

THE ALEUTIAN CURRENT



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Culture Camps Scholarships Available!
See TAF Update for details

IN THIS ISSUE

Message from the President	02
Chair Message	03
TAC in Business/ CEO Report	05
News from The Aleut Foundation	08

TAC IN BUSINESS

The Aleut Corporation's subsidiaries are masters of business. Throughout the coming newsletters, we are going to feature some of TAC's key subsidiaries. Check out Aleut Management Services in this volume of TAC in Business.

'GOING DIGITAL'

Look out for new digital communications and resources that can be found on our website and through email. Access TAC benefits and news from the ease of your desktop.

SEATTLE SHAREHOLDER MEETING



We hosted a shareholder informational meeting while in Seattle last month and we had a great turnout with over 160 shareholders and descendants in attendance. Thank you to all who attended! Congratulations to Lowell Williams who won a roundtrip ticket to Anchorage so he can take part in the 2017 Annual Meeting in October. Lowell's mother, Mauza (Merculief) Williams, was originally from St. George Island.

*Thank you to all who attended the Seattle shareholder meeting.
- Thomas*





MESSAGE FROM THE PRESIDENT

Thomas Mack, President

Long, sunny days and warmer temperatures mark the beginning of spring. With this new season comes the promise of growth, new life and bright beginnings. The trees begin to grow their buds, caribou and moose prepare to bring new life into the world and the salmon slowly start their journey home. Spring also marks a beginning for the Aleut Corporation; our fiscal year runs from April 1 to March 31.

TAC is currently focused on closing out last year and preparing for a new year. A new fiscal year brings new initiatives and programs, and we want to make sure shareholders and descendants are kept up to date on what's happening in your corporation. Shareholder communication is very important to our management, the board and staff which is why we are introducing a new comprehensive communication plan this fiscal year highlighting the many benefits available to shareholders and descendants.

Our expanded communication plan will outline how you access your benefits, focus on TAC's business ventures and increase the meaningful ways we currently communicate with you. We will also be increasing our digital outreach to shareholders and descendants, while continuing our print form of communication.

Face-to-face interaction with you is also important and vital to the health of the corporation because it allows us to share information with you directly and hear your perspectives. Shareholder informational meetings are an important communication tool giving us direct contact with shareholders and descendants.

As part of our new communication plan, I will be taking a more strategic approach when it comes to visiting communities in the Aleut region by concentrating on visiting half of the communities every year instead of all of them in a single year. I will begin this rotation schedule during summer 2018. We will continue to have yearly shareholder informational meetings in the Lower 48 and in Anchorage at the annual meeting. Last year, I was very fortunate to make it to eight of the Aleut communities in the region but unfortunately, due to weather, I was unable to travel to Atka and Nikoliski. I plan to visit these two communities in late May/early June.

I look forward to a new season and fiscal year and the exciting beginnings marked by the change of seasons. As we welcome this transition, I wish everyone a bright and warm spring!

Thomas Mack

CHAIR MESSAGE

Sharon Guenther Lind, Chairman

Greetings Shareholders:

Spring is upon us and your board has been very busy conducting the business of The Aleut Corporation. Our year started with a Strategy Session in January. We moved onto our February session in Seattle which included a very well attended informational meeting with shareholders from the Pacific Northwest. It was wonderful to spend time with shareholders, families and friends and report on the business of the Corporation and answer questions about our activities.

While our Board Action report summarizes all our boardroom activities, I do want to highlight a few items. We are happy to report a dividend and Elder benefit increase. Expect to see your \$6.00 a share dividend this summer and your \$550 Elder benefit this Fall. Please make sure the shareholder department has your current banking and/or address information so you can see those payments on time.

The board is working to streamline reporting by our subsidiaries to the board of directors so that information flows in a very clear and concise manner. You will see some housekeeping items on that

front in our board actions.

The board is also considering and updating several policy items including dividend policies (both shareholder and subsidiary to the parent), review 7(i) sharing issues, charitable contribution policies, incentive policies, reporting structures and a review of Shareholder Settlement Trust options to name a few. You could call this a sort of spring cleaning of policy by the Board of Directors. Review of any policy is time consuming, but so important and something your board takes very seriously. Staying abreast of current trends helps the board run your corporation efficiently.

