



**TOWNSEND
GROUP**

Real Estate Portfolio

Performance Review

FOURTH 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 December 31, 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*
LACERS Total Plan Assets	14,814	
Real Estate Target	741	5.0%
RE Market Value:		
<i>Core</i>	508	
<i>Non-Core</i>	326	
<i>Timber</i>	21	
Total RE Market Value	855	5.8%
Unfunded Commitments	119	0.8%
RE Market Value & Unfunded Commitments	974	6.6%
Remaining Allocation	(233)	(1.6%)

*Figures may not add due to rounding.

Real Estate Portfolio Composition

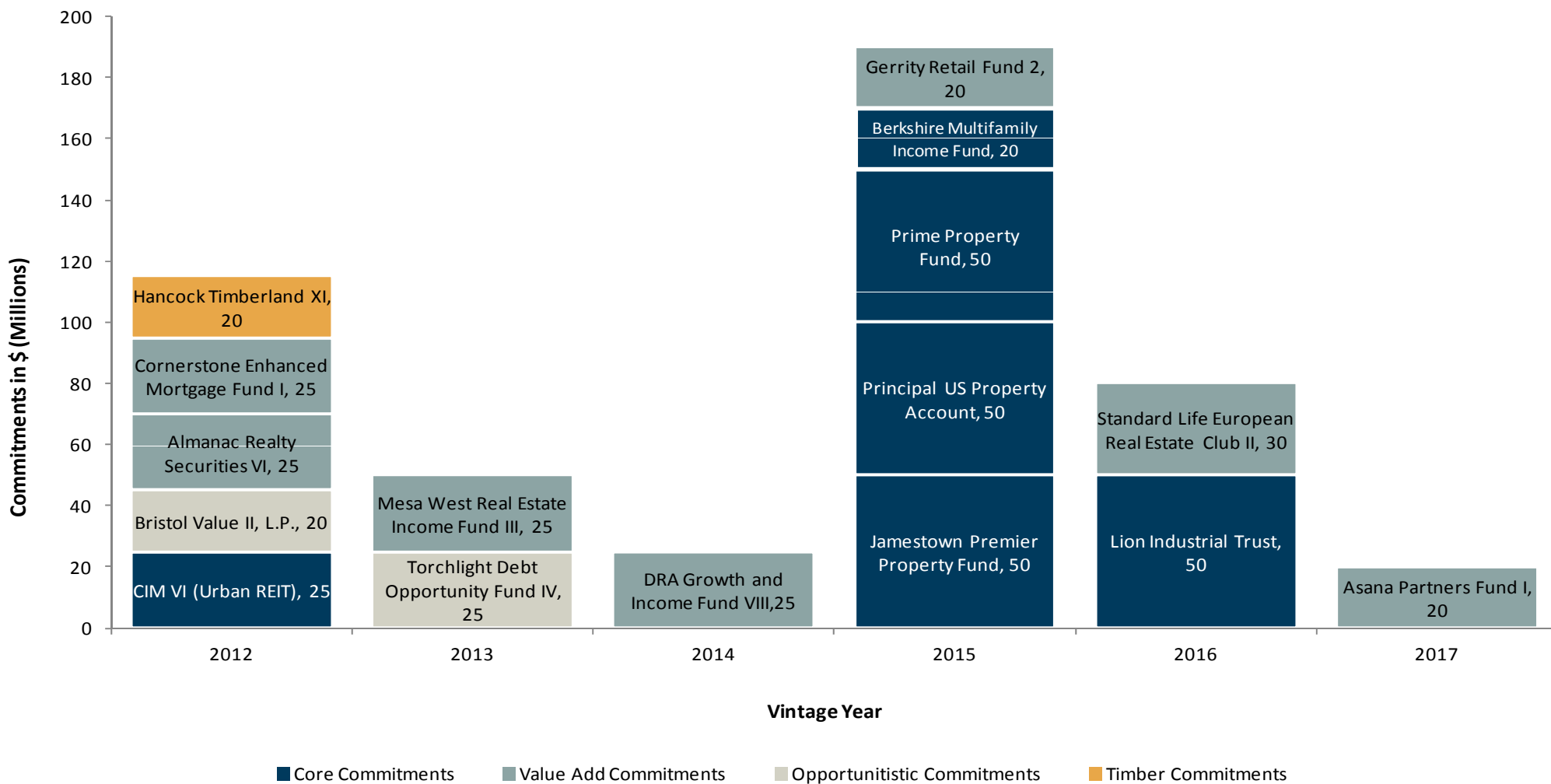
	Strategic Targets		Portfolio Composition (12/31/2016)*	
	Target Allocation	Tactical Range	Market Value	Market Value & Unfunded Commitments
Core	60%	40% - 80%	59.4%	53.2%
Non-Core	40%	20% - 60%	38.1%	44.5%
<i>Value Add Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>14.9%</i>	<i>20.3%</i>
<i>Opportunistic Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>23.2%</i>	<i>24.2%</i>
Timber	N/A	N/A	2.5%	2.3%

- 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 95% of these commitments have been called as of 12/31/16. The remaining balance was funded in early 2017.
- The LACERS Board approved \$70 million in Non-Core investments since 2014. These investments focused on Value Add strategies with pre-specified portfolios, embedded value and/or an element of current income.
- On a funded and committed basis, the LACERS Core and Non-Core allocations are in line with the strategic targets. Core exposure is expected to increase as Non-Core investments continue to liquidate and recent Core commitments become fully invested.
- The Core Portfolio utilizes 28.8% leverage, measured on a loan-to-value (LTV) basis, well below the 40.0% constraint.
- The Non-Core Portfolio has a 45.8% LTV ratio, well below the 75.0% constraint.

*Figures may not add due to rounding.



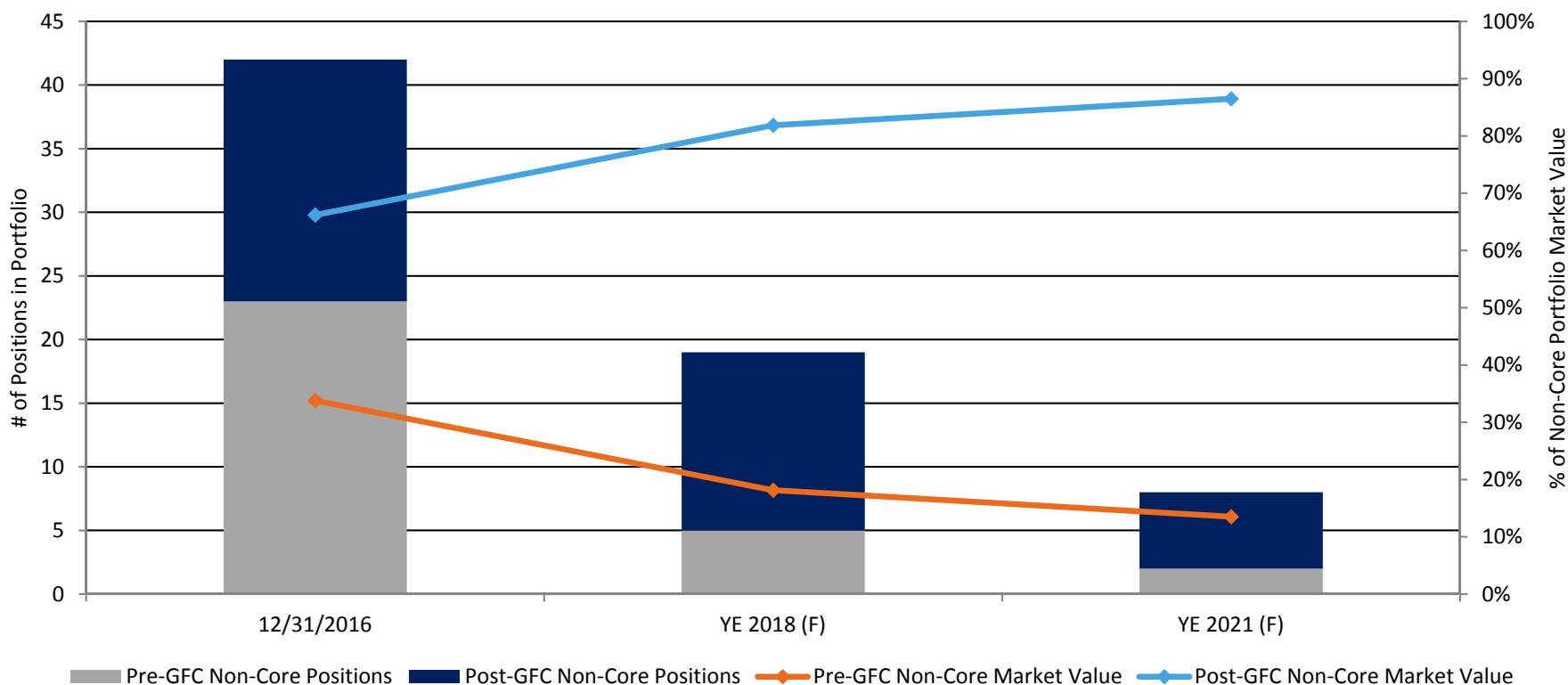
Commitments Since 2012



- LACERS has committed \$480 million since 2012, of which \$290 million (~60%) have been Townsend-initiated activities since 2015 .
- 57% of Non-Core commitments since 2015 (Gerrity and Asana) met LACERS Emerging Manager guidelines. In the Core OECF space, there are currently no managers meeting these guidelines.
- Vintage year classifications are based on LACERS' first capital call (or expected capital call), though commitments may have been approved in prior years.

Projected Non-Core Liquidations

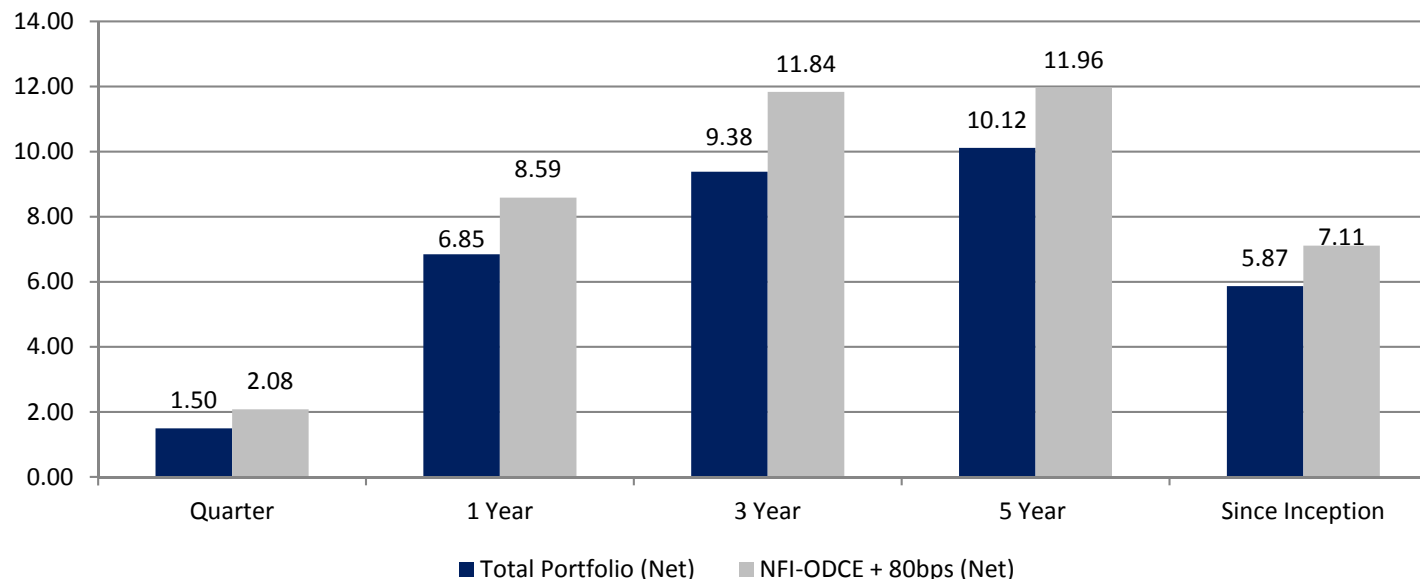
Non-Core Investments - Pre-GFC vs. Post-GFC Vintage Years



- 23 out of 42 Non-Core funds are projected to liquidate through year-end 2018, and 34 through year-end 2021.
- The number of Pre-Global Financial Crisis (“Pre-GFC”) Non-Core positions is also projected to decrease significantly over the next two years. Only five of the Non-Core investments made before the Global Financial Crisis are projected to remain through year-end 2018 (two through year-end 2021). As of 12/31/16, there are still twenty-three Pre-GFC Non-Core positions in the portfolio.
- The Non-Core Portfolio, which currently consists of 34% Pre-GFC investments on a market value basis, is projected to be made up of mostly Post-GFC investments by year-end 2018 (82% of projected market value).

Total Portfolio Performance

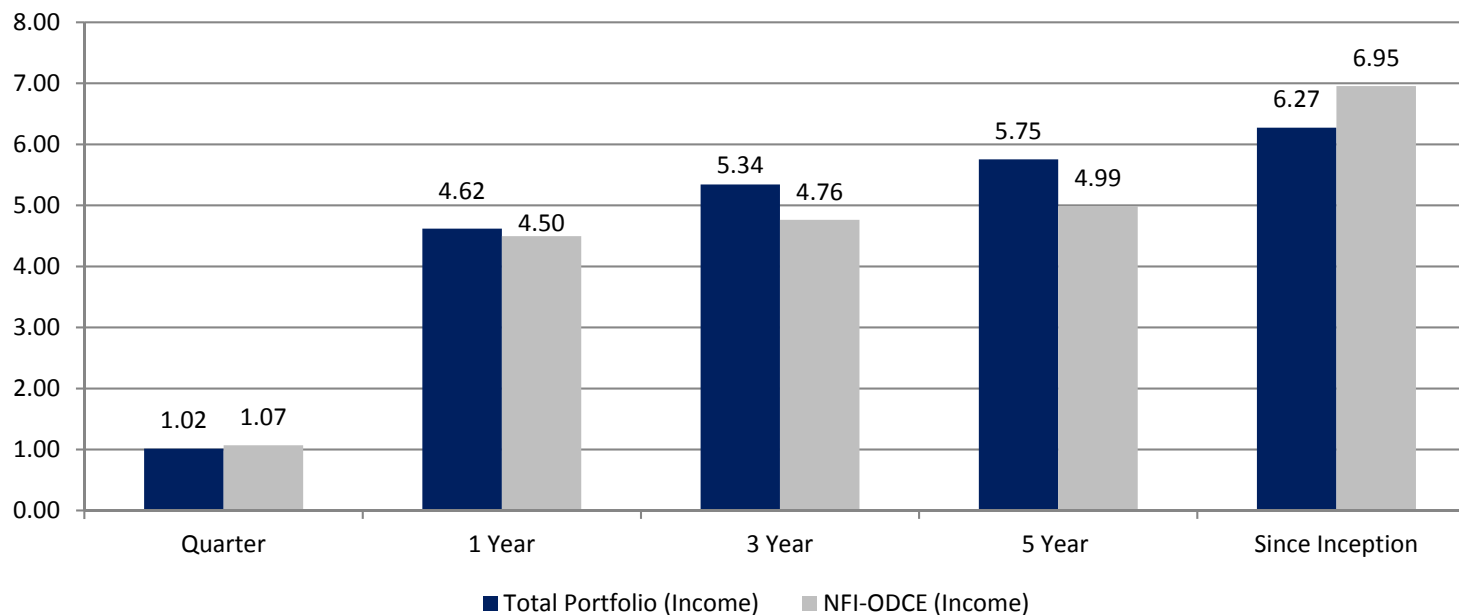
LACERS Total Real Estate Portfolio vs. NFI-ODCE + 80 bps



- 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.
- 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 21.7% 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.

