

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

OPEN SESSION

SUBJECT: Real Estate – Semi-annual Performance Report,
Period Ending March 31, 2011

ITEM NUMBER: 3

CONSENT: _____

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: September 7, 2011 / 45 mins.

INFORMATION: _____

PRESENTER(S): Mike DiRe and Micolyn Magee

POLICY

This item is required and governed under the reporting guidelines of the Real Estate Investment Policy and is a crucial part of the Investment Committee's Annual Work Plan.

BOARD STRATEGIC PLAN GOAL

Goal 4: Ensure a financially sound retirement system

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| <ul style="list-style-type: none">➤ Objective A: Ensure a financially sound retirement system through optimal investment returns. |
|--|

HISTORY OF THE ITEM

On a semi-annual basis, in September and April, the real estate consultant reviews the performance report for the CalSTRS Real Estate Portfolio. This report is critical to the monitoring and oversight responsibility of the Investment Committee.

PURPOSE

The Investment Committee's real estate consultant provides a semi-annual performance report on the asset class. Due to the timing of appraisals and partnership reporting timelines, this report is lagged one quarter to the total fund report. While the report includes the quarterly and annual returns, as a long-term investor coupled with the long-term nature of the asset class, the Investment Committee is encouraged to focus primarily at the three- and five-year results.

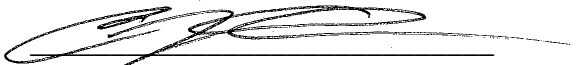
- Micolyn Magee of The Townsend Group will present an oral report highlighting key issues across the CalSTRS Real Estate Portfolio (Portfolio).
- The performance reporting function for the Portfolio has been transferred to State Street Bank's PrivateEdge Group. PrivateEdge prepares the report and can customize it to meet Committee needs. The Townsend Group will highlight and comment on the performance of the Portfolio based on data in the report.

- Ms. Magee will use this opportunity and the Closed Session briefing to alert the Committee of any areas of concern, needed policy revisions, or issues that warrant further review.

RECOMMENDATION

Staff recommends that upon the oral report from Ms. Magee, the Investment Committee receive the report for the record.

Prepared and recommended by:



Christopher J. Ailman
Chief Investment Officer

California State Teachers' Retirement System

Real Estate Report: First Quarter 2011



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CalSTRS Real Estate Report: March 31, 2011

Executive Summary



Executive Summary

As of March 31st, 2011, the California State Teachers' Retirement System ("CalSTRS" or "System") Real Estate Portfolio was just \$255 million below its targeted \$18.5 billion 12% allocation to Real Estate. This is within the allowable range of 9% to 15% of the Total Plan.

While the GFC had significant impact on the real estate portfolio, Staff has actively restructured and de-risked the portfolio in order to minimize future losses and preserve capital. Despite the proactive liquidations, debt pay downs and restructurings, the CalSTRS portfolio has recovered significant value since the market trough.

As of March 31, 2011, the Portfolio was in compliance with style (core/non-core), leverage and diversification policies. Performance for the quarter exceeded the NPI index with a 4.8% net return against the gross index return of 3.4%

For the Three year period ending March 31, 2011 the total portfolio underperformed the NPI index with a -17.0% net return against the gross index return of -3.6%. The three year return continues to be dragged down by the Global Financial Crisis of 2008. CalSTRS exposure to peak market vintages for higher risk/return investment strategies will result in benchmark challenges until market decline periods roll off the three year period and dollar cost averaging allows for newer, stronger vintage year investment strategies to outweigh the impact of underperforming assets.

Benchmark Update

In 2010, CalSTRS revised its Real Estate Policy (“Policy”). The Board approved the NCREIF Open End Diversified Core Equity (“ODCE”) Index for Core strategies and the NCREIF/Townsend Fund Level Indices for Value Added and Opportunistic strategies. The revised strategy also expanded classifications to reflect all holdings as Core, Value Added, Opportunistic and Public to better identify risks assumed across the Total Portfolio.

Staff and Townsend have been working with managers and Private Edge to incorporate the approved performance objectives and benchmark for the System. While implementing the benchmark, however, some prohibitive characteristics were found with the NCREIF/Townsend Fund Level Indices. Specifically, : (1) the availability of timely reports and (2) the addition of new participants resulting in a “floating” index. Discussion of this issue and recommendations for adjustments are under separate cover in an action agenda item.

If approved, CalSTRS will utilize the NCREIF ODCE Index as it’s base index. The ODCE represents the aggregation of 18 open ended core funds with no more than 40% leverage and quarterly valuation methodology. To reflect the risk within the CalSTRS Portfolio, an excess return over the index can be assumed. Based upon historical returns, long term expected returns and market expectations, the following return targets will used as replacement benchmarks which are provided as an alternative performance comparison in this report:

Core	ODCE
Value Add	ODCE + 100 basis points
Opportunistic	ODCE + 300 basis points
Public	EPRA / NAREIT Index
Total Real Estate Portfolio	ODCE + 100 basis points

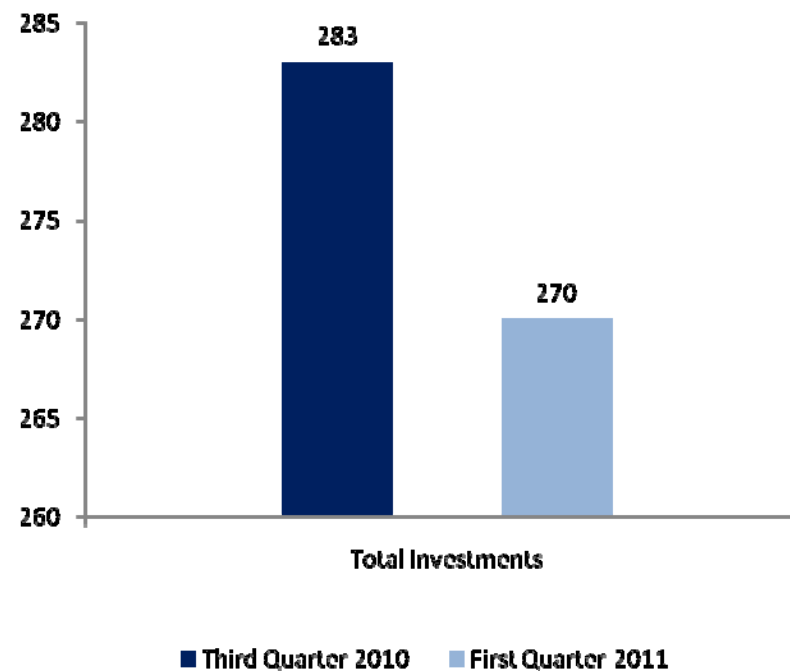
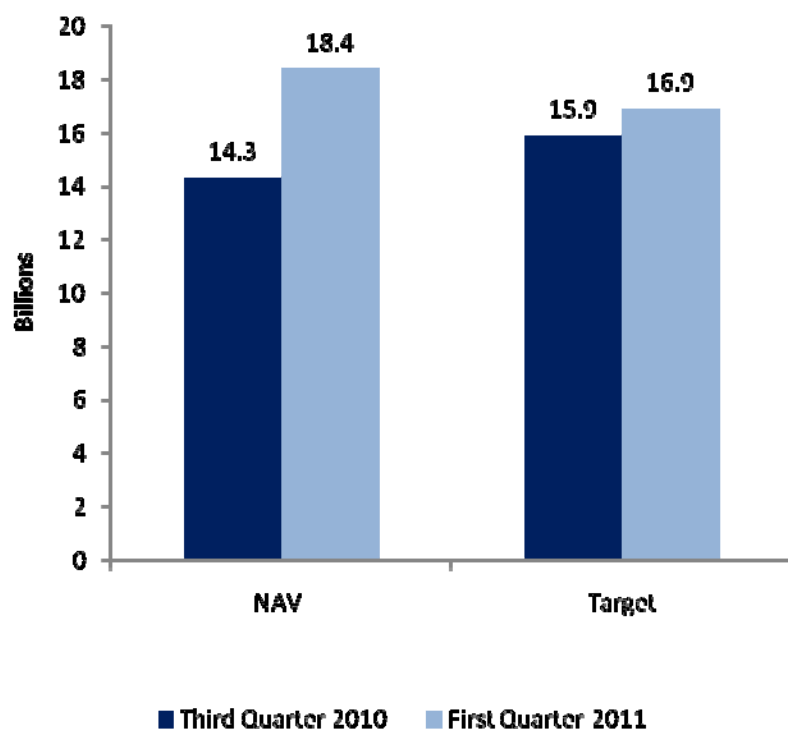
CalSTRS Real Estate Report: March 31, 2011

Portfolio Overview



Portfolio Overview

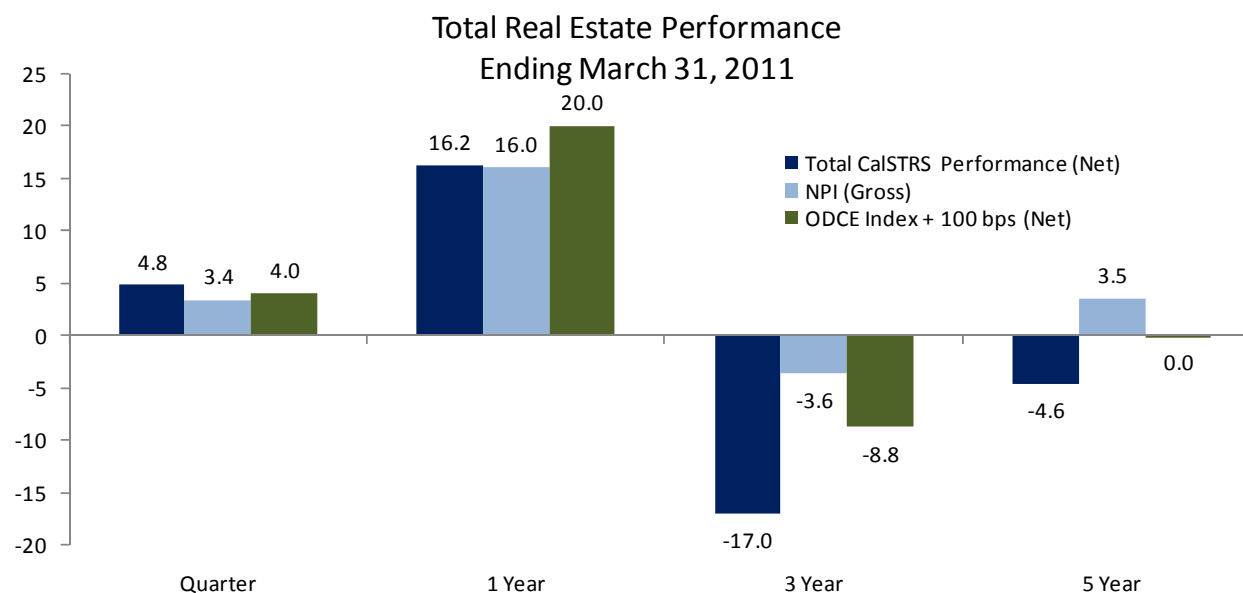
As of March 31, 2011, the System's Real Estate portfolio (the "Portfolio") was valued at \$18.2 billion, 11.8% of the Total Plan compared to \$14.3 billion or 9.9% of the Total Plan as of September 30, 2010.



Portfolio Overview

CalSTRS historic net return objective was to meet or exceed the gross NCREIF Property Index (“NPI”). As of March 31, 2011, the net of fee Portfolio exceeded the gross NPI for the Quarter and One Year time periods but lagged the benchmark over the longer time periods.

The NPI is a core index that primarily consists of stabilized, income producing properties solely in the United States. Approximately 70% of the CalSTRS Portfolio represents Non-Core (Value Add and Opportunistic) strategies. These strategies may contain equity and/or debt, significant redevelopment and/or development and locations in secondary/tertiary US and Non-US markets and are much more likely to underperform in market corrections as demonstrated in 2008.

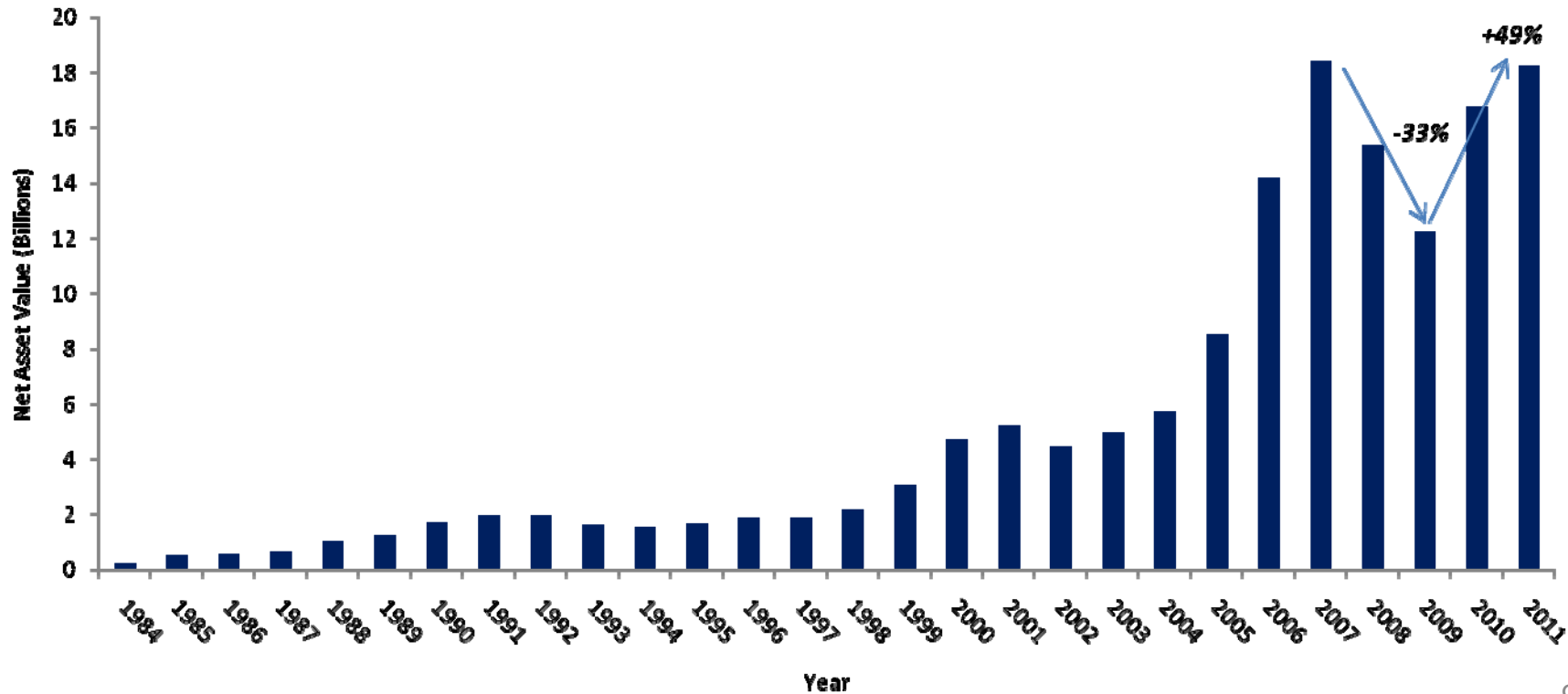


Performance for the ODCE + 100 basis points (net of fees) is also provided for an alternative performance comparison.

