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Firefighters' Retirement System of Louisiana

Third Quarter, 2016 Real Estate Review

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Table of Contents	Page
Summary Letter	1
Trailing Period Returns	5
Portfolio Value	6
Portfolio Value by Lifecycle	7
Portfolio Value by Vintage Year	8
Portfolio Value by Strategy	9
Transaction Summary	10

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February, 2017

Firefighters' Retirement System of Louisiana

RE: Real Estate Strategy – 3rd Quarter 2016

Dear Members,

We are pleased to present the September 30, 2016 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 3.92%. The IRR since inception is 1.12%. The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 1.06.

The following table presents the status of the Real Estate portfolio as of September 30, 2016:

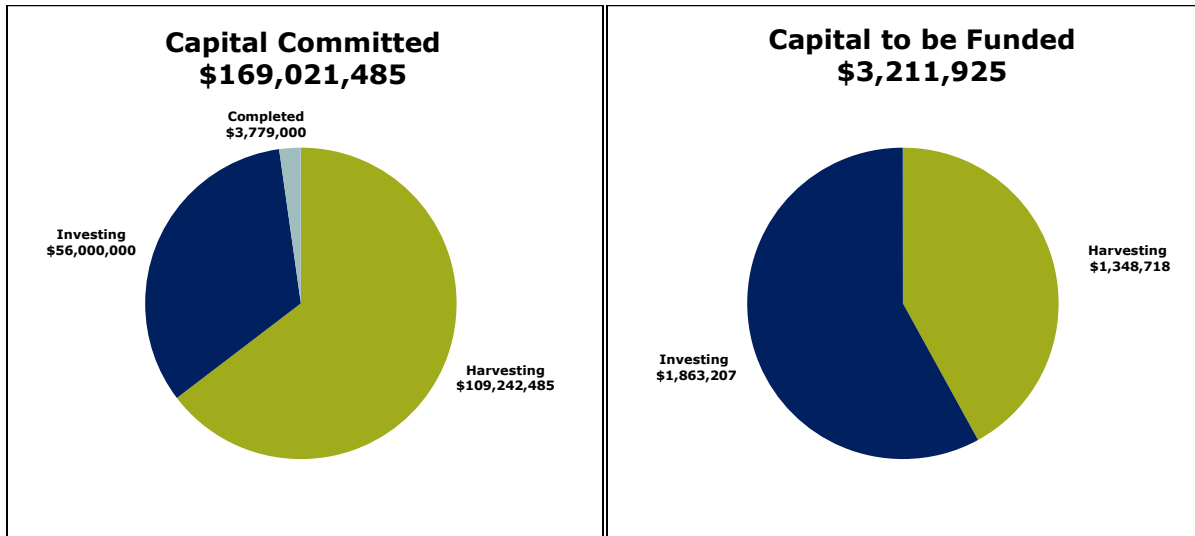
Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$169,021,485	\$0	\$165,809,560	\$54,646,217	\$121,182,856	98.10%	32.96%

Unfunded Commitments	Market Exposure (Reported Value + Unfunded Commitments)	Total Fund Composite as of 9/30/2016	Alternative Assets Target	Reported Value as a % of Total Fund	Market Exposure as a % of Total Fund
\$3,211,925	\$124,394,781	\$1,402,532,437	4%*	8.64%	8.9%