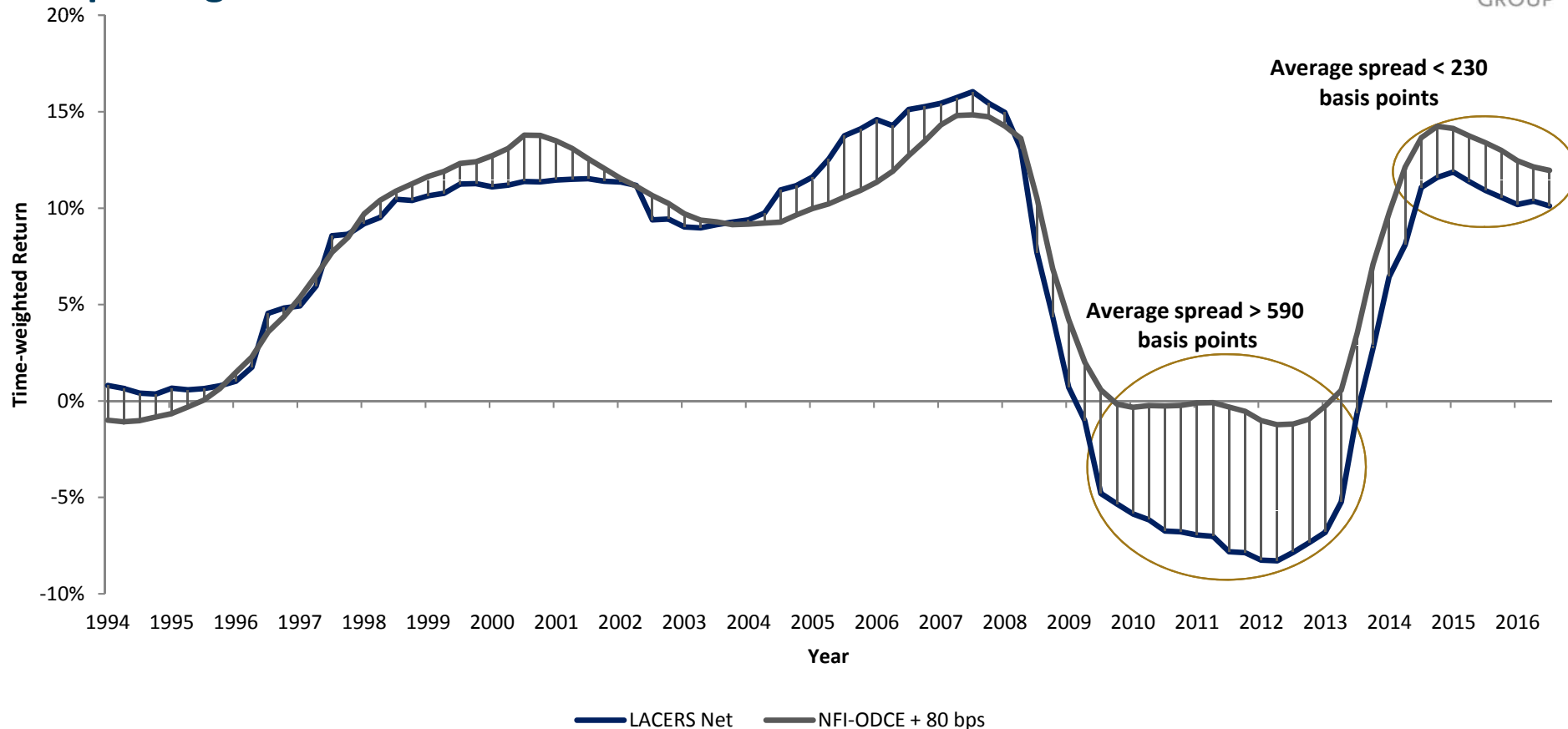
Total Portfolio Income Performance

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 and the most recent Quarter. 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.

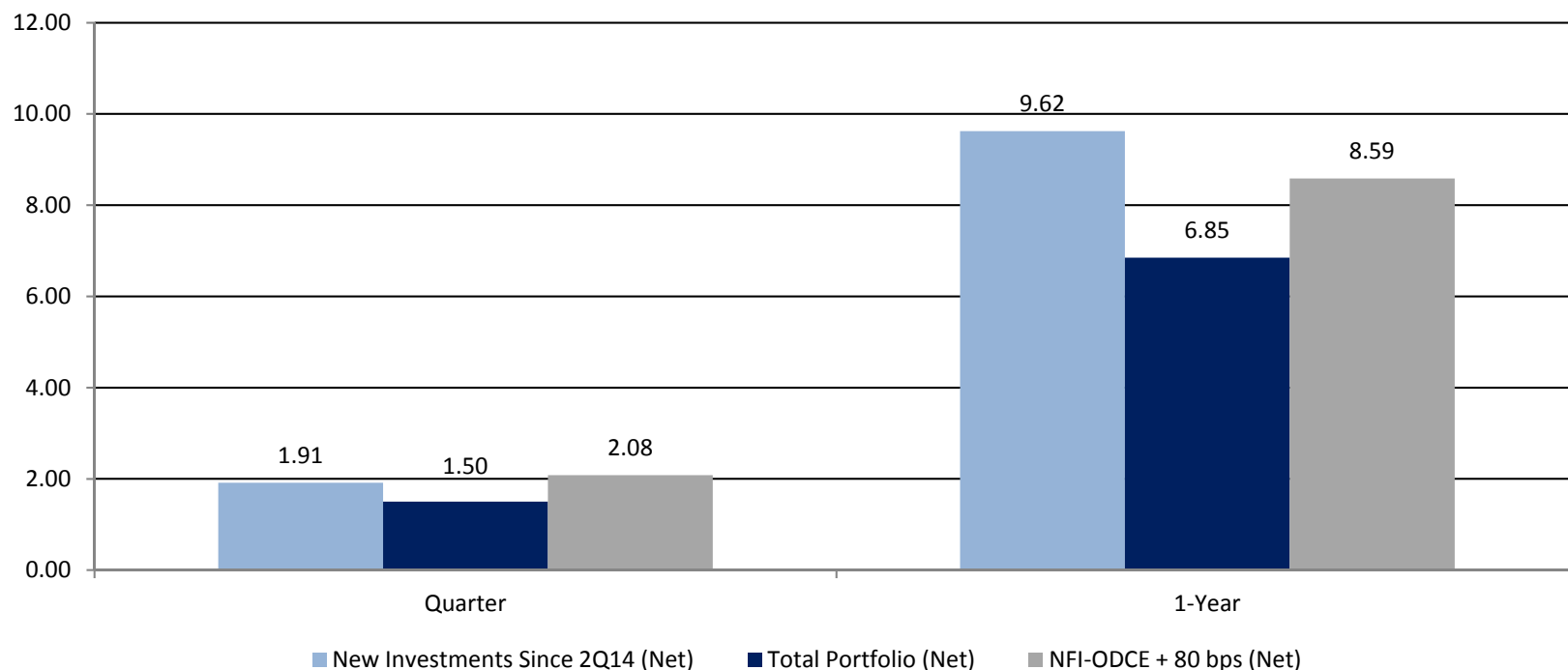
Improving Relative Total Portfolio Performance



- 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 45% 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.

New Investments Accretive to Performance

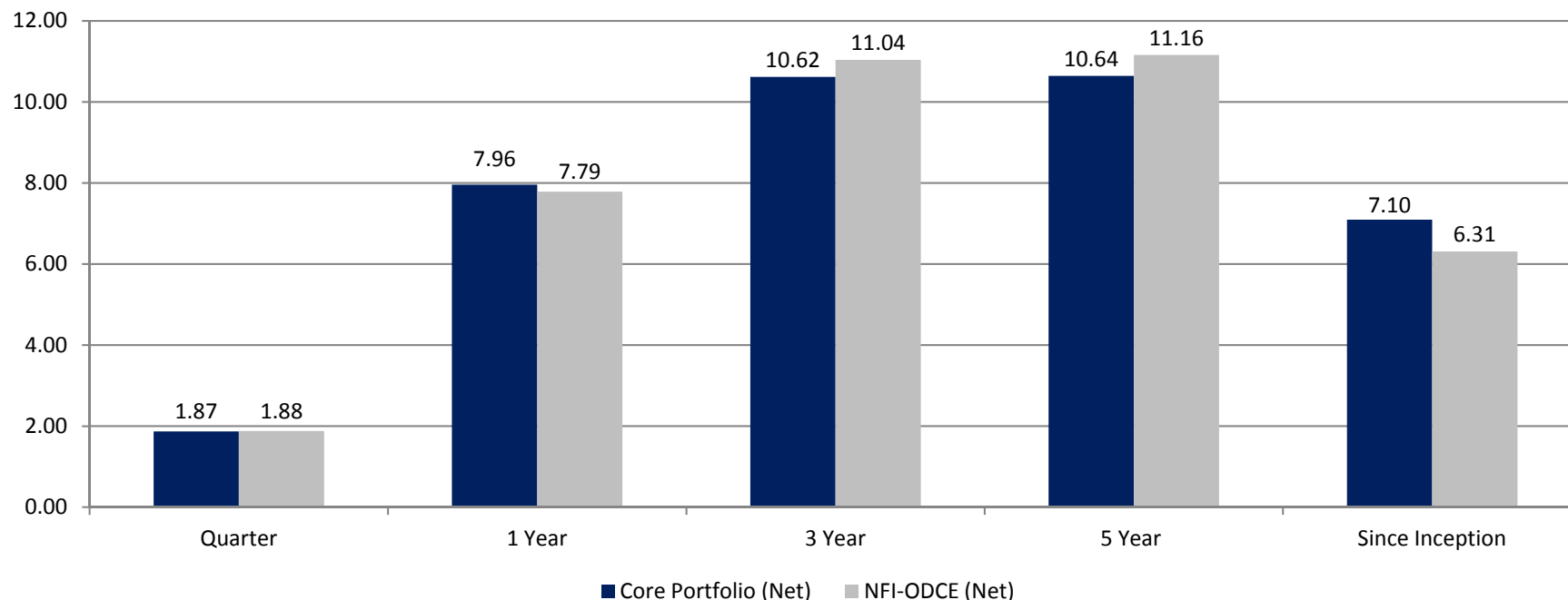
LACERS New Investments vs. Total Real Estate Portfolio vs. NFI-ODCE + 80 bps



- LACERS has made eight new investments since 2014. Core investments include Berkshire, Jamestown, Lion Industrial Trust, Prime and Principal. Non-Core investments include Gerrity, Standard Life and Asana (approved during the Third Quarter of 2016 but not yet reflected in performance figures).
- Performance of these new investments exceeds performance of the Total Portfolio and the benchmark over the trailing year. New investments are expected to drive performance going forward.

Relative Performance by Strategy: Core

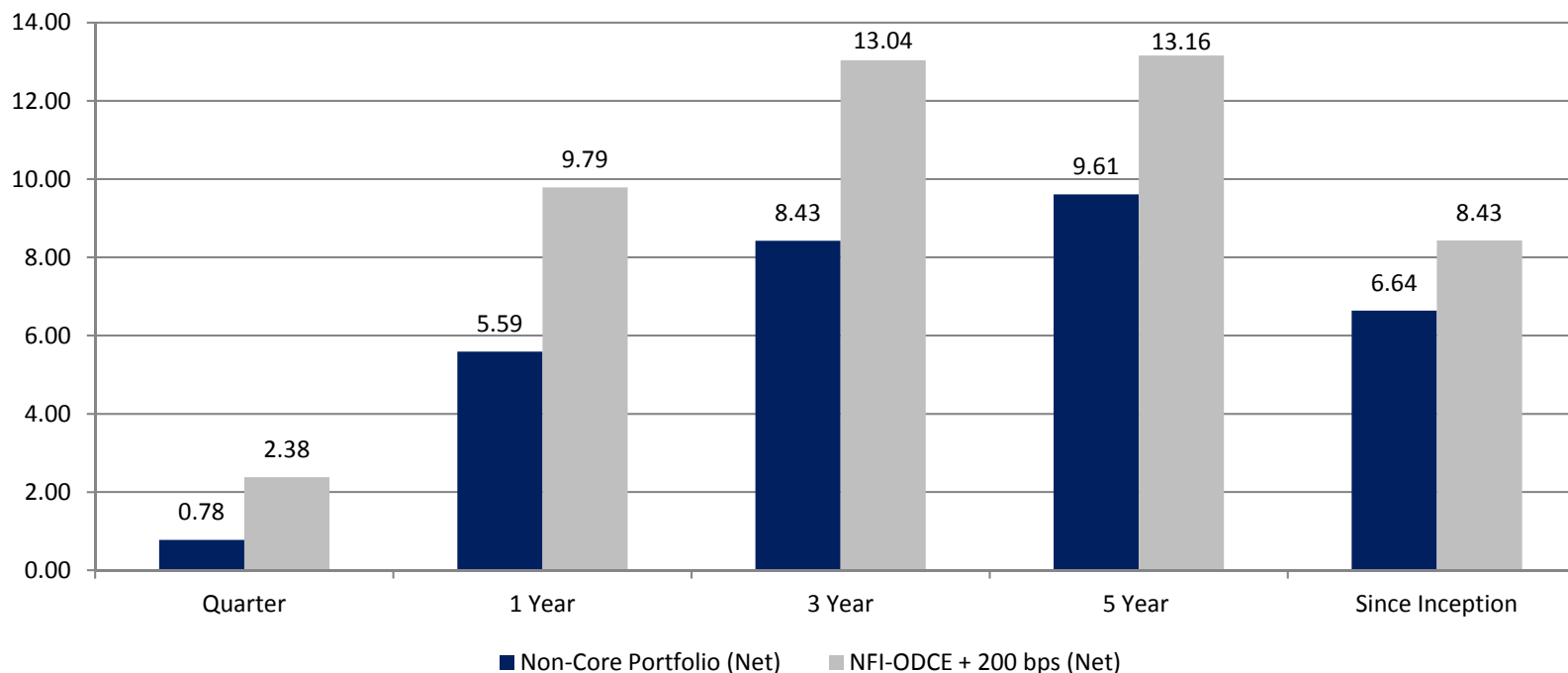
LACERS Core Real Estate Portfolio vs. NFI-ODCE



