

STATE OF ALASKA REQUEST FOR PROPOSALS



ARMB INDEPENDENT AUDIT OF STATE PERFORMANCE CONSULTANTS RFP 19-010

ISSUED FRIDAY, MAY 10, 2019

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.

ISSUED BY:

DEPARTMENT OF REVENUE
TREASURY DIVISION

PRIMARY CONTACT:

BOB MITCHELL
PROJECT DIRECTOR
BOB.MITCHELL@ALASKA.GOV
(907) 465-3749

OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.

IMPORTANT NOTICE: IF YOU RECEIVED THIS SOLICITATION FROM THE STATE OF ALASKA'S "ONLINE PUBLIC NOTICE" WEB SITE, YOU MUST REGISTER WITH THE PROCUREMENT OFFICER LISTED IN THIS DOCUMENT TO RECEIVE SUBSEQUENT AMENDMENTS. FAILURE TO CONTACT THE PROCUREMENT OFFICER MAY RESULT IN THE REJECTION OF YOUR OFFER.

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SECTION 1. INTRODUCTION & INSTRUCTIONS

SEC. 1.01 PURPOSE OF THE RFP

This Request for Proposal (RFP) is issued by the Alaska Retirement Management Board (ARMB). Alaska Statute (AS) 37.10.220(a)(11) requires that the Board contract for an independent audit of the state's performance consultant not less than once every four years.

The examination does not require the services or expression of opinion by a certified public accountant (CPA), but a demonstrated familiarity with the Global Investment Performance Standards (GIPS) of the CFA Institute is essential.

Respondents are expected to express an opinion regarding:

- The reasonableness, consistency and accuracy of the methods, factors and data used in the calculations of the investment returns, and
- The adequacy of report frequency, content and format of the investment returns.

SEC. 1.02 BUDGET

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

SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than **4:00 PM** prevailing Alaska Time on **FRIDAY, MAY 31, 2019**. Oral proposals are not acceptable.

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 that not all delivery services honor overnight delivery to Juneau and weather may delay flights.

Late proposals or amendments will be disqualified and not opened or accepted for evaluation.

SEC. 1.04 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the Project Director at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of offeror's proposals upon which award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Project Director, in writing, at least ten days before the deadline for receipt of proposals.

SEC. 1.05 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

All questions must be in writing and directed to the Project Director with "Question Regarding RFP 19-010" in the subject line. The interested party must confirm telephone conversations in writing.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP, while other questions may be more complex and may require a written amendment to the RFP. The Project Director will make that decision.

PROJECT DIRECTOR: **BOB MITCHELL** EMAIL: **BOB.MITCHELL@ALASKA.GOV**

SEC. 1.06 RETURN INSTRUCTIONS

Offerors must submit one hard copy of their proposal, in writing, to the ARMB in a sealed package. The cost proposal included with the package must be sealed separately from the rest of the proposal and must be clearly identified. The sealed proposal package(s) must be addressed as follows:

**ALASKA RETIREMENT MANAGEMENT BOARD
ALASKA DEPARTMENT OF REVENUE, TREASURY DIVISION**

Attention: **STEPHANIE ALEXANDER**

Request for Proposal (RFP) Number: **19-010**

RFP Title: **ARMB INDEPENDENT AUDIT OF STATE PERFORMANCE CONSULTANTS**

If using U.S. mail, please use the following address:

**PO BOX 110405
JUNEAU, ALASKA 99811-0405**

If using a delivery service, please use the following address:

**333 WILLOUGHBY AVENUE, 11TH FLOOR, SIDE A
STATE OFFICE BUILDING
JUNEAU, ALASKA 99801**

SEC. 1.07 PROPOSAL CONTENTS

The following information must be included in all proposals.

(a) AUTHORIZED SIGNATURE

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

(b) OFFEROR'S CERTIFICATION

By signature on the proposal, offerors certify that they comply with the following:

- A. the laws of the State of Alaska;
- B. the applicable portion of the Federal Civil Rights Act of 1964;
- C. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- D. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- E. all terms and conditions set out in this RFP;
- F. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- G. that the offers will remain open and valid for at least 90 days; and

- H. that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with [a] through [h] of this paragraph, the state reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

(c) VENDOR TAX ID

A valid Vendor Tax ID must be submitted to the issuing office with the proposal or within five days of the state's request.

(d) 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., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. ARMB reserves the right to **consider a proposal non-responsive and reject it or** 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 offeror. ARMB's determination regarding any questions of conflict of interest shall be final.

(e) FEDERAL REQUIREMENTS

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

SEC. 1.08 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the Project Director no later than ten days prior to the deadline for receipt of proposals.

SEC. 1.09 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the state's request in accordance with 2 AAC 12.290.

SEC. 1.10 AMENDMENTS TO THE RFP

If an amendment is issued, it will be provided to all who were mailed a copy of the RFP and to those who have registered with the Project Director after receiving the RFP from the State of Alaska Online Public Notice web site.

SEC. 1.11 RFP SCHEDULE

The RFP schedule set out herein represents the State of Alaska's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted by the same number of days.

- Issue RFP **MAY 10, 2019**,
- Questions Due **MAY 24, 2019**,

- Deadline for Receipt of Proposals **MAY 31, 2019, 4:00pm Alaska Time,**
- Open Proposals **MAY 31, 2019**
- Evaluation Committee Meeting,
- Committee Evaluation Results Proposed to ARMB **JUNE 21, 2019,**
- State of Alaska issues Notice of Intent to Award Contract **JUNE 21, 2019,**
- Contract start **JULY 15, 2019.**

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 ARMB 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.

SEC. 1.12 PRE-PROPOSAL CONFERENCE

No pre-proposal conference will be held.

SEC. 1.13 ALTERNATE PROPOSALS

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

SEC. 1.14 NEWS RELEASES

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

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SECTION 2. BACKGROUND INFORMATION

Sec.2.01 ALASKA RETIREMENT MANAGEMENT BOARD

ARMB is the fiduciary of the State of Alaska retirement systems - a system with both defined benefit and defined contribution components. ARMB is housed in the Alaska Department of Revenue; the plan administrator is in the Alaska Department of Administration.

The Board's primary mission is to serve as the trustee of the assets of the state's retirement systems, the State of Alaska Supplemental Annuity Plan, and the deferred compensation program for state employees. 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. *AS 37.10.210-390*

AS 37.10.220(b) provides that the Board may employ outside investment advisors and contract for other services necessary to execute the board's powers and duties. ARMB has a general investment consultant and a real estate consultant under contract to provide investment consulting and performance measurement services to ARMB and its staff.

The performance consultants (Consultants) for ARMB are Callan, LLC (Callan), currently under contract as the general investment consultant, and The Townsend Group (Townsend), currently under contract as the real estate consultant.

The following attachments, included in SECTION 8, ATTACHMENTS, provide additional background information:

- Attachment 8.01(1): Proposal Evaluation Form
- Attachment 8.01(2): Standard Agreement Form – Appendix A
- Attachment 8.01 (3): Indemnity and Insurance – Appendix B2
- Attachment 8.01(4): ARMB Financial Report
- Attachment 8.01(5): Plans, Staff, and Assets Background
- Attachment 8.01(6a, 6b): Consultants' Contracts

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SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

SEC. 3.01 GENERAL SCOPE OF WORK

The Alaska Retirement Management Board (ARMB) is soliciting proposals for one qualified firm to perform an independent audit of the general performance consultant (Callan) and the real estate consultant (Townsend). The consultants 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; and, analysis of investment management style, investment policies and objectives.

SEC. 3.02 CONTRACT TERM AND WORK SCHEDULE

The total period for this audit will be from the date of award, approximately July 15, 2019 to September 15, 2019.

Unless otherwise provided in this RFP, the State and the successful offeror/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30-days before the desired date of cancellation.

SEC. 3.03 DETAILED SCOPE OF SERVICES

With respect to the audit of the performance consultants, the review shall include:

1. Investment Performance Reporting
 - a. Reasonableness, consistency and accuracy of the methods, factors and data used in the calculations
 - b. Format and presentation to Board
2. Performance Benchmarks
 - a. Manager level
 - b. Fund level

SEC. 3.04 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 4.09.

SEC. 3.05 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 project director.

SEC. 3.06 CONTRACT PAYMENT

No payment will be made until the contract is approved by the Chair of the ARMB 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.

The state is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

SEC. 3.07 LOCATION OF WORK

The state will not provide workspace for the contractor. The contractor must provide its own workspace.

SEC. 3.08 SUBCONTRACTORS

Subcontractors will not be allowed.

SEC. 3.09 JOINT VENTURES

Joint ventures will not be allowed.

SEC. 3.10 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, the state may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the state makes such an inspection, the contractor must provide reasonable assistance.

SEC. 3.11 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 project director. The state may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project director 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.

SEC. 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 project director 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. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the project director has secured any required state approvals necessary for the amendment and issued a written contract amendment, approved by Chair of the ARMB and the Commissioner of the Department of Revenue or the Commissioner's designee.

SEC. 3.13 INSURANCE REQUIREMENTS

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

The successful offeror must secure the insurance coverage required by the state. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An offeror'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.

Offerors 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 offeror's proposal.

SEC. 3.14 TERMINATION FOR DEFAULT

If the project director 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 of the Standard Agreement Form, attached as Attachment #2, in **SECTION 8, ATTACHMENTS**.

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SECTION 4. PROPOSAL FORMAT AND CONTENT

SEC. 4.01 INTRODUCTION

Proposals must include the complete name and address of offeror's firm and the name, mailing address, and telephone number of the person the state should contact regarding the proposal.

Proposals must confirm that the offeror will comply with all provisions in this RFP; and, if applicable, provide notice that the firm qualifies as an Alaskan bidder. Proposals must be signed by a company officer empowered to bind the company. An offeror's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

SEC. 4.02 PROPOSAL FORMAT AND CONTENT

ARMB discourages overly lengthy and costly proposals, however, in order for ARMB to evaluate proposals fairly and completely, offerors must follow the format set out in this RFP and provide all information requested.

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

- A. The Proposal cover letter should be in the form of a letter, as described in Section 4.03.
- B. The Proposal must be organized under the specific section titles as listed in Section 4.04; each item must be addressed or the proposal may be rejected.
- C. ARMB may, at its discretion, allow all Offerors five (5) business days, from date of submission, to correct errors or omissions to their proposals. Should this necessity arise, ARMB will contact each Offeror affected. Each Offeror 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 and will result in disqualification of the proposal from further evaluation.

A complete proposal will include the following:

- 1. Hard copy submission of a Proposal cover letter (with the information described in Section 4.03)
- 2. Hard copy submission of a Proposal (with the information described in Section 4.04), including the Exhibits noted as follows:
 - Exhibit A – Timeline for Completion of Work
 - Exhibit B – A Recent Performance Review Audit Report
 - Exhibit C – Organization Chart Depicting Firm Organization
 - Exhibit D – Organization Chart Depicting Structure of Review Team
 - Exhibit E – Chart Depicting Key Executives and Professionals in Review Team
 - Exhibit F – Biographies of Primary and Secondary Professionals Providing Services to ARMB
- 3. Cost Proposal
- 4. Original, four (4) copies, and flash drive of all submitted materials in .pdf format

SEC. 4.03 PROPOSAL COVER LETTER

The Proposal Cover Letter must address the following topics:

A cover letter, which shall be considered an integral part of the proposal package, must be signed by a person authorized to legally bind the company. 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 Offeror's institution.

The Proposal Cover Letter must address the following topics:

- A. Identification of the RFP (Please see Section 1.06)
- B. Offeror's name, address and telephone number
- C. Offeror's ability to supply the requested services
- D. Offeror'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 an Offeror 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 Offeror's Federal Employer Identification Number
- I. Provide notice if the bidder qualifies as an Alaskan bidder

Any other information the Offeror may wish to briefly summarize will be accepted.

SEC. 4.04 PROPOSAL

The Proposal must contain the following items:

- A. Understanding Scope of Services and Methodology. The Offeror should demonstrate in this section an ability to meet the requirements set forth in **SECTION 3, SCOPE OF WORK**, and should address in detail how it intends to complete each task as indicated in Section 4.05. The Offeror should also specify the extent of involvement required of State of Alaska staff, outlining the amount of time, skills and knowledge needed for the Offeror to meet the deliverables.
- B. Organization and Experience. The Offeror must provide the information requested in Section 4.06 below.
- C. Professional Qualifications and Experience of Staff. The Offeror must provide the information requested in Section 4.07 below.
- D. Quality Assurance. The Offeror must identify and discuss how it controls cost, quality, timeliness, and confidentiality of its services as requested in Section 4.08 below.
- E. Fee Proposal. The Offeror is to submit a fixed fee proposal for all services outlined in the Scope of Services, with additional detail as indicated in Section 4.09 below.
- F. Assumptions. The Offeror must identify and discuss all assumptions it has made in preparing its cost proposals. Further, the Offeror 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 Offeror's proposal will not be recognized by ARMB.

- G. Exceptions. The Offeror must affirm that it has read and understands the RFP and the terms and conditions included in the RFP. The Offeror 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.

SEC. 4.05 UNDERSTANDING SCOPE OF SERVICES / METHODOLOGY

1. Describe in detail your understanding of the work that is to be performed as described in Section 5 of this RFP.
2. Describe the specific methodology to be used for the required scope of services identified in Section 5 of this RFP.
3. 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 or its consultants, and indicate points in the project when your firm would plan to meet with ARMB staff at our office.
4. Provide as *Exhibit B* one recent performance review audit report.

SEC. 4.06 ORGANIZATION AND EXPERIENCE

1. Provide the following information:
 - a. Date of Response
 - b. Name of Firm
 - c. Primary Project Director
 - d. Title
 - e. Address
 - f. Telephone Number
 - g. Facsimile Number
 - h. E-mail Address
2. 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.
 - a. Year firm was formed and began providing services to institutional clients.
 - b. The ownership structure. Indicate all entities that have an ownership stake in the firm (name and percentage).
 - c. Affiliated companies or joint ventures.
 - d. Recent or planned changes to the ownership or organization structure.
 - e. Transition plans for retirement of key executives.
 - f. Importance of the firm's services to your parent company's (if applicable) or your firm's overall business strategy.
3. Provide as *Exhibit C* one organization chart that diagrams the ownership of your firm and any interrelationships between the parent-subsidiary, affiliate, and joint venture entities.
4. Provide as *Exhibit D* another organization chart that depicts the structure of the review team and that identifies this group's key people and the people that will be involved in providing direct services to ARMB.

5. 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.
6. Discuss in general the firm's competitive advantage over other firms in the industry and in the audit service area. Why should ARMB hire your firm?
7. Over the past five years, has your organization or any officer or principal been involved in any business litigation or other legal proceedings related to any of the firm's business activities or auditing services? If so, provide a brief explanation and indicate the current status.
8. Has your firm, within the last ten years, been censured or fined by any regulatory body? If so, please indicate the dates and describe the situation.
9. Is the firm affiliated with any other firm(s) offering services 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.
10. Do you, your parent company, or any affiliated company have any business relationships with Callan Associates, Inc. or the Townsend Group? If so, describe that relationship.
11. List and describe any professional relationship your firm or any of your staff have with any member of the Alaska Retirement Management Board, ARMB staff, or the State of Alaska.
12. 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.
13. For all current public pension plan clients, state the client's name, the first year of your initial Contract with the plan, and their asset and membership size as of June 30, 2018. Designate by asterisk which of these clients are multi-employer plans.
14. Provide the name, title, address, and telephone number for the following THREE (3) client references for whom your firm has provided services similar to this mandate, as specified in each question:
 - a. The client for whom your firm most recently completed an audit or review.
 - b. The client that most recently terminated your firm's Contract.
 - c. The client with the longest relationship with your firm.
 - d. A multi-employer public pension plan client for whom your firm has provided services for at least three years.

SEC. 4.07 PROFESSIONAL QUALIFICATIONS AND EXPERIENCE OF STAFF

1. How many professionals does your firm employ?
2. Describe in general the background of the professionals in the firm:
 - a. Are they brought in from outside of the firm or promoted to their positions from within the organization?
 - b. For those recruited from the outside, what prior experience and educational credentials are generally sought?
3. For the key executives and professionals, including those that would be assigned to ARMB, provide as *Exhibit E* that identifies the following information:

- a. Name
- b. Title
- c. Responsibilities within the firm. If a person has multiple responsibilities, indicate the percentage of time spent on each function in a footnote to the table
- d. Years of relevant experience
- e. Years with the firm
- f. Degrees and professional designations

4. For the Primary and all Secondary Professionals that will directly provide services to ARMB, provide biographies and label these as *Exhibit F*.

5. How long has the current group of key executives and professionals been together?

6. For the Primary and all Secondary Professionals that will directly provide services to ARMB, state the role each would play in providing the required ARMB services.

7. For the Primary and all Secondary Professionals, state whether any of these individuals are affiliated with any other business entity or activity that could pose a potential conflict of interest with their ARMB assignments. If so, provide details on the entity or activity.

SEC. 4.08 QUALITY ASSURANCE

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

SEC. 4.09 COST PROPOSAL

Offerors shall provide a fixed price for the review. If incidental costs are included in the proposal, such costs shall be clearly identified and segregated from actual engagement related costs. Offerors shall provide hourly rates for the professional staff for the time and material consulting portion of the engagement in the format outlined below.

Describe how fees are determined for your firm's services. How are fees billed (billing periods and prospective versus arrears)? The cost proposal should provide a breakdown of total time and expenses to conduct the work indicated under this RFP as outlined in the chart below:

		A	B	= A*B
Team Member Name	Position Title	Hours on project to be Billed	Hourly Billing Rate (includes overhead and profit)	Budgeted Expense
Total Labor and indirect Costs				_____
Travel Costs				_____
Supplies and All Other Expenses				_____
Total Proposed Fee				_____

Offerors should anticipate a trip to Juneau, Alaska, to meet with the State of Alaska staff, and one additional trip to Juneau, Alaska, for presentation of the report to ARMB (estimated costs of trips to be included in the cost proposal). If necessary, ARMB staff may visit the Offeror's work site office to provide further background information, discuss issues, and review data.

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

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SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 100

SEC. 5.01 EVALUATION CRITERIA

All proposals will be reviewed to determine if they are responsive. Proposals determined to be responsive will be evaluated using the criterion as set forth below.

An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

SEC. 5.02 EVALUATION FACTORS

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

Understanding Scope of Services and Methodology	10	Points
Overall Organization, Experience and Qualifications	10	Points
Professional Qualifications and Personnel Experience	30	Points
Cost Proposal	40	Points
Alaska Offeror’s Preference	10	Points

The Cost Proposal shall be evaluated as follows:

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

SEC. 5.03 ALASKA OFFEROR PREFERENCE

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10% of the total available points. This amount will be added to the overall evaluation score of each Alaskan offeror.

SECTION 6. GENERAL PROCESS INFORMATION

SEC. 6.01 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

Prior the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute.

SEC. 6.02 SITE INSPECTION

ARMB may conduct on-site visits to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide ARMB reasonable access to relevant portions of its work sites. Individuals designated by the procurement officer at ARMB's expense will make site inspection.

SEC. 6.03 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the Project Director or the proposal evaluation committee (PEC) are permitted to hold discussions with an offeror 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 Director or the PEC may be adjusted as a result of a clarification under this section.

SEC. 6.04 DISCUSSIONS WITH OFFERORS

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

SEC. 6.05 EVALUATION OF PROPOSALS

An evaluation committee made up of at least three state employees or public officials will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in **SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION**.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

SEC. 6.06 CONTRACT NEGOTIATION

After final evaluation, the ARMB may negotiate with the offeror 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 offeror 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 offeror of the next highest-ranked proposal.

If the contract negotiations take place, the offeror will be responsible for their travel and per diem expenses.

SEC. 6.07 FAILURE TO NEGOTIATE

If the selected offeror

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available; or
- if the offeror and the ARMB, after a good faith effort, simply cannot come to terms,

the ARMB may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

SEC. 6.08 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation, the ARMB will issue a written Notice of Intent to Award (NIA). The NIA will set out the names of all offerors and identify the proposal selected for award.

SEC. 6.09 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 an offeror 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:

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

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Emailed 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 or another method that provides evidence of receipt.

All offerors 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."

SEC. 6.10 APPLICATION OF PREFERENCES

Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the RFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the **Department of Administration, Division of General Service's** web site: <http://doa.alaska.gov/dgs/pdf/pref1.pdf>

- Alaska Products Preference - AS 36.30.332
- Recycled Products Preference - AS 36.30.337
- Local Agriculture and Fisheries Products Preference - AS 36.15.050
- Employment Program Preference - AS 36.30.321(b)
- Alaskans with Disabilities Preference - AS 36.30.321(d)
- Alaska Veteran's Preference - AS 36.30.321(f)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a

business' or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation list prior to the time designated for receipt of proposals. Offerors must attach a copy of their certification letter to the proposal. **An offeror's failure to provide this certification letter with their proposal will cause the state to disallow the preference.**

SEC. 6.11 ALASKA VETERAN PREFERENCE

An Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the price in the proposal. The preference will be given to an offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and is a:

- A. sole proprietorship owned by an Alaska veteran;
- B. partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- C. limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- D. corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

Alaska Veteran Preference Statement

In order to receive the Alaska Veteran Preference, the proposal must include a statement certifying that the offeror is eligible to receive the Alaska Veteran Preference.

SEC. 6.12 ALASKA OFFEROR PREFERENCE

2 AAC 12.260(e) provides Alaska offerors a 10% overall evaluation point preference. Alaska bidders, as defined in AS 36.30.990(2), are eligible for the preference. An Alaska offeror will receive 10 percent of the total available points added to their overall evaluation score as a preference.

SEC. 6.13 FORMULA USED TO CONVERT COST TO POINTS

The distribution of points based on cost will be determined as set out in 2 AAC 12.260(c). The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined using the formula:

$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$

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SECTION 7. GENERAL LEGAL INFORMATION

SEC. 7.01 STANDARD CONTRACT PROVISIONS

The contractor will be required to sign and submit the State's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). This form is attached in **SECTION 8. ATTACHMENTS** for your review. 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. Attachment #2, Appendix A, are provided as the template for the proposed contract. Objections to any of the provisions in Appendix A or other formal documents must be set out in the offeror's proposal.

SEC. 7.02 PROPOSAL AS A PART OF THE CONTRACT

Part or all of this RFP and the successful proposal may be incorporated into the contract.

SEC. 7.03 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.

SEC. 7.04 HUMAN TRAFFICKING

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/j/tip/>

Failure to comply with this requirement will cause the state to reject the proposal as non-responsive, or cancel the contract.

SEC. 7.05 RIGHT OF REJECTION

Offerors must comply with all of the terms of the RFP and all applicable local, state, and federal laws, codes, and regulations. The ARMB may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of the state. If an offeror does so, the ARMB may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;

- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the procurement officer.

The state reserves the right to refrain from making an award if it determines that to be in its best interest.

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

A proposal from a debarred or suspended offeror shall be rejected.

SEC. 7.06 ARMB NOT RESPONSIBLE FOR PREPARATION COSTS

The ARMB will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

SEC. 7.07 DISCLOSURE OF PROPOSAL CONTENTS

All proposals and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the procurement officer does so, and if the procurement officer agrees, in writing, to do so. The offeror's request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the procurement officer agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.

SEC. 7.08 ASSIGNMENT

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the ARMB.

SEC. 7.09 DISPUTES

A contract resulting from this RFP is governed by 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.

SEC. 7.10 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.

SEC. 7.11 SUPPLEMENTAL TERMS AND CONDITIONS

Proposals must comply with **SEC. 7.05 RIGHT OF REJECTION**. However, if the state fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish the state's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and

if the state's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

SEC. 7.12 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

SEC. 7.13 SOLICITATION ADVERTISING

Public notice has been provided in accordance with 2 AAC 12.220.

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SECTION 8. ATTACHMENTS

SEC. 8.01 ATTACHMENTS

Attachments:

- 1) Proposal Evaluation Form
- 2) Standard Agreement Form - Appendix A
- 3) Appendix B2
- 4) Alaska Retirement Management Board Financial Report as of November 30, 2018
- 5) Plan, Fund, and Asset Background
- 6) Consultant Contracts
 - a) Callan Associates, Inc.
 - b) The Townsend Group

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ATTACHMENT 1: PROPOSAL EVALUATION FORM

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

Offeror Name: _____
Evaluator Name: _____
Date of Review: _____
RFP Number: 19-010 _____

EVALUATION CRITERIA AND SCORING

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS **100**

Understanding of Scope of Services and Methodology—(10 Percent)

Maximum Point Value for this Section - 10 Points

100 Points x 10 Percent = 10 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 4.05?

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 it's unique strengths, expertise, experience, qualifications and resources available to provide the required services and other requests set forth in Section 3, Scope of Work?

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL for Overall Organization, Experience & Qualifications _____

Professional Experience and Qualifications of Personnel (30 Percent)

Maximum Point Value for this Section - 30 Points

100 Points x 30 Percent = 30 Points

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

EVALUATOR'S NOTES _____

(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 _____

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

EVALUATOR'S NOTES _____

(d) How well has the firm described the professional qualifications and experience of its employees to provide the required services and other requests set forth in Section 3 – Scope of Work?

EVALUATOR'S NOTES _____

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)

EVALUATION FACTORS:

Understanding Scope of Services and Methodology	10	Points
Overall Organization, Experience and Qualifications	10	Points
Professional Qualifications and Personnel Experience	30	Points
Cost Proposal	40	Points
Alaska Offeror's Preference	10	Points

The Cost Proposal shall be evaluated as follows:

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

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES ATTACHMENT 2

The parties' contract comprises this Standard Agreement Form, as well as its referenced Articles and their associated Appendices

1. Agency Contract Number 19-010	2. Contract Title ARMB Independent Audit of State Performance Consultants	3. Agency Fund Code	4. Agency Appropriation Code
5. Vendor Number	6. IRIS GAE Number (if used)	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, and
9. Contractor <div style="text-align: right;">hereafter the contractor</div>			
Mailing Address	Street or P.O. Box	City	State ZIP+4
<p>10.</p> <p>ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.</p> <p>ARTICLE 2. Performance of Service:</p> <p>2.1 Appendix A (General Provisions), Articles 1 through 16, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p>ARTICLE 3. Period of Performance: The period of performance for this contract begins <u>July 15, 2019</u> until <u>September 15, 2019</u>.</p> <p>ARTICLE 4. Considerations:</p> <p>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.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
11. Department of Revenue		Attention: Division of Treasury	
Mailing Address P.O. Box 110405, Juneau, AK, 99811		Attention: Bob Mitchell	
12. CONTRACTOR		<p>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 alternations 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.</p>	
Name of Firm			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative			
Title			
13. CONTRACTING AGENCY		Signature of Head of Contracting Agency or Designee	
Department/Division Revenue/Treasury	Date	Date	
Signature of Project Director		Typed or Printed Name Bruce Tangeman, Commissioner, Department of Revenue	
Typed or Printed Name of Project Director Bob Mitchell		Signature of Alaska Retirement Management Board Chair Date:	
Title Chief Investment Officer		Title: Chair, Alaska Retirement Management Board	

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

APPENDIX A

GENERAL PROVISIONS

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 signing this contract.

