

First Quarter 2018 Real Estate Review

Firefighters' Retirement System of Louisiana

August, 2018

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August, 2018

Firefighters' Retirement System of Louisiana

RE: Real Estate Strategy – 1st Quarter 2018

Dear Members,

We are pleased to present the March 31, 2018 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 1.15%. The IRR since inception is 1.74%. The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 1.12.

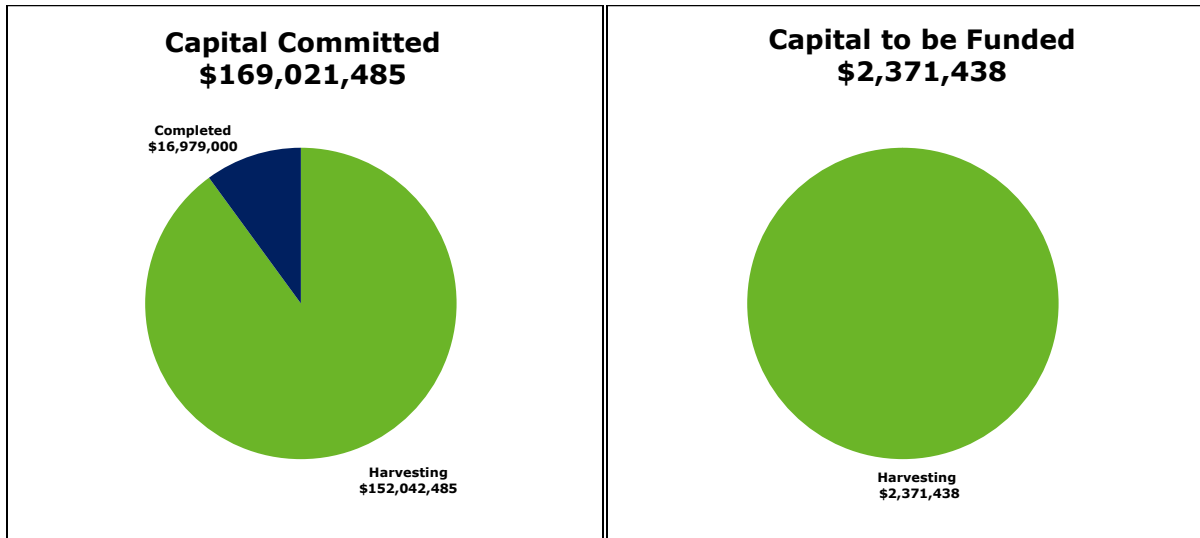
The following table presents the status of the Real Estate portfolio as of March 31, 2018:

Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$169,021,485	\$0	\$165,831,421	\$67,088,274	\$117,894,503	98.11%	40.46%

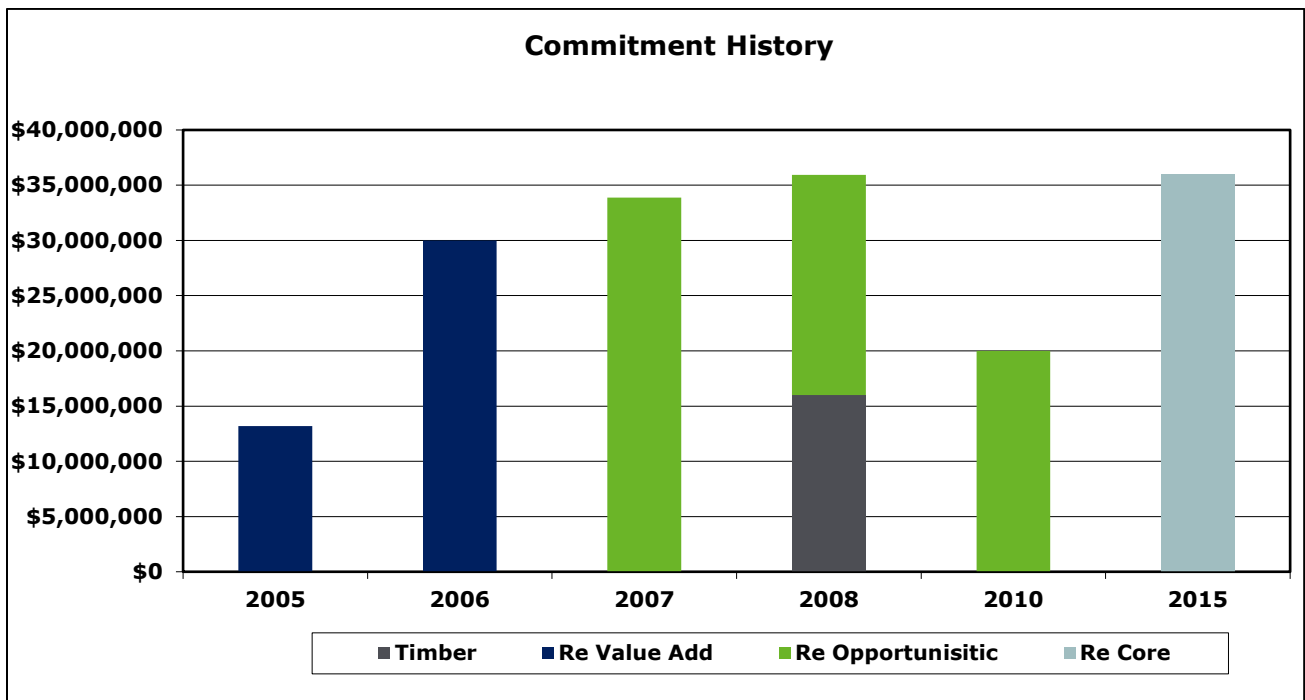
Unfunded Commitments	Market Exposure (Reported Value + Unfunded Commitments)	Total Fund Composite as of 3/31/2018	Alternative Assets Target	Reported Value as a % of Total Fund	Market Exposure as a % of Total Fund
\$2,371,421	\$120,265,924	\$1,653,350,469	6%*	7.13%	7.3%