Portfolio Overview

The chart below displays the market value for the Real Estate Portfolio as of December 31st of each year since the System's inception. The value displayed for 2011 represents the March 31, 2011 market value of the Real Estate Portfolio. The System's Real Estate market value peaked in 2007, with \$18.4 billion in net asset value. This value declined to \$12.2 billion in 2009, representing a 33% peak-to-trough decline. Since 2009, the Real Estate Portfolio has increased 49% due to a recovery in value, reduction of debt and limited allocations. This growth is net of strategic liquidations.

**Ending Market Value by Year
as of March 31, 2011**



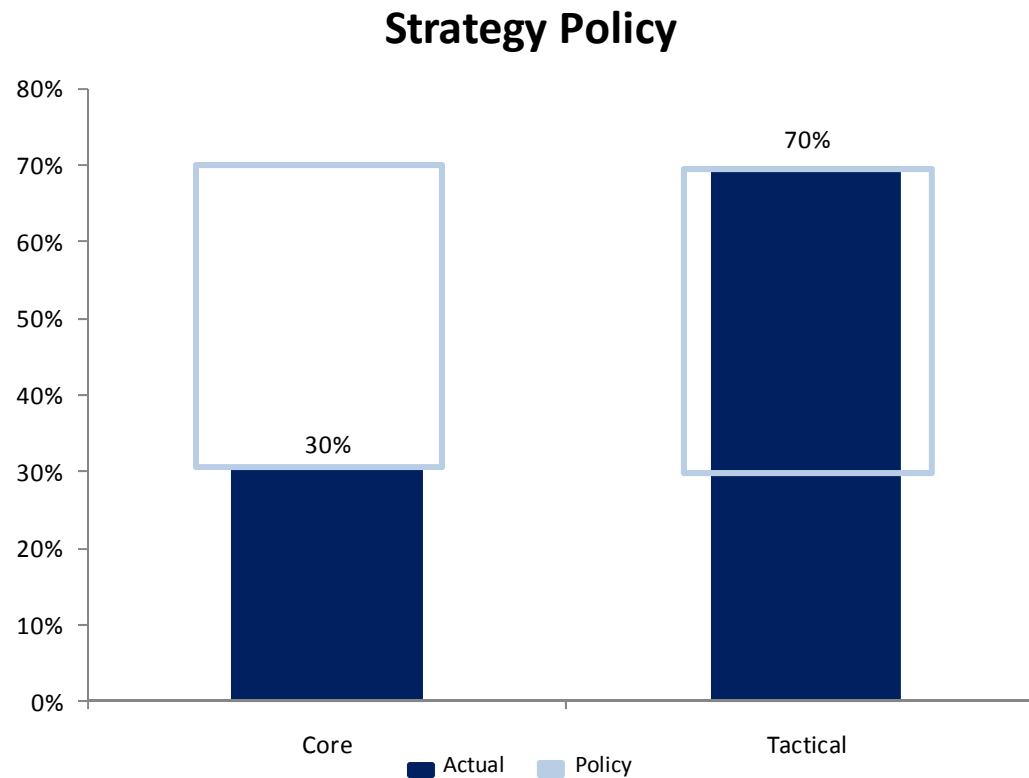
CalSTRS Real Estate Report: March 31, 2011

Policy Compliance



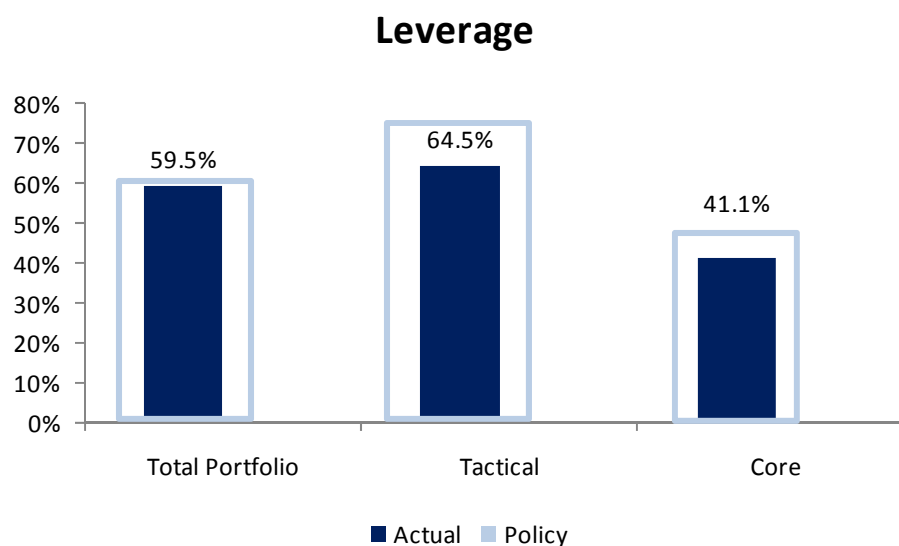
Policy Compliance - Strategy

As of March 31, 2011, the CalSTRS Real Estate Portfolio was valued at \$18.2 billion and was just within its target allocation to both Core and Tactical investments. The CalSTRS Real Estate Policy states that the Core and Tactical Portfolio should comprise between 30% -70% and 30%-70%, of the Total Portfolio, respectively.



Policy Compliance - Leverage

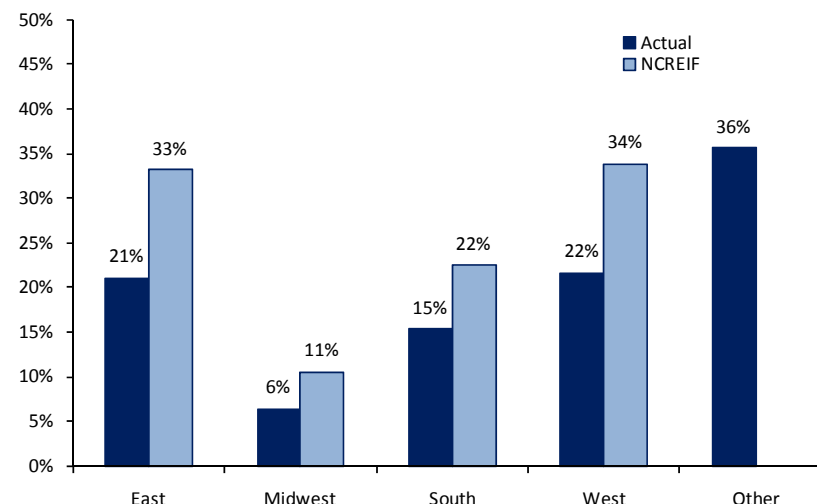
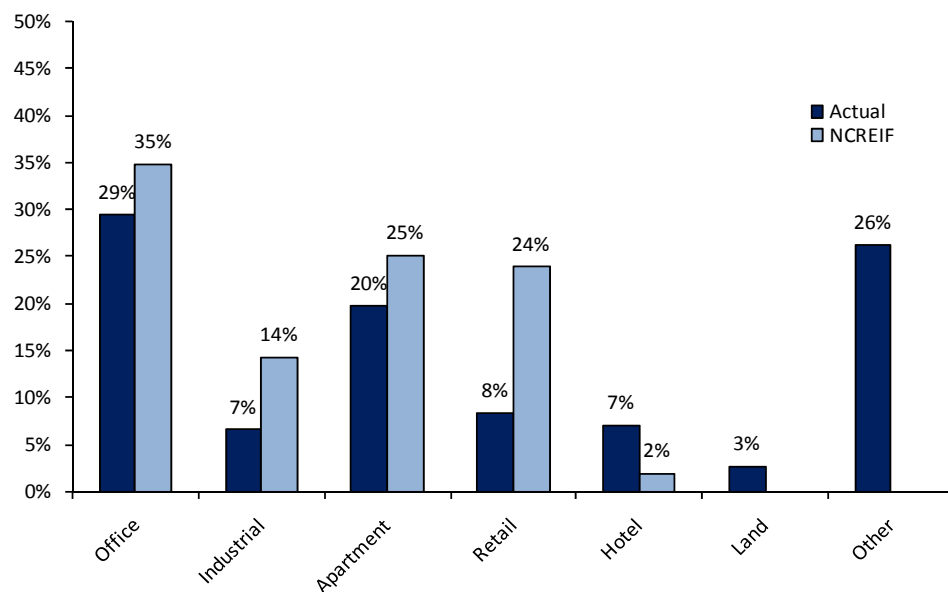
As of March 31, 2011, the CalSTRS Real Estate Portfolio is in compliance of its 60% constraint on leverage at the Total Portfolio Level. This represents a 90 basis point decline from the third quarter of 2010 attributable to a recovery in value and continued deleveraging across the Portfolio. Leverage within the individual Core and Tactical Portfolios remained below established limits stated within the Real Estate Policy. Staff continues to work with its managers to maintain portfolio leverage limits as well as monitor and minimize negative impacts to Portfolio values as a result of near term debt maturities.



Policy Compliance – Diversification

As of March 31, 2011, the CalSTRS Real Estate Portfolio was diversified by both property type and geographic region. The Core portfolio was underweight to Industrial and overweight to the Other property type. Property and geographic diversification is being addressed through allocations to existing asset pools with complementary diversification and targeted portfolio compositions. Specific focus is on increasing industrial and apartment while decreasing land exposures.

Property Type Diversification Geographic Diversification



CalSTRS Real Estate Report: March 31, 2011

Core, Value Added and Opportunistic Portfolio



Core Portfolio

The Core portfolio was valued at \$5.5 billion as of March 31, 2011, an increase of approximately \$1.0 billion from September 30, 2010. The Core Portfolio, net of fees, exceeded the historical and the new benchmarks for the most recent Quarter.

For the three year period ending March 31, 2011 the Core portfolio underperformed the NPI by 310 basis points but exceeded the ODCE by 310 basis points.

Core Portfolio Performance

Time Weighted Returns (Net of Fees), as of March 31, 2011

Manager Name	Market Value	Current Quarter	1 - Year Net	3 - Year Net	5 - Year Net
CB Richard Ellis	1,720.8	4.8%	15.5%	(5.3%)	4.5%
Principal	1,376.6	2.6%	1.1%	(6.8%)	3.8%
Thomas	434.9	2.4%	13.9%	(0.9%)	3.0%
Fairfield	393.4	6.6%	N/A	N/A	N/A
Heitman	362.6	2.1%	17.6%	(4.7%)	3.6%
BlackRock	285.3	9.0%	89.7%	8.1%	8.4%
ING Clarion	179.2	(0.3%)	12.1%	(3.0%)	2.9%
LCOR	153.2	5.4%			
Spaulding & Slye	139.1	6.4%	30.0%	2.8%	8.2%
GID	111.7	4.8%	104.5%	(104.8%)	(117.3%)
Lionstone	83.5	3.7%	(7.5%)	(20.0%)	
Regency	67.1	0.4%	31.8%	(10.7%)	(1.9%)
Prudential	47.9				
Canyon Johnson	46.4	2.0%	(7.9%)	(6.6%)	1.7%
CalSTRS	42.1	11.7%	(5.0%)	3.3%	4.3%
Sarofim	29.0	37.5%	21.2%		
Centerline	7.5	29.4%	66.4%	(26.1%)	
Retail Property	0.0				
Total Core Portfolio	5,480.3	4.2%	12.0%	(6.7%)	2.4%
NPI (Gross)		3.4%	16.0%	(3.6%)	3.5%
ODCE (Net)		4.0%	19.0%	(9.8%)	(1.0%)

¹ Due to Mathematical principals involved in the linking of time weighted returns, time periods with N/A were incalculable.

Value Added Portfolio

As of March 31, 2011, the CalSTRS Value Added Portfolio was valued at approximately \$3.4 billion. The Value Added Portfolio outperformed the NPI, gross of fees (and the ODCE + 100 basis points, net of fees) over the shorter Quarter and One Year time periods and lagged both market indices over the longer Three and Five Year time periods.

Value Added Portfolio Performance

Time Weighted Returns (Net of Fees), as of March 31, 2011

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	\$ Mil	Net	Net	Net	Net
Pacific Coast Capital	503.4	5.0%	47.4%	(22.9%)	(12.9%)
CB Richard Ellis	438.1	0.2%	(43.7%)	(59.4%)	(39.9%)
Waterton	405.4	11.1%	22.6%	(13.7%)	(2.4%)
Thomas	356.5	11.7%	20.7%	(11.5%)	11.8%
Heitman	353.3	4.7%	24.1%	(7.9%)	2.5%
Vintage	250.5	3.8%	52.1%	0.9%	
Principal	236.7	2.8%	8.2%	(22.8%)	(3.8%)
ING Clarion	231.6	12.0%	44.6%	(0.6%)	
BlackRock	229.4	2.8%	247.5%	(17.0%)	(3.5%)
True North	103.8	1.6%	4.0%	9.4%	
Fairfield	100.6	36.3%	300.9%	(166.5%)	(189.2%)
Hartford	64.6	4.7%	(16.4%)	(25.8%)	
Cross Harbor	63.0	(1.7%)	(8.7%)	(7.9%)	
AVP Advisors	35.7	5.4%	15.5%	(69.2%)	
Canyon Johnson	33.8	15.2%	14.6%	1.2%	
Pacific Waterfront Partners	22.6	20.1%	77.5%	9.6%	10.8%
IDS	1.4	(6.3%)	52.9%		
Page Mill	0.2				
Total Value Added	3,430.4	6.6%	40.7%	(21.8%)	(5.2%)
NPI (Gross)		3.4%	16.0%	(3.6%)	3.5%
ODCE + 100 bps (Net)		4.0%	20.0%	(8.8%)	0.0%

Opportunistic Portfolio

As of March 31, 2011, the CalSTRS Opportunistic Portfolio was valued at \$9.2 billion. The Opportunistic Portfolio outperformed the NPI over the most recent Quarter, but lagged all market indices across all other time periods.