Article 2. Inspections 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 If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of 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 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. In the absence of a breach of contract by the contractor, 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. Nevertheless, if the contractor does mark such documents with a statement suggesting they are trademarked, copyrighted, or otherwise protected against the State's unencumbered use or distribution, the contractor agrees that this paragraph supersedes any such statement and renders it void. 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; Forum Selection

This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

Article 12. Conflicting Provisions.

Unless specifically amended and approved by the Department of Law, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The contractor specifically acknowledges and agrees that, among other things, provisions in any documents it seeks to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, or (3) limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

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.

Article 15. Compliance.

In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, licenses, permits and bonds.

Article 16. Force Majeure:

The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

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 notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. 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 claim.

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 claim.

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:

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

**ALASKA RETIREMENT MANAGEMENT BOARD
FINANCIAL REPORT**

As of March 29, 2019

ALASKA RETIREMENT MANAGEMENT BOARD
Schedule of Investment Income and Changes in Invested Assets by Fund
Fiscal Year-to-Date through March 29, 2019

	Beginning Invested Assets	Investment Income ⁽¹⁾	Net Contributions (Withdrawals)	Ending Invested Assets	% Change in Invested Assets	% Change due to Investment Income ⁽²⁾
<u>Public Employees' Retirement System (PERS)</u>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	\$ 9,279,978,252	\$ 272,641,042	\$ (235,107,097)	\$ 9,317,512,197	0.40%	2.98%
Retirement Health Care Trust	7,653,992,293	226,921,192	(230,563,534)	7,650,349,951	-0.05%	3.01%
Total Defined Benefit Plans	16,933,970,545	499,562,234	(465,670,631)	16,967,862,148	0.20%	2.99%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	1,041,422,342	34,122,054	74,067,660	1,149,612,056	10.39%	3.16%
Health Reimbursement Arrangement	356,026,985	11,622,421	30,810,674	398,460,080	11.92%	3.13%
Retiree Medical Plan	99,169,627	3,232,803	8,519,005	110,921,435	11.85%	3.13%
<u>Defined Benefit Occupational Death and Disability:</u>						
Public Employees	20,872,152	683,385	1,879,520	23,435,057	12.28%	3.13%
Police and Firefighters	9,776,610	315,122	695,776	10,787,508	10.34%	3.11%
Total Defined Contribution Plans	1,527,267,716	49,975,785	115,972,635	1,693,216,136	10.87%	3.15%
Total PERS	18,461,238,261	549,538,019	(349,697,996)	18,661,078,284	1.08%	3.01%
<u>Teachers' Retirement System (TRS)</u>						
<u>Defined Benefit Plans:</u>						
Retirement Trust	5,466,056,988	159,595,365	(183,176,076)	5,442,476,277	-0.43%	2.97%
Retirement Health Care Trust	2,883,838,182	85,516,913	(88,192,946)	2,881,162,149	-0.09%	3.01%
Total Defined Benefit Plans	8,349,895,170	245,112,278	(271,369,022)	8,323,638,426	-0.31%	2.98%
<u>Defined Contribution Plans:</u>						
Participant Directed Retirement	442,323,051	14,446,585	24,740,270	481,509,906	8.86%	3.18%
Health Reimbursement Arrangement	105,665,716	3,443,828	7,530,072	116,639,616	10.39%	3.15%
Retiree Medical Plan	36,357,065	1,166,650	1,978,748	39,502,463	8.65%	3.12%
Defined Benefit Occupational Death and Disability	3,797,783	120,666	153,455	4,071,904	7.22%	3.11%
Total Defined Contribution Plans	588,143,615	19,177,729	34,402,545	641,723,889	9.11%	3.17%
Total TRS	8,938,038,785	264,290,007	(236,966,477)	8,965,362,315	0.31%	3.00%
<u>Judicial Retirement System (JRS)</u>						
Defined Benefit Plan Retirement Trust	176,358,294	5,253,801	(849,342)	180,762,753	2.50%	2.99%
Defined Benefit Retirement Health Care Trust	31,621,813	958,210	(185,812)	32,394,211	2.44%	3.04%
Total JRS	207,980,107	6,212,011	(1,035,154)	213,156,964	2.49%	2.99%
<u>National Guard/Naval Militia Retirement System (MRS)</u>						
Defined Benefit Plan Retirement Trust	39,449,053	1,040,876	(347,811)	40,142,118	1.76%	2.65%
<u>Other Participant Directed Plans</u>						
Supplemental Annuity Plan	3,905,659,481	135,281,982	(41,423,903)	3,999,517,560	2.40%	3.48%
Deferred Compensation Plan	938,806,799	32,814,893	(12,487,265)	959,134,427	2.17%	3.52%
Total All Funds	32,491,172,486	989,177,788	(641,958,606)	32,838,391,668		
Total Non-Participant Directed	26,162,960,813	772,512,274	(686,855,368)	26,248,617,719	0.33%	2.99%
Total Participant Directed	6,328,211,673	216,665,514	44,896,762	6,589,773,949	4.13%	3.41%
Total All Funds	\$ 32,491,172,486	\$ 989,177,788	\$ (641,958,606)	\$ 32,838,391,668	1.07%	3.07%

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 March 29, 2019

	Beginning Invested Assets	Investment Income (1)	Net Contributions (Withdrawals)	Ending Invested Assets	% Change in Invested Assets	% Change due to Investment Income (2)
<u>Public Employees' Retirement System (PERS)</u>						
Defined Benefit Plans:						
Retirement Trust	\$ 9,288,851,647	\$ 73,732,645	\$ (45,072,095)	\$ 9,317,512,197	0.31%	0.80%
Retirement Health Care Trust	7,610,712,526	60,739,450	(21,102,025)	7,650,349,951	0.52%	0.80%
Total Defined Benefit Plans	16,899,564,173	134,472,095	(66,174,120)	16,967,862,148	0.40%	0.80%
Defined Contribution Plans:						
Participant Directed Retirement	1,128,499,380	12,777,704	8,334,972	1,149,612,056	1.87%	1.13%
Health Reimbursement Arrangement	391,953,332	3,058,172	3,448,576	398,460,080	1.66%	0.78%
Retiree Medical Plan	109,153,708	852,236	915,491	110,921,435	1.62%	0.78%
Defined Benefit Occupational Death and Disability:						
Public Employees	23,043,194	179,540	212,323	23,435,057	1.70%	0.78%
Police and Firefighters	10,654,305	83,154	50,049	10,787,508	1.25%	0.78%
Total Defined Contribution Plans	1,663,303,919	16,950,806	12,961,411	1,693,216,136	1.80%	1.02%
Total PERS	18,562,868,092	151,422,901	(53,212,709)	18,661,078,284	0.53%	0.82%
<u>Teachers' Retirement System (TRS)</u>						
Defined Benefit Plans:						
Retirement Trust	5,432,699,411	43,312,121	(33,535,255)	5,442,476,277	0.18%	0.80%
Retirement Health Care Trust	2,865,984,012	22,868,005	(7,689,868)	2,881,162,149	0.53%	0.80%
Total Defined Benefit Plans	8,298,683,423	66,180,126	(41,225,123)	8,323,638,426	0.30%	0.80%
Defined Contribution Plans:						
Participant Directed Retirement	471,890,317	5,315,737	4,303,852	481,509,906	2.04%	1.12%
Health Reimbursement Arrangement	114,672,188	898,787	1,068,641	116,639,616	1.72%	0.78%
Retiree Medical Plan	38,925,919	305,992	270,552	39,502,463	1.48%	0.78%
Defined Benefit Occupational Death and Disability	4,015,103	31,572	25,229	4,071,904	1.41%	0.78%
Total Defined Contribution Plans	629,503,527	6,552,088	5,668,274	641,723,889	1.94%	1.04%
Total TRS	8,928,186,950	72,732,214	(35,556,849)	8,965,362,315	0.42%	0.82%
<u>Judicial Retirement System (JRS)</u>						
Defined Benefit Plan Retirement Trust	179,810,737	1,429,919	(477,903)	180,762,753	0.53%	0.80%
Defined Benefit Retirement Health Care Trust	32,138,031	255,630	550	32,394,211	0.80%	0.80%
Total JRS	211,948,768	1,685,549	(477,353)	213,156,964	0.57%	0.80%
<u>National Guard/Naval Militia Retirement System (MRS)</u>						
Defined Benefit Plan Retirement Trust	39,903,289	390,616	(151,787)	40,142,118	0.60%	0.98%
<u>Other Participant Directed Plans</u>						
Supplemental Annuity Plan	3,955,880,744	46,414,653	(2,777,837)	3,999,517,560	1.10%	1.17%
Deferred Compensation Plan	948,129,602	9,666,372	1,338,453	959,134,427	1.16%	1.02%
Total All Funds	32,646,917,445	282,312,305	(90,838,082)	32,838,391,668		
Total Non-Participant Directed	26,142,517,402	208,137,839	(102,037,522)	26,248,617,719	0.41%	0.80%
Total Participant Directed	6,504,400,043	74,174,466	11,199,440	6,589,773,949	1.31%	1.14%
Total All Funds	\$ 32,646,917,445	\$ 282,312,305	\$ (90,838,082)	\$ 32,838,391,668	0.59%	0.87%

Notes:

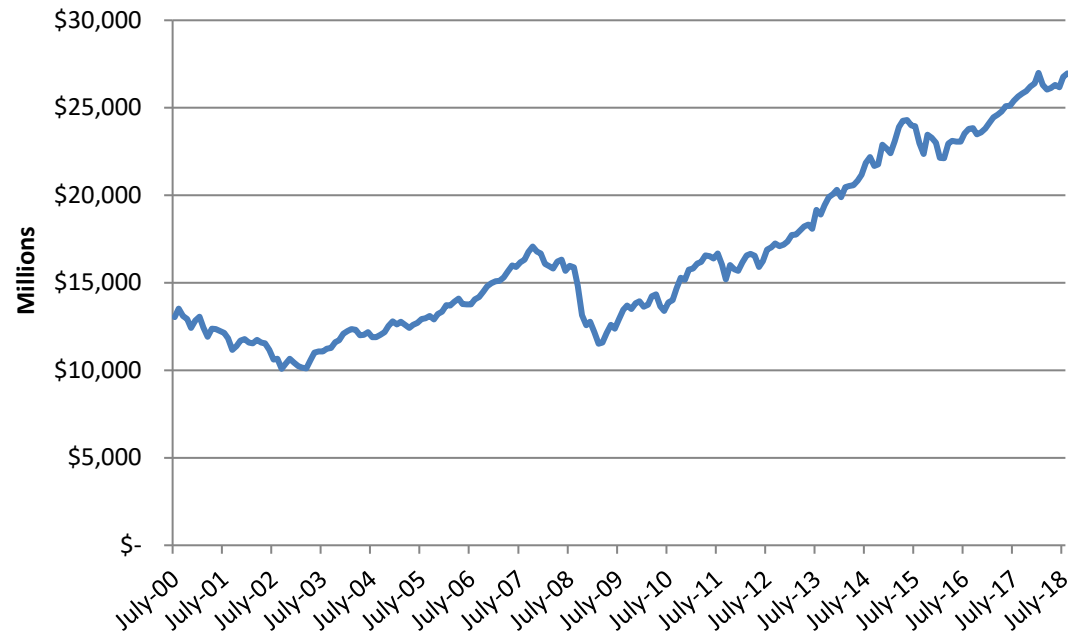
(1) Includes interest, dividends, securities lending, expenses, realized and unrealized gains/losses

(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>

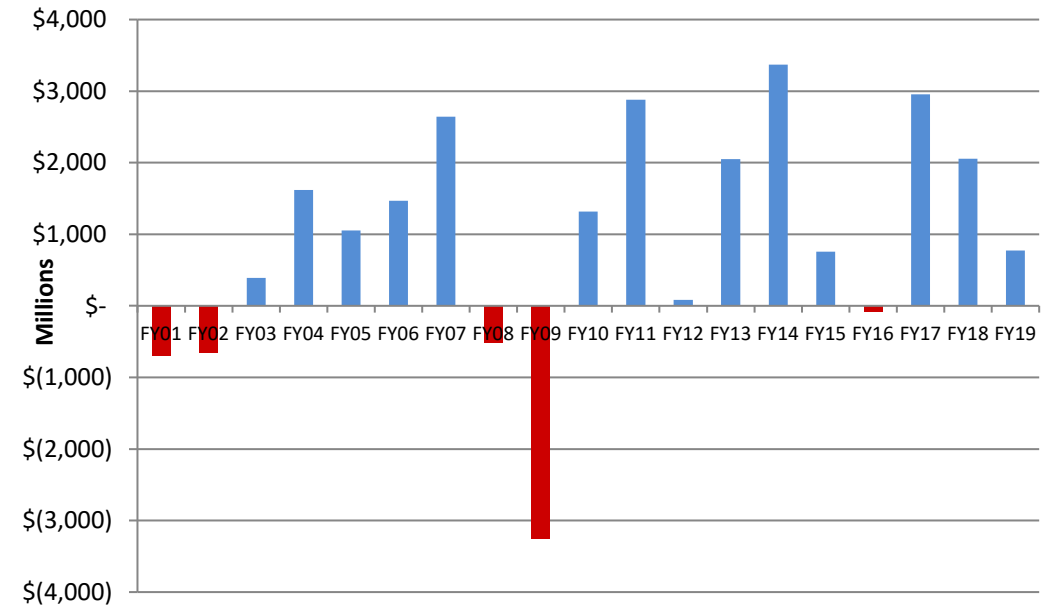
Total Non Participant Directed Assets

As of March 29, 2019

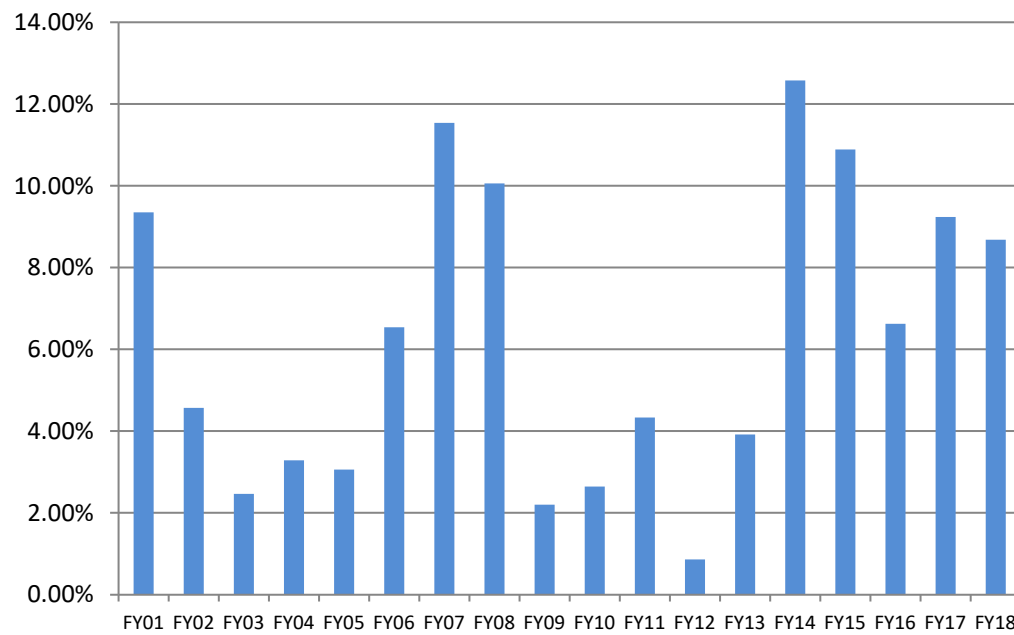
Total Assets History



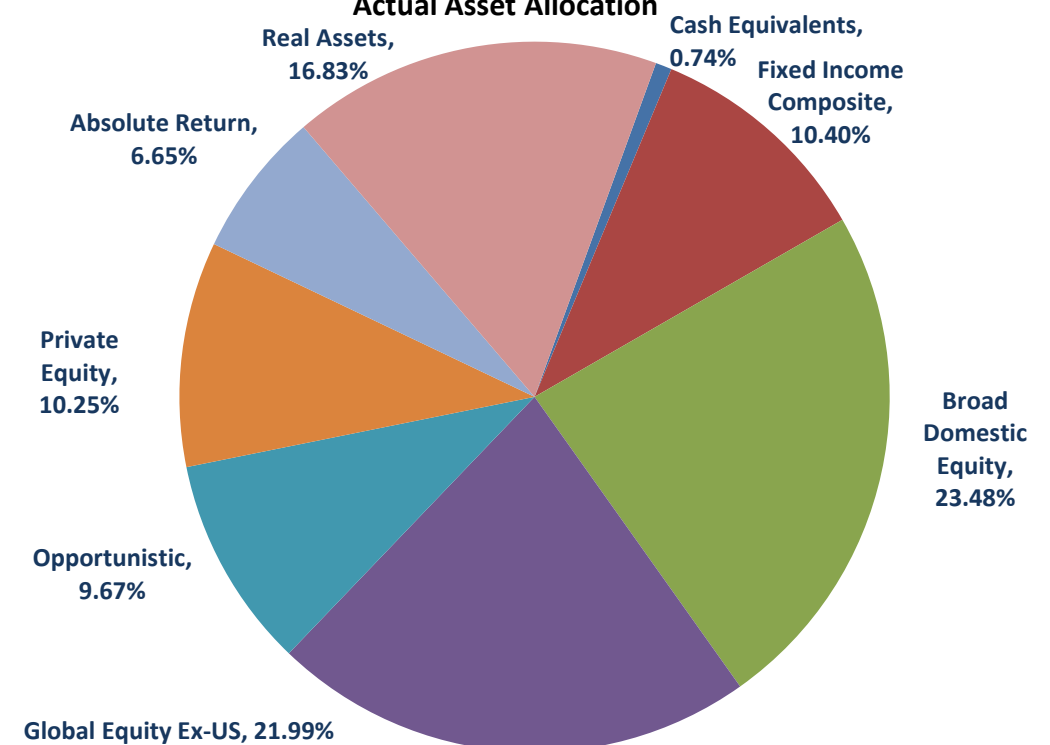
Income by Fiscal Year



5-year Annualized Returns as of Fiscal Year End



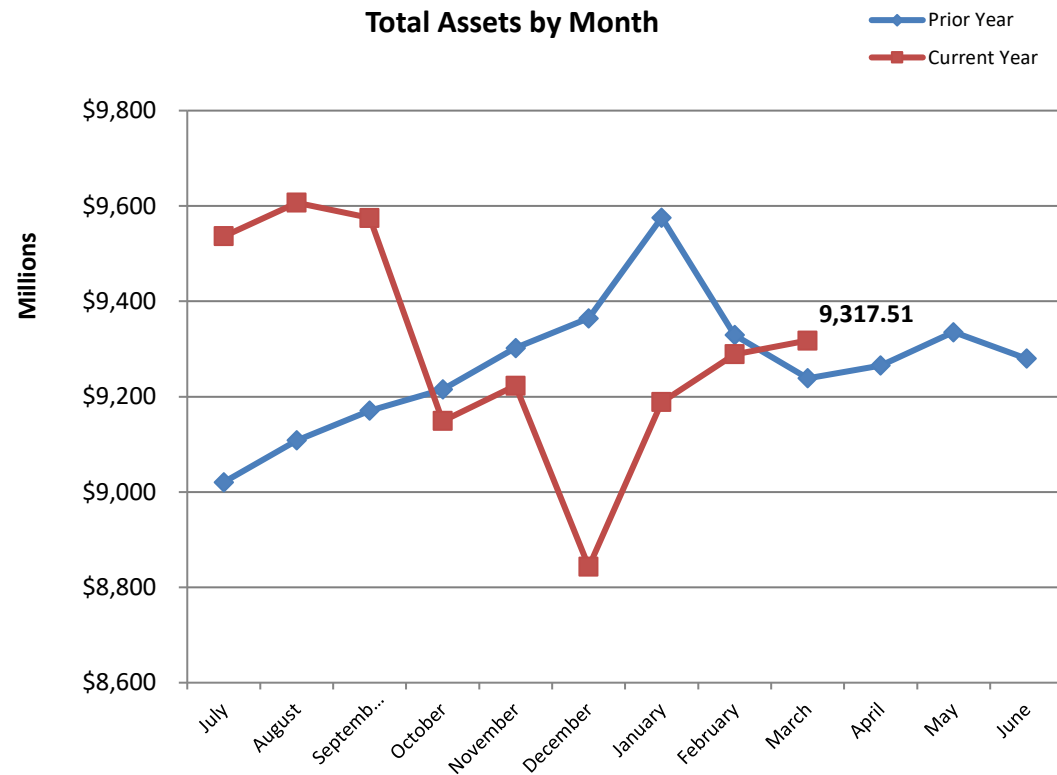
Actual Asset Allocation



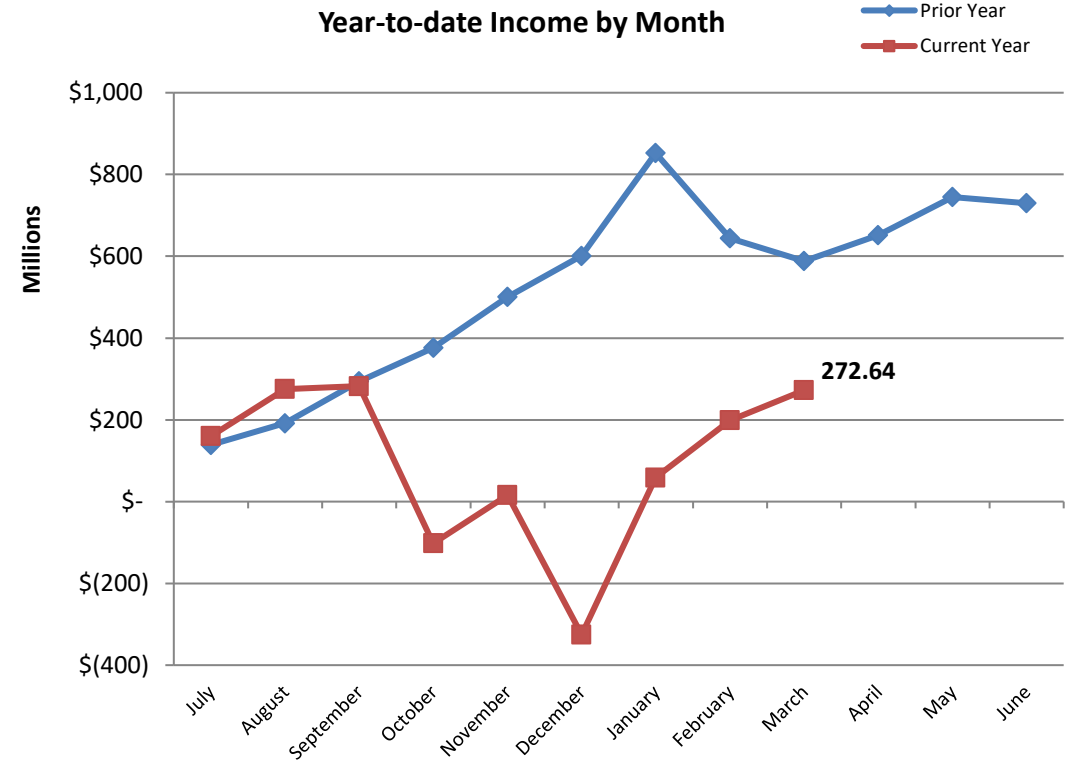
Public Employees' Retirement Pension Trust Fund

