



GERs Updates

GERs Trustees Attend The Wharton School

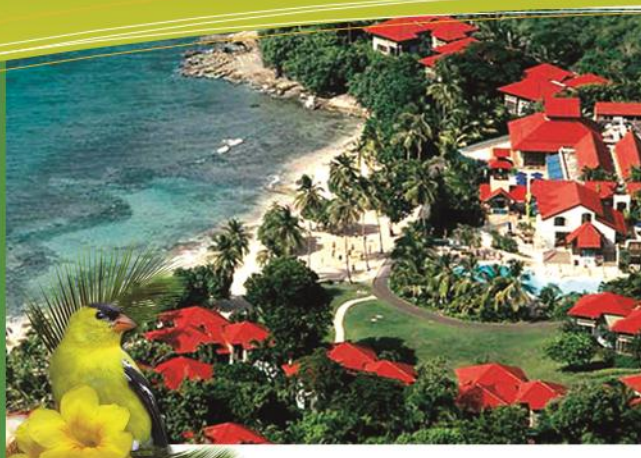
Trustees, Edgar Ross, Esq. and Wilbur Callender, M.D., attended The Wharton School – University of Pennsylvania, May 6 – 9, 2013 for a training course in Portfolio and Concepts Management. The three and a half day course offered lecture/discussion sessions, problem-solving exercises and an interactive case study.

The Wharton Business School provides investment management education for individuals with differing educational needs and levels of experience. It helps to build trustee's skills in portfolio oversight and gives the tools necessary to make informed investment decisions.

GERs to Host Financial Planning Workshops

Beginning October 2013, GERs will host Financial Planning workshops. These Workshops will increase members level of financial literacy while providing the necessary tools to help in becoming more financially savvy and self-empowered. Stay tuned to our website for dates, location and time.

We are truly excited about making this information available to our membership.



Board Retreat

JUNE 12 - 14, 2013
RENAISSANCE ST. CROIX CARAMBOLA BEACH RESORT & SPA
ST. CROIX, UNITED STATES VIRGIN ISLANDS

GERs Trustees and Senior Management staff participated in a retreat at the Carambola Resort and Spa, St Croix, VI, June 12–14, 2013. The purpose for the retreat was to bring trustees and staff together to engage in frank discussions about pressing issues affecting the System. It was also an opportunity for trustees to hear from and interact with our consultants, Meketa Investment Group and Actuary from the Segal Company.

Discussion items included an "Overview of Operations," "Future of the Alternative Investment Program and Cash Flow Impact on Fund," "Missing Employer Contributions and Settlement Agreement with Government of the Virgin Islands." There were also discussions about the Interpretation of Statutes and Conflicting Statutes as it relates to Magistrates and the Recalculation of Annuity for Retroactive Payments.

Dr. Haldane Davies of the University of the Virgin Islands, gave an update on the development of GERs' Strategic Plan. During this session, trustees had an opportunity to give their input for the strategic plan and were later given a demonstration of GERs' website and Member Self Service Module and other social media features for stakeholder engagement by the System's Public Information Officer.

Aldwin Frias of the Segal Company presented and discussed a number of pertinent issues:

- Actuarial Valuation and Review –

this issue

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October 1, 2011

- Taskforce Recommendations and Impact to the Fund
- Reducing Assume Rate from 8%, 7.5%, 7%, 6%, 5% and Impact to the Fund (Theoretical vs. Practical)
- Potential Missing Contributions/ Government Obligation
- New GASB Rules and Impact on Actuarial Valuation
- New Moody's Rating

Also present were representatives of Fisher & Phillips, LLP, Robbins Geller Rudman & Dowd LLP and Ogletree, Deakins, Nash Smoak & Stewart, P.C. These experts engaged Trustees and staff in productive discussions while sharing some of the latest updates on Governance, Ethics and Compliance and Securities Litigation. There was also a presentation on "Litigation Trends in the Employment Context: Boards Under Attack?"

It is clear that there is much more work to be done at the GERs. There were no quick or easy answers to the pressing issues facing the System. There is however, a commitment by the Administrator and Trustees to press on to ensure that the business of the System is handled with the utmost efficiency and prudence. "I have made a commitment to our members that for the time that I am here as the Administrator, I will do all in my power to make sure that benefits are paid and that the unfunded liability is addressed," said Mr. Nibbs.



