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

### **First Quarter 2017 Real Estate Review**

August, 2017

David Barnes, CFA, CAIA  
Senior Consultant

255 State Street, Boston, MA 02109  
TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

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August, 2017

Firefighters' Retirement System of Louisiana

**RE:** Real Estate Strategy – 1<sup>st</sup> Quarter 2017

Dear Members,

We are pleased to present the March 31, 2017 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.

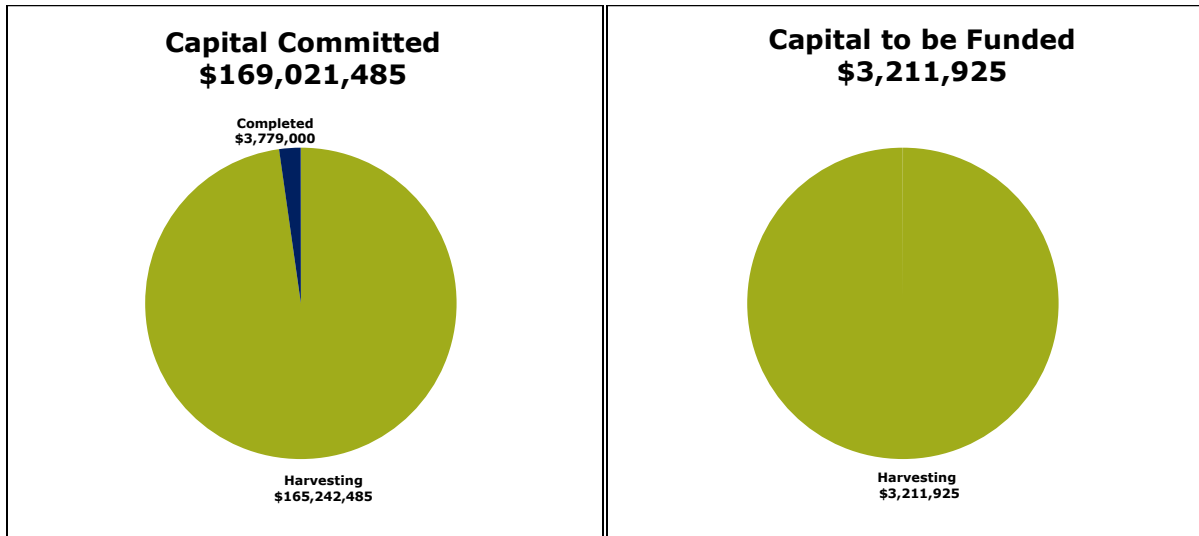
The Real Estate portfolio of Firefighters' Retirement System of Louisiana experienced a positive quarter, having a nominal IRR of 1.41%. The IRR since inception is 1.40%. The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 1.08.

The following table presents the status of the Real Estate portfolio as of March 31, 2017:

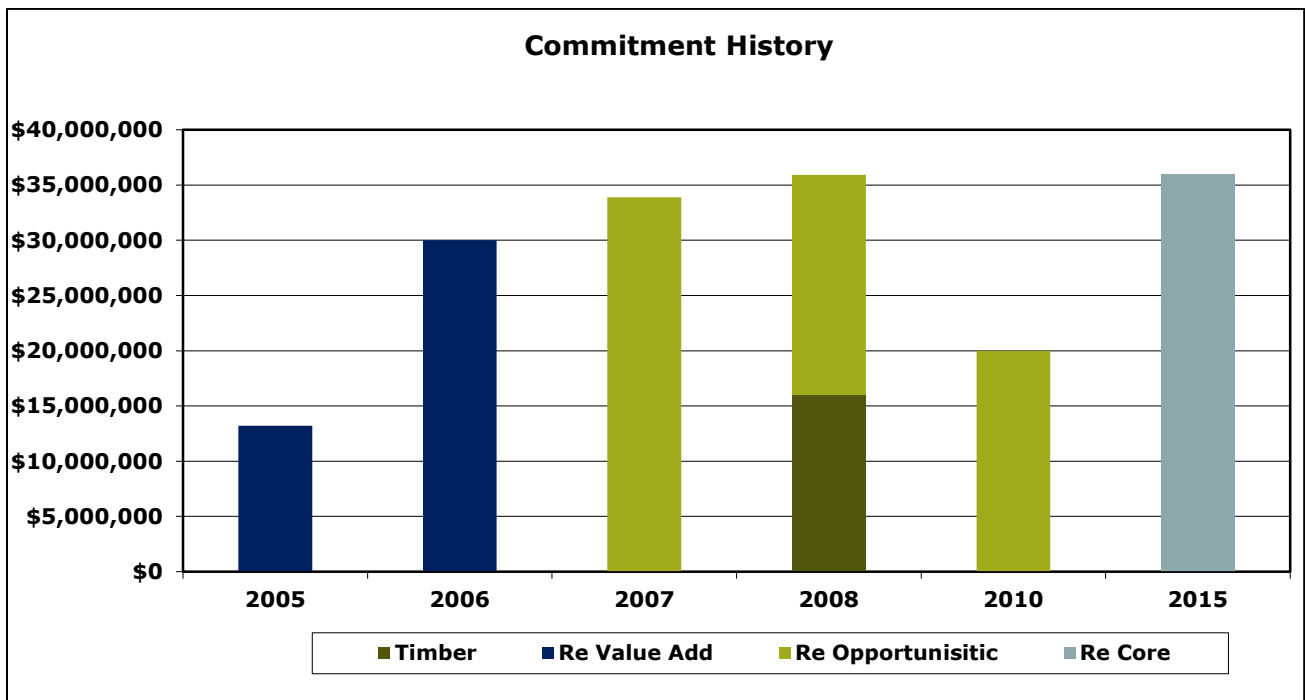
<b>Commitments</b>	<b>Terminated Commitments</b>	<b>Amount Funded</b>	<b>Amount Distributed</b>	<b>Reported Value</b>	<b>Call Ratio</b>	<b>Distribution Ratio</b>
\$169,021,485	\$0	\$165,809,560	\$57,827,939	\$121,553,213	98.10%	34.88%
<b>Unfunded Commitments</b>	<b>Market Exposure (Reported Value + Unfunded Commitments)</b>		<b>Total Fund Composite as of 3/31/2017</b>	<b>Alternative Assets Target</b>	<b>Reported Value as a % of Total Fund</b>	<b>Market Exposure as a % Total Fund</b>
\$3,211,925	\$124,765,138		\$1,490,211,823	6%*	8.16%	8.4%
<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>	
\$179,381,152			1.08		1.40%	



As of March 31, 2017, 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:

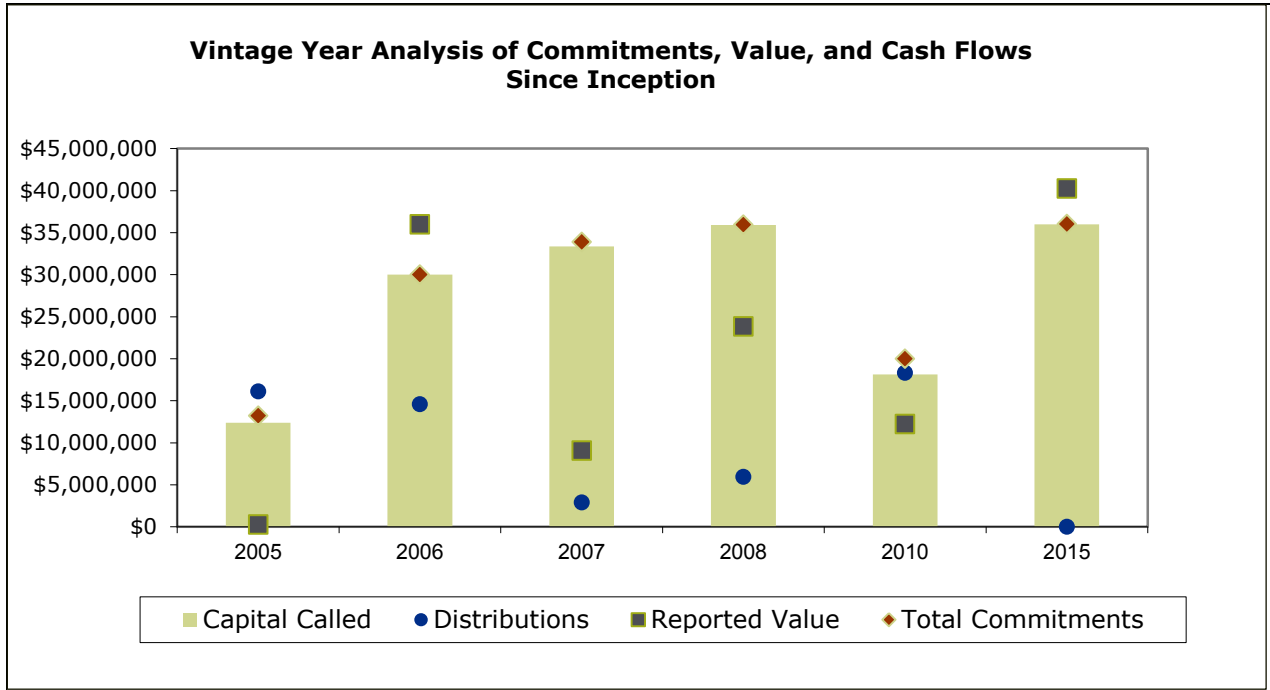


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





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

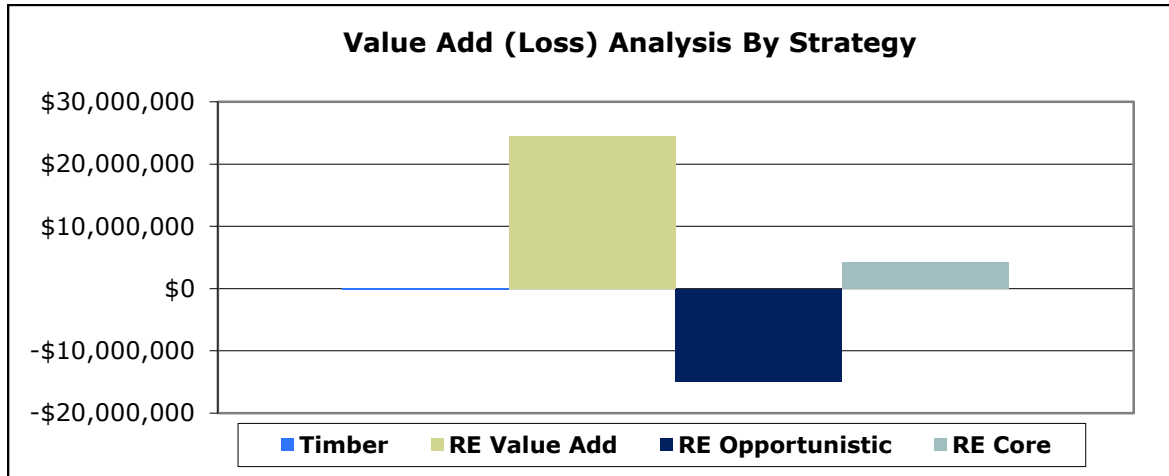


During the quarter-ended March 31, 2017, 0 funds in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 3 funds made a distribution. The summary of the cash flow follows:

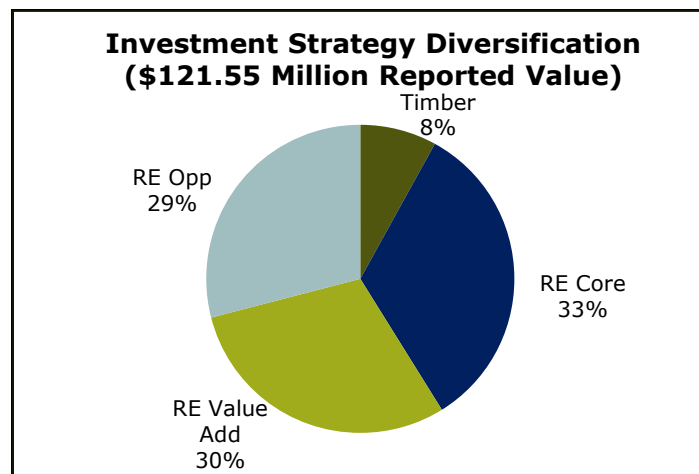
<b>Calls &amp; Expenses Funded for the Quarter</b>	<b>Number of Funds Calling Capital &amp; Expenses</b>	<b>Distributions for the Quarter</b>	<b>Number of Funds Making Distributions</b>	<b>Net Cash/Stock Flows for the Quarter</b>
\$0	0	\$1,086,720	3	\$1,086,720