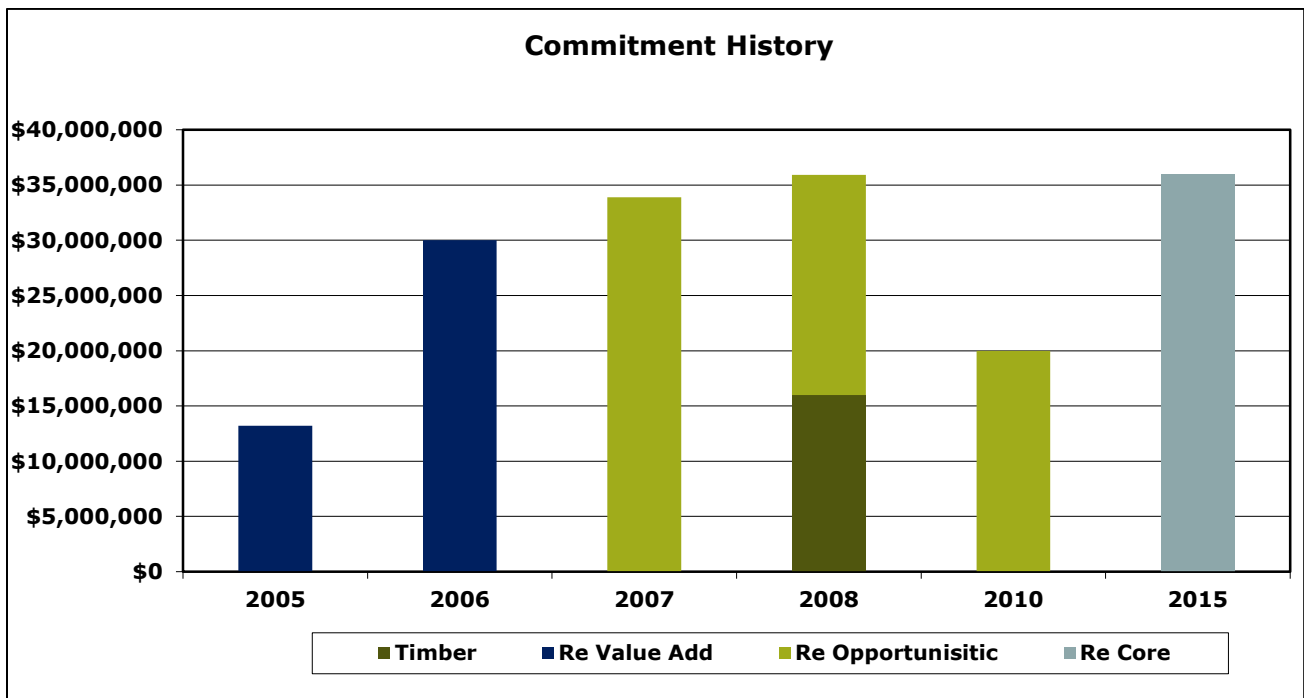
Total Value (Reported Value + Distributions)	Total Value To Paid In Capital	Internal Rate of Return IRR, Since Inception (December 2005)
\$175,829,073	1.06	1.12%



As of September 30, 2016, 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, 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:

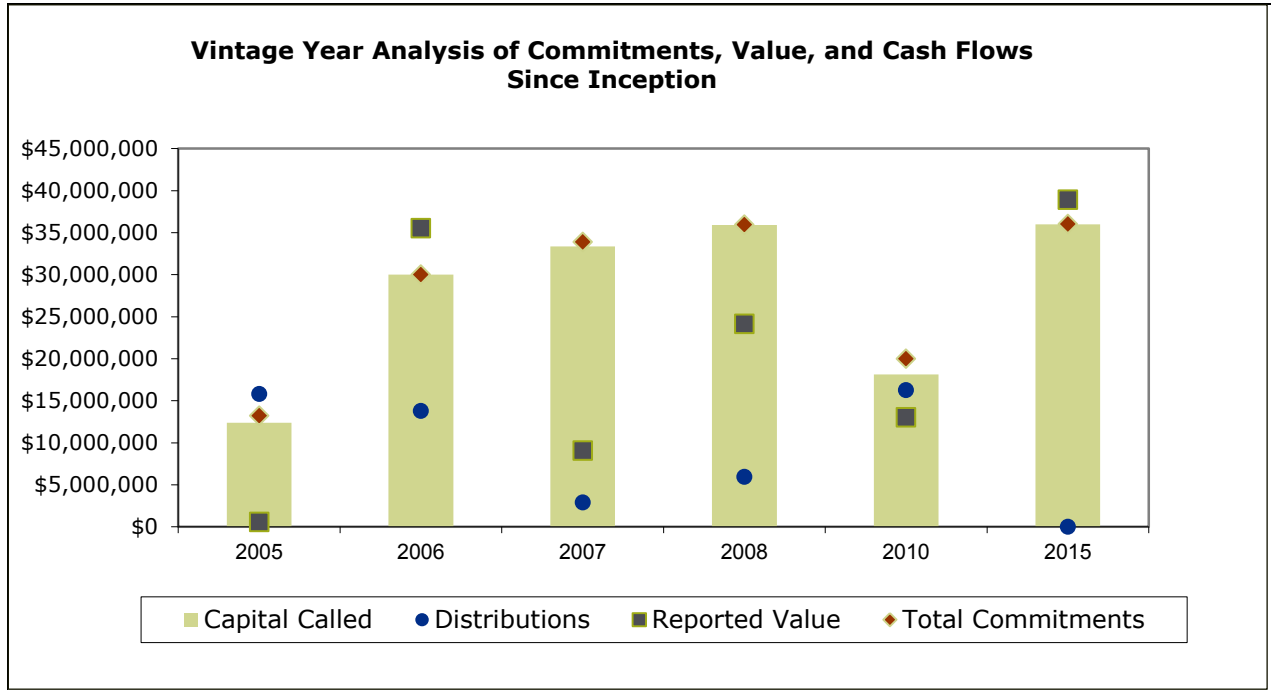


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





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

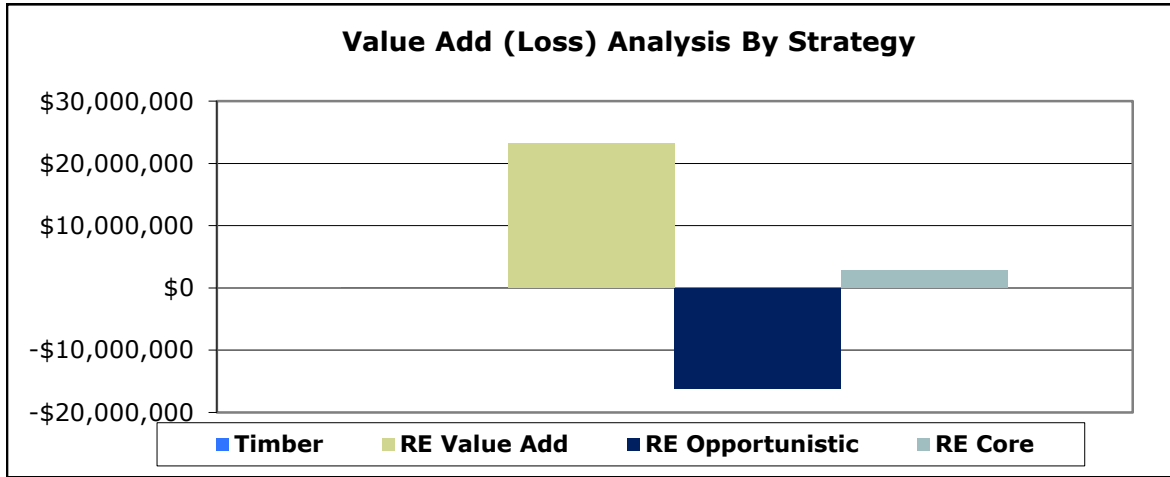


During the quarter-ended September 30, 2016, 2 funds in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 3 funds made a distribution. The summary of the cash flow follows:

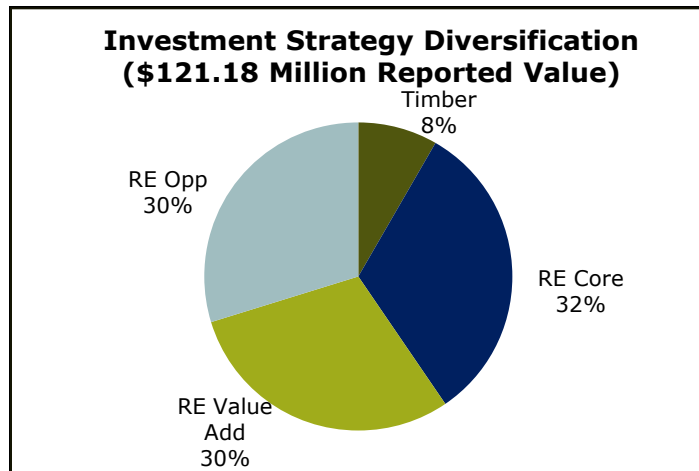
Calls & Expenses Funded for the Quarter	Number of Funds Calling Capital & Expenses	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$2,266,967	2	\$809,263	3	(\$1,457,704)



Since inception the Real Estate program has gained \$9.99 million in value for the Firefighters' Retirement System of Louisiana. Timber added \$0.50 million, RE Core added \$2.89 million, and RE Value added \$23.25 million. RE Opportunistic has lost (\$16.21) million.



