



**ALASKA RETIREMENT MANAGEMENT BOARD**  
**Department of Revenue**  
**Treasury Division**  
**333 Willoughby Avenue, 11<sup>th</sup> Floor, State Office Building**  
**PO Box 110405**  
**Juneau, AK 99811-0405**

**Request For Proposals**  
**ASPS 14-010**

Date of Issue: February 17, 2014

Asset Allocation, Investment Manager Selection, Performance  
Measurement, and Other Investment Advisory and General Investment  
Consulting Services

Respondents Are Not Required To Return This Form.

**Important Notice:** If you received this solicitation from the State of Alaska's "Online Public Notice" or Department of Revenue web site, you must register with the Project Directors listed in this document to receive subsequent amendments. Failure to contact the Project Directors may result in the rejection of your offer.

**Name: Judy Hall, ARMB Liaison Officer**  
**Gary Bader, Chief Investment Officer**  
**Project Directors**  
**Department of Revenue**

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## **SECTION ONE: INTRODUCTION AND INSTRUCTIONS**

### **1.1 INTRODUCTION AND PURPOSE**

This Request for Proposal (RFP) is issued by the Alaska Retirement Management Board (ARMB). Alaska Statute 37.10.220 provides that the ARMB may contract for professional services necessary to execute its powers and duties.

ARMB is soliciting proposals for investment consulting services that include: the calculation of the investment returns for certain retirement and endowment funds (performance measurement), the comparison of these returns against similar funds, portfolios, or indices; asset allocation modeling; investment manager evaluation and selection; and, analysis of investment management style, investment policies and objectives.

Only one respondent will be selected. An Evaluation Committee of ARMB Trustees will score written proposals according to predetermined criteria. Proposal discussions as outlined in AAC 112.140(i) may occur as part of the evaluation process. ARMB reserves the right to reject all proposals, and/or not to award the contract.

### **1.2 ARMB ADDRESS AND TELEPHONE NUMBER**

The ARMB address and telephone number for this RFP is:

Alaska Retirement Management Board  
Alaska Department of Revenue, Treasury Division  
PO Box 110405  
Juneau, Alaska 99811-0405

Physical Address: 333 Willoughby Avenue, 11<sup>th</sup> Floor  
State Office Building  
Juneau, Alaska 99801

Project Directors: Judy Hall, ARMB Liaison Officer  
Gary Bader, Chief Investment Officer

Phone: (907) 465-3749

Fax: (907) 465-4397

E-Mail: [judy.hall2@alaska.gov](mailto:judy.hall2@alaska.gov)

Subject: RFP 14-010

ARMB assumes no liability for incorrect addresses, delivery of notices or RFP packages by public or private carriers.

### 1.3 CALENDAR OF EVENTS

RFP Issued	February 17, 2014
Questions Due	March 3, 2014
Receipt of Proposals	April 3, 2014
Open Proposals	April 4, 2014
Evaluation Committee Meeting	April 23, 2014
Committee Evaluation Results Presented to Board	April 24-25, 2014
Board Accepts Committee Recommendation And Issues Notice of Intent to Award	April 24-25, 2014 April 28, 2014
Contract issued	July 1, 2014

### 1.4 CONTRACT TERM, WORK SCHEDULE AND LOCATION

The contract term and work schedule represent ARMB's best estimate of the schedule that will be followed. If a component of the schedule outlined in Section 1.3 above is delayed, the remainder of the schedule will be shifted by approximately the same number of days.

The total period of performance will be from July 1, 2014 to June 30, 2017, with two one-year options to renew.

There is no specific location for this work. The successful Respondent will be required to travel and attend board and/or staff meetings as outlined in Section 5, Scope of Services.

### 1.5 CONTRACT PRICING

The Respondent shall provide a cost proposal as outlined in Section 6.8 based upon the detailed scope of services set forth in Section 5.2.

### 1.6 PROPOSAL SUBMISSION

Proposals must be physically received by the Alaska Retirement Management Board, c/o Department of Revenue, Treasury Division, at the address shown in Section 1.2 above ***no later than 4:00 p.m. Alaska Prevailing Time, April 3, 2014.*** Failure to meet the deadline will result in disqualification of the proposal without review. ARMB is not liable for delays caused by any public or private mail carrier. Please be advised not all delivery services honor overnight delivery to Juneau and weather may delay flights.

Respondents must submit an original and six (6) hard copies of their proposal and an electronic copy [refer to Section 6.1]; proposals may be mailed or hand delivered directly to the address below. Faxed proposals are not acceptable. Proposals must be in a sealed envelope and clearly labeled as follows:

State of Alaska  
Alaska Retirement Management Board  
REQUEST FOR PROPOSAL IN RESPONSE TO:  
RFP 14-010  
For: General Consultant Services  
Attention: Judy Hall, ARMB Liaison Officer  
Gary Bader, Chief Investment Officer  
Project Directors

This proposal is submitted by:

---

(Responding Proposer's Name)

### **1.7 MODIFICATIONS, CORRECTIONS, OR WITHDRAWALS OF OFFERS**

Responses to this RFP may be modified, corrected, or withdrawn in writing or by fax notice if received prior to the date specified for submission of proposals.

Modifications or corrections to or withdrawal of a proposal received after the date specified for submission of proposals will not be considered.

### **1.8 REQUIRED REVIEW**

Respondents shall carefully review this RFP for defects and questionable or objectionable materials. Respondent's comments concerning defects and questionable or objectionable material in the RFP must be made in writing and received by March 3, 2014. This will allow time for an addendum to be issued if one is required. It will also help prevent the opening and the exposure of proposals upon which an award cannot be made. Respondent's comments shall be sent to the Project Directors identified in Section 1.2 above by mail, fax, or e-mail.

### **1.9 QUESTIONS RECEIVED PRIOR TO OPENING OF PROPOSALS**

All questions regarding this RFP should be directed to the Project Directors previously identified in this RFP. There are generally two types of questions. One involves directing the questioner to the specific section of the RFP where the answer may be found.

The second type of question involves clarifying or interpreting parts of the RFP. Respondents shall put these questions in writing and submit them to the Project Directors by the deadline indicated for questions in Section 1.8.

All questions must be submitted in writing and may be mailed, faxed, or e-mailed to the Project Directors listed in Section 1.2. Responses to these types of questions shall be provided to all potential respondents in a written addendum to the RFP.

### **1.10 AMENDMENTS**

Should ARMB consider it necessary to revise any part of this RFP significantly or lengthen or shorten the proposal deadline period, an addendum will be issued to all who were previously issued the RFP, and to those who have registered with the Project Directors as having downloaded the RFP from the State of Alaska Online-Public Notice web site.

### **1.11 MULTIPLE OR ALTERNATE PROPOSALS**

Respondents may only submit one proposal for evaluation.

Alternate proposals (proposals that offer something different than what is asked for) will be rejected.

### **1.12 RIGHT OF REJECTION**

ARMB reserves the right to and may declare any proposal nonresponsive that does not fully comply with and address all the terms and requirements of this RFP per 15 AAC 112.140. Proposals declared nonresponsive shall be rejected.

ARMB reserves the right to use any ideas presented in any response to the RFP. Selection or rejection of a proposal does not affect that right.

### **1.13 RFP RESPONSE COSTS**

No costs incurred by the Respondent in preparation of the proposal, including travel and personal expenses, may be charged as an expense of performing the contract.

ARMB shall not be subject to payment for costs incurred for proposal preparation or contract preparation as a result of valid and legal termination of this RFP or termination of the contract resulting from the award of this RFP.

### **1.14 TAXES**

ARMB is exempt from federal, and Alaska state and local taxes. ARMB will not be responsible for any taxes levied on the Respondent as a result of any contract resulting

from this RFP.

### **1.15 CONFIDENTIALITY**

All proposals and other material submitted become the property of ARMB and may be returned only at ARMB's option.

All proposal information will be held in confidence until the issuance of the Notice of Intent to Award. Thereafter, proposals will become public information.

### **1.16 SUBCONTRACTORS OR JOINT VENTURES**

Subcontractors will not be allowed. Joint ventures will not be allowed.

### **1.17 CONFLICT OF INTEREST**

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., including, but not limited to, employed by the State of Alaska) and, if so, the nature of that conflict. ARMB reserves the right to cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the program to be developed by the Respondent. ARMB's determination regarding any questions of conflict of interest shall be final.

### **1.18 INSPECTION**

ARMB may request a site visit to a Respondent's main office of business to conduct due diligence to support the evaluation of the Respondent.

### **1.19 RFP SOLICITATION**

Public notice has been provided in accordance with 15 AAC 112.140.



## **1.20 NEWS RELEASES**

News releases related to this RFP will not be made without prior approval of ARMB.

## **1.21 ASSIGNMENT**

The Respondent may not transfer or assign any portion of a contract resulting from this RFP without prior written approval of ARMB.

## **1.22 DISPUTES**

Any dispute arising out of this agreement will be resolved under the laws of the State of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain relief from or remedy in connection with this agreement may be brought only in the Superior Court, First Judicial District, State of Alaska.

## **1.23 SEVERABILITY**

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

## **1.24 FEDERAL REQUIREMENTS**

The Respondent must identify all known federal requirements that apply to the proposal, the evaluation, or the contract.

## **SECTION TWO: STANDARD PROPOSAL INFORMATION**

### **2.1 AUTHORIZED SIGNATURE**

All proposals must be signed by an individual authorized to bind the Respondent to the provisions of the RFP. Proposals must remain open and valid for at least 90-days from the opening date.

### **2.2 PRE-PROPOSAL CONFERENCE**

No pre-proposal conference will be held.

### **2.3 CLARIFICATION OF OFFERS**

In order to determine if a proposal is reasonably susceptible for award, communications by the Project Directors or the Evaluation Committee are permitted with a Respondent to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the Project Directors or the Evaluation Committee may be adjusted as a result of a clarification under this section.

### **2.4 DISCUSSIONS WITH RESPONDENTS**

As provided in 15 AAC 112.140 and as determined by the evaluation process, Respondents reasonably expecting award may be offered the opportunity to discuss their proposal with the Project Directors or Evaluation Committee and the proposal may be adjusted as a result of the discussion.

### **2.5 NOTICE OF INTENT TO AWARD**

After completion of the evaluation process and selection by the Board, the ARMB will issue a Notice of Intent to Award. This notice will contain the proposed contract amount, the name of the apparently successful Respondent, and a brief description of the professional services that will be the subject of the contract.

### **2.6 PROTEST**

AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the Project Director at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If a Respondent wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing by the Project Director within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- a. the name, address, and telephone number of the protester;
- b. the signature of the protester or the protester's representative;
- c. identification of the contracting agency and the solicitation or contract at issue;
- d. a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- e. the form of relief requested

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The Project Director will issue a written response to the protest. The response will set out the Project Director's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All Respondents will be notified of any protest. The review of protests, decisions of the Project Director, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

## **2.7 CONTRACT NEGOTIATION**

After final evaluation and issuance of the Notice of Intent to Award, ARMB may negotiate with the Respondent of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals. If the highest-ranked Respondent fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the state may terminate negotiations and negotiate with the Respondent of the next highest-ranked proposal.

## **SECTION THREE: STANDARD CONTRACT INFORMATION**

### **3.1 CONTRACT TYPE**

This contract is a firm, fixed price contract. Invoices from the contractor will be based on rate schedules for the various services contemplated by this RFP in Section 6.8.

### **3.2 CONTRACT APPROVAL**

This RFP does not, by itself, obligate the state. The state's obligation will commence when the contract is approved by the Chair of the Alaska Retirement Management Board and the Commissioner of the Department of Revenue or the Commissioner's designee. Upon written notice to the contractor, the state may set a different starting date for the contract. The state will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the state.

### **3.3 STANDARD CONTRACT PROVISIONS**

The contractor will be required to sign and submit the attached State's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law. Objections to any of the provisions in Appendix A must be set out in the Respondent's proposal.

### **3.4 PROPOSAL AS A PART OF THE CONTRACT**

This RFP and the successful proposal will be incorporated into the contract.

### **3.5 ADDITIONAL TERMS AND CONDITIONS**

The state reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

### **3.6 INSURANCE REQUIREMENTS**

The successful Respondent must provide proof of workers' compensation insurance prior to contract approval.

The successful Respondent must secure the insurance coverage required by the state. The coverage must be satisfactory to the Department of Administration Division of Risk Management. A Respondent's failure to provide evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

Respondents must review form Appendix B2, attached, for details on required coverage. No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management. Objections to any of the requirements in Appendix B2 must be set out in the Respondent's proposal.

### **3.7 CONTRACT FUNDING**

Approval or continuation of a contract resulting from this is contingent upon legislative appropriation.

### **3.8 PROPOSED PAYMENT PROCEDURES**

The state will make payments based on a negotiated payment schedule. Each billing must consist of an invoice detailing services provided. No payment will be made until the invoice has been approved by the chief investment officer.

### **3.9 CONTRACT PAYMENT**

No payment will be made until the contract is approved by the Chair of the Alaska Retirement Management Board and the Commissioner of the Department of Revenue or the Commissioner's designee. Under no conditions will the state be liable for the payment of any interest charges associated with the cost of the contract. All costs associated with the contract must be stated in U.S. currency.

### **3.10 INSPECTION & MODIFICATION – REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES**

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the chief investment officer. The state may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The chief investment officer may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the state to terminate the contract. In this event, the state may require the contractor to reimburse

monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

### **3.11 TERMINATION FOR DEFAULT**

If the chief investment officer determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the state's termination rights under the contract provisions of Appendix A, attached.

### **3.12 CONTRACT CHANGES – UNANTICIPATED AMENDMENTS**

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the chief investment officer will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work.

The contractor will not commence additional work until the chief investment officer has secured any required approvals necessary for the amendment and issued a written contract amendment, approved by the Chair of the Alaska Retirement Management Board and the Commissioner of the Department of Revenue or the Commissioner's designee.

## **SECTION FOUR: BACKGROUND INFORMATION**

### **4.1 (a) RETIREMENT TRUSTS - ARMB**

The ARMB's primary mission is to serve as the trustee of the assets of the state's retirement systems, health care trusts, supplemental annuity plan and the deferred compensation program. Consistent with standards of prudence, the board has the fiduciary obligation to manage and invest these assets in a manner that is sufficient to meet the liabilities and pension obligations of the systems, plan, and program. ARMB consists of nine trustees, appointed by the Governor. Pursuant to Alaska Statute, the ARMB is established in the Department of Revenue; the Treasury Division provides staff to ARMB (AS 37.10.210-390).

These assets are held in defined benefit and defined contribution plans. Within each of these categories plans exist for which the ARMB sets an asset allocation and plans for which participants direct their investments.

Below is a list of plans for which the ARMB serves as fiduciary. Those plans without an asterisk (\*) are plans for which the ARMB establishes an annual asset allocation. Those with an asterisk are participant-directed plans.

#### **Public Employees' Retirement System**

Defined Benefit Plan - Public Employees Retirement Trust Fund

Defined Benefit - PERS Retirement Health Trust

Defined Contribution Retirement Plan - Defined Benefit Component

Occupational Death and Disability - PERS

Occupational Death and Disability - PERS Police & Fire

Defined Contribution Retirement Plan

Defined Contribution Retirement - PERS\*

Defined Contribution Retirement - Retiree Medical Plan - PERS

Defined Contribution Retirement - Health Reimbursement Arrangement - PERS

#### **Teachers' Retirement System**

Defined Benefit Plan - Teachers Retirement Trust Fund

Defined Benefit - TRS Retirement Health Trust

Defined Contribution Retirement Plan - Defined Benefit Component

Occupational Death and Disability - TRS

Defined Contribution Retirement Plan

Defined Contribution Retirement - TRS\*

Defined Contribution Retirement - Retiree Medical Plan - TRS

Defined Contribution Retirement - Health Reimbursement Arrangement - TRS



**Judicial Retirement Plan**

Defined Benefit Plan - Judicial Retirement Trust Fund

Defined Benefit - Judicial Retirement Health Trust

**Military Retirement Plan**

Defined Benefit Plan - Military Retirement Trust Fund

**Supplemental Annuity Plan\*****Deferred Compensation Plan\*****Staff**

The Portfolio Management Section includes the Chief Investment Officer and 14 professional staff. Portfolio staff will be the primary day-to-day contact with the successful Respondent. The Accounting Section is responsible for the accounting and safekeeping of the assets, ARMB's and Treasury's budgets and accounts payable functions and information technology support. State Street Bank and Trust is the sole master custodian for all assets handled by Treasury.

**Assets**

The market value of assets under the fiduciary responsibility of the ARMB as of December 31, 2013 was \$24.9 billion. The investment vehicles utilized include separate and commingled accounts. The ARMB employs two fund-of-fund managers to oversee the private equity investments. Additionally, staff has made direct investments in private equity partnerships. The ARMB employs three fund-of-fund managers to oversee the absolute return investments. Direct mortgages make up significantly less than 1% of these portfolios. The ARMB employs a separate consultant for real estate.

The underlying plans for which the ARMB establishes an asset allocation utilize the following asset classes: domestic equity, global equity ex-U.S., private equity, fixed income, real assets, absolute return and cash. The asset classes have been further classified into sub-asset classes as detailed in the table below:

### **ARMB Listing of Major Asset Classes and Sub-Asset Classes**

- Domestic Equity
  - Large Capitalization
  - Small Capitalization
- Global Equity Ex-U.S.
  - Developed Markets
  - Emerging Markets
- Private Equity
- Fixed Income
  - Domestic Fixed Income
    - Domestic Investment Grade
    - Domestic High Yield
    - Taxable Municipal Bonds
  - International Fixed Income
    - Developed Markets
    - Emerging Markets (short-term)
- Real Assets
  - Real Estate\*
  - Farmland
  - Timber
  - Energy
  - REIT Equity
  - TIPS
  - Infrastructure
- Absolute Return
- Cash

\*Real Estate returns provided to general consultant from real estate consultant.

### *Defined Benefit Pension Plans*

Treasury currently pools the assets of the four defined benefit pension plans (other than direct mortgages) within asset and sub-asset classes. These plans own shares in those pools that have been selected to meet their specific asset allocation needs. One manager has a global mandate and is included in both the domestic equity and the global equity ex-U.S. pools.

The assets of the defined benefit pension plans are externally-managed with the exception of the following: Treasury's Portfolio Management Section invests the short-term pool, the domestic fixed income pool, the U.S. Treasury inflation protected securities pool and a real estate investment trust equity pool. These investments are overseen by the Chief Investment Officer and 7 investment staff.

The Short-term Fixed Income Investment Pool (Short-term Pool) is managed directly by the Treasury Division's investment staff. This is the only one of the investment pools created in which money from the various retirement funds is co-invested with other State Treasury monies. All the very short-term investment requirements of the various retirement funds are met through this Short-term Fixed Income Investment Pool including: 1) the temporary investment of funds just received from participating employers or just awaiting disbursement to eligible beneficiaries and 2) the overnight

investment of cash held by the retirement systems' internal and external managers.

The pool maintains the general characteristics of a money market pool. Treasury's income objective for the pool is to earn the highest possible income while meeting significant liquidity requirements and taking very low principal risk. The money Treasury invests in this pool has a short time horizon. Treasury invests the funds in this pool in a broad range of short-term fixed income investments. Treasury constructs the pool's portfolio with a low risk tolerance. Maturities (actual or expected average depending on the type of investment) are 14 months or less for fixed-coupon securities and three years for variable-coupon securities. Investments include instruments with a long-term credit rating of at least "A3" or equivalent and instruments with a short-term credit rating of at least "P1" or equivalent.

The Domestic Fixed Income Pool is administered by Treasury's investment staff. The money Treasury invests in this pool has a long time horizon and a limited need for liquidity, and requires some inflation protection. The interest rate risk for this pool, as measured by duration, approximates that of the Barclays Capital U.S. Intermediate Treasury Index. Treasury invests the funds in this pool in a broad range of fixed income investments.

The U.S. Treasury Inflation Protected Securities Pool is administered by Treasury's investment staff and is invested in fixed income inflation protected securities issued by the United States Treasury.

The Real Estate Investment Trust Equity Pool is administered by Treasury's investment staff and is invested in equities issued by real estate investment trusts. The pool is a component of the Real asset class and provides the opportunity to gain more liquid exposure to real estate.

#### *Other Non-Participant-Directed Plans*

Those plans other than the pension plans mentioned above are invested in externally-managed common trust funds. Treasury staff contemplates creating one set of pools into which these plans would be participants along with the four defined benefit pension plans.

#### *Participant-Directed Plans*

The following set of externally-managed investment options are provided for the participant-directed defined contribution, deferred compensation and supplemental annuity plans:

	DC	Deferred Comp	SBS
<b>Cash</b>			
Alaska Money Market Master Trust	X		
Interest Income Fund		X	
Stable Value Fund			X
State Street Institutional Treasury Money Market Fund	X	X	X
<b>Domestic Equity</b>			
T Rowe Price Small-Cap Stock Trust	X	X	X
S&P 500 Stock Index Fund	X	X	X
Russell 3000 Index	X	X	X
Allianz Socially Responsible Investment Fund	X	X	X
U.S. Real Estate Investment Trust Index	X	X	X
<b>International Equity</b>			
Brandes International Equity Fund Fee CL-1	X	X	X
World Equity Ex-U.S. Index	X	X	X
<b>Domestic Bonds</b>			
Government/Credit Bond Index Fund	X	X	X
Intermediate Bond Fund	X	X	X
Long U.S. Treasury Bond Index	X	X	X
U.S. Treasury Inflation Protected Securities Index	X	X	X
<b>International Bonds</b>			
World Government Bond Ex-U.S. Index	X	X	X
<b>Balanced/Target Date</b>			
SSgA Global Balanced Fund	X	X	X
Alaska Long-Term Balanced Trust	X	X	X
Alaska Balanced Trust	X	X	X
Alaska Target Date Retirement 2010 Trust	X	X	X
Alaska Target Date Retirement 2015 Trust	X	X	X
Alaska Target Date Retirement 2020 Trust	X	X	X
Alaska Target Date Retirement 2025 Trust	X	X	X
Alaska Target Date Retirement 2030 Trust	X	X	X
Alaska Target Date Retirement 2035 Trust	X	X	X
Alaska Target Date Retirement 2040 Trust	X	X	X
Alaska Target Date Retirement 2045 Trust	X	X	X
Alaska Target Date Retirement 2050 Trust	X	X	X
Alaska Target Date Retirement 2055 Trust	X	X	X
<b>Multi-Strategy</b>			
Goldman Sachs Retirement Portfolio Completion Fund	X	X	X

The underlying building blocks for the Global Balanced Fund are actively-managed funds benchmarked to the following indices: S&P 500, Russell 2000, MSCI EAFE, MSCI ACWI, Barclays Capital U.S. Aggregate Bond Index and the Citigroup World Government Bond Ex-U.S Index.

