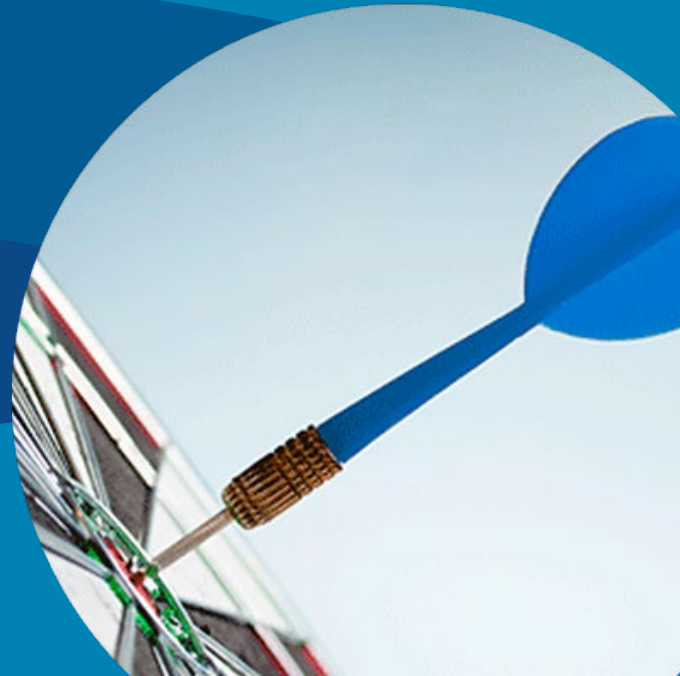




Benefit Accumulation Fund Interest Rate Credit Recommendation for 2020

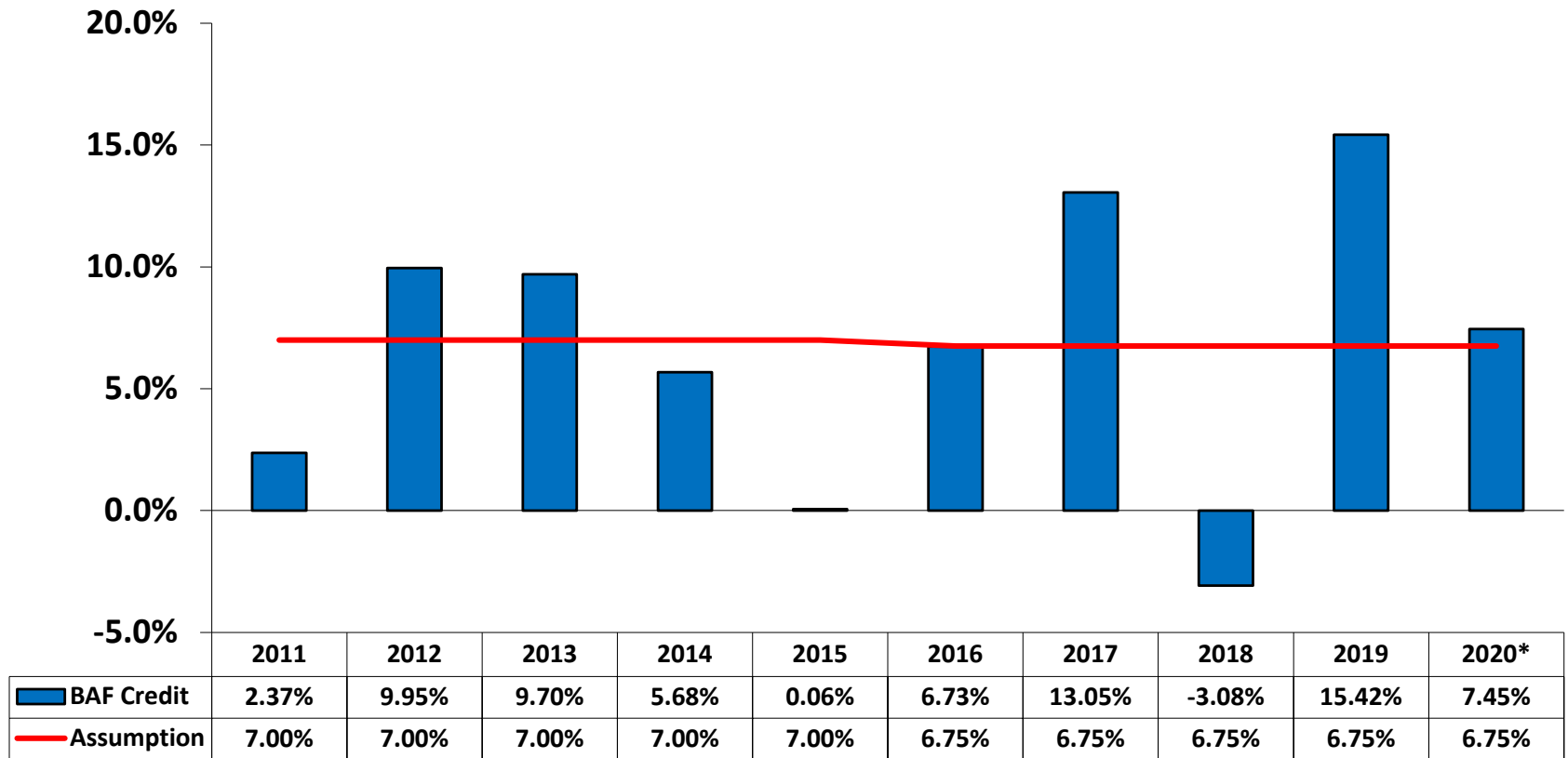
Joe Newton
Mark Randall
March 25, 2021



Overall Fund Return for 2020

- GRS recommends crediting the Benefit Accumulation Fund (BAF) interest approximately equal to 7.45%
 - This will be credited based on the beginning of year market value BAF balance for each city
 - This amount was determined after all administrative and investment expenses have been paid and the statutory requirements have been fulfilled
 - This will maintain the initial Interest Reserve Account at \$310M to allow for unanticipated changes in the market values as all investments are finalized

Historical BAF Interest Credits



6.59% average compound credit over last 10 years

* Proposed



GRS' 2020 BAF Interest Credit Recommendation

- GRS recommends crediting the BAF with an interest credit of approximately 7.45%