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Firefighters' Retirement System of Louisiana

Second Quarter 2017 Real Estate Review

October, 2017

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October, 2017

Firefighters' Retirement System of Louisiana

RE: Real Estate Strategy – 2nd Quarter 2017

Dear Members,

We are pleased to present the June 30, 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 2.29%. The IRR since inception is 1.62%. The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 1.10.

The following table presents the status of the Real Estate portfolio as of June 30, 2017:

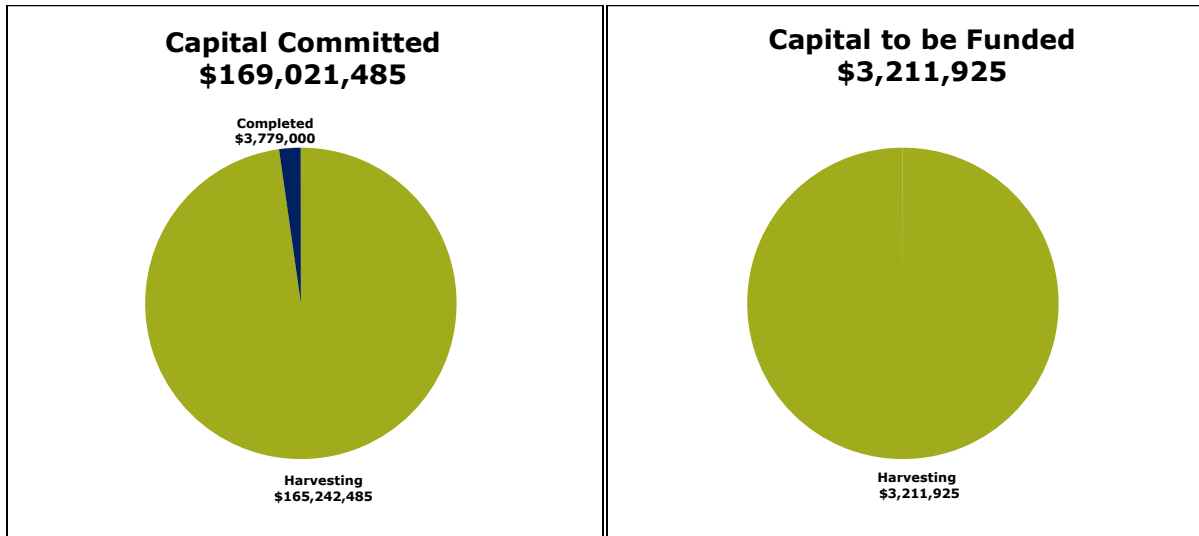
Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$169,021,485	\$0	\$165,809,560	\$61,965,821	\$120,148,372	98.10%	37.37%

Unfunded Commitments	Market Exposure (Reported Value + Unfunded Commitments)	Total Fund Composite as of 6/30/2017	Alternative Assets Target	Reported Value as a % of Total Fund	Market Exposure as a % Total Fund
\$3,211,925	\$123,360,297	\$1,555,210,432	6%*	7.73%	7.9%

