

# Government Employees Retirement System of the Virgin Islands Annual Overview of Operations

**FISCAL YEARS**

# 2025/2026



"Contributing today for a better tomorrow"

Presented to the  
Committee on Budget, Appropriations and Finance

36th Legislature of the Virgin Islands of the United States

Earl B. Ottley Legislative Hall  
Wednesday, August 13, 2025  
St. Thomas, U.S. Virgin Islands

## GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM OVERVIEW OF OPERATIONS

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## **INTRODUCTION**

Good morning Honorable Senator Novelle E. Francis, Jr., Chairman, Committee on Budget, Appropriations and Finance, distinguished Committee members, other senators present, and to all in the listening and viewing audience. I am Angel E. Dawson, Jr., Administrator/CEO of the Government Employees' Retirement System of the Virgin Islands (GERS). I am pleased to appear before this Committee to present the System's Annual Overview of Operations.

I am accompanied here in the well today by:

- Ms. Asiah Clendinen Gumbs, Sr. Deputy Administrator/Chief Operating Officer
- Ms. Michele Nico, Deputy Administrator, St. Croix/Territorial Loans Director
- Ms. Denise Jeremiah, Chief Financial Officer
- Ms. Shoran Sasso, Chief Benefits Officer
- Mr. Terence Thomas, Chief Information Technology Officer
- Mr. Ishmael Meyers, General Counsel; and
- Mr. Jahmed Mills, Property Manager and Director of Retail, Dining and Entertainment, Havensight Mall

### **Select Fiscal Year-to-Date 2025 Accomplishments:**

Amongst the Fiscal Year-to-Date Accomplishments that I would like to highlight here today are the following:

1. In October we celebrated the Sixty-Fifth Anniversary of the Government Employees' Retirement System of the Virgin Islands with appropriate commemorations in both districts. We would like to thank every senator that came out to help us celebrate with our retirees and active members.

2. We have commenced migration of our Pension Benefits System from Version 8 of our current V3 System to V3locity. The latest offering of our software vendor, Vitech, V3locity will provide a significantly improved user experience for GERS Staff through its Core Administrative Capabilities, in addition to Digital Self-Service for our participating employers, active members and retirees. Concurrently, we are undertaking various Business Process Improvements.
  3. We launched a new GERS website that is easier to navigate, more intuitive, and user friendly.
  4. We successfully introduced a Limited Retiree Loan Program.
  5. We contracted with Linea Security to enhance our Cyber Security Infrastructure.
  6. We conducted workshops and new employee orientations for more than 540 members.
  7. We expect to issue our Fiscal Year 2024 Audited Financial Statements with an Unmodified (Clean) External Auditor's Opinion by the week of August 11<sup>th</sup>.
  8. And, of course, we have shared these accomplishments and others by publication of our regular Quarterly Newsletter via Constant Contact. We trust that you have been receiving and reading yours.
- I will be highlighting other Fiscal Year 2025 accomplishments and milestones throughout this presentation.

### **OVERVIEW OF OPERATIONS**

As is known, the GERS is not required to submit a budget to the Legislature for approval. Its Board of Trustees is responsible for the approval of the annual budget. Therefore, our presentation is an overview of GERS' operations. We will, however, respond to any questions posed by the committee relating to budgetary information submitted to the Post Audit Division.

## **MEMBERSHIP AND ANNUITY PAYMENTS**

For the July 15, 2025, retiree payroll, the GERS paid benefits to 8,780 retirees and beneficiaries. From October 1, 2024, to July 15, 2025, 240 retirees were added to the payroll, and during that same period, 230 retirees were deleted from the payroll.

The total amount paid in benefits from October 1, 2024 – July 15, 2025 was \$215,065,690.69. The average monthly amount paid in benefits to the retirees and beneficiaries is more than \$22 million.

As of August 6, 2025, the active membership was 9,456 (central government 6,680, and semi-autonomous agencies 2,776). The ratio of active employees to retirees presently stands at 1.08:1.00.

## **EMPLOYER CONTRIBUTIONS DUE FROM AUTONOMOUS AGENCIES**

As of July 24, 2025, a total of \$40,285,091.95 is due from semi-autonomous agencies, as follows:

	Employee Contributions(EF)	Employer Contributions(ER)	Loans	Fees	Total
Waste Management Authority	\$ 146,914.67	\$ 325,062.24	\$ 14,173.12		\$ 486,150.03
Schneider Regional	\$ 2,116,365.30	\$ 9,881,133.01		\$ 1,957,788.30	\$ 13,955,286.61
VI Water and Power Authority		\$ 15,570,322.76		\$ 7,852,587.98	\$ 23,422,910.74
VI Housing Finance Authority	\$ 105,810.56	\$ 229,335.84	\$ 2,657.17		\$ 337,803.57
Juan F. Luis	\$ 678,650.50	\$ 1,404,290.50			\$ 2,082,941.00
<b>Grand total</b>	<b>\$ 3,047,741.03</b>	<b>\$ 27,410,144.35</b>	<b>\$ 16,830.29</b>	<b>\$ 9,810,376.28</b>	<b>\$ 40,285,091.95</b>

## **ACTUARIAL VALUATION/UNFUNDED LIABILITY – September 30, 2024**

The actuarial valuation, which is conducted by the System's Actuary, determines the contribution rate necessary to meet the cost of benefits being accrued and a corresponding amount to pay down a portion of the unfunded liabilities. An actuarial valuation is performed to calculate the Actuarially Determined Contribution (or ADEC) and is based on the assumptions and methods adopted by the Board. For many years, the actual amounts contributed by the plan sponsors have not been based on the required ADEC amounts. The

amounts that were contributed by the Plan Sponsor have been significantly less than the required ADEC.

	<u>September 30, 2023</u>	<u>September 30, 2024</u>
<b>Actuarial Accrued Liability (AAL)</b>	\$3.93B	<b>\$3.91B</b>
Actuarial Value of Assets	\$0.46B	\$0.55B
<b>Unfunded Actuarial Accrued Liability</b>	\$3.48B	<b>\$3.36B</b>
<b>Funded Percentage</b>	11.6%	<b>14.1%</b>
Total Actuarially Determined		
Employer Contribution (ADEC)	\$304.3M	\$294.3M
<b>ADEC as a Percentage of Pay</b>	67.2%	<b>64.7%</b>

The information that is presented above and in **Exhibit A** represents the results of the Actuarial Valuation as of September 30, 2024. For this period, GERS had a Total Actuarial Accrued Liability of \$3.91 Billion. Plan Assets totaled \$551.9 Million, and the Unfunded Liability was \$3.36 Billion. This resulted in a funded percentage of 14.1% on an ongoing actuarial basis. The ADEC as a percentage of payroll is 64.7%. We note that 23.5 percentage points of this amount is, presently, the plan sponsor's contribution.

