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Firefighters' Retirement System of Louisiana

Fourth Quarter, 2015 Real Estate Review

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May, 2016

Firefighters' Retirement System of Louisiana

RE: Real Estate Strategy – 4th Quarter 2015

Dear Members,

We are pleased to present the December 31, 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 negative quarter, having a nominal IRR of (1.65%). The IRR since inception is 0.48%. The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 1.03.

The following table presents the status of the Real Estate portfolio as of December 31, 2015:

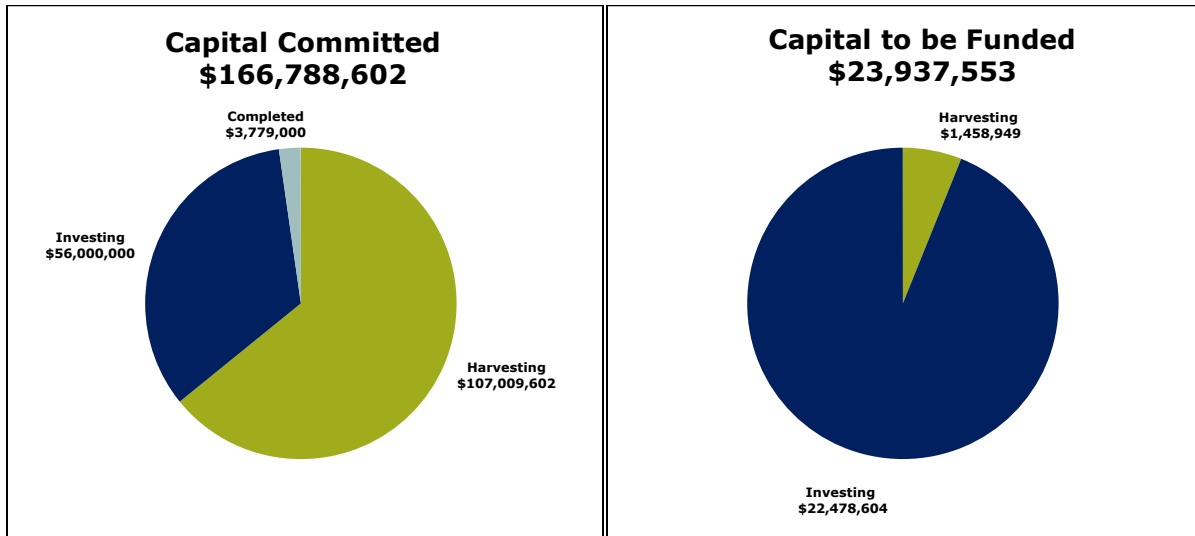
Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$166,788,602	\$0	\$142,851,049	\$50,750,765	\$95,890,383	85.65%	35.53%

Unfunded Commitments	Market Exposure (Reported Value + Unfunded Commitments)	Total Fund Composite as of 12/31/2015	Alternative Assets Target	Reported Value as a % of Total Fund	Market Exposure as a % of Total Fund
\$23,937,553	\$119,827,936	\$1,316,227,671	8%*	7.29%	9.1%

