



TOWNSEND
GROUP

Real Estate Portfolio

Performance Review

FOURTH QUARTER 2015

Portfolio Funding Status

- The following slides provide a review of key information of the Los Angeles City Employees' Retirement System ("LACERS") Real Estate Portfolio (the "Portfolio") through December 31, 2015. A detailed performance report is also provided as **Exhibit A**.
- The System is slightly above its 5.0% target to Real Estate.

	Market Value (\$ millions)*	% LACERS Plan
LACERS Total Plan Assets	13,962	
Real Estate Target	698	5.0%
RE Market Value:		
<i>Core</i>	382	
<i>Non-Core</i>	365	
<i>Timber</i>	16	
Total RE Market Value	764	5.5%
Unfunded Commitments	270	1.9%
RE Market Value & Unfunded Commitments	1,034	7.4%
Remaining Allocation	(335)	(2.4%)



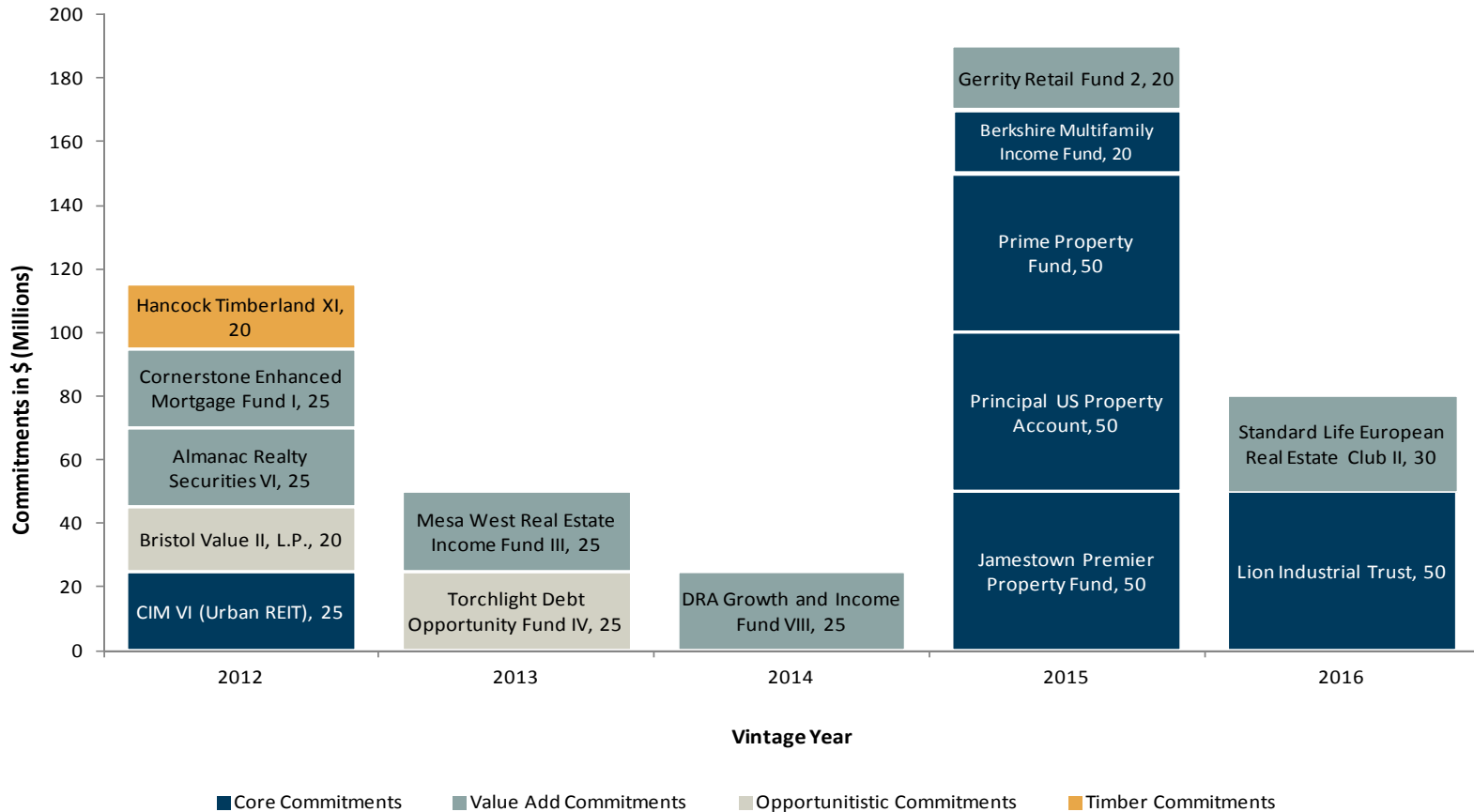
Real Estate Portfolio Composition

	Strategic Targets		Portfolio Composition (12/31/2015)*	
	Target Allocation	Tactical Range	Funded	Funded & Committed
Core	60%	40% - 80%	50.1%	45.5%
Non-Core	40%	20% - 60%	47.8%	52.4%
<i>Value Add Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>19.1%</i>	<i>25.1%</i>
<i>Opportunistic Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>28.7%</i>	<i>27.4%</i>
Timber	N/A	N/A	2.1%	2.1%

- 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 50% of these commitments were called before year-end 2015 with the balance expected to be called in 2016.
- The LACERS Board also approved \$50 million in Non-Core investments in 2015 focused on Value Add strategies where pre-specified portfolios, with embedded value and an element of current income were identified.
- Liquidations from the Non-Core Portfolio and Core commitments funding into the Portfolio show LACERS coming in-line with its strategic targets by year-end 2016.
- The Core Portfolio utilizes 24.3% leverage, measured on a loan-to-value (LTV) basis, well below the 40.0% constraint.
- The Non-Core Portfolio has a 47.5% LTV ratio, well below the 75.0% constraint.



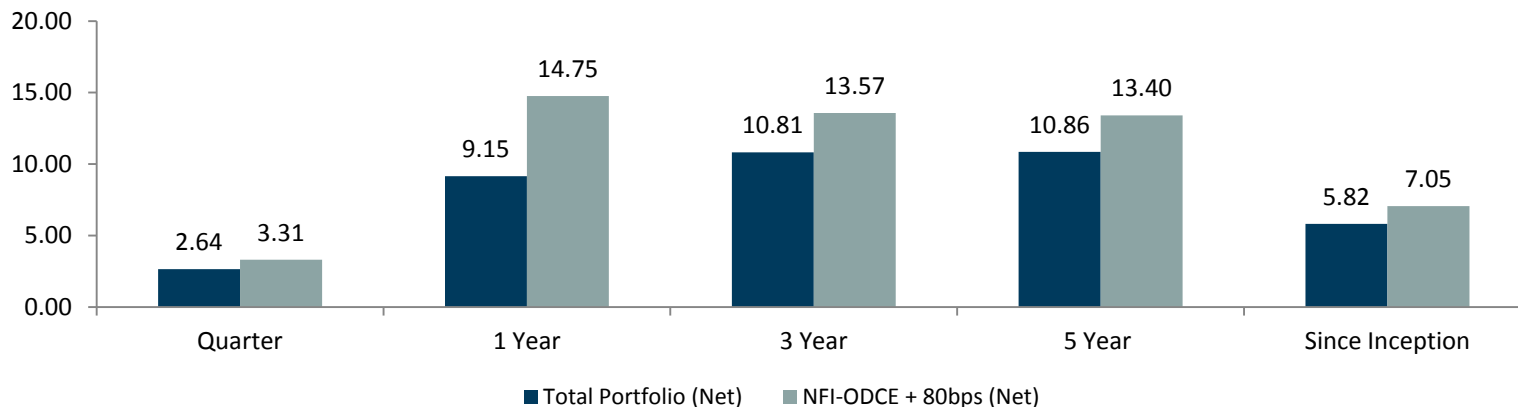
Commitments Since 2012



- 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.

Total Portfolio Performance

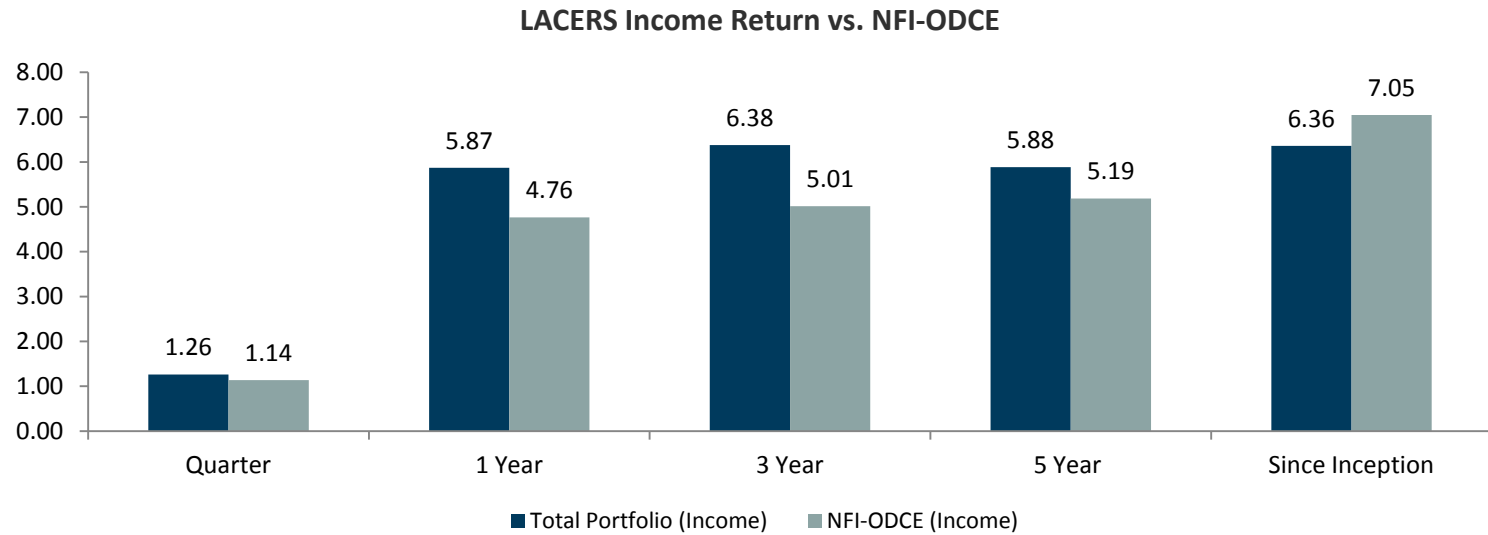
LACERS Total Real Estate Portfolio vs. NFI-ODCE + 80 bps



- 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. Relative underperformance by strategy is addressed on the following slides.
- 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 (23 active vehicles), utilizing approximately 23.2% 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.

