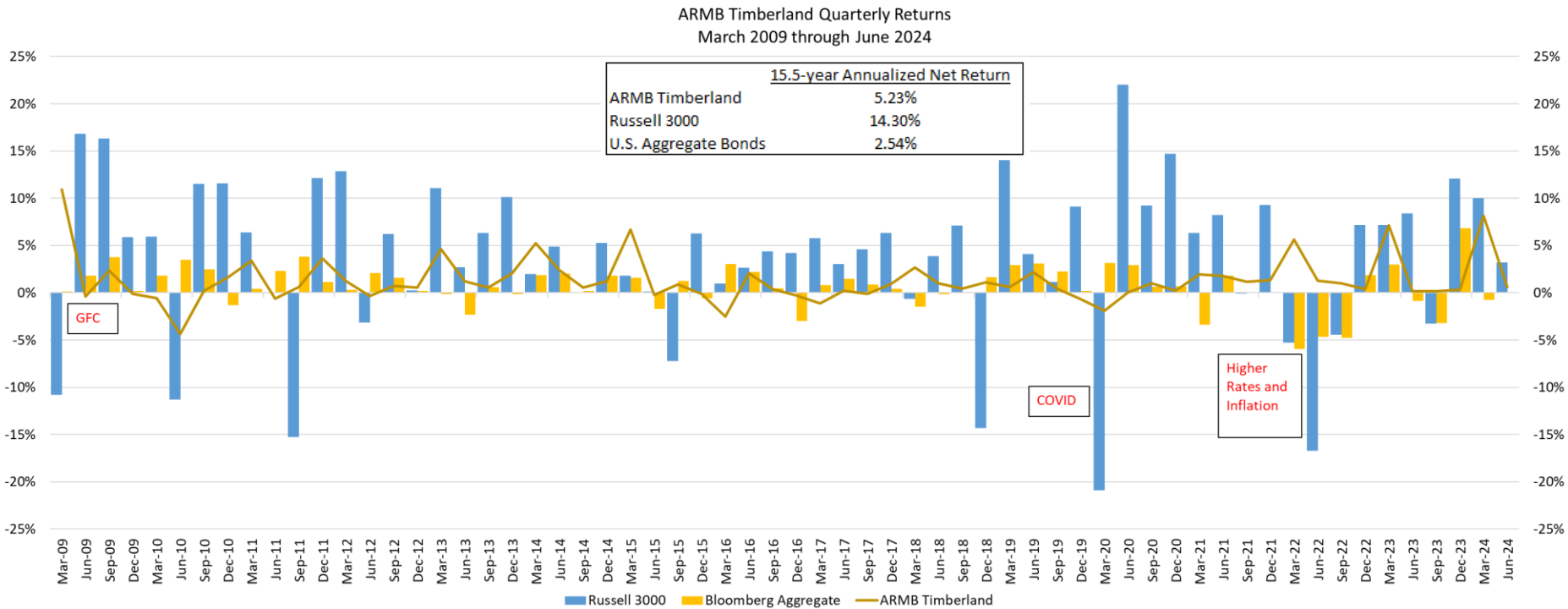
Timberland Portfolio June 30, 2024

- Total Net Asset Value: \$416 million
- Number of Assets: 17
- Total acres: 146,463
- Number of States where investments are located: 11



