



NEPC, LLC

YOU DEMAND MORE. So do we.<sup>SM</sup>

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

### **Second Quarter, 2014 Real Estate Review**

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November, 2014

Firefighters’ Retirement System of Louisiana

**RE:** Real Estate Strategy – 2<sup>nd</sup> Quarter 2014

Dear Members,

We are pleased to present the June 30, 2014 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.

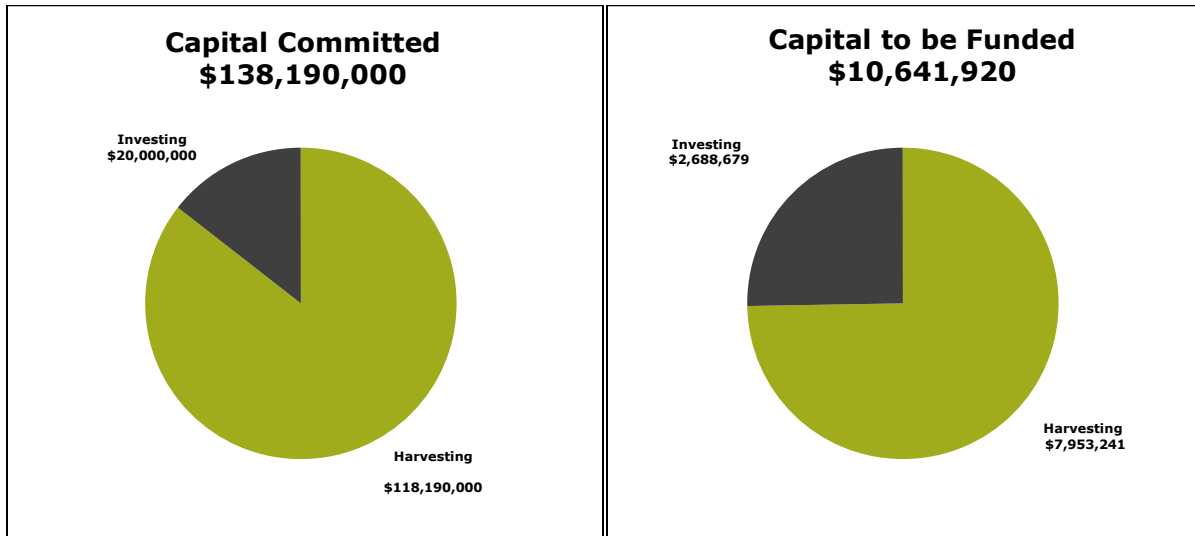
The Real Estate portfolio of Firefighters’ Retirement System of Louisiana experienced a positive quarter, having a nominal IRR of 1.13%. The IRR since inception is (0.43%). The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 0.98.

The following table presents the status of the Real Estate portfolio as of June 30, 2014:

