



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

COMMISSIONER'S OFFICE

333 Willoughby Avenue, 11th Floor
PO Box 110400
Juneau, Alaska 99811-0400
Main: 907.465.2300
Fax: 907.465.2389

January 19, 2016

The Honorable Bill Walker, Governor
The Honorable President of the Senate
The Honorable Speaker of the House
Employers participating in the State of Alaska retirement systems

Dear Governor Walker, President of the Senate, Speaker of the House and Participating Employers:

In accordance with AS 37.10.220(a)(13), the Alaska Retirement Management Board (ARMB) is required to:

"by the first day of each regular legislative session, report to the governor, the legislature, and the individual employers participating in the state's retirement systems on the financial condition of the systems in regard to

- (A) The valuation of trust fund assets and liabilities;
- (B) Current investment policies adopted by the board;
- (C) A summary of assets held in trust listed by the categories of investment;
- (D) The income and expenditures for the previous fiscal year;
- (E) The return projections for the next calendar year;
- (F) One-year, three-year, five-year, and 10-year investment performance for each of the funds entrusted to the board; and
- (G) Other statistical data necessary for a proper understanding of the financial status of the systems;"

To that end, investment of funds for which the board is responsible includes the following:

- Public Employees' Retirement System Funds (PERS)
- Teachers' Retirement System Funds (TRS)
- Judicial Retirement System Funds (JRS)
- National Guard and Naval Militia Retirement System Fund (NGNMRS)
- Supplemental Annuity Plan (SBS)
- Deferred Compensation Plan (DCP)

Public Employees, Teachers, Judicial and National Guard and Naval Militia Retirement Systems

You will find audited FY 2016 financial schedules for the invested assets of the four retirement systems' funds at our website as follows (hard copy reports are available upon request):

<http://treasury.dor.alaska.gov/armb/ReportsandPolicies/AnnualAuditedFinancialSchedules.aspx>

The financial schedules show the results of operations as of and for the fiscal year ended June 30, 2016, including related accounting policies.

The Division of Retirement and Benefits in the Department of Administration prepares comprehensive annual financial reports for PERS and TRS. These annual reports incorporate additional information regarding investment activity of the trust funds such as investment objectives, asset allocation and performance information. You can view these reports on the web at (hard copy reports are available by calling the Division of Retirement and Benefits at 465-4460):

PERS: <http://doa.alaska.gov/drb/pers/employee/resources/cafr.html>

TRS: <http://doa.alaska.gov/drb/trs/employee/resources/cafr.html>

Audited financial statements for the JRS and NGNMRS are available at:

JRS: <http://doa.alaska.gov/drb/jrs/jrs-audited-financial-statements.html>

NGNMRS: <http://doa.alaska.gov/drb/ngnmrs/ngnmrs-audited-financial-statements.html>

Investment Guidelines, Policies and Procedures:

<http://treasury.dor.alaska.gov/armb/ReportsandPolicies/InvestmentPolicies.aspx>

Quarterly performance returns:

<http://treasury.dor.alaska.gov/armb/ReportsandPolicies/InvestmentPerformance.aspx>

FY 2016 Asset Allocations: <http://treasury.dor.alaska.gov/armb/AssetAllocation.aspx>

Supplemental Annuity Plan and Deferred Compensation Plans

The Division of Retirement and Benefits also provides audited financial statements for the Supplemental Annuity and Deferred Compensation Plans on their website at (hard copy reports are available from the Division of Retirement and Benefits by calling 465-4460):

SBS: http://doa.alaska.gov/drb/sbs_ap/resources/financial-reports.html

DCP: <http://doa.alaska.gov/drb/dcp/resources/financialStatements.html>

SBS and DCP performance returns and investment objectives are posted monthly at the following sites:

Supplemental Annuity Plan: https://docs.retirementpartner.com/ioag/98214-03_IOAG.pdf

Deferred Compensation Plan: https://docs.retirementpartner.com/ioag/98214-01_IOAG.pdf

The ARMB posts monthly updates including financial and asset allocation reports that reflect current valuation for all plans at the following site:

<http://treasury.dor.alaska.gov/armb/ReportsandPolicies/MonthlyFinancialReports.aspx>

While the above noted reports are comprehensive, I would be glad to discuss any questions you might have.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randall Hoffbeck". The signature is fluid and cursive, with the first name "Randall" being more prominent than the last name "Hoffbeck".

Randall Hoffbeck
Commissioner
Department of Revenue

cc: Kevin Worley, Chief Financial Officer, Retirement and Benefits, Department of Administration
Pamela Leary, Director, Treasury Division, Department of Revenue
Gary M. Bader, Chief Investment Officer, Treasury, Department of Revenue
Judith Hall, ARMB Liaison Officer, Department of Revenue