Since inception the Real Estate program has gained \$13.54 million in value for the Firefighters' Retirement System of Louisiana. Timber lost (\$0.28) million, RE Core added \$4.19 million, and RE Value added \$24.56 million. RE Opportunistic has lost (\$14.94) million.



As of March 31, 2017, 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**

3/31/2017

<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	2.92	2.92	7.35			9.43
AEW Partners VI	2010	20,000,000	2.18	2.18	19.95	19.74	18.60	15.54
Americus Real Estate Fund II, Ltd.	2005	13,200,000	-3.53	-3.53	-27.10	-18.77	-3.21	4.69
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	1.33	1.33	5.01			5.05
FRS-GA (Georgia)	2008	9,273,354	0.00	0.00	0.17	-4.40	-2.67	-7.42
FRS-LB I (NLTP AZ)	2007	24,900,208	0.00	0.00	-0.41	1.33	-26.83	-20.25
FRS-LB II (SMT AZ)	2008	3,779,000						
FRS-LB III (ST George UT)	2008	6,878,923	0.00	0.00	26.66	9.43	4.65	4.76
Heitman America Real Estate Trust, L.P.	2015	12,000,000	1.08	1.08	8.46			8.45
JP Morgan India Property Fund	2007	8,990,000	4.68	4.68	-0.60	-0.62	-2.29	-1.97
Sentinel Real Estate Fund	2006	30,000,000	1.46	1.46	7.88	10.28	15.18	5.76
Timbervest Crossover Partners II, L.P.	2008	16,000,000	0.08	0.08	-4.61	-3.50	-1.57	-0.32
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>169,021,485</b>	<b>1.41</b>	<b>1.41</b>	<b>7.52</b>	<b>5.24</b>	<b>2.97</b>	<b>1.40</b>

## Firefighters' Retirement System of Louisiana

### Performance Analysis

3/31/2017

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	14,320,513	14,320,513	2,320,513	100%	0.00	1.19	9.43%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	18,308,895	12,221,741	30,530,636	12,393,843	91%	1.01	1.68	15.54%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	264,913	16,372,339	3,990,965	94%	1.30	1.32	4.69%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,646,914	12,646,914	612,829	100%	0.00	1.05	5.05%
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	-7.42%
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	-20.25%
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	4.76%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,263,208	13,263,208	1,263,208	100%	0.00	1.11	8.45%
10 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,575,062	7,447,189	-1,012,719	94%	0.34	0.88	-1.97%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,587,491	35,985,499	50,572,990	20,572,990	100%	0.49	1.69	5.76%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	9,768,984	15,720,984	-279,016	100%	0.37	0.98	-0.32%
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>169,021,485</b>	<b>165,809,560</b>	<b>3,211,925</b>	<b>34,085</b>	<b>57,827,939</b>	<b>121,553,213</b>	<b>179,381,152</b>	<b>13,537,507</b>	<b>98%</b>	<b>0.35</b>	<b>1.08</b>	<b>1.40%</b>