Fiscal Year-to-Date through March 29, 2019

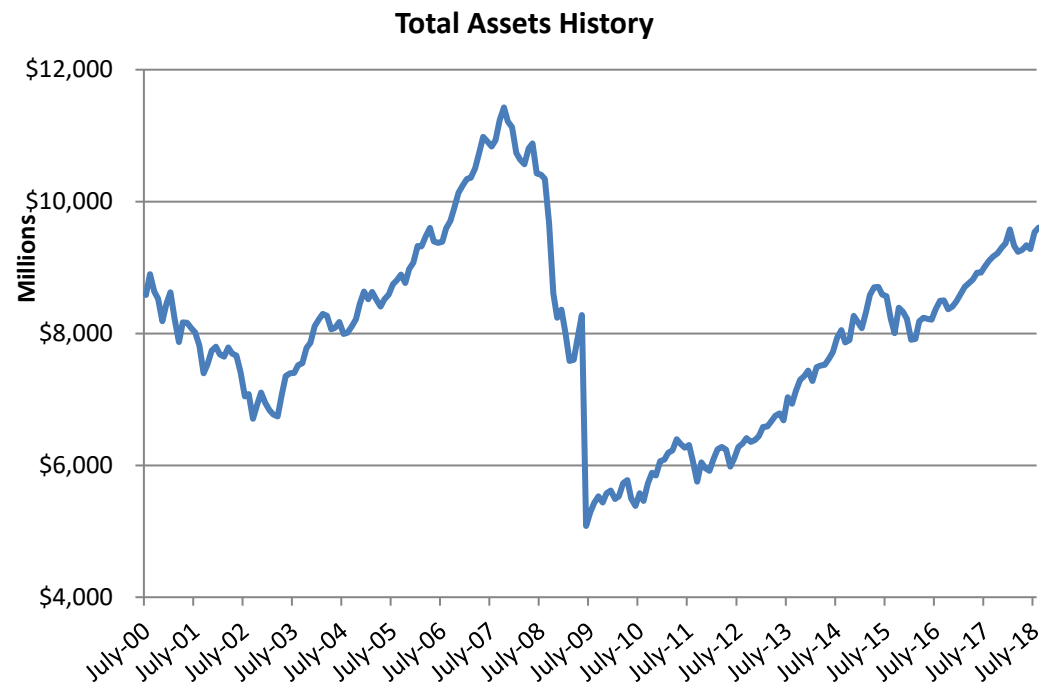
Total Assets by Month



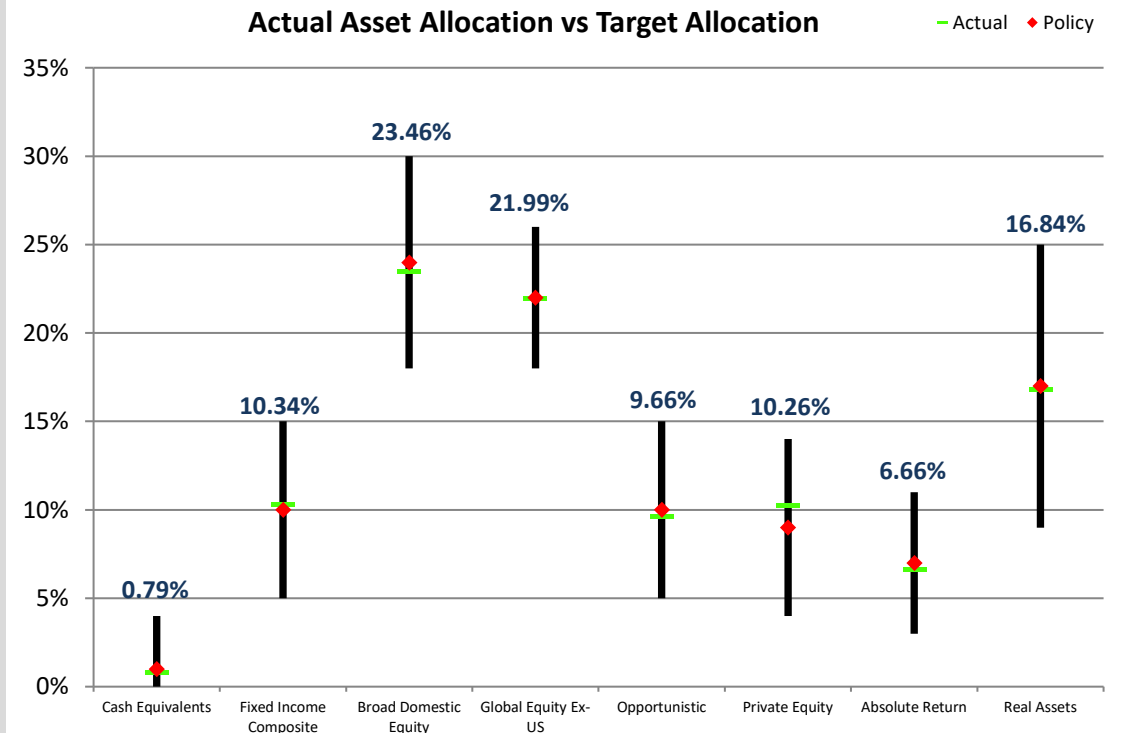
Year-to-date Income by Month



Total Assets History

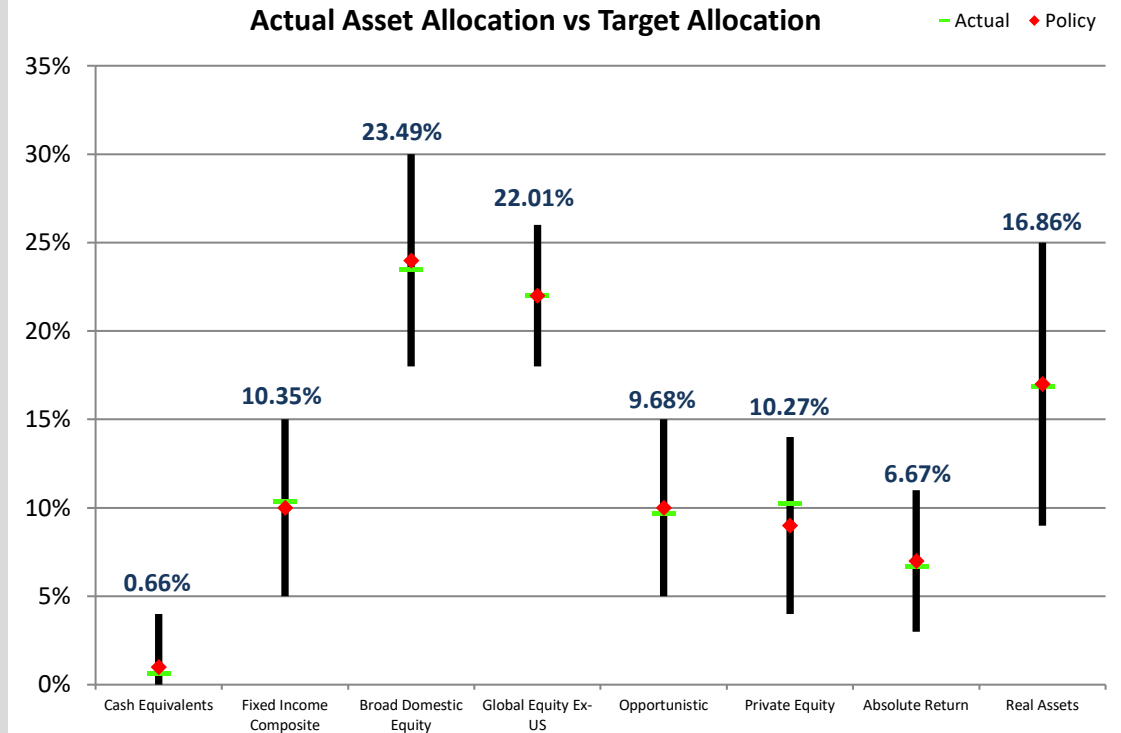
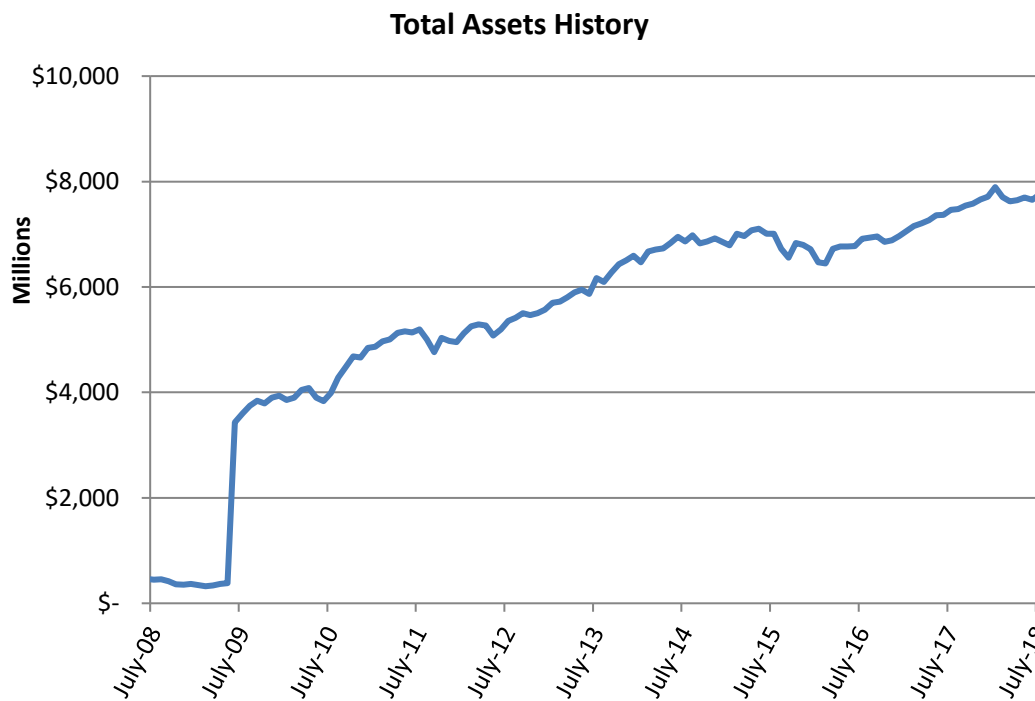
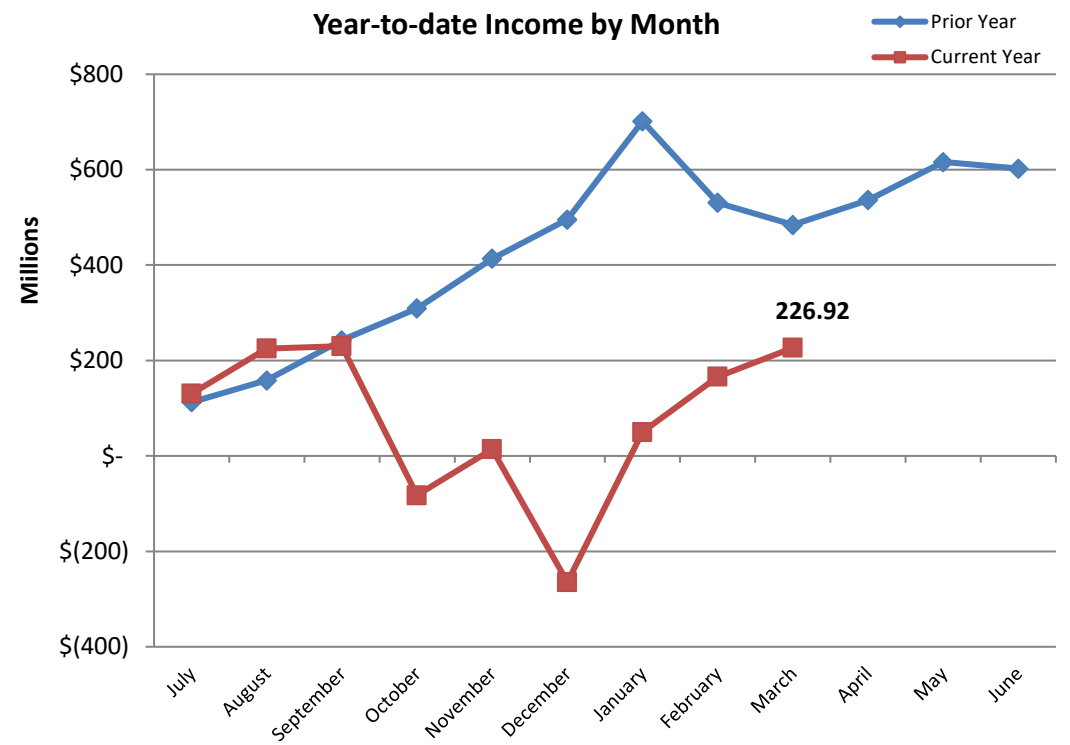
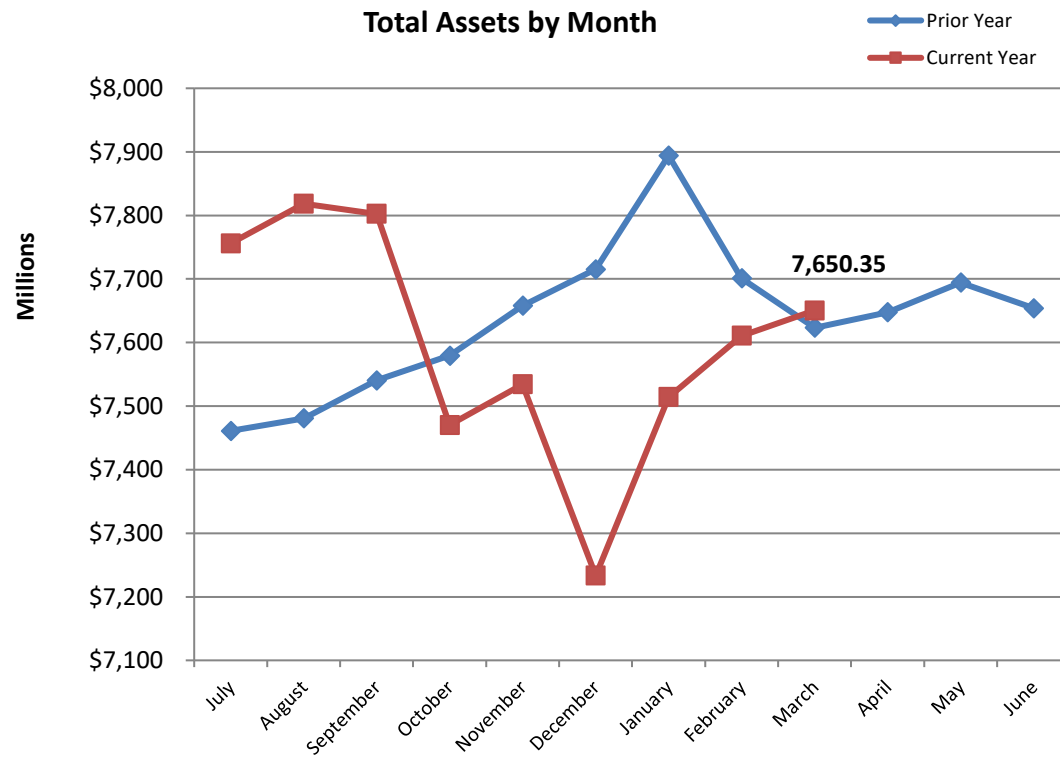


Actual Asset Allocation vs Target Allocation

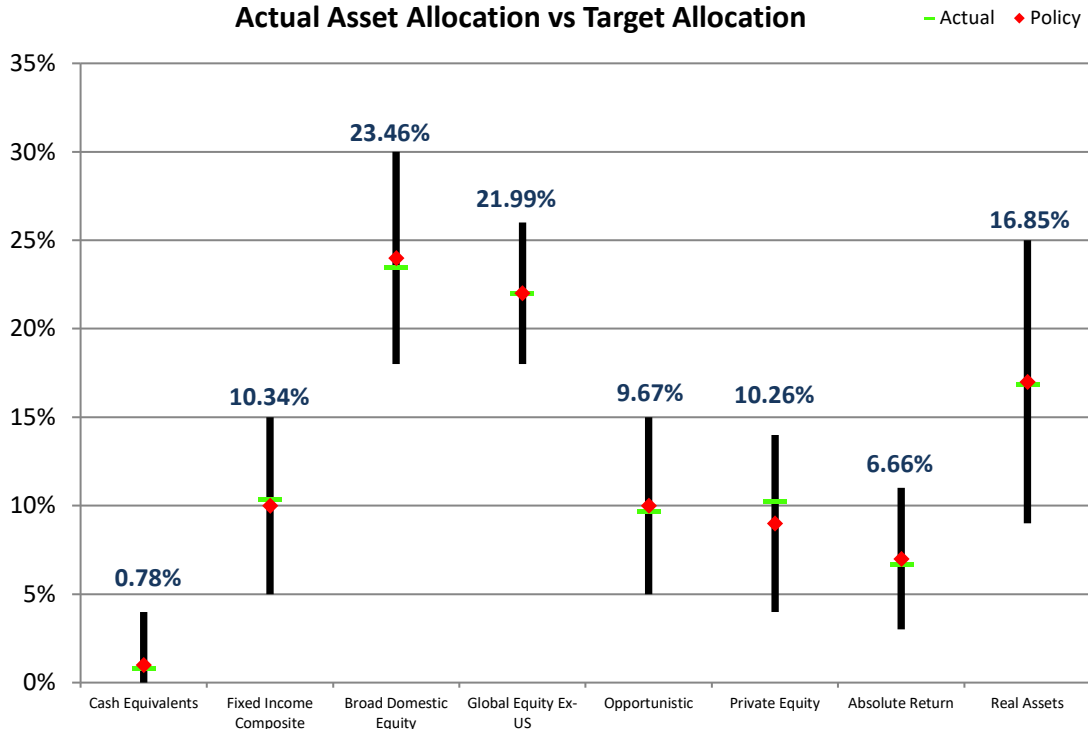
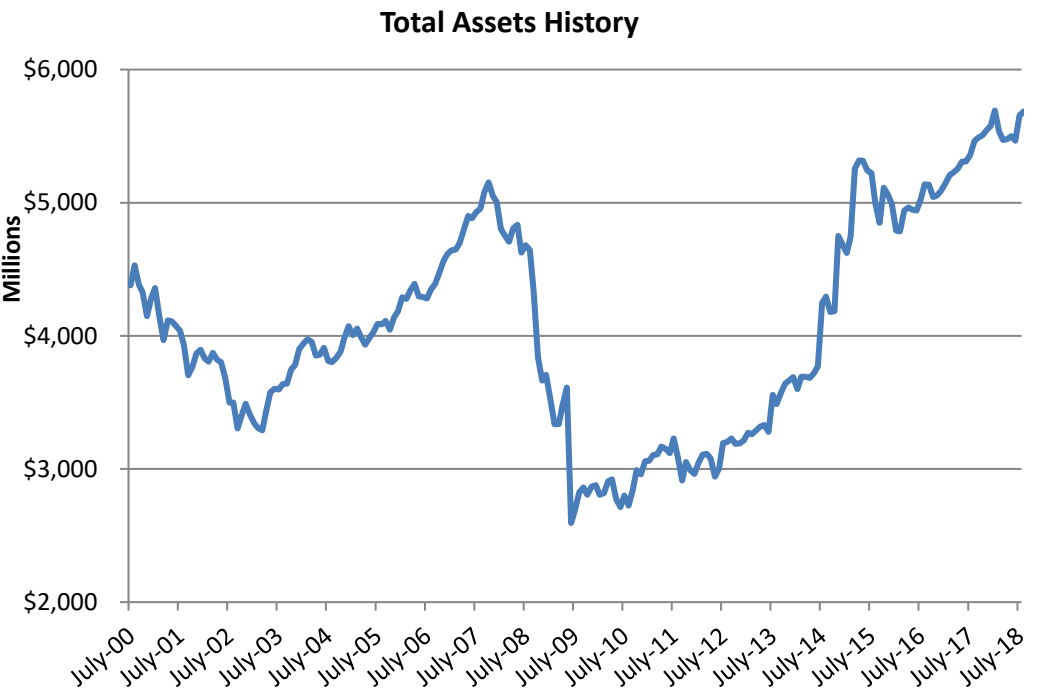
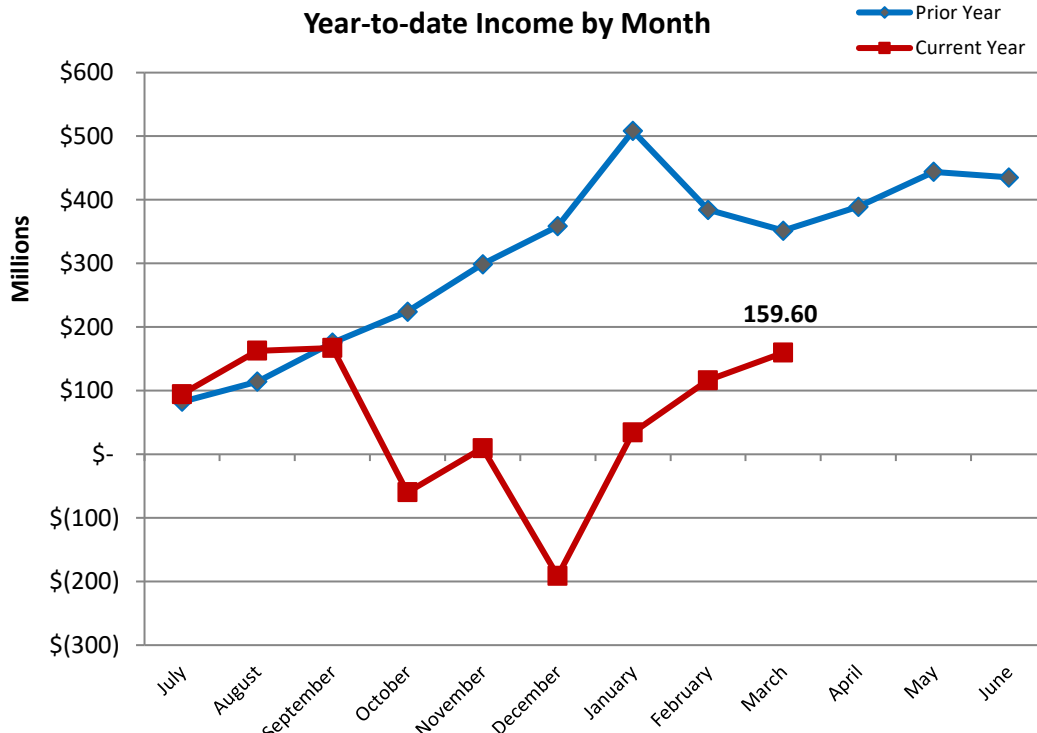
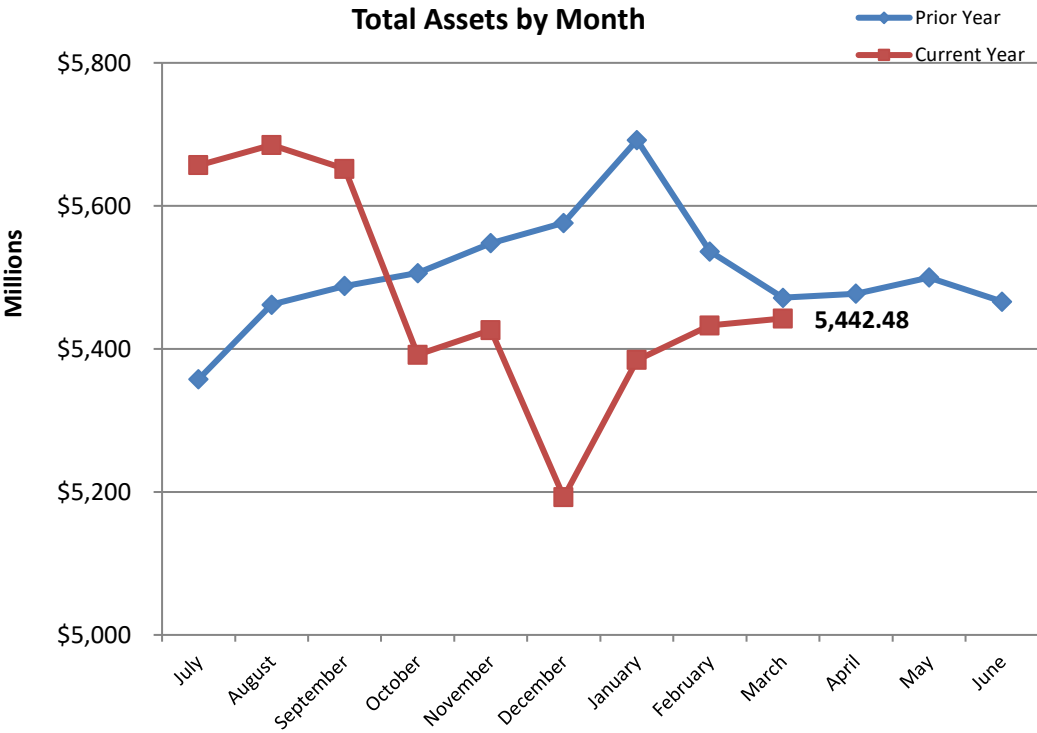


Public Employees' Retirement Health Care Trust Fund

Fiscal Year-to-Date through March 29, 2019

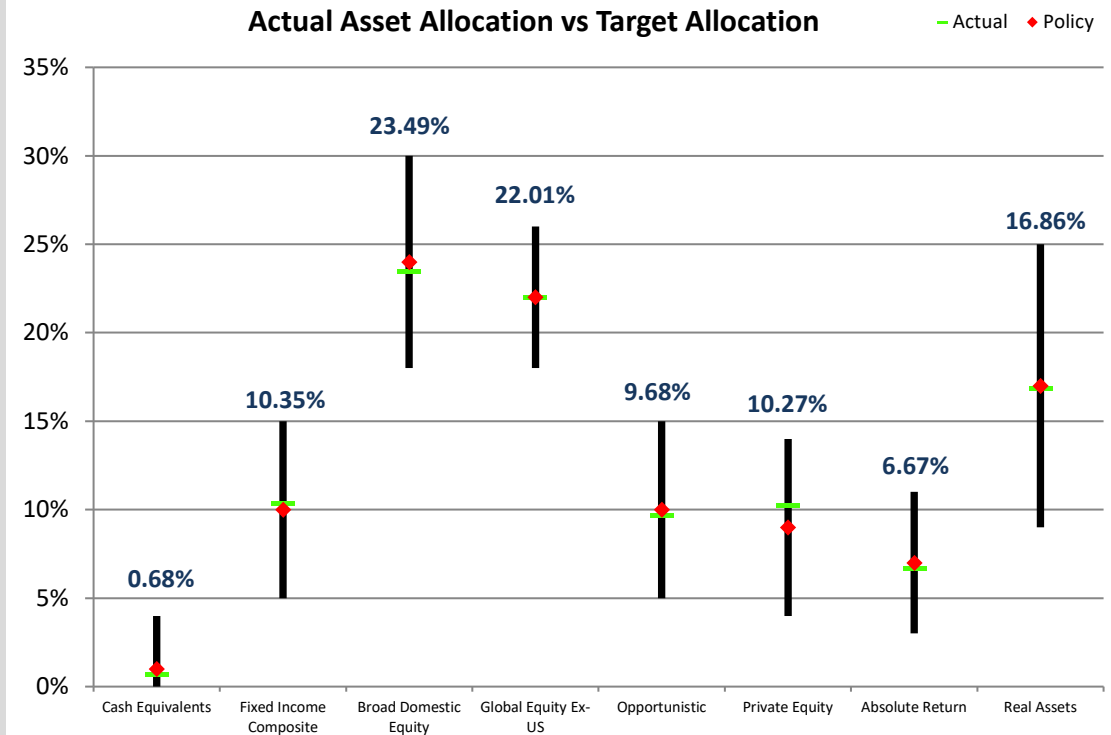
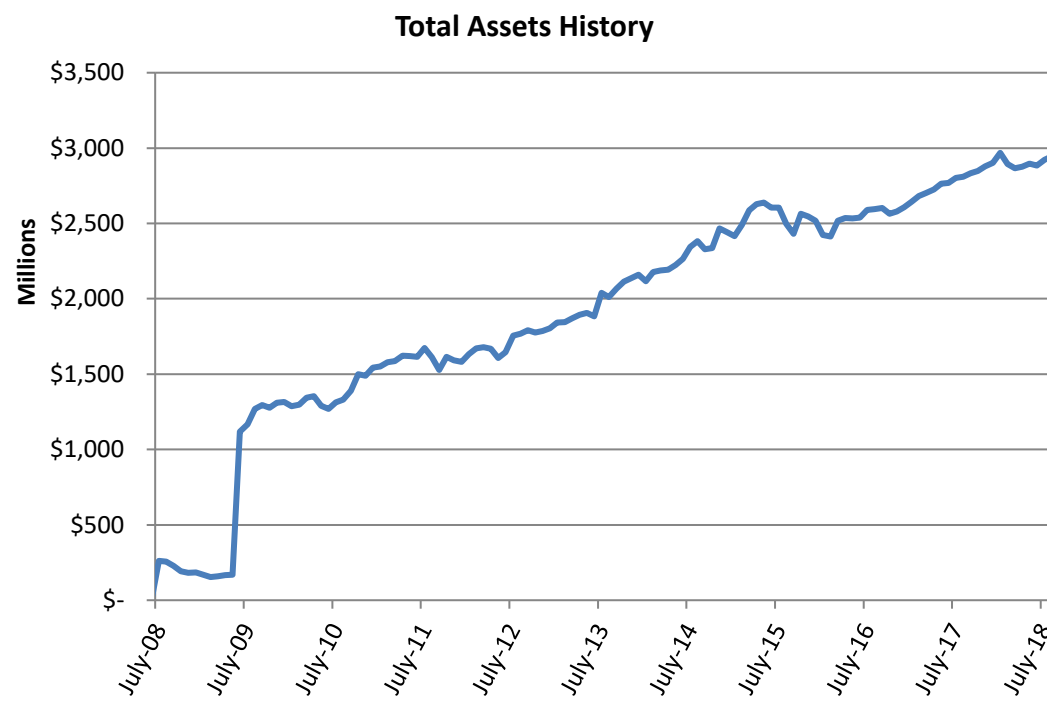
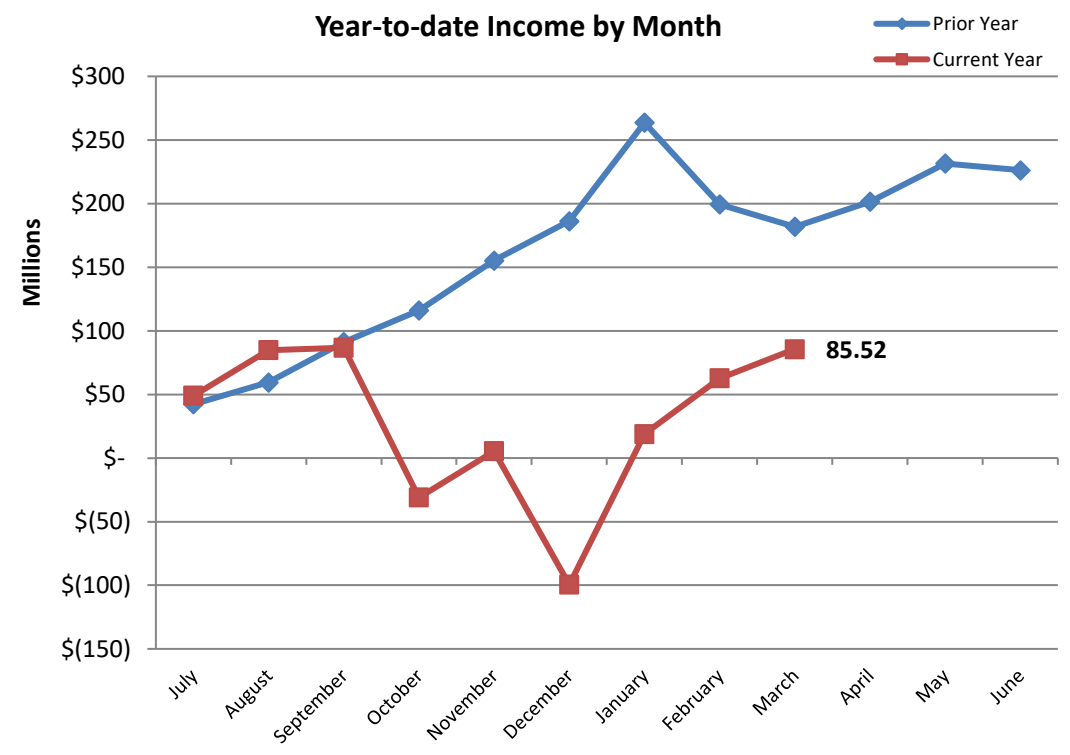
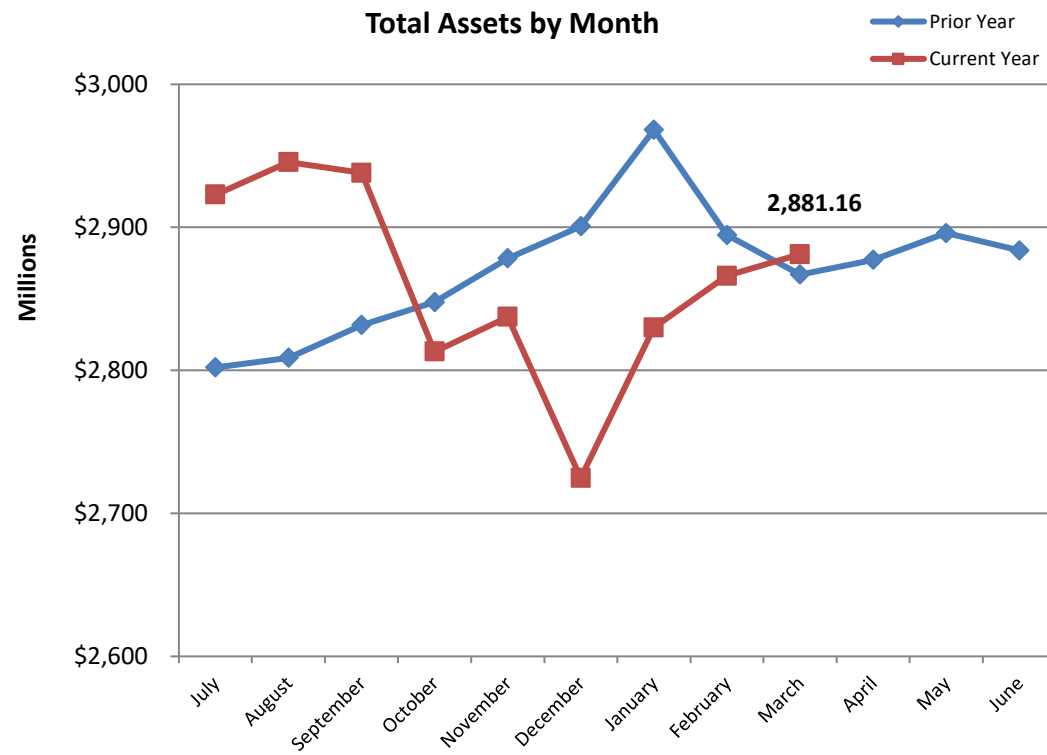