The Board also reviewed and adjusted the Board Fee policy, increasing the daily board fee from \$450 to \$600 and adding a \$1,000 monthly stipend for board members. Additionally, the board removed the travel stipend benefit. This is the first adjustment to board member compensation in nearly 15 years and was adopted after reviewing board fee policies from 11 Alaska Native regional corporations. Even with the new changes, the Aleut Corporation fees rank 11th compared to the 12 other regional corporations. A strong, committed Board of Directors is critical in helping The Aleut

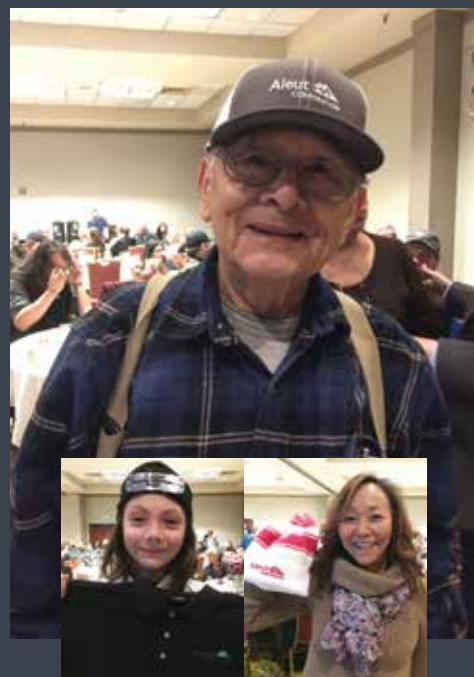


Corporation achieve its strategic and business objectives to the benefit of all shareholders.

In conclusion, I would like to report that your board has been working hard and we have a busy spring planned as we work for you inside the boardroom. On behalf of your board of directors, I wish everyone a Happy Easter and a wonderful spring!

Sharon Lind

Sharon Guenther Lind
Chairman of the Board



Seattle Shareholder Meeting. Front page: Evelyn Griffin and photo from Seattle meeting attendees. Above: Mike Bezekoff, descendant Austin, and Juliana Zacharof-Wagner.

KEY BOARD ACTIONS

- Adopted resolution O1-2017, a resolution of The Aleut Corporation Board of Directors to protect the Aleut Region Communities reliant on Commercial Fisheries from the Creation of any National Marine Sanctuary or Marine National Monuments.
- Adopted a Communications Plan and Shareholder Informational Meeting Strategy as presented by President Mack.
- Directed the Budget and Finance Committee to work with the Policy Committee to review Policy 205.9, Declaring Dividends.
- Approved the 2017 Annual Meeting Theme Aleut Connection
- Approved the 2017 Annual Meeting Rules and Calendar.

- Approved the 2017 Shareholder Nominating Packet.
- Approved the 2018 Annual Meeting location - the Egan Convention Center.
- Approved an increase of Board fees to \$600 a day for a full day and \$1,000 a month board stipend, effective date February 1, 2017. Deleted the, \$350 segment for travel stipend.
- Directed the Policy Committee to review Policy 203.8 Board Training to set parameters and guidelines for a board training fees.
- Adopted the proposed changes to Policy 202.3 Board Calendar.
- Added "Conflict of Interest" to Policy 202.3 Board Calendar.
- Directed the Policy Committee to review the Personnel Policies and Procedures Manual.
- Changed Managements action item reporting structure.

- Declared a shareholder dividend: \$6 a share to be distributed in July. Also declared an Elders Benefit: \$550 to be distributed in November.
- Changed TAC's International manager to an index fund, Vanguard FTSE All-World ex-US, to reduce management fees and improve performance.
- Directed the Budget and Finance Committee to review the options of Shareholder/Settlement Trust for the Aleut Corporation and report back in May.
- Directed Management to join the City of Atka, Aleutian Pribilof Island Community Development Association (APICDA), Adak Community Development Corporation (ACDC), and the City of Adak in intervening on behalf of the Secretary of Commerce, National Oceanic and Atmospheric Administration (NOAA).

- and National Marine Fisheries Service (NMFS) securing amendment 113, which supports shoreside processing in the communities of Atka and Adak, at the cost to TAC not to exceed \$15,000.
- Directed Management to send a letter of support for Chris Oliver to be the head of National Oceanic and Atmospheric Administration (NOAA).
- Authorized management to invite members of the Fisheries Committee to attend fisheries meetings with Fisheries Specialist, Kay Larson-Blair.
- Directed Management to put together a workshop on Adak before the May board meeting.
- Directed Management to work with the Lands Committee on the current 7(i) issues.
- Directed Management to share with the full Board the quarterly Permanent and General Fund reports.
- Authorized a donation of \$5,000 to the King

