



**TOWNSEND**  
GROUP

Real Estate Portfolio

# Performance Review

SECOND QUARTER 2016



## Portfolio Funding Status

- The following slides provide a review of key information pertaining to the Los Angeles City Employees' Retirement System ("LACERS") Real Estate Portfolio (the "Portfolio") through June 30, 2016. A detailed performance report is also provided as **Exhibit A**.
- The System is above its 5.0% target to Real Estate, but is expected to come in line with its target as legacy funds liquidate from the Portfolio.

	Market Value (\$ millions)*	% LACERS Plan*
<b>LACERS Total Plan Assets</b>	<b>14,015</b>	
<b>Real Estate Target</b>	<b>701</b>	<b>5.0%</b>
RE Market Value:		
<i>Core</i>	<i>473</i>	
<i>Non-Core</i>	<i>340</i>	
<i>Timber</i>	<i>20</i>	
<b>Total RE Market Value</b>	<b>833</b>	<b>5.9%</b>
Unfunded Commitments	133	0.9%
<b>RE Market Value &amp; Unfunded Commitments</b>	<b>966</b>	<b>6.9%</b>
<b>Remaining Allocation</b>	<b>(265)</b>	<b>(1.9%)</b>

\*Figures may not add due to rounding.

# Real Estate Portfolio Composition

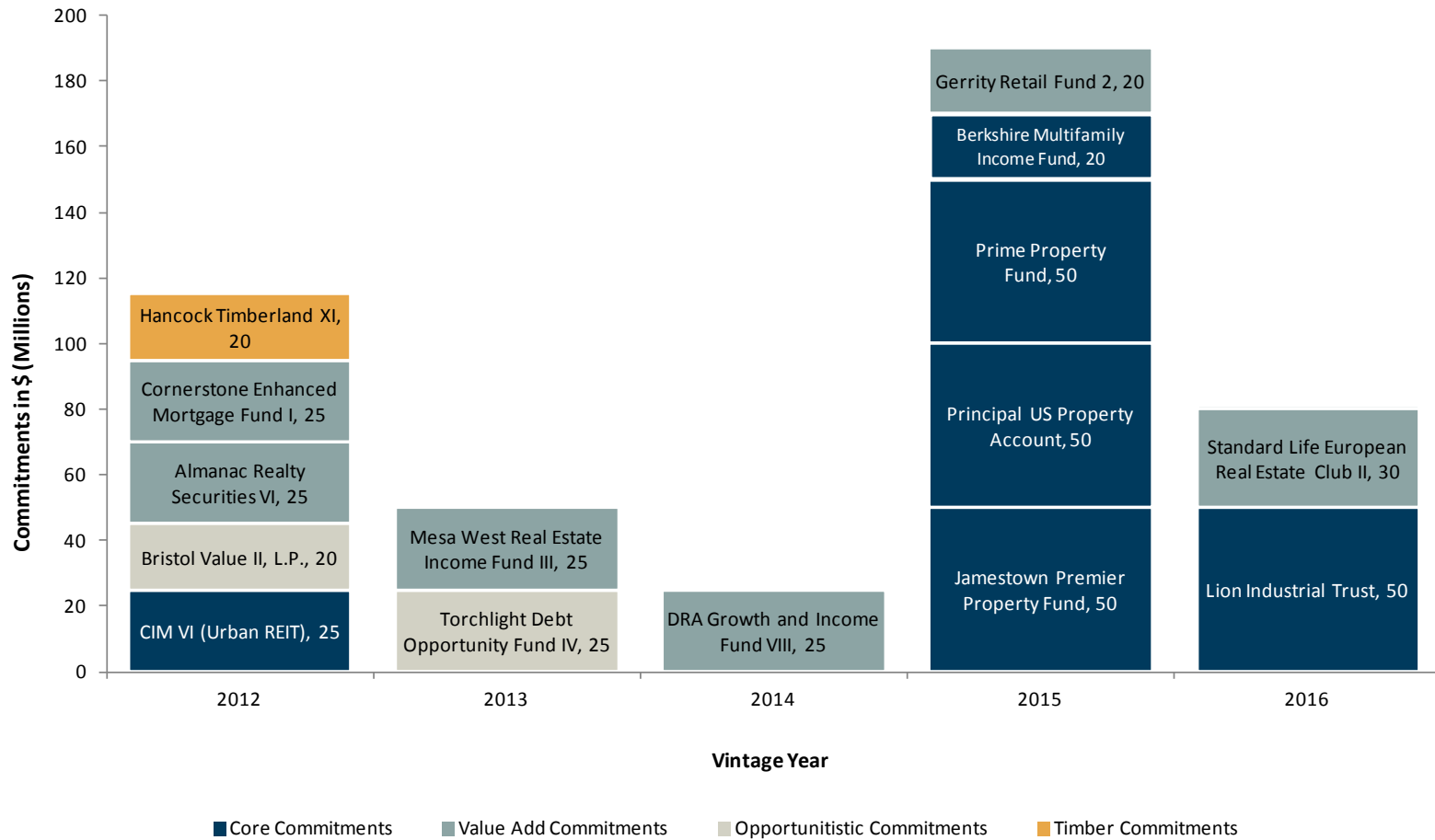
	Strategic Targets		Portfolio Composition (6/30/2016)*	
	Target Allocation	Tactical Range	Funded	Funded & Committed
<b>Core</b>	<b>60%</b>	<b>40% - 80%</b>	<b>56.8%</b>	<b>51.6%</b>
<b>Non-Core</b>	<b>40%</b>	<b>20% - 60%</b>	<b>40.8%</b>	<b>46.2%</b>
<i>Value Add Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>15.3%</i>	<i>20.1%</i>
<i>Opportunistic Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>25.5%</i>	<i>26.1%</i>
<b>Timber</b>	<b>N/A</b>	<b>N/A</b>	<b>2.5%</b>	<b>2.3%</b>

- In May 2014, the Board approved the strategic targets displayed above in order to reflect a more conservative risk profile going-forward. At the time, the Portfolio had 30% exposure to Core and 70% exposure to Non-Core.
- Since that time, and in an effort to transition the Portfolio, the LACERS Board has approved \$220 million in new Core commitments. Approximately 90% of these commitments have been called as of June 30, with the remaining balance expected to be called by year-end.
- The LACERS Board also approved \$50 million in Non-Core investments in 2015 focused on Value Add strategies whereby pre-specified portfolios, with embedded value and an element of current income were identified.
- On a funded and committed basis, the LACERS Core and Non-Core allocations are in line with the strategic targets. Capital projections show LACERS nearing its 60% target allocation to Core at year-end 2016 as Non-Core investments continue to liquidate and recent Core commitments become fully invested.
- The Core Portfolio utilizes 29.1% leverage, measured on a loan-to-value (LTV) basis, well below the 40.0% constraint.
- The Non-Core Portfolio has a 48.3% LTV ratio, well below the 75.0% constraint.

\*Figures may not add due to rounding.



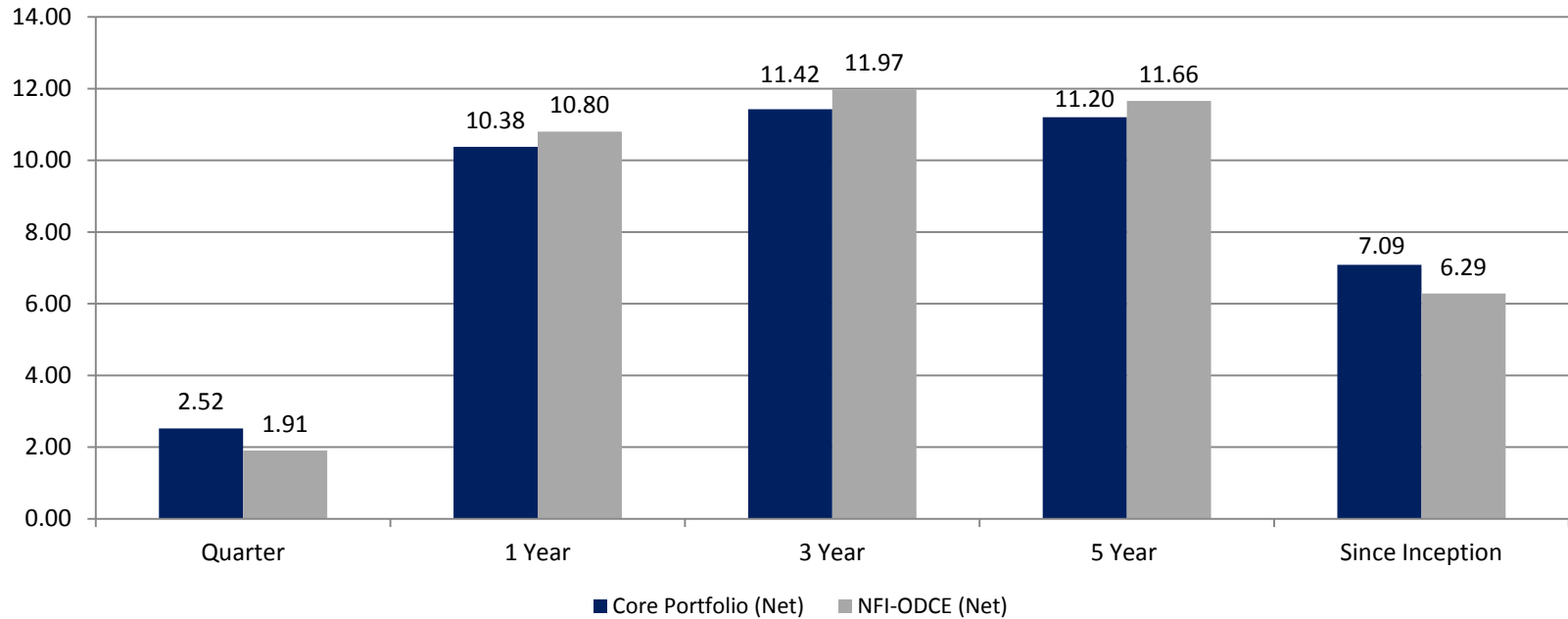
## Commitments Since 2012



- LACERS has committed \$460 million since 2012.
- Vintage year classifications are based on LACERS' first capital call (or expected capital call), though commitments may have been approved in prior years.

# Relative Performance by Strategy: Core

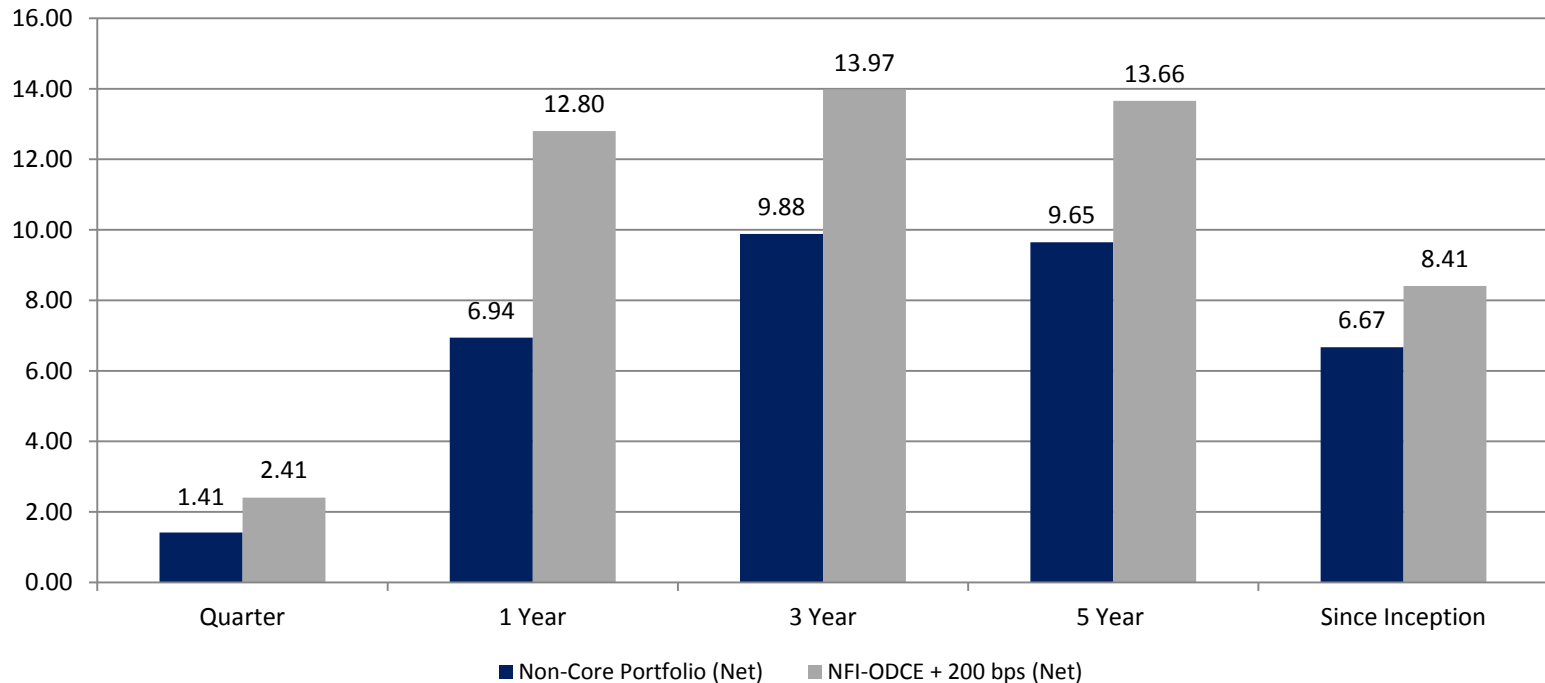
LACERS Core Real Estate Portfolio vs. NFI-ODCE



- The LACERS Core benchmark is the NFI-ODCE, measured over five year time periods, net of fees.
- The Core Portfolio outperformed the benchmark over the most recent Quarter and Since Inception time period, but underperformed over all other time periods.
- During the Second Quarter, Invesco Core Real Estate and CIM VI drove performance, each outperforming the NFI-ODCE by 160 bps. CMCT is the largest detractor of Core performance over the one-year period. Underperformance over the three and five-year periods is largely attributable to CIM Urban REIT, which was fully liquidated in 1Q2014.
- New investments approved by the LACERS Board in 2015 are expected to be fully funded by year-end 2016. These investments are positioned to outperform the NFI-ODCE with a predominant portion of return coming through income. Over the most recent Quarter, four new investments (Berkshire, Lion Industrial Trust, Prime Property Fund and Principal U.S. Property Account) outperformed the NFI-ODCE.

## Relative Performance by Strategy: Non-Core

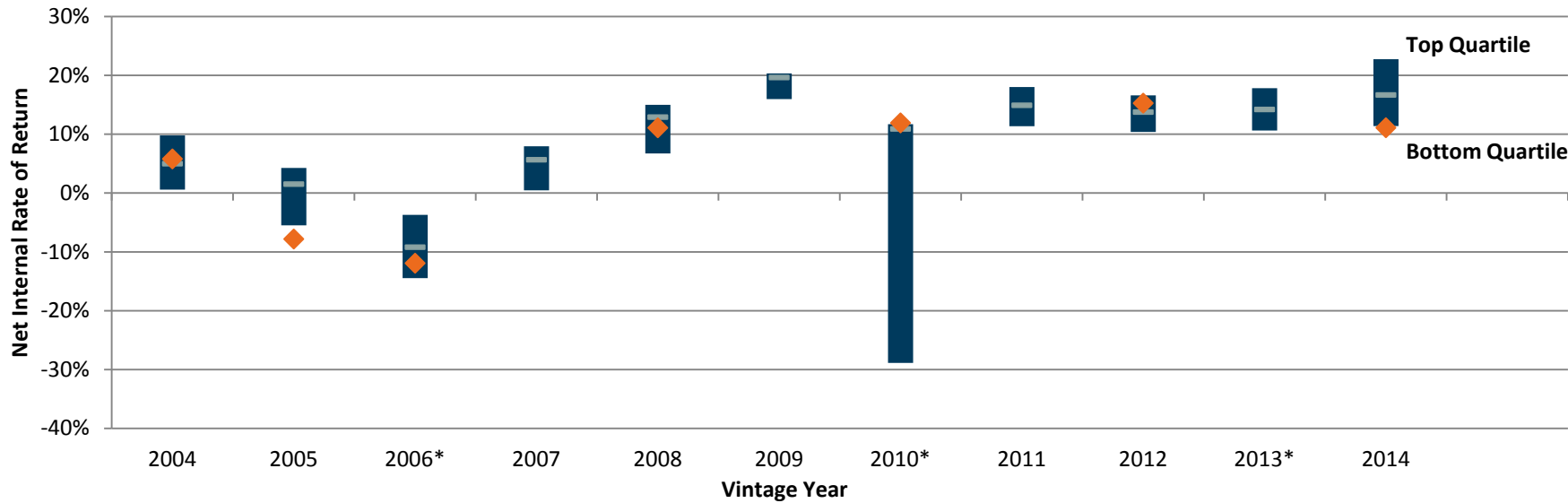
LACERS Non-Core Real Estate Portfolio vs. NFI-ODCE + 200 bps



- The LACERS Non-Core benchmark is the NFI-ODCE + 200 bps, measured over five year time periods, net of fees. The 200 bps premium is a reflection of the incremental return expected from additional risk inherent in Non-Core strategies.
- The Non-Core Portfolio underperformed the NFI-ODCE + 200 bps benchmark over all time periods.
- Performance for the Value Add and Opportunistic Portfolios is provided on the following slide.