## PORTFOLIO PERFORMANCE – EXHIBIT B

In November of last year, the GERS Board of Trustees, upon the recommendation of our Investment Advisors (Meketa) authorized rebalancing of its portfolio. Under the new Asset Allocation Policy, there was a 10% reduction in U.S. Equities and a concomitant 10% increase in Investment Grade Bonds. At present, our Investment Policy has the following targets:

U.S. Equity	35%
International Developed Market Equity	15%
Emerging Markets Equity	05%
High Yield Bonds	10%
Treasury Inflation-Protected Securities (TIPS)	10%
Investment Grade Bonds	20%
Cash	05%

Simultaneously, within the U.S. Equity portfolio, there was a redistribution from the Russell 3000 Index Fund to the Russell 1000 and Russell 2000 Indexes. The Russell 3000 is a broad equity index composed of approximately the 3,000 largest U.S. listed stocks. It is market-capitalization weighted, where the largest companies constitute the largest percentages in the index and will affect performance more than the smallest index members.

Russell also produces the Russell 1000 and Russell 2000 Indexes, which are subsets of the Russell 3000. They measure the performance of the largest 1000 companies and the smallest 2000 companies, respectively. Investing in the Russell 1000 and Russell 2000 individually allows the GERS to have more control over the market capitalization exposure within its portfolio.

As of June 30, 2025, the market value of the portfolio was \$516.1 Million which includes:

- Domestic Equity Assets - \$160.4 Million
- International Developed Equity Assets - \$68.4 Million
- Emerging market Equity - \$22.7 Million
- Domestic Fixed Income Assets - \$181 Million
- Alternative Investment Assets (Private Equity-Limited Partnership) - \$4.2 Million
- Other alternative investments (real estate and member loans) - \$81 Million

Note that the total retirement system aggregate performance for the 1-year period was 12.5% and Fiscal YTD was 6.2%.

As can be seen in **Exhibit C**, in Fiscal Year Ended September 30, 2024, the GERS almost had its second consecutive year of positive cash flow since 1995 – some 29 years ago. However, due to a \$54 Million shortfall in the 2024 Funding Note payment, we achieved a Contributions-to-Payments ratio of .97:1.00 in 2024, vs. 1.05:1.00 in 2023. Encouragingly, based upon stellar investment returns of 24.3% in Fiscal Year 2024, the market value of assets increased from \$455 Million on September 30, 2023, to \$551.9 Million on September 30, 2024, as seen in **Exhibit D**. This represents an increase of \$96.9

Million, or 21.3%, in one year. And, an increase of \$151.9 Million from \$400 Million to \$551.9 (or 38%) between September 30, 2023, and September 30, 2024.

Of course, this figure would have been at least \$90 Million higher had GERS received the full amount pledged in the Funding Note for 2023 and 2024. And likely even higher, given the investment performance we were able to achieve in those years.

To diversify its portfolio, ensure at least an 8% return, assist our members, qualifying retirees and the Virgin Islands economy, the GERS initiated limited personal loan programs. First, in 2024, we offered a Limited Personal Loans Program for active members. The funding allocation for Fiscal Year 2024 was \$20 Million, with \$10 Million available per district. The final numbers for the Limited Loans Program were as follow:

St. Croix District: 1,034 loans totaling \$9,994,665

St. Thomas/St. John District: 996 loans totaling \$9,711,244

In May of this year, GERS announced the initiation of a Limited Retiree Loans Program with an allocation of \$15 Million: \$7.5 Million per district. This program is ongoing.

As of July 31, 2024, the member loans portfolio consisted of 2,521 personal loans (active-1,991/retiree loans-530) - \$18.9 Million. These personal loans are very good investments by the GERS in our active members, our retirees, and our communities. We also have in our loans portfolio some 28 legacy mortgages totaling \$2.4 Million; and 11 legacy land loans totaling \$157 Thousand. The overall loan portfolio as of July 31, 2025, amounted to \$21.3 Million.

In addition to our loans portfolio, we also have Alternative Investments valued at \$59.7 Million, comprised of undeveloped land in both districts and the Havensight Mall on St. Thomas. Additionally, we have office complexes in both districts.

Regarding our land holdings, a Planned Area Development was completed for St. Croix, and we are in the process of working with the Virgin Islands Housing Finance Authority to obtain grant funding for planning purposes, territory-wide.

Our administrative buildings in both districts are another success story for the GERS.

We have replaced the southern and western flat roofs of the GERS Building on St. Thomas and also installed a new electrical power generator. The much newer GERS Building on St. Croix remains in excellent condition. As a result of these complexes' maintenance and maximal commercial rental, they were both appraised at higher values in 2024. Combined values went from \$11.3 Million in 2021 to \$13.8 Million in 2024. An increase of \$2.5 Million, or 22.1%, over just three years.

At last year's Annual Overview of Operations before this committee, I:

- Introduced our new Havensight Manager, Mr. Jahmed Mills
- Spoke about the ongoing construction of a new 126-room Hampton by Hilton hotel on our Havensight property; and
- Referenced the work we are doing with our professional consultants to transform this valuable, historical investment by the GERS into a thriving, experience-driven destination that will delight our local population and visitors alike for decades to come.

Well, this year I can share with you that year-to-date, Havensight went from a Net Cash Surplus of \$193,279 in 2024 to \$1,135,203 through May 31, 2025 – with 4 months remaining in the fiscal year. Moreover, the hotel welcomed its first paying guests last week, Tuesday, August 5th, after a construction period of less than two years! This is the first new-build hotel in the entire territory in more than thirty years.

Failure is an orphan, but success has many parents. While others may try to take credit for this milestone accomplishment or even try to imply that it's "on the dock" and not a part of our lovely 14-acre Havensight Mall property, we at the GERS will be all too happy to collect our annual rent and an increasing percentage of the hotel's gross revenues as it grows each and every, single year. They can try to take the credit, but we'll take the money!