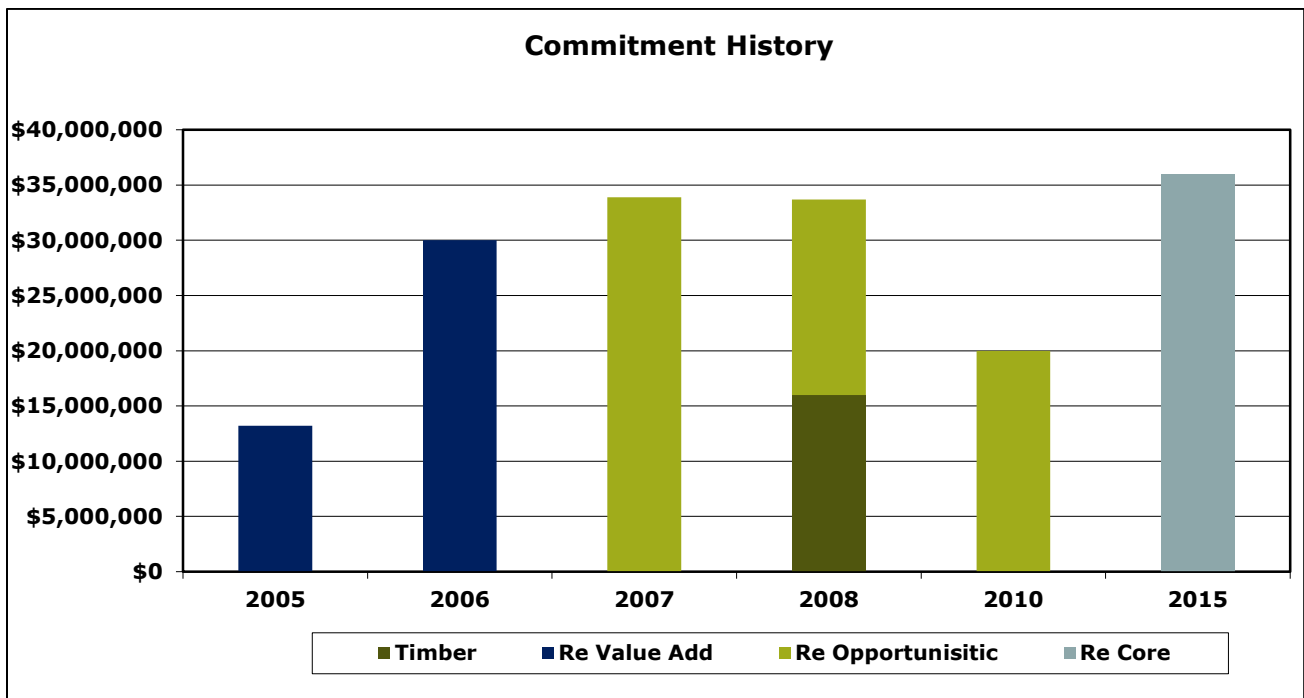
Total Value (Reported Value + Distributions)	Total Value To Paid In Capital	Internal Rate of Return IRR, Since Inception (December 2005)
\$146,641,148	1.03	0.48%



As of December 31, 2015, the Firefighters' Retirement System of Louisiana had commitments totaling \$166.79 million to 12 real estate funds. Of the 12 funds in the real estate portfolio, 4 are 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:

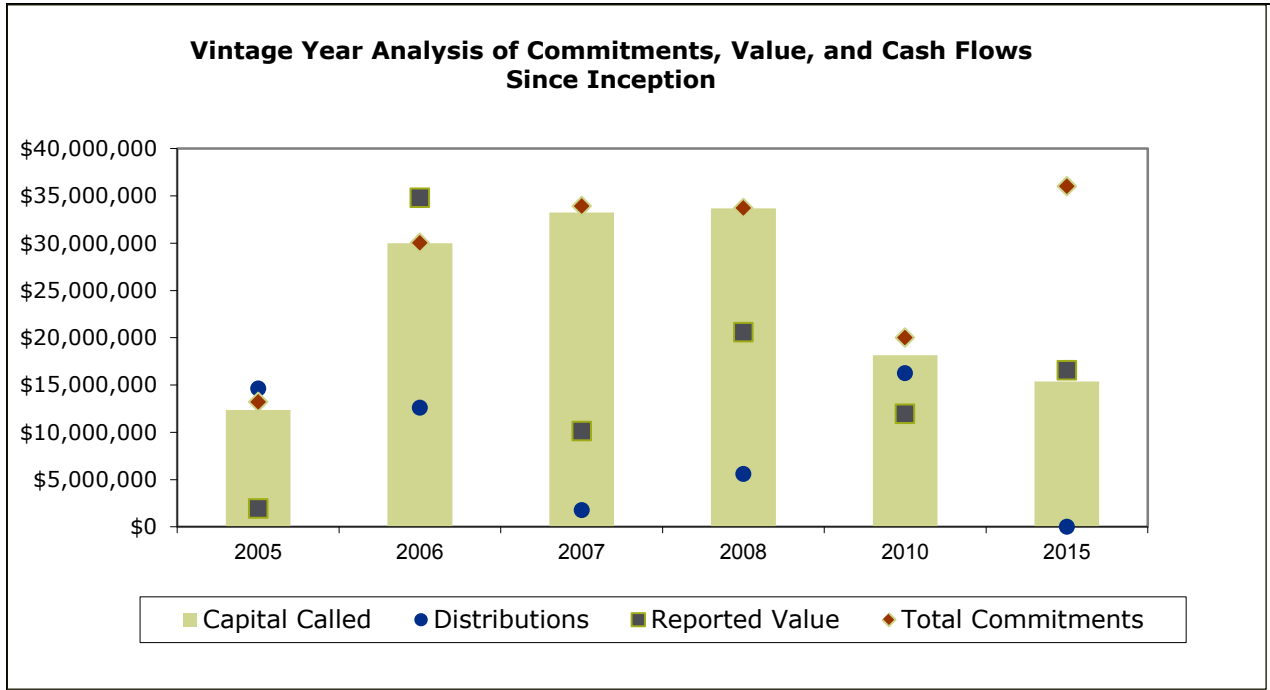


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





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

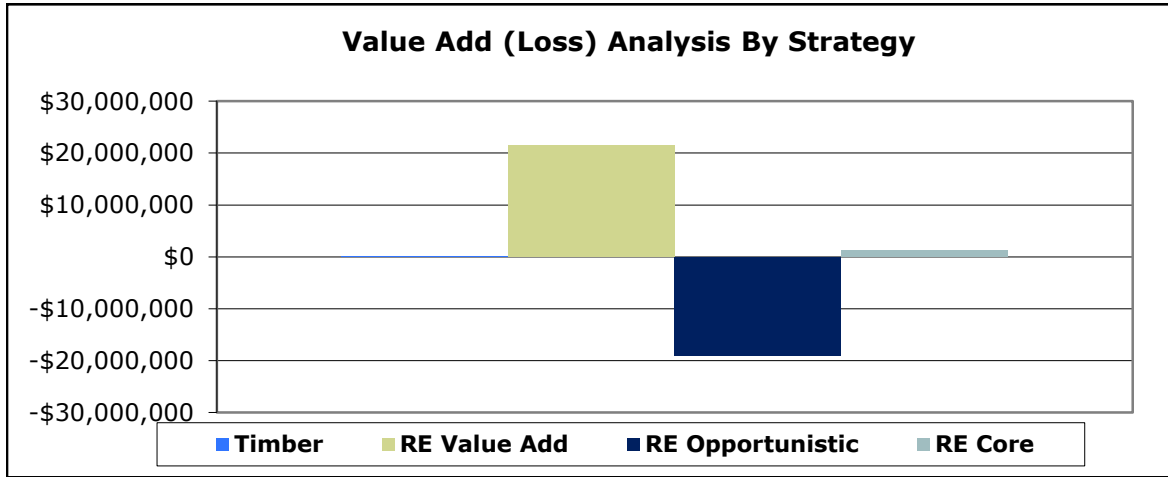


During the quarter-ended December 31, 2015, 2 funds in the Firefighters' Retirement System of Louisiana Real Estate portfolio drew capital, and 4 funds made a distribution. The summary of the cash flow follows:

