

GMEBS Retirement Fund Investment Information as of March 31, 2019



Investment Information

The purpose of this handout is to provide up-to-date investment information relating to the investment of assets for the Georgia Municipal Employees Benefit System (GMEBS) Retirement Fund. The investment information is current through March 31, 2019.

Investment Managers

The current set of investment managers, each manager's investment style and investment parameters, and the amount of GMEBS assets each manager has under management as of March 31, 2019 are as follows:

[Advent Capital Management](#) | New York, New York | \$148 million

This manager invests in convertible bonds (bonds which convert into common stock). However, the investment direction for this manager prohibits the manager from converting to equities. Convertible bonds must be of investment grade.

[AllianceBernstein](#) | New York, New York | \$18 million

This manager invests in an index reflecting the Wilshire Float-Adjusted Real Estate Investment Trust (REIT) Index.

[Brandywine Global Investment Management](#) | Philadelphia, Pennsylvania | \$91 million

This manager invests in investment grade securities which may include U.S. debt and non-U.S. debt issuances sufficiently diversified among countries, currencies and sectors to control risk.

[Edge Partners](#) | Atlanta, Georgia | cash assets under management varies

This manager invests the fund's cash through active cash management by taking advantage of yield spreads through active trading.

[Franklin Templeton Institutional](#) | Fort Lauderdale, Florida | \$97 million

This manager invests in value-oriented equities of non-U.S. companies, developed and emerging, with a market cap greater than \$3 billion.

[Incore Capital Management](#) (formerly Victory) | Cleveland, Ohio | \$138 million

This manager invests in convertible bonds (bonds which convert into common stock). However, the investment direction for this manager prohibits the manager from converting to equities. Convertible bonds must be of investment grade.

[Invesco](#) | Atlanta, Georgia | \$101 million

This manager invests in diversified classes of high quality income-producing fixed income securities.

[McDonnell Investment Management](#) | Oak Brook, Illinois | \$88 million

This manager invests in diversified classes of high quality income-producing fixed income securities.

[Morgan Stanley Real Estate Advisors](#) | New York, New York | \$174 million

This manager invests in institutional investment grade properties through a commingled real estate trust.

[Pzena Investment Management](#) | New York, New York | \$46 million

This manager invests in small cap value equities (undervalued stocks of small companies).

[Riverbridge Partners, LLC](#) | Minneapolis, Minnesota | \$96 million

This manager invests in small cap growth equities (focusing on faster-growing companies whose shares are at the lower end of the market-capitalization range).

[Smith Graham and Company](#) | New York, New York | \$38 million

This manager invests in small cap value equities (undervalued stocks of small companies).

[State Street Global Advisors \(SSgA\)](#) | Boston, Massachusetts | \$899 million

This manager invests in an index reflecting the Russell 1000 stocks.

[The Vanguard Group](#) | Malvern, Pennsylvania | \$211 million

This manager invests in an international equities index reflecting the FTSE All World Ex-U.S. index.

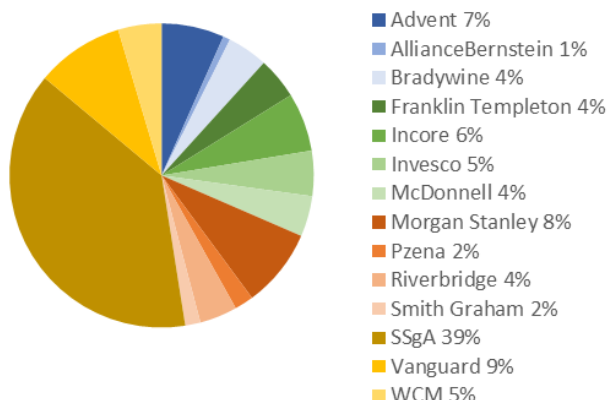
[WCM Investment Management](#) | Laguna Beach, California | \$107 million

This manager invests in growth-oriented equities of non-U.S. companies, developed and emerging, with a market cap greater than \$3 billion.

Investment Managers

The investment managers by percentage of assets under management as of March 31, 2019 is reflected in the graph below.