Adjacent to the hotel, a new Visitor Center is also being constructed. There we will, once again, welcome the hundreds of thousands of cruise ship passengers who visit

Havensight annually. We are also developing a greenspace in conjunction with the Visitor Center, along with a monumental statue honoring the coal women of our past who fueled steamships in Charlotte Amalie Harbor at the turn of the twentieth century. We also plan to offer Cruzan Rum and Captain Morgan a prominent display space to promote the rums of St. Croix and the “Big Island” of St. Croix for future visits.

GERS is already being rewarded handsomely for these developments. In 2024 the appraised value of the Havensight Mall increased by \$5.5 Million, with a further increase of another \$12.2 Million next year, upon financial stabilization of the new hotel. This represents an increase in value of some \$17.7 Million, or 43.2% since 2017.

Our rebranding at Havensight will culminate next year with the reveal of our new logo, color scheme, signage and brand name. From abandoned warehouse spaces we are creating, along with our partners, a new haven at Havensight: “From warehousing products to producing experiences that last a lifetime!”

This marks my third “Annual Overview of Operations” as Administrator and Chief Executive Officer of the Government Employees’ Retirement System.

In my first Overview of Operations in 2023, I spoke, metaphorically, about the GERS glass being half full, and not half empty.

In my second Overview of Operations last year, I spoke about the GERS being a “glimmer of light” in an otherwise gloomy budget season. And, I trust that we have brought some more “glimmers of light” again this year in what has been another gloomy budget season.

In my third Overview of Operations this year, I will conclude by offering a detailed diagnosis of the Government Employees’ Retirement System of the Virgin Islands – a 65-year-old patient that has faced life-threatening conditions over the years.

The American Hospital Association advises physicians to use the following one-word conditions in describing a patient’s condition to those inquiring, including the media:

**Good** – Vital signs are stable and within normal limits. Patient is conscious and comfortable. Indicators are excellent.

**Fair** – Vital signs are stable and within normal limits. Patient is conscious but may be uncomfortable. Indicators are favorable.

**Serious** – Vital signs may be unstable and not within normal limits. Patient is acutely ill. Indicators are questionable.

**Critical** – Vital signs are unstable and not within normal limits. Patient may be unconscious. Indicators are unfavorable.

**Dead** – Vital signs have ceased. Patient has died.

I'm happy to paraphrase the American author and humorist, Mark Twain, by stating that "any reports of the GERS' death were exaggerated". So, fortunately, we can rule out "Dead" from the conditions that we will consider here today.

Similarly, however, we can state definitively that, despite the positive indicators shared with you thus far today, the GERS' vital signs are not within normal limits. Based upon the Preliminary September 30, 2024, Valuation Results prepared by Segal, our actuarial firm, GERS has a Funded Percentage of 14.1%. as outlined earlier. That is to say, with an Actuarial Accrued Liability ("AAL") of \$3.91 Billion, and a Market Value of Assets totaling \$552 Million, at September 30, 2024, GERS only has 14.1 cents in assets for every dollar of liabilities, on an actuarial reserve basis. To place this 14.1% Funded Percentage in proper context, a commonly used rule of thumb for what's considered to be a "good" funding ratio is 80%. Even if one were to take the present value of the Funding Note, which is \$1.65 Billion, utilizing a 6% discount rate, the Funded Percentage would be 56.3%. Considerably better than 14.1%, but far less than fully funded.

GERS is a member of the National Conference of Public Employee Retirement Systems ("NCPERS"). According to its 2025 Public Retirement Systems Study, system

funded percentages in the United States had been averaging between 70 - 80% since the first half of 2020 and reached an average of 83.1% in 2024.

With a Funded Percentage of 14.1% (or even 56.3%), then, the GERS' condition cannot be considered "Good" or "Fair", as these both require the patient's vital signs to be within normal limits. This leaves just "Serious" and "Critical" for our consideration. The distinction here is whether the patient's vital signs are unfavorable, in which case their condition is "Critical"; or, if the patient's vital signs are questionable, in which case their condition is "Serious".

Honorable Members of the Committee on Budget, Appropriations and Finance; other senators present, ladies and gentlemen, my considered assessment of the Government Employees' Retirement System's condition is that it has improved from "Critical" but remains "Serious". The key determinants are:

- a) Some of its vital signs remain unstable; and
- b) Some of its indicators are questionable

I shall elaborate.

Let there be no mistake about it, one reason that the GERS' condition has improved from "Critical" to "Serious" over the past couple of years is directly related to the historic Funding Note totaling some \$3.8 Billion over 30 years, or so, that was initiated in 2022.

However, when I state that some of the GERS' vital signs remain unstable, I refer specifically to the unevenness of the annual cashflows over the thirty-year term of the Funding Note. As I have stated previously, this presents a challenge that must be carefully managed and overcome. To wit, annual contributions from the Funding Note are heavily backloaded, with half of the total contributions being funded in the last twelve years – mostly at the expense of the middle years (Fiscal Years 2033 thru 2038).

The challenge, then, is to bridge the gap in the middle years in order to get to the \$1.9 Billion on the back end. If this is not achieved, the GERS is actually projected to become temporarily insolvent under two different scenarios.

First, an acknowledgment that, at long last, the rum cover-over rate has become permanent at \$13.25 per proof gallon. It was an honor to travel to Washington, D.C. this past February at the invitation of Virgin Islands Congressional Delegate, Stacey Plaskett, along with Senate President Milton Potter, Senator Novelle Francis, Senator Kurt Vialet, Senator Marvin Blyden, GERS Board Chairman Dwane Callwood, and the Senate President's Chief of Staff, Cosme Christian. While there, we met with several members of Congress, or their staff, to advocate in favor of making the \$13.25 rum cover-over rate permanent.

Although the rum cover-over rate is increasing permanently, but not retroactively, from \$10.50 to \$13.25 after December 31, 2025, there is still a risk that the actual Funding Note payouts will be lower than originally anticipated due to lower overall demand in rum consumption. It was previously estimated that at the \$10.50 rate, the Funding Note payouts were going to be about \$20 Million less than originally projected for 2023 and 2024. However, the actual shortfalls during those years were \$34 Million in 2023 and \$56 Million in 2024, for a total shortfall of \$90 Million.