Teachers' Retirement Pension Trust Fund Fiscal Year-to-Date through March 29, 2019



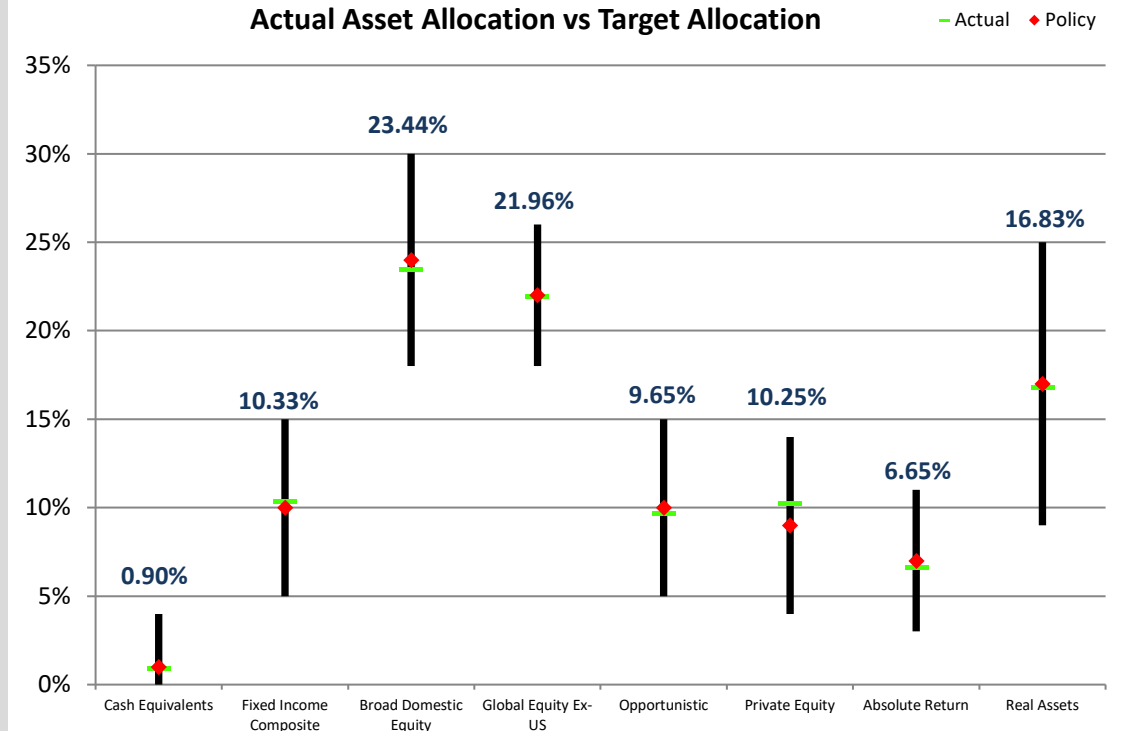
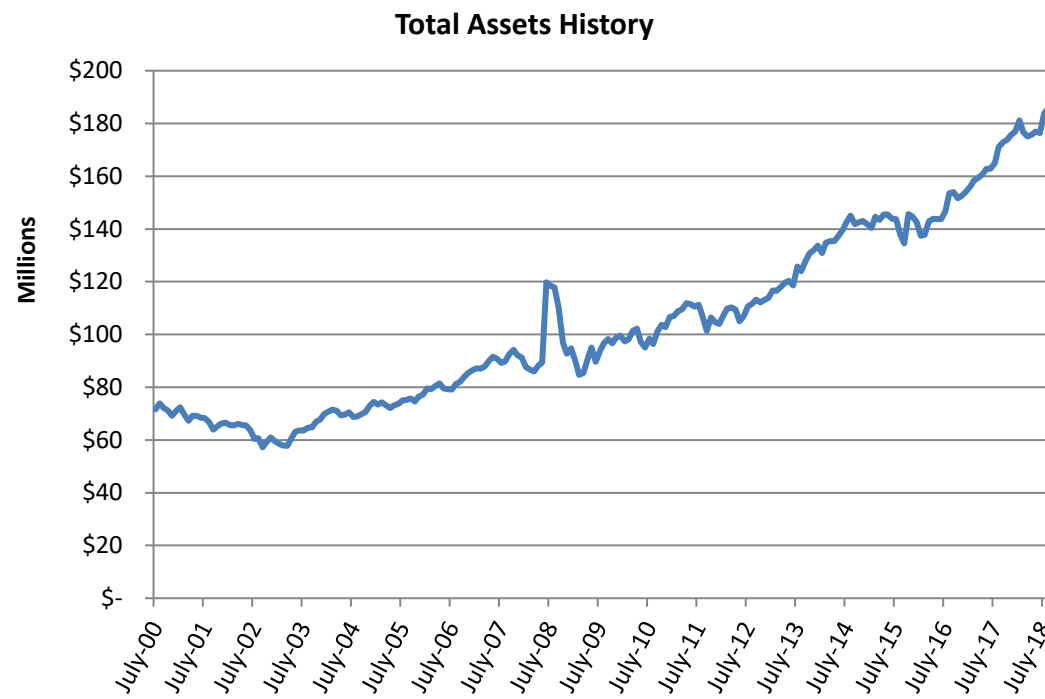
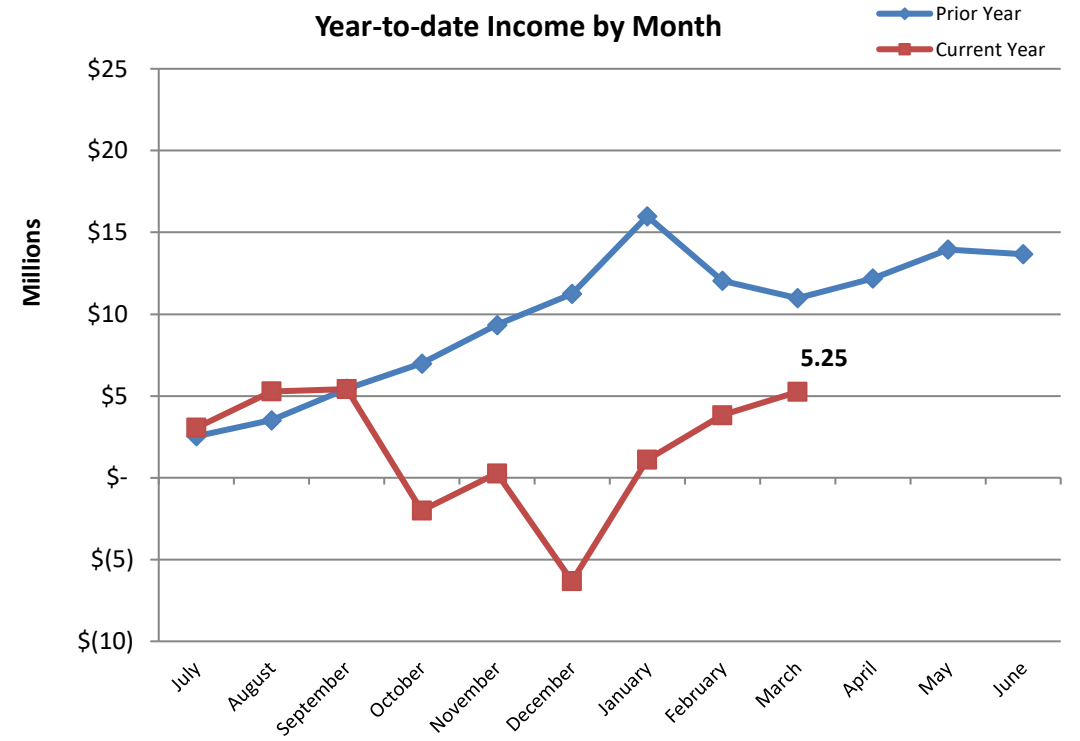
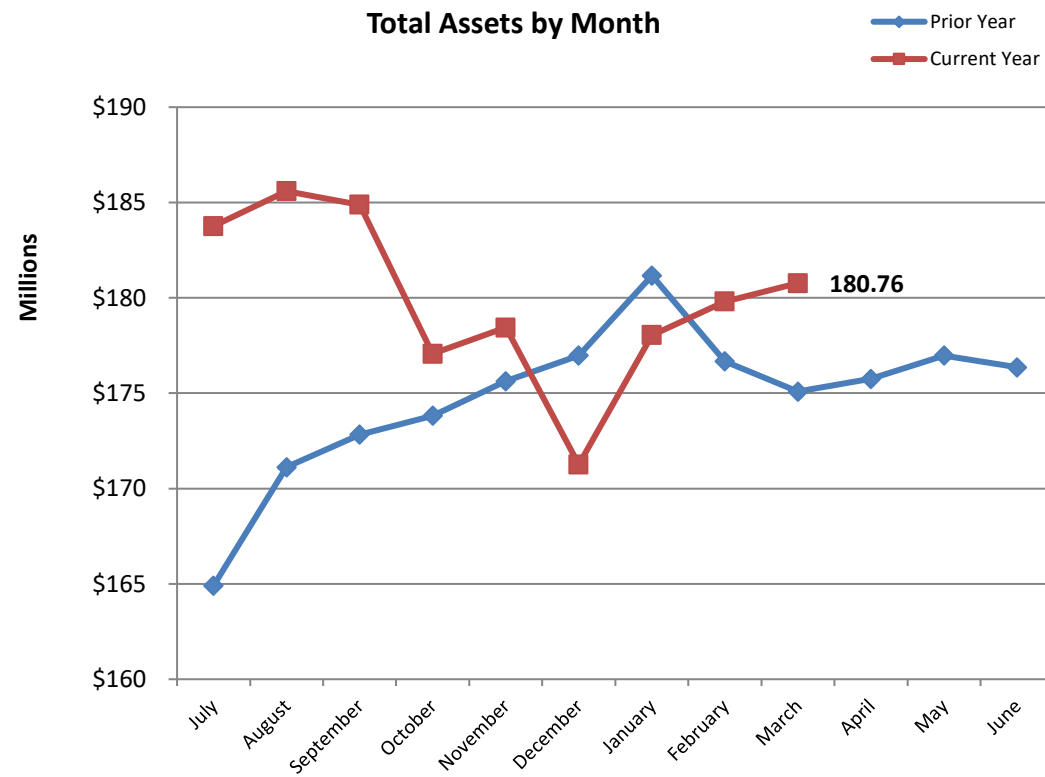
Teachers' Retirement Health Care Trust Fund

Fiscal Year-to-Date through March 29, 2019



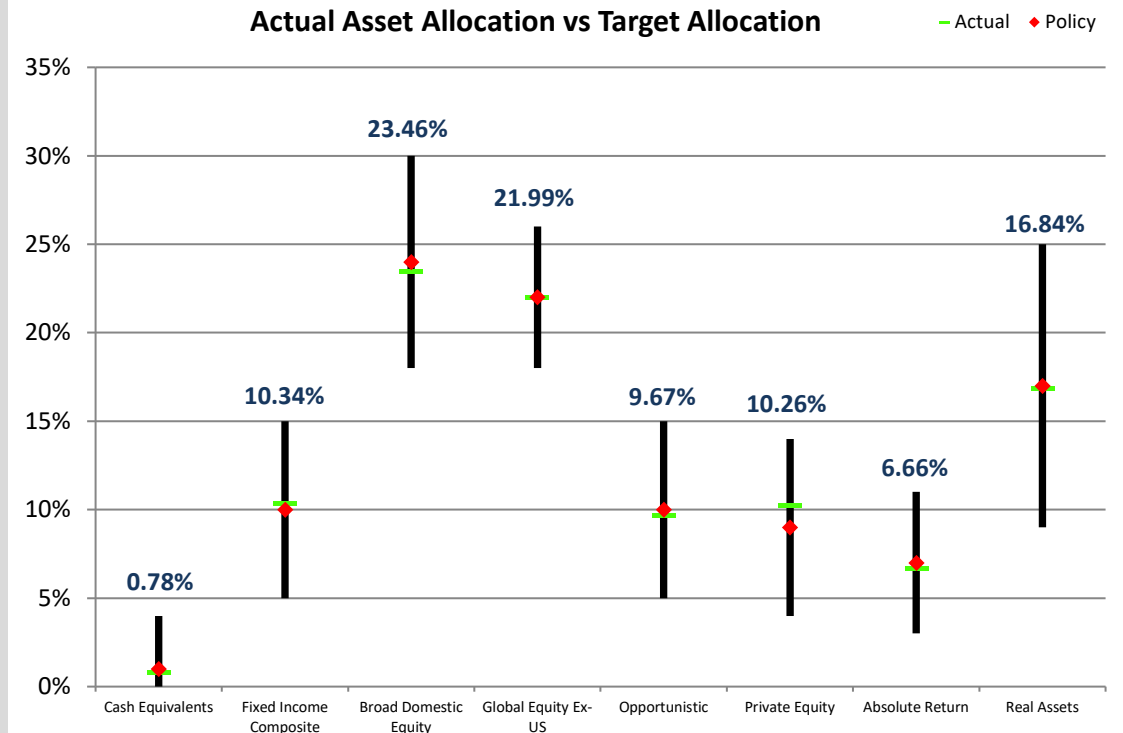
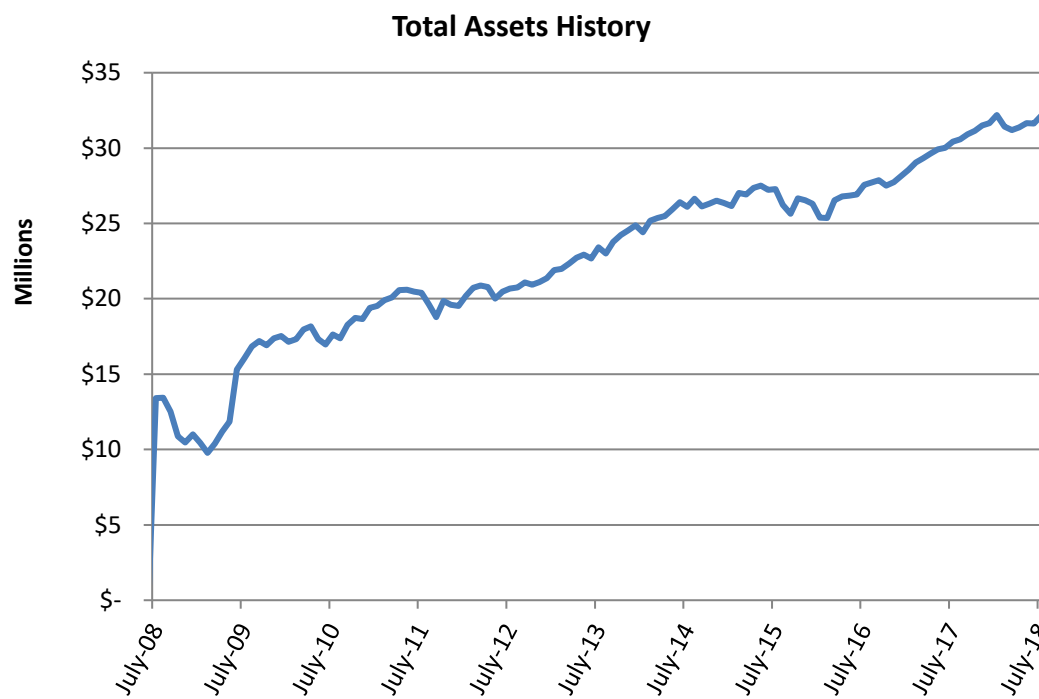
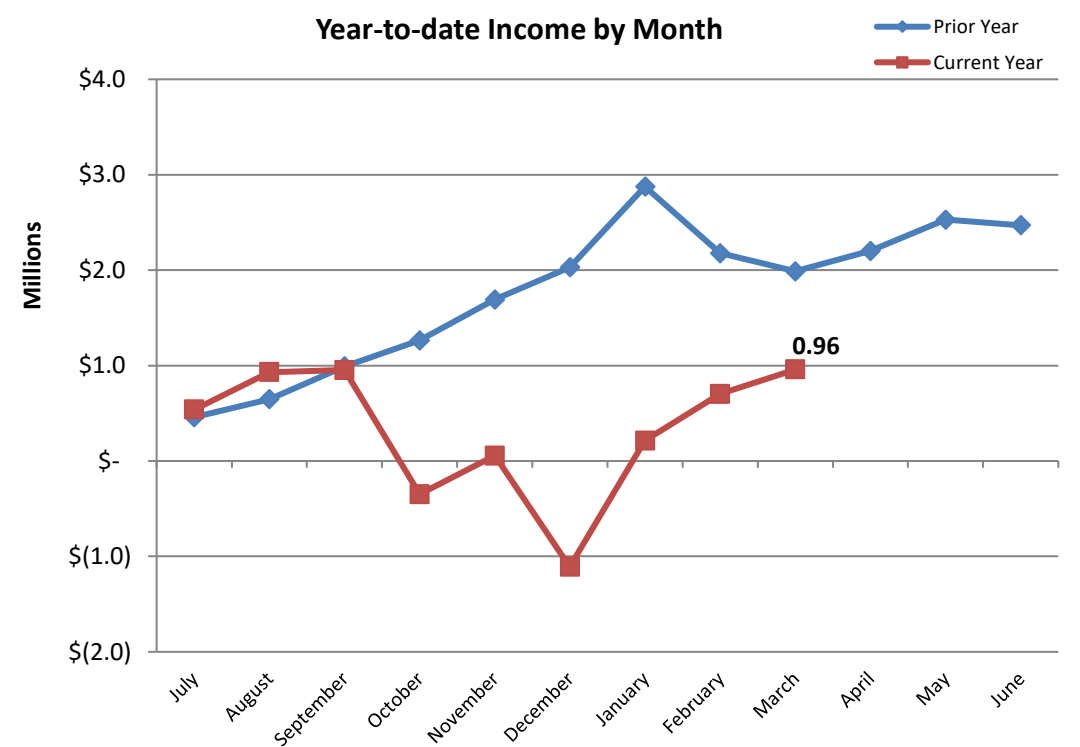
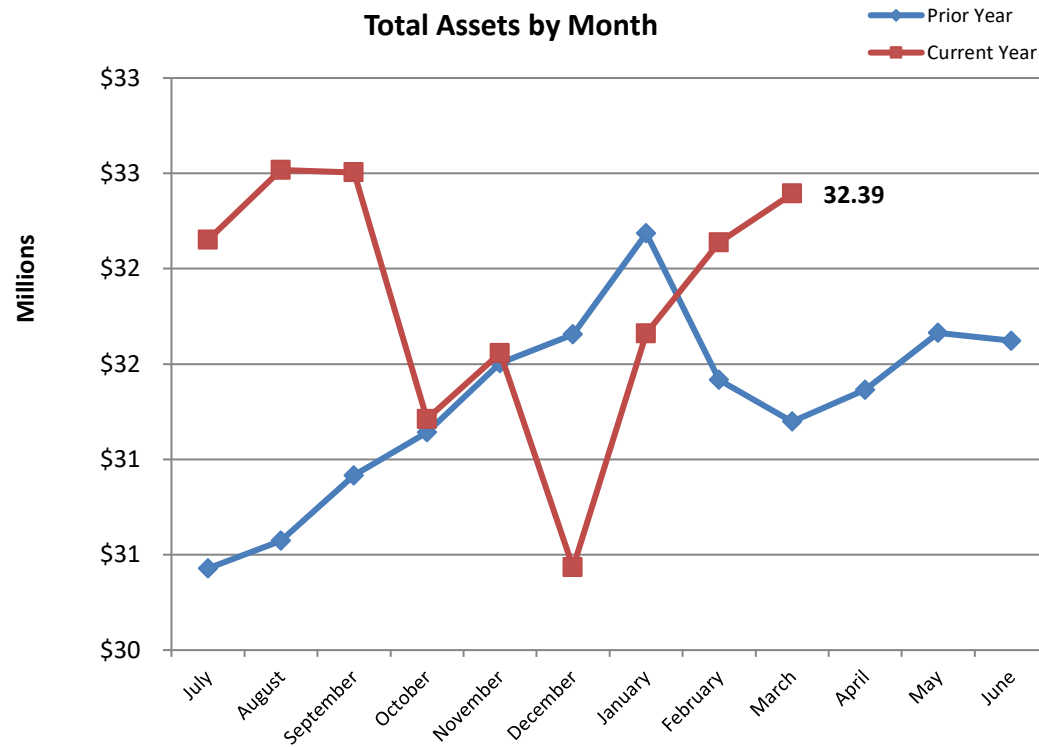
Judicial Retirement Pension Trust Fund