Opportunistic Portfolio Performance

Time Weighted Returns (Net of Fees), as of March 31, 2011

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	\$ Mil	Net	Net	Net	Net
Fortress	1,450.7	10.8%	25.3%	(6.4%)	(3.5%)
Lone Star	685.7	0.9%	5.0%	(2.2%)	8.6%
GI Partners	669.7	5.8%	24.5%	5.2%	8.6%
Morgan Stanley	549.8	4.9%	10.9%	(39.6%)	(16.1%)
CB Richard Ellis	456.3	1.1%	(30.8%)	(43.4%)	(25.0%)
Beacon Capital	449.9	10.5%	25.4%	(21.4%)	(3.4%)
Starwood	412.7	2.7%	12.4%	(3.0%)	15.4%
Macquarie	348.1	3.6%	46.8%	(19.0%)	(5.1%)
RLJ Partners	314.7	1.2%	6.5%	2.4%	15.3%
CIM	313.8	0.2%	12.9%	(8.7%)	5.5%
Paladin	300.5	(2.6%)	2.8%	(0.2%)	3.0%
Total Opportunistic	9,234.4	4.5%	10.7%	(20.0%)	(7.1%)
NPI (Gross)		3.4%	16.0%	(3.6%)	3.5%
ODCE + 300 bps (Net)		4.5%	22.0%	(6.8%)	2.0%

Managers listed above represent 64.5% of the Opportunistic Portfolio as of March 31, 2011. Refer to the next slide for details.

Opportunistic Portfolio

Performance (Continued)

Time Weighted Returns (Net of Fees), as of March 31, 2011

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	\$ Mil	Net	Net	Net	Net
Prudential	278.3	5.4%	15.1%	(5.0%)	3.3%
LNR	238.2	0.6%	1.7%	(9.5%)	(5.0%)
Pacific Coast Capital	233.7	11.6%	20.6%	(28.3%)	(16.1%)
Deutsche Bank	221.4	5.2%	8.9%	(16.9%)	(3.0%)
NIAM Nordic	201.5	11.1%	31.8%	6.8%	25.8%
Aetos	169.3	1.9%	(10.4%)	(19.9%)	(9.3%)
Page Mill	156.5	4.8%	14.2%	(14.8%)	
IL & FS	154.5	(6.6%)	(14.3%)	9.7%	
Principal	149.5	(7.4%)	(34.5%)		
Rockpoint	146.9	10.6%	5.7%	(36.9%)	(21.6%)
Canyon Johnson	124.7	1.0%	(2.9%)	(15.0%)	(8.9%)
Warburg Pincus	97.9	1.6%	16.5%	4.1%	
MacFarlane	89.8	24.3%	(21.4%)	(72.4%)	
JAH Capital Management	88.6	(0.4%)	13.5%	(17.2%)	
BlackRock	81.9	(1.7%)	51.0%		
Hawkeye Partners	81.0	5.6%	46.2%		
Grove International	73.7	(2.5%)	(4.1%)	(37.9%)	(20.7%)
JE Roberts	72.5	2.7%	14.2%	(42.0%)	
Stockbridge	71.0	(2.9%)	10.7%	(57.5%)	
Cherokee	66.2	(2.2%)	(133.5%)	(36.3%)	(36.5%)
Thor	63.7	(1.5%)	(0.3%)	(16.0%)	(1.3%)
Mexico Retail	62.9	2.5%	10.9%	(0.5%)	0.3%
Total Opportunistic	9,234.4	4.5%	10.7%	(20.0%)	(7.1%)
NPI (Gross)		3.4%	16.0%	(3.6%)	3.5%
ODCE + 300 bps (Net)		4.5%	22.0%	(6.8%)	2.0%

Time Weighted Returns (Net of Fees), as of March 31, 2011

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	\$ Mil	Net	Net	Net	Net
Lehman Brothers	61.1	5.2%	22.6%	(27.5%)	(11.9%)
Brookfield Homes	59.5	0.2%	(0.5%)	(0.7%)	
Frogmore	49.1	25.6%	14.8%	(49.5%)	
Heitman	46.8	6.4%	(3.9%)	(18.9%)	(8.5%)
Fairfield	36.2	(8.7%)	(110.9%)		
Hearthstone	31.1	3.3%	(22.2%)		
Institutional Housing Partners	31.1	(1.4%)			
LCOR	24.7				
Pacific Waterfront Partners	23.0	0.0%			
Capmark	20.4	10.6%	47.4%	(36.0%)	
Thomas	19.0	(0.8%)	(1.3%)		
Cerberus	18.1	3.1%	113.5%	(14.4%)	(2.7%)
Resmark	11.8	(1.8%)			
AVP Advisors	8.8	(3.9%)	154.6%	(59.5%)	
Pyramid	8.8	61.5%			
Sarofim	4.2	(1.2%)	(64.3%)		
Lazard Freres	2.1	(1.0%)	(5.7%)	(11.5%)	(3.4%)
IDS	0.8				
Lowe	0.4	(0.0%)	(83.4%)	(79.2%)	
Kennedy Associates	0.1				
Moorfield	(12.0)				
Centerline	(86.0)	(5.2%)	N/M	(140.3%)	(150.0%)
Total Opportunistic	9,234.4	4.5%	10.7%	(20.0%)	(7.1%)
NPI (Gross)		3.4%	16.0%	(3.6%)	3.5%
ODCE + 300 bps (Net)		4.5%	22.0%	(6.8%)	2.0%

CalSTRS Real Estate Report: March 31, 2011

Market Overview



Market Overview

- Transaction volume continued to improve through First Quarter of 2011, with sales activity nearly 70% higher than one year earlier but still remaining 50% off peak levels. Sellers listed \$51 billion in new offerings during the First Quarter, the highest level recorded since Third Quarter 2008.¹
- A “flight to quality” continues for core properties in gateway markets. Competition for these assets continues to result in higher pricing. The recovery has been led by the elite markets of New York, Washington and San Francisco, where pricing has recovered 37% since the trough in October 2009. This compares favorably to the market as a whole, where pricing is still down 2%.¹
- In the US, peak-to-trough capital returns for the NPI and the NFI ODCE were -32% and -44%, respectively. Reported value improvements are 9% (US NPI) and 13% (NFI ODCE) through First Quarter 2011, suggesting a market recovery is underway.
- Though reported values are higher than last year, pricing remains well below peak values signaling further room for growth. Real estate assets can be acquired at significant discounts to replacement cost. We estimate an approximate discount to replacement cost of 20% for core assets today, though highly bifurcated by property type and geographic location.
- Thus far, the recovery has been driven by strong capital flows and the stabilization in real estate fundamentals - rather than absolute improvements in net operating income. In 2011, we expect that net operating incomes will rise to help support current pricing. The cap rate compression witnessed in 2010 is unlikely to continue through 2011.
- The assumption of operating risk will again allow for incremental return. This will encourage an increase in non-core investment opportunities, including secondary markets and value creation strategies.
- An increasing trend toward globalization (especially in the emerging markets) will allow investors to benefit from more rapidly expanding economies.
- New investment opportunities will behave differently depending on manager selection, risk strategy, property type exposure and geographic location. Rising tide will not raise all boats, selectivity will be key to success.

¹ Real Capital Analytics; Commercial Property Repeat Sales Price Index.

CalSTRS Real Estate Report: March 31, 2011

Appendices

Vintage Year Detail



Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
2011	235.6	5.4%	5.5%									5.4%	5.5%	4.8%
Core	201.1	5.4%	5.5%									5.4%	5.5%	5.3%
JP Morgan Strategic Property Fund ¹	0.0													
LCOR Residential Assoc Core ²	153.2	5.4%	5.5%									5.4%	5.5%	5.4%
Lion Industrial Trust ³	0.0													
PRISA ⁴	47.9													0.0%
UBS-Trumbull I Property Fund ¹	0.0													
Opportunistic	20.1													0.0%
LCOR Residential Associates LLC Opp ^{1,4}	24.7													0.0%
Lone Star Real Estate Fund II ¹	(4.6)													
Value Added	14.4													0.9%
Fairfield Clairmont II Note ⁴	0.0													0.0%
Fairfield SAF III LLC Note ⁴	0.0													0.6%
PanCal Opportunity LLC - VA ⁴	14.4													0.9%
2010	3,749.7	3.9%	4.1%	16.9%	18.5%							16.9%	18.5%	17.7%
Core	1,898.1	3.9%	4.0%	(11.4%)	(10.4%)							(11.4%)	(10.4%)	1.5%
BlackRock Cal I LLC Core ²	157.4	12.0%	12.3%	152.1%	156.0%							152.1%	156.0%	149.4%
CenterCal LLC Core ²	177.9	8.8%	9.0%	1.7%	2.2%							1.7%	2.2%	1.5%
CNP Investor LLC [*]	(0.0)											10.6%	10.6%	30.0%
Community Retail Dev Fund Core ²	29.0	37.5%	38.2%	21.2%	24.7%							21.2%	24.7%	20.4%
CSFV Funding I LLC	14.7	1.2%	1.2%									3.8%	3.8%	4.3%
Fairfield CHF LLC Core ^{2,5,6}	0.0											N/M	N/M	N/A
Fairfield CHF LLC Core - B ⁷	387.1	4.9%	4.9%									4.9%	4.9%	4.9%
FirstCal Ind 2 Core ⁸	29.9	27.8%	28.8%									127.9%	130.7%	441.6%
FirstCal Ind Core ⁸	36.4	4.0%	4.0%									277.0%	277.7%	N/M
Harvest Park - Knoxville	20.7	(0.6%)	(0.5%)									(39.2%)	(38.6%)	(14.9%)
Hedwig Village I & II - Houston	16.6	2.3%	2.6%									17.0%	17.9%	16.8%
LCOR Excess Company Loan ⁹	0.0													0.0%
P FC 1 Core ⁸	8.5	6.0%	6.1%									17.5%	18.1%	(35.2%)
PanCal Portfolio LLC	603.7	0.9%	1.0%									0.9%	1.0%	1.4%
PanCal Portfolio Note	100.3	0.8%	0.8%									0.8%	0.8%	1.0%
TPG CalSTRS LLC Core ²	294.3	0.6%	0.8%	14.9%	16.4%							14.9%	16.4%	3.3%
UrbanCal LLC Core ²	7.4	6.2%	6.7%	(3.9%)	(2.2%)							(3.9%)	(2.2%)	(3.9%)
ZarCal, LLC Core ^{2,6}	2.1	(942.8%)	(955.0%)	N/M	N/M							N/M	N/M	N/M
ZarCalRes, LLC Core ²	12.2	(31.6%)	(31.4%)	(55.6%)	(55.0%)							(55.6%)	(55.0%)	(43.6%)
ZarCalRes-Preferred Equity ¹⁰	0.0	1.0%	1.0%									1.0%	1.0%	1.4%
Opportunistic	633.9	(2.3%)	(1.8%)	(32.3%)	(30.5%)							(32.3%)	(30.5%)	(20.1%)
BlackRock Cal I LLC Opp ²	81.9	(1.7%)	(1.6%)	51.0%	52.0%							51.0%	52.0%	2.3%
CenterCal LLC Opp ²	43.1	(18.1%)	(18.0%)	(32.2%)	(32.2%)							(32.2%)	(32.2%)	(34.7%)
Community Retail Dev Fund Opp ²	4.2	(1.2%)	(0.5%)	(64.3%)	(63.3%)							(64.3%)	(63.3%)	(63.8%)