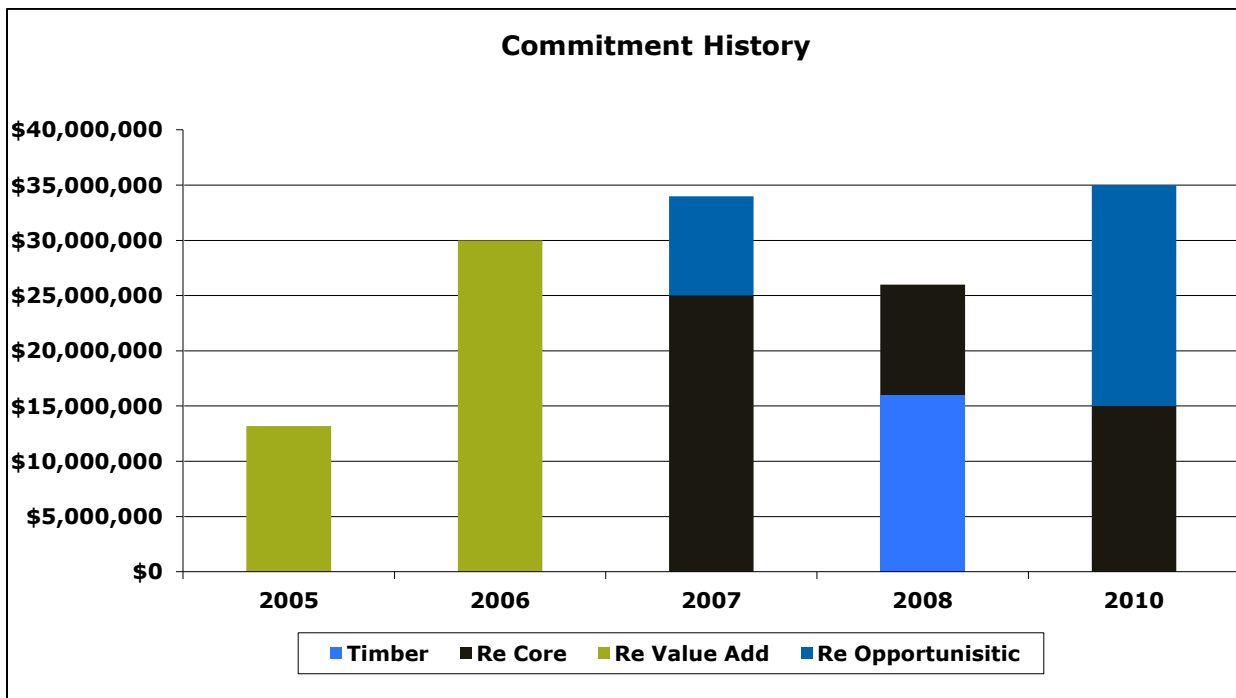
<b>Commitments</b>	<b>Terminated Commitments</b>	<b>Amount Funded</b>	<b>Amount Distributed</b>	<b>Reported Value</b>	<b>Call Ratio</b>	<b>Distribution Ratio</b>
\$138,190,000	\$0	\$127,548,080	\$29,622,090	\$95,170,238	92.30%	23.22%
<b>Unfunded Commitments</b>	<b>Market Exposure (Reported Value + Unfunded Commitments)</b>		<b>Total Fund Composite as of 6/30/2014</b>	<b>Alternative Assets Target</b>	<b>Reported Value as a % of Total Fund</b>	<b>Market Exposure as a % Total Fund</b>
\$10,641,920	\$105,812,158		\$1,383,706,358	8%*	6.88%	7.6%
<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>	
\$124,792,328			0.98		-0.43%	



As of June 30, 2014, the Firefighters' Retirement System of Louisiana had commitments totaling \$138.19 million to 8 real estate funds. Of the 8 funds in the real estate portfolio, 1 is in the investing stage and 7 are in the harvesting stage. The following charts illustrate the program's current life cycle:

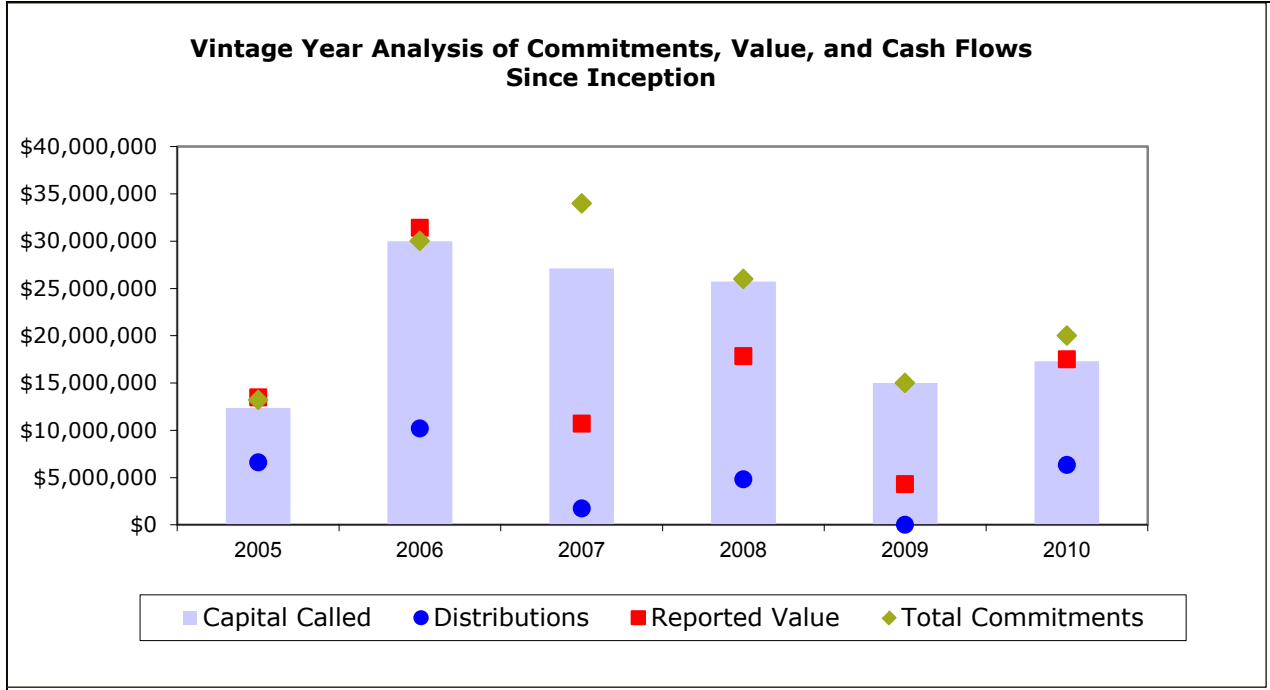


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





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

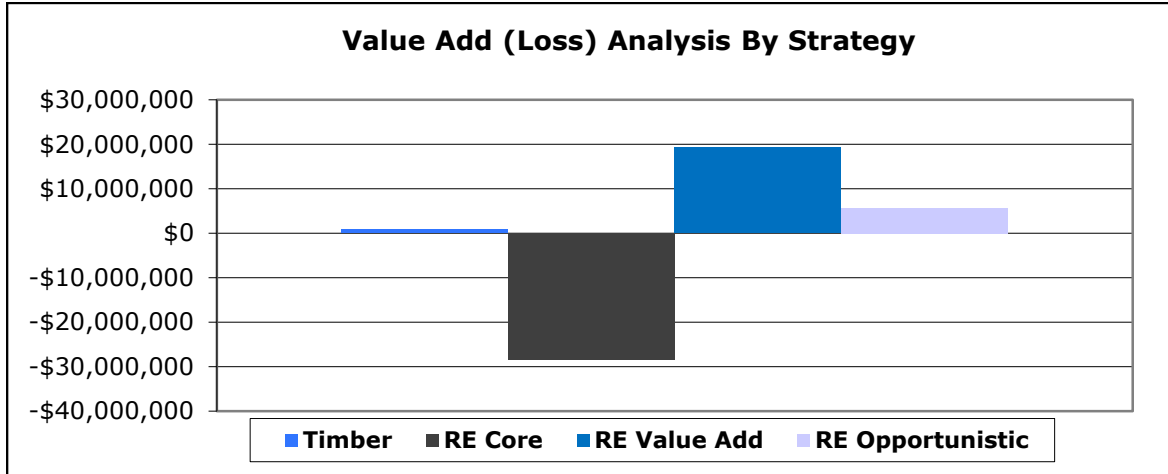


During the quarter-ended June 30, 2014, 0 funds in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 2 funds made a distribution. The summary of the cash flow follows:

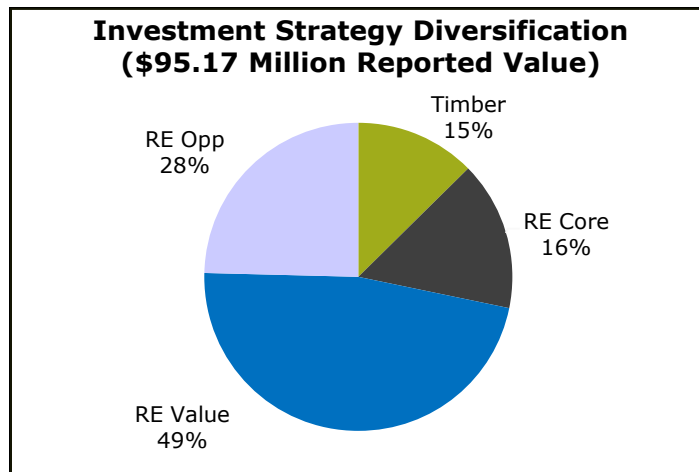
<b>Calls &amp; Expenses Funded for the Quarter</b>	<b>Number of Funds Calling Capital &amp; Expenses</b>	<b>Distributions for the Quarter</b>	<b>Number of Funds Making Distributions</b>	<b>Net Cash/Stock Flows for the Quarter</b>
\$0	0	\$413,551	2	\$413,551



Since inception the Real Estate program has lost (\$2.76) million in value for the Firefighters' Retirement System of Louisiana. Timber added \$0.80 million, RE Value added \$19.28 million and RE Opportunistic added \$5.70 million. RE Core has lost (\$28.54) million.



As of June 30, 2014, the 8 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  
Senior Consultant

**Firefighters' Retirement System of Louisiana  
Executive Summary IRR Performance Report**

6/30/2014

Investment	Vintage Year	Commitment	Qtr TD	YTD	1 Year	3 Year	5 Year	Inception
AEW Partners VI	2010	20,000,000	5.94	8.87	19.24	18.47	N/A	14.11
Americus Real Estate Fund II, Ltd.	2005	13,200,000	-5.18	-3.39	0.53	29.78	16.32	9.10
Gainesville Vision, LLC	2008	10,000,000	0.00	0.00	-11.93	-5.30	-9.82	-9.24
JP Morgan India Property Fund	2007	8,990,000	1.73	6.72	-5.86	-2.92	2.63	-2.25
Land Baron Historical	2007	25,000,000	0.20	0.20	0.20	-25.27	-20.45	-18.98
NLTP Loan	2009	15,000,000	0.00	0.00	0.00	-41.38	N/A	-22.47
Sentinel Real Estate Fund	2006	30,000,000	2.59	5.67	14.50	23.89	14.21	4.62
Timbervest Crossover Partners II, L.P.	2008	16,000,000	-0.72	-0.05	-2.83	1.87	1.66	1.32
<b>Total: Firefighters' Retirement System of Louisiana</b>		<b>138,190,000</b>	<b>1.13</b>	<b>3.30</b>	<b>6.05</b>	<b>2.16</b>	<b>1.88</b>	<b>-0.43</b>

Composite IRRS include all flows of the selected investments regardless of the start date of the investment.  
"N/A" will be displayed if the investment has insufficient cash flows for the period

