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Firefighters' Retirement System of Louisiana

Fourth Quarter 2016 Real Estate Review

May, 2017

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May, 2017

Firefighters' Retirement System of Louisiana

RE: Real Estate Strategy – 4th Quarter 2016

Dear Members,

We are pleased to present the December 31, 2016 Private Markets Real Estate Report for the Firefighters' Retirement System of Louisiana. The report provides a variety of performance analysis for the overall portfolio. The reports include trailing performance, performance by investment stage and vintage year performance.

The Real Estate portfolio of Firefighters' Retirement System of Louisiana experienced a positive quarter, having a nominal IRR of 1.54%. The IRR since inception is 1.27%. The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 1.07.

The following table presents the status of the Real Estate portfolio as of December 31, 2016:

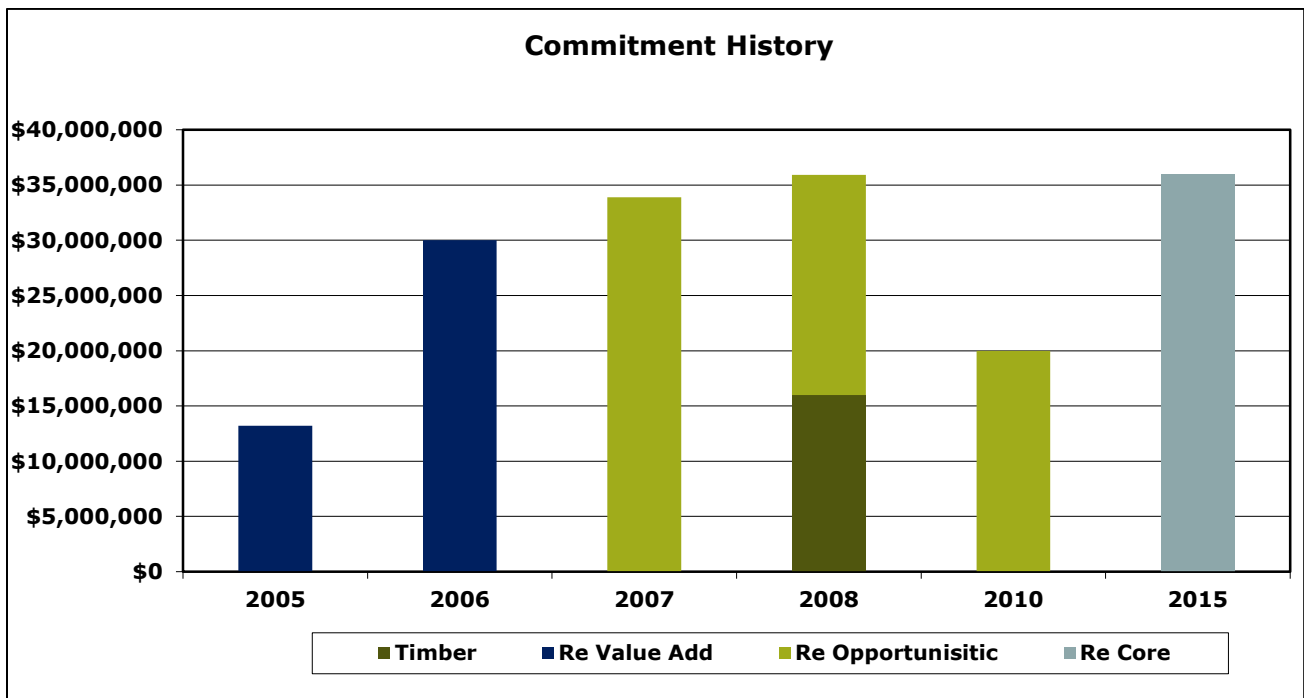
Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$169,021,485	\$0	\$165,809,560	\$56,741,219	\$120,947,753	98.10%	34.22%
Unfunded Commitments	Market Exposure (Reported Value + Unfunded Commitments)		Total Fund Composite as of 12/31/2016	Alternative Assets Target	Reported Value as a % of Total Fund	Market Exposure as a % Total Fund
\$3,211,925	\$124,159,678		\$1,420,662,695	4%*	8.51%	8.7%
Total Value (Reported Value + Distributions)			Total Value To Paid In Capital		Internal Rate of Return IRR, Since Inception (December 2005)	
\$177,688,972			1.07		1.27%	



