

Callan

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September 30, 2024

Alaska Retirement Management Board
State of Alaska, Department of Revenue
Treasury Division
333 Willoughby Avenue, 11th Floor
Juneau, Alaska 99801

Dear Board Members:

This letter reviews the investment performance of assets under the purview of the Alaska Retirement Management Board (ARMB) for the fiscal year ended June 30, 2024.

Callan LLC (Callan) calculates time-weighted performance statistics based primarily on underlying custodial data provided by the Board's custodian, State Street Bank and Trust Company. The performance calculations were made using a time-weighted return methodology based upon fair values reported by the custodian.

Callan serves as ARMB's independent general investment consultant and evaluates ARMB's performance in relation to market benchmarks, appropriate manager peer groups and other public pension systems. The performance calculations are made using a methodology broadly similar to the Global Investment Performance Standards.

ARMB purposely seeks to invest assets prudently, expertly, and according to governing law and industry practices. The objective of this approach is to responsibly invest Plan assets that, in combination with contributions, will be sufficient to pay promised benefits to members and beneficiaries. In pursuit of this objective, ARMB periodically evaluates liabilities, expected contributions and potential earnings. This analysis considers a wide range of potentially viable investment strategies. With thoughtful consideration of multiple factors, ARMB selects a strategic investment policy that balances long-term growth potential and acceptable risk. A policy benchmark is constructed that mirrors ARMB's strategic decision regarding asset allocation policy. The custom policy benchmark comprises equity, fixed income, real estate, and other market indices weighted in proportions corresponding to ARMB's investment policy.

2024 Fiscal Year Market Overview

The most widely predicted recession in recent history did not materialize in 2023. In late 2022, 85% of economists polled by the *Financial Times* predicted a recession in 2023. Consumers were also gloomy, affected by post-pandemic blues and worries over rising inflation, especially gas and food prices, and stagnating wages.

Markets defied the early 2023 pessimism, and most asset classes and sectors (energy being an exception) posted robust gains for the calendar year. Global stocks surged and the S&P 500 closed 2023 just shy of a record. Even bond markets (taxable and tax-exempt) sharply reversed course in 4Q to bring 2023 results to an attractive 6%-ish figure. As a stark reminder of how quickly fortunes can be reversed, bond markets were on track to post a third consecutive calendar year

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of negative returns only three months prior. Gold also nearly hit a record in December, buoyed by geopolitical concerns and the prospect of lower interest rates.

As we entered 2024, the economic outlook improved from one year ago, but raging wars weighed heavily on investors' minds and government dysfunction and uncertainty over the lasting impact of sharply higher rates cast shadows on the economic picture. The path of short-term interest rates was likely downward, but the pace and timing were uncertain.

This fiscal year's well-publicized mantra—higher for longer—conjures up images of a tightrope, an apt descriptor of the Federal Reserve's current challenge. The economy has been resilient in the face of sharply rising rates, and while inflation has come down, it remains above the Fed's 2% target. The Fed must carefully balance the risks of too-high inflation with the impact of sharply higher rates on the economy while analyzing the ever-changing economic landscape.

The June meeting of the Federal Open Market Committee (FOMC) yielded no surprises for the market when the Fed Funds rate was kept on hold at 5.25% – 5.50%. Also widely expected, the median expectation for rate cuts was ratcheted down. In March (as well as in December 2023) the FOMC's median year-end expectation for the Fed Funds rate was 4.6%, or 3-4 cuts in 2024. In June, the Summary of Economic Projections median forecast was 5.1%, one cut from current levels. Stubborn inflation and resilient economic data were the twin motivators for the Fed's decision to delay rate cuts. The median projection from the FOMC is three more cuts in 2025, bringing the rate down to 4.1% by year-end 2025. The median forecast for the long-run rate ticked up slightly from 2.6% to 2.8%, reflecting the notion that the so-called "neutral rate" may be higher than previously thought. It is worth noting that the dispersion of forecasts is narrow in 2024 and for the long run, but expectations vary considerably for 2025 and 2026. Longer-term inflation expectations remain intact, reaching 2.0% by the end of 2026.

Real GDP grew at an annual rate of 1.4% in 1Q, down from the 3.4% pace in 4Q23. Consumer spending, which comprises about two-thirds of GDP, slowed from 3.3% in 4Q to 1.5% in 1Q as higher rates and declining savings took a toll. Growth modestly picked up in 2Q with GDP coming in at a brisk 2.8%, with consumer spending and business investment fueling the climb.

Unemployment rose slightly from 3.9% in April to 4.0% in May but remains relatively low by historical standards. The JOLTS (Job Openings and Labor Turnover Survey) June report showed job openings falling to 8.1 million at the end of April, below expectations and the lowest since February 2021. That said, job growth as measured by non-farm payrolls increased by 272,000 in May, far more than forecast and significantly more than the 175,000 created in April. Jobless claims and applications for unemployment benefits have risen in recent months, fueling speculation that the labor market may finally be softening, but further evidence is needed to support that notion.

U.S. equity markets finished fiscal year 2024 in positive territory and helped to recover losses after sharp drawdowns in 2022. The Russell 3000 Index, a measure of broad U.S. equity, was down 3.3% at the start of the fiscal year before rising 12.1% in 4Q23, 10.0% in 1Q24, and 3.2% in 2Q24. The S&P 500 Index hit 31 record highs over the first six months of 2024 gaining 15.3% for the period and 24.5% for the fiscal year. Technology stocks, namely the "Magnificent 7," were the clear winners as exuberance over artificial intelligence continues.

Central banks away from the U.S. have started to cut rates as growth has slowed and inflation moderated. In June, the Bank of Canada lowered its overnight rate 25 bps to 4.75%, and the European Central Bank cut rates for the first time this cycle. The Swiss National Bank has cut rates twice this year, and other cuts have come from Brazil, Mexico, Chile, and Sweden. Japan, on the other hand, raised rates very slightly in March (to 0% – 0.1%) and was the last country to exit a negative interest rate policy. Its 10-year government bond yield rose above 1% in May for the first time since 2013 as markets anticipated further rate increases. The yen, however, closed the quarter at just over 160 to the U.S. dollar, the lowest since 1986. The yen's weakness is due in part to the large differential in interest rates between Japan and other developed countries.