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

6/30/2014

Partnership Name	Vintage Year	Commitment	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 Partners VI	2010	20,000,000	17,311,321	2,688,679	0	6,322,626	17,504,799	23,827,425	6,516,104	87 %	0.37	1.38	14.11 %
2 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,608,124	13,458,599	20,066,723	7,685,349	94 %	0.53	1.62	9.10 %
3 Gainesville Vision, LLC	2008	10,000,000	9,746,765	253,235	0	0	5,830,221	5,830,221	-3,916,544	97 %	0.00	0.60	-9.24 %
4 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,628,632	5,907,839	7,536,471	-813,207	93 %	0.20	0.90	-2.25 %
5 Land Baron Historical	2007	25,000,000	18,758,943	6,241,057	0	82,396	4,764,705	4,847,101	-13,911,842	75 %	0.00	0.26	-18.98 %
6 NLTP Loan	2009	15,000,000	15,000,000	0	0	0	4,290,000	4,290,000	-10,710,000	100 %	0.00	0.29	-22.47 %
7 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	10,180,312	31,414,968	41,595,280	11,595,280	100 %	0.34	1.39	4.62 %
8 Timbervest Crossover Partners II, L.F	2008	16,000,000	16,000,000	0	0	4,800,000	11,999,107	16,799,107	799,107	100 %	0.30	1.05	1.32 %
8 Total Partnerships		<b>138,190,000</b>	<b>127,548,080</b>	<b>10,641,920</b>	<b>0</b>	<b>29,622,090</b>	<b>95,170,238</b>	<b>124,792,328</b>	<b>-2,755,752</b>	<b>92 %</b>	<b>0.23</b>	<b>0.98</b>	<b>-0.43 %</b>

\*\*\* Indicates Estimated Valuation for the fund



**Firefighters' Retirement System of Louisiana  
Lifecycle Performance Analysis**

6/30/2014

Partnership Name	Vintage Year	Commitment	Paid In Capital	Capital To Be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
<b>2 Investing</b>													
1 AEW Partners VI	2010	20,000,000	17,311,321	2,688,679	0	6,322,626	17,504,799	23,827,425	6,516,104	87 %	0.37	1.38	14.11 %
<b>2 Investing Subtotal</b>		<b>20,000,000</b>	<b>17,311,321</b>	<b>2,688,679</b>	<b>0</b>	<b>6,322,626</b>	<b>17,504,799</b>	<b>23,827,425</b>	<b>6,516,104</b>	<b>87 %</b>	<b>0.37</b>	<b>1.38</b>	<b>14.11 %</b>
<b>3 Harvesting</b>													
2 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,608,124	13,458,599	20,066,723	7,685,349	94 %	0.53	1.62	9.10 %
3 Gainesville Vision, LLC	2008	10,000,000	9,746,765	253,235	0	0	5,830,221	5,830,221	-3,916,544	97 %	0.00	0.60	-9.24 %
4 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,628,632	5,907,839	7,536,471	-813,207	93 %	0.20	0.90	-2.25 %
5 Land Baron Historical	2007	25,000,000	18,758,943	6,241,057	0	82,396	4,764,705	4,847,101	-13,911,842	75 %	0.00	0.26	-18.98 %
6 NLTP Loan	2009	15,000,000	15,000,000	0	0	0	4,290,000	4,290,000	-10,710,000	100 %	0.00	0.29	-22.47 %
7 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	10,180,312	31,414,968	41,595,280	11,595,280	100 %	0.34	1.39	4.62 %
8 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	4,800,000	11,999,107	16,799,107	799,107	100 %	0.30	1.05	1.32 %
<b>3 Harvesting Subtotal</b>		<b>118,190,000</b>	<b>110,236,759</b>	<b>7,953,241</b>	<b>0</b>	<b>23,299,464</b>	<b>77,665,439</b>	<b>100,964,903</b>	<b>-9,271,856</b>	<b>93 %</b>	<b>0.21</b>	<b>0.92</b>	<b>-1.59 %</b>
<b>8 Total Partnerships</b>		<b>138,190,000</b>	<b>127,548,080</b>	<b>10,641,920</b>	<b>0</b>	<b>29,622,090</b>	<b>95,170,238</b>	<b>124,792,328</b>	<b>-2,755,752</b>	<b>92 %</b>	<b>0.23</b>	<b>0.98</b>	<b>-0.43 %</b>

