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Firefighters' Retirement System of Louisiana

Third Quarter, 2014 Real Estate Review

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February, 2015

Firefighters' Retirement System of Louisiana

RE: Real Estate Strategy – 3rd Quarter 2014

Dear Members,

We are pleased to present the September 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 2.20%. The IRR since inception is (0.11%). The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 0.99.

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

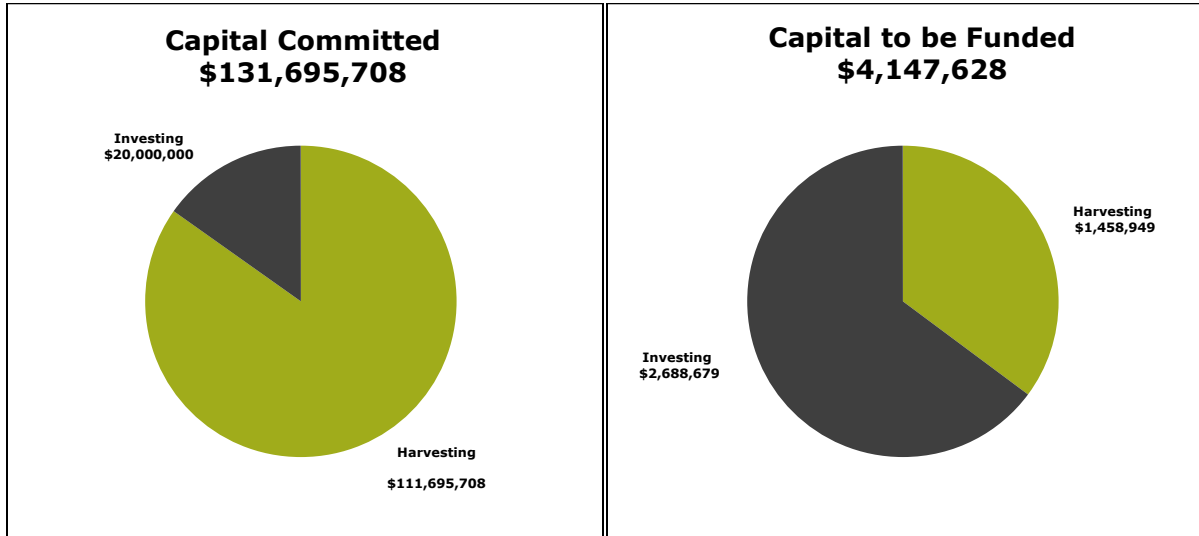
Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$131,695,708	\$0	\$127,548,080	\$35,152,360	\$91,670,565	96.85%	27.56%

Unfunded Commitments	Market Exposure (Reported Value + Unfunded Commitments)	Total Fund Composite as of 9/30/2014	Alternative Assets Target	Reported Value as a % of Total Fund	Market Exposure as a % of Total Fund
\$4,147,628	\$95,818,193	\$1,349,553,686	8%*	6.79%	7.1%