- 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 Since Inception time period and performed in line with the benchmark over the past five years.
- During the Fourth Quarter, Lion Industrial Trust and Berkshire Multifamily Income Realty Fund drove performance, outperforming the NFI-ODCE by 182 bps and 110 bps respectively.
- CIM VI and Jamestown Premier Property Fund were the largest detractors of Core performance over the Quarter, underperforming the NFI-ODCE by 394 bps and 214 bps respectively.
- New investments approved by the LACERS Board in 2015 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

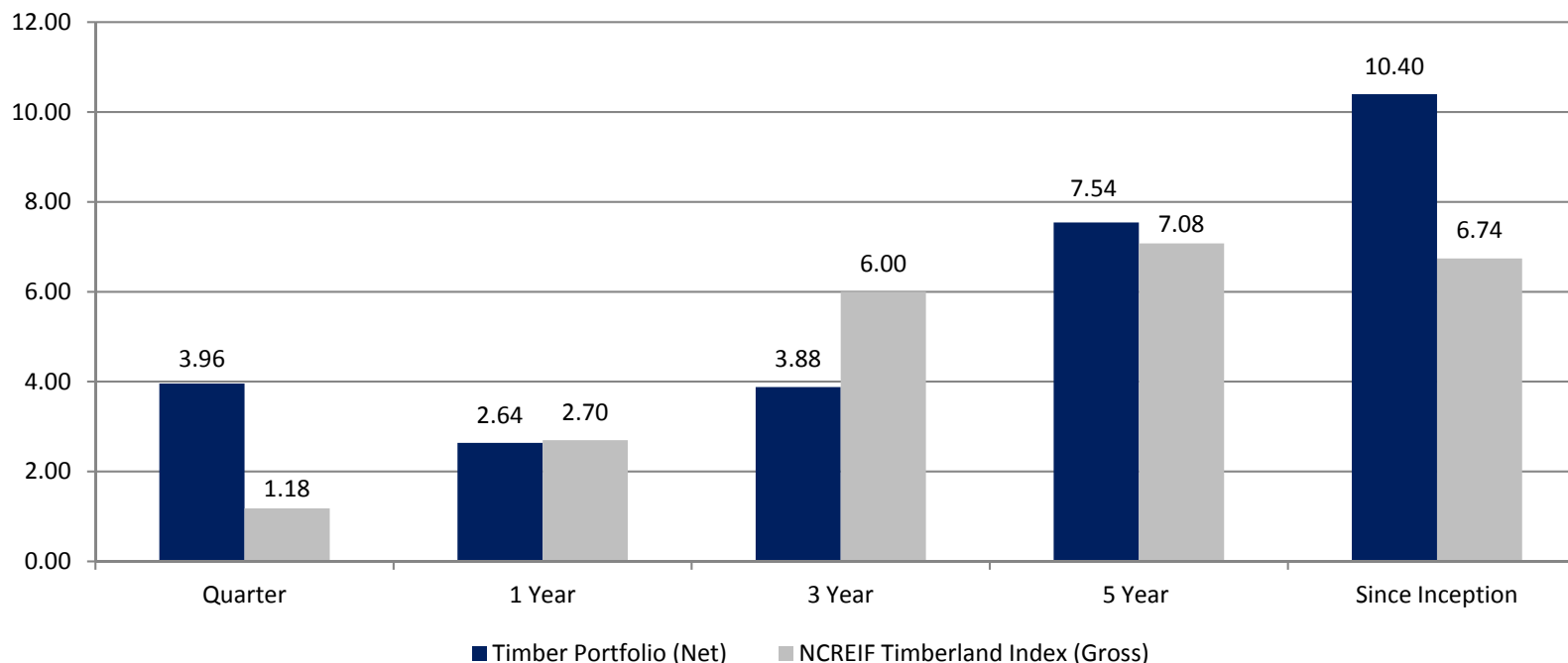
LACERS Non-Core Real Estate Portfolio vs. NFI-ODCE + 200 bps



- 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.
- Underperformance is mostly due to Non-Core legacy funds that are due to liquidate over the next few years. As these funds liquidate and new investments are funded, Non-Core portfolio performance is expected to improve.

Relative Performance by Strategy: Timber

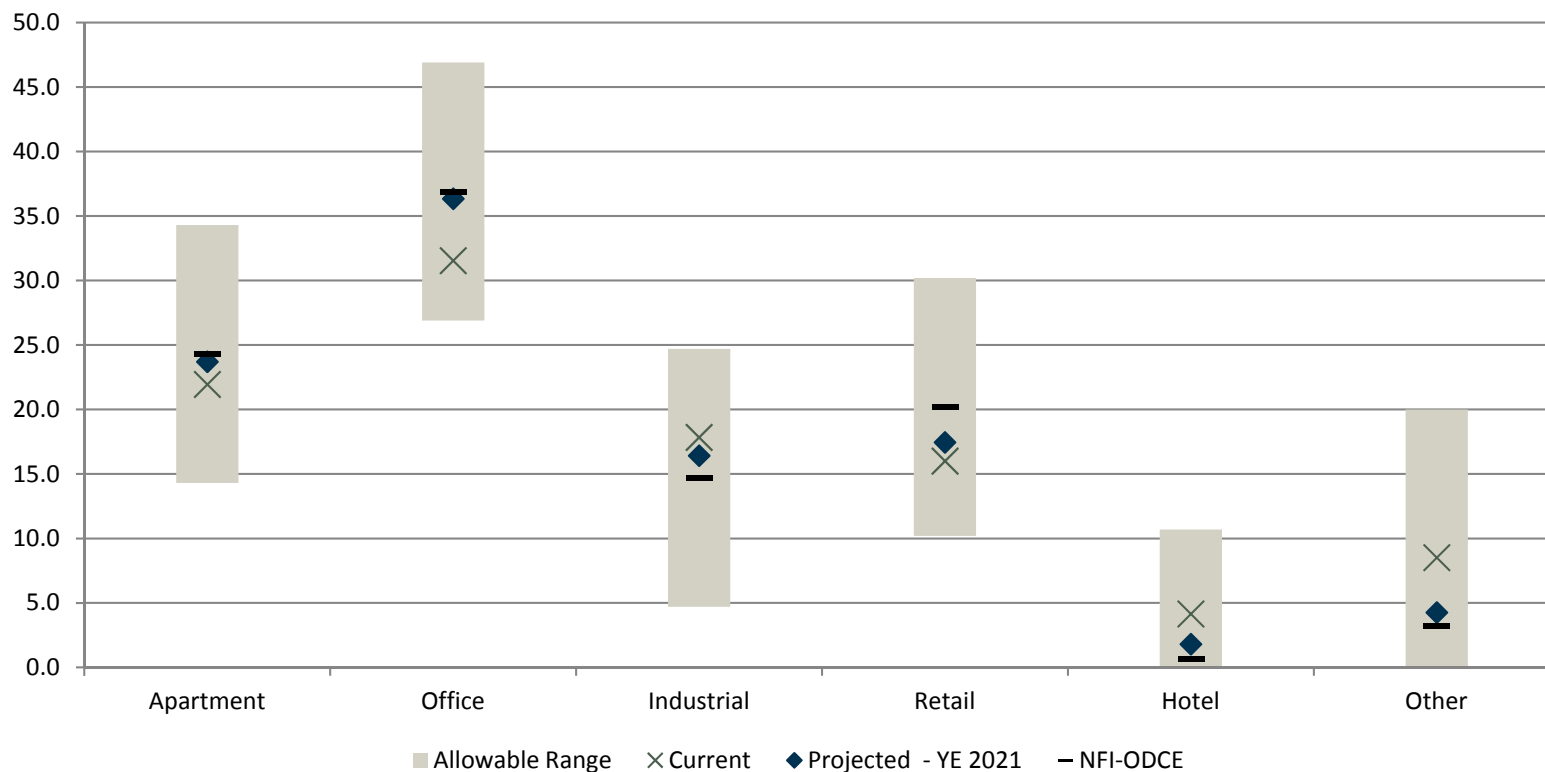
LACERS Timber Portfolio vs. NCREIF Timberland Index



- The Timber Portfolio, net of fees, performed in line with or above its benchmark, the NCREIF Timberland Index, gross of fees, over all periods with exception of the trailing three year period.
- 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 Northwest region was the second strongest performing region in the NCREIF Timberland Index over the Quarter.
- Performance of the LACERS timber portfolio consisted of 4.3% appreciation, which was partially offset by fund-level expenses. All 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 since inception, which are driven by appreciation. The valuation increases in 2016 were mostly driven by strong comparable sales and future timber price expectations.

Real Estate Portfolio Diversification

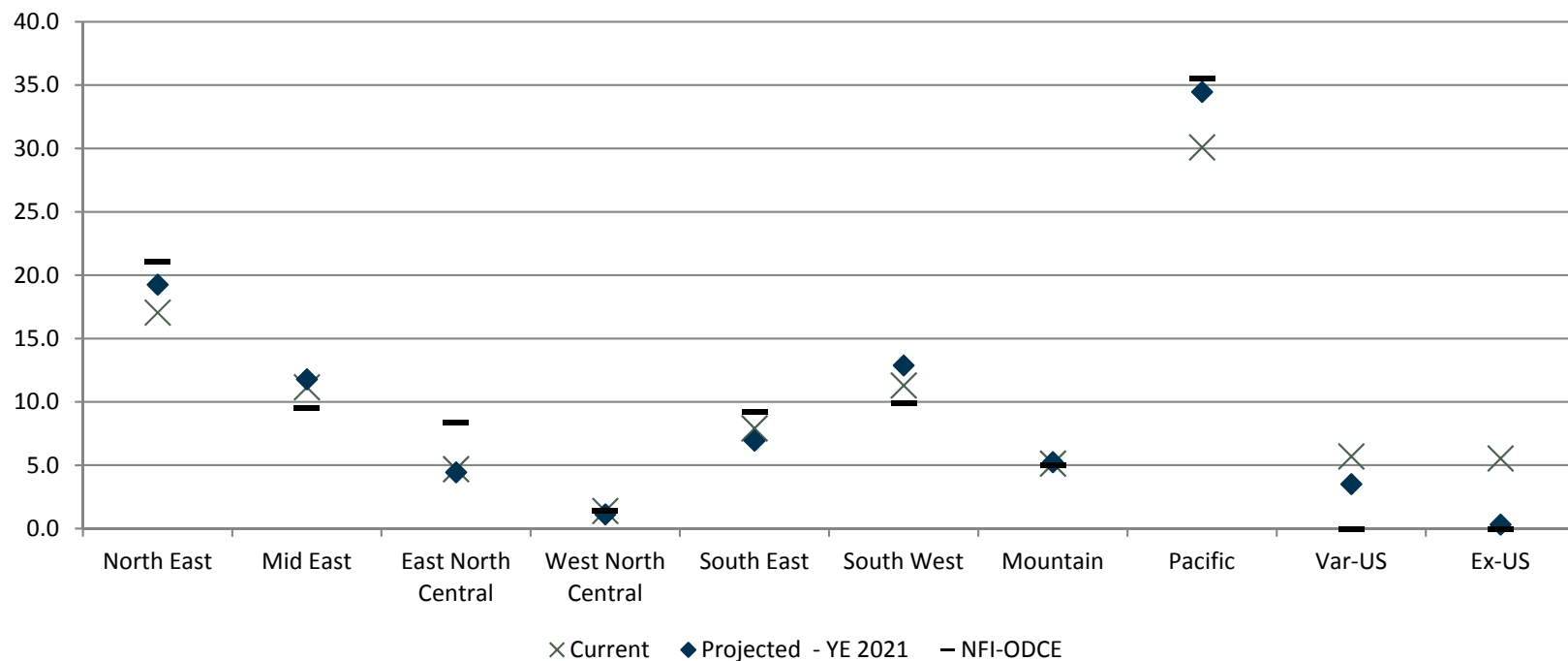
LACERS Private Portfolio Property Type Diversification (4Q16)



- 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, Senior Housing, For Sale Residential, and Land.

Real Estate Portfolio Diversification

LACERS Private Portfolio Geographic Diversification (4Q16)



- 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.
- The LACERS Projected Private Portfolio (YE 2021) includes all commitments approved by the Board.
- The Portfolio currently has an aggregate exposure to the Los Angeles metropolitan area of 9.6%, with a 4.9% exposure to Los Angeles City. The NFI-ODCE’s exposure to the Los Angeles metropolitan area is 9.6%*.

*Collected by Townsend bi-annually, as of 3Q16. Based on % NAV.

Exhibit A: Performance Flash Report



Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
14,813,905,130	740,695,257	5.0%	855,293,408	5.8%	118,833,073	0.8%	-233,431,225	-1.6%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS ¹	TNET ¹	TGRS ¹	TNET ¹	TGRS ¹	TNET ¹	TGRS ¹	TNET ¹
LACERS	1.8	1.5	8.1	6.8	10.9	10.1	11.8	10.1
NFI-ODCE + 80 basis points	2.3	2.1	9.6	8.6	12.9	11.8	13.0	12.0

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	415,703,307	10,275,264	71,278,655	508,107,743	59.4	53.2
Non-Core Portfolio	1990	968,407,806	935,782,077	107,159,660	602,069,055	326,172,313	38.1	44.5
Value Added Portfolio	1990	308,531,885	248,034,694	69,822,003	137,911,666	127,557,322	14.9	20.3
Opportunistic Portfolio	1996	659,875,921	687,747,383	37,337,657	464,157,389	198,614,991	23.2	24.2
Timber Portfolio	1999	20,000,000	18,601,851	1,398,149	784,552	21,013,352	2.5	2.3
Total Current Portfolio								
LACERS	1989	1,367,275,359	1,370,087,235	118,833,073	674,132,262	855,293,408	100.0	100.0

¹ TGRS: Total Gross Return; TNET: Total Net Return. Please refer to Exhibit C for more detailed definitions.