# Relative Performance by Strategy: Non-Core

Value Add Net IRR Results by Vintage Year



— Median IRR    ◆ LACERS

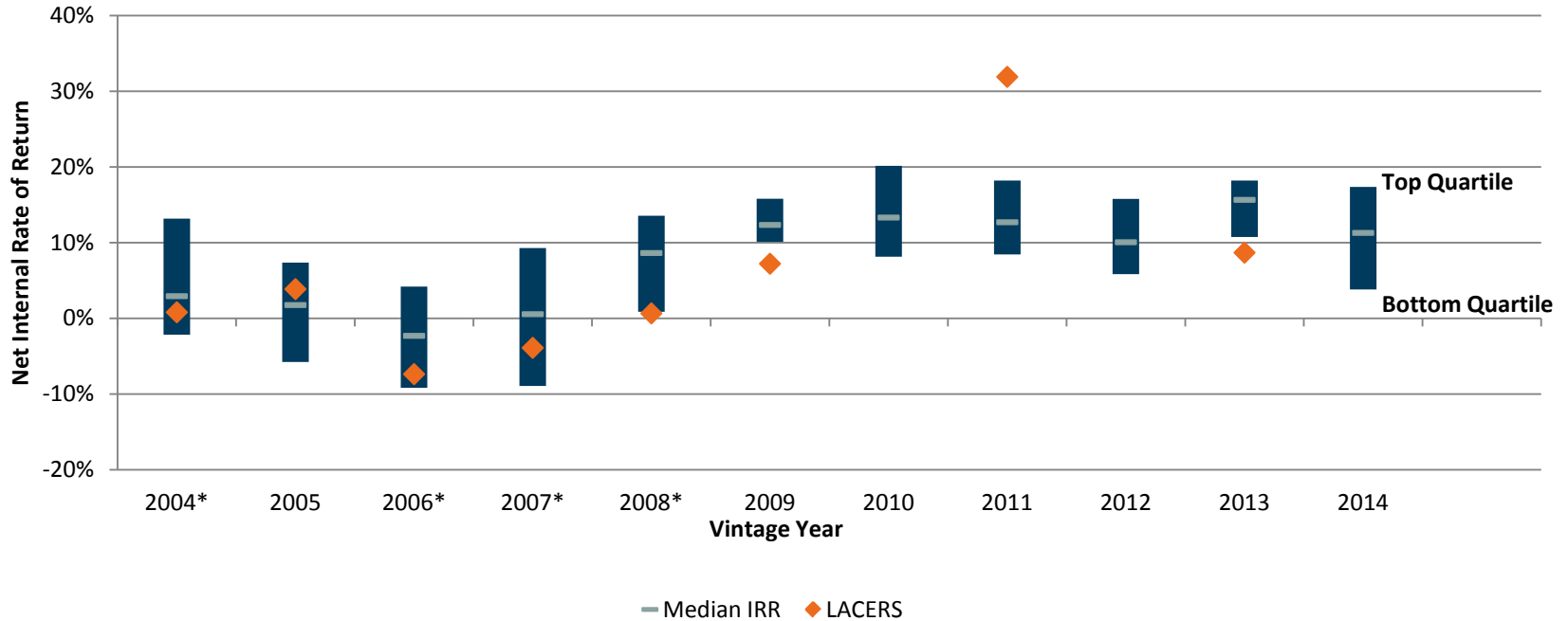
- The chart above displays the top, bottom and median quartile net IRRs of all Value Add strategies tracked by The Townsend Group. The LACERS current net IRR by vintage year is also provided for reference. Note if more than one investment was made in any given vintage year, the LACERS net IRR represents the aggregate net IRR for all investments made during that vintage year (exceptions exist, see below).
- LACERS made investments in 7 out of the 11 years displayed. LACERS manager selection was above median for 3 years out of these 7 years.
- A majority of Value Add capital was invested between 2004 and 2006, where returns have been below historical averages. These investments have had a significant impact on historical performance as a result.
- Performance for 2015 was excluded due to performance not being meaningful at this time. Performance will become meaningful as these funds reach later stages of their investment periods.
- Since 2014, LACERS has made two Value Add commitments (Gerrity Retail Fund 2 and Standard Life European Real Estate Club II), which are expected to outperform the NFI-ODCE + 200 with a component of current income to mitigate the J-curve.
- Missing markers indicate that LACERS does not have investments classified in a particular vintage.

\*Note that vintage years with asterisks exclude investments where Townsend was unable to receive full cash flows to calculate correct aggregate vintage year net IRRs. 2006: JP Morgan Alternative Property Fund has generated a negative 4.3% net IRR through 6/30/2016. 2012: Cornerstone Enhanced Mortgage Fund I has generated a 9.7% net IRR through 6/30/2016. 2013: Almanac Realty Securities VI and Mesa West Real Estate Income Fund III have generated a 17.6% and 7.6% net IRR through 6/30/2016, respectively.



# Relative Performance by Strategy: Non-Core

## Opportunistic Net IRR Results by Vintage Year



- The chart above displays the top, bottom and median quartile net IRRs of all Opportunistic strategies tracked by The Townsend Group. The LACERS current net IRR by vintage year is also provided for reference. Note if more than one investment was made in any given vintage year, the LACERS net IRR represents the aggregate net IRR for all investments made during that vintage year (exceptions exist, see below).
- LACERS made investments in 8 out of the 11 years displayed. LACERS manager selection was above median for 2 years out of these 8 years .
- A majority of Opportunistic capital was invested between 2004 and 2006, where returns have been below historical averages. These investments have had a significant impact on historical performance as a result.
- Missing markers indicate that LACERS does not have investments classified in a particular vintage.

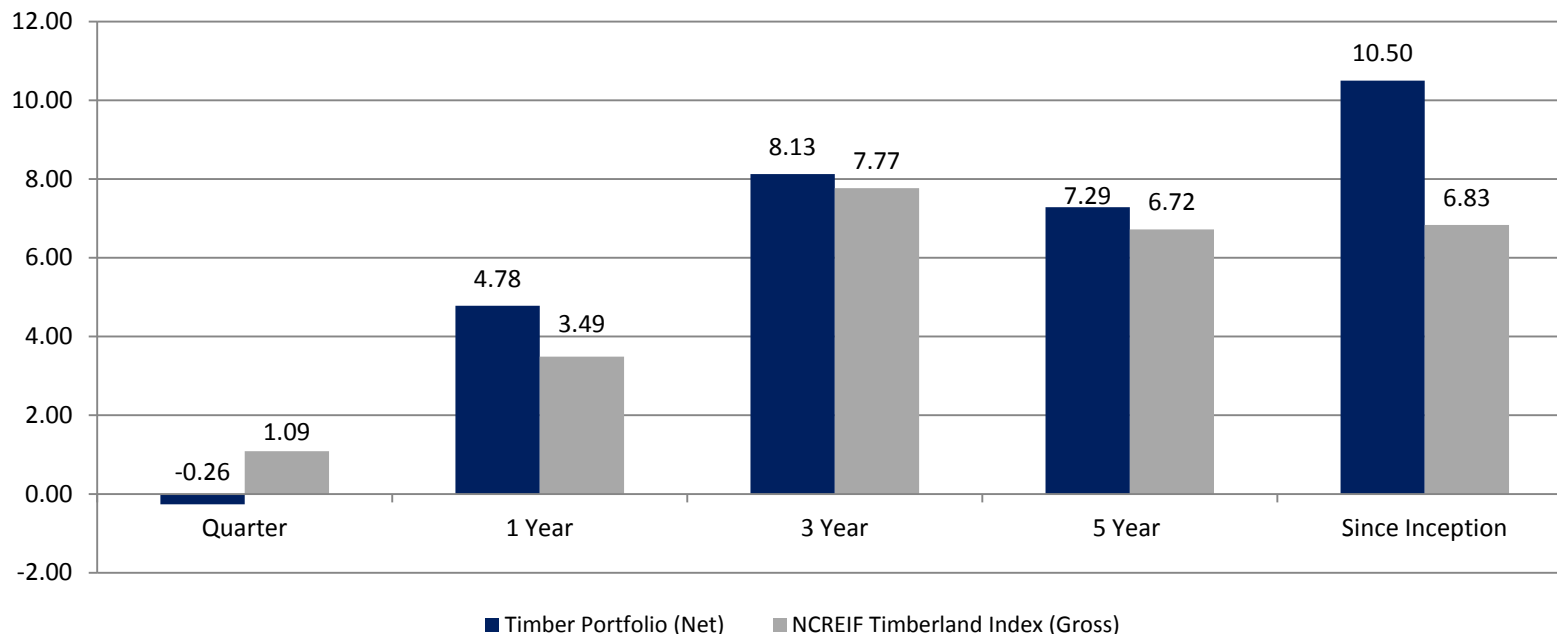


\*Note that vintage years with asterisks exclude investments where Townsend was unable to receive full cash flows. 2004: Lowe Hospitality Investment Partners has generated a negative 17.3% net IRR through 6/30/2016. 2006: Southern California Smart Growth Fund has generated a negative 2.2% net IRR through 6/30/2016. 2007: California Smart Growth Fund IV has generated a 1.9% net IRR through 6/30/2016. 2008: DRA Growth and Income Fund VI has generated an 11.3% net IRR through 6/30/2016.



## Relative Performance by Strategy: Timber

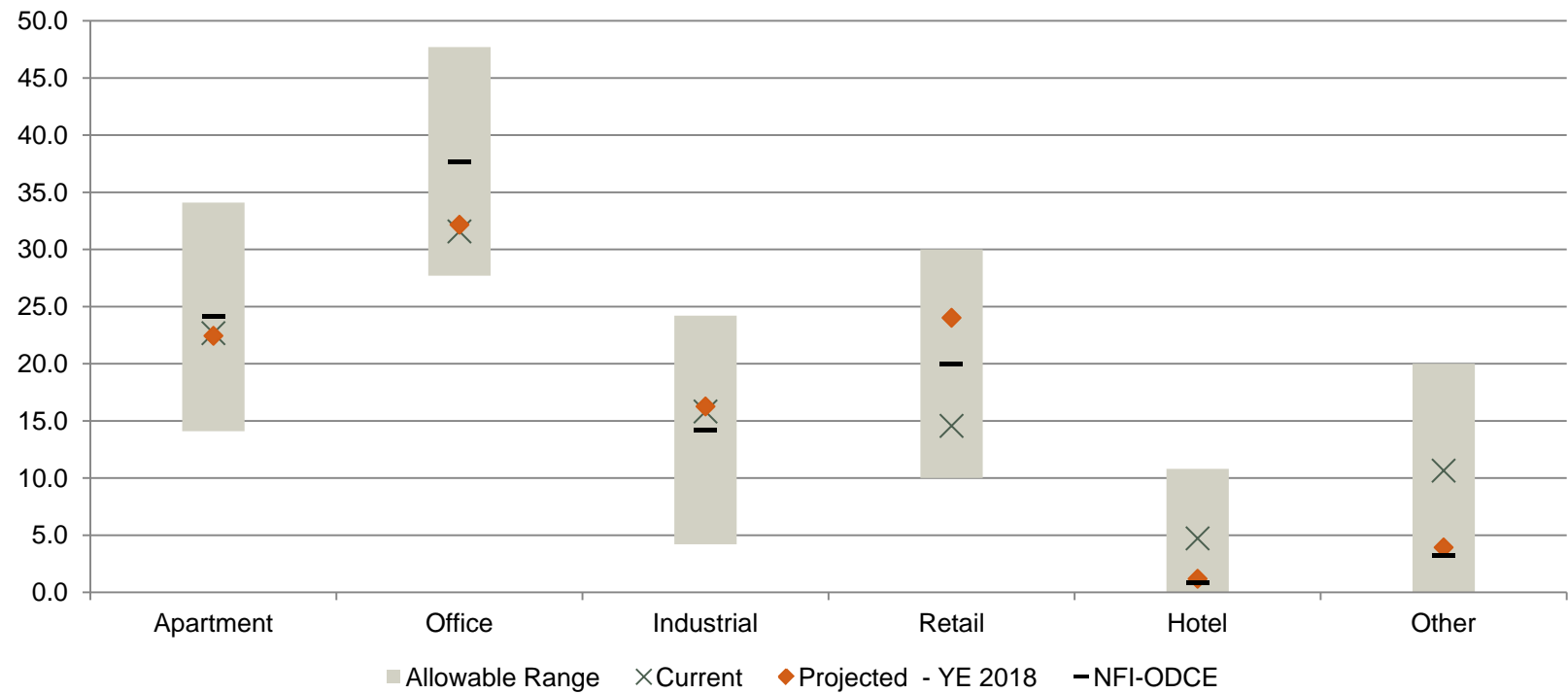
LACERS Timber Portfolio vs. NCREIF Timberland Index



- The Timber Portfolio, net of fees, outperformed its benchmark, the NCREIF Timberland Index, gross of fees, over all time periods with exception of the most recent Quarter.
- The LACERS active timberland investment is Hancock Timberland IX. The Fund’s assets are located in the United States (86%, split between the South and the Northwest) and Chile (14%). The South and Northwest regions were the strongest two performing regions in the NCREIF Timberland Index over the Quarter.
- Performance of the LACERS timber portfolio consisted of flat appreciation and negative income related to fund-level expenses. The majority of assets in Hancock Timberland IX are appraised at year-end, which is why appreciation usually remains relatively flat from the First Quarter through the Third Quarter of each year. The effect of year-end appraisals is demonstrated in the strong annualized returns, which are driven by appreciation.

# Real Estate Portfolio Diversification

LACERS Private Portfolio Property Type Diversification (%)

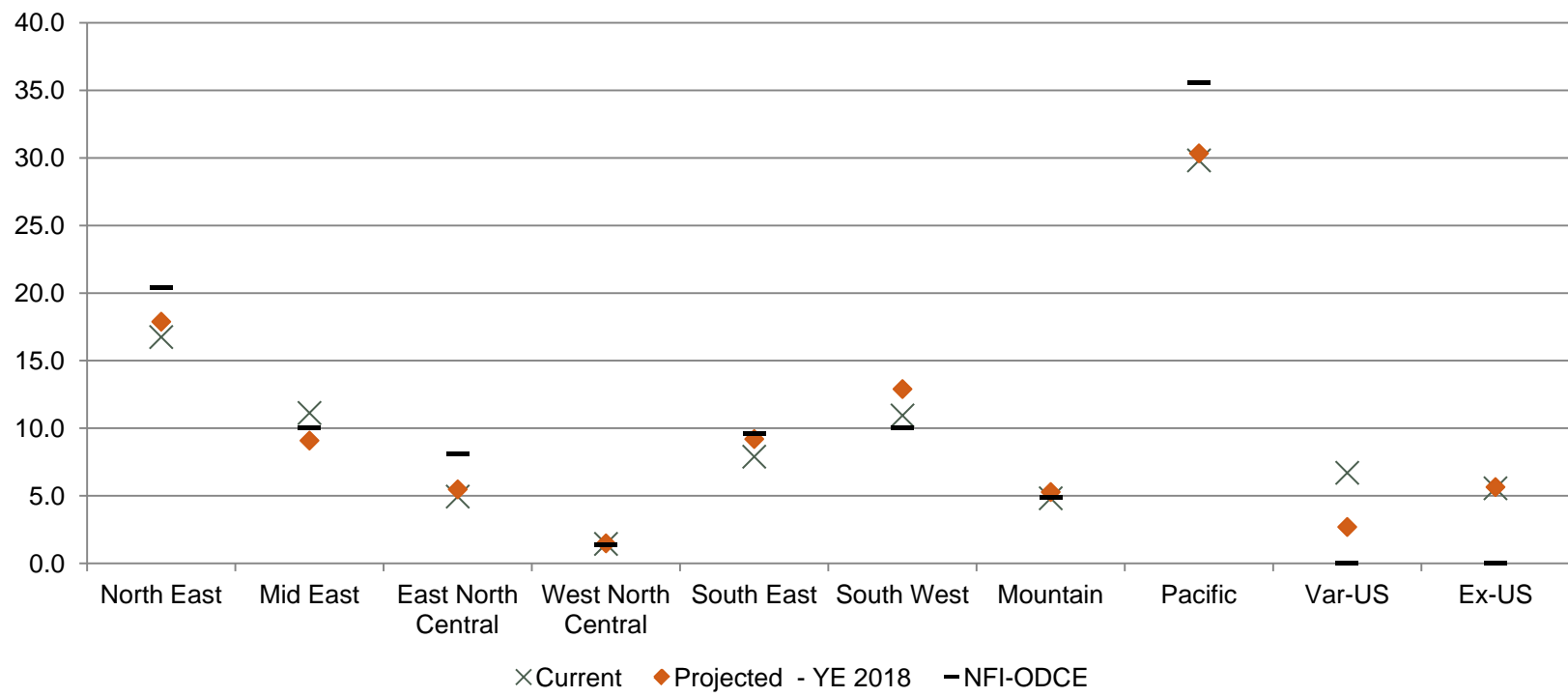


- The diversification of the Private Portfolio is measured against the diversification of the NFI-ODCE  $\pm$  10.0% with up to 20.0% of the Portfolio allowed in “Other”. Currently, the “Other” category includes investments in alternative property types including Self Storage, Student Housing, For Sale Residential, and Land.
- LACERS is in-compliance with diversification by property type.
  - As new commitments are called, diversification is expected to shift more inline with the NFI-ODCE.



# Real Estate Portfolio Diversification

LACERS Private Portfolio Geographic Diversification (%)



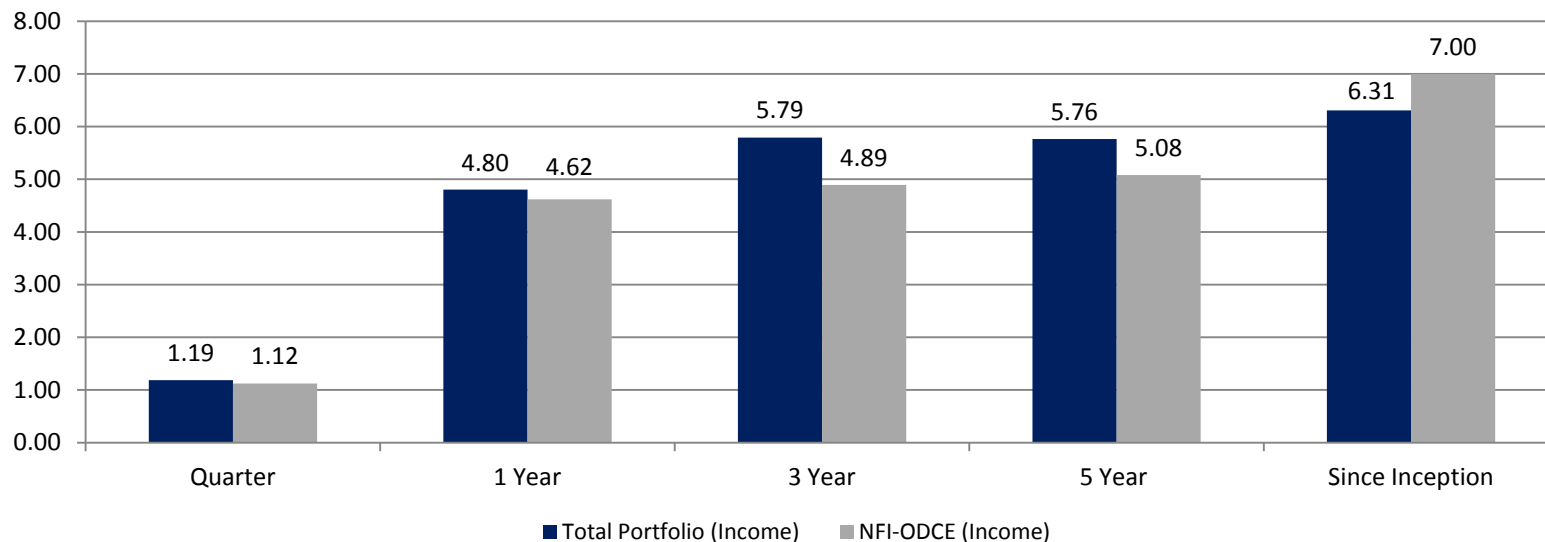
- The diversification goal of the Private Portfolio is to be well diversified across the US. The only constraint is a 30.0% maximum allocation to Ex-US investments. NFI-ODCE diversification is provided as a benchmark.
- LACERS is in-compliance with the Ex-US constraint and is well diversified by geographic region. The Ex-US exposure includes exposure to Europe (3.1% of Private Portfolio), Ex-US Americas (1.2%) and Asia (1.2%).
- The LACERS Projected Private Portfolio (YE 2018) includes all commitments approved by the Board.
- The Portfolio currently has an aggregate exposure to the Los Angeles metropolitan area of 10.2%, with a 5.6% exposure to Los Angeles City. The NFI-ODCE's exposure to the Los Angeles metropolitan area is 10.3%\*.

\*Collected by Townsend bi-annually, as of 1Q16. Based on % NAV.