As of September 30, 2016, 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

9/30/2016

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
AEW Core Property Trust	2015	12,000,000	1.40	5.50	8.83			10.16
AEW Partners VI	2010	20,000,000	7.07	8.96	20.96	20.10	18.01	15.21
Americus Real Estate Fund II, Ltd.	2005	13,200,000	2.91	-8.12	-69.71	-13.77	12.42	4.70
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	1.48	4.30				4.30
FRS-GA (Georgia)	2008	9,273,354	0.00	0.17	0.17	-4.40	-2.66	-7.86
FRS-LB I (NLTP AZ)	2007	24,900,208	0.00	-0.41	-0.41	1.33	-26.82	-21.54
FRS-LB II (SMT AZ)	2008	3,779,000						
FRS-LB III (ST George UT)	2008	6,878,923	42.80	31.26	31.79	9.96	4.80	5.15
Heitman America Real Estate Trust, L.P.	2015	12,000,000	1.93	5.94				8.05
JP Morgan India Property Fund	2007	8,990,000	2.40	-0.85	-1.15	0.36	-2.21	-2.06
Sentinel Real Estate Fund	2006	30,000,000	1.71	5.55	10.18	11.50	17.13	5.69
Timbervest Crossover Partners II, L.P.	2008	16,000,000	-0.88	-0.47	-5.71	-2.59	-0.57	0.06
Firefighters' Retirement System of Louisiana		169,021,485	3.92	5.73	4.08	5.84	4.29	1.12

Firefighters' Retirement System of Louisiana

Performance Analysis

9/30/2016

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	13,825,609	13,825,609	1,825,609	100%	0.00	1.15	10.16%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	16,249,583	13,013,244	29,262,827	11,126,034	91%	0.90	1.61	15.21%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	15,810,426	558,766	16,369,192	3,987,818	94%	1.28	1.32	4.70%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,384,066	12,384,066	349,981	100%	0.00	1.03	4.30%
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	-7.86%
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	-21.54%
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	5.15%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	12,714,856	12,714,856	714,856	100%	0.00	1.06	8.05%
10 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,579,459	7,451,585	-1,008,323	94%	0.34	0.88	-2.06%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	13,762,081	35,502,913	49,264,994	19,264,994	100%	0.46	1.64	5.69%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	10,097,564	16,049,564	49,564	100%	0.37	1.00	0.06%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	54,646,217	121,182,856	175,829,073	9,985,427	98%	0.33	1.06	1.12%

Firefighters' Retirement System of Louisiana

Lifecycle Performance Analysis

9/30/2016

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	13,825,609	13,825,609	1,825,609	100%	0.00	1.15	10.16%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	16,249,583	13,013,244	29,262,827	11,126,034	91%	0.90	1.61	15.21%
3 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,384,066	12,384,066	349,981	100%	0.00	1.03	4.30%
4 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	12,714,856	12,714,856	714,856	100%	0.00	1.06	8.05%
Subtotal: 2 Investing		56,000,000	54,136,793	1,863,207	34,085	16,249,583	51,937,775	68,187,358	14,016,480	97%	0.30	1.26	13.65%
3 Harvesting													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	15,810,426	558,766	16,369,192	3,987,818	94%	1.28	1.32	4.70%
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	-7.86%
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	-21.54%
4 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	5.15%
5 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,579,459	7,451,585	-1,008,323	94%	0.34	0.88	-2.06%
6 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	13,762,081	35,502,913	49,264,994	19,264,994	100%	0.46	1.64	5.69%
7 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	10,097,564	16,049,564	49,564	100%	0.37	1.00	0.06%
Subtotal: 3 Harvesting		109,242,485	107,893,767	1,348,718	0	38,396,634	69,245,081	107,641,715	-252,053	99%	0.36	1.00	-0.03%
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		169,021,485	165,809,560	3,211,925	34,085	54,646,217	121,182,856	175,829,073	9,985,427	98%	0.33	1.06	1.12%