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
CSJV FirstCal CAN Opp ^{2,11}	3.3													N/M
CSJV NF ServiceCo LLC	4.0	5.0%	5.0%									0.5%	0.5%	12.8%
Fairfield CHF LLC Opp ²	0.0											(111.4%)	(111.4%)	(39.7%)
Fairfield CHF LLC Opp - B ⁷	32.2	(10.3%)	(10.3%)									(10.3%)	(10.3%)	(10.3%)
FCO MA II LP RE	94.1	4.5%	5.9%									35.4%	46.3%	29.2%
FirstCal Ind 2 Opp ^{5,8}	0.4	(10.1%)	(9.7%)									(10.1%)	(9.7%)	N/A
FirstCal Ind 3 Opp ⁸	36.6	19.7%	20.2%									(17.0%)	(16.5%)	29.1%
FirstCal Ind Opp ⁸	38.7	(0.6%)	(0.3%)									36.5%	37.0%	48.7%
Fortress Credit Opportunity Fund II A LP	3.7	9.3%	12.0%									18.9%	24.7%	27.0%
Fortress Florida Pref Fund LP	26.5	5.0%	5.0%	20.1%	20.1%							20.1%	20.1%	20.2%
Hearthstone III Default Loan	0.6	1.9%	1.9%	8.2%	8.2%							8.2%	8.2%	8.2%
IDS Realty JV LLC Opp ²	0.0											10.1%	9.3%	(13.6%)
IHP Capital Partners VI LLC	31.1	(1.4%)	(0.1%)									(5.0%)	(2.3%)	(7.7%)
Metro Fund II LLC [*]	0.0											(0.0%)	(0.0%)	(0.0%)
Metro Fund LLC Opp ^{2,6}	56.0	(26.0%)	(25.5%)	N/M	N/M							N/M	N/M	(96.7%)
P FC 1 Opportunistic ⁸	0.2													(150.4%)
P FC 3 Opportunistic ⁸	8.6	(3.4%)	(3.3%)									(8.3%)	(8.2%)	(60.7%)
PacificCal II LLC Opp ²	13.4	33.0%	34.0%	63.1%	66.1%							63.1%	66.1%	64.8%
PacificCal LLC Opp ²	8.0	(100.5%)	(99.3%)	(100.3%)	(99.6%)							(100.3%)	(99.6%)	(99.1%)
PHF II HRO C MEZZ ¹²	0.0													(100.0%)
Piazza Del Sol - Laredo	22.5	(0.6%)	(0.6%)									(74.4%)	(74.2%)	(7.6%)
Potranco - San Antonio	28.9	(0.5%)	(0.5%)									(8.7%)	(8.7%)	(4.9%)
ResCal Investments LLC	11.8	(1.8%)	(0.9%)									(6.0%)	(5.8%)	(7.0%)
RREEF GOF II 2010 Sr Notes	19.1	8.4%	8.4%									10.8%	10.8%	17.1%
Stonebridge - Dallas	14.9	(0.7%)	(0.7%)									(0.7%)	(0.7%)	(3.1%)
TPG CalSTRS LLC Opp ²	18.7	(0.8%)	(0.7%)	(1.3%)	(1.1%)							(1.3%)	(1.1%)	(1.3%)
ZarCal, LLC Opp ^{2,6}	0.8	13.8%	13.8%	N/M	N/M							N/M	N/M	(100.0%)
ZarCalRes, LLC Opp ²	30.4	(7.1%)	(7.1%)	17.0%	17.0%							17.0%	17.0%	(34.8%)
Value Added	1,217.8	7.2%	7.5%	75.1%	77.3%							75.1%	77.3%	67.4%
BlackRock Cal I LLC VA ^{2,6}	113.1	7.8%	8.5%	N/M	N/M							N/M	N/M	809.0%
CenterCal LLC VA ²	22.0	3.8%	3.8%	9.2%	9.5%							9.2%	9.5%	9.7%
CSJV NF InvestCo LLC	1.1	(3.9%)	(3.9%)									(3.9%)	(3.9%)	(24.0%)
Fairfield Centennial Note	0.2	4.5%	4.5%									4.5%	4.5%	5.3%
Fairfield CHF LLC VA ^{2,5,6}	0.0											N/M	N/M	N/A
Fairfield CHF LLC VA - B ⁷	86.2	45.2%	45.2%									45.2%	45.2%	45.2%
FirstCal Ind 2 Value Add ⁸	1.7	11.6%	12.5%									529.0%	536.3%	N/a
FirstCal Ind Value Add ⁸	16.8	20.7%	20.9%									222.8%	224.3%	293.5%
IDS Realty JV LLC VA ²	1.4	(6.3%)	(7.2%)	52.9%	47.2%							52.9%	47.2%	(54.6%)
Metro Fund LLC VA ^{2,6}	190.9	(6.6%)	(6.4%)	47638.2%	49825.9%							N/M	N/M	63.6%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
P FC 1 Value Add ⁸	1.1													(124.9%)
P FC 3 Value Add ⁸	4.2	(4.0%)	(3.9%)									89.1%	89.3%	(36.1%)
PacificCal II LLC VA ²	201.8	2.2%	2.6%	32.5%	34.8%							32.5%	34.8%	27.3%
PacificCal LLC VA ²	63.3	(8.5%)	(8.1%)	13.1%	15.5%							13.1%	15.5%	12.9%
PMRP Preferred LLC	6.6	3.3%	3.3%									17.2%	17.2%	22.2%
TPG CalSTRS LLC VA ²	356.5	11.7%	11.8%	20.7%	21.4%							20.7%	21.4%	21.1%
UrbanCal LLC VA ²	148.1	3.5%	3.6%	6.8%	8.3%							6.8%	8.3%	10.1%
Yuma Target - Yuma	3.0	(1.9%)	(1.9%)									(6.3%)	(6.3%)	(6.3%)
ZarCal, LLC VA ²	0.0													
2009	218.5	4.8%	5.3%	76.8%	78.1%	2.1%	2.5%					2.1%	2.5%	6.2%
Core	74.9	1.6%	1.8%	(11.5%)	(11.1%)							(17.7%)	(17.4%)	(18.6%)
Belmont Apartments	20.5	2.1%	2.2%	55.9%	56.5%							38.6%	39.2%	40.5%
Carlos Bee	0.1	(38.2%)	(39.0%)	(74.5%)	(75.1%)							(72.7%)	(73.3%)	(70.7%)
Fairway View I ⁵	0.2	(49.3%)	(45.9%)	(96.1%)	(95.7%)							(85.2%)	(84.4%)	N/A
Fairway View II	0.7	(3.8%)	(3.0%)	(86.1%)	(85.8%)							(73.0%)	(72.6%)	(76.4%)
Mayfair Village	0.4	(8.5%)	(8.3%)	(57.0%)	(56.6%)							(39.7%)	(39.2%)	(40.0%)
Mustang Village	13.5	2.6%	2.9%	4.3%	5.2%							4.3%	5.2%	(39.0%)
Naismith Hall ^{5,13,14}	(0.4)											N/A	N/A	N/A
Peppermill Village	2.5	2.2%	2.4%	(28.5%)	(28.1%)							(19.2%)	(18.8%)	(20.8%)
Place Du Plantier	2.4	2.7%	3.0%	(51.5%)	(51.1%)							(47.6%)	(47.7%)	(50.2%)
Shadowood	7.5	2.4%	2.5%	0.8%	1.2%							8.4%	8.9%	8.5%
Stadium View	3.2	1.6%	1.6%	(20.4%)	(22.4%)							2.4%	2.0%	3.0%
Sunstone	8.0	2.1%	2.3%	11.3%	11.7%							17.0%	17.5%	17.7%
Turtle Creek [*]	0.0											(28.5%)	(28.5%)	N/A
Westpark Plaza	0.7	89.2%	91.7%	(26.3%)	(22.0%)							(26.3%)	(22.0%)	(55.0%)
Williamsburg on the Wabash	8.4	1.8%	1.9%	6.1%	6.7%							(9.6%)	(9.1%)	(10.2%)
Windsor Hills	7.1	1.3%	1.5%	24.1%	24.7%							16.5%	17.1%	17.2%
Opportunistic	114.2	5.7%	6.6%	15.3%	18.3%	14.4%	16.1%					14.4%	16.1%	1.7%
Beacon Capital Strategic Partners VI, LP ⁴	2.7													(63.4%)
FirstCal Industrial Europe ^{5,15}	(1.7)													N/A
Fortress III 20% PIK Notes Due 2014	9.9	5.0%	5.0%	20.5%	20.5%	20.3%	20.3%					20.3%	20.3%	20.1%
Frogmore Real Estate Partners II LP	21.3	0.8%	2.0%	0.8%	7.1%							(7.5%)	(2.0%)	12.8%
SH Group I, LP	7.2	(19.9%)	(19.5%)									(19.9%)	(19.5%)	(6.3%)
Starwood Cap Hospitality Fd II Global LP	74.5	8.0%	9.0%									14.3%	16.9%	(1.3%)
Thomas High Performance Green Fund ⁴	0.2	0.0%	0.0%											0.0%
Public	29.5	10.5%	10.5%	25.8%	25.8%							21.0%	21.0%	21.0%
Eurocastle Investment Limited	29.5	10.5%	10.5%	25.8%	25.8%							21.0%	21.0%	21.0%
Value Added	0.0											0.2%	0.2%	15.9%
Fairfield Excess Company Loan [*]	0.0											0.2%	0.2%	15.9%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
2008	1,207.0	4.0%	3.7%	20.7%	23.8%	4.5%	7.3%	(1.1%)	1.6%			(1.1%)	1.6%	(0.2%)
Core	29.2	10.6%	11.3%	30.0%	34.5%	(19.3%)	(16.9%)	(9.5%)	(7.5%)			(9.5%)	(7.5%)	(16.8%)
CanyonPSR III LLC	21.7	4.9%	5.9%	18.6%	24.6%	11.4%	16.3%					11.3%	16.8%	8.2%
CSFV Centerline	7.5	29.4%	29.4%	66.4%	66.4%	(40.5%)	(40.5%)	(26.1%)	(26.1%)			(26.1%)	(26.1%)	(33.1%)
Opportunistic	993.0	3.7%	3.3%	23.2%	26.3%	11.1%	14.3%	4.2%	7.6%			4.2%	7.6%	5.6%
Aetos Capital Asia III ^{13,14}	(6.5)											N/A	N/A	(19.5%)
AVP M Street Investors	8.8	(3.9%)	(3.7%)	154.6%	161.1%	(71.6%)	(69.9%)	(59.5%)	(57.7%)			(59.5%)	(57.7%)	(40.5%)
Canyon Johnson Urban Fund III	41.2	4.7%	5.0%	(36.1%)	3.1%							(36.1%)	3.1%	(22.7%)
CBRE SP US Opportunity 5 Wood Partners	21.7	(3.6%)	(3.6%)	29.1%	29.1%	(47.0%)	(47.0%)	(35.1%)	(35.1%)			(35.1%)	(35.1%)	(34.8%)
FirstCal Industrial Canada ¹⁶	0.0											(34.4%)	(33.4%)	(35.8%)
GI Partners Fund III	281.4	5.7%	6.1%	35.3%	39.5%	37.8%	50.5%					3.3%	24.4%	27.9%
IL & FS India Realty Fund II	32.8	10.6%	11.2%	8.3%	11.3%	11.4%	15.4%					(8.8%)	(4.3%)	3.9%
Lone Star Fund VI (US), LP	231.2	5.7%	2.4%	22.7%	25.6%	18.7%	20.8%					16.4%	18.6%	16.5%
Lone Star Real Estate Fund (US), LP	80.9	(5.0%)	(4.7%)	4.0%	4.9%	9.5%	11.1%					7.4%	9.8%	6.3%
MacFarlane Emerging Managers Fund I ^{5,6}	(5.0)											N/M	N/M	N/A
Niam Nordic Fund IV	135.4	12.3%	12.7%	33.2%	35.4%	25.7%	28.9%	4.2%	21.3%			4.2%	21.3%	19.0%
Paladin Latin America Investors III	95.5	(4.7%)	(4.1%)	13.7%	17.8%	51.2%	56.6%					37.4%	41.8%	30.2%
Stockbridge Real Estate Fund III A LP	27.0	(0.6%)	0.5%	5.3%	11.1%	(17.2%)	(11.9%)					(43.8%)	(38.1%)	(21.9%)
Trigate Property Partners	48.6	(0.5%)	0.3%	10.5%	17.2%	22.5%	13.9%					70.6%	26.6%	2.9%
Value Added	184.9	4.6%	5.0%	6.4%	9.5%	(7.6%)	(5.7%)	(15.5%)	(14.2%)			(15.5%)	(14.2%)	(13.8%)
CBRE Strategic Partners US Value Fund 5	86.1	2.3%	2.7%	30.7%	36.4%	15.7%	19.6%					(4.4%)	(1.8%)	21.5%
CenterCal-Preferred Equity *	0.0											2.8%	2.8%	2.7%
Fairfield Strategic Apartment Fund III ¹³	0.0											(100.0%)	N/A	(96.2%)
Fairfield Strategic Apartment Fund III B ⁷	13.0	(1.3%)	(0.7%)									(3.1%)	(3.3%)	(4.3%)
SeaCal, LLC	23.2	(3.9%)	(3.6%)	9.1%	10.4%	(19.2%)	(18.0%)	(27.3%)	(26.3%)			(27.3%)	(26.3%)	(27.5%)
WRPF IX Presidential Towers LLC	62.6	12.9%	13.3%	(9.7%)	(8.3%)	(9.2%)	(7.9%)	(19.3%)	(18.2%)			(19.3%)	(18.2%)	(19.4%)
2007	2,395.8	9.7%	10.2%	23.7%	26.4%	0.9%	3.8%	(27.2%)	(25.1%)			(24.1%)	(22.1%)	(21.7%)
Core	126.8	14.5%	14.8%	35.6%	38.0%	3.3%	6.0%	(18.2%)	(16.5%)			(143.2%)	(146.1%)	(12.1%)
CampusCal	65.0	0.4%	0.5%	21.1%	21.7%	16.8%	17.5%	3.3%	4.0%			3.3%	4.0%	5.9%
CSOV Bouwfonds ¹³	0.0											(85.4%)	(80.7%)	(65.4%)