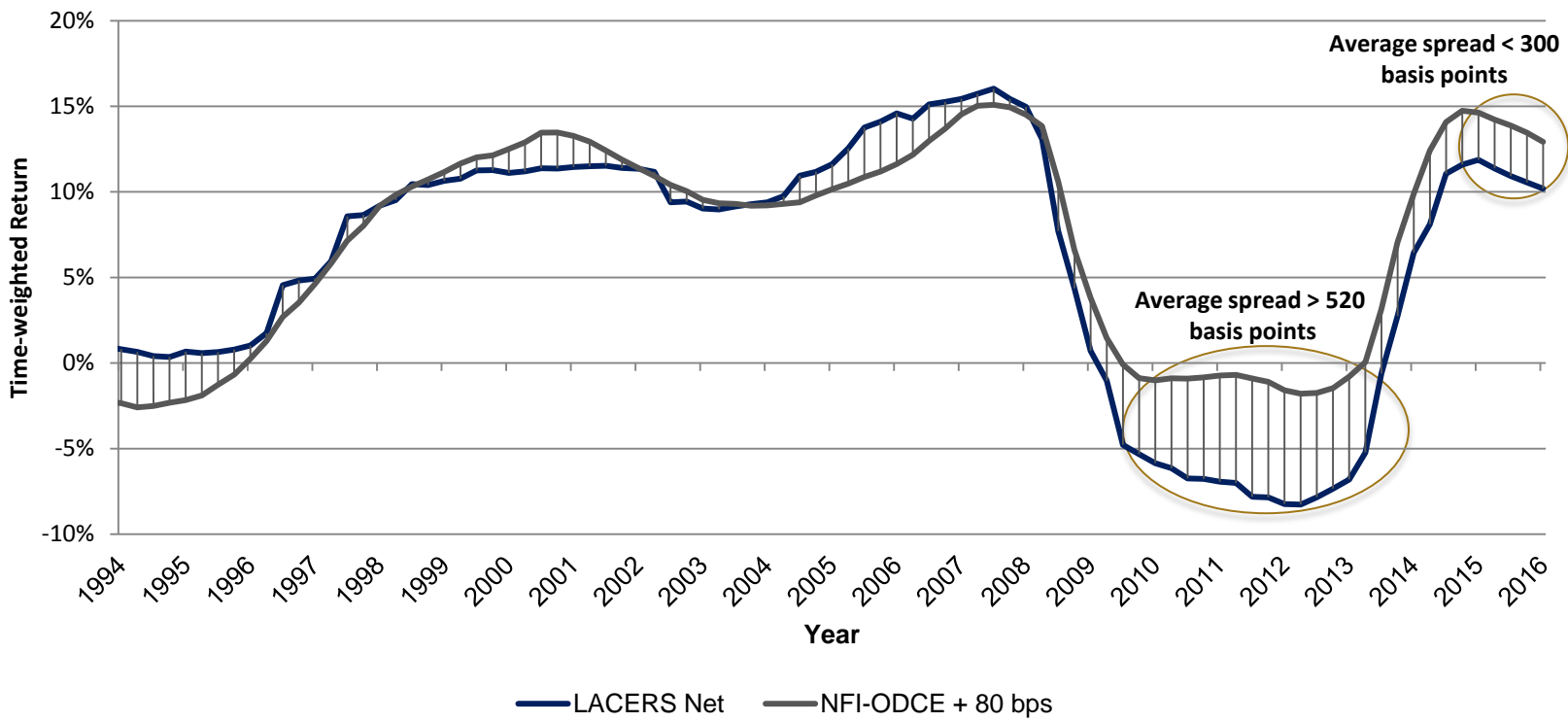
# Income Performance

LACERS Income Return vs. NFI-ODCE



- As outlined in the Real Estate Strategic Plan, a primary objective for real estate is to generate income for the LACERS program.
- Historically, real estate has generated returns comprised primarily of income.
- The income return for the LACERS Portfolio has outperformed the income return of the NFI-ODCE across all time periods with the exception of the Since Inception time period. Recent outperformance on an income basis is attributable to new Core investments made since 2014, which are positioned to achieve a predominant portion of their returns through income.

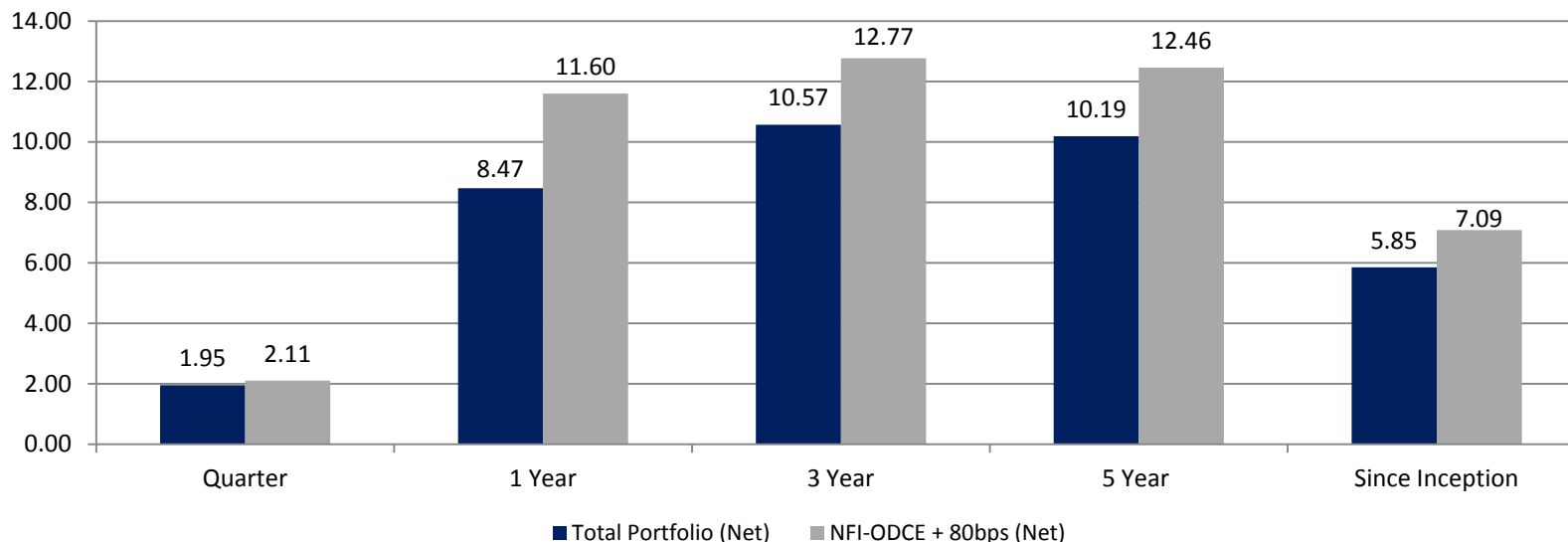
# Improving Relative Performance



- The chart above displays rolling five year time-weighted returns for the Total LACERS Portfolio, net of fees, relative to the benchmark.
- While LACERS continues to underperform the benchmark, performance should improve as new accretive investments fund into the Portfolio and legacy investments fully liquidate. The number of positions in the Portfolio is projected to decline by roughly 70% through year-end 2018.
- Townsend also analyzed this performance trend by strategy within the LACERS Portfolio. The same trend existed by strategy but Core holdings tracked the benchmark closer than Non-Core strategies.

# Total Portfolio Performance

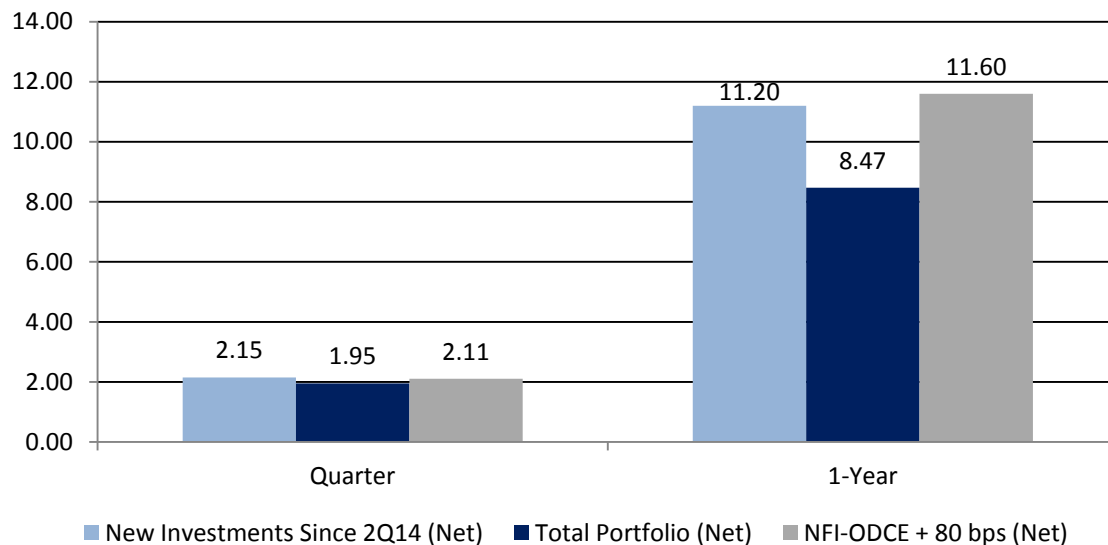
LACERS Total Real Estate Portfolio vs. NFI-ODCE + 80 bps



- The benchmark for the LACERS Total Real Estate Portfolio is the NFI-ODCE + 80 basis points (“bps”), measured over five year time periods, net of fees (defined below). LACERS has underperformed this benchmark over all periods, mostly due to weak performance of Non-Core legacy funds as detailed earlier in this report.
- The NFI-ODCE stands for the NCREIF Fund Index of Open-End Diversified Core Equity funds. The NFI-ODCE is a Core index that includes Core open-end diversified funds with at least 95% of their investments in US markets. The NFI-ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical (back to 1978) and current basis (24 active vehicles), utilizing approximately 22.2% leverage.
  - The 80 basis point (“bps”) premium is a reflection of the incremental return expected from Non-Core exposure in the Portfolio, which is not included in the NFI-ODCE.

# Total Portfolio Performance

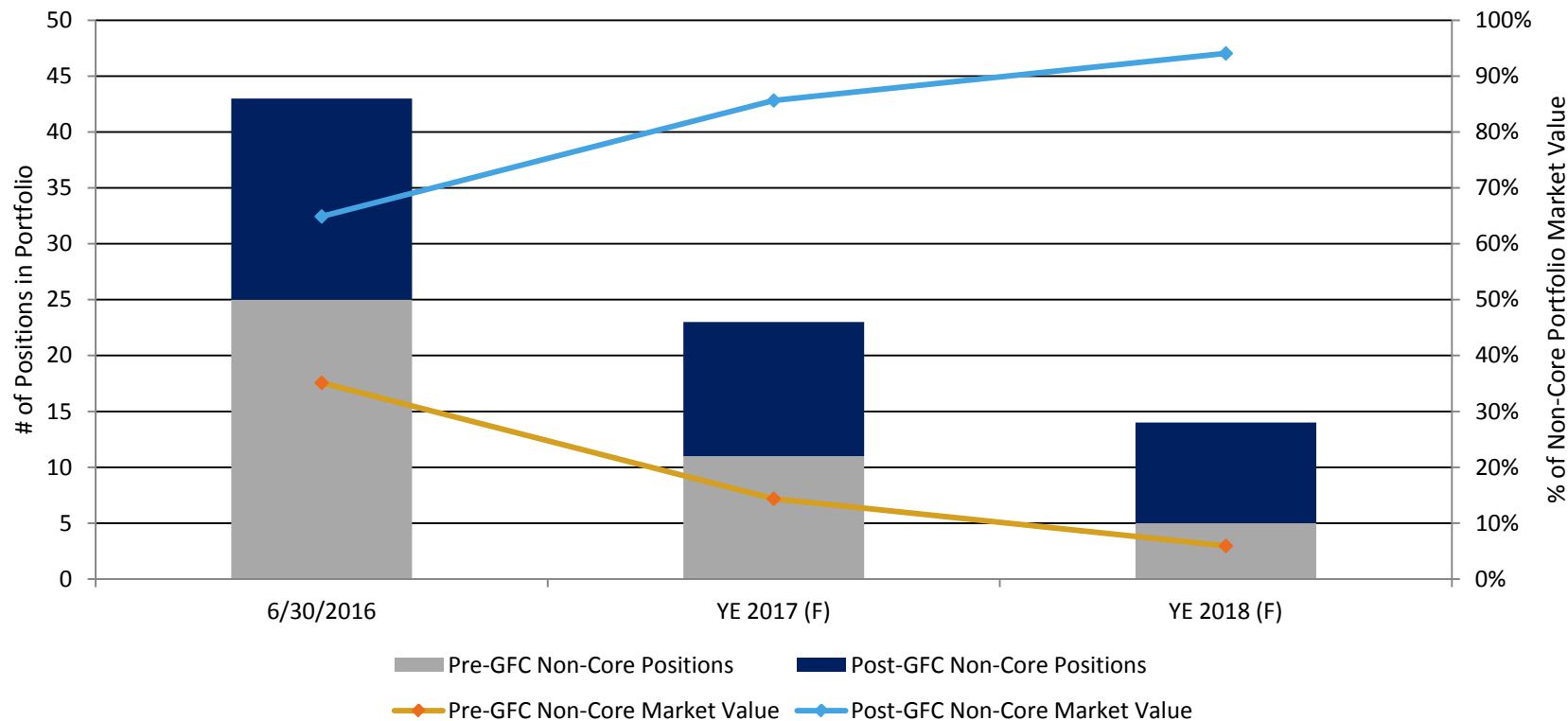
LACERS New Investments vs. Total Real Estate Portfolio vs. NFI-ODCE + 80 bps



- LACERS has made eight new investments since 2014. Recent Core investments include Berkshire, Jamestown, Lion Industrial Trust, Prime and Principal. Non-Core investments include Gerrity and Standard Life.
- Performance of these new investments exceeds performance of the Total Portfolio and is in line with the benchmark. The following slide provides more detail on the upcoming liquidations of Non-Core legacy funds, which have been dragging down Total Portfolio performance. New investments are expected to drive performance going forward.

# Projected Non-Core Liquidations

## Non-Core Investments - Pre-GFC vs. Post-GFC Vintage Years



- The number of Pre-Global Financial Crisis (“GFC”) Non-Core positions is projected to decrease significantly over the next two years. Out of the eighteen Non-Core investments made before the Global Financial Crisis, only nine are projected to remain through year-end 2018.
- The Non-Core Portfolio, which currently consists of 35% Pre-GFC investments on a market value basis, is projected to be made up of mostly Post-GFC investments by year-end 2018 (94% of projected market value).



# Exhibit A: Performance Flash Report



Portfolio Composition (\$)									
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation		
14,014,772,420	700,738,621	5.0%	833,404,010	5.9%	132,775,932	0.9%	-265,441,321	-1.9%	

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
LACERS	2.2	2.0	9.7	8.5	12.3	10.2	11.9	10.2
NFI-ODCE + 80 basis points	2.3	2.1	12.6	11.6	13.8	12.8	13.5	12.5

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments
<b>Core Portfolio</b>	<b>1989</b>	<b>378,867,553</b>	<b>383,401,470</b>	<b>25,000,000</b>	<b>55,563,633</b>	<b>473,068,942</b>	<b>56.8</b>	<b>51.6</b>
<b>Non-Core Portfolio</b>	<b>1990</b>	<b>1,008,406,629</b>	<b>983,816,976</b>	<b>106,377,783</b>	<b>662,936,872</b>	<b>339,851,381</b>	<b>40.8</b>	<b>46.2</b>
Value Added Portfolio	1990	348,531,885	298,791,299	66,391,004	216,764,726	127,342,545	15.3	20.1
Opportunistic Portfolio	1996	659,874,744	685,025,677	39,986,779	446,172,146	212,508,836	25.5	26.1
<b>Timber Portfolio</b>	<b>1999</b>	<b>20,000,000</b>	<b>18,601,851</b>	<b>1,398,149</b>	<b>614,525</b>	<b>20,483,687</b>	<b>2.5</b>	<b>2.3</b>
<b>Total Current Portfolio</b>								
LACERS	1989	1,407,274,182	1,385,820,297	132,775,932	719,115,030	833,404,010	100.0	100.0

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments
<b>Core</b>								
Berkshire Multifamily Income Realty Fund	2015	20,000,000	20,000,000	0	242,315	22,818,477	2.7	2.4
CIM Commercial Trust Corporation ("CMCT")	2014	40,000,000	46,417,723	0	4,656,725	49,177,054	5.9	5.1
CIM VI (Urban REIT), LLC	2012	25,000,000	25,000,000	0	2,580,421	31,292,758	3.8	3.2
INVESCO Core Real Estate	2004	63,867,553	101,423,842	0	42,446,965	146,037,787	17.5	15.1
Jamestown Premier Property Fund	2015	50,000,000	35,138,023	15,000,000	1,471,128	35,406,334	4.2	5.2
JP Morgan Strategic Property Fund	2005	30,000,000	30,421,882	0	2,858,499	58,475,775	7.0	6.1
Lion Industrial Trust - 2007	2016	50,000,000	40,000,000	10,000,000	614,623	41,579,196	5.0	5.3
Prime Property Fund	2015	50,000,000	50,000,000	0	692,957	50,806,210	6.1	5.3
Principal U.S. Property Account	2015	50,000,000	35,000,000	0	0	37,475,351	4.5	3.9
<b>Core</b>	<b>1989</b>	<b>378,867,553</b>	<b>383,401,470</b>	<b>25,000,000</b>	<b>55,563,633</b>	<b>473,068,942</b>	<b>56.8</b>	<b>51.6</b>
<b>Timber</b>								
Hancock Timberland XI	2012	20,000,000	18,601,851	1,398,149	614,525	20,483,687	2.5	2.3
<b>Timber</b>	<b>1999</b>	<b>20,000,000</b>	<b>18,601,851</b>	<b>1,398,149</b>	<b>614,525</b>	<b>20,483,687</b>	<b>2.5</b>	<b>2.3</b>
<b>Value Added</b>								
Almanac Realty Securities VI	2012	25,000,000	14,782,399	16,837,819	9,476,378	10,427,633	1.3	2.8
CBRE Strategic Partners IV	2005	25,000,000	25,000,000	0	957,592	1,427,672	0.2	0.1
CBRE Strategic Partners U.S. Value V	2008	30,000,000	30,000,000	0	42,458,276	12,832	0.0	0.0
Cornerstone Enhanced Mortgage Fund I	2012	25,000,000	13,436,224	11,563,777	10,662,367	6,036,245	0.7	1.8
DRA Growth and Income Fund VII	2011	25,000,000	25,390,000	1,365,000	13,858,647	25,638,870	3.1	2.8
DRA Growth and Income Fund VIII	2014	25,000,000	25,279,774	3,782,568	5,060,366	21,923,950	2.6	2.7
Gerrity Retail Fund 2	2015	20,000,000	8,720,604	11,357,250	171,766	9,218,590	1.1	2.1
JP Morgan Alternative Property Fund	2006	25,000,000	25,000,000	0	18,436,564	237,114	0.0	0.0
Mesa West Real Estate Income Fund III	2013	25,000,000	18,939,181	6,075,154	1,980,505	19,375,331	2.3	2.6
PRISA II	2004	30,000,000	30,000,000	0	52,003,528	0	0.0	0.0
RREEF America REIT III - 1410	2005	15,000,000	18,301,718	0	14,153,643	948,067	0.1	0.1
Standard Life Investments European Real Estate Club II	2015	28,531,885	17,561,418	11,789,416	0	18,789,974	2.3	3.2
The Realty Associates Fund IX, L.P.	2010	15,000,000	15,000,000	0	12,212,588	11,639,597	1.4	1.2
The Realty Associates Fund VII, L.P.	2005	15,000,000	15,000,000	0	15,254,729	96,714	0.0	0.0
Urdang Value Added Fund II	2008	20,000,000	16,379,981	3,620,020	20,077,777	1,569,956	0.2	0.5
<b>Value Added</b>	<b>1990</b>	<b>348,531,885</b>	<b>298,791,299</b>	<b>66,391,004</b>	<b>216,764,726</b>	<b>127,342,545</b>	<b>15.3</b>	<b>20.1</b>
<b>Total Current Portfolio</b>								
<b>LACERS</b>	<b>1989</b>	<b>1,407,274,182</b>	<b>1,385,820,297</b>	<b>132,775,932</b>	<b>719,115,030</b>	<b>833,404,010</b>	<b>100.0</b>	<b>100.0</b>