As of December 31, 2016, the Firefighters' Retirement System of Louisiana had commitments totaling \$169.02 million to 12 real estate funds. Of the 12 funds in the real estate portfolio, 11 are in the harvesting stage, and 1 is in the completed stage. The following charts illustrate the program's current life cycle:

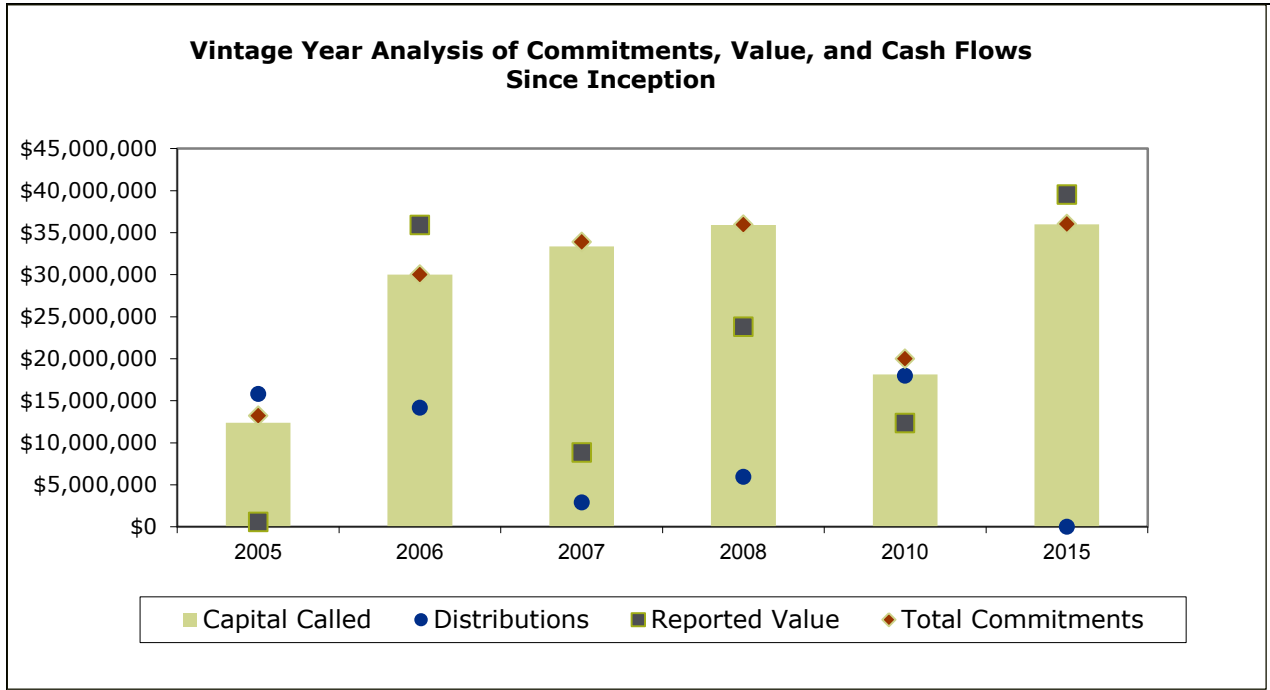


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value:

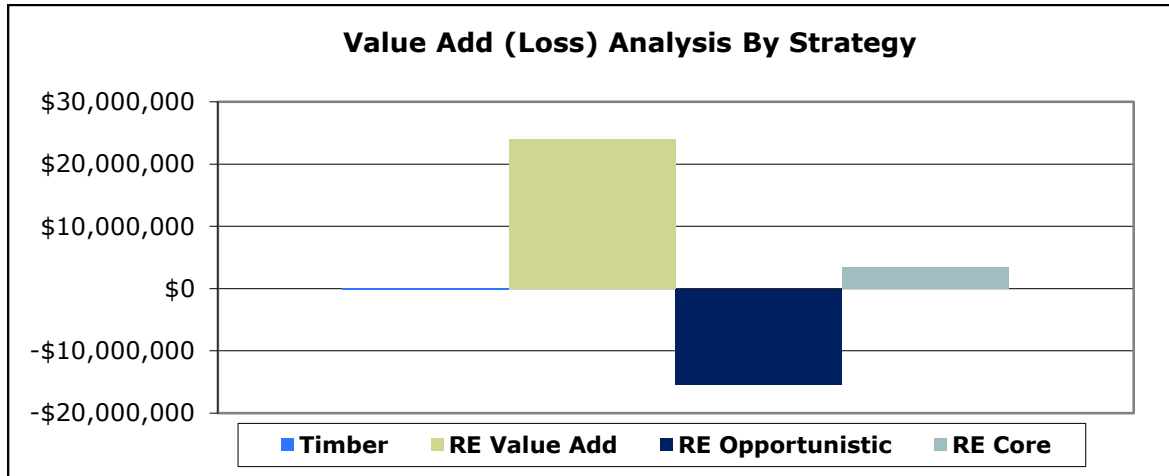


During the quarter-ended December 31, 2016, 0 funds in the Firefighters' Retirement System of Louisiana Real Estate portfolio drew capital, and 2 funds made a distribution. The summary of the cash flow follows:

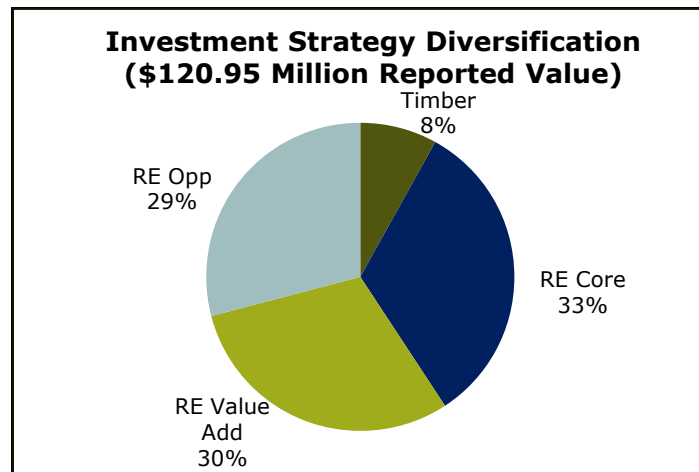
Calls & Expenses Funded for the Quarter	Number of Funds Calling Capital & Expenses	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$0	0	\$2,095,002	2	\$2,095,002



Since inception the Real Estate program has gained \$11.85 million in value for the Firefighters' Retirement System of Louisiana. Timber lost (\$0.29) million, RE Core added \$3.48million, and RE Value added \$24.06 million. RE Opportunistic has lost (\$15.41) million.



As of December 31, 2016, the 12 Real Estate funds in the Firefighters' Retirement System of Louisiana portfolio had the following investment strategy diversification by the investment funds' reported values:



We thank you for the opportunity to work with the Firefighters' Retirement System of Louisiana and look forward to continued success in the future.

Best regards,

David Barnes, CFA, CAIA
Senior Consultant

Firefighters' Retirement System of Louisiana

Executive IRR Summary

12/31/2016

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
AEW Core Property Trust	2015	12,000,000	0.64	6.18	6.18			9.02
AEW Partners VI	2010	20,000,000	7.72	17.36	17.36	19.30	18.27	15.68
Americus Real Estate Fund II, Ltd.	2005	13,200,000	3.41	-6.26	-6.26	-15.96	-2.97	4.71
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	0.78	4.91	4.91			4.91
FRS-GA (Georgia)	2008	9,273,354	0.00	0.17	0.17	-4.40	-2.66	-7.63
FRS-LB I (NLTP AZ)	2007	24,900,208	0.00	-0.41	-0.41	1.33	-26.82	-20.87
FRS-LB II (SMT AZ)	2008	3,779,000						
FRS-LB III (ST George UT)	2008	6,878,923	0.00	29.02	29.02	9.69	4.72	4.94
Heitman America Real Estate Trust, L.P.	2015	12,000,000	3.19	9.39	9.39			9.47
JP Morgan India Property Fund	2007	8,990,000	-4.55	-5.07	-5.07	-0.14	-1.92	-2.46
Sentinel Real Estate Fund	2006	30,000,000	2.24	7.91	7.91	10.82	16.22	5.75
Timbervest Crossover Partners II, L.P.	2008	16,000,000	-3.32	-3.70	-3.70	-3.26	-1.06	-0.34
Total: Firefighters' Retirement System of Louisiana		169,021,485	1.54	7.34	7.34	5.49	3.13	1.27