GERs Issues Reports



GERs has issued its Fiscal Year 2011 Certified Audited Financial Statements and the FY 2011 Actuarial Report.

The Financial Statement presents the organization's financial activities whereas, the actuarial valuation is performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and determine estimated future liabilities.

A copy of each report is available on the GERS website at www.usvig.org.

Member Connection



As of today, we have 662 subscribers and counting. The GERS Member Connection email service is your trusted source for personal and direct communications affecting your retirement.

Emails include notifications with links to important, time sensitive information, electronic publications, meeting notices, and legislative updates.

Send us your email address to: tliburd@usvig.org, with the word "subscribe" in the subject line and your first and last name. When subscribing, please indicate whether or not you are a GERS member.

St. Croix Government Retiree's, Inc.

The St. Croix Government Retiree's Inc. is an organization that was formed to advocate for the sustainability of the retirement system. The next scheduled meeting is July 23rd at 1:00 p.m. at the former GERS office building in Orange Grove. To learn more, call Mary Moorehead at 340.773.0067 or Abdul Ali at 340.332.1835.

GERs STRATEGIC PLAN—NEXT STEPS

After putting out a call to GERS stakeholders to participate in focus group meetings and engaging in very meaningful and productive discussions, we are now moving on to the next steps in our collaborative process of developing a 5 year strategic plan for the retirement system.

This next step of the Strategic Plan process – Phase III, is the review of information gathered in Phase II and making sense of that data. It includes the review and discussion of the concept paper, which its purpose is to inform and educate readers who may have little knowledge or expertise of the various areas the concept paper¹ covered. Phases IV and V is the Vision Conference and the Goals Conference, respectively. These two phases will be combined into one conference. The Vision portion will bring together all the stakeholders to create a shared picture of the System with the objective of drafting a vision statement. The Goals Conference is the process whereby the

internal stakeholders will determine what actions must be taken under the broad goals for each strategic theme. This phase would also include the creation of a broad implementation plan.

We thank all stakeholders who voluntarily participated in the focus group meetings and look forward to your continued support and interest.



¹A concept paper is a summary of a project or issue that reflect the interests, experience and expertise of the writer or organization.

...AND THE WINNER IS !

The GERS Scholarship Fund will be the recipient of the funds raised at the July First Friday Business Expo and Fund Raiser hosted by 1-855-VI Services, a local online business directory.

The Government Employees' Retirement System's scholarship fund which is administered by the community foundation of the Virgin Islands, awards up to 3, four-year scholarships to students that are dependents of a contributing member of the System.

In prior years, monies were donated to the fund; however, due to increased regulations and the economic climate, those monies are no longer available to the GERS for this purpose. Hence, GERS has been looking for new ways to supplement the Fund in order to continue to provide scholarships to the children of our membership.

As part of our member and community outreach efforts, we have been participating in the business expo since

December 2012. "It has been a wonderful opportunity for us to share information about our organization and we are delighted to have been the recipient of the funds that will be raised at the July Expo," said GERS Administrator, Austin L. Nibbs.

Past recipients of the business expo fundraiser have been the Virgin Islands Montessori School and Peter Gruber International Academy, the All Saints Cathedral School, the Smith Bay Action Committee and the Dial-A-Ride to name a few.

GERs will continue to do its part to ensure that the scholarship fund serve the purpose for which it was created.

Thanks to all who have supported this endeavor.