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments
<b>Opportunistic</b>								
Apollo CPI Europe I	2006	25,522,900	22,356,002	1,651,821	10,203,372	1,810,228	0.2	0.4
Bristol Value II, L.P.	2012	20,000,000	13,737,324	11,524,684	5,865,765	9,290,678	1.1	2.2
Bryanston Retail Opportunity Fund	2005	10,000,000	4,271,584	5,885,919	9,401,748	4,716,666	0.6	1.1
California Smart Growth Fund IV	2006	30,000,000	31,427,014	33,153	22,177,501	12,716,405	1.5	1.3
Canyon Johnson Urban Fund II	2005	10,000,000	8,988,718	1,011,296	3,298,648	701,877	0.1	0.2
CBRE Strategic Partners UK Fund III	2007	29,877,502	25,825,476	0	3,829,166	248,103	0.0	0.0
CIM Real Estate Fund III	2007	15,000,000	16,763,475	0	11,784,862	15,554,547	1.9	1.6
CityView LA Urban Fund I	2007	25,000,000	61,364,711	2,389,316	67,188,042	6,347,376	0.8	0.9
Colony Investors VIII	2007	30,000,000	28,963,224	1,023,200	7,572,803	5,380,008	0.6	0.7
DRA Growth and Income Fund VI	2007	25,000,000	16,788,945	400,001	22,393,194	5,868,883	0.7	0.6
Genesis Workforce Housing Fund II	2006	20,000,000	19,999,316	0	27,649,977	1,416,262	0.2	0.1
Integrated Capital Hospitality Fund	2009	10,000,000	6,006,797	798,641	2,728,129	7,597,830	0.9	0.9
LaSalle Asia Fund II	2005	25,000,000	24,016,560	0	25,752,817	218,854	0.0	0.0
Latin America Investors III	2008	20,000,000	20,686,689	0	3,886,924	7,310,970	0.9	0.8
Lone Star Fund VII	2011	15,000,000	14,075,468	924,533	23,225,625	2,186,396	0.3	0.3
Lone Star Real Estate Fund II	2011	15,000,000	13,535,039	1,464,961	17,315,105	3,252,605	0.4	0.5
Lowe Hospitality Investment Partners	2004	25,000,000	36,431,477	0	20,631,710	492,136	0.1	0.1
MacFarlane Urban Real Estate Fund II	2008	40,000,000	40,679,342	1	679,340	10,032,979	1.2	1.0
RECP Fund IV, L.P.	2008	40,000,000	46,679,424	4,858,363	19,843,184	31,794,157	3.8	3.8
Southern California Smart Growth Fund	2004	10,000,000	18,836,734	68,213	16,222,704	1,542,464	0.2	0.2
Stockbridge Real Estate Fund II	2006	30,000,000	30,000,000	0	4,049,560	8,225,094	1.0	0.9
The Buchanan Fund V	2007	30,000,000	27,000,000	3,000,000	21,613,889	4,000,877	0.5	0.7
Torchlight Debt Opportunity Fund II	2007	25,000,000	24,703,453	0	12,577,568	9,524,926	1.1	1.0
Torchlight Debt Opportunity Fund III	2009	25,000,000	24,890,796	0	33,878,125	3,422,629	0.4	0.4
Torchlight Debt Opportunity Fund IV	2013	24,474,342	24,483,106	0	3,622,091	25,282,588	3.0	2.6
Tuckerman Group Residential Income & Value Added Fund	2004	25,000,000	26,064,010	0	18,744,046	8,756,165	1.1	0.9
UrbanAmerica II	2007	10,000,000	9,289,026	710,974	995,677	62,547	0.0	0.1
Walton Street Real Estate Fund V	2006	25,000,000	25,000,001	0	8,972,724	11,204,892	1.3	1.2
Walton Street Real Estate Fund VI	2009	25,000,000	22,161,966	4,241,703	20,067,850	13,549,694	1.6	1.8
<b>Opportunistic</b>	<b>1996</b>	<b>659,874,744</b>	<b>685,025,677</b>	<b>39,986,779</b>	<b>446,172,146</b>	<b>212,508,836</b>	<b>25.5</b>	<b>26.1</b>
<b>Private Portfolio</b>	<b>1989</b>	<b>1,387,274,182</b>	<b>1,367,218,446</b>	<b>131,377,783</b>	<b>718,500,505</b>	<b>812,920,323</b>	<b>97.5</b>	<b>97.7</b>
<b>Non-Core Portfolio</b>	<b>1990</b>	<b>1,008,406,629</b>	<b>983,816,976</b>	<b>106,377,783</b>	<b>662,936,872</b>	<b>339,851,381</b>	<b>40.8</b>	<b>46.2</b>
<b>Total Current Portfolio</b>								
<b>LACERS</b>	<b>1989</b>	<b>1,407,274,182</b>	<b>1,385,820,297</b>	<b>132,775,932</b>	<b>719,115,030</b>	<b>833,404,010</b>	<b>100.0</b>	<b>100.0</b>

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
<b>Core</b>													
Berkshire Multifamily Income Realty Fund	22,818,477	1.0	1.4	2.4	2.1								
CIM Commercial Trust Corporation ("CMCT")	49,177,054	0.8	-0.2	0.7	0.7	3.6	0.6	4.2	4.2				
CIM VI (Urban REIT), LLC	31,292,758	0.9	2.1	3.1	3.5	4.2	10.7	15.2	14.0	4.1	8.1	12.5	11.1
INVESCO Core Real Estate	146,037,787	1.0	2.6	3.6	3.5	4.1	6.7	11.0	10.6	4.4	8.1	12.7	12.3
Jamestown Premier Property Fund	35,406,334	1.2	0.8	2.1	1.8	4.6	7.2	12.0	9.9				
JP Morgan Strategic Property Fund	58,475,775	1.1	0.9	2.0	1.8	5.0	5.9	11.1	10.0	5.2	7.3	12.8	11.8
Lion Industrial Trust - 2007	41,579,196	1.4	1.7	3.1	2.8								
Prime Property Fund	50,806,210	1.1	1.6	2.6	2.4								
Principal U.S. Property Account	37,475,351	1.3	1.3	2.5	2.3								
<b>Core</b>	<b>473,068,942</b>	<b>1.1</b>	<b>1.6</b>	<b>2.7</b>	<b>2.5</b>	<b>4.4</b>	<b>6.6</b>	<b>11.1</b>	<b>10.4</b>	<b>4.5</b>	<b>7.4</b>	<b>12.1</b>	<b>11.4</b>
<b>Timber</b>													
Hancock Timberland XI	20,483,687	-0.2	0.1	-0.1	-0.3	-0.7	6.4	5.6	4.8	-0.7	8.1	7.4	6.6
<b>Timber</b>	<b>20,483,687</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.3</b>	<b>-0.7</b>	<b>6.4</b>	<b>5.6</b>	<b>4.8</b>	<b>3.5</b>	<b>6.3</b>	<b>10.6</b>	<b>8.1</b>
<b>Value Added</b>													
Almanac Realty Securities VI	10,427,633	1.5	1.2	2.8	2.6	6.8	21.3	29.1	28.1	7.6	12.1	20.3	17.9
CBRE Strategic Partners IV <sup>1</sup>	1,427,672												
CBRE Strategic Partners U.S. Value V <sup>1</sup>	12,832												
Cornerstone Enhanced Mortgage Fund I	6,036,245	2.3	0.0	2.3	2.0	11.5	0.0	11.5	9.7	11.2	-1.2	9.9	8.0
DRA Growth and Income Fund VII	25,638,870	1.8	3.0	4.8	3.9	11.1	17.6	30.0	24.5	12.5	9.6	23.0	18.4
DRA Growth and Income Fund VIII	21,923,950	2.7	0.1	2.8	2.1	13.5	1.4	15.0	12.0				
Gerrity Retail Fund 2	9,218,590	0.3	3.9	4.2	3.4								
JP Morgan Alternative Property Fund <sup>1</sup>	237,114												
Mesa West Real Estate Income Fund III	19,375,331	2.3	-0.4	1.9	1.6	12.1	-1.0	11.1	9.0				
PRISA II <sup>2</sup>	0	1.2	1.5	2.7	2.5	4.9	10.1	15.4	14.3	4.8	10.3	15.5	14.4
RREEF America REIT III - 1410 <sup>1</sup>	948,067												
Standard Life Investments European Real Estate Club II	18,789,974	0.7	-0.4	0.3	0.0								
The Realty Associates Fund IX, L.P.	11,639,597	1.9	0.5	2.4	1.9	7.5	5.8	13.6	10.9	7.4	8.3	16.1	12.8
The Realty Associates Fund VII, L.P.	96,714	-0.2	0.5	0.3	0.3	3.1	-9.5	-6.6	-7.2	6.3	-5.9	0.2	-1.0
Urdang Value Added Fund II	1,569,956	1.4	-8.4	-7.0	-7.0	7.1	-10.8	-4.3	-4.3	5.1	-2.6	2.4	2.0
<b>Value Added</b>	<b>127,342,545</b>	<b>1.6</b>	<b>1.0</b>	<b>2.6</b>	<b>2.2</b>	<b>7.7</b>	<b>7.6</b>	<b>15.7</b>	<b>13.3</b>	<b>8.0</b>	<b>4.6</b>	<b>12.8</b>	<b>10.7</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>833,404,010</b>	<b>1.2</b>	<b>1.0</b>	<b>2.2</b>	<b>2.0</b>	<b>4.8</b>	<b>4.8</b>	<b>9.7</b>	<b>8.5</b>	<b>5.8</b>	<b>6.2</b>	<b>12.3</b>	<b>10.6</b>
<b>Indices</b>													
NFI-ODCE (Core)		1.1	1.0	2.1	1.9	4.6	7.0	11.8	10.8	4.9	7.8	13.0	12.0
NFI-ODCE + 80 bps (Total Portfolio)				2.3	2.1			12.6	11.6			13.8	12.8
NFI-ODCE + 200 bps (Non-Core Portfolio)				2.6	2.4			13.8	12.8			15.0	14.0
NFI -ODCE + 50 bps (Value Add)				2.3	2.0			12.3	11.3			13.5	12.5
NFI -ODCE + 300 bps (Opportunistic)				2.9	2.7			14.8	13.8			16.0	15.0
NCREIF Timberland Property Index "NTI"		0.7	0.4	1.1		2.6	0.9	3.5		2.7	5.0	7.8	

\* Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> Liquidating investment.

<sup>2</sup> Capital was fully redeemed as of 6/30/2016.

Returns (%)	Market Value (\$)	5 Year				Inception				TWR Calculation	Net IRR	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
<b>Core</b>												
Berkshire Multifamily Income Realty Fund	22,818,477					2.2	2.7	5.0	4.4	1Q16	25.1	1.2
CIM Commercial Trust Corporation ("CMCT")	49,177,054					3.8	2.4	6.3	6.3	1Q14	6.4	1.2
CIM VI (Urban REIT), LLC	31,292,758					3.7	9.3	13.3	11.9	3Q12	11.3	1.4
INVESCO Core Real Estate	146,037,787	4.6	7.3	12.1	11.7	5.5	2.7	8.3	7.8	4Q04	7.7	1.9
Jamestown Premier Property Fund	35,406,334					4.6	7.2	12.0	9.9	3Q15	8.1	1.0
JP Morgan Strategic Property Fund	58,475,775	5.2	7.4	12.9	11.9	5.5	2.0	7.7	6.7	4Q05	6.8	2.0
Lion Industrial Trust - 2007	41,579,196					2.9	3.6	6.6	5.9	1Q16	12.2	1.1
Prime Property Fund	50,806,210					2.1	2.8	4.9	4.3	1Q16	8.8	1.0
Principal U.S. Property Account	37,475,351					3.8	4.0	7.9	7.1	4Q15	9.6	1.1
<b>Core</b>	<b>473,068,942</b>	<b>4.7</b>	<b>7.0</b>	<b>11.9</b>	<b>11.2</b>	<b>6.6</b>	<b>1.3</b>	<b>8.0</b>	<b>7.1</b>	<b>1Q89</b>	<b>5.6</b>	<b>1.3</b>
<b>Timber</b>												
Hancock Timberland XI	20,483,687					-0.7	7.4	6.6	5.8	2Q12	5.7	1.1
<b>Timber</b>	<b>20,483,687</b>	<b>6.9</b>	<b>1.7</b>	<b>9.2</b>	<b>7.3</b>	<b>5.6</b>	<b>6.0</b>	<b>11.9</b>	<b>10.5</b>	<b>4Q99</b>	<b>10.8</b>	<b>1.6</b>
<b>Value Added</b>												
Almanac Realty Securities VI	10,427,633					9.2	11.4	21.3	18.3	1Q13	17.6	1.3
CBRE Strategic Partners IV <sup>1</sup>	1,427,672									1Q06	-24.6	0.1
CBRE Strategic Partners U.S. Value V <sup>1</sup>	12,832									3Q08	16.2	1.4
Cornerstone Enhanced Mortgage Fund I	6,036,245					12.8	1.8	14.7	12.8	4Q12	9.7	1.2
DRA Growth and Income Fund VII	25,638,870					13.2	7.5	21.5	17.3	1Q12	17.6	1.6
DRA Growth and Income Fund VIII	21,923,950					13.3	0.7	14.0	11.1	4Q14	11.1	1.1
Gerrity Retail Fund 2	9,218,590					3.5	10.4	13.7	10.3	4Q15	11.8	1.1
JP Morgan Alternative Property Fund <sup>1</sup>	237,114									1Q06	-4.3	0.7
Mesa West Real Estate Income Fund III	19,375,331					12.4	0.2	12.6	8.2	4Q13	7.6	1.1
PRISA II <sup>2</sup>	0	4.8	9.9	15.1	13.9	5.5	2.2	7.8	6.7	4Q04	5.2	1.7
RREEF America REIT III - 1410 <sup>1</sup>	948,067									1Q06	-2.6	0.8
Standard Life Investments European Real Estate Club II	18,789,974					0.6	5.6	6.3	5.8	1Q16	17.6	1.1
The Realty Associates Fund IX, L.P.	11,639,597	7.4	6.3	14.1	11.4	7.1	6.9	14.4	11.8	3Q10	11.2	1.6
The Realty Associates Fund VII, L.P.	96,714	7.4	-4.4	2.8	1.5	6.7	-3.9	2.5	1.1	4Q05	0.3	1.0
Urdang Value Added Fund II	1,569,956	5.5	2.8	8.5	7.9	4.7	-1.3	3.4	1.7	2Q08	6.3	1.3
<b>Value Added</b>	<b>127,342,545</b>	<b>7.6</b>	<b>5.8</b>	<b>13.7</b>	<b>11.8</b>	<b>7.6</b>	<b>2.0</b>	<b>9.7</b>	<b>7.9</b>	<b>4Q90</b>	<b>6.8</b>	<b>1.3</b>
<b>Total Portfolio</b>												
<b>LACERS</b>	<b>833,404,010</b>	<b>5.8</b>	<b>5.9</b>	<b>11.9</b>	<b>10.2</b>	<b>6.3</b>	<b>1.2</b>	<b>7.6</b>	<b>5.9</b>	<b>1Q89</b>	<b>4.9</b>	<b>1.2</b>
<b>Indices</b>												
NFI-ODCE (Core)		5.1	7.3	12.7	11.7	7.0	0.3	7.3	6.3	1Q89		
NFI-ODCE + 80 bps (Total Portfolio)				13.5	12.5			8.1	7.1	1Q89		
NFI-ODCE + 200 bps (Non-Core Portfolio)				14.7	13.7			9.4	8.4	4Q90		
NFI -ODCE + 50 bps (Value Add)				13.2	12.2			7.9	6.9	4Q90		
NFI -ODCE + 300 bps (Opportunistic)				15.7	14.7			12.4	11.3	4Q96		
NCREIF Timberland Property Index "NTI"		2.7	3.9	6.7		3.4	3.4	6.8		4Q99		

\* Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> Liquidating investment.

<sup>2</sup> Capital was fully redeemed as of 6/30/2016.