Fiscal Year-to-Date through March 29, 2019



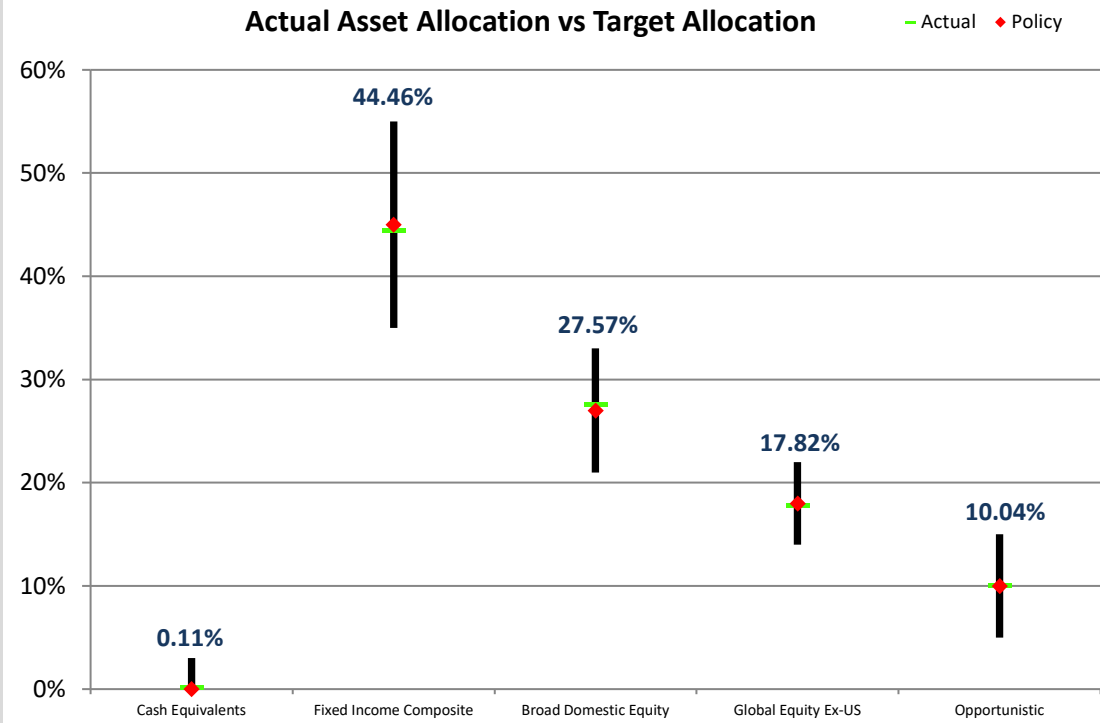
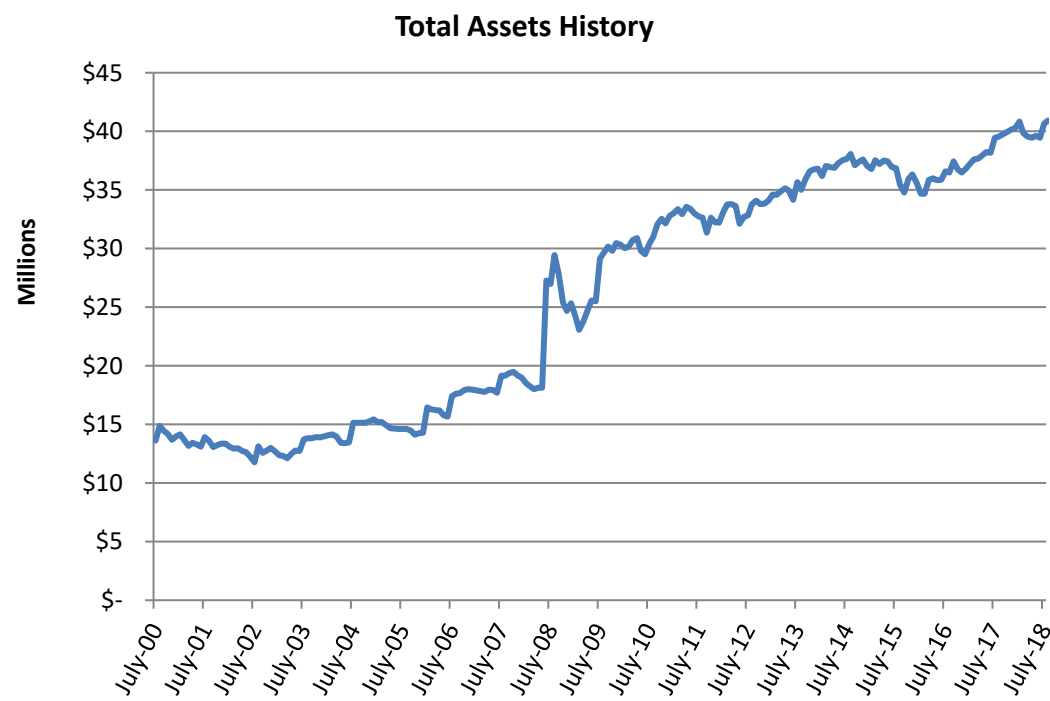
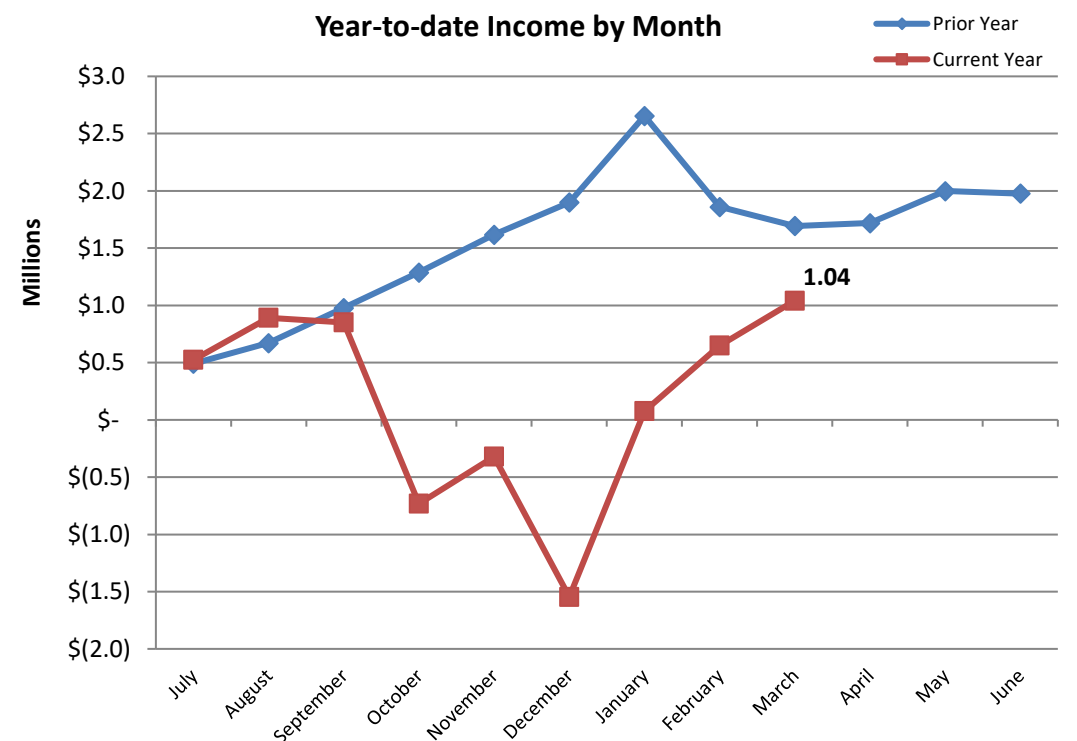
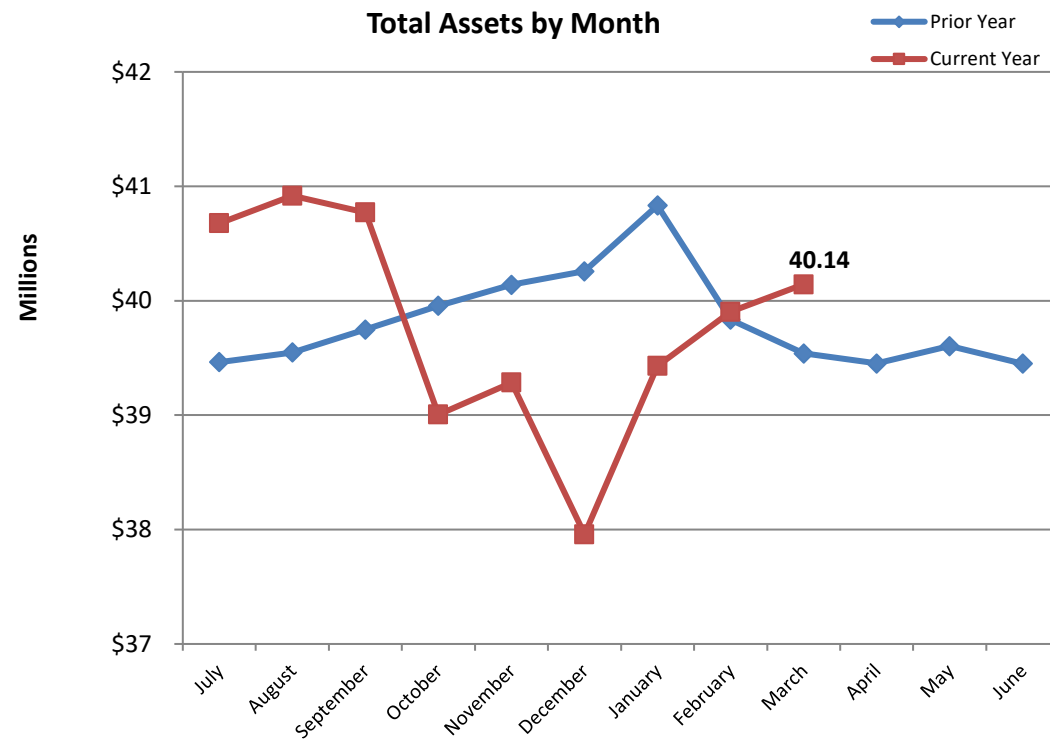
Judicial Retirement Health Care Trust Fund

Fiscal Year-to-Date through March 29, 2019



Military Retirement Trust Fund

Fiscal Year-to-Date through March 29, 2019



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 March 29, 2019

	Beginning Invested Assets	Investment Income	Net Contributions and (Withdrawals)	Ending Invested Assets	% increase (decrease)	% Change due to Investment Income
Cash						
Short-Term Fixed Income Pool	\$ 284,467,810	\$ 519,730	\$ (90,668,230)	\$ 194,319,310	-31.69%	0.22%
Securities Lending Income Pool	72,191	102,717	(72,572)	102,336	41.76%	286.08%
Total Cash	<u>284,540,001</u>	<u>622,447</u>	<u>(90,740,802)</u>	<u>194,421,646</u>	-31.67%	0.26%
Fixed Income						
Blackrock US Debt Index Non-Lending Fund	-	33,011	12,777,455	12,810,466	100.00%	0.52%
ARMB US Treasury Fixed Income	2,794,022,949	34,788,048	(112,827,455)	2,715,983,542	-2.79%	1.27%
Total Fixed Income	<u>2,794,022,949</u>	<u>34,821,059</u>	<u>(100,050,000)</u>	<u>2,728,794,008</u>	-2.33%	1.27%
Domestic Equities						
Small Cap						
Passively Managed						
ARMB S&P 600	157,021,102	(5,182,007)	-	151,839,095	-3.30%	-3.30%
SSgA Russell 2000 Growth	6,239	5,553	-	11,792	89.00%	89.00%
SSgA Russell 2000 Value	9,113	1,082	-	10,195	11.87%	11.87%
Total Passive	<u>157,036,454</u>	<u>(5,175,372)</u>	<u>-</u>	<u>151,861,082</u>	-3.30%	-3.30%
Actively Managed						
ARMB Futures Small Cap	4,293,844	(398,615)	-	3,895,229	-9.28%	-9.28%
Arrowmark	53,942,452	(281,088)	-	53,661,364	-0.52%	-0.52%
BMO Global Asset Management	51,003,380	(1,601,719)	-	49,401,661	-3.14%	-3.14%
DePrince, Race & Zollo Inc.- Micro Cap	89,794,330	(4,168,816)	-	85,625,514	-4.64%	-4.64%
Frontier Capital Mgmt. Co.	98,075,093	(2,574,423)	-	95,500,670	-2.62%	-2.62%
Jennison Associates, LLC	70,727,573	(659,038)	131,924	70,200,459	-0.75%	-0.93%
Lord Abbett & Co.- Micro Cap	90,711,836	(1,471,332)	-	89,240,504	-1.62%	-1.62%
T. Rowe Small Cap Growth	47,847,076	191,424	-	48,038,500	0.40%	0.40%
Transition Account	(1,520)	-	-	(1,520)	-	-
Victory Capital Management	123,784,352	(2,344,019)	178,809	121,619,142	-1.75%	-1.89%
Zebra Capital Management	88,138,285	(3,896,003)	-	84,242,282	-4.42%	-4.42%
Total Active	<u>718,316,701</u>	<u>(17,203,629)</u>	<u>310,733</u>	<u>701,423,805</u>	-2.35%	-2.39%
Total Small Cap	<u>875,353,155</u>	<u>(22,379,001)</u>	<u>310,733</u>	<u>853,284,887</u>	-2.52%	-2.56%

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended March 29, 2019

Large Cap

Passively Managed						
ARMB Russell 1000 Growth	1,615,568,291	45,079,719	-	1,660,648,010	2.79%	2.79%
ARMB Russell 1000 Value	1,399,099,664	9,313,069	-	1,408,412,733	0.67%	0.67%
ARMB Russell Top 200	181,058,593	3,792,964	-	184,851,557	2.09%	2.09%
Total Passive	3,195,726,548	58,185,752	-	3,253,912,300	1.82%	1.82%
Actively Managed						
Allianz Global Investors	444	100	-	544	22.52%	22.52%
ARMB Equity Yield	382,916,053	5,613,250	-	388,529,303	1.47%	1.47%
ARMB Futures Large Cap	3,443,758	182,694	-	3,626,452	5.31%	5.31%
ARMB Large Cap Multi-Factor	-	812,081	100,000,000	100,812,081	100.00%	1.62%
ARMB Portable Alpha	439,598,351	7,883,351	1,195,145	448,676,847	2.07%	1.79%
Quantitative Management Assoc.	252	-	-	252	-	-
ARMB S&P 500 Equal Weight	378,349,013	3,437,537	-	381,786,550	0.91%	0.91%
ARMB Scientific Beta	382,267,976	4,106,779	-	386,374,755	1.07%	1.07%
Barrow, Hanley, Mewhinney & Strauss	1,330	5,939	-	7,269	446.54%	446.54%
Lazard Freres	341,854,095	4,065,697	-	345,919,792	1.19%	1.19%
McKinley Capital Mgmt	4,818	20,792	-	25,610	431.55%	431.55%
Transition Account	6,416	-	-	6,416	-	-
Total Active	1,928,442,506	26,128,220	101,195,145	2,055,765,871	6.60%	1.32%
Total Large Cap	5,124,169,054	84,313,972	101,195,145	5,309,678,171	3.62%	1.63%
Total Domestic Equity	5,999,522,209	61,934,971	101,505,878	6,162,963,058	2.72%	1.02%

Global Equities Ex US

Small Cap

Mondrian Investment Partners	181,079,345	812,900	-	181,892,245	0.45%	0.45%
Schroder Investment Management	186,744,252	(160,073)	360,042	186,944,221	0.11%	-0.09%
Total Small Cap	367,823,597	652,827	360,042	368,836,466	0.28%	0.18%

Large Cap

Allianz Global Investors	136,247	(1,603)	-	134,644	-1.18%	-1.18%
Arrow Street Capital	376,218,710	3,697,059	-	379,915,769	0.98%	0.98%
Baillie Gifford Overseas Limited	359,545,797	6,391,050	-	365,936,847	1.78%	1.78%
SSgA MSCI World Ex-US IMI Index Fund	-	15,529,347	954,446,448	969,975,795	100.00%	3.25%
Blackrock ACWI Ex-US IMI	515,070,742	3,001,142	-	518,071,884	0.58%	0.58%
Brandes Investment Partners	929,951,689	(13,634,958)	-	916,316,731	-1.47%	-1.47%
Cap Guardian Trust Co	557,583,461	19,541,843	-	577,125,304	3.50%	3.50%
Lazard Freres	323,278,188	1,358,732	-	324,636,920	0.42%	0.42%
McKinley Capital Management	334,825,503	5,347,670	-	340,173,173	1.60%	1.60%
State Street Global Advisors	1,285,512,756	(4,363,287)	(1,275,237,435)	5,912,034	-99.54%	-0.67%
Total Large Cap	4,682,123,093	36,866,995	(320,790,987)	4,398,199,101	-6.06%	0.82%

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended March 29, 2019

Emerging Markets Equity						
MSCI Emerging Markets Index Fund	-	2,311,216	320,930,356	323,241,572	100.00%	1.44%
DePrince, Race, and Zollo Emerging Markets	286,975,080	(3,135,089)	-	283,839,991	-1.09%	-1.09%
Lazard Asset Management	400,487,538	(2,305,627)	-	398,181,911	-0.58%	-0.58%
Total Emerging Markets	<u>687,462,618</u>	<u>(3,129,500)</u>	<u>320,930,356</u>	<u>1,005,263,474</u>	46.23%	-0.37%
Total Global Equities	<u>5,737,409,308</u>	<u>34,390,322</u>	<u>499,411</u>	<u>5,772,299,041</u>	0.61%	0.60%
Opportunistic						
Alternative Equity Strategy						
Analytic Buy Write Account	615,773,216	8,262,580	(249,944,615)	374,091,181	-39.25%	1.68%
ARMB STOXX Minimum Variance	637,099,671	10,789,923	30,725	647,920,319	1.70%	1.69%
McKinley Global Health Care	-	(119,999)	250,000,000	249,880,001	100.00%	-0.10%
Total Alternative Equity Strategy	<u>1,252,872,887</u>	<u>18,932,504</u>	<u>86,110</u>	<u>1,271,891,501</u>	1.52%	1.51%
Opportunistic Fixed Income						
Fidelity Inst. Asset Mgmt. High Yield CMBS	106,432,187	1,152,724	-	107,584,911	1.08%	1.08%
Fidelity Institutional Asset Management	210,436,998	3,231,599	-	213,668,597	1.54%	1.54%
Lazard Emerging Income	69,144,667	38,436	-	69,183,103	0.06%	0.06%
MacKay Shields, LLC	51,001,020	601,680	104,226	51,706,926	1.38%	1.18%
Mondrian Investment Partners	101,276,833	1,043,506	-	102,320,339	1.03%	1.03%
Western Asset Management	58,242,028	2,313,279	-	60,555,307	3.97%	3.97%
Total Opportunistic Fixed Income	<u>596,533,733</u>	<u>8,381,224</u>	<u>104,226</u>	<u>605,019,183</u>	1.42%	1.40%
Other Opportunities						
Project Pearl	10,058,397	(354,085)	-	9,704,312	-3.52%	-3.52%
Schroders Insurance Linked Securities	233,306,176	(832,128)	570,093	233,044,141	-0.11%	-0.36%
Total Other Opportunities	<u>243,364,573</u>	<u>(1,186,213)</u>	<u>570,093</u>	<u>242,748,453</u>	-0.25%	-0.49%
Tactical Allocation Strategies						
Eaton Vance High Yield	22,955	(208)	-	22,747	-0.91%	-0.91%
Fidelity Signals	208,136,408	3,150,444	-	211,286,852	1.51%	1.51%
PineBridge	208,118,043	(994,372)	-	207,123,671	-0.48%	-0.48%
Total Tactical Allocation Strategies	<u>416,277,406</u>	<u>2,155,864</u>	<u>-</u>	<u>418,433,270</u>	0.52%	0.52%
Total Opportunistic	<u>2,509,048,599</u>	<u>28,283,379</u>	<u>760,429</u>	<u>2,538,092,407</u>	1.16%	1.13%

Alaska Retirement Management Board
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Private Equity

Abbott Capital	1,023,993,973	12,790,828	(6,619,423)	1,030,165,378	0.60%	1.25%
Advent International GPE Fund VIII-B	19,195,903	(778,336)	3,400,000	21,817,567	13.66%	-3.72%
Angelo, Gordon & Co.	3,757	-	-	3,757	-	-
Dyal Capital Partners III	26,756,176	-	-	26,756,176	-	-
Dyal Capital Partners IV	2,078,372	-	(606,123)	1,472,249	-29.16%	-
Glendon Opportunities	42,541,173	(3,362,024)	-	39,179,149	-7.90%	-7.90%
KKR Lending Partners II	40,495,298	-	(5,046,627)	35,448,671	-12.46%	-
Lexington Capital Partners VIII	40,452,590	(117,021)	(1,085,525)	39,250,044	-2.97%	-0.29%
Lexington Partners VII	22,363,416	366,287	(835,937)	21,893,766	-2.10%	1.67%
Merit Capital Partners	13,745,234	-	-	13,745,234	-	-
NB SOF III	29,900,411	-	(756,820)	29,143,591	-2.53%	-
NB SOF IV	10,662,975	-	1,941,339	12,604,314	18.21%	-
New Mountain Partners IV	24,406,432	(151,627)	-	24,254,805	-0.62%	-0.62%
New Mountain Partners V	16,911,576	535,236	-	17,446,812	3.16%	3.16%
NGP XI	47,785,357	-	-	47,785,357	-	-
NGP XII	12,158,367	-	-	12,158,367	-	-
Onex Partnership III	13,000,286	(2,121,821)	(1,798,447)	9,080,018	-30.16%	-17.53%
Pathway Capital Management LLC	1,164,988,929	4,235,402	(7,451,231)	1,161,773,100	-0.28%	0.36%
Resolute Fund III	19,823,400	-	-	19,823,400	-	-
Resolute Fund IV	5,508,769	-	-	5,508,769	-	-
Summit Partners GE IX	27,397,134	795,257	540,000	28,732,391	4.87%	2.87%
Warburg Pincus Global Growth Fund	-	-	480,000	480,000	100.00%	-
Warburg Pincus X	11,813,230	(33,476)	(777,852)	11,001,902	-6.87%	-0.29%
Warburg Pincus XI	28,040,041	-	-	28,040,041	-	-
Warburg Pincus XII	51,318,972	-	656,500	51,975,472	1.28%	-
Total Private Equity	2,695,341,771	12,158,705	(17,960,146)	2,689,540,330	-0.22%	0.45%

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended March 29, 2019

Absolute Return

Allianz Global Investors	242,287,834	3,385,189	-	245,673,023	1.40%	1.40%
Crestline Investors, Inc.	505,319,511	(4,195,525)	7,692,833	508,816,819	0.69%	-0.82%
Crestline Specialty Fund	30,485,273	9,832	-	30,495,105	0.03%	0.03%
Crestline Specialty Lending Fund II	22,874,528	42,823	8,578,770	31,496,121	37.69%	0.16%
JPM Systemic Alpha	175,571,914	2,448,701	-	178,020,615	1.39%	1.39%
Man Group Alternative Risk Premia	207,631,866	2,159,748	-	209,791,614	1.04%	1.04%
Prisma Capital Partners	431,985,861	(7,881,826)	-	424,104,035	-1.82%	-1.82%
Zebra Global Equity Advantage Fund	39,622,884	(176,528)	-	39,446,356	-0.45%	-0.45%
Zebra Global Equity Fund	77,847,063	65,960	-	77,913,023	0.08%	0.08%
Total Absolute Return Investments	<u>1,733,626,734</u>	<u>(4,141,626)</u>	<u>16,271,603</u>	<u>1,745,756,711</u>	0.70%	-0.24%

Real Assets

Farmland

Hancock Agricultural Investment Group	280,836,407	-	(3,250,000)	277,586,407	-1.16%	-
UBS Agrivest, LLC	587,234,699	-	(4,541,746)	582,692,953	-0.77%	-
Total Farmland	<u>868,071,106</u>	<u>-</u>	<u>(7,791,746)</u>	<u>860,279,360</u>	-0.90%	-

Timber

Hancock Natural Resource Group	96,030,180	-	(345,000)	95,685,180	-0.36%	-
Timberland Invst Resource LLC	267,275,894	-	-	267,275,894	-	-
Total Timber	<u>363,306,074</u>	<u>-</u>	<u>(345,000)</u>	<u>362,961,074</u>	-0.09%	-

Energy

EIG Energy Fund XIV-A	11,225,668	(7,801)	-	11,217,867	-0.07%	-0.07%
EIG Energy Fund XV	24,256,238	114,093	-	24,370,331	0.47%	0.47%
EIG Energy Fund XVI	56,680,585	(529,919)	-	56,150,666	-0.93%	-0.93%
Total Energy	<u>92,162,491</u>	<u>(423,627)</u>	<u>-</u>	<u>91,738,864</u>	-0.46%	-0.46%

REIT

REIT Transition Account	-	-	-	-	-	-
ARMB REIT	214,581,518	9,503,277	-	224,084,795	4.43%	4.43%
Total REIT	<u>214,581,518</u>	<u>9,503,277</u>	<u>-</u>	<u>224,084,795</u>	4.43%	4.43%

Master Limited Partnerships

Advisory Research MLP	294,291,215	12,738,359	-	307,029,574	4.33%	4.33%
Tortoise Capital Advisors	304,117,556	13,975,526	-	318,093,082	4.60%	4.60%
Total Master Limited Partnerships	<u>598,408,771</u>	<u>26,713,885</u>	<u>-</u>	<u>625,122,656</u>	4.46%	4.46%

Alaska Retirement Management Board
All Non-Participant Directed Plans by Manager
Schedule of Investment Income and Changes in Invested Assets
For the Month Ended March 29, 2019

Infrastructure Private

IFM Global Infrastructure Fund-Private	438,560,920	(1,154,241)	-	437,406,679	-0.26%	-0.26%
JP Morgan Infrastructure Fund-Private	119,067,316	-	-	119,067,316	-	-
Total Infrastructure Private	<u>557,628,236</u>	<u>(1,154,241)</u>	<u>-</u>	<u>556,473,995</u>	-0.21%	-0.21%

Infrastructure Public

Brookfield Investment Mgmt.-Public	80,158,501	2,754,238	-	82,912,739	3.44%	3.44%
Lazard Asset Mgmt.-Public	80,250,264	(515,634)	-	79,734,630	-0.64%	-0.64%
Total Infrastructure Public	<u>160,408,765</u>	<u>2,238,604</u>	<u>-</u>	<u>162,647,369</u>	1.40%	1.40%

Real Estate

Core Commingled Accounts						
JP Morgan	260,192,351	800,306	-	260,992,657	0.31%	0.31%
UBS Trumbull Property Fund	72,189,628	-	-	72,189,628	-	-
Total Core Commingled	<u>332,381,979</u>	<u>800,306</u>	<u>-</u>	<u>333,182,285</u>	0.24%	0.24%
Core Separate Accounts						
LaSalle Investment Management	171,411,356	1,519,813	(669,500)	172,261,669	0.50%	0.89%
Sentinel Separate Account	169,409,178	1,268,092	(485,561)	170,191,709	0.46%	0.75%
UBS Realty	522,517,017	-	(1,301,626)	521,215,391	-0.25%	-
Total Core Separate	<u>863,337,551</u>	<u>2,787,905</u>	<u>(2,456,687)</u>	<u>863,668,769</u>	0.04%	0.32%
Non-Core Commingled Accounts						
Almanac Realty Securities V	1,068,483	-	-	1,068,483	-	-
Almanac Realty Securities VII	36,892,423	-	-	36,892,423	-	-
Almanac Realty Securities VIII	400,461	-	251,570	652,031	62.82%	-
BlackRock US Core Property Fund	207,670,425	-	-	207,670,425	-	-
Clarion Ventures 4	30,083,177	-	-	30,083,177	-	-
Colony Investors VIII, L.P.	1,633,624	(125,693)	-	1,507,931	-7.69%	-7.69%
Coventry	255,803	-	-	255,803	-	-
ING Clarion Development Ventures III	2,365,907	-	-	2,365,907	-	-
KKR Real Estate Partners Americas II	6,222,101	(77,914)	1,614,951	7,759,138	24.70%	-1.11%
KKR Real Estate Partners Americas L.P.	21,163,744	(193,920)	(1,920,308)	19,049,516	-9.99%	-0.96%
Silverpeak Legacy Pension Partners II, L.P.	3,617,951	-	-	3,617,951	-	-
Silverpeak Legacy Pension Partners III, L.P.	4,472,944	-	-	4,472,944	-	-
Tishman Speyer Real Estate Venture VI	22,058,319	-	(1,676,675)	20,381,644	-7.60%	-
Tishman Speyer Real Estate Venture VII	813,978	-	-	813,978	-	-
Total Non-Core Commingled	<u>338,719,340</u>	<u>(397,527)</u>	<u>(1,730,462)</u>	<u>336,591,351</u>	-0.63%	-0.12%
Total Real Estate	<u>1,534,438,870</u>	<u>3,190,684</u>	<u>(4,187,149)</u>	<u>1,533,442,405</u>	-0.06%	0.21%
Total Real Assets	<u>4,389,005,831</u>	<u>40,068,582</u>	<u>(12,323,895)</u>	<u>4,416,750,518</u>	0.63%	0.91%
Total Assets	<u>\$ 26,142,517,402</u>	<u>\$ 208,137,839</u>	<u>\$ (102,037,522)</u>	<u>\$ 26,248,617,719</u>	0.41%	0.80%