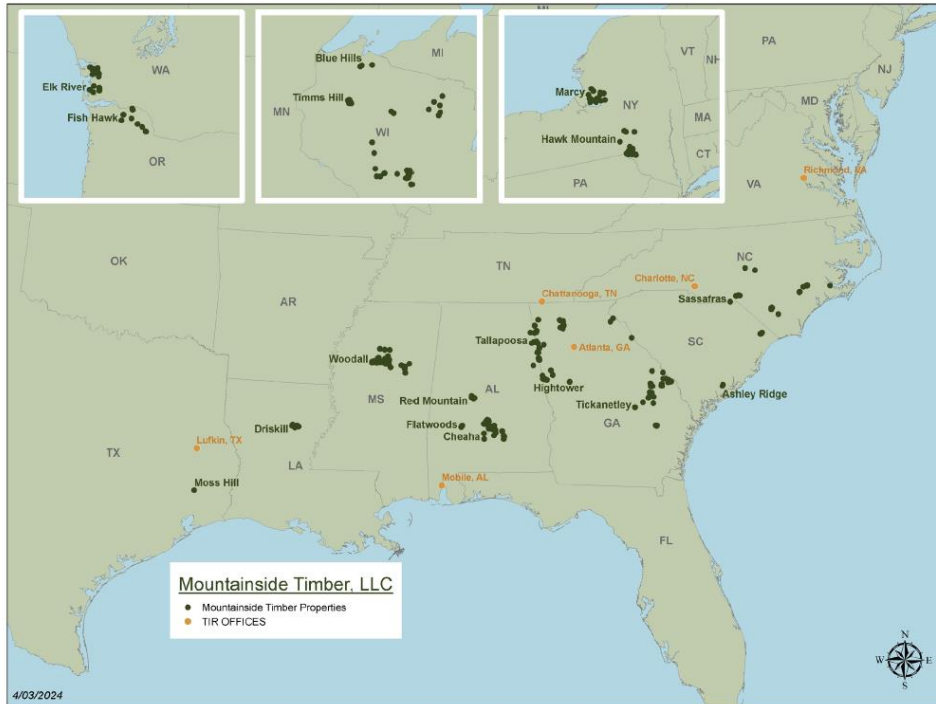
Timberland Performance

- Historical returns have been lower than expected but generally positive and between stocks and bonds. Recent returns have been strong and demonstrated unique inflation hedge properties and benefits from optionality.
- Shallow drawdown experience.
- No leverage is used in portfolio construction.

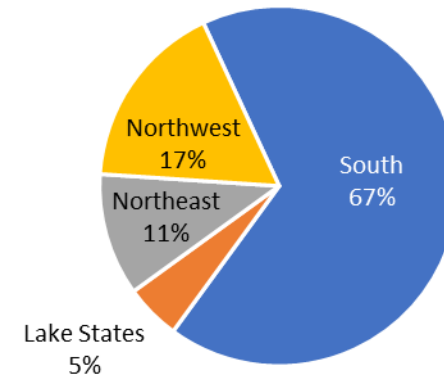


Timberland Portfolio

- No strategy changes are being recommended.
- Portfolio is performing well and is diversified.



ARMB Timberland Portfolio by Region
as of June 30, 2024



Infrastructure Overview

- ARMB is invested in two open-end private investment funds, sponsored by J.P. Morgan and Industry Funds Management (IFM).
- Investments are focused on essential core public infrastructure that are both regulated and unregulated. Assets include regulated water, regulated electricity, airports, pipelines, toll roads, and ports. Target return is 8 – 12% net with a high cash yield.
- Portfolio is well diversified with a mix of GDP sensitive assets and regulated or contractually based assets which often include inflation pass-through features.

Infrastructure Portfolio Profile June 30, 2024

- Total Net Asset Value: \$886.3 million
- Number of Company Investments: 42
- Total Combined Fund NAV (all investors): \$94.3 billion