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	20,000,000	0	580,842	23,576,986	2.8	2.4
CIM Commercial Trust Corporation ("CMCT")	2014	40,000,000	46,417,723	0	11,952,031	42,816,972	5.0	4.4
CIM VI (Urban REIT), LLC	2012	25,000,000	25,000,000	0	3,048,853	30,218,441	3.5	3.1
INVESCO Core Real Estate	2004	63,867,553	103,883,047	0	44,937,214	151,463,996	17.7	15.5
Jamestown Premier Property Fund	2015	50,000,000	39,980,655	10,275,264	4,715,068	38,039,287	4.4	5.0
JP Morgan Strategic Property Fund	2005	30,000,000	30,421,882	0	2,858,499	60,674,059	7.1	6.2
Lion Industrial Trust - 2007	2016	50,000,000	50,000,000	0	1,482,877	54,381,274	6.4	5.6
Prime Property Fund	2015	50,000,000	50,000,000	0	1,703,271	52,180,808	6.1	5.4
Principal U.S. Property Account	2015	50,000,000	50,000,000	0	0	54,755,920	6.4	5.6
Core	1989	378,867,553	415,703,307	10,275,264	71,278,655	508,107,743	59.4	53.2
Timber								
Hancock Timberland XI	2012	20,000,000	18,601,851	1,398,149	784,552	21,013,352	2.5	2.3
Timber	1999	20,000,000	18,601,851	1,398,149	784,552	21,013,352	2.5	2.3
Value Added								
Almanac Realty Securities VI	2012	25,000,000	15,318,584	3,906,987	10,972,661	10,452,492	1.2	1.5
Asana Partners Fund I	2016	20,000,000	0	20,000,000	0	-86,732	0.0	2.0
CBRE Strategic Partners IV	2005	25,000,000	25,000,000	0	957,592	866,377	0.1	0.1
Cornerstone Enhanced Mortgage Fund I	2012	25,000,000	13,436,224	11,563,777	11,534,311	5,410,176	0.6	1.7
DRA Growth and Income Fund VII	2011	25,000,000	26,015,000	740,000	17,200,745	26,166,250	3.1	2.8
DRA Growth and Income Fund VIII	2014	25,000,000	25,279,774	4,579,717	6,753,758	21,753,503	2.5	2.7
Gerrity Retail Fund 2	2015	20,000,000	12,455,570	7,622,284	472,695	12,864,593	1.5	2.1
JP Morgan Alternative Property Fund	2006	25,000,000	25,000,000	0	18,465,738	217,551	0.0	0.0
Mesa West Real Estate Income Fund III	2013	25,000,000	18,939,181	10,726,626	7,006,773	15,095,781	1.8	2.7
RREEF America REIT III - 1410	2005	15,000,000	18,301,718	0	14,831,888	149,790	0.0	0.0
Standard Life Investments European Real Estate Club II	2015	28,531,885	21,908,662	7,062,592	0	23,274,166	2.7	3.1
The Realty Associates Fund IX, L.P.	2010	15,000,000	15,000,000	0	14,182,362	9,912,166	1.2	1.0
The Realty Associates Fund VII, L.P.	2005	15,000,000	15,000,000	0	15,254,729	95,880	0.0	0.0
Urdang Value Added Fund II	2008	20,000,000	16,379,981	3,620,020	20,278,414	1,385,329	0.2	0.5
Value Added	1990	308,531,885	248,034,694	69,822,003	137,911,666	127,557,322	14.9	20.3
Total Current Portfolio								
LACERS	1989	1,367,275,359	1,370,087,235	118,833,073	674,132,262	855,293,408	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	25,533,001	22,385,238	1,564,591	10,838,349	1,141,915	0.1	0.3
Bristol Value II, L.P.	2012	20,000,000	15,087,798	10,942,515	6,733,499	10,569,051	1.2	2.2
Bryanston Retail Opportunity Fund	2005	10,000,000	4,271,584	5,885,919	9,401,748	4,624,529	0.5	1.1
California Smart Growth Fund IV	2006	30,000,000	31,448,081	33,153	22,602,296	12,558,755	1.5	1.3
Canyon Johnson Urban Fund II	2005	10,000,000	8,988,718	1,011,296	3,916,319	88,475	0.0	0.1
CBRE Strategic Partners UK Fund III	2007	29,868,578	25,901,670	0	3,829,166	217,138	0.0	0.0
CIM Real Estate Fund III	2007	15,000,000	16,763,475	0	14,216,022	13,470,517	1.6	1.4
CityView LA Urban Fund I	2007	25,000,000	61,421,761	2,332,266	67,841,375	5,918,415	0.7	0.8
Colony Investors VIII	2007	30,000,000	28,963,224	1,023,200	8,780,677	4,024,234	0.5	0.5
DRA Growth and Income Fund VI	2007	25,000,000	16,788,945	400,001	23,469,194	5,063,348	0.6	0.6
Genesis Workforce Housing Fund II	2006	20,000,000	19,999,316	0	28,921,170	141,811	0.0	0.0
Integrated Capital Hospitality Fund	2009	10,000,000	6,006,797	798,641	2,728,129	4,826,202	0.6	0.6
LaSalle Asia Fund II	2005	25,000,000	24,016,560	0	25,752,817	215,570	0.0	0.0
Latin America Investors III	2008	20,000,000	20,686,689	0	3,886,924	6,417,873	0.8	0.7
Lone Star Fund VII	2011	15,000,000	14,075,468	924,533	23,725,152	1,398,467	0.2	0.2
Lone Star Real Estate Fund II	2011	15,000,000	13,291,475	1,708,525	17,837,099	2,656,544	0.3	0.4
Lowe Hospitality Investment Partners	2004	25,000,000	36,431,477	0	20,924,886	94,430	0.0	0.0
MacFarlane Urban Real Estate Fund II	2008	40,000,000	40,679,342	1	679,340	10,055,415	1.2	1.0
RECP Fund IV, L.P.	2008	40,000,000	48,110,673	3,622,574	21,471,613	33,548,298	3.9	3.8
Southern California Smart Growth Fund	2004	10,000,000	18,836,734	68,213	16,800,333	1,125,701	0.1	0.1
Stockbridge Real Estate Fund II	2006	30,000,000	30,000,000	0	4,049,560	8,587,330	1.0	0.9
The Buchanan Fund V	2007	30,000,000	27,000,000	3,000,000	22,340,980	3,513,686	0.4	0.7
Torchlight Debt Opportunity Fund II	2007	25,000,000	24,703,453	0	13,427,194	8,373,864	1.0	0.9
Torchlight Debt Opportunity Fund III	2009	25,000,000	24,890,796	0	34,073,207	3,556,187	0.4	0.4
Torchlight Debt Opportunity Fund IV	2013	24,474,342	24,483,106	0	4,357,352	26,450,995	3.1	2.7
Tuckerman Group Residential Income & Value Added Fund	2004	25,000,000	26,064,010	0	18,744,046	8,758,337	1.0	0.9
UrbanAmerica II	2007	10,000,000	9,289,026	0	1,045,711	0	0.0	0.0
Walton Street Real Estate Fund V	2006	25,000,000	25,000,001	0	10,538,644	9,536,442	1.1	1.0
Walton Street Real Estate Fund VI	2009	25,000,000	22,161,966	4,022,229	21,224,587	11,681,462	1.4	1.6
Opportunistic	1996	659,875,921	687,747,383	37,337,657	464,157,389	198,614,991	23.2	24.2
Non-Core Portfolio (Value Added and Opportunistic)	1990	968,407,806	935,782,077	107,159,660	602,069,055	326,172,313	38.1	44.5
Total Current Portfolio								
LACERS	1989	1,367,275,359	1,370,087,235	118,833,073	674,132,262	855,293,408	100.0	100.0

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year			
		INC ³	APP ³	TGRS ³	TNET ³	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
Core													
Berkshire Multifamily Income Realty Fund	23,576,986	1.1	2.1	3.2	3.0	4.6	5.6	10.4	9.5				
CIM Commercial Trust Corporation ("CMCT") ¹	42,816,972	0.1	1.4	1.5	1.5	2.8	0.4	3.3	3.3	3.5	2.4	6.0	6.0
CIM VI (Urban REIT), LLC	30,218,441	0.8	-3.3	-2.4	-2.1	3.9	-1.2	2.7	2.5	4.2	5.9	10.2	8.9
INVESCO Core Real Estate	151,463,996	0.9	1.2	2.2	2.1	3.9	5.2	9.2	8.9	4.2	7.6	12.1	11.7
Jamestown Premier Property Fund	38,039,287	1.1	-1.1	0.0	-0.3	4.6	2.0	6.7	5.4				
JP Morgan Strategic Property Fund	60,674,059	1.0	1.1	2.2	1.9	4.4	3.8	8.4	7.3	5.1	6.2	11.5	10.5
Lion Industrial Trust - 2007	54,381,274	1.3	2.7	4.0	3.7	5.7	8.9	14.9	13.5				
Prime Property Fund	52,180,808	1.1	1.6	2.7	2.4	4.4	5.9	10.4	9.2				
Principal U.S. Property Account	54,755,920	1.1	1.6	2.8	2.5	5.0	4.9	10.1	9.0				
Core	508,107,743	1.0	1.0	2.0	1.9	4.3	4.3	8.7	8.0	4.4	6.7	11.3	10.6
Timber													
Hancock Timberland XI	21,013,352	-0.1	4.3	4.2	4.0	-0.9	4.4	3.5	2.6	-0.7	5.4	4.7	3.9
Timber	21,013,352	-0.1	4.3	4.2	4.0	-0.9	4.4	3.5	2.6	-0.7	6.4	5.6	3.9
Value Added													
Almanac Realty Securities VI	10,452,492	1.9	3.9	5.8	5.6	6.7	8.1	15.2	14.3	7.4	10.0	17.9	16.0
Asana Partners Fund I ²	-86,732												
CBRE Strategic Partners IV ⁴	866,377												
Cornerstone Enhanced Mortgage Fund I	5,410,176	2.3	0.0	2.3	2.0	10.9	0.0	10.9	9.2	10.6	-1.3	9.1	7.8
DRA Growth and Income Fund VII	26,166,250	2.0	5.0	7.1	5.9	10.2	23.3	35.2	28.8	11.8	13.1	26.0	20.8
DRA Growth and Income Fund VIII	21,753,503	2.9	0.4	3.3	2.6	12.1	2.4	14.7	11.8				
Gerrity Retail Fund 2	12,864,593	1.5	0.0	1.5	0.9	13.0	10.5	24.3	20.5				
JP Morgan Alternative Property Fund ⁴	217,551												
Mesa West Real Estate Income Fund III	15,095,781	2.7	-0.2	2.5	2.2	10.5	-0.3	10.2	8.6	11.9	0.2	12.1	9.2
RREEF America REIT III - 1410 ⁴	149,790												
Standard Life Investments European Real Estate Club II	23,274,166	-0.7	-1.5	-2.1	-2.3	1.3	6.8	8.1	7.1				
The Realty Associates Fund IX, L.P.	9,912,166	1.9	-1.2	0.7	0.5	7.7	0.4	8.2	6.6	7.5	6.9	14.8	11.8
The Realty Associates Fund VII, L.P. ⁴	95,880												
Urdang Value Added Fund II	1,385,329	2.1	-0.5	1.6	1.6	7.9	-11.7	-4.5	-4.5	5.0	-3.5	1.4	1.1
Value Added	127,557,322	1.8	0.6	2.4	1.9	8.0	6.1	14.4	12.0	7.9	5.5	13.8	11.5
Total Portfolio													
LACERS	855,293,408	1.0	0.8	1.8	1.5	4.6	3.3	8.1	6.8	5.3	5.4	10.9	9.4
Indices													
NFI-ODCE (Core)		1.1	1.0	2.1	1.9	4.5	4.1	8.8	7.8	4.8	7.0	12.1	11.0
NFI-ODCE + 80 bps (Total Portfolio)				2.3	2.1			9.6	8.6			12.9	11.8
NFI-ODCE + 200 bps (Non-Core Portfolio)				2.6	2.4			10.8	9.8			14.1	13.0
NFI -ODCE + 50 bps (Value Add)				2.2	2.0			9.3	8.3			12.6	11.5
NFI -ODCE + 300 bps (Opportunistic)				2.9	2.6			11.8	10.8			15.1	14.0
NCREIF Timberland Property Index "NTI"		0.7	0.5	1.2		2.6	0.1	2.7		2.7	3.2	6.0	

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

¹ Originally CIM IV. Data shown only reflects performance since the formation of CMCT. Combined, CIM IV/CMCT has achieved a 6.6% net IRR and 1.3x net equity multiple since inception (1Q06).

² Negative market value represents fees owed to manager.

³ INC: Income Return; APP: Appreciation Return; TGRS: Total Gross Return; TNET: Total Net Return. Please refer to Exhibit C for more detailed definitions.

⁴ Liquidating investment.