The underlying building blocks for the Target Date and Balanced Funds are actively-managed funds benchmarked to the following indices: Russell 3000, MSCI ACWI ex-U.S., Barclays Capital U.S. Intermediate Aggregate, and the 3 Month Treasury Bill.

The Stable Value and Interest Income funds are actively-managed funds benchmarked to the Barclays Intermediate Aggregate Index.

More detailed information is available in the financial report dated December 31, 2013. This report is located in Attachment 8.3.

## 4.2 DATA

State Street Bank and Trust Company is the master custodian for all funds. State Street

Bank will provide the holdings and security transactions, realized income flows, cash contributions and withdrawals, and market value data no later than the 12<sup>th</sup> business day after quarter end.

A separate Real Estate Consultant provides performance numbers to be included in the total fund performance. These will be provided no later than 60 days after quarter end. The scope of this contract may be amended to include real estate and other investment classes at the discretion of ARMB.

## SECTION FIVE: SCOPE OF SERVICES

### 5.1 GENERAL SCOPE OF SERVICES

The Alaska Retirement Management Board (ARMB) is soliciting proposals to provide services, including, but not limited to, the calculation of the investment returns for certain retirement funds (performance measurement), the comparison of these returns against similar funds, portfolios, or indices; asset allocation modeling; investment manager evaluation and selection; and, analysis of investment management style, investment policies and objectives. The consultant must recognize and acknowledge that prompt and timely responsiveness to requests from ARMB is a key and material requirement.

### 5.2 DELIVERABLES - ARMB

**A. Asset Allocation.** At least annually, the consultant will:

1. Help ARMB establish long term goals and objectives that incorporate results from actuarial studies which ARMB will provide to the consultant,
2. Develop risk guidelines that offer an acceptable likelihood of achieving the objectives,
3. Develop forward-looking capital market assumptions,
4. Optimize the risk-return characteristics for the funds,
5. Document the entire asset allocation in a written formal report and present the report to ARMB at a regular meeting.

**B. Manager Selection.** As requested, the consultant will:

1. Help establish guidelines for ARMB to use in selecting managers,
2. Develop a list of recommended managers for any particular asset class,
3. Prepare and present these recommendations formally to ARMB at the committee and or board level,
4. Assist in communicating the guidelines and the objectives to selected investment managers.

**C. Performance Measurement.** The contractor's return calculations must conform to Global Investment Performance Standards (GIPS). The successful respondent's proposal must contain a statement specifically addressing this conformance. At least quarterly (and no later than 10 days after receipt of the real estate performance calculations from the separate real estate consultant), the consultant will:

1. Prepare a report including the dollar-weighted, where appropriate, and time-weighted annual and cumulative (annualized) rates of return of the component portfolios, the asset and sub-asset classes as listed in Section 4.1, and to the total investments for each of the funds.

- a. The time-weighted rates of return will be computed against the similarly measured returns of two separate universes – the first is a universe consisting of only public pension funds whose invested assets exceed \$1 billion, and the second is a universe consisting of a total universe of pension funds whose invested assets exceed \$1 billion – and against appropriate market indices.
- b. The rates of return will be based on the U.S. dollar market values of the portfolios and funds at the beginning and end of each time period (quarter or month within the quarter) adjusted to remove the effects of interim cash flows in or out of the portfolios or funds, and including the effects of futures or options contracts assigned to particular portfolios.
- c. The rates of return will be presented in tables and graphs, with accompanying narrative as needed, for the following time periods:
  - i. Last quarter
  - ii. Fiscal-year-to-date (the fiscal year begins on July 1 each year)
  - iii. Calendar-year-to-date
  - iv. 5 previous fiscal years
  - v. 5 previous calendar years
  - vi. Average annualized returns for the last one, three and five full fiscal and calendar years as well as the longest period for which ARMB has provided available historical information to the consultant.
2. The report should also include attribution analyses; market sensitivity analyses; measures of diversification, capital ratios, price-earnings ratios, turnover; comparisons by style of management and other comparisons or information that is relevant to the particular manager, pool or asset class.
3. Each report shall be furnished to ARMB electronically via email and/or on a CD-Rom in pdf format. Twelve (12) bound copies shall also be provided.
4. Oral presentations of the report to ARMB are expected 4 times per year.

**D. Investment Management.** As requested, the consultant will provide an analysis and evaluation of investment management style, investment policies, and investment objectives.

**E. General Consulting.** The following are examples, general consulting is not limited to these:

1. Assist ARMB in evaluating new assets classes or types of investments.
2. Report to ARMB, as requested, on current developments in the financial markets, money management, or other pension fund investment-related topics.
3. Evaluate managers' compliance with portfolio objectives and guidelines.

## SECTION SIX: PROPOSAL FORMAT AND CONTENT

### 6.1 GENERAL

ARMB discourages overly lengthy and costly proposals. Inclusion of advertising or promotional materials with responses is highly discouraged.

In order to evaluate proposals fairly and completely, Respondents must follow the format set out in this RFP and provide all information requested. All Respondents are required to format their proposals in a consistent manner as follows:

- A. Each item must be addressed in the Respondent's proposal or the proposal may be rejected.
- B. The Proposal cover letter should be in the form of a letter, as described in Section 6.2.
- C. The proposal must be organized under the specific section titles as listed in section 6.3.
- D. ARMB may, at its discretion, allow all Respondents five (5) business days, from date of submission, to correct errors or omissions to their proposals. Should this necessity arise, ARMB will contact each Respondent affected. Each Respondent must submit written corrections to the proposal within five (5) business days of such notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected. Major errors or omissions, such as the failure to include prices, will not be considered by ARMB and will result in disqualification of the proposal from further evaluation.
- E. **A complete proposal will include the following:**
  - 1. Hard copy submission of a Proposal cover letter (with the information described in Section 6.2)
  - 2. Hard copy submission of a Proposal (with the information described in Section 6.3), including the Exhibits noted as follows:
    - Exhibit A – Timeline for Completion of Work
    - Exhibit B – Performance Measurement Report
    - Exhibit C – Portfolio Evaluation or Manager Evaluation Report
    - Exhibit D – Organization Chart Depicting Firm Organization
    - Exhibit E – Organization Chart Depicting Structure of Consulting Group
    - Exhibit F – Chart Depicting Key Executives and Professionals in Consulting Group
    - Exhibit G – Biographies of Primary and Secondary Consultants Providing Services to ARMB



3. Cost Proposal
4. Original, six (6) copies, and CD ROM of all submitted materials in pdf format

## **6.2 PROPOSAL COVER LETTER**

A cover letter, which shall be considered an integral part of the proposal package, shall be signed by the individual(s) who is (are) authorized to bind the respondent contractually. This cover letter must indicate the signer is so authorized and must indicate the title(s) or position(s) the signator(ies) holds in the respondent's institution.

The Proposal Cover Letter must address the following topics:

- A. Identification of the RFP (Please see Section 1.6.)
- B. Respondent's name, address and telephone number
- C. Respondent's ability to supply the requested services
- D. Respondent's willingness to provide the requested services subject to the terms and conditions set forth in the RFP
- E. A statement to the effect that the proposer is a respondent and that the proposal is an irrevocable offer good for ninety (90) days from submission deadline date
- F. A statement that all staff and other resources which are required to perform the services described in this RFP will be made available by your organization over the life of the anticipated contract
- G. Name, title and phone number of the Account Administrator
- H. The respondent's Federal Employer Identification Number
- I. Provide notice if the bidder qualifies as an Alaskan bidder

## **6.3 PROPOSAL**

The Proposal must contain the following items:

- A. Understanding Scope of Services and Methodology. The Respondent should demonstrate in this section an ability to meet the requirements set forth in Section 5, Scope of Services, and should address in detail how it intends to complete each task as indicated in Section 6.4. The Respondent should also specify the extent of involvement required of ARMB staff, outlining the amount of time, skills and knowledge needed in order for the Respondent to meet the deliverables.
- B. Organization and Experience. The Respondent must provide the information requested in Section 6.5 below.

- C. Professional Qualifications and Experience of Staff. The Respondent must provide the information requested in Section 6.6 below.
- D. Quality Assurance. The Respondent must identify and discuss how it controls cost, quality, timeliness, and confidentiality of its services as requested in Section 6.7 below.
- E. Cost Proposal. The Respondent is to submit a fixed fee proposal for all services outlined in the Scope of Services, with additional detail as indicated in Section 6.8 below.
- F. Assumptions. The Respondent must identify and discuss all assumptions it has made in preparing its cost proposals. Further, the Respondent must state that there are no other assumptions related to meeting the requirements of the RFP other than those enumerated in this section of the proposal. Any other assumptions elsewhere in the Respondent's proposal will not be recognized by ARMB.
- G. Exceptions. The Respondent must affirm that it has read and understands the RFP and the terms and conditions included in the RFP. The Respondent must state any and all exceptions it takes with the requirements set forth in the RFP and/or with any terms and conditions contained in the RFP relating to the ensuing contract. Only the exceptions identified in this section of the proposal will be considered by ARMB; any other exceptions embedded elsewhere in the proposal will not be recognized by ARMB.

## **6.4 UNDERSTANDING SCOPE OF SERVICES / METHODOLOGY**

Respondents should clearly describe the methodology and/or special modeling that they use in each area. Provide as *Exhibit A* a timeline for completion of the work identified in Section 5 of this RFP. Include proposed dates for each key stage or event of the project, indicate dates by which your firm must have specific input data from ARMB, and indicate points in the project when your firm would plan to meet with ARMB staff at our office.

### **6.4(a) ASSET ALLOCATION**

Describe, in detail, the methodology that you propose including the development of capital market assumptions.

#### **6.4(b) INVESTMENT MANAGER EVALUATION AND SELECTION**

- A. Describe how managers are reviewed and your evaluation process in conducting a search.
- B. Describe your controls and commitment to assure conformance to Global Investment Performance Standards (GIPS).
- C. Indicate if your firm or affiliated entities receive direct or indirect compensation from managers. If so, describe nature of services and compensation arrangements.
- D. How many searches for managers with mandates under \$100 million have you performed in the last 18 months? How many over \$100 million? For which assets classes?
- E. Describe your firm's ability and experience in searches for alternative asset managers.

#### **6.4(c) PERFORMANCE MEASUREMENT**

- A. What is the standard reporting package you provide to your clients?
- B. Describe your method and resources for providing theoretical analysis and evaluation of your client's portfolio performance.
- C. Describe your capability to address special projects that would be appropriate on a one-time analysis basis.
- D. Describe your capability to provide customized reports as specified by the client.
- E. Outline the process for the generation and input of information to your system.
- F. How many asset classes will your system accommodate?
- G. Are there any limitations in your system to developing extensive composites?
- H. Describe your ability to distinguish between currency returns and local returns.
- I. How large is the universe contained in your system for domestic equity managers?
  - 1. Number of managers/advisors
  - 2. Number of funds and descriptive characteristics
  - 3. Fully describe your database including number of funds and fund types

- J. How large is the universe contained in your system for international equity managers?
1. Number of managers/advisors
  2. Number of funds and descriptive characteristics
  3. Fully describe your database including number of funds and fund types
- K. How large is the universe contained in your system for domestic fixed income managers?
1. Number of managers/advisors
  2. Number of funds and descriptive characteristics
  3. Fully describe your database including number of funds and fund types
- L. How large is the universe contained in your system for international fixed income managers?
1. Number of managers/advisors
  2. Number of funds and descriptive characteristics
  3. Fully describe your database including number of funds and fund types
- M. How large is the universe contained in your system for real estate equity managers? Do you have separate databases for commingled and separate account managers? If so, please comment on each separately.
1. Number of managers/advisors
  2. Number of funds and descriptive characteristics
  3. Fully describe your database including number of funds and fund types
- N. How large is the universe contained in your system for alternative investment managers?
1. Number of managers/advisors
  2. Number of funds and descriptive characteristics
  3. Fully describe your database including number of funds and fund types
- O. How large is the universe contained in your system for private equity managers?
1. Number of managers/advisors
  2. Number of funds and descriptive characteristics
  3. Fully describe your database including number of funds and fund types
- P. Describe your public pension fund universe. Your private pension fund universe.
1. Number of funds and descriptive characteristics
  2. Fully describe your database including number of funds and fund types
- Q. Describe your endowment fund universe.
1. Number of funds and descriptive characteristics
  2. Fully describe your database including number of funds and fund types
- R. Enclose sample reports. How frequent are reports? How soon are they available after the month/quarter end?

- S. Describe any portion of your database and client-reporting system which you feel is unique from other provider's systems.
- T. Have you provided international performance measurement services to clients of a similar size to ARMB? If so, describe those clients, and identify those which were public funds.

Provide as *Exhibit B* one recent performance measurement report, and as *Exhibit C*, a portfolio evaluation or manager evaluation report as prepared for an existing client.

## **6.5 ORGANIZATION AND EXPERIENCE**

- A. Describe the background and ownership of the firm. Describe any material changes in organization structure or ownership that have occurred in the past five years.
  - 1. Year firm was formed and began providing investment consulting services to institutional clients.
  - 2. The ownership structure. Indicate all entities that have an ownership stake in the firm (name and percentage).
  - 3. Affiliated companies or joint ventures.
  - 4. Recent or planned changes to the ownership or organization structure.
  - 5. Transition plans for retirement of key executives.
  - 6. Importance of investment consulting services to your parent company's (if applicable) or your firm's overall business strategy.
  - 7. Percentage of parent company's (if applicable) or your firm's revenues from investment consulting services.
- B. Provide as *Exhibit D* one organization chart that diagrams the ownership of your firm and any interrelationships between the parent-subsidiary, affiliate, and joint venture entities.
- C. Provide as *Exhibit E* another organization chart that depicts the structure of the investment consulting group; *Exhibit F* a chart that identifies this group's key people; and *Exhibit G* biographies of the people that will be involved in providing direct services to ARMB.
- D. List the locations of each of the firm's offices from which services are provided. Indicate which office would be primarily responsible for servicing the ARMB account.
- E. Describe the firm's experience in investment consulting for public and private pension funds and endowments. Discuss in general the firm's competitive advantage over other firms in the investment consulting industry. Why should ARMB hire your firm?

- F. Provide the name, title, address, and telephone number for three (3) client references for whom your firm has provided investment consulting services similar to this mandate.
- G. Provide a representative list of current and prior public and private pension plan clients and endowments for whom you provide investment consulting services. Include the contact person's name and telephone number and indicate the type of services performed and the number of years served for each.
- H. Describe your approach to providing investment consulting to a public pension fund (and endowments, if different). This should include the following points:
1. Type of services provided. Discuss the role of the project manager and that of other parties involved in the investment consulting process and percentage of time each will spend on this engagement.
  2. Discuss the consulting relationship with ARMB and Treasury.
  3. Describe your capability to respond to questions regarding changes in legislation or regulations and to provide advice on same.
  4. Use of computer modeling.
    - a. Discuss your models including any weaknesses to the models.
    - b. Describe contemplated improvements of models.
    - c. Methodology.
  5. Use of financial investment specialists. Does your firm rely on the expertise of any one individual in any asset class?
  6. Describe your firm's expertise in alternative investments, real estate and non-traditional asset classes.
- I. Detail any pending or actual litigation within the last five years. Exclude routine interpleader action, garnishments, and similar routine matters that do not reflect on your contract performance. If involved in actual litigation, please explain fully.
- J. Detail actual or threatened censures or fines within the last ten years by any regulatory body. Please give full particulars.
- K. Detail whether any affiliations with any other firm(s) offering consulting services or investment products that could represent conflicts of interest? If yes, briefly describe your firm's policies and procedures for doing business with these affiliates while safeguarding against conflicts of interest.
- L. List and describe any professional relationship your firm or any of your consulting group staff have with any member of the Alaska Retirement Management Board, ARMB staff, or the State of Alaska.
- M. Has anyone in your firm provided any gifts, travel expenses, entertainment, or meals to any member of the ARMB or ARMB staff in the last twelve months? If yes, describe the expense and the purpose.

Respondents must provide a comprehensive narrative statement that sets out the methodology they intend to employ and illustrates how their methodology will serve to accomplish the work requested and meet project deadlines.

## **6.6 PROFESSIONAL QUALIFICATIONS AND EXPERIENCE OF STAFF**

- A. Identify all individuals who will work on the engagement and specifically identify the individual who will have direct responsibility for consulting with ARMB. Include resumes for each person to be assigned to the engagement. A resume which includes at least three references with phone numbers shall be provided. Resumes which include non-relevant information may detract from the proposal evaluation. Lists of projects are not useful unless the individual's specific and relevant duties and responsibilities are identified.
- B. Describe the level of experience in private and public pension plans or endowments for the consultants assigned to the engagement. Describe the relevant educational background of each individual assigned to the engagement.
- C. How many clients are assigned to the individual with prime responsibility for this engagement? Provide a representative list of clients for whom this individual performs investment consulting.

## **6.7 QUALITY ASSURANCE**

Describe and identify measures your firm takes to control cost, quality, timeliness, and confidentiality of the services provided.

## **6.8 COST PROPOSAL**

Respondent's cost proposal should be broken down as described below. ARMB may add or delete funds, pools or individual portfolios at their discretion. The expected number of times the service will be used each year and the number of funds, pools and managers are indicated in italics and will be used in calculating a total proposed contract cost for purposes of comparing bidders.

- A. Retainer (annual fee). The retainer should cover a normal level of in-the-course-of-business inquiries and discussion relating to asset allocation, manager searches and/or performance measurement. This includes, but is not limited to, the participation in committee meetings via teleconference (not expected to exceed 10 days per year). The retainer also covers the consultant's attendance at ARMB's regularly scheduled meetings – six times per year for two days each (4 of these meetings include the quarterly presentation of performance reports). Projects

requiring significant research or that cover topics that are significantly outside of the main contract services would fall under general consulting and a fee would be agreed upon in advance under the general consulting area.

B. Asset allocation (assume 1 per year for each fund grouping below).

1. Fee per asset allocation study for PERS, TRS and JRS pension funds. PERS, TRS and JRS currently have the same asset allocations. These three are considered one study for billing purposes. If ARMB elects to adopt separate allocations at a later date the contractor and ARMB may renegotiate this.
2. Fee per asset allocation study for the Military Retirement Trust.
3. Fee per asset allocation study for the PERS, TRS and Judicial Retirement Health Trusts. These trusts currently have the same asset allocations. Therefore, the three are considered one study for billing purposes. If ARMB elects to adopt separate allocations at a later date the contractor and ARMB may renegotiate this.
4. Fee per asset allocation study for the Retiree Major Medical Health Insurance Fund, the Health Reimbursement Arrangement Fund, the PERS Occupational Death & Disability (ODD) Fund, the TRS ODD Fund and the PERS Peace Officer/Firefighter ODD Fund. These funds currently have the same asset allocations and are considered one study for billing purposes. If ARMB elects to adopt separate allocations at a later date the contractor and ARMB may renegotiate this.

C. Investment Manager Search. A manager search is defined as the process of researching and presenting a number of managers with like-mandates to ARMB for ARMB's review and subsequent selection of one or more of the managers to provide investment management for ARMB.

1. Fee per domestic manager search (assume 1 per year)
2. Fee per international manager search (assume 1 per year)
3. Fee per private equity manager search (assume 1 per year)
4. Fee for other specialty manager search (for example, a hedge fund manager -- assume 2 over the life of the contract)

D. Performance Measurement - ARMB.

*Plans for which ARMB Establishes an Asset Allocation*

1. Annual fee per fund for quarterly reports (14 funds \* 4 reports/ year = 56 total reports)
2. Annual fee per pool for quarterly reports (24 pools \* 4 reports/year = 96 total reports)
3. Annual fee per actively managed portfolio for quarterly reports (73 portfolios \* 4 reports/year = 292 total reports)
4. Annual fee per passively managed or commingled portfolio for quarterly reports (5 portfolios \* 4 reports/year = 20 total reports)
5. Annual fee for private equity annual asset class and manager review



Note: the ARMB currently invests with two private equity fund-of-funds managers and in seven direct private equity limited partnerships.

*Participant-Directed Plans*

Annual fee per separate plan option (when the plans share the same option it will be considered one for fee purposes) (30 options \* 4 reports/ year = 130 total). This work will require the Respondent to "build" performance measurement for the Alaska and Long-term Balanced Funds, the Global Balanced Fund and the Target Fund options described in Section 4 from the underlying component funds.

- E. General Consulting. The contractor should provide a per hour fee for other projects and consulting as requested. For comparison purposes we will assume 50 hours/year of consulting time. ARMB is not obligated to use general consulting services at all.

This contract ***will not*** cover travel costs as reimbursable expenses. All fees above must include applicable travel.

**SECTION SEVEN: EVALUATION CRITERIA AND SELECTION**

**7.1 EVALUATION OF PROPOSALS**

The Chair of the Alaska Retirement Management Board will appoint an Evaluation Committee of no fewer than three members. The evaluation will be based only on the evaluation factors and values stated below. Evaluation factors not specified may not be considered (15 AAC 112.140).

ARMB reserves the right to reject Respondents due to their noncompliance with the requirements of this RFP.

