

December 31, 2017



**City of Atlanta General  
Employees Pension Fund**

**Investment Measurement Service  
Monthly Review**

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**Asset Allocation and Performance**

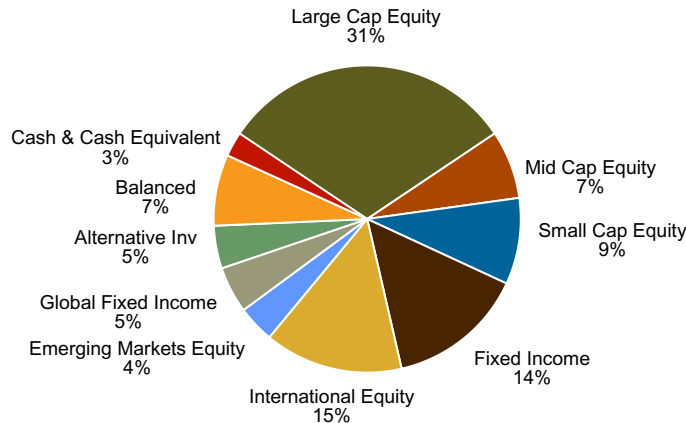
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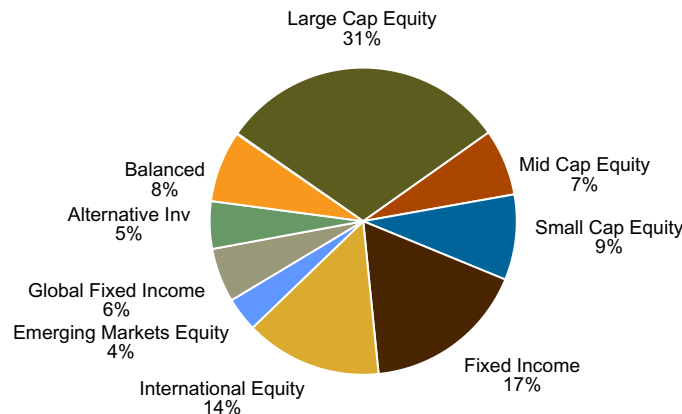
## Actual vs Target Asset Allocation As of December 31, 2017

The Strategic Policy Target is set without regard to the Balanced mandate and includes 32.5% S&P 500 Index, 7.5% Russell MidCap Index, 10% Russell 2000 Index, 8% MSCI EAFE Index, 8% MSCI ACWI ex US, 4% MSCI Emerging Markets Index, 20% Bloomberg Barclays U.S. Aggregate Bond Index, 5% World Govt Bond Index, and 5% Custom Alternatives Index. The Actual Policy Target is adjusted to reflect the implementation of the Balanced mandate and includes 30.5% S&P 500 Index, 7% Russell MidCap Index, 9% Russell 2000 Index, 7.4% MSCI EAFE Index, 7% MSCI ACWI ex US, 3.6% MSCI Emerging Markets Index, 7.5% Custom Tactical Overlay Index, 17.2% Bloomberg Barclays U.S. Aggregate Bond Index, 5.8% World Govt Bond Index, and 5% Custom Alternatives Index. The Actual Policy Target is represented as the Policy Index throughout the remainder of the report.

### Actual Asset Allocation



### Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	450,098	31.3%	30.5%	0.8%	11,977
Mid Cap Equity	103,255	7.2%	7.0%	0.2%	2,703
Small Cap Equity	130,341	9.1%	9.0%	0.1%	1,059
Fixed Income	207,867	14.5%	17.2%	(2.8%)	(39,922)
International Equity	209,267	14.6%	14.4%	0.2%	2,416
Emerging Markets Equity	55,504	3.9%	3.6%	0.3%	3,791
Global Fixed Income	70,588	4.9%	5.8%	(0.8%)	(12,009)
Alternative Inv	65,073	4.5%	5.0%	(0.5%)	(6,750)
Balanced	107,206	7.5%	7.5%	(0.0%)	(529)
Cash & Cash Equivalent	37,264	2.6%	0.0%	2.6%	37,264
Total	1,436,461	100.0%	100.0%		

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2017, with the distribution as of November 30, 2017.

