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## **Firefighters' Retirement System of Louisiana**

### **Third Quarter, 2015 Real Estate Review**

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January, 2016

Firefighters' Retirement System of Louisiana

**RE:** Real Estate Strategy – 3<sup>rd</sup> Quarter 2015

Dear Members,

We are pleased to present the September 30, 2015 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 0.91%. The IRR since inception is 0.71%. The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 1.04.

The following table presents the status of the Real Estate portfolio as of September 30, 2015:

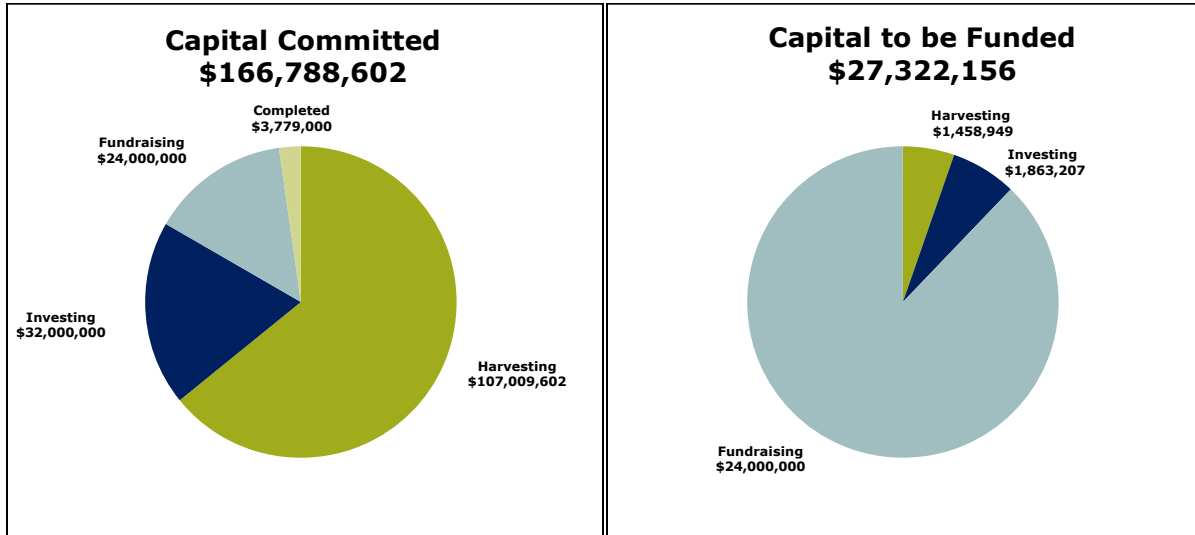
<b>Commitments</b>	<b>Terminated Commitments</b>	<b>Amount Funded</b>	<b>Amount Distributed</b>	<b>Reported Value</b>	<b>Call Ratio</b>	<b>Distribution Ratio</b>
\$166,788,602	\$0	\$139,466,446	\$41,476,222	\$103,492,318	83.62%	29.74%

<b>Unfunded Commitments</b>	<b>Market Exposure (Reported Value + Unfunded Commitments)</b>	<b>Total Fund Composite as of 9/30/2015</b>	<b>Alternative Assets Target</b>	<b>Reported Value as a % of Total Fund</b>	<b>Market Exposure as a % Total Fund</b>
\$27,322,156	\$130,814,474	\$1,316,227,671	8%*	7.86%	9.9%