Proposals will be evaluated by the Evaluation Committee which will make a recommendation to the Board. One or more respondents may be requested to make an oral presentation to the committee and/or the Alaska Retirement Management Board.

**7.2 EVALUATION FACTORS**

The weighted factors listed below will be considered by the Evaluation Committee when evaluating submitted proposals:

Understanding Scope of Services and Methodology	20	Points
Overall Organization, Experience and Qualifications	10	Points
Professional Qualifications and Personnel Experience	20	Points
Cost Proposal	40	Points
Alaska Offeror’s Preference	10	Points

The Cost Proposal shall be evaluated as follows:

$$\left( \frac{\textit{Lowest Total Fee Proposal}}{\textit{Total Fee of Proposal Under Consideration}} \right) \times 40 = \textit{Total Points to be Awarded}$$

## **SECTION EIGHT: ATTACHMENTS**

**(posted on ARMB website or available by request)**

- 8.1** Standard Agreement Form with Appendix A, Appendix B2, Appendix C
- 8.2** Proposal Evaluation Form and Cost Evaluation Template
- 8.3** Alaska Retirement Management Board Financial Report (December 31, 2013)

**Attachment 8.1**

**STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES**

1. Agency Contract Number	2. ASPS Number 14-010	3. Financial Coding	4. Agency Assigned Encumbrance
5. Vendor Number	6. Project/Case Number	7. Alaska Business License Number	

**This contract is between the State of Alaska,**

8. Department of Revenue	Division Treasury, Alaska Retirement Management Board	hereafter the State,
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9. Contractor	hereafter the Contractor
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Mailing Address	Street or P.O. Box	City	State	ZIP+4
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10. **ARTICLE 1. Appendices:** Appendices referred to in this contract and attached to it are considered part of it.

**ARTICLE 2. Performance of Service:**

2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.

2.2 Appendix B2 sets forth the liability and insurance provisions of this contract.

2.3 Appendix C sets forth the services to be performed by the contractor.

2.4 Appendix D sets forth compensation

**ARTICLE 3. Period of Performance:** The period of performance for this contract begins July 1, 2014 and ends June 30, 2017, with two optional one-year extensions.

**ARTICLE 4. Considerations:**

4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor in accordance with the provisions of Appendix D.

4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:

11. Department of Revenue	Attention: Treasury Division
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Mailing Address PO Box 110405, Juneau, AK 99811	Attention: Gary Bader
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<b>12. CONTRACTOR</b>	
Name of Firm .	
Signature of Authorized Representative	Date
Typed or Printed Name of Authorized Representative	
Title	

14. **CERTIFICATION:** I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.

<b>13. CONTRACTING AGENCY</b>	
Department/Division <b>Revenue/Treasury</b>	Date
Signature of Project Director	
Typed or Printed Name of Project Director <b>Gary M. Bader</b>	
Title <b>Chief Investment Officer</b>	

Signature of Head of Contracting Agency or Designee	Date
<b>Angela Rodell, Commissioner Department of Revenue</b>	
Date	
<b>Gail Schubert, Chair Alaska Retirement Management Board</b>	

**NOTICE: This contract has no effect until signed by the head of contracting agency or designee.**

**Article 1. Definitions.**

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in a signing this contract.

**Article 2. Inspection and Reports.**

- 2.1 The department may inspect, in the manner and at reasonable times it considers appropriate, all the contractor's facilities and activities under this contract.
- 2.2 The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

**Article 3. Disputes.**

- 3.1 Any dispute concerning a question of fact arising under this contract which is not disposed of by mutual agreement shall be decided in accordance with AS 36.30.620-632.

**Article 4. Equal Employment Opportunity.**

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.
- 4.7 Failure to perform under this article constitutes a material breach of the contract.

**Article 5. Termination.**

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. The State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

**Article 6. No Assignment or Delegation.**

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

**Article 7. No Additional Work or Material.**

No claim for additional services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

**Article 8. Independent Contractor.**

The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

**Article 9. Payment of Taxes.**

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

**Article 10. Ownership of Documents.**

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

**Article 11. Governing Law.**

This contract is governed by the laws of the State of Alaska. All actions concerning this contract shall be brought in the Superior Court of the State of Alaska.

**Article 12. Conflicting Provisions.**

Unless specifically amended and approved by the Department of Law the General Provisions of this contract supersede any provisions in other appendices.

**Article 13. Officials Not to Benefit.**

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

**Article 14. Covenant Against Contingent Fees.**

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

**APPENDIX B<sup>2</sup>**  
**INDEMNITY AND INSURANCE**

**Article 1. Indemnification**

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

**Article 2. Insurance**

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, nonrenewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

**2.1 Workers' Compensation Insurance:** The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

**2.2 Commercial General Liability Insurance:** covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

**2.3 Commercial Automobile Liability Insurance:** covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

**2.4 Professional Liability Insurance:** covering all errors, omissions or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule:

<b>Contract Amount</b>	<b>Minimum Required Limits</b>
Under \$100,000	\$300,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999	\$500,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999	\$1,000,000 per Occurrence/Annual Aggregate
\$1,000,000 or over	Refer to Risk Management

## Appendix C

### Agreement Between the

### Alaska Retirement Management Board

### And

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### As Performance Measurement and Investment Advisory Consultant

**Section One: Appointment of Contractor.** \_\_\_\_\_, hereinafter referred to as Contractor, is hereby appointed as Performance Measurement and Investment Advisory Consultant for the Alaska Retirement Management Board (ARMB), a board established in the Department of Revenue, State of Alaska. Contractor accepts such appointment and agrees to perform all required services set forth in this agreement.

**Section Two: Required Services.** Under the direction of ARMB, the services to be provided by the Contractor shall include, but not be limited to, the following:

**A. Asset Allocation.** At least annually, the consultant will:

1. Help ARMB establish long term goals and objectives that incorporate results from actuarial studies which ARMB will provide to the consultant,
2. Develop risk guidelines that offer an acceptable likelihood of achieving the objectives,
3. Develop forward-looking capital market assumptions,
4. Optimize the risk-return characteristics for the funds,
5. Document the entire asset allocation in a written formal report and present the report to ARMB at a regular meeting.

**B. Manager Selection.** As requested, the consultant will:

1. Help establish guidelines for ARMB to use in selecting managers,
2. Develop a list of recommended managers for any particular asset class,
3. Prepare and present these recommendations formally to ARMB at the staff, committee and or board level,
4. Assist in communicating the guidelines and the objectives to selected investment managers.

**C. Performance Measurement.** At least quarterly (and no later than 10 days after receipt of the real estate performance calculations from the separate real estate consultant), the Contractor will:

1. Prepare a report including the dollar-weighted, where appropriate, and time-weighted annual and cumulative (annualized) rates of return of the

component portfolios, the asset and sub-asset classes, and to the total investments for each of the funds.

- a. The time-weighted rates of return will be computed against the similarly measured returns of two separate universes – the first is a universe consisting of only public pension funds whose invested assets exceed \$1 billion, and the second is a universe consisting of a total universe of pension funds whose invested assets exceed \$1 billion – and against appropriate market indices.
- b. The rates of return will be based on the U.S. dollar market values of the portfolios and funds at the beginning and end of each time period (quarter or month within the quarter) adjusted to remove the effects of interim cash flows in or out of the portfolios or funds, and including the effects of futures or options contracts assigned to particular portfolios.
- c. The rates of return will be presented in tables and graphs, with accompanying narrative as needed, for the following time periods:
  - i. Last quarter
  - ii. Fiscal-year-to-date (the fiscal year begins on July 1 each year)
  - iii. Calendar-year-to-date
  - iv. 5 previous fiscal years
  - v. 5 previous calendar years
  - vi. Average annualized returns for the last one, three and five full fiscal and calendar years as well as the longest period for which ARMB has provided available historical information to the consultant.
2. The report should also include attribution analyses; market sensitivity analyses; measures of diversification, capital ratios, price-earnings ratios, turnover; comparisons by style of management and other comparisons or information that is relevant to the particular manager, pool or asset class.
3. Each report shall be furnished to ARMB electronically via email and/or on a CD-Rom in pdf format. Twelve (12) bound copies shall also be provided.
4. Oral presentations of the report to ARMB are expected 4 times per year.

**D. General Consulting.** The following are examples; general consulting is not limited to these:

1. Assist ARMB in evaluating new assets classes or types of investments.
2. Report to ARMB, as requested, on current developments in the financial markets, money management, or other pension fund investment-related topics.
3. Evaluate managers' compliance with portfolio objectives and guidelines.

**Section Three: Standard of Care.** Contractor shall exercise the highest standard of care and loyalty expected of a fiduciary with respect to its relationship to ARMB in fulfilling its obligations under this agreement.



**Section Four: Indemnification.** Contractor agrees to indemnify the State and hold the State harmless from and against any and all claims, losses, damages, or liabilities (including legal fees and expenses) resulting from or arising out of imprudence, negligence, willful misconduct, or breach of this agreement by Contractor's employees, agents or designees. Notwithstanding the foregoing, Contractor shall not be responsible for losses resulting from cause beyond its control if contractor employed the diligence and prudence of a professional investment advisory consultant acting as a prudent investment advisory consultant familiar with such matters in a like capacity, character, and aim.

**Section Five: Notification of Certain Facts or Occurrences.** If contractor, in accordance with industry standards, using the care and diligence of a professional investment advisory consultant, obtains information regarding any facts or occurrence which it believes might result in any significant risk or loss to the assets of ARMB, the Contractor shall, upon becoming aware of any such fact of occurrence, as soon as possible, and in no case more than twenty-four (24) hours later, notify the State of such fact of occurrence and the resulting risk.

**Section Six: Key Person.** \_\_\_\_\_, is considered as a designated "Key Person" to perform the Contractor's obligations under this agreement. As such, entry into this agreement and continuation of it is premised upon continued employment of \_\_\_\_\_ by Contractor.

\_\_\_\_\_ shall be the primary contact and is considered project manager for Contractor under this agreement and shall perform or be directly responsible for and specifically knowledgeable about all work performed by Contractor under this agreement. \_\_\_\_\_ shall attend board meetings required by this agreement unless a non-business emergency prevents his attendance.

**Section Seven: Amendments.** This agreement may not be amended or modified except by an instrument in writing signed by both Contractor and ARMB.

**Section Eight: Reliance.** Each of the parties to this agreement may rely on any documents or communications from the other which it reasonably believes in good faith to be genuine and valid.

**Section Nine: Headings.** Headings to this agreement are for convenience of reference only and shall not expand, limit, or otherwise affect the meaning of this agreement.

**Section Ten: Assignment.** Performance by Contractor of its duties under this agreement may not be delegated. This agreement may not be assigned by either party without written consent of the other and any purported assignment without such consent shall be null and void. Subject to the foregoing, this agreement shall be binding upon and inure to the benefit of each party to this agreement and its successors and permitted assigns.

**Section Eleven: Waivers.** Failure to exercise any right or remedy provided for in this agreement does not constitute a waiver thereof.

**Section Twelve: Property Entitlement.** All documents created or maintained by Contractor relating to its activities and obligations under this agreement shall be the property of the State.

**Section Thirteen: Incorporation by Reference.** Contractor understands and agrees that the State has materially relied upon Contractor's responses in the State selection process for a Performance Measurement and Investment Advisory Consultant. The State's Request for Proposal for Asset Allocation, Investment Manager Selection, Performance Measurement, and Other Investment Advisory and General Investment Consulting Services, ASPS 14-010, and the Contractor's Response to the RFP dated February 17, 2014 are made a part of this agreement by this reference.

**Section Fourteen: Representations and Warranties.** The contractor warrants that the return calculations reported under Section Two(C) herein conform to Global Investment Performance Standards (GIPS).

**Section Fifteen: Termination.** This contract may be terminated by the State without cause at any time by written notice to the Contractor and by Contractor without cause after 30 days written notice to the State.

*Attachment 8.2*

**PROPOSAL EVALUATION FORM**

All proposals will be reviewed for responsiveness and then evaluated using the criteria set out herein.

Person or Firm Name \_\_\_\_\_

Name of Proposal Evaluation (PEC) Member \_\_\_\_\_

Date of Review \_\_\_\_\_

RFP Number 14-010

**Evaluation criteria and scoring: The total number of points used to score this contract is 100**

**7.2 Evaluation of Proposals**

**Understanding of Scope of Services and Methodology—(20 Percent)**

Maximum Point Value for this Section - 20 Points

100 Points x 20 Percent = 20 Points

Proposals will be evaluated against the questions set out below.

[a] How well has the Respondent demonstrated a thorough understanding of the purpose and scope of the project?

EVALUATOR'S NOTES \_\_\_\_\_

\_\_\_\_\_

[b] How well has the Respondent described the methodology to be used to provide the required services and other requests set forth in Section 6.4?

EVALUATOR'S NOTES \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[c] How well has the Respondent identified pertinent issues and potential problems related to the project?

EVALUATOR'S NOTES \_\_\_\_\_

\_\_\_\_\_

[d] To what degree has the Respondent demonstrated an understanding of the deliverables the ARMB expects it to provide?

EVALUATOR'S NOTES \_\_\_\_\_

\_\_\_\_\_

[e] Has the Respondent demonstrated an understanding of the ARMB's time schedule and can meet it?

EVALUATOR'S NOTES \_\_\_\_\_

\_\_\_\_\_

***EVALUATOR'S POINT TOTAL Understanding Scope of Services and Methodology*** \_\_\_\_\_

**Overall Organization, Experience and Qualifications (10 Percent)**

Maximum Point Value for this Section - 10 Points

100 Points x 10 Percent = 10 Points

(a) How well has the firm demonstrated that it has the appropriate organizational structure, professional experience and qualifications?

EVALUATOR'S NOTES

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) How extensive is the firm's experience with work related to similar types of retirement plans and institutional investors?

EVALUATOR'S NOTES

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) How well has the firm demonstrated their expertise, experience, qualifications and resources available to review existing actuarial valuations and experience studies?

EVALUATOR'S NOTES

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(d) How well has the firm demonstrated their availability of research facilities, special expertise and availability to address the consulting evaluation and review services listed in section 5?

EVALUATOR'S NOTES

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(e) How well has the firm described their organization's unique strengths that are relevant to requirements presented in Section 5?

EVALUATOR'S NOTES

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***EVALUATOR'S POINT TOTAL for Overall Organization, Experience & Qualifications*** \_\_\_\_\_

**Professional Experience and Qualifications of Personnel (20 Percent)**

Maximum Point Value for this Section - 20 Points

100 Points x 20 Percent = 20 Points

(a) How much experience do the individuals assigned to the project have on similar projects?

EVALUATOR'S NOTES

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(b) Are biographies complete and do they demonstrate backgrounds that would be desirable for individuals engaged in the work the project requires?

EVALUATOR'S NOTES

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(c) How extensive is the applicable education and experience of the personnel designated as primary and secondary actuaries to work on the project?

EVALUATOR'S NOTES

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(d) How well has the firm described the professional qualifications and experience of the firm managers, consultants, analysts, and professional staff or other staff not directly connected with day-to-day activities that could be assigned to perform specialized work because of their experience related to consulting, evaluation and review activities described in Section 5 – Scope of Work?

EVALUATOR'S NOTES

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***EVALUATOR'S POINT TOTAL for Professional Qualifications and Personnel Experience*** \_\_\_\_\_

***EVALUATOR'S COMBINED POINT TOTAL FOR ABOVE SECTIONS  
(Cost Proposal and Alaska Offeror's Preference Calculated by Staff)*** \_\_\_\_\_

# General Consultant RFP Cost Proposal Comparison

Attachment 8.2

Evaluation Factors

Respondent Name:

		Weight	
A. Retainer (Annual Fee)	<input style="width: 100%;" type="text"/>	X 1 =	<input style="width: 100%;" type="text"/>
B. Asset Allocation			
PERS/TRS/JRS Pensions (1 allocation)	<input style="width: 100%;" type="text"/>	X 1 =	<input style="width: 100%;" type="text"/>
Military Pension (1 allocation)	<input style="width: 100%;" type="text"/>	X 1 =	<input style="width: 100%;" type="text"/>
PERS/TRS/JRS Health Trusts (1 allocation)	<input style="width: 100%;" type="text"/>	X 1 =	<input style="width: 100%;" type="text"/>
Other ARMB Funds (1 allocation)	<input style="width: 100%;" type="text"/>	X 1 =	<input style="width: 100%;" type="text"/>
C. Investment Management Search			
Domestic Manager Search (weight: 1)	<input style="width: 100%;" type="text"/>	X 1 =	<input style="width: 100%;" type="text"/>
International Manager Search (weight: 1)	<input style="width: 100%;" type="text"/>	X 1 =	<input style="width: 100%;" type="text"/>
Private Equity Search (weight: .2)	<input style="width: 100%;" type="text"/>	X .2 =	<input style="width: 100%;" type="text"/>
Other Special Manager Search (weight: .4)	<input style="width: 100%;" type="text"/>	X .4 =	<input style="width: 100%;" type="text"/>
D. Performance Measurement			
Fee per ARMB Fund (weight: 14)	<input style="width: 100%;" type="text"/>	X 14 =	<input style="width: 100%;" type="text"/>
Fee per ARMB Pool (weight: 22)	<input style="width: 100%;" type="text"/>	X 22 =	<input style="width: 100%;" type="text"/>
Fee per ARMB Active Manager, ex priv. eq. (weight: 41)	<input style="width: 100%;" type="text"/>	X 41 =	<input style="width: 100%;" type="text"/>
Fee per ARMB Passive Manager (weight: 5)	<input style="width: 100%;" type="text"/>	X 5 =	<input style="width: 100%;" type="text"/>
Fee for ARMB Private Equity Annual Review (weight: 1)	<input style="width: 100%;" type="text"/>	X 1 =	<input style="width: 100%;" type="text"/>
Fee per ARMB Participant Directed Plan Option (weight: 28)	<input style="width: 100%;" type="text"/>	X 28 =	<input style="width: 100%;" type="text"/>
	<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>
	<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>
	<input style="width: 100%;" type="text"/>	X 2 =	<input style="width: 100%;" type="text"/>
E. General Consulting per Hour (weight: 50)	<input style="width: 100%;" type="text"/>	X 50 =	<input style="width: 100%;" type="text"/>
Total			<input style="width: 100%;" type="text"/>

Footnote:

(1) Cost Proposal Evaluation Equation:

$\left( \frac{\text{Lowest Total Fee Proposal}}{\text{Total Fee of Proposal Under Consideration}} \right) X 40 = \text{Total Points to be Awarded}$
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# **ALASKA RETIREMENT MANAGEMENT BOARD**

## **FINANCIAL REPORT**

As of December 31, 2013



**ALASKA RETIREMENT MANAGEMENT BOARD**  
**Schedule of Investment Income and Changes in Invested Assets by Fund**  
**For the Six Months Ending December 31 , 2013**

	<u>Beginning Invested Assets</u>	<u>Investment Income (<sup>1</sup>)</u>	<u>Net Contributions (Withdrawals)</u>	<u>Ending Invested Assets</u>	<u>% Change in Invested Assets</u>	<u>% Change due to Investment Income (<sup>2</sup>)</u>
<b><u>Public Employees' Retirement System (PERS)</u></b>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	\$ 6,682,601,125	\$ 762,457,892	\$ (7,371,090)	\$ 7,437,687,927	11.30%	11.42%
Retirement Health Care Trust	5,869,023,791	667,266,127	57,714,652	6,594,004,570	12.35%	11.31%
Total Defined Benefit Plans	<u>12,551,624,916</u>	<u>1,429,724,019</u>	<u>50,343,562</u>	<u>14,031,692,497</u>	11.79%	11.37%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	344,683,147	49,447,556	33,506,622	427,637,325	24.07%	13.68%
Health Reimbursement Arrangement	107,570,946	12,698,600	11,998,750	132,268,296	22.96%	11.18%
Retiree Medical Plan	20,530,927	2,402,769	1,770,205	24,703,901	20.33%	11.22%
Defined Benefit Occupational Death and Disability:						
Public Employees	8,033,120	932,292	573,800	9,539,212	18.75%	11.21%
Police and Firefighters	3,497,071	416,863	457,688	4,371,622	25.01%	11.19%
Total Defined Contribution Plans	<u>484,315,211</u>	<u>65,898,080</u>	<u>48,307,065</u>	<u>598,520,356</u>	23.58%	12.96%
<b>Total PERS</b>	<b><u>13,035,940,127</u></b>	<b><u>1,495,622,099</u></b>	<b><u>98,650,627</u></b>	<b><u>14,630,212,853</u></b>	12.23%	11.43%
<b><u>Teachers' Retirement System (TRS)</u></b>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	3,279,505,294	379,385,335	31,362,106	3,690,252,735	12.52%	11.51%
Retirement Health Care Trust	1,883,677,379	217,955,751	58,683,699	2,160,316,829	14.69%	11.39%
Total Defined Benefit Plans	<u>5,163,182,673</u>	<u>597,341,086</u>	<u>90,045,805</u>	<u>5,850,569,564</u>	13.31%	11.47%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	153,359,455	21,216,139	7,934,706	182,510,300	19.01%	13.49%
Health Reimbursement Arrangement	34,477,528	3,987,521	2,842,430	41,307,479	19.81%	11.11%
Retiree Medical Plan	8,710,401	995,158	420,679	10,126,238	16.25%	11.16%
Defined Benefit Occupational Death and Disability	2,595,310	291,883	9	2,887,202	11.25%	11.25%
Total Defined Contribution Plans	<u>199,142,694</u>	<u>26,490,701</u>	<u>11,197,824</u>	<u>236,831,219</u>	18.93%	12.94%
<b>Total TRS</b>	<b><u>5,362,325,367</u></b>	<b><u>623,831,787</u></b>	<b><u>101,243,629</u></b>	<b><u>6,087,400,783</u></b>	13.52%	11.52%
<b><u>Judicial Retirement System (JRS)</u></b>						
Defined Benefit Plan Retirement Trust	118,593,014	13,618,816	1,418,432	133,630,262	12.68%	11.42%
Defined Benefit Retirement Health Care Trust	22,670,718	2,530,936	(325,614)	24,876,040	9.73%	11.24%
<b>Total JRS</b>	<b><u>141,263,732</u></b>	<b><u>16,149,752</u></b>	<b><u>1,092,818</u></b>	<b><u>158,506,302</u></b>	12.21%	11.39%
<b><u>National Guard/Naval Militia Retirement System (MRS)</u></b>						
Defined Benefit Plan Retirement Trust	34,141,087	3,045,793	(373,322)	36,813,558	7.83%	8.97%
<b><u>Other Participant Directed Plans</u></b>						
Supplemental Annuity Plan	2,916,434,215	246,915,715	(4,483,771)	3,158,866,159	8.31%	8.47%
Deferred Compensation Plan	685,406,547	67,003,306	(2,367,927)	750,041,926	9.43%	9.79%
<b>Total All Funds</b>	<b><u>22,175,511,075</u></b>	<b><u>2,452,568,452</u></b>	<b><u>193,762,054</u></b>	<b><u>24,821,841,581</u></b>		
Total Non-Participant Directed	18,075,627,711	2,067,985,736	159,172,424	20,302,785,871	12.32%	11.39%
Total Participant Directed	4,099,883,364	384,582,716	34,589,630	4,519,055,710	10.22%	9.34%
<b>Total All Funds</b>	<b><u>\$ 22,175,511,075</u></b>	<b><u>\$ 2,452,568,452</u></b>	<b><u>\$ 193,762,054</u></b>	<b><u>\$ 24,821,841,581</u></b>	<b>11.93%</b>	<b>11.01%</b>