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
<b>Opportunistic</b>													
Apollo CPI Europe I	1,810,228	-0.1	-2.2	-2.3	-2.3	-0.6	-11.9	-12.4	-12.7	0.6	-4.7	-4.1	-4.6
Bristol Value II, L.P.	9,290,678	0.7	-0.3	0.4	0.0	2.9	3.9	6.9	5.0	3.4	13.6	17.3	15.3
Bryanston Retail Opportunity Fund	4,716,666	0.0	-0.6	-0.6	-0.7	-0.4	138.3	137.5	136.2	2.6	56.5	60.1	58.3
California Smart Growth Fund IV	12,716,405	0.6	0.6	1.2	1.0	3.8	13.2	17.4	16.5	3.5	12.1	15.9	14.6
Canyon Johnson Urban Fund II <sup>2</sup>	701,877												
CBRE Strategic Partners UK Fund III	248,103	-0.6	-7.3	-7.8	-7.8	0.0	-18.6	-18.6	-19.0	-1.3	-22.7	-23.9	-24.9
CIM Real Estate Fund III <sup>1</sup>	15,554,547	0.4	0.7	1.0	0.7	7.8	-5.4	6.5	5.1	4.7	3.9	10.4	9.1
CityView LA Urban Fund I	6,347,376	8.4	-4.6	3.8	3.3	18.3	8.8	29.9	27.8	34.5	3.6	39.1	37.1
Colony Investors VIII	5,380,008	0.4	-1.2	-0.8	-1.1	0.7	-25.5	-24.9	-26.6	1.5	-0.1	1.6	-0.8
DRA Growth and Income Fund VI	5,868,883	0.5	0.9	1.4	0.9	2.7	18.0	21.3	16.6	6.3	21.9	29.3	21.4
Genesis Workforce Housing Fund II	1,416,262	-0.9	0.0	-0.9	-0.9	-1.3	-8.8	-9.9	-10.2	2.9	4.9	7.8	6.9
Integrated Capital Hospitality Fund	7,597,830	2.3	0.0	2.3	2.1	-5.1	-9.8	-14.8	-15.5	4.6	2.7	7.2	6.3
LaSalle Asia Fund II <sup>2</sup>	218,854												
Latin America Investors III	7,310,970	-0.7	3.6	2.9	2.5	-4.3	-22.9	-26.4	-29.0	-1.7	-7.6	-9.3	-13.0
Lone Star Fund VII	2,186,396	8.1	-12.6	-4.5	-3.6	11.8	-14.5	-3.4	-2.6	24.0	-2.7	21.1	16.9
Lone Star Real Estate Fund II	3,252,605	1.8	4.4	6.1	4.9	2.3	18.4	21.0	16.4	5.8	34.1	41.2	31.8
Lowe Hospitality Investment Partners <sup>2</sup>	492,136												
MacFarlane Urban Real Estate Fund II <sup>1</sup>	10,032,979	-0.1	1.7	1.6	0.4	-8.7	21.8	11.9	6.8	-3.6	-9.1	-11.3	-15.2
RECP Fund IV, L.P.	31,794,157	0.1	0.2	0.3	0.0	2.0	2.9	4.9	2.9	1.9	5.2	7.2	5.4
Southern California Smart Growth Fund <sup>1</sup>	1,542,464	42.3	0.0	42.3	41.9	33.6	1.4	35.7	33.8	14.5	12.8	29.2	26.9
Stockbridge Real Estate Fund II	8,225,094	0.0	-0.6	-0.7	-0.8	-0.9	-7.7	-8.6	-9.4	-1.0	18.7	17.6	16.1
The Buchanan Fund V	4,000,877	0.3	0.5	0.8	0.5	1.1	9.9	11.1	10.0	4.5	10.8	15.5	14.2
Torchlight Debt Opportunity Fund II	9,524,926	0.4	0.1	0.5	0.4	5.3	7.1	12.6	12.2	4.9	5.1	10.1	9.5
Torchlight Debt Opportunity Fund III	3,422,629	1.8	-1.1	0.7	0.3	8.5	-3.7	4.5	2.6	13.1	32.4	48.3	33.6
Torchlight Debt Opportunity Fund IV	25,282,588	2.8	-1.6	1.2	1.4	9.0	-4.6	4.0	5.6				
Tuckerman Group Residential Income & Value Added Fund	8,756,165	1.2	-0.1	1.1	0.9	6.5	5.4	12.2	11.1	4.8	8.0	13.1	11.8
UrbanAmerica II <sup>2</sup>	62,547												
Walton Street Real Estate Fund V	11,204,892	0.6	-0.2	0.4	0.1	3.3	2.0	5.4	4.0	4.1	7.0	11.3	9.8
Walton Street Real Estate Fund VI	13,549,694	0.3	0.2	0.5	0.2	2.3	3.3	5.7	4.6	3.1	8.2	11.5	10.2
<b>Opportunistic</b>	<b>212,508,836</b>	<b>1.2</b>	<b>-0.1</b>	<b>1.1</b>	<b>0.8</b>	<b>3.7</b>	<b>0.4</b>	<b>4.2</b>	<b>2.8</b>	<b>5.6</b>	<b>5.4</b>	<b>11.3</b>	<b>9.0</b>
<b>Private Portfolio</b>	<b>812,920,323</b>	<b>1.2</b>	<b>1.0</b>	<b>2.2</b>	<b>2.0</b>	<b>4.9</b>	<b>4.7</b>	<b>9.8</b>	<b>8.5</b>	<b>5.8</b>	<b>6.2</b>	<b>12.3</b>	<b>10.6</b>
<b>Non-Core Portfolio</b>	<b>339,851,381</b>	<b>1.4</b>	<b>0.4</b>	<b>1.8</b>	<b>1.4</b>	<b>5.3</b>	<b>3.2</b>	<b>8.7</b>	<b>6.9</b>	<b>6.5</b>	<b>5.4</b>	<b>12.2</b>	<b>9.9</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>833,404,010</b>	<b>1.2</b>	<b>1.0</b>	<b>2.2</b>	<b>2.0</b>	<b>4.8</b>	<b>4.8</b>	<b>9.7</b>	<b>8.5</b>	<b>5.8</b>	<b>6.2</b>	<b>12.3</b>	<b>10.6</b>
<b>Indices</b>													
NFI-ODCE (Core)		1.1	1.0	2.1	1.9	4.6	7.0	11.8	10.8	4.9	7.8	13.0	12.0
NFI-ODCE + 80 bps (Total Portfolio)				2.3	2.1			12.6	11.6			13.8	12.8
NFI-ODCE + 200 bps (Non-Core Portfolio)				2.6	2.4			13.8	12.8			15.0	14.0
NFI -ODCE + 50 bps (Value Add)				2.3	2.0			12.3	11.3			13.5	12.5
NFI -ODCE + 300 bps (Opportunistic)				2.9	2.7			14.8	13.8			16.0	15.0
NCREIF Timberland Property Index "NTI"		0.6	-0.8	-0.3		2.5	0.4	2.9		2.7	4.9	7.7	

\* Net IRR and Equity Multiple may be missing due to hard coded data.

Returns (%)	Market Value (\$)	5 Year				Inception				TWR Calculation Inception	Net IRR	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
<b>Opportunistic</b>												
Apollo CPI Europe I	1,810,228	0.8	-3.2	-2.5	-3.1	0.5	-5.8	-5.2	-7.5	4Q06	-9.7	0.5
Bristol Value II, L.P.	9,290,678					3.8	11.6	15.7	13.8	1Q13	8.5	1.1
Bryanston Retail Opportunity Fund	4,716,666	6.7	30.2	39.0	36.8	9.2	29.6	38.6	34.3	2Q05	80.0	3.3
California Smart Growth Fund IV	12,716,405	3.0	12.4	15.7	14.3	2.2	-1.1	1.0	-1.6	1Q07	1.9	1.1
Canyon Johnson Urban Fund II <sup>2</sup>	701,877									3Q05	-10.6	0.4
CBRE Strategic Partners UK Fund III	248,103	-0.6	-17.9	-18.5	-20.2	-1.6	-50.7	-50.4	-51.3	3Q07	-24.8	0.2
CIM Real Estate Fund III <sup>1</sup>	15,554,547	3.1	10.5	14.8	13.5	-12.6	14.7	1.0	-16.2	1Q09	11.2	1.6
CityView LA Urban Fund I	6,347,376	24.2	1.0	25.2	23.3	4.6	0.6	5.1	-19.7	3Q07	12.1	1.2
Colony Investors VIII	5,380,008	1.3	-2.6	-1.2	-3.8	0.1	-22.2	-22.2	-25.5	4Q07	-12.7	0.4
DRA Growth and Income Fund VI	5,868,883	6.3	17.8	24.9	19.3	8.9	5.4	14.8	9.6	2Q08	11.3	1.7
Genesis Workforce Housing Fund II	1,416,262	4.0	7.3	11.5	10.1	-1.4	0.1	-1.5	-58.1	2Q07	8.7	1.5
Integrated Capital Hospitality Fund	7,597,830	13.4	9.4	21.5	18.9	13.4	9.4	21.5	18.9	3Q11	16.3	1.7
LaSalle Asia Fund II <sup>2</sup>	218,854									4Q05	1.8	1.1
Latin America Investors III	7,310,970	-3.1	-26.3	-28.9	-32.4	-3.5	-7.9	-11.3	-15.3	1Q09	-17.8	0.5
Lone Star Fund VII	2,186,396	25.4	17.8	47.6	37.4	25.4	17.8	47.6	37.4	3Q11	52.0	1.8
Lone Star Real Estate Fund II	3,252,605	12.2	30.6	45.6	33.9	12.2	30.6	45.6	33.9	3Q11	28.3	1.5
Lowes Hospitality Investment Partners <sup>2</sup>	492,136									3Q04	-17.3	0.6
MacFarlane Urban Real Estate Fund II <sup>1</sup>	10,032,979	-5.7	2.6	-2.6	-6.9	1.3	18.5	21.3	19.0	2Q10	-18.7	0.3
RECP Fund IV, L.P.	31,794,157	1.9	6.9	8.9	6.8	3.9	-10.3	-6.8	-11.2	4Q08	2.5	1.1
Southern California Smart Growth Fund <sup>1</sup>	1,542,464	0.8	8.0	8.7	7.0	1.7	6.8	7.2	6.3	1Q06	-2.2	0.9
Stockbridge Real Estate Fund II	8,225,094	-5.9	19.9	13.2	11.3	-11.7	-13.7	-23.6	-26.1	4Q06	-11.0	0.4
The Buchanan Fund V	4,000,877	2.8	11.2	14.3	13.1	-2.8	0.8	-2.0	-3.9	3Q07	-0.9	0.9
Torchlight Debt Opportunity Fund II	9,524,926	6.0	8.6	14.9	14.0	14.5	-10.1	3.8	1.8	1Q08	-1.6	0.9
Torchlight Debt Opportunity Fund III	3,422,629	12.5	18.2	32.2	23.3	12.1	15.6	28.9	20.5	3Q09	13.7	1.5
Torchlight Debt Opportunity Fund IV	25,282,588					9.9	1.0	10.9	9.2	4Q13	8.7	1.2
Tuckerman Group Residential Income & Value Added Fund	8,756,165	4.9	6.5	11.6	9.9	0.4	3.9	4.8	2.6	4Q04	0.8	1.1
UrbanAmerica II <sup>2</sup>	62,547									2Q07	-25.4	0.1
Walton Street Real Estate Fund V	11,204,892	3.5	7.0	10.7	9.1	2.2	-0.5	1.6	-0.4	4Q06	-2.7	0.8
Walton Street Real Estate Fund VI	13,549,694	3.7	8.1	12.0	10.5	-13.8	20.7	2.1	-4.0	3Q09	10.3	1.5
<b>Opportunistic</b>	<b>212,508,836</b>	<b>5.5</b>	<b>5.0</b>	<b>10.6</b>	<b>8.3</b>	<b>4.4</b>	<b>3.1</b>	<b>7.6</b>	<b>3.7</b>	<b>4Q96</b>	<b>2.1</b>	<b>1.1</b>
<b>Private Portfolio</b>	<b>812,920,323</b>	<b>5.7</b>	<b>6.0</b>	<b>12.0</b>	<b>10.3</b>	<b>6.3</b>	<b>1.2</b>	<b>7.5</b>	<b>5.8</b>	<b>1Q89</b>	<b>4.8</b>	<b>1.2</b>
<b>Non-Core Portfolio</b>	<b>339,851,381</b>	<b>6.2</b>	<b>5.4</b>	<b>11.9</b>	<b>9.6</b>	<b>6.6</b>	<b>2.5</b>	<b>9.2</b>	<b>6.7</b>	<b>4Q90</b>	<b>4.0</b>	<b>1.1</b>
<b>Total Portfolio</b>												
<b>LACERS</b>	<b>833,404,010</b>	<b>5.8</b>	<b>5.9</b>	<b>11.9</b>	<b>10.2</b>	<b>6.3</b>	<b>1.2</b>	<b>7.6</b>	<b>5.9</b>	<b>1Q89</b>	<b>4.9</b>	<b>1.2</b>
<b>Indices</b>												
NFI-ODCE (Core)		5.1	7.3	12.7	11.7	7.0	0.3	7.3	6.3	1Q89		
NFI-ODCE + 80 bps (Total Portfolio)				13.5	12.5			8.1	7.1	1Q89		
NFI-ODCE + 200 bps (Non-Core Portfolio)				14.7	13.7			9.4	8.4	4Q90		
NFI -ODCE + 50 bps (Value Add)				13.2	12.2			7.9	6.9	4Q90		
NFI -ODCE + 300 bps (Opportunistic)				15.7	14.7			12.4	11.3	4Q96		
NCREIF Timberland Property Index "NTI"		2.7	3.8	6.6		3.4	3.4	6.8		4Q99		

\* Net IRR and Equity Multiple may be missing due to hard coded data.



Returns (%)	Market Value (\$)	2016*		2015		2014		2013		2012		2011	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Core</b>													
Berkshire Multifamily Income Realty Fund	22,818,477	5.0	4.4										
CIM Commercial Trust Corporation ("CMCT")	49,177,054	1.1	1.1	5.0	5.0	9.7	9.7						
CIM VI (Urban REIT), LLC	31,292,758	4.1	4.6	13.4	11.0	15.0	13.5	6.8	5.4	13.8	13.1		
INVESCO Core Real Estate	146,037,787	5.1	5.0	14.7	14.3	12.4	11.9	14.3	13.8	8.7	8.2	16.9	16.4
Jamestown Premier Property Fund	35,406,334	3.2	2.7	8.5	7.0								
JP Morgan Strategic Property Fund	58,475,775	3.9	3.4	15.2	14.1	11.1	10.1	15.9	14.8	12.1	11.0	15.9	14.8
Lion Industrial Trust - 2007	41,579,196	6.6	5.9										
Prime Property Fund	50,806,210	4.9	4.3										
Principal U.S. Property Account	37,475,351	4.7	4.2	3.0	2.8								
<b>Core</b>	<b>473,068,942</b>	<b>4.4</b>	<b>4.1</b>	<b>13.4</b>	<b>12.7</b>	<b>11.8</b>	<b>11.3</b>	<b>13.3</b>	<b>12.5</b>	<b>9.6</b>	<b>8.9</b>	<b>15.6</b>	<b>14.8</b>
<b>Timber</b>													
Hancock Timberland XI	20,483,687	-0.4	-0.8	5.4	4.6	5.2	4.6	9.9	8.9	8.1	7.6		
<b>Timber</b>	<b>20,483,687</b>	<b>-0.4</b>	<b>-0.8</b>	<b>5.4</b>	<b>4.5</b>	<b>8.1</b>	<b>4.5</b>	<b>20.9</b>	<b>17.8</b>	<b>9.9</b>	<b>8.9</b>	<b>3.9</b>	<b>4.2</b>
<b>Value Added</b>													
Almanac Realty Securities VI	10,427,633	4.8	4.5	23.5	21.2	15.2	12.8	31.6	26.1				
CBRE Strategic Partners IV	1,427,672	-0.1	-0.1	-28.8	-28.8	-10.8	-11.4	-35.9	-37.1	-10.9	-13.0	8.7	5.9
CBRE Strategic Partners U.S. Value V	12,832	-0.8	-0.7	6.2	5.0	-10.3	-8.2	-14.8	-11.7	10.9	9.3	26.7	21.6
Cornerstone Enhanced Mortgage Fund I	6,036,245	5.5	4.7	11.1	9.4	5.5	5.0	20.0	16.4	12.8	12.3		
DRA Growth and Income Fund VII	25,638,870	16.3	13.5	22.9	16.2	20.3	17.7	18.7	15.5	17.6	14.3		
DRA Growth and Income Fund VIII	21,923,950	5.7	4.3	16.0	12.9	2.7	2.1						
Gerrity Retail Fund 2	9,218,590	20.2	18.1	-5.4	-6.6								
JP Morgan Alternative Property Fund	237,114	-0.5	-0.5	3.3	3.3	-24.9	-24.9	-1.6	-1.6	21.7	21.4	23.0	22.4
<b>Mesa West Real Estate Income Fund III*</b>	<b>19,375,331</b>	<b>5.0</b>	<b>4.2</b>	<b>13.0</b>	<b>10.2</b>	<b>13.3</b>	<b>8.7</b>	<b>3.2</b>	<b>-0.6</b>				
PRISA II	0	5.2	4.8	17.5	16.5	14.2	13.1	15.2	14.0	14.4	13.2	20.7	19.2
RREEF America REIT III - 1410	948,067	-3.6	-4.1	8.5	7.5	27.8	25.8	16.9	15.6	23.7	22.8	55.3	53.8
Standard Life Investments European Real Estate Club II	18,789,974	6.3	5.8										
The Realty Associates Fund IX, L.P.	11,639,597	5.2	4.3	18.2	14.6	18.5	14.3	11.0	8.7	11.3	9.4	14.3	13.0
The Realty Associates Fund VII, L.P.	96,714	1.4	1.1	-4.2	-5.1	11.1	9.6	-3.6	-5.0	7.6	6.0	7.7	6.1
Urdang Value Added Fund II	1,569,956	-5.5	-5.5	1.7	1.5	7.4	6.8	12.2	11.5	18.8	17.7	27.5	26.2
<b>Value Added</b>	<b>127,342,545</b>	<b>7.2</b>	<b>6.2</b>	<b>14.3</b>	<b>11.5</b>	<b>12.6</b>	<b>10.9</b>	<b>9.5</b>	<b>7.9</b>	<b>17.1</b>	<b>15.6</b>	<b>18.3</b>	<b>16.2</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>833,404,010</b>	<b>4.0</b>	<b>3.5</b>	<b>11.1</b>	<b>9.5</b>	<b>13.7</b>	<b>11.9</b>	<b>13.5</b>	<b>11.4</b>	<b>12.8</b>	<b>11.1</b>	<b>12.6</b>	<b>10.8</b>
<b>Indices</b>													
NFI-ODCE (Core)		4.4	3.9	15.0	14.0	12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0
NFI-ODCE + 80 bps (Total Portfolio)		4.6	4.1	15.8	14.8	13.3	12.3	14.7	13.7	11.7	10.6	16.8	15.8
NFI-ODCE + 200 bps (Non-Core Portfolio)		4.9	4.4	17.0	16.0	14.5	13.5	15.9	14.9	12.9	11.8	18.0	17.0
NFI-ODCE + 50 bps (Value Add)		4.5	4.0	15.5	14.5	13.0	12.0	14.4	13.4	11.4	10.3	16.5	15.5
NFI-ODCE + 300 bps (Opportunistic)		5.1	4.6	18.0	17.0	15.5	14.5	16.9	15.9	13.9	12.8	19.0	18.0
NCREIF Timberland Index (Timber)		0.8		5.0		10.5		9.7		7.8		1.6	

\*Year-to-date.

