

# Georgia Firefighters' Pension Fund

C. Morgan Wurst  
Executive Director

February 9, 2016

The Honorable J. Nathan Deal,  
Governor

The Honorable Paul Battles,  
Chairman, House Retirement Committee

The Honorable Chuck Hufstetler,  
Chairman, Senate Retirement Committee

Gentlemen:

In accordance with the provisions of O.C.G.A. § 47-7-127(e)(5) and O.C.G.A. § 47-20-87(f)(5), this is to provide you with the required annual report on the performance of our alternative investments. As of December 31, 2015, the Trustees have made commitments totaling thirty three million five hundred thousand dollars (\$33,500,000) with two different managers, the first which was placed in June 2011, and periodically thereafter. The breakdown by strategy is as follows:

<b>Fund Type</b>	<b>Committed</b>	<b>Cash Called</b>	<b>Remaining Uncalled Commitments</b>	<b>Distributions from General Partner</b>	<b>Valuation</b>
Secondary	5,000,000	3,150,000	1,850,000	1,425,484	3,015,940
Buyout	8,000,000	3,940,000	4,060,000	878,360	3,936,602
Credit	2,500,000	1,225,000	1,275,000	397,401	1,093,143
Venture	3,000,000	2,130,000	870,000	425,506	2,558,058
Blend	15,000,000	10,019,526	4,980,474	2,157,722	11,334,827
Totals	33,500,000	20,464,526	13,035,474	5,284,473	21,938,570

To date, the Fund has not realized any losses, but has an unrealized profit of \$1,474,044, with \$3,588,076 in capital having already been returned to the Fund. As of 9/30/2015, the internal rate of return on the funds invested in these strategies since inception is 17.7%.

This will also confirm that the aggregate of the funds so invested is within the limitations of the law as specified in O.C.G.A. §§ 47-7-127(d), and 47-20-87(f)(5).

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In accordance with O.C.G.A. § 47-20-87(f)(5), this report will be posted on the Fund's website.

The Private Equity program has performed very much in-line with our original expectations. We continue to believe that private equity, along with other alternative investment classes, are a viable option to increase and diversify portfolio investments and grow a Fund's assets. During 2015, Private Equity and Real Estate were the two top asset classes. In a year where public markets generated a flat-to-negative return, our Private Equity program generated a return of over 12%. Unfortunately, Georgia Law does not currently allow any Funds (other than the Georgia Municipal Authority) to invest in Real Estate.

If you have any questions regarding the Fund's alternative investments, or wish to discuss them or any of the Fund's investments or operations, please do not hesitate to contact me.

Thank you for your continued support of the Fund and the firefighters whom we serve.

Sincerely,



C. Morgan Wurst  
Executive Director

cc: Ms. Teresa MacCartney, Trustee  
Mr. M. Dwayne Garriss, Trustee  
Mr. Timothy S. Milligan, Trustee  
Mr. Kerry J. Cook, Trustee  
Mr. R. Lee Todd, Trustee