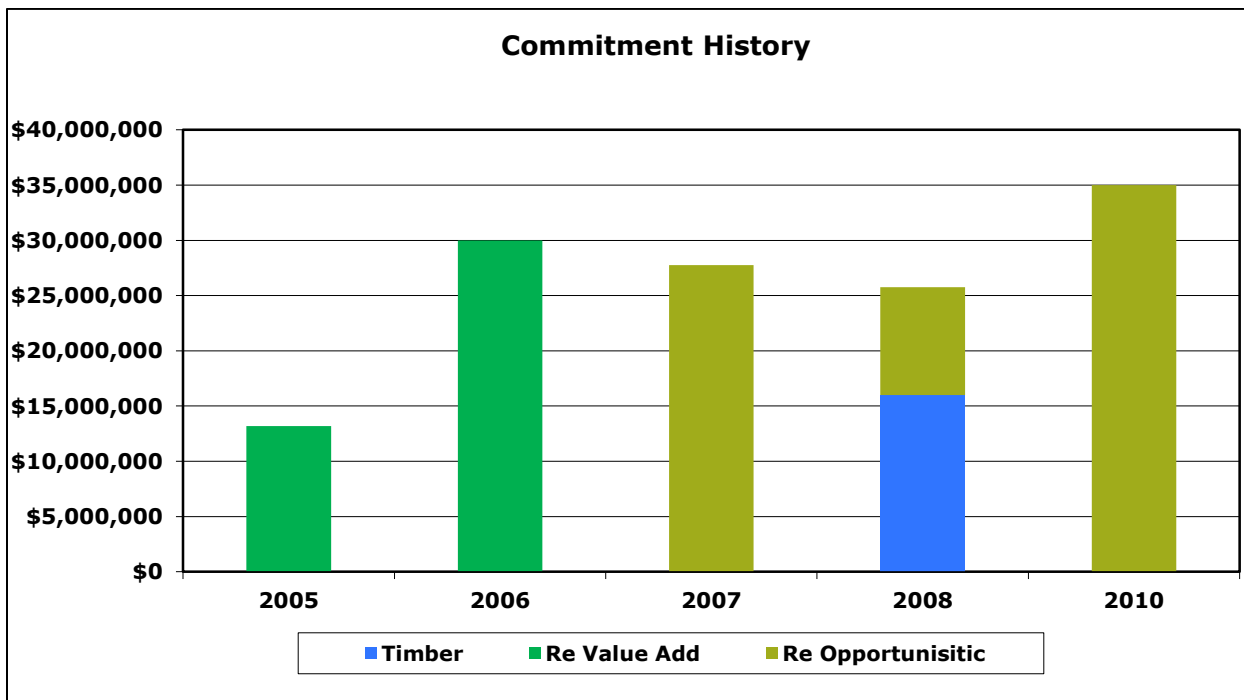
Total Value (Reported Value + Distributions)	Total Value To Paid In Capital	Internal Rate of Return IRR, Since Inception (December 2005)
\$126,822,925	0.99	-0.11%



As of September 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:

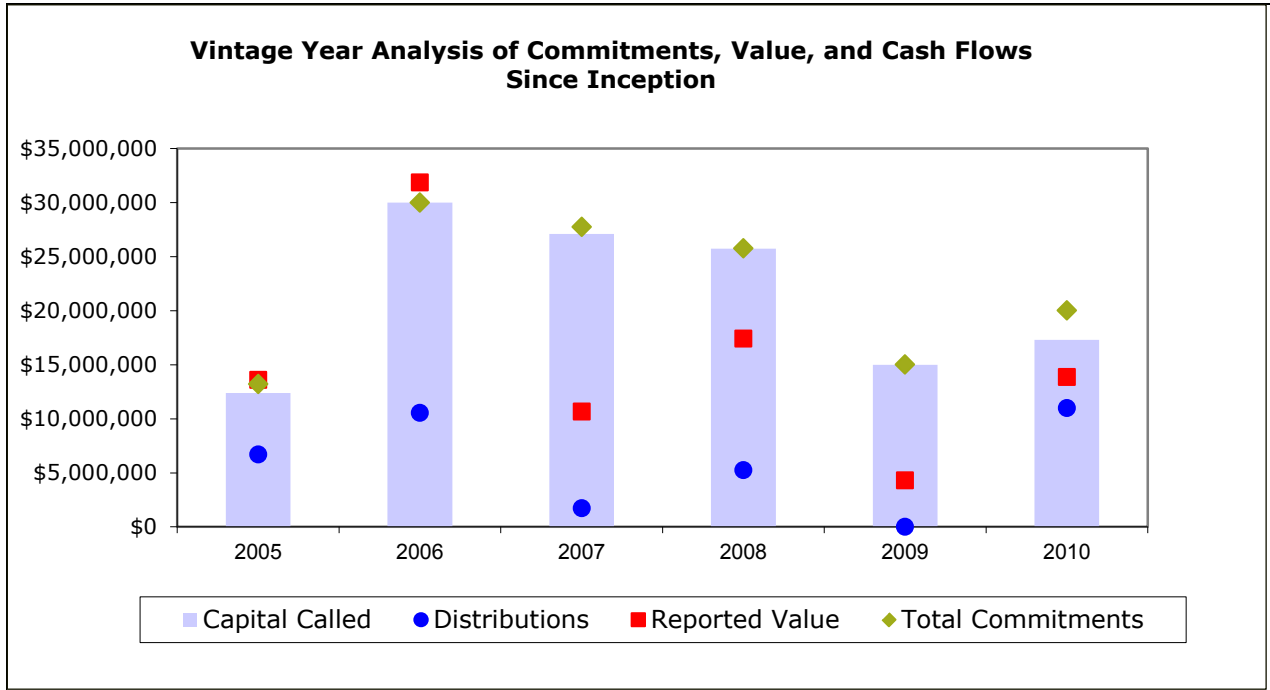


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





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

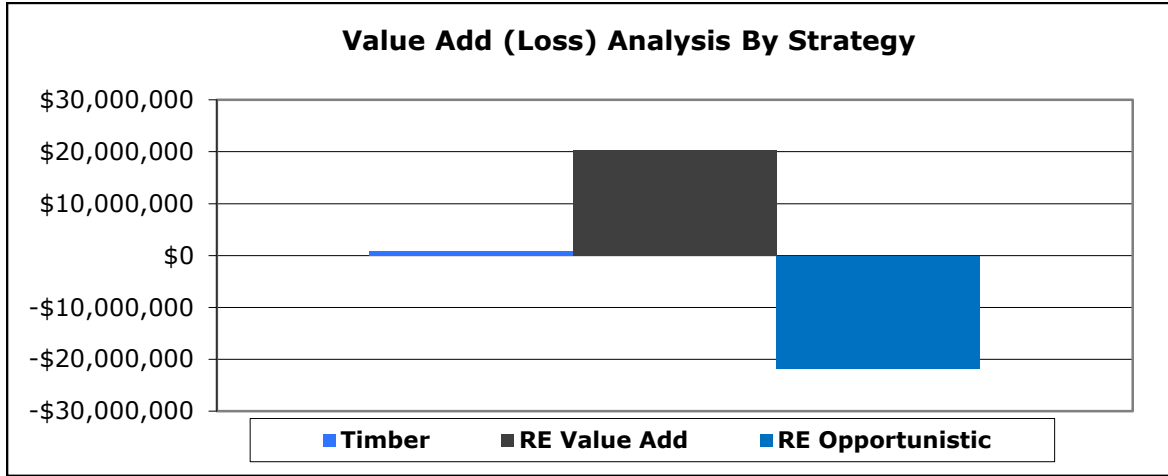


During the quarter-ended September 30, 2014, 0 funds in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 4 funds made a distribution. The summary of the cash flow follows:

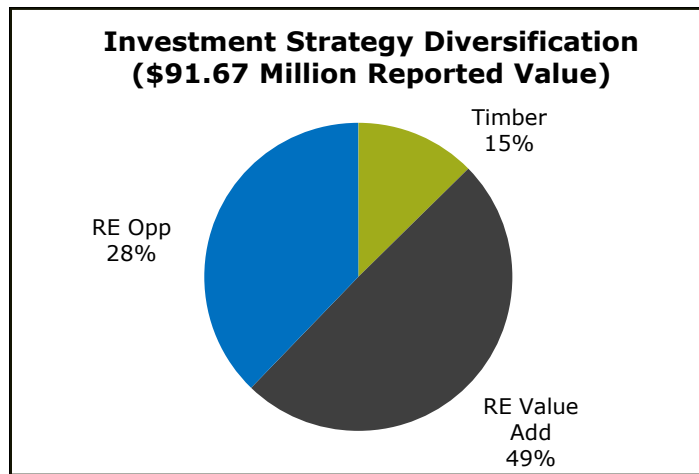
Calls & Expenses Funded for the Quarter	Number of Funds Calling Capital & Expenses	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$0	0	\$5,530,270	4	\$5,530,270



Since inception the Real Estate program has lost (\$0.73) million in value for the Firefighters' Retirement System of Louisiana. Timber added \$0.83 million and RE Value added \$20.29 million. RE Opportunistic has lost (\$21.84) million.



As of September 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**

9/30/2014

Investment	Vintage Year	Commitment	Qtr TD	YTD	1 Year	3 Year	5 Year	Inception
AEW Partners VI	2010	20,000,000	6.75	15.93	24.77	18.75	N/A	14.96
Americus Real Estate Fund II, Ltd.	2005	13,200,000	1.58	-1.89	0.06	30.88	16.84	9.03
Gainesville Vision, LLC	2008	9,746,765	0.00	0.00	-11.91	-5.28	-9.78	-8.84
JP Morgan India Property Fund	2007	8,990,000	-0.26	6.52	4.00	-2.54	3.02	-2.20
Land Baron Historical	2007	18,758,943	0.00	0.20	0.20	-25.25	-20.42	-18.34
NLTP Loan	2009	15,000,000	0.00	0.00	0.00	-41.38	-27.20	-21.50
Sentinel Real Estate Fund	2006	30,000,000	2.55	8.37	12.79	20.95	17.60	4.76
Timbervest Crossover Partners II, L.P.	2008	16,000,000	0.24	0.19	-0.92	1.18	1.62	1.30
Total: Firefighters' Retirement System of Louisiana		131,695,708	2.20	5.56	7.36	1.92	1.41	-0.11