Notes:

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

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

**ALASKA RETIREMENT MANAGEMENT BOARD**  
**Schedule of Investment Income and Changes in Invested Assets by Fund**  
**For the Month Ended December 31, 2013**

	<u>Beginning Invested Assets</u>	<u>Investment Income (<sup>1</sup>)</u>	<u>Net Contributions (Withdrawals)</u>	<u>Ending Invested Assets</u>	<u>% Change in Invested Assets</u>	<u>% Change due to Investment Income (<sup>2</sup>)</u>
<b><u>Public Employees' Retirement System (PERS)</u></b>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	\$ 7,357,604,455	\$ 109,091,928	\$ (29,008,456)	\$ 7,437,687,927	1.09%	1.49%
Retirement Health Care Trust	6,507,591,407	96,943,784	(10,530,621)	6,594,004,570	1.33%	1.49%
Total Defined Benefit Plans	<u>13,865,195,862</u>	<u>206,035,712</u>	<u>(39,539,077)</u>	<u>14,031,692,497</u>	1.20%	1.49%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	414,298,878	6,605,946	6,732,501	427,637,325	3.22%	1.58%
Health Reimbursement Arrangement	127,893,635	1,960,603	2,414,058	132,268,296	3.42%	1.52%
Retiree Medical Plan	24,015,668	365,328	322,905	24,703,901	2.87%	1.51%
Defined Benefit Occupational Death and Disability:						
Public Employees	9,286,144	141,078	111,990	9,539,212	2.73%	1.51%
Police and Firefighters	4,224,857	64,542	82,223	4,371,622	3.47%	1.51%
Total Defined Contribution Plans	<u>579,719,182</u>	<u>9,137,497</u>	<u>9,663,677</u>	<u>598,520,356</u>	3.24%	1.56%
<b>Total PERS</b>	<b><u>14,444,915,044</u></b>	<b><u>215,173,209</u></b>	<b><u>(29,875,400)</u></b>	<b><u>14,630,212,853</u></b>	1.28%	1.49%
<b><u>Teachers' Retirement System (TRS)</u></b>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	3,664,119,005	54,044,039	(27,910,309)	3,690,252,735	0.71%	1.48%
Retirement Health Care Trust	2,136,007,201	31,734,109	(7,424,481)	2,160,316,829	1.14%	1.49%
Total Defined Benefit Plans	<u>5,800,126,206</u>	<u>85,778,148</u>	<u>(35,334,790)</u>	<u>5,850,569,564</u>	0.87%	1.48%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	177,248,909	2,820,192	2,441,199	182,510,300	2.97%	1.58%
Health Reimbursement Arrangement	40,056,260	612,539	638,680	41,307,479	3.12%	1.52%
Retiree Medical Plan	9,878,971	149,685	97,582	10,126,238	2.50%	1.51%
Defined Benefit Occupational Death and Disability	2,844,749	42,453		2,887,202	1.49%	1.49%
Total Defined Contribution Plans	<u>230,028,889</u>	<u>3,624,869</u>	<u>3,177,461</u>	<u>236,831,219</u>	2.96%	1.57%
<b>Total TRS</b>	<b><u>6,030,155,095</u></b>	<b><u>89,403,017</u></b>	<b><u>(32,157,329)</u></b>	<b><u>6,087,400,783</u></b>	0.95%	1.49%
<b><u>Judicial Retirement System (JRS)</u></b>						
Defined Benefit Plan Retirement Trust	131,936,735	1,958,582	(265,055)	133,630,262	1.28%	1.49%
Defined Benefit Retirement Health Care Trust	24,530,611	365,467	(20,038)	24,876,040	1.41%	1.49%
<b>Total JRS</b>	<b><u>156,467,346</u></b>	<b><u>2,324,049</u></b>	<b><u>(285,093)</u></b>	<b><u>158,506,302</u></b>	1.30%	1.49%
<b><u>National Guard/Naval Militia Retirement System (MRS)</u></b>						
Defined Benefit Plan Retirement Trust	36,759,149	265,302	(210,893)	36,813,558	0.15%	0.72%
<b><u>Other Participant Directed Plans</u></b>						
Supplemental Annuity Plan	3,130,577,238	30,534,662	(2,245,741)	3,158,866,159	0.90%	0.98%
Deferred Compensation Plan	739,423,475	8,838,440	1,780,011	750,041,926	1.44%	1.19%
<b>Total All Funds</b>	<b><u>24,538,297,347</u></b>	<b><u>346,538,679</u></b>	<b><u>(62,994,445)</u></b>	<b><u>24,821,841,581</u></b>		
Total Non-Participant Directed	20,076,748,847	297,739,439	(71,702,415)	20,302,785,871	1.13%	1.49%
Total Participant Directed	4,461,548,500	48,799,240	8,707,970	4,519,055,710	1.29%	1.09%
<b>Total All Funds</b>	<b><u>\$ 24,538,297,347</u></b>	<b><u>\$ 346,538,679</u></b>	<b><u>\$ (62,994,445)</u></b>	<b><u>\$ 24,821,841,581</u></b>	<b>1.16%</b>	<b>1.41%</b>

Notes:

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

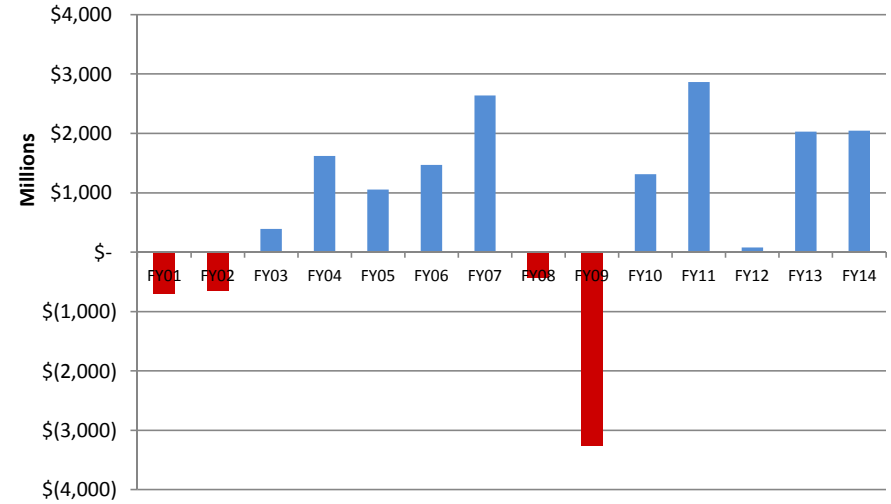
(2) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates and can be found at: <http://www.revenue.state.ak.us/treasury/programs/programs/other/armb/investmentresults.aspx>

## Total Defined Benefit Assets For the Six Months Ending December 31, 2013

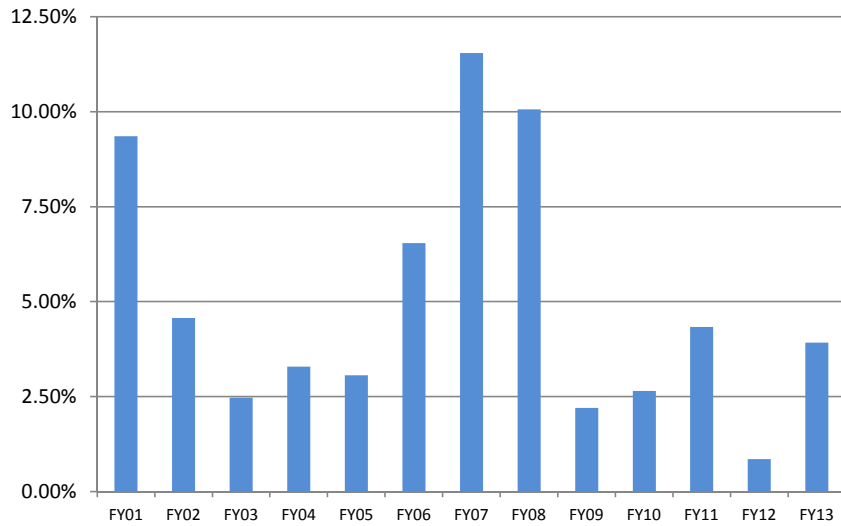
**Totals Assets History**



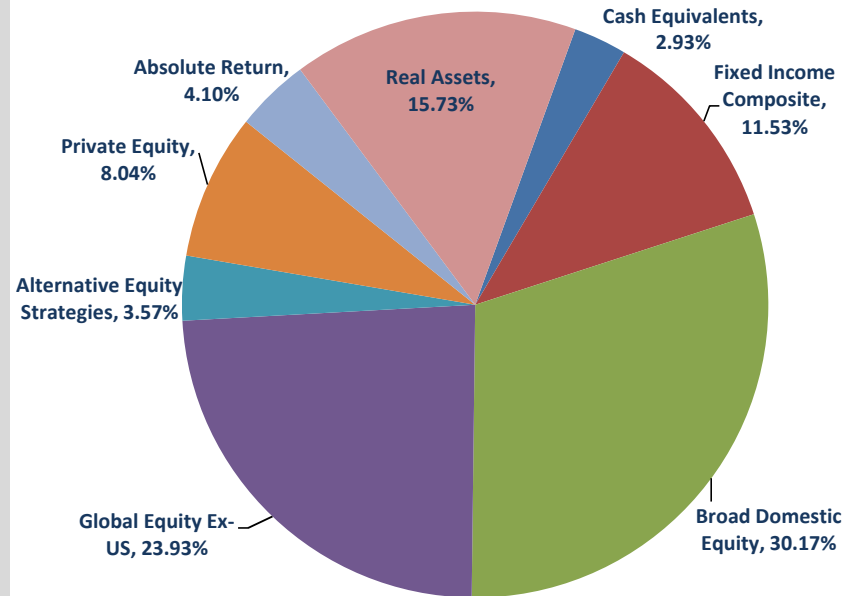
**Income by Fiscal Year**



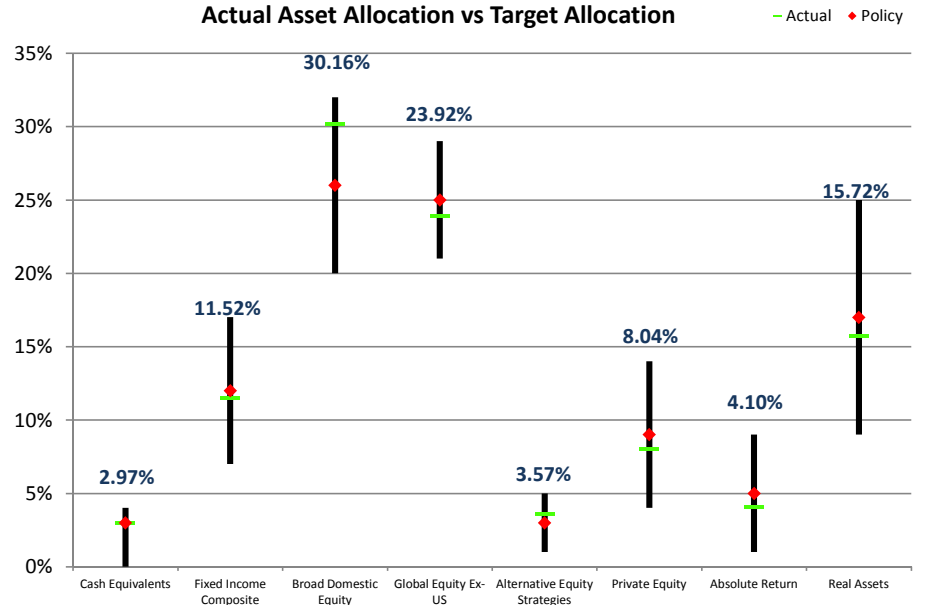
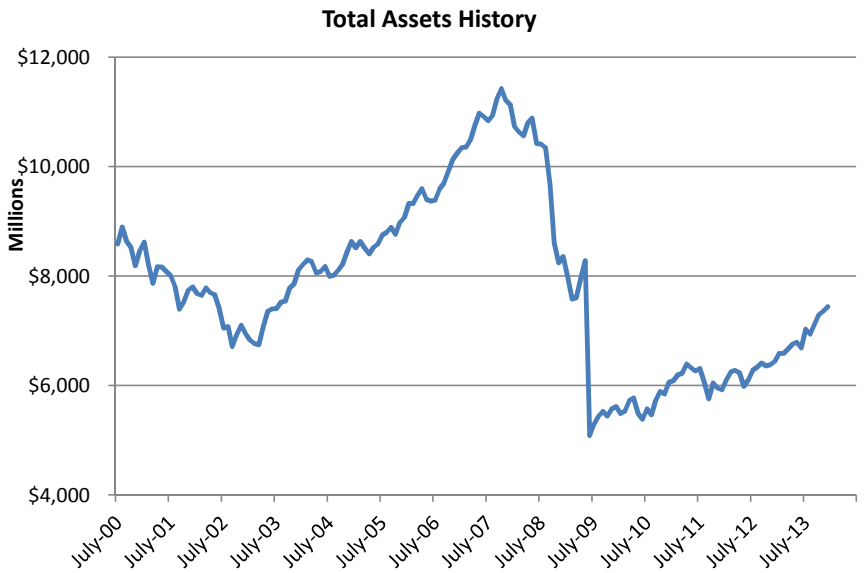
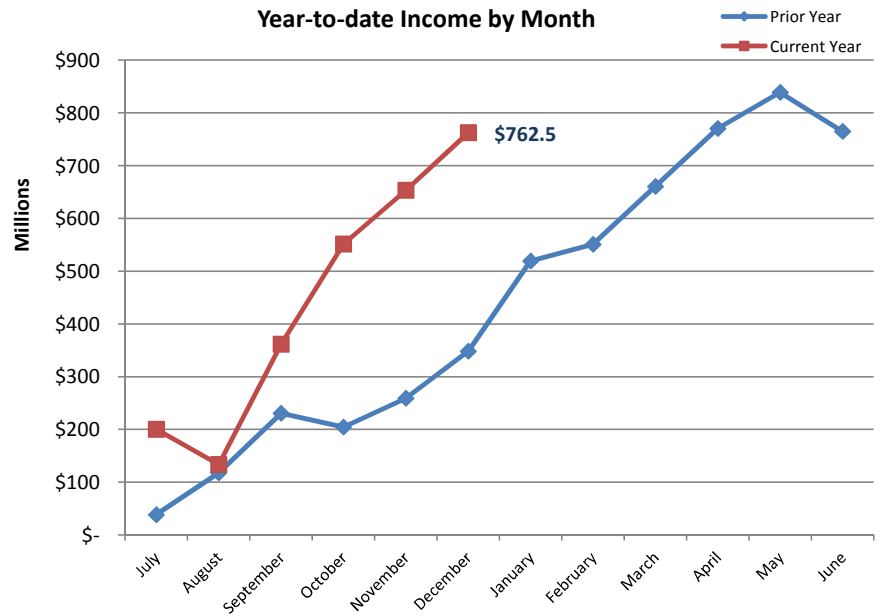
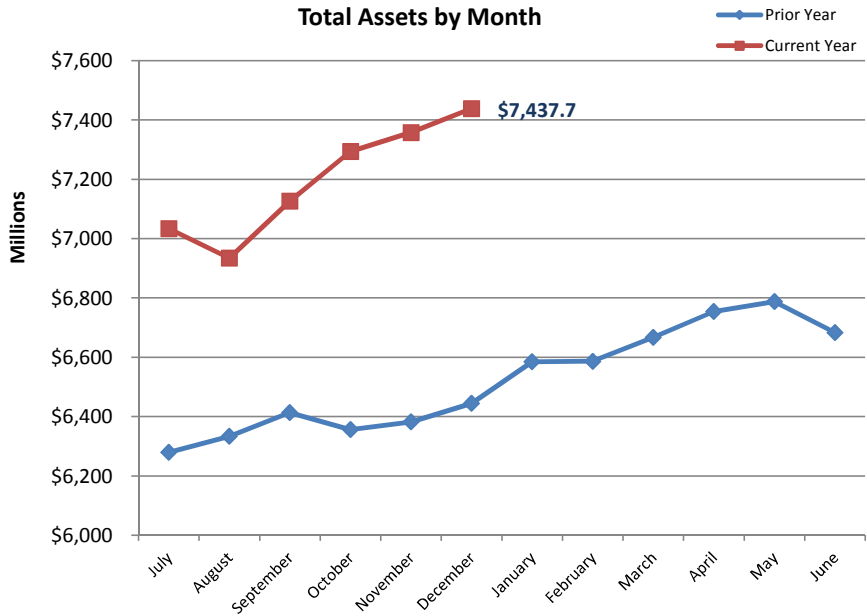
**5-year Annualized Returns as of Fiscal Year End**



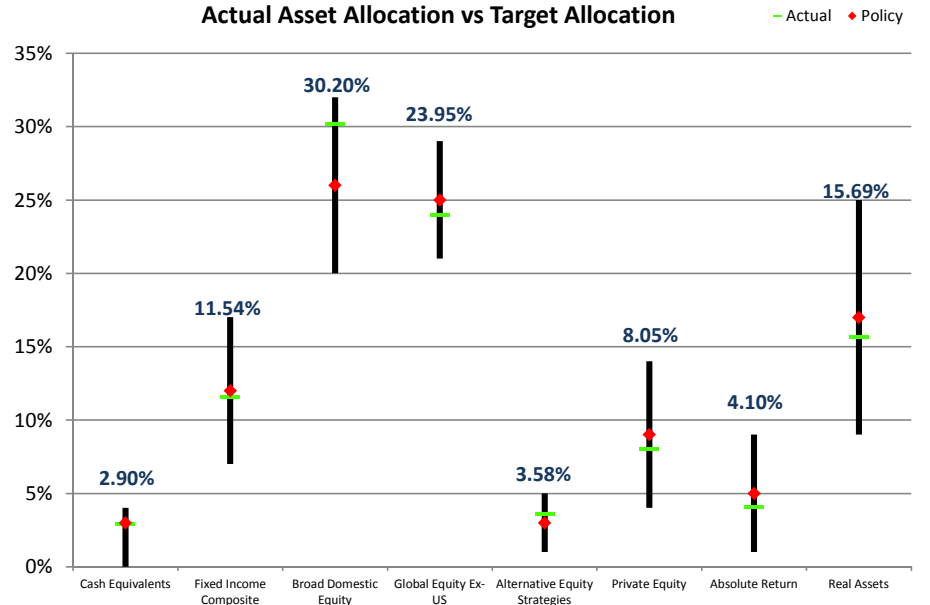
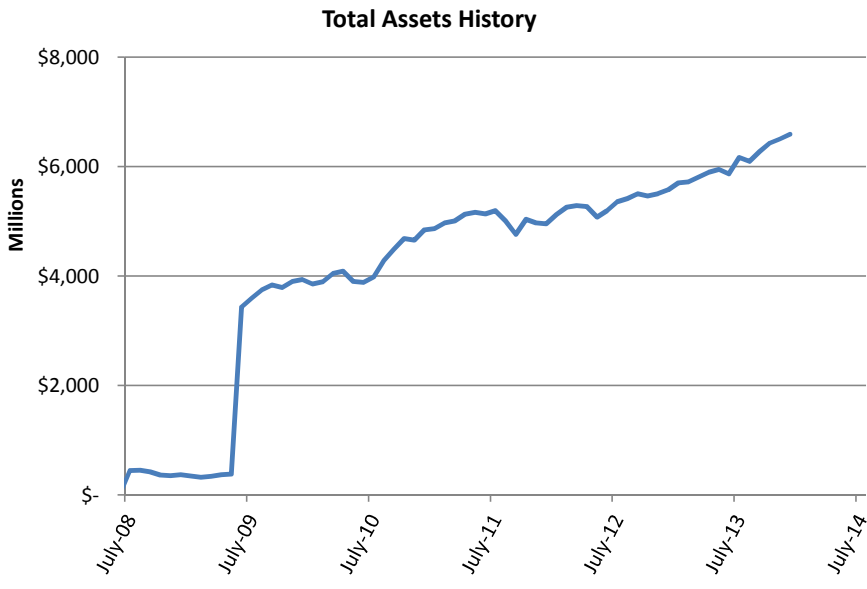
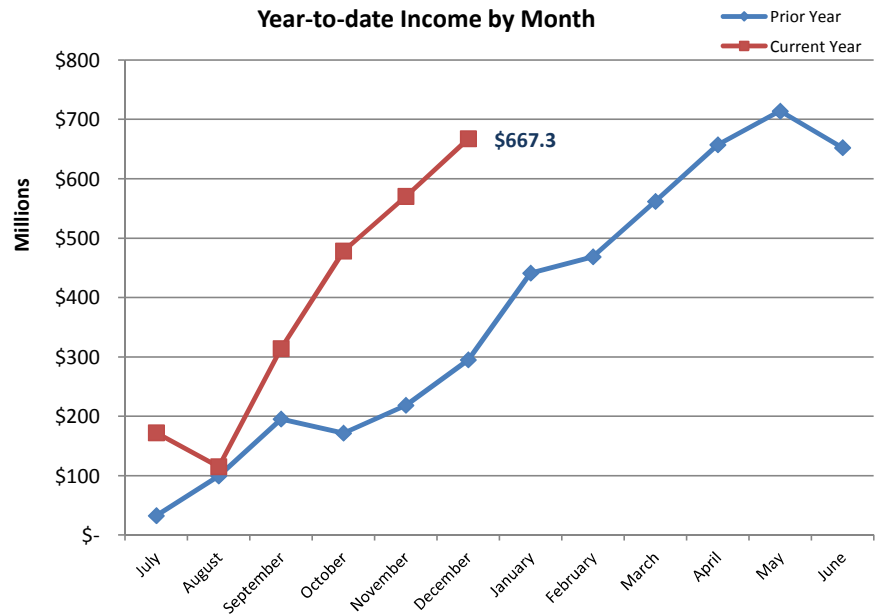
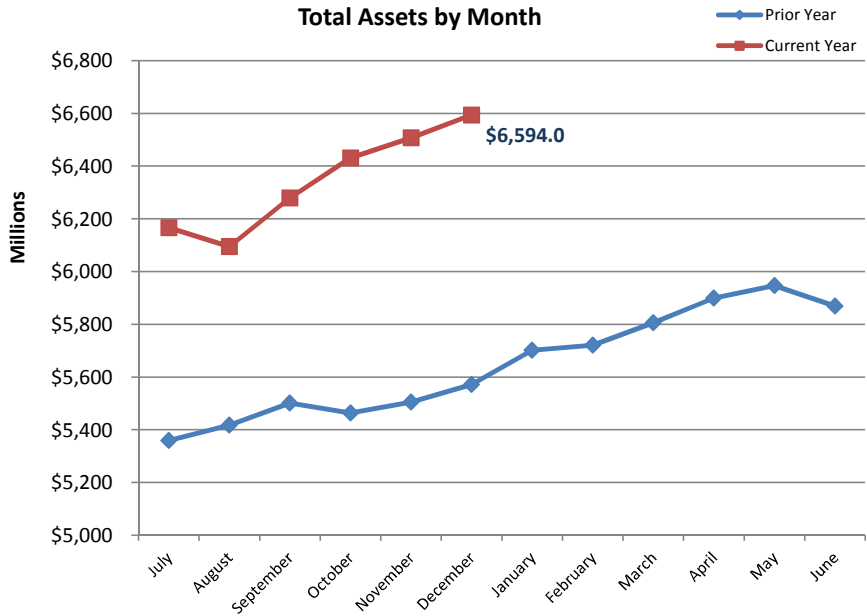
**Actual Asset Allocation**