Returns (%)	Market Value (\$)	5 Year				Inception				TWR Calculation Inception	Net IRR*	Equity Multiple*
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
Core												
Berkshire Multifamily Income Realty Fund	23,576,986					4.6	5.6	10.4	9.5	1Q16	18.2	1.2
CIM Commercial Trust Corporation ("CMCT") ¹	42,816,972					3.5	2.4	6.0	6.0	1Q14	6.1	1.2
CIM VI (Urban REIT), LLC	30,218,441					3.8	7.5	11.4	10.1	3Q12	9.1	1.3
INVESCO Core Real Estate	151,463,996	4.5	7.1	11.8	11.4	5.4	2.7	8.3	7.8	4Q04	7.7	1.9
Jamestown Premier Property Fund	38,039,287					4.6	5.5	10.3	8.3	3Q15	6.9	1.1
JP Morgan Strategic Property Fund	60,674,059	5.2	7.1	12.5	11.4	5.5	2.1	7.7	6.7	4Q05	6.9	2.1
Lion Industrial Trust - 2007	54,381,274					5.7	8.9	14.9	13.5	1Q16	13.6	1.1
Prime Property Fund	52,180,808					4.4	5.9	10.4	9.2	1Q16	9.3	1.1
Principal U.S. Property Account	54,755,920					5.0	5.4	10.6	9.6	4Q15	9.6	1.1
Core	508,107,743	4.6	6.5	11.4	10.6	6.6	1.4	8.0	7.1	1Q89	5.7	1.4
Timber												
Hancock Timberland XI	21,013,352					-0.7	7.5	6.7	5.9	2Q12	5.9	1.2
Timber	21,013,352	6.5	2.3	9.4	7.5	5.4	6.0	11.8	10.4	4Q99	10.7	1.7
Value Added												
Almanac Realty Securities VI	10,452,492					8.9	11.6	21.2	18.5	1Q13	17.8	1.4
Asana Partners Fund I ²	-86,732											
CBRE Strategic Partners IV ⁴	866,377									1Q06	-26.7	0.1
Cornerstone Enhanced Mortgage Fund I	5,410,176					12.5	1.6	14.2	12.3	4Q12	9.6	1.3
DRA Growth and Income Fund VII	26,166,250	12.9	9.0	22.8	18.4	12.9	9.0	22.8	18.4	1Q12	18.6	1.7
DRA Growth and Income Fund VIII	21,753,503					13.2	1.6	14.9	11.9	4Q14	12.5	1.1
Gerrity Retail Fund 2	12,864,593					5.2	8.5	13.8	10.0	4Q15	8.2	1.1
JP Morgan Alternative Property Fund ⁴	217,551									1Q06	-4.3	0.7
Mesa West Real Estate Income Fund III	15,095,781					12.0	0.2	12.2	8.2	4Q13	7.8	1.2
RREEF America REIT III - 1410 ⁴	149,790									1Q06	-2.7	0.8
Standard Life Investments European Real Estate Club II	23,274,166					1.3	6.8	8.1	7.1	1Q16	8.0	1.1
The Realty Associates Fund IX, L.P.	9,912,166	7.5	5.5	13.4	10.7	7.1	6.2	13.7	11.3	3Q10	10.9	1.6
The Realty Associates Fund VII, L.P. ⁴	95,880									4Q05	0.3	1.0
Urdang Value Added Fund II	1,385,329	5.3	1.4	6.8	6.3	4.7	-1.3	3.3	1.7	2Q08	6.3	1.3
Value Added	127,557,322	7.8	5.5	13.6	11.6	7.7	2.0	9.8	7.9	4Q90		
Total Portfolio												
LACERS	855,293,408	5.8	5.8	11.8	10.1	6.3	1.2	7.6	5.9	1Q89		
Indices												
NFI-ODCE (Core)		5.0	6.9	12.2	11.2	7.0	0.4	7.3	6.3	1Q89		
NFI-ODCE + 80 bps (Total Portfolio)				13.0	12.0			8.1	7.1	1Q89		
NFI-ODCE + 200 bps (Non-Core Portfolio)				14.2	13.2			9.5	8.4	4Q90		
NFI -ODCE + 50 bps (Value Add)				12.7	11.7			8.0	6.9	4Q90		
NFI -ODCE + 300 bps (Opportunistic)				15.2	14.2			12.3	11.3	4Q96		
NCREIF Timberland Property Index "NTI"		2.7	4.3	7.1		3.3	3.3	6.7		4Q99		

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

¹ Originally CIM IV. Data shown only reflects performance since the formation o

² Negative market value represents fees owed to manager.

³ INC: Income Return; APP: Appreciation Return; TGRS: Total Gross Return; TNE

⁴ Liquidating investment.

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
Opportunistic													
Apollo CPI Europe I	1,141,915	0.1	-8.6	-8.5	-8.6	-0.4	0.1	-0.3	-0.4	0.4	-6.4	-6.0	-6.4
Bristol Value II, L.P.	10,569,051	0.9	7.7	8.6	8.2	3.5	7.3	11.0	9.1	3.0	7.3	10.5	8.6
Bryanston Retail Opportunity Fund	4,624,529	-0.1	-1.7	-1.7	-1.8	-0.2	-2.3	-2.5	-2.8	0.7	35.8	36.7	35.5
California Smart Growth Fund IV	12,558,755	0.6	1.2	1.8	1.8	3.4	2.5	5.9	5.4	3.7	10.5	14.5	13.4
Canyon Johnson Urban Fund II ²	88,475												
CBRE Strategic Partners UK Fund III ²	217,138												
CIM Real Estate Fund III ¹	13,470,517	9.1	-7.7	1.4	1.0	14.3	-8.5	5.4	4.0	8.4	-1.8	8.2	6.9
CityView LA Urban Fund I	5,918,415	-0.5	2.0	1.5	1.1	11.9	-4.2	7.7	5.8	32.6	3.6	37.2	35.3
Colony Investors VIII	4,024,234	0.3	-8.3	-7.9	-8.3	1.3	-15.1	-13.9	-15.0	1.5	-10.2	-8.7	-10.7
DRA Growth and Income Fund VI	5,063,348	2.7	0.0	2.7	2.0	8.2	2.9	11.3	8.3	6.5	20.8	28.3	20.3
Genesis Workforce Housing Fund II ²	141,811												
Integrated Capital Hospitality Fund	4,826,202	-17.9	-18.6	-36.5	-36.7	-14.6	-18.6	-34.0	-34.6	-3.7	-5.0	-10.3	-11.0
LaSalle Asia Fund II ²	215,570												
Latin America Investors III	6,417,873	-0.3	-8.0	-8.3	-9.5	-4.2	-0.9	-4.9	-6.9	-2.2	-10.6	-12.7	-15.8
Lone Star Fund VII	1,398,467	1.6	-11.6	-10.0	-6.6	11.0	-35.4	-27.3	-21.1	12.6	-10.1	1.2	1.7
Lone Star Real Estate Fund II	2,656,544	1.5	3.7	5.2	5.0	3.3	12.8	16.4	13.8	5.4	31.4	38.0	29.8
Lowe Hospitality Investment Partners ²	94,430												
MacFarlane Urban Real Estate Fund II ¹	10,055,415	-1.3	2.5	1.2	0.0	-1.7	10.9	9.1	4.1	-5.2	1.3	-3.8	-8.2
RECP Fund IV, L.P.	33,548,298	0.5	5.2	5.6	5.0	1.1	5.8	6.9	5.3	1.9	5.3	7.2	5.4
Southern California Smart Growth Fund	1,125,701	13.7	0.0	13.7	13.7	58.8	0.0	58.8	57.8	20.4	10.2	32.8	30.9
Stockbridge Real Estate Fund II	8,587,330	-0.1	3.9	3.8	3.6	-0.1	-4.6	-4.7	-5.5	-1.0	8.2	7.2	6.0
The Buchanan Fund V	3,513,686	1.7	-0.9	0.9	0.6	2.4	17.3	20.1	18.8	3.1	10.2	13.5	12.2
Torchlight Debt Opportunity Fund II	8,373,864	0.1	-5.0	-4.9	-5.0	2.8	-5.0	-2.3	-2.6	4.8	1.7	6.4	5.9
Torchlight Debt Opportunity Fund III	3,556,187	6.7	-2.2	4.5	3.4	10.9	2.8	14.2	10.4	12.9	27.9	43.3	31.9
Torchlight Debt Opportunity Fund IV	26,450,995	2.4	5.3	7.7	4.8	9.2	2.4	11.8	9.8	9.7	2.7	12.6	10.0
Tuckerman Group Residential Income & Value Added Fund	8,758,337	1.4	-0.5	0.9	0.7	5.6	-3.1	2.4	1.5	5.0	-0.4	4.6	3.5
Walton Street Real Estate Fund V	9,536,442	0.3	-1.3	-0.9	-1.3	3.4	-1.3	2.1	0.7	3.6	5.2	8.9	7.5
Walton Street Real Estate Fund VI	11,681,462	0.5	0.6	1.1	0.8	1.8	-7.1	-5.4	-6.6	2.6	4.5	7.2	5.9
Opportunistic	198,614,991	0.7	0.0	0.8	0.1	3.7	-0.7	2.9	1.4	5.0	3.4	8.5	6.4
Non-Core Portfolio (Value Added and Opportunistic)	326,172,313	1.2	0.3	1.4	0.8	5.4	2.0	7.4	5.6	6.1	4.3	10.6	8.4
Total Portfolio													
LACERS	855,293,408	1.0	0.8	1.8	1.5	4.6	3.3	8.1	6.8	5.3	5.4	10.9	9.4
Indices													
NFI-ODCE (Core)		1.1	1.0	2.1	1.9	4.5	4.1	8.8	7.8	4.8	7.0	12.1	11.0
NFI-ODCE + 80 bps (Total Portfolio)				2.3	2.1			9.6	8.6			12.9	11.8
NFI-ODCE + 200 bps (Non-Core Portfolio)				2.6	2.4			10.8	9.8			14.1	13.0
NFI -ODCE + 50 bps (Value Add)				2.2	2.0			9.3	8.3			12.6	11.5
NFI -ODCE + 300 bps (Opportunistic)				2.9	2.6			11.8	10.8			15.1	14.0
NCREIF Timberland Property Index "NTI"		0.7	0.5	1.2		2.6	0.1	2.7		2.7	3.2	6.0	

* 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			
Opportunistic												
Apollo CPI Europe I	1,141,915	0.6	-0.5	0.1	-0.4	0.5	-5.7	-5.2	-7.4	4Q06	-9.6	0.5
Bristol Value II, L.P.	10,569,051					3.7	12.1	16.2	14.2	1Q13	10.3	1.1
Bryanston Retail Opportunity Fund	4,624,529	3.9	35.4	40.0	38.2	8.8	28.0	36.5	32.4	2Q05	79.9	3.3
California Smart Growth Fund IV	12,558,755	3.2	11.8	15.3	14.0	2.2	-1.0	1.2	-1.3	1Q07	2.0	1.1
Canyon Johnson Urban Fund II ²	88,475									3Q05	-10.5	0.4
CBRE Strategic Partners UK Fund III ²	217,138									3Q07	-24.9	0.2
CIM Real Estate Fund III ¹	13,470,517	6.0	3.9	11.2	9.9	-10.6	12.5	1.3	-15.0	1Q09	10.8	1.7
CityView LA Urban Fund I	5,918,415	23.6	1.3	25.1	23.2	4.7	0.5	5.2	-18.5	3Q07	12.0	1.2
Colony Investors VIII	4,024,234	1.4	3.3	4.9	2.3	0.1	-21.5	-21.4	-24.6	4Q07	-12.5	0.4
DRA Growth and Income Fund VI	5,063,348	6.7	13.6	21.0	15.4	9.0	5.2	14.7	9.7	2Q08	11.3	1.7
Genesis Workforce Housing Fund II ²	141,811									2Q07	8.7	1.5
Integrated Capital Hospitality Fund	4,826,202	8.2	4.6	9.8	8.0	8.2	4.5	10.0	7.8	3Q11	6.5	1.3
LaSalle Asia Fund II ²	215,570									4Q05	1.7	1.1
Latin America Investors III	6,417,873	-2.5	-24.1	-26.2	-29.6	-3.4	-8.7	-12.0	-15.8	1Q09	-18.4	0.5
Lone Star Fund VII	1,398,467	25.5	1.6	27.2	21.6	23.3	11.3	37.0	29.9	3Q11	51.0	1.8
Lone Star Real Estate Fund II	2,656,544	10.5	24.3	36.9	28.4	11.5	28.5	42.4	31.8	3Q11	27.8	1.5
Lowe Hospitality Investment Partners ²	94,430									3Q04	-17.6	0.6
MacFarlane Urban Real Estate Fund II ¹	10,055,415	-4.2	7.5	3.8	-0.8	-15.4	9.5	-6.3	-12.6	2Q10	-17.5	0.3
RECP Fund IV, L.P.	33,548,298	1.8	8.6	10.5	8.6	3.8	-9.0	-5.6	-9.9	4Q08	3.2	1.1
Southern California Smart Growth Fund	1,125,701	4.2	8.0	12.3	10.7	3.0	6.5	8.3	7.4	1Q06	-1.8	1.0
Stockbridge Real Estate Fund II	8,587,330	-4.6	18.4	13.2	11.5	-11.2	-12.6	-22.2	-24.7	4Q06	-10.2	0.4
The Buchanan Fund V	3,513,686	3.8	10.3	14.5	13.3	-2.5	1.3	-1.2	-3.0	3Q07	-0.7	1.0
Torchlight Debt Opportunity Fund II	8,373,864	5.4	7.7	13.3	12.6	13.9	-10.1	3.2	1.3	1Q08	-1.8	0.9
Torchlight Debt Opportunity Fund III	3,556,187	12.8	21.1	35.9	26.0	12.3	15.2	28.8	20.5	3Q09	13.7	1.5
Torchlight Debt Opportunity Fund IV	26,450,995					9.7	2.8	12.8	10.2	4Q13	9.9	1.3
Tuckerman Group Residential Income & Value Added Fund	8,758,337	4.7	5.4	10.3	8.8	0.6	3.5	4.6	2.5	4Q04	0.8	1.1
Walton Street Real Estate Fund V	9,536,442	3.2	6.4	9.8	8.3	2.1	-0.6	1.5	-0.5	4Q06	-2.6	0.8
Walton Street Real Estate Fund VI	11,681,462	3.5	6.2	9.9	8.5	-12.9	18.4	1.3	-4.5	3Q09	9.4	1.5
Opportunistic	198,614,991	5.4	5.0	10.6	8.3	4.4	3.0	7.5	3.7	4Q96		
Non-Core Portfolio (Value Added and Opportunistic)	326,172,313	6.3	5.3	11.8	9.6	6.6	2.5	9.2	6.6	4Q90		
Total Portfolio												
LACERS	855,293,408	5.8	5.8	11.8	10.1	6.3	1.2	7.6	5.9	1Q89		
Indices												
NFI-ODCE (Core)		5.0	6.9	12.2	11.2	7.0	0.4	7.3	6.3	1Q89		
NFI-ODCE + 80 bps (Total Portfolio)				13.0	12.0			8.1	7.1	1Q89		
NFI-ODCE + 200 bps (Non-Core Portfolio)				14.2	13.2			9.5	8.4	4Q90		
NFI -ODCE + 50 bps (Value Add)				12.7	11.7			8.0	6.9	4Q90		
NFI -ODCE + 300 bps (Opportunistic)				15.2	14.2			12.3	11.3	4Q96		
NCREIF Timberland Property Index "NTI"		2.7	4.3	7.1		3.3	3.3	6.7		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
Core													
Berkshire Multifamily Income Realty Fund	23,576,986	10.4	9.5										
CIM Commercial Trust Corporation ("CMCT")	42,816,972	3.3	3.3	5.0	5.0	9.7	9.7						
CIM VI (Urban REIT), LLC	30,218,441	2.7	2.5	13.4	11.0	15.0	13.5	6.8	5.4	13.8	13.1		
INVESCO Core Real Estate	151,463,996	9.2	8.9	14.7	14.3	12.4	11.9	14.3	13.8	8.7	8.2	16.9	16.4
Jamestown Premier Property Fund	38,039,287	6.7	5.4	8.5	7.0								
JP Morgan Strategic Property Fund	60,674,059	8.4	7.3	15.2	14.1	11.1	10.1	15.9	14.8	12.1	11.0	15.9	14.8
Lion Industrial Trust - 2007	54,381,274	14.9	13.5										
Prime Property Fund	52,180,808	10.4	9.2										
Principal U.S. Property Account	54,755,920	10.1	9.0	3.0	2.8								
Core	508,107,743	8.7	8.0	13.4	12.7	11.8	11.3	13.3	12.5	9.6	8.9	15.6	14.8
Timber													
Hancock Timberland XI	21,013,352	3.5	2.6	5.4	4.6	5.2	4.6	9.9	8.9	8.1	7.6		
Timber	21,013,352	3.5	2.6	5.4	4.5	8.1	4.5	20.9	17.8	9.9	8.9	3.9	4.2
Value Added													
Almanac Realty Securities VI	10,452,492	15.2	14.3	23.5	21.2	15.2	12.8	31.6	26.1				
Asana Partners Fund I	-86,732												
CBRE Strategic Partners IV	866,377												
Cornerstone Enhanced Mortgage Fund I	5,410,176	10.9	9.2	11.1	9.4	5.5	5.0	20.0	16.4	12.8	12.3		
DRA Growth and Income Fund VII	26,166,250	35.2	28.8	22.9	16.2	20.3	17.7	18.7	15.5	17.6	14.3		
DRA Growth and Income Fund VIII	21,753,503	14.7	11.8	16.0	12.9	2.7	2.1						
Gerrity Retail Fund 2	12,864,593	24.3	20.5	-5.4	-6.6								
JP Morgan Alternative Property Fund	217,551												
Mesa West Real Estate Income Fund III*	15,095,781	10.2	8.6	13.0	10.2	13.3	8.7	3.2	-0.6				
RREEF America REIT III - 1410	149,790												
Standard Life Investments European Real Estate Club II	23,274,166	8.1	7.1										
The Realty Associates Fund IX, L.P.	9,912,166	8.2	6.6	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.	95,880												
Urdang Value Added Fund II	1,385,329	-4.5	-4.5	1.7	1.5	7.4	6.8	12.2	11.5	18.8	17.7	27.5	26.2
Value Added	127,557,322	14.4	12.0	14.3	11.5	12.6	10.9	9.5	7.9	17.1	15.6	18.3	16.2
Total Portfolio													
LACERS	855,293,408	8.1	6.8	11.1	9.5	13.7	11.9	13.5	11.4	12.8	11.0	12.6	10.8
Indices													
NFI-ODCE (Core)		8.8	7.8	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)		9.6	8.6	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)		10.8	9.8	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)		9.3	8.3	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)		11.8	10.8	18.0	17.0	15.5	14.5	16.9	15.9	13.9	12.8	19.0	18.0
NCREIF Timberland Index (Timber)		2.7		5.0		10.5		9.7		7.8		1.6	