### Asset Distribution Across Investment Managers

	December 31, 2017		November 30, 2017	
	Market Value	Percent	Market Value	Percent
<b>Domestic Equity</b>	<b>\$683,692,998</b>	<b>47.60%</b>	<b>\$701,692,655</b>	<b>48.86%</b>
<b>Large Cap Equity</b>	<b>\$450,097,678</b>	<b>31.33%</b>	<b>\$460,358,465</b>	<b>32.06%</b>
Morgan Stanley LC Core	128,970,123	8.98%	134,775,380	9.39%
BlackRock S&P 500 Equity Index Fund	321,127,554	22.36%	325,583,084	22.67%
<b>Mid Cap Equity</b>	<b>\$103,254,763</b>	<b>7.19%</b>	<b>\$101,772,829</b>	<b>7.09%</b>
Cornerstone Cap Mgt	103,254,763	7.19%	101,772,829	7.09%
<b>Small Cap Equity</b>	<b>\$130,340,557</b>	<b>9.07%</b>	<b>\$139,561,361</b>	<b>9.72%</b>
Earnest Partners SC Core	73,083,469	5.09%	81,596,442	5.68%
Channing Cap Mgt	28,498,733	1.98%	29,252,006	2.04%
<b>Legato</b>	<b>\$28,758,356</b>	<b>2.00%</b>	<b>\$28,712,914</b>	<b>2.00%</b>
Redwood	8,222,662	0.57%	8,044,223	0.56%
ESSEX	8,660,999	0.60%	8,789,213	0.61%
Bridge City	6,663,880	0.46%	6,709,258	0.47%
Lebenthal Lisanti	5,210,815	0.36%	5,170,220	0.36%
<b>International Equity</b>	<b>\$209,266,571</b>	<b>14.57%</b>	<b>\$213,536,223</b>	<b>14.87%</b>
Hardman Johnston Global Advisors	108,380,329	7.54%	111,108,685	7.74%
Artisan Partners	100,886,242	7.02%	102,427,537	7.13%
<b>Emerging Markets Equity</b>	<b>\$55,503,681</b>	<b>3.86%</b>	<b>\$52,637,308</b>	<b>3.67%</b>
Earnest Partners Emerging Markets	55,503,681	3.86%	52,637,308	3.67%
<b>Balanced</b>	<b>\$107,205,596</b>	<b>7.46%</b>	<b>\$106,090,129</b>	<b>7.39%</b>
Global Tactical ETF	107,205,596	7.46%	106,090,129	7.39%
<b>Fixed Income</b>	<b>\$207,867,187</b>	<b>14.47%</b>	<b>\$210,790,750</b>	<b>14.68%</b>
Mesirov Financial	70,367,991	4.90%	69,988,845	4.87%
SSgA U.S. Aggregate Bond Index	66,408,604	4.62%	70,091,837	4.88%
Garcia Hamilton	71,090,592	4.95%	70,710,067	4.92%
<b>Global Fixed Income</b>	<b>\$70,587,751</b>	<b>4.91%</b>	<b>\$70,656,115</b>	<b>4.92%</b>
Colchester	70,587,751	4.91%	70,656,115	4.92%
<b>Real Estate</b>	<b>\$38,901,522</b>	<b>2.71%</b>	<b>\$38,901,522</b>	<b>2.71%</b>
Intercontinental (2)	21,369,197	1.49%	21,369,197	1.49%
JPM US Real Estate (2)	17,532,326	1.22%	17,532,326	1.22%
<b>Alternative Investment</b>	<b>\$26,171,067</b>	<b>1.82%</b>	<b>\$26,171,067</b>	<b>1.82%</b>
GrayCo Alternative Partners II (1)	26,171,067	1.82%	26,171,067	1.82%
<b>Cash &amp; Cash Equivalent</b>	<b>\$37,264,388</b>	<b>2.59%</b>	<b>\$15,548,655</b>	<b>1.08%</b>
Enhanced Cash	22,388,096	1.56%	3,474,299	0.24%
Security Lending	332	0.00%	331	0.00%
Cash	14,875,960	1.04%	12,074,025	0.84%
<b>Total Fund</b>	<b>\$1,436,460,760</b>	<b>100.0%</b>	<b>\$1,436,024,423</b>	<b>100.0%</b>

Johnston Asset Management has changed their name to "Hardman Johnston Global Advisors"

(1) The current market value of GrayCo is reported using the previous quarter ending market value and current quarter-to-date flows.

(2) The ending market value is based on the previous quarter's manager statement.

## Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended December 31, 2017

	Market Value \$(Dollars)	Ending Weight	Last Month	Last 3 Months	Last Year	Last 3 Years
<b>Domestic Equity</b>	<b>\$683,692,998</b>	<b>47.60%</b>	<b>0.75%</b>	<b>6.65%</b>	<b>22.57%</b>	<b>11.59%</b>
Domestic Equity - Net	683,692,998	47.60%	0.73%	6.59%	22.29%	11.30%
<b>Large Cap Equity</b>	<b>\$450,097,678</b>	<b>31.33%</b>	<b>1.07%</b>	<b>6.90%</b>	<b>23.70%</b>	<b>12.21%</b>
Large Cap Equity - Net	450,097,678	31.33%	1.06%	6.87%	23.54%	12.06%
S&P 500 Index	-	-	1.11%	6.64%	21.83%	11.41%
Morgan Stanley LC Core	128,970,123	8.98%	0.96%	7.62%	28.44%	13.91%
Morgan Stanley LC Core - Net	-	-	0.93%	7.51%	27.95%	13.47%
S&P 500 Index	-	-	1.11%	6.64%	21.83%	11.41%
BlackRock Equity Index	321,127,554	22.36%	1.12%	6.60%	21.82%	-
BlackRock Equity Index - Net	321,127,554	22.36%	1.11%	6.60%	21.79%	-
S&P 500 Index	-	-	1.11%	6.64%	21.83%	11.41%
<b>Mid Cap Equity</b>	<b>\$103,254,763</b>	<b>7.19%</b>	<b>1.45%</b>	<b>7.22%</b>	<b>20.37%</b>	<b>8.59%</b>
Mid Cap Equity - Net	103,254,763	7.19%	1.43%	7.12%	19.95%	8.16%
Russell MidCap Index	-	-	0.93%	6.07%	18.52%	9.58%
Cornerstone Cap Mgt	103,254,763	7.19%	1.45%	7.22%	20.37%	9.34%
Cornerstone Cap Mgt - Net	\$103,254,763	7.19%	1.43%	7.12%	19.95%	8.93%
Russell MidCap Index	-	-	0.93%	6.07%	18.52%	9.58%
<b>Small Cap Equity</b>	<b>\$130,340,557</b>	<b>9.07%</b>	<b>(0.93%)</b>	<b>5.30%</b>	<b>20.28%</b>	<b>12.61%</b>
Small Cap Equity - Net	130,340,557	9.07%	(0.97%)	5.18%	19.70%	12.03%
Russell 2000 Index	-	-	(0.40%)	3.34%	14.65%	9.96%
Earnest Partners SC Core	73,083,469	5.09%	(0.70%)	6.68%	24.72%	15.66%
Earnest Partners SC Core - Net	\$73,083,469	5.09%	(0.72%)	6.61%	24.35%	15.21%
Russell 2000 Index	-	-	(0.40%)	3.34%	14.65%	9.96%
Channing Cap Mgt	28,498,733	1.98%	(2.58%)	2.54%	7.73%	10.03%
Channing Cap Mgt - Net	\$28,498,733	1.98%	(2.65%)	2.31%	6.78%	9.05%
Russell 2000 Value Index	-	-	(0.95%)	2.05%	7.84%	9.55%
<b>Legato</b>	<b>\$28,758,356</b>	<b>2.00%</b>	<b>0.16%</b>	<b>4.34%</b>	<b>22.20%</b>	<b>-</b>
Legato - Net	28,758,356	2.00%	0.10%	4.18%	21.48%	-
Russell 2000 Growth Index	-	-	0.12%	4.59%	22.17%	10.28%
Redwood	8,222,662	0.57%	2.22%	4.53%	18.26%	-
ESSEX	8,660,999	0.60%	(1.46%)	1.48%	-	-
Bridge City	6,663,880	0.46%	(0.68%)	5.71%	16.68%	-
Lebenthal Lisanti	5,210,815	0.36%	0.78%	7.24%	29.67%	-
Russell 2000 Growth Index	-	-	0.12%	4.59%	22.17%	10.28%
<b>International Equity</b>	<b>\$209,266,571</b>	<b>14.57%</b>	<b>0.87%</b>	<b>4.28%</b>	<b>31.61%</b>	<b>11.07%</b>
International Equity - Net	209,266,571	14.57%	0.81%	4.07%	30.44%	10.11%
MSCI EAFE Index	-	-	1.61%	4.23%	25.03%	7.80%
Hardman Johnston Global Adv	108,380,329	7.54%	0.25%	5.49%	38.45%	12.16%
Hardman Johnston Global Adv - Net	108,380,329	7.54%	0.20%	5.33%	37.62%	11.46%
MSCI ACWI ex US Index	-	-	2.27%	5.06%	27.77%	8.33%
Artisan Partners	100,886,242	7.02%	1.55%	3.02%	25.41%	9.99%
Artisan Partners - Net	100,886,242	7.02%	1.47%	2.76%	24.15%	8.90%
MSCI EAFE Index	-	-	1.61%	4.23%	25.03%	7.80%
<b>Emerging Markets Equity</b>	<b>\$55,503,681</b>	<b>3.86%</b>	<b>5.53%</b>	<b>7.07%</b>	<b>37.32%</b>	<b>-</b>
Emerging Markets Equity - Net	55,503,681	3.86%	5.45%	6.81%	35.97%	-
MSCI Emerging Mkts Idx	-	-	3.64%	7.50%	37.75%	9.50%
Earnest Partners Emerging Markets	55,503,681	3.86%	5.53%	7.07%	37.32%	-
Earnest Partners Emerging Markets - Net	55,503,681	3.86%	5.45%	6.81%	35.97%	-
MSCI Emerging Mkts Idx	-	-	3.64%	7.50%	37.75%	9.50%