Returns (%)	Market Value (\$)	2010		2009		2008		2007		2006		2005	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Core</b>													
Berkshire Multifamily Income Realty Fund	22,818,477												
CIM Commercial Trust Corporation ("CMCT")	49,177,054												
CIM VI (Urban REIT), LLC	31,292,758												
INVESCO Core Real Estate	146,037,787	16.7	16.1	-32.2	-32.6	-4.6	-5.0	13.6	13.1	19.2	18.6	20.8	20.2
Jamestown Premier Property Fund	35,406,334												
JP Morgan Strategic Property Fund	58,475,775	14.1	13.0	-26.5	-27.4	-8.1	-9.0	16.6	15.6	16.6	15.5	5.3	5.3
Lion Industrial Trust - 2007	41,579,196												
Prime Property Fund	50,806,210												
Principal U.S. Property Account	37,475,351												
<b>Core</b>	<b>473,068,942</b>	<b>16.1</b>	<b>15.2</b>	<b>-26.4</b>	<b>-27.1</b>	<b>-4.9</b>	<b>-5.6</b>	<b>14.4</b>	<b>13.6</b>	<b>17.7</b>	<b>16.9</b>	<b>21.2</b>	<b>20.7</b>
<b>Timber</b>													
Hancock Timberland XI	20,483,687												
<b>Timber</b>	<b>20,483,687</b>	<b>2.9</b>	<b>2.7</b>	<b>-7.4</b>	<b>-5.5</b>	<b>7.6</b>	<b>6.5</b>	<b>22.1</b>	<b>17.3</b>	<b>24.8</b>	<b>22.5</b>	<b>26.8</b>	<b>23.0</b>
<b>Value Added</b>													
Almanac Realty Securities VI	10,427,633												
CBRE Strategic Partners IV	1,427,672	-46.2	-48.0	-53.8	-54.5	-20.1	-18.1	18.5	12.9	15.1	-13.6		
CBRE Strategic Partners U.S. Value V	12,832	33.2	26.6	-27.5	-32.0	0.6	-1.6						
Cornerstone Enhanced Mortgage Fund I	6,036,245												
DRA Growth and Income Fund VII	25,638,870												
DRA Growth and Income Fund VIII	21,923,950												
Gerrity Retail Fund 2	9,218,590												
JP Morgan Alternative Property Fund	237,114	5.7	4.7	-43.8	-44.7	-10.9	-12.1	9.6	8.1	3.6	2.0		
<b>Mesa West Real Estate Income Fund III*</b>	<b>19,375,331</b>												
PRISA II	0	24.9	23.2	-45.0	-45.7	-16.1	-16.9	17.8	16.7	18.6	17.3	27.2	25.8
RREEF America REIT III - 1410	948,067	9.0	7.4	-64.0	-64.6	-41.6	-41.6	18.2	15.9	17.4	15.1		
Standard Life Investments European Real Estate Club II	18,789,974												
The Realty Associates Fund IX, L.P.	11,639,597	7.5	6.5										
The Realty Associates Fund VII, L.P.	96,714	-1.0	-3.1	-27.0	-28.3	-10.8	-12.1	19.8	18.5	16.5	15.0	20.7	20.3
Urdang Value Added Fund II	1,569,956	37.0	33.3	-37.3	-40.0	-12.4	-15.2						
<b>Value Added</b>	<b>127,342,545</b>	<b>4.1</b>	<b>1.8</b>	<b>-38.5</b>	<b>-39.4</b>	<b>-20.7</b>	<b>-20.0</b>	<b>17.8</b>	<b>15.2</b>	<b>15.3</b>	<b>12.9</b>	<b>26.0</b>	<b>23.1</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>833,404,010</b>	<b>12.9</b>	<b>10.2</b>	<b>-34.3</b>	<b>-35.8</b>	<b>-22.4</b>	<b>-23.6</b>	<b>14.4</b>	<b>11.2</b>	<b>20.2</b>	<b>17.4</b>	<b>25.4</b>	<b>22.3</b>
<b>Indices</b>													
NFI-ODCE (Core)		16.4	15.3	-29.8	-30.4	-10.0	-10.7	16.0	14.8	16.3	15.3	21.4	20.2
NFI-ODCE + 80 bps (Total Portfolio)		17.2	16.1	-29.0	-29.6	-9.2	-9.9	16.8	15.6	17.1	16.1	22.2	21.0
NFI-ODCE + 200 bps (Non-Core Portfolio)		18.4	17.3	-27.8	-28.4	-8.0	-8.7	18.0	16.8	18.3	17.3	23.4	22.2
NFI-ODCE + 50 bps (Value Add)		16.9	15.8	-29.3	-29.9	-9.5	-10.2	16.5	15.3	16.8	15.8	21.9	20.7
NFI-ODCE + 300 bps (Opportunistic)		19.4	18.3	-26.8	-27.4	-7.0	-7.7	19.0	17.8	19.3	18.3	24.4	23.2
NCREIF Timberland Index (Timber)		-0.1		-4.7		9.5		18.4		13.7		19.4	

Returns (%)	Market Value (\$)	2016*		2015		2014		2013		2012		2011	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Opportunistic</b>													
Apollo CPI Europe I	1,810,228	2.1	2.1	-16.0	-16.4	-0.8	-1.5	0.7	0.1	20.2	19.3	-6.2	-6.9
Bristol Value II, L.P.	9,290,678	1.4	0.6	8.2	6.1	12.4	10.6	35.0	33.0				
Bryanston Retail Opportunity Fund	4,716,666	-0.7	-0.9	144.0	142.1	7.3	5.8	50.5	47.5	40.1	37.2	-4.3	-7.2
California Smart Growth Fund IV	12,716,405	3.7	3.3	20.3	19.2	17.9	16.2	13.1	11.6	19.9	18.3	26.7	24.6
Canyon Johnson Urban Fund II	701,877	40.7	39.9	-54.8	-55.7	7.4	5.1	-7.4	-9.8	-4.3	-6.6	-0.6	-3.0
CBRE Strategic Partners UK Fund III	248,103	-10.9	-10.9	-42.3	-43.4	-27.5	-28.6	12.4	10.0	-9.5	-12.5	-2.2	-5.6
CIM Real Estate Fund III	15,554,547	2.3	1.6	8.3	7.1	11.0	9.8	11.1	9.9	20.8	19.4	21.8	19.8
CityView LA Urban Fund I	6,347,376	4.0	3.1	32.2	30.5	81.4	79.3	10.2	8.3	7.8	5.9	3.9	2.1
Colony Investors VIII	5,380,008	-11.1	-11.7	-3.3	-6.0	-8.7	-10.9	45.6	42.0	14.4	10.9	-27.2	-29.2
DRA Growth and Income Fund VI	5,868,883	4.1	2.9	27.4	21.1	49.0	32.7	17.6	15.1	4.3	2.1	32.6	29.1
Genesis Workforce Housing Fund II	1,416,262	-2.4	-2.4	-3.2	-4.0	15.8	14.6	22.6	21.1	19.7	18.0	11.1	6.0
Integrated Capital Hospitality Fund	7,597,830	3.4	2.9	-14.6	-15.2	28.2	27.2	12.1	11.0	96.8	87.9	6.0	2.6
LaSalle Asia Fund II	218,854	-1.3	-1.3	-4.3	-4.3	46.2	44.3	23.0	22.1	24.4	22.3	41.8	39.5
Latin America Investors III	7,310,970	7.7	6.1	-30.3	-32.8	0.4	-4.6	-17.9	-22.4	-60.0	-62.6	-32.5	-34.9
Lone Star Fund VII	2,186,396	-10.1	-8.1	-0.1	0.0	42.8	33.5	100.6	75.7	59.7	43.7	70.2	58.2
Lone Star Real Estate Fund II	3,252,605	9.1	7.2	42.5	32.9	58.3	44.7	30.5	22.3	40.2	30.6	45.3	30.8
Low Hospitality Investment Partners	492,136	-1.1	-1.1	-41.4	-42.0	28.2	27.0	23.0	21.5	39.9	38.4	51.9	49.0
MacFarlane Urban Real Estate Fund II	10,032,979	6.3	3.8	8.9	3.9	-25.0	-28.5	-16.5	-19.2	61.7	53.6	-5.4	-9.8
RECP Fund IV, L.P.	31,794,157	-0.2	-0.9	8.3	6.2	6.4	4.6	8.5	6.7	23.4	21.1	2.4	-1.4
Southern California Smart Growth Fund	1,542,464	37.0	36.1	21.0	19.2	21.8	19.3	14.9	11.4	-33.5	-33.6	-5.3	-5.4
Stockbridge Real Estate Fund II	8,225,094	-9.1	-9.5	3.9	2.6	24.4	22.8	46.5	43.7	3.2	0.7	7.2	4.2
The Buchanan Fund V	4,000,877	11.7	11.1	2.1	0.9	19.2	17.8	22.4	21.2	10.2	9.2	10.4	9.4
Torchlight Debt Opportunity Fund II	9,524,926	1.1	1.0	15.7	15.2	6.7	6.0	24.6	23.5	24.5	23.1	23.7	22.0
Torchlight Debt Opportunity Fund III	3,422,629	1.1	0.4	33.6	25.4	92.7	65.6	33.8	20.3	17.7	15.2	1.2	1.0
Torchlight Debt Opportunity Fund IV	25,282,588	0.7	2.0	12.0	9.8	13.9	10.4	3.6	3.0				
Tuckerman Group Residential Income & Value Added Fund	8,756,165	1.9	1.5	5.7	4.5	5.7	4.5	33.9	31.8	6.5	4.5	10.4	7.8
UrbanAmerica II	62,547	-21.6	-28.5	-55.4	-56.5	-42.7	-44.4	-15.5	-17.6	-18.0	-19.6	6.3	4.1
Walton Street Real Estate Fund V	11,204,892	2.5	1.8	11.9	10.4	13.2	11.7	12.9	11.2	9.5	7.8	10.1	8.0
Walton Street Real Estate Fund VI	13,549,694	-0.6	-1.2	13.5	12.2	14.8	13.4	16.0	14.3	12.1	10.4	14.3	12.3
<b>Opportunistic</b>	<b>212,508,836</b>	<b>1.1</b>	<b>0.6</b>	<b>7.2</b>	<b>5.3</b>	<b>15.7</b>	<b>12.9</b>	<b>15.3</b>	<b>12.3</b>	<b>12.6</b>	<b>10.2</b>	<b>8.8</b>	<b>6.5</b>
<b>Private Portfolio</b>	<b>812,920,323</b>	<b>4.0</b>	<b>3.6</b>	<b>11.2</b>	<b>9.6</b>	<b>13.8</b>	<b>12.0</b>	<b>13.4</b>	<b>11.4</b>	<b>12.9</b>	<b>11.1</b>	<b>12.8</b>	<b>10.9</b>
<b>Non-Core Portfolio</b>	<b>339,851,381</b>	<b>3.7</b>	<b>3.0</b>	<b>9.7</b>	<b>7.5</b>	<b>14.7</b>	<b>12.3</b>	<b>13.6</b>	<b>11.0</b>	<b>14.0</b>	<b>11.9</b>	<b>11.8</b>	<b>9.6</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>833,404,010</b>	<b>4.0</b>	<b>3.5</b>	<b>11.1</b>	<b>9.5</b>	<b>13.7</b>	<b>11.9</b>	<b>13.5</b>	<b>11.4</b>	<b>12.8</b>	<b>11.1</b>	<b>12.6</b>	<b>10.8</b>
<b>Indices</b>													
NFI-ODCE (Core)		4.4	3.9	15.0	14.0	12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0
NFI-ODCE + 80 bps (Total Portfolio)		4.6	4.1	15.8	14.8	13.3	12.3	14.7	13.7	11.7	10.6	16.8	15.8
NFI-ODCE + 200 bps (Non-Core Portfolio)		4.9	4.4	17.0	16.0	14.5	13.5	15.9	14.9	12.9	11.8	18.0	17.0
NFI-ODCE + 50 bps (Value Add)		4.5	4.0	15.5	14.5	13.0	12.0	14.4	13.4	11.4	10.3	16.5	15.5
NFI-ODCE + 300 bps (Opportunistic)		5.1	4.6	18.0	17.0	15.5	14.5	16.9	15.9	13.9	12.8	19.0	18.0
NCREIF Timberland Index (Timber)		0.8		5.0		10.5		9.7		7.8		1.6	

\*Year-to-date.

Returns (%)	Market Value (\$)	2010		2009		2008		2007		2006		2005	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Opportunistic</b>													
Apollo CPI Europe I	1,810,228	-31.0	-33.7	9.7	5.6	-41.8	-43.8	17.7	11.3	18.5	14.7		
Bristol Value II, L.P.	9,290,678												
Bryanston Retail Opportunity Fund	4,716,666	20.9	18.3	12.8	10.2	73.9	69.4	-43.1	-45.5	112.8	98.1	161.3	143.3
California Smart Growth Fund IV	12,716,405	20.1	17.0	-34.6	-38.0	-46.3	-48.6	3.0	-2.5				
Canyon Johnson Urban Fund II	701,877	-7.0	-9.2	-27.6	-29.1	-2.6	-6.2	1.4	-4.3	-1.9	-16.7	0.7	-13.7
CBRE Strategic Partners UK Fund III	248,103	-4.7	-8.3	-50.0	-54.1	-103.7	-104.0	-127.8	-127.8				
CIM Real Estate Fund III	15,554,547	15.3	-13.8	-53.5	-83.5	-117.3	-113.8						
CityView LA Urban Fund I	6,347,376	-0.1	-32.6	-9.9	-49.6	-35.1	-72.3	-13.0	-47.7				
Colony Investors VIII	5,380,008	24.6	20.3	-11.9	-19.0	-90.8	-91.6	15.9	12.2				
DRA Growth and Income Fund VI	5,868,883	15.9	11.1	-10.2	-14.7	-6.9	-10.3						
Genesis Workforce Housing Fund II	1,416,262	-62.0	-71.3	63.2	15.9	-4.4	-39.1	-17.6	-99.9				
Integrated Capital Hospitality Fund	7,597,830												
LaSalle Asia Fund II	218,854	22.5	19.9	-25.5	-27.3	-37.3	-38.7	28.1	25.1	24.5	7.5	-16.4	-44.5
Latin America Investors III	7,310,970	20.8	15.3	100.5	93.8								
Lone Star Fund VII	2,186,396												
Lone Star Real Estate Fund II	3,252,605												
Low Hospiality Investment Partners	492,136	128.0	92.1	-93.4	-93.5	-35.9	-36.5	19.0	17.1	20.3	18.3	2.6	-0.1
MacFarlane Urban Real Estate Fund II	10,032,979	-95.2	-93.8	-110.0	-109.6	14.4	0.0						
RECP Fund IV, L.P.	31,794,157	12.5	4.3	-45.6	-54.8	-40.0	-40.0						
Southern California Smart Growth Fund	1,542,464	-7.5	-7.7	-40.5	-40.6	-19.2	-19.3	75.6	75.3	82.2	81.0	-212.5	-216.2
Stockbridge Real Estate Fund II	8,225,094	21.8	16.8	-86.3	-86.8	-83.4	-84.0	-27.9	-31.9	91.0	80.1		
The Buchanan Fund V	4,000,877	8.1	6.3	-45.9	-48.2	-30.5	-33.0	1.1	-1.1				
Torchlight Debt Opportunity Fund II	9,524,926	41.4	36.1	29.9	23.6	-68.7	-69.7						
Torchlight Debt Opportunity Fund III	3,422,629	12.7	2.8	26.4	22.7								
Torchlight Debt Opportunity Fund IV	25,282,588												
Tuckerman Group Residential Income & Value Added Fund	8,756,165	27.6	23.6	-43.7	-45.7	-13.5	-15.4	9.6	7.1	15.8	13.0	22.7	20.2
UrbanAmerica II	62,547	11.4	9.0	-18.6	-20.4	-38.6	-42.0	-45.4	-58.5				
Walton Street Real Estate Fund V	11,204,892	48.0	44.0	-27.8	-31.1	-47.7	-48.7	10.3	8.6	7.2	6.6		
Walton Street Real Estate Fund VI	13,549,694	173.3	162.1	-78.1	-84.0								
<b>Opportunistic</b>	<b>212,508,836</b>	<b>16.8</b>	<b>12.4</b>	<b>-38.9</b>	<b>-41.4</b>	<b>-36.5</b>	<b>-39.1</b>	<b>10.5</b>	<b>4.4</b>	<b>31.4</b>	<b>24.5</b>	<b>32.0</b>	<b>25.1</b>
<b>Private Portfolio</b>	<b>812,920,323</b>	<b>13.2</b>	<b>10.4</b>	<b>-35.1</b>	<b>-36.6</b>	<b>-23.1</b>	<b>-24.2</b>	<b>14.2</b>	<b>11.1</b>	<b>20.1</b>	<b>17.2</b>	<b>25.4</b>	<b>22.3</b>
<b>Non-Core Portfolio</b>	<b>339,851,381</b>	<b>12.0</b>	<b>8.4</b>	<b>-38.7</b>	<b>-40.6</b>	<b>-29.9</b>	<b>-31.2</b>	<b>14.1</b>	<b>9.9</b>	<b>21.1</b>	<b>17.1</b>	<b>28.9</b>	<b>24.2</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>833,404,010</b>	<b>12.9</b>	<b>10.2</b>	<b>-34.3</b>	<b>-35.8</b>	<b>-22.4</b>	<b>-23.6</b>	<b>14.4</b>	<b>11.2</b>	<b>20.2</b>	<b>17.4</b>	<b>25.4</b>	<b>22.3</b>
<b>Indices</b>													
NFI-ODCE (Core)		16.4	15.3	-29.8	-30.4	-10.0	-10.7	16.0	14.8	16.3	15.3	21.4	20.2
NFI-ODCE + 80 bps (Total Portfolio)		17.2	16.1	-29.0	-29.6	-9.2	-9.9	16.8	15.6	17.1	16.1	22.2	21.0
NFI-ODCE + 200 bps (Non-Core Portfolio)		18.4	17.3	-27.8	-28.4	-8.0	-8.7	18.0	16.8	18.3	17.3	23.4	22.2
NFI-ODCE + 50 bps (Value Add)		16.9	15.8	-29.3	-29.9	-9.5	-10.2	16.5	15.3	16.8	15.8	21.9	20.7
NFI-ODCE + 300 bps (Opportunistic)		19.4	18.3	-26.8	-27.4	-7.0	-7.7	19.0	17.8	19.3	18.3	24.4	23.2
NCREIF Timberland Index (Timber)		-0.1		-4.7		9.5		18.4		13.7		19.4	

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
<b>Core</b>									
Berkshire Multifamily Income Realty Fund	19,941,827	2,571,187	155,938	0	228,270	72,453	305,584	22,818,477	47.8
CIM Commercial Trust Corporation ("CMCT")	49,261,902	0	417,897	0	417,402	0	-84,353	49,177,054	32.8
CIM VI (Urban REIT), LLC	30,450,207	0	234,216	0	284,660	-146,932	645,175	31,292,758	20.5
INVESCO Core Real Estate	141,046,469	1,196,132	1,217,721	0	1,414,153	129,769	3,728,523	146,037,787	25.9
Jamestown Premier Property Fund	35,101,391	52,648	372,491	0	423,711	95,973	297,049	35,406,334	40.6
JP Morgan Strategic Property Fund	57,456,633	0	0	0	638,386	139,694	520,451	58,475,775	25.9
Lion Industrial Trust - 2007	35,803,208	5,000,000	353,091	0	585,093	135,190	679,176	41,579,196	35.7
Prime Property Fund	35,313,652	15,000,000	347,538	0	374,684	92,534	557,946	50,806,210	18.7
Principal U.S. Property Account	36,632,521	0	0	0	460,642	87,421	469,608	37,475,351	22.4
<b>Core</b>	<b>441,007,810</b>	<b>23,819,967</b>	<b>3,098,892</b>	<b>0</b>	<b>4,827,001</b>	<b>606,102</b>	<b>7,119,159</b>	<b>473,068,942</b>	<b>29.1</b>
<b>Timber</b>									
Hancock Timberland XI	20,683,409	0	145,737	0	-35,294	37,108	18,417	20,483,687	0.0
<b>Timber</b>	<b>20,683,409</b>	<b>0</b>	<b>145,737</b>	<b>0</b>	<b>-35,294</b>	<b>37,108</b>	<b>18,417</b>	<b>20,483,687</b>	<b>0.0</b>
<b>Value Added</b>									
Almanac Realty Securities VI	11,203,646	0	341,839	716,304	168,338	20,195	133,987	10,427,633	44.2
CBRE Strategic Partners IV	1,428,661	0	0	0	-989	0	0	1,427,672	0.0
CBRE Strategic Partners U.S. Value V	12,968	0	0	0	-169	-34	0	12,832	0.0
Cornerstone Enhanced Mortgage Fund I	6,028,365	0	110,971	0	141,008	22,157	0	6,036,245	35.0
DRA Growth and Income Fund VII	25,993,433	0	804,709	548,194	450,518	215,788	763,610	25,638,870	63.8
DRA Growth and Income Fund VIII	25,451,375	0	237,789	3,782,568	628,409	151,505	16,028	21,923,950	64.1
Gerrity Retail Fund 2	7,870,105	1,072,416	0	0	23,990	65,780	317,859	9,218,590	60.0
JP Morgan Alternative Property Fund	242,031	0	0	0	-9,689	0	4,771	237,114	68.6
Mesa West Real Estate Income Fund III	19,373,142	0	305,848	0	442,930	63,871	-71,022	19,375,331	67.7
PRISA II	47,984,266	0	355,881	48,809,201	585,641	104,901	700,075	0	0.0
RREEF America REIT III - 1410	941,350	0	0	0	9,202	2,485	0	948,067	0.0
Standard Life Investments European Real Estate Club II	15,169,243	3,613,679	0	0	116,877	39,984	-69,841	18,789,974	40.1
The Realty Associates Fund IX, L.P.	12,272,846	0	863,284	0	227,174	52,540	55,401	11,639,597	40.2
The Realty Associates Fund VII, L.P.	1,174,308	0	1,079,317	0	-1,386	506	3,615	96,714	0.0
Urdang Value Added Fund II	1,687,936	0	0	0	24,237	0	-142,217	1,569,956	73.0
<b>Value Added</b>	<b>176,833,675</b>	<b>4,686,095</b>	<b>4,099,638</b>	<b>53,856,267</b>	<b>2,806,091</b>	<b>739,678</b>	<b>1,712,266</b>	<b>127,342,545</b>	<b>57.9</b>
<b>Total Portfolio</b>									
<b>LACERS</b>	<b>858,624,716</b>	<b>30,628,808</b>	<b>12,312,319</b>	<b>60,364,268</b>	<b>10,238,563</b>	<b>1,989,937</b>	<b>8,578,446</b>	<b>833,404,010</b>	<b>38.1</b>