**Firefighters' Retirement System of Louisiana**  
**Vintage Year Performance Analysis**

6/30/2014

Partnership Name	Vintage Year	Commitment	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	6,608,124	13,458,599	20,066,723	7,685,349	94 %	0.53	1.62	9.10 %
<b>2005 Subtotal</b>		<b>13,200,000</b>	<b>12,381,374</b>	<b>818,626</b>	<b>0</b>	<b>6,608,124</b>	<b>13,458,599</b>	<b>20,066,723</b>	<b>7,685,349</b>	<b>94 %</b>	<b>0.53</b>	<b>1.62</b>	<b>9.10 %</b>
<b>2006</b>													
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	10,180,312	31,414,968	41,595,280	11,595,280	100 %	0.34	1.39	4.62 %
<b>2006 Subtotal</b>		<b>30,000,000</b>	<b>30,000,000</b>	<b>0</b>	<b>0</b>	<b>10,180,312</b>	<b>31,414,968</b>	<b>41,595,280</b>	<b>11,595,280</b>	<b>100 %</b>	<b>0.34</b>	<b>1.39</b>	<b>4.62 %</b>
<b>2007</b>													
3 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,628,632	5,907,839	7,536,471	-813,207	93 %	0.20	0.90	-2.25 %
4 Land Baron Historical	2007	25,000,000	18,758,943	6,241,057	0	82,396	4,764,705	4,847,101	-13,911,842	75 %	0.00	0.26	-18.98 %
<b>2007 Subtotal</b>		<b>33,990,000</b>	<b>27,108,620</b>	<b>6,881,380</b>	<b>0</b>	<b>1,711,028</b>	<b>10,672,544</b>	<b>12,383,572</b>	<b>-14,725,048</b>	<b>80 %</b>	<b>0.06</b>	<b>0.46</b>	<b>-12.82 %</b>
<b>2008</b>													
5 Gainesville Vision, LLC	2008	10,000,000	9,746,765	253,235	0	0	5,830,221	5,830,221	-3,916,544	97 %	0.00	0.60	-9.24 %
6 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	4,800,000	11,999,107	16,799,107	799,107	100 %	0.30	1.05	1.32 %
<b>2008 Subtotal</b>		<b>26,000,000</b>	<b>25,746,765</b>	<b>253,235</b>	<b>0</b>	<b>4,800,000</b>	<b>17,829,328</b>	<b>22,629,328</b>	<b>-3,117,437</b>	<b>99 %</b>	<b>0.19</b>	<b>0.88</b>	<b>-3.00 %</b>
<b>2009</b>													
7 NLTP Loan	2009	15,000,000	15,000,000	0	0	0	4,290,000	4,290,000	-10,710,000	100 %	0.00	0.29	-22.47 %
<b>2009 Subtotal</b>		<b>15,000,000</b>	<b>15,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,290,000</b>	<b>4,290,000</b>	<b>-10,710,000</b>	<b>100 %</b>	<b>0.00</b>	<b>0.29</b>	<b>-22.47 %</b>
<b>2010</b>													
8 AEW Partners VI	2010	20,000,000	17,311,321	2,688,679	0	6,322,626	17,504,799	23,827,425	6,516,104	87 %	0.37	1.38	14.11 %
<b>2010 Subtotal</b>		<b>20,000,000</b>	<b>17,311,321</b>	<b>2,688,679</b>	<b>0</b>	<b>6,322,626</b>	<b>17,504,799</b>	<b>23,827,425</b>	<b>6,516,104</b>	<b>87 %</b>	<b>0.37</b>	<b>1.38</b>	<b>14.11 %</b>
<b>8 Total Partnerships</b>		<b>138,190,000</b>	<b>127,548,080</b>	<b>10,641,920</b>	<b>0</b>	<b>29,622,090</b>	<b>95,170,238</b>	<b>124,792,328</b>	<b>-2,755,752</b>	<b>92 %</b>	<b>0.23</b>	<b>0.98</b>	<b>-0.43 %</b>