Johnston Asset Management has changed their name to "Hardman Johnston Global Advisors"

## Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended December 31, 2017

	Market Value \$(Dollars)	Ending Weight	Last 5 Years	Last 7 years	Last 10 Years	Since Inception	
<b>Domestic Equity</b>	<b>\$683,692,998</b>	<b>47.60%</b>	-	-	-	<b>13.19%</b>	(10/13)
Domestic Equity - Net	683,692,998	47.60%	-	-	-	12.87%	(10/13)
<b>Large Cap Equity</b>	<b>\$450,097,678</b>	<b>31.33%</b>	<b>16.35%</b>	<b>14.01%</b>	<b>9.23%</b>	<b>9.20%</b>	(1/97)
Large Cap Equity - Net	450,097,678	31.33%	16.20%	13.83%	8.99%	8.65%	(10/07)
S&P 500 Index	-	-	15.79%	13.76%	8.50%	7.92%	(10/07)
Morgan Stanley LC Core	128,970,123	8.98%	17.26%	14.81%	10.44%	11.42%	(1/93)
Morgan Stanley LC Core - Net	\$128,970,123	8.98%	16.79%	14.35%	9.96%	9.78%	(10/07)
S&P 500 Index	-	-	15.79%	13.76%	8.50%	7.92%	(10/07)
BlackRock Equity Index	321,127,554	22.36%	-	-	-	17.33%	(9/15)
BlackRock Equity Index - Net	321,127,554	22.36%	-	-	-	17.31%	(9/15)
S&P 500 Index	-	-	15.79%	13.76%	8.50%	16.35%	(9/15)
<b>Mid Cap Equity</b>	<b>\$103,254,763</b>	<b>7.19%</b>	<b>15.01%</b>	<b>12.64%</b>	<b>8.91%</b>	<b>8.59%</b>	(10/95)
Mid Cap Equity - Net	103,254,763	7.19%	14.50%	12.12%	8.43%	7.74%	(10/07)
Russell MidCap Index	-	-	14.96%	12.76%	9.11%	8.50%	(10/07)
Cornerstone Cap Mgt	103,254,763	7.19%	16.68%	13.94%	9.66%	9.52%	(11/06)
Cornerstone Cap Mgt - Net	\$103,254,763	7.19%	16.22%	13.49%	9.21%	8.60%	(10/07)
Russell MidCap Index	-	-	14.96%	12.76%	9.11%	8.50%	(10/07)
<b>Small Cap Equity</b>	<b>\$130,340,557</b>	<b>9.07%</b>	<b>16.16%</b>	<b>13.26%</b>	<b>10.14%</b>	<b>10.86%</b>	(10/95)
Small Cap Equity - Net	130,340,557	9.07%	15.54%	12.61%	9.45%	8.71%	(10/07)
Russell 2000 Index	-	-	14.12%	11.62%	8.71%	8.00%	(10/07)
Earnest Partners SC Core	73,083,469	5.09%	18.44%	15.22%	11.22%	12.31%	(7/99)
Earnest Partners SC Core - Net	\$73,083,469	5.09%	17.91%	14.67%	10.65%	9.62%	(10/07)
Russell 2000 Index	-	-	14.12%	11.62%	8.71%	8.00%	(10/07)
Channing Cap Mgt	28,498,733	1.98%	-	-	-	13.33%	(2/13)
Channing Cap Mgt - Net	\$28,498,733	1.98%	-	-	-	12.33%	(2/13)
Russell 2000 Value Index	-	-	13.01%	10.84%	8.17%	11.92%	(2/13)
<b>Legato</b>	<b>\$28,758,356</b>	<b>2.00%</b>	-	-	-	<b>6.34%</b>	(4/15)
Legato - Net	28,758,356	2.00%	-	-	-	5.71%	(4/15)
Russell 2000 Growth Index	-	-	15.21%	12.34%	9.19%	8.70%	(4/15)
Redwood	8,222,662	0.57%	-	-	-	9.36%	(4/15)
ESSEX	8,660,999	0.60%	-	-	-	18.71%	(4/17)
Bridge City	6,663,880	0.46%	-	-	-	18.84%	(8/16)
Lebenthal Lisanti	5,210,815	0.36%	-	-	-	27.55%	(8/16)
Russell 2000 Growth Index	-	-	15.21%	12.34%	9.19%	20.16%	(8/16)
<b>International Equity</b>	<b>\$209,266,571</b>	<b>14.57%</b>	<b>11.46%</b>	<b>9.54%</b>	-	<b>10.16%</b>	(10/10)
International Equity - Net	209,266,571	14.57%	10.60%	8.76%	-	9.41%	(10/10)
MSCI EAFE Index	-	-	7.90%	6.04%	1.94%	6.76%	(10/10)
Hardman Johnston Asset Mgt	108,380,329	7.54%	10.98%	8.79%	-	8.95%	(10/10)
Hardman Johnston Asset Mgt - Net	\$108,380,329	7.54%	10.21%	8.03%	-	8.22%	(10/10)
MSCI ACWI ex US Index	-	-	7.28%	5.41%	2.31%	6.24%	(10/10)
Artisan Partners	100,886,242	7.02%	11.88%	10.16%	-	11.18%	(10/10)
Artisan Partners - Net	100,886,242	7.02%	10.93%	9.50%	-	10.53%	(10/10)
MSCI EAFE Index	-	-	7.90%	6.04%	1.94%	6.76%	(10/10)
<b>Emerging Markets Equity</b>	<b>\$55,503,681</b>	<b>3.86%</b>	-	-	-	<b>23.43%</b>	(10/15)
Emerging Markets Equity - Net	55,503,681	3.86%	-	-	-	22.21%	(10/15)
MSCI Emerging Mkts Idx	-	-	4.73%	2.92%	2.02%	21.46%	(10/15)
Earnest Partners Emerging Markets	55,503,681	3.86%	-	-	-	23.43%	(10/15)
Earnest Partners Emerging Markets	55,503,681	3.86%	-	-	-	22.21%	(10/15)
MSCI Emerging Mkts Idx	-	-	4.73%	2.92%	2.02%	21.46%	(10/15)