Returns (%)	Market Value (\$)	2010		2009		2008		2007		2006		2005	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core													
Berkshire Multifamily Income Realty Fund	23,576,986												
CIM Commercial Trust Corporation ("CMCT")	42,816,972												
CIM VI (Urban REIT), LLC	30,218,441												
INVESCO Core Real Estate	151,463,996	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	38,039,287												
JP Morgan Strategic Property Fund	60,674,059	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	54,381,274												
Prime Property Fund	52,180,808												
Principal U.S. Property Account	54,755,920												
Core	508,107,743	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	21,013,352												
Timber	21,013,352	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	10,452,492												
Asana Partners Fund I	-86,732												
CBRE Strategic Partners IV	866,377												
Cornerstone Enhanced Mortgage Fund I	5,410,176												
DRA Growth and Income Fund VII	26,166,250												
DRA Growth and Income Fund VIII	21,753,503												
Gerrity Retail Fund 2	12,864,593												
JP Morgan Alternative Property Fund	217,551												
Mesa West Real Estate Income Fund III*	15,095,781												
RREEF America REIT III - 1410	149,790												
Standard Life Investments European Real Estate Club II	23,274,166												
The Realty Associates Fund IX, L.P.	9,912,166	7.5	6.5										
The Realty Associates Fund VII, L.P.	95,880												
Urdang Value Added Fund II	1,385,329	37.0	33.3	-37.3	-40.0	-12.4	-15.2						
Value Added	127,557,322	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	855,293,408	13.0	10.3	-34.4	-35.9	-22.5	-23.6	14.5	11.3	20.2	17.4	25.4	22.3
Indices													
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
Opportunistic													
Apollo CPI Europe I	1,141,915	-0.3	-0.4	-16.0	-16.4	-0.8	-1.5	0.7	0.1	20.3	19.5	-6.1	-6.8
Bristol Value II, L.P.	10,569,051	11.0	9.1	8.2	6.1	12.4	10.6	35.0	33.0				
Bryanston Retail Opportunity Fund	4,624,529	-2.5	-2.8	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	12,558,755	5.9	5.4	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	88,475												
CBRE Strategic Partners UK Fund III	217,138												
CIM Real Estate Fund III	13,470,517	5.4	4.0	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	5,918,415	7.7	5.8	32.2	30.5	81.4	79.3	10.2	8.3	7.8	5.9	3.9	2.1
Colony Investors VIII	4,024,234	-13.9	-15.0	-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	5,063,348	11.3	8.3	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	141,811												
Integrated Capital Hospitality Fund	4,826,202	-34.0	-34.6	-14.6	-15.2	28.2	27.2	12.1	11.0	96.8	87.9	6.0	2.6
LaSalle Asia Fund II	215,570												
Latin America Investors III	6,417,873	-4.9	-6.9	-30.3	-32.8	0.4	-4.6	-17.9	-22.4	-60.0	-62.6	-32.5	-34.9
Lone Star Fund VII	1,398,467	-27.3	-21.1	-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	2,656,544	16.4	13.8	42.5	32.9	58.3	44.7	30.5	22.3	40.2	30.6	45.3	30.8
Low Hospitality Investment Partners	94,430												
MacFarlane Urban Real Estate Fund II	10,055,415	9.1	4.1	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.	33,548,298	6.9	5.3	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	1,125,701	58.8	57.8	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	8,587,330	-4.7	-5.5	3.9	2.6	24.4	22.8	46.5	43.7	3.2	0.7	7.2	4.2
The Buchanan Fund V	3,513,686	20.1	18.8	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	8,373,864	-2.3	-2.6	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	3,556,187	14.2	10.4	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	26,450,995	11.8	9.8	12.0	9.8	13.9	10.4	3.6	3.0				
Tuckerman Group Residential Income & Value Added Fund	8,758,337	2.4	1.5	5.7	4.5	5.7	4.5	33.9	31.8	6.5	4.5	10.4	7.8
Walton Street Real Estate Fund V	9,536,442	2.1	0.7	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	11,681,462	-5.4	-6.6	13.5	12.2	14.8	13.4	16.0	14.3	12.1	10.4	14.3	12.3
Opportunistic	198,614,991	2.9	1.4	7.2	5.3	15.7	12.9	15.3	12.3	12.5	10.1	8.8	6.5
Non-Core Portfolio (Value Added and Opportunistic)	326,172,313	7.4	5.6	9.7	7.5	14.7	12.3	13.6	11.0	14.0	11.9	11.9	9.6
Total Portfolio													
LACERS	855,293,408	8.1	6.8	11.1	9.5	13.7	11.9	13.5	11.4	12.8	11.0	12.6	10.8
Indices													
NFI-ODCE (Core)		8.8	7.8	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)		9.6	8.6	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)		10.8	9.8	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)		9.3	8.3	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)		11.8	10.8	18.0	17.0	15.5	14.5	16.9	15.9	13.9	12.8	19.0	18.0
NCREIF Timberland Index (Timber)		2.7		5.0		10.5		9.7		7.8		1.6	

Returns (%)	Market Value (\$)	2010		2009		2008		2007		2006		2005	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Opportunistic													
Apollo CPI Europe I	1,141,915	-31.1	-33.8	8.9	4.9	-41.4	-43.5	17.4	11.0	18.5	14.7		
Bristol Value II, L.P.	10,569,051												
Bryanston Retail Opportunity Fund	4,624,529	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	12,558,755	20.1	17.0	-34.6	-38.0	-46.3	-48.6	3.0	-2.5				
Canyon Johnson Urban Fund II	88,475												
CBRE Strategic Partners UK Fund III	217,138												
CIM Real Estate Fund III	13,470,517	15.3	-13.8	-53.5	-83.5	-117.3	-113.8						
CityView LA Urban Fund I	5,918,415	-0.1	-32.6	-9.9	-49.6	-35.1	-72.3	-13.0	-47.7				
Colony Investors VIII	4,024,234	24.6	20.3	-11.9	-19.0	-90.8	-91.6	15.9	12.2				
DRA Growth and Income Fund VI	5,063,348	15.9	11.1	-10.2	-14.7	-6.9	-10.3						
Genesis Workforce Housing Fund II	141,811												
Integrated Capital Hospitality Fund	4,826,202												
LaSalle Asia Fund II	215,570												
Latin America Investors III	6,417,873	20.8	15.3	100.5	93.8								
Lone Star Fund VII	1,398,467												
Lone Star Real Estate Fund II	2,656,544												
Low Hospitality Investment Partners	94,430												
MacFarlane Urban Real Estate Fund II	10,055,415	-95.2	-93.8	-110.0	-109.6	14.4	0.0						
RECP Fund IV, L.P.	33,548,298	12.5	4.3	-45.6	-54.8	-40.0	-40.0						
Southern California Smart Growth Fund	1,125,701	-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	8,587,330	21.8	16.8	-86.3	-86.8	-83.4	-84.0	-27.9	-31.9	91.0	80.1		
The Buchanan Fund V	3,513,686	8.1	6.3	-45.9	-48.2	-30.5	-33.0	1.1	-1.1				
Torchlight Debt Opportunity Fund II	8,373,864	41.4	36.1	29.9	23.6	-68.7	-69.7						
Torchlight Debt Opportunity Fund III	3,556,187	12.7	2.8	26.4	22.7								
Torchlight Debt Opportunity Fund IV	26,450,995												
Tuckerman Group Residential Income & Value Added Fund	8,758,337	27.6	23.6	-43.7	-45.7	-13.5	-15.4	9.6	7.1	15.8	13.0	22.7	20.2
Walton Street Real Estate Fund V	9,536,442	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	11,681,462	173.3	162.1	-78.1	-84.0								
Opportunistic	198,614,991	17.1	12.6	-39.0	-41.6	-36.6	-39.2	10.6	4.6	31.4	24.5	32.0	25.2
Non-Core Portfolio (Value Added and Opportunistic)	326,172,313	12.2	8.5	-38.8	-40.7	-30.0	-31.3	14.2	10.0	21.1	17.1	28.9	24.2
Total Portfolio													
LACERS	855,293,408	13.0	10.3	-34.4	-35.9	-22.5	-23.6	14.5	11.3	20.2	17.4	25.4	22.3
Indices													
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 (%)
Core									
Berkshire Multifamily Income Realty Fund	23,061,941	0	169,947	0	262,608	49,174	471,558	23,576,986	47.1
CIM Commercial Trust Corporation ("CMCT")	42,558,791	0	395,308	0	46,668	0	606,821	42,816,972	32.1
CIM VI (Urban REIT), LLC	31,091,935	0	234,216	0	255,757	-119,106	-1,014,141	30,218,441	21.5
INVESCO Core Real Estate	148,358,499	1,241,857	1,250,335	0	1,396,401	131,339	1,848,913	151,463,996	26.3
Jamestown Premier Property Fund	38,469,598	57,703	387,769	0	428,640	90,515	-438,370	38,039,287	39.2
JP Morgan Strategic Property Fund	59,536,802	0	0	0	615,688	145,170	666,740	60,674,059	26.0
Lion Industrial Trust - 2007	52,858,332	0	432,348	0	706,856	173,368	1,421,802	54,381,274	36.1
Prime Property Fund	51,453,082	0	508,164	0	557,437	144,578	823,031	52,180,808	16.9
Principal U.S. Property Account	53,414,364	0	0	0	611,437	129,136	859,256	54,755,920	21.3
Core	500,803,344	1,299,560	3,378,087	0	4,881,492	744,174	5,245,610	508,107,743	28.8
Timber									
Hancock Timberland XI	20,376,904	0	170,027	0	-17,703	44,665	868,843	21,013,352	0.0
Timber	20,376,904	0	170,027	0	-17,703	44,665	868,843	21,013,352	0.0
Value Added									
Almanac Realty Securities VI	11,012,787	62,001	270,045	947,312	203,406	20,222	411,877	10,452,492	40.0
Asana Partners Fund I	-278,735	0	0	0	118,426	0	73,578	-86,732	99.9
CBRE Strategic Partners IV	1,426,993	0	0	0	2,310	0	-562,926	866,377	0.0
Cornerstone Enhanced Mortgage Fund I	6,016,939	0	715,196	0	128,455	20,022	0	5,410,176	39.0
DRA Growth and Income Fund VII	25,659,327	625,000	635,701	983,627	515,732	308,151	1,293,670	26,166,250	60.3
DRA Growth and Income Fund VIII	22,203,645	0	441,682	567,883	618,906	151,152	91,669	21,753,503	64.9
Gerrity Retail Fund 2	9,624,656	3,303,003	165,898	0	175,916	68,750	-4,335	12,864,593	60.0
JP Morgan Alternative Property Fund	239,668	0	29,175	0	-3,841	0	10,899	217,551	70.6
Mesa West Real Estate Income Fund III	18,047,160	0	0	3,322,480	457,636	59,386	-27,149	15,095,781	60.2
RREEF America REIT III - 1410	150,321	0	0	0	52	582	0	149,790	0.0
Standard Life Investments European Real Estate Club II	23,152,941	672,400	0	0	-154,541	50,016	-346,619	23,274,166	41.0
The Realty Associates Fund IX, L.P.	10,531,881	0	673,341	0	195,282	19,135	-122,521	9,912,166	40.8
The Realty Associates Fund VII, L.P.	95,189	0	0	0	691	0	0	95,880	0.0
Urdang Value Added Fund II	1,561,231	0	0	200,637	32,871	0	-8,136	1,385,329	58.0
Value Added	129,444,003	4,662,404	2,931,038	6,021,939	2,291,301	697,416	810,007	127,557,322	55.3
Total Portfolio									
LACERS	853,390,267	6,980,075	10,153,119	7,685,578	8,662,387	2,914,888	7,014,266	855,293,408	36.0