Assuming that the \$20 Million shortfall due to the lower cover-over rate is accurate, then the estimated shortfalls in 2023 and 2024, due to lower rum consumption, were \$14 Million and \$36 Million, respectively. For projection purposes and to quantify the impact of the lower rum consumption risk, scenarios were run utilizing an average shortfall of \$25 Million per year in the original Funding Note payout schedule, at the \$13.25 rate.

### **Scenario 1 (Exhibit E)**

Assumptions:

- Payroll Contribution Rate: 23.5%
- \$25 Million Funding Note Shortfall per year due to lower rum consumption
- 6% Annual Investment Return

Under this scenario the GERS is temporarily insolvent from 2033 to 2039 and would need at least \$290 Million from GVI General Fund revenues to pay full benefits.

## **Scenario 2 (Exhibit F)**

Assumptions:

- Payroll Contribution Rate: 26.5%
- \$25 Million Funding Note Shortfall per year due to lower rum consumption
- 6% Annual Investment Return

Under this scenario the GERS is temporarily insolvent from 2036 to 2038 and would need at least \$82 Million from GVI General Fund revenues to pay full benefits.

## **Several Additional Observations:**

- Benefits Payments, Employee Contribution Refunds and Administrative Expenses are projected to be at least \$300 Million per year over the next 15 years.
- With this in mind, we would ideally want our asset levels to not decline below \$300 Million to ensure that we have enough liquid assets to pay out retiree benefits in full every year.
- Even without lower rum consumption, if the employer contribution rate remains at 23.5% of payroll, GERS assets are projected to go below \$300 Million during the years 2032 through 2040, at a 6% investment return.
- If GERS earns a 4% investment return instead of a 6% return each year, assets are projected to dip below \$100 Million during the years 2036 through 2039.

For the reasons detailed above, in its meeting of September 26, 2024, and pursuant to Title 3 Virgin Islands Code Section 718(b), the GERS Board resolved that the Employer Contribution Rate be increased from 23.5% to 26.5%, effective January 1, 2025. In its

meeting of November 18, 2024, the GERS Board of Trustees changed the implementation date to October 1, 2025. While this medicine may, admittedly, taste bitter, this increase in Employer Contributions is required if the Government Employees' Retirement System of the Virgin Islands – a 65-year-old patient that has faced life-threatening conditions over the years – is to continue the further progression of its condition from “Serious” to “Fair” and from “Fair”, ultimately, to “Good”.

Mr. Chairman, that concludes my diagnosis and presentation. Thank you.

## Exhibit A

# Preliminary Valuation Results

## *Funded Percentage and Actuarially Determined Contribution*

Description	As of September 30, 2023	As of September 30, 2024
<b>Actuarial Accrued Liability (AAL)</b>	\$3.93 Billion	\$3.91 Billion
<b>Actuarial Value of Assets</b>	\$0.46 Billion	\$0.55 Billion
<b>Unfunded Actuarial Accrued Liability</b>	\$3.48 Billion	\$3.36 Billion
<b>Funded Percentage</b>	11.6%	14.1%
	<b>FY October 1, 2023 to September 30, 2024</b>	<b>FY October 1, 2024 to September 30, 2025</b>
<b>Total Actuarially Determined Employer Contribution (ADEC)</b>	\$304.3 Million	\$294.3 Million
<b>ADEC as a % of Pay</b>	67.2%	64.7%

The unfunded liability and ADEC decreased from the prior year primarily due to the investment gain during the prior plan year and the continued phase-in of lower cost Tier 2 members.

## Exhibit B



### Government Employees' Retirement System of the Virgin Islands

Total Retirement System Aggregate | As of June 30, 2025

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Retirement System Aggregate</b>	<b>436,719,976</b>	<b>100.0</b>	<b>6.8</b>	<b>7.4</b>	<b>6.2</b>	<b>12.5</b>	<b>11.4</b>	<b>6.3</b>	<b>6.3</b>	<b>8.6</b>	<b>Jul-81</b>
<i>Policy Benchmark</i>			<i>6.9</i>	<i>7.5</i>	<i>6.1</i>	<i>12.3</i>	--	--	--	--	
<b>Domestic Equity</b>	<b>160,351,150</b>	<b>36.7</b>	<b>10.7</b>	<b>5.2</b>	<b>7.9</b>	<b>14.7</b>	--	--	--	<b>19.9</b>	<b>Nov-22</b>
<i>Russell 3000</i>			<i>11.0</i>	<i>5.8</i>	<i>8.5</i>	<i>15.3</i>	--	--	--	<i>20.2</i>	
<b>International Developed Equity</b>	<b>68,380,462</b>	<b>15.7</b>	<b>12.0</b>	<b>19.8</b>	<b>10.1</b>	<b>18.1</b>	--	--	--	<b>20.5</b>	<b>Nov-22</b>
<i>MSCI EAFE</i>			<i>11.8</i>	<i>19.4</i>	<i>9.8</i>	<i>17.7</i>	--	--	--	<i>20.2</i>	
<b>Emerging Market Equity</b>	<b>22,675,850</b>	<b>5.2</b>	<b>11.3</b>	<b>15.4</b>	<b>6.4</b>	<b>15.0</b>	--	--	--	<b>17.3</b>	<b>Nov-22</b>
<i>MSCI Emerging Markets</i>			<i>12.0</i>	<i>15.3</i>	<i>6.0</i>	<i>15.3</i>	--	--	--	<i>17.6</i>	
<b>Domestic Fixed Income Assets</b>	<b>180,955,029</b>	<b>41.4</b>	<b>1.6</b>	<b>4.3</b>	<b>2.2</b>	<b>7.2</b>	<b>4.2</b>	<b>0.3</b>	<b>2.3</b>	<b>6.5</b>	<b>Jul-81</b>
<i>Blmbg. U.S. Universal Index</i>			<i>1.4</i>	<i>4.1</i>	<i>1.3</i>	<i>6.5</i>	<i>3.3</i>	<i>-0.1</i>	<i>2.1</i>	--	
<i>Domestic Fixed Income Custom Benchmark</i>			<i>1.4</i>	<i>4.1</i>	<i>1.3</i>	<i>6.5</i>	<i>3.1</i>	<i>-0.4</i>	<i>1.9</i>	<i>6.8</i>	
<b>Investment Grade Bonds</b>	<b>89,292,005</b>	<b>20.4</b>	<b>1.2</b>	<b>4.0</b>	<b>0.9</b>	<b>6.1</b>	--	--	--	<b>4.4</b>	<b>Jan-23</b>
<i>Bloomberg US Aggregate TR</i>			<i>1.2</i>	<i>4.0</i>	<i>0.8</i>	<i>6.1</i>	--	--	--	<i>4.3</i>	
<b>TIPS</b>	<b>46,210,250</b>	<b>10.6</b>	<b>0.5</b>	<b>4.7</b>	<b>1.6</b>	<b>5.8</b>	--	--	--	<b>4.2</b>	<b>Nov-22</b>
<i>Bloomberg US TIPS TR</i>			<i>0.5</i>	<i>4.7</i>	<i>1.7</i>	<i>5.8</i>	--	--	--	<i>4.2</i>	
<b>High Yield Bonds</b>	<b>45,452,774</b>	<b>10.4</b>	<b>3.4</b>	<b>4.4</b>	<b>4.6</b>	<b>10.2</b>	--	--	--	<b>10.3</b>	<b>Nov-22</b>
<i>Bloomberg US High Yield TR</i>			<i>3.5</i>	<i>4.6</i>	<i>4.8</i>	<i>10.3</i>	--	--	--	<i>10.4</i>	
<b>Alternative Investment Assets</b>	<b>4,290,269</b>	<b>1.0</b>									
<b>Cash</b>	<b>67,216</b>	<b>0.0</b>									

