

Georgia Firefighters' Pension Fund

C. Morgan Wurst
Executive Director

February 14, 2016

The Honorable J. Nathan Deal,
Governor

The Honorable Paul Battles,
Chairman, House Retirement Committee

The Honorable Ellis Black,
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, 2016, the Trustees have made commitments totaling thirty eight million five hundred thousand dollars (\$38,500,000) with two different managers, the first which was placed in June 2011, and periodically thereafter. The breakdown by strategy is as follows:

Fund Type	Committed	Cash Called	Remaining Uncalled Commitments	Distributions from General Partner	Current Portfolio Valuation
Secondary	10,000,000	4,375,000	5,625,000	2,245,676	3,653,091
Buyout	8,000,000	4,820,000	3,180,000	1,343,777	4,885,916
Credit	2,500,000	1,537,500	962,500	536,645	1,358,066
Venture	3,000,000	2,475,000	525,000	616,071	2,798,937
Blend	15,000,000	11,045,199	3,954,801	4,642,482	10,603,142
Totals	38,500,000	24,252,699	14,247,301	9,384,651	23,299,152

As of 12/31/2016, the Fund has provided a total of \$24.3 million to seven Partnerships to purchase and/or provide financing to private companies. The Fund has received approximately \$9.4 million in distributions back from the Partnerships. The remaining portfolio, of private companies the Fund owns through the Partnerships, is valued at approximately \$23.3 million. In short, the Fund has spent \$24.3 million to receive \$32.7 million of value. As of 9/30/2016, the internal rate of return on the cash invested in these strategies since inception is 14.6%.

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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).

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.

If you have any questions regarding the Fund's alternative investments, or wish to discuss them or any of the Fund's other 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. Yvonne Turner, Trustee
Mr. Timothy S. Milligan, Trustee
Mr. Kerry J. Cook, Trustee
Mr. M. Dwayne Garriss, Trustee
Mr. R. Lee Todd, Trustee