



Department of Revenue & Finance
GE Pension Office

DROP Investment Options Workshop FY 2012

**August 23, 2011
City Council Chambers**

Rules of Engagement

- Place your cell phone on “Silent” / not “Vibrate.”
- No side bar conversations during the presentation.
- Hold your questions until the end of the presentation.
- Review your folder contents.

Goals for the Workshop

- Better understanding of the DROP Plan Investment Options now available.
- Fully committed to the responsibilities and timelines as a DROP Plan Participant.
- Enjoy your time here – it is all about you!

Workshop Agenda

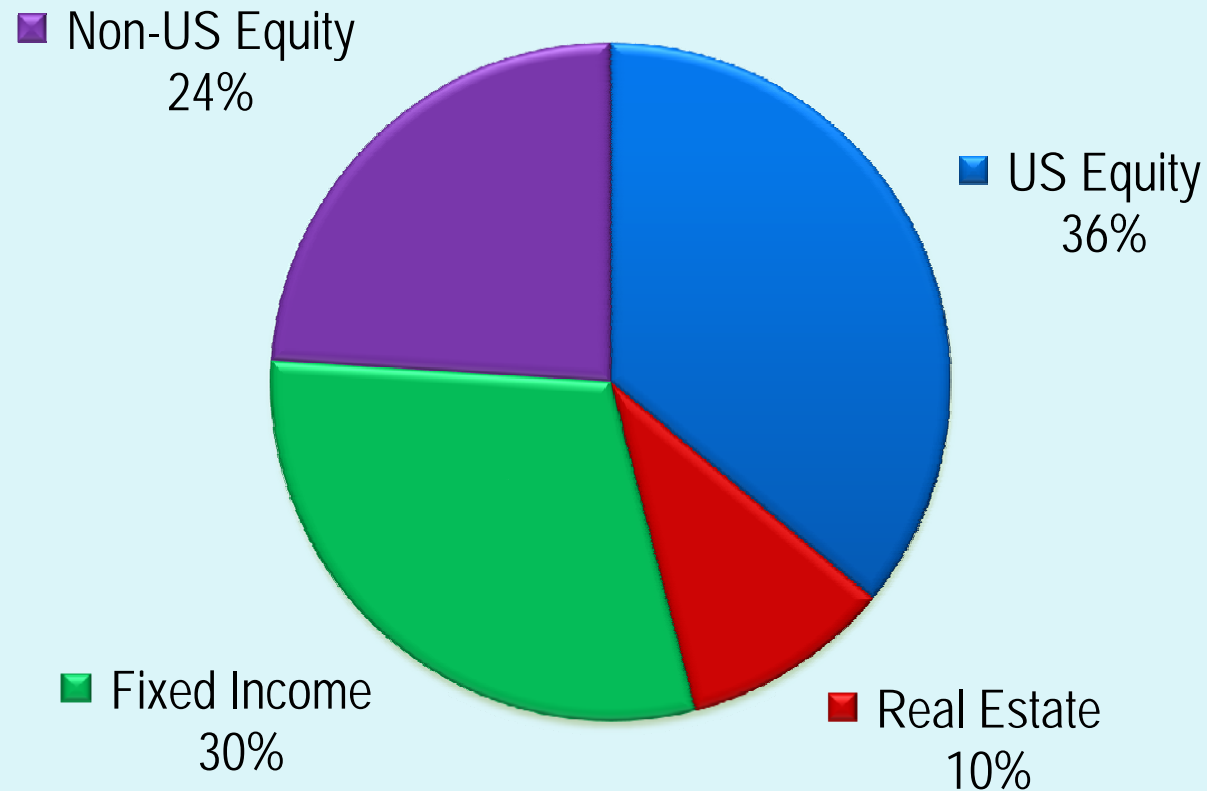
- Provide an historical perspective of the DROP Plan
- Discuss DROP Investment Option 1
- Discuss DROP Investment Option 2

Workshop Agenda.....

- Compare the Investment Options
- Participant's Responsibilities
- Questions and Answers

GE Pension Fund Today

Asset Allocation



- Balance as of 6/30/11 = \$525 million

Historical Perspective of DROP Plan

- Established October 1999
- Current DROP Plan Enrollment = 175
- Current DROP Fund Balance = \$13 million

Net Rate of Return for the GE Pension Fund



Past performance is not indicative of future results.

Investment Option 1 - Current

- Variable Rate Fund
- Offers a rate reflecting the Fund's net performance as determined by the GE Pension Board of Trustees.

Investment Option 2 - **New**

- In response to DROP Plan participants asking for an alternative / more conservative investment option.
- Florida House Bill 229 – passed and signed June 2011.
- Available NOW!

Investment Option 2

- Offers a rate reflecting a low-risk, variable rate Fund, selected annually by the GE Pension Board of Trustees.
- SEC 2a-7 Money Market Fund with JPMorgan Chase Bank.

Investment Option 2 ...

Why a 2a-7 Money Market?

1. High Degree of Liquidity
2. Net Asset Value is Stable
3. High Quality Investments:
 - a) Government Securities
 - b) Certificates of Deposit
 - c) Commercial Paper

Investment Option 2

- Primary Purpose = Preserve Capital
- Not about growth; not about income
- Given current economic conditions, the expected rate of return is 0%

Option Comparison

	Option 1 CURRENT	Option 2 NEW
Election for one year (12 month period)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Full Balance Transfer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Quarterly Statements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Annual Earnings Schedule	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Separation / Exit Process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Payout Distribution	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fund	Net performance of the fund	Low risk 2a-7 money market
Rate of Return	+ / - %	0 %

Responsibilities: DROP Participants

- Make first annual Election (August)
 Sign & Notarize Form
 Submit no later than September 1st
- Election is effective for 12 months.
- Election Form is to be completed annually.

Responsibilities: DROP Participants

- Full balance transfers are required.
- Confirmation letter sent to your residence no later than September 12 (contact Pension office if not received).

Coming Soon

- GE Pension Website Updated
 - Annual GE Pension Financial Statement
 - Rate of Return for previous quarters
 - Board agendas and meeting minutes

Q & A Guidelines

- Questions need to be specific to DROP Investment Options ONLY.
- Specific questions contact the Pension Office later.
- The Pension Staff can not counsel you on your election decision.
- Avoid talking over someone who is asking a question or providing an answer.

NEXT STEPS

- 1. Notaries available today! Free!**
- 2. August 24, 2011 / Pension Office**
Notary available – 11 a.m. to 3 p.m.
No appointment needed
- 3. Completed Election Form must be received in the Pension Office by September 1, 2011- 5 p.m.**