Firefighters' Retirement System of Louisiana

Performance Analysis

12/31/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,914,779	13,914,779	1,914,779	100%	0.00	1.16	9.02%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	17,955,121	12,312,159	30,267,280	12,130,487	91%	0.99	1.67	15.68%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	15,810,426	577,856	16,388,282	4,006,908	94%	1.28	1.32	4.71%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,481,256	12,481,256	447,171	100%	0.00	1.04	4.91%
5 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	4,762,850	4,762,850	-4,510,504	100%	0.00	0.51	-7.63%
6 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	4,463,550	4,463,550	-20,436,658	100%	0.00	0.18	-20.87%
7 FRS-LB II (SMT AZ)	2008	3,779,000	3,779,000	0	0	0	0	0	-3,779,000	100%	0.00	0.00	N/A
8 FRS-LB III (ST George UT)	2008	6,878,923	6,878,923	0	0	0	9,279,979	9,279,979	2,401,056	100%	0.00	1.35	4.94%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,121,213	13,121,213	1,121,213	100%	0.00	1.09	9.47%
10 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,370,721	7,242,848	-1,217,060	94%	0.34	0.86	-2.46%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,151,545	35,901,942	50,053,487	20,053,487	100%	0.47	1.67	5.75%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	9,761,447	15,713,447	-286,553	100%	0.37	0.98	-0.34%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	56,741,219	120,947,753	177,688,972	11,845,326	98%	0.34	1.07	1.27%

Firefighters' Retirement System of Louisiana

Lifecycle Performance Analysis

12/31/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
3 Harvesting													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,914,779	13,914,779	1,914,779	100%	0.00	1.16	9.02%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	17,955,121	12,312,159	30,267,280	12,130,487	91%	0.99	1.67	15.68%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	15,810,426	577,856	16,388,282	4,006,908	94%	1.28	1.32	4.71%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,481,256	12,481,256	447,171	100%	0.00	1.04	4.91%
5 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	4,762,850	4,762,850	-4,510,504	100%	0.00	0.51	-7.63%
6 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	4,463,550	4,463,550	-20,436,658	100%	0.00	0.18	-20.87%
7 FRS-LB III (ST George UT)	2008	6,878,923	6,878,923	0	0	0	9,279,979	9,279,979	2,401,056	100%	0.00	1.35	4.94%
8 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,121,213	13,121,213	1,121,213	100%	0.00	1.09	9.47%
9 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,370,721	7,242,848	-1,217,060	94%	0.34	0.86	-2.46%
10 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,151,545	35,901,942	50,053,487	20,053,487	100%	0.47	1.67	5.75%
11 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	9,761,447	15,713,447	-286,553	100%	0.37	0.98	-0.34%
Subtotal: 3 Harvesting		165,242,485	162,030,560	3,211,925	34,085	56,741,219	120,947,753	177,688,972	15,624,326	98%	0.35	1.10	1.71%
5 Completed													
1 FRS-LB II (SMT AZ)	2008	3,779,000	3,779,000	0	0	0	0	0	-3,779,000	100%	0.00	0.00	N/A
Subtotal: 5 Completed		3,779,000	3,779,000	0	0	0	0	0	-3,779,000	100%	0.00	0.00	N/A
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	56,741,219	120,947,753	177,688,972	11,845,326	98%	0.34	1.07	1.27%