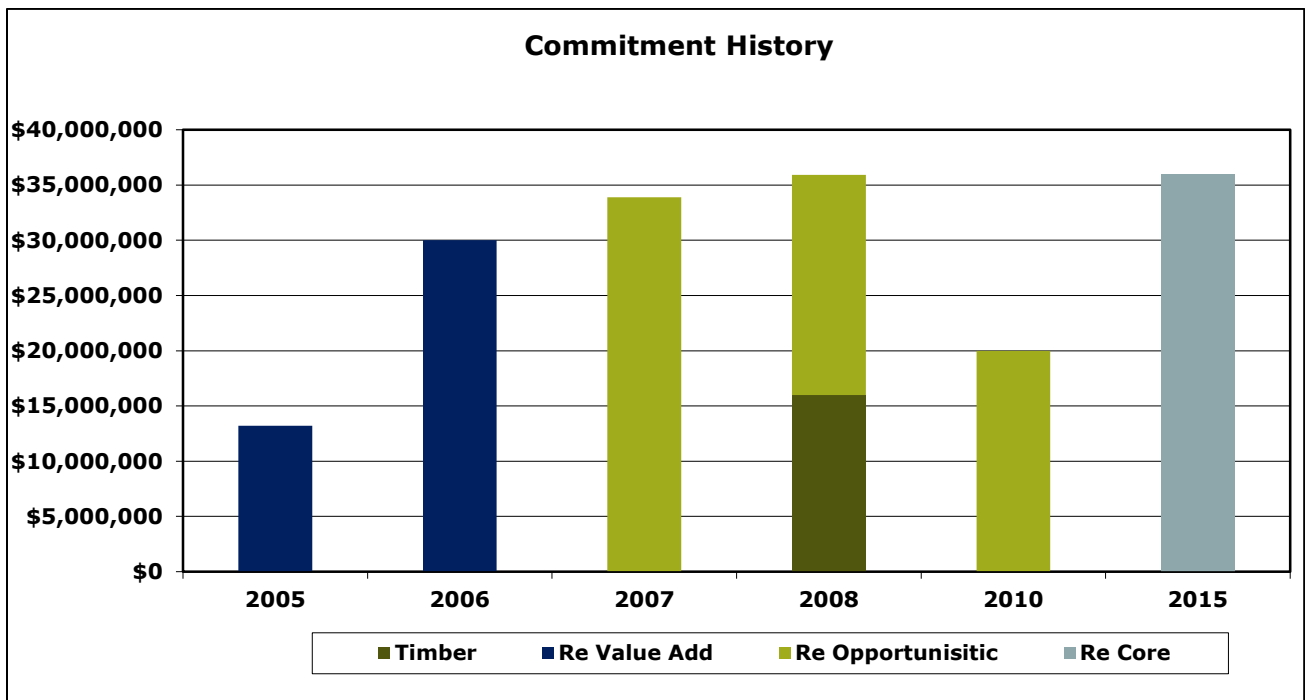
Total Value (Reported Value + Distributions)	Total Value To Paid In Capital	Internal Rate of Return IRR, Since Inception (December 2005)
\$182,114,193	1.10	1.62%



As of June 30, 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:

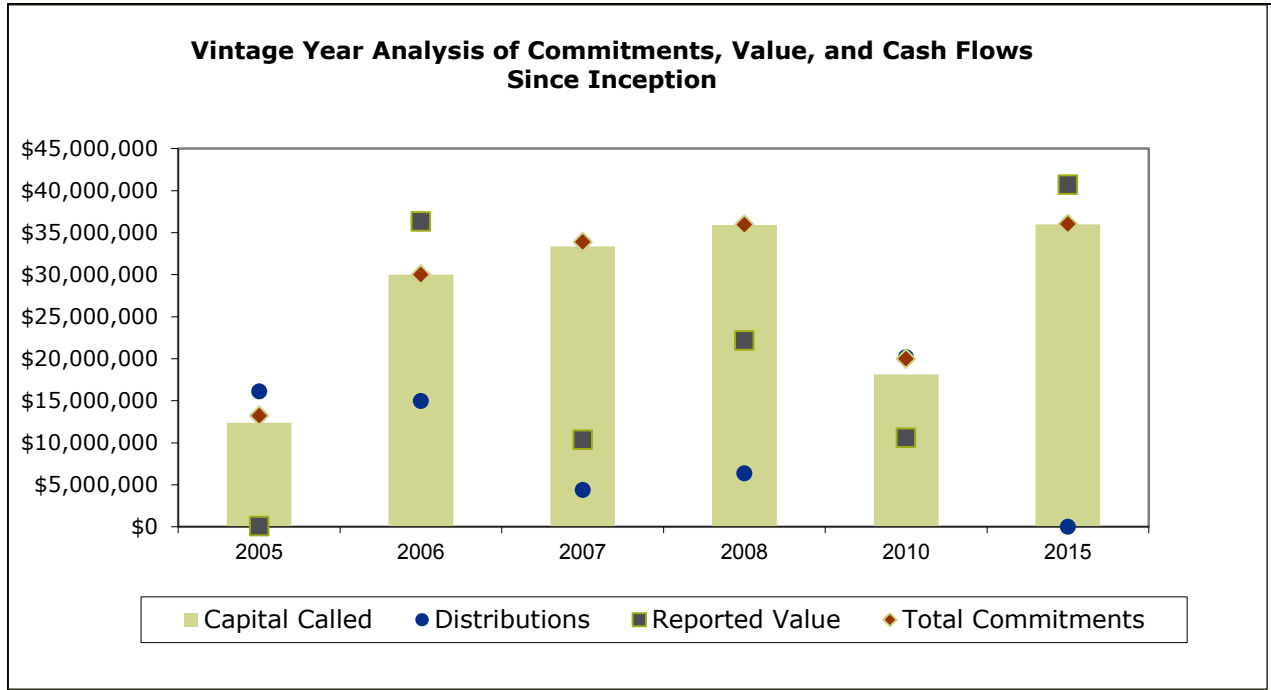


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





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

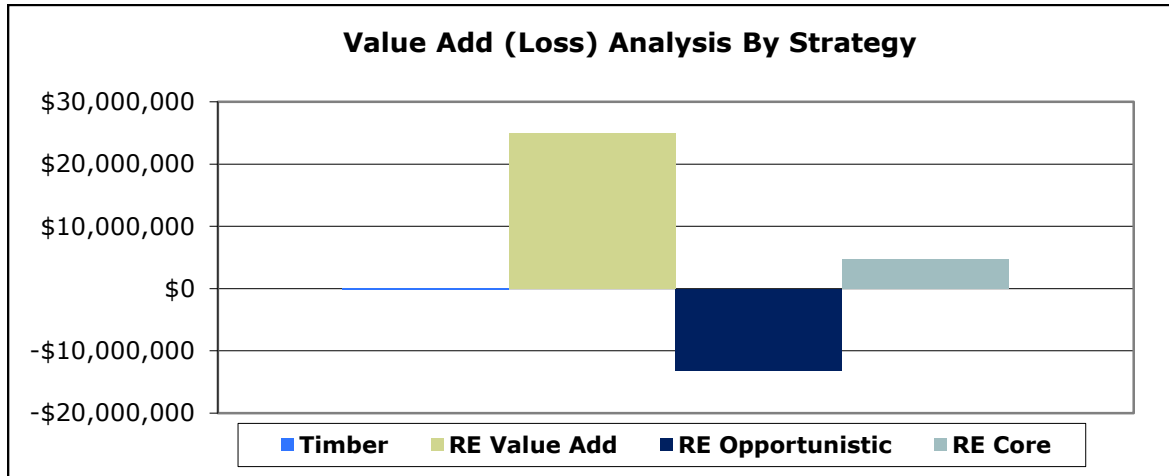


During the quarter-ended June 30, 2017, 0 funds in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 4 funds made a distribution. The summary of the cash flow follows:

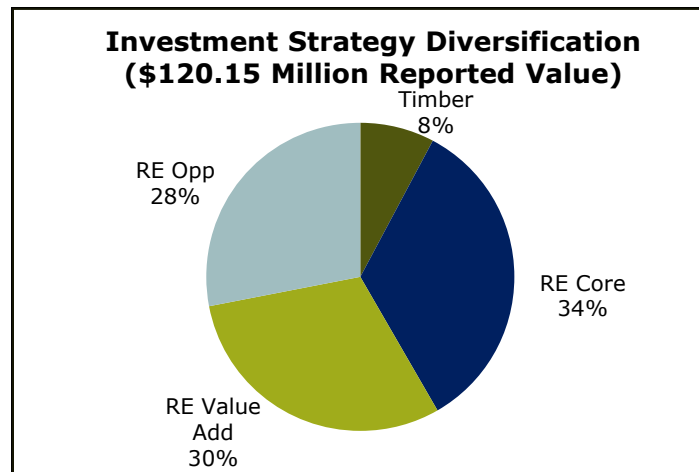
Calls & Expenses Funded for the Quarter	Number of Funds Calling Capital & Expenses	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$0	0	\$4,137,882	4	\$4,137,882



Since inception the Real Estate program has gained \$16.27 million in value for the Firefighters' Retirement System of Louisiana. Timber lost (\$0.28) million, RE Core added \$4.65million, RE Value added \$25.05 million, and RE Opportunistic has lost (\$13.16) million.



As of June 30, 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

6/30/2017

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
AEW Core Property Trust	2015	12,000,000	1.52	4.48	6.63			9.07
AEW Partners VI	2010	20,000,000	2.03	4.26	21.46	18.10	18.88	15.39
Americus Real Estate Fund II, Ltd.	2005	13,200,000	-69.03	-58.20	-38.81	-19.94	-3.97	4.52
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	0.66	2.00	4.33			4.58
FRS-GA (Georgia)	2008	9,273,354	-26.71	-26.71	-26.71	-9.49	-8.53	-10.42
FRS-LB I (NLTP AZ)	2007	24,900,208	65.79	65.79	65.79	19.91	11.51	-14.24
FRS-LB II (SMT AZ)	2008	3,779,000						
FRS-LB III (ST George UT)	2008	6,878,923	0.07	0.07	37.63	9.20	5.64	4.59
Heitman America Real Estate Trust, L.P.	2015	12,000,000	1.13	2.23	7.53			7.80
JP Morgan India Property Fund	2007	8,990,000	-2.82	2.28	-0.19	-1.98	-1.55	-2.16
Sentinel Real Estate Fund	2006	30,000,000	1.89	3.38	7.51	10.04	14.27	5.79
Timbervest Crossover Partners II, L.P.	2008	16,000,000	0.02	0.09	-4.12	-3.28	-1.95	-0.31
Total: Firefighters' Retirement System of Louisiana		169,021,485	2.29	3.72	9.48	6.04	7.56	1.62