## Firefighters' Retirement System of Louisiana

### Lifecycle Performance Analysis

3/31/2017

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
<b>3 Harvesting</b>													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	14,320,513	14,320,513	2,320,513	100%	0.00	1.19	9.43%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	18,308,895	12,221,741	30,530,636	12,393,843	91%	1.01	1.68	15.54%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	264,913	16,372,339	3,990,965	94%	1.30	1.32	4.69%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,646,914	12,646,914	612,829	100%	0.00	1.05	5.05%
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	-7.42%
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	-20.25%
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	4.76%
8 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,263,208	13,263,208	1,263,208	100%	0.00	1.11	8.45%
9 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,575,062	7,447,189	-1,012,719	94%	0.34	0.88	-1.97%
10 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,587,491	35,985,499	50,572,990	20,572,990	100%	0.49	1.69	5.76%
11 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	9,768,984	15,720,984	-279,016	100%	0.37	0.98	-0.32%
<b>Subtotal: 3 Harvesting</b>		<b>165,242,485</b>	<b>162,030,560</b>	<b>3,211,925</b>	<b>34,085</b>	<b>57,827,939</b>	<b>121,553,213</b>	<b>179,381,152</b>	<b>17,316,507</b>	<b>98%</b>	<b>0.36</b>	<b>1.11</b>	<b>1.83%</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>169,021,485</b>	<b>165,809,560</b>	<b>3,211,925</b>	<b>34,085</b>	<b>57,827,939</b>	<b>121,553,213</b>	<b>179,381,152</b>	<b>13,537,507</b>	<b>98%</b>	<b>0.35</b>	<b>1.08</b>	<b>1.40%</b>

## Firefighters' Retirement System of Louisiana

### Vintage Year Performance Analysis

3/31/2017

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
<b>2005</b>													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	264,913	16,372,339	3,990,965	94%	1.30	1.32	4.69%
<b>Subtotal: 2005</b>		<b>13,200,000</b>	<b>12,381,374</b>	<b>818,626</b>	<b>0</b>	<b>16,107,426</b>	<b>264,913</b>	<b>16,372,339</b>	<b>3,990,965</b>	<b>94%</b>	<b>1.30</b>	<b>1.32</b>	<b>4.69%</b>
<b>2006</b>													
1 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,587,491	35,985,499	50,572,990	20,572,990	100%	0.49	1.69	5.76%
<b>Subtotal: 2006</b>		<b>30,000,000</b>	<b>30,000,000</b>	<b>0</b>	<b>0</b>	<b>14,587,491</b>	<b>35,985,499</b>	<b>50,572,990</b>	<b>20,572,990</b>	<b>100%</b>	<b>0.49</b>	<b>1.69</b>	<b>5.76%</b>
<b>2007</b>													
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	-20.25%
2 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,575,062	7,447,189	-1,012,719	94%	0.34	0.88	-1.97%
<b>Subtotal: 2007</b>		<b>33,890,208</b>	<b>33,360,116</b>	<b>530,092</b>	<b>0</b>	<b>2,872,127</b>	<b>9,038,612</b>	<b>11,910,739</b>	<b>-21,449,377</b>	<b>98%</b>	<b>0.09</b>	<b>0.36</b>	<b>-13.64%</b>
<b>2008</b>													
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	-7.42%
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	4.76%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	9,768,984	15,720,984	-279,016	100%	0.37	0.98	-0.32%
<b>Subtotal: 2008</b>		<b>35,931,277</b>	<b>35,931,277</b>	<b>0</b>	<b>0</b>	<b>5,952,000</b>	<b>23,811,813</b>	<b>29,763,813</b>	<b>-6,167,464</b>	<b>100%</b>	<b>0.17</b>	<b>0.83</b>	<b>-2.81%</b>
<b>2010</b>													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	18,308,895	12,221,741	30,530,636	12,393,843	91%	1.01	1.68	15.54%
<b>Subtotal: 2010</b>		<b>20,000,000</b>	<b>18,136,793</b>	<b>1,863,207</b>	<b>0</b>	<b>18,308,895</b>	<b>12,221,741</b>	<b>30,530,636</b>	<b>12,393,843</b>	<b>91%</b>	<b>1.01</b>	<b>1.68</b>	<b>15.54%</b>
<b>2015</b>													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	14,320,513	14,320,513	2,320,513	100%	0.00	1.19	9.43%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,646,914	12,646,914	612,829	100%	0.00	1.05	5.05%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,263,208	13,263,208	1,263,208	100%	0.00	1.11	8.45%
<b>Subtotal: 2015</b>		<b>36,000,000</b>	<b>36,000,000</b>	<b>0</b>	<b>34,085</b>	<b>0</b>	<b>40,230,635</b>	<b>40,230,635</b>	<b>4,196,550</b>	<b>100%</b>	<b>0.00</b>	<b>1.12</b>	<b>8.14%</b>
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>169,021,485</b>	<b>165,809,560</b>	<b>3,211,925</b>	<b>34,085</b>	<b>57,827,939</b>	<b>121,553,213</b>	<b>179,381,152</b>	<b>13,537,507</b>	<b>98%</b>	<b>0.35</b>	<b>1.08</b>	<b>1.40%</b>

