

Fourth Quarter 2017 Real Estate Review

Firefighters' Retirement System of Louisiana

May, 2018

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May, 2018

Firefighters' Retirement System of Louisiana

RE: Real Estate Strategy – 4th Quarter 2017

Dear Members,

We are pleased to present the December 31, 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 0.54%. The IRR since inception is 1.68%. The overall multiple (current valuation plus cumulative distributions, divided by total capital calls) is 1.11.

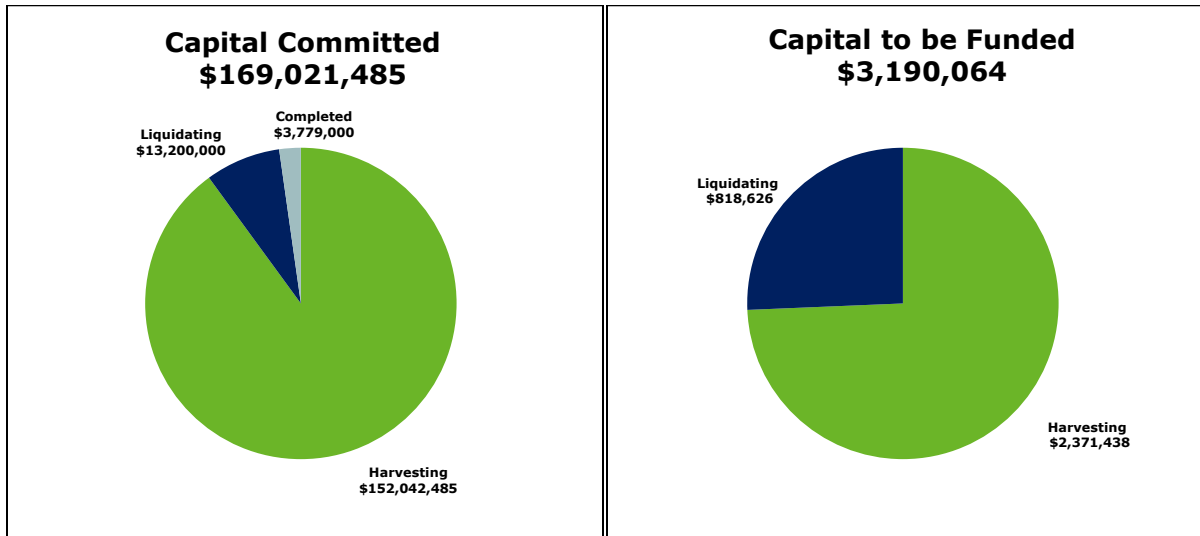
The following table presents the status of the Real Estate portfolio as of December 31, 2017:

Commitments	Terminated Commitments	Amount Funded	Amount Distributed	Reported Value	Call Ratio	Distribution Ratio
\$169,021,485	\$0	\$165,831,421	\$66,112,161	\$117,701,187	98.11%	39.87%

