

A scenic background image of an Alaskan landscape. In the foreground, there is a calm body of water reflecting the sky. To the right, a dense forest of tall evergreen trees stands on a shoreline. In the background, a range of rugged mountains with patches of snow is visible under a cloudy sky.

Alaska Retirement Management Board

Overview

for RPEA Membership Meeting

September 28, 2023

Introduction to ARMB

- The Alaska Retirement Management Board (ARMB) was established on October 1, 2005, as fiduciary of the assets of the state's retirement systems, replacing the Alaska State Pension Investment Board (ASPIB).
- The board serves as the trustee of the assets of the state retirement systems.
- The board's mission is to establish policy, set direction, and provide oversight & stewardship for the prudent investment and management of the funds.

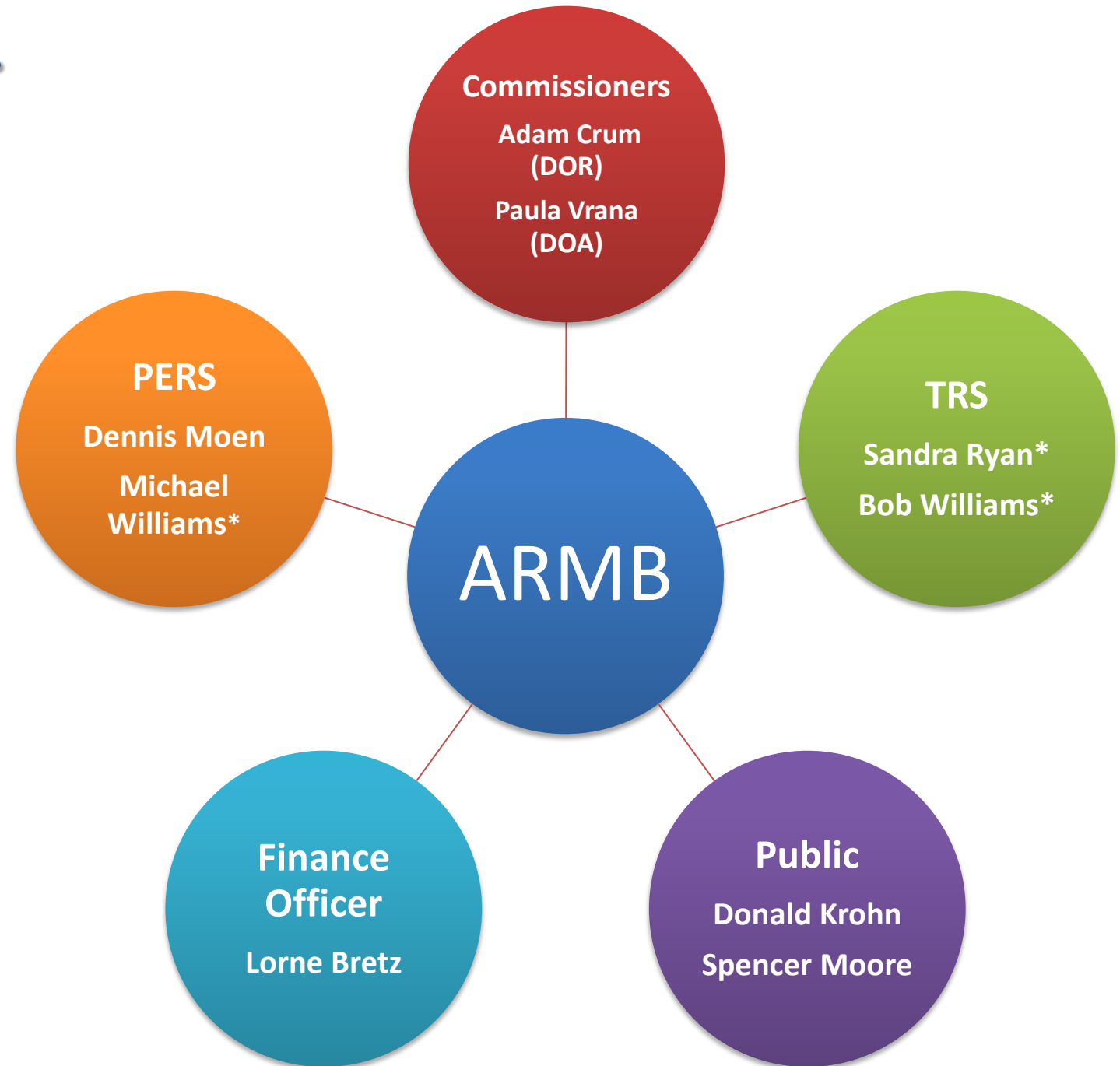
Board Composition

- Nine Members
- Commissioners of Administration & Revenue
- Seven members appointed by the Governor
- Qualify for permanent fund dividend
- Recognized competence in investment management, finance, banking, economics, accounting, pension administration or actuarial analysis
- Two PERS and two TRS members, each selected from a list of four nominees submitted from PERS and TRS bargaining units
- Two members of the general public
- One member employed as finance officer for a political subdivision
- Other than commissioners, members serve staggered, four-year terms



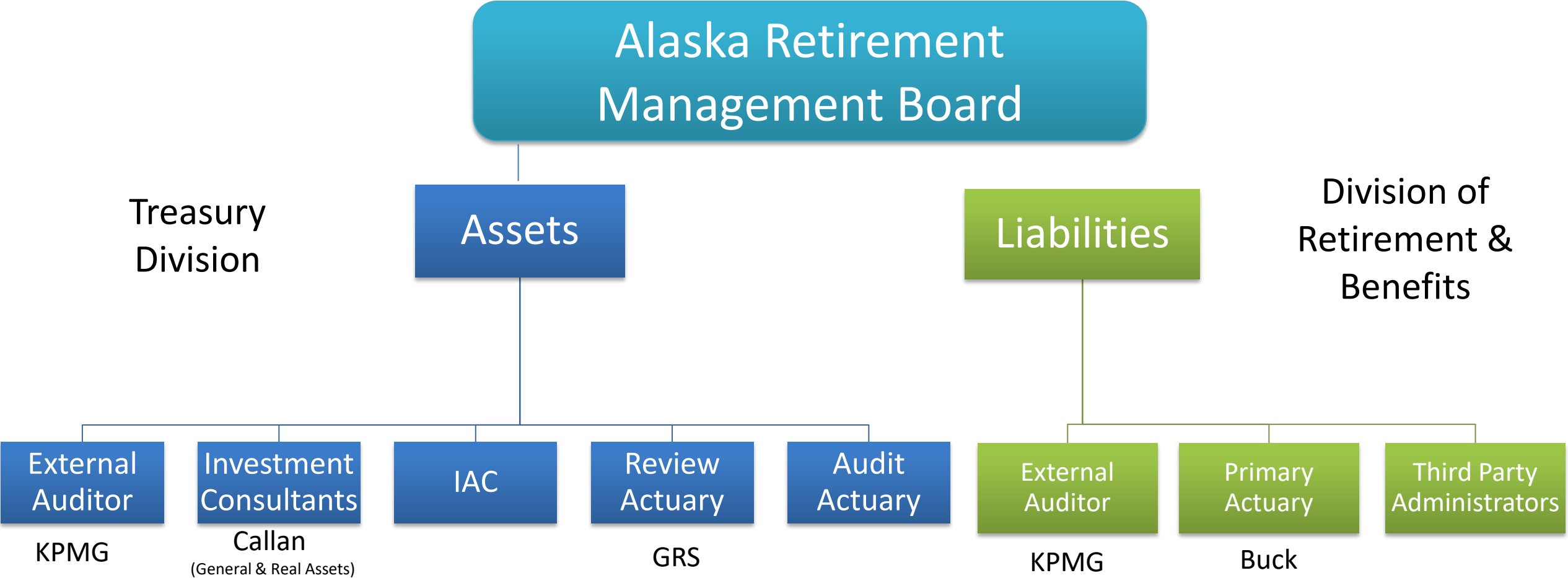
Board Composition cont.