ALASKA RETIREMENT MANAGEMENT BOARD

Reporting of Funds by Manager

Participant Directed Plans

Supplemental Annuity Plan
Schedule of Investment Income and Changes in Invested Assets
for the Month Ended
March 29, 2019

	<u>Beginning Invested</u>		<u>Net Contributions</u>		<u>Ending Invested</u>	<u>% Change in</u>	<u>% Change due</u>
	<u>Assets</u>	<u>Investment Income</u>	<u>(Withdrawals)</u>	<u>Transfers In (Out)</u>	<u>Assets</u>	<u>Invested</u>	<u>to Investment</u>
						<u>Assets</u>	<u>Income (1)</u>
Participant Options							
T. Rowe Price							
Stable Value Fund	\$ 378,340,823	\$ 818,260	\$ (1,725,302)	\$ 4,546,654	\$ 381,980,435	0.96%	0.22%
Small Cap Stock Fund	187,422,093	(865,003)	137,936	(3,052,701)	183,642,325	-2.02%	-0.47%
Alaska Balanced Trust	1,122,298,848	14,827,437	(2,799,278)	(1,790,169)	1,132,536,838	0.91%	1.32%
Long Term Balanced Fund	670,606,776	8,390,638	203,054	(2,567,416)	676,633,052	0.90%	1.25%
AK Target Date 2010 Trust	10,385,989	117,012	6,456	(127,134)	10,382,323	-0.04%	1.13%
AK Target Date 2015 Trust	82,759,265	958,931	(352,741)	(748,950)	82,616,505	-0.17%	1.17%
AK Target Date 2020 Trust	95,361,766	1,146,744	(200,085)	(33,995)	96,274,430	0.96%	1.20%
AK Target Date 2025 Trust	80,033,406	979,302	259,125	(328,307)	80,943,526	1.14%	1.22%
AK Target Date 2030 Trust	60,359,099	749,648	288,252	473,768	61,870,767	2.50%	1.23%
AK Target Date 2035 Trust	57,261,936	717,437	421,674	(27,233)	58,373,814	1.94%	1.25%
AK Target Date 2040 Trust	56,894,269	705,270	165,344	(5,297)	57,759,586	1.52%	1.24%
AK Target Date 2045 Trust	65,225,512	801,910	674,436	(48,567)	66,653,291	2.19%	1.22%
AK Target Date 2050 Trust	73,088,197	898,973	414,015	(397,956)	74,003,229	1.25%	1.23%
AK Target Date 2055 Trust	63,288,720	780,594	908,886	38,265	65,016,465	2.73%	1.22%
AK Target Date 2060 Trust	5,072,075	60,275	(28,505)	(395,831)	4,708,014	-7.18%	1.24%
Total Investments with T. Rowe Price	<u>3,008,398,774</u>	<u>31,087,428</u>	<u>(1,626,733)</u>	<u>(4,464,869)</u>	<u>3,033,394,600</u>		
State Street Global Advisors							
Money Market	48,142,031	95,420	(551,136)	814,326	48,500,641	0.74%	0.20%
S&P 500 Stock Index Fund Series A	463,843,996	8,916,518	(200,681)	(2,842,576)	469,717,257	1.27%	1.93%
Russell 3000 Index	73,578,414	1,063,732	70,470	(413,340)	74,299,276	0.98%	1.45%
US Real Estate Investment Trust Index	37,647,779	1,089,629	66,954	42,311	38,846,673	3.18%	2.89%
World Equity Ex-US Index	61,278,233	386,392	104,102	1,088,089	62,856,816	2.58%	0.62%
US Treasury Inflation Protected Securities Index	42,238,998	772,131	(122,901)	2,261,873	45,150,101	6.89%	1.78%
Total Investments with SSgA	<u>726,729,451</u>	<u>12,323,822</u>	<u>(633,192)</u>	<u>950,683</u>	<u>739,370,764</u>		
BlackRock							
Passive U.S. Bond Index Fund	106,897,053	2,065,687	(625,148)	2,295,325	110,632,917	3.49%	1.92%
Brandes/Baillie Gifford (2)							
AK International Equity Fund	63,283,538	31,046	94,746	(775,928)	62,633,402	-1.03%	0.05%
Northern Trust							
Environmental, Social, and Governance Fund	50,571,928	906,670	12,490	1,994,789	53,485,877	5.76%	1.76%
Total All Funds	<u>\$ 3,955,880,744</u>	<u>\$ 46,414,653</u>	<u>\$ (2,777,837)</u>	<u>\$ -</u>	<u>\$ 3,999,517,560</u>	1.10%	1.17%

Notes: Source data provided by the record keeper, Empower Retirement.

(1) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates.

(2) This investment is comprised of two funds, Brandes International Equity Fund and Baillie Gifford International Equity Fund.

Supplemental Annuity Plan
Schedule of Invested Assets with
Schedule of Investment Income and Changes in Invested Assets
By Month Through the Month Ended
March 29, 2019
\$ (Thousands)

<u>Invested Assets</u> (at fair value)	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>
Investments with T. Rowe Price									
Stable Value Fund	\$ 355,917	\$ 363,879	\$ 369,544	\$ 373,441	\$ 374,495	\$ 382,274	\$ 378,203	\$ 378,341	\$ 381,980
Small Cap Stock Fund	181,818	192,895	189,729	172,923	177,009	156,442	175,255	187,422	183,642
Alaska Balanced Trust	1,149,694	1,155,054	1,144,920	1,104,106	1,108,918	1,082,282	1,111,444	1,122,299	1,132,537
Long Term Balanced Fund	690,744	693,992	690,403	654,861	660,551	630,635	660,581	670,607	676,633
AK Target Date 2010 Trust	10,224	10,332	10,477	10,540	10,537	10,210	10,233	10,386	10,382
AK Target Date 2015 Trust	85,669	85,913	85,682	81,246	82,044	78,566	81,457	82,759	82,617
AK Target Date 2020 Trust	95,933	97,261	97,663	93,194	93,831	89,514	94,098	95,362	96,274
AK Target Date 2025 Trust	77,962	79,810	79,145	75,437	76,556	72,746	77,110	80,033	80,944
AK Target Date 2030 Trust	58,998	60,191	60,272	57,512	58,699	55,234	58,909	60,359	61,871
AK Target Date 2035 Trust	54,648	56,123	56,190	53,521	54,177	51,406	55,417	57,262	58,374
AK Target Date 2040 Trust	54,939	56,321	56,549	53,608	54,348	51,036	54,952	56,894	57,760
AK Target Date 2045 Trust	62,116	63,775	64,636	60,954	62,184	58,011	63,281	65,226	66,653
AK Target Date 2050 Trust	71,313	72,734	73,411	69,234	70,566	65,679	71,083	73,088	74,003
AK Target Date 2055 Trust	58,693	60,532	61,791	58,774	59,913	56,286	60,928	63,289	65,016
AK Target Date 2060 Trust	3,459	4,069	4,121	4,345	4,957	4,559	5,043	5,072	4,708
State Street Global Advisors									
Money Market	42,005	40,850	43,080	46,118	46,268	49,692	48,781	48,142	48,501
S&P 500 Stock Index Fund Series A	469,954	484,173	488,706	461,005	470,784	425,162	458,896	463,844	469,717
Russell 3000 Index	76,432	78,281	77,681	72,900	74,021	65,142	71,269	73,578	74,299
US Real Estate Investment Trust Index	35,067	36,342	35,138	34,078	36,532	33,048	37,173	37,648	38,847
World Equity Ex-US Index	55,690	55,661	58,202	54,600	55,447	54,910	59,333	61,278	62,857
Long US Treasury Bond Index	12,732	-	-	-	-	-	-	-	-
US Treasury Inflation Protected Securities Index	33,228	36,218	38,180	39,322	40,096	41,051	42,112	42,239	45,150
World Government Bond Ex-US Index	12,569	-	-	-	-	-	-	-	-
Investments with BlackRock									
Passive U.S. Bond Index Fund	-	111,572	107,003	100,001	100,208	101,791	103,842	106,897	110,633
Government/Credit Bond Fund	49,922	-	-	-	-	-	-	-	-
Intermediate Bond Fund	41,183	-	-	-	-	-	-	-	-
Investments with Brandes/Baillie Gifford									
AK International Equity Fund	69,890	68,052	68,018	61,819	61,571	58,080	62,562	63,284	62,633
Investments with Northern Trust									
Environmental, Social, and Governance Fund	54,712	53,437	53,544	49,257	51,252	45,119	47,282	50,572	53,486
Total Invested Assets	\$ 3,965,512	\$ 4,017,465	\$ 4,014,083	\$ 3,842,792	\$ 3,884,963	\$ 3,718,875	\$ 3,889,244	\$ 3,955,881	\$ 3,999,518
<u>Change in Invested Assets</u>									
Beginning Assets	\$ 3,905,659	\$ 3,965,512	\$ 4,017,465	\$ 4,014,083	\$ 3,842,792	\$ 3,884,963	\$ 3,718,875	\$ 3,889,244	\$ 3,955,881
Investment Earnings	64,770	58,603	(2,073)	(171,828)	46,202	(159,774)	180,878	72,089	46,415
Net Contributions (Withdrawals)	(4,918)	(6,650)	(1,309)	537	(4,031)	(6,315)	(10,510)	(5,452)	(2,778)
Ending Invested Assets	\$ 3,965,512	\$ 4,017,465	\$ 4,014,083	\$ 3,842,792	\$ 3,884,963	\$ 3,718,875	\$ 3,889,244	\$ 3,955,881	\$ 3,999,518

Deferred Compensation Plan
Schedule of Invested Assets and Changes in Invested Assets
for the Month Ended
March 29, 2019

	<u>Beginning Invested</u>		<u>Net Contributions</u>		<u>Ending Invested</u>	<u>% Change in</u>	<u>% Change due</u>
	<u>Assets</u>	<u>Investment Income</u>	<u>(Withdrawals)</u>	<u>Transfers In (Out)</u>	<u>Assets</u>	<u>Invested</u>	<u>to Investment</u>
						<u>Assets</u>	<u>Income (1)</u>
Participant Options							
T. Rowe Price							
Stable Value Fund	\$ 182,423,841	\$ 393,900	\$ (314,045)	\$ 880,531	\$ 183,384,227	0.53%	0.22%
Small Cap Stock Fund	115,519,583	(527,061)	170,965	(1,082,237)	114,081,250	-1.25%	-0.46%
Alaska Balanced Trust	30,192,314	398,613	59,663	(212,057)	30,438,533	0.82%	1.32%
Long Term Balanced Fund	86,572,823	1,085,115	(4,481)	(101,323)	87,552,134	1.13%	1.25%
AK Target Date 2010 Trust	3,825,218	43,409	1,768	5,515	3,875,910	1.33%	1.13%
AK Target Date 2015 Trust	9,073,352	107,462	(53,115)	284,080	9,411,779	3.73%	1.17%
AK Target Date 2020 Trust	24,859,510	299,460	33,794	(15,102)	25,177,662	1.28%	1.20%
AK Target Date 2025 Trust	18,925,252	235,445	205,464	(395,438)	18,970,723	0.24%	1.25%
AK Target Date 2030 Trust	12,337,662	153,258	187,501	(125,406)	12,553,015	1.75%	1.24%
AK Target Date 2035 Trust	7,555,001	94,163	148,852	(166,649)	7,631,367	1.01%	1.25%
AK Target Date 2040 Trust	8,215,009	100,856	45,832	(114,098)	8,247,599	0.40%	1.23%
AK Target Date 2045 Trust	5,843,963	72,190	121,325	(9,220)	6,028,258	3.15%	1.22%
AK Target Date 2050 Trust	4,117,466	47,227	152,144	(416,518)	3,900,319	-5.27%	1.19%
AK Target Date 2055 Trust	4,046,497	50,186	84,163	6,442	4,187,288	3.48%	1.23%
AK Target Date 2060 Trust	925,561	11,396	19,515	(41,521)	914,951	-1.15%	1.25%
Total Investments with T. Rowe Price	<u>514,433,052</u>	<u>2,565,619</u>	<u>859,345</u>	<u>(1,503,001)</u>	<u>516,355,015</u>		
State Street Global Advisors							
Money Market	15,380,490	30,383	(161,058)	311,236	15,561,051	1.17%	0.20%
Russell 3000 Index	46,337,987	670,371	70,865	(397,072)	46,682,151	0.74%	1.45%
US Real Estate Investment Trust Index	13,755,462	391,812	71,481	135,287	14,354,042	4.35%	2.83%
World Equity Ex-US Index	19,620,350	124,322	141,331	371,927	20,257,930	3.25%	0.63%
US Treasury Inflation Protected Securities Index	16,211,189	299,519	(22,075)	876,711	17,365,344	7.12%	1.80%
Total Investments with SSgA	<u>111,305,478</u>	<u>1,516,407</u>	<u>100,544</u>	<u>1,298,089</u>	<u>114,220,518</u>		
BlackRock							
S&P 500 Index Fund	211,727,926	4,110,567	140,405	(382,276)	215,596,622	1.83%	1.94%
Passive U.S. Bond Index Fund	55,222,801	1,069,232	73,262	722,452	57,087,747	3.38%	1.92%
Total Investments with BlackRock	<u>266,950,727</u>	<u>5,179,799</u>	<u>213,667</u>	<u>340,176</u>	<u>272,684,369</u>		
Brandes/Baillie Gifford (2)							
AK International Equity Fund	33,777,477	19,299	139,686	(257,995)	33,678,467	-0.29%	0.06%
Northern Trust							
Environmental, Social, and Governance Fund	21,662,868	385,248	25,211	122,731	22,196,058	2.46%	1.77%
Total All Funds	<u>\$ 948,129,602</u>	<u>\$ 9,666,372</u>	<u>\$ 1,338,453</u>	<u>\$ -</u>	<u>\$ 959,134,427</u>	1.16%	1.02%

Notes: Source data provided by the record keeper, Empower Retirement.

(1) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates.

(2) This investment is comprised of two funds, Brandes International Equity Fund and Baillie Gifford International Equity Fund.

Deferred Compensation Plan
Schedule of Invested Assets with
Schedule of Investment Income and Changes in Invested Assets
By Month Through the Month Ended
March 29, 2019
\$ (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>	<u>January</u>	<u>February</u>	<u>March</u>
Investments with T. Rowe Price									
Interest Income Fund	\$ 175,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stable Value Fund	-	179,111	178,901	181,148	181,120	183,242	181,109	182,424	183,384
Small Cap Stock Fund	114,946	121,797	119,170	108,520	110,186	98,100	108,577	115,520	114,081
Alaska Balanced Trust	29,501	30,253	30,453	29,783	29,587	29,690	29,950	30,192	30,439
Long Term Balanced Fund	91,224	91,105	90,275	84,960	85,535	81,754	85,786	86,573	87,552
AK Target Date 2010 Trust	4,051	4,078	4,033	3,719	3,714	3,627	3,793	3,825	3,876
AK Target Date 2015 Trust	9,541	9,477	9,462	8,904	8,919	8,424	8,683	9,073	9,412
AK Target Date 2020 Trust	26,229	26,594	26,248	24,788	24,957	23,259	24,338	24,860	25,178
AK Target Date 2025 Trust	17,470	18,025	18,796	17,895	17,951	17,041	18,159	18,925	18,971
AK Target Date 2030 Trust	11,744	12,182	12,394	11,761	11,977	11,442	12,352	12,338	12,553
AK Target Date 2035 Trust	6,910	7,082	7,175	7,003	7,245	6,777	7,332	7,555	7,631
AK Target Date 2040 Trust	7,998	8,245	8,258	7,661	7,798	7,372	8,008	8,215	8,248
AK Target Date 2045 Trust	5,688	5,882	6,020	5,585	5,698	5,209	5,727	5,844	6,028
AK Target Date 2050 Trust	3,958	4,104	4,123	3,927	4,169	3,803	4,162	4,117	3,900
AK Target Date 2055 Trust	4,248	4,300	4,309	3,993	4,058	3,604	3,939	4,046	4,187
AK Target Date 2060 Trust	399	873	885	871	891	831	904	926	915
State Street Global Advisors									
Money Market	13,653	13,538	13,947	13,871	13,719	15,762	15,328	15,380	15,561
Russell 3000 Index	43,890	45,212	46,616	44,549	45,322	40,964	45,029	46,338	46,682
US Real Estate Investment Trust Index	12,810	13,334	12,770	12,568	13,412	11,794	13,523	13,755	14,354
World Equity Ex-US Index	18,373	18,043	18,531	17,578	17,738	17,829	19,034	19,620	20,258
Long US Treasury Bond Index	5,169	-	-	-	-	-	-	-	-
US Treasury Inflation Protected Securities Index	13,533	14,313	15,603	15,686	15,910	15,962	16,285	16,211	17,365
World Government Bond Ex-US Index	4,626	-	-	-	-	-	-	-	-
Investments with BlackRock									
S&P 500 Index Fund	220,701	226,134	226,417	210,346	214,014	192,991	208,228	211,728	215,597
Passive U.S. Bond Index Fund	-	57,464	55,702	52,868	53,253	54,245	54,858	55,223	57,088
Government/Credit Bond Fund	27,364	-	-	-	-	-	-	-	-
Intermediate Bond Fund	22,131	-	-	-	-	-	-	-	-
Investments with Brandes/Baillie Gifford									
AK International Equity Fund	38,417	37,121	36,340	32,598	32,467	30,963	33,398	33,777	33,678
Investments with Northern Trust									
Environmental, Social, and Governance Fund	23,391	23,420	23,413	21,103	22,227	19,502	20,500	21,663	22,196
Total Invested Assets	\$ 953,592	\$ 971,688	\$ 969,841	\$ 921,685	\$ 931,868	\$ 884,186	\$ 929,002	\$ 948,130	\$ 959,134
<u>Change in Invested Assets</u>									
Beginning Assets	\$ 938,807	\$ 953,592	\$ 971,688	\$ 969,841	\$ 921,685	\$ 931,868	\$ 884,186	\$ 929,002	\$ 948,130
Investment Earnings	17,321	18,962	(977)	(46,214)	12,333	(48,008)	48,001	21,731	9,666
Net Contributions (Withdrawals)	(2,536)	(866)	(869)	(1,943)	(2,150)	326	(3,184)	(2,604)	1,338
Ending Invested Assets	\$ 953,592	\$ 971,688	\$ 969,841	\$ 921,685	\$ 931,868	\$ 884,186	\$ 929,002	\$ 948,130	\$ 959,134

Defined Contribution Retirement - Participant Directed PERS
Schedule of Investment Income and Changes in Invested Assets
for the Month Ended
March 29, 2019

	<u>Beginning Invested</u> <u>Assets</u>	<u>Investment Income</u>	<u>Net Contributions</u> <u>(Withdrawals)</u>	<u>Transfers In (Out)</u>	<u>Ending Invested</u> <u>Assets</u>	<u>% Change in</u> <u>Invested</u> <u>Assets</u>	<u>% Change due</u> <u>to Investment</u> <u>Income (1)</u>
Participant Options							
T. Rowe Price							
Stable Value Fund	\$ 43,560,716	\$ 94,965	\$ 27,195	\$ 1,432,338	\$ 45,115,214	3.57%	0.21%
Small Cap Stock Fund	78,438,260	(352,968)	250,311	(470,957)	77,864,646	-0.73%	-0.45%
Alaska Balanced Trust	25,840,333	339,036	40,726	(319,689)	25,900,406	0.23%	1.32%
Long Term Balanced Fund	17,798,436	218,192	44,211	(648,762)	17,412,077	-2.17%	1.25%
AK Target Date 2010 Trust	2,521,988	28,804	28,258	29	2,579,079	2.26%	1.14%
AK Target Date 2015 Trust	11,750,598	139,868	33,142	181,459	12,105,067	3.02%	1.18%
AK Target Date 2020 Trust	33,791,597	409,022	335,893	(82,140)	34,454,372	1.96%	1.21%
AK Target Date 2025 Trust	54,548,456	669,720	578,355	(218,502)	55,578,029	1.89%	1.22%
AK Target Date 2030 Trust	56,567,365	700,980	470,046	(89,929)	57,648,462	1.91%	1.24%
AK Target Date 2035 Trust	68,540,253	855,686	618,702	(233,721)	69,780,920	1.81%	1.24%
AK Target Date 2040 Trust	80,914,779	999,852	619,883	(97,321)	82,437,193	1.88%	1.23%
AK Target Date 2045 Trust	103,969,111	1,281,867	1,157,218	(134,812)	106,273,384	2.22%	1.23%
AK Target Date 2050 Trust	123,397,655	1,522,256	1,096,728	(140,776)	125,875,863	2.01%	1.23%
AK Target Date 2055 Trust	107,713,710	1,334,325	2,104,052	(79,288)	111,072,799	3.12%	1.23%
AK Target Date 2060 Trust	1,077,038	13,775	20,455	143,865	1,255,133	16.54%	1.19%
Total Investments with T. Rowe Price	<u>810,430,295</u>	<u>8,255,380</u>	<u>7,425,175</u>	<u>(758,206)</u>	<u>825,352,644</u>		
State Street Global Advisors							
Money Market	10,851,086	21,813	21,902	267,887	11,162,688	2.87%	0.20%
S&P 500 Stock Index Fund Series A	107,118,408	2,051,389	425,147	(2,569,640)	107,025,304	-0.09%	1.93%
Russell 3000 Index	11,790,931	173,817	85,753	70,119	12,120,620	2.80%	1.46%
US Real Estate Investment Trust Index	16,616,000	479,545	54,877	(37,671)	17,112,751	2.99%	2.88%
World Equity Ex-US Index	53,822,628	342,523	171,095	593,142	54,929,388	2.06%	0.63%
US Treasury Inflation Protected Securities Index	19,302,685	347,371	(141,040)	66,398	19,575,414	1.41%	1.80%
Total Investments with SSgA	<u>219,501,738</u>	<u>3,416,458</u>	<u>617,734</u>	<u>(1,609,765)</u>	<u>221,926,165</u>		
BlackRock							
Passive U.S. Bond Index Fund	42,781,987	845,220	34,344	2,192,889	45,854,440	7.18%	1.93%
Brandes/Baillie Gifford (2)							
AK International Equity Fund	43,748,984	22,865	191,358	(1,943,517)	42,019,690	-3.95%	0.05%
Northern Trust							
Environmental, Social, and Governance Fund	12,036,376	237,781	66,361	2,118,599	14,459,117	20.13%	1.81%
Total All Funds	<u>\$ 1,128,499,380</u>	<u>\$ 12,777,704</u>	<u>\$ 8,334,972</u>	<u>\$ -</u>	<u>\$ 1,149,612,056</u>	1.87%	1.13%

Notes: Source data provided by the record keeper, Empower Retirement.

(1) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates.

(2) This investment is comprised of two funds, Brandes International Equity Fund and Baillie Gifford International Equity Fund.

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
March 29, 2019
\$ (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>	<u>January</u>	<u>February</u>	<u>March</u>
Investments with T. Rowe Price									
Alaska Money Market	\$ 5,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stable Value Fund	-	14,421	27,852	43,006	42,923	42,735	42,674	43,561	45,115
Small Cap Stock Fund	78,194	80,707	78,140	70,928	72,995	66,254	73,309	78,438	77,865
Alaska Balanced Trust	27,299	27,398	27,772	26,476	26,390	25,347	25,959	25,840	25,900
Long Term Balanced Fund	24,785	23,022	21,415	18,340	18,335	17,322	18,076	17,798	17,412
AK Target Date 2010 Trust	2,508	2,531	2,485	2,475	2,498	2,391	2,489	2,522	2,579
AK Target Date 2015 Trust	11,859	12,041	12,061	11,560	11,610	11,260	11,628	11,751	12,105
AK Target Date 2020 Trust	32,186	32,603	32,961	31,733	32,373	31,441	33,258	33,792	34,454
AK Target Date 2025 Trust	51,239	52,236	52,640	50,610	51,842	49,749	52,839	54,548	55,578
AK Target Date 2030 Trust	54,629	55,604	55,869	52,674	53,924	51,203	54,986	56,567	57,648
AK Target Date 2035 Trust	64,604	65,985	66,600	62,955	64,639	61,268	66,176	68,540	69,781
AK Target Date 2040 Trust	76,369	78,405	79,081	74,522	76,486	72,102	78,032	80,915	82,437
AK Target Date 2045 Trust	98,208	100,893	102,389	95,950	98,572	92,542	100,504	103,969	106,273
AK Target Date 2050 Trust	116,864	119,654	121,128	113,790	116,862	109,868	119,386	123,398	125,876
AK Target Date 2055 Trust	95,705	98,774	100,844	95,643	98,512	93,612	102,847	107,714	111,073
AK Target Date 2060 Trust	815	862	993	910	871	848	1,028	1,077	1,255
State Street Global Advisors									
Money Market	4,623	10,005	10,109	10,920	10,831	11,295	10,861	10,851	11,163
S&P 500 Stock Index Fund Series A	98,610	102,254	104,741	98,753	102,188	94,932	104,423	107,118	107,025
Russell 3000 Index	10,944	11,591	11,693	10,948	11,204	10,089	11,094	11,791	12,121
US Real Estate Investment Trust Index	16,265	16,461	15,806	15,382	16,180	14,906	16,494	16,616	17,113
World Equity Ex-US Index	46,988	47,280	49,117	46,658	47,989	47,138	51,636	53,823	54,929
Long US Treasury Bond Index	1,210	-	-	-	-	-	-	-	-
US Treasury Inflation Protected Securities Index	14,922	16,824	17,904	18,781	18,827	18,831	19,308	19,303	19,575
World Government Bond Ex-US Index	7,351	-	-	-	-	-	-	-	-
Investments with BlackRock									
Government/Credit Bond Fund	49,222	-	-	-	-	-	-	-	-
Passive U.S. Bond Index Fund	-	68,174	55,842	40,665	40,659	41,088	41,439	42,782	45,854
Intermediate Bond Fund	22,335	-	-	-	-	-	-	-	-
Investments with Brandes/Baillie Gifford									
AK International Equity Fund	45,645	45,336	45,452	41,823	42,313	40,748	43,774	43,749	42,020
Investments with Northern Trust									
Environmental, Social, and Governance Fund	10,616	10,404	10,307	9,439	10,026	9,241	9,983	12,036	14,459
Total Invested Assets	\$ 1,069,378	\$ 1,093,466	\$ 1,103,203	\$ 1,044,943	\$ 1,069,048	\$ 1,016,210	\$ 1,092,202	\$ 1,128,499	\$ 1,149,612
<u>Change in Invested Assets</u>									
Beginning Assets	\$ 1,041,422	\$ 1,069,378	\$ 1,093,466	\$ 1,103,203	\$ 1,044,943	\$ 1,069,048	\$ 1,016,210	\$ 1,092,202	\$ 1,128,499
Investment Earnings	23,080	17,895	(334)	(66,086)	15,087	(63,567)	68,079	27,190	12,778
Net Contributions (Withdrawals)	4,876	6,192	10,071	7,826	9,018	10,729	7,912	9,107	8,335
Ending Invested Assets	\$ 1,069,378	\$ 1,093,466	\$ 1,103,203	\$ 1,044,943	\$ 1,069,048	\$ 1,016,210	\$ 1,092,202	\$ 1,128,499	\$ 1,149,612

Defined Contribution Retirement - Participant Directed TRS
Schedule of Investment Income and Changes in Invested Assets
for the Month Ended
March 29, 2019

	<u>Beginning Invested Assets</u>	<u>Investment Income</u>	<u>Net Contributions (Withdrawals)</u>	<u>Transfers In (Out)</u>	<u>Ending Invested Assets</u>	<u>% Change in Invested Assets</u>	<u>% Change due to Investment Income (1)</u>
Participant Options							
T. Rowe Price							
Stable Value Fund	\$ 17,589,213	\$ 38,580	\$ 76,948	\$ 855,118	\$ 18,559,859	5.52%	0.21%
Small Cap Stock Fund	33,440,211	(150,264)	91,787	(250,514)	33,131,220	-0.92%	-0.45%
Alaska Balanced Trust	10,876,773	143,221	45,324	(122,752)	10,942,566	0.60%	1.32%
Long Term Balanced Fund	7,543,026	92,531	29,706	(302,974)	7,362,289	-2.40%	1.25%
AK Target Date 2010 Trust	763,426	8,730	10,883	-	783,039	2.57%	1.14%
AK Target Date 2015 Trust	3,503,471	40,982	11,016	-	3,555,469	1.48%	1.17%
AK Target Date 2020 Trust	10,079,505	121,803	134,613	(94,125)	10,241,796	1.61%	1.21%
AK Target Date 2025 Trust	17,760,680	219,218	157,159	(93,847)	18,043,210	1.59%	1.23%
AK Target Date 2030 Trust	20,835,931	260,204	319,853	(86,701)	21,329,287	2.37%	1.24%
AK Target Date 2035 Trust	31,226,988	391,169	241,578	(215,850)	31,643,885	1.34%	1.25%
AK Target Date 2040 Trust	33,099,679	411,764	460,423	306	33,972,172	2.64%	1.24%
AK Target Date 2045 Trust	50,276,327	619,806	616,501	(282,858)	51,229,776	1.90%	1.23%
AK Target Date 2050 Trust	70,008,186	864,379	661,265	54,373	71,588,203	2.26%	1.23%
AK Target Date 2055 Trust	35,745,994	444,476	843,037	(114,500)	36,919,007	3.28%	1.23%
AK Target Date 2060 Trust	312,424	3,859	3,756	(856)	319,183	2.16%	1.23%
Total Investments with T. Rowe Price	<u>343,061,834</u>	<u>3,510,458</u>	<u>3,703,849</u>	<u>(655,180)</u>	<u>349,620,961</u>		
State Street Global Advisors							
Money Market	3,071,272	6,254	27,710	122,749	3,227,985	5.10%	0.20%
S&P 500 Stock Index Fund Series A	43,074,859	824,949	214,183	(1,029,370)	43,084,621	0.02%	1.93%
Russell 3000 Index	3,757,639	55,683	(15,382)	146,958	3,944,898	4.98%	1.46%
US Real Estate Investment Trust Index	6,744,853	194,391	32,588	(1,569)	6,970,263	3.34%	2.88%
World Equity Ex-US Index	24,028,621	153,031	114,702	387,174	24,683,528	2.73%	0.63%
US Treasury Inflation Protected Securities Index	6,980,754	127,432	29,731	1,413	7,139,330	2.27%	1.82%
Total Investments with SSgA	<u>87,657,998</u>	<u>1,361,740</u>	<u>403,532</u>	<u>(372,645)</u>	<u>89,050,625</u>		
BlackRock							
Passive U.S. Bond Index Fund	16,884,515	335,466	77,805	931,809	18,229,595	7.97%	1.93%
Brandes/Baillie Gifford (2)							
AK International Equity Fund	19,350,642	9,957	91,400.00	(832,882)	18,619,117	-3.78%	0.05%
Northern Trust							
Environmental, Social, and Governance Fund	4,935,328	98,116	27,266.00	928,898	5,989,608	21.36%	1.81%
Total All Funds	<u>\$ 471,890,317</u>	<u>\$ 5,315,737</u>	<u>\$ 4,303,852</u>	<u>\$ -</u>	<u>\$ 481,509,906</u>	2.04%	1.12%

Notes: Source data provided by the record keeper, Empower Retirement.