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

3/31/2017

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
<b>501 Timber</b>													
1 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	9,768,984	15,720,984	-279,016	100%	0.37	0.98	-0.32%
<b>Subtotal: 501 Timber</b>		<b>16,000,000</b>	<b>16,000,000</b>	<b>0</b>	<b>0</b>	<b>5,952,000</b>	<b>9,768,984</b>	<b>15,720,984</b>	<b>-279,016</b>	<b>100%</b>	<b>0.37</b>	<b>0.98</b>	<b>-0.32%</b>
<b>610 RE Core</b>													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	14,320,513	14,320,513	2,320,513	100%	0.00	1.19	9.43%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,646,914	12,646,914	612,829	100%	0.00	1.05	5.05%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,263,208	13,263,208	1,263,208	100%	0.00	1.11	8.45%
<b>Subtotal: 610 RE Core</b>		<b>36,000,000</b>	<b>36,000,000</b>	<b>0</b>	<b>34,085</b>	<b>0</b>	<b>40,230,635</b>	<b>40,230,635</b>	<b>4,196,550</b>	<b>100%</b>	<b>0.00</b>	<b>1.12</b>	<b>8.14%</b>
<b>615 RE Value Add</b>													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	264,913	16,372,339	3,990,965	94%	1.30	1.32	4.69%
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,587,491	35,985,499	50,572,990	20,572,990	100%	0.49	1.69	5.76%
<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>30,694,917</b>	<b>36,250,412</b>	<b>66,945,329</b>	<b>24,563,955</b>	<b>98%</b>	<b>0.72</b>	<b>1.58</b>	<b>5.55%</b>
<b>630 RE Opportunistic</b>													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	18,308,895	12,221,741	30,530,636	12,393,843	91%	1.01	1.68	15.54%
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	-7.42%
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	-20.25%
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	4.76%
6 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,575,062	7,447,189	-1,012,719	94%	0.34	0.88	-1.97%
<b>Subtotal: 630 RE Opportunistic</b>		<b>73,821,485</b>	<b>71,428,186</b>	<b>2,393,299</b>	<b>0</b>	<b>21,181,022</b>	<b>35,303,182</b>	<b>56,484,204</b>	<b>-14,943,982</b>	<b>97%</b>	<b>0.30</b>	<b>0.79</b>	<b>-3.79%</b>
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>169,021,485</b>	<b>165,809,560</b>	<b>3,211,925</b>	<b>34,085</b>	<b>57,827,939</b>	<b>121,553,213</b>	<b>179,381,152</b>	<b>13,537,507</b>	<b>98%</b>	<b>0.35</b>	<b>1.08</b>	<b>1.40%</b>

**Firefighters' Retirement System of Louisiana**

**Transaction Summary**

1/1/2017 - 3/31/2017

	<b>Date</b>	<b>Paid in Capital</b>	<b>Additional Fees</b>	<b>Distributions</b>	<b>Net Cash Flow</b>
<b>Firefighters' Retirement System of Louisiana</b>					
AEW Partners VI					
	01/30/2017			353,774.00	-353,774.00
Total: AEW Partners VI				<b>353,774.00</b>	<b>-353,774.00</b>
Americus Real Estate Fund II, Ltd.					
	02/21/2017			297,000.00	-297,000.00
Total: Americus Real Estate Fund II, Ltd.				<b>297,000.00</b>	<b>-297,000.00</b>
Sentinel Real Estate Fund					
	01/13/2017			435,945.52	-435,945.52
Total: Sentinel Real Estate Fund				<b>435,945.52</b>	<b>-435,945.52</b>
<b>Total:</b>				<b>1,086,719.52</b>	<b>-1,086,719.52</b>