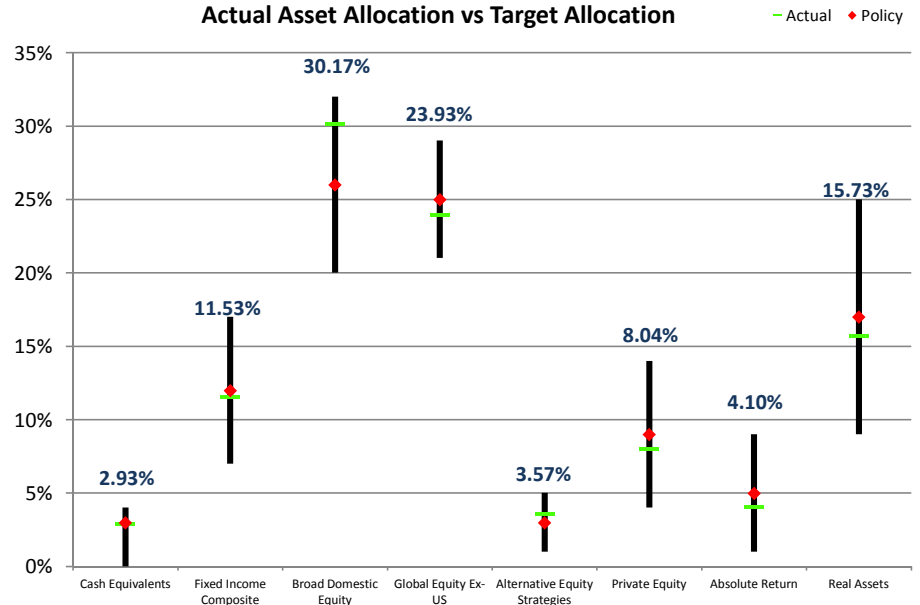
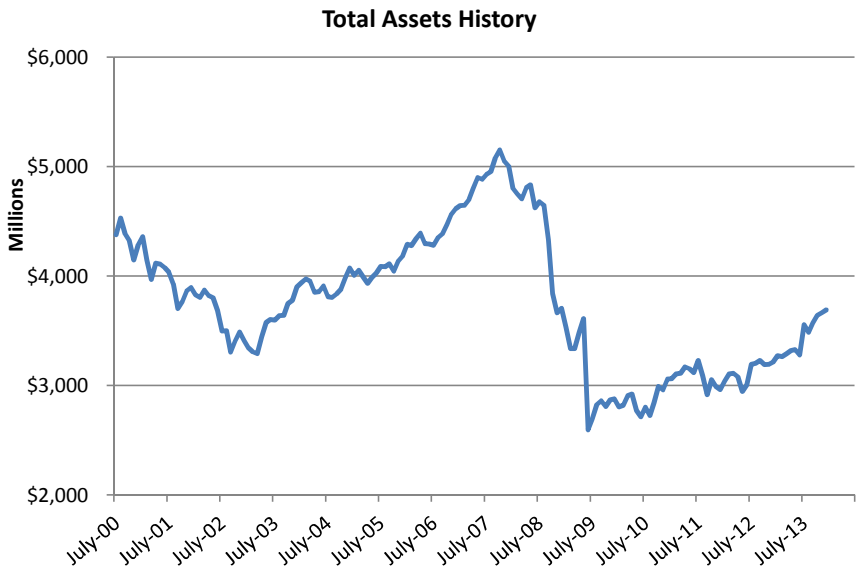
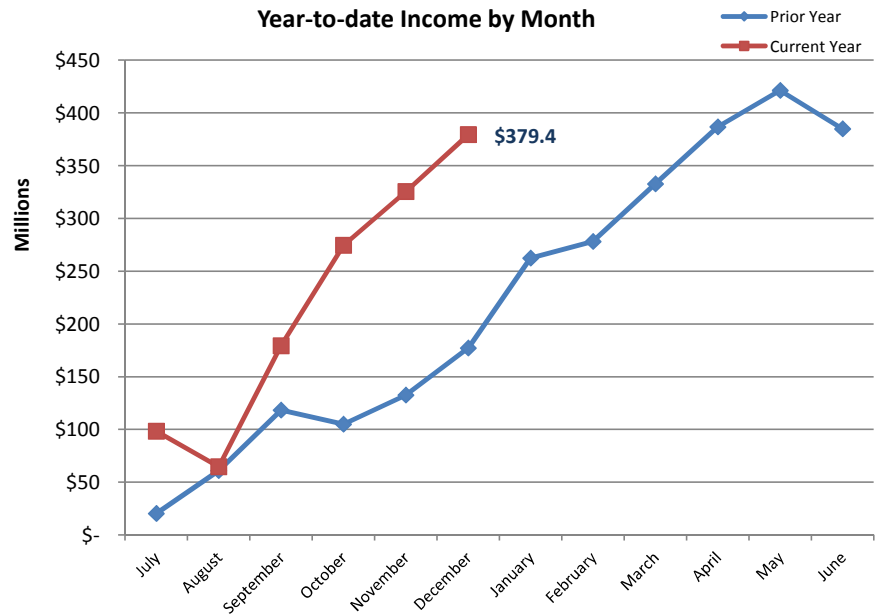
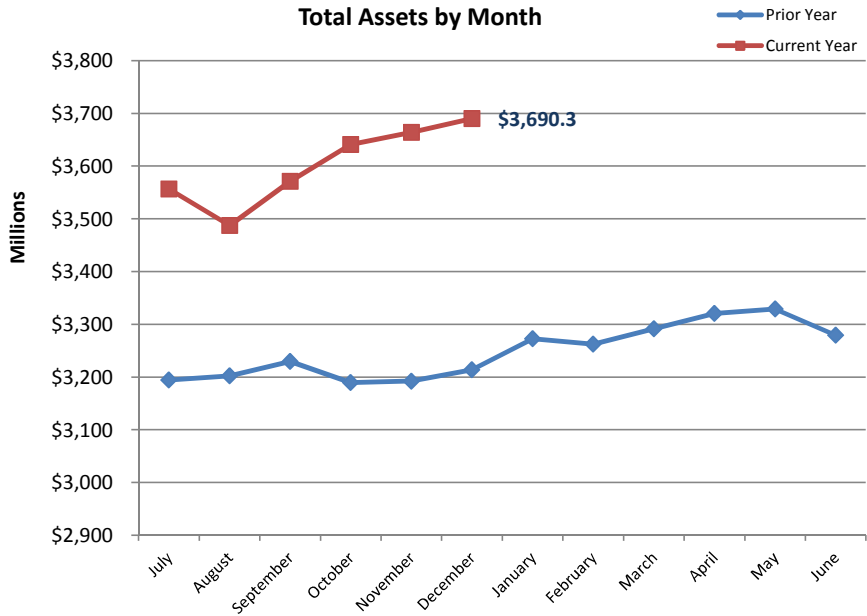
## Public Employees' Retirement Pension Trust Fund For the Six Months Ending December 31, 2013



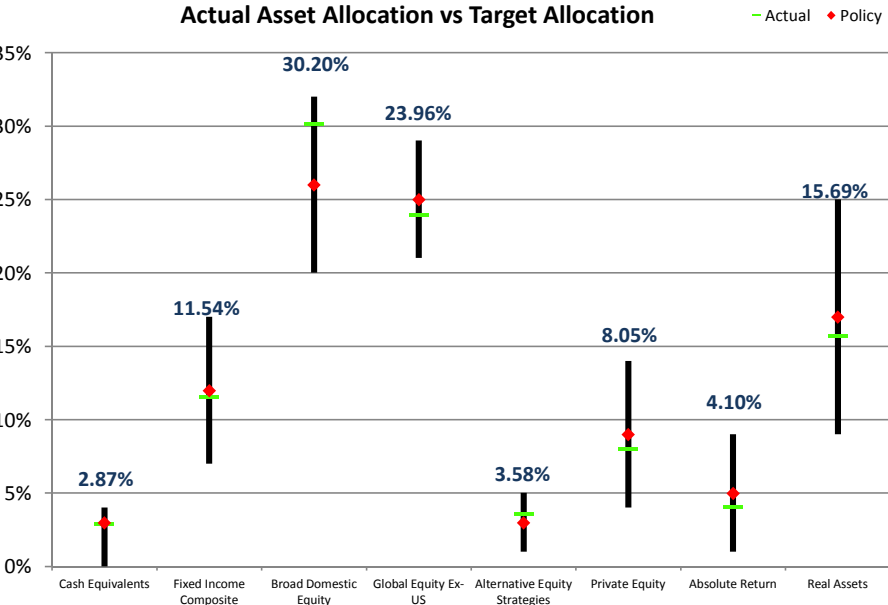
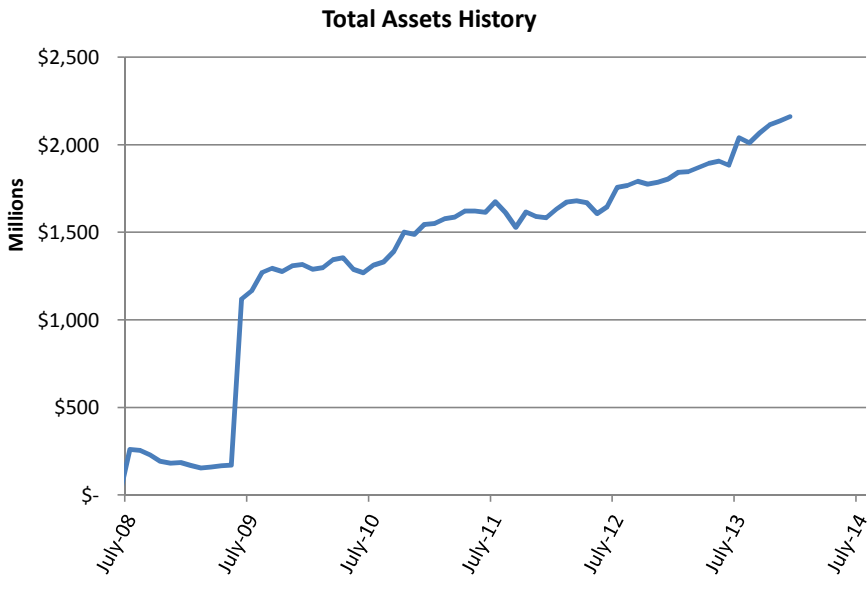
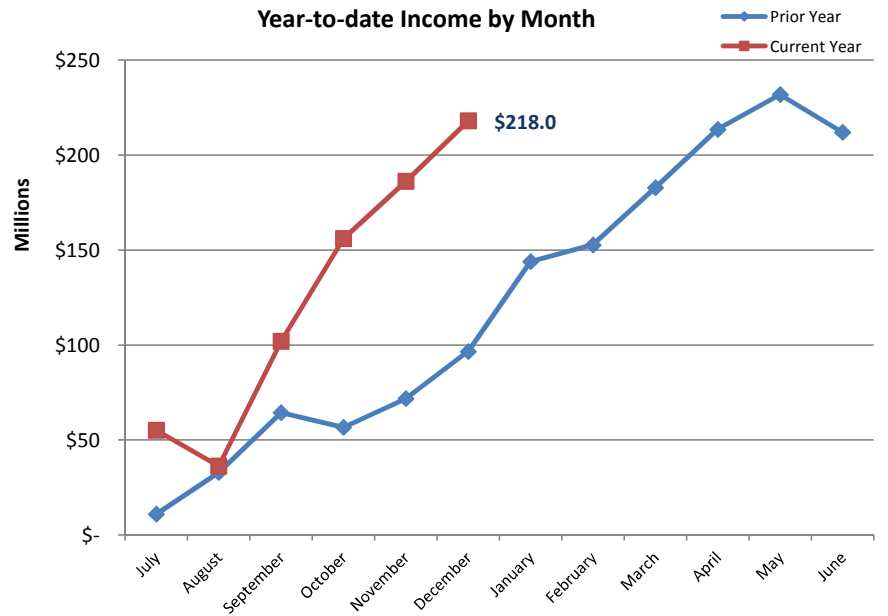
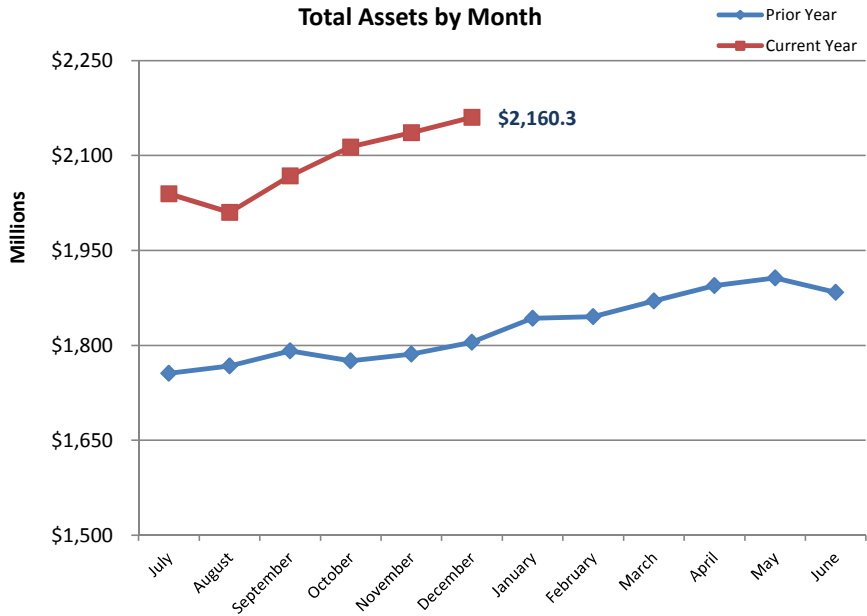
## Public Employees' Retirement Health Care Trust Fund For the Six Months Ending December 31, 2013



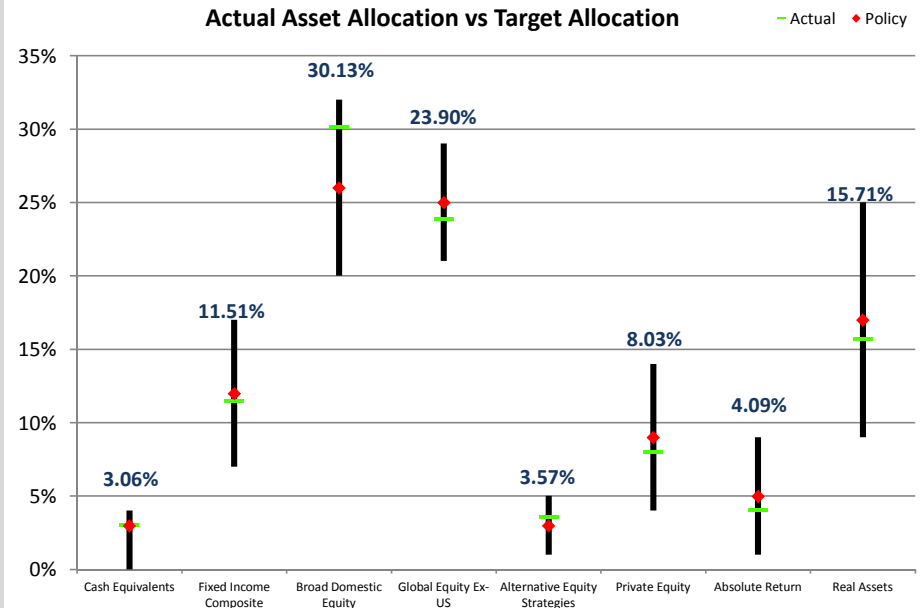
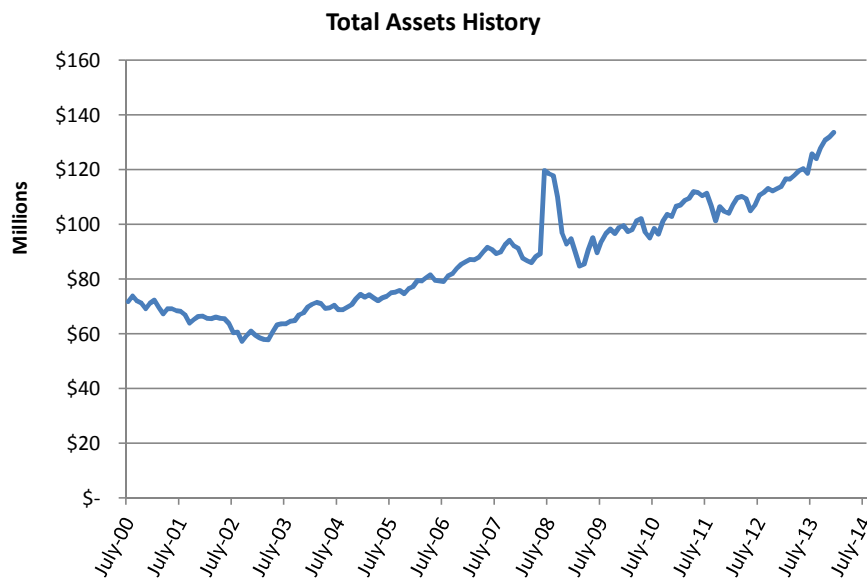
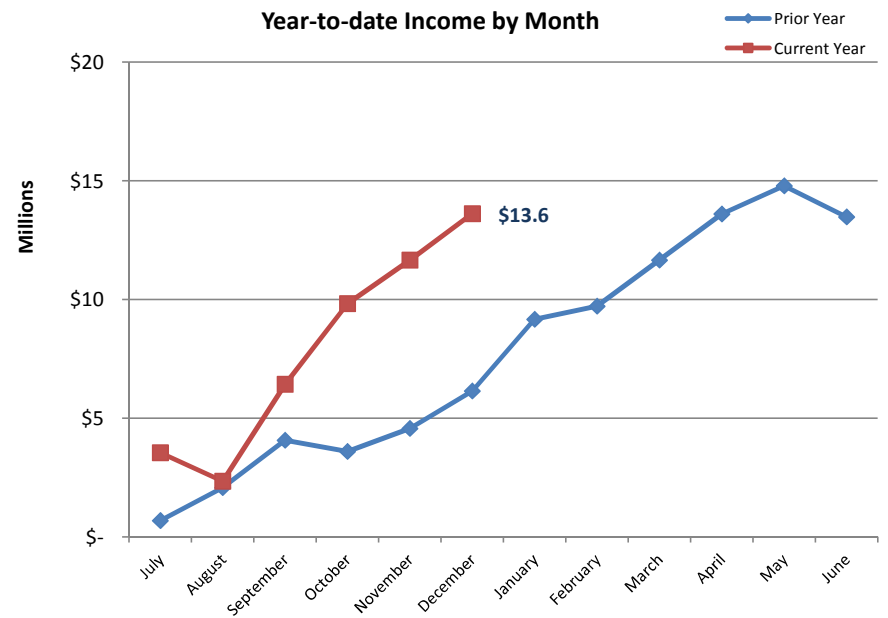
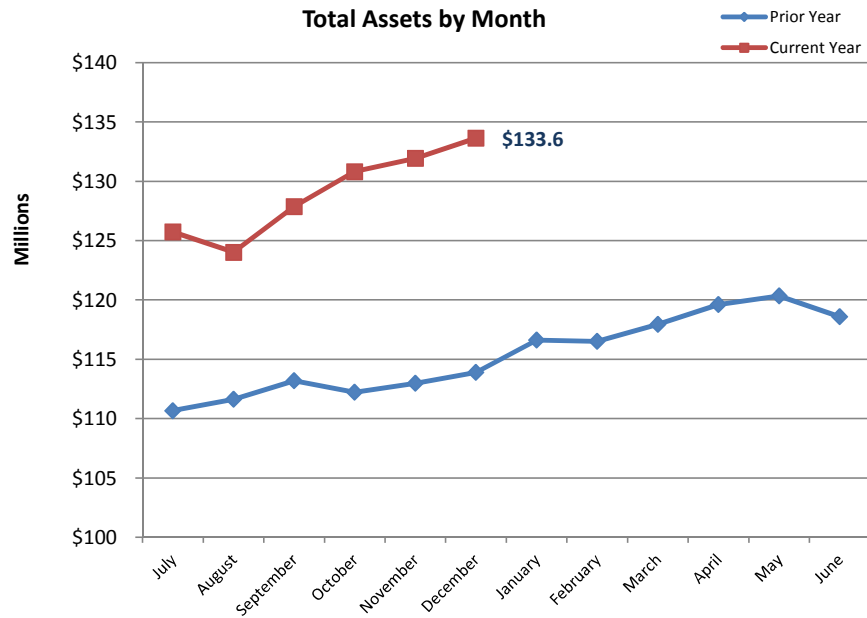
## Teachers' Retirement Pension Trust Fund For the Six Months Ending December 31, 2013