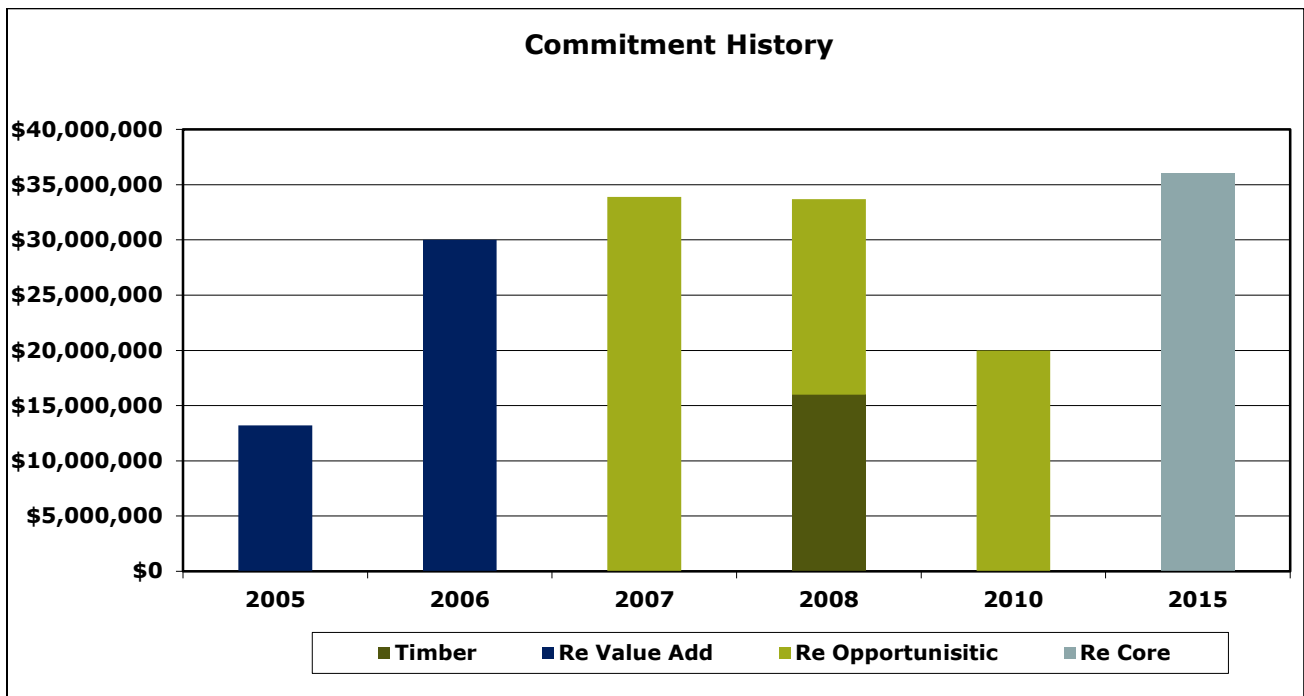
<b>Total Value (Reported Value + Distributions)</b>	<b>Total Value To Paid In Capital</b>	<b>Internal Rate of Return IRR, Since Inception (December 2005)</b>
\$144,968,540	1.04	0.71%



As of September 30, 2015, the Firefighters' Retirement System of Louisiana had commitments totaling \$166.79 million to 12 real estate funds. Of the 11 funds in the real estate portfolio, 2 are in the fundraising stage, 1 is in the investing stage, 7 are in the harvesting stage, and 1 is in the completed stage. The following charts illustrate the program's current life cycle:

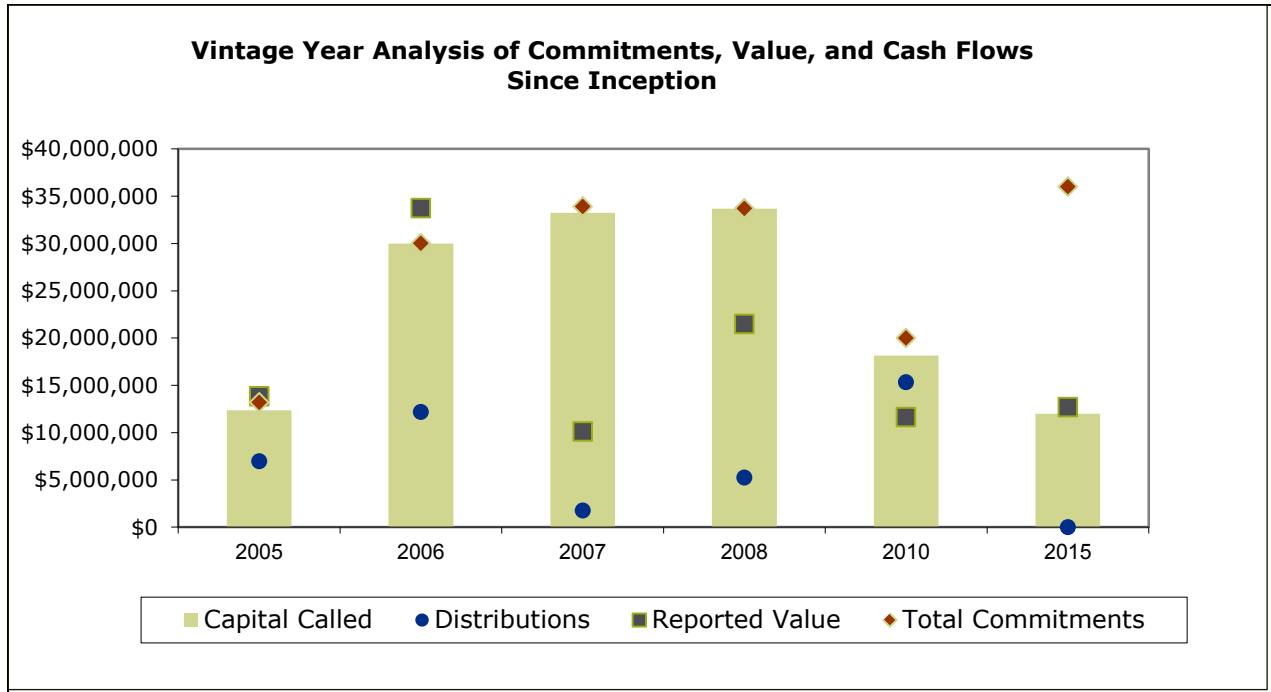


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





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

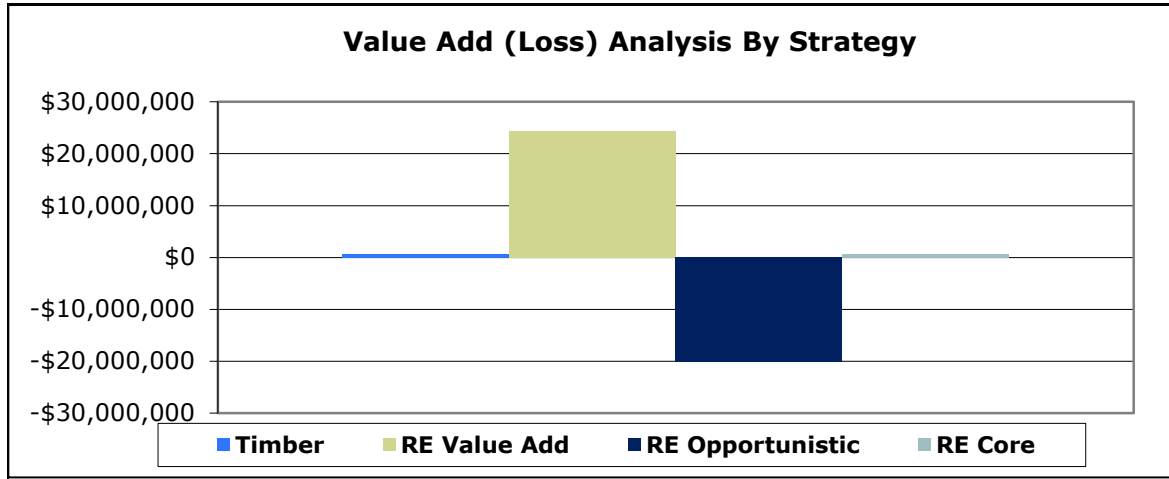


During the quarter-ended September 30, 2015, 1 fund in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 2 funds made a distribution. The summary of the cash flow follows:

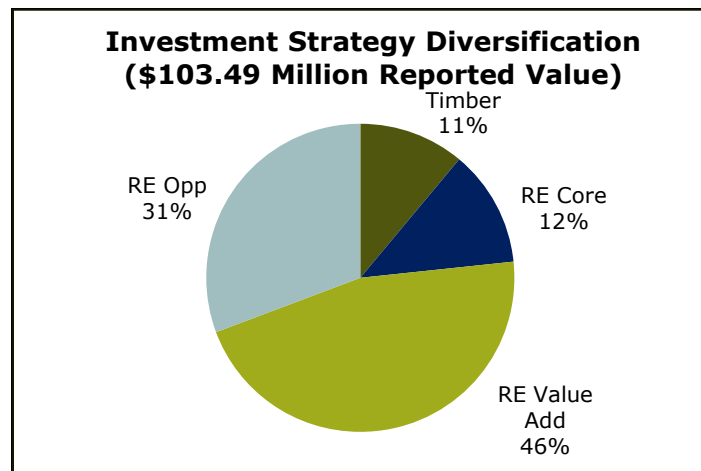
<b>Calls &amp; Expenses Funded for the Quarter</b>	<b>Number of Funds Calling Capital &amp; Expenses</b>	<b>Distributions for the Quarter</b>	<b>Number of Funds Making Distributions</b>	<b>Net Cash/Stock Flows for the Quarter</b>
\$235,849	1	\$472,933	2	\$237,084



Since inception the Real Estate program has gained \$5.50 million in value for the Firefighters' Retirement System of Louisiana. Timber added \$0.69 million RE Core added \$0.70 million, and RE Value added \$24.32 million. RE Opportunistic has lost (\$20.21) million.



As of September 30, 2015, the 9 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**

9/30/2015

<b>Investment Name</b>	<b>Vintage Year</b>	<b>Commitment Amount</b>	<b>QTD</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>Inception</b>
AEW Core Property Trust	2015	12,000,000	2.87					5.84
AEW Partners VI	2010	20,000,000	2.46	7.24	11.82	19.44	15.88	14.52
Americus Real Estate Fund II, Ltd.	2005	13,200,000	-0.26	2.00	3.80	4.58	18.20	8.53
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000						
FRS-GA (Georgia)	2008	9,273,354	0.00	0.98	0.98	-4.46	-3.10	-8.94
FRS-LB I (NLTP AZ)	2007	24,900,208	0.00	4.48	4.48	1.47	-25.78	-24.67
FRS-LB II (SMT AZ)	2008	3,779,000	-100.00	-100.00	-100.00			
FRS-LB III (ST George UT)	2008	4,646,040	0.00	0.02	0.02	0.01	-1.04	1.77
Heitman America Real Estate Trust, L.P.	2015	12,000,000						
JP Morgan India Property Fund	2007	8,990,000	-3.09	-1.80	-2.07	-4.69	-2.00	-2.18
Sentinel Real Estate Fund	2006	30,000,000	2.70	8.35	11.41	16.18	19.35	5.32
Timbervest Crossover Partners II, L.P.	2008	16,000,000	-3.10	-1.83	-1.20	-0.93	1.00	0.93
<b>Firefighters' Retirement System of Louisiana</b>		<b>166,788,602</b>	<b>0.91</b>	<b>4.54</b>	<b>6.51</b>	<b>7.91</b>	<b>4.83</b>	<b>0.71</b>