Total Value (Reported Value + Distributions)	Total Value To Paid In Capital	Internal Rate of Return IRR, Since Inception (December 2005)
\$184,982,777	1.12	1.74%

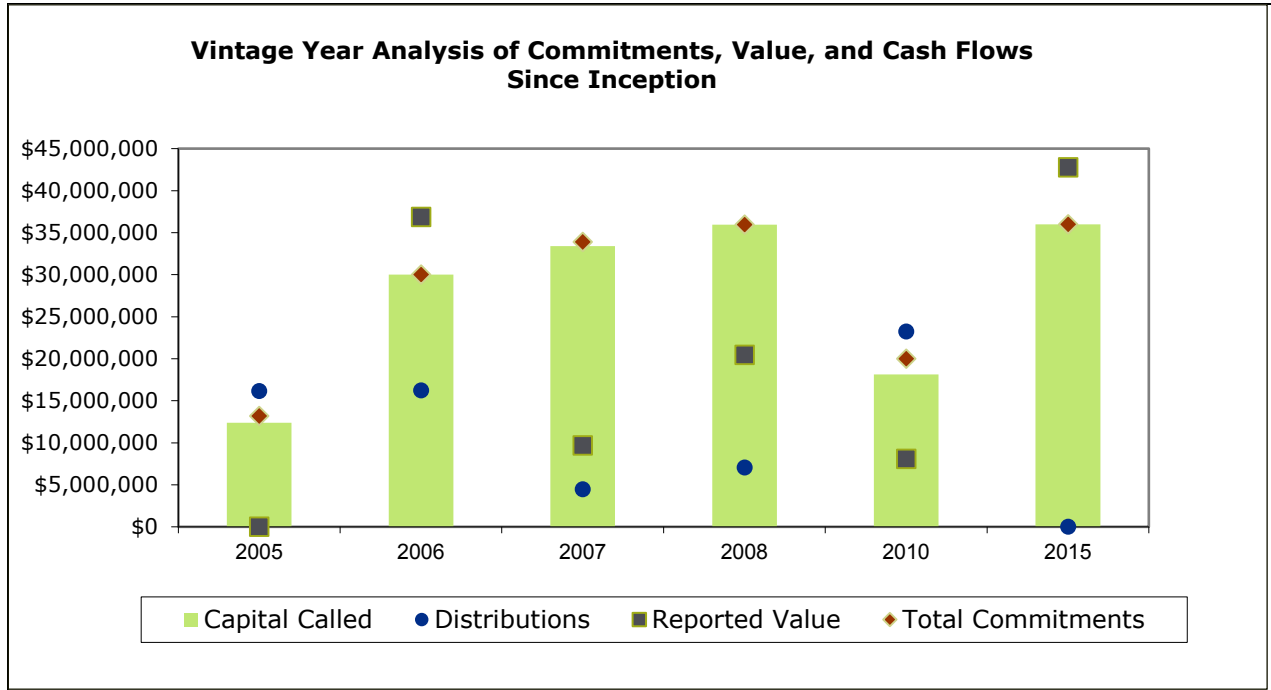
As of March 31, 2018, the Firefighters' Retirement System of Louisiana had commitments totaling \$169.02 million to 12 real estate funds. Of the 12 funds in the real estate portfolio, 10 are in the harvesting stage and 2 are in the completed stage. The following charts illustrate the program's current life cycle:



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



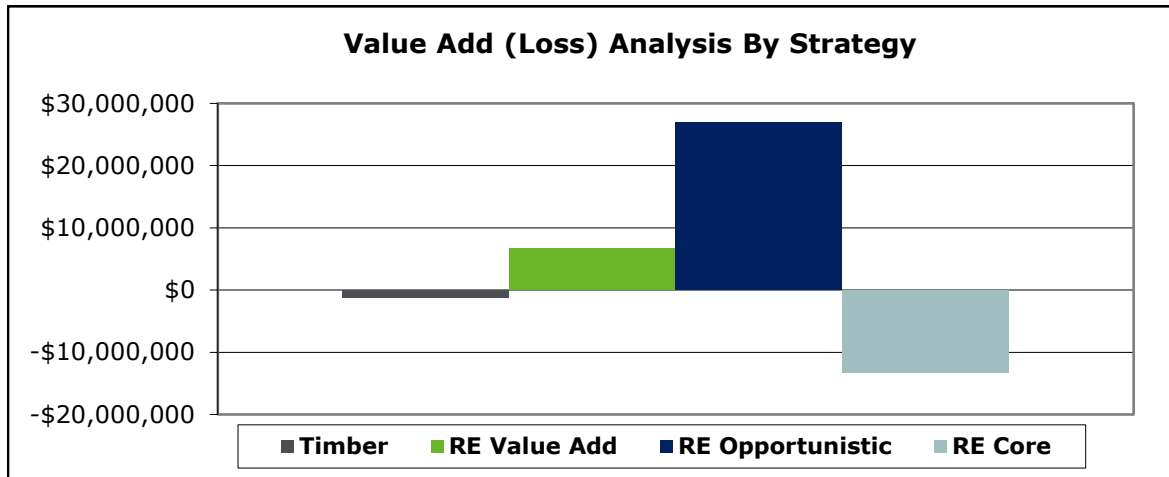
The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value:



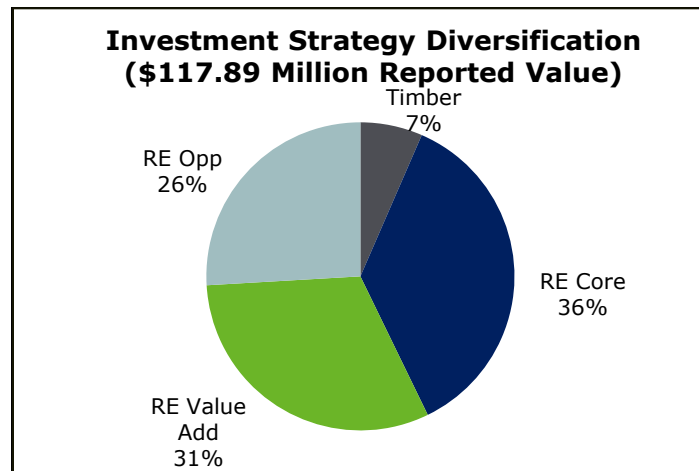
During the quarter-ended March 31, 2018, 0 funds in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 3 funds made a distribution. The summary of the cash flow follows:

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
\$0	0	\$929,231	3	\$929,231

Since inception the Real Estate program has gained \$19.12 million in value for the Firefighters' Retirement System of Louisiana. Timber lost (\$1.26) million, RE Core added \$6.73 million, RE Value added \$26.86 million, and RE Opportunistic has lost (\$13.21) million.