Firefighters' Retirement System of Louisiana

Vintage Year Performance Analysis

9/30/2016

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	15,810,426	558,766	16,369,192	3,987,818	94%	1.28	1.32	4.70%
Subtotal: 2005		13,200,000	12,381,374	818,626	0	15,810,426	558,766	16,369,192	3,987,818	94%	1.28	1.32	4.70%
2006													
1 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	13,762,081	35,502,913	49,264,994	19,264,994	100%	0.46	1.64	5.69%
Subtotal: 2006		30,000,000	30,000,000	0	0	13,762,081	35,502,913	49,264,994	19,264,994	100%	0.46	1.64	5.69%
2007													
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	-21.54%
2 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,579,459	7,451,585	-1,008,323	94%	0.34	0.88	-2.06%
Subtotal: 2007		33,890,208	33,360,116	530,092	0	2,872,127	9,043,009	11,915,135	-21,444,981	98%	0.09	0.36	-14.41%
2008													
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	-7.86%
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	5.15%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	5,952,000	10,097,564	16,049,564	49,564	100%	0.37	1.00	0.06%
Subtotal: 2008		35,931,277	35,931,277	0	0	5,952,000	24,140,393	30,092,393	-5,838,884	100%	0.17	0.84	-2.82%
2010													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	16,249,583	13,013,244	29,262,827	11,126,034	91%	0.90	1.61	15.21%
Subtotal: 2010		20,000,000	18,136,793	1,863,207	0	16,249,583	13,013,244	29,262,827	11,126,034	91%	0.90	1.61	15.21%
2015													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,825,609	13,825,609	1,825,609	100%	0.00	1.15	10.16%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,384,066	12,384,066	349,981	100%	0.00	1.03	4.30%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	12,714,856	12,714,856	714,856	100%	0.00	1.06	8.05%
Subtotal: 2015		36,000,000	36,000,000	0	34,085	0	38,924,531	38,924,531	2,890,446	100%	0.00	1.08	8.85%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	54,646,217	121,182,856	175,829,073	9,985,427	98%	0.33	1.06	1.12%

Firefighters' Retirement System of Louisiana

Investment Strategy Performance Analysis

9/30/2016

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	5,952,000	10,097,564	16,049,564	49,564	100%	0.37	1.00	0.06%
Subtotal: 501 Timber		16,000,000	16,000,000	0	0	5,952,000	10,097,564	16,049,564	49,564	100%	0.37	1.00	0.06%
610 RE Core													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	13,825,609	13,825,609	1,825,609	100%	0.00	1.15	10.16%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,384,066	12,384,066	349,981	100%	0.00	1.03	4.30%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	12,714,856	12,714,856	714,856	100%	0.00	1.06	8.05%
Subtotal: 610 RE Core		36,000,000	36,000,000	0	34,085	0	38,924,531	38,924,531	2,890,446	100%	0.00	1.08	8.85%
615 RE Value Add													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	15,810,426	558,766	16,369,192	3,987,818	94%	1.28	1.32	4.70%
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	13,762,081	35,502,913	49,264,994	19,264,994	100%	0.46	1.64	5.69%
Subtotal: 615 RE Value Add		43,200,000	42,381,374	818,626	0	29,572,508	36,061,679	65,634,187	23,252,813	98%	0.70	1.55	5.48%
630 RE Opportunistic													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	16,249,583	13,013,244	29,262,827	11,126,034	91%	0.90	1.61	15.21%
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	-7.86%
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	-21.54%
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	5.15%
6 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	2,872,127	4,579,459	7,451,585	-1,008,323	94%	0.34	0.88	-2.06%
Subtotal: 630 RE Opportunistic		73,821,485	71,428,186	2,393,299	0	19,121,710	36,099,082	55,220,791	-16,207,395	97%	0.27	0.77	-4.40%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	54,646,217	121,182,856	175,829,073	9,985,427	98%	0.33	1.06	1.12%

Firefighters' Retirement System of Louisiana

Transaction Summary

7/1/2016 - 9/30/2016

Date	Funding	Additional Fees	Cash	Net Cash Flow
Firefighters' Retirement System of Louisiana				
Americus Real Estate Fund II, Ltd.				
07/12/2016			39,600.00	-39,600.00
Total: Americus Real Estate Fund II, Ltd.				
			39,600.00	-39,600.00
ASB Allegiance Real Estate Fund II, Ltd.				
09/30/2016		34,085.16		34,085.16
Total: ASB Allegiance Real Estate Fund II, Ltd.				
		34,085.16		34,085.16
FRS-LB III (ST George UT)				
07/27/2016	12,665.00			12,665.00
08/11/2016	2,220,217.90			2,232,882.90
Total: FRS-LB III (ST George UT)				
		2,232,882.90		2,232,882.90
Sentinel Real Estate Fund				
07/13/2016			385,663.28	-385,663.28
Total: Sentinel Real Estate Fund				
			385,663.28	-385,663.28
Timbervest Crossover Partners II, L.P.				
09/07/2016			384,000.00	-384,000.00
Total: Timbervest Crossover Partners II, L.P.				
			384,000.00	-384,000.00
Total:	2,232,882.90	34,085.16	809,263.28	1,457,704.78