This year has also been marked by several elections that have yielded surprises and impacted markets. In India, Prime Minister Narendra Modi's party unexpectedly lost seats to the opposition, a result that caused its stock market to tumble

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on concerns over Modi’s ability to pursue a business-friendly agenda. In Mexico, Claudia Sheinbaum won by a landslide to become the country’s first woman president, but the wide margin of victory raised concerns that proposed changes to the constitution would be enacted, spooking investors and raising concerns over capital outflows. Subsequently, the peso dropped sharply, and the Mexican stock exchange was off roughly 6%. And in France, stock and bond markets were roiled with the far right gaining traction ahead of President Emmanuel Macron’s surprise elections, fueling worries over increased spending and a rising deficit that at about 5.5% of GDP (in 2023) is already higher than the 3% maximum set by the European Union. The European Commission recommended disciplinary action against France for its excessive deficit in June. The yield premium for French government bonds over Germany reached its highest level since 2012.

Overseas markets were positive for the year but continue to lag domestic markets the fiscal year aided by currency appreciation vs. the U.S. dollar. The MSCI ACWI ex-U.S. IMI (Net) Index, a broad benchmark reflecting developed and emerging markets outside of the U.S., climbed 11.6% for the fiscal year. The MSCI All Country World Index (Net), a broad measure of the total global equity market (including the U.S.), increased 19.4% for the fiscal year.

The Bloomberg U.S. Aggregate Bond Index, a widely-used gauge of the investment grade domestic U.S. bond market, was flat for the most recent quarter but ended the fiscal year in positive territory (+2.7%). Bond yields rose modestly in 2024 as expectations dwindled for aggressive rate cuts amid stubbornly high inflation. The 10-year U.S. Treasury yield ended the fiscal year-end at 4.36%, up from 4.20% at the end of 1Q 2024, and 3.88% at year-end 2023. Interest rates have been volatile as the markets assess when and how swiftly the Fed will begin easing. The yield curve remained inverted at quarter-end with the 2-year U.S Treasury yielding 4.71%.

Private real estate, as measured by the NCREIF Property Index, was negative for the second consecutive year after over a decade long positive streak. In fiscal year 2024, the NCREIF Property Index returned -5.5% hurt yet again by office property. Publicly traded real estate, as measured by the FTSE NAREIT All Equity Index, continued to outperform private markets, returning 5.8% for the fiscal year 2024.

ARMB’s actual asset groupings delivered the following one-year returns through June 30, 2024¹:

Domestic Stocks:	21.21%
Global ex-U.S. Stocks:	12.77%
Multi-Asset:	8.03%
Fixed Income:	3.55%
Real Assets:	0.04%
Private Equity:	4.96%

For the fiscal year ended June 30, 2024, the Public Employees Retirement System (PERS) had a time-weighted total return of 9.22%. The Teachers Retirement System (TRS) had a time-weighted total return of 9.23%. Both systems’ gross return trailed their strategic policy target return of 12.62% and the median return for Callan’s Public Fund Sponsor database of 11.13%.

Over longer trailing periods, PERS and TRS have outperformed their target index returns. The 5-year annualized return was 8.24% for PERS and 8.24% for TRS, compared to the benchmark return of 7.88% for both Plans. The ten-year annualized return was 7.29% for PERS and 7.29% for TRS. Both were above the 10-year target return of 6.84%. Over 32.75 years – the longest period of available data – PERS and TRS achieved annualized total returns of 7.82% and 7.85%, respectively. Both exceeded the corresponding policy benchmark return of 7.64%.

¹Note PERS asset class returns are used to represent the asset class performance of all plans.

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The 2024 fiscal year returns of the PERS and TRS pension (“DB”) and health care (“HC”) programs are listed in the table below.

	PERS DB	PERS HC	TRS DB	TRS HC
FY 2024	9.22%	9.32%	9.23%	9.31%

The pension and health care systems are well diversified and currently have asset allocation policies that, in our opinion, are consistent with achieving a long-term “real” (above inflation) return of 4.5%.

In summary, fiscal year 2024 was a year in which ARMB’s Total Fund returns were positive, as were those of most broad asset class returns. PERS and TRS produced lower returns than the average public fund, with both Plans ranking in the 82nd percentile within the Public Fund Sponsor peer group for the one-year period ended June 30, 2024. Lower peer group rankings were a result of the Funds’ relative underweight to equities and relative overweight to alternatives vs peers.

Sincerely,



Steven J Center, CFA
Senior Vice President
c: Zachary Hanna
Ivan Cliff

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Department of Revenue Treasury Division Staff As of June 30, 2024

Commissioner Adam Crum	Chief Investment Officer Zachary Hanna, CFA	Investment Officers Shane Carson, CFA James Cheng Casey Colton, CFA Victor Djajalie, CFA Kevin Elliot Benjamin Garrett Emily Howard, CFA Sean Howard, CFA	Tyler McCormack Robyn Mesdag, CFA Mark Moon Cahal Morehouse Nicholas Orr, CFA Stephanie Pham Steve Sikes, CFA
Deputy Commissioner Fadil Limani	Head of Investment Operations Scott Jones, CPA		
Treasury Division Director Pamela Leary, CPA	Cash Management Jesse Blackwell, CTP, AAP ARMB Liaison Officer Alysia Jones		