Returns prior to September 31, 2013 were provided by Gray & Company.

## Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended December 31, 2017

	Market Value \$(Dollars)	Ending Weight	Last Month	Last 3 Months	Last Year	Last 3 Years
<b>Balanced</b>	<b>\$107,205,596</b>	<b>7.46%</b>	<b>1.05%</b>	<b>3.87%</b>	<b>18.57%</b>	<b>8.22%</b>
Balanced - Net	107,205,596	7.46%	1.01%	3.75%	18.05%	7.74%
Globalt Tactical ETF	107,205,596	7.46%	1.05%	3.87%	18.57%	8.22%
Globalt Tactical ETF - Net	107,205,596	7.46%	1.01%	3.75%	18.05%	7.74%
Globalt Benchmark (4)	-	-	0.99%	4.35%	17.27%	8.59%
<b>Fixed Income</b>	<b>\$207,867,187</b>	<b>14.47%</b>	<b>0.52%</b>	<b>0.62%</b>	<b>3.64%</b>	<b>2.51%</b>
Fixed Income - Net	207,867,187	14.47%	0.50%	0.58%	3.48%	2.33%
Blmbg Aggregate Idx	-	-	0.46%	0.39%	3.54%	2.24%
Mesirow Financial	70,367,991	4.90%	0.54%	0.56%	3.58%	2.36%
Mesirow Financial - Net	\$70,367,991	4.90%	0.52%	0.49%	3.32%	2.10%
Blmbg Aggregate Idx	-	-	0.46%	0.39%	3.54%	2.24%
SSgA U.S. Agg Bond Index	66,408,604	4.62%	0.48%	0.41%	3.57%	-
SSgA U.S. Agg Bond Index - Net	66,408,604	4.62%	0.47%	0.40%	3.54%	-
Blmbg Aggregate Idx	-	-	0.46%	0.39%	3.54%	2.24%
Garcia Hamilton	71,090,592	4.95%	0.54%	0.90%	3.78%	-
Garcia Hamilton - Net	71,090,592	4.95%	0.52%	0.85%	3.60%	-
Blmbg Aggregate Idx	-	-	0.46%	0.39%	3.54%	2.24%
<b>Global Fixed Income</b>	<b>\$70,587,751</b>	<b>4.91%</b>	<b>(0.06%)</b>	<b>(0.05%)</b>	<b>8.68%</b>	<b>-</b>
Global Fixed Income - Net	70,587,751	4.91%	(0.10%)	(0.18%)	8.14%	-
World Govt Bond	-	-	0.16%	1.04%	7.49%	1.74%
Colchester	70,587,751	4.91%	(0.06%)	(0.05%)	8.68%	-
Colchester - Net	70,587,751	4.91%	(0.10%)	(0.18%)	8.14%	-
World Govt Bond	-	-	0.16%	1.04%	7.49%	1.74%
<b>Real Estate</b>	<b>\$38,901,522</b>	<b>2.71%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>5.62%</b>	<b>-</b>
Intercontinental	21,369,197	1.49%	0.00%	0.00%	5.79%	10.61%
JPM US Real Estate	17,532,326	1.22%	0.00%	0.00%	5.39%	-
NCREIF Total Index	-	-	0.56%	1.70%	6.85%	9.35%
<b>Alternative Investment</b>	<b>\$26,171,067</b>	<b>1.82%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>4.68%</b>	<b>2.59%</b>
GrayCo Alternative Partners II (2)	26,171,067	1.82%	0.00%	0.00%	4.68%	2.59%
Alternative Target (3)	-	-	0.90%	4.71%	15.76%	8.29%
<b>Cash &amp; Cash Equivalent</b>	<b>\$37,264,388</b>	<b>2.59%</b>	<b>0.11%</b>	<b>0.32%</b>	<b>1.10%</b>	<b>0.60%</b>
3-month Treasury Bill	-	-	0.11%	0.28%	0.86%	0.41%
Cash	14,875,960	1.04%	0.09%	0.29%	1.06%	0.58%
Enhanced Cash	22,388,096	1.56%	0.11%	0.31%	1.11%	0.59%
Security Lending	332	0.00%	0.11%	0.32%	1.88%	0.85%
3-month Treasury Bill	-	-	0.11%	0.28%	0.86%	0.41%
6-month Treasury Bill	-	-	0.11%	0.30%	0.88%	0.46%
<b>Total Fund</b>	<b>\$1,436,460,760</b>	<b>100.00%</b>	<b>0.83%</b>	<b>4.43%</b>	<b>18.92%</b>	<b>8.90%</b>
Total Fund - Net	1,436,460,760	100.00%	0.80%	4.34%	18.46%	8.46%
Policy Index (1)	-	-	0.98%	4.37%	17.28%	8.60%