- Cove St. Herman Church to help with church construction.
- Directed the Policy Committee to review Policy 205.8, Charitable Contributions policy, and bring back to the Board at the May board meeting.
- Authorized a donation of \$1.2 million to the Aleut Foundation.
- Authorized a donation \$20,000 to Community Financial Incorporated.
- Authorized a donation of \$10,000 to Southwest Alaska Municipality Conference (SWAMC) to help pay for a feasibility study and the business plan to look at ways to provide broad band service in the region.
- Adopted the TAC FY18 Operating Budget.
- Adopted a new reporting format for monthly financial summary reporting and Subsidiary financial overview.
- Approved the FY2018 Management Incentive

- Target: \$10,022,453 Return from Operations as defined in Policy 205.14, Performance Based Incentive Program with a minimum target range of \$8,017,963 and maximum target of \$12,026,944.
- Directed the Budget and Finance Committee to review and evaluate the process of dividends from the subsidiaries to TAC.
- Directed the Budget and Finance Committee to review the Matrix of Reserved Rights.
- Adopted new report format for measuring subsidiary performance.
- Directed the Policy Committee to review the incentive policy for FY19 and make recommended changes.



CEO'S REPORT

Matthew Fagnani, CEO

I hope you're enjoying the beginning of spring. I welcome the longer days that bring the promise of warmth and show us summer is on the horizon. Spring is a busy time for us at the Aleut Corporation. The board and our subsidiaries just finished a weeklong meeting in Seattle to

review the upcoming fiscal year (FY) 2018, subsidiary goals, new business targets, operational planning and budgeting process. We also had the pleasure of hosting an informal shareholders meeting which allowed us to meet and greet many shareholders.

The planning session and budget review process are an important and integral part of TAC's future growth and development. These meetings allow management and the board to take a critical look at the upcoming fiscal year and analyze budget projections and growth for each subsidiary. Management then takes these numbers and uses them to forecast the corporation's overall growth and profitability.

This is a significant step in the process of growing the Aleut Corporation. As your CEO, I work closely with the management team to use this information to craft a plan for future growth of our subsidiaries. You may have heard me say in past meetings the last few years have been a period of rebuilding the foundation of our corporation so that in the years to come we will be ready to sustain and manage growth. I continue to believe we are in the rebuilding process, and planning and proper execution of the operational plans will lead to growth and continued profit for TAC.

As we move into the new fiscal year on April 1, 2017, I have a number of promises for shareholders. We will continue to focus our business on strategic and tactical thinking, build relationships in our markets, expand the lines of business we currently operate and strive to continue to make sound business decisions.

We will also continue to follow management's four-part plan to assure TAC's continued success:

- Increased operational scrutiny and accountability in our subsidiaries
- Emphasize project profitability
- Institute a clear focus on profitability that will be achieved by revenue growth and cost management
- Establish strategic plans and track budgets that allow us to measure subsidiary progress

TAC's team is professional, driven and fully capable of leading our corporation to greater profitability. Our management team at the subsidiary level is experienced and focused on growth and delivering profits for TAC. As forecasted, FY 18 is expected to continue the phenomenal growth we have seen over the past few years. In my next newsletter article, I will focus on the audit results and FY 17 highlights. Additionally, in this issue and upcoming issues we will highlight one of our companies and their projects. Please take the time to read the article in this issue highlighting Aleut Management Services and one of their projects.

Matthew Fagnani, CEO

BOARD OF DIRECTORS NOMINATING PACKETS ARE AVAILABLE

The Aleut Corporation Board of Directors consists of nine members. Three seats are up for re-election at the 2017 Annual Meeting on October 14. In order to hold a position on the board, you must be a voting Aleut Corporation shareholder and at least 18 years of age. Each elected director's term of office is three years.

To run for one of the director seats, please call the corporate office or stop by to request a nominee packet. They will also be available on the corporate website at www.aleutcorp.com. The packet requires ten (10) Aleut Corporation shareholders' signatures as part of the nominating petition. Candidates are not allowed to use the Aleut Corporation logo for any of their campaign material or ask Aleut Corporation staff to obtain signatures on the petition. Candidates are also responsible for filing with the State of Alaska Banking and Securities department any campaign letters, fliers, or postings on social media during their campaign for TAC Board of Directors.

DEADLINE FOR NOMINEE SUBMISSIONS IS 5 P.M., ALASKA STANDARD TIME, ON TUESDAY, JUNE 30. Nomination packets received after the deadline will not be included on the 2017 Aleut Corporation proxy form.



TAC IN BUSINESS:

AMS – REAL LIFE JAMES BOND

The Aleut Corporation operates many businesses in a variety of industries. In our new section, TAC in Business, we're giving our shareholders a look inside the businesses strengthening our corporation.