External Money Managers and Consultants

Opportunistic Fixed Income Fidelity Investment Asset Management <i>Merrimack, NH</i> MacKay Shields LLC <i>New York, NY</i>	Tactical Asset Allocation Fidelity Investment Asset Management <i>Smithfield, RI</i> PineBridge Investments <i>New York, NY</i>
Global Equities – Large Cap Acadian Asset Management, LLC <i>Boston, MA</i> Arrowstreet Capital, LP <i>Boston, MA</i> Baillie Gifford Overseas Ltd. <i>Edinburgh, Scotland</i> Brandes Investment Partners, L.P. <i>San Diego, CA</i> Capital Guardian Trust Co. <i>Los Angeles, CA</i> Dimensional Fund Advisors <i>Austin, TX</i> First Eagle Investments <i>New York, NY</i> Legal and General Investment Management America, Inc. <i>Chicago, IL</i> State Street Global Advisors <i>Boston, MA</i>	Private Equity Abbott Capital Management, L.P. <i>New York, NY</i> Advent International <i>Boston, MA</i> Battery Ventures <i>Boston, MA</i> Clearlake Capital <i>Santa Monica, CA</i> Dyal Capital Partners <i>New York, NY</i> Genstar Capital <i>San Francisco, CA</i> Glendon Capital <i>Santa Monica, CA</i> Insight Partners <i>New York, NY</i> KKR Lending Partners <i>New York, NY</i> Lexington Partners <i>New York, NY</i> Merit Capital Partners <i>Chicago, IL</i> Neuberger Berman <i>New York, NY</i> New Mountain Partners <i>New York, NY</i> NGP <i>Irving, TX</i> Onex Partners <i>New York, NY</i> Pathway Capital Management, LLC <i>Irvine, CA</i> Sentinel Capital Partners <i>New York, NY</i> Summit Partners <i>Boston, MA</i> The Jordan Company <i>New York, NY</i> The Riverside Company <i>New York, NY</i> Warburg Pincus <i>New York, NY</i>
Emerging Markets Legal and General Investment Management America, Inc. <i>Chicago, IL</i>	
Alternative Equity McKinley Capital Management LLC <i>Anchorage, AK</i>	
Alternate Beta Man Group <i>London, UK</i>	
Alternate Fixed Income Ares Management <i>Los Angeles, CA</i> Comvest Credit Partners <i>West Palm Beach, FL</i> Crestline Investors, Inc. <i>Fort Worth, TX</i> Prisma Capital <i>New York, NY</i>	
Other Opportunities Schroders Investment Management North America <i>New York, NY</i>	

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External Money Managers and Consultants (cont.)

Real Assets – Farmland and Timber

Timberland Investment Resources LLC
Atlanta, GA
UBS Farmland Investors, LLC
Hartford, CT

Real Assets – Energy

EIG Global Energy Partners
Washington, D.C.

Real Assets – Infrastructure

IFM
New York, NY
J.P. Morgan Asset Management
New York, NY

Real Assets – Real Estate Core Commingled Accounts

BlackRock Realty
New York, NY
J.P. Morgan Asset Management Inc.
New York, NY
UBS Realty Investors, LLC
Hartford, CT

Real Assets – Real Estate Core Separate Accounts

Sentinel Real Estate Corporation
New York, NY
UBS Realty Investors, LLC
Hartford, CT

Real Assets – Non-Core Commingled Real Estate Funds

Almanac Realty Investors
New York, NY
Clarion Partners
New York, NY
KKR & Co.
New York, NY
Silverpeak Real Estate Partners
New York, NY

Supplemental Benefits System, Deferred Compensation Plan, and Defined Contribution Plans

Baillie Gifford Overseas Ltd.
Edinburgh, Scotland
BlackRock
San Francisco, CA
Brandes Investment Partners
San Diego, CA
J.P. Morgan Asset Management Inc.
New York, NY
Northern Trust
Chicago, IL
State Street Global Advisors
Boston, MA
T. Rowe Price Investment Services
Baltimore, MD

Investment Consultants

Callan Associates, Inc.
Denver, CO

Investment Advisory Council

Ruth Traylor
Monument, CO
Joshua Rabuck
Indianapolis IN
William Jennings
Colorado Springs, CO

Independent Auditors

KPMG, LLP
Anchorage, AK

Actuaries

Arthur J. Gallagher and Company
(Formerly Buck Global LLC)
Chicago, IL
Gabriel, Roeder, Smith & Company
Denver, CO

Global Master Custodian

State Street Bank & Trust Co.
Boston, MA

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Public Employees' Retirement System Investment Report

INVESTMENTS

The investment goals of the State of Alaska Public Employees' Retirement System are the long term return and sustainability of the pension funds under management. Annually, the Alaska Retirement Management Board (ARMB) sets its asset allocation strategy in order to reflect changes in the marketplace while still retaining an expected optimal risk/return level within the set constraints and objectives of the ARMB.

The ARMB categorizes its investments into six asset classes: Broad Domestic Equity, Global Equity Ex-US, Fixed Income, Multi-Asset, Real Assets, and Private Equity. The performance of each asset class is compared with a benchmark comprised of one or more market indices. The performance for the total portfolio is compared with its policy portfolio, determined by calculating the weighted performance of the underlying asset class benchmarks at the portfolio's target asset allocation. The asset class benchmarks are illustrated below:

Asset Class	Benchmark
Broad Domestic Equity	Russell 3000
Global Equities Ex-U.S.	MSCI All Country World Ex-U.S. IMI Net
Fixed Income	95% Bloomberg Barclays U.S. Aggregate 5% 3-Month Treasury Bill
Multi-Asset	60% MSCI All Country World IMI Net 40% Bloomberg Barclays U.S. Aggregate
Real Assets	35% NFI-ODCE 15% FTSE-NAREIT 25% NCREIF Farmland 10% NCREIF Timberland 15% CPI+4%
Private Equity	1/3 S&P 500 1/3 Russell 2000 1/3 MSCI EAFE Net

The target asset allocation is determined by the ARMB, utilizing capital market assumptions provided by its independent general investment consultant, Callan LLC. During the fiscal year, the ARMB's target asset allocation was 26% Broad Domestic Equity, 17% Global Equities Ex-US, 21% Fixed Income, 8% Multi-Asset, 14% Real Assets, and 14% Private Equity. Over the next 20 years, the target asset allocation is expected to generate a return of 7.59% with a standard deviation of 13.61%.