- Bob Williams (TRS), *Chair*
- Sandra Ryan (TRS), *Vice Chair*
- Michael Williams (PERS), *Secretary*
- Lorne Bretz (Finance Officer)
- Adam Crum (DOR Commissioner)
- Donald Krohn (Public)
- Dennis Moen (PERS)
- Spencer Moore (Public)
- Paula Vrana (DOA Commissioner)



**Denotes ARMB Officer.*

Organizational Structure

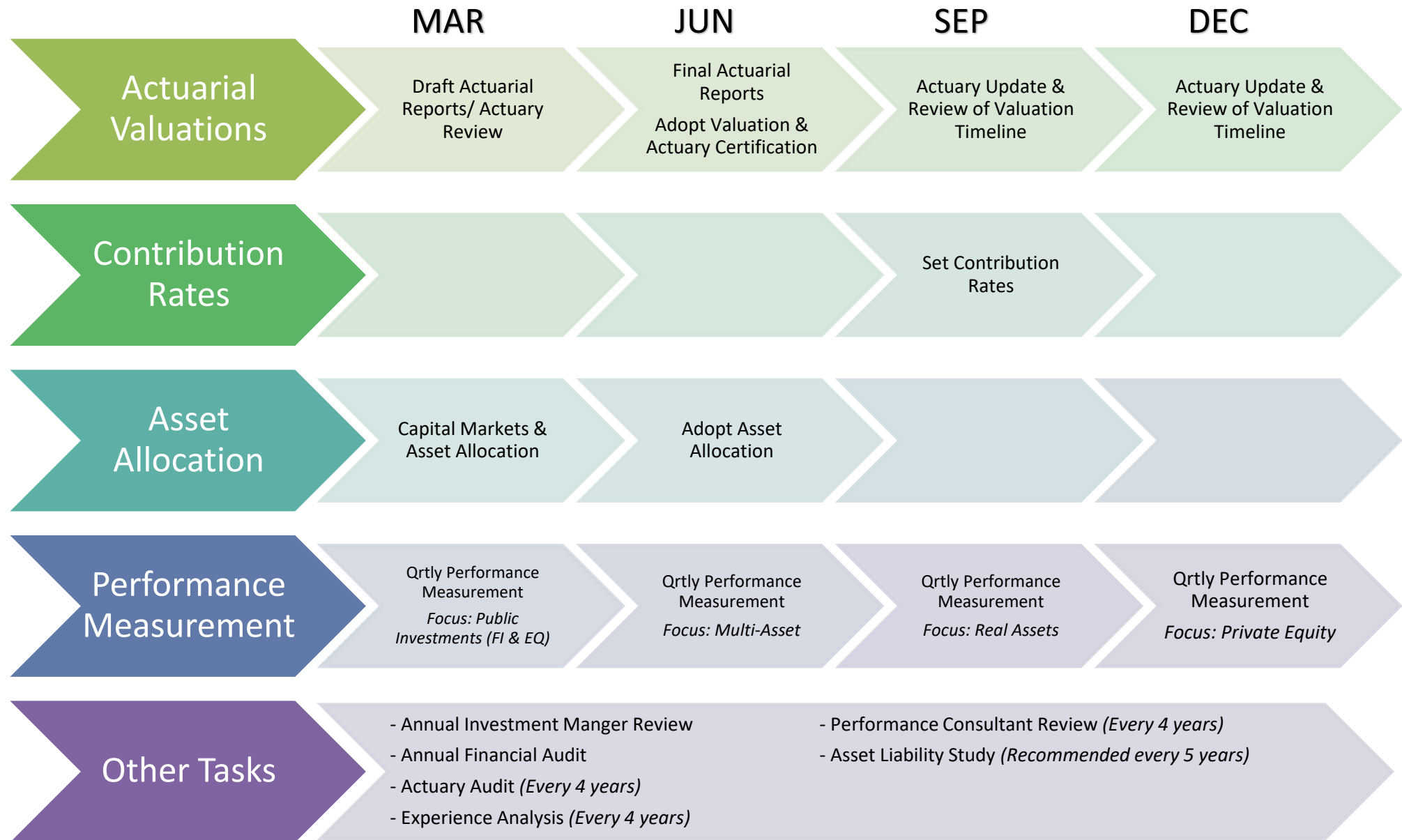


The Role of a Trustee

- Establish Investment Policies
- Establish Asset Allocation
- Provide Investment Options
- Monitor Performance
- Review Actuarial Earnings Assumptions
- Set Contribution Rates of Employers

ARMB Meetings

- The board calls four meetings annually to accomplish their fiduciary responsibilities.
- Special meetings may be called to take care of issues that arise between meetings or for matters that cannot wait until the next scheduled meeting.



ARMB Committees

- Committees are established by the board to assist with completing board business.
- Committees are not authorized to act on behalf of the board, but provide in depth review, research, and recommendations to the board.
- Current standing committees:

AUDIT

Michael Williams, Chair

Provides independent oversight of the integrity of the ARMB's financial statements & reporting, systems of internal controls & compliance with legal and regulatory requirements

DC PLAN

Bob Williams, Chair

Has the authority to research, review and recommend policies and procedures that it believes may be beneficial to the members of the retirement systems, or that represent best practices, or that result in efficient administration of the defined contribution plan for public employee members and teachers.

ACTUARIAL

Sandra Ryan, Chair

Assists the Board in fulfilling the Board's function of independent oversight of the integrity of the ARMB retirement systems ' actuarial valuations, experience analyses, and other requested reports and analysis, including compliance with legal, accounting, and regulatory requirements.

