

Third Quarter 2017 Real Estate Review

Firefighters' Retirement System of Louisiana

February, 2018

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February, 2018

Firefighters' Retirement System of Louisiana

RE: Real Estate Strategy – 3rd Quarter 2017

Dear Members,

We are pleased to present the September 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 0.72%. The IRR since inception is 1.67%. 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 September 30, 2017:

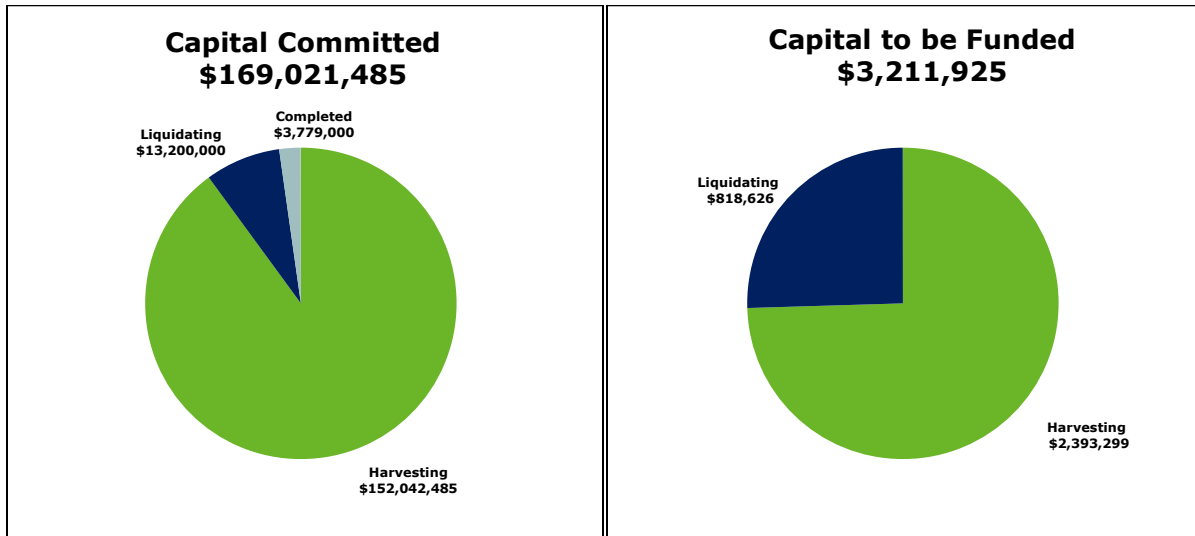
Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$169,021,485	\$0	\$165,809,560	\$62,766,040	\$120,390,532	98.10%	37.85%

Unfunded Commitments	Market Exposure (Reported Value + Unfunded Commitments)	Total Fund Composite as of 9/30/2017	Alternative Assets Target	Reported Value as a % of Total Fund	Market Exposure as a % Total Fund
\$3,211,925	\$123,602,457	\$1,610,405,293	6%*	7.48%	7.7%