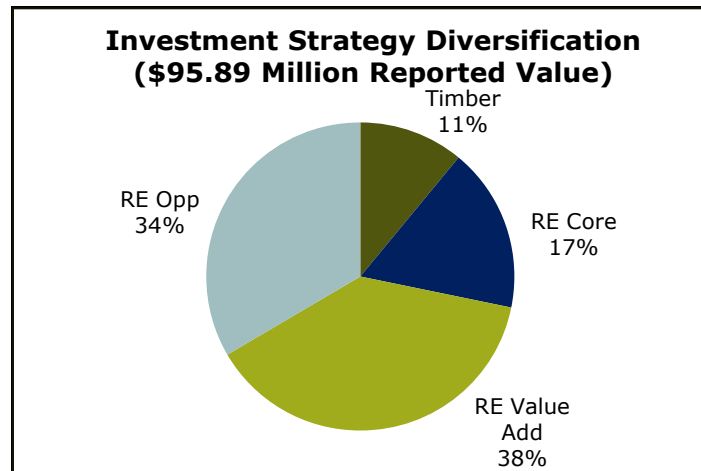
Calls & Expenses Funded for the Quarter	Number of Funds Calling Capital & Expenses	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$3,384,603	2	\$9,274,543	4	\$5,889,940



Since inception the Real Estate program has gained \$3.79 million in value for the Firefighters' Retirement System of Louisiana. Timber added \$0.01 million, RE Core added \$1.16 million, and RE Value added \$21.52 million. RE Opportunistic has lost (\$18.99) million.



As of December 31, 2015, 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

12/31/2015

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
AEW Core Property Trust	2015	12,000,000	3.17					9.19
AEW Partners VI	2010	20,000,000	10.59	18.67	18.67	18.01	17.39	15.49
Americus Real Estate Fund II, Ltd.	2005	13,200,000	-32.96	-29.72	-29.72	-8.02	10.73	4.88
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	0.00					0.00
FRS-GA (Georgia)	2008	9,273,354	0.00	0.98	0.98	-4.46	-3.10	-8.65
FRS-LB I (NLTP AZ)	2007	24,900,208	0.00	4.48	4.48	1.47	-25.78	-23.79
FRS-LB II (SMT AZ)	2008	3,779,000		-100.00	-100.00			
FRS-LB III (ST George UT)	2008	4,646,040	0.00	0.02	0.02	0.01	-1.04	1.71
Heitman America Real Estate Trust, L.P.	2015	12,000,000	3.82					3.56
JP Morgan India Property Fund	2007	8,990,000	-0.31	-2.11	-2.11	-4.68	-2.26	-2.14
Sentinel Real Estate Fund	2006	30,000,000	4.35	13.03	13.03	14.55	23.24	5.58
Timbervest Crossover Partners II, L.P.	2008	16,000,000	-5.18	-6.90	-6.90	-1.54	-0.42	0.13
Firefighters' Retirement System of Louisiana		166,788,602	-1.65	2.70	2.70	5.86	4.81	0.48

Firefighters' Retirement System of Louisiana

Performance Analysis

12/31/2015

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	13,102,956	13,102,956	1,102,956	100%	0.00	1.09	9.19%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	16,249,583	11,939,997	28,189,580	10,052,787	91%	0.90	1.55	15.49%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	14,598,666	1,938,487	16,537,153	4,155,779	94%	1.18	1.34	4.88%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	1,680,000	10,320,000	0	0	1,680,000	1,680,000	0	14%	0.00	1.00	0.00%
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	-8.65%
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	-23.79%
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	1.71%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	1,704,603	10,295,397	0	0	1,765,350	1,765,350	60,747	14%	0.00	1.04	3.56%
10 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,760,146	5,624,250	7,384,396	-965,281	93%	0.21	0.88	-2.14%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	12,574,369	34,793,716	47,368,085	17,368,085	100%	0.42	1.58	5.58%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,568,000	10,531,110	16,099,110	99,110	100%	0.35	1.01	0.13%
Total: Firefighters' Retirement System of Louisiana		166,788,602	142,851,049	23,937,553	0	50,750,765	95,890,383	146,641,148	3,790,099	86%	0.36	1.03	0.48%