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

6/30/2014

Partnership Name	Vintage Year	Commitment	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	4,800,000	11,999,107	16,799,107	799,107	100 %	0.30	1.05	1.32 %
<b>501 Timber Subtotal</b>		<b>16,000,000</b>	<b>16,000,000</b>	<b>0</b>	<b>0</b>	<b>4,800,000</b>	<b>11,999,107</b>	<b>16,799,107</b>	<b>799,107</b>	<b>100 %</b>	<b>0.30</b>	<b>1.05</b>	<b>1.32 %</b>
<b>610 RE Core</b>													
1 Gainesville Vision, LLC	2008	10,000,000	9,746,765	253,235	0	0	5,830,221	5,830,221	-3,916,544	97 %	0.00	0.60	-9.24 %
2 Land Baron Historical	2007	25,000,000	18,758,943	6,241,057	0	82,396	4,764,705	4,847,101	-13,911,842	75 %	0.00	0.26	-18.98 %
3 NLTP Loan	2009	15,000,000	15,000,000	0	0	0	4,290,000	4,290,000	-10,710,000	100 %	0.00	0.29	-22.47 %
<b>610 RE Core Subtotal</b>		<b>50,000,000</b>	<b>43,505,708</b>	<b>6,494,292</b>	<b>0</b>	<b>82,396</b>	<b>14,884,926</b>	<b>14,967,322</b>	<b>-28,538,386</b>	<b>87 %</b>	<b>0.00</b>	<b>0.34</b>	<b>-17.33 %</b>
<b>615 RE Value Add</b>													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,608,124	13,458,599	20,066,723	7,685,349	94 %	0.53	1.62	9.10 %
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	10,180,312	31,414,968	41,595,280	11,595,280	100 %	0.34	1.39	4.62 %
<b>615 RE Value Add Subtotal</b>		<b>43,200,000</b>	<b>42,381,374</b>	<b>818,626</b>	<b>0</b>	<b>16,788,436</b>	<b>44,873,567</b>	<b>61,662,003</b>	<b>19,280,629</b>	<b>98 %</b>	<b>0.40</b>	<b>1.45</b>	<b>5.73 %</b>
<b>630 RE Opportunistic</b>													
1 AEW Partners VI	2010	20,000,000	17,311,321	2,688,679	0	6,322,626	17,504,799	23,827,425	6,516,104	87 %	0.37	1.38	14.11 %
2 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,628,632	5,907,839	7,536,471	-813,207	93 %	0.20	0.90	-2.25 %
<b>630 RE Opportunistic Subtotal</b>		<b>28,990,000</b>	<b>25,660,998</b>	<b>3,329,002</b>	<b>0</b>	<b>7,951,258</b>	<b>23,412,638</b>	<b>31,363,896</b>	<b>5,702,897</b>	<b>89 %</b>	<b>0.31</b>	<b>1.22</b>	<b>6.61 %</b>
<b>8 Total Partnerships</b>		<b>138,190,000</b>	<b>127,548,080</b>	<b>10,641,920</b>	<b>0</b>	<b>29,622,090</b>	<b>95,170,238</b>	<b>124,792,328</b>	<b>-2,755,752</b>	<b>92 %</b>	<b>0.23</b>	<b>0.98</b>	<b>-0.43 %</b>

**Firefighters' Retirement System of Louisiana**  
**Transaction Summary**

4/1/2014 - 6/30/2014

Date	Funding	Additional Fees	Cash	Stock	Net Cash Flow
<b>Americus Real Estate Fund II, Ltd.</b>					
4/16/2014			23,760.00		-23,760.00
5/14/2014			23,760.00		-47,520.00
6/16/2014			23,760.00		-71,280.00
<b>Total: Americus Real Estate Fund II, Ltd.</b>			<b>71,280.00</b>		<b>-71,280.00</b>
<b>Sentinel Real Estate Fund</b>					
4/10/2014			342,270.88		-342,270.88
<b>Total: Sentinel Real Estate Fund</b>			<b>342,270.88</b>		<b>-342,270.88</b>
<b>Total: Firefighters' Retirement System of Louisiana</b>			<b>413,550.88</b>		<b>-413,550.88</b>
<b>Total:</b>			<b>413,550.88</b>		<b>-413,550.88</b>