(1) Current Quarter Actual Policy Target (Including Balanced) = 30.5% S&P 500 Index, 7% Russell MidCap Index, 9.0% Russell 2000 Index, 7.4% MSCI EAFE Index, 7% MSCI ACWI ex US, 3.6% MSCI Emerging Markets Index, 7.5% Custom Tactical Overlay Index, 17.2% Bloomberg Barclays U.S. Aggregate Bond Index, 5.8% World Govt Bond Index, and 5% Custom Alternatives Index.

(2) The GrayCo Fund performance is generated using manager data on a quarterly lag.

(3) The Custom Alternatives Target is 31% HFRI FoF Diversified Index, 64% Russell 3000 Index, and 5% NCREIF ODCE Index.

(4) Since 10/1/2015, the Globalt Benchmark is the Strategic Policy Target and consists of 32.5% S&P 500 Index, 7.5% Russell MidCap Index, 10% Russell 2000 Index, 8% MSCI EAFE Index, 8% MSCI ACWI ex US, 4% MSCI Emerging Markets Index, 20% Bloomberg Barclays U.S. Aggregate Bond Index, 5% World Govt Bond Index, and 5% Custom Alternatives Index.



## Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended December 31, 2017

	Market Value \$(Dollars)	Ending Weight	Last 5 Years	Last 7 Years	Last 10 Years	Since Inception	
<b>Balanced</b>	<b>\$107,205,596</b>	<b>7.46%</b>	-	-	-	<b>9.96%</b>	(3/13)
Balanced - Net	107,205,596	7.46%	-	-	-	9.44%	(3/13)
Globalt Tactical ETF	107,205,596	7.46%	-	-	-	9.96%	(3/13)
Globalt Tactical ETF - Net	107,205,596	7.46%	-	-	-	9.44%	(3/13)
Globalt Benchmark (4)	-	-	10.92%	9.88%	8.01%	10.34%	(3/13)
<b>Fixed Income</b>	<b>\$207,867,187</b>	<b>14.47%</b>	<b>2.22%</b>	<b>3.33%</b>	<b>4.34%</b>	<b>6.10%</b>	(4/88)
Fixed Income - Net	207,867,187	14.47%	2.03%	3.13%	4.14%	4.31%	(10/07)
Blmbg Aggregate Idx	-	-	2.10%	3.20%	4.01%	4.21%	(10/07)
Mesirow Financial	70,367,991	4.90%	2.28%	3.63%	4.83%	5.14%	(7/06)
Mesirow Financial - Net	\$70,367,991	4.90%	1.99%	3.36%	4.58%	4.70%	(10/07)
Blmbg Aggregate Idx	-	-	2.10%	3.20%	4.01%	4.21%	(10/07)
SSgA U.S. Agg Bond Index	66,408,604	4.62%	-	-	-	2.69%	(9/15)
SSgA U.S. Agg Bond Index - Net	66,408,604	4.62%	-	-	-	2.66%	(9/15)
Blmbg Aggregate Idx	-	-	2.10%	3.20%	4.01%	2.69%	(9/15)
Garcia Hamilton	71,090,592	4.95%	-	-	-	1.71%	(11/16)
Garcia Hamilton - Net	71,090,592	4.95%	-	-	-	1.52%	(11/16)
Blmbg Aggregate Idx	-	-	2.10%	3.20%	4.01%	1.06%	(11/16)
<b>Global Fixed Income</b>	<b>\$70,587,751</b>	<b>4.91%</b>	-	-	-	<b>4.81%</b>	(9/15)
Global Fixed Income - Net	70,587,751	4.91%	-	-	-	4.29%	(9/15)
World Govt Bond	-	-	0.12%	1.21%	2.66%	3.63%	(9/15)
Colchester	70,587,751	4.91%	-	-	-	4.81%	(9/15)
Colchester - Net	70,587,751	4.91%	-	-	-	4.29%	(9/15)