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	IRR
CSOV Bouwfonds - B ^{6,7}	6.3	1523.3%	1578.4%									N/M	N/M	N/M
UCal, LLC	55.6	16.9%	17.1%	32.2%	33.3%	18.8%	20.1%	0.4%	1.6%			0.8%	2.0%	6.4%
ZarCal, LLC ¹⁷	0.0											(76.6%)	(75.6%)	(70.0%)
ZarCalRes - Preferred Equity *	0.0											(2.8%)	(2.8%)	(2.6%)
ZarCalRes, LLC ¹⁷	0.0											(87.9%)	(84.1%)	(65.1%)
Opportunistic	1,597.8	9.0%	9.5%	17.0%	20.2%	0.7%	4.3%	(33.6%)	(31.0%)			(30.4%)	(28.0%)	(24.6%)
Beacon Capital Partners V	139.2	13.3%	14.4%	28.2%	33.9%	(12.4%)	(7.3%)	(31.7%)	(27.7%)			(27.8%)	(24.2%)	(24.3%)
BrookCal	59.5	0.2%	0.3%	(0.5%)	0.3%	(0.6%)	0.2%	(0.7%)	0.1%			(1.0%)	(0.2%)	(0.8%)
CBRE SPUK III	48.5	2.1%	2.8%	(2.5%)	0.3%	(14.0%)	(10.9%)	(100.5%)	(100.6%)			(82.2%)	(78.1%)	(39.2%)
CBRE Strategic Partners Asia Fund II ⁵	0.0											(100.0%)	(94.6%)	N/A
CBRE Strategic Partners Asia Fund II B ⁷	59.0	(1.9%)	(1.3%)	15.2%	18.7%							66.7%	74.6%	48.7%
CBRE Strategic Partners U.S. Opp V	68.5	(0.2%)	0.2%	(46.1%)	(43.6%)	(68.4%)	(67.1%)	(58.1%)	(55.9%)			(55.8%)	(53.3%)	(25.8%)
Fortress Bridge Coinvestment *	0.0											11.7%	14.8%	15.0%
Fortress Florida Coinvestment	84.3	5.3%	5.7%	15.2%	16.7%	(1.3%)	0.0%	(2.4%)	(1.2%)			(4.1%)	(2.9%)	(4.5%)
Fortress Holiday Investment Fund	289.8	22.5%	22.7%	55.4%	56.6%	38.6%	39.9%	7.0%	8.1%			5.3%	6.3%	5.0%
Fortress Investment Fund V	222.0	15.3%	15.7%	40.1%	42.7%	45.8%	49.2%	(2.2%)	1.2%			(84.6%)	(83.9%)	(9.0%)
Fortress V Coinvestment	54.6	1.5%	2.2%	19.9%	23.3%	20.1%	23.6%	(16.2%)	(13.6%)			(42.4%)	(40.6%)	(16.3%)
IDS Urban JV ⁴	0.8													(98.0%)
JER Europe Fund III	72.5	2.7%	3.0%	14.2%	15.8%	1.4%	2.6%	(42.0%)	(40.9%)			(37.2%)	(35.6%)	(33.7%)
La Solana Co-Inv SR1	0.0	(2.4%)	(2.4%)	(96.0%)	(96.0%)	(98.3%)	(98.2%)	(96.9%)	(96.8%)			(95.2%)	(95.0%)	(92.1%)
LCCG High Yield CMBS Fund III LLC ^{5,14,18}	(109.9)											(99.9%)	(98.9%)	N/A
Lowe Resort Finance Investment Partners *	0.0											(80.1%)	(75.6%)	(77.3%)
MGP Asia Fund III, LP ¹³	126.6	3.5%	4.1%	120.0%	127.9%	(72.1%)	(49.2%)	(124.2%)	(136.4%)			N/A	N/A	(7.5%)
MGP Europe Fund III	79.2	7.0%	7.9%	18.4%	23.6%	10.0%	17.8%					(9.2%)	(1.3%)	(0.1%)
MS Resort Coinvestment Co A *	0.0											(96.2%)	(86.1%)	(100.0%)
MSREF VI International	95.1	1.7%	2.1%	22.8%	25.8%	(20.1%)	(17.3%)	(76.0%)	(75.2%)			(71.6%)	(70.7%)	(44.4%)
PacificCal Land ^{13,14}	(0.0)											N/A	(96.7%)	(83.7%)
Redwood Grove	23.6	0.9%	2.3%	(2.1%)	3.4%	(17.8%)	(13.5%)	(61.5%)	(59.0%)			(56.3%)	(53.5%)	(42.8%)
RGI Co Invest II ¹	0.1	0.0%	0.0%											
RLJ Real Estate Fund III ¹³	156.4	0.4%	0.7%	(2.8%)	2.9%	1.2%	14.0%					(10.5%)	8.0%	(6.0%)
Rockpoint Real Estate Fund III	88.1	19.6%	19.9%	30.5%	35.2%	(15.1%)	(3.4%)	(123.8%)	(73.8%)			N/A	N/A	0.7%
Trigate CalSTRS Partnerships	39.5	(0.3%)	(0.0%)	13.1%	14.3%	(5.8%)	(4.9%)	(16.8%)	(16.1%)			(15.6%)	(14.9%)	(16.6%)
Trigate Capital, LLC	0.5	1.4%	1.4%	8.2%	8.2%	(1.6%)	(1.6%)	(5.3%)	(5.3%)			(2.5%)	(2.5%)	(2.3%)
Value Added	671.2	10.5%	10.8%	37.5%	39.3%	1.9%	3.4%	(18.5%)	(17.4%)			(14.2%)	(12.7%)	(16.7%)
Canyon Value Opportunity Fund	33.8	15.2%	15.4%	14.6%	15.4%	19.0%	20.3%	1.2%	3.6%			1.2%	3.8%	8.7%
Hartford Mezzanine Investors I, LLC	64.6	4.7%	5.1%	(16.4%)	(14.9%)	(30.6%)	(29.1%)	(25.8%)	(24.5%)			(17.1%)	(15.1%)	(20.8%)
Heitman Value Partners II	44.4	7.3%	7.6%	(2.0%)	(1.2%)	(11.4%)	(10.6%)	(21.5%)	(20.8%)			(20.4%)	(19.5%)	(20.2%)
INGCal Tactical, LLC	231.6	12.0%	12.2%	44.6%	45.7%	11.7%	12.6%	(0.6%)	0.2%			(0.1%)	0.6%	0.5%
LilliCal LLC	25.7	12.8%	13.0%	38.2%	39.9%	0.9%	2.4%	(12.2%)	(11.0%)			(12.3%)	(11.2%)	(10.2%)
PacificCal III, LLC	231.7	12.0%	12.4%	92.8%	97.0%	4.9%	7.6%	(15.1%)	(13.2%)			(15.4%)	(13.8%)	(12.6%)

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
Peter Cooper Village Stuy Town ^{13,19}	0.0											N/A	N/A	(100.0%)
Principal Mortgage Value Investors	20.9	7.2%	7.2%	19.9%	19.9%	48.3%	48.3%	(45.6%)	(45.5%)			(61.4%)	(60.3%)	(45.1%)
UrbanCal LLC ¹⁷	0.0											(38.7%)	(36.0%)	(39.9%)
WilCal, LLC	18.5	(2.1%)	(1.8%)	36.2%	37.9%	18.8%	20.4%	(32.0%)	(31.2%)			(25.4%)	(24.7%)	(26.1%)
2006	2,584.3	5.6%	5.9%	9.5%	10.9%	(7.9%)	(6.3%)	(26.6%)	(25.4%)	(16.8%)	(15.5%)	(16.8%)	(15.5%)	(18.4%)
Core	321.3	2.7%	2.8%	(2.4%)	(1.9%)	(4.8%)	(4.2%)	(16.2%)	(15.5%)	(8.0%)	(7.5%)	(8.0%)	(7.5%)	(7.4%)
CanyonPSR II LLC	24.3	(0.3%)	(0.0%)	(20.8%)	(19.8%)	(15.8%)	(14.7%)	(12.7%)	(9.4%)			(3.2%)	(0.0%)	1.4%
Denver Tech Center	120.2	(1.1%)	(1.1%)	1.3%	1.6%	(8.6%)	(8.3%)	(16.2%)	(16.0%)			(9.5%)	(9.3%)	(8.5%)
LIONSTONE CASH FLOW OFFIC II	83.5	3.7%	3.7%	(7.5%)	(6.7%)	1.4%	2.3%	(20.0%)	(19.3%)			(12.9%)	(12.3%)	(15.4%)
Metro Park LLC *	0.0											2.0%	2.1%	2.2%
One Atlanta	93.3	8.0%	8.0%	3.1%	3.5%	(0.8%)	(0.4%)	(13.3%)	(13.0%)	(6.5%)	(6.2%)	(6.5%)	(6.2%)	(6.2%)
Opportunistic	1,688.8	7.4%	7.7%	10.6%	12.3%	(11.3%)	(9.5%)	(29.3%)	(27.9%)	(107.1%)	(45.2%)	(107.1%)	(45.2%)	(20.6%)
BEACON 4 CO INVESTMENT	127.4	17.2%	17.2%	25.8%	25.8%	9.4%	9.4%	(6.2%)	(6.2%)			4.1%	4.1%	3.6%
Capmark Structured RE Partners	20.4	10.6%	11.7%	47.4%	53.4%	(16.9%)	(13.0%)	(36.0%)	(33.1%)			(33.0%)	(30.1%)	(34.1%)
CGI Coinvestment Fund	2.6	(3.6%)	(3.2%)	(30.6%)	(28.6%)	(41.7%)	(39.8%)	(50.2%)	(48.8%)			(44.6%)	(43.8%)	(45.6%)
Cherokee Investment Partners IV ^{5,13}	0.0											N/A	N/A	N/A
Cherokee Investment Partners IV - B ⁷	60.7	(1.4%)	(1.4%)									(87.6%)	(78.3%)	(20.2%)
FirstCal Industrial 3 JV ^{5,16}	0.0											(107.9%)	(106.9%)	N/A
Fortress Investment Fund IV	270.5	9.6%	9.8%	22.4%	23.4%	19.7%	20.7%	(1.3%)	(0.4%)			(2.8%)	(1.8%)	(2.2%)
Fortress IV Coinvestment Fund	52.3	13.6%	14.0%	25.2%	26.7%	17.5%	19.1%	(4.7%)	(3.4%)			(3.5%)	(2.4%)	(3.4%)
Fortress IW Coinvestment ^{6,20}	0.0											(99.4%)	N/M	(99.6%)
Fortress RIC Coinvestment Fund	71.8	30.4%	30.6%	32.5%	33.7%	118.4%	120.2%	8.0%	9.3%			(7.0%)	(7.0%)	(4.8%)
Frogmore Real Estate Partners	27.8	49.4%	51.0%	27.3%	35.3%	23.4%	33.3%	(45.4%)	(41.3%)			(51.5%)	(47.6%)	(35.0%)
Hearthstone Housing Partners III ^{5,13}	0.0											N/A	N/A	N/A
Hearthstone Housing Partners III - B ⁷	30.5	3.3%	3.4%	(22.6%)	(22.2%)							(22.6%)	(22.2%)	(22.5%)
IL & FS India Realty Fund	121.7	(10.3%)	(10.1%)	(18.6%)	(17.7%)	6.5%	7.8%	9.7%	11.3%			5.5%	7.4%	5.8%
LCCG RE Special Situations Mortgage Fd ^{6,21}	22.6	36.8%	36.8%	1711.4%	1711.4%	(16.7%)	(16.7%)	(31.0%)	(30.8%)			(24.0%)	(22.5%)	(37.7%)
Lowe Resort Community Fund	0.4	(0.1%)	(0.1%)	(83.6%)	(83.3%)	(64.2%)	(63.2%)	(72.1%)	(70.6%)			(62.5%)	(58.6%)	(69.9%)
MacFarlane Urban Real Estate Fund II, LP ¹³	94.8	22.6%	23.6%	(13.4%)	(4.2%)	N/A	N/A	(114.7%)	(113.1%)			N/A	N/A	(48.6%)
Market Street Capital Partners	156.5	4.8%	5.1%	14.2%	16.0%	7.3%	9.9%	(14.8%)	(12.0%)			(13.0%)	(9.1%)	(4.7%)
Morgan Stanley Spec. Situations Fund III	249.1	5.9%	6.1%	26.4%	27.7%	7.3%	8.4%	(16.9%)	(16.1%)			(4.8%)	(4.2%)	(12.4%)
MSREF V Intl CoInvest Project Green	1.6	(15.5%)	(12.9%)	(94.8%)	(94.3%)	(87.0%)	(86.3%)	(80.5%)	(79.9%)			(63.1%)	(62.2%)	(78.6%)
MSREF V US CIP II ^{5,14}	(0.0)											(100.0%)	(100.0%)	N/A
MSREF V US LP ¹³	8.1	24.8%	24.8%	30.7%	30.7%	(42.7%)	(40.1%)	(100.3%)	(100.2%)			N/A	N/A	(60.1%)
Pyramid Hotel Opportunity Venture II ^{5,13,22}	0.0											(98.6%)	N/A	N/A
RLJ Lodging Fund II	158.3	2.0%	2.2%	10.3%	11.5%	1.0%	2.1%	4.1%	5.2%			7.4%	8.8%	6.8%
Rockpoint Finance Fund I	9.8	1.8%	2.0%	2.9%	4.1%	(17.8%)	(12.0%)	(31.7%)	(19.7%)			(57.6%)	(15.8%)	(25.0%)
S F WATERFRONT PARTNERS 2 LLC	23.0	0.0%	0.0%									0.0%	0.0%	(0.1%)
Scout Fund I A	81.0	5.6%	6.3%	46.2%	48.8%	(8.8%)	2.3%					(8.8%)	2.3%	13.6%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	IRR
Warburg Pincus Real Estate Fund I	97.9	1.6%	1.8%	16.5%	17.4%	13.4%	14.6%	4.1%	5.3%			3.8%	6.1%	4.6%
Public	49.6	(6.0%)	(6.0%)	3.8%	3.8%	48.5%	48.6%	(11.5%)	(11.4%)			(17.6%)	(17.5%)	(9.2%)
GAGFAH SA	49.6	(6.0%)	(6.0%)	3.8%	3.8%	48.5%	48.6%	(11.5%)	(11.4%)			(17.6%)	(17.5%)	(9.2%)
Value Added	524.7	2.8%	3.1%	13.5%	15.2%	(7.4%)	(5.6%)	(29.2%)	(28.3%)			(19.1%)	(17.1%)	(20.6%)
American Value Partners Fund I	35.7	5.4%	6.0%	15.5%	18.7%	(43.6%)	(39.7%)	(69.2%)	(65.1%)			(64.4%)	(58.5%)	(22.3%)
CBRE Strategic Partners Europe Fund III	142.6	1.1%	1.4%	(11.2%)	(10.1%)	(4.2%)	(2.9%)	(99.7%)	(75.7%)			(86.2%)	260.8%	(14.5%)
CrossHarbor Institutional Partners	63.0	(1.7%)	(0.9%)	(8.7%)	(5.5%)	(9.5%)	(6.7%)	(7.9%)	(5.2%)			(3.5%)	(0.3%)	(6.8%)
HVP Sun Co-investments	32.9	8.3%	8.5%	15.1%	16.3%	13.3%	14.3%	(8.8%)	(8.1%)			(5.5%)	(4.8%)	(6.1%)
Levcal LLC ²³	0.0											(20.9%)	(20.1%)	(21.6%)
Metro Fund, LLC ^{5,13,17}	0.0											N/A	N/A	N/A
PacificCal II, LLC ¹⁷	0.0											(31.0%)	(29.8%)	(32.0%)
VinCal LLC	250.5	3.8%	4.1%	52.1%	53.6%	24.4%	26.5%	0.9%	2.9%			1.4%	3.9%	8.8%
2005	3,688.4	3.6%	4.0%	9.9%	11.2%	(5.4%)	(4.3%)	(21.1%)	(20.4%)	(6.4%)	(4.5%)	(4.4%)	(2.2%)	(8.7%)
Core	267.9	8.2%	8.5%	115.2%	125.1%	(4.1%)	(1.0%)	(30.1%)	(28.3%)	(15.6%)	(12.8%)	(12.4%)	(9.8%)	(1.6%)
Federal Acquisition Prtn LLC	0.0											6.2%	16.9%	15.9%
Federal Acquisition Prtn LLC - B ⁷	15.7	12.9%	13.9%									12.9%	13.9%	12.9%
First Industrial II ^{5,16}	0.0											(76.7%)	(73.8%)	N/A
LCOR Residential Associates ^{12,17}	0.0											N/A	N/A	(20.6%)
Siebel Systems Building [*]	0.0											37.7%	48.2%	40.3%
Southpark Towers	43.0	19.6%	19.7%	20.0%	20.9%	(2.0%)	(1.2%)	(6.2%)	(5.5%)	0.6%	1.2%	0.9%	1.6%	1.6%
Windsor Fund V ¹³	111.7	4.8%	5.1%	104.5%	127.2%	N/A	N/A	(104.8%)	(118.3%)	(117.3%)	(139.4%)	N/A	N/A	(9.1%)
Woodlands Portfolio	97.5	7.0%	7.1%	48.2%	48.7%	20.1%	20.6%	1.1%	1.5%	1.3%	1.7%	1.7%	2.0%	1.0%
Opportunistic	3,247.5	3.4%	3.8%	9.5%	10.5%	(4.1%)	(3.2%)	(17.5%)	(17.0%)	(3.5%)	(1.9%)	(3.0%)	(0.3%)	(7.2%)
Aetos Capital Asia TE II LTD	164.4	3.9%	4.2%	(5.4%)	(4.5%)	(17.4%)	(16.6%)	(20.3%)	(19.4%)	(14.9%)	(9.4%)	(21.1%)	(7.9%)	(18.3%)
Beacon Capital Prtrs III Co-Inv [*]	0.0											39.9%	39.9%	37.3%
Beacon Capital Strategic Partners IV	180.6	4.3%	4.5%	23.3%	24.5%	(4.7%)	(2.5%)	(22.8%)	(21.0%)			(9.9%)	(7.4%)	(11.4%)
Ca Smart Growth Fund IV	168.6	13.4%	13.8%	25.2%	27.2%	(0.3%)	1.9%	(23.4%)	(21.5%)	(15.7%)	(13.0%)	(15.8%)	(13.0%)	(11.8%)
Canyon Johnson Urban Fund II - Calstrs	81.8	(0.4%)	0.2%	(7.1%)	(5.4%)	(17.2%)	(15.9%)	(15.1%)	(13.4%)	(11.1%)	(7.7%)	(13.2%)	(6.9%)	(13.1%)
CB Riley Blackacre CoInvest	0.0											(97.8%)	(97.8%)	4.5%
CB Riley Blackacre CoInvest - B ^{*7}	0.0											(99.2%)	(99.2%)	(100.0%)
CBRE Strategic Partners Europe Fund II	111.0	4.9%	5.2%	(0.4%)	0.7%	2.6%	3.8%	(10.4%)	(9.4%)	26.1%	31.7%	4.1%	13.4%	0.9%
CBRE Strategic Partners US Fund IV	22.2	0.8%	1.5%	(24.3%)	(21.7%)	(46.4%)	(45.0%)	(42.1%)	(41.5%)	(24.6%)	(22.0%)	(27.1%)	(22.2%)	(34.1%)
CBRE Strategic Prtns UK Fund II ^{5,24}	(7.8)											(98.6%)	(75.3%)	N/A
Cypress Grove Opportunity Fund	40.4	(4.4%)	(4.0%)	(2.3%)	(0.3%)	(16.5%)	(14.9%)	(26.9%)	(27.1%)	(11.5%)	(10.0%)	(11.4%)	(9.7%)	(14.5%)
Fairfield Residential Oper Co ⁵	0.0											(99.4%)	(99.4%)	N/A
Fairfield Residential Oper Co - B ²⁵	0.0											(100.0%)	(100.0%)	(100.0%)
Fortress Res Inv Deutschland	54.2	(4.5%)	(4.2%)	(0.1%)	1.6%	36.0%	38.1%	(15.3%)	(13.6%)	(8.1%)	(7.7%)	(9.0%)	(8.6%)	(8.7%)