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
<b>Opportunistic</b>									
Apollo CPI Europe I	3,374,757	0	1,489,258	0	-4,816	20	-70,435	1,810,228	70.3
Bristol Value II, L.P.	8,628,090	713,016	47,238	0	65,893	40,574	-28,509	9,290,678	28.2
Bryanston Retail Opportunity Fund	4,751,612	0	0	0	-1,242	4,247	-29,457	4,716,666	75.7
California Smart Growth Fund IV	12,943,453	22,907	0	378,742	73,260	22,907	78,434	12,716,405	29.1
Canyon Johnson Urban Fund II	498,865	0	0	0	-174	0	203,186	701,877	0.0
CBRE Strategic Partners UK Fund III	1,002,395	0	0	675,688	-5,816	0	-72,788	248,103	0.0
CIM Real Estate Fund III	16,816,421	0	1,374,926	0	59,214	56,180	110,018	15,554,547	13.2
CityView LA Urban Fund I	6,273,471	29,533	163,333	0	526,216	29,533	-288,977	6,347,376	41.1
Colony Investors VIII	5,441,807	0	0	0	20,258	17,457	-64,600	5,380,008	9.0
DRA Growth and Income Fund VI	5,818,292	0	0	0	27,304	29,188	52,475	5,868,883	66.0
Genesis Workforce Housing Fund II	1,428,717	0	0	0	-12,455	0	0	1,416,262	0.0
Integrated Capital Hospitality Fund	7,442,588	0	0	0	170,832	15,590	0	7,597,830	43.3
LaSalle Asia Fund II	220,896	0	0	0	5,159	0	-7,201	218,854	0.0
Latin America Investors III	7,136,026	0	0	0	-50,939	30,739	256,622	7,310,970	26.9
Lone Star Fund VII	2,764,960	0	386,062	102,288	202,317	-22,496	-315,028	2,186,396	60.5
Lone Star Real Estate Fund II	2,855,190	465,235	82,719	136,560	55,611	39,525	135,372	3,252,605	34.6
Lowe Hospitality Investment Partners	488,224	0	0	0	3,912	0	0	492,136	47.3
MacFarlane Urban Real Estate Fund II	9,988,772	0	0	0	-8,502	120,322	173,031	10,032,979	44.8
RECP Fund IV, L.P.	31,554,992	887,327	641,240	0	29,715	100,916	64,279	31,794,157	30.4
Southern California Smart Growth Fund	1,137,469	4,728	65,147	0	470,142	4,728	0	1,542,464	67.1
Stockbridge Real Estate Fund II	12,364,735	0	0	4,049,560	-4,041	18,137	-67,903	8,225,094	61.2
The Buchanan Fund V	3,981,352	0	0	0	10,249	10,419	19,695	4,000,877	20.0
Torchlight Debt Opportunity Fund II	9,485,090	0	0	0	39,048	7,372	8,160	9,524,926	20.7
Torchlight Debt Opportunity Fund III	3,413,135	0	0	0	59,767	13,899	-36,374	3,422,629	0.0
Torchlight Debt Opportunity Fund IV	25,298,904	0	356,916	0	698,387	-33,460	-391,247	25,282,588	6.7
Tuckerman Group Residential Income & Value Added Fund	8,681,110	0	0	0	102,262	19,020	-8,187	8,756,165	58.0
UrbanAmerica II	71,083	0	0	0	-4,356	4,180	0	62,547	101.0
Walton Street Real Estate Fund V	11,194,662	0	0	0	71,017	37,653	-23,134	11,204,892	44.7
Walton Street Real Estate Fund VI	15,042,754	0	361,213	1,165,163	42,543	40,399	31,172	13,549,694	51.2
<b>Opportunistic</b>	<b>220,099,822</b>	<b>2,122,746</b>	<b>4,968,052</b>	<b>6,508,001</b>	<b>2,640,765</b>	<b>607,049</b>	<b>-271,396</b>	<b>212,508,836</b>	<b>40.2</b>
<b>Private Portfolio</b>	<b>837,941,307</b>	<b>30,628,808</b>	<b>12,166,582</b>	<b>60,364,268</b>	<b>10,273,857</b>	<b>1,952,829</b>	<b>8,560,029</b>	<b>812,920,323</b>	<b>38.7</b>
<b>Non-Core Portfolio</b>	<b>396,933,497</b>	<b>6,808,841</b>	<b>9,067,690</b>	<b>60,364,268</b>	<b>5,446,856</b>	<b>1,346,727</b>	<b>1,440,870</b>	<b>339,851,381</b>	<b>48.3</b>
<b>Total Portfolio</b>									
<b>LACERS</b>	<b>858,624,716</b>	<b>30,628,808</b>	<b>12,312,319</b>	<b>60,364,268</b>	<b>10,238,563</b>	<b>1,989,937</b>	<b>8,578,446</b>	<b>833,404,010</b>	<b>38.1</b>

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
<b>Core</b>						
Berkshire Multifamily Income Realty Fund	100.0	-	-	-	-	-
CIM Commercial Trust Corporation ("CMCT")	9.1	77.4	-	-	7.8	5.7
CIM VI (Urban REIT), LLC	61.3	21.8	-	16.9	-	-
INVESCO Core Real Estate	28.6	36.0	13.7	21.8	-	-
Jamestown Premier Property Fund	-	70.7	-	17.1	-	12.2
JP Morgan Strategic Property Fund	20.9	46.2	7.9	24.5	-	0.6
Lion Industrial Trust - 2007	-	-	100.0	-	-	-
Prime Property Fund	26.1	35.2	13.2	16.3	-	9.2
Principal U.S. Property Account	10.8	44.4	20.5	16.5	1.3	6.5
<b>Core</b>	<b>24.7</b>	<b>37.0</b>	<b>19.7</b>	<b>15.0</b>	<b>0.8</b>	<b>2.9</b>
<b>Timber</b>						
Hancock Timberland XI	-	-	-	-	-	100.0
<b>Timber</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.0</b>
<b>Value Added</b>						
Almanac Realty Securities VI	37.7	9.1	1.1	5.5	36.9	9.7
CBRE Strategic Partners IV	-	-	-	-	-	100.0
CBRE Strategic Partners U.S. Value V	-	-	-	-	-	-
Cornerstone Enhanced Mortgage Fund I	-	28.4	-	-	54.5	17.1
DRA Growth and Income Fund VII	29.1	24.6	30.7	15.5	-	-
DRA Growth and Income Fund VIII	11.0	22.3	12.6	54.1	-	-
Gerrity Retail Fund 2	-	-	-	100.0	-	-
JP Morgan Alternative Property Fund	-	-	-	-	-	-
Mesa West Real Estate Income Fund III	28.7	47.1	1.7	2.0	12.0	8.4
PRISA II	-	-	-	-	-	-
RREEF America REIT III - 1410	-	100.0	-	-	-	-
Standard Life Investments European Real Estate Club II	-	43.5	34.7	21.8	-	-
The Realty Associates Fund IX, L.P.	25.7	34.1	35.5	4.7	-	-
The Realty Associates Fund VII, L.P.	-	-	-	-	-	-
Urdang Value Added Fund II	15.3	79.7	0.3	0.3	-	4.3
<b>Value Added</b>	<b>17.6</b>	<b>29.5</b>	<b>18.6</b>	<b>23.3</b>	<b>7.4</b>	<b>3.8</b>
<b>Total Portfolio</b>						
<b>LACERS</b>	<b>22.2</b>	<b>30.9</b>	<b>15.5</b>	<b>14.2</b>	<b>4.6</b>	<b>12.7</b>
<b>Indices</b>						
<b>NFI-ODCE</b>	<b>24.1</b>	<b>37.7</b>	<b>14.2</b>	<b>20.0</b>	<b>0.8</b>	<b>3.2</b>

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
<b>Opportunistic</b>						
Apollo CPI Europe I	13.5	54.9	-	31.7	-	-
Bristol Value II, L.P.	15.8	47.3	19.3	-	-	17.5
Bryanston Retail Opportunity Fund	-	-	-	100.0	-	-
California Smart Growth Fund IV	22.6	-	11.5	0.3	42.1	23.5
Canyon Johnson Urban Fund II	-	-	-	1.2	97.6	1.2
CBRE Strategic Partners UK Fund III	-	-	-	-	-	-
CIM Real Estate Fund III	15.7	3.3	-	15.6	5.2	60.2
CityView LA Urban Fund I	100.0	-	-	-	-	-
Colony Investors VIII	-	-	-	-	-	100.0
DRA Growth and Income Fund VI	14.1	54.4	-	31.4	-	-
Genesis Workforce Housing Fund II	-	-	-	-	-	-
Integrated Capital Hospitality Fund	-	-	-	-	100.0	-
LaSalle Asia Fund II	-	-	-	-	-	-
Latin America Investors III	-	8.0	-	-	-	92.0
Lone Star Fund VII	-	-	-	-	-	100.0
Lone Star Real Estate Fund II	-	48.8	2.0	5.5	13.5	30.2
Lowe Hospitality Investment Partners	-	-	-	-	100.0	-
MacFarlane Urban Real Estate Fund II	35.8	55.7	-	-	5.0	3.4
RECP Fund IV, L.P.	21.0	6.9	5.0	-	12.9	54.3
Southern California Smart Growth Fund	-	-	100.0	-	-	-
Stockbridge Real Estate Fund II	-	60.5	-	-	-	39.5
The Buchanan Fund V	78.1	5.9	15.5	-	-	0.6
Torchlight Debt Opportunity Fund II	9.3	79.2	6.0	3.6	1.0	0.9
Torchlight Debt Opportunity Fund III	12.0	50.8	3.4	22.8	5.5	5.5
Torchlight Debt Opportunity Fund IV	31.2	16.1	17.2	16.0	11.7	7.7
Tuckerman Group Residential Income & Value Added Fund	100.0	-	-	-	-	-
UrbanAmerica II	-	100.0	-	-	-	-
Walton Street Real Estate Fund V	-	8.7	-	1.3	34.9	55.1
Walton Street Real Estate Fund VI	0.3	13.8	-	10.3	7.7	67.9
<b>Opportunistic</b>	<b>21.1</b>	<b>20.2</b>	<b>4.9</b>	<b>7.9</b>	<b>12.4</b>	<b>33.5</b>
<b>Private Portfolio</b>	<b>22.7</b>	<b>31.6</b>	<b>15.8</b>	<b>14.6</b>	<b>4.7</b>	<b>10.6</b>
<b>Non-Core Portfolio</b>	<b>19.7</b>	<b>23.9</b>	<b>10.3</b>	<b>14.0</b>	<b>10.4</b>	<b>21.8</b>
<b>Total Portfolio</b>						
<b>LACERS</b>	<b>22.2</b>	<b>30.9</b>	<b>15.5</b>	<b>14.2</b>	<b>4.6</b>	<b>12.7</b>
<b>Indices</b>						
<b>NFI-ODCE</b>	<b>24.1</b>	<b>37.7</b>	<b>14.2</b>	<b>20.0</b>	<b>0.8</b>	<b>3.2</b>



Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
<b>Core</b>										
Berkshire Multifamily Income Realty Fund	6.1	4.8	12.3	-	27.6	17.1	9.4	22.7	-	-
CIM Commercial Trust Corporation ("CMCT")	3.4	34.5	-	-	-	12.8	-	49.3	-	-
CIM VI (Urban REIT), LLC	44.4	11.8	-	-	-	29.3	-	14.5	-	-
INVESCO Core Real Estate	14.9	11.9	4.4	1.4	2.1	14.3	9.7	41.3	-	-
Jamestown Premier Property Fund	55.0	20.2	-	-	2.9	-	-	21.9	-	-
JP Morgan Strategic Property Fund	21.3	7.6	5.2	0.2	8.9	15.5	3.1	38.2	-	-
Lion Industrial Trust - 2007	18.4	3.0	7.8	3.1	15.2	17.0	2.9	32.5	-	-
Prime Property Fund	20.2	8.2	9.1	2.2	12.7	9.7	3.5	34.3	-	-
Principal U.S. Property Account	14.4	6.9	5.5	2.0	9.3	16.7	9.2	36.0	-	-
<b>Core</b>	<b>19.9</b>	<b>11.9</b>	<b>4.9</b>	<b>1.2</b>	<b>7.0</b>	<b>14.3</b>	<b>5.3</b>	<b>35.5</b>	-	-
<b>Timber</b>										
Hancock Timberland XI	-	-	-	-	-	-	-	23.1	62.9	14.0
<b>Timber</b>	-	-	-	-	-	-	-	<b>23.1</b>	<b>62.9</b>	<b>14.0</b>
<b>Value Added</b>										
Almanac Realty Securities VI	-	-	-	-	-	-	-	-	100.0	-
CBRE Strategic Partners IV	-	-	-	-	100.0	-	-	-	-	-
CBRE Strategic Partners U.S. Value V	-	-	-	-	-	-	-	-	-	-
Cornerstone Enhanced Mortgage Fund I	61.8	21.2	-	-	-	-	-	17.0	-	-
DRA Growth and Income Fund VII	-	7.4	2.6	8.1	23.4	29.5	7.9	21.1	-	-
DRA Growth and Income Fund VIII	0.9	11.3	33.4	12.5	17.5	9.4	1.9	13.2	-	-
Gerrity Retail Fund 2	-	-	-	-	-	-	-	100.0	-	-
JP Morgan Alternative Property Fund	-	-	-	-	-	-	-	-	-	-
Mesa West Real Estate Income Fund III	25.9	13.6	5.8	1.0	9.9	10.8	14.6	18.4	-	-
PRISA II	-	-	-	-	-	-	-	-	-	-
RREEF America REIT III - 1410	-	-	-	-	-	-	-	100.0	-	-
Standard Life Investments European Real Estate Club II	-	-	-	-	-	-	-	-	-	100.0
The Realty Associates Fund IX, L.P.	4.1	11.9	12.0	3.8	21.9	18.3	4.8	23.3	-	-
The Realty Associates Fund VII, L.P.	-	-	-	-	-	-	-	-	-	-
Urdang Value Added Fund II	0.3	12.0	-	-	-	79.7	-	8.0	-	-
<b>Value Added</b>	<b>7.6</b>	<b>8.0</b>	<b>8.7</b>	<b>4.3</b>	<b>12.6</b>	<b>11.4</b>	<b>4.4</b>	<b>19.5</b>	<b>7.4</b>	<b>16.0</b>
<b>Total Portfolio</b>										
<b>LACERS</b>	<b>16.4</b>	<b>10.9</b>	<b>4.8</b>	<b>1.4</b>	<b>7.7</b>	<b>10.7</b>	<b>4.7</b>	<b>29.7</b>	<b>8.0</b>	<b>5.8</b>
<b>Indices</b>										
<b>NFI-ODCE</b>	<b>20.4</b>	<b>10.0</b>	<b>8.1</b>	<b>1.4</b>	<b>9.6</b>	<b>10.0</b>	<b>4.9</b>	<b>35.6</b>	-	-

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
<b>Opportunistic</b>										
Apollo CPI Europe I	-	-	-	-	-	-	-	-	-	100.0
Bristol Value II, L.P.	21.0	-	-	-	61.5	-	17.5	-	-	-
Bryanston Retail Opportunity Fund	16.6	0.0	11.9	0.2	1.7	11.1	13.1	45.3	-	-
California Smart Growth Fund IV	-	-	-	-	-	-	-	100.0	-	-
Canyon Johnson Urban Fund II	0.3	97.6	-	-	1.2	0.9	-	-	-	-
CBRE Strategic Partners UK Fund III	-	-	-	-	-	-	-	-	-	-
CIM Real Estate Fund III	54.7	2.2	12.0	-	9.9	2.5	4.1	14.3	-	0.2
CityView LA Urban Fund I	-	-	-	-	-	-	-	100.0	-	-
Colony Investors VIII	-	-	-	-	-	-	-	20.7	-	79.3
DRA Growth and Income Fund VI	35.9	-	-	3.2	18.5	-	28.3	14.1	-	-
Genesis Workforce Housing Fund II	-	-	-	-	-	-	-	-	-	-
Integrated Capital Hospitality Fund	-	32.4	17.0	-	37.9	12.7	-	-	-	-
LaSalle Asia Fund II	-	-	-	-	-	-	-	-	-	-
Latin America Investors III	-	-	-	-	-	-	-	-	-	100.0
Lone Star Fund VII	-	-	-	-	-	-	-	-	95.0	5.0
Lone Star Real Estate Fund II	-	-	-	-	-	-	-	-	75.4	24.6
Lowe Hospitality Investment Partners	100.0	-	-	-	-	-	-	-	-	-
MacFarlane Urban Real Estate Fund II	-	99.1	-	-	-	-	-	0.9	-	-
RECP Fund IV, L.P.	31.7	18.4	0.6	-	-	1.1	0.2	24.6	-	23.3
Southern California Smart Growth Fund	-	-	-	-	-	-	-	100.0	-	-
Stockbridge Real Estate Fund II	-	-	-	-	-	-	-	100.0	-	-
The Buchanan Fund V	-	-	-	-	-	78.6	15.5	5.9	-	-
Torchlight Debt Opportunity Fund II	-	-	-	-	-	-	-	-	-	-
Torchlight Debt Opportunity Fund III	-	-	-	-	-	-	-	-	-	-
Torchlight Debt Opportunity Fund IV	-	-	-	-	-	-	-	-	-	-
Tuckerman Group Residential Income & Value Added Fund	-	-	-	-	-	-	-	100.0	-	-
UrbanAmerica II	33.7	-	-	8.4	9.7	-	48.2	-	-	-
Walton Street Real Estate Fund V	-	18.2	6.0	0.2	17.4	0.3	21.5	14.0	-	22.5
Walton Street Real Estate Fund VI	38.6	10.6	7.3	0.2	9.6	9.2	3.5	17.6	-	3.5
<b>Opportunistic</b>	<b>15.2</b>	<b>11.4</b>	<b>2.7</b>	<b>0.1</b>	<b>6.9</b>	<b>2.8</b>	<b>3.8</b>	<b>23.0</b>	<b>22.1</b>	<b>12.0</b>
<b>Private Portfolio</b>	<b>16.7</b>	<b>11.1</b>	<b>4.9</b>	<b>1.4</b>	<b>7.9</b>	<b>10.9</b>	<b>4.8</b>	<b>29.8</b>	<b>6.7</b>	<b>5.6</b>
<b>Non-Core Portfolio</b>	<b>12.3</b>	<b>10.1</b>	<b>5.0</b>	<b>1.8</b>	<b>9.1</b>	<b>6.2</b>	<b>4.1</b>	<b>21.6</b>	<b>16.3</b>	<b>13.5</b>
<b>Total Portfolio</b>										
<b>LACERS</b>	<b>16.4</b>	<b>10.9</b>	<b>4.8</b>	<b>1.4</b>	<b>7.7</b>	<b>10.7</b>	<b>4.7</b>	<b>29.7</b>	<b>8.0</b>	<b>5.8</b>
<b>Indices</b>										
<b>NFI-ODCE</b>	<b>20.4</b>	<b>10.0</b>	<b>8.1</b>	<b>1.4</b>	<b>9.6</b>	<b>10.0</b>	<b>4.9</b>	<b>35.6</b>	<b>-</b>	<b>-</b>

Advisory Disclosures and Definitions

**Disclosure**

Trade Secret and Confidential.