OPERATIONS

Dennis Moen, Chair

Considers input from outside sources as well as the Department of Revenue (DOR) for the purpose of making recommendations to the board on the following matters: (a) an annual operating budget for the board; (b) salary considerations for DOR staff who work on matters relating to the board and the funds administered by the board; and (c) policies and procedures relating to the functioning of the board.

State Law and ARMB

- State Constitution – Diminishment Clause
- Open Meetings Act
- Public Records Act
- Executive Branch Ethics Act
- Duties and Powers of a Fiduciary

ARMB's Fiduciary Duty

AS 37.10.210(a)

“The board’s primary mission is to serve as the trustee of the assets of the state’s [retirement plans] and the [retiree health care trusts].”

ARMB's Fiduciary Duty

AS 37.10.210(a)

1. Consistent with standards of prudence
2. Fiduciary obligation to manage and invest assets entrusted to the board
3. In a manner sufficient to meet liabilities and obligations

Defined Benefit (DB) Plans

- **Public Employees' Retirement System (PERS)**
 - Defined Benefit – Pension
 - Defined Benefit – Alaska Retiree Healthcare Trust
- **Teachers' Retirement System (TRS)**
 - Defined Benefit – Pension
 - Defined Benefit – Alaska Retiree Healthcare Trust

Defined Benefit (DB) Plans (cont'd)

- **Judicial Retirement System (JRS)**
 - Defined Benefit – Pension
 - Defined Benefit – Alaska Retiree Healthcare Trust
- **Alaska National Guard and Naval Militia Retirement System (NGNMRS)**
 - Defined Benefit – Pension

Investments: Primary Asset Classes

- Public Equity
- Fixed Income
- Private Equity
- Real Assets
- Multi-Asset

ARMB Asset Allocation - FY2006 to FY2023