As of March 31, 2018, 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

3/31/2018

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
AEW Core Property Trust	2015	12,000,000	1.46	1.46	6.49			8.43
AEW Partners VI	2010	20,000,000	1.01	1.01	8.38	15.37	17.74	15.07
Americus Real Estate Fund II, Ltd.	2005	13,200,000			-72.30	-38.35	-10.72	4.49
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	2.00	2.00	5.61			5.33
FRS-GA (Georgia)	2008	9,273,354	0.00	0.00	-26.71	-9.49	-8.53	-9.64
FRS-LB I (NLTP AZ)	2007	24,900,208	0.00	0.00	65.79	19.91	11.51	-13.07
FRS-LB II (SMT AZ)	2008	3,779,000						
FRS-LB III (ST George UT)	2008	6,878,923	0.00	0.00	0.07	8.47	5.37	4.14
Heitman America Real Estate Trust, L.P.	2015	12,000,000	1.93	1.93	6.73			7.68
JP Morgan India Property Fund	2007	8,990,000	-11.59	-11.59	-22.42	-8.12	-7.22	-3.38
Sentinel Real Estate Fund	2006	30,000,000	1.82	1.82	7.17	8.91	11.23	5.85
Timbervest Crossover Partners II, L.P.	2008	16,000,000	2.06	2.06	-10.82	-7.80	-4.25	-1.37
Total: Firefighters' Retirement System of Louisiana		169,021,485	1.15	1.15	4.98	4.82	5.69	1.74

Firefighters' Retirement System of Louisiana

Performance Analysis

3/31/2018

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	15,250,102	15,250,102	3,250,102	100%	0.00	1.27	8.43%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	23,224,451	8,096,189	31,320,640	13,183,847	91%	1.28	1.73	15.07%
3 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	0	0	16,154,309	0	16,154,309	3,772,935	100%	1.30	1.30	4.49%
4 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	13,356,472	13,356,472	1,322,387	100%	0.00	1.11	5.33%
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	-9.64%
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	-13.07%
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	4.14%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	14,156,085	14,156,085	2,156,085	100%	0.00	1.18	7.68%
10 JP Morgan India Property Fund	2007	8,990,000	8,481,769	508,231	0	4,452,289	2,289,036	6,741,324	-1,740,445	94%	0.52	0.79	-3.38%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	16,209,225	36,877,975	53,087,200	23,087,200	100%	0.54	1.77	5.85%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	7,048,000	7,691,559	14,739,559	-1,260,441	100%	0.44	0.92	-1.37%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,831,421	2,371,438	34,085	67,088,274	117,894,503	184,982,777	19,117,271	98%	0.40	1.12	1.74%

Firefighters' Retirement System of Louisiana

Lifecycle Performance Analysis

3/31/2018

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	15,250,102	15,250,102	3,250,102	100%	0.00	1.27	8.43%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	23,224,451	8,096,189	31,320,640	13,183,847	91%	1.28	1.73	15.07%
3 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	13,356,472	13,356,472	1,322,387	100%	0.00	1.11	5.33%
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	-9.64%
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	-13.07%
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	4.14%
7 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	14,156,085	14,156,085	2,156,085	100%	0.00	1.18	7.68%
8 JP Morgan India Property Fund	2007	8,990,000	8,481,769	508,231	0	4,452,289	2,289,036	6,741,324	-1,740,445	94%	0.52	0.79	-3.38%
9 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	16,209,225	36,877,975	53,087,200	23,087,200	100%	0.54	1.77	5.85%
10 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	7,048,000	7,691,559	14,739,559	-1,260,441	100%	0.44	0.92	-1.37%
Subtotal: 3 Harvesting		152,042,485	149,671,047	2,371,438	34,085	50,933,965	117,894,503	168,828,468	19,123,336	98%	0.34	1.13	1.91%
5 Completed													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	0	0	16,154,309	0	16,154,309	3,772,935	100%	1.30	1.30	4.49%
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
Subtotal: 5 Completed		16,979,000	16,160,374	0	0	16,154,309	0	16,154,309	-6,065	95%	1.00	1.00	-0.01%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,831,421	2,371,438	34,085	67,088,274	117,894,503	184,982,777	19,117,271	98%	0.40	1.12	1.74%