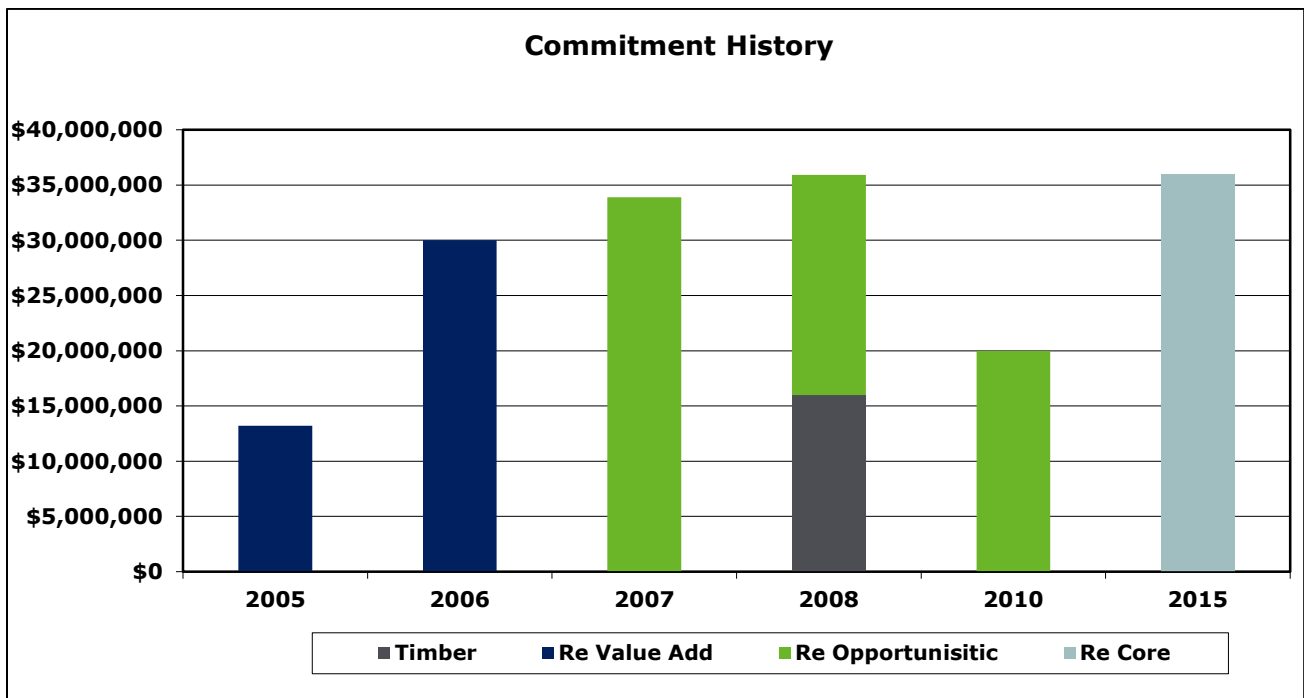
Total Value (Reported Value + Distributions)	Total Value To Paid In Capital	Internal Rate of Return IRR, Since Inception (December 2005)
\$183,156,572	1.10	1.67%



As of September 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, 10 are in the harvesting stage, 1 is in the liquidating stage, and 1 is in the completed stage. The following charts illustrate the program's current life cycle:

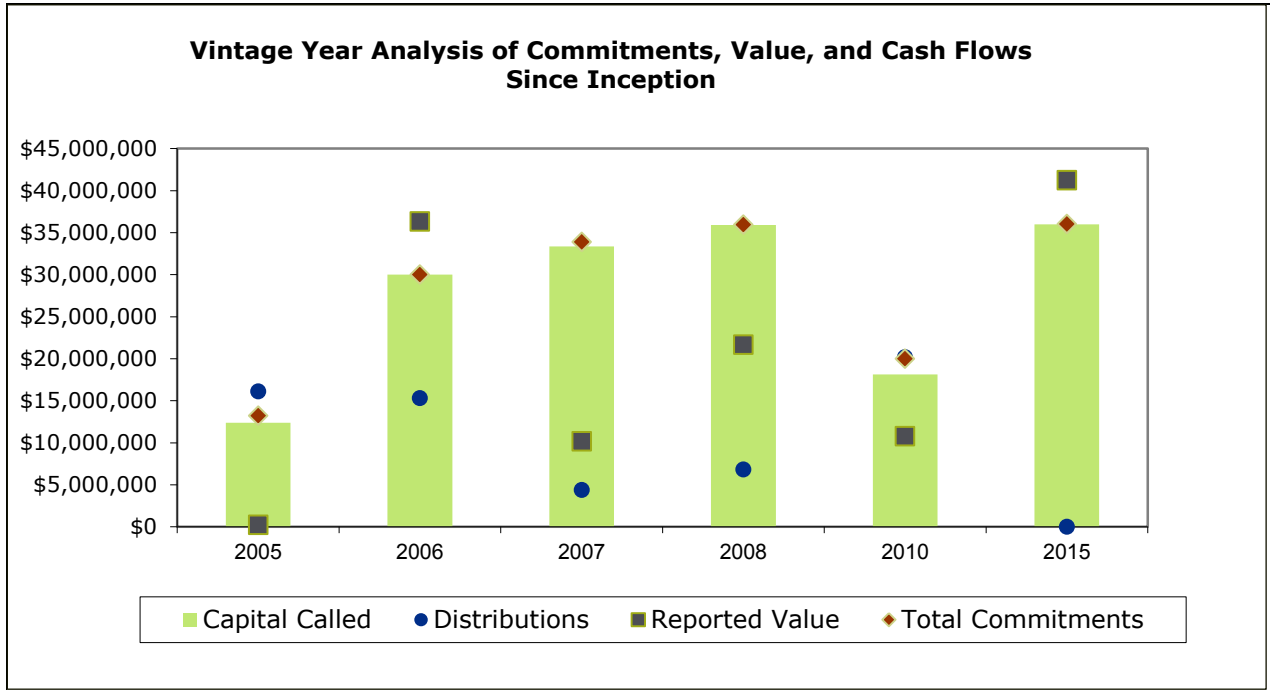


The following chart illustrates the commitment history of the Firefighters' Retirement System of Louisiana private markets program through the quarter end:





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

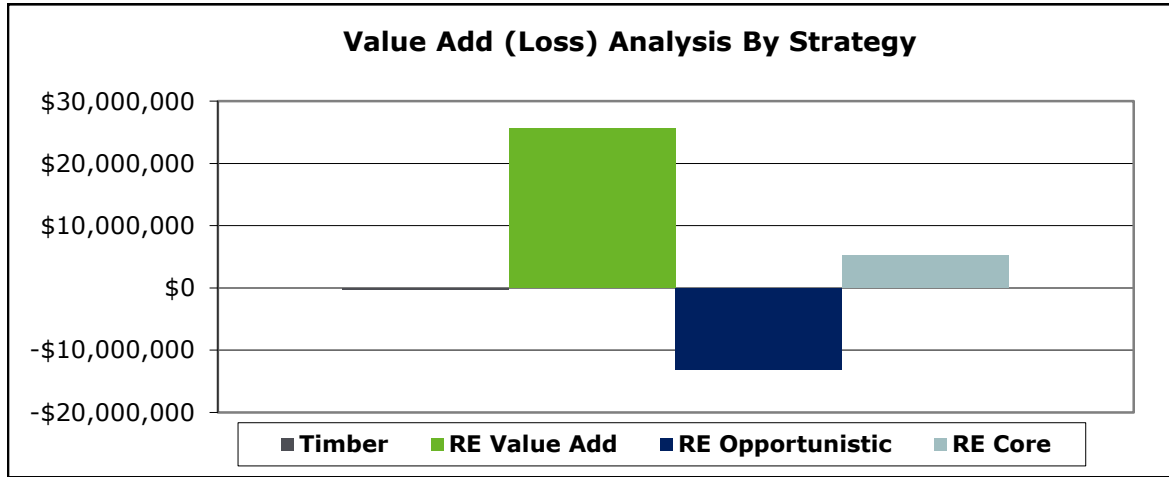


During the quarter-ended September 30, 2017, 0 funds in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 2 funds made a distribution. The summary of the cash flow follows:

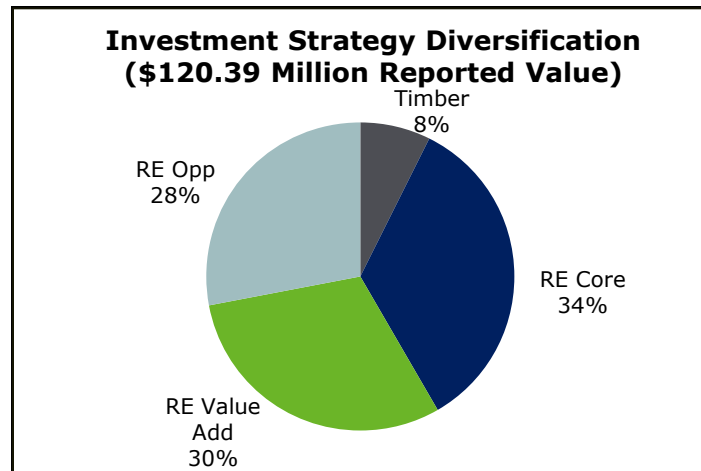
Calls & Expenses Funded for the Quarter	Number of Funds Calling Capital & Expenses	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$0	0	\$800,219	2	\$800,219



Since inception the Real Estate program has gained \$17.31 million in value for the Firefighters' Retirement System of Louisiana. Timber lost (\$0.33) million, RE Core added \$5.20 million, RE Value added \$25.59 million, and RE Opportunistic has lost (\$13.16) million.