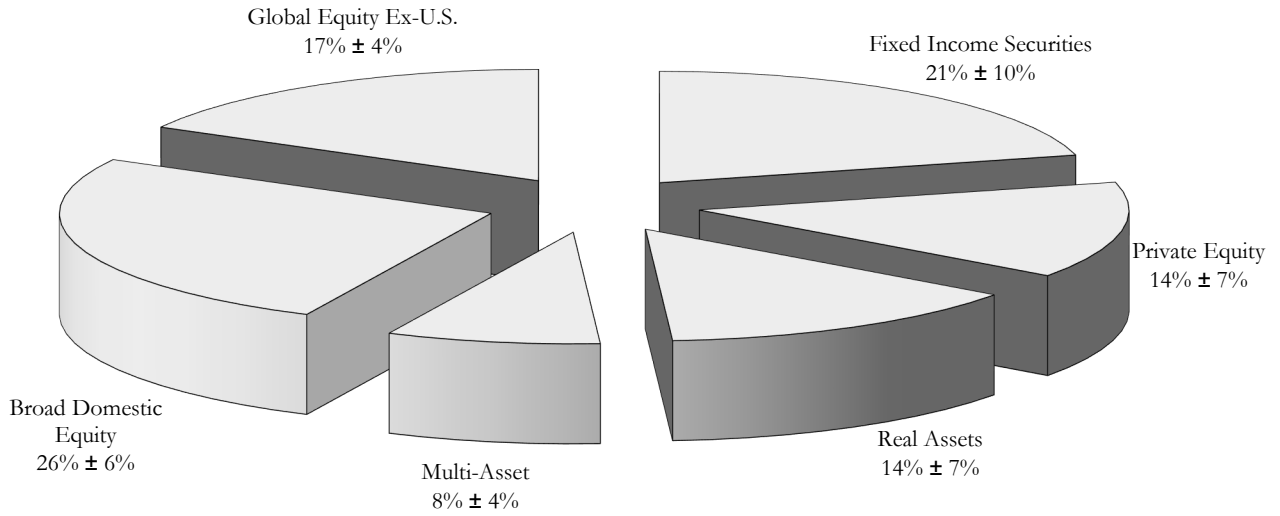
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Public Employees' Retirement System Schedule of Investment Results Fiscal Years Ended June 30							
	2020	2021	2022	2023	2024	Annualized	
						3 Year	5 Year
Total Fund							
PERS	3.83%	27.62%	(4.08%)	7.03%	9.22%	3.91%	8.25%
<i>Custom Composite Index</i>	4.64	24.95	(7.86)	7.53	12.62	3.72	7.89
<i>Actuarial Earnings Rate</i>	7.38	7.38	7.38	7.25	7.25	7.25	7.25
Broad Domestic Equity							
PERS	2.62	42.69	(11.74)	17.77	21.21	8.01	13.03
<i>Custom Composite Index</i>	6.53	44.16	(13.87)	18.95	23.13	8.05	14.14
Fixed Income							
PERS	7.31	2.20	(6.96)	0.48	3.55	-1.08	1.20
<i>Custom Composite Index</i>	7.67	(0.31)	(9.78)	(0.71)	2.78	-2.72	-0.24
Multi-Asset							
PERS	0.52	23.86	(10.58)	4.09	8.03	0.18	4.60
<i>Custom Composite Index</i>	9.32	23.20	(13.89)	9.14	11.94	1.70	7.22
Real Assets							
PERS	2.06	9.86	14.29	2.37	0.04	5.39	5.59
<i>Custom Composite Index</i>	1.19	4.62	14.80	3.41	0.63	6.11	5.19
Global Equity Ex-U.S.							
PERS	(3.59)	38.54	(20.96)	15.14	12.77	0.87	6.51
<i>MSCI ACWI ex-U.S.</i>	(4.74)	37.18	(19.86)	12.47	11.57	0.19	5.62
Private Equity							
PERS	10.47	50.67	26.25	(3.29)	4.96	8.62	16.36
<i>Custom Composite Index</i>	(1.35)	36.80	3.42	(6.83)	21.56	5.41	9.59
<p>MSCI ACWI = Morgan Stanley Capital International All Country World Index Returns for periods longer than one year are reported on an annualized basis. Basis of calculation: Time-Weighted rate of return based on the market rate of return.</p>							

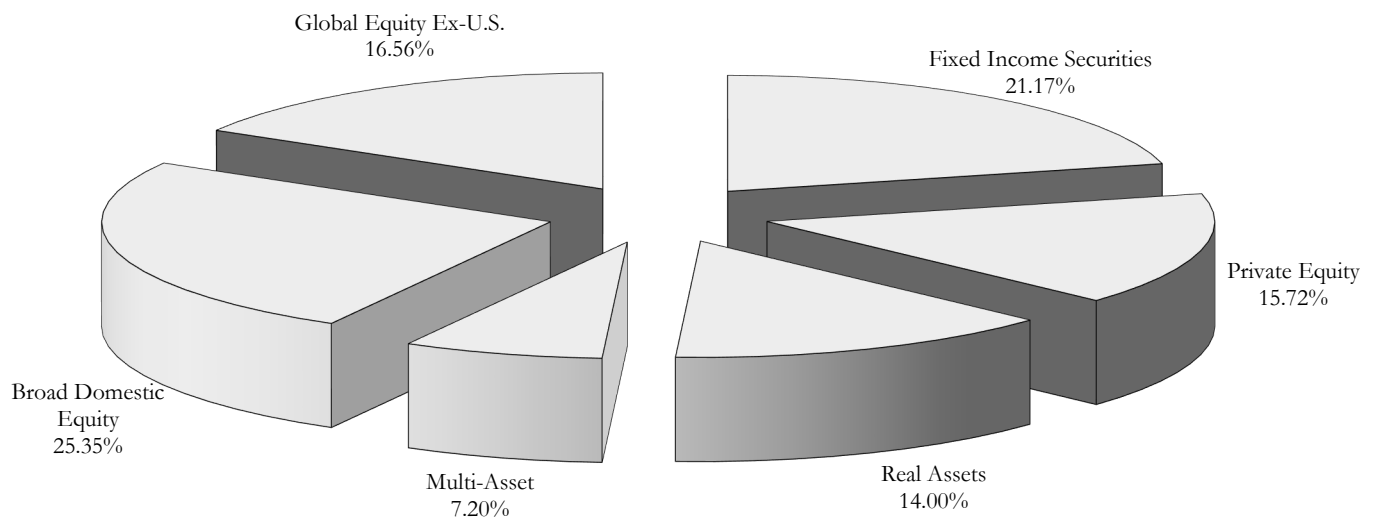
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Public Employees' Retirement System Asset Allocation June 30, 2024