Investment Managers Percentage of Assets Under Management (market value basis)



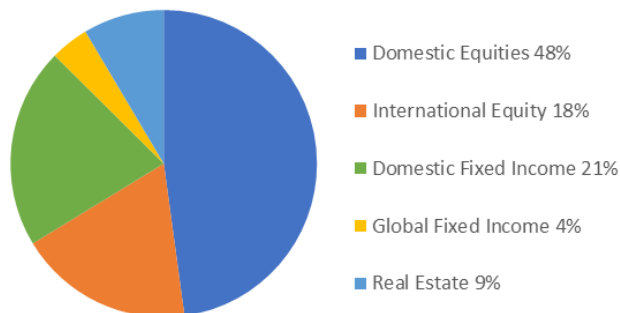
Investment Structure

The fund's asset allocation is established by the GMEBS Board of Trustees, consistent with state law. State law limits the fund's exposure to equities to 75% at cost. Real estate is limited by law to 10%.

Asset Allocation

As of March 31, 2019, the fund's actual asset allocation by type of security on a market value basis is presented in the graph below.

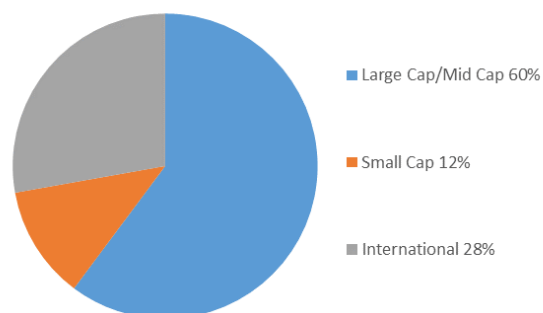
Total Fund Asset Allocation Actual (market value basis)



Equity Portfolio

The graph below reflects the types of equity categories that comprise the fund's equity investment portfolio. The fund's allocation to equities is well diversified.

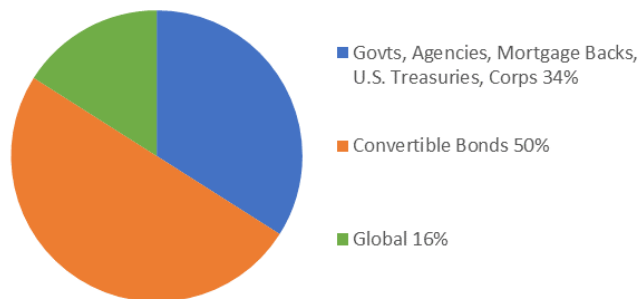
Equity Investment Portfolio (market value basis)



Fixed Income Portfolio

The fund's allocation to fixed income securities is also diversified. The fund's fixed income investment portfolio consists of the types of fixed income categories as illustrated in the graph below.

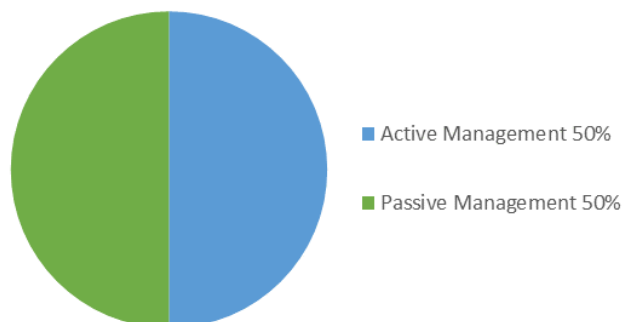
Fixed Income Investment Portfolio (market value basis)



Active vs. Passive Management

In addition to a diversified investment portfolio, the board has decided to use index funds along with active investment management. As illustrated in the graph below, approximately 47% of the fund's investment portfolio is allocated to index funds on a market value basis.

Active vs. Passive Management (market value basis)



Investment Performance

As of March 31, 2019, the fund's investment returns for the one, three and five-year periods were 3.97%, 9.90% and 8.07% (annual equivalent), respectively. Longer term, the fund's dollar-weighted annualized return for the composite for the 38 1/4 years ended March 31, 2019 was 9.28% (annual equivalent).