## Teachers' Retirement Health Care Trust Fund For the Six Months Ending December 31, 2013

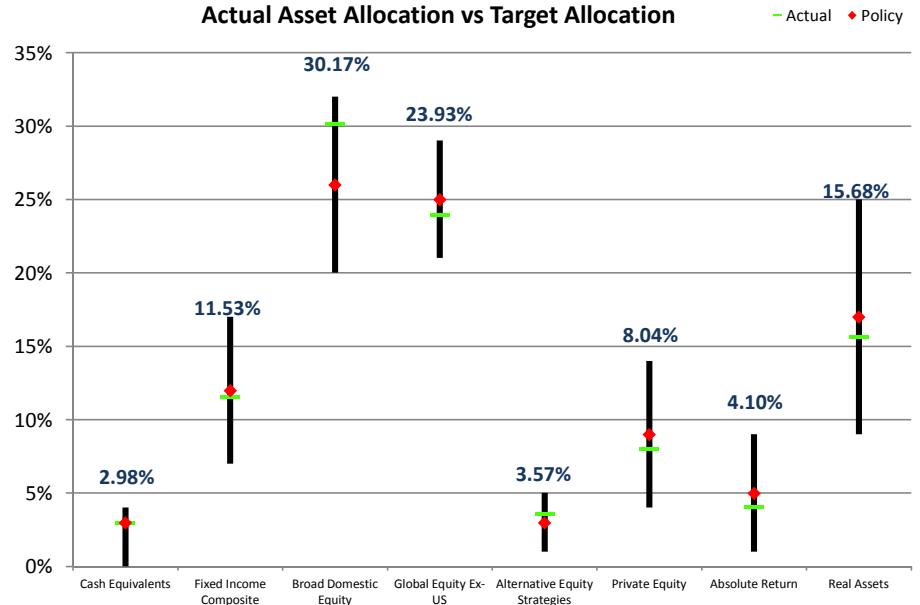
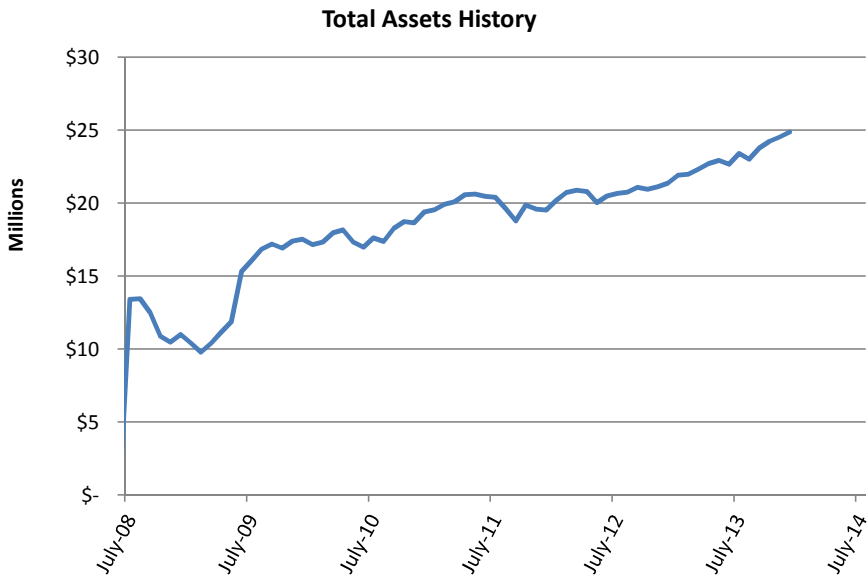
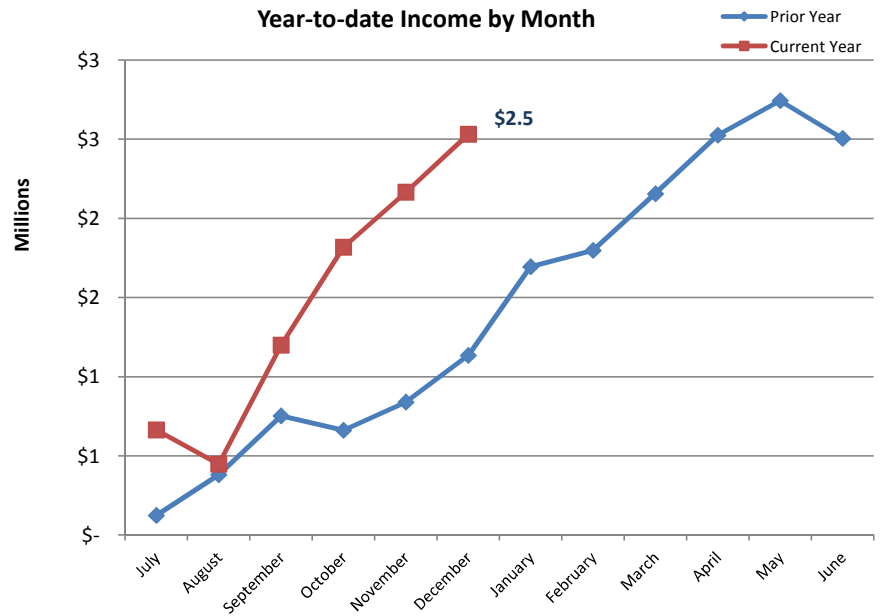
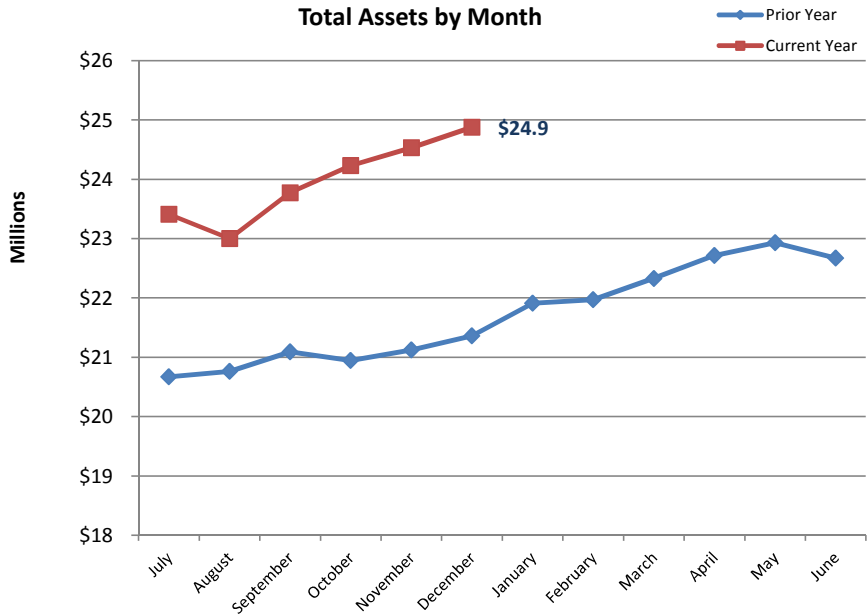


## Judicial Retirement Pension Trust Fund For the Six Months Ending December 31, 2013

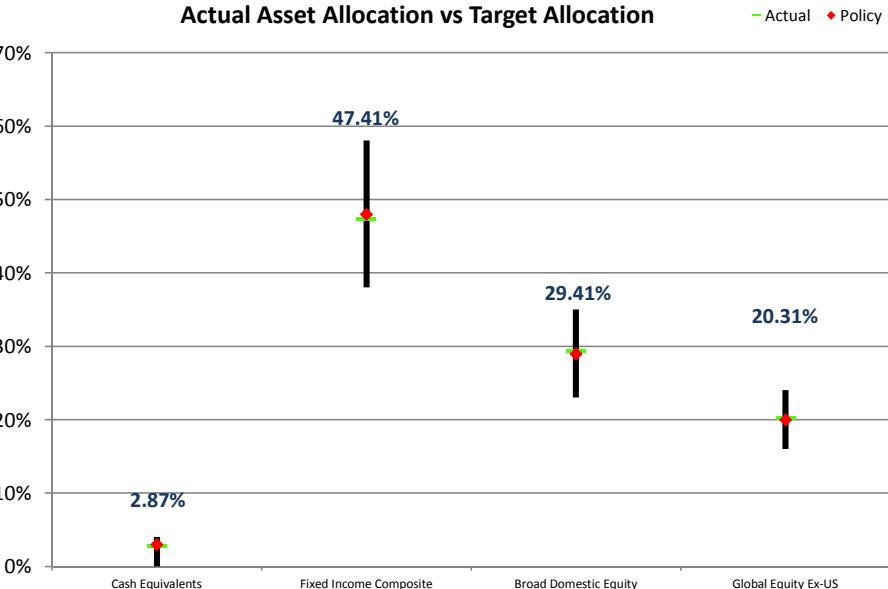
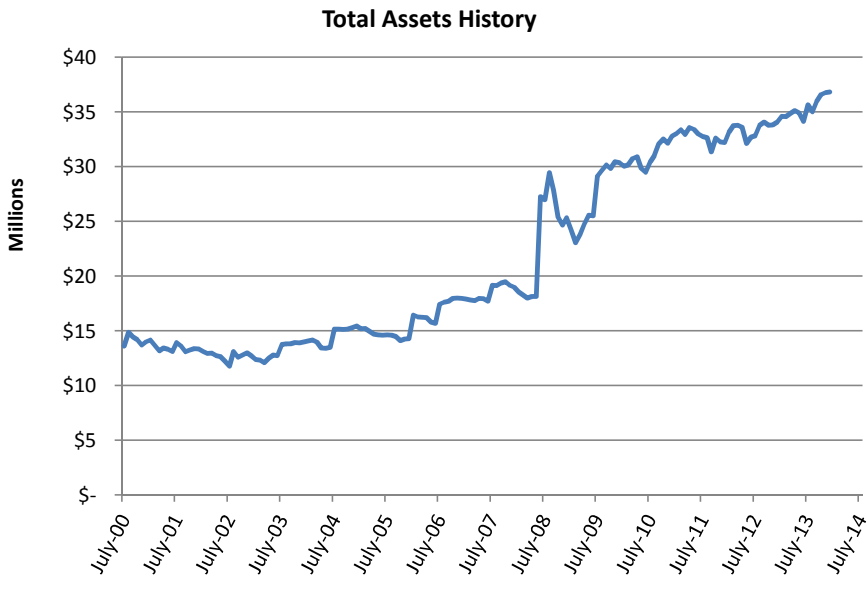
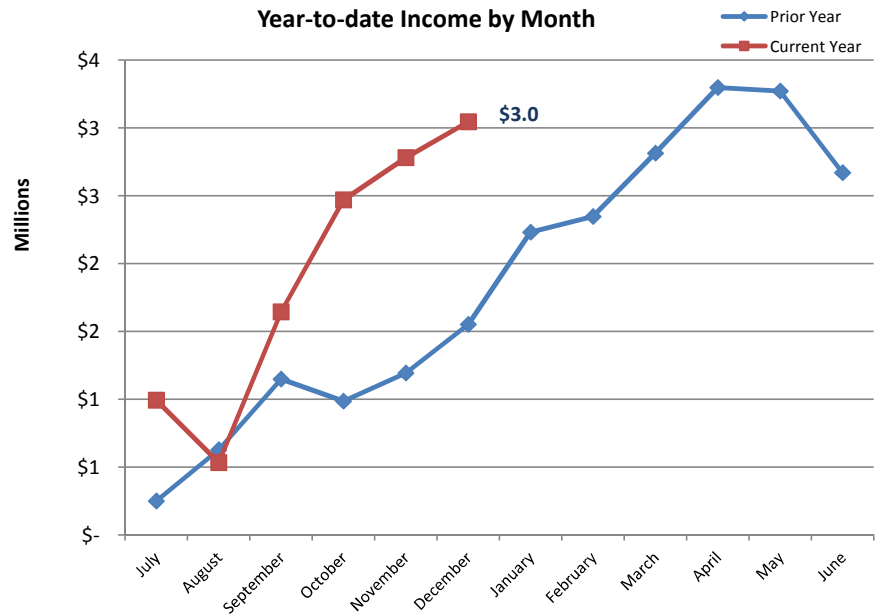
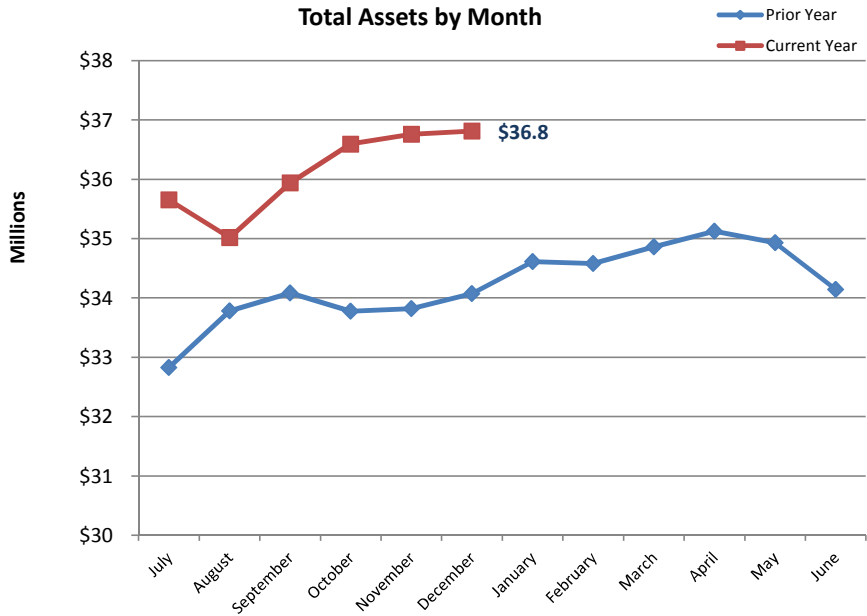




## Judicial Retirement Health Care Trust Fund For the Six Months Ending December 31, 2013



## Military Retirement Trust Fund For the Six Months Ending December 31, 2013



**ALASKA RETIREMENT MANAGEMENT BOARD**  
**Reporting of Funds by Manager**

All Non-Participant Directed Plans

**Alaska Retirement Management Board**  
**All Non-Participant Directed Plans by Manager**  
**Schedule of Investment Income and Changes in Invested Assets**  
**For The Month Ended December 31, 2013**

	<b>Beginning Invested Assets</b>	<b>Investment Income</b>	<b>Net Contributions and (Withdrawals)</b>	<b>Ending Invested Assets</b>	<b>% increase (decrease)</b>
<b>Cash</b>					
Short-Term Fixed Income Pool	578,103,697	122,517	17,065,511	595,291,725	2.97%
<b>Total Cash</b>	<b>578,103,697</b>	<b>122,517</b>	<b>17,065,511</b>	<b>595,291,725</b>	<b>2.97%</b>
<b>Fixed Income</b>					
US Treasury Fixed Income	1,258,295,808	(8,718,042)	(95,000,000)	1,154,577,766	-8.24%
<b>Municipal Bond Pool</b>					
Western Asset Management	100,366,317	(1,081,405)	-	99,284,912	-1.08%
Guggenheim Partners	35,386,433	(165,855)	15,000,000	50,220,578	41.92%
	<u>135,752,750</u>	<u>(1,247,260)</u>	<u>15,000,000</u>	<u>149,505,490</u>	<u>10.13%</u>
<b>International Fixed Income Pool</b>					
Mondrian Investment Partners	360,917,288	(2,156,638)	-	358,760,650	-0.60%
<b>High Yield Pool</b>					
MacKay Shields, LLC	534,546,642	2,854,648	-	537,401,290	0.53%
<b>Emerging Debt Pool</b>					
Lazard Emerging Income	154,368,724	(480,928)	-	153,887,796	-0.31%
<b>Total Fixed Income</b>	<b>2,443,881,212</b>	<b>(9,748,220)</b>	<b>(80,000,000)</b>	<b>2,354,132,992</b>	<b>-3.67%</b>
<b>Domestic Equities</b>					
<b>Small Cap Pool</b>					
Passively Managed					
SSgA Russell 2000 Growth	16,953,290	365,164	-	17,318,454	2.15%
SSgA Russell 2000 Value	61,088,668	1,128,383	-	62,217,051	1.85%
Total Passive	<u>78,041,958</u>	<u>1,493,547</u>	<u>-</u>	<u>79,535,505</u>	<u>1.91%</u>

**Alaska Retirement Management Board**  
**All Non-Participant Directed Plans by Manager**  
**Schedule of Investment Income and Changes in Invested Assets**  
**For The Month Ended December 31, 2013**

<b>Actively Managed</b>						
Barrow, Haney, Mewhinney & Strauss	182,234,287	6,588,257	-	188,822,544	3.62%	
DePrince, Race & Zollo Inc.- Micro Cap	100,661,555	1,546,993	-	102,208,548	1.54%	
Frontier Capital Mgmt. Co.	176,161,430	2,945,646	-	179,107,076	1.67%	
Jennison Associates, LLC	187,078,331	4,397,251	-	191,475,582	2.35%	
Lord Abbet Small Cap Growth Fund	153,284,694	4,143,563	-	157,428,257	2.70%	
Lord Abbett & Co.	(117,870)	117,870	-	-	-100.00%	
Lord Abbett & Co.- Micro Cap	123,770,839	3,559,492	-	127,330,331	2.88%	
Luther King Capital Management	181,693,151	2,526,253	-	184,219,404	1.39%	
SSgA Futures Small Cap	10,658,704	229,037	-	10,887,741	2.15%	
Transition Account	-	-	-	-	-	
Victory Capital Management	101,757,412	2,849,344	-	104,606,756	2.80%	
<b>Total Active</b>	<b>1,217,182,533</b>	<b>28,903,706</b>	<b>-</b>	<b>1,246,086,239</b>	<b>2.37%</b>	
<b>Total Small Cap</b>	<b>1,295,224,491</b>	<b>30,397,253</b>	<b>-</b>	<b>1,325,621,744</b>	<b>2.35%</b>	
<b>Large Cap Pool</b>						
<b>Passively Managed</b>						
SSgA Russell 1000 Growth	1,223,915,177	34,927,606	-	1,258,842,783	2.85%	
SSgA Russell 1000 Value	1,237,710,589	31,381,238	-	1,269,091,827	2.54%	
SSgA Russell 200	537,433,578	13,806,522	-	551,240,100	2.57%	
<b>Total Passive</b>	<b>2,999,059,344</b>	<b>80,115,366</b>	<b>-</b>	<b>3,079,174,710</b>	<b>2.67%</b>	
<b>Actively Managed</b>						
Allianz Global Investors	319,837,034	11,297,264	-	331,134,298	3.53%	
Barrow, Haney, Mewhinney & Strauss	309,506,366	6,918,102	-	316,424,468	2.24%	
Large Cap Transition Fund	-	-	-	-	-	
Lazard Freres	414,596,742	13,783,406	-	428,380,148	3.32%	
McKinley Capital Mgmt.	315,660,666	7,657,151	-	323,317,817	2.43%	
Quantitative Management Assoc.	303,033,005	6,763,067	-	309,796,072	2.23%	
SSgA Futures large cap	12,318,207	271,532	-	12,589,739	2.20%	
<b>Total Active</b>	<b>1,674,952,020</b>	<b>46,690,522</b>	<b>-</b>	<b>1,721,642,542</b>	<b>2.79%</b>	
<b>Total Large Cap</b>	<b>4,674,011,364</b>	<b>126,805,888</b>	<b>-</b>	<b>4,800,817,252</b>	<b>2.71%</b>	
<b>Total Domestic Equity</b>	<b>5,969,235,855</b>	<b>157,203,141</b>	<b>-</b>	<b>6,126,438,996</b>	<b>2.63%</b>	

**Alaska Retirement Management Board**  
**All Non-Participant Directed Plans by Manager**  
**Schedule of Investment Income and Changes in Invested Assets**  
**For The Month Ended December 31, 2013**

**Alternative Equity Strategies**

**Alternative Equity Strategy Pool**

Relational Investors, LLC	229,518,433	10,606,268	8,000,000	248,124,701	8.11%
Analytic Buy Write Account	126,392,971	2,113,106	-	128,506,077	1.67%
Allianz Global Investors Buy-Write Account	84,513,358	845,029	-	85,358,387	1.00%
ARMB Equity Yield Strategy	123,262,205	2,177,534	-	125,439,739	1.77%
<b>Total Alternative Equity Strategy Pool</b>	<u>563,686,967</u>	<u>15,741,937</u>	<u>8,000,000</u>	<u>587,428,904</u>	4.21%