Firefighters' Retirement System of Louisiana

Lifecycle Performance Analysis

12/31/2015

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
2 Investing													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,102,956	13,102,956	1,102,956	100%	0.00	1.09	9.19%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	16,249,583	11,939,997	28,189,580	10,052,787	91%	0.90	1.55	15.49%
3 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	1,680,000	10,320,000	0	0	1,680,000	1,680,000	0	14%	0.00	1.00	0.00%
4 Heitman America Real Estate Trust, L.P.	2015	12,000,000	1,704,603	10,295,397	0	0	1,765,350	1,765,350	60,747	14%	0.00	1.04	3.56%
Subtotal: 2 Investing		56,000,000	33,521,396	22,478,604	0	16,249,583	28,488,303	44,737,886	11,216,490	60%	0.48	1.33	15.29%
3 Harvesting													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	14,598,666	1,938,487	16,537,153	4,155,779	94%	1.18	1.34	4.88%
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	-8.65%
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	-23.79%
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	1.71%
5 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,760,146	5,624,250	7,384,396	-965,281	93%	0.21	0.88	-2.14%
6 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	12,574,369	34,793,716	47,368,085	17,368,085	100%	0.42	1.58	5.58%
7 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,568,000	10,531,110	16,099,110	99,110	100%	0.35	1.01	0.13%
Subtotal: 3 Harvesting		107,009,602	105,550,653	1,458,949	0	34,501,182	67,402,080	101,903,262	-3,647,391	99%	0.33	0.97	-0.54%
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		166,788,602	142,851,049	23,937,553	0	50,750,765	95,890,383	146,641,148	3,790,099	86%	0.36	1.03	0.48%

Firefighters' Retirement System of Louisiana

Vintage Year Performance Analysis

12/31/2015

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	14,598,666	1,938,487	16,537,153	4,155,779	94%	1.18	1.34	4.88%
Subtotal: 2005		13,200,000	12,381,374	818,626	0	14,598,666	1,938,487	16,537,153	4,155,779	94%	1.18	1.34	4.88%
2006													
1 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	12,574,369	34,793,716	47,368,085	17,368,085	100%	0.42	1.58	5.58%
Subtotal: 2006		30,000,000	30,000,000	0	0	12,574,369	34,793,716	47,368,085	17,368,085	100%	0.42	1.58	5.58%
2007													
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	-23.79%
2 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,760,146	5,624,250	7,384,396	-965,281	93%	0.21	0.88	-2.14%
Subtotal: 2007		33,890,208	33,249,885	640,323	0	1,760,146	10,106,269	11,866,415	-21,383,470	98%	0.05	0.36	-15.76%
2008													
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	-8.65%
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	1.71%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,568,000	10,531,110	16,099,110	99,110	100%	0.35	1.01	0.13%
Subtotal: 2008		33,698,394	33,698,394	0	0	5,568,000	20,563,608	26,131,608	-7,566,786	100%	0.17	0.78	-4.15%
2010													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	16,249,583	11,939,997	28,189,580	10,052,787	91%	0.90	1.55	15.49%
Subtotal: 2010		20,000,000	18,136,793	1,863,207	0	16,249,583	11,939,997	28,189,580	10,052,787	91%	0.90	1.55	15.49%
2015													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,102,956	13,102,956	1,102,956	100%	0.00	1.09	9.19%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	1,680,000	10,320,000	0	0	1,680,000	1,680,000	0	14%	0.00	1.00	0.00%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	1,704,603	10,295,397	0	0	1,765,350	1,765,350	60,747	14%	0.00	1.04	3.56%
Subtotal: 2015		36,000,000	15,384,603	20,615,397	0	0	16,548,306	16,548,306	1,163,703	43%	0.00	1.08	9.27%
Total: Firefighters' Retirement System of Louisiana		166,788,602	142,851,049	23,937,553	0	50,750,765	95,890,383	146,641,148	3,790,099	86%	0.36	1.03	0.48%