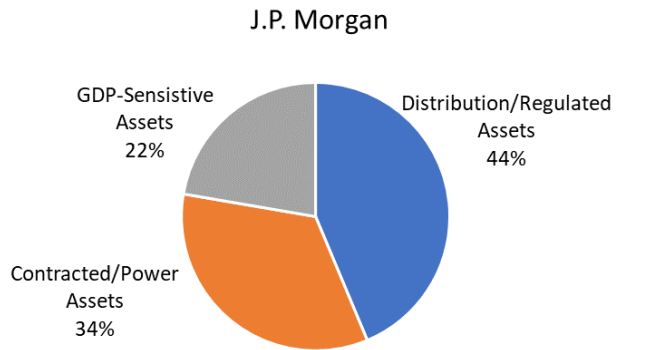
Switch, Inc., IFM



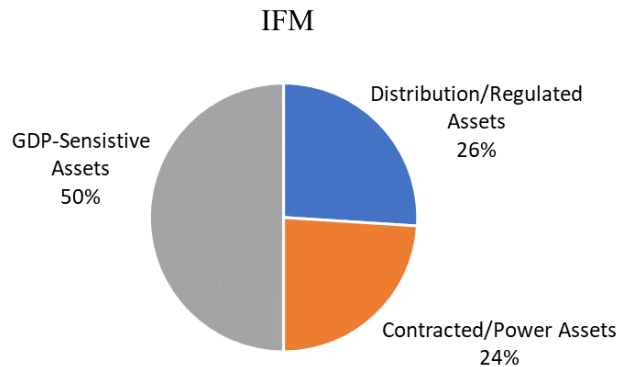
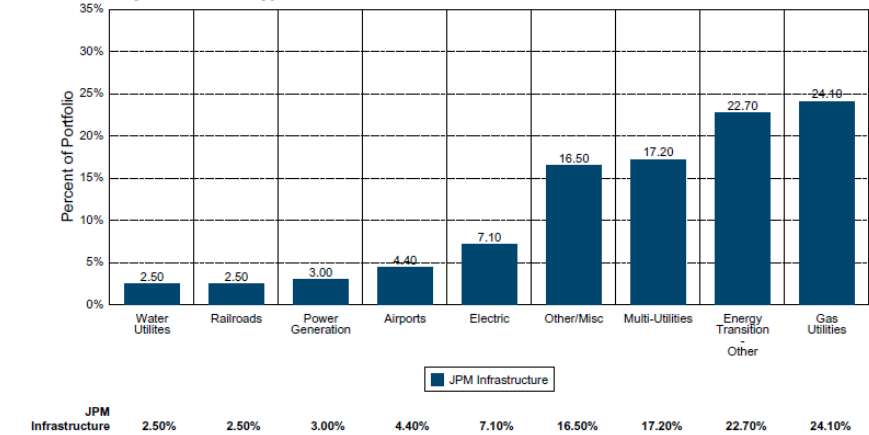
Koole terminals, JPM

Infrastructure Fund Comparison

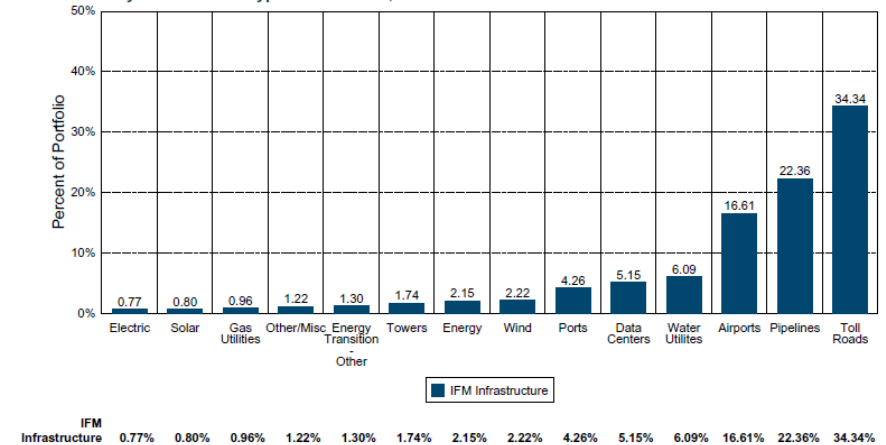
- J.P. Morgan and IFM have different risk and return profiles due to the underlying assets.



