FISCAL YEAR 2021 ANNUAL REPORT

AN OFFICIAL PUBLICATION OF THE GEORGIA FIREFIGHTERS' PENSION FUND



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To the Members of the Georgia Firefighters' Pension Fund

The Board of Trustees and the Staff are pleased to present you with the Fiscal Year (FY) 2021 Annual Report. As a member of the Pension Fund, it's in your best interest to know what's going on in the Fund and what assets are in the Portfolio. Inside this report, you will find statistical information on the membership of the Fund, the FY 2021 Financial Statements (unaudited) and a breakout of the Fund's Investment Portfolio.

The number of active members remained mostly flat, growing by only 49 members to 13,691. This were an additional 134 inactive members in FY2021 compared to FY2020. The total number of retirees/beneficiaries grew by 267 to 6,420. This represents a growth rate of about 4.3% for the year. This is in line with the growth rates we've experienced over 3-year, 5-year and 10- year timeframes, as well. The retiree growth rate is likely to stay in the 4-6% range in the medium to long-term timeframe.

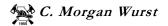
Benefits paid out to retirees and/or their beneficiaries during the year totaled approximately \$56.9 Million. That is \$3.1 Million more than was paid out to retirees/ beneficiaries in FY 2020. For FY2022, the Fund projects almost \$61 Million in benefits will be paid out to its retired members and their beneficiaries.

Non-investment revenue was up during the year. Monthly dues receipts were down 1.9% for the year at just under \$4.1 Million. Insurance Premium Tax Receipts grew by almost 6.5% to \$43 Million. Once again, it was nice to see this increase in premium tax receipts as it makes up over 90% of our non-investment revenue. Growth in this area is usually indicative of growth in the economy of the State. This bodes well for the State of Georgia.

The investment portfolio returned 32.6% for the 2021 Fiscal year, which more than exceeded the Fund's targeted 6.0% rate of return. In June of this year, the Board of Trustees voted to reduce the future assumed rate of return by 25 basis points to 5.75%. As for the breakout of the investment return in FY 2021, Domestic Equities returned 49.5%, International Equities delivered a 34.7% rate of return and the Fixed Income in the portfolio generated a 10% return. In addition, our alternative investments returned 52.6% for the year. 2021 was the best annual investment performance for the Fund in the last 30+ years (our investment return records go back to 1990). As such, the Board was able to grant a full 1.5% cost-of-living adjustment (COLA) effective July 1st in addition to the 1% COLA they granted last November (effective January 1st of this year).

The Fund stayed true to its Investment Policy during 2021. The Board remains focused on exercising their fiduciary duties when it comes to making any decisions affecting the Fund.

Our goal here at the Pension Fund, as always, is to provide our members, retirees and their beneficiaries with excellent customer service and record-keeping, as well as safeguard the assets and invest in a most prudent manner. We thank you all for your service



Key Statistics (Unaudited)

	Members			
	<u>06/30/2021</u>	<u>06/30/2020</u>	<u>06/30/2019</u>	<u>06/30/2018</u>
Active:				
Full-Time	10,721	10,655	10,520	10,364
Volunteer	2,894	2,920	2,964	3,081
Part-Time	76	67	62	57
Total Active	13,691	13,642	13,546	13,502
% Change from prior year	0.4%	0.7%	0.3%	0.3%
Inactive:		<i>i</i>		
Total Inactive	2,908	2,774	2,756	2,669
% Change from prior year	4.8%	0.7%	3.3%	0.9%
Retirees:				
Total Retirees	6,420	6,153	5,827	5,573
% Change from prior year	4.3%	5.6%	4.6%	5.3%
Total Fund Membership	00.040	00 500	00,400	04 744
	23,019	22,569	22,129	21,744
% Change from prior year	2.0%	2.0%	1.8%	2.5%
Full Benefit (No Options - Age 55, 25 years				
service)	949	940	931	913
Early Retirement (No Options - Age 50, 15		005	004	
years service) Average Benefit Payment	399 759	395 749	391 742	383 726
Average benefit i ayment	100	145	172	720
	Financial			·
	<u>06/30/21</u>	<u>6/30/2020</u>	<u>06/30/2019</u>	<u>06/30/2018</u>
Market Value of Portfolio	1,204,299,800	925,341,208	933,528,809	897,404,936
% Change from Prior Year	30.1%	-0.9%	4.0%	6.3%
Portfolio Allocation:				
Equity (Includes Private Equity)	70%	63%	66%	65%
Fixed Income	27%	33%	33%	32%
Cash	3%	4%	1%	3%
	100%	100%	100%	100%
Current Yr. Insurance Premium Tax Re-				
ceipts	42,971,860	40,389,155	37,887,961	35,715,255
% Change from Prior Year	6.4%	6.6%	6.1%	4.7%
Mambarahin Daasinta	4.004.000	4 4 4 2 0 2 0	4 005 070	2 007 072
Membership Receipts	4,064,666	4,142,928	4,065,670	3,997,873
% Change from Prior Year	-1.9%	1.9%	1.7%	-0.1%
Total Benefits Paid	56,928,934	53,827,050	50,767,748	47,285,284
% Change from Prior Year	5.8%	6.0%	7.4%	6.7%
-				