Policy



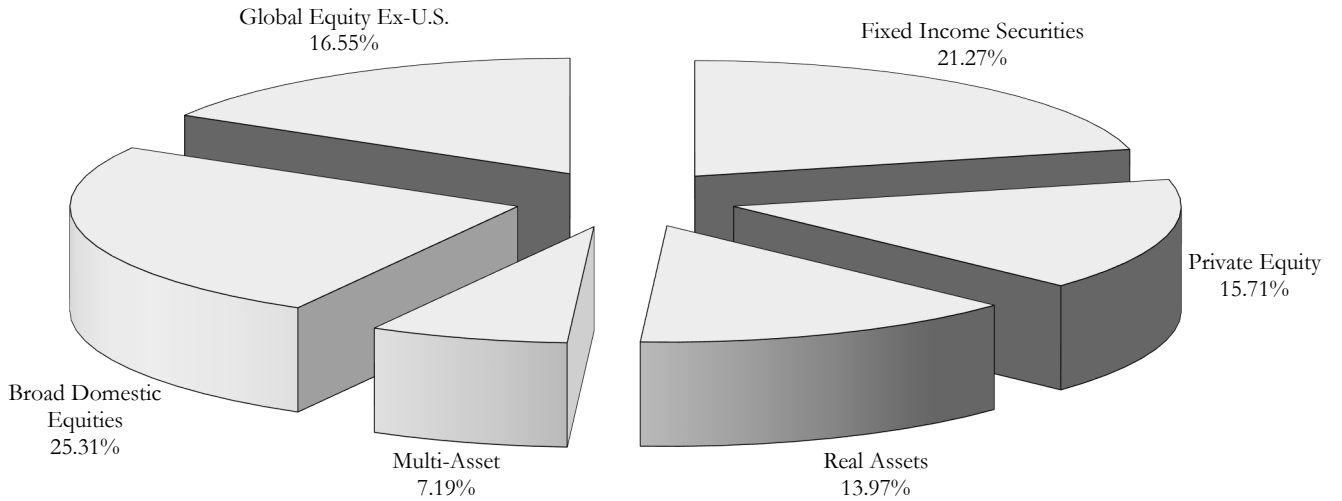
Actual – Defined Benefit Pension



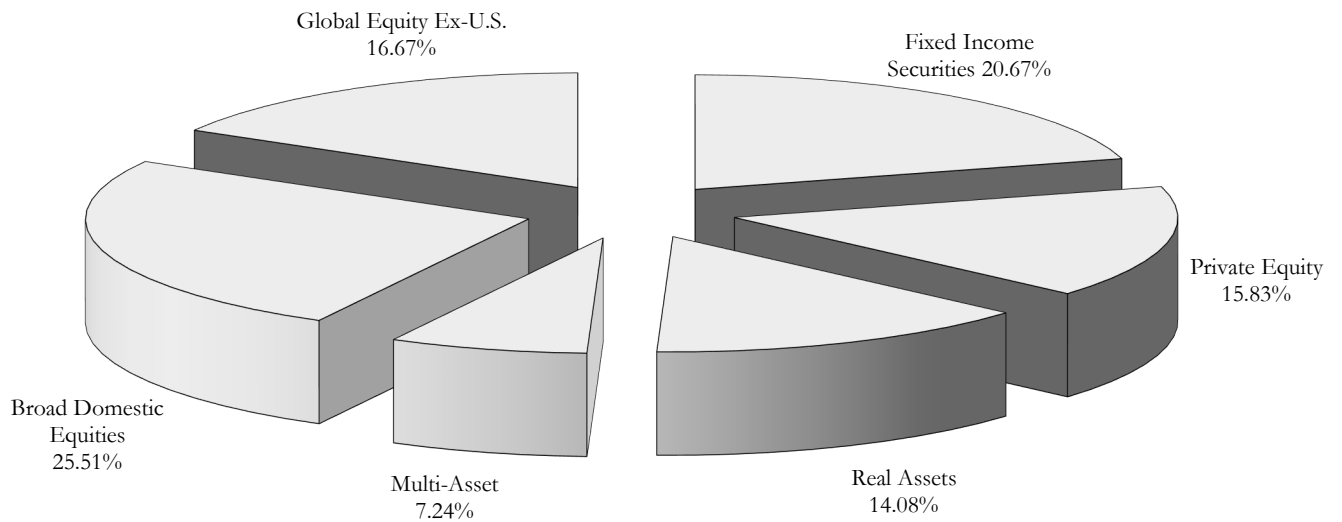
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Public Employees' Retirement System Asset Allocation June 30, 2024