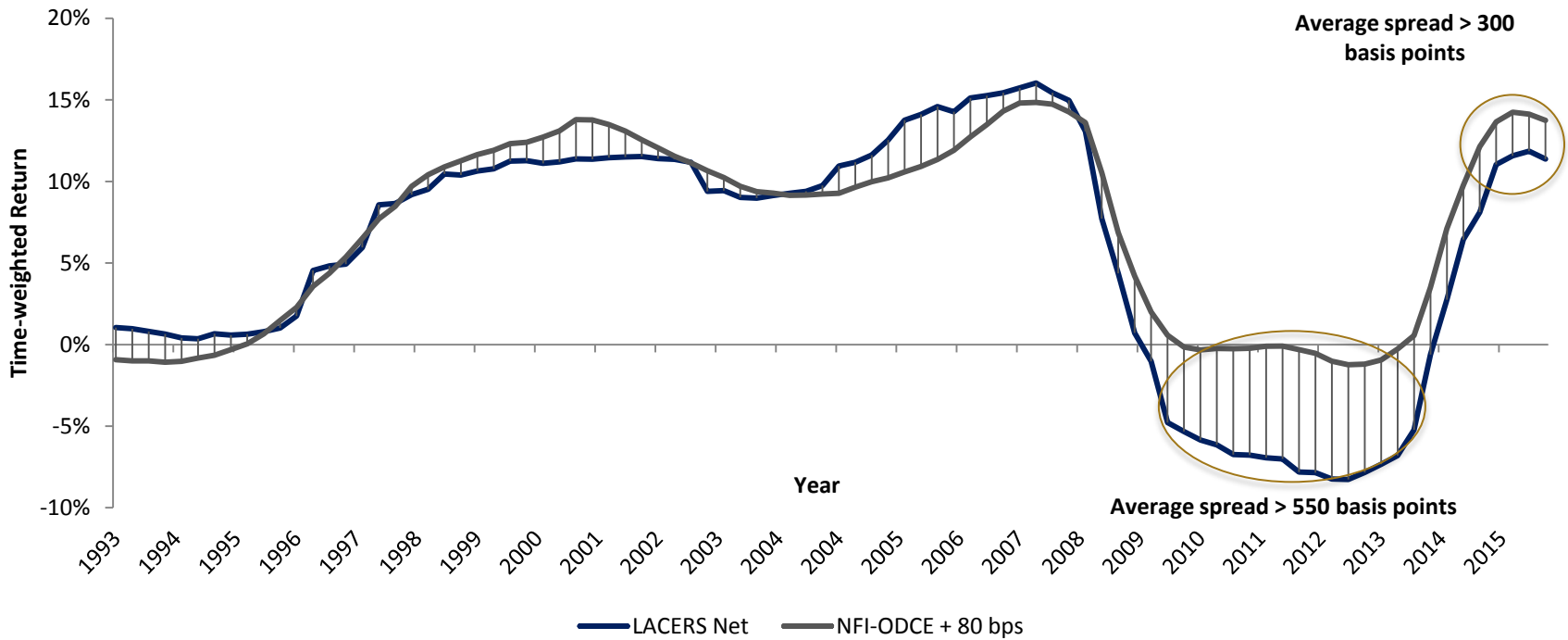


Income Performance



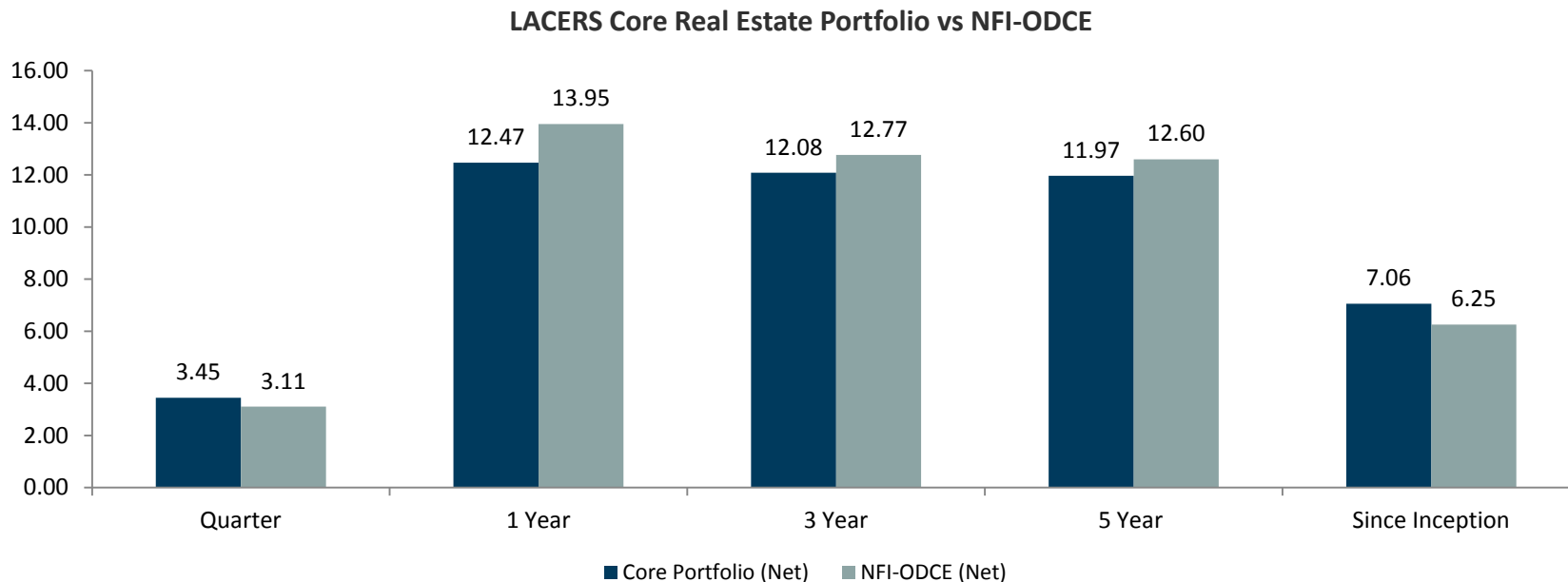
- As outlined in the Real Estate Strategic Plan, an objective for real estate is to generate income. Historically, real estate has generated returns comprised primarily of income.
- The LACERS Portfolio has outperformed the NFI-ODCE, on an income basis, across all time periods with the exception of the since inception time period.

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 will 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 70% through year-end 2018.
- Townsend also analyzed this trend by strategy within the LACERS Portfolio. The same trend existed by strategy but Core holdings tracked the benchmark closer than Non-Core strategies.

Relative Performance by Strategy: Core

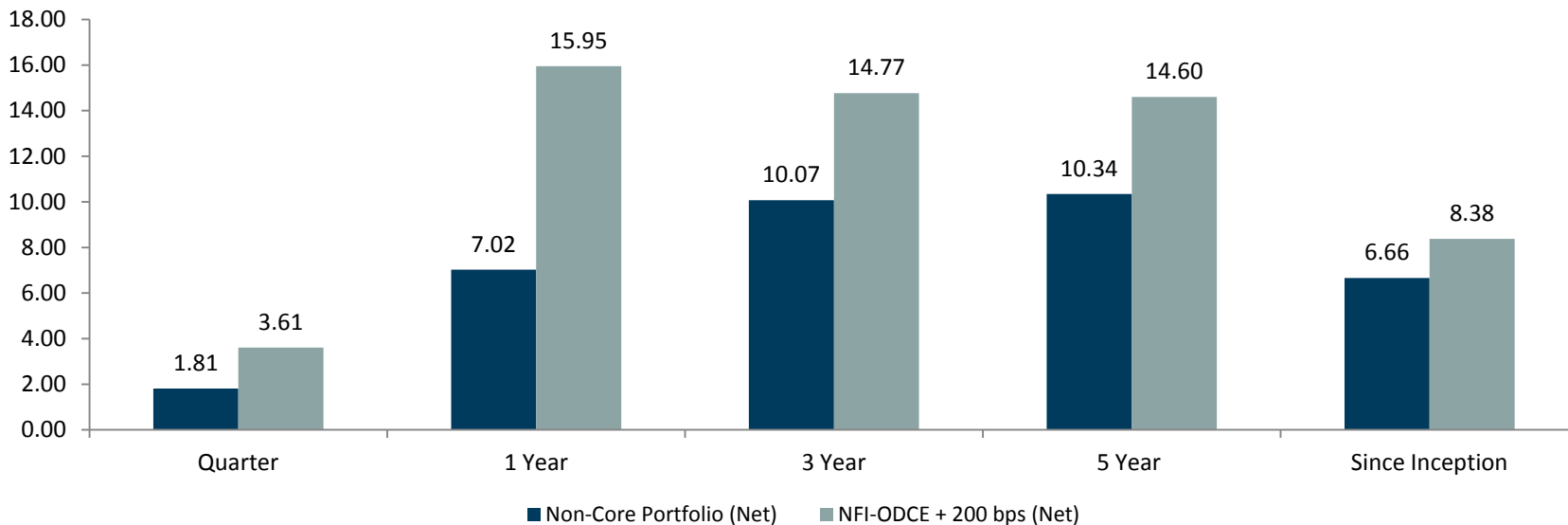


- The LACERS Core benchmark is the NFI-ODCE, measured over five year time periods, net of fees.
- The Core Portfolio outperformed the benchmark over the most recent Quarter and the since inception time period, but underperformed over all other time periods.
- CIM VI drove performance over the most recent Quarter. However, over the one and three year periods, the CIM series of investments (CMCT and CIM VI) has been the largest detractor of performance.
- New investments approved by the LACERS Board in 2015 are expected to be fully funded in 2016. These investments are also positioned to outperform the NFI-ODCE with a predominant portion of return coming through income.



Relative Performance by Strategy: Non-Core

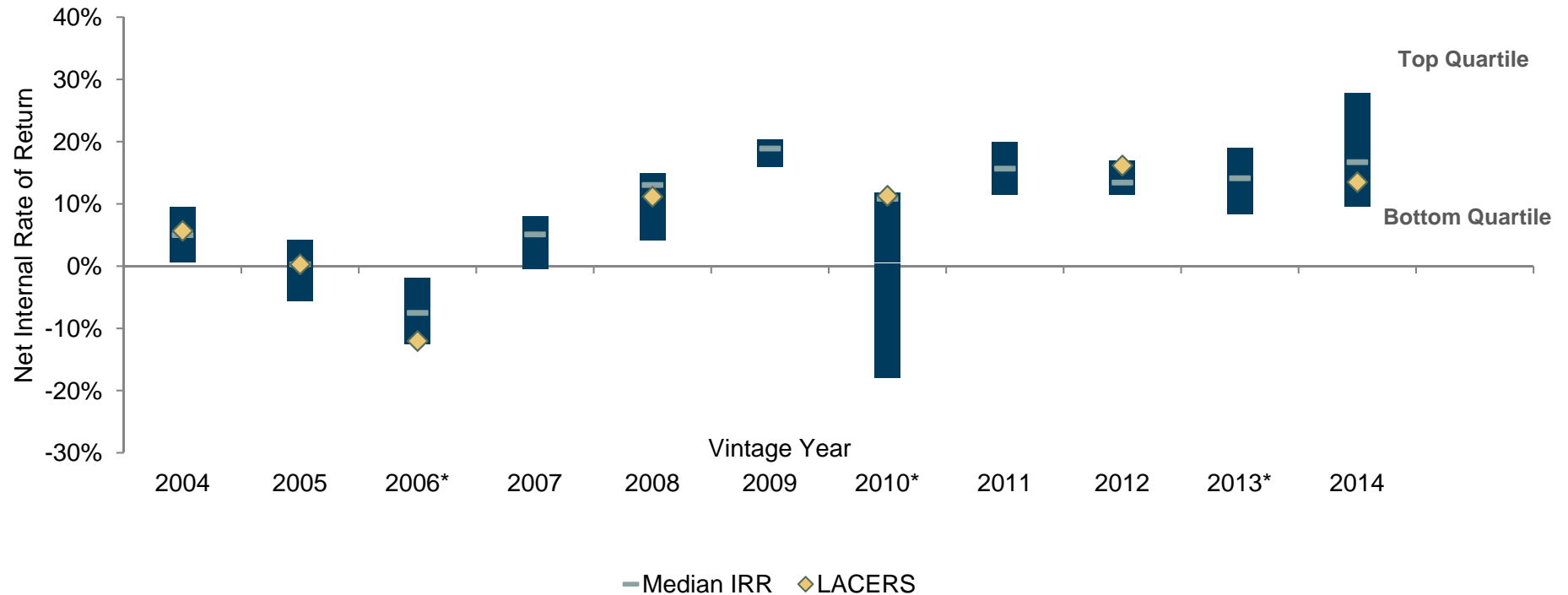
LACERS Non-Core Real Estate Portfolio vs. NFI-ODCE + 200 bps



- 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 of measure. Further underperformance is expected until new Non-Core commitments, positioned to outperform, are funded into the Portfolio.
- 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



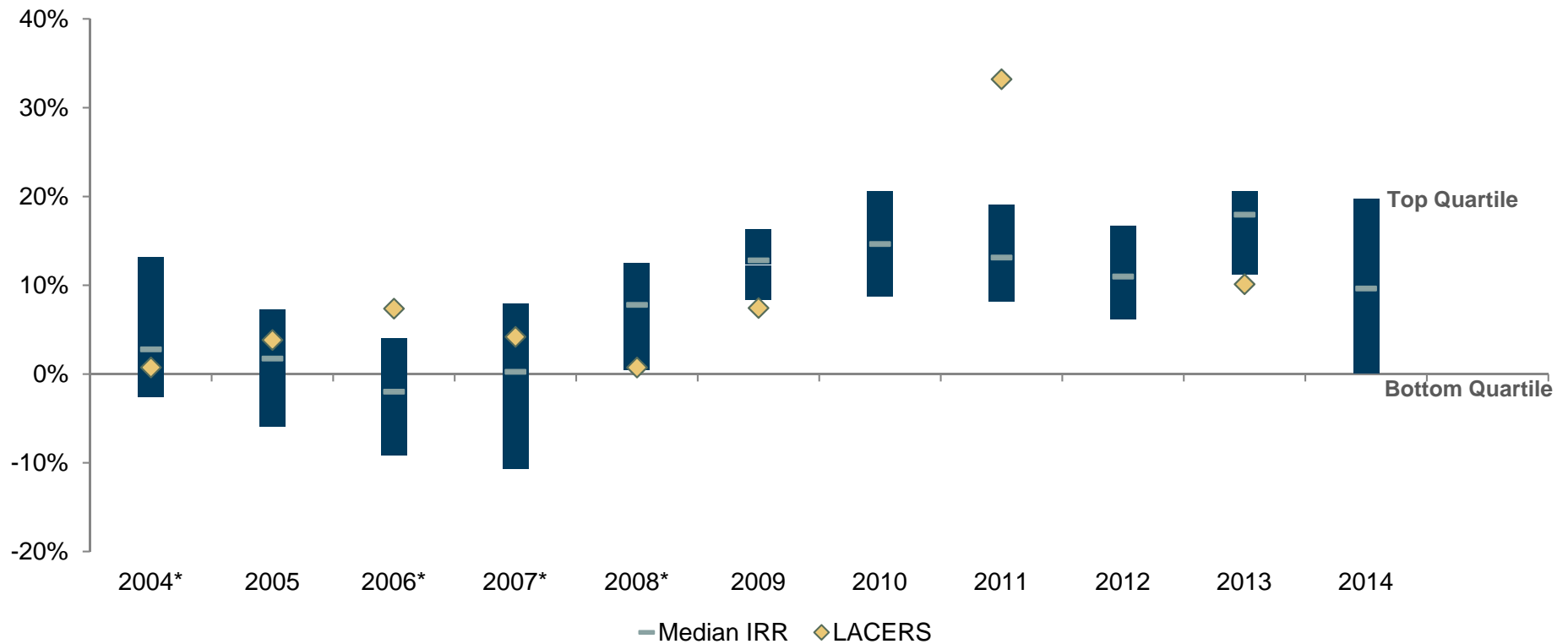
- The chart above displays the top, bottom and median quartile net IRRs of all Value Add strategies tracked by The Townsend Group. The LACERS current net IRR by vintage year is also provided for reference. Note if more than one investment was made in any given vintage year, the LACERS net IRR represents the aggregate net IRR for all investments made during that vintage year (exceptions exist, see below).
- As displayed, LACERS manager selection was above median for 3 years out of the 11 years displayed.
- 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 point in time.
- 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 4.1% net IRR through 12/31/2015. **2012:** Cornerstone Enhanced Mortgage Fund I has generated a 9.7% net IRR through 12/31/2015. **2013:** Almanac Realty Securities VI and Mesa West Real Estate Income Fund III have generated a 19.0% and 7.2% net IRR through 12/31/2015, respectively.