World Govt Bond	-	-	0.12%	1.21%	2.66%	3.63%	(9/15)
<b>Real Estate</b>	<b>\$38,901,522</b>	<b>2.71%</b>	-	-	-	-	-
Intercontinental	21,369,197	1.49%	-	-	-	11.56%	(4/15)
JPM US Real Estate	17,532,326	1.22%	-	-	-	7.55%	(7/16)
NCREIF Total Index	-	-	10.16%	10.79%	6.07%	6.96%	(7/16)
<b>Alternative Investment</b>	<b>\$26,171,067</b>	<b>1.82%</b>	<b>3.79%</b>	-	-	<b>5.26%</b>	(12/12)
GrayCo Alternative Partners II (2)	26,171,067	1.82%	3.79%	-	-	5.26%	(12/12)
Alternative Target (3)	-	-	11.62%	10.03%	6.22%	8.84%	(1/90)
<b>Cash &amp; Cash Equivalent</b>	<b>\$37,264,388</b>	<b>2.59%</b>	<b>0.42%</b>	<b>0.31%</b>	<b>0.44%</b>	<b>0.54%</b>	(10/07)
3-month Treasury Bill	-	-	0.27%	0.22%	0.39%	0.49%	(10/07)
Cash	14,875,960	1.04%	0.41%	0.30%	0.48%	2.37%	(3/97)
Enhanced Cash	22,388,096	1.56%	0.41%	0.30%	0.44%	0.54%	(10/07)
Security Lending	332	0.00%	0.57%	0.41%	0.54%	2.54%	(5/98)
3-month Treasury Bill	-	-	0.27%	0.22%	0.39%	2.01%	(5/98)
6-month Treasury Bill	-	-	0.31%	0.26%	0.48%	-	-
<b>Total Fund</b>	<b>\$1,436,460,760</b>	<b>100.00%</b>	<b>11.55%</b>	<b>10.15%</b>	<b>8.23%</b>	<b>7.79%</b>	(2/97)
Total Fund - Net	1,436,460,760	100.00%	11.13%	9.74%	7.85%	7.77%	(9/07)
Policy Index (1)	-	-	10.92%	9.88%	8.01%	7.89%	(9/07)

(1) Current Quarter Actual Policy Target (Including Balanced) = 30.5% S&P 500 Index, 7% Russell MidCap Index, 9.0% Russell 2000 Index, 7.4% MSCI EAFE Index, 7% MSCI ACWI ex US, 3.6% MSCI Emerging Markets Index, 7.5% Custom Tactical Overlay Index, 17.2% Bloomberg Barclays U.S. Aggregate Bond Index, 5.8% World Govt Bond Index, and 5% Custom Alternatives Index.

(2) The GrayCo Fund performance is generated using manager data on a quarterly lag.

(3) The Custom Alternatives Target is 31% HFRI FoF Diversified Index, 64% Russell 3000 Index, and 5% NCREIF ODCE Index.

(4) Since 10/1/2015, the Globalt Benchmark is the Strategic Policy Target and consists of 32.5% S&P 500 Index, 7.5% Russell MidCap Index, 10% Russell 2000 Index, 8% MSCI EAFE Index, 8% MSCI ACWI ex US, 4% MSCI Emerging Markets Index, 20% Bloomberg Barclays U.S. Aggregate Bond Index, 5% World Govt Bond Index, and 5% Custom Alternatives Index.

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## Appendix

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### **Policy Index – Current**

The current broad policy is 70% equity (50% in U.S. markets, 20% in non-U.S. markets), 25% fixed income and 5% target to alternatives. Georgia law limits the total exposure to alternatives to 5%.