## Firefighters' Retirement System of Louisiana

### Performance Analysis

9/30/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cash Amount	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	12,700,434	12,700,434	700,434	100%	0.00	1.06	5.84%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	15,317,048	11,642,127	26,959,175	8,822,382	91%	0.84	1.49	14.52%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,964,524	13,824,558	20,789,082	8,407,708	94%	0.56	1.68	8.53%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	0	12,000,000	0	0		0	0	0%	0.00	0.00	N/A
5 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	4,754,758	4,754,758	-4,518,596	100%	0.00	0.51	-8.94%
6 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	4,482,019	4,482,019	-20,418,189	100%	0.00	0.18	-24.67%
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	4,646,040	4,646,040	0	0	0	5,277,740	5,277,740	631,700	100%	0.00	1.14	1.77%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	0	12,000,000	0	0		0	0	0%	0.00	0.00	N/A
10 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,760,146	5,641,545	7,401,691	-947,986	93%	0.21	0.89	-2.18%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	12,186,504	33,728,134	45,914,638	15,914,638	100%	0.41	1.53	5.32%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,248,000	11,441,004	16,689,004	689,004	100%	0.33	1.04	0.93%
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>166,788,602</b>	<b>139,466,446</b>	<b>27,322,156</b>	<b>0</b>	<b>41,476,222</b>	<b>103,492,318</b>	<b>144,968,540</b>	<b>5,502,094</b>	<b>84%</b>	<b>0.30</b>	<b>1.04</b>	<b>0.71%</b>



## Firefighters' Retirement System of Louisiana

### Lifecycle Performance Analysis

9/30/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cash Amount	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
<b>1 Fundraising</b>													
1 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	0	12,000,000	0	0		0	0	0%	0.00	0.00	N/A
2 Heitman America Real Estate Trust, L.P.	2015	12,000,000	0	12,000,000	0	0		0	0	0%	0.00	0.00	N/A
<b>Subtotal: 1 Fundraising</b>		<b>24,000,000</b>	<b>0</b>	<b>24,000,000</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0%</b>	<b>0.00</b>	<b>0.00</b>	<b>N/A</b>
<b>2 Investing</b>													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	12,700,434	12,700,434	700,434	100%	0.00	1.06	5.84%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	15,317,048	11,642,127	26,959,175	8,822,382	91%	0.84	1.49	14.52%
<b>Subtotal: 2 Investing</b>		<b>32,000,000</b>	<b>30,136,793</b>	<b>1,863,207</b>	<b>0</b>	<b>15,317,048</b>	<b>24,342,561</b>	<b>39,659,609</b>	<b>9,522,816</b>	<b>94%</b>	<b>0.51</b>	<b>1.32</b>	<b>14.44%</b>
<b>3 Harvesting</b>													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,964,524	13,824,558	20,789,082	8,407,708	94%	0.56	1.68	8.53%
2 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	4,754,758	4,754,758	-4,518,596	100%	0.00	0.51	-8.94%
3 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	4,482,019	4,482,019	-20,418,189	100%	0.00	0.18	-24.67%
4 FRS-LB III (ST George UT)	2008	4,646,040	4,646,040	0	0	0	5,277,740	5,277,740	631,700	100%	0.00	1.14	1.77%
5 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,760,146	5,641,545	7,401,691	-947,986	93%	0.21	0.89	-2.18%
6 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	12,186,504	33,728,134	45,914,638	15,914,638	100%	0.41	1.53	5.32%
7 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,248,000	11,441,004	16,689,004	689,004	100%	0.33	1.04	0.93%
<b>Subtotal: 3 Harvesting</b>		<b>107,009,602</b>	<b>105,550,653</b>	<b>1,458,949</b>	<b>0</b>	<b>26,159,174</b>	<b>79,149,757</b>	<b>105,308,931</b>	<b>-241,722</b>	<b>99%</b>	<b>0.25</b>	<b>1.00</b>	<b>-0.04%</b>
<b>5 Completed</b>													
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
<b>Subtotal: 5 Completed</b>		<b>3,779,000</b>	<b>3,779,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,779,000</b>	<b>100%</b>	<b>0.00</b>	<b>0.00</b>	<b>N/A</b>
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>166,788,602</b>	<b>139,466,446</b>	<b>27,322,156</b>	<b>0</b>	<b>41,476,222</b>	<b>103,492,318</b>	<b>144,968,540</b>	<b>5,502,094</b>	<b>84%</b>	<b>0.30</b>	<b>1.04</b>	<b>0.71%</b>