(1) Income divided by beginning assets plus half of net contributions/(withdrawals). Actual returns are calculated by Callan and Associates.

(2) This investment is comprised of two funds, Brandes International Equity Fund and Baillie Gifford International Equity Fund.

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
March 29, 2019
\$ (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>	<u>January</u>	<u>February</u>	<u>March</u>
Investments with T. Rowe Price									
Alaska Money Market	\$ 1,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stable Value Fund	-	5,764	10,959	17,254	17,485	17,146	17,336	17,589	18,560
Small Cap Stock Fund	34,424	35,326	33,876	30,707	31,368	28,362	31,303	33,440	33,131
Alaska Balanced Trust	11,394	11,458	11,456	11,077	10,957	10,683	10,990	10,877	10,943
Long Term Balanced Fund	10,335	9,630	8,893	7,621	7,648	7,279	7,660	7,543	7,362
AK Target Date 2010 Trust	826	836	843	725	727	715	745	763	783
AK Target Date 2015 Trust	3,397	3,396	3,354	3,221	3,360	3,289	3,421	3,503	3,555
AK Target Date 2020 Trust	9,951	9,943	9,992	9,600	9,743	9,385	9,781	10,080	10,242
AK Target Date 2025 Trust	16,938	17,131	17,113	16,474	16,761	16,150	17,177	17,761	18,043
AK Target Date 2030 Trust	20,121	20,288	20,233	19,384	19,641	18,873	20,261	20,836	21,329
AK Target Date 2035 Trust	29,766	29,990	30,167	28,528	29,335	27,880	30,050	31,227	31,644
AK Target Date 2040 Trust	31,409	31,857	32,148	30,214	31,092	29,380	31,909	33,100	33,972
AK Target Date 2045 Trust	48,740	49,511	49,641	46,683	47,610	44,891	48,452	50,276	51,230
AK Target Date 2050 Trust	68,156	69,233	69,024	65,046	66,485	62,663	67,677	70,008	71,588
AK Target Date 2055 Trust	32,138	32,606	32,751	31,327	32,485	31,065	34,175	35,746	36,919
AK Target Date 2060 Trust	179	195	250	238	244	229	302	312	319
State Street Global Advisors									
Money Market	690	2,573	2,677	2,894	2,746	2,966	3,022	3,071	3,228
S&P 500 Stock Index Fund Series A	41,127	42,492	42,944	40,386	41,452	38,385	42,005	43,075	43,085
Russell 3000 Index	3,621	3,663	3,757	3,505	3,634	3,305	3,605	3,758	3,945
US Real Estate Investment Trust Index	6,751	6,695	6,396	6,212	6,577	6,053	6,649	6,745	6,970
World Equity Ex-US Index	21,323	21,370	22,069	21,074	21,523	21,065	22,994	24,029	24,684
Long US Treasury Bond Index	306	-	-	-	-	-	-	-	-
US Treasury Inflation Protected Securities Index	5,367	6,094	6,486	6,939	6,924	6,951	7,043	6,981	7,139
World Government Bond Ex-US Index	2,765	-	-	-	-	-	-	-	-
Investments with BlackRock									
Government/Credit Bond Fund	20,232	-	-	-	-	-	-	-	-
Passive U.S. Bond Index Fund	-	26,480	21,597	15,809	15,796	16,050	16,290	16,885	18,230
Intermediate Bond Fund	8,292	-	-	-	-	-	-	-	-
Investments with Brandes/Baillie Gifford									
AK International Equity Fund	20,619	20,325	20,320	18,707	18,782	18,035	19,345	19,351	18,619
Investments with Northern Trust									
Environmental, Social, and Governance Fund	4,614	4,398	4,270	3,858	4,047	3,795	4,063	4,935	5,990
Total Invested Assets	\$ 455,376	\$ 461,254	\$ 461,219	\$ 437,483	\$ 446,422	\$ 424,594	\$ 456,258	\$ 471,890	\$ 481,510
<u>Change in Invested Assets</u>									
Beginning Assets	\$ 442,323	\$ 455,376	\$ 461,254	\$ 461,219	\$ 437,483	\$ 446,422	\$ 424,594	\$ 456,258	\$ 471,890
Investment Earnings	10,017	7,587	(129)	(28,187)	6,395	(27,052)	28,939	11,560	5,316
Net Contributions (Withdrawals)	3,036	(1,709)	95	4,451	2,543	5,224	2,725	4,072	4,304
Ending Invested Assets	\$ 455,376	\$ 461,254	\$ 461,219	\$ 437,483	\$ 446,422	\$ 424,594	\$ 456,258	\$ 471,890	\$ 481,510

Attachment 5
Alaska Retirement Management Board
Background on Plans, Staff, and Assets

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 17 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 March 31, 2019 was \$32.8 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 one fund-of-fund manager and direct investments to implement the absolute return portfolio. The ARMB employs a separate consultant for real assets.

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, opportunistic, 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
Real Assets*
Real Estate
Farmland
Timberland
Energy
REIT Equity
TIPS
Infrastructure
Absolute Return
Opportunistic
Tactical Asset Allocation
Opportunistic Equity
Opportunistic Fixed Income
Other Opportunities
Cash

*Real Assets returns provided to the general consultant.

Defined Benefit Plans

Treasury currently pools the assets of the fourteen defined benefit plans 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 plans are externally-managed with the exception of the following: Treasury's Portfolio Management Section invests the short-term pool, US Treasury fixed income pool, the real estate investment trust equity pool, and several equity strategies which include ARMB Large Cap Multi-Factor, Russell 1000 Growth, Russell 1000 Value, Russell Top 200, ARMB Equity Yield, Scientific Beta, S&P 500 Equal Weight, and S&P 600. Staff also manages a Portable Alpha portfolio using both internal and external small cap strategies. These investments are overseen by the Chief Investment Officer and 9 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 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 US Treasury 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 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 Assets asset class and provides the opportunity to gain more liquid exposure to real estate.

The passive equity strategies managed internally are designed to provide market beta exposure at low cost and to provide structural tilts based upon targeted factor exposure or alternative weighting methodologies compared to traditional cap weighted indices.

The portable alpha program utilizes futures to port small cap alpha onto a S&P 500 large cap exposure.

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:

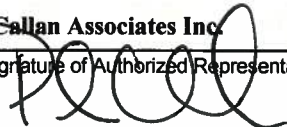



All DC Plans		Plan			
	Plan Participant Option	DCR-PERS	DCR-TRS	Deferred Comp.	SBS
Cash					
	Stable Value Fund - Cash Reserve STIF	X	X	X	X
	State Street Institutional Treasury Money Market Fund	X	X	X	X
Domestic Stock					
	US Small Cap Stock Trust	X	X	X	X
	SSGA - S&P 500 Stock Index	X	X		X
	BlackRock - S&P 500 Stock Index			X	
	Russell 3000 Index	X	X	X	X
	US REIT Index	X	X	X	X
	Environmental, Social, and Governance Fund	X	X	X	X
International Stocks					
Alaska International Equity Pool	Baillie Gifford International Equity Fund	X	X	X	X
	Brandes Instl International Equity Fund				
	World ex-US Index	X	X	X	X
Domestic Bonds					
	US TIPS Index	X	X	X	X
	Passive U.S. Bond Index Fund	X	X	X	X
Balanced/Target Date					
	Alaska Long-Term Balanced Trust	X	X	X	X
	Alaska Balanced Trust	X	X	X	X
	Alaska Target 2010 Trust Extended	X	X	X	X
	Alaska Target 2015 Trust	X	X	X	X
	Alaska Target 2020 Trust	X	X	X	X
	Alaska Target 2025 Trust	X	X	X	X
	Alaska Target 2030 Trust	X	X	X	X
	Alaska Target 2035 Trust	X	X	X	X
	Alaska Target 2040 Trust	X	X	X	X
	Alaska Target 2045 Trust	X	X	X	X
	Alaska Target 2050 Trust	X	X	X	X
	Alaska Target 2055 Trust	X	X	X	X
	Alaska Target 2060 Trust	X	X	X	X

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., Bloomberg Barclays Capital U.S. Intermediate Aggregate Bond Index, and the Citigroup 3 Month Treasury Bill Index.

The Stable Value fund is an actively-managed fund benchmarked to the Barclays Intermediate Aggregate Index.

More detailed information is available in the financial report dated March 31, 2019. This report is located in Attachment 3.

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,
9. Contractor Callan Associates Inc.		hereafter the Contractor	
Mailing Address 1660 Wynkoop, Suite 950	Street or P.O. Box	City Denver, CO 80202	State ZIP+4
<p>10. ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.</p> <p>ARTICLE 2. Performance of Service:</p> <p>2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.</p> <p>2.2 Appendix B2 sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p>2.4 Appendix D sets forth compensation</p> <p>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.</p> <p>ARTICLE 4. Considerations:</p> <p>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.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
11. Department of Revenue		Attention: Treasury Division	
Mailing Address PO Box 110405, Juneau, AK 99811		Attention: Gary Bader	
<p>12. CONTRACTOR</p> <p>Name of Firm Callan Associates Inc.</p> <p>Signature of Authorized Representative </p> <p>Date 7/17/14</p> <p>Typed or Printed Name of Authorized Representative PAUL ERLEUDSON</p> <p>Title SENIOR VICE PRESIDENT</p>		<p>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.</p>	
<p>13. CONTRACTING AGENCY</p> <p>Department/Division Revenue/Treasury</p> <p>Signature of Project Director </p> <p>Typed or Printed Name of Project Director Gary M. Bader</p> <p>Title Chief Investment Officer</p>		<p>Signature of Head of Contracting Agency or Designee </p> <p>Angela Rodell, Commissioner Department of Revenue</p>	<p>Date 7/25/14</p>
		<p></p> <p>Gail Schubert, Chair</p>	<p>Date 7/22/14</p>
		<p>Alaska Retirement Management Board</p>	

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

**APPENDIX A
GENERAL PROVISIONS**

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 B²

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:

Contract Amount	Minimum Required Limits
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
Callan Associates, Inc.
As Performance Measurement and Investment Advisory Consultant

Section One: Appointment of Consultant. Callan Associates, Inc., hereinafter referred to as Consultant, 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. Consultant 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 Consultant 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 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, 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. Consultant 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. Consultant 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 Consultant's employees, agents or designees. Notwithstanding the foregoing, Consultant shall not be responsible for losses resulting from cause beyond its control if Consultant 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 Consultant, 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 Consultant 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. Paul Erlendson is considered as a designated "Key Person" to perform the Consultant's obligations under this agreement. As such, entry into this agreement and continuation of it is premised upon continued employment of Paul Erlendson by Consultant.

Paul Erlendson shall be the primary contact and is considered project manager for Consultant under this agreement and shall perform or be directly responsible for and specifically knowledgeable about all work performed by Consultant under this agreement. Paul Erlendson 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 Consultant 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 Consultant 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 Consultant relating to its activities and obligations under this agreement shall be the property of the State.

Section Thirteen: Incorporation by Reference. Consultant understands and agrees that the State has materially relied upon Consultant'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 Consultant'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 Consultant 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 Consultant and by Consultant without cause after 30 days written notice to the State.

Appendix D
14-010
Compensation Agreement Between the
Alaska Retirement Management Board
And
Callan Associates, Inc.
July 1, 2014

The compensation schedule shall be:

A. Fixed Fee Services

1. Retainer.

The annual retainer will be billed at a flat fee of \$112,000 (billed pro-rata quarterly), subject to a 3% annual escalation rate after the first year.

2. Asset Allocation.

The charge for annual asset allocation studies is:

<i>PERS/TRS/JRS Pensions</i>	<i>\$120,000</i>
<i>Military Pension</i>	<i>40,000</i>
<i>PERS/TRS/JRS Health Trusts</i>	<i>108,000</i>
<i>Other ARMB Funds</i>	<i>108,000</i>

Asset allocation fees subject to a 3% annual escalation rate after the first year.

3. 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.

\$32,000 per publicly traded securities (domestic and international equity or fixed income) billed quarterly in arrears.

\$41,000 per private market and "fund of funds" manager search.

\$41,000 other special manager search

Manager search fees subject to 3% escalation each year after the first year.

4. Performance Measurement.

A. 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

Flat fee of \$270,000 (billed pro-rata quarterly) for services specified above, subject to a 3% escalator for each year after the first. There will be no charge for additional actively or passively managed options.

B. 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.

Flat fee of \$105,000 (billed pro-rata quarterly), subject to a 3% escalator for each year after the first.

5. General Consulting: For additional projects and consulting as requested, but not to include travel time.

\$400 per hour (billed quarterly in arrears) subject to a 3% annual escalation rate after the first year.

6. Travel: The State will not reimburse travel cost directly. All fees above include applicable travel.

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

1. Agency Contract Number		2. ASPS Number 14-012		3. Financial Coding		4. Agency Assigned Encumbrance Number	
5. Vendor Number		6. Project/Case Number		7. Alaska Business License Number 235294			
This contract is between the State of Alaska,							
8. Department of Revenue				Division Treasury		hereafter the State, and	
9. Contractor The Townsend Group hereafter the Contractor							
Mailing Address		Street or P.O. Box		City		State ZIP+4	
601 Montgomery Street		Suite 525		San Francisco		CA 94111	
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 <u>July 1, 2014</u> , and ends <u>June 30, 2017 with two optional one-year extensions</u> .							
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: Division of Treasury			
Mailing Address P.O. Box 110405, Juneau, AK 99811-0405				Attention: Portfolio Management			
12. CONTRACTOR				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.			
Name of Firm Townsend Holdings LLC							
Signature of Authorized Representative		Date 6-26-14					
Typed or Printed Name of Authorized Representative Joseph Olszak							
Title COO							
13. CONTRACTING AGENCY				Signature of Head of Contracting Agency or Designee		Date	
Department/Division Revenue/Treasury		Date 7/1/2014		Angela Rodell		7/3/14	
Signature of Project Director				Angela Rodell, Commissioner Department of Revenue			
Typed or Printed Name of Project Director Gary M. Bader							
Title Chief Investment Officer				Gail Schubert, Chair		Date 7/2/14	
				Alaska Retirement Management Board			

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

APPENDIX A

GENERAL PROVISIONS

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 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, changes in marital status, pregnancy, 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 B2 INSURANCE

Article 1. 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. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the contractor's services.

If any of the policy forms required are provided on a claims made basis, then the coverage must be endorsed or otherwise extended for an additional 24 month reporting period beyond the termination of the Contractor's services. All claims made policies shall provide coverage retrospective to April 1, 2009.

1.1 Workers' Compensation Insurance: The contractor shall provide and maintain, for all employees of the contractor engaged in work under this contract, Workers' Compensation Insurance as required by AS 23.30.045. The contractor shall require any United States subcontractor who directly or indirectly provides services under this contract to maintain Workers' Compensation insurance. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L.&H. and Jones Acts) must also be included. The policy must waive subrogation against the State.

1.2 Comprehensive (Commercial) General Liability Insurance: with coverage limits not less than \$1,000,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

1.3 Commercial Automobile Liability Insurance: covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 combined single limit per occurrence.

1.4 Fiduciary Liability (Errors and Omissions) Insurance: For the assets managed under this Contract, the required coverage limit shall not be less than \$10,000,000 per occurrence. If the Contractor's policy contains higher limits, then the State shall be entitled to coverage to the extent of such higher limits.

1.5 Fidelity Bond: The required coverage limit, per occurrence, need not exceed the requirements of Section 412 of ERISA (29 USC 1112). If the Contractor's policy contains higher limits, then the State shall be entitled to coverage to the extent of such higher limits.

THE STATE OF ALASKA
ALASKA RETIREMENT MANAGEMENT BOARD

and

The Townsend Group
Real Estate Consultant Contract

Contract 14-012

July 1, 2014

Appendix C

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Appendix C

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APPENDIX C

This Real Estate Consultant Agreement (the "Agreement") is made and entered into as of the First day of July, 2014 by and between the Alaska Retirement Management Board ("ARMB") a Board established in the Department of Revenue, State of Alaska (collectively referred to herein as the "State") and Townsend Holdings LLC (d/b/a The Townsend Group) (the "Consultant").

RECITALS:

- A. ARMB has, pursuant to AS 37.10.220, the authority to appoint the Consultant to provide service as it deems advisable in order to fulfill its duties with respect to the investment of certain assets of the state's retirement systems;
- B. ARMB, after conducting such investigation of Real Estate Consultants as required, has determined that it desires to appoint the Consultant as the Real Estate Investment Consultant to ARMB to provide services as outlined in Section 2 of this Agreement;
- C. The Consultant is willing to accept its appointment as Real Estate Investment Consultant in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, ARMB and the Consultant do hereby agree, each with the other, as follows:

Section 1. Appointment of Consultant

ARMB hereby appoints Consultant, as Real Estate Consultant and the Consultant accepts such appointment and agrees to perform all required services set forth in this agreement.

Section 2. Required Services

Under the direction of ARMB, the services to be provided by the Consultant on a timely basis shall include, but are not limited to, performance measurement, and the comparison of these returns against similar funds, portfolios, or indices; review of annual investment plan; participation in the annual review of separate account budgets and business plans; investment manager selection and on-going evaluation; and, analysis of real estate investment policies and objectives. Performance measurement services will be performed on a quarterly basis and all other services will be provided at the request of ARMB. The Consultant must recognize and acknowledge that prompt and timely responsiveness to requests from ARMB is a key and material requirement of this Agreement.

The services are outlined more specifically/detailed as follows:

A. Performance Measurement. The Consultant's return calculations must conform to industry standards. These standards, which may change over time, currently include:

- Townsend will provide ARMB real estate/real asset portfolio level returns on a quarterly basis which includes, but is not limited to, time weighted returns (income, appreciation, total gross and total net) adjusted for external cash flows, net Internal Rate of Return, and net equity multiples.
- Townsend, on behalf of ARMB, collects quarterly daily cash flows as well as income statement and balance sheet information directly from third party investment managers, among other metrics. Such metrics are reported consistent with each third party Fund manager's investment documents and are typically reported after the deduction of actual transaction expenses.
- Townsend will provide ARMB quarterly time weighted returns (income, appreciation, total gross and total net) adjusted for external cash flows that are calculated separately and are geometrically linked separately.
- Townsend will provide ARMB real estate/real asset component returns and total portfolio level returns on a quarterly basis that are asset-weighted.
- Townsend will include returns from cash and cash equivalents held in portfolios in all return calculations.

At least quarterly, the Consultant will prepare a report including the dollar-weighted, where appropriate, and time-weighted annual and cumulative (annualized) rates of return of each manager's portfolio (or commingled fund) and of the total real estate investment portfolio as follows:

1. The rates of return will be based on the U.S. dollar market values of the individual manager's portfolios or commingled fund 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 fund.
2. The rates of return will be presented in tables and graphs, with accompanying narrative as needed, for the following time periods:
 - a. Last quarter.
 - b. Fiscal-year-to-date (the fiscal year begins on July 1 each year).
 - c. Average annualized returns for the last one, three and five years as well as the longest period for which ARMB has provided available historical information to the Consultant.

- d. Each time period should include the following return components:
 - (i) income
 - (ii) appreciation
 - (iii) total gross return
 - (iv) total net return
3. The report should also include the following: attribution analyses; measures of diversification by consolidated Metropolitan Statistical Areas, NCREIF Region and economic drivers for core separate account properties; comparisons by style of management and other comparisons or information that is relevant to the particular manager, fund or asset class.
4. Consultant will provide ARMB with:
 - a. Preliminary Performance Measurement Report (PMR) including all items specified in Section 2.-A1 and Section 2.-A2 within 45 days from quarter end, as of the most recent quarter end, for any portion of the portfolio for which manager data is received by Consultant within 35 days of quarter end.
 - b. Final Performance Measurement Report including all items specified in Section 2.-A1 and Section 2.-A2 for all investment managers. The target date for the final PMR is 60 days from quarter end recognizing some delay may occur from the commingled funds.
 - c. All remaining Performance Measurement items including those items specified in Section 2.-A3 and not already provided under Section 2.A4a and Section 2.-A4b to be received within 90 days from quarter end, as of the most recent quarter end.
 - d. ARMB has notified managers that performance data must be submitted within 35 days after quarter end. Should a manager fail to submit the necessary data, Consultant will provide its best effort to prepare the reports on the schedule described above. Consultant must inform ARMB of any outstanding data on the 36th day following quarter end.
5. Provide the above return calculations as referenced in Section 2.-A1 and Section 2.-A2 to the Board's general consultant on the same schedule as to ARMB.
6. Each report shall be furnished to ARMB electronically via email and/or on a CD-Rom in an industry standard format.
7. Oral presentations of the report to the ARMB Real Assets Committee or the full Board are expected annually.

B. Separate Account 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.
3. When necessary, Consultant will prepare and distribute an RFP to appropriate managers.
4. Prepare and present recommendations formally to ARMB at the ARMB Real Assets Committee and/or Board level.
5. Assist in communicating the Board's guidelines and the objectives to selected investment managers.

C. Commingled Fund Selection. As requested, the Consultant will:

1. Help establish guidelines for ARMB to use in selecting commingled funds.
2. Develop a list of recommended commingled funds.
3. Prepare and present these recommendations formally to ARMB at the Real Assets Committee and/or Board level.

D. General Consulting. Services provided under this General Consulting portion of this Agreement and within the retainer fee include:

1. Review of Annual Investment Plan as described in Section 2.-D4 and participation in the annual review of separate account budgets and business plans,
2. Annual Evaluation of existing Investment Managers, including the products described in Section 2.-D5, and
3. Consultation relying on Consultant's general expertise and market knowledge relating to the ARMB portfolio, performance measurement, existing managers, potential managers, strategies, funds in the market and the real estate industry in general. The Retainer shall not include due diligence, the specific analysis of funds, managers or investments, or recommendations for investments to the ARMB Real Assets Committee or Board. General consultation within the Retainer (as defined in Appendix D) is limited to a maximum of 8 hours per month.
4. Strategic Planning. On an annual basis, the Consultant will review and provide comment on the annual investment plan prepared by Staff. The Consultant will include, at a minimum:
 - a. An analysis of the economic drivers of ARMB's properties.
 - b. A comprehensive analysis of the real estate market conditions.
 - c. Recommendations, if any, to consider new areas of investment (e.g., by geographic area or property type).

- d. Recommendations, if any, for changes, in investment strategy (e.g., core versus value).
 - e. Recommendations, if any, for changes to the policies, procedures and guidelines.
 - f. Recommendations, if any, for specific policy exception to be made because of unusual market conditions or other reason.
 - g. An assessment of whether the real estate portfolio is in compliance with ARMB's Real Estate Policies and Procedures.
5. Annual Manager Evaluation: Annually prepare a written evaluation of each manager and commingled fund including, but not limited to:
- a. Discussion of returns relative to benchmarks and peers.
 - b. Discussion of style drift, if any.
 - c. Significant changes in management, staff, or ownership of the organization.
 - d. A definitive recommendation to retain, place on or remove from the watch list, or terminate a manager.
6. Travel. All services shall include up to a total of two meetings in Alaska per calendar year unless classified as a Special Project under Section 2.-F in which case travel will be charged separately.