Fiscal year begins October 1.

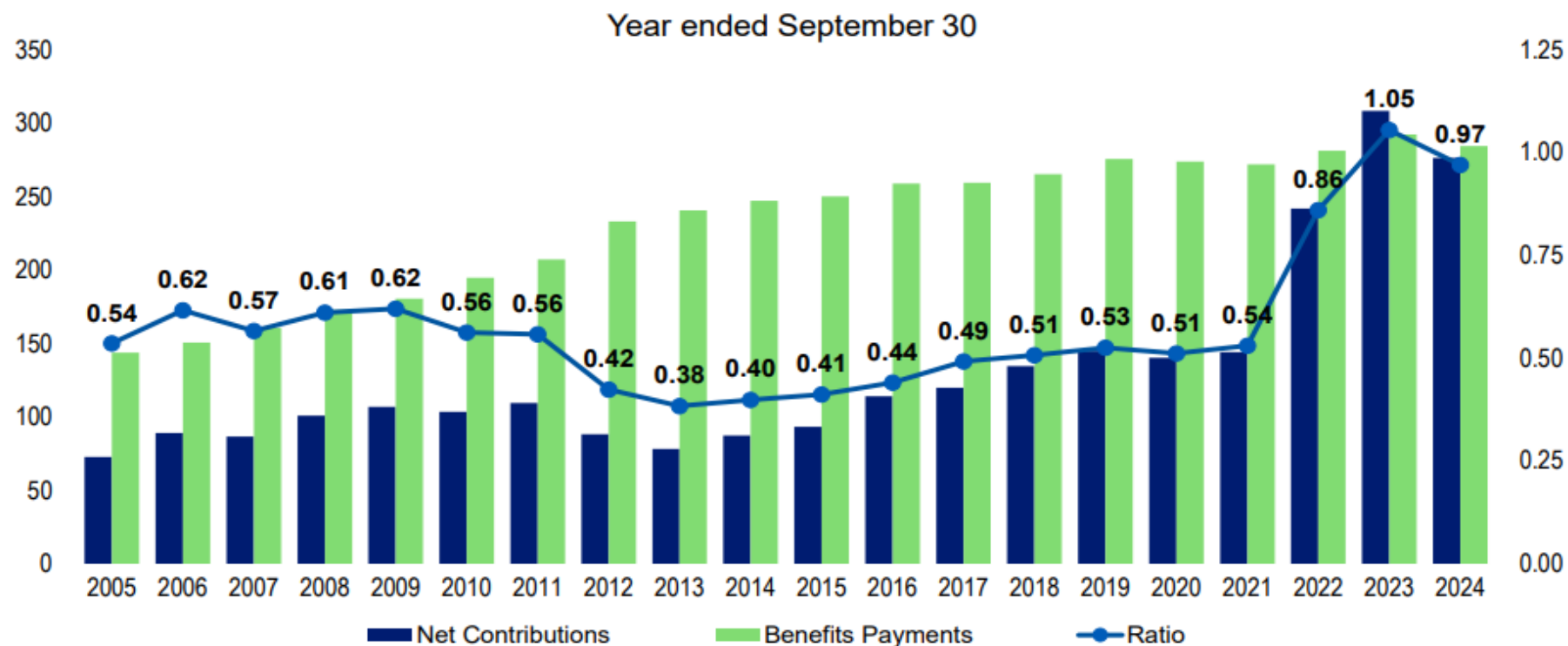
The policy benchmark is 35% Russell 3000, 15% MSCI EAFE, 5% MSCI Emerging Markets, 20% Bloomberg US Aggregate, 10% Bloomberg US TIPS, 10% Bloomberg US High Yield and 5% 91-day T-Bill.

The Domestic Fixed Income Custom Benchmark is made up of the Bloomberg US Aggregate Index from inception to October 2022 and Bloomberg US Universal Index from November 2022 to present.