## Firefighters' Retirement System of Louisiana

### Vintage Year Performance Analysis

9/30/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cash Amount	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
<b>2005</b>													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,964,524	13,824,558	20,789,082	8,407,708	94%	0.56	1.68	8.53%
<b>Subtotal: 2005</b>		<b>13,200,000</b>	<b>12,381,374</b>	<b>818,626</b>	<b>0</b>	<b>6,964,524</b>	<b>13,824,558</b>	<b>20,789,082</b>	<b>8,407,708</b>	<b>94%</b>	<b>0.56</b>	<b>1.68</b>	<b>8.53%</b>
<b>2006</b>													
1 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	12,186,504	33,728,134	45,914,638	15,914,638	100%	0.41	1.53	5.32%
<b>Subtotal: 2006</b>		<b>30,000,000</b>	<b>30,000,000</b>	<b>0</b>	<b>0</b>	<b>12,186,504</b>	<b>33,728,134</b>	<b>45,914,638</b>	<b>15,914,638</b>	<b>100%</b>	<b>0.41</b>	<b>1.53</b>	<b>5.32%</b>
<b>2007</b>													
1 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	4,482,019	4,482,019	-20,418,189	100%	0.00	0.18	-24.67%
2 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,760,146	5,641,545	7,401,691	-947,986	93%	0.21	0.89	-2.18%
<b>Subtotal: 2007</b>		<b>33,890,208</b>	<b>33,249,885</b>	<b>640,323</b>	<b>0</b>	<b>1,760,146</b>	<b>10,123,564</b>	<b>11,883,710</b>	<b>-21,366,175</b>	<b>98%</b>	<b>0.05</b>	<b>0.36</b>	<b>-16.31%</b>
<b>2008</b>													
1 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	4,754,758	4,754,758	-4,518,596	100%	0.00	0.51	-8.94%
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	4,646,040	4,646,040	0	0	0	5,277,740	5,277,740	631,700	100%	0.00	1.14	1.77%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,248,000	11,441,004	16,689,004	689,004	100%	0.33	1.04	0.93%
<b>Subtotal: 2008</b>		<b>33,698,394</b>	<b>33,698,394</b>	<b>0</b>	<b>0</b>	<b>5,248,000</b>	<b>21,473,502</b>	<b>26,721,502</b>	<b>-6,976,892</b>	<b>100%</b>	<b>0.16</b>	<b>0.79</b>	<b>-3.91%</b>
<b>2010</b>													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	15,317,048	11,642,127	26,959,175	8,822,382	91%	0.84	1.49	14.52%
<b>Subtotal: 2010</b>		<b>20,000,000</b>	<b>18,136,793</b>	<b>1,863,207</b>	<b>0</b>	<b>15,317,048</b>	<b>11,642,127</b>	<b>26,959,175</b>	<b>8,822,382</b>	<b>91%</b>	<b>0.84</b>	<b>1.49</b>	<b>14.52%</b>
<b>2015</b>													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	12,700,434	12,700,434	700,434	100%	0.00	1.06	5.84%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	0	12,000,000	0	0	0	0	0	0%	0.00	0.00	N/A
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	0	12,000,000	0	0	0	0	0	0%	0.00	0.00	N/A
<b>Subtotal: 2015</b>		<b>36,000,000</b>	<b>12,000,000</b>	<b>24,000,000</b>	<b>0</b>	<b>0</b>	<b>12,700,434</b>	<b>12,700,434</b>	<b>700,434</b>	<b>33%</b>	<b>0.00</b>	<b>1.06</b>	<b>5.84%</b>
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>166,788,602</b>	<b>139,466,446</b>	<b>27,322,156</b>	<b>0</b>	<b>41,476,222</b>	<b>103,492,318</b>	<b>144,968,540</b>	<b>5,502,094</b>	<b>84%</b>	<b>0.30</b>	<b>1.04</b>	<b>0.71%</b>