Company: Aleut Management Services (AMS)

Employees: Almost 700

Location: Headquartered in Colorado Springs, Colorado with 23 locations in 12 states

Services: Operations and Maintenance, Information Technology, Engineering and Construction

One of Our Projects: Missile Defense - At Fort Greely, Alaska six AMS employees keep an eye on silos housing ground-based missile interceptors for the Missile Defense Agency. Our employees are trained to work on the air conditioning and heating systems so the missiles are always ready to defend the U.S. against an attack.

Cool Facts: We operate nine telescopes positioned around the world to collect data on satellites in deep space. These telescopes can track objects from 3,000 miles away.

Jobs: There are current job openings in Colorado Springs and Fort Wainwright Alaska. Find out more at aleutcorp.com/shareholders/jobs/.

Learn more at www.aleutmgmt.com



CONDOLENCES

The Board of Directors and the staff of the Aleut Corporation would like to extend their sincere condolences to the families and friends of shareholders who have passed away since June of last year.

Kristin Ferguson 76, Anchorage

Mary Fink 80, Bend OR

Michael Lekanoff 72, Unalaska AK

Mary Peratrovich 87, Anchorage AK

Ann Prokopiof 68, St George Island AK

Steven Petrivelli 50, Anchorage AK

Melody Thorpe 69, Newark DE

Alfey Hanson, Jr 37, St Paul Island AK

Thomas Gouley, Sr 79, Shelton WA

Betty Hanson 58, Bellingham WA

June Waltrip 75, Blaine WA

Sarah (O100) Mercurief 82, St George Island AK

Richard Johnson, Sr 76, Nelson Lagoon AK

Florence Gilbert 78, Sand Point AK

Kevin Thomas 38, Anchorage AK

Linda Stepetin 66, Juneau AK

David Cullup 62, Lynden WA

Ivan Anderson 84, Denver CO

William Galovin 67, Seattle WA

Knute Gilbert, Sr 88, Sand Point AK

Zena Fleming 85, Anchorage AK

Joleen Wilson 29, Anchorage AK

Nina Nellie Bereskin 85, Unalaska AK

Joann Wilson 72, King Cove AK

Marvin Hoff, Sr 72, Anchorage AK

Stephen Berry 61, Machias ME

Agnes Gould 90, King Cove AK

Renee Gundersen 54, Sand Point AK

Gary Olson, Jr 29, Anchorage AK

Anna C. Lestenkof 67, Anchorage AK

Stephan Hapoff 60, Unalaska AK

Constantin Lekanoff, Jr 79, Bandon OR

Miles Thompson 52, Anacortes WA

Russell Clopton 61, Pompano Beach FL

Olga McGlashan-Johnson 86, Bothell WA

Alexandra Kashevarof 69, Palmer AK

Jerry Dobson 85, King Cove AK

Marie Wickstrom 90, Auburn WA

Alberta Prokopiof 28, St Paul Island AK

Raymond J Vincler 32, Akutan AK



THE ALEUT FOUNDATION UPDATE

By: Cynthia Lind, Executive Director

Aang! It has been a great winter to spend time outside and enjoy the winter activities. Now that spring is around the corner, it is time to gear up for our summer programs here at the Foundation. We have been busy getting the 2017 Spring Scholarships out and gearing up for both the 2017 Summer and 2017-2018 Scholarship Applications.

I traveled to Seattle at the end of February and provided presentations on The Aleut Foundation Programs at The Aleut Corporation Shareholder Informational Meeting. There were questions with regards to the culture programs that are held in Anchorage and throughout the Aleut region. This is an exciting program especially for the younger generation, to attend the culture camps so they can learn more about their culture and heritage from their elders. They learn about the Aleut history, language, arts and crafts, Aleut dances, etc. This is a wonderful way to preserve and carry on our Aleut heritage, culture, and traditions.



SUMMER CULTURE CAMP SCHOLARSHIPS

Remember to get those travel scholarship requests in early to attend this summer's Culture Camps.

THE DEADLINE TO SUBMIT YOUR REQUEST IS MAY 15TH!

This is very popular and don't want you to miss out!!!

2017-2018 SCHOLARSHIP APPLICATION DEADLINE IS JUNE 30TH

For information about scholarships, internships, travel scholarships or other programs we provide, please contact The Aleut Foundation at:

Phone: (907) 646-1929

Toll Free: (800) 232-4882

Ask for The Aleut Foundation

Fax: (907) 646-1949

Email: taf@thealeutfoundation.org

Web: www.thealeutfoundation.org



REMINDER: There is **NO** deadline for vocational or career development scholarships!

REMINDER: The 2017 Summer Scholarship Deadline is April 28th!