Relative Performance by Strategy: Non-Core

Opportunistic Net IRR Results by Vintage Year



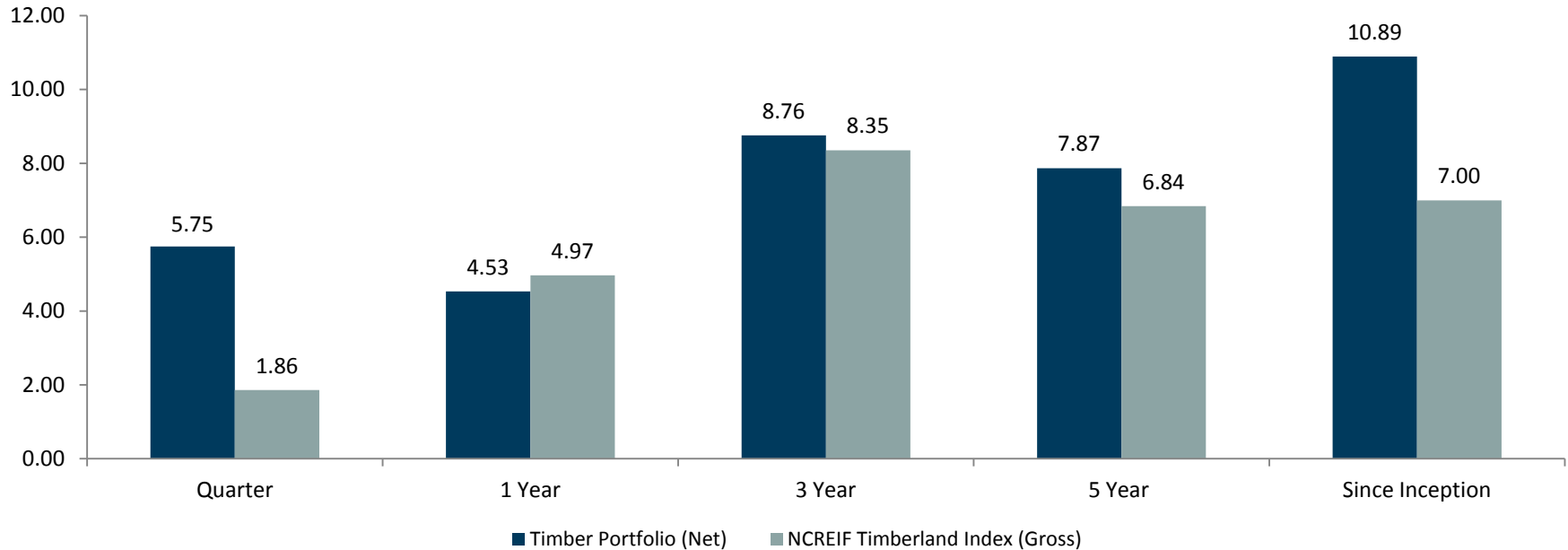
- The chart above displays the top, bottom and median quartile net IRRs of all Opportunistic strategies tracked by The Townsend Group. The LACERS current net IRR by vintage year is also provided for reference. Note if more than one investment was made in any given vintage year, the LACERS net IRR represents the aggregate net IRR for all investments made during that vintage year (exceptions exist, see below).
- As displayed, LACERS manager selection was above median for 4 years out of the 11 years displayed.
- 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.
- Performance for 2015 was excluded due to performance not being meaningful at this point in time.
- 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 17.4% net IRR through 12/31/2015. **2006:** Southern California Smart Growth Fund has generated a negative 3.3% net IRR through 12/31/2015. **2007:** California Smart Growth Fund IV has generated a 1.7% net IRR through 12/31/2015. **2008:** DRA Growth and Income Fund VI has generated an 11.4% net IRR through 12/31/2015.

Relative Performance by Strategy: Timber

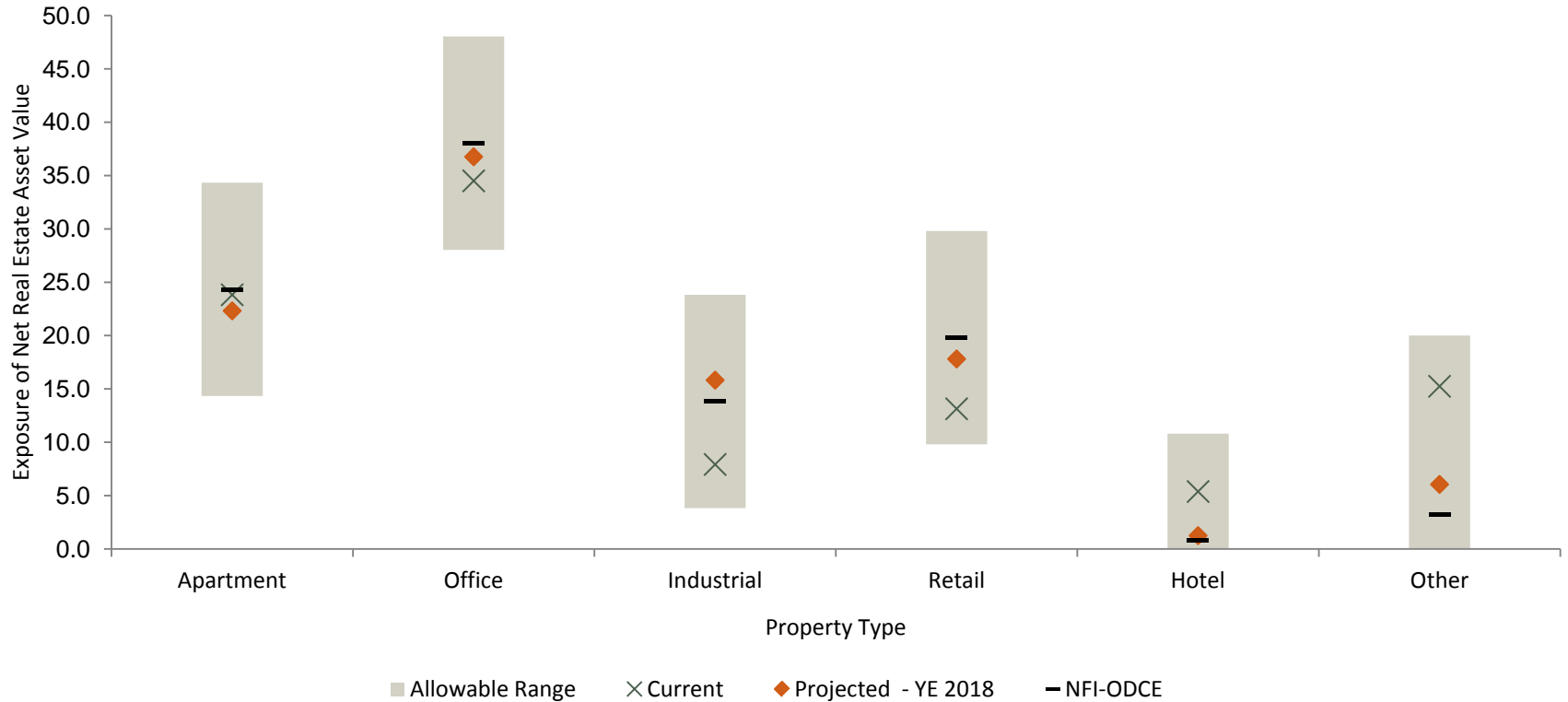
LACERS Timber Portfolio vs NCREIF Timberland Index



- The Timber Portfolio, net of fees, outperformed its benchmark, the NCREIF Timberland Index, gross of fees, over all time periods with exception of the one year time period.
- The LACERS active timberland investment is Hancock Timberland IX. The Fund's assets are located in the United States (51% in the South, 31% in the Northwest) and Chile (18%).
- Performance of the timber portfolio was mostly driven by strong returns in the Northwest region, but timberland values also increased in the South over the Quarter.

Real Estate Portfolio Diversification

LACERS Private Portfolio Property Type Diversification

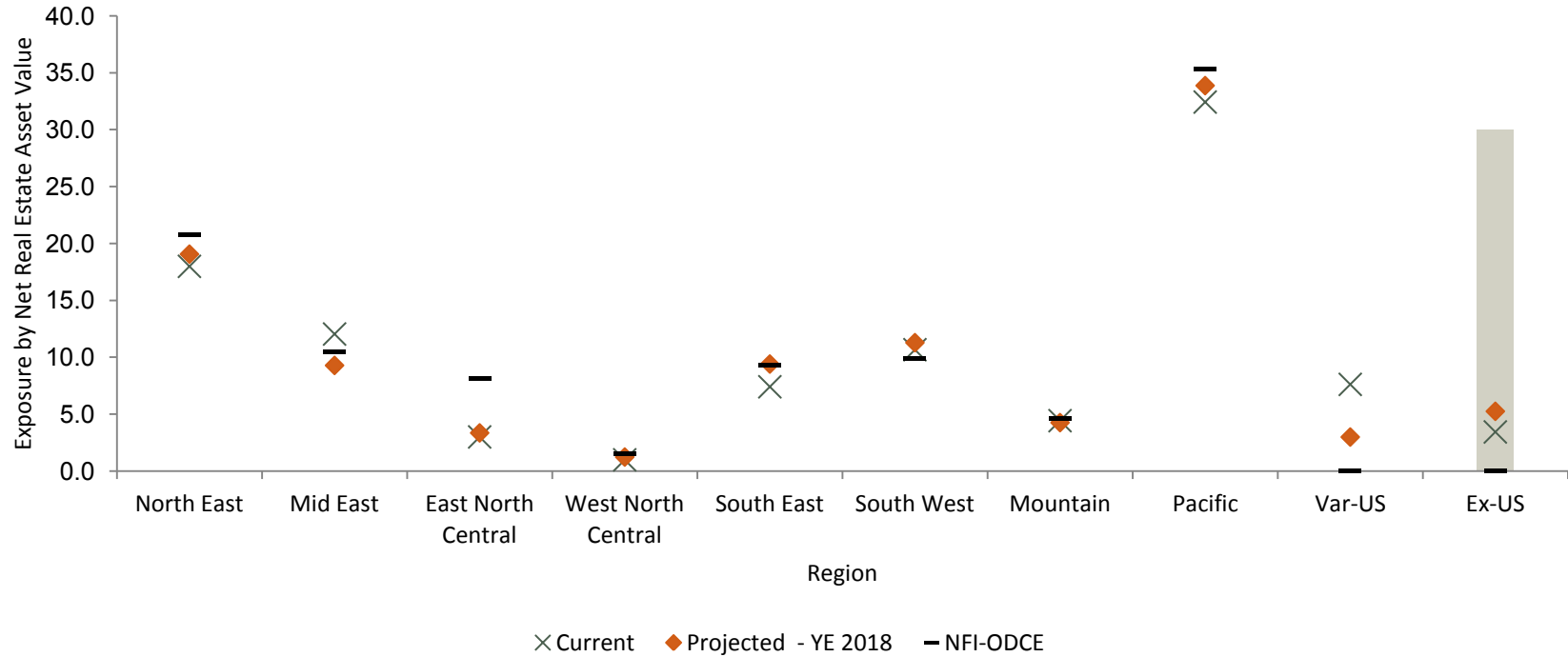


- The diversification of the Private Portfolio is measured against the diversification of the NFI-ODCE \pm 10.0% with up to 20.0% of the Portfolio allowed in Other.
- LACERS is in-compliance with diversification by property.
 - As new commitments are called, diversification is expected to shift more inline with the NFI-ODCE.



