

AMENDMENT TO ALTERNATIVE INVESTMENT POLICY

The Government of the Virgin Islands Retirement System Alternative Investment Management Program is amended as follows:

Article II. Performance objectives are amended to add the following language after the first paragraph:

Notwithstanding the above stated goal of generating a long term rate of return greater than the assumed Actuarial rate of 8.0%, the GERS may approve alternative investments which generate less than 8.0% return provided the proposals meet the following criteria:

1. A full credit assessment is performed and is favorable; and
2. The most favorable interest rate is determined based on the following formula:

(a) **Referenced Rate and Maturity:** Equivalent US Treasury (“UST”) yield based on the final maturity/term of the loan/investment.

The Reference Rate can be determined by using the yields displayed from the prior Business Day closing by either Thomson Reuters; Bloomberg Financial Markets; Federal Reserve Statistical Release H.15 (519); or as published by the Wall Street Journal. The Maturity can be determined by selecting the most recently issued actively traded U.S. Treasury securities having a maturity equal to the term of the loan or investment provided by GERS; and

(b) **Risk premium:** To be based on the Borrower credit evaluation and current market conditions.

Approved by the Board of Trustees on October 20, 2011.