Firefighters' Retirement System of Louisiana

Performance Analysis

6/30/2017

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	14,538,320	14,538,320	2,538,320	100%	0.00	1.21	9.07%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	20,190,119	10,570,056	30,760,175	12,623,382	91%	1.11	1.70	15.39%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	82,049	16,189,475	3,808,101	94%	1.30	1.31	4.52%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,730,740	12,730,740	696,655	100%	0.00	1.06	4.58%
5 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	3,490,920	3,490,920	-5,782,434	100%	0.00	0.38	-10.42%
6 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	7,400,101	7,400,101	-17,500,107	100%	0.00	0.30	-14.24%
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	9,286,064	9,286,064	2,407,141	100%	0.00	1.35	4.59%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,413,430	13,413,430	1,413,430	100%	0.00	1.12	7.80%
10 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	4,373,477	2,962,169	7,335,646	-1,124,262	94%	0.52	0.87	-2.16%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,942,799	36,304,026	51,246,825	21,246,825	100%	0.50	1.71	5.79%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,352,000	9,370,496	15,722,496	-277,504	100%	0.40	0.98	-0.31%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	61,965,821	120,148,372	182,114,193	16,270,547	98%	0.37	1.10	1.62%

Firefighters' Retirement System of Louisiana

Lifecycle Performance Analysis

6/30/2017

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
3 Harvesting													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	14,538,320	14,538,320	2,538,320	100%	0.00	1.21	9.07%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	20,190,119	10,570,056	30,760,175	12,623,382	91%	1.11	1.70	15.39%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	82,049	16,189,475	3,808,101	94%	1.30	1.31	4.52%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,730,740	12,730,740	696,655	100%	0.00	1.06	4.58%
5 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	3,490,920	3,490,920	-5,782,434	100%	0.00	0.38	-10.42%
6 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	7,400,101	7,400,101	-17,500,107	100%	0.00	0.30	-14.24%
7 FRS-LB III (ST George UT)	2008	6,878,923	6,878,923	0	0	0	9,286,064	9,286,064	2,407,141	100%	0.00	1.35	4.59%
8 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,413,430	13,413,430	1,413,430	100%	0.00	1.12	7.80%
9 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	4,373,477	2,962,169	7,335,646	-1,124,262	94%	0.52	0.87	-2.16%
10 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,942,799	36,304,026	51,246,825	21,246,825	100%	0.50	1.71	5.79%
11 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,352,000	9,370,496	15,722,496	-277,504	100%	0.40	0.98	-0.31%
Subtotal: 3 Harvesting		165,242,485	162,030,560	3,211,925	34,085	61,965,821	120,148,372	182,114,193	20,049,547	98%	0.38	1.12	2.03%
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	61,965,821	120,148,372	182,114,193	16,270,547	98%	0.37	1.10	1.62%