Real Estate Portfolio Diversification

LACERS Private Portfolio Geographic Diversification



- The diversification of the Private Portfolio is to be well diversified across the US and the only constraint is a 30.0% maximum to Ex-US investments. NFI-ODCE diversification is provided for reference.
- LACERS is in-compliance with the Ex-US constraint and is well diversified by geographic region.
- 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 7.2%, with a 5.4% exposure to Los Angeles City. The NFI-ODCE's exposure to the Los Angeles metropolitan area is 10.5%*.



Exhibit A: Performance Flash Report





Los Angeles City Employees' Retirement System

Fourth Quarter 2015

Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
13,962,250,137	698,112,507	5.0%	763,681,808	5.5%	299,715,483	2.1%	-365,284,784	-2.6%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
LACERS	3.0	2.6	10.8	9.1	12.7	10.9	12.7	10.9
NFI-ODCE + 80 basis points	3.5	3.3	15.8	14.8	14.6	13.6	14.5	13.4

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Core Portfolio	1989	378,867,553	304,693,486	101,235,936	48,957,402	382,463,868	50.1	45.5
Non-Core Portfolio	1990	1,109,874,745	1,043,113,990	192,473,141	726,456,749	365,062,841	47.8	52.4
Value Added Portfolio	1990	410,000,000	316,803,847	121,015,419	224,663,818	145,568,394	19.1	25.1
Opportunistic Portfolio	1996	699,874,745	726,310,143	71,457,722	501,792,931	219,494,447	28.7	27.4
Timber Portfolio	1999	30,000,000	23,993,594	6,006,406	26,260,604	16,155,099	2.1	2.1
Total Current Portfolio								
LACERS	1989	1,518,742,298	1,371,801,070	299,715,483	801,674,755	763,681,808	100.0	100.0

*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.

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Core								
Berkshire Multifamily Income Realty Fund	2015	20,000,000	17,428,813	2,571,187	0	19,572,712	2.6	2.1
CIM Commercial Trust Corporation ("CMCT")	2014	40,000,000	46,417,723	0	3,767,847	48,885,933	6.4	4.6
CIM VI (Urban REIT), LLC	2012	25,000,000	25,000,000	0	2,111,989	30,385,700	4.0	2.9
INVESCO Core Real Estate	2004	63,867,553	99,057,926	0	40,039,002	139,126,689	18.2	13.1
Jamestown Premier Property Fund	2015	50,000,000	16,367,142	33,664,749	180,065	16,994,931	2.2	4.8
JP Morgan Strategic Property Fund	2005	30,000,000	30,421,882	0	2,858,499	56,530,910	7.4	5.3
Lion Industrial Trust - 2007	2016	50,000,000	0	50,000,000	0	0	0.0	4.7
Prime Property Fund	2015	50,000,000	35,000,000	15,000,000	0	34,999,999	4.6	4.7
Principal U.S. Property Account	2015	50,000,000	35,000,000	0	0	35,966,994	4.7	3.4
Core	1989	378,867,553	304,693,486	101,235,936	48,957,402	382,463,868	50.1	45.5
Timber								
Hancock ForesTree V	1999	10,000,000	10,000,000	0	25,791,816	0	0.0	0.0
Hancock Timberland XI	2012	20,000,000	13,993,594	6,006,406	468,788	16,155,099	2.1	2.1
Timber	1999	30,000,000	23,993,594	6,006,406	26,260,604	16,155,099	2.1	2.1
Value Added								
Almanac Realty Securities VI	2012	25,000,000	13,834,933	17,068,981	8,278,051	10,199,578	1.3	2.6
CBRE Strategic Partners III	2003	25,000,000	25,000,000	0	32,760,521	0	0.0	0.0
CBRE Strategic Partners IV	2005	25,000,000	25,000,000	0	957,592	1,429,674	0.2	0.1
CBRE Strategic Partners U.S. Value V	2008	30,000,000	30,000,000	0	42,458,276	12,917	0.0	0.0
Cornerstone Enhanced Mortgage Fund I	2012	25,000,000	13,436,224	11,563,777	6,536,846	9,857,970	1.3	2.0
DRA Growth and Income Fund VII	2011	25,000,000	25,390,000	1,365,000	11,628,954	24,647,489	3.2	2.4
DRA Growth and Income Fund VIII	2014	25,000,000	10,370,369	14,865,460	781,710	10,550,306	1.4	2.4
Gerrity Retail Fund 2	2015	20,000,000	6,076,285	13,845,861	171,766	5,431,907	0.7	1.8
Heitman Value Partners	2004	15,000,000	14,880,694	119,306	19,018,485	0	0.0	0.0
JP Morgan Alternative Property Fund	2006	25,000,000	25,000,000	0	18,436,564	454,394	0.1	0.0
Mesa West Real Estate Income Fund II	2010	20,000,000	16,686,322	20,000,000	23,248,936	0	0.0	1.9
Mesa West Real Estate Income Fund III	2013	25,000,000	16,447,321	8,567,014	1,380,315	16,693,828	2.2	2.4
PRISA II	2004	30,000,000	30,000,000	0	2,340,152	47,398,972	6.2	4.5
Realty Associates Fund IX	2010	15,000,000	15,000,000	0	10,897,060	12,441,530	1.6	1.2
RREEF America REIT III - 1410	2005	15,000,000	18,301,718	0	13,837,128	1,321,406	0.2	0.1
Standard Life Investments European Real Estate Club II	2015	30,000,000	0	30,000,000	0	0	0.0	2.8
TA Fund VII	2005	15,000,000	15,000,000	0	12,458,000	2,870,740	0.4	0.3
Urdang Value Added Fund II	2008	20,000,000	16,379,981	3,620,020	19,473,462	2,257,683	0.3	0.6
Value Added	1990	410,000,000	316,803,847	121,015,419	224,663,818	145,568,394	19.1	25.1
Total Current Portfolio								
LACERS	1989	1,518,742,297	1,371,801,070	299,715,483	801,674,754	763,681,808	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 (%)
Opportunistic								
Apollo CPI Europe I	2006	25,522,900	22,356,002	1,614,875	8,713,263	3,545,321	0.5	0.5
Bristol Value II, L.P.	2012	20,000,000	11,591,292	13,307,442	5,455,253	7,507,179	1.0	2.0
Bryanston Retail Opportunity Fund	2005	10,000,000	4,271,584	5,885,919	9,401,748	4,758,332	0.6	1.0
California Smart Growth Fund IV	2006	30,000,000	31,381,200	33,153	21,726,388	12,704,299	1.7	1.2
Canyon Johnson Urban Fund II	2005	10,000,000	8,988,718	1,011,296	3,298,648	501,798	0.1	0.1
CBRE Strategic Partners UK Fund III	2007	29,877,502	25,825,476	0	3,153,478	1,036,462	0.1	0.1
CIM Real Estate Fund III	2007	15,000,000	16,763,475	0	9,770,609	17,256,922	2.3	1.6
CityView LA Urban Fund I	2007	25,000,000	61,305,482	25,000,000	67,024,709	4,633,857	0.6	2.8
Colony Investors VIII	2007	30,000,000	28,963,224	1,023,200	7,572,803	6,090,907	0.8	0.7
DLJ Real Estate Capital Partners II	1999	40,000,000	48,670,716	2,190,337	72,753,397	0	0.0	0.2
DLJ Real Estate Capital Partners IV	2008	40,000,000	45,691,405	5,644,774	19,201,944	31,721,657	4.2	3.5
DRA Growth and Income Fund VI	2007	25,000,000	16,788,945	400,001	22,393,194	5,702,277	0.7	0.6
Genesis Workforce Housing Fund II	2006	20,000,000	19,999,316	0	27,649,977	1,451,449	0.2	0.1
Integrated Capital Hospitality Fund	2009	10,000,000	6,006,797	798,641	2,728,129	7,381,017	1.0	0.8
LaSalle Asia Fund II	2005	25,000,000	24,016,560	0	25,752,817	221,646	0.0	0.0
Latin America Investors III	2008	20,000,000	20,686,689	0	3,886,924	6,890,866	0.9	0.6
Lone Star Fund VII	2011	15,000,000	14,075,468	924,533	22,737,275	2,901,215	0.4	0.4
Lone Star Real Estate Fund II	2011	15,000,000	13,069,804	1,930,196	16,877,674	3,007,579	0.4	0.5
Low Hospitality Investment Partners	2004	25,000,000	36,431,477	0	20,631,710	497,769	0.1	0.0
MacFarlane Urban Real Estate Fund II	2008	40,000,000	40,679,342	1	679,340	9,662,807	1.3	0.9
Southern California Smart Growth Fund	2004	10,000,000	18,827,278	68,212	15,896,971	1,448,767	0.2	0.1
Stockbridge Real Estate Fund II	2006	30,000,000	30,000,000	0	0	13,545,820	1.8	1.3
The Buchanan Fund V	2007	30,000,000	27,000,000	3,000,000	21,613,889	3,600,372	0.5	0.6
Torchlight Debt Opportunity Fund II	2007	25,000,000	24,703,453	0	12,227,947	9,781,816	1.3	0.9
Torchlight Debt Opportunity Fund III	2009	25,000,000	24,890,796	0	33,878,125	3,409,518	0.4	0.3
Torchlight Debt Opportunity Fund IV	2013	24,474,342	20,810,641	3,672,465	3,068,011	21,678,380	2.8	2.4
Tuckerman Group Residential Income & Value Added Fund	2004	25,000,000	26,064,010	0	16,263,810	11,104,253	1.5	1.0
UrbanAmerica II	2007	10,000,000	9,289,026	710,974	375,255	726,721	0.1	0.1
Walton Street Real Estate Fund V	2006	25,000,000	25,000,001	0	8,972,724	11,009,996	1.4	1.0
Walton Street Real Estate Fund VI	2009	25,000,000	22,161,966	4,241,703	18,086,918	15,715,445	2.1	1.9
Opportunistic	1996	699,874,744	726,310,143	71,457,722	501,792,930	219,494,447	28.7	27.4
Private Portfolio	1989	1,488,742,297	1,347,807,476	293,709,077	775,414,150	747,526,709	97.9	97.9
Non-Core Portfolio	1990	1,109,874,744	1,043,113,990	192,473,141	726,456,748	365,062,841	47.8	52.4
Total Current Portfolio								
LACERS	1989	1,518,742,297	1,371,801,070	299,715,483	801,674,754	763,681,808	100.0	100.0