## Firefighters' Retirement System of Louisiana

### Stage Performance Analysis

9/30/2015

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cash Amount	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
<b>501 Timber</b>													
1 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,248,000	11,441,004	16,689,004	689,004	100%	0.33	1.04	0.93%
<b>Subtotal: 501 Timber</b>		<b>16,000,000</b>	<b>16,000,000</b>	<b>0</b>	<b>0</b>	<b>5,248,000</b>	<b>11,441,004</b>	<b>16,689,004</b>	<b>689,004</b>	<b>100%</b>	<b>0.33</b>	<b>1.04</b>	<b>0.93%</b>
<b>610 RE Core</b>													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	12,700,434	12,700,434	700,434	100%	0.00	1.06	5.84%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	0	12,000,000	0	0	0	0	0	0%	0.00	0.00	N/A
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	0	12,000,000	0	0	0	0	0	0%	0.00	0.00	N/A
<b>Subtotal: 610 RE Core</b>		<b>36,000,000</b>	<b>12,000,000</b>	<b>24,000,000</b>	<b>0</b>	<b>0</b>	<b>12,700,434</b>	<b>12,700,434</b>	<b>700,434</b>	<b>33%</b>	<b>0.00</b>	<b>1.06</b>	<b>5.84%</b>
<b>615 RE Value Add</b>													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,964,524	13,824,558	20,789,082	8,407,708	94%	0.56	1.68	8.53%
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	12,186,504	33,728,134	45,914,638	15,914,638	100%	0.41	1.53	5.32%
<b>Subtotal: 615 RE Value Add</b>		<b>43,200,000</b>	<b>42,381,374</b>	<b>818,626</b>	<b>0</b>	<b>19,151,028</b>	<b>47,552,692</b>	<b>66,703,720</b>	<b>24,322,346</b>	<b>98%</b>	<b>0.45</b>	<b>1.57</b>	<b>6.10%</b>
<b>630 RE Opportunistic</b>													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	15,317,048	11,642,127	26,959,175	8,822,382	91%	0.84	1.49	14.52%
2 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	4,754,758	4,754,758	-4,518,596	100%	0.00	0.51	-8.94%
3 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	4,482,019	4,482,019	-20,418,189	100%	0.00	0.18	-24.67%
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	4,646,040	4,646,040	0	0	0	5,277,740	5,277,740	631,700	100%	0.00	1.14	1.77%
6 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,760,146	5,641,545	7,401,691	-947,986	93%	0.21	0.89	-2.18%
<b>Subtotal: 630 RE Opportunistic</b>		<b>71,588,602</b>	<b>69,085,072</b>	<b>2,503,530</b>	<b>0</b>	<b>17,077,194</b>	<b>31,798,189</b>	<b>48,875,383</b>	<b>-20,209,689</b>	<b>97%</b>	<b>0.25</b>	<b>0.71</b>	<b>-6.46%</b>
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>166,788,602</b>	<b>139,466,446</b>	<b>27,322,156</b>	<b>0</b>	<b>41,476,222</b>	<b>103,492,318</b>	<b>144,968,540</b>	<b>5,502,094</b>	<b>84%</b>	<b>0.30</b>	<b>1.04</b>	<b>0.71%</b>

**Firefighters' Retirement System of Louisiana**

**Transaction Summary**

7/1/2015 - 9/30/2015

<b>Date</b>	<b>Funding</b>	<b>Additional Fees</b>	<b>Cash</b>	<b>Net Cash Flow</b>
<b>Firefighters' Retirement System of Louisiana</b>				
AEW Partners VI				
08/20/2015	235,849.00			235,849.00
Total: AEW Partners VI				
	<b>235,849.00</b>			<b>235,849.00</b>
Americus Real Estate Fund II, Ltd.				
07/13/2015			23,760.00	-23,760.00
08/13/2015			23,760.00	-47,520.00
09/11/2015			23,760.00	-71,280.00
Total: Americus Real Estate Fund II, Ltd.				
			<b>71,280.00</b>	<b>-71,280.00</b>
Sentinel Real Estate Fund				
07/10/2015			401,653.18	-401,653.18
Total: Sentinel Real Estate Fund				
			<b>401,653.18</b>	<b>-401,653.18</b>
<b>Total:</b>	<b>235,849.00</b>		<b>472,933.18</b>	<b>-237,084.18</b>