Investment Manager Asset Allocation

As of June 30, 2013 - \$939,249,216 (unaudited)*

DOMESTIC EQUITY	AMOUNT	PERCENT OF CLASS	ASSET	PERCENT OF TOTAL FUND
Large Cap Core Equity				
UNION HERITAGE GROUP MORGAN STANLEY	\$ 57,523,380	18.9%		6.1%
STATE STREET GLOBAL ADVISORS (S&P 500)	12,165,758	4.0%		1.3%
Large Cap Value Equity				
LSV ASSET MANAGEMENT	60,219,743	19.8%		6.4%
NWQ INVESTMENT MANAGEMENT CO.	57,627,945	19.0%		6.1%
Large Cap Growth Equity				
TURNER INVESTMENT PARTNERS, INC.	57,278,257	18.9%		6.1%
SILVANT CAPITAL MANAGEMENT	58,750,092	19.4%		6.3%
TOTAL LARGE CAP EQUITY	\$ 303,565,175	74.4%		32.3%
Small Cap Value Equity				
FISHER INVESTMENTS INSTITUTIONAL	51,605,240	100.0%		5.5%
TOTAL SMALL CAP EQUITY	\$ 51,605,240	12.7%		5.5%
Micro Cap Equity				
OBERWEIS ASSET MANAGEMENT, INC.	52,627,199	100.0%		5.6%
TOTAL MICRO CAP EQUITY	\$ 52,627,199	12.9%		5.6%
TOTAL DOMESTIC EQUITY	\$ 407,797,613	100.0%		43.4%

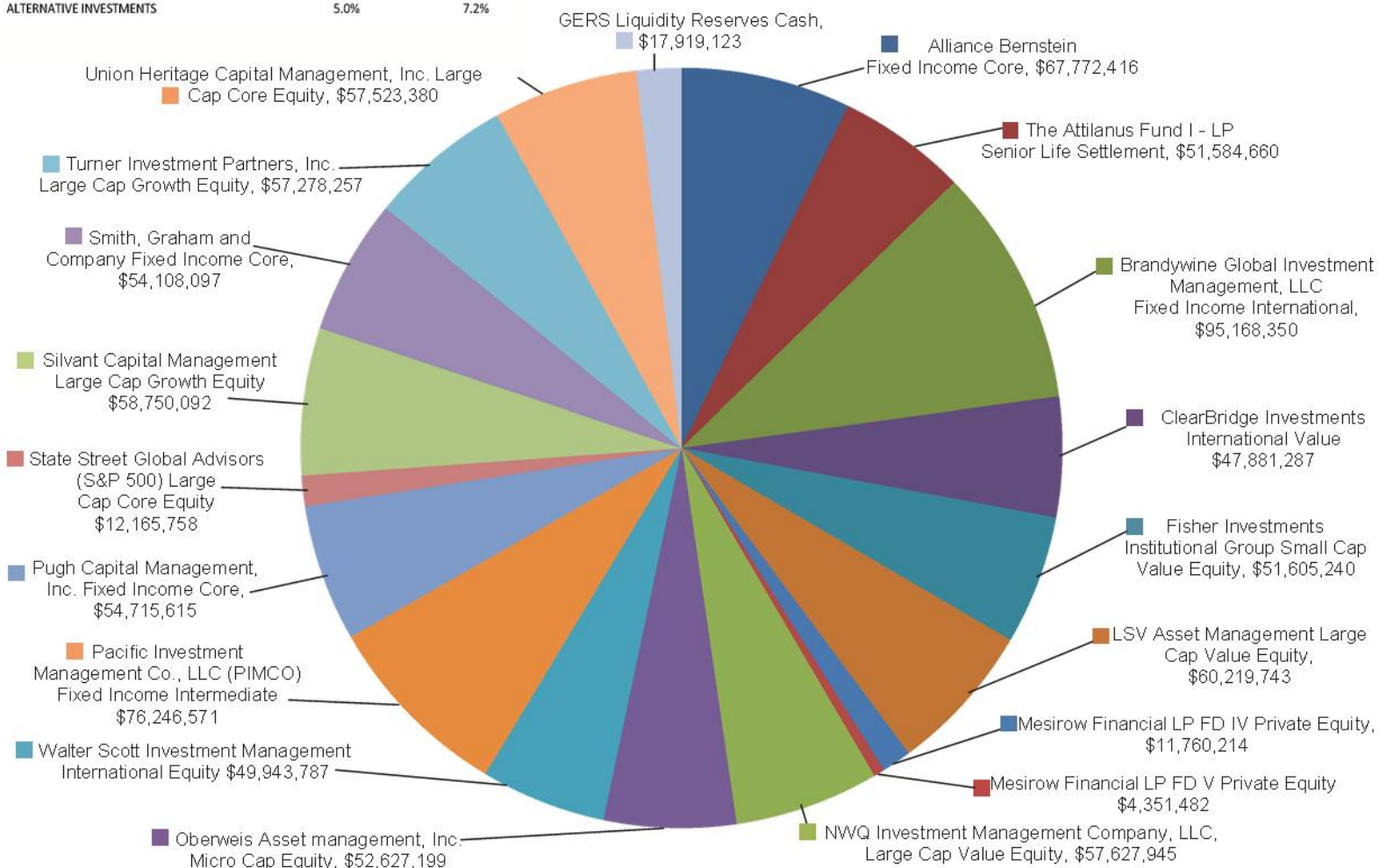
ASSET CLASS	TARGET	ACTUAL
DOMESTIC EQUITY	45.0%	43.4%
INTERNATIONAL EQUITY	10.0%	10.4%
DOMESTIC FIXED INCOME	30.0%	28.8%
INTERNATIONAL FIXED INCOME	10.0%	10.1%
ALTERNATIVE INVESTMENTS	5.0%	7.2%