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year				5 Year				Inception				TWR Calculation Inception	Net IRR	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
Core																								
Berkshire Multifamily Income Realty Fund	19,572,712																					1Q16	81.6	1.1
CIM Commercial Trust Corporation ("CMCT")	48,885,933	1.0	0.0	1.0	1.0	3.9	-0.2	3.7	3.7									4.0	2.6	6.7	6.7	1Q14	6.7	1.1
CIM VI (Urban REIT), LLC	30,385,700	0.9	8.4	9.3	7.8	4.7	8.4	13.4	11.0	4.0	7.4	11.7	9.9					3.7	10.1	14.0	12.3	3Q12	11.7	1.3
INVESCO Core Real Estate	139,126,689	1.0	1.5	2.5	2.4	4.2	10.2	14.7	14.3	4.5	8.9	13.8	13.4	4.8	8.3	13.4	12.9	5.6	2.5	8.2	7.7	4Q04	7.6	1.8
Jamestown Premier Property Fund	16,994,931	1.1	3.9	5.0	4.1													2.2	6.3	8.5	7.0	3Q15	16.1	1.0
JP Morgan Strategic Property Fund	56,530,910	1.5	1.9	3.4	3.1	5.7	9.1	15.2	14.1	5.4	8.3	14.0	13.0	5.4	8.3	14.0	13.0	5.6	2.0	7.6	6.6	4Q05	6.8	2.0
Prime Property Fund	34,999,999																					1Q16	0.0	1.0
Principal U.S. Property Account	35,966,994	1.2	1.8	3.0	2.8													1.2	1.8	3.0	2.8	4Q15	11.7	1.0
Core	382,463,868	1.1	2.7	3.7	3.4	4.5	8.4	13.2	12.5	4.6	7.9	12.8	12.1	4.8	7.6	12.7	12.0	6.6	1.3	8.0	7.1	1Q89	5.5	1.4
Timber																								
Hancock Timberland XI	16,155,099	-0.2	6.2	6.0	5.7	-0.5	6.0	5.4	4.6	-0.6	7.5	6.8	6.0					-0.7	8.4	7.6	6.8	2Q12	7.4	1.2
Timber	16,155,099	-0.2	6.2	6.0	5.7	-0.6	6.0	5.4	4.5	7.8	2.4	11.3	8.8	7.4	1.5	9.5	7.9	5.8	6.1	12.3	10.9	4Q99	11.1	1.8
Value Added																								
Almanac Realty Securities VI	10,199,578	2.1	16.6	18.7	18.5	6.9	15.9	23.5	21.2	9.7	12.8	23.3	19.9					9.7	12.8	23.3	19.9	1Q13	19.0	1.3
CBRE Strategic Partners IV ¹	1,429,674																	-0.8	-19.4	-20.0	-23.4	1Q06	-25.5	0.1
CBRE Strategic Partners U.S. Value V ¹	12,917																	4.2	-3.0	1.4	-0.6	3Q08	16.2	1.4
Cornerstone Enhanced Mortgage Fund I	9,857,970	2.9	0.0	2.9	2.5	11.1	-0.1	11.1	9.4	11.2	0.8	12.0	10.1					13.0	2.1	15.2	13.3	4Q12	9.7	1.2
DRA Growth and Income Fund VII	24,647,489	2.4	3.8	6.3	5.2	12.2	9.8	22.9	16.2	13.5	6.4	20.6	16.5					13.6	5.7	19.9	15.9	1Q12	16.2	1.4
DRA Growth and Income Fund VIII	10,550,306	3.5	0.0	3.5	2.8	14.7	1.1	16.0	12.9									14.0	0.9	15.0	12.0	4Q14	13.5	1.1
Gerrity Retail Fund 2	5,431,907	-5.8	0.2	-5.6	-6.8													-5.8	0.2	-5.6	-6.8	4Q15	-20.7	0.9
JP Morgan Alternative Property Fund ¹	454,394																	2.3	-2.0	0.2	-0.6	1Q06	-4.1	0.8
Mesa West Real Estate Income Fund III	16,693,828	3.1	0.0	3.1	2.5	13.3	-0.3	13.0	10.2									12.7	0.4	13.2	8.0	4Q13	7.2	1.1
PRISA II	47,398,972	1.3	3.2	4.4	4.2	4.9	12.2	17.5	16.5	4.7	10.5	15.6	14.5	4.9	11.1	16.4	15.2	5.6	2.0	7.7	6.6	4Q04	5.0	1.7
Realty Associates Fund IX	12,441,530	1.7	1.1	2.8	2.3	7.7	9.9	18.2	14.6	7.3	8.1	15.9	12.5	7.3	7.0	14.6	12.0	7.0	7.3	14.7	12.1	3Q10	11.3	1.6
RREEF America REIT III - 1410 ¹	1,321,406																	2.9	-3.1	-0.1	-1.3	1Q06	-2.6	0.8
TA Fund VII	2,870,740	1.0	-9.0	-8.0	-8.2	6.1	-9.8	-4.2	-5.1	7.5	-6.3	0.9	-0.4	8.1	-4.3	3.5	2.1	6.9	-4.2	2.5	1.1	4Q05	0.3	1.0
Urdang Value Added Fund II	2,257,683	0.7	-0.5	0.2	0.2	2.6	-0.9	1.7	1.5	4.0	2.9	7.0	6.5	4.9	7.9	13.2	12.4	4.3	0.1	4.4	2.6	2Q08	6.5	1.3
Value Added	145,568,394	1.7	1.9	3.6	3.1	8.0	5.6	13.9	11.2	8.1	3.7	12.1	10.0	7.4	6.5	14.3	12.3	7.6	1.8	9.6	7.7	4Q90	6.7	1.3
Total Portfolio																								
LACERS	763,681,808	1.3	1.7	3.0	2.6	5.9	4.7	10.8	9.1	6.4	6.0	12.7	10.8	5.9	6.5	12.7	10.9	6.4	1.1	7.5	5.8	1Q89	4.8	1.2
Indices																								
NFI-ODCE (Core)		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6	7.0	0.2	7.3	6.3	1Q89		
NFI-ODCE + 80 bps (Total Portfolio)				3.5	3.3			15.8	14.8			14.6	13.6			14.5	13.4			8.1	7.1	1Q89		
NFI-ODCE + 200 bps (Non-Core Portfolio)				3.8	3.6			17.0	16.0			15.8	14.8			15.7	14.6			9.4	8.4	4Q90		
NFI -ODCE + 50 bps (Value Add)				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1			7.9	6.9	4Q90		
NFI -ODCE + 300 bps (Opportunistic)				4.1	3.9			18.0	17.0			16.8	15.8			16.7	15.6			12.4	11.3	4Q96		
NCREIF Timberland Property Index "NTI"		0.6	1.3	1.9		2.7	2.3	5.0		2.8	5.5	8.4		2.7	4.0	6.8		3.4	3.5	7.0		4Q99		

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

¹ Liquidating investment.

Returns (%)	Market Value (\$)	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006		2005	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core																							
Berkshire Multifamily Income Realty Fund	19,572,712																						
CIM Commercial Trust Corporation ("CMCT")	48,885,933	3.7	3.7	9.7	9.7																		
CIM VI (Urban REIT), LLC	30,385,700	13.4	11.0	15.0	13.5	6.8	5.4	13.8	13.1														
INVESCO Core Real Estate	139,126,689	14.7	14.3	12.4	11.9	14.3	13.8	8.7	8.2	16.9	16.4	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	16,994,931	8.5	7.0																				
JP Morgan Strategic Property Fund	56,530,910	15.2	14.1	11.1	10.1	15.9	14.8	12.1	11.0	15.9	14.8	14.1	13.0	-26.5	-27.4	-8.1	-9.0	16.6	15.6	16.6	15.5	5.3	5.3
Prime Property Fund	34,999,999																						
Principal U.S. Property Account	35,966,994	3.0	2.8																				
Core	382,463,868	13.2	12.5	11.8	11.3	13.3	12.5	9.6	8.9	15.6	14.8	16.1	15.2	-26.4	-27.1	-4.9	-5.6	14.4	13.6	17.7	16.9	21.2	20.7
Timber																							
Hancock Timberland XI	16,155,099	5.4	4.6	5.2	4.6	9.9	8.9	8.1	7.6														
Timber	16,155,099	5.4	4.5	8.1	4.5	20.9	17.8	9.9	8.9	3.9	4.2	2.9	2.7	-7.4	-5.5	7.6	6.5	22.1	17.3	24.8	22.5	26.8	23.0
Value Added																							
Almanac Realty Securities VI*	10,199,578	23.5	21.2	15.2	12.8	31.6	26.1																
CBRE Strategic Partners IV	1,429,674	-28.8	-28.8	-10.8	-11.4	-35.9	-37.1	-10.9	-13.0	8.7	5.9	-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	12,917	6.2	5.0	-10.3	-8.2	-14.8	-11.7	10.9	9.3	26.7	21.6	33.2	26.6	-27.5	-32.0	0.6	-1.6						
Cornerstone Enhanced Mortgage Fund I	9,857,970	11.1	9.4	5.5	5.0	20.0	16.4	12.8	12.3														
DRA Growth and Income Fund VII	24,647,489	22.9	16.2	20.3	17.7	18.7	15.5																
DRA Growth and Income Fund VIII	10,550,306	16.0	12.9	2.7	2.1																		
Gerrity Retail Fund 2	5,431,907	-5.6	-6.8																				
JP Morgan Alternative Property Fund	454,394	1.9	1.9	12.7	12.7	-1.6	-1.6	21.7	21.4	23.0	22.4	5.7	4.7	-43.8	-44.7	-10.9	-12.1	9.6	8.1	3.6	2.0		
Mesa West Real Estate Income Fund III*	16,693,828	13.0	10.2	13.3	8.7	3.2	-0.6																
PRISA II	47,398,972	17.5	16.5	14.2	13.1	15.2	14.0	14.4	13.2	20.7	19.2	24.9	23.2	-45.0	-45.7	-16.1	-16.9	17.8	16.7	18.6	17.3	27.2	25.8
Realty Associates Fund IX	12,441,530	18.2	14.6	18.5	14.3	11.0	8.7	11.3	9.4	14.3	13.0	7.5	6.5										
RREEF America REIT III - 1410	1,321,406	8.5	7.5	27.8	25.8	16.9	15.6	23.7	22.8	55.3	53.8	9.0	7.4	-64.0	-64.6	-41.6	-41.6	18.2	15.9	17.4	15.1		
TA Fund VII	2,870,740	-4.2	-5.1	11.1	9.6	-3.6	-5.0	7.6	6.0	7.7	6.1	-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	2,257,683	1.7	1.5	7.4	6.8	12.2	11.5	18.8	17.7	27.5	26.2	37.0	33.3	-37.3	-40.0	-12.4	-15.2						
Value Added	145,568,394	13.9	11.2	12.8	11.0	9.5	7.9	17.1	15.6	18.3	16.2	4.1	1.8	-38.5	-39.4	-20.7	-20.0	17.8	15.2	15.3	12.9	26.0	23.1
Total Portfolio																							
LACERS	763,681,808	10.8	9.1	13.8	11.9	13.5	11.4	12.8	11.1	12.6	10.8	12.9	10.2	-34.3	-35.8	-22.4	-23.6	14.4	11.2	20.2	17.4	25.4	22.3
Indices																							
NFI-ODCE (Core)		15.0	14.0	12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0	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)		15.8	14.8	13.3	12.3	14.7	13.7	11.7	10.6	16.8	15.8	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)		17.0	16.0	14.5	13.5	15.9	14.9	12.9	11.8	18.0	17.0	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)		15.5	14.5	13.0	12.0	14.4	13.4	11.4	10.3	16.5	15.5	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)		18.0	17.0	15.5	14.5	16.9	15.9	13.9	12.8	19.0	18.0	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)		5.0		10.5		9.7		7.8		1.6		-0.1		-4.7		9.5		18.4		13.7		19.4	