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
GI Partners Fund II	388.3	5.9%	6.1%	20.5%	21.5%	20.4%	21.5%	4.7%	5.7%	8.3%	8.9%	6.4%	7.0%	8.6%
Heitman European Prop Ptrs III	46.8	6.4%	6.9%	(3.9%)	(2.2%)	(18.4%)	(16.9%)	(18.9%)	(17.6%)	(8.5%)	(7.1%)	(8.3%)	(6.8%)	(9.9%)
Heritage Fields Capital -Calstrs	6.0	(1.3%)	(1.3%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(99.9%)	(99.9%)	(99.8%)	(99.8%)	(62.8%)
Lehman Bros Re Pension Part II	61.1	5.2%	5.7%	22.6%	24.3%	(1.1%)	0.5%	(15.4%)	(16.6%)	(0.3%)	0.6%	2.4%	5.6%	(1.2%)
LNR Development Fund	238.2	0.6%	0.9%	1.7%	3.2%	(3.2%)	(1.1%)	(9.5%)	(6.7%)	(5.0%)	(0.8%)	(5.0%)	(0.8%)	(5.1%)
Lone Star Fund V	242.5	(2.4%)	(2.2%)	(10.8%)	(10.3%)	(4.5%)	(5.1%)	(13.1%)	(13.4%)	1.6%	3.0%	10.1%	13.5%	(1.0%)
MEXICO RETAIL PROPERTIES	62.9	2.5%	2.8%	10.9%	12.2%	16.8%	18.3%	(0.5%)	1.1%	0.3%	3.0%	(6.7%)	(1.6%)	(1.9%)
MGP Asia Fund II LP	74.3	(0.2%)	0.1%	29.1%	30.9%	3.0%	4.6%	(10.9%)	(9.6%)	3.9%	6.8%	(8.6%)	(2.5%)	2.0%
MGP Europe Parallel Fund II LP	68.0	4.8%	5.2%	25.3%	27.2%	12.5%	14.6%	(14.2%)	(12.6%)	(5.7%)	(6.3%)	5.1%	(7.2%)	(5.8%)
Moorfield Real Estate Fund A ^{5,24}	(12.0)											(121.8%)	(123.5%)	N/A
MSREF IV Spencers Crossing LLC ^{5,19}	0.0											(100.0%)	(73.0%)	N/A
MSREF V International LP	153.3	5.9%	6.1%	13.9%	15.3%	4.8%	6.5%	(26.7%)	(25.6%)	(0.7%)	0.4%	0.1%	1.1%	5.4%
Niam Nordic Investment FD III	66.1	8.7%	8.8%	28.9%	30.1%	24.0%	25.6%	6.8%	7.9%	25.8%	28.2%	30.5%	38.5%	24.3%
Paladin Latin Amer Invest II	81.3	(3.6%)	(3.1%)	(1.0%)	1.1%	19.8%	23.2%	(11.3%)	(7.0%)			(20.6%)	5.1%	(0.4%)
PCCP CalSTRS Anaheim LLC ^{5,13,26}	0.0											N/A	(74.8%)	N/A
PCCP Mezzanine Recovery Partners I LP	24.1	31.2%	32.2%	42.2%	46.9%	(28.2%)	(24.1%)					26.0%	32.1%	(28.3%)
Pla Mexico Industrial LP	148.7	4.5%	5.0%	15.2%	17.6%	(10.6%)	(8.3%)	(12.7%)	(11.1%)	(0.0%)	3.6%	(1.0%)	2.8%	(7.4%)
Pla Mexico Residential LP	129.5	6.5%	7.1%	14.9%	17.0%	13.3%	15.4%	5.7%	9.3%	8.0%	11.9%	5.6%	9.4%	8.1%
Project CHQ *	0.0											(2.3%)	(2.3%)	0.7%
Pyramid Hotel Opportunity	0.0											(28.0%)	(24.5%)	(18.5%)
Pyramid Hotel Opportunity - B ⁷	8.8	69.0%	70.4%									69.0%	70.4%	68.1%
Rockpoint Real Estate Fund II, L.P. ¹³	37.2	(1.6%)	(0.9%)	(18.4%)	(16.0%)	(22.2%)	(20.1%)	(29.7%)	(28.0%)	(12.9%)	(10.7%)	N/A	N/A	(16.2%)
RREEF Global Opportunity Fund II	148.8	6.4%	6.8%	7.9%	11.2%	(10.2%)	(7.7%)	(20.5%)	(18.5%)	(12.9%)	(10.3%)	(13.0%)	(10.2%)	(16.3%)
SDL Hospitality Co-Invest Fund	179.3	2.1%	2.5%	12.8%	4.3%	2.2%	(9.7%)	0.8%	(9.8%)	20.6%	18.0%	21.7%	19.3%	20.2%
SoCal Smart Growth Fund	19.6	(0.2%)	0.1%	4.7%	6.0%	(22.9%)	(21.4%)	(20.6%)	(19.2%)	(4.1%)	(2.6%)	(3.4%)	(1.4%)	(1.0%)
Starwood Hotel Fund	151.6	1.4%	1.6%	11.1%	9.8%	0.0%	2.2%	(7.7%)	(13.7%)	9.4%	9.0%	9.4%	9.0%	4.5%
Stockbridge Real Estate Fund II, L.P.	44.0	(4.3%)	(3.6%)	13.1%	17.1%	(47.8%)	(45.6%)	(61.3%)	(59.3%)			(45.0%)	(40.8%)	(47.2%)
Thor Urban Retail	63.7	(1.5%)	(1.1%)	(0.3%)	1.8%	(22.2%)	(20.9%)	(16.0%)	(16.3%)	(1.3%)	0.4%	(1.6%)	0.2%	(2.2%)
Value Added	173.1	1.2%	1.5%	(38.9%)	(36.4%)	(34.3%)	(31.6%)	(47.9%)	(46.2%)	(27.3%)	(24.6%)	(21.9%)	(19.2%)	(24.1%)
1710 H Street	52.3	1.2%	1.3%	68.3%	80.3%	35.1%	40.5%	16.2%	18.3%	24.5%	26.9%	11.3%	12.3%	18.8%
Blackrock JV ¹⁷	0.0											N/A	N/A	(40.9%)
First Industrial JV ^{5,16}	0.0											(132.2%)	(124.7%)	N/A
HVP Pembroke Pines CoInvest *	1.1											13.1%	12.7%	17.3%
HVP PNW Co Investment *	0.1											27.3%	29.4%	26.6%
IDS Joint Venture ^{5,17}	0.0											(86.7%)	(83.6%)	N/A
One Rittenhouse Square	15.8	(1.1%)	(0.8%)	364.5%	374.0%	26.7%	32.2%	(29.2%)	(26.7%)	(17.0%)	(14.9%)	1.4%	1.9%	(17.1%)
PacificCal LLC ¹⁷	0.0											(15.3%)	(14.2%)	(5.9%)
True North Mezzanine Investment Fund	103.8	1.6%	1.8%	4.0%	5.1%	5.7%	6.9%	9.4%	10.9%			9.4%	13.6%	9.1%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	IRR
2004	857.5	2.2%	2.4%	16.6%	16.1%	10.4%	9.0%	(8.6%)	(11.7%)	3.0%	3.7%	7.7%	8.9%	10.1%
Core	300.8	2.7%	2.9%	8.8%	5.2%	0.4%	(4.5%)	(7.8%)	(15.9%)	3.8%	4.7%	10.2%	11.4%	14.5%
120 Broadway	154.7	2.7%	2.9%	2.9%	(3.9%)	(1.4%)	(10.0%)	(9.7%)	(25.3%)	8.3%	14.4%	25.8%	42.1%	24.7%
1220 N Mathilda Business *	0.0											20.6%	24.7%	26.0%
180 Grand Ave	52.0	5.8%	5.9%	10.4%	10.7%	(0.0%)	0.3%	(5.4%)	(5.1%)	0.4%	0.3%	3.6%	4.0%	3.4%
2100 River Parkway	26.6	2.0%	2.2%	7.5%	8.1%	3.0%	2.6%	2.8%	2.7%	9.0%	9.0%	8.6%	8.8%	9.3%
CanyonPSR LLC	0.4	(1.8%)	(0.7%)	(16.6%)	(21.0%)	(16.9%)	(20.1%)	(32.0%)	(23.3%)	(17.1%)	(10.4%)	(10.9%)	(4.8%)	8.2%
Lion Industrial Trust Fd ^{*27}	0.0											13.9%	15.1%	14.3%
Mathilda Business Center *	0.0											24.4%	28.5%	31.6%
Regency Centers	67.1	0.4%	0.7%	31.8%	33.2%	4.9%	6.1%	(10.7%)	(9.7%)	(1.9%)	(1.0%)	1.5%	2.4%	3.1%
Stoneliagh At The Reserve *	0.0											10.4%	10.5%	11.6%
Opportunistic	277.7	2.0%	2.3%	8.5%	10.0%	31.2%	30.9%	(6.0%)	(9.0%)	1.8%	1.1%	4.0%	5.0%	12.4%
Beacon Capital Strategic Fund III *	0.0											33.2%	46.9%	44.7%
Blackacre Institutional Prtnrs	18.1	3.1%	3.4%	0.5%	1.7%	0.3%	(1.7%)	(8.5%)	(11.6%)	4.4%	4.9%	4.7%	6.8%	9.2%
Calabash Distribution Center *	0.0											30.5%	32.3%	49.0%
DB International Fund 1B	52.7	1.1%	1.9%	11.3%	14.4%	2.4%	(0.6%)	(8.8%)	(18.9%)	8.6%	6.4%	10.1%	9.6%	18.7%
Fortress III	199.8	2.1%	2.3%	8.0%	9.0%	39.0%	40.1%	(7.1%)	(7.3%)	(4.0%)	(5.1%)	(0.4%)	0.5%	2.6%
LCCG Diversified Risk CMBS Fund II - B ^{7,28}	1.3	(0.4%)	(0.4%)									(0.4%)	(0.4%)	(0.4%)
LCCG Diversified Risk CMBS Fund II LLC ²⁸	0.0											(72.6%)	(69.9%)	(17.2%)
RLJ Urban Lodging FD *	0.0											58.7%	69.6%	50.1%
Rockpoint Real Estate Fund I, L.P.	5.8	(0.7%)	(0.2%)	(9.3%)	(7.1%)	(10.6%)	(8.3%)	(28.0%)	(26.1%)	(16.7%)	(14.8%)	(8.5%)	(5.8%)	13.1%
Streeterville Phse II Land *	0.0											4.5%	4.8%	5.0%
Value Added	279.0	1.9%	2.1%	37.5%	38.2%	12.0%	12.6%	(8.8%)	(8.6%)	4.8%	5.6%	6.0%	7.2%	4.0%
234 East 46th Street	29.8	12.1%	12.3%	457.4%	466.3%	33.7%	37.0%	(12.5%)	(12.2%)	7.1%	8.7%	12.2%	13.6%	7.6%
25 Martine Ave	18.5	(23.4%)	(23.2%)	41.0%	42.4%	(14.3%)	(13.4%)	(13.7%)	(12.8%)	0.1%	1.5%	8.3%	9.1%	1.2%
Centercal LLC ¹⁷	0.0											1.0%	2.0%	(4.2%)
Community Retail Devp Fund LLC ¹⁷	0.0											(11.3%)	(10.1%)	(18.9%)
Heitman Value Partners LP	69.2	3.7%	3.8%	21.7%	22.4%	9.5%	10.2%	(10.7%)	(11.0%)	(0.3%)	0.3%	4.6%	5.6%	0.3%
HVP/THL Co-Investment	47.1	2.7%	2.9%	20.6%	22.3%	6.9%	7.0%	0.4%	(0.1%)	9.1%	9.0%	11.1%	11.4%	11.7%
Lillibridge Health Trust I	114.3	3.7%	3.8%	32.9%	33.5%	18.6%	19.0%	2.2%	2.2%	8.6%	9.1%	8.8%	9.3%	8.7%
Page Mill/Divco *	0.2											15.6%	(11.9%)	297.5%
Streeterville *	0.0											31.9%	35.2%	38.7%
2003	120.6	0.0%	(0.3%)	(4.4%)	(5.7%)	(12.8%)	(12.8%)	(15.8%)	(15.5%)	5.3%	9.5%	8.9%	12.6%	15.3%
Core	102.7	1.7%	1.7%	1.9%	2.2%	1.0%	1.3%	(8.8%)	(8.0%)	18.8%	27.4%	15.0%	19.5%	18.7%
Dermody Industrial *	0.1											32.2%	41.8%	32.1%
Frankford Trade Center	32.6	2.3%	2.5%	0.2%	0.8%	0.6%	1.2%	(6.7%)	(6.1%)	1.7%	2.3%	4.2%	4.9%	4.5%
Little Orchard	27.9	2.2%	2.3%	2.3%	2.6%	4.8%	5.2%	(7.9%)	(7.6%)	(0.5%)	(0.2%)	6.3%	6.7%	6.7%
SF WATERFRONT CONSTRUCTION LOA	42.1	0.8%	0.8%	3.4%	3.4%	3.1%	3.1%	3.6%	3.6%	5.5%	5.5%	6.1%	6.1%	6.6%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
SH Partners LP ^{*,29}	0.0											8.8%	10.1%	2.4%
Southmeadow [*]	0.0											10.1%	10.7%	10.4%
Waterford Common Apartments [*]	0.0											8.0%	8.4%	6.6%
Wilton House [*]	0.0											0.0%	0.0%	0.0%
Opportunistic	17.9	(8.0%)	(10.2%)	(25.9%)	(31.7%)	(13.7%)	(15.9%)	(26.0%)	(27.9%)	(10.1%)	(6.0%)	(3.3%)	5.3%	12.5%
Aetos Capital Asia	11.4	(8.3%)	(11.8%)	(26.4%)	(34.5%)	(9.1%)	(12.7%)	(16.2%)	(20.9%)	(5.3%)	(6.8%)	(2.7%)	N/M	12.3%
California Urban Housing LLC [*]	0.0											1.1%	1.7%	0.8%
Cherokee Investment Partners III	5.5	(10.1%)	(9.5%)	(26.8%)	(23.4%)	(35.2%)	(32.5%)	(71.5%)	(70.2%)	(55.7%)	(54.3%)	(41.7%)	(40.8%)	(46.8%)
Crown City Center LLC [*]	0.1											19.7%	23.6%	26.7%
DB International Fund 1A ⁶	0.9	(1.2%)	(2.9%)	(11.1%)	(27.4%)	(5.5%)	(15.0%)	11.6%	7.3%	N/M	N/M	N/M	N/M	19.9%
Value Added	0.0											10.8%	12.5%	7.1%
CJUF New Pacific [*]	0.0											51.2%	59.4%	44.9%
DB Realty Mezzanine Investment [*]	0.0											3.0%	16.2%	18.8%
TPG/Ca ISTRS LLC ¹⁷	0.0											8.7%	9.8%	5.0%
2002	562.9	7.7%	6.7%	19.4%	20.1%	44.0%	49.2%	(24.5%)	(24.7%)	(7.8%)	(4.7%)	(7.7%)	(9.4%)	(10.0%)
Core	201.4	3.8%	3.8%	8.7%	8.9%	(2.3%)	(2.1%)	(5.4%)	(5.2%)	2.4%	2.0%	1.3%	0.9%	(1.7%)
1835 Market Street	92.3	1.8%	1.9%	7.5%	7.7%	(6.2%)	(6.0%)	(6.2%)	(6.1%)	(2.1%)	(1.3%)	3.2%	4.0%	3.8%
CMBS [*]	0.0											4.6%	4.6%	(5.4%)
Marbrisa Apartments [*]	0.0											19.7%	22.1%	17.6%
Pacific Plaza	54.0	6.8%	6.8%	8.4%	8.6%	(2.0%)	(1.7%)	(8.3%)	(8.1%)	(0.3%)	(0.1%)	3.3%	3.5%	3.7%
Parc Vue Apartments [*]	0.0											37.6%	38.4%	26.2%
Pershing Point Plaza	55.1	4.3%	4.3%	11.1%	11.4%	4.5%	4.9%	(0.3%)	(0.0%)	3.5%	3.9%	5.0%	5.4%	5.2%
Opportunistic	18.7	(2.0%)	(3.3%)	(4.6%)	(9.4%)	41.2%	47.7%	(18.5%)	(28.7%)	(20.2%)	(27.0%)	1.3%	1.1%	33.0%
Beacon Capital Partners II [*]	0.0											38.3%	52.7%	42.4%
Canyon Johnson Urban Fund LP	1.7	(7.0%)	(5.2%)	(37.0%)	(31.9%)	(49.6%)	(62.6%)	(41.1%)	(50.2%)	(16.1%)	(19.8%)	(4.9%)	(5.8%)	11.1%
CJUF Sunset & Vine [*]	0.0											23.4%	23.4%	23.4%
Fortress II	17.1	(1.5%)	(3.1%)	(1.4%)	(7.1%)	54.2%	62.7%	(18.7%)	(31.9%)	(22.2%)	(30.7%)	7.0%	5.3%	37.8%