As of September 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

9/30/2017

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
AEW Core Property Trust	2015	12,000,000	1.54	6.09	6.77			8.77
AEW Partners VI	2010	20,000,000	1.87	6.23	15.62	15.93	19.20	15.25
Americus Real Estate Fund II, Ltd.	2005	13,200,000	-11.66	-15.53	-8.71	-22.81	-6.99	4.65
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	0.79	2.80	3.61			4.34
FRS-GA (Georgia)	2008	9,273,354	0.00	-26.71	-26.71	-9.49	-8.53	-10.14
FRS-LB I (NLTP AZ)	2007	24,900,208	0.00	65.79	65.79	19.91	11.51	-13.82
FRS-LB II (SMT AZ)	2008	3,779,000						
FRS-LB III (ST George UT)	2008	6,878,923	0.00	0.07	0.07	8.94	5.54	4.43
Heitman America Real Estate Trust, L.P.	2015	12,000,000	1.72	3.99	7.31			7.68
JP Morgan India Property Fund	2007	8,990,000	-6.65	-2.85	-7.75	-3.33	-4.49	-2.54
Sentinel Real Estate Fund	2006	30,000,000	1.08	4.50	6.86	9.54	13.30	5.77
Timbervest Crossover Partners II, L.P.	2008	16,000,000	-0.56	-0.43	-3.84	-3.58	-2.41	-0.36
Total: Firefighters' Retirement System of Louisiana		169,021,485	0.72	4.65	6.26	5.58	6.76	1.67

Firefighters' Retirement System of Louisiana

Performance Analysis

9/30/2017

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	14,761,876	14,761,876	2,761,876	100%	0.00	1.23	8.77%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	20,190,119	10,767,442	30,957,561	12,820,768	91%	1.11	1.71	15.25%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	229,032	16,336,458	3,955,084	94%	1.30	1.32	4.65%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,831,018	12,831,018	796,933	100%	0.00	1.07	4.34%
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	-10.14%
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	-13.82%
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	4.43%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,644,324	13,644,324	1,644,324	100%	0.00	1.14	7.68%
10 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	4,373,477	2,765,316	7,138,793	-1,321,115	94%	0.52	0.84	-2.54%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	15,303,018	36,333,823	51,636,841	21,636,841	100%	0.51	1.72	5.77%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,792,000	8,880,616	15,672,616	-327,384	100%	0.42	0.98	-0.36%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	62,766,040	120,390,532	183,156,572	17,312,927	98%	0.38	1.10	1.67%

Firefighters' Retirement System of Louisiana

Lifecycle Performance Analysis

9/30/2017

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	14,761,876	14,761,876	2,761,876	100%	0.00	1.23	8.77%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	20,190,119	10,767,442	30,957,561	12,820,768	91%	1.11	1.71	15.25%
3 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,831,018	12,831,018	796,933	100%	0.00	1.07	4.34%
4 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	-10.14%
5 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	-13.82%
6 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	4.43%
7 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,644,324	13,644,324	1,644,324	100%	0.00	1.14	7.68%
8 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	4,373,477	2,765,316	7,138,793	-1,321,115	94%	0.52	0.84	-2.54%
9 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	15,303,018	36,333,823	51,636,841	21,636,841	100%	0.51	1.72	5.77%
10 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,792,000	8,880,616	15,672,616	-327,384	100%	0.42	0.98	-0.36%
Subtotal: 3 Harvesting		152,042,485	149,649,186	2,393,299	34,085	46,658,613	120,161,500	166,820,114	17,136,842	98%	0.31	1.11	1.83%
4 Liquidating													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	229,032	16,336,458	3,955,084	94%	1.30	1.32	4.65%
Subtotal: 4 Liquidating		13,200,000	12,381,374	818,626	0	16,107,426	229,032	16,336,458	3,955,084	94%	1.30	1.32	4.65%
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	62,766,040	120,390,532	183,156,572	17,312,927	98%	0.38	1.10	1.67%