Returns (%)	Market Value (\$)	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006		2005	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Opportunistic																							
Apollo CPI Europe I	3,545,321	-7.8	-8.3	-0.8	-1.5	0.7	0.1	20.2	19.3	-6.2	-6.9	-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.	7,507,179	8.2	6.1	12.4	10.6	35.0	33.0																
Bryanston Retail Opportunity Fund	4,758,332	144.0	142.1	7.3	5.8	50.5	47.5	40.1	37.2	-4.3	-7.2	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	12,704,299	20.3	19.2	17.9	16.2	13.1	11.6	19.9	18.3	26.7	24.6	20.1	17.0	-34.6	-38.0	-46.3	-48.6	3.0	-2.5				
Canyon Johnson Urban Fund II	501,798	-54.8	-55.7	7.4	5.1	-7.4	-9.8	-4.3	-6.6	-0.6	-3.0	-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	1,036,462	-42.3	-43.4	-27.5	-28.6	12.4	10.0	-9.5	-12.5	-2.2	-5.6	-4.7	-8.3	-50.0	-54.1	-103.7	-104.0	-127.8	-127.8				
CIM Real Estate Fund III	17,256,922	8.0	6.8	11.0	9.8	11.1	9.9	20.8	19.4	21.8	19.8	15.3	-13.8	-53.5	-83.5	-117.3	-113.8						
CityView LA Urban Fund I	4,633,857	11.8	10.2	81.4	79.3	10.2	8.3	7.8	5.9	3.9	2.1	-0.1	-32.6	-9.9	-49.6	-35.1	-72.3	-13.0	-47.7				
Colony Investors VIII	6,090,907	-3.3	-6.0	-8.7	-10.9	45.6	42.0	14.4	10.9	-27.2	-29.2	24.6	20.3	-11.9	-19.0	-90.8	-91.6	15.9	12.2				
DLJ Real Estate Capital Partners IV	31,721,657	8.3	6.2	6.4	4.6	8.5	6.7	23.4	21.1	2.4	-1.4	12.5	4.3	-45.6	-54.8	-40.0	-40.0						
DRA Growth and Income Fund VI	5,702,277	27.4	21.1	49.0	32.7	17.6	15.1	4.3	2.1	32.6	29.1	15.9	11.1	-10.2	-14.7	-6.9	-10.3						
Genesis Workforce Housing Fund II	1,451,449	-3.2	-4.0	15.8	14.6	22.6	21.1	19.7	18.0	11.1	6.0	-62.0	-71.3	63.2	15.9	-4.4	-39.1	-17.6	-99.9				
Integrated Capital Hospitality Fund	7,381,017	-14.6	-15.2	28.2	27.2	12.1	11.0	96.8	87.9	6.0	2.6												
LaSalle Asia Fund II	221,646	-4.3	-4.3	46.2	44.3	23.0	22.1	24.4	22.3	41.8	39.5	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	6,890,866	-30.3	-32.8	0.4	-4.6	-17.9	-22.4	-60.0	-62.6	-32.5	-34.9	20.8	15.3	100.5	93.8								
Lone Star Fund VII	2,901,215	-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	3,007,579	42.5	32.9	58.3	44.7	30.5	22.3	40.2	30.6	45.3	30.8												
Lowe Hospitality Investment Partners*	497,769	-41.4	-42.0	28.2	27.0	23.0	21.5	39.9	38.4	51.9	49.0	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	9,662,807	8.9	3.9	-25.0	-28.5	-16.5	-19.2	61.7	53.6	-5.4	-9.8	-95.2	-93.8	-110.0	-109.6	14.4	0.0						
Southern California Smart Growth Fund	1,448,767	21.0	19.2	21.8	19.3	14.9	11.4	-33.5	-33.6	-5.3	-5.4	-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	13,545,820	3.9	2.6	24.4	22.8	46.5	43.7	3.2	0.7	7.2	4.2	21.8	16.8	-86.3	-86.8	-83.4	-84.0	-27.9	-31.9	91.0	80.1		
The Buchanan Fund V	3,600,372	2.1	0.9	19.2	17.8	22.4	21.2	10.2	9.2	10.4	9.4	8.1	6.3	-45.9	-48.2	-30.5	-33.0	1.1	-1.1				
Torchlight Debt Opportunity Fund II	9,781,816	15.7	15.2	6.7	6.0	24.6	23.5	24.5	23.1	23.7	22.0	41.4	36.1	29.9	23.6	-68.7	-69.7						
Torchlight Debt Opportunity Fund III	3,409,518	33.6	25.4	92.7	65.6	33.8	20.3	17.7	15.2	1.2	1.0	12.7	2.8	26.4	22.7								
Torchlight Debt Opportunity Fund IV	21,678,380	12.0	9.8	13.9	10.4	3.6	3.0																
Tuckerman Group Residential Income & Value Added Func	11,104,253	5.7	4.5	5.7	4.5	33.9	31.8	6.5	4.5	10.4	7.8	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	726,721	-55.4	-56.5	-42.7	-44.4	-15.5	-17.6	-18.0	-19.6	6.3	4.1	11.4	9.0	-18.6	-20.4	-38.6	-42.0	-45.4	-58.5				
Walton Street Real Estate Fund V	11,009,996	11.9	10.4	13.2	11.7	12.9	11.2	9.5	7.8	10.1	8.0	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	15,715,445	13.5	12.2	14.8	13.4	16.0	14.3	12.1	10.4	14.3	12.3	173.3	162.1	-78.1	-84.0								
Opportunistic	219,494,447	6.6	4.7	15.7	12.9	15.3	12.3	12.6	10.2	8.8	6.5	16.8	12.4	-38.9	-41.4	-36.5	-39.1	10.5	4.4	31.4	24.5	32.0	25.1
Private Portfolio	747,526,709	10.9	9.2	13.8	12.0	13.4	11.4	12.9	11.1	12.8	10.9	13.2	10.4	-35.1	-36.6	-23.1	-24.2	14.2	11.1	20.1	17.2	25.4	22.3
Non-Core Portfolio	365,062,841	9.2	7.0	14.8	12.3	13.6	11.0	14.0	11.9	11.8	9.6	12.0	8.4	-38.7	-40.6	-29.9	-31.2	14.1	9.9	21.1	17.1	28.9	24.2
Total Portfolio																							
LACERS	763,681,808	10.8	9.1	13.8	11.9	13.5	11.4	12.8	11.1	12.6	10.8	12.9	10.2	-34.3	-35.8	-22.4	-23.6	14.4	11.2	20.2	17.4	25.4	22.3
Indices																							
NFI-ODCE (Core)		15.0	14.0	12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0	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)		15.8	14.8	13.3	12.3	14.7	13.7	11.7	10.6	16.8	15.8	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)		17.0	16.0	14.5	13.5	15.9	14.9	12.9	11.8	18.0	17.0	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)		15.5	14.5	13.0	12.0	14.4	13.4	11.4	10.3	16.5	15.5	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)		18.0	17.0	15.5	14.5	16.9	15.9	13.9	12.8	19.0	18.0	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)		5.0		10.5		9.7		7.8		1.6		-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 (%)
Core									
Berkshire Multifamily Income Realty Fund	0	17,428,813	0	0	121,646	72,057	2,094,310	19,572,712	38.0
CIM Commercial Trust Corporation ("CMCT")	48,872,257	0	470,981	0	470,827	0	13,830	48,885,933	24.2
CIM VI (Urban REIT), LLC	28,392,482	0	233,846	0	260,101	420,174	2,387,137	30,385,700	19.6
INVESCO Core Real Estate	135,815,339	1,168,441	1,162,814	0	1,364,940	116,909	2,057,692	139,126,689	21.0
Jamestown Premier Property Fund	4,929,890	11,528,344	137,418	0	175,267	150,190	649,038	16,994,931	40.0
JP Morgan Strategic Property Fund	54,816,498	0	0	0	815,000	131,112	1,030,524	56,530,910	27.3
Lion Industrial Trust - 2007	0	0	0	0	0	0	0	0	36.8
Prime Property Fund	0	35,000,000	0	0	0	0	-1	34,999,999	19.5
Principal U.S. Property Account	0	35,000,000	0	0	420,771	83,863	630,086	35,966,994	21.4
Core	272,826,466	100,125,598	2,005,059	0	3,628,552	974,305	8,862,616	382,463,868	24.3
Timber									
Hancock ForesTree V	7,666	0	8,919	0	497	-755	0	0	0.0
Hancock Timberland XI	14,683,783	658,107	36,434	0	-29,290	32,068	911,001	16,155,099	0.0
Timber	14,691,449	658,107	45,353	0	-28,793	31,313	911,001	16,155,099	0.0
Value Added									
Almanac Realty Securities VI	8,087,295	698,122	108,307	0	174,298	18,590	1,366,760	10,199,578	32.7
CBRE Strategic Partners III	45,768	0	0	41,705	-6,174	0	2,111	0	0.0
CBRE Strategic Partners IV	2,142,589	0	0	85,344	-164	0	-627,406	1,429,674	0.0
CBRE Strategic Partners U.S. Value V	23,070	0	11,582	0	1,786	358	0	12,917	0.0
Cornerstone Enhanced Mortgage Fund I	12,178,765	0	2,598,800	0	326,935	48,803	-127	9,857,970	47.9
DRA Growth and Income Fund VII	24,951,622	0	1,118,474	452,492	592,946	259,066	932,953	24,647,489	65.0
DRA Growth and Income Fund VIII	9,239,148	1,296,296	215,409	34,829	331,452	66,352	0	10,550,306	75.7
Gerrity Retail Fund 2	5,642,728	353,856	171,766	0	-337,799	68,750	13,638	5,431,907	63.5
Heitman Value Partners	34,223	0	34,002	0	363	584	0	0	0.0
JP Morgan Alternative Property Fund	485,234	0	0	38,592	3,252	0	4,500	454,394	68.6
Mesa West Real Estate Income Fund II	1,736,204	0	0	1,745,542	12,311	0	-2,973	0	0.0
Mesa West Real Estate Income Fund III	14,067,940	2,491,860	242,605	0	465,334	84,375	-4,326	16,693,828	65.8
PRISA II	46,024,739	0	561,799	0	587,746	107,840	1,456,126	47,398,972	29.9
Realty Associates Fund IX	13,570,785	0	1,430,096	0	230,526	76,085	146,400	12,441,530	37.4
RREEF America REIT III - 1410	1,881,536	0	0	542,596	29,107	4,484	-42,157	1,321,406	70.2
TA Fund VII	7,729,388	0	4,449,059	0	48,822	9,728	-448,683	2,870,740	0.0
Urdang Value Added Fund II	3,058,240	0	805,631	0	21,247	0	-16,173	2,257,683	62.0
Value Added	150,899,274	4,840,134	11,747,530	2,941,100	2,481,988	745,015	2,780,643	145,568,394	53.8
Total Portfolio									
LACERS	695,900,789	109,563,879	31,166,642	29,822,558	9,157,377	2,583,050	12,632,012	763,681,808	37.2

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
Opportunistic									
Apollo CPI Europe I	3,750,716	0	1,754	0	-1,658	3,578	-198,405	3,545,321	45.7
Bristol Value II, L.P.	7,245,925	0	63,492	0	55,892	34,467	303,321	7,507,179	30.3
Bryanston Retail Opportunity Fund	1,989,436	0	0	0	-3,519	4,247	2,776,662	4,758,332	73.3
California Smart Growth Fund IV	12,633,179	23,159	0	287,069	157,314	23,159	200,875	12,704,299	35.1
Canyon Johnson Urban Fund II	2,547,040	0	0	1,366,667	-28,096	5,540	-644,940	501,798	91.8
CBRE Strategic Partners UK Fund III	1,057,983	0	0	0	4,742	0	-26,263	1,036,462	0.0
CIM Real Estate Fund III	17,106,443	0	0	0	-453,638	55,757	659,874	17,256,922	12.6
CityView LA Urban Fund I	12,929,863	36,878	8,330,000	0	2,801,688	36,878	-2,767,693	4,633,857	44.7
Colony Investors VIII	5,968,707	0	0	0	-17,300	46,000	185,500	6,090,907	0.0
DLJ Real Estate Capital Partners II	3,009,847	0	3,050,265	0	40,418	0	0	0	0.0
DLJ Real Estate Capital Partners IV	32,502,761	202,603	1,895,526	0	490,191	202,603	624,231	31,721,657	31.4
DRA Growth and Income Fund VI	5,505,194	0	40,170	220,000	-32,168	93,695	583,116	5,702,277	69.9
Genesis Workforce Housing Fund II	25,710,846	0	0	23,422,899	-15,295	9,829	-811,374	1,451,449	0.0
Integrated Capital Hospitality Fund	8,112,741	0	0	0	-320,083	15,762	-395,879	7,381,017	44.0
LaSalle Asia Fund II	226,740	0	0	0	-9,833	0	4,739	221,646	0.0
Latin America Investors III	8,764,835	0	0	0	-153,778	79,567	-1,640,624	6,890,866	23.8
Lone Star Fund VII	3,175,673	0	15,095	125,574	29,836	-33,332	-196,957	2,901,215	61.0
Lone Star Real Estate Fund II	3,185,693	0	213,023	89,489	36,957	32,823	120,264	3,007,579	47.7
Lowe Hospitality Investment Partners	435,267	0	0	0	63,953	1,451	0	497,769	42.0
MacFarlane Urban Real Estate Fund II	9,673,906	0	0	0	-463,067	114,891	566,859	9,662,807	44.4
Southern California Smart Growth Fund	1,619,356	4,934	188,045	0	36,769	4,934	-19,313	1,448,767	60.4
Stockbridge Real Estate Fund II	13,474,487	0	0	0	-59,129	30,839	161,301	13,545,820	55.5
The Buchanan Fund V	4,013,305	0	291,201	0	28,578	10,079	-140,231	3,600,372	17.4
Torchlight Debt Opportunity Fund II	10,302,161	0	1,293,398	0	251,835	7,565	528,783	9,781,816	20.2
Torchlight Debt Opportunity Fund III	3,340,628	0	0	0	85,733	21,891	5,048	3,409,518	0.0
Torchlight Debt Opportunity Fund IV	18,407,490	3,672,466	643,416	0	349,333	-92,242	-199,735	21,678,380	5.1
Tuckerman Group Residential Income & Value Added Fund	11,352,087	0	372,036	0	194,091	31,193	-38,696	11,104,253	66.0
UrbanAmerica II	1,080,493	0	0	0	-85,370	5,495	-262,907	726,721	103.7
Walton Street Real Estate Fund V	10,920,982	0	0	0	93,256	37,653	33,411	11,009,996	46.6
Walton Street Real Estate Fund VI	17,439,816	0	971,279	1,369,760	-2,022	48,095	666,785	15,715,445	47.9
Opportunistic	257,483,600	3,940,040	17,368,700	26,881,458	3,075,630	832,417	77,752	219,494,447	42.3
Private Portfolio	681,209,340	108,905,772	31,121,289	29,822,558	9,186,170	2,551,737	11,721,011	747,526,709	37.7
Non-Core Portfolio	408,382,874	8,780,174	29,116,230	29,822,558	5,557,618	1,577,432	2,858,395	365,062,841	47.5
Total Portfolio									
LACERS	695,900,789	109,563,879	31,166,642	29,822,558	9,157,377	2,583,050	12,632,012	763,681,808	37.2

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core						
Berkshire Multifamily Income Realty Fund	100.0	-	-	-	-	-
CIM Commercial Trust Corporation ("CMCT")	9.0	76.4	-	-	8.7	5.8
CIM VI (Urban REIT), LLC	61.2	22.0	-	16.8	-	-
INVESCO Core Real Estate	25.6	41.3	14.7	18.3	-	-
Jamestown Premier Property Fund	-	66.6	-	17.9	-	15.6
JP Morgan Strategic Property Fund	19.9	48.0	7.7	23.8	-	0.6
Prime Property Fund	26.9	36.6	11.2	16.6	-	8.8
Principal U.S. Property Account	10.0	42.9	20.1	17.9	1.4	7.8
Core	27.1	43.7	9.5	15.6	1.2	3.0
Timber						
Hancock Timberland XI	-	-	-	-	-	100.0
Timber	-	-	-	-	-	100.0
Value Added						
Almanac Realty Securities VI	35.8	13.2	0.7	4.7	28.7	16.9
CBRE Strategic Partners IV	-	0.3	-	-	-	99.7
CBRE Strategic Partners U.S. Value V	-	-	-	-	-	-
Cornerstone Enhanced Mortgage Fund I	-	27.2	-	19.8	53.0	-
DRA Growth and Income Fund VII	27.2	27.4	30.0	15.4	-	-
DRA Growth and Income Fund VIII	14.3	38.9	22.4	24.4	-	-
Gerrity Retail Fund 2	-	-	-	100.0	-	-
JP Morgan Alternative Property Fund	-	-	-	-	-	-
Mesa West Real Estate Income Fund III	29.0	54.5	1.9	2.1	12.7	-
PRISA II	21.0	42.5	1.8	14.3	3.5	17.0
Realty Associates Fund IX	24.2	36.3	34.5	5.0	-	-
RREEF America REIT III - 1410	-	38.2	-	60.1	-	1.7
TA Fund VII	-	66.4	33.6	-	-	-
Urdang Value Added Fund II	59.7	36.8	0.1	0.8	-	2.6
Value Added	21.6	35.7	11.9	14.9	8.0	7.8
Total Portfolio						
LACERS	23.8	34.5	7.9	13.1	5.4	15.2
Indices						
NFI-ODCE	24.3	38.0	13.8	19.8	0.8	3.2

