



## Defined Contribution

Internal Revenue Code  
(IRC) Section 401(a)

## Investment Option Detail Sheet

Alaska Balanced Trust

*The Trust attempts to match the performance of six sector Indices. The Trust may be suitable for investors who have at least a five-year investment horizon, with a low to average risk tolerance, and able to accept the ups and downs in the share price value.*

*Fund descriptions and the fund's top ten holdings are updated approximately every 6 months.*

For information on available investment options, please visit our Web site at [www.state.ak.us/drj](http://www.state.ak.us/drj). Under "Programs", click on the "Defined Contribution Retirement Plan" line; then on the next page, under "Publications", click on "Investment Option Detail Sheets". Please Note: Adobe Acrobat Reader is required to download and view Investment Option Detail Sheets. You can print a copy of any sheet directly from your Web browser; if you are unable to do so, please call DRB at 1-800-821-2251 or 465-4460 from Juneau.

# Alaska Balanced Trust<sup>1</sup>

## Investment Objective

To provide a balanced and diversified mix of U.S. and international stocks, bonds, federally guaranteed mortgages and money market securities for investors with a low to average tolerance for risk.

## How The Trust Works

The Trust is made up of securities from six market sectors: large U.S. companies, established international companies, small U.S. companies, investment-grade U.S. bonds, federally guaranteed mortgages and money market instruments. A group of senior investment managers at T. Rowe Price actively manages the Trust to take advantage of market opportunities.

## Investor Profile

The Trust is appropriate for those investors with at least five years until retirement. Such investors should be prepared to accept some ups and downs in the Trust's unit price value in exchange for potentially higher returns over the long term.

## Benchmark

The benchmark for the Trust is a weighted average of the total return performance of the Russell 3000<sup>®</sup> Index, MSCI EAFE Index, Barclays Capital U.S. Aggregate Bond Index, and the Citigroup 3-Month Treasury Bill<sup>2</sup> Index. The weights depend on the neutral allocation to each underlying trust.

## Important Note on Alaska Balanced Trust

Previously, the Alaska Balanced Trust was managed to have a small exposure (generally under 5%) to established international companies (non-U.S. stocks). Effective April 2009, the Trust gradually increased its exposure to established international companies and decreased its exposure to large and small U.S. companies (U.S. stocks). International markets have grown and matured over the years and offer investors diversification and long-term growth potential. For the Trust, the general allocations are targeted to 7% non-U.S. stocks and 28% U.S. stocks (versus 2% and 33% previously).

## Management and Strategy

The Trust is managed by T. Rowe Price Trust Company, a subsidiary of T. Rowe Price Associates, Inc. T. Rowe Price Associates, Inc., founded in 1937, is a global investment management organization. The T. Rowe Price family of companies has more than \$269 billion (as of March 31, 2009) in assets under management. The Trust is designed to provide investors with a simple way to hold a widely diversified portfolio. Professional money managers shift assets gradually between asset classes and can overweight or underweight particular asset classes to help take advantage of market conditions. Also, since these asset classes respond to different market forces, one asset class doing poorly may be offset by another class doing well. The Trust's assets are spread across and within asset classes. Investments by the underlying trusts may include U.S. and non-U.S. stocks, small- and large-cap stocks, and investment-grade bonds and money market securities. As with any investment, the market value of this Trust may go up and down over time. Investors should be prepared to accept year-to-year changes in returns, including declining values. In general, the stock portions of the portfolio are subject to market risk or falling share prices; the bond and money market portions will be affected by interest rate and credit risk. Historical returns, however, demonstrate that a long-term investment across varying asset classes may help to provide protection against below-average returns in one class while potentially providing income and capital appreciation from other classes.

<sup>1</sup> The Trust is not a mutual fund. It is a common trust fund established by the T. Rowe Price Trust Company under Maryland banking law, and its units are exempt from registration under the Securities Act of 1933. Investments in the Trust are not deposits or obligations of, or guaranteed by, the U.S. government or its agencies or the T. Rowe Price Trust Company and are subject to investment risks, including possible loss of principal.

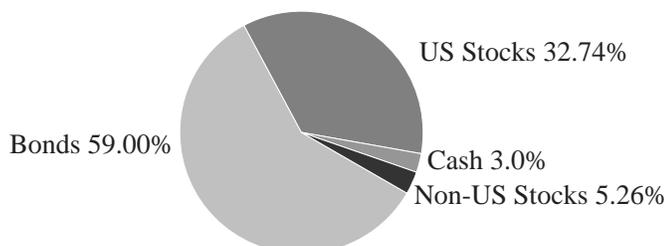
<sup>2</sup> U.S. Treasury securities are guaranteed as to the timely payment of principal and interest if held to maturity. Trust shares are neither issued nor guaranteed by the U.S. Government.

Information provided directly by T. Rowe Price Associates, Inc. T. Rowe Price Associates, Inc. is registered as an investment adviser under the Investment Advisers Act of 1940.

For more information about the risks of investing please read your "Plan Information" booklet.

# Alaska PERS/TRS Defined Contribution Retirement Plan

## Alaska Balanced Trust (managed by T. Rowe Price)



### Investment Allocation as of 9/30/2009

The investment positions of the Trust are evaluated on a regular basis and rebalanced to be consistent with the target allocation levels. The following table represents the ranges for the allocations. Diversification of a portfolio does not assure a profit and does not protect against loss in declining markets.

### Asset Allocation Ranges

Asset Class	Allocation Range		
Money Market	0.0%	to	7.0%
Bonds	55.0%	to	71.0%
US Stocks	29.0%	to	41.0%
Non-US Stocks	0.0%	to	5.0%

### Top 10 Equity Holdings as of 9/30/2009

	% of portfolio
1. Exxon Mobil Corp	0.96%
2. Microsoft Corp	0.57
3. Apple Inc	0.50
4. GE	0.50
5. JPMorgan Chase	0.49
6. Procter & Gamble	0.49
7. Johnson & Johnson	0.45
8. AT&T Inc	0.44
9. IBM	0.43
10. Bank of America	0.41

### Top 10 Bond Holdings as of 9/30/2009

	% of portfolio
1. US Treasury Bonds/Notes	14.01%
2. GNMA Pass-Throughs	13.80
3. FNMA Agency Debt	8.82
4. FHLMC Agency Debt	2.20
5. Morgan Stanley	0.76
6. General Electric Capital Corp	0.74
7. Bear Stearns	0.70
8. Goldman Sachs Group Inc	0.64
9. Tenn Valley Authority	0.61
10. JPMorgan Chase & Co	0.54

Securities when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

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**IMPORTANT NOTE:** Whenever you initiate a trade, there is a possibility the fund company may reject or delay your trade due to a number of circumstances due to extreme market conditions. If a trade is rejected, then the dollar amount will be reinvested in the original fund at the next calculated unit/net asset value after the trade is rejected. This can cause a gain or loss to your account, when units/shares are repurchased on a different day.