Portfolio Allocation & Statistics

June 30, 2021

Domestic Equity Managers	Market Value	% of Portfolio	<u>Fiscal Year</u> <u>Return</u>	Inception Date
Cooke & Bieler	92,636,902	7.7%	<u>Ketum</u> 54.3%	May 2004
Loomis Large Cap Growth	60,670,969	5.0%	37.4%	March 2020
T. Rowe Price Large Cap	57,869,751	4.8%	42.5%	April 2020
SSgA—S&P Mid Cap 400	63,695,615	5.3%	53.2%	April 2011
Burgundy Asset Management	85,122,910	7.1%	46.8%	March 2004
Cornerstone Investment Partners	62,113,059	5.2%	71.8%	January 2020
T. Rowe Price Global Natural Resources	41,203,734	3.4%	46.3%	January 2018
Heitman (REIT)	50,924,618	4.2%	42.2%	December 2009
Total - Domestic Equity Managers	514,237,558	42.7%	49.5%	
International Equity Managers				
Artisan International Growth	75,124,330	6.2%	24.0%	October 2015
Gryphon International EAFE Growth	94,245,521	7.8%	44.6%	October 2015
Burgundy Asset Management	71,115,912	5.9%	35.3%	April 2015
Wellington China Opportunities Fund	16,160,085	1.3%	20.2%	October 2020
Total - International Equity Managers	256,645,848	21.2%	34.7%	
TOTAL COMBINED EQUITY	770,883,406	63.9%	44.7%	
Fixed Income Menegere				
<u>Fixed Income Managers</u> DoubleLine Capital - ABS/MBS	106,064,590	8.8%	10.1%	December 2007
Voya	47,966,002	4.0%	1.6%	October 2003
Loomis Sayles	40,589,012	4.0 <i>%</i> 3.4%	3.9%	March 2003
Sage	35,245,520	3.4 % 2.9%	3.9 <i>%</i> 2.7%	March 2009
Sage Victory Capital	66,501,337	2.9% 5.5%	2.7%	March 2009 May 2004
Northern Trust 1-10 Yer TIPS Index	33,742,887	2.8%	23.3%	April 2021
TOTAL FIXED INCOME	330,109,348	27.4%	10.0%	April 2021
Total Invested in Private Equity Fund of Funds	70,951,264	5.9%	52.6%	June 2011
	,	010 /0	02.070	
<u>Cash</u>				
Northern Trust Money Market	32,355,782	2.7%	0.9%	N/A
TOTAL CASH	32,355,782	2.7%	0.9%	

Income Statement

Fiscal Year Ending June 30, 2021 (Unaudited) <u>Fund Income</u>

Membership Receipts	4,064,666
Other Member Income Insurance Premium Tax (includes prior years recv'd. late)	470,250 43,267,802
Other Income	74,650 47,877,368
Total Fund Receipts	47,877,308
Member Expenses	
Benefit Payments to Members	56,928,934
Other Member Expenses*	962,948
*(consists of Member Withdraw-	
als, Volunteer Lost Credit, Mem-	
ber Returns and Dues in refund-	
available status)	F7 004 000
Total Member Expenses	57,891,882
Fund Expenses	
Personnel	1,067,182
Travel, Training, and Development	24,087
Supplies	17,249
Printing and Postage	17,985
Utilities	30,372
Maintenance & Repairs	59,010
Fees and Contracts	110,817
Database Development (one time fee)	50,000
IT Equipment	2,706
Benefit Payment Services and Actuary Fees	118,473
Miscellaneous	11,090
Depreciation	59,350
Total Fund Expenses	1,568,321
Net Operating Income	(11,582,835)
Investment Income	
Total Realized Investment Income	89,174,406
Investment Expenses	
Custodial Services	104,196
Asset Management Fees	5,307,013
Consulting Services	146,250
Total Investment Expenses	5,557,459
Net Realized Investment Income	83,616,947
	72 034 112

Balance Sheet

June 30, 2021

(Unaudited)

	21,001	Operating Cash
	0	Accounts Receivable
21,001		Total Current Assets
	84,882	Land
	1,534,994	Building & Improvements Other Gross Fixed Assets &
	225,334	Supplies
	(823,038)	less: (accumulated deprecia- tion)
1,022,172		Net Fixed Assets & Supplies
	913,631,743	Gross Portfolio @ cost
	2,609,315	Dividend/Interest/Tax Reclaim Receivable
	(1,690,531)	less: (net trades payable)
914,550,527		Net Portfolio (at cost)
289,839,655	289,839,655	Unrealized Investment Gains
1,205,433,355		Total Assets
	79,740	Employee Payables
	1,803,671	Member Payables
	2,397	Operating Accounts Payable
		Investment/Actuary Fees Paya-
2 160 071	1,284,063	ble Total Current Liabilities
3,169,871		Total Current Liabilities
	924,905,112	Surplus - Net Assets/Equity
	277,358,372	Change in Market Value
1,202,263,484		Total Capital

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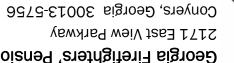
Reminder for Retirees

- If you are a retired Firefighter and drawing benefits under the Joint and Survivor option, and your spouse is deceased or you have become divorced; you must notify the Pension Fund Office to obtain the necessary forms to convert your benefits to Regular Retirement. Once the completed forms are received, processed, and approved by the Board; the conversion will go into effect the following month. Note: Conversions are not retroactive.
- You must notify the Pension Fund Office of any address changes. If your mail is being returned and we are unable to reach you; your benefit payments will be suspended until written notice of your correct address is received in the office.
- All Direct Deposits are deposited on the LAST day of the month. If the last day of the month falls on a weekend or a holiday; the deposits will be posted the last business day prior to the end of the month. All checks are mailed approximately 4-5 days prior to the end of the month.

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Georgia Firefighters' Pension Fund





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