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**

9/30/2014

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	10,986,195	13,851,885	24,838,080	7,526,759	87 %	0.63	1.43	14.96 %
2 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,679,404	13,598,888	20,278,292	7,896,918	94 %	0.54	1.64	9.03 %
3 Gainesville Vision, LLC	2008	9,746,765	9,746,765	0	0	0	5,830,221	5,830,221	-3,916,544	100 %	0.00	0.60	-8.84 %
4 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,628,632	5,892,573	7,521,205	-828,472	93 %	0.20	0.90	-2.20 %
5 Land Baron Historical	2007	18,758,943	18,758,943	0	0	82,396	4,764,705	4,847,101	-13,911,842	100 %	0.00	0.26	-18.34 %
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	-21.50 %
7 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	10,527,733	31,862,364	42,390,097	12,390,097	100 %	0.35	1.41	4.76 %
8 Timbervest Crossover Partners II, L.F	2008	16,000,000	16,000,000	0	0	5,248,000	11,579,929	16,827,929	827,929	100 %	0.33	1.05	1.30 %
8 Total Partnerships		131,695,708	127,548,080	4,147,628	0	35,152,360	91,670,565	126,822,925	-725,155	97 %	0.28	0.99	-0.11 %

*** Indicates Estimated Valuation for the fund

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

9/30/2014

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
2 Investing													
1 AEW Partners VI	2010	20,000,000	17,311,321	2,688,679	0	10,986,195	13,851,885	24,838,080	7,526,759	87 %	0.63	1.43	14.96 %
2 Investing Subtotal		20,000,000	17,311,321	2,688,679	0	10,986,195	13,851,885	24,838,080	7,526,759	87 %	0.63	1.43	14.96 %
3 Harvesting													
2 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,679,404	13,598,888	20,278,292	7,896,918	94 %	0.54	1.64	9.03 %
3 Gainesville Vision, LLC	2008	9,746,765	9,746,765	0	0	0	5,830,221	5,830,221	-3,916,544	100 %	0.00	0.60	-8.84 %
4 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,628,632	5,892,573	7,521,205	-828,472	93 %	0.20	0.90	-2.20 %
5 Land Baron Historical	2007	18,758,943	18,758,943	0	0	82,396	4,764,705	4,847,101	-13,911,842	100 %	0.00	0.26	-18.34 %
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	-21.50 %
7 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	10,527,733	31,862,364	42,390,097	12,390,097	100 %	0.35	1.41	4.76 %
8 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,248,000	11,579,929	16,827,929	827,929	100 %	0.33	1.05	1.30 %
3 Harvesting Subtotal		111,695,708	110,236,759	1,458,949	0	24,166,165	77,818,680	101,984,845	-8,251,914	99 %	0.22	0.93	-1.36 %
8 Total Partnerships		131,695,708	127,548,080	4,147,628	0	35,152,360	91,670,565	126,822,925	-725,155	97 %	0.28	0.99	-0.11 %