## Exhibit C

# Financial Information

## *Net Contributions and Benefit Payments (in \$Millions)*



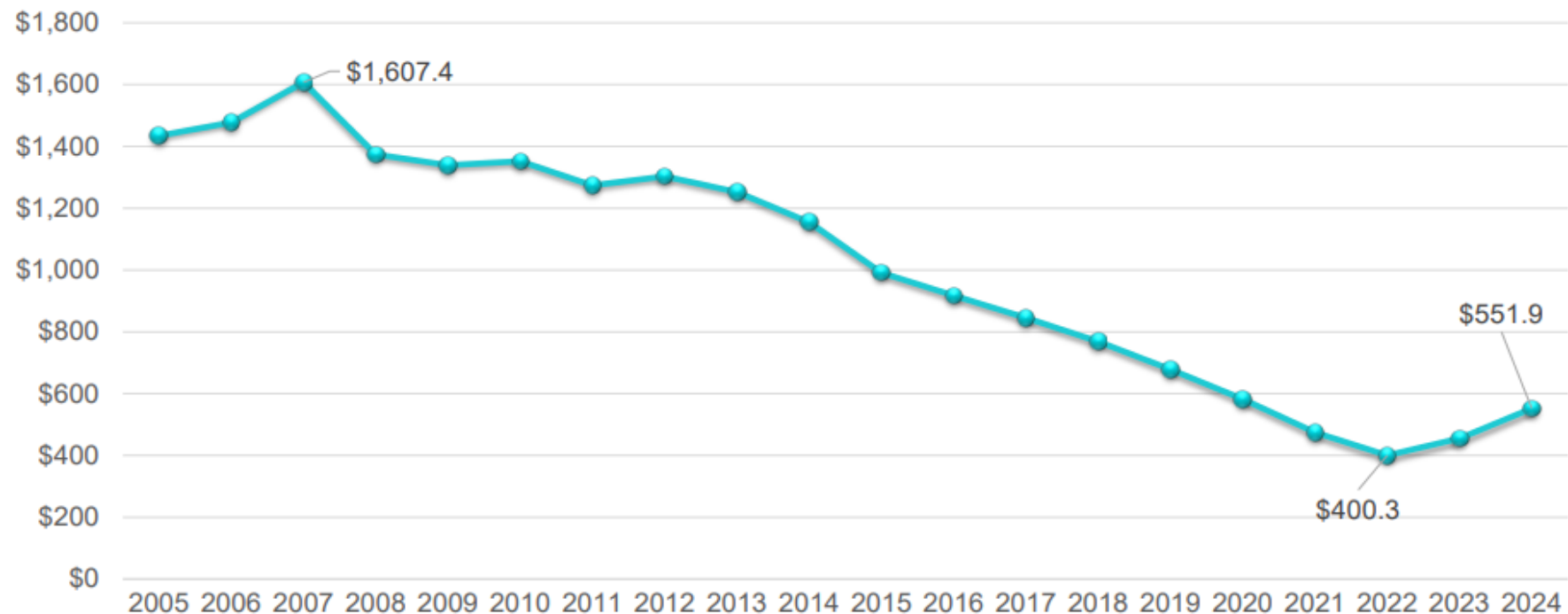
Due to the GERS Funding Note beginning in 2022, the System's cash flow has significantly improved. Over the past three plan years, the System has had near or positive cash flow.

Note: Contributions are net of administrative expenses for each of the years shown. For the years ended September 30, 2022 and later, net contributions include the GERS Funding Note revenues.

## Exhibit D

# Financial Information

*Market Value of Assets as of September 30, (in \$Millions)*

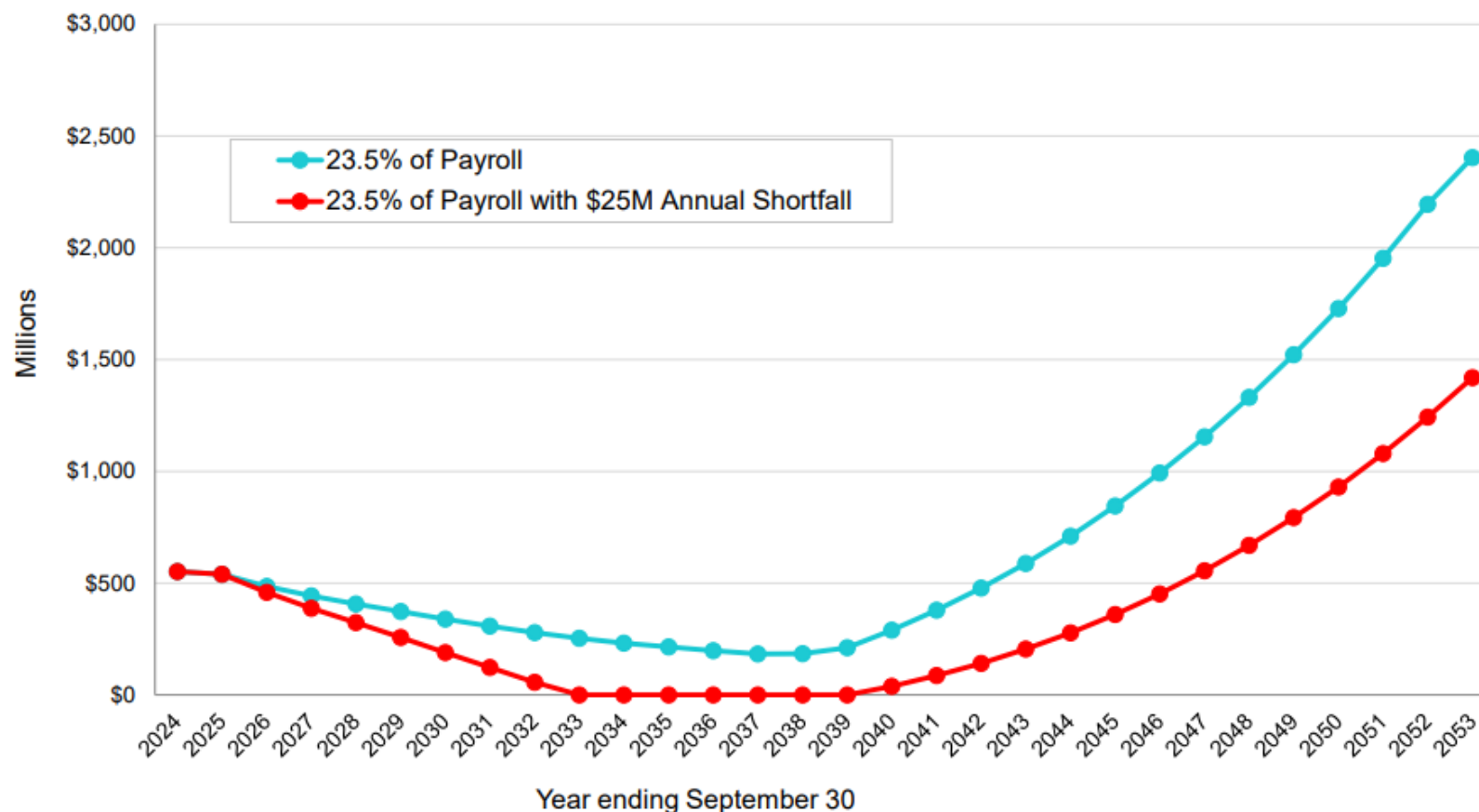


The market value of assets has declined by 66% since its peak in 2007 due mostly to the System's significant negative cash flow over that period. However, during the past two plan years, with positive cash flow and positive investment performance, assets increased.