Firefighters' Retirement System of Louisiana

Vintage Year Performance Analysis

3/31/2018

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	0	0	16,154,309	0	16,154,309	3,772,935	100%	1.30	1.30	4.49%
Subtotal: 2005		13,200,000	12,381,374	0	0	16,154,309	0	16,154,309	3,772,935	94%	1.30	1.30	4.49%
2006													
1 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	16,209,225	36,877,975	53,087,200	23,087,200	100%	0.54	1.77	5.85%
Subtotal: 2006		30,000,000	30,000,000	0	0	16,209,225	36,877,975	53,087,200	23,087,200	100%	0.54	1.77	5.85%
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	-13.07%
2 JP Morgan India Property Fund	2007	8,990,000	8,481,769	508,231	0	4,452,289	2,289,036	6,741,324	-1,740,445	94%	0.52	0.79	-3.38%
Subtotal: 2007		33,890,208	33,381,977	508,231	0	4,452,289	9,689,137	14,141,425	-19,240,552	99%	0.13	0.42	-10.34%
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	-9.64%
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	4.14%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	7,048,000	7,691,559	14,739,559	-1,260,441	100%	0.44	0.92	-1.37%
Subtotal: 2008		35,931,277	35,931,277	0	0	7,048,000	20,468,543	27,516,543	-8,414,734	100%	0.20	0.77	-3.58%
2010													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	23,224,451	8,096,189	31,320,640	13,183,847	91%	1.28	1.73	15.07%
Subtotal: 2010		20,000,000	18,136,793	1,863,207	0	23,224,451	8,096,189	31,320,640	13,183,847	91%	1.28	1.73	15.07%
2015													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	15,250,102	15,250,102	3,250,102	100%	0.00	1.27	8.43%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	13,356,472	13,356,472	1,322,387	100%	0.00	1.11	5.33%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	14,156,085	14,156,085	2,156,085	100%	0.00	1.18	7.68%
Subtotal: 2015		36,000,000	36,000,000	0	34,085	0	42,762,659	42,762,659	6,728,574	100%	0.00	1.19	7.37%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,831,421	2,371,438	34,085	67,088,274	117,894,503	184,982,777	19,117,271	98%	0.40	1.12	1.74%

Firefighters' Retirement System of Louisiana

Investment Strategy Performance Analysis

3/31/2018

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	7,048,000	7,691,559	14,739,559	-1,260,441	100%	0.44	0.92	-1.37%
Subtotal: 501 Timber		16,000,000	16,000,000	0	0	7,048,000	7,691,559	14,739,559	-1,260,441	100%	0.44	0.92	-1.37%
610 RE Core													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	15,250,102	15,250,102	3,250,102	100%	0.00	1.27	8.43%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	13,356,472	13,356,472	1,322,387	100%	0.00	1.11	5.33%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	14,156,085	14,156,085	2,156,085	100%	0.00	1.18	7.68%
Subtotal: 610 RE Core		36,000,000	36,000,000	0	34,085	0	42,762,659	42,762,659	6,728,574	100%	0.00	1.19	7.37%
615 RE Value Add													
1 Americus Real Estate Fund II, Ltd.	2005	13,200,000	12,381,374	0	0	16,154,309	0	16,154,309	3,772,935	100%	1.30	1.30	4.49%
2 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	16,209,225	36,877,975	53,087,200	23,087,200	100%	0.54	1.77	5.85%
Subtotal: 615 RE Value Add		43,200,000	42,381,374	0	0	32,363,535	36,877,975	69,241,510	26,860,136	98%	0.76	1.63	5.60%
630 RE Opportunistic													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	23,224,451	8,096,189	31,320,640	13,183,847	91%	1.28	1.73	15.07%
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	-9.64%
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	-13.07%
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	4.14%
6 JP Morgan India Property Fund	2007	8,990,000	8,481,769	508,231	0	4,452,289	2,289,036	6,741,324	-1,740,445	94%	0.52	0.79	-3.38%
Subtotal: 630 RE Opportunistic		73,821,485	71,450,047	2,371,438	0	27,676,740	30,562,310	58,239,049	-13,210,998	97%	0.39	0.82	-3.01%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,831,421	2,371,438	34,085	67,088,274	117,894,503	184,982,777	19,117,271	98%	0.40	1.12	1.74%

Firefighters' Retirement System of Louisiana

Transaction Summary

1/1/2018 - 3/31/2018

Date	Paid in Capital	Additional Fees	Distributions	Net Cash Flow
Firefighters' Retirement System of Louisiana				
AEW Partners VI				
03/21/2018			235,061.00	-235,061.00
Total: AEW Partners VI				
			235,061.00	-235,061.00
Sentinel Real Estate Fund				
01/12/2018			438,169.50	-438,169.50
Total: Sentinel Real Estate Fund				
			438,169.50	-438,169.50
Timbervest Crossover Partners II, L.P.				
03/27/2018			256,000.00	-256,000.00
Total: Timbervest Crossover Partners II, L.P.				
			256,000.00	-256,000.00
Total:			929,230.50	-929,230.50