**Convertible Bond Pool**

Advent Capital	134,462,912	2,212,088	-	136,675,000	1.65%
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**Total Alternative Equity Strategies**

	<u>698,149,879</u>	<u>17,954,025</u>	<u>8,000,000</u>	<u>136,675,000</u>	3.72%
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**Global Equities Ex US**

**Small Cap Pool**

Mondrian Investment Partners	148,287,127	4,766,052	-	153,053,179	3.21%
Schroder Investment Management	151,423,118	4,315,297	-	155,738,415	2.85%
<b>Total Small Cap</b>	<u>299,710,245</u>	<u>9,081,349</u>	<u>-</u>	<u>308,791,594</u>	3.03%

**Large Cap Pool**

Blackrock ACWI Ex-US IMI	630,275,179	6,436,480	-	636,711,659	1.02%
Brandes Investment Partners	1,029,547,446	3,450,485	-	1,032,997,931	0.34%
Cap Guardian Trust Co	792,271,537	12,549,771	-	804,821,308	1.58%
Lazard Freres	484,273,404	10,426,763	-	494,700,167	2.15%
McKinley Capital Management	362,007,488	9,633,778	-	371,641,266	2.66%
SSgA Futures International	-	-	-	-	-
State Street Global Advisors	629,519,082	6,555,888	-	636,074,970	1.04%
<b>Total Large Cap</b>	<u>3,927,894,136</u>	<u>49,053,165</u>	<u>-</u>	<u>3,976,947,301</u>	1.25%

**Emerging Markets Equity Pool**

Lazard Asset Management	354,781,270	(2,282,831)	-	352,498,439	-0.64%
Eaton Vance	220,066,793	(17,383)	-	220,049,410	-0.01%
<b>Total Emerging Markets Pool</b>	<u>574,848,063</u>	<u>(2,300,214)</u>	<u>-</u>	<u>572,547,849</u>	-0.40%

**Total Global Equities**

	<u>4,802,452,444</u>	<u>55,834,300</u>	<u>-</u>	<u>4,858,286,744</u>	1.16%
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**Alaska Retirement Management Board**  
**All Non-Participant Directed Plans by Manager**  
**Schedule of Investment Income and Changes in Invested Assets**  
**For The Month Ended December 31, 2013**

**Private Equity Pool**

Abbott Capital	735,686,425	9,019,552	(24,117,432)	720,588,545	-2.05%
Angelo, Gordon & Co.	11,710,586	364,130	(247,360)	11,827,356	1.00%
Blum Capital Partners-Strategic	9,541,422	-	-	9,541,422	-
Lexington Partners	47,041,865	869,656	(2,090,470)	45,821,051	-2.60%
Merit Capital Partners	12,910,994	344,615	-	13,255,609	2.67%
NB SOF III	-	1	2,791,800	2,791,801	#DIV/0!
Onex Partnership III	21,218,137	8	(108,648)	21,109,497	-0.51%
Pathway Capital Management LLC	767,948,152	27,693,643	(24,523,417)	771,118,378	0.41%
Warburg Pincus Prvt Eqty XI	6,492,188	219,486	2,040,000	8,751,674	34.80%
Warburg Pincus X	25,727,315	3,776	-	25,731,091	0.01%
<b>Total Private Equity</b>	<b>1,638,277,084</b>	<b>38,514,867</b>	<b>(46,255,527)</b>	<b>1,630,536,424</b>	<b>-0.47%</b>

**Absolute Return Pool**

Global Asset Management (USA) Inc.	260,392,355	5,377,027	40,000,000	305,769,382	17.43%
Prisma Capital Partners	270,051,709	3,817,076	40,000,000	313,868,785	16.23%
Mariner Investment Group, Inc.	387,794	(4,694)	-	383,100	-1.21%
Crestline Investors, Inc.	202,879,636	1,180,475	6,467,449	210,527,560	3.77%
<b>Total Absolute Return Investments</b>	<b>733,711,494</b>	<b>10,369,884</b>	<b>86,467,449</b>	<b>830,548,827</b>	<b>13.20%</b>

**Real Assets**

**Farmland Pool**

UBS Agrinvest, LLC	464,857,283	(100)	3,265,207	468,122,390	0.70%
Hancock Agricultural Investment Group	267,991,299	-	-	267,991,299	-
<b>Total Farmland Pool</b>	<b>732,848,582</b>	<b>(100)</b>	<b>3,265,207</b>	<b>736,113,689</b>	<b>0.45%</b>

**Timber Pool**

Timberland INVT Resource LLC	182,812,722	-	-	182,812,722	-
Hancock Natural Resource Group	86,259,739	5	(400,000)	85,859,744	-0.46%
<b>Total Timber Pool</b>	<b>269,072,461</b>	<b>5</b>	<b>(400,000)</b>	<b>268,672,466</b>	<b>-0.15%</b>

**Energy Pool**

EIG Energy Fund XV	35,618,297	95,374	1,875,000	37,588,671	5.53%
EIG Energy Fund XD	7,696,772	(12,705)	-	7,684,067	-0.17%
EIG Energy Fund XIV-A	51,159,290	159,011	1,500,000	52,818,301	3.24%
EIG Energy Fund XVI	6,531,447	(378,342)	-	6,153,105	-5.79%
<b>Total Energy Pool</b>	<b>101,005,806</b>	<b>(136,662)</b>	<b>3,375,000</b>	<b>104,244,144</b>	<b>3.21%</b>

**REIT Pool**

REIT Holdings	310,410,848	1,661,359	-	312,072,207	0.54%
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**Alaska Retirement Management Board**  
**All Non-Participant Directed Plans by Manager**  
**Schedule of Investment Income and Changes in Invested Assets**  
**For The Month Ended December 31, 2013**

<b>Treasury Inflation Proof Securities</b>					
TIPS Internally Managed Account	33,593,596	(497,723)	-	33,095,873	-1.48%
<b>Master Limited Partnerships</b>					
FAMCO	182,121,114	5,303,101	-	187,424,215	2.91%
Tortoise Capital Advisors	194,551,301	7,373,376	-	201,924,677	3.79%
<b>Total Master Limited Partnerships</b>	<b>376,672,415</b>	<b>12,676,477</b>	<b>-</b>	<b>389,348,892</b>	<b>3.37%</b>
<b>Real Estate</b>					
Core Commingled Accounts					
JP Morgan	198,092,614	1,984,489	-	200,077,103	1.00%
UBS Trumbull Property Fund	81,372,213	-	-	81,372,213	-
<b>Total Core Commingled</b>	<b>279,464,827</b>	<b>1,984,489</b>	<b>-</b>	<b>281,449,316</b>	<b>0.71%</b>
Core Separate Accounts					
Cornerstone Real Estate Advisers Inc.	144,400,605	5	(24,923,183)	119,477,427	-17.26%
LaSalle Investment Management	200,347,245	(15)	(20,767,354)	179,579,876	-10.37%
Sentinel Separate Account	148,875,562	4,542,703	(349,688)	153,068,577	2.82%
UBS Realty	283,061,361	32	(824,960)	282,236,433	-0.29%
<b>Total Core Separate</b>	<b>776,684,773</b>	<b>4,542,725</b>	<b>(46,865,185)</b>	<b>734,362,313</b>	<b>-5.45%</b>
Non-Core Commingled Accounts					
Almanac Realty Securities IV	15,712,773	-	-	15,712,773	-
Almanac Realty Securities V	30,681,666	5	(7,712,451)	22,969,220	-25.14%
BlackRock Diamond Property Fund	27,788,429	-	-	27,788,429	-
Colony Investors VIII, L.P.	20,172,366	3,867,974	-	24,040,340	19.17%
Cornerstone Apartment Venture III	21,533,687	(527,909)	(208,333)	20,797,445	-3.42%
Coventry	13,447,397	-	-	13,447,397	-
ING Clarion Development Ventures II	4,247,835	-	-	4,247,835	-
ING Clarion Development Ventures III	26,464,245	-	-	26,464,245	-
LaSalle Medical Office Fund II	6,521,968	3,596,800	-	10,118,768	55.15%
Lowe Hospitality Partners	2,751,177	(157,014)	(751,720)	1,842,443	-33.03%
Silverpeak Legacy Pension Partners II, L.P.	74,224,262	(12)	(7,682,367)	66,541,883	-10.35%
Silverpeak Legacy Pension Partners III, L.P.	8,814,991	-	-	8,814,991	-
Tishman Speyer Real Estate Venture VI	62,887,535	351,446	-	63,238,981	0.56%
Tishman Speyer Real Estate Venture VII	17,935,544	127,065	-	18,062,609	0.71%
<b>Total Non-Core Commingled</b>	<b>333,183,875</b>	<b>7,258,355</b>	<b>(16,354,871)</b>	<b>324,087,359</b>	<b>-2.73%</b>
<b>Total Real Estate</b>	<b>1,389,333,475</b>	<b>13,785,569</b>	<b>(63,220,056)</b>	<b>1,339,898,988</b>	<b>-3.56%</b>
<b>Total Real Assets</b>	<b>3,212,937,183</b>	<b>27,488,925</b>	<b>(56,979,849)</b>	<b>3,183,446,259</b>	<b>-0.92%</b>
<b>Total Assets</b>	<b>20,076,748,848</b>	<b>297,739,439</b>	<b>(71,702,416)</b>	<b>20,302,785,871</b>	<b>1.13%</b>



# **ALASKA RETIREMENT MANAGEMENT BOARD**

## Participant Directed Plans

**Supplemental Annuity Plan**  
**Schedule of Investment Income and Changes in Invested Assets**  
**for the Month Ended**  
**December 31, 2013**

	Beginning Invested Assets	Investment Income	Net Contributions (Withdrawals)	Transfers In (Out)	Ending Invested Assets	% Change in Invested Assets	% Change due to Investment Income (3)
<b>Interim Transit Account</b>							
Treasury Division <sup>(1)</sup>							
Cash and Cash Equivalents	\$ 5,856,843	\$ 690	\$ (960,710)	\$ -	\$ 4,896,823	-16.39%	0.01%
<b>Participant Options</b>							
<b>T. Rowe Price</b>							
Stable Value Fund	346,121,221	665,707	(1,605,875)	2,692,346	347,873,398	0.51%	0.19%
Small Cap Stock Fund	135,600,189	3,107,361	187,436	314,881	139,209,867	2.66%	2.29%
Alaska Balanced Trust	1,167,998,186	5,901,337	(2,779,907)	(1,873,066)	1,169,246,549	0.11%	0.51%
Long Term Balanced Fund	479,873,359	6,055,199	2,303,163	1,163,448	489,395,169	1.98%	1.26%
AK Target Date 2010 Trust	8,121,192	79,989	24,849	170,440	8,396,470	3.39%	0.97%
AK Target Date 2015 Trust	102,714,790	1,247,865	(523,578)	(453,362)	102,985,715	0.26%	1.22%
AK Target Date 2020 Trust	54,792,842	795,843	127,937	394,122	56,110,745	2.41%	1.45%
AK Target Date 2025 Trust	31,818,738	539,518	322,233	(185,319)	32,495,170	2.13%	1.69%
AK Target Date 2030 Trust	19,877,216	372,512	48,142	200,598	20,498,467	3.13%	1.86%
AK Target Date 2035 Trust	17,046,237	356,269	329,282	504,331	18,236,119	6.98%	2.04%
AK Target Date 2040 Trust	18,015,234	383,788	355,435	(104,738)	18,649,719	3.52%	2.12%
AK Target Date 2045 Trust	19,430,833	415,264	350,299	75,464	20,271,860	4.33%	2.11%
AK Target Date 2050 Trust	19,764,970	433,648	548,061	(19,094)	20,727,586	4.87%	2.17%
AK Target Date 2055 Trust	12,405,846	267,848	320,110	(286,897)	12,706,907	2.43%	2.16%
Total Investments with T. Rowe Price	2,433,580,851	20,622,149	7,588	2,593,154	2,456,803,741		
<b>State Street Global Advisors</b>							
State Street Treasury Money Market Fund - Inst.	37,800,992	51	(471,287)	(2,116,736)	35,213,020	-6.85%	0.00%
S&P 500 Stock Index Fund Series A	303,774,659	7,704,081	349,880	622,121	312,450,742	2.86%	2.53%
Russell 3000 Index	43,575,495	1,184,487	(147,177)	2,007,277	46,620,082	6.99%	2.66%
US Real Estate Investment Trust Index	22,693,905	117,655	(2,169)	(1,063,175)	21,746,216	-4.18%	0.53%
World Equity Ex-US Index	28,163,680	257,635	53,567	(305,497)	28,169,385	0.02%	0.92%
Long US Treasury Bond Index	7,099,911	(133,415)	3,057	(626,871)	6,342,681	-10.67%	-1.97%
US Treasury Inflation Protected Securities Index	16,691,290	(244,608)	17,011	(111,964)	16,351,729	-2.03%	-1.47%
World Government Bond Ex-US Index	8,433,004	(79,744)	(4,381)	40,501	8,389,380	-0.52%	-0.94%
Global Balanced Fund	54,721,543	438,308	(882,884)	(674,102)	53,602,865	-2.04%	0.81%
Total Investments with SSGA	522,954,479	9,244,450	(1,084,382)	(2,228,445)	528,886,102		
<b>BlackRock</b>							
Government/Credit Bond Fund	43,872,542	(274,816)	(181,041)	5,867	43,422,552	-1.03%	-0.63%
Intermediate Bond Fund	13,789,133	(106,237)	(52,615)	(231,144)	13,399,137	-2.83%	-0.78%
Total Investments with Barclays Global Investors	57,661,675	(381,053)	(233,656)	(225,277)	56,821,688		
<b>Brandes Institutional</b>							
International Equity Fund Fee	74,387,679	200,839	132,684	(251,198)	74,470,004	0.11%	0.27%
<b>RCM</b>							
Sustainable Core Opportunities Fund	36,135,711	847,588	(107,265)	111,766	36,987,800	2.36%	2.35%
<b>Total All Funds</b>	<b>\$ 3,130,577,238</b>	<b>\$ 30,534,662</b>	<b>\$ (2,245,741)</b>	<b>\$ -</b>	<b>\$ 3,158,866,159</b>	<b>0.90%</b>	<b>0.98%</b>

Notes: (1) Represents net contributions in transit to/from the record keeper. (2) Source data provided by the record keeper, Great West Life.  
(3) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates.

**Supplemental Annuity Plan**  
**Schedule of Invested Assets with**  
**Schedule of Investment Income and Changes in Invested Assets**  
**By Month Through the Month Ended**  
**December 31, 2013**  
**\$(Thousands)**

<b>Invested Assets (at fair value)</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>
Investments with Treasury Division						
Cash and cash equivalents	\$ 6,963	\$ 8,002	\$ 7,774	\$ 1,138	\$ 5,857	\$ 4,897
Investments with T. Rowe Price						
Stable Value Fund	342,163	341,965	353,860	349,102	346,121	347,873
Small Cap Stock Fund	119,871	119,590	123,647	131,079	135,600	139,210
Alaska Balanced Trust	1,145,537	1,125,332	1,142,412	1,164,797	1,167,998	1,169,247
Long Term Balanced Fund	447,174	442,185	458,146	472,790	479,873	489,395
AK Target Date 2010 Trust	7,235	7,455	7,114	8,433	8,121	8,396
AK Target Date 2015 Trust	97,964	96,565	97,851	101,398	102,715	102,986
AK Target Date 2020 Trust	48,561	47,667	50,537	53,429	54,793	56,111
AK Target Date 2025 Trust	30,232	29,289	29,866	30,873	31,819	32,495
AK Target Date 2030 Trust	14,847	15,993	17,135	19,222	19,877	20,498
AK Target Date 2035 Trust	14,419	14,608	15,286	16,472	17,046	18,236
AK Target Date 2040 Trust	15,673	15,644	16,623	17,236	18,015	18,650
AK Target Date 2045 Trust	16,055	16,241	17,314	18,718	19,431	20,272
AK Target Date 2050 Trust	16,248	16,509	17,654	19,436	19,765	20,728
AK Target Date 2055 Trust	9,471	9,697	10,310	11,080	12,406	12,707
State Street Global Advisors						
State Street Treasury Money Market Fund - Inst.	36,430	37,668	38,460	37,979	37,801	35,213
S&P 500 Stock Index Fund Series A	284,037	275,135	279,251	291,542	303,775	312,451
Russell 3000 Index	33,378	33,573	35,472	39,965	43,575	46,620
US Real Estate Investment Trust Index	34,248	29,016	27,300	27,111	22,694	21,746
World Equity Ex-US Index	23,860	23,712	25,952	27,497	28,164	28,169
Long US Treasury Bond Index	9,537	8,831	8,999	7,945	7,100	6,343
US Treasury Inflation Protected Securities Index	17,978	17,536	17,411	16,961	16,691	16,352
World Government Bond Ex-US Index	7,183	7,527	7,829	8,311	8,433	8,389
Global Balanced Fund	54,784	53,706	54,954	55,250	54,722	53,603
Investments with BlackRock						
Government/Credit Bond Fund	45,356	44,798	44,995	44,053	43,873	43,423
Intermediate Bond Fund	15,160	14,182	13,996	13,946	13,789	13,399
Investments with Brandes Institutional						
International Equity Fund Fee	64,109	64,506	70,086	74,779	74,388	74,470
Investments with RCM						
Sustainable Core Opportunities Fund	33,172	32,118	33,617	35,404	36,136	36,988
<b>Total Invested Assets</b>	<b>\$ 2,991,647</b>	<b>\$ 2,949,049</b>	<b>\$ 3,023,850</b>	<b>\$ 3,095,947</b>	<b>\$ 3,130,577</b>	<b>\$ 3,158,866</b>
<b>Change in Invested Assets</b>						
Beginning Assets	\$ 2,916,434	\$ 2,991,647	\$ 2,949,049	\$ 3,023,850	\$ 3,095,947	\$ 3,130,577
Investment Earnings	77,620	(44,221)	78,084	70,381	34,517	30,535
Net Contributions (Withdrawals)	(2,408)	1,623	(3,283)	1,716	113	(2,246)
<b>Ending Invested Assets</b>	<b>\$ 2,991,647</b>	<b>\$ 2,949,049</b>	<b>\$ 3,023,850</b>	<b>\$ 3,095,947</b>	<b>\$ 3,130,577</b>	<b>\$ 3,158,866</b>

**Deferred Compensation Plan**  
**Schedule of Invested Assets and Changes in Invested Assets**  
**for the Month Ended**  
**December 31, 2013**

	Beginning Invested Assets	Investment Income	Net Contributions (Withdrawals)	Transfers In (Out)	Ending Invested Assets	% Change in Invested Assets	% Change due to Investment Income (3)
<b>Participant Options</b>							
T. Rowe Price							
Interest Income Fund	\$ 181,844,020	\$ 390,144	\$ (376,620)	\$ 827,275	\$ 182,684,819	0.46%	0.21%
Small Cap Stock Fund	96,700,945	2,161,710	247,301	(148,337)	98,961,619	2.34%	2.23%
Long Term Balanced Fund	46,428,232	579,934	271,208	(240,643)	47,038,731	1.31%	1.25%
Alaska Balanced Trust	12,538,847	64,575	104,745	(192,515)	12,515,652	-0.18%	0.52%
AK Target Date 2010 Trust	2,951,978	28,330	14,241	(9,664)	2,984,885	1.11%	0.96%
AK Target Date 2015 Trust	7,559,578	91,387	100,656	(17,924)	7,733,697	2.30%	1.20%
AK Target Date 2020 Trust	11,154,324	161,008	219,060	(313,251)	11,221,141	0.60%	1.45%
AK Target Date 2025 Trust	4,816,502	87,970	(39,173)	399,895	5,265,194	9.32%	1.76%
AK Target Date 2030 Trust	3,547,384	67,339	73,130	755	3,688,608	3.98%	1.88%
AK Target Date 2035 Trust	2,314,367	47,327	53,583	(13,253)	2,402,024	3.79%	2.03%
AK Target Date 2040 Trust	2,081,814	43,057	65,740	(67,650)	2,122,961	1.98%	2.07%
AK Target Date 2045 Trust	1,367,606	29,857	57,843	28,731	1,484,037	8.51%	2.12%
AK Target Date 2050 Trust	1,063,318	23,179	34,897	(1,743)	1,119,651	5.30%	2.15%
AK Target Date 2055 Trust	1,346,447	28,634	22,048	(4,211)	1,392,918	3.45%	2.11%
Total Investments with T. Rowe Price	<u>375,715,362</u>	<u>3,804,451</u>	<u>848,659</u>	<u>247,465</u>	<u>380,615,937</u>		
State Street Global Advisors							
State Street Treasury Money Market Fund - Inst.	12,039,243	16	9,310	(650,068)	11,398,501	-5.32%	0.00%
Russell 3000 Index	14,934,024	411,828	95,173	799,728	16,240,753	8.75%	2.68%
US Real Estate Investment Trust Index	8,192,711	42,760	58,249	(121,365)	8,172,355	-0.25%	0.52%
World Equity Ex-US Index	9,675,499	79,148	84,550	(326,824)	9,512,373	-1.69%	0.83%
Long US Treasury Bond Index	2,286,026	(44,537)	22,135	(42,736)	2,220,888	-2.85%	-1.96%
US Treasury Inflation Protected Securities Index	7,213,390	(105,584)	57,826	(80,694)	7,084,938	-1.78%	-1.47%
World Government Bond Ex-US Index	2,920,507	(27,557)	(44,595)	36,205	2,884,560	-1.23%	-0.94%
Global Balanced Fund	39,514,721	329,824	177,282	(63,947)	39,957,880	1.12%	0.83%
Total Investments with SSGA	<u>96,776,121</u>	<u>685,898</u>	<u>459,930</u>	<u>(449,701)</u>	<u>97,472,248</u>		
BlackRock							
S&P 500 Index Fund	163,113,505	4,137,029	110,176	44,286	167,404,996	2.63%	2.54%
Government/Credit Bond Fund	28,042,739	(175,808)	29,115	(196,868)	27,699,178	-1.23%	-0.63%
Intermediate Bond Fund	14,978,001	(115,122)	56,459	(333,727)	14,585,611	-2.62%	-0.78%
Total Investments with Barclays Global Investors	<u>206,134,245</u>	<u>3,846,099</u>	<u>195,750</u>	<u>(486,309)</u>	<u>209,689,785</u>		
Brandes Institutional							
International Equity Fund Fee	45,956,322	153,530	219,860	690,147	47,019,859	2.31%	0.33%
RCM							
Sustainable Core Opportunities Fund	14,841,425	348,462	55,812	(1,602)	15,244,097	2.71%	2.34%
<b>Total All Funds</b>	<u>\$ 739,423,475</u>	<u>\$ 8,838,440</u>	<u>\$ 1,780,011</u>	<u>\$ -</u>	<u>\$ 750,041,926</u>	1.44%	1.19%

Notes: (1) Represents net contributions in transit to/from the record keeper. (2) Source data provided by the record keeper, Great West Life.  
(3) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates.