Firefighters' Retirement System of Louisiana

Vintage Year Performance Analysis

12/31/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2005													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	15,810,426	577,856	16,388,282	4,006,908	94%	1.28	1.32	4.71%
Subtotal: 2005		13,200,000	12,381,374	818,626	0	15,810,426	577,856	16,388,282	4,006,908	94%	1.28	1.32	4.71%
2006													
1 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,151,545	35,901,942	50,053,487	20,053,487	100%	0.47	1.67	5.75%
Subtotal: 2006		30,000,000	30,000,000	0	0	14,151,545	35,901,942	50,053,487	20,053,487	100%	0.47	1.67	5.75%
2007													
1 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	4,463,550	4,463,550	-20,436,658	100%	0.00	0.18	-20.87%
2 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,370,721	7,242,848	-1,217,060	94%	0.34	0.86	-2.46%
Subtotal: 2007		33,890,208	33,360,116	530,092	0	2,872,127	8,834,271	11,706,398	-21,653,718	98%	0.09	0.35	-14.25%
2008													
1 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	4,762,850	4,762,850	-4,510,504	100%	0.00	0.51	-7.63%
2 FRS-LB II (SMT AZ)	2008	3,779,000	3,779,000	0	0	0	0	0	-3,779,000	100%	0.00	0.00	N/A
3 FRS-LB III (ST George UT)	2008	6,878,923	6,878,923	0	0	0	9,279,979	9,279,979	2,401,056	100%	0.00	1.35	4.94%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	9,761,447	15,713,447	-286,553	100%	0.37	0.98	-0.34%
Subtotal: 2008		35,931,277	35,931,277	0	0	5,952,000	23,804,276	29,756,276	-6,175,001	100%	0.17	0.83	-2.90%
2010													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	17,955,121	12,312,159	30,267,280	12,130,487	91%	0.99	1.67	15.68%
Subtotal: 2010		20,000,000	18,136,793	1,863,207	0	17,955,121	12,312,159	30,267,280	12,130,487	91%	0.99	1.67	15.68%
2015													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,914,779	13,914,779	1,914,779	100%	0.00	1.16	9.02%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,481,256	12,481,256	447,171	100%	0.00	1.04	4.91%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,121,213	13,121,213	1,121,213	100%	0.00	1.09	9.47%
Subtotal: 2015		36,000,000	36,000,000	0	34,085	0	39,517,248	39,517,248	3,483,163	100%	0.00	1.10	8.27%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	56,741,219	120,947,753	177,688,972	11,845,326	98%	0.34	1.07	1.27%

**Firefighters' Retirement System of Louisiana
Investment Strategy Performance Analysis**

12/31/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
501 Timber													
1 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	9,761,447	15,713,447	-286,553	100%	0.37	0.98	-0.34%
Subtotal: 501 Timber		16,000,000	16,000,000	0	0	5,952,000	9,761,447	15,713,447	-286,553	100%	0.37	0.98	-0.34%
610 RE Core													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,914,779	13,914,779	1,914,779	100%	0.00	1.16	9.02%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,481,256	12,481,256	447,171	100%	0.00	1.04	4.91%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,121,213	13,121,213	1,121,213	100%	0.00	1.09	9.47%
Subtotal: 610 RE Core		36,000,000	36,000,000	0	34,085	0	39,517,248	39,517,248	3,483,163	100%	0.00	1.10	8.27%
615 RE Value Add													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	15,810,426	577,856	16,388,282	4,006,908	94%	1.28	1.32	4.71%
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,151,545	35,901,942	50,053,487	20,053,487	100%	0.47	1.67	5.75%
Subtotal: 615 RE Value Add		43,200,000	42,381,374	818,626	0	29,961,972	36,479,798	66,441,770	24,060,396	98%	0.71	1.57	5.54%
630 RE Opportunistic													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	17,955,121	12,312,159	30,267,280	12,130,487	91%	0.99	1.67	15.68%
2 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	4,762,850	4,762,850	-4,510,504	100%	0.00	0.51	-7.63%
3 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	4,463,550	4,463,550	-20,436,658	100%	0.00	0.18	-20.87%
4 FRS-LB II (SMT AZ)	2008	3,779,000	3,779,000	0	0	0	0	0	-3,779,000	100%	0.00	0.00	N/A
5 FRS-LB III (ST George UT)	2008	6,878,923	6,878,923	0	0	0	9,279,979	9,279,979	2,401,056	100%	0.00	1.35	4.94%
6 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,370,721	7,242,848	-1,217,060	94%	0.34	0.86	-2.46%
Subtotal: 630 RE Opportunistic		73,821,485	71,428,186	2,393,299	0	20,827,248	35,189,259	56,016,507	-15,411,679	97%	0.29	0.78	-4.03%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	56,741,219	120,947,753	177,688,972	11,845,326	98%	0.34	1.07	1.27%

Firefighters' Retirement System of Louisiana

Transaction Summary

10/1/2016 - 12/31/2016

	Date	Paid in Capital	Additional Fees	Distributions	Net Cash Flow
Firefighters' Retirement System of Louisiana					
AEW Partners VI					
	12/29/2016			1,705,538.00	-1,705,538.00
Total: AEW Partners VI				1,705,538.00	-1,705,538.00
Sentinel Real Estate Fund					
	10/14/2016			389,464.14	-389,464.14
Total: Sentinel Real Estate Fund				389,464.14	-389,464.14
Total:				2,095,002.14	-2,095,002.14