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
Opportunistic									
Apollo CPI Europe I	1,930,982	0	0	629,663	1,383	936	-159,851	1,141,915	28.7
Bristol Value II, L.P.	9,054,938	794,284	48,508	0	88,443	41,153	721,047	10,569,051	31.0
Bryanston Retail Opportunity Fund	4,711,153	0	0	0	-2,511	4,230	-79,883	4,624,529	66.7
California Smart Growth Fund IV	12,339,545	0	0	0	76,403	0	142,807	12,558,755	29.0
Canyon Johnson Urban Fund II	179,205	0	0	95,000	-1,153	0	5,423	88,475	0.0
CBRE Strategic Partners UK Fund III	235,494	0	0	0	-6,981	0	-11,375	217,138	0.0
CIM Real Estate Fund III	14,479,600	0	1,151,782	0	1,274,929	49,416	-1,082,814	13,470,517	17.7
CityView LA Urban Fund I	6,475,044	28,367	653,333	0	-33,691	28,367	130,395	5,918,415	0.0
Colony Investors VIII	5,104,308	0	0	667,874	16,100	15,700	-412,600	4,024,234	0.0
DRA Growth and Income Fund VI	5,118,878	0	156,000	0	136,812	36,342	0	5,063,348	68.0
Genesis Workforce Housing Fund II	141,793	0	0	0	-3,859	0	3,877	141,811	0.0
Integrated Capital Hospitality Fund	7,629,280	0	0	0	-1,367,493	15,762	-1,419,823	4,826,202	47.8
LaSalle Asia Fund II	218,110	0	0	0	-1,404	0	-1,136	215,570	0.0
Latin America Investors III	7,090,585	0	0	0	-22,225	84,754	-565,733	6,417,873	24.8
Lone Star Fund VII	1,934,100	0	421,377	0	27,693	-58,498	-200,446	1,398,467	70.6
Lone Star Real Estate Fund II	2,808,733	0	94,525	195,946	42,608	5,059	100,732	2,656,544	28.2
Lowe Hospitality Investment Partners	241,685	0	77,073	75,156	4,974	0	0	94,430	0.0
MacFarlane Urban Real Estate Fund II	10,053,579	0	0	0	-126,844	118,882	247,561	10,055,415	40.4
RECP Fund IV, L.P.	31,823,586	195,460	64,352	0	145,140	195,460	1,643,924	33,548,298	28.4
Southern California Smart Growth Fund	990,003	0	0	0	135,698	0	0	1,125,701	69.6
Stockbridge Real Estate Fund II	8,290,602	0	0	0	-5,360	18,336	320,424	8,587,330	61.8
The Buchanan Fund V	3,492,631	0	0	0	60,630	9,566	-30,008	3,513,686	21.9
Torchlight Debt Opportunity Fund II	8,811,213	0	0	0	10,418	7,050	-440,717	8,373,864	21.5
Torchlight Debt Opportunity Fund III	3,438,201	0	0	0	230,205	37,068	-75,151	3,556,187	0.0
Torchlight Debt Opportunity Fund IV	25,614,609	0	380,649	0	610,370	729,017	1,335,682	26,450,995	7.0
Tuckerman Group Residential Income & Value Added Fund	8,697,107	0	0	0	123,134	19,229	-42,675	8,758,337	56.5
UrbanAmerica II	-14,916	0	0	0	0	0	14,916	0	0.0
Walton Street Real Estate Fund V	10,289,990	0	626,368	0	33,458	35,680	-124,958	9,536,442	45.6
Walton Street Real Estate Fund VI	11,585,978	0	0	0	60,420	35,124	70,188	11,681,462	51.6
Opportunistic	202,766,016	1,018,111	3,673,967	1,663,639	1,507,297	1,428,633	89,806	198,614,991	37.2
Non-Core Portfolio (Value Added and Opportunistic)	332,210,019	5,680,515	6,605,005	7,685,578	3,798,598	2,126,049	899,813	326,172,313	45.8
Total Portfolio									
LACERS	853,390,267	6,980,075	10,153,119	7,685,578	8,662,387	2,914,888	7,014,266	855,293,408	36.0

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core						
Berkshire Multifamily Income Realty Fund	100.0	-	-	-	-	-
CIM Commercial Trust Corporation ("CMCT")	7.8	83.1	-	-	6.8	2.4
CIM VI (Urban REIT), LLC	56.7	26.4	-	16.9	-	-
INVESCO Core Real Estate	31.0	34.5	13.5	21.0	-	-
Jamestown Premier Property Fund	-	67.6	-	19.6	-	12.7
JP Morgan Strategic Property Fund	21.5	41.5	10.2	26.2	-	0.7
Lion Industrial Trust - 2007	-	-	100.0	-	-	-
Prime Property Fund	25.8	34.2	14.3	16.6	-	9.1
Principal U.S. Property Account	10.5	43.6	21.3	16.6	1.3	6.7
Core	24.2	35.4	22.5	14.9	0.6	2.4
Timber						
Hancock Timberland XI	-	-	-	-	-	100.0
Timber	-	-	-	-	-	100.0
Value Added						
Almanac Realty Securities VI	28.4	12.7	1.6	7.9	46.9	2.5
Asana Partners Fund I	6.4	-	-	93.6	-	-
CBRE Strategic Partners IV	-	-	-	100.0	-	-
Cornerstone Enhanced Mortgage Fund I	-	54.4	-	-	45.6	-
DRA Growth and Income Fund VII	25.1	23.7	35.2	16.0	-	-
DRA Growth and Income Fund VIII	11.6	22.9	13.2	52.3	-	-
Gerrity Retail Fund 2	-	-	-	100.0	-	-
JP Morgan Alternative Property Fund	-	-	-	-	-	-
Mesa West Real Estate Income Fund III	31.4	56.9	2.0	2.0	7.6	-
RREEF America REIT III - 1410	-	-	-	-	-	-
Standard Life Investments European Real Estate Club II	-	45.2	34.9	19.9	-	-
The Realty Associates Fund IX, L.P.	26.8	35.2	27.2	3.9	6.9	-
The Realty Associates Fund VII, L.P.	-	-	-	-	-	-
Urdang Value Added Fund II	3.7	91.6	0.3	-	-	4.4
Value Added	15.3	29.1	18.1	30.4	6.9	0.2
Total Portfolio						
LACERS	21.5	30.8	17.4	15.6	4.1	10.6
Indices						
NFI-ODCE	24.3	36.9	14.7	20.2	0.7	3.2

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Opportunistic						
Apollo CPI Europe I	6.9	82.5	-	10.6	-	-
Bristol Value II, L.P.	15.1	56.0	20.2	-	-	8.7
Bryanston Retail Opportunity Fund	-	-	-	100.0	-	-
California Smart Growth Fund IV	22.6	-	14.2	0.3	42.1	20.7
Canyon Johnson Urban Fund II	-	-	-	2.9	97.1	-
CBRE Strategic Partners UK Fund III	-	-	-	-	-	-
CIM Real Estate Fund III	18.7	3.4	-	14.1	6.7	57.2
CityView LA Urban Fund I	100.0	-	-	-	-	-
Colony Investors VIII	-	-	-	-	-	100.0
DRA Growth and Income Fund VI	-	61.8	-	38.2	-	-
Genesis Workforce Housing Fund II	-	-	-	-	-	-
Integrated Capital Hospitality Fund	-	-	-	-	100.0	-
LaSalle Asia Fund II	-	-	-	-	-	-
Latin America Investors III	-	8.2	-	-	-	91.8
Lone Star Fund VII	-	-	-	-	-	100.0
Lone Star Real Estate Fund II	-	46.9	0.7	5.0	11.1	36.3
Lowe Hospitality Investment Partners	-	-	-	-	-	-
MacFarlane Urban Real Estate Fund II	33.4	62.3	-	-	-	4.3
RECP Fund IV, L.P.	22.8	8.6	4.3	-	10.0	54.3
Southern California Smart Growth Fund	-	-	100.0	-	-	-
Stockbridge Real Estate Fund II	-	63.7	-	-	-	36.3
The Buchanan Fund V	86.6	13.4	-	-	-	-
Torchlight Debt Opportunity Fund II	1.5	87.8	6.6	2.7	1.0	0.3
Torchlight Debt Opportunity Fund III	11.6	52.0	3.2	22.5	5.4	5.3
Torchlight Debt Opportunity Fund IV	29.6	17.0	9.5	18.0	17.5	8.3
Tuckerman Group Residential Income & Value Added Fund	100.0	-	-	-	-	-
Walton Street Real Estate Fund V	-	12.3	-	1.4	41.4	44.9
Walton Street Real Estate Fund VI	0.4	14.9	-	10.8	7.8	66.1
Opportunistic	20.5	22.5	4.3	8.2	12.1	32.3
Non-Core Portfolio (Value Added and Opportunistic)	18.3	25.3	10.2	17.8	9.9	18.5
Total Portfolio						
LACERS	21.5	30.8	17.4	15.6	4.1	10.6
Indices						
NFI-ODCE	24.3	36.9	14.7	20.2	0.7	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	5.8	9.9	11.6	-	26.2	16.3	8.6	21.5	-	-
CIM Commercial Trust Corporation ("CMCT")	4.0	34.5	-	-	-	8.5	-	53.0	-	-
CIM VI (Urban REIT), LLC	48.1	11.8	-	-	-	30.8	-	9.3	-	-
INVESCO Core Real Estate	16.4	9.3	3.9	1.4	1.9	14.2	11.1	41.9	-	-
Jamestown Premier Property Fund	49.7	20.3	-	-	2.4	-	-	27.5	-	-
JP Morgan Strategic Property Fund	22.8	7.9	5.0	0.1	5.8	16.7	2.8	38.8	-	-
Lion Industrial Trust - 2007	18.5	2.4	7.8	2.9	14.8	17.1	3.0	33.6	-	-
Prime Property Fund	20.3	8.0	9.5	2.1	13.0	9.2	3.2	34.6	-	-
Principal U.S. Property Account	14.9	6.9	5.3	2.0	9.1	15.9	9.5	36.5	-	-
Core	20.2	10.7	4.8	1.2	6.8	14.1	5.8	36.3	-	-
Timber										
Hancock Timberland XI	-	-	-	-	-	-	-	21.4	64.5	14.0
Timber	-	-	-	-	-	-	-	21.4	64.5	14.0
Value Added										
Almanac Realty Securities VI	-	-	-	-	-	-	-	-	100.0	-
Asana Partners Fund I	-	42.4	-	-	43.1	14.5	-	-	-	-
CBRE Strategic Partners IV	-	-	-	-	100.0	-	-	-	-	-
Cornerstone Enhanced Mortgage Fund I	34.0	25.3	-	-	-	-	20.4	20.3	-	-
DRA Growth and Income Fund VII	-	6.2	2.1	8.1	22.8	33.0	8.1	19.7	-	-
DRA Growth and Income Fund VIII	1.0	10.3	32.8	11.1	18.4	11.0	1.8	13.6	-	-
Gerrity Retail Fund 2	-	-	-	-	-	-	-	100.0	-	-
JP Morgan Alternative Property Fund	-	-	-	-	-	-	-	-	-	-
Mesa West Real Estate Income Fund III	18.3	16.2	7.0	0.9	11.9	14.4	13.7	17.7	-	-
RREEF America REIT III - 1410	-	-	-	-	-	-	-	-	-	-
Standard Life Investments European Real Estate Club II	-	-	-	-	-	-	-	-	-	100.0
The Realty Associates Fund IX, L.P.	3.7	11.2	13.6	1.9	24.7	13.8	5.8	25.4	-	-
The Realty Associates Fund VII, L.P.	-	-	-	-	-	-	-	-	-	-
Urdang Value Added Fund II	0.3	3.7	-	-	-	91.6	-	4.4	-	-
Value Added	3.9	9.4	7.8	3.6	14.4	12.4	4.8	20.1	7.1	16.5
Total Portfolio										
LACERS	16.7	10.9	4.6	1.4	7.7	11.0	5.0	29.9	7.0	5.7
Indices										
NFI-ODCE	21.1	9.5	8.4	1.4	9.2	9.9	5.0	35.5	-	-

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.	29.5	-	-	-	61.8	-	8.7	-	-	-
Bryanston Retail Opportunity Fund	17.1	0.0	9.5	0.2	1.8	11.4	13.3	46.7	-	-
California Smart Growth Fund IV	-	-	-	-	-	-	-	100.0	-	-
Canyon Johnson Urban Fund II	0.7	97.1	-	-	-	2.2	-	-	-	-
CBRE Strategic Partners UK Fund III	-	-	-	-	-	-	-	-	-	-
CIM Real Estate Fund III	42.8	2.3	15.5	-	15.2	0.1	4.2	19.6	-	0.3
CityView LA Urban Fund I	-	-	-	-	-	-	-	100.0	-	-
Colony Investors VIII	-	-	-	-	-	-	-	22.0	-	78.0
DRA Growth and Income Fund VI	41.2	-	-	3.5	20.7	-	34.7	-	-	-
Genesis Workforce Housing Fund II	-	-	-	-	-	-	-	-	-	-
Integrated Capital Hospitality Fund	-	50.9	-	-	37.4	11.7	-	-	-	-
LaSalle Asia Fund II	-	-	-	-	-	-	-	-	-	-
Latin America Investors III	-	-	-	-	-	-	-	-	-	100.0
Lone Star Fund VII	0.2	6.6	0.1	0.0	17.6	1.5	0.1	0.3	71.5	2.1
Lone Star Real Estate Fund II	-	-	-	-	-	-	-	-	82.8	17.2
Lowe Hospitality Investment Partners	-	-	-	-	-	-	-	-	-	-
MacFarlane Urban Real Estate Fund II	-	98.8	-	-	-	-	-	1.2	-	-
RECP Fund IV, L.P.	30.6	21.1	-	-	-	1.0	0.2	21.7	-	25.5
Southern California Smart Growth Fund	-	-	-	-	-	-	-	100.0	-	-
Stockbridge Real Estate Fund II	-	-	-	-	-	-	-	100.0	-	-
The Buchanan Fund V	-	-	-	-	-	86.6	-	13.4	-	-
Torchlight Debt Opportunity Fund II	-	-	-	-	-	-	-	-	100.0	-
Torchlight Debt Opportunity Fund III	-	-	-	-	-	-	-	-	100.0	-
Torchlight Debt Opportunity Fund IV	-	-	-	-	-	-	-	-	100.0	-
Tuckerman Group Residential Income & Value Added Fund	100.0	-	-	-	-	-	-	-	-	-
Walton Street Real Estate Fund V	-	9.5	1.9	0.2	23.7	0.3	22.6	18.5	-	23.3
Walton Street Real Estate Fund VI	40.8	7.9	9.2	0.7	10.1	7.8	3.4	15.4	-	4.6
Opportunistic	18.0	11.7	2.0	0.2	8.2	2.5	3.4	19.9	20.9	13.1
Non-Core Portfolio (Value Added and Opportunistic)	12.0	11.9	4.5	1.6	9.7	6.8	4.0	20.0	15.0	14.5
Total Portfolio										
LACERS	16.7	10.9	4.6	1.4	7.7	11.0	5.0	29.9	7.0	5.7
Indices										
NFI-ODCE	21.1	9.5	8.4	1.4	9.2	9.9	5.0	35.5	-	-

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 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.