ATTENTION STUDENTS

ARE YOU GRADUATING?

Please send us your graduate date information so we can be sure to recognize your accomplishment in the next newsletter.

ARE YOU IN HIGH SCHOOL?

The Aleut Foundation provides an Advanced College Credit Scholarship for those students taking college courses while in high school.

We had two students who earned their Associate's degree by the time they graduated high school.

SAVE THE DATE

ANNUAL ALEUT PICNIC
JUNE 24, 2017
NOON - 3PM

This is being held in Conjunction with the Closing Ceremonies of the APIA Urban Unangax Culture Camp



The Aleut Foundation is pleased to announce the 2017 SPRING SCHOLARSHIPS RECIPIENTS

HONORS

Alyssa Albright, *Northern Arizona University*
Maxwell Archer, *Clark Community College*
Aiden Beers, *University of Alaska Anchorage*
Maria Carpenter, *Oregon State University*
Michael Swetzof, *Linn Benton Community College*

EXCEPTIONAL

Chelsea Clearman, *Pima Medical Institute*
Madisson Gronholdt, *Tacoma Community College*
Ethan Mack, *University of Alaska Anchorage*
Larissa Orloff, *Western Governors University*
Sandra Rukovishnikoff, *Wayland Baptist University*
Natasha Van Damme, *University of Washington*
Shonna Wheeler, *Ilisagvik College*
Lauren Yee, *University of California, Santa Cruz*

ACHIEVEMENT

Michael Mack, *Flathead Valley Community College*
Kiara Washington, *Valdosta State University*

MERIT

Jacob Hawthorne, *North Idaho College*

PART-TIME

Joshua Beers, *Olympic College*
Nikita Bereskin, *University of Alaska Fairbanks*
John Curtis, *Edmonds Community College*
Glennora Dushkin, *University of Alaska Anchorage*
Natasha Harris, *University of Portland*
Innokenty Lestenkof, *University of Alaska Anchorage*
Marisa Mack, *University of Alaska Southeast*
Viola Stepetin, *University of Alaska Fairbanks*

GRADUATE

Laura Blankenship, *Point Loma Nazarene University*
Brianna Gray, *Walden University*
Cierra Gromoff, *The Wright Institute*
Britte Mercurief, *Adams State University*
Tatiana Moore, *California Southern University*
Robert Snigaroff, *University of Alaska Fairbanks*

VOCATIONAL

Christine Hardy, *American Career College*
Edwin Gundersen, *Anvil Welding Instruction*
Alexandra Holmberg, *Renton Technical College*
Levi Larsen, *AVTEC*
Dennis McGlashan, Jr., *AVTEC*
Natasha Moore, *UC San Diego Extension*
Mitchell Swetzof, *Northwest Renewable Energy Institute*

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Email: info@aleutcorp.com

Shareholder Records
Email: records@aleutcorp.com

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JOIN US IN UNALASKA

- June 2-4, 2017 -

As we commemorate the 75th anniversary of the bombing of Dutch Harbor on June 3 & 4, 1942 and the evacuation and relocation of the Aleut residents of the Aleutian and Pribilof Islands to Southeast Alaska.

- EVENTS INCLUDE -

- MEMORIAL CEREMONY Honoring and Acknowledging Veterans & Aleut Evacuees
- HISTORICAL PRESENTATIONS - TRADITIONAL ALEUT FOODS LUNCHEON
- PERSONAL STORIES - MESS HALL MEAL - TOURS OF WWII FORTS & BUNKERS
- FLYOVERS BY HISTORIC AIRCRAFT

For more information, contact Lydia Gordon, Ounalashka Corporation, at (907) 581-1276, or Rachel Mason, National Park Service, at (907) 644-3472.

In collaboration with the National Park Service, the Ounalashka Corporation, along with the City of Unalaska, Museum of the Aleutians, Aleutian Pribilof Islands Association, the Alaska Veterans Museum, the Aleutian Pribilof Island Community Development Association, the Qawalangin Tribe, and The Aleut Corporation.



PORTAL WINNER

David Waggoner of Port Angeles, WA is our \$200 shareholder portal sign up winner for this round! Congratulations David!

Sign up at <http://aleut.cloudapp.net>
We will do another drawing on April 30th.

KATHRYN DYAKANOFF SELLER WILL BE INDUCTED INTO THE ALASKA WOMEN'S HALL OF FAME

THURSDAY, MAY 4TH AT 6PM.

The ceremony will be held at 1100 W. 10th Ave on the Park Strip at the First Baptist Church in Anchorage. Open to the public at no charge. For more information, call 907-279-4836.