Actual – Defined Benefit Alaska Retiree Healthcare Trust



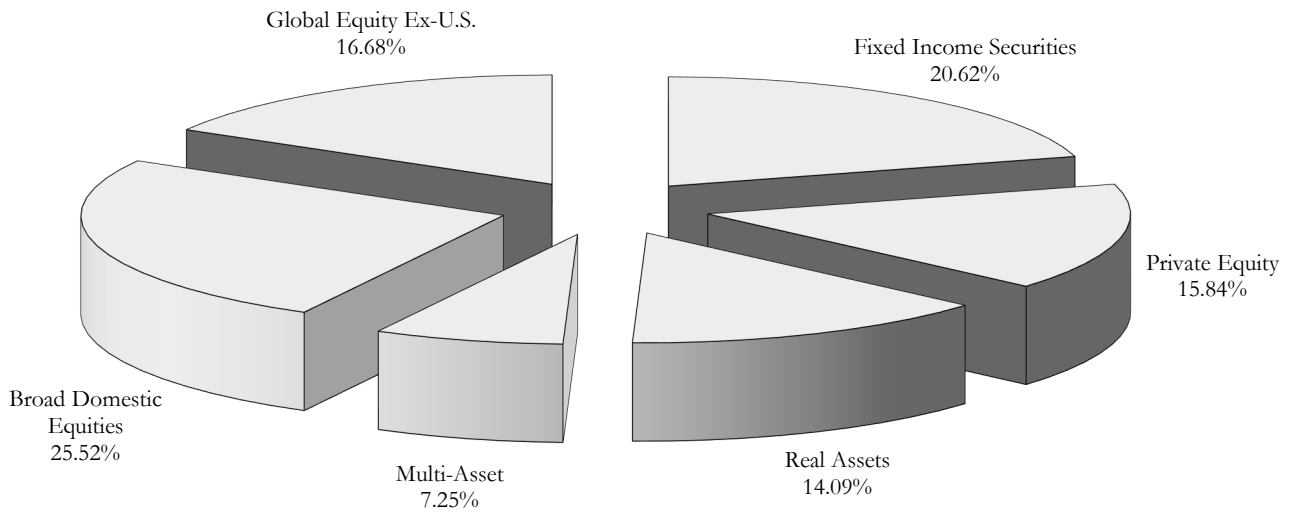
Actual – Occupational Death & Disability



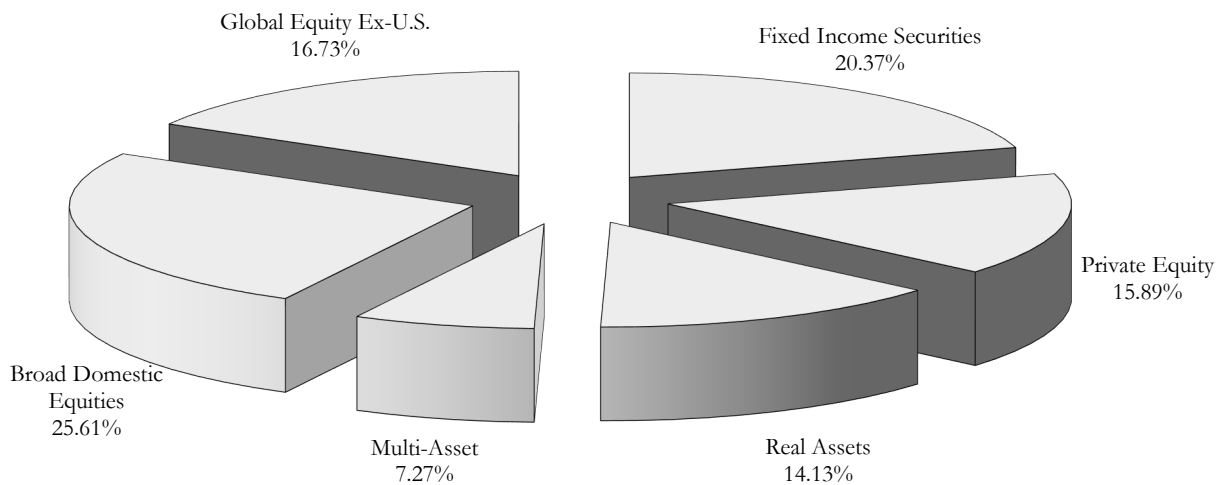
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Public Employees' Retirement System Asset Allocation June 30, 2024

Actual — Retiree Medical Plan



Actual — Health Reimbursement Arrangement



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Alaska Retirement Management Board Top Ten Holdings by Asset Type June 30, 2024

Invested assets under the fiduciary responsibility of the ARMB have been commingled in various investment pools to manage the overall cost of the program. Using investment pools increases investment efficiency in three ways. First, combining individual funds' cash inflows and outflows to offset each other reduces the amount of cash on hand needed to support daily operations. Second, pooling investments significantly reduces accounting, budgeting, and administrative costs. Finally, the ARMB can achieve economies of scale by making available investment options that could not otherwise be practically provided for smaller retirement funds. Below are the ten largest fixed income and equity holdings.

Fixed Income

Rank	Largest Fixed Income Holdings	Fair Value	Par Value
1	U.S. Treasury N/B 4.5% 5/31/2029	\$ 114,625,123	\$ 113,842,456
2	U.S. Treasury N/B 4.625% 6/15/2027	114,389,944	114,051,354
3	U.S. Treasury N/B 1.375% 11/15/2040	75,820,317	120,200,651
4	U.S. Treasury N/B 4.875% 5/31/2026	74,672,394	74,521,024
5	U.S. Treasury N/B 3.875% 5/15/2043	63,698,119	70,591,855
6	FNMA Pool CB2662 3.0% 1/1/2052	59,477,250	69,341,363
7	FED HM LN PC Pool SD8230 4.5% 6/1/2052	58,183,267	61,629,436
8	U.S. Treasury N/B 3.625% 3/31/2028	57,686,614	59,356,001
9	U.S. Treasury N/B 4.25% 2/15/2054	57,631,276	60,505,276
10	U.S. Treasury N/B 3.625% 5/15/2053	55,470,366	65,175,389

Equities

Rank	Largest Equity Holdings	Fair Value	Shares
1	Microsoft Corp.	\$ 334,642,085	748,724
2	Apple Inc.	292,934,515	1,390,820
3	Nvidia Corp.	261,594,273	2,117,486
4	Amazon.com Inc.	161,087,685	833,571
5	Meta Platforms Inc. Class A	117,236,163	232,510
6	Alphabet Inc. Class A	106,821,501	586,448
7	Alphabet Inc. Class C	92,020,173	501,691
8	Berkshire Hathaway Inc. Class B	83,654,186	205,640
9	Broadcom Inc.	71,879,698	44,770
10	Eli Lilly and Co.	62,635,409	69,181

Additional investment information may be obtained from the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, Alaska 99811-0405.