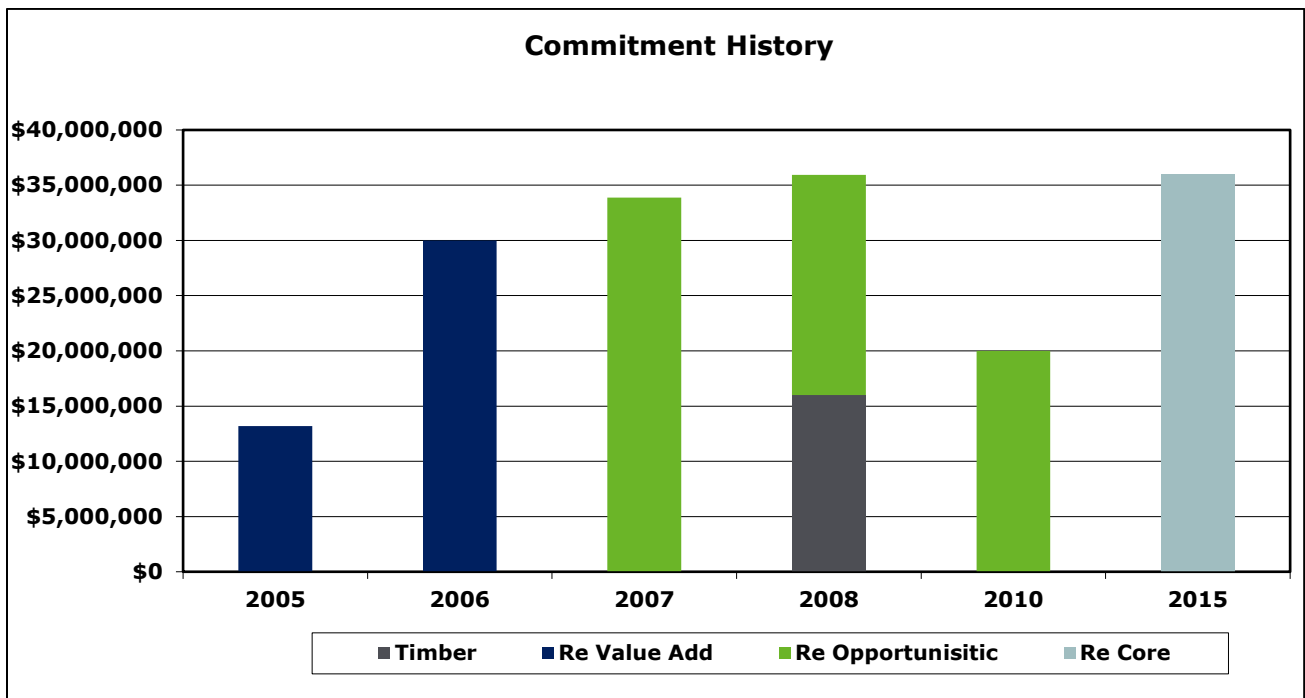
Unfunded Commitments	Market Exposure (Reported Value + Unfunded Commitments)	Total Fund Composite as of 12/31/2017	Alternative Assets Target	Reported Value as a % of Total Fund	Market Exposure as a % of Total Fund
\$3,190,064	\$120,891,251	\$1,660,340,773	6%*	7.09%	7.3%

Total Value (Reported Value + Distributions)	Total Value To Paid In Capital	Internal Rate of Return IRR, Since Inception (December 2005)
\$183,813,348	1.11	1.68%

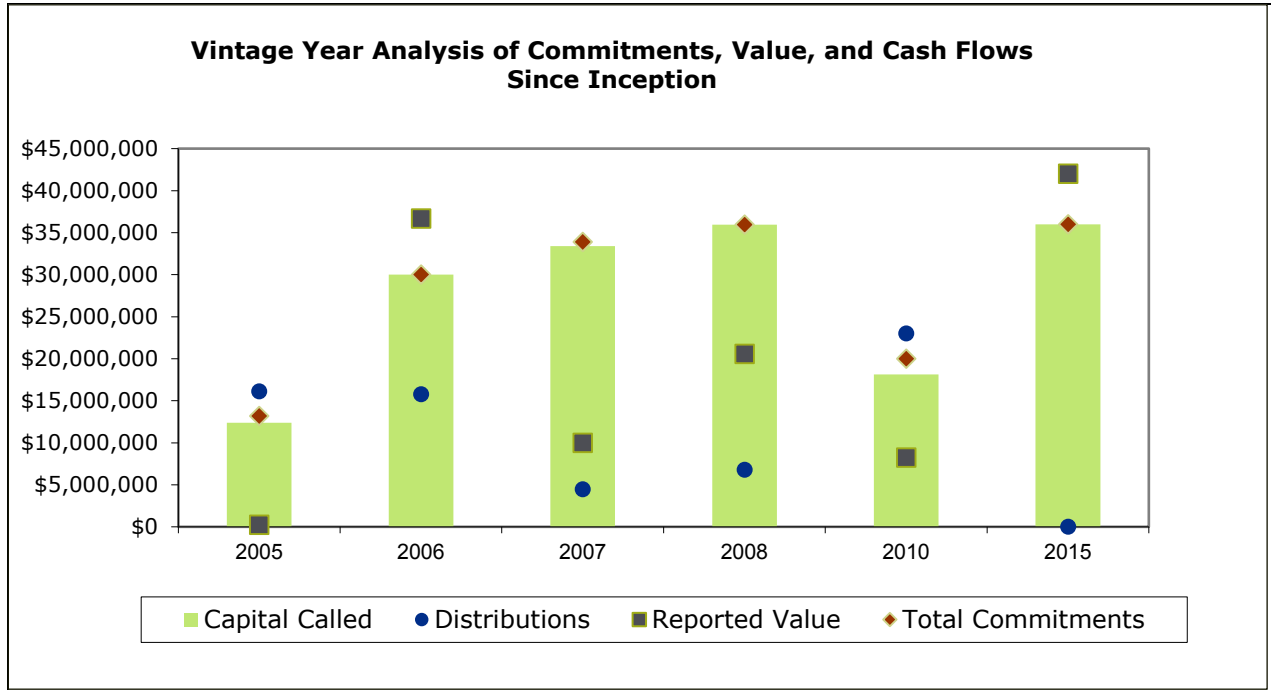
As of December 31, 2017, the Firefighters' Retirement System of Louisiana had commitments totaling \$169.02 million to 12 real estate funds. Of the 12 funds in the real estate portfolio, 10 are in the harvesting stage, 1 is in the liquidating stage, and 1 is in the completed stage. The following charts 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:



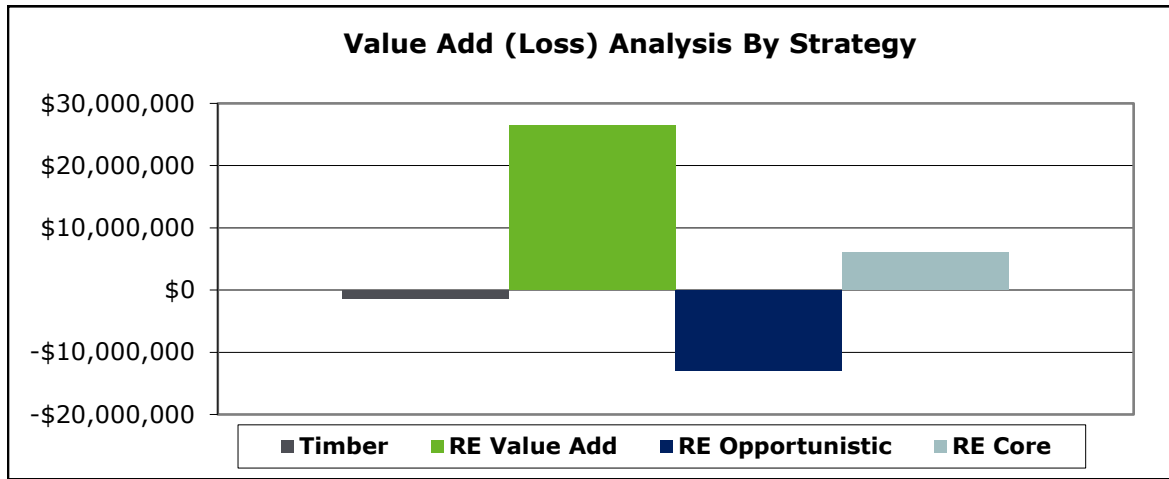
The following chart provides an analysis of the vintage year performance comparing the capital calls to the distributions and reported value:



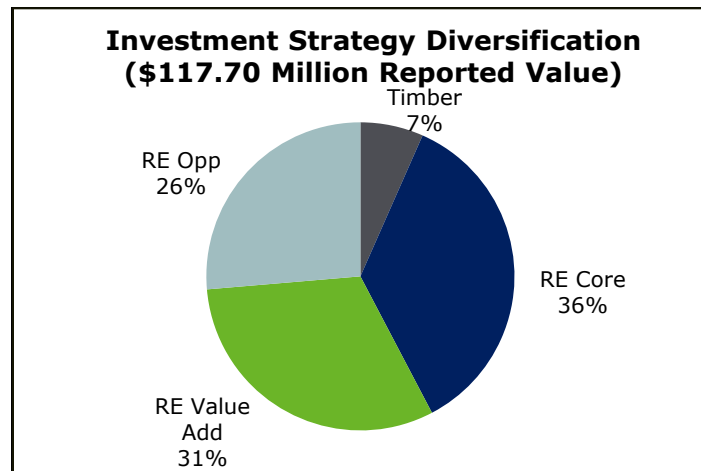
During the quarter-ended December 31, 2017, 1 fund in the Firefighters’ Retirement System of Louisiana Real Estate portfolio drew capital, and 3 funds made a distribution. The summary of the cash flow follows:

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
\$21,861	1	\$3,346,121	2	\$3,324,260

Since inception the Real Estate program has gained \$17.95 million in value for the Firefighters' Retirement System of Louisiana. Timber lost (\$1.42) million, RE Core added \$5.98 million, RE Value added \$26.38 million, and RE Opportunistic has lost (\$12.99) million.