**Deferred Compensation Plan**  
**Schedule of Invested Assets with**  
**Schedule of Investment Income and Changes in Invested Assets**  
**By Month Through the Month Ended**  
**December 31, 2013**  
**\$(Thousands)**

<u>Invested Assets (at fair value)</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Investments with T. Rowe Price						
Interest Income Fund						
Cash and cash equivalents	\$ 11,345	\$ 11,415	\$ 12,731	\$ 10,816	\$ 10,657	\$ 11,113
Synthetic Investment Contracts	169,734	170,359	170,840	171,241	171,188	171,572
Small Cap Stock Fund	89,670	88,064	91,093	95,155	96,701	98,962
Long Term Balanced Fund	43,536	42,879	44,302	45,598	46,428	47,039
Alaska Balanced Trust	11,946	11,996	12,405	12,970	12,539	12,516
AK Target Date 2010 Trust	2,227	2,246	2,235	2,791	2,952	2,985
AK Target Date 2015 Trust	6,914	6,888	7,233	7,372	7,560	7,734
AK Target Date 2020 Trust	9,552	9,463	10,105	10,681	11,154	11,221
AK Target Date 2025 Trust	4,235	4,116	4,409	4,694	4,817	5,265
AK Target Date 2030 Trust	2,861	2,787	3,228	3,330	3,547	3,689
AK Target Date 2035 Trust	1,917	1,909	2,026	2,296	2,314	2,402
AK Target Date 2040 Trust	1,847	1,848	2,015	2,003	2,082	2,123
AK Target Date 2045 Trust	1,167	1,168	1,234	1,321	1,368	1,484
AK Target Date 2050 Trust	696	693	806	1,060	1,063	1,120
AK Target Date 2055 Trust	957	1,004	1,301	1,233	1,346	1,393
State Street Global Advisors						
State Street Treasury Money Market Fund - Inst.	11,018	11,623	12,368	11,691	12,039	11,399
Russell 3000 Index	11,623	11,547	12,588	13,491	14,934	16,241
US Real Estate Investment Trust Index	11,916	9,673	9,445	9,396	8,193	8,172
World Equity Ex-US Index	7,974	8,051	8,810	9,316	9,675	9,512
Long US Treasury Bond Index	2,779	2,580	2,597	2,460	2,286	2,221
US Treasury Inflation Protected Securities Index	8,247	8,054	7,771	7,510	7,213	7,085
World Government Bond Ex-US Index	2,651	2,697	2,779	2,916	2,921	2,885
Global Balanced Fund	38,863	37,889	38,757	39,466	39,515	39,958
Investments with BlackRock						
S&P 500 Index Fund	153,030	148,443	151,690	158,955	163,114	167,405
Government/Credit Bond Fund	29,734	28,505	28,733	28,216	28,043	27,699
Intermediate Bond Fund	15,521	14,923	14,961	14,916	14,978	14,586
Investments with Brandes Institutional						
International Equity Fund Fee	40,205	40,140	43,336	45,514	45,956	47,020
Investments with RCM						
Sustainable Opportunities Fund	13,672	13,217	13,955	14,609	14,841	15,244
<b>Total Invested Assets</b>	<b>\$ 705,837</b>	<b>\$ 694,176</b>	<b>\$ 713,752</b>	<b>\$ 731,018</b>	<b>\$ 739,423</b>	<b>\$ 750,042</b>
<b>Change in Invested Assets</b>						
Beginning Assets	\$ 685,407	\$ 705,837	\$ 694,176	\$ 713,752	\$ 731,018	\$ 739,423
Investment Earnings	20,753	(10,607)	20,016	17,916	10,086	8,838
Net Contributions (Withdrawals)	(323)	(1,055)	(440)	(649)	(1,681)	1,780
<b>Ending Invested Assets</b>	<b>\$ 705,837</b>	<b>\$ 694,176</b>	<b>\$ 713,752</b>	<b>\$ 731,018</b>	<b>\$ 739,423</b>	<b>\$ 750,042</b>

**Defined Contribution Retirement - Participant Directed PERS**  
**Schedule of Investment Income and Changes in Invested Assets**  
**for the Month Ended**  
**December 31, 2013**

	Beginning Invested Assets	Investment Income	Net Contributions (Withdrawals)	Transfers In (Out)	Ending Invested Assets	% Change in Invested Assets	% Change due to Investment Income (3)
<b>Interim Transit Account</b>							
Treasury Division <sup>(1)</sup>							
Cash and Cash Equivalents	\$ 6,199,930	\$ 1,291	\$ (211,367)	\$ -	\$ 5,989,855	-3.39%	0.02%
<b>Participant Options</b>							
<b>T. Rowe Price</b>							
Alaska Money Market	3,617,660	41	54,522	(69,266)	3,602,958	-0.41%	0.00%
Small Cap Stock Fund	45,095,270	1,015,852	362,865	(638,552)	45,835,434	1.64%	2.26%
Alaska Balanced Trust	1,392,701	7,479	10,148	120,310	1,530,638	9.90%	0.51%
Long Term Balanced Fund	13,065,969	186,708	76,185	1,695,919	15,024,781	14.99%	1.34%
AK Target Date 2010 Trust	1,347,838	13,282	38,331	8	1,399,458	3.83%	0.97%
AK Target Date 2015 Trust	5,256,909	66,114	102,875	33,580	5,459,478	3.85%	1.24%
AK Target Date 2020 Trust	10,637,603	160,134	327,065	(27,022)	11,097,780	4.33%	1.48%
AK Target Date 2025 Trust	15,148,003	260,940	464,423	(41,542)	15,831,824	4.51%	1.70%
AK Target Date 2030 Trust	15,298,372	292,569	435,593	(52,954)	15,973,580	4.41%	1.89%
AK Target Date 2035 Trust	17,159,384	357,860	580,220	(29,744)	18,067,720	5.29%	2.05%
AK Target Date 2040 Trust	22,444,160	488,714	620,203	49,643	23,602,720	5.16%	2.15%
AK Target Date 2045 Trust	26,970,100	585,614	735,360	(43,943)	28,247,131	4.73%	2.14%
AK Target Date 2050 Trust	30,443,031	665,856	1,032,570	(3,227)	32,138,230	5.57%	2.15%
AK Target Date 2055 Trust	13,690,687	302,618	585,549	0	14,578,854	6.49%	2.16%
Total Investments with T. Rowe Price	221,567,687	4,403,783	5,425,907	993,210	232,390,587		
<b>State Street Global Advisors</b>							
Money Market	1,346,492	2	21,505	5,791	1,373,790	2.03%	0.00%
S&P 500 Stock Index Fund Series A	45,976,472	1,136,295	419,286	(1,938,862)	45,593,191	-0.83%	2.51%
Russell 3000 Index	20,720,556	586,658	150,560	1,485,706	22,943,481	10.73%	2.72%
US Real Estate Investment Trust Index	5,820,398	31,900	39,738	148,700	6,040,736	3.79%	0.54%
World Equity Ex-US Index	37,832,454	353,502	303,686	(290,459)	38,199,183	0.97%	0.93%
Long US Treasury Bond Index	385,279	(7,545)	47	932	378,713	-1.70%	-1.96%
US Treasury Inflation Protected Securities Index	2,363,424	(34,991)	11,026	57,739	2,397,196	1.43%	-1.46%
World Government Bond Ex-US Index	4,461,201	(43,123)	25,292	138,827	4,582,198	2.71%	-0.95%
Global Balanced Fund	10,116,288	88,495	65,147	327,301	10,597,232	4.75%	0.86%
Total Investments with SSGA	129,022,564	2,111,194	1,036,287	(64,324)	132,105,720		
<b>BlackRock</b>							
Government/Credit Bond Fund	24,403,130	(154,761)	145,931	249,249	24,643,550	0.99%	-0.63%
Intermediate Bond Fund	335,915	(2,642)	7,941	948	342,162	1.86%	-0.78%
Total Investments with Barclays Global Investors	24,739,046	(157,403)	153,872	250,197	24,985,712		
<b>Brandes Institutional</b>							
International Equity Fund Fee	24,863,322	74,343	240,693	(366,252)	24,812,106	-0.21%	0.30%
<b>RCM</b>							
Sustainable Core Opportunities Fund	7,906,329	172,738	87,109	(812,831)	7,353,345	-6.99%	2.29%
<b>Total All Funds</b>	<b>\$ 414,298,878</b>	<b>\$ 6,605,946</b>	<b>\$ 6,732,501</b>	<b>\$ -</b>	<b>\$ 427,637,325</b>	<b>3.22%</b>	<b>1.58%</b>

Notes: (1) Represents net contributions in transit to/from the record keeper. (2) Source data provided by the record keeper, Great West Life.  
(3) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates.

**Defined Contribution Retirement - Participant Directed PERS**  
**Schedule of Invested Assets with**  
**Schedule of Investment Income and Changes in Invested Assets**  
**By Month Through the Month Ended**  
**December 31, 2013**  
**\$(Thousands)**

<u>Invested Assets (at fair value)</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Investments with Treasury Division						
Cash and cash equivalents	\$ 6,509	\$ 8,935	\$ 6,429	\$ 6,247	\$ 6,200	\$ 5,990
Investments with T. Rowe Price						
Alaska Money Market	3,807	3,622	3,683	3,631	3,618	3,603
Small Cap Stock Fund	43,786	42,489	44,174	44,876	45,095	45,835
Alaska Balanced Trust	1,204	1,197	1,272	1,362	1,393	1,531
Long Term Balanced Fund	9,576	9,141	10,156	11,586	13,066	15,025
AK Target Date 2010 Trust	1,154	1,170	1,231	1,304	1,348	1,399
AK Target Date 2015 Trust	4,535	4,491	4,780	5,124	5,257	5,459
AK Target Date 2020 Trust	9,108	9,013	9,574	10,228	10,638	11,098
AK Target Date 2025 Trust	12,873	12,843	13,765	14,663	15,148	15,832
AK Target Date 2030 Trust	13,000	12,924	13,761	14,753	15,298	15,974
AK Target Date 2035 Trust	14,480	14,367	15,365	16,444	17,159	18,068
AK Target Date 2040 Trust	19,069	18,789	20,205	21,645	22,444	23,603
AK Target Date 2045 Trust	22,509	22,380	24,126	25,884	26,970	28,247
AK Target Date 2050 Trust	25,255	25,187	27,042	29,202	30,443	32,138
AK Target Date 2055 Trust	10,748	10,816	11,794	12,884	13,691	14,579
State Street Global Advisors						
Money Market	1,123	1,216	1,186	1,194	1,346	1,374
S&P 500 Stock Index Fund Series A	40,640	40,683	42,527	45,109	45,976	45,593
Russell 3000 Index	16,521	15,746	16,960	18,932	20,721	22,943
US Real Estate Investment Trust Index	5,659	5,440	5,718	6,132	5,820	6,041
World Equity Ex-US Index	30,062	30,157	33,352	36,287	37,832	38,199
Long US Treasury Bond Index	489	526	397	415	385	379
US Treasury Inflation Protected Securities Index	2,051	2,062	2,205	2,309	2,363	2,397
World Government Bond Ex-US Index	3,826	3,837	4,166	4,320	4,461	4,582
Global Balanced Fund	10,105	9,716	10,043	10,214	10,116	10,597
Investments with BlackRock						
Government/Credit Bond Fund	18,735	19,304	21,064	22,787	24,403	24,644
Intermediate Bond Fund	358	329	339	349	336	342
Investments with Brandes Institutional						
International Equity Fund Fee	31,724	30,379	30,057	27,982	24,863	24,812
Investments with RCM						
Sustainable Opportunities Fund	6,369	6,847	7,443	7,971	7,906	7,353
<b>Total Invested Assets</b>	<b>\$ 365,275</b>	<b>\$ 363,606</b>	<b>\$ 382,815</b>	<b>\$ 403,834</b>	<b>\$ 414,299</b>	<b>\$ 427,637</b>
<b>Change in Invested Assets</b>						
Beginning Assets	\$ 344,683	\$ 365,275	\$ 363,606	\$ 382,815	\$ 403,834	\$ 414,299
Investment Earnings	14,896	(7,398)	15,627	13,072	6,644	6,606
Net Contributions (Withdrawals)	5,696	5,728	3,581	7,947	3,822	6,733
<b>Ending Invested Assets</b>	<b>\$ 365,275</b>	<b>\$ 363,606</b>	<b>\$ 382,815</b>	<b>\$ 403,834</b>	<b>\$ 414,299</b>	<b>\$ 427,637</b>

**Defined Contribution Retirement - Participant Directed TRS**  
**Schedule of Investment Income and Changes in Invested Assets**  
**for the Month Ended**  
**December 31, 2013**

	Beginning Invested Assets	Investment Income	Net Contributions (Withdrawals)	Transfers In (Out)	Ending Invested Assets	% Change in Invested Assets	% Change due to Investment Income (3)
<b>Interim Transit Account</b>							
Treasury Division <sup>(1)</sup>							
Cash and Cash Equivalents	\$ 2,346,405	\$ 473	\$ (178,410)	\$ -	\$ 2,168,468	-7.58%	0.02%
<b>Participant Options</b>							
T. Rowe Price							
Alaska Money Market	1,541,949	18	22,830	14,846	1,579,642	2.44%	0.00%
Small Cap Stock Fund	17,447,114	390,518	87,964	(291,026)	17,634,570	1.07%	2.25%
Alaska Balanced Trust	214,416	1,132	5,219	-	220,767	2.96%	0.52%
Long Term Balanced Fund	7,233,228	100,068	18,585	756,732	8,108,613	12.10%	1.31%
AK Target Date 2010 Trust	364,742	3,517	4,692	(728)	372,223	2.05%	0.96%
AK Target Date 2015 Trust	1,628,341	20,647	53,845	-	1,702,833	4.57%	1.25%
AK Target Date 2020 Trust	3,622,111	54,446	108,504	(1,183)	3,783,878	4.47%	1.48%
AK Target Date 2025 Trust	4,708,978	80,357	155,904	(33,513)	4,911,726	4.31%	1.68%
AK Target Date 2030 Trust	5,073,543	97,984	175,885	178	5,347,591	5.40%	1.90%
AK Target Date 2035 Trust	8,018,269	166,368	235,494	(1,520)	8,418,611	4.99%	2.05%
AK Target Date 2040 Trust	8,549,715	185,258	240,445	(2,751)	8,972,667	4.95%	2.14%
AK Target Date 2045 Trust	15,543,574	334,116	361,478	2,180	16,241,349	4.49%	2.12%
AK Target Date 2050 Trust	20,415,130	440,796	534,991	-	21,390,916	4.78%	2.13%
AK Target Date 2055 Trust	3,019,618	68,625	216,594	-	3,304,837	9.45%	2.19%
Total Investments with T. Rowe Price	97,380,728	1,943,849	2,222,430	443,215	101,990,223		
State Street Global Advisors							
Money Market	139,062	0	558	(3,049)	136,571	-1.79%	0.00%
S&P 500 Stock Index Fund Series A	16,388,260	397,413	98,638	(953,674)	15,930,638	-2.79%	2.49%
Russell 3000 Index	11,020,351	312,829	52,210	890,629	12,276,018	11.39%	2.72%
US Real Estate Investment Trust Index	2,128,911	11,324	15,798	21,170	2,177,204	2.27%	0.53%
World Equity Ex-US Index	15,735,573	145,479	86,387	(101,794)	15,865,645	0.83%	0.92%
Long US Treasury Bond Index	75,197	(1,481)	730	304	74,750	-0.59%	-1.96%
US Treasury Inflation Protected Securities Index	975,566	(14,426)	4,013	15,082	980,235	0.48%	-1.46%
World Government Bond Ex-US Index	2,121,525	(20,290)	5,067	28,752	2,135,055	0.64%	-0.95%
Global Balanced Fund	6,853,321	55,013	28,574	(157,551)	6,779,357	-1.08%	0.81%
Total Investments with SSGA	55,437,765	885,861	291,976	(260,130)	56,355,472		
BlackRock							
Government/Credit Bond Fund	12,180,155	(76,763)	44,735	(55,618)	12,092,510	-0.72%	-0.63%
Intermediate Bond Fund	79,966	(623)	1,222	(718)	79,846	-0.15%	-0.78%
Total Investments with Barclays Global Investors	12,260,121	(77,387)	45,957	(56,336)	12,172,355		
Brandes Institutional							
International Equity Fund Fee	7,932,014	27,240	44,602	103,504	8,107,360	2.21%	0.34%
RCM							
Sustainable Core Opportunities Fund	1,891,877	40,155	14,643	(230,253)	1,716,421	-9.27%	2.25%
<b>Total All Funds</b>	<b>\$ 177,248,909</b>	<b>\$ 2,820,192</b>	<b>\$ 2,441,199</b>	<b>\$ -</b>	<b>\$ 182,510,300</b>	<b>2.97%</b>	<b>1.58%</b>

Notes: (1) Represents net contributions in transit to/from the record keeper. (2) Source data provided by the record keeper, Great West Life.  
(3) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates.



**Defined Contribution Retirement - Participant Directed TRS**  
**Schedule of Invested Assets with**  
**Schedule of Investment Income and Changes in Invested Assets**  
**By Month Through the Month Ended**  
**December 31, 2013**  
**\$(Thousands)**

<u>Invested Assets (at fair value)</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Investments with Treasury Division						
Cash and cash equivalents	\$ 2,282	\$ 2,189	\$ 2,194	\$ 2,374	\$ 2,346	\$ 2,168
Investments with T. Rowe Price						
Alaska Money Market	1,707	1,500	1,471	1,521	1,542	1,580
Small Cap Stock Fund	17,849	17,254	17,499	17,475	17,447	17,635
Alaska Balanced Trust	206	197	203	207	214	221
Long Term Balanced Fund	5,396	5,033	5,661	6,482	7,233	8,109
AK Target Date 2010 Trust	5,396	337	336	356	365	372
AK Target Date 2015 Trust	1,492	1,471	1,541	1,566	1,628	1,703
AK Target Date 2020 Trust	3,088	3,091	3,246	3,459	3,622	3,784
AK Target Date 2025 Trust	4,133	3,975	4,195	4,497	4,709	4,912
AK Target Date 2030 Trust	4,416	4,308	4,523	4,821	5,074	5,348
AK Target Date 2035 Trust	7,017	6,854	7,111	7,654	8,018	8,419
AK Target Date 2040 Trust	7,583	7,367	7,730	8,244	8,550	8,973
AK Target Date 2045 Trust	13,699	13,325	14,006	14,911	15,544	16,241
AK Target Date 2050 Trust	18,269	17,567	18,272	19,491	20,415	21,391
AK Target Date 2055 Trust	2,383	2,321	2,480	2,783	3,020	3,305
State Street Global Advisors						
Money Market	107	107	106	109	139	137
S&P 500 Stock Index Fund Series A	15,919	15,668	15,800	16,288	16,388	15,931
Russell 3000 Index	7,067	7,115	8,134	9,598	11,020	12,276
US Real Estate Investment Trust Index	2,063	1,978	2,059	2,207	2,129	2,177
World Equity Ex-US Index	13,165	13,039	14,160	15,175	15,736	15,866
Long US Treasury Bond Index	93	89	90	93	75	75
US Treasury Inflation Protected Securities Index	868	887	940	961	976	980
World Government Bond Ex-US Index	1,902	1,903	2,017	2,084	2,122	2,135
Global Balanced Fund	6,849	6,621	6,787	6,901	6,853	6,779
Investments with BlackRock						
Government/Credit Bond Fund	9,117	9,415	10,309	11,311	12,180	12,093
Intermediate Bond Fund	105	99	98	101	80	80
Investments with Brandes Institutional						
International Equity Fund Fee	11,308	10,681	10,098	9,082	7,932	8,107
Investments with RCM						
Sustainable Opportunities Fund	2,034	2,069	2,064	2,024	1,892	1,716
<b>Total Invested Assets</b>	<b>\$ 160,486</b>	<b>\$ 156,462</b>	<b>\$ 163,132</b>	<b>\$ 171,771</b>	<b>\$ 177,249</b>	<b>\$ 182,510</b>
<b>Change in Invested Assets</b>						
Beginning Assets	\$ 153,359	\$ 160,486	\$ 156,462	\$ 163,132	\$ 171,771	\$ 177,249
Investment Earnings	6,614	(3,226)	6,654	5,517	2,836	2,820
Net Contributions (Withdrawals)	513	(799)	16	3,122	2,642	2,441
<b>Ending Invested Assets</b>	<b>\$ 160,486</b>	<b>\$ 156,462</b>	<b>\$ 163,132</b>	<b>\$ 171,771</b>	<b>\$ 177,249</b>	<b>\$ 182,510</b>