



Date: October 27, 2016

Contact Information: Ajit Singh – Chief Investment Officer

Tel: 281-372-5100

FOR IMMEDIATE RELEASE

## Houston Firefighters' Relief and Retirement Fund's Private Equity Returns Again Rank in Top 10 Nationwide - American Investment Council Study

Houston Firefighters' Relief and Retirement Fund Achieves 14.7 Percent Annualized Return in Private Equity Over 10 Years

**HOUSTON** – The Houston Firefighters' Relief and Retirement Fund (HFRRF) for the 4<sup>th</sup> year in a row was recognized in the American Investment Council (AIC, fka Private Equity Growth Capital Council)'s [annual ranking](#) of large public pension funds' private equity returns. **With an annualized net ten-year return of 14.7%, HFRRF's private equity portfolio was ranked in 5<sup>th</sup> place nationally.** The study's results revealed which of the **155 public pension funds** included in the study, generated the highest rate of return from their private equity portfolios and which ones invested the most in private equity.

The report also found that private equity delivered a median 11.4% annualized return to these public pension over the last 10 years, more than any other asset class.

Ms. Linda Calnan, HFRRF's Senior Investment Officer, has managed the HFRRF private equity portfolio since 2003, spanning the entire period of the AIC study.

"Private Equity is an important weapon in our investment arsenal. It brings a risk/return profile that is additive to the collective set of diverse assets within the portfolio. We are pleased to provide these returns and those of the broader portfolio to Houston's firefighters", said Linda Calnan, Senior Investment Officer.

With a keen focus on improving risk adjusted returns, the Investment Team manages a diversified set of assets. Over the same 10-year period that the AIC study was conducted, the HFRRF investment portfolio generated an aggregate annualized net return of 7.9%, placing HFRRF in the top performing public pension plans of 119 in Wilshire's Trust Universe Comparison Service (Wilshire TUCS®) report for the period.

Periodic asset allocation studies are performed to assist the HFRRF Investment Committee with asset allocation decisions, including private equity. The most recent of these studies suggests that private equity should make up between 11% and 25% of the HFRRF portfolio.

The AIC reporting date for data used in their study ranged from March 31, 2015 to December 31, 2015, with most dates as of June 30, 2015. When data as of June 30, 2015 was unavailable, AIC used the information from the most recent available financial report at the time of analysis (December 31, 2015). All returns were net of fees and carry. HFRRF reports its private equity performance net of all fees and expenses.

The HFRRF was created by state statute and has been administered by its Board of Trustees since its founding in 1937. The Fund has over \$3.8 billion in assets and is one of the best funded public retirement funds in Texas. Less than 3% of the city's budget goes to pay firefighter benefits. The benefits are funded for the most part not by the taxpayers, but chiefly by the Fund's endowment that has been built up in trust over decades by an excellent investment program.

-End-