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Public Employees' Retirement System Schedule of Investment Management Fees Year Ended June 30, 2024

	<u>Fair Value</u>	<u>Fees</u>
Investment Management		
Total Fixed Income	\$ 4,710,564,047	1,738,245
Total Multi-Asset	1,601,121,393	10,645,736
Total Broad Domestic Equity	5,640,749,955	474,414
Total Global Equity Ex-U.S.	3,685,577,213	7,013,039
Total Private Equity	3,498,647,424	14,412,735
Total Real Assets	3,113,533,593	<u>17,047,406</u>
Total Investment Management		<u>51,331,575</u>
 Custodian		
State Street Bank		<u>1,015,922</u>
 Investment Advisory and Performance		
Callan Associates		481,842
Investment Advisory Council		<u>69,326</u>
Total Investment Advisory and Performance		<u>551,168</u>
 Participant Directed		
Custodian - State Street Bank		201,894
Investment Management		1,821,820
Synthetic Investment Contract Wrap Fees		<u>201,228</u>
Total Participant Directed		<u>2,224,942</u>
	<u>\$ 22,250,193,625</u>	<u>55,123,607</u>

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Public Employees' Retirement System Investment Summary Schedule June 30, 2024

Investments (at Fair Value)	Defined Benefit - Pension			% of Total Assets
	Asset Allocation		Fair Value	
	Policy	Range		
Fixed Income Securities				
Short-term Fixed Income Pool			\$ 129,949,121	
Opportunistic Fixed Income Pool			459,678,547	
Barclays Aggregate Bond Fund			1,851,405,936	
Total Fixed Income Securities	21.00%	± 10%	2,441,033,604	21.17%
Multi-Asset				
Alternative Equity Strategies Pool			75,155,719	
Tactical Allocation Strategies Pool			333,887,217	
Alternative Beta Pool			119,931,437	
Alternative Fixed Income			300,714,934	
Total Multi-Asset	8.00%	± 4%	829,689,307	7.20%
Broad Domestic Equity				
Large Cap Pool			2,675,757,933	
Small Cap Pool			247,168,292	
Total Broad Domestic Equity	26.00%	± 6%	2,922,926,225	25.35%
Global Equity Ex-U.S.				
International Equity Pool			1,538,102,369	
Emerging Markets Equity Pool			371,691,672	
Total Global Equity Ex-U.S.	17.00%	± 4%	1,909,794,041	16.56%
Private Equity				
Private Equity Pool			1,812,930,447	
Total Private Equity	14.00%	± 7%	1,812,930,447	15.72%
Real Assets				
Real Estate Pool			576,994,125	
Real Estate Investment Trust Pool			179,587,364	
Infrastructure Private Pool			310,693,436	
Energy Pool			15,172,896	
Farmland Pool			386,212,741	
Timber Pool			145,580,445	
Total Real Assets	14.00%	± 7%	1,614,241,007	14.00%
Total Invested Assets	100.00%		\$ 11,530,614,631	100.00%



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Public Employees' Retirement System Investment Summary Schedule June 30, 2024

Defined Benefit - Alaska Retiree Healthcare Trust				
Investments (at Fair Value)	Asset Allocation		Fair Value	% of Total Assets
	Policy	Range		
Fixed Income Securities				
Short-term Fixed Income Pool			\$ 117,906,846	
Opportunistic Fixed Income Pool			375,967,797	
Barclays Aggregate Bond Fund			1,514,251,464	
Total Fixed Income Securities	21.00%	± 10%	2,008,126,107	21.27%
Multi-Asset				
Alternative Equity Strategies Pool			61,469,271	
Tactical Allocation Strategies Pool			273,080,385	
Alternative Beta Pool			98,090,970	
Alternative Fixed Income			245,952,764	
Total Multi-Asset	8.00%	± 4%	678,593,390	7.19%
Broad Domestic Equity				
Large Cap Pool			2,188,482,951	
Small Cap Pool			202,157,119	
Total Broad Domestic Equity	26.00%	± 6%	2,390,640,070	25.31%
Global Equity Ex-U.S.				
International Equity Pool			1,258,002,663	
Emerging Markets Equity Pool			304,003,952	
Total Global Equity Ex-U.S.	17.00%	± 4%	1,562,006,615	16.55%
Private Equity				
Private Equity Pool			1,482,782,859	
Total Private Equity	14.00%	± 7%	1,482,782,859	15.71%
Real Assets				
Real Estate Pool			470,444,279	
Real Estate Investment Trust Pool			146,883,207	
Infrastructure Private Pool			254,113,989	
Energy Pool			12,409,798	
Farmland Pool			315,880,542	
Timber Pool			119,069,240	
Total Real Assets	14.00%	± 7%	1,318,801,055	13.97%
Total Invested Assets	100.00%		\$ 9,440,950,096	100.00%