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Opportunistic						
Apollo CPI Europe I	4.7	55.3	-	40.0	-	-
Bristol Value II, L.P.	19.0	48.2	23.8	-	-	9.0
Bryanston Retail Opportunity Fund	-	-	-	100.0	-	-
California Smart Growth Fund IV	32.7	-	9.9	0.3	36.5	20.6
Canyon Johnson Urban Fund II	-	-	-	2.1	97.2	0.6
CBRE Strategic Partners UK Fund III	-	-	-	-	-	-
CIM Real Estate Fund III	8.8	2.7	-	16.6	4.2	67.6
CityView LA Urban Fund I	100.0	-	-	-	-	-
Colony Investors VIII	-	-	-	-	-	100.0
DLJ Real Estate Capital Partners IV	21.1	7.0	5.0	-	12.3	54.6
DRA Growth and Income Fund VI	12.5	57.0	-	30.5	-	-
Genesis Workforce Housing Fund II	-	-	-	-	-	-
Integrated Capital Hospitality Fund	-	-	-	-	100.0	-
LaSalle Asia Fund II	-	-	-	-	-	-
Latin America Investors III	-	7.9	-	-	-	92.1
Lone Star Fund VII	-	-	-	-	-	100.0
Lone Star Real Estate Fund II	-	40.1	1.3	13.5	11.7	33.4
Lowe Hospitality Investment Partners	-	-	-	-	100.0	-
MacFarlane Urban Real Estate Fund II	34.4	55.3	-	-	5.3	5.0
Southern California Smart Growth Fund	-	100.0	-	-	-	-
Stockbridge Real Estate Fund II	-	39.3	-	-	-	60.7
The Buchanan Fund V	69.8	13.9	15.7	-	-	0.6
Torchlight Debt Opportunity Fund II	9.7	78.4	5.8	4.0	1.1	1.0
Torchlight Debt Opportunity Fund III	13.4	49.0	3.3	23.4	5.5	5.4
Torchlight Debt Opportunity Fund IV	45.8	16.9	2.4	16.1	11.3	7.5
Tuckerman Group Residential Income & Value Added Fund	100.0	-	-	-	-	-
UrbanAmerica II	-	100.0	-	-	-	-
Walton Street Real Estate Fund V	-	8.8	-	1.3	35.3	54.5
Walton Street Real Estate Fund VI	0.3	11.4	-	15.1	6.6	66.6
Opportunistic	21.2	19.5	3.0	8.5	11.5	36.3
Private Portfolio	24.3	35.2	8.1	13.4	5.5	13.5
Non-Core Portfolio	21.4	26.1	6.6	11.1	10.1	24.7
Total Portfolio						
LACERS	23.8	34.5	7.9	13.1	5.4	15.2
Indices						
NFI-ODCE	24.3	38.0	13.8	19.8	0.8	3.2

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
Core										
Berkshire Multifamily Income Realty Fund	7.7	6.1	-	-	24.1	21.8	11.8	28.5	-	-
CIM Commercial Trust Corporation ("CMCT")	3.3	34.0	-	-	-	12.9	-	49.8	-	-
CIM VI (Urban REIT), LLC	44.4	11.8	-	-	-	28.8	-	15.0	-	-
INVESCO Core Real Estate	16.7	11.7	2.5	1.6	1.5	15.1	8.0	42.9	-	-
Jamestown Premier Property Fund	47.5	26.8	-	-	3.2	-	-	22.5	-	-
JP Morgan Strategic Property Fund	23.1	7.9	5.0	0.2	8.8	13.4	3.0	38.6	-	-
Prime Property Fund	19.2	9.4	9.2	2.2	13.1	10.1	3.5	33.4	-	-
Principal U.S. Property Account	14.8	7.2	5.9	2.1	9.9	17.1	8.7	34.3	-	-
Core	19.1	13.7	3.0	1.0	5.3	15.0	5.1	37.6	-	-
Timber										
Hancock Timberland XI	-	-	-	-	-	-	-	29.4	52.4	18.3
Timber	-	-	-	-	-	-	-	29.4	52.4	18.3
Value Added										
Almanac Realty Securities VI	-	-	-	-	-	-	-	-	100.0	-
CBRE Strategic Partners IV	-	-	-	-	100.0	-	-	-	-	-
CBRE Strategic Partners U.S. Value V	-	-	-	-	-	-	-	-	-	-
Cornerstone Enhanced Mortgage Fund I	44.8	16.3	-	-	-	19.8	5.9	13.1	-	-
DRA Growth and Income Fund VII	-	6.9	2.8	7.9	24.2	29.6	7.3	21.2	-	-
DRA Growth and Income Fund VIII	1.7	10.0	8.0	7.9	29.4	15.4	3.6	24.0	-	-
Gerrity Retail Fund 2	-	-	-	-	-	-	-	100.0	-	-
JP Morgan Alternative Property Fund	-	-	-	-	-	-	-	-	-	-
Mesa West Real Estate Income Fund III	23.8	14.2	6.0	1.0	8.1	10.3	13.9	22.7	-	-
PRISA II	30.4	9.1	4.6	-	12.6	3.4	2.4	37.6	-	-
Realty Associates Fund IX	4.2	12.3	11.9	3.5	21.4	18.0	4.7	23.9	-	-
RREEF America REIT III - 1410	60.1	-	-	-	-	-	-	39.9	-	-
TA Fund VII	4.1	39.0	35.6	-	8.9	-	-	12.3	-	-
Urdang Value Added Fund II	0.1	22.4	-	-	-	36.8	0.6	40.1	-	-
Value Added	16.7	9.8	5.2	2.3	14.4	12.0	4.7	28.1	6.8	-
Total Portfolio										
LACERS	18.0	12.0	3.0	1.0	7.4	10.7	4.4	32.4	7.6	3.4
Indices										
NFI-ODCE	20.8	10.5	8.1	1.5	9.3	9.9	4.6	35.3	-	-

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
Opportunistic										
Apollo CPI Europe I	-	-	-	-	-	-	-	-	-	100.0
Bristol Value II, L.P.	20.0	-	-	-	70.9	-	-	9.0	-	-
Bryanston Retail Opportunity Fund	17.1	0.0	12.2	0.2	1.8	11.3	13.2	44.2	-	-
California Smart Growth Fund IV	-	-	-	-	-	-	-	100.0	-	-
Canyon Johnson Urban Fund II	1.7	97.2	-	-	0.6	0.5	-	-	-	-
CBRE Strategic Partners UK Fund III	-	-	-	-	-	-	-	-	-	-
CIM Real Estate Fund III	71.2	-	5.7	-	6.6	2.2	4.1	10.0	-	0.3
CityView LA Urban Fund I	-	-	-	-	-	-	-	100.0	-	-
Colony Investors VIII	-	-	-	-	-	-	-	20.9	-	79.1
DLJ Real Estate Capital Partners IV	30.3	18.6	0.6	-	-	-	0.2	23.1	-	25.7
DRA Growth and Income Fund VI	36.6	-	-	2.5	23.0	-	25.3	12.5	-	-
Genesis Workforce Housing Fund II	-	-	-	-	-	-	-	-	-	-
Integrated Capital Hospitality Fund	17.0	32.1	-	-	38.2	12.8	-	-	-	-
LaSalle Asia Fund II	-	-	-	-	-	-	-	-	-	-
Latin America Investors III	-	-	-	-	-	-	-	-	-	100.0
Lone Star Fund VII	0.9	6.4	0.6	0.1	16.8	1.5	0.4	1.5	62.1	9.5
Lone Star Real Estate Fund II	-	-	-	-	-	-	-	-	74.3	25.7
Lowe Hospitality Investment Partners	100.0	-	-	-	-	-	-	-	-	-
MacFarlane Urban Real Estate Fund II	-	96.7	-	-	-	-	-	3.3	-	-
Southern California Smart Growth Fund	-	-	-	-	-	-	-	100.0	-	-
Stockbridge Real Estate Fund II	-	-	-	-	-	-	-	100.0	-	-
The Buchanan Fund V	-	-	-	-	6.9	70.4	15.7	7.0	-	-
Torchlight Debt Opportunity Fund II	-	-	-	-	-	-	-	-	-	-
Torchlight Debt Opportunity Fund III	-	-	-	-	-	-	-	-	-	-
Torchlight Debt Opportunity Fund IV	-	-	-	-	-	-	-	-	-	-
Tuckerman Group Residential Income & Value Added Fund	12.7	-	-	-	-	-	-	87.3	-	-
UrbanAmerica II	29.0	27.0	-	13.6	7.9	-	22.5	-	-	-
Walton Street Real Estate Fund V	-	18.2	6.0	0.2	17.5	0.3	21.8	14.1	-	22.0
Walton Street Real Estate Fund VI	28.9	15.7	5.8	0.5	7.8	9.2	7.4	21.0	-	3.8
Opportunistic	18.1	11.4	1.7	0.1	6.9	2.7	3.3	26.2	18.7	10.9
Private Portfolio	18.4	12.3	3.1	1.0	7.6	10.9	4.5	32.5	6.7	3.1
Non-Core Portfolio	17.5	10.8	3.1	1.0	10.0	6.5	3.9	27.0	13.9	6.5
Total Portfolio										
LACERS	18.0	12.0	3.0	1.0	7.4	10.7	4.4	32.4	7.6	3.4
Indices										
NFI-ODCE	20.8	10.5	8.1	1.5	9.3	9.9	4.6	35.3	-	-

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 directly¹ from the investment managers via a secure data collection site.

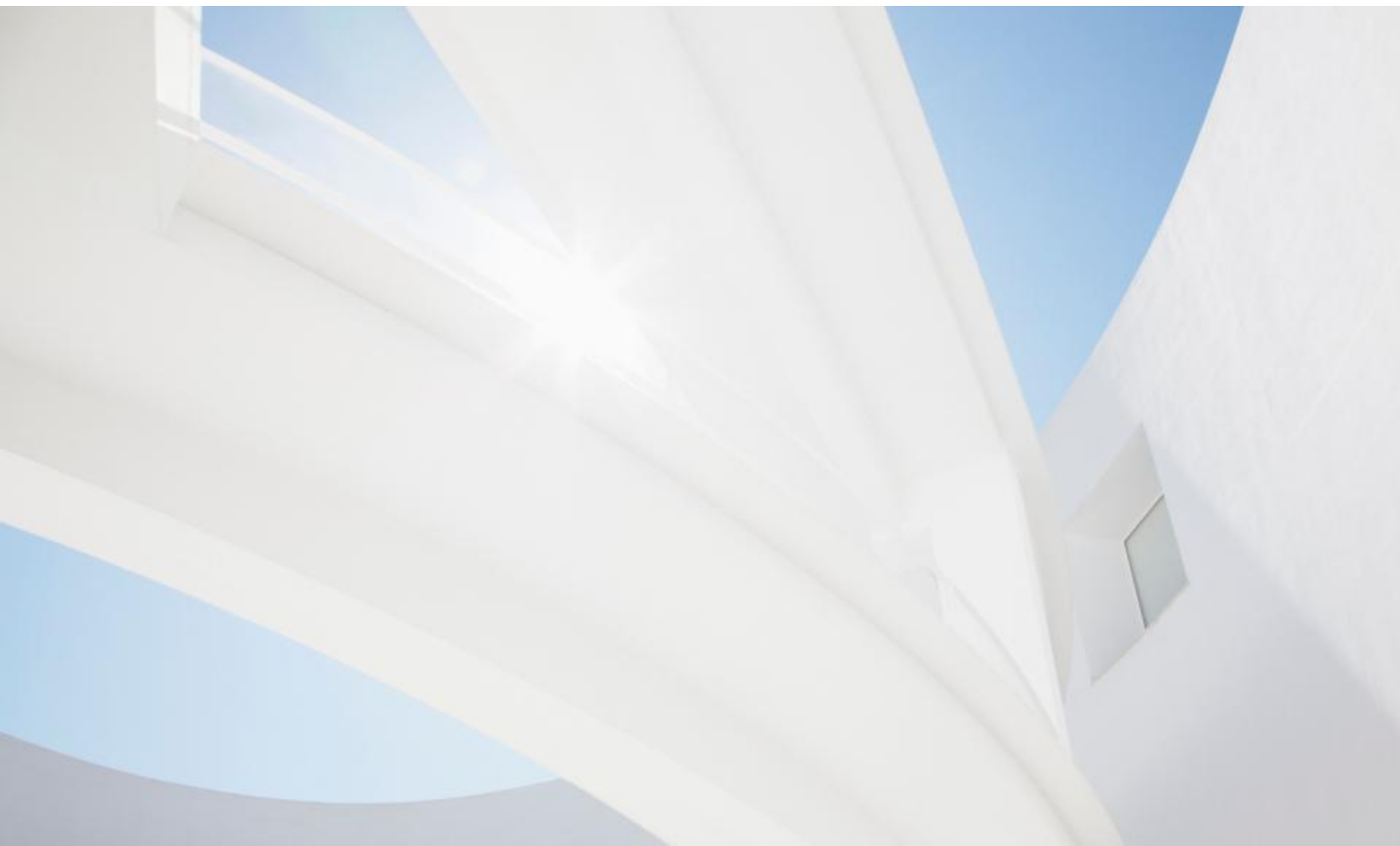
¹In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to The Townsend Group via a secure data collection site, The Townsend Group may choose to input performance data on behalf of its client based upon the investment managers 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.