As of December 31, 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

12/31/2017

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
AEW Core Property Trust	2015	12,000,000	1.82	8.02	8.02			8.65
AEW Partners VI	2010	20,000,000	3.18	9.37	9.37	15.69	16.93	15.22
Americus Real Estate Fund II, Ltd.	2005	13,200,000	0.00	-16.19	-16.19	-28.15	-8.36	4.65
ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	2.06	4.92	4.92			4.91
FRS-GA (Georgia)	2008	9,273,354	0.00	-26.71	-26.71	-9.49	-8.53	-9.88
FRS-LB I (NLTP AZ)	2007	24,900,208	0.00	65.79	65.79	19.91	11.51	-13.43
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	8.70	5.45	4.28
Heitman America Real Estate Trust, L.P.	2015	12,000,000	1.79	5.85	5.85			7.63
JP Morgan India Property Fund	2007	8,990,000	-4.38	-6.49	-6.49	-4.27	-5.00	-2.76
Sentinel Real Estate Fund	2006	30,000,000	2.20	6.79	6.79	9.30	11.83	5.82
Timbervest Crossover Partners II, L.P.	2008	16,000,000	-12.31	-12.24	-12.24	-7.54	-3.96	-1.59
Total: Firefighters' Retirement System of Louisiana		169,021,485	0.54	5.24	5.24	5.13	6.02	1.68

Firefighters' Retirement System of Louisiana

Performance Analysis

12/31/2017

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	15,030,771	15,030,771	3,030,771	100%	0.00	1.25	8.65%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	22,989,390	8,248,405	31,237,795	13,101,002	91%	1.27	1.72	15.22%
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	13,095,177	13,095,177	1,061,092	100%	0.00	1.09	4.91%
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	-9.88%
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	-13.43%
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	4.28%
9 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,888,559	13,888,559	1,888,559	100%	0.00	1.16	7.63%
10 JP Morgan India Property Fund	2007	8,990,000	8,481,769	508,231	0	4,452,289	2,589,067	7,041,356	-1,440,414	94%	0.52	0.83	-2.76%
11 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	15,771,056	36,655,755	52,426,811	22,426,811	100%	0.53	1.75	5.82%
12 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,792,000	7,787,336	14,579,336	-1,420,664	100%	0.42	0.91	-1.59%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,831,421	3,190,064	34,085	66,112,161	117,701,187	183,813,348	17,947,841	98%	0.40	1.11	1.68%

Firefighters' Retirement System of Louisiana

Lifecycle Performance Analysis

12/31/2017

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	15,030,771	15,030,771	3,030,771	100%	0.00	1.25	8.65%
2 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	22,989,390	8,248,405	31,237,795	13,101,002	91%	1.27	1.72	15.22%
3 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	13,095,177	13,095,177	1,061,092	100%	0.00	1.09	4.91%
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	-9.88%
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	-13.43%
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	4.28%
7 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,888,559	13,888,559	1,888,559	100%	0.00	1.16	7.63%
8 JP Morgan India Property Fund	2007	8,990,000	8,481,769	508,231	0	4,452,289	2,589,067	7,041,356	-1,440,414	94%	0.52	0.83	-2.76%
9 Sentinel Real Estate Fund	2006	30,000,000	30,000,000	0	0	15,771,056	36,655,755	52,426,811	22,426,811	100%	0.53	1.75	5.82%
10 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,792,000	7,787,336	14,579,336	-1,420,664	100%	0.42	0.91	-1.59%
Subtotal: 3 Harvesting		152,042,485	149,671,047	2,371,438	34,085	50,004,735	117,472,155	167,476,889	17,771,757	98%	0.33	1.12	1.84%
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	165,831,421	3,190,064	34,085	66,112,161	117,701,187	183,813,348	17,947,841	98%	0.40	1.11	1.68%