Diversification by Infrastructure Type as of June 30, 2024



Diversification by Infrastructure Type as of June 30, 2024



Source: Callan

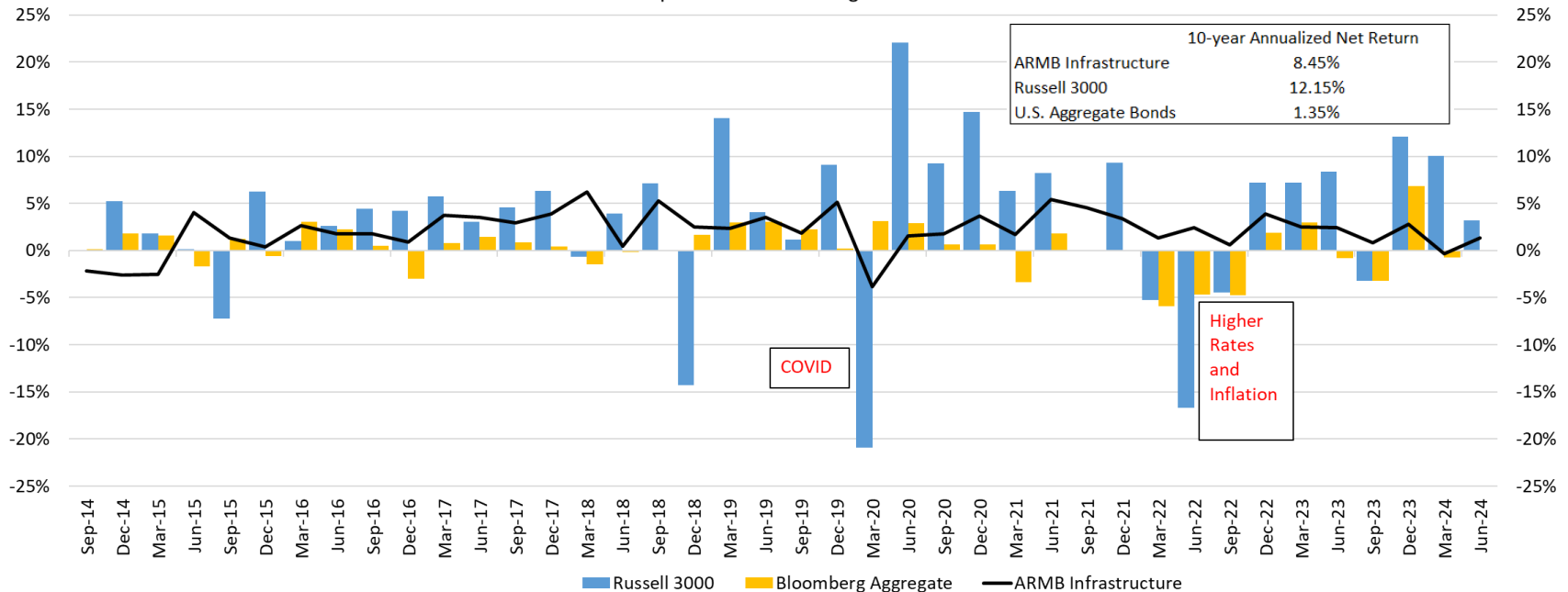
Infrastructure Performance

- Infrastructure has produced steady, generally positive returns. Strong overall results.

Net Returns for Periods Ended June 30, 2024						IFM ITD	JPM ITD
	Last Quarter	Last Year	Last 3 Years	Last 6 Years	ITD 10 Years	9.25 Years	10 Years
IFM (net)	1.01%	3.05%	8.49%	10.15%	-	10.60%	-
J.P. Morgan (net)	2.31%	11.40%	10.25%	8.01%	6.24%	-	6.24%
ARMB Infrastructure (net)	1.31%	4.60%	8.83%	9.70%	8.47%	-	-
CPI+4%	1.56%	6.97%	8.97%	7.75%	6.80%	7.14%	6.80%

Source: Callan

ARMB Infrastructure Quarterly Returns
September 2014 through June 2024



Infrastructure Portfolio Strategy Status

FY 2024 Approved Plan	FY 2024 Accomplishments	FY 2025 Recommended Plan
<ul style="list-style-type: none"> • Gradually rebalance existing open-end exposures to optimal weights over time • Add best-in class higher return strategies as opportunities present 	<ul style="list-style-type: none"> • Through September 30, 2024, \$100 million will have been transferred from IFM to JPM. • Staff has worked with Callan to underwrite several higher return infrastructure strategies and expect to add new investments to the portfolio over the next 3 to 6 months. 	<ul style="list-style-type: none"> • Gradually rebalance existing open-end exposures to optimal weights over time. • Add complimentary best-in class higher return strategies as opportunities present.

Real Assets Fiscal Year 2025 Investment Plan

Asset Class	<ul style="list-style-type: none"> Maintain sector target allocations: Core Real Estate 30%----- Non-core Real Estate 5% Real Estate Debt 5% US REITs 10% ----- Timberland 10% ----- Farmland 20% ----- Infrastructure 20% ----- 	<u>Policy Benchmark:</u> 40% NCREIF ODCE Index 10% NAREIT All Equity Index 10% NCREIF Timberland Index 20% NCREIF Farmland (80/20) 20% CPI+4%	<u>Implementation:</u> Target allocations are consistent with Real Assets policy established in Resolutions 2024-02 and 2024-03, relating to plan level asset allocation, on effective date.
Real Estate	<ul style="list-style-type: none"> Discontinue effort to wind down UBS Real Estate Separate Account and the search for two new core ODCE funds as cost of diversification is too high compared to benefit. Recommit to UBS separate account portfolio being a key component of core strategy for the long-term. Rebalance core fund exposures over time to optimal weights. Add non-core investments consistent with pacing model. Implement real estate debt investment selections. 		
Farmland	<ul style="list-style-type: none"> No strategy changes recommended. 		
Timberland	<ul style="list-style-type: none"> No strategy changes recommended. 		
Infrastructure	<ul style="list-style-type: none"> Gradually rebalance existing open-end exposures to optimal weights over time. Add complimentary best-in-class higher return strategies as opportunities present. 		