Investment Section

Public Employees' Retirement System Investment Summary Schedule June 30, 2024

Investments (at Fair Value)	Occupational Death and Disability			% of Total Assets
	Asset Allocation		Fair Value	
	Policy	Range		
Fixed Income Securities				
Short-term Fixed Income Pool			\$ 416,740	
Opportunistic Fixed Income Pool			3,364,422	
Barclays Aggregate Bond Fund			13,550,737	
Total Fixed Income Securities	21.00%	± 10%	17,331,899	20.67%
Multi-Asset				
Alternative Equity Strategies Pool			550,055	
Tactical Allocation Strategies Pool			2,441,115	
Alternative Beta Pool			877,742	
Alternative Fixed Income			2,201,076	
Total Multi-Asset	8.00%	± 4%	6,069,988	7.24%
Broad Domestic Equity				
Large Cap Pool			19,584,485	
Small Cap Pool			1,809,082	
Total Broad Domestic Equity	26.00%	± 6%	21,393,567	25.51%
Global Equity Ex-U.S.				
International Equity Pool			11,257,666	
Emerging Markets Equity Pool			2,720,433	
Total Global Equity Ex-U.S.	17.00%	± 4%	13,978,099	16.67%
Private Equity				
Private Equity Pool			13,269,271	
Total Private Equity	14.00%	± 7%	13,269,271	15.83%
Real Assets				
Real Estate Pool			4,209,913	
Real Estate Investment Trust Pool			1,314,371	
Infrastructure Private Pool			2,273,958	
Energy Pool			111,119	
Farmland Pool			2,826,815	
Timber Pool			1,065,605	
Total Real Assets	14.00%	± 7%	11,801,781	14.08%
Total Invested Assets	100.00%		\$ 83,844,605	100.00%

Investment Section

Public Employees' Retirement System Investment Summary Schedule June 30, 2024

Investments (at Fair Value)	Retiree Medical Plan			
	Asset Allocation		Fair Value	% of Total Assets
	Policy	Range		
Fixed Income Securities				
Short-term Fixed Income Pool			\$ 1,200,542	
Opportunistic Fixed Income Pool			11,304,971	
Barclays Aggregate Bond Fund			45,532,108	
Total Fixed Income Securities	21.00%	± 10%	58,037,621	20.62%
Multi-Asset				
Alternative Equity Strategies Pool			1,848,280	
Tactical Allocation Strategies Pool			8,203,426	
Alternative Beta Pool			2,949,471	
Alternative Fixed Income			7,395,608	
Total Multi-Asset	8.00%	± 4%	20,396,785	7.25%
Broad Domestic Equity				
Large Cap Pool			65,805,539	
Small Cap Pool			6,078,625	
Total Broad Domestic Equity	26.00%	± 6%	71,884,164	25.52%
Global Equity Ex-U.S.				
International Equity Pool			37,826,913	
Emerging Markets Equity Pool			9,141,098	
Total Global Equity Ex-U.S.	17.00%	± 4%	46,968,011	16.68%
Private Equity				
Private Equity Pool			44,585,805	
Total Private Equity	14.00%	± 7%	44,585,805	15.84%
Real Assets				
Real Estate Pool			14,145,767	
Real Estate Investment Trust Pool			4,416,603	
Infrastructure Private Pool			7,640,967	
Energy Pool			373,152	
Farmland Pool			9,498,241	
Timber Pool			3,580,310	
Total Real Assets	14.00%	± 7%	39,655,040	14.09%
Total Invested Assets	100.00%		\$ 281,527,426	100.00%

Investment Section

Public Employees' Retirement System Investment Summary Schedule June 30, 2024

Investments (at Fair Value)	Health Reimbursement Arrangement			% of Total Assets
	Asset Allocation		Fair Value	
	Policy	Range		
Fixed Income Securities				
Short-term Fixed Income Pool			\$ 1,091,155	
Opportunistic Fixed Income Pool			36,785,630	
Barclays Aggregate Bond Fund			148,158,029	
Total Fixed Income Securities	21.00%	± 10%	186,034,814	20.37%
Multi-Asset				
Alternative Equity Strategies Pool			6,014,287	
Tactical Allocation Strategies Pool			26,695,588	
Alternative Beta Pool			9,597,412	
Alternative Fixed Income			24,064,637	
Total Multi-Asset	8.00%	± 4%	66,371,924	7.27%
Broad Domestic Equity				
Large Cap Pool			214,126,415	
Small Cap Pool			19,779,513	
Total Broad Domestic Equity	26.00%	± 6%	233,905,928	25.61%
Global Equity Ex-U.S.				
International Equity Pool			123,085,998	
Emerging Markets Equity Pool			29,744,450	
Total Global Equity Ex-U.S.	17.00%	± 4%	152,830,448	16.73%
Private Equity				
Private Equity Pool			145,079,043	
Total Private Equity	14.00%	± 7%	145,079,043	15.89%
Real Assets				
Real Estate Pool			46,029,385	
Real Estate Investment Trust Pool			14,371,450	
Infrastructure Private Pool			24,863,120	
Energy Pool			1,214,190	
Farmland Pool			30,906,530	
Timber Pool			11,650,036	
Total Real Assets	14.00%	± 7%	129,034,711	14.13%
Total Invested Assets	100.00%		\$ 913,256,868	100.00%

Investment Section

Public Employees' Retirement System Recaptured Commission Fees Year Ended June 30, 2024

Fund	Global Equity		Total
	Ex-U.S.	Multi-Asset	
Defined Benefit Plan – Pension	\$ 494	7,252	7,746
Postemployment Benefit – Alaska Retiree Healthcare Trust	405	5,927	6,332
Postemployment Benefit – Occupational Death and Disability	3	48	51
Postemployment Benefit – Retiree Medical Plan	12	162	174
Postemployment Benefit – Health Reimbursement Arrangement	38	530	568
Total Recapture Commission Fees	<u>\$ 952</u>	<u>13,919</u>	<u>14,871</u>

The ARMB's Commission Recapture program has been in place since 1995, first working with various brokers then switching to the State Street program in 2005. Under a commission recapture program, a portion of the commissions and mark-ups on trades (placed through the State Street broker network) flow directly back to the fund.

The program allows managers to place trades for commission recapture purposes. The ARMB has established direction percentages for the managers to strive for but is only requiring best efforts to meet them given their fiduciary obligation to achieve best execution of transactions.

The current rebate arrangement with State Street Global Markets (SSGM) is: 90% of the commissions received in excess of executing the brokers' execution-only rates; 100% of commissions in excess of its execution-only rates for all trading directed through SSGM.