## Exhibit E

# Preliminary Market Value of Asset Projections

*23.5% of Payroll Contribution rate and \$25M Shortfall per year due to Low Demand in Rum Consumption & 6% Investment Return per year*

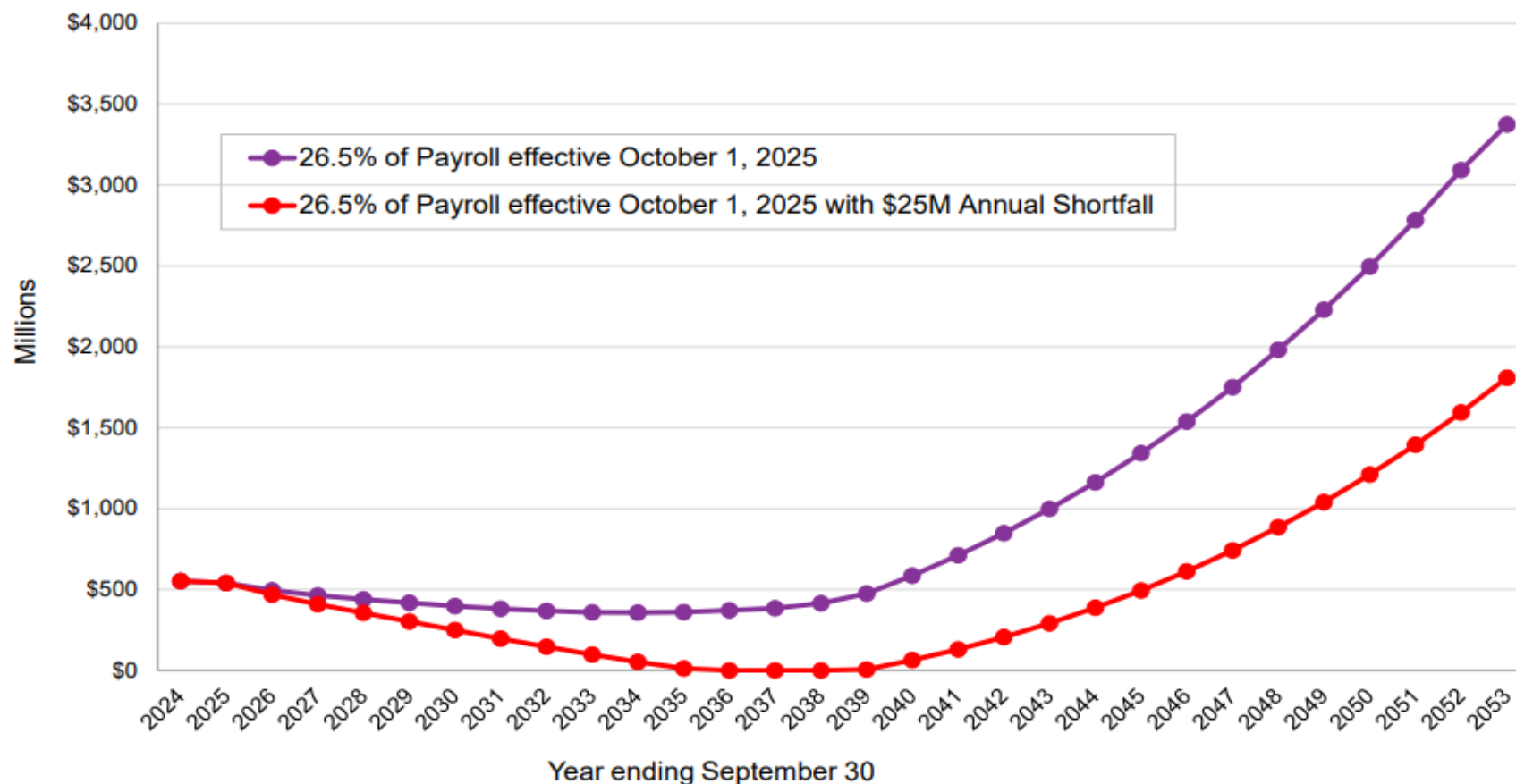


With \$25M shortfall in rum revenues per year, GERS is temporarily insolvent from 2033-2039 and would need at least \$290M from General GVI revenues to pay full benefits

## Exhibit F

# Preliminary Market Value of Asset Projections

*26.5% of Payroll Contribution rate and \$25M Shortfall per year due to Low Demand in Rum Consumption & 6% Investment Return per year*