Firefighters' Retirement System of Louisiana

Vintage Year Performance Analysis

6/30/2017

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
2005													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	82,049	16,189,475	3,808,101	94%	1.30	1.31	4.52%
Subtotal: 2005		13,200,000	12,381,374	818,626	0	16,107,426	82,049	16,189,475	3,808,101	94%	1.30	1.31	4.52%
2006													
1 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,942,799	36,304,026	51,246,825	21,246,825	100%	0.50	1.71	5.79%
Subtotal: 2006		30,000,000	30,000,000	0	0	14,942,799	36,304,026	51,246,825	21,246,825	100%	0.50	1.71	5.79%
2007													
1 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	7,400,101	7,400,101	-17,500,107	100%	0.00	0.30	-14.24%
2 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	4,373,477	2,962,169	7,335,646	-1,124,262	94%	0.52	0.87	-2.16%
Subtotal: 2007		33,890,208	33,360,116	530,092	0	4,373,477	10,362,270	14,735,747	-18,624,369	98%	0.13	0.44	-10.53%
2008													
1 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	3,490,920	3,490,920	-5,782,434	100%	0.00	0.38	-10.42%
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	9,286,064	9,286,064	2,407,141	100%	0.00	1.35	4.59%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,352,000	9,370,496	15,722,496	-277,504	100%	0.40	0.98	-0.31%
Subtotal: 2008		35,931,277	35,931,277	0	0	6,352,000	22,147,480	28,499,480	-7,431,797	100%	0.18	0.79	-3.37%
2010													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	20,190,119	10,570,056	30,760,175	12,623,382	91%	1.11	1.70	15.39%
Subtotal: 2010		20,000,000	18,136,793	1,863,207	0	20,190,119	10,570,056	30,760,175	12,623,382	91%	1.11	1.70	15.39%
2015													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	14,538,320	14,538,320	2,538,320	100%	0.00	1.21	9.07%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,730,740	12,730,740	696,655	100%	0.00	1.06	4.58%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,413,430	13,413,430	1,413,430	100%	0.00	1.12	7.80%
Subtotal: 2015		36,000,000	36,000,000	0	34,085	0	40,682,490	40,682,490	4,648,405	100%	0.00	1.13	7.60%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	61,965,821	120,148,372	182,114,193	16,270,547	98%	0.37	1.10	1.62%

Firefighters' Retirement System of Louisiana

Investment Strategy Performance Analysis

6/30/2017

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
501 Timber													
1 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,352,000	9,370,496	15,722,496	-277,504	100%	0.40	0.98	-0.31%
Subtotal: 501 Timber		16,000,000	16,000,000	0	0	6,352,000	9,370,496	15,722,496	-277,504	100%	0.40	0.98	-0.31%
610 RE Core													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	14,538,320	14,538,320	2,538,320	100%	0.00	1.21	9.07%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,730,740	12,730,740	696,655	100%	0.00	1.06	4.58%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,413,430	13,413,430	1,413,430	100%	0.00	1.12	7.80%
Subtotal: 610 RE Core		36,000,000	36,000,000	0	34,085	0	40,682,490	40,682,490	4,648,405	100%	0.00	1.13	7.60%
615 RE Value Add													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	82,049	16,189,475	3,808,101	94%	1.30	1.31	4.52%
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	14,942,799	36,304,026	51,246,825	21,246,825	100%	0.50	1.71	5.79%
Subtotal: 615 RE Value Add		43,200,000	42,381,374	818,626	0	31,050,225	36,386,075	67,436,300	25,054,926	98%	0.73	1.59	5.55%
630 RE Opportunistic													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	20,190,119	10,570,056	30,760,175	12,623,382	91%	1.11	1.70	15.39%
2 FRS-GA (Georgia)	2008	9,273,354	9,273,354	0	0	0	3,490,920	3,490,920	-5,782,434	100%	0.00	0.38	-10.42%
3 FRS-LB I (NLTP AZ)	2007	24,900,208	24,900,208	0	0	0	7,400,101	7,400,101	-17,500,107	100%	0.00	0.30	-14.24%
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	9,286,064	9,286,064	2,407,141	100%	0.00	1.35	4.59%
6 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	4,373,477	2,962,169	7,335,646	-1,124,262	94%	0.52	0.87	-2.16%
Subtotal: 630 RE Opportunistic		73,821,485	71,428,186	2,393,299	0	24,563,596	33,709,310	58,272,906	-13,155,280	97%	0.34	0.82	-3.20%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	61,965,821	120,148,372	182,114,193	16,270,547	98%	0.37	1.10	1.62%

Firefighters' Retirement System of Louisiana

Transaction Summary

4/1/2017 - 6/30/2017

Date	Paid in Capital	Additional Fees	Distributions	Net Cash Flow
Firefighters' Retirement System of Louisiana				
AEW Partners VI				
05/17/2017			1,881,224.00	-1,881,224.00
Total: AEW Partners VI			1,881,224.00	-1,881,224.00
JP Morgan India Property Fund				
05/24/2017			1,501,350.17	-1,501,350.17
Total: JP Morgan India Property Fund			1,501,350.17	-1,501,350.17
Sentinel Real Estate Fund				
04/14/2017			355,307.93	-355,307.93
Total: Sentinel Real Estate Fund			355,307.93	-355,307.93
Timbervest Crossover Partners II, L.P.				
04/27/2017			400,000.00	-400,000.00
Total: Timbervest Crossover Partners II, L.P.			400,000.00	-400,000.00
Total:			4,137,882.10	-4,137,882.10