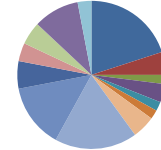
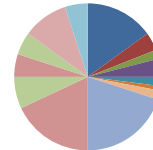
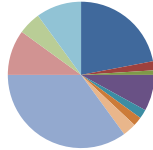


**ASSET  
ALLOCATION**

# Portfolio Options

## North Slope Borough School District



Asset Class	2019 40% Equity*	2020 30% Equity	2020 40% Equity
Large Cap Equity	22.0%	15.0%	20.0%
Mid Cap Equity	2.0%	4.0%	5.0%
Small Cap Equity	1.0%	2.0%	2.0%
International Equity	8.0%	4.0%	4.0%
Emerging Markets Equity	2.0%	2.0%	2.0%
REITs	2.0%	1.0%	2.0%
Infrastructure	3.0%	2.0%	5.0%
U.S. Fixed Income	35.0%	20.0%	18.0%
U.S. 1-5 Year Gov/Credit	0.0%	18.0%	14.0%
U.S. Corporate High Yield	0.0%	7.0%	6.0%
TIPS	10.0%	5.0%	4.0%
International Fixed Income	5.0%	5.0%	5.0%
Commodities	0.0%	0.0%	0.0%
Alternative Beta	0.0%	10.0%	10.0%
Cash	10.0%	5.0%	3.0%
<b>Expected Annual Return</b>	<b>5.2%</b>	<b>4.5%</b>	<b>5.2%</b>
<b>Expected Annual Risk</b>	<b>6.6%</b>	<b>6.0%</b>	<b>7.2%</b>
<b>Expected Range</b>	<b>-8.0% to 18.4%</b>	<b>-7.6% to 16.5%</b>	<b>-9.3% to 19.6%</b>
<b>Long Term Expected Return</b>	<b>5.0%</b>	<b>4.3%</b>	<b>4.9%</b>
<b>Average Loss in Extreme Market Conditions Within a 1 Year Horizon</b>	<b>-14.5%</b>	<b>-15.3%</b>	<b>-18.0%</b>

Risk and return data from Windham Portfolio Advisor. \*The 2019 40% equity portfolio does not reflect APCM's current forward-looking assumptions.

# Disclosures

## **Important Assumptions**

IMPORTANT: The projections or other information generated by Alaska Permanent Capital Management Company (APCM) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. The charts and data only present a range of possible outcomes. Actual results will vary over time, and such results may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than that demonstrated in the simulations. Please note that the analysis does not take into consideration all asset classes, and other asset classes not considered may have characteristics similar or superior to those being analyzed.

## **Important Legal Information**

These calculations are designed to be informational and educational only, and when used alone, do not constitute investment advice. APCM encourages investors to review their investment strategy periodically as financial circumstances do change.

Model results are provided as a rough approximation of future financial performance. Actual results could produce different outcomes (either better or worse) than those illustrated by the model, since it is not possible to anticipate every possible combination of financial market returns. APCM is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by the results of the model.

## **Other Influences on Rates of Return**

Investment management fees: Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

Taxes: Unless noted otherwise, model results have not been adjusted for any state or federal taxes or penalties.

Inflation: Unless noted otherwise, model results do not adjust any inputs or outcomes for inflation. Inflation is assumed to be constant over the investment horizon.

## **Limitations Inherent in Model Results**

Limitations include but are not restricted to the following:

Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on APCM's decision making if the actual client money were being managed.

Extreme market movements may occur more frequently than represented in the model.

Some asset classes have relatively limited histories. While future results for all asset classes in the model may materially differ from those assumed in APCM's calculations, the future results for asset classes with limited histories may diverge to a greater extent than the future results of asset classes with longer track records.

Market crises can cause asset classes to perform similarly over time; reducing the accuracy of the projected portfolio volatility and returns. The model is based on the long-term behavior of the asset classes and therefore is less reliable for short-term periods. This means that the model does not reflect the average periods of "bull" and "bear" markets, which can be longer than those modeled.

The model represent APCM's best view of the next 7-10 years, but is unlikely to reflect actual investment returns worldwide over this period.