



# Tactical Asset Allocation Fund

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## Defined Contribution

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Internal Revenue Code  
(IRC) Section 401(a)

## Investment Option Detail Sheet

Tactical Asset  
Allocation Fund

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*Actively managed fund  
that shifts assets among  
stocks, bonds and cash.*

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*Fund descriptions and the  
fund's top ten holdings are  
updated approximately every  
6 months. Fund return results  
are reported quarterly and  
are included with participant  
account statements.*

For information on available investment options, please visit our Web site at [www.state.ak.us/drb](http://www.state.ak.us/drb). Under "Programs", click on the "Supplemental Annuity 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.

98214-03 SBS FDS-1 (5/07)

## Investment Objective

To achieve high total returns (capital appreciation plus income) over the long term without taking excessive risk.

## How the Fund Works

The fund shifts assets among stocks, bonds and cash. The fund invests in short term high quality money market instruments and in other funds designed to track the S&P 500 Composite Stock Price Index and the Lehman Brothers 20+ Year Treasury Bond Index. The fund relies upon a computer-based model to determine the mix of asset classes that, given expected market conditions, has the potential to deliver the highest reward for bearing investment risk.

## Investor Profile

Those with long-term investment horizons who wish to achieve substantial growth in the value of their investment while avoiding the short term fluctuations of an all stock or all bond investment.

## Fund Benchmark

The fund is actively managed, however a reasonable benchmark would be a static mix of 60% S&P 500 and 40% Lehman 20 Plus Treasury Index.

## Fund Management

The U.S. Tactical Asset Allocation Fund invests in a mix of stock and bond funds, sometimes in combination with a money market fund. Over time, the fund shifts its assets among the three different asset classes to respond to changes in the economic outlook and expectations for market performance. The fund relies upon a computer-based model to determine the allocation of index funds that will provide the best trade-off between return and risk in the future.

Barclays' Tactical Asset Allocation model recommends that the fund shifts its assets towards markets that are relatively undervalued but likely to appreciate, and away from markets that are overvalued and less likely to appreciate. The model also considers the level of risk involved in stocks and only shifts assets into them when it expects the level of stock returns to be high enough to outweigh their higher risk (relative to bonds). When the model sees that expectations for market performance have changed, it changes its recommendations.

Depending upon the computer-based model's recommendations, the fund will invest anywhere between 0% and 100% of its assets in stocks, bonds and cash. For example, the fund may invest 40% of its assets in stocks and 60% in bonds for a particular amount of time, shifting to 50% in stocks, 30% in bonds and 20% in cash when capital market conditions warrant. In the past, the fund changed its mix of assets an average of four or five times a year.

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*Registration with the Securities and Exchange Commission is not required for the State of Alaska Supplemental Annuity Plan.*

*Past performance is never a guarantee of future results.*

*Barclays Global Advisors, NA is registered as an investment adviser under the Investment Advisers Act of 1940. Barclays manages \$1,622.7 billion for investors around the world.*

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

# State of Alaska Supplemental Annuity Plan

## Tactical Asset Allocation Fund

(managed by Barclays Global Investors, N.A.)

### Equity Index Fund as of 03/31/2007

	% of portfolio
1. Exxon Mobil Corp	2.1%
2. General Electric Co	1.8
3. Citigroup, Inc.	1.3
4. AT&T Inc	1.2
5. Microsoft Corp	1.2
6. Bank of America Corp	1.1
7. Procter & Gamble Co	1.0
8. Altria Group Inc	1.0
9. Pfizer Inc	0.9
10. American International Group	0.9

### 20+ Treasury Bond Fund as of 03/31/2007

	% of portfolio
1. US TREASURY N/B 4.5% Feb 15 2036	6.3%
2. US TREASURY 6.125% 15/11/2027	5.5
3. US TREASURY 6 1/4% 15/05/2030	4.7
4. US TREASURY N/B 5.375% 15/2/2031	4.2
5. U.S. TREASURY 5 1/2% 15/8/2028	2.9
6. US TREASURY 5.25% 15/02/2029	2.8
7. US TREASURY 6 1/8% 15/08/2029	2.6
8. US 30 YR TREASURY BOND	2.5
9. US TREASURY 6.625% 15/02/2027	2.4
10. US TREASURY 5.25% 15/11/2028	2.4

**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.