Footnotes to Returns (2) Tab

¹ '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.

² Liquidating investment.

Exhibit B: Real Estate Market Update



United States Real Estate Market Update (4Q16)

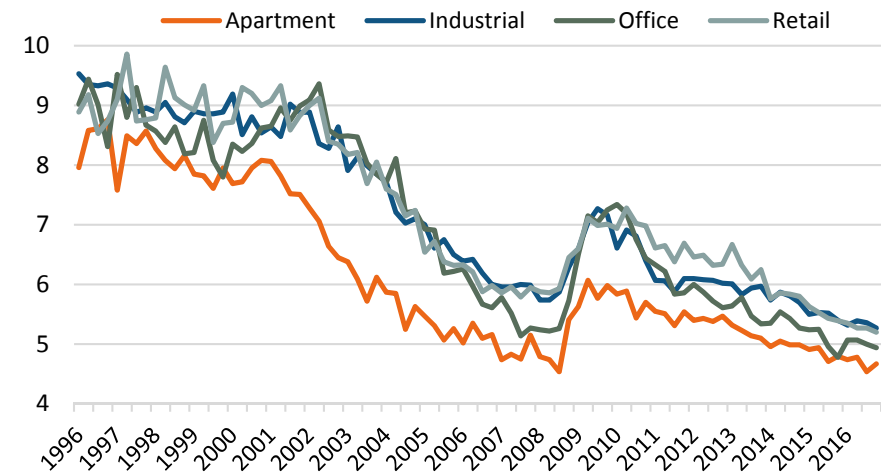
General

- Economic activity decelerated during the Fourth Quarter of 2016 to end the year at an annualized rate of 1.9%, compared to 3.5% in the previous quarter. Compared to 2015, GDP increased 1.6% in 2016. Consumer spending, the only positive contributing factor to the private sector, added 1.84% to annual growth, offset by -0.26% and -0.12% subtractions from business investment and trade, respectively. Business investment, while lackluster in 2016, has seen a positive start to 2017.
- Macro indicators for U.S. real estate remained moderate and consistent during 2016. Non-residential construction increased at the same rate as in 2015 (+8% y/y) while residential housing starts declined (-1% y/y). Building permits, which signal future construction activity, inched a bit during the fourth quarter but essentially remained flat during the year.

Commercial Real Estate

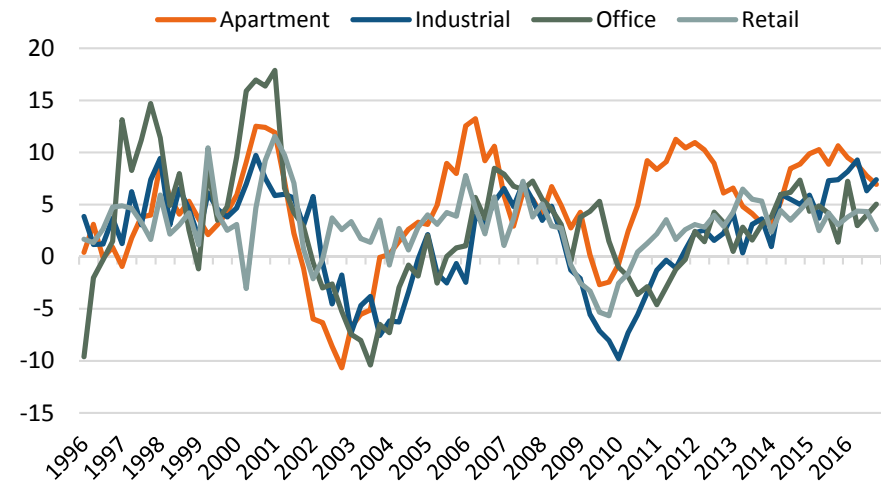
- 2016 witnessed \$285 billion in U.S. commercial real estate transaction volume. This represents 43% of global investment and a 9% decline over 2015. JLL estimates global fundraising slowed in 2016 by -2.7% y/y, with \$245 billion in dry powder globally, \$133 billion of which is North America focused. This possibly indicates difficulty deploying capital.
- CMBS issuances totaled \$25.9 billion in 4Q16. Annual issuances (\$75.8 bn) were down 25% over 2015 levels (\$101 bn). The credit environment in 2016 was cautious, with demand waning and supply remaining tight. The Fed's survey of senior loan officers showed credit standards especially tight for multifamily and development loans, indicating credit selectivity.
- U.S. cities have dominated as real estate investment targets in 2016, with New York and Los Angeles (1st and 3rd respectively) featured in the top five. Of note is Shanghai coming in at 5th globally off the back of a record volumes in 2016.
- Transaction cap rates compressed moderately during 2016 across major sectors. Multifamily experienced a 9 bps compression, while retail saw the largest 12-month change in cap rates (-37 bps). The industrial and office sectors logged 22 bps and 26 bps of cap rate compression over 2016, respectively.

Current Value Cap Rates by Property Type



Source: NCREIF

4-Qtr Rolling NOI Growth by Property Type



Source: NCREIF

United States Property Matrix (4Q16)

INDUSTRIAL

- With fewer expansions, “new to market” tenants increased by 670 bps compared to last quarter. Vacancy rate has declined another 20 basis points to a record low of 5.6%.
- Fourth quarter investment volumes grew 11.0% compared to the third quarter, with 2016 finishing with a total volume of \$46.3 billion, the second highest total since the GFC.
- Single-market-focused portfolios continue to drive transaction volume, representing 70% of primary markets, 44% of secondary markets and 44% of tertiary markets.
- The development pipeline currently consists of 194.0 million SF, putting upward pressure on rental rates and providing tenants with new supply options.
- As of 4Q16, industrial properties returned 3.04% and outperformed the NPI by 131 bps.

MULTIFAMILY

- Investment for the quarter totaled \$44.2 billion, bringing 2016’s total to \$150.3 billion. Multifamily sales are up 4.3% compared to 2015 figures.
- Secondary market activity reached \$52.7 billion, up 8.2% compared to 2015 totals. 2016’s figure represents a record high for secondary market activity.
- Annual rental growth was reported at 3.8% for the fourth quarter. This was the first time annual growth rate dipped below 4.0% since 2014.
- The rate of completions as a percent of inventory was 1.8%, declining 10 bps year-over-year. The national absorptions rate stayed unchanged at 1.6% from third quarter figures, while softening 20 bps from fourth quarter 2015.
- The apartment sector delivered a 1.67% return during the quarter, underperforming the NPI by 6 bps.

OFFICE

- The office segment experienced \$43.2 billion of reported capital markets activity in the fourth quarter of 2016, up 7.4% from the third quarter, and represents the largest quarterly figure of the cycle. This brings YTD volume to \$143.0 billion, 0.6% below prior-year levels.
- Secondary market transactions continued to rise in the fourth quarter reaching \$10.4 billion of transactions, and accounting for nearly 50.0% of deal flow and 39.0% of total 2016 activity.
- The fourth quarter resulted in the lowest level of occupancy growth in 24 months. The tech sector continued to be the primary demand driver representing 24.4% of national leasing activity. Despite this slowdown in leasing activity, construction volumes rose and now stand at a cyclical high of 110.5 million SF.
- Cap rates are beginning to plateau with signs of softening emerging in select secondary markets. 25% of tracked markets experienced softening in 2016. The gap between primary and secondary markets is averaging 111 bps, compared to the long-term average of 75 bps.
- The office sector returned 1.35% in 4Q16, 38 bps below the NPI.

RETAIL

- Year-end retail volumes declined 18.7% to \$64.3 billion. Portfolio volume was a main driver decreasing 33.7% from 2015 totals.
- With secondary markets experiencing rental rates increases, sales growth in secondary markets increased by 26.5% compared to primary markets decrease of 43.9% year-over-year.
- While overall mall transaction volume decreased by 11.0% in 2016, Trophy and Tier 1 assets continue to transact quickly when brought to market.
- Institutional acquisitions grew by 2.2% in 2016, while REITs saw the lowest investment inflow into retail since 2011, slowing by 59.3% from 2015 activity.
- As of 4Q16, the retail sector delivered a quarterly return of 1.65%, underperforming the NPI by 8 bps.

Global Real Estate Market Update (4Q16)

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

Global

- Global investment activity totaled \$661 billion in 2016, 6% (y/y) decrease since 2015. Despite political and economic turbulence that marked the second half of the year, commercial real estate investment dropped only -2% y/y in the last quarter compared to 4Q15.

\$ US Billions	Q3 16	Q4 16	% Change		% Change		2015	2016	% Change
			Q3 16 - Q4 16	Q4 15	Q4 15 - Q4 16	YTD 2015 - YTD 2016			
Americas	77	78	1%	85	-8%	314	285	-9%	
EMEA	55	85	55%	90	-6%	267	246	-8%	
Asia Pacific	33	43	30%	36	19%	123	130	6%	
Total	165	206	25%	211	-2%	704	661	-6%	

Source: Jones Lang LaSalle, January 2017

Europe

- European investment volume was €246 billion during 2016, -8% less than 2015. The decline was driven by the U.K. which saw transaction volume drop substantially in local currency terms. Excluding the U.K., 2016 compares favorably (+5% y/y) to 2015.
- During 2016, the largest markets in Europe performed poorly. The UK made up 24% of transactions and declined -37% y/y. Germany accounted for 21% of transactions and remained flat for 2016. France followed with -4% y/y growth. Sector wise retail and hotel have been the weakest for investment across Europe, declining (-29% y/y).

Asia

- Asia Pacific investment ended 2016 at \$130 billion, a +6% growth rate from 2015, supported by a record year in China and South Korea, and robust growth in Singapore.
- China finished 2016 up 24% y/y to a record \$34.4 billion in investment volume, which grew 48% over 4Q15, with major transactions in Shanghai and Beijing. South Korea experienced \$15.9 billion in turnover, with a few high profile sales including long term leasebacks as some corporations attempt to improve their financial position.
- Transaction volumes in Australia, mainly driven by foreign investment, continued to decline, falling 13% over 2015 to \$5.2 billion with scant transaction activity. Even after a strong performance in the fourth quarter (+25% y/y), due to the completion of several large office and industrial deals, investment in Japan ended the year down 3% compared to 2015.
- Hong Kong recorded \$10.3 billion in investment volume during 2016, a 14% decrease from 2015, although Chinese investor demand for development sites remains very active

Global Outlook - GDP (Real) Growth % pa, 2016-2018

	2016	2017	2018
Global	3.8	3.4	3.6
Asia Pacific	5.0	4.7	4.7
Australia	2.4	2.5	2.7
China	6.7	6.5	6.2
India	7.9	7.8	7.4
Japan	1.0	1.5	1.1
North America	1.6	2.2	2.3
US	1.6	2.1	2.0
MENA*	2.3	2.3	2.7
European Union	1.9	1.7	1.7
France	1.5	1.5	1.5
Germany	1.9	1.8	1.6
UK	2.0	2.0	1.6

*Middle East North Africa

Source: Bloomberg LP, February 2016

Exhibit C: Glossary



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.
Withdrawals:	Cash returned from the investment, representing returns of capital or net sales proceeds.
Ending Market Value:	The value of an investment as determined by actual sales dollars invested and withdrawn plus the effects of appreciation and reinvestment; market value is equal to the ending cumulative balance of the cash flow statement (NAV).
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. This figure represents dollars available for allocation.

Style Groups

<p>The Style Groups consist of returns from commingled funds with similar risk/return investment strategies. Investor portfolios/investments are compared to comparable style groupings.</p>	
<p>Core:</p>	<p>Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).</p>
<p>Value-Added:</p>	<p>Core returning 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 (typically between 40% and 65%).</p>
<p>Opportunistic:</p>	<p>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 (typically between 50% and 65% or higher), distressed properties.</p>

Indices

Stylized Index:	Weights the various style group participants so as to be comparable to the investor portfolio holdings for each period.
Open-End Diversified Core Equity Index (“ODCE”):	A core index that includes only 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 (16 active vehicles). The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.
NCREIF Timberland Index (“NTI”):	National Index comprised of a large pool of individual timber properties owned by institutions for investment purposes.
NCREIF Property Index (“NPI”):	National Property Index comprised of core equity real estate assets owned by institutions.

Performance

Income Return (“INC”):	Net operating income net of debt service before deduction of capital items (e.g., roof replacement, renovations, etc.)
Appreciation Return (“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 Return (“TGRS”):	The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.
Total Net Return (“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 Returns¹:	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.
Net IRR:	IRR after advisory fees, incentive and promote. This includes actual cash flows and a reversion representing the LP Net Assets at market value as of the period end reporting date.
Equity Multiple:	The ratio of Total Value to Paid-in-Capital (TVPIC). It represents the Total Return of the investment to the original investment not taking into consideration the time invested. Total Value is computed by adding the Residual Value and Distributions. It is calculated net of all investment advisory and incentive fees and promote.

¹ Portfolio level returns include historical returns of managers no longer with assets under management. All returns are calculated on a time-weighted basis.

GEOGRAPHIC REGIONS and DIVISIONS

