

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Public Pension Standards Award For Funding and Administration	7
Organization Chart	8
Section Responsibilities and Professional Consultants	9
Alaska Retirement Management Board	10

FINANCIAL SECTION

Independent Auditors' Report	13
Management's Discussion and Analysis	15

Basic Financial Statements

Statements of System Net Assets	24
Statements of Changes in System Net Assets	25

Notes To Financial Statements – An Integral Part of the Basic Financial Statements

Note 1 – Description	26
Note 2 – Summary of Significant Accounting Policies	32
Note 3 – Investments	36
Note 4 – Deposit and Investment Risk	37
Note 5 – Foreign Exchange, Derivative, and Counterparty Credit Risk	46
Note 6 – Claims Payable	47
Note 7 – Funded Status and Funding Progress	49
Note 8 – Commitments and Contingencies	52
Note 9 – Medicare Part D Retiree Drug Subsidy	52
Note 10 – Early Retiree Reinsurance Program	53
Note 11 – Recently Issued Accounting Standards	53

Required Supplementary Information:

GASB Statement No.s 25 and 43:

Schedule of Funding Progress

Defined Benefit Retirement Pension Benefits	54
Defined Benefit Retirement Postemployment Healthcare Benefits	55
Defined Contribution Retirement Occupational Death and Disability Benefits	56
Defined Contribution Retirement Retiree Medical Benefits	57

Schedule of Contributions

Defined Benefit Retirement Pension and Postemployment Healthcare Benefits	58
Defined Contribution Retirement Occupational Death and Disability Benefits	59
Defined Contribution Retirement Retiree Medical Benefits	60

Notes to Required Supplementary Information

Note 1 – Description of Schedule of Funding Progress	61
Note 2 – Actuarial Assumptions and Methods	61
Note 3 – Contributions - State of Alaska	73

Supplemental Schedules

Schedule of Administrative and Investment Deductions, Defined Benefit Plan	75
Schedule of Administrative Deductions, Defined Contribution Retirement Trust Plan	76
Schedule of Payments to Consultants Other Than Investment Advisors	77

TABLE OF CONTENTS

INVESTMENT SECTION

Investment Consultant's Report	79
Treasury Division Staff and External Money Managers and Consultants	81
Investment Report	83
Schedule of Investment Results	84
Asset Allocation	85
Top Ten Holdings by Asset Type	89
Schedule of External Management Fees	90
Investment Summary Schedule	92
Recaptured Commission Fees	98

ACTUARIAL SECTION

Teachers' Retirement System

Actuarial Certification	99
Description of Actuarial Methods and Valuation Procedures	101
Summary of Actuarial Assumptions and Changes in Assumptions	107
Funding Excess/(Unfunded Liability)	119
Employer Contribution Rates	120
Schedule of Active Member Valuation Data	121
Schedule of Pension Benefit Recipients Added to and Removed From Rolls	121
Pension Solvency Test	122
Postemployment Healthcare Solvency Test	123
Analysis of Financial Experience	124
Summary of Plan Provisions and Changes in Plan Provisions	126

Teachers' Retirement System Defined Contribution Retirement Plan

Actuarial Certification	133
Description of Actuarial Methods and Valuation Procedures	135
Summary of Actuarial Assumptions and Changes in Assumptions	137
Funding Excess/(Unfunded Liability)	148
Employer Contribution Rates	149
Schedule of Active Member Valuation Data	149
Occupational Death and Disability Solvency Test	150
Retiree Medical Solvency Test	151
Summary of Plan Provisions and Changes in Plan Provisions	152

STATISTICAL SECTION

Statistical Section Overview	155
Changes in Net Assets	156
Additions by Source	162
Deductions by Type	168
Schedule of Average Pension Benefit Payments – New Benefit Recipients	173
Schedule of Pension and Healthcare Benefit Deductions by Type	174
Schedule of Benefit Recipients by Type and Option Selected	175
System Membership by Status	176
Principal Participating Employers	177
Participating Employers	178