INTERNATIONAL EQUITY	AMOUNT	PERCENT OF CLASS	ASSET	PERCENT OF TOTAL FUND
CLEARBRIDGE INVESTMENTS	\$ 47,881,287	48.9%		5.1%
WALTER SCOTT INVESTMENT MGMT.	49,943,787	51.1%		5.3%
TOTAL INTERNATIONAL EQUITY	\$ 97,825,074	100.0%		10.4%

DOMESTIC FIXED INCOME	AMOUNT	PERCENT OF CLASS	ASSET	PERCENT OF TOTAL FUND
ALLIANCEBERNSTEIN	\$ 67,772,416	25.0%		7.2%
PUGH CAPITAL MANAGEMENT, INC.	54,715,615	20.2%		5.8%
PIMCO	76,246,571	28.2%		8.1%
SMITH, GRAHAM AND COMPANY	54,108,097	20.0%		5.8%
GERS LIQUIDITY RESERVES	17,919,123	6.6%		1.9%
TOTAL DOMESTIC FIXED INCOME	\$ 270,761,823	100.0%		28.8%

INTERNATIONAL FIXED INCOME	AMOUNT	PERCENT OF CLASS	ASSET	PERCENT OF TOTAL FUND
BRANDYWINE GLOBAL INVESTMENT MGMT.	\$ 95,168,350	100.0%		10.1%
TOTAL INTERNATIONAL FIXED INCOME	\$ 95,168,350	100.0%		10.1%

ALTERNATIVE INVESTMENTS	AMOUNT	PERCENT OF CLASS	ASSET	PERCENT OF TOTAL FUND
THE ATILANUS FUND I - LP	\$ 51,584,660	76.2%		5.5%
MESIROW FINANCIAL FUND IV	11,760,214	17.4%		1.3%
MESIROW FINANCIAL FUND V	4,351,482	6.4%		0.5%
TOTAL ALTERNATIVE INVESTMENTS	\$ 67,696,356	100.0%		7.2%



*Unaudited = Amounts have not been audited by our independent Certified Public Accounting Firm.



GERS Update!

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UPCOMING EVENTS

This Month



ST. THOMAS, VI

Count Down to Retirement
Wednesday, July 17TH
9:00 A.M. - 4:00 P.M.

Pre-Retirement Workshops
Wednesday, August 7TH
9:00 A.M. - 4:00 P.M.

Count Down to Retirement
Wednesday, September 18TH
9:00 A.M. - 4:00 P.M.

Board Meeting
Thursday, July 18TH
9:30 A.M.

Semi-Annual Investment Meetings
August 28th - August 30TH

Board Meeting
Thursday, September 19TH
9:30 A.M.

ST. CROIX, VI

Count Down to Retirement
Wednesday, July 24TH
9:00 A.M. - 4:00 P.M.

Count Down to Retirement
Wednesday, September 25TH
9:00 A.M. - 4:00 P.M.

Pre-Retirement Workshops
Wednesday, August 14TH
9:00 A.M. - 4:00 P.M.



Contact Us

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