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

Returns are presented on a time weighted basis and shown both gross and net of underlying third party fees and expenses and may include income, appreciation and/or other earnings. In addition, investment level Net IRR's and equity multiples are reported.

The Townsend Group, on behalf of its client base, collects quarterly limited partner/client level performance data based upon inputs from the underlying investment managers. Data collection is for purposes of calculating investment level performance as well as aggregating and reporting client level total portfolio performance. Quarterly limited partner/client level performance data is collected directly<sup>1</sup> from the investment managers via a secure data collection site.

<sup>1</sup>In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to The Townsend Group via a secure data collection site, The Townsend Group may choose to input performance data on behalf of its client based upon the investment managers quarterly capital account statements which are supplied to The Townsend Group and the client alike.

**Benchmarks**

The potential universe of available real asset benchmarks are infinite. Any one benchmark, or combination thereof, may be utilized on a gross or net of fees basis with or without basis point premiums attached. These benchmarks may also utilize a blended composition with varying weighting methodologies, including market weighted and static weighted approaches.

**Footnotes to Returns (2) Tab**

<sup>1</sup> 'Broken' TWR – In a series of quarterly returns for an investment line item, a single quarter of significant volatility and/or temporary negative market value will 'break' the time weighted calculation and period returns (including since inception) must start anew in a subsequent quarter. Depending upon the timing of the break, TWRs may never accurately reflect performance of the investment line item. Line item data continues to be reflected in the sub-portfolio and portfolio totals, however for the individual line item, the internal rate of return ("IRR") becomes a more appropriate data point for evaluation.

<sup>2</sup> Liquidating investment.

## Exhibit B: Real Estate Market Update



# United States Real Estate Market Update (2Q16)

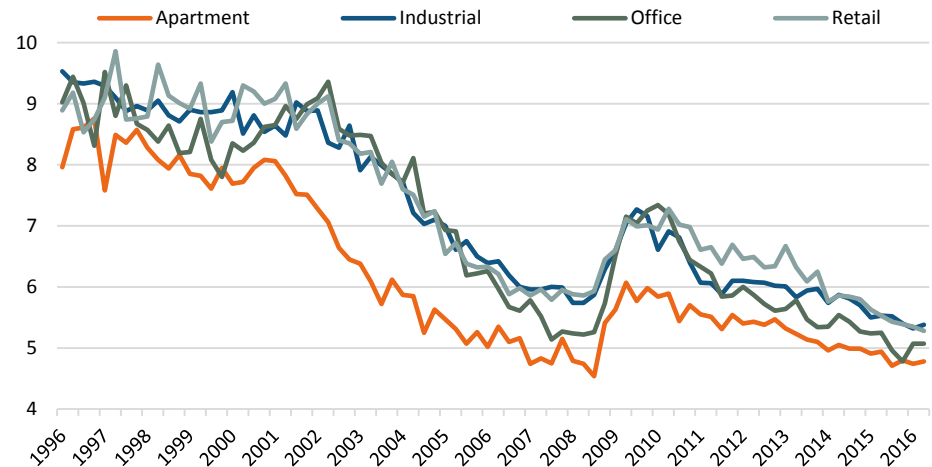
## General

- Economic activity increased during the second quarter of 2016 at an annual rate of 1.1%, 2% over 2Q15 levels. Growth during the quarter was chiefly supported by positive contributions by the consumer, with fractional help from trade. Favorable employment trends with moderate wage growth (+2.5% y/y) and strong sentiment (+4.4% annual rate) helped buoy consumer spending. Business investment continues to weigh on trade, reducing growth by 9.7% during the quarter. Leading indicators for the business sector: Purchasing Managers Index (49.4 with 50 and above signaling expansion), Durable Goods Orders (-6% y/y), and Industrial Production Index, point to more of the same to come for subsequent quarters.
- Macro indicators for U.S. real estate were tepid during 2Q16 with residential housing starts and total construction investment flat to marginally down y/y. Building permits, which signal future construction activity, also fell 9% compared to same period 2015.

## Commercial Real Estate

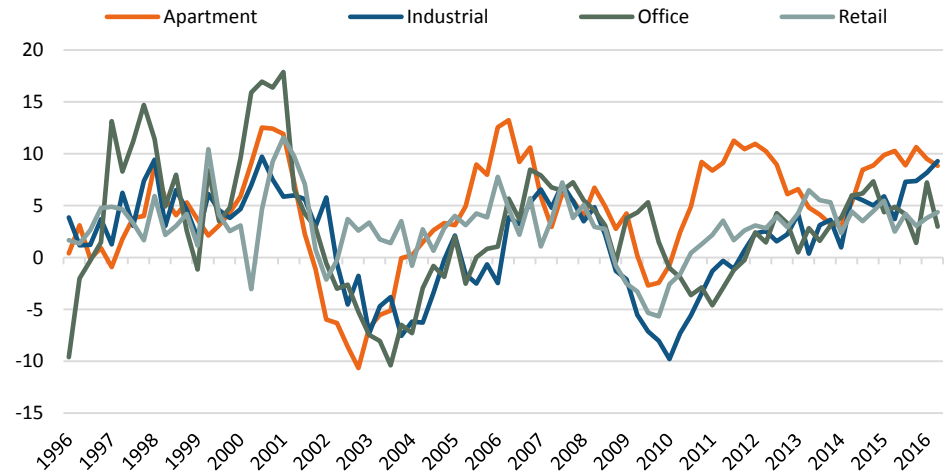
- 2Q16 saw \$63.5 billion in commercial real estate transaction volume or 41% of global activity. While solid, this represented a 16% drop compared to record 2015 levels. The U.S. decline was on trend with the broad moderation of global transaction activity during the quarter.
- CMBS issuances slowed to \$11.4 billion in 2Q16, less than half of the \$27.5 billion a year ago. Credit conditions remain relatively unchanged from 1Q, with the Fed's survey of senior loan officers showing stronger demand but tighter standards for commercial real estate loans.
- U.S. cities continue to be attractive targets for global investment capital. New York and Los Angeles (1<sup>st</sup> and 3<sup>rd</sup> respectively), accounted for 12% of global transactions. Foreign investment represented approximately 12% of total U.S. activity, with China overtaking Canada as the primary foreign capital source year-to-date.
- On average, industrial and multifamily transaction cap rates were essentially flat (0 and 2 bps respectively) for the first half of 2016 while hotel and office saw 15 and 11 basis point expansions respectively.

### Current Value Cap Rates by Property Type



Source: NCREIF

### 4-Qtr Rolling NOI Growth by Property Type



Source: NCREIF

# United States Property Matrix (2Q16)

## INDUSTRIAL

- Net absorption for 2Q16 was 18.9% higher than the previous quarter, with 62.0 million SF being absorbed. Vacancy rate has continued to decline posting a new record low of 6.1%.
- First half y/y investment volumes were down 47.2%, however removing the five largest transactions in segment history, volumes were only down 8.0% since last year.
- Single-asset acquisitions continue to dominate the landscape, outpacing portfolio activity and representing 75% of transactions on a dollar basis.
- Speculative completions have increased by 15.0% compared to 1Q16 to 35.0 million SF. Despite this increase 36.3% of all speculative space preleases prior to completion, an increase of 10.0% since the first quarter and nearly double the rate of 4Q15.
- As of 2Q16, industrial properties returned 2.90% and outperformed the NPI by 87 bps.

## MULTIFAMILY

- Investment for 2Q16 totaled \$30.6 billion. The YTD figure increased 3.5% from the first half of 2015 to \$68.2 billion, outpacing the record-setting volumes of 2015.
- New supply continues to come to market with completions increasing a modest 10 bps compared to the second quarter of 2015. Conversely, absorption of inventory declined 10 bps. The current national vacancy rate increased 10 bps to 4.5%, which is still 100 bps above the long-term average.
- Cap rates continue to compress reaching 4.4%, driven by persistent investor demand. This is a function of increased focus on secondary markets. Mid- and high-rise activity in secondary markets has increased 56.7% YTD.
- The apartment sector delivered a 1.88% return during the quarter, underperforming the NPI by 15 bps.

## OFFICE

- The office segment experienced \$67.2 billion of reported capital markets activity throughout the first two quarters of 2016, compared to \$71.8 billion at this time last year representing -6.4% investment sales growth.
- Volumes are moving back towards primary markets with 70.1% of total transaction volume, indicating a current resistance to market risk.
- Leasing activity rebounded by 18.2% during the second quarter. Total absorption was 59.1 million SF, with 38.4% taking place in primary markets. Vacancy has declined 10 bps to reach 14.6%, with suburban declining 20 bps to 16.1%, and CBDs remaining at 12.1%.
- Cap rates continue to compress, with 75% of markets experiencing compression. Cap rates have increased the rate of compression declining 36 bps in the last 12 months to 4.4%.
- The office sector returned 1.74% in 2Q16, 29 bps below the NPI.

## RETAIL

- Retail volume has declined 20.5% y/y down \$8.5 billion to \$32.9 billion. Second quarter volume was also below 2015's levels, dropping 7.7%. While urban investment volumes have declined 47.3% YTD, activity in secondary markets has increased 34.9%.
- West region sales continues its growth accounting for 39.9% of total quarter volume. Conversely, Northeast and Mid-Atlantic regions have decreasing YTD activity of 50.1% and 16.5%, respectively.
- While mall volume for the year has decreased by 41.8% y/y, it has increased 56.6% q/q to a volume of \$5.9 billion for the first half of 2016. Class A malls continue to move quickly and fetch premiums, while Class B and C malls have lagged due to a pricing disconnect between buyers and sellers.
- As of 2Q16, the retail sector delivered a quarterly return of 2.17%, beating the NPI by 14 bps.



# Global Real Estate Market Update (2Q16)

## Global

- Global investment activity for 2Q16 was generally subdued, coming in at \$154 billion, bringing the first half down 10% y/y over 2015. This was the result of broad investor caution surrounding the unanticipated result of the Brexit vote. Medium to long term effects remain unclear, however the expectation is for investors to adopt a 'wait and see' attitude in the short term while exploiting any asset mispricing that occurs. Fund managers anecdotally anticipate longer hold periods at lower return forecasts for their U.K. assets.

## Europe

- Commercial real estate transaction volume in Europe was €54.0 billion during 2Q 2016, moderately better than the €50.3 posted during the prior quarter although down 19% over a record 2015.
- Europe's top two markets, UK (-24% y/y) and Germany (-4% y/y), saw investment dampen while France, Sweden, and other markets held up the Euro wide number, suggesting that outside of the UK, the Brexit effect might be somewhat muted. Of note was the 51% and 21% y/y declines in hotel and retail investment respectively, sectors most associated with Brexit effect.

## Asia

- Asia Pacific investment ended the second quarter at \$28.4 billion, a 17% sequential growth rate, due to several large transactions such as the Qatar Investment Authority's record \$2.5 billion purchase of Singapore's Asia Square Tower 1 office property. Compared to prior year, investment was down 8% with China and Japan as the main laggards.
- Investment in China was down 24% y/y to \$6.0 billion, almost entirely made up of local capital as international inflow fell across Asia Pacific by 21% y/y. While institutional capital generally seeks core stabilized assets in primary cities, availability is tight following a strong 2015 and yields are tight given strong rent growth.
- Investment in Australia fell 3% y/y to \$4.4 billion, driven by a lack of assets after several years of record transaction volume from foreign capital inflows. A similar scenario is unfolding in Japan as single asset investments have dried up, resulting in a 12% decline in transactions year-to-date.
- Hong Kong recorded \$1.6 billion in investment during 2Q, a 59% decline from record 2Q15 levels. These declines follow recent strong performance with more prime assets expected to come online as some investors capitalize on high pricing.

Direct Commercial Real Estate Investment - Regional Volumes, 2015-2016

\$ US Billions	Q1 16	Q2 16	% Change		% Change		H1 2015	H1 2016	% Change H1 2015 - H1 2016
			Q1 16 - Q2 16	Q2 15	Q2 15 - Q2 16				
Americas	61	69	13%	80	-14%	153	130	-15%	
EMEA	51	57	12%	58	-2%	115	109	-5%	
Asia Pacific	25	28	12%	31	-10%	56	54	-4%	
<b>Total</b>	<b>137</b>	<b>154</b>	<b>12%</b>	<b>169</b>	<b>-9%</b>	<b>324</b>	<b>293</b>	<b>-10%</b>	

Source: Jones Lang LaSalle, July 2016

Global Outlook - GDP (Real) Growth % pa, 2015-2017

	2015	2016	2017
<b>Global</b>	<b>3.1</b>	<b>2.9</b>	<b>3.2</b>
<b>Asia Pacific</b>	<b>4.8</b>	<b>4.4</b>	<b>4.8</b>
Australia	2.5	3.0	3.0
China	6.9	6.5	6.3
India	7.2	7.4	7.8
Japan	0.6	1.0	1.3
<b>North America</b>	<b>1.9</b>	<b>1.5</b>	<b>2.2</b>
US	1.9	2.0	2.0
<b>MENA*</b>	<b>3.3</b>	<b>2.4</b>	<b>2.8</b>
<b>European Union</b>	<b>2.2</b>	<b>1.7</b>	<b>1.3</b>
France	1.3	1.3	1.1
Germany	1.7	1.6	1.2
UK	2.2	0.7	1.7

\*Middle East North Africa

Source: Bloomberg LP, August 2016

## Exhibit C: Glossary





# Glossary of Terms

## CASH FLOW STATEMENT

Beginning Market Value:	Value of real estate, cash and other holdings from prior period end.
Contributions:	Cash funded to the investment for acquisition and capital items (i.e., initial investment cost or significant capital improvements).
Distributions:	Actual cash returned from the investment, representing distributions of income from operations and gains from sales.
Withdrawals:	Cash returned from the investment, representing a return of capital.
Ending Market Value:	Sum of the beginning market value + contributions – distributions – withdrawals for the quarter.
Unfunded Commitments:	Capital allocated to managers which remains to be called for investment. Amounts are as reported by managers.
Remaining Allocation:	The difference between the ending market value + the unfunded commitments and the target allocation. Represents dollars available for allocation.

# Glossary of Terms

## PRIVATE REAL ESTATE STYLE GROUPS

**Core :** Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).

**Value-Add:** Core return investments that take on moderate additional risk from one or more of the following sources: leasing, re development, exposure to non-traditional property types, the use of leverage.

A Value-Added fund is one that generally includes a mix of Core investments and other investments that will have less reliable income streams. The fund as a whole is likely to have moderate lease exposure and moderate leverage. As a result, such funds should achieve a significant portion of the return from appreciation and are expected to exhibit moderate volatility. Please refer to NCREIF's Portfolio Management Committee's whitepaper, "Real Estate Investment Styles: Trends from the Catwalk" at [www.NCREIF.org](http://www.NCREIF.org) for more details.

**Opportunistic:** Investments that take on additional risk in order to achieve a higher return. Typical sources of risks are: development, land investing, operating company investing, international exposure, high leverage, distressed properties.

An Opportunistic fund is one that has preponderantly Non-Core investments. The fund as a whole is expected to derive most of its return from appreciation and/or which may exhibit significant volatility in returns. This may be due to a variety of characteristics such as exposure to development, significant leasing risk, high leverage, or a combination of moderate risk factors. Please refer to NCREIF's fund Management Committee's whitepaper, "Real Estate Investment Styles: Trends from the Catwalk" at [www.NCREIF.org](http://www.NCREIF.org) for more details.

# Glossary of Terms

## INDICES

**FTSE NAREIT Index:** This is an index of Equity Real Estate Investment Trust returns reflecting the stock value changes of REIT issues as determined through public market transactions in the United States.

**EPRA/NAREIT Global ex-US Index :** The EPRA/NAREIT Global ex-US Index is a subset of the FTSE EPRA/NAREIT Developed Index and is designed to track the performance of listed real estate companies and REITs. The European Public Real Estate Association (EPRA) is a common interest group, which aims to promote, develop and represent the European public real estate sector. The National Association of Real Estate Investment Trusts (NAREIT) is the trade association of REITs and publicly traded real estate companies with an interest in the US property and investment markets.

**NCREIF Open-End Diversified Core Equity Index (“NFI-ODCE”):** An index of open-end diversified Core strategy funds with at least 95% of their investments in U.S. markets. The ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical and current basis. The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.

**Townsend Non-Core Indices:** Townsend Fund Return Indices presents the performance information of private equity real estate funds pursuing value-added and opportunistic investment strategies using both open-ended and closed-ended structures. The performance data is comprised of both active investments, as well as funds that have completed their full lifecycle or discontinued operations and represents over \$300 billion and 260 funds. Return information is represented in a time-weighted format.

# Glossary of Terms

## PERFORMANCE

- Income (“INC”):** Net operating income net of debt service before deduction of capital items (e.g., roof replacement, renovations, etc.).
- Appreciation (“APP”):** Increase or decrease in investment's value based on internal or third party appraisal, recognition of capital expenditures which did not add value or uncollectible accrued income, or realized gain or loss from sales.
- Total Gross (“TGRS”):** The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.
- Total Net (“TNET”):** Total gross return less Advisor fees reported. All fees are requested (asset management, accrued incentives, paid incentives). No fee data is verified. May not include any fees paid directly by the investor as opposed to those paid from cash flows.
- Inception Returns:** The total net return for an investment or portfolio over the period of time the client has funds invested. Total portfolio Inception Returns may include returns from investments no longer held in the current portfolio.

# Glossary of Terms

## GEOGRAPHIC REGIONS and DIVISIONS