Value Added ¹³	342.8	10.8%	9.1%	32.8%	36.0%	N/A	N/A	31.9%	35.9%	29.6%	33.8%	22.0%	25.4%	(16.7%)
Fairfield CA Housing Fund, LLC ^{5,13,17}	0.0											N/A	N/A	N/A
Waterton Residential	342.8	10.8%	9.1%	32.8%	36.0%	8.9%	11.6%	(12.3%)	(12.1%)	(1.4%)	1.2%	6.4%	9.4%	(0.3%)
2001	733.2	1.7%	1.8%	13.3%	13.9%	5.8%	5.9%	(5.4%)	(5.5%)	6.3%	7.1%	11.7%	13.2%	15.9%
Core	109.8	4.7%	4.7%	40.5%	41.0%	20.1%	21.4%	4.9%	5.2%	8.7%	9.7%	12.4%	13.5%	14.8%
100 + 150 Staples Drive	35.9	1.7%	1.8%	10.3%	10.7%	8.3%	8.8%	0.0%	0.5%	6.8%	7.2%	9.6%	10.2%	10.0%
Alexandria Apartments [*]	0.0											41.2%	41.3%	23.5%
Colonnade At Sycamore [*]	0.0											20.0%	22.6%	17.9%
Glenmoor Apartments [*]	0.0											37.9%	39.0%	18.8%
Mariner Cove Apartments [*]	0.0											21.7%	24.0%	22.9%
Meridian at Town & Country [*]	0.0											19.4%	21.7%	20.2%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
Peoria Center *	0.0											7.9%	8.3%	8.0%
Plaza At The Arboretum	74.0	6.2%	6.2%	62.8%	63.4%	28.6%	31.1%	9.7%	10.5%	11.3%	12.5%	10.5%	11.5%	10.5%
Reflections II *	0.0											10.7%	11.2%	11.1%
Via Lugano *	0.0											30.3%	30.3%	21.9%
Opportunistic	600.7	0.6%	0.7%	7.8%	8.5%	2.4%	2.4%	(7.5%)	(7.7%)	6.3%	7.2%	11.2%	13.1%	16.9%
Cim California Urban RE Fund	313.8	0.2%	0.3%	12.9%	13.7%	(2.6%)	(1.9%)	(8.7%)	(8.1%)	5.5%	6.2%	20.1%	20.9%	14.5%
Lone Star Fund IV	135.7	2.2%	2.2%	9.0%	9.1%	16.1%	13.4%	(3.5%)	(6.6%)	5.7%	6.2%	(6.4%)	31.4%	30.8%
Morgan Stanley Re Fund IV	20.6	3.7%	4.0%	(2.8%)	(1.6%)	9.4%	10.7%	(13.3%)	(12.4%)	12.4%	13.3%	18.9%	19.7%	35.1%
Simon + Son Realty Partners	93.9	(0.7%)	(0.5%)	(1.2%)	(0.3%)	7.2%	8.0%	(1.1%)	(0.3%)	4.4%	5.4%	3.9%	5.1%	3.1%
SKS Co Investment	29.7	0.9%	0.9%	0.2%	0.9%	(12.9%)	(12.3%)	(18.1%)	(17.6%)	(10.8%)	(10.2%)	(11.6%)	(10.9%)	(10.7%)
Soros Real Estate Investment - Calstrs	7.0	(1.7%)	(2.0%)	(9.9%)	(11.5%)	(17.2%)	(20.7%)	(23.3%)	(29.0%)	(9.5%)	(12.2%)	4.9%	6.4%	16.6%
Value Added	22.6	20.1%	20.1%	77.5%	77.5%	67.4%	67.4%	9.6%	9.6%	10.8%	10.8%	2.7%	3.1%	6.1%
San Francisco Waterfront Partners	22.6	20.1%	20.1%	77.5%	77.5%	67.4%	67.4%	9.6%	9.6%	10.8%	10.8%	2.7%	3.1%	6.1%
2000	379.4	3.1%	3.1%	16.0%	16.3%	3.9%	4.2%	(3.4%)	(3.2%)	1.9%	1.9%	8.5%	9.0%	11.6%
Core	379.4	3.1%	3.1%	16.0%	16.3%	3.9%	4.2%	(3.4%)	(3.2%)	1.9%	1.9%	8.5%	9.0%	11.6%
250 Apollo Drive	11.5	0.6%	0.6%	9.9%	9.9%	(13.7%)	(13.7%)	(24.7%)	(24.7%)	(18.3%)	(18.6%)	(3.1%)	(2.9%)	(0.8%)
3131 + 3133 E Camelback Rd *	0.0											15.9%	16.9%	15.6%
551 Madison Avenue *	0.0											16.5%	18.3%	16.7%
800 South Hope Street	48.7	15.8%	15.8%	24.2%	24.5%	(5.3%)	(5.1%)	(2.9%)	(3.3%)	4.4%	5.2%	7.2%	7.8%	7.6%
Abbott Beltman	21.4	3.4%	3.4%	(0.2%)	(0.0%)	(8.4%)	(8.7%)	(6.9%)	(6.7%)	(2.7%)	(2.9%)	4.5%	4.8%	5.7%
Avery Park *	0.0											12.3%	12.8%	12.7%
Avery Pointe *	0.0											13.0%	14.0%	13.7%
Boynton Beach *	0.0											19.9%	21.3%	19.8%
Castlerock *	0.0											20.6%	23.3%	17.7%
Concord Road	37.9	5.5%	5.5%	9.7%	10.0%	2.4%	2.8%	0.5%	0.8%	(6.1%)	(5.8%)	0.9%	1.2%	1.5%
Dulles Tech *	0.0											9.6%	10.2%	10.3%
Emerald Point Office *	0.0											7.3%	8.0%	7.4%
Fort Washington *	0.0											9.4%	10.1%	10.2%
Grand Reserves Apartments *	0.0											20.1%	22.1%	14.0%
Jackson Square *	0.0											11.0%	11.6%	11.0%
Legacy *	0.0											11.9%	12.2%	11.6%
MacArthur Ridge *	0.0											15.6%	16.3%	11.2%
Mariners Landing Apartments	22.0	3.3%	3.4%	22.7%	23.1%	7.8%	8.2%	(6.2%)	(5.9%)	(4.1%)	(4.5%)	6.5%	6.9%	6.3%
Missions Rio Vista Apartment *	0.0											17.3%	18.2%	17.8%
Preserve At Cress Creek *	0.0											2.3%	2.4%	7.5%
Quarry Crossing *	0.0											14.3%	15.3%	14.9%
Reflections I *	0.0											10.8%	11.4%	10.7%
Renaissance At North Bond Apts *	0.0											8.8%	9.0%	8.8%
River Oaks *	0.0											(5.9%)	(5.5%)	1.0%
San Valiente *	0.0											37.4%	37.6%	12.3%
Shaws Supermarkets Retail	85.8	(1.1%)	(1.0%)	11.6%	12.0%	9.8%	10.2%	2.3%	2.7%	7.1%	7.4%	12.3%	12.7%	12.8%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	IRR
South Trust Plaza *	0.0											18.4%	20.4%	21.8%
Stone Bridge Plaza *	0.0											13.2%	13.9%	11.9%
The Concourse	92.2	6.7%	6.8%	21.7%	21.9%	4.6%	4.9%	(2.9%)	(2.6%)	4.4%	4.5%	7.8%	8.1%	8.2%
The Tower at Mariners Cove Apts *	0.0											16.5%	16.9%	16.2%
Third Avenue *	0.0											11.7%	12.4%	12.0%
Valencia Town Center *	(0.1)											18.4%	18.8%	19.2%
Waterview	60.1	(5.8%)	(5.7%)	19.6%	20.2%	13.0%	13.6%	(6.9%)	(6.4%)	0.2%	0.6%	1.4%	1.9%	4.9%
Wells Fargo Plaza *	0.0											17.3%	18.5%	17.5%
Opportunistic	0.0											(1.1%)	(1.1%)	(1.6%)
Waterford Land *	0.0											(1.1%)	(1.1%)	(1.6%)
1999	509.1	3.2%	3.3%	15.5%	15.9%	3.3%	3.4%	0.3%	0.5%	3.4%	3.6%	7.5%	7.9%	8.4%
Core	509.1	3.2%	3.3%	15.5%	15.9%	3.3%	3.4%	0.3%	0.5%	3.4%	3.6%	7.5%	7.9%	8.4%
Abbots Run *	0.0											16.6%	16.9%	19.7%
Alamo Quarry *	0.0											16.1%	17.3%	15.5%
Anderson Consulting	96.3	2.5%	2.5%	11.6%	11.8%	3.0%	3.3%	(5.2%)	(4.9%)	0.2%	0.5%	5.3%	5.6%	7.9%
Atlanta Airport Industrial *	0.0											7.2%	7.5%	7.3%
Bay Colony Corporate Center *	0.0											5.8%	5.9%	7.9%
Campus Commons	56.7	3.6%	3.7%	7.8%	8.2%	3.2%	3.5%	(3.2%)	(2.9%)	0.3%	0.6%	5.7%	6.1%	6.4%
Charlotte Plaza *	0.0											14.4%	15.2%	14.3%
Dallas Tower	103.6	2.6%	2.6%	18.9%	19.1%	2.2%	2.4%	(4.3%)	(4.1%)	(4.2%)	(4.0%)	0.3%	0.5%	0.4%
Harrington Farms *	0.0											6.5%	6.7%	4.3%
Hayden Woods *	0.0											8.4%	9.0%	8.8%
Lincoln Place	123.5	5.6%	5.7%	18.5%	18.9%	1.3%	1.5%					1.0%	1.2%	11.3%
Meridian Hill *	0.0											8.2%	8.8%	8.8%
South Belt Circle *	0.0											22.0%	22.1%	22.0%
University Of Chicago Ind	129.1	1.9%	2.0%	15.1%	15.5%	6.7%	6.7%	0.2%	0.3%	3.5%	3.2%	6.2%	6.5%	6.7%
Waterford Forest *	0.0											3.5%	3.8%	3.7%
Waterford Hills *	0.0											(0.4%)	(0.3%)	2.4%
1998	68.1	5.9%	6.0%	24.2%	24.7%	2.4%	2.8%	(7.5%)	(7.2%)	(0.4%)	(0.0%)	7.2%	7.5%	10.0%
Core	68.1	5.9%	6.0%	24.2%	24.7%	2.4%	2.8%	(7.5%)	(7.2%)	(0.4%)	(0.0%)	7.2%	7.5%	10.0%
Coastal Tower	36.2	6.5%	6.5%	10.7%	11.0%	(1.0%)	(0.8%)	(4.0%)	(3.7%)	(0.3%)	(0.1%)	3.8%	4.1%	4.4%
Oaks Shopping Center *	0.0											11.1%	11.4%	10.2%
St. James *	0.0											14.6%	15.0%	14.1%
Wynfield Park	31.9	5.3%	5.4%	44.1%	44.8%	6.6%	7.2%	(12.5%)	(12.0%)	(2.4%)	(2.0%)	7.6%	8.0%	12.3%
1996	2.1	(1.0%)	(1.0%)	(5.7%)	(5.7%)	(14.1%)	(14.1%)	(11.5%)	(11.5%)	(3.4%)	(3.4%)	8.8%	9.1%	13.1%
Opportunistic	2.1	(1.0%)	(1.0%)	(5.7%)	(5.7%)	(14.1%)	(14.1%)	(11.5%)	(11.5%)	(3.4%)	(3.4%)	8.8%	9.1%	13.1%
Lazard Freres Co-Investment *	0.3											23.8%	23.6%	14.6%
Lazard Freres Strat Realty Inv	1.7	(1.1%)	(1.1%)	(6.7%)	(6.7%)	(16.1%)	(16.1%)	(13.2%)	(13.2%)	(2.9%)	(2.9%)	7.3%	7.9%	12.5%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
1995	22.1	1.8%	1.8%	11.6%	11.6%	(1.2%)	(1.2%)	(20.0%)	(20.0%)	(2.0%)	(1.8%)	8.4%	9.2%	14.5%
Core *	0.0											12.8%	13.3%	11.1%
Calavera Point *	0.0											13.4%	14.1%	12.8%
Camden At Bloomingdale Apts *	0.0											11.4%	11.8%	13.7%
Centerpointe of Woodridge *	0.0											15.8%	16.2%	10.9%
High Ridge Shopping *	0.0											8.5%	9.0%	8.6%
Isles at Sawgrass *	0.0											7.8%	8.1%	7.9%
Kensington Square *	0.0											6.6%	6.9%	7.0%
Pinnacle at Highline *	0.0											13.4%	14.0%	12.8%
Opportunistic	22.1	1.8%	1.8%	11.6%	11.6%	(1.1%)	(1.1%)	(19.7%)	(19.7%)	(2.0%)	(1.9%)	10.2%	11.6%	17.2%
Colony Investors II -Calstrs *	0.0											17.9%	24.6%	4.8%
Morgan Stanley RE Fund II	22.1	1.8%	1.8%	9.7%	9.7%	(1.9%)	(1.9%)	(20.2%)	(20.2%)	(2.6%)	(2.6%)	13.5%	13.9%	23.7%
1994 *	0.0											(0.1%)	(0.0%)	4.1%
Core *	0.0											(0.1%)	(0.0%)	4.1%
19th Street *	0.0											12.6%	13.0%	2.5%
280 Metro Center *	0.0											10.1%	10.6%	6.9%
Mesa Verde Apartments *	0.0											(37.4%)	(37.2%)	8.1%
San Diego Business Center *	0.0											26.7%	27.3%	2.8%
San Paloma *	0.0											8.4%	8.8%	8.7%
Santa Clara *	0.0											35.4%	36.1%	3.1%
1993	53.6	3.3%	3.4%	28.9%	29.3%	17.9%	18.3%	10.4%	10.8%	7.8%	8.2%	12.4%	12.9%	15.7%
Core	53.6	3.3%	3.4%	28.9%	29.3%	17.9%	18.3%	10.4%	10.8%	7.8%	8.2%	12.4%	12.9%	15.7%
Briar Meadows *	0.0											8.5%	8.9%	8.4%
Quarry Shopping Center	53.6	3.3%	3.4%	28.9%	29.3%	17.9%	18.3%	10.4%	10.7%	10.5%	10.9%	13.7%	14.1%	12.7%
Stafford Place * ²⁵	0.0											(251.1%)	(251.1%)	137.0%
Stratford Place *	0.0											6.0%	6.4%	12.0%
Vista Del Lago *	0.0											12.0%	12.5%	12.4%
1992 *	0.0											6.4%	6.6%	11.0%
Core *	0.0											6.4%	6.6%	11.0%
Waterford *	0.0											6.4%	6.6%	11.0%
1991	54.1	2.0%	2.2%	9.1%	9.6%	9.5%	9.9%	3.2%	3.6%	6.1%	6.4%	7.8%	8.0%	11.2%
Core	54.1	2.0%	2.2%	9.1%	9.6%	9.5%	9.9%	3.2%	3.6%	6.1%	6.4%	7.8%	8.0%	11.2%
Crocker Industrial Park	54.1	2.0%	2.2%	9.1%	9.6%	9.5%	9.9%	3.2%	3.6%	6.1%	6.4%	10.3%	10.7%	11.1%
North Ranch Mall *	0.0											11.0%	11.5%	11.0%
Parks Arlington *	0.0											19.9%	20.2%	11.3%
1990	292.6	8.4%	8.5%	21.3%	21.6%	4.8%	5.1%	2.9%	3.2%	6.7%	7.0%	6.4%	6.8%	4.6%
Core	292.6	8.4%	8.5%	21.3%	21.6%	4.8%	5.1%	2.9%	3.2%	6.7%	7.0%	6.4%	6.8%	4.6%
M Street *	0.0											14.3%	14.8%	5.3%
Northrop Plaza	236.3	5.4%	5.4%	19.0%	19.2%	4.8%	5.0%	3.1%	3.4%	5.2%	5.5%	5.7%	6.1%	3.7%
Opus Emerson *	0.0											17.6%	17.9%	10.0%
Rancho Pacifica	56.3	23.6%	23.7%	32.1%	32.7%	7.1%	7.5%	3.9%	4.3%	11.1%	11.5%	7.8%	8.2%	7.2%
Southrail Business *	0.0											7.8%	8.3%	6.5%
Sutton Kilmer *	0.0											10.3%	10.9%	0.1%