The Strategic Policy Target is 32.5% S&P 500 Index, 7.5% Russell MidCap Index, 10% Russell 2000 Index, 8% MSCI EAFE Index, 8% MSCI ACWI ex US, 4% MSCI Emerging Markets Index, 20% Bloomberg Barclays U.S. Aggregate Bond Index, 5% World Govt Bond Index, and 5% Custom Alternatives Index.

The Strategic Policy Target is set without regard to the Balanced mandate and represents the strategic, long-term exposure to asset classes. The Balanced strategy is intended as a tactical overlay. The target for the Balanced mandate is the total fund policy, excluding the Globalt allocation. Target allocations to each broad asset class have been adjusted to reflect the implementation of the Balanced mandate.

The Actual Policy Target is 30.5% S&P 500 Index, 7% Russell MidCap Index, 9% Russell 2000 Index, 7.4% MSCI EAFE Index, 7% MSCI ACWI ex US, 3.6% MSCI Emerging Markets Index, 7.5% Custom Tactical Overlay Index, 17.2% Bloomberg Barclays U.S. Aggregate Bond Index, 5.8% World Govt Bond Index, and 5% Custom Alternatives Index.

### **Policy Index - Historical**

From January 1988 to December 2006 the Policy Index was composed of 55% S&P 500 Index and 45% Bloomberg Barclays U.S. Aggregate Bond Index.

From January 2007 to December 2010 the Policy Index was composed of 25% S&P 500 Index, 20% S&P MidCap 400 Index, 10% Russell 2000 Index, 30% Bloomberg Barclays U.S. Aggregate Bond Index, and 15% Barclays Intermediate Govt/Credit Index.

From January 2011 to December 2013 the Policy Index was composed of 60% S&P 500 Index, 10% MSCI EAFE (Net) Index, 25% Bloomberg Barclays U.S. Aggregate Bond Index, and 5% 3-month Treasury Bill.

From January 2014 to September 2014, the Policy Index was composed of 63.2% Russell 3000 Index, 10.5% MSCI EAFE Index, and 26.2% Bloomberg Barclays U.S. Aggregate Bond Index.

From September 2014 to March 2015, the Policy Index was composed of 60% Russell 3000 Index, 10.5% MSCI EAFE Index, 26.4% Bloomberg Barclays U.S. Aggregate Bond Index, 2.6% HFRI FoF Diversified Index, and 0.5% NFI-ODCE Equal Weight Net.

From March 2015 to September 2015, the Policy Index was composed of 59.5% Russell 3000 Index, 10.5% MSCI EAFE Index, 26.4% Bloomberg Barclays U.S. Aggregate Bond Index, 2.1% HFRI FoF Diversified Index, 0.5% NFI-ODCE Equal Weight Net, and 1% NCREIF Property Index.

Since September 2015, the Policy Index includes 30.5% S&P 500 Index, 7% Russell MidCap Index, 9% Russell 2000 Index, 7.4% MSCI EAFE Index, 7% MSCI ACWI ex US, 3.6% MSCI Emerging Markets Index, 7.5% Custom Tactical Overlay Index, 17.2% Bloomberg Barclays U.S. Aggregate Bond Index, 5.8% World Govt Bond Index, and 5% Custom Alternatives Index.

### **Custom Tactical Overlay Index**

From February 2013 to September 2015, the Custom Tactical Overlay Index was composed of 60% S&P 500 Index, 25% Bloomberg Barclays U.S. Aggregate Bond Index, 10% MSCI World ex-US Index, and 5% 90-day Tbills.

From October 2015 to August 2016, the Custom Tactical Overlay Index was composed of 30.5% S&P 500 Index, 7% Russell MidCap Index, 9% Russell 2000 Index, 7.4% MSCI EAFE Index, 7% MSCI ACWI ex US, 3.6% MSCI Emerging Markets Index, 17.2% Bloomberg Barclays U.S. Aggregate Bond Index, 5.8% World Govt Bond Index, 7.5% Tactical Overlay, and 5% Custom Alternatives Index.

From September 2016 and thereafter, the Custom Tactical Overlay consists of 32.5% S&P 500 Index, 7.5% Russell MidCap Index, 10% Russell 2000 Index, 8% MSCI EAFE Index, 8% MSCI ACWI ex US, 4% MSCI Emerging Markets Index, 20% Bloomberg Barclays U.S. Aggregate Bond Index, 5% World Govt Bond Index, and 5% Custom Alternatives Index.

### **Custom Alternatives Index**

The Custom Alternatives Target is 31% HFRI FoF Diversified Index, 64% Russell 3000 Index, and 5% NCREIF ODCE Index.