Firefighters' Retirement System of Louisiana

Vintage Year Performance Analysis

9/30/2017

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	229,032	16,336,458	3,955,084	94%	1.30	1.32	4.65%
Subtotal: 2005		13,200,000	12,381,374	818,626	0	16,107,426	229,032	16,336,458	3,955,084	94%	1.30	1.32	4.65%
2006													
1 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	15,303,018	36,333,823	51,636,841	21,636,841	100%	0.51	1.72	5.77%
Subtotal: 2006		30,000,000	30,000,000	0	0	15,303,018	36,333,823	51,636,841	21,636,841	100%	0.51	1.72	5.77%
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	-13.82%
2 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	4,373,477	2,765,316	7,138,793	-1,321,115	94%	0.52	0.84	-2.54%
Subtotal: 2007		33,890,208	33,360,116	530,092	0	4,373,477	10,165,417	14,538,894	-18,821,222	98%	0.13	0.44	-10.45%
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	-10.14%
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	4.43%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,792,000	8,880,616	15,672,616	-327,384	100%	0.42	0.98	-0.36%
Subtotal: 2008		35,931,277	35,931,277	0	0	6,792,000	21,657,600	28,449,600	-7,481,677	100%	0.19	0.79	-3.30%
2010													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	20,190,119	10,767,442	30,957,561	12,820,768	91%	1.11	1.71	15.25%
Subtotal: 2010		20,000,000	18,136,793	1,863,207	0	20,190,119	10,767,442	30,957,561	12,820,768	91%	1.11	1.71	15.25%
2015													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	14,761,876	14,761,876	2,761,876	100%	0.00	1.23	8.77%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,831,018	12,831,018	796,933	100%	0.00	1.07	4.34%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,644,324	13,644,324	1,644,324	100%	0.00	1.14	7.68%
Subtotal: 2015		36,000,000	36,000,000	0	34,085	0	41,237,218	41,237,218	5,203,133	100%	0.00	1.14	7.32%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	62,766,040	120,390,532	183,156,572	17,312,927	98%	0.38	1.10	1.67%

Firefighters' Retirement System of Louisiana

Investment Strategy Performance Analysis

9/30/2017

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	6,792,000	8,880,616	15,672,616	-327,384	100%	0.42	0.98	-0.36%
Subtotal: 501 Timber		16,000,000	16,000,000	0	0	6,792,000	8,880,616	15,672,616	-327,384	100%	0.42	0.98	-0.36%
610 RE Core													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	14,761,876	14,761,876	2,761,876	100%	0.00	1.23	8.77%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	12,831,018	12,831,018	796,933	100%	0.00	1.07	4.34%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,644,324	13,644,324	1,644,324	100%	0.00	1.14	7.68%
Subtotal: 610 RE Core		36,000,000	36,000,000	0	34,085	0	41,237,218	41,237,218	5,203,133	100%	0.00	1.14	7.32%
615 RE Value Add													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	818,626	0	16,107,426	229,032	16,336,458	3,955,084	94%	1.30	1.32	4.65%
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	15,303,018	36,333,823	51,636,841	21,636,841	100%	0.51	1.72	5.77%
Subtotal: 615 RE Value Add		43,200,000	42,381,374	818,626	0	31,410,444	36,562,855	67,973,299	25,591,925	98%	0.74	1.60	5.55%
630 RE Opportunistic													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	20,190,119	10,767,442	30,957,561	12,820,768	91%	1.11	1.71	15.25%
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	-10.14%
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	-13.82%
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	4.43%
6 JP Morgan India Property Fund	2007	8,990,000	8,459,908	530,092	0	4,373,477	2,765,316	7,138,793	-1,321,115	94%	0.52	0.84	-2.54%
Subtotal: 630 RE Opportunistic		73,821,485	71,428,186	2,393,299	0	24,563,596	33,709,843	58,273,439	-13,154,747	97%	0.34	0.82	-3.12%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,809,560	3,211,925	34,085	62,766,040	120,390,532	183,156,572	17,312,927	98%	0.38	1.10	1.67%

Firefighters' Retirement System of Louisiana

Transaction Summary

7/1/2017 - 9/30/2017

	Date	Paid in Capital	Additional Fees	Distributions	Net Cash Flow
Firefighters' Retirement System of Louisiana					
Sentinel Real Estate Fund					
	07/14/2017			360,218.92	-360,218.92
Total: Sentinel Real Estate Fund					
				360,218.92	-360,218.92
Timbervest Crossover Partners II, L.P.					
	07/07/2017			440,000.00	-440,000.00
Total: Timbervest Crossover Partners II, L.P.					
				440,000.00	-440,000.00
Total:					
				800,218.92	-800,218.92