Firefighters' Retirement System of Louisiana
Vintage Year Performance Analysis

9/30/2014

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
2005													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,679,404	13,598,888	20,278,292	7,896,918	94 %	0.54	1.64	9.03 %
2005 Subtotal		13,200,000	12,381,374	818,626	0	6,679,404	13,598,888	20,278,292	7,896,918	94 %	0.54	1.64	9.03 %
2006													
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	10,527,733	31,862,364	42,390,097	12,390,097	100 %	0.35	1.41	4.76 %
2006 Subtotal		30,000,000	30,000,000	0	0	10,527,733	31,862,364	42,390,097	12,390,097	100 %	0.35	1.41	4.76 %
2007													
3 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,628,632	5,892,573	7,521,205	-828,472	93 %	0.20	0.90	-2.20 %
4 Land Baron Historical	2007	18,758,943	18,758,943	0	0	82,396	4,764,705	4,847,101	-13,911,842	100 %	0.00	0.26	-18.34 %
2007 Subtotal		27,748,943	27,108,620	640,323	0	1,711,028	10,657,278	12,368,306	-14,740,314	98 %	0.06	0.46	-12.39 %
2008													
5 Gainesville Vision, LLC	2008	9,746,765	9,746,765	0	0	0	5,830,221	5,830,221	-3,916,544	100 %	0.00	0.60	-8.84 %
6 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,248,000	11,579,929	16,827,929	827,929	100 %	0.33	1.05	1.30 %
2008 Subtotal		25,746,765	25,746,765	0	0	5,248,000	17,410,150	22,658,150	-3,088,615	100 %	0.20	0.88	-2.83 %
2009													
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	-21.50 %
2009 Subtotal		15,000,000	15,000,000	0	0	0	4,290,000	4,290,000	-10,710,000	100 %	0.00	0.29	-21.50 %
2010													
8 AEW Partners VI	2010	20,000,000	17,311,321	2,688,679	0	10,986,195	13,851,885	24,838,080	7,526,759	87 %	0.63	1.43	14.96 %
2010 Subtotal		20,000,000	17,311,321	2,688,679	0	10,986,195	13,851,885	24,838,080	7,526,759	87 %	0.63	1.43	14.96 %
8 Total Partnerships		131,695,708	127,548,080	4,147,628	0	35,152,360	91,670,565	126,822,925	-725,155	97 %	0.28	0.99	-0.11 %

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

9/30/2014

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
501 Timber													
1 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,248,000	11,579,929	16,827,929	827,929	100 %	0.33	1.05	1.30 %
501 Timber Subtotal		16,000,000	16,000,000	0	0	5,248,000	11,579,929	16,827,929	827,929	100 %	0.33	1.05	1.30 %
615 RE Value Add													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	6,679,404	13,598,888	20,278,292	7,896,918	94 %	0.54	1.64	9.03 %
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	10,527,733	31,862,364	42,390,097	12,390,097	100 %	0.35	1.41	4.76 %
615 RE Value Add Subtotal		43,200,000	42,381,374	818,626	0	17,207,137	45,461,252	62,668,389	20,287,015	98 %	0.41	1.48	5.82 %
630 RE Opportunistic													
1 AEW Partners VI	2010	20,000,000	17,311,321	2,688,679	0	10,986,195	13,851,885	24,838,080	7,526,759	87 %	0.63	1.43	14.96 %
2 Gainesville Vision, LLC	2008	9,746,765	9,746,765	0	0	0	5,830,221	5,830,221	-3,916,544	100 %	0.00	0.60	-8.84 %
3 JP Morgan India Property Fund	2007	8,990,000	8,349,677	640,323	0	1,628,632	5,892,573	7,521,205	-828,472	93 %	0.20	0.90	-2.20 %
4 Land Baron Historical	2007	18,758,943	18,758,943	0	0	82,396	4,764,705	4,847,101	-13,911,842	100 %	0.00	0.26	-18.34 %
5 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	-21.50 %
630 RE Opportunistic Subtotal		72,495,708	69,166,706	3,329,002	0	12,697,223	34,629,384	47,326,607	-21,840,099	95 %	0.18	0.68	-7.70 %
8 Total Partnerships		131,695,708	127,548,080	4,147,628	0	35,152,360	91,670,565	126,822,925	-725,155	97 %	0.28	0.99	-0.11 %

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

7/1/2014 - 9/30/2014

Date	Funding	Additional Fees	Cash	Stock	Net Cash Flow
AEW Partners VI					
7/31/2014			2,967,061.00		-2,967,061.00
8/12/2014			1,132,077.00		-4,099,138.00
9/30/2014			564,431.00		-4,663,569.00
Total: AEW Partners VI			4,663,569.00		-4,663,569.00
Americus Real Estate Fund II, Ltd.					
7/14/2014			23,760.00		-23,760.00
8/12/2014			23,760.00		-47,520.00
9/15/2014			23,760.00		-71,280.00
Total: Americus Real Estate Fund II, Ltd.			71,280.00		-71,280.00
Sentinel Real Estate Fund					
7/11/2014			347,421.06		-347,421.06
Total: Sentinel Real Estate Fund			347,421.06		-347,421.06
Timbervest Crossover Partners II, L.P.					
9/30/2014			448,000.00		-448,000.00
Total: Timbervest Crossover Partners II, L.P.			448,000.00		-448,000.00
Total: Firefighters' Retirement System of Louisiana			5,530,270.06		-5,530,270.06
Total:			5,530,270.06		-5,530,270.06