E. Other.

- 1. Report to ARMB, as requested, on current developments in the financial markets, money management, or other pension fund investment-related topics relevant to the real estate asset class.
- 2. As part of the annual planning process, assist ARMB in evaluating new types of real estate investments or strategies.
- 3. As part of the annual planning process, evaluate and recommend major changes to existing program structure.
- 4. Provide general consultative feedback to Board members and Staff on an as needed basis.

F. Special Projects. From time to time the Board or Staff may request additional special projects in writing. The fee and other terms for these projects will be mutually agreed upon in advance between Consultant and ARMB. Special projects are defined as anything not included in the Retainer and will generally require product in the form of memos, white papers or presentation material to Staff and or the Board. These could include, but would not be limited to:

1. Assist in transition management (planning and execution of transfer of assets from a terminating manager to an existing or new manager).
2. Provide comparisons to the Board of other public funds policies and practices.
3. Provide special project research relating to technical real estate issues.
4. Perform due diligence and make recommendations on specific real estate investment opportunities at the request of Staff or Board (e.g., investigate a specific commingled fund opportunity that the Board wants further information on as opposed to performing a search for a type of commingled fund and bringing forward several specific opportunities for the Board's selection).
5. Prepare analysis requiring the use of the firm's research department and/or use of a proprietary database for specific analysis not included as part of the quarterly Performance Measurement Report or Annual Plan.
6. Other requests from Staff and/or the Board which are outside of normal consulting practices.

Section 3. Standard of Care

Consultant shall exercise the highest standard of care expected of a fiduciary with respect to its relationship to ARMB in fulfilling its obligations under this Agreement.

Section 4. Indemnification

Consultant 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 Consultant's employees, agents or designees. Notwithstanding the foregoing, Consultant shall not be responsible for losses resulting from causes beyond its control if Consultant employed the diligence and prudence of a professional real estate consultant acting as a prudent real estate consultant familiar with such matters in a like capacity.

Section 5. Notification of Certain Facts or Occurrences

If Consultant, in accordance with industry standards, using the care and diligence of a professional real estate consultant, obtains information regarding facts or occurrences which it believes might result in any significant risk or loss to the assets of ARMB the Consultant shall upon becoming aware of any such fact or occurrence, as soon as possible, and in no case more than twenty-four (24) hours later, notify the State of such fact or occurrence and the resulting risk.

Consultant shall promptly notify ARMB in the event of (1) any change in control of Consultant or any change in the Consultant's key personnel assigned to the Account, (2) if an additional or successor employee of Consultant shall be assigned as a principal manager or key person assigned

to the Account, and/or (3) any other material change in the nature of Consultant's principal business activities.

Section 6. Amendments

This Agreement may not be amended or modified except by an instrument in writing signed by both Consultant and the State.

Section 7. Reliance

Each of the parties to this Agreement may rely on any documents or communications from the other which it reasonably believed in good faith to be genuine and valid.

Section 8. 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 9. Assignment

Performance by Consultant of its duties under this Agreement may not be delegated. This Agreement may not be assigned by either party without the 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 10. Waivers

Failure to exercise any right or remedy provided for in this Agreement does not constitute a waiver thereof.

Section 11. Property Entitlement

All documents created or maintained by Consultant relating to its activities and obligations under this Agreement shall be the property of the State and shall otherwise be subject to Consultant's normal retention policy.

Section 12. Incorporation by Reference

Consultant understands and agrees that the State has materially relied upon Consultant's responses in the State's selection process for Real Estate Consultant. The State's Request for Proposals for Real Estate Consultant ASPS 14-012, the Consultant's Response to the Request for Proposal dated

April 7, 2014 and ARMB's Real Estate Policies, Procedures and Guidelines are made a part of this Agreement by this reference.

Section 13. Form ADV

ARMB acknowledges that it has received from the Consultant, at least forty-eight (48) hours prior to entering into this Agreement, a copy of its current Form ADV Part II, as described in Securities and Exchange Commission Rule 204-3. The Consultant represents and warrants that it has provided a true and complete copy of the Consultant's Form ADV Part II. The Consultant shall deliver true and complete copies of changes to the Consultant's Form "ADV Part II" (or similar or successor form) promptly after any changes thereto.

Section 14. Termination

This Agreement may be terminated by ARMB, with or without cause, upon 30 days written notice to the Consultant. The Consultant may terminate this Agreement, with or without good cause shown, upon 60 days written notice to ARMB.

Section 15. Confidentiality

Consultant agrees not to release any information concerning ARMB's investments or the portfolio to any parties other than ARMB or its designees, except as may be required under the terms of this Agreement, without first obtaining the written permission of ARMB. Such information shall be treated by Consultant as strictly confidential. Consultant may furnish such information through legally required reports to or inspections by governmental authorities having regulatory or judicial jurisdiction over Consultant. In addition, ARMB acknowledges and agrees that Consultant may use the Account's investment performance on an undisclosed basis in its composite performance presentation.

Consultant also agrees not to use ARMB as a reference or to name ARMB in any publication or written material without ARMB's prior approval; provided however, Consultant may disclose the identity of ARMB and its client relationship with Consultant in response to requests for proposals, in presentations, and in other materials to clients or prospective clients of Consultant. Such requests will not be unreasonably withheld.

Section 16. Compensation of Consultant

ARMB shall compensate Consultant as provided in Appendix D hereof.

Section 17. Miscellaneous

1. This Agreement shall be governed by and construed in accordance with Alaska law.
2. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and permitted assigns.

THE STATE OF ALASKA
ALASKA RETIREMENT MANAGEMENT BOARD

and

The Townsend Group
Real Estate Consultant Contract

Contract 14-012

July 1, 2014

Fee Schedule

Appendix D

APPENDIX D

FEE SCHEDULE

1) **Retainer (Annual Fee):**

\$60,000 per year, payable in quarterly installments. The Retainer includes maximum travel to Alaska of 2 times per calendar year.

2) **Investment Manager Search:**

- Separate account manager search: \$40,000/search
- Commingled fund search:
 - For ARMB specific funds \$30,000/search
 - For firm-wide recommendations \$25,000/search

3) **Performance Measurement Reports:**

\$40,000 per year, payable in quarterly installments.

4) **Special Projects:**

Project costs for Special Projects will be charged at an hourly rate, with projects anticipated to require more than 16 hours will be negotiated at a rate to be determined at the time of assignment.

Hourly Project Rate:

Principal: \$450.00/hour

Consultant: \$350.00/hour

Associate: \$200.00/hour

Analyst: \$100.00/hour

THE STATE OF ALASKA
ALASKA RETIREMENT MANAGEMENT BOARD

and

The Townsend Group
Real Estate Consultant Contract

Contract 14-012

July 1, 2014

Appendix E

APPENDIX E

ARMB SAMPLE PERFORMANCE MEASUREMENT REPORT

SECTION I (provided 45 days from end of quarter):

- Page 1: Portfolio Performance**
- Page 2: Portfolio Performance Detail**
- Page 3: Portfolio Diversification**
- Page 4: Investment Cash Flows**

SECTION II (provided 90 days from end of quarter):

- Page 5: Diversification by CMSA**
- Page 6: Attribution Analysis**
- Page 7: Quartile Graphs (3 and 5 Year)**

Section I

ARMB Portfolio

Funding Status

First Quarter 2014																						
Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR*	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Core Portfolio																						
	123,345,189	0.7	0.8	1.5	1.4	4.2	3.7	7.9	7.3	4.8	3.2	8.1	7.5	5.7	-0.1	5.7	5.0	7.2	6.5	1004	6.2	1.4
	205,490,394	1.2	1.1	2.4	2.1	5.2	9.2	14.7	13.7	5.4	8.4	14.2	13.2	5.8	2.4	8.3	7.4	9.4	8.5	1008	9.2	2.6
	184,135,102	1.1	1.2	2.3	2.2	4.6	4.1	8.8	8.1	5.9	4.5	10.6	9.9	6.6	2.4	9.1	8.3	8.4	7.7	4003	7.7	1.5
	156,859,067	1.2	1.1	2.3	2.2	4.8	2.3	7.2	6.6	5.5	6.5	12.2	11.6	5.9	3.4	9.4	8.8	9.8	9.2	4000	9.0	1.5
	307,525,074	1.2	1.1	5.3	5.2	5.6	10.1	16.1	15.4	5.5	7.6	13.4	12.7	6.3	2.1	8.4	7.7	9.2	8.5	2098	8.6	2.0
	84,290,790	1.2	1.3	2.5	2.3	5.1	6.0	11.3	10.2	5.2	5.5	10.9	9.7	5.9	1.5	7.4	6.4	8.6	7.5	4080	8.0	3.8
	1,061,644,616	1.1	2.0	8.1	2.9	5.0	6.5	11.7	11.0	5.5	6.2	11.9	11.1	6.1	2.0	8.2	7.4	8.4	7.3	4080	12.4	1.8
Non-Core Portfolio																						
	17,316,104	1.7	0.0	1.7	1.3	7.0	0.3	7.4	6.1	6.5	2.5	9.1	8.0	6.7	1.0	7.8	7.2	11.4	8.5	1005	8.8	1.4
	23,255,051	1.8	-0.8	1.0	0.8	8.3	11.7	20.7	19.4	8.4	6.9	15.7	14.7	8.4	4.5	13.1	10.1	13.2	8.8	2008	12.0	1.3
	28,545,165	0.5	2.3	2.9	2.5	1.8	7.6	9.5	8.2	1.1	9.1	10.2	8.8	1.7	-7.7	-6.2	-7.5	-9.5	-10.8	1007	-13.5	0.4
	3,121,708	-0.6	-0.1	-0.7	-0.7	-12.5	7.6	-4.2	-4.5	-13.0	16.6	6.0	4.8	-11.5	-0.1	-10.0	-11.3	-6.2	-7.6	3005	-4.8	0.7
	26,999,716	-2.8	3.4	0.6	0.3	-7.7	12.0	3.6	2.2	-9.9	11.9	1.1	-1.0	1.2	12.7	14.0	9.9	-19.0	-22.7	3009	-3.5	0.9
	26,407,490	0.2	1.4	1.6	1.1	1.4	35.4	37.2	33.8	1.0	4.2	5.2	2.3	1.2	12.7	14.0	9.9	-19.0	-22.7	4007	-12.6	0.5
	10,161,933	1.0	-0.4	0.7	0.4	5.9	-8.2	-2.8	-3.5	5.4	3.8	8.8	7.8	4.5	0.9	5.4	4.0	-0.6	-2.0	3007	4.3	1.2
	12,793,119	1.0	0.0	1.0	0.3	2.2	-8.6	-6.6	-8.9											2004	0.3	0.3
	24,653,652	1.9	4.2	6.1	5.7	8.0	28.2	37.8	35.8	8.8	9.9	19.3	17.5	9.1	2.0	11.2	9.0	8.6	3.5	2014	841.7	1.4
	8,154,055	4.0	1.1	5.1	4.8	6.6	18.7	26.3	24.7	12.4	23.1	37.7	36.1	14.0	-12.4	-4.1	-7.9	-11.0	-13.9	3004	5.9	1.3
	2,758,608	0.1	3.8	3.9	3.6	1.9	17.8	19.9	19.0	1.9	6.4	8.4	7.4	1.9	3.1	5.2	3.9	6.2	4.3	4005	1.6	0.6
	61,319,476	0.1	1.7	1.7	1.3	0.5	6.0	6.6	5.0	0.9	-3.8	-2.9	-4.4	-0.6	-5.6	-6.0	-7.8	-18.6	-21.4	2008	-14.9	0.4
	8,990,253	-0.1	0.2	0.2	0.0	-0.2	4.1	4.0	3.1	-0.2	12.1	11.8	10.7	-0.1	-3.5	-3.5	-5.2	-2.6	-3.2	1005	2.4	1.1
	64,094,997	0.5	1.5	2.0	1.7	0.6	10.3	11.0	9.3	0.0	15.0	15.0	13.2	-2.2	-6.2	-8.8	-17.5	-32.5	-39.1	2008	-5.9	0.8
	17,569,774	0.3	3.7	3.9	3.6	1.8	12.9	14.9	13.5	1.8	9.8	11.8	10.4	1.8	0.1	1.9	0.2	5.5	3.8	1098	1.7	1.0
	883,497,031																					
	1,397,141,647	0.9	2.4	8.3	3.1	4.2	8.1	12.5	11.6	4.4	7.1	11.8	10.8	5.0	1.7	6.8	5.8	8.0	6.8	4080	10.9	1.5
	1,191,651,259	0.9	2.6	8.5	3.3	4.0	7.9	12.2	11.8	4.3	6.9	11.4	10.5	4.9	1.6	6.5	5.5	7.9	6.7	4080	10.5	1.5
Public Investments																						
	338,881,774	0.9	7.7	8.6	8.6	3.7	-0.4	3.4	3.4	3.6	6.4	10.2	10.2	4.0	23.2	27.8	27.8	5.7	5.7	1005	8.1	1.2
	888,681,274	0.9	7.7	8.6	8.6	3.7	-0.4	3.4	3.4	3.6	6.4	10.2	10.2	4.0	23.2	27.8	27.8	5.7	5.7	1005	8.1	1.2
Total Portfolio																						
	1,795,073,421	0.9	3.4	4.3	4.1	4.1	6.9	13.2	10.4	4.3	7.0	11.6	10.8	4.9	2.3	7.4	6.4	8.0	6.8	4080	10.8	1.3
Indices																						
		1.3	1.4	2.7		5.5	5.4	11.2		5.8	5.7	11.7		6.1	1.7	7.9		8.5		4080		
				3.3				10.4				11.7				10.1		8.6		4080		
				8.5				3.3				5.8				28.3		12.0		4080		
				1.7				6.4				5.8				7.1		9.1		4080		
5% Real Return (Adjusted for Inflation)																						

First Quarter 2014

Property Type Diversification (%)					Geographic Diversification (%)										Ex-US				
Apartment	Office	Industrial	Retail	Hotel	Other	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US				
Core Portfolio																			
Cornerstone I.M.A.	36.8	63.2	-	-	-	36.8	-	-	-	11.1	-	-	63.2	-	-				
JP Morgan Strategic Property Fund	25.3	46.0	8.5	19.1	1.1	20.5	10.2	4.2	0.1	11.1	15.3	3.6	35.0	-	-				
LaSalle I.M.A.	-	68.0	-	32.0	-	-	38.8	-	-	11.9	-	-	49.3	-	-				
Sentinel I.M.A.	100.0	-	-	-	-	43.2	-	-	-	27.1	-	-	29.8	-	-				
UBS Realty I.M.A. - ARMB 1997	25.1	12.8	46.6	15.5	-	-	-	10.0	-	16.5	8.3	20.5	33.6	-	-				
UBS Trumbull Property Fund	30.5	30.8	10.2	23.5	4.9	29.7	10.6	12.6	1.0	8.1	6.8	10.6	20.7	-	-				
Core Portfolio	33.7	34.1	16.0	15.6	0.4	1052083851	9.5	4.7	0.1	12.1	5.9	7.5	38.5	-	-				
Non-Core Portfolio																			
Almanac Realty Securities IV, LP	-	0.5	-	-	50.7	17,316,104.00	8.0	-	5.0	65.0	3.0	-	-	-	-				
Almanac Realty Securities V, LP	23.0	13.8	58.4	1.9	2.9	23,255,051.00	-	12.0	24.0	1.0	5.0	2.0	53.0	-	-				
BlackRock Diamond Property Fund	33.9	31.2	1.4	17.6	-	27,370,392.00	41.1	25.8	1.4	-	-	-	31.8	-	-				
Clarion Development Ventures II	-	-	-	-2.6	102.6	1,366,764.69	-	-	-	-2.6	102.6	-	-	-	-				
Clarion Development Ventures III	27.6	-	-	3.2	21.9	25,791,597.34	53.1	4.1	-	39.6	-	-	3.2	-	-				
Colony Investors VIII	-	4.4	-	29.9	3.6	26,940,200.00	1.2	-	-	0.1	4.4	-	12.9	3.5	78.0				
Cornerstone Apartment Venture III	100.0	-	-	-	-	9,765,785.11	74.8	-	-	-	-	-	25.2	-	-				
Coventry Real Estate Fund II	-	-	-	100.0	-	56,715,856.17	0.1	1.2	0.6	3.2	21.4	34.9	38.6	-	-				
KKR Real Estate Partners Americas	4.7	14.5	2.0	43.3	2.8	0.00	9.7	-	23.5	11.8	13.0	-	1.9	40.1	-				
LaSalle Medical Office Fund II	-	-	-	-	100.0	7,820,415.35	33.5	7.6	12.9	34.5	-	2.8	8.7	-	-				
Lowe Hospitality Investment Partners	-	-	-	-	-	8,890,244.00	32.3	-	-	33.8	-	-	33.8	-	-				
Silverpeak Legacy Partners II (Lehman)	25.9	16.7	-	3.0	19.3	52,852,058.00	19.5	4.5	2.8	7.3	11.5	4.1	3.5	46.9	-				
Silverpeak Legacy Partners III (Lehman)	0.8	39.6	-	30.1	20.6	6,587,115.00	14.7	-	1.9	4.9	-	3.4	6.9	68.2	-				
Tishman Speyer Real Estate Venture VI	-	87.6	-	-	-	55,370,445.00	40.3	34.6	-	3.6	-	-	21.4	-	-				
Tishman Speyer Real Estate Venture VII	-	95.9	-	-	4.1	15,916,118.00	-	11.8	64.1	5.8	-	-	18.3	-	-				
Non-Core Portfolio	12.9	25.5	4.0	24.8	10.1	335,958,145.66	846.8	107.3	52.2	105.6	36.7	12.0	389.6	0.0	113.1				
ARMB Private Real Estate Portfolio																			
NPI	28.3	31.9	12.9	18.0	2.9	1,388,043,996.25	21.9	9.9	4.9	11.7	6.1	7.3	34.2	0.1	3.6				
NPI	24.9	35.9	13.5	23.5	2.2	0.0	20.9	13.7	7.8	10.0	10.9	5.7	29.4	0.0	0.0				

First Quarter 2014

Quarterly Cash Flow Activity (\$)										LTV (%)
	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value		
Core Portfolio										
Cornestone I.M.A.	121,837,872	87,674	232,490	0	856,738	170,143	965,538	123,345,189	0.0	
JP Morgan Strategic Property Fund	203,542,002	441,271	0	2,801,079	2,516,390	441,271	2,233,081	205,490,394	23.2	
LaSalle I.M.A.	181,932,114	0	1,748,104	0	2,062,386	245,531	2,134,238	184,135,102	0.0	
Sentinel I.M.A.	154,910,313	0	1,400,795	0	1,873,076	212,018	1,687,491	156,858,067	0.0	
UBS Realty I.M.A. - ARMB 1997	294,167,033	1,113,853	2,902,728	0	3,471,880	440,317	12,115,354	307,525,074	0.0	
UBS Trumbull Property Fund	83,005,231	0	578,242	0	1,028,319	221,661	1,057,143	84,290,790	12.5	
Core Portfolio	1,039,394,565	1,642,798	6,862,359	2,801,079	11,808,789	1,730,941	20,192,845	1,061,644,616	6.5	
Non-Core Portfolio										
Almanac Realty Securities IV, LP	17,306,014	0	220,853	0	288,035	57,092	0	17,316,104	0.0	
Almanac Realty Securities V, LP	26,734,973	0	3,499,801	167,013	443,362	63,462	-193,008	23,255,051	0.0	
BlackRock Diamond Property Fund	27,844,778	0	8,262	0	148,048	91,568	652,169	28,545,165	47.0	
Clarion Development Ventures II	3,144,714	865	0	1,104	-20,039	865	-1,863	3,121,708	0.0	
Clarion Development Ventures III	26,345,378	82,066	0	95,302	-739,028	82,066	888,669	26,399,716	32.4	
Colony Investors VIII	26,812,430	0	0	692,500	55,300	144,000	376,200	26,407,430	2.3	
Cornestone Apartment Venture III	19,891,935	0	9,777,778	0	117,335	26,619	-42,950	10,161,923	54.6	
Coventry Real Estate Fund II	12,698,961	0	0	0	122,765	82,703	95	12,739,119	81.0	
KKR Real Estate Partners Americas	0	17,890,531	0	0	0	197,755	6,960,876	24,653,652	20.2	
LaSalle Medical Office Fund II	10,684,087	0	3,089,092	0	182,697	38,626	414,989	8,154,055	60.1	
Lowe Hospitality Investment Partners	2,632,254	0	0	0	106,149	7,483	27,688	2,758,608	46.1	
Silverpeak Legacy Partners II (Lehman)	72,397,433	0	0	13,647,956	83,007	171,042	2,668,034	61,329,476	40.0	
Silverpeak Legacy Partners III (Lehman)	8,963,334	0	0	85,860	7,977	42,930	147,732	8,990,253	25.0	
Tishman Speyer Real Estate Venture VI	64,113,900	0	0	0	-32,106	135,710	148,913	64,094,997	50.0	
Tishman Speyer Real Estate Venture VII	18,707,139	0	0	1,439,832	82,768	58,790	278,489	17,569,774	53.0	
Non-Core Portfolio	338,277,330	17,973,462	16,595,786	16,129,567	846,270	1,200,711	12,326,033	335,487,031	43.1	
ARMB Private Real Estate Portfolio										
	1,377,871,895	19,616,260	23,458,145	18,930,646	12,655,059	2,931,652	32,518,878	1,397,141,647	19.0	
Public Investments										
ARMB REIT	312,072,207	3,342,296	3,342,296	0	2,772,543	0	24,037,018	338,881,774	0.0	
Public Investments	312,072,207	3,342,296	3,342,296	0	2,772,543	0	24,037,018	338,881,774	0.0	
Total Portfolio										
ARMB Real Estate Portfolio	1,689,744,102	22,558,556	26,800,441	18,930,646	15,427,602	2,931,652	56,555,896	1,736,023,421	15.9	

Section II

Metropolitan Statistical Area Diversification

As of March 31, 2014

ARMB Total Portfolio: Largest Metro Concentrations		
MSA Title%	% of Current NAV	NCREIF Weight
DC - Washington	10.4%	9.4%
CA - San Francisco	7.0%	3.9%
CA - Los Angeles	6.7%	7.2%
NY - New York	6.6%	10.9%
CO - Denver	6.1%	2.7%
MA - Boston	5.4%	2.8%
WA - Seattle	4.5%	4.1%
IL - Chicago	4.4%	6.1%
CA - Sacramento	4.1%	0.5%
FL - Tampa	3.8%	0.6%

ARMB I.M.A. Portfolio: Largest Metro Concentrations		
MSA Title%	% of Current NAV	NCREIF Weight
DC - Washington	9.8%	9.4%
CA - San Francisco	9.0%	3.9%
CO - Denver	8.7%	2.7%
MA - Boston	7.0%	2.8%
CA - Sacramento	6.4%	0.5%
FL - Tampa	5.8%	0.6%
WA - Seattle	5.3%	4.1%
CA - Los Angeles	5.1%	7.2%
CA - San Jose	4.5%	2.1%
IL - Chicago	4.2%	6.1%

First Quarter 2014

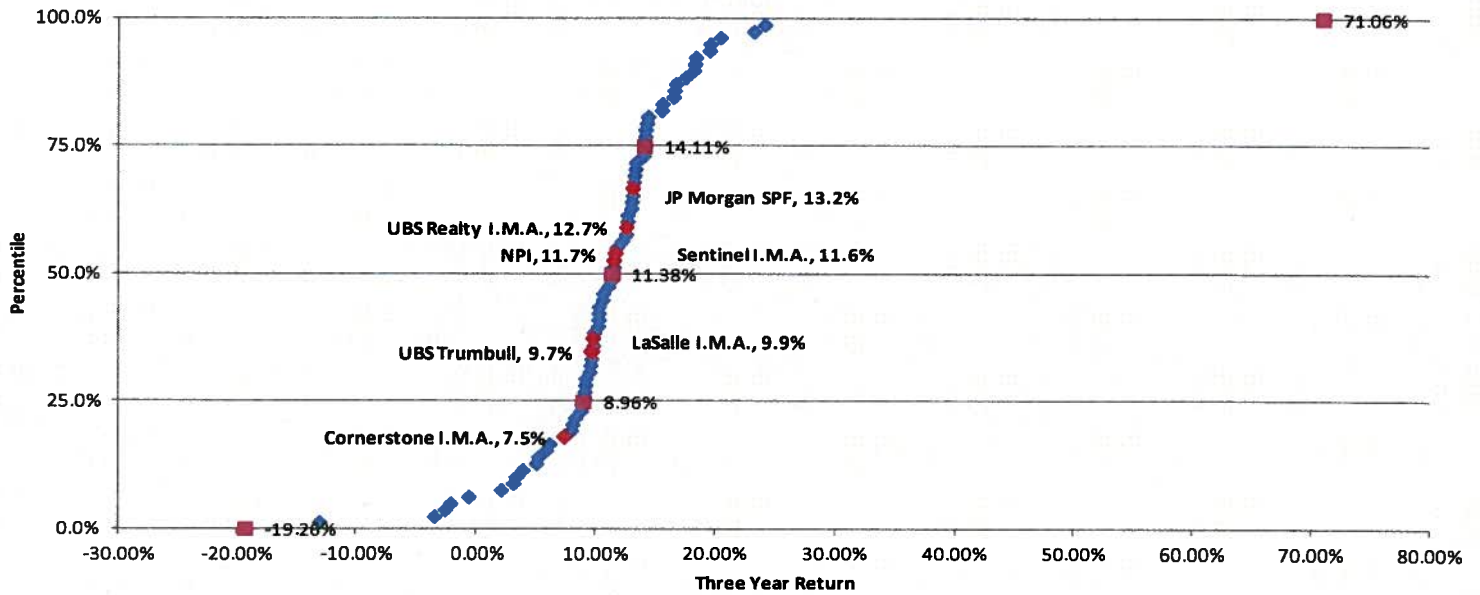
Attribution Analysis: 1 Year Ending March 31, 2014				
	Allocation	Selection	Cross	Total
Apartment	0.0246%	0.7889%	-0.1362%	0.6773%
Hotel	0.0611%	0.0275%	-0.0222%	0.0665%
Industrial	0.1149%	0.8371%	0.5281%	1.4801%
Office	0.0114%	-0.1653%	0.0047%	-0.1492%
Retail	-0.2120%	-0.4566%	0.2209%	-0.4478%
Other	-1.0767%	0.0000%	0.0000%	-1.0767%
Totals				0.5501%

Attribution Analysis: Since Inception*				
	Allocation	Selection	Cross	Total
Apartment	-0.0016%	0.3646%	-0.0305%	0.3324%
Hotel	0.0000%	0.0109%	0.0000%	0.0109%
Industrial	0.0003%	0.0562%	-0.0007%	0.0558%
Office	0.0000%	-0.1698%	0.0000%	-0.1698%
Retail	-0.0261%	0.2736%	-0.0305%	0.2170%
Other	-0.3685%	0.0000%	0.0000%	-0.3685%
Totals				0.0777%

* Since inception for attribution purposes is as of **June 30, 1998**, when the IMA program commenced
 Attribution analysis only includes IMAs and core funds. Non-core funds are not considered

First Quarter 2014

Quartile Analysis: Stable Return Universe Three Years Ending 3/31/2014



Quartile Analysis: Stable Return Universe Five Years Ending 3/31/2014