Real Estate Market Update: Fourth Quarter 2015



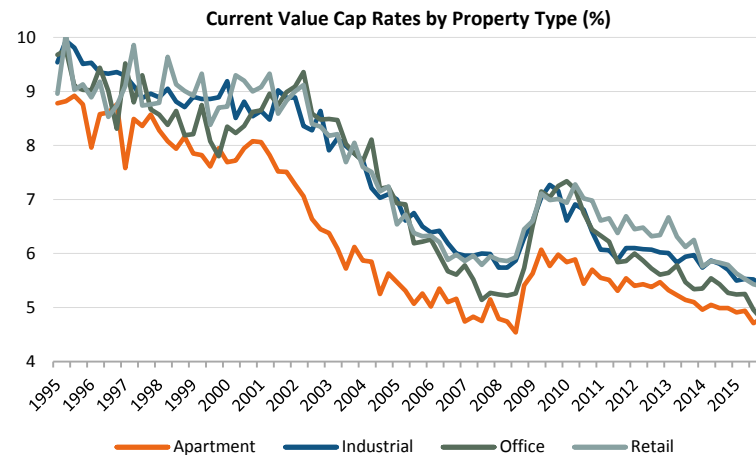
United States Real Estate Market Update (4Q15)

General

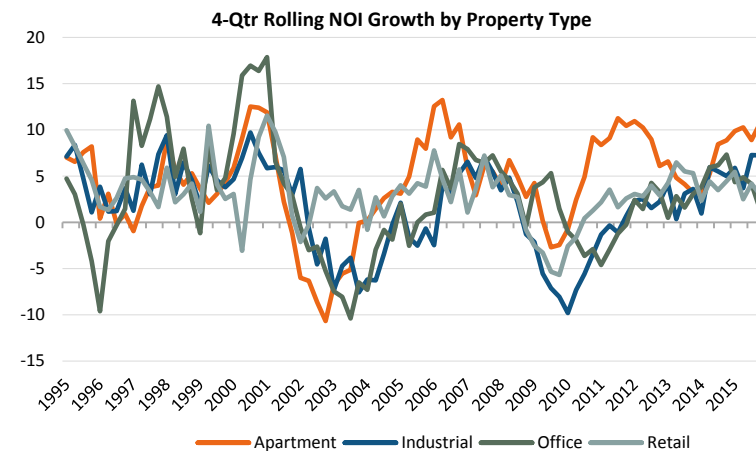
- 4Q15 real GDP decelerated to 1.0% annual rate, 30 bps above initial expectations, however 110 bps below 3Q15. Growth was stimulated by positive contributions from a decelerating household consumption coupled with strong residential fixed investments and federal government spending. Growth was partially offset by lower private inventory investment, non-residential fixed investment, state and local government spending, as well as lower net export volume due to weak global demand. Real GDP increased by 2.4% over the twelve month period ending December 31, 2015.
- In 4Q15, consumer spending, which represents two-thirds of the GDP, grew at a decelerating pace of 2.0%, 20 bps below predictions. While deceleration was driven by high personal saving rates during the quarter (5%+), growth was mainly driven by a 3.4% rise in real consumption of durable goods leading to a 0.7% rise in real disposable income due to the declining oil prices since 2H14. As jobs grew by 2.7 million over the year, 2014-2015 represented the strongest two-year period of job growth since 1999.
- In 2015, a decline in energy prices contributed 0.2% to GDP, through a 0.5% contribution to household consumption and a 0.3% detraction from business investment due to a steep decrease in oil drilling and exploration investments.
- During the year, real exports decreased by 0.8% due to lower global growth and a stronger U.S. dollar. The trade deficit of -0.5% partially offset the 4Q15 GDP growth by 30 bps.
- In 2015, CMBS issuance rose to \$172.1 billion, 5.6% above 2014; subsequent to quarter-end, new issue spreads on AAA- and BBB- widened by 30 bps and 240 bps, respectively. Given spreads and yields remain below prior corrections, investors expect spreads to continue widening.

Commercial Real Estate

- Activity in the U.S. commercial real estate sector remained strong in 2015, with major cities leading the way. Over \$463 billion of annual transaction volume, or 65.9% of global activity, took place in New York, Los Angeles, and Chicago. During the year, transactions grew by 25.1% and current economic indicators suggest a slower annual sales growth of 10% in 2016.
- In 2015, foreign capital represented 15.4% of total transaction activity, exceeding 2007 peak levels by 9.0%. Industrial outclassed office as the largest recipient of FDI, with foreign investors representing 40.5% of industrial buyers in 2015. In addition to office, foreign investors have shown growing interests in large-scale, well located, multimarket industrial portfolios and iconic hotel assets.
- In 2015, the office and multifamily sectors recorded the highest transaction volumes across property types in the U.S., each representing approximately 30% of total transaction activities.
- In 2015, transaction cap rates from all traditional property co-sectors declined by more than 10 bps, with retail recording the largest cap rate compression (-50 bps), with an average cap rate of 4.8%. Multifamily recorded the lowest primary cap rate (4.3%), with apartments trading only 20 bps above 2007 peak levels.
- With core property pricing surpassing peak levels after 2015, concerns have shifted from a fed tightening to a tightening in financial conditions, implying a tightening in lending standards by loan suppliers. Consequently, some investors reduced their 2016 projected C.R.E. price appreciation to 0%.



Source: NCREIF



Source: NCREIF

United States Property Matrix (4Q15)

INDUSTRIAL

MULTIFAMILY

- 2015 investment activity increased 55.3% over 2014 to \$64.4 billion. Sales volume and price growth in primary markets were 51.6% and 19.3% year-over-year, respectively. Secondary market volumes performed well but disappointed with respect to price growth, only able to log a 1% year-over-year growth. Cap rates compressed 16 bps on average across market. Primary markets ranged between 4–5% while secondary markets fell between 5-6%.
- Strong leasing demand led average vacancy down to a 15 year low of 6.4% at year-end. Net absorption continued, with 23 straight positive quarters and 231 million square feet for 2015.
- Speculative construction starts totaled 115.1 million square feet in 2015, or 25.1% above 2014 levels. That said, demand currently outstrips supply of broken ground speculative construction by a ratio of 2 to 1, especially in the 500,000 square foot and over warehouse segment.
- As of 4Q15, industrial properties returned 3.2% (lagging retail as the strongest performing property sector) and outperformed the NPI by 28 bps.

- Investment for 2015 came in at \$138.7 billion, 31.3% above 2014 and a second straight record year. Cap rates compressed 10 bps during the year, driven primarily by secondary markets like Atlanta, Orlando, Raleigh-Durham, amongst others. Price growth per square foot was 9.4% for the year.
- Rent growth remained solid during the quarter at 4.3%. Over 63% of primary and 57% of secondary markets experienced above average rent growth. Fourth Quarter also reported a rise in U.S. vacancy rates of 10 bps to 4.4%, its first in 10 quarters. Rolling net absorption declined to 1.6% of inventory. Foreign capital made up 7.2% of 2015 investment sales while equity fund acquisitions increased to 17.1%.
- Multifamily construction growth slowed during the quarter, although new starts are 12.4% above 2014 levels. The Northeast region led gains with 42.6% annual growth, helped by a relatively mild winter. Together with inventory growth, concern exists about potential oversupply.
- The apartment sector delivered a 2.7% return during the quarter, underperforming the NPI by 18 bps.

OFFICE

RETAIL

- The office segment reported an annual increase in investment activity to \$140.9 billion, 16.5% above 2014 with a 16.6% rise in annual pricing. Cap rates compressed by 19 bps across markets, with primary and secondary markets ending the year at 4.4% and 5.2% respectively.
- Net absorption during Q4 was 21.3 million square feet . Vacancy rates in Central Business Districts declined 40 bps to 14.7%, with Class A assets seeing even lower levels of 12% as rents increased 2.2% to \$31.26 per square foot during the quarter.
- As a result of strong leasing fundamentals and the continued inflow of foreign capital, investment growth in primary market class B assets and select secondary markets such as Atlanta, Dallas, Philadelphia, and Denver remains healthy.
- The office sector returned 2.6% in 4Q15, 33 bps below the NPI.

- Investment in 2015 came in at \$76.6 billion, a 1% gain from 2014. Primary market growth (2.7%) lagged secondary market growth (3.9%), while cap rate compression was 35 bps for primary and 23 bps for secondary markets. Primary market cap rates had about a 200 bps premium over secondary markets.
- 2015 saw high leasing demand, especially in gateway cities, which led to a rise in average price to \$548.00/square foot or 22.5% over 2014, as net absorptions stabilized around 21 million square feet by the end of the year.
- During 2015, urban/storefront (22%), grocery centers (20%) and malls (17%) made up the majority of investment volume. Class A mall properties outperformed.
- As at 4Q15, the retail sector delivered a quarterly return of 3.6%, beating the NPI by 55 bps.



Global Real Estate Market Update (4Q15)

Global

- At year end 2015, real estate transaction activity declined -0.9% vs. 2014 at \$704 billion. Though little changed in year-over-year growth terms, this marks a 8% increase over the same period when adjusted for U.S. dollar strength over the year.
- In 2015, New York City, which saw a record \$53.0 billion in transaction volume – a 20% year-over-year growth rate – and replaced London as the top target market for global real estate investment. Secondary U.S. markets such as Seattle and Atlanta also benefited from increased investment interest with U.S. cities making up 10 out of the top 20 commercial real estate investment targets.

Europe

- Fourth Quarter commercial real estate transaction volume in Europe was €80.8 billion. While a 24% improvement from previous quarter, investment was essentially flat vs. 2014 levels. Q4 also saw a decline in foreign investment capital (-23% year-over-year), especially from the US (-41% year-over-year). The largest investment markets for the quarter were London (14%), Paris (11%) and Berlin (4%).
- Investment activity appeared mixed in Q4 compared to 2014 levels. Austria investment more than double. Germany, Italy, Norway and Netherlands all reported double digit growth rates, while the U.K., Sweden, and Spain experienced year-over-year contraction.
- Germany, the largest European economy, reported €16.1 billion in investment activity during the quarter, with noticeable investment from Asia (€1.8 billion).
- The investment outlook for growth to slightly moderate in the UK while slowing noticeably in mainland Europe in line with diverging underlying economic conditions and monetary policies.

Asia

- Asia Pacific investment finished the year at \$124 billion (-6% compared to 2014). Despite concerns over slowing economies in the Asia Pacific region, real estate investment picked up 49% year-over-year in Q4, supported by both domestic corporate and institutional, as well as foreign capital.
- Investment in Australia and Japan ended the year in contraction (-22% and -61% year-over-year, respectively) while Hong Kong, and Singapore saw a strong Q4 (106% and 55% year-over-year, respectively)
- India reported a significant pullback in transaction activity primarily due to a lack of quality assets.

Direct Commercial Real Estate Investment - Regional Volumes, 2014-2015

\$ US Billions	Q2 15	Q3 15	Q4 15	% Change		YTD 2014	YTD 2015	YTD 2015	% Change YTD 2014 - YTD 2015
				Q3 15 - Q4 15	Q5 14				
Americas		76	85	12%	94	302	314		4%
EMEA		65	89	37%	91	278	267		-4%
Asia Pacific		32	36	13%	44	131	124		-5%
Total		173	210	2%	229	711	705		-1%

Source: Jones Lang LaSalle, February 2016

Global Outlook - GDP (Real) Growth % pa, 2014-2016

	2015	2016	2017
Global	3.1	3.4	3.5
Asia Pacific	5.1	4.9	4.8
Australia	2.3	2.6	2.9
China	6.9	6.5	6.2
India	7.3	7.4	7.7
Japan	0.5	1.0	0.6
North America	2.4	2.1	2.3
US	2.4	2.2	2.3
MENA	3.5	2.6	3.1
European Union	1.8	1.9	1.9
France	1.2	1.4	1.5
Germany	1.7	1.7	1.7
UK	2.2	2.1	2.2

Source: Bloomberg LP, Feb 2016

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 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 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