Firefighters' Retirement System of Louisiana

Vintage Year Performance Analysis

12/31/2017

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	15,771,056	36,655,755	52,426,811	22,426,811	100%	0.53	1.75	5.82%
Subtotal: 2006		30,000,000	30,000,000	0	0	15,771,056	36,655,755	52,426,811	22,426,811	100%	0.53	1.75	5.82%
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	-13.43%
2 JP Morgan India Property Fund	2007	8,990,000	8,481,769	508,231	0	4,452,289	2,589,067	7,041,356	-1,440,414	94%	0.52	0.83	-2.76%
Subtotal: 2007		33,890,208	33,381,977	508,231	0	4,452,289	9,989,168	14,441,457	-18,940,521	99%	0.13	0.43	-10.31%
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	-9.88%
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	4.28%
4 Timbervest Crossover Partners II, L.P.	2008	16,000,000	16,000,000	0	0	6,792,000	7,787,336	14,579,336	-1,420,664	100%	0.42	0.91	-1.59%
Subtotal: 2008		35,931,277	35,931,277	0	0	6,792,000	20,564,320	27,356,320	-8,574,957	100%	0.19	0.76	-3.76%
2010													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	22,989,390	8,248,405	31,237,795	13,101,002	91%	1.27	1.72	15.22%
Subtotal: 2010		20,000,000	18,136,793	1,863,207	0	22,989,390	8,248,405	31,237,795	13,101,002	91%	1.27	1.72	15.22%
2015													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	15,030,771	15,030,771	3,030,771	100%	0.00	1.25	8.65%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	13,095,177	13,095,177	1,061,092	100%	0.00	1.09	4.91%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,888,559	13,888,559	1,888,559	100%	0.00	1.16	7.63%
Subtotal: 2015		36,000,000	36,000,000	0	34,085	0	42,014,507	42,014,507	5,980,422	100%	0.00	1.17	7.37%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,831,421	3,190,064	34,085	66,112,161	117,701,187	183,813,348	17,947,841	98%	0.40	1.11	1.68%

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

12/31/2017

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	7,787,336	14,579,336	-1,420,664	100%	0.42	0.91	-1.59%
Subtotal: 501 Timber		16,000,000	16,000,000	0	0	6,792,000	7,787,336	14,579,336	-1,420,664	100%	0.42	0.91	-1.59%
610 RE Core													
1 AEW Core Property Trust	2015	12,000,000	12,000,000	0	0	0	15,030,771	15,030,771	3,030,771	100%	0.00	1.25	8.65%
2 ASB Allegiance Real Estate Fund II, Ltd.	2015	12,000,000	12,000,000	0	34,085	0	13,095,177	13,095,177	1,061,092	100%	0.00	1.09	4.91%
3 Heitman America Real Estate Trust, L.P.	2015	12,000,000	12,000,000	0	0	0	13,888,559	13,888,559	1,888,559	100%	0.00	1.16	7.63%
Subtotal: 610 RE Core		36,000,000	36,000,000	0	34,085	0	42,014,507	42,014,507	5,980,422	100%	0.00	1.17	7.37%
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	15,771,056	36,655,755	52,426,811	22,426,811	100%	0.53	1.75	5.82%
Subtotal: 615 RE Value Add		43,200,000	42,381,374	818,626	0	31,878,482	36,884,787	68,763,269	26,381,895	98%	0.75	1.62	5.60%
630 RE Opportunistic													
1 AEW Partners VI	2010	20,000,000	18,136,793	1,863,207	0	22,989,390	8,248,405	31,237,795	13,101,002	91%	1.27	1.72	15.22%
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	-9.88%
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	-13.43%
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	4.28%
6 JP Morgan India Property Fund	2007	8,990,000	8,481,769	508,231	0	4,452,289	2,589,067	7,041,356	-1,440,414	94%	0.52	0.83	-2.76%
Subtotal: 630 RE Opportunistic		73,821,485	71,450,047	2,371,438	0	27,441,679	31,014,557	58,456,236	-12,993,812	97%	0.38	0.82	-3.01%
Total: Firefighters' Retirement System of Louisiana		169,021,485	165,831,421	3,190,064	34,085	66,112,161	117,701,187	183,813,348	17,947,841	98%	0.40	1.11	1.68%

Firefighters' Retirement System of Louisiana

Transaction Summary

10/1/2017 - 12/31/2017

	Date	Paid in Capital	Additional Fees	Distributions	Net Cash Flow
Firefighters' Retirement System of Louisiana					
AEW Partners VI					
	10/12/2017			2,235,741.00	-2,235,741.00
	12/28/2017			563,530.00	-2,799,271.00
Total: AEW Partners VI				2,799,271.00	-2,799,271.00
JP Morgan India Property Fund					
	10/25/2017			78,811.80	-78,811.80
	10/25/2017	21,860.79			-56,951.01
Total: JP Morgan India Property Fund		21,860.79		78,811.80	-56,951.01
Sentinel Real Estate Fund					
	10/13/2017			468,038.25	-468,038.25
Total: Sentinel Real Estate Fund				468,038.25	-468,038.25
Total:		21,860.79		3,346,121.05	-3,324,260.26