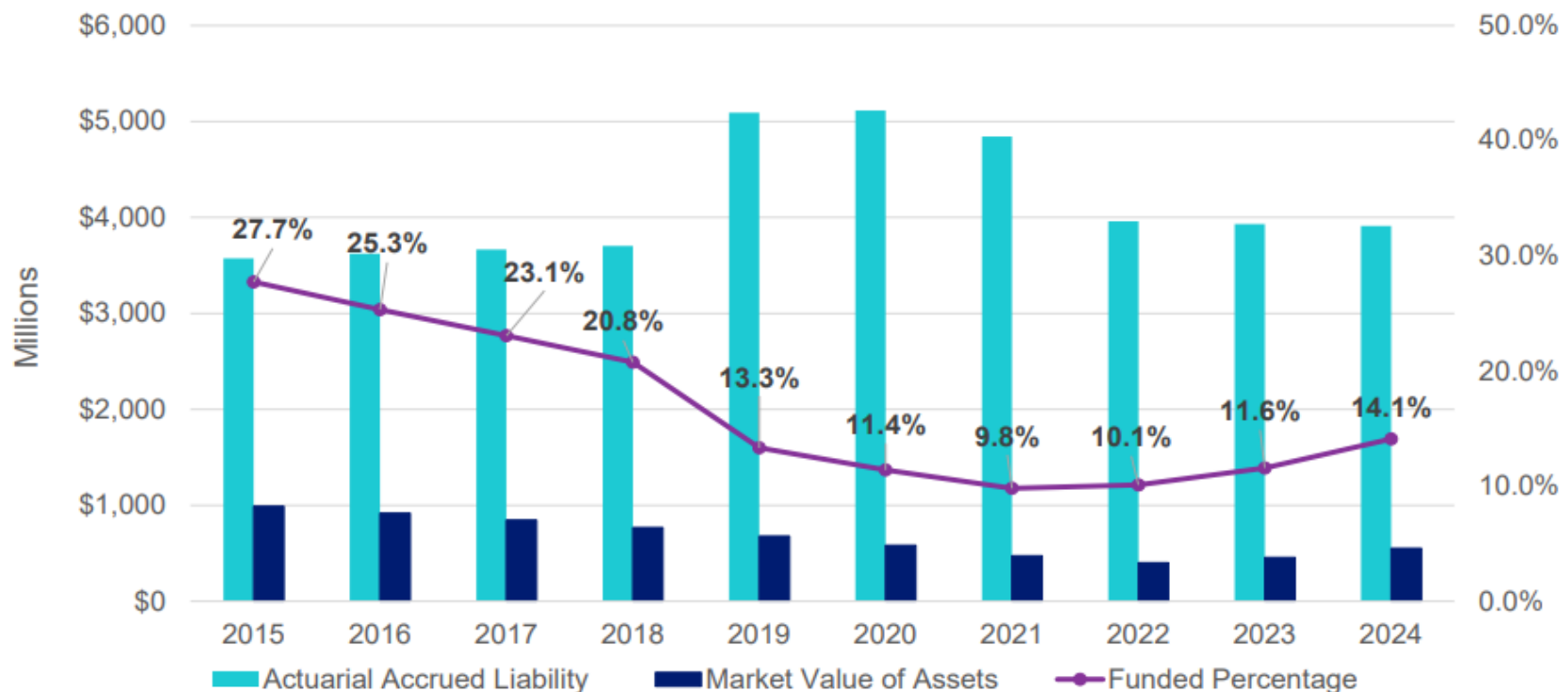


The 26.5% employer contribution rate partly mitigates the \$25M shortfall/year. GERS is temporarily insolvent from 2036-2038 & would need at least \$82M from General GVI revenues to pay full benefits

## Exhibit G

# Preliminary Valuation Results

*Historical Funded Percentage as of September 30,*

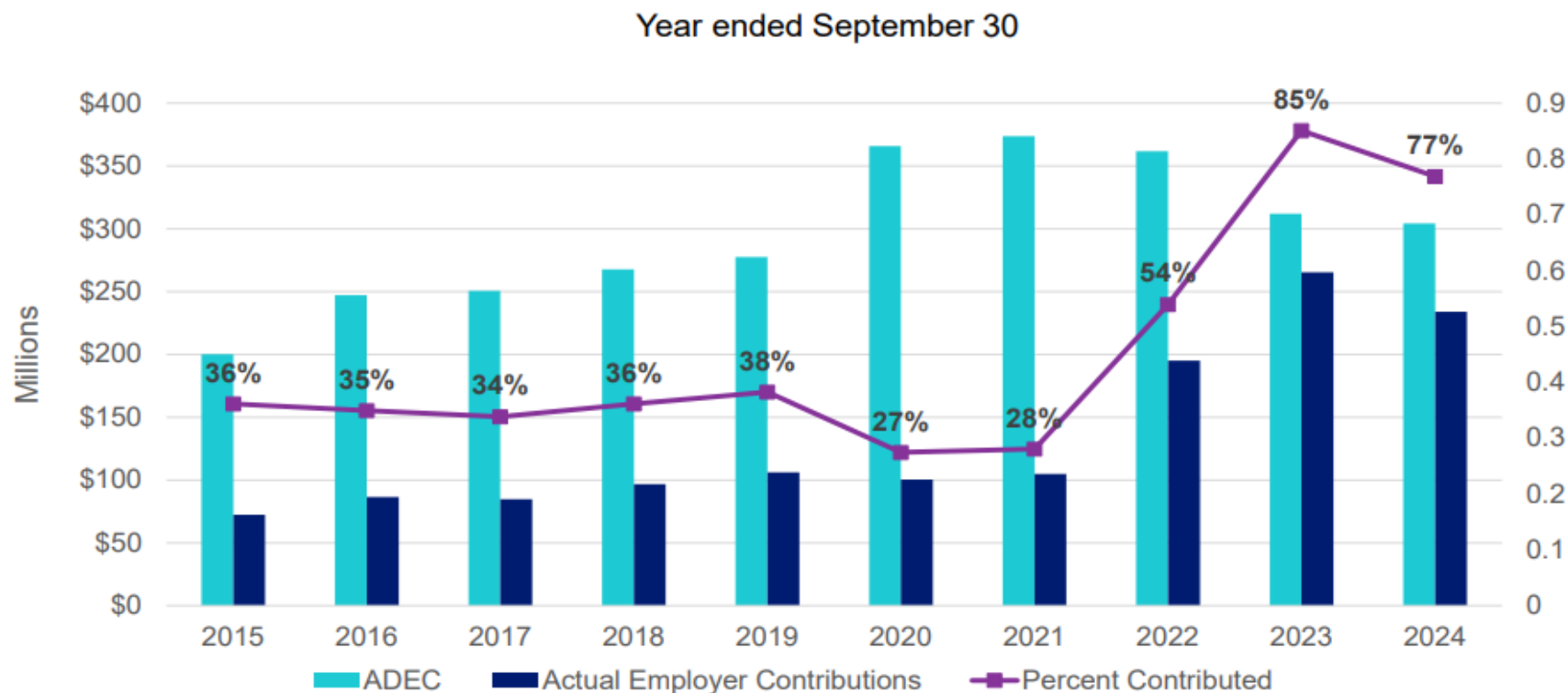


Since 2020, the System's funded percentage has leveled off and has begun to increase due to better cash flow and positive investment performance over the past two years.

## Exhibit H

# Preliminary Valuation Results

## *ADEC and Contribution History*



**The GERS Funding Note has significantly increased the percentage of ADEC contributed over the prior three plan years**