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

12/31/2015

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	5,568,000	10,531,110	16,099,110	99,110	100%	0.35	1.01	0.13%
Subtotal: 501 Timber		16,000,000	16,000,000	0	0	5,568,000	10,531,110	16,099,110	99,110	100%	0.35	1.01	0.13%
610 RE Core													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,102,956	13,102,956	1,102,956	100%	0.00	1.09	9.19%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	1,680,000	10,320,000	0	0	1,680,000	1,680,000	0	14%	0.00	1.00	0.00%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	1,704,603	10,295,397	0	0	1,765,350	1,765,350	60,747	14%	0.00	1.04	3.56%
Subtotal: 610 RE Core		36,000,000	15,384,603	20,615,397	0	0	16,548,306	16,548,306	1,163,703	43%	0.00	1.08	9.27%
615 RE Value Add													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	14,598,666	1,938,487	16,537,153	4,155,779	94%	1.18	1.34	4.88%
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	12,574,369	34,793,716	47,368,085	17,368,085	100%	0.42	1.58	5.58%
Subtotal: 615 RE Value Add		43,200,000	42,381,374	818,626	0	27,173,036	36,732,203	63,905,239	21,523,865	98%	0.64	1.51	5.43%
630 RE Opportunistic													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	16,249,583	11,939,997	28,189,580	10,052,787	91%	0.90	1.55	15.49%
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	-8.65%
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	-23.79%
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	1.71%
6 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,760,146	5,624,250	7,384,396	-965,281	93%	0.21	0.88	-2.14%
Subtotal: 630 RE Opportunistic		71,588,602	69,085,072	2,503,530	0	18,009,729	32,078,764	50,088,493	-18,996,579	97%	0.26	0.73	-5.80%
Total: Firefighters' Retirement System of Louisiana		166,788,602	142,851,049	23,937,553	0	50,750,765	95,890,383	146,641,148	3,790,099	86%	0.36	1.03	0.48%

Firefighters' Retirement System of Louisiana

Transaction Summary

10/1/2015 - 12/31/2015

Date	Funding	Additional Fees	Cash	Net Cash Flow
Firefighters' Retirement System of Louisiana				
AEW Partners VI				
12/29/2015			932,535.00	-932,535.00
Total: AEW Partners VI			932,535.00	-932,535.00
Americus Real Estate Fund II, Ltd.				
10/20/2015			23,760.00	-23,760.00
11/16/2015			23,760.00	-47,520.00
11/17/2015			396,000.00	-443,520.00
12/23/2015			23,760.00	-467,280.00
12/23/2015			6,473,862.33	-6,941,142.33
12/30/2015			693,000.00	-7,634,142.33
Total: Americus Real Estate Fund II, Ltd.			7,634,142.33	-7,634,142.33
ASB Allegiance Real Estate Fund II, Ltd.				
12/31/2015	1,680,000.00			1,680,000.00
Total: ASB Allegiance Real Estate Fund II, Ltd.			1,680,000.00	1,680,000.00
Heitman America Real Estate Trust, L.P.				
10/06/2015	1,704,602.51			1,704,602.51
Total: Heitman America Real Estate Trust, L.P.			1,704,602.51	1,704,602.51
Sentinel Real Estate Fund				
10/09/2015			387,865.66	-387,865.66
Total: Sentinel Real Estate Fund			387,865.66	-387,865.66
Timbervest Crossover Partners II, L.P.				
12/16/2015			320,000.00	-320,000.00
Total: Timbervest Crossover Partners II, L.P.			320,000.00	-320,000.00
Total:	3,384,602.51		9,274,542.99	-5,889,940.48