PERS and TRS
Defined Contribution Retirement Plan

Defined Contribution

Internal Revenue Code (IRC) Section 401(a)

Investment Option Detail Sheet

Alaska Target Retirement 2040 Trust

The Trust buys and holds a diversified mix of stocks, bonds and cash for investors planning to retire or begin withdrawing money around or after the year 2040 and/or those investors who have a higher tolerance for risk.

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/drb.*** 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 Target Retirement 2040 Trust[1]

Investment Objective

To provide exposure to a diversified mix of stocks, bonds, and money market securities for long-term investors with a higher tolerance for risk. The trust is designed to gradually invest more conservatively as the year 2040 approaches and beyond.

How The Trust Works

The Trust invests in four underlying common trust funds, each one emphasizing a different market sector: U.S. stocks, non-U.S. stocks, U.S. investment-grade bonds, and as retirement draws closer, money market securities. Over time, the allocations become more conservative, systematically decreasing exposure to stocks and increasing exposure to bonds and money market securities on a quarterly basis. At the target date, the Trust maintains a substantial exposure to stocks (approximately 55%). The most conservative allocation to stocks (approximately 20%) occurs 30 years after the target date is reached.

Investor Profile

The Trust may be appropriate for individuals who will retire around 2040 and/or investors with a higher tolerance for risk.

Benchmark

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

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 have exposure to a diversified portfolio, which gradually becomes more conservative as the year 2040 draws near. Professional money managers shift assets gradually between 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, 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.

[1]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 US government or its agencies or the T. Rowe Price Trust Company and are subject to investment risks, including possible loss of principal.

[2]US 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 US 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 Target Retirement 2040 Trust

(managed by T. Rowe Price)

The investment positions of the Trust are evaluated on a regular basis and rebalanced to be consistent with the target allocation levels. The Trust will gradually invest more conservatively as the year 2040 approaches and beyond. The Trust will reach its final, most conservative allocation of approximately 20% stocks 30 years after reaching its target date. The following table represents what the strategic allocations are expected to be over time, based on the fourth quarter allocation for the representative year with a range of +/- 10% for U.S. stocks and bonds and a range of +/- 5% for non-U.S. stocks and money markets.

Percentage of Trust Holdings

	2010	2020	2030	2040	2050
Bonds	10.00%	15.00%	25.00%	35.00%	42.50%
U.S. Stocks	72.00	68.00	57.50	44.00	32.00
Non - U.S. Stocks	18.00	17.00	14.50	11.00	8.00
Cash	0.00	0.00	3.00	10.00	17.50

Diversification of a portfolio does not assure a profit and does not protect against loss in declining markets.

Top 10 Stock Holdings as of 4/1/2009

		% of portfolio
1.	Holdings not available	
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Top 10 Bond Holdings as of 4/1/2009

		% of portfolio
1.	Holdings not available	
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

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.