Vintage Year Detail

Investments by Vintage Year	Current Quarter			1 - Year		2 - Year		3 - Year		5 - Year		Inception		IRR
	\$ Mil	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
1989	84.8	2.6%	2.6%	15.4%	15.7%	2.5%	2.7%	3.8%	4.0%	10.9%	11.1%	6.3%	6.7%	2.9%
Core	84.8	2.6%	2.6%	15.4%	15.7%	2.5%	2.7%	3.8%	4.0%	10.9%	11.1%	6.3%	6.7%	2.9%
9595 Wilshire Blvd	84.8	2.6%	2.6%	15.4%	15.7%	2.5%	2.7%	3.8%	4.0%	10.9%	11.1%	7.9%	8.3%	6.4%
Davies Pacific Center *	0.0											2.9%	3.1%	0.2%
La Palma *	0.0											(2.8%)	(2.2%)	(2.0%)
Pan Am Building *	0.0											4.4%	4.6%	3.9%
Wilshire 9720 *	0.0											0.0%	0.5%	(1.6%)
1988	73.8	1.0%	1.1%	28.2%	28.8%	2.2%	2.5%	3.0%	3.3%	9.2%	10.1%	9.0%	9.5%	5.4%
Core	73.8	1.0%	1.1%	28.2%	28.8%	2.2%	2.5%	3.0%	3.3%	9.2%	10.1%	9.0%	9.5%	5.4%
Hawaiian Property *	0.0											7.3%	7.9%	7.5%
Pacific Finance Plaza *	(0.2)											13.3%	14.4%	6.2%
Retail Prop Trust *	0.0											4.0%	4.6%	3.2%
Wilshire Landmark I	74.1	0.9%	1.0%	18.9%	19.5%	(8.2%)	(7.8%)	(4.2%)	(3.8%)	7.5%	7.9%	6.6%	7.0%	5.0%
1987	35.8	3.0%	3.1%	17.3%	17.6%	(2.5%)	(2.2%)	(6.6%)	(6.3%)	8.0%	8.3%	7.8%	8.2%	5.0%
Core	35.8	3.0%	3.1%	17.3%	17.6%	(2.5%)	(2.2%)	(6.6%)	(6.3%)	8.0%	8.3%	7.8%	8.2%	5.0%
Alondra/Midway Industrial	11.8	9.1%	9.1%	10.2%	10.5%	(1.0%)	(0.7%)	(3.3%)	(3.0%)	7.1%	7.4%	8.7%	9.1%	7.5%
G Street *	0.0											5.3%	5.8%	4.5%
Miramar Industrial *	0.0											14.1%	14.5%	8.2%
Mountain Heights *	0.0											(2.7%)	(2.2%)	(0.8%)
Pacific Commerce Center	10.4	(0.9%)	(0.9%)	6.5%	6.5%	(13.3%)	(13.2%)	(14.8%)	(14.6%)	2.1%	2.3%	8.2%	8.7%	7.7%
Santa Fe Springs	13.6	1.1%	1.2%	35.9%	36.7%	5.7%	6.2%	(1.8%)	(1.4%)	12.8%	13.2%	8.7%	9.2%	7.5%
Woods Mill Common *	0.0											(3.8%)	(3.4%)	(2.1%)
1986	0.0											1.8%	2.3%	1.2%
Core	0.0											1.8%	2.3%	1.2%
Riverbend Executive Center *	0.0											(1.5%)	(1.1%)	(0.3%)
Westmark Building *	0.0											3.8%	4.3%	4.0%
1985	0.0											2.4%	2.9%	0.1%
Core	0.0											2.4%	2.9%	0.1%
2800 River Road *	0.0											(10.8%)	(10.4%)	(11.0%)
Centre Pointe *	0.0											0.4%	0.9%	(3.9%)
Piedmont Center *	0.0											4.0%	4.5%	2.9%
1984	295.1	2.5%	2.5%	4.5%	4.7%	4.1%	4.4%	(4.4%)	(4.1%)	7.4%	7.7%	7.4%	7.9%	7.3%
Core	295.1	2.5%	2.5%	4.5%	4.7%	4.1%	4.4%	(4.4%)	(4.1%)	7.4%	7.7%	7.4%	7.9%	7.3%
Anaheim Plaza *	0.0											4.7%	5.0%	2.7%
Pacific Northwest A	228.2	2.5%	2.6%	1.7%	2.0%	3.6%	3.9%	(5.9%)	(5.7%)	6.8%	7.1%	7.5%	7.9%	8.0%
University Office Park *	0.0											16.6%	17.3%	10.0%
Westwood Plaza	66.9	2.3%	2.4%	15.6%	15.8%	5.3%	5.5%	2.7%	3.0%	12.7%	13.0%	8.3%	8.8%	7.5%
Total	18,224.1	4.8%	5.0%	16.2%	17.5%	0.2%	1.4%	(17.0%)	(16.3%)	(4.6%)	(2.7%)	5.4%	6.4%	1.0%
Benchmarks (gross)														
NCREIF			3.4%		16.0%				(3.6%)		3.5%		8.9%	
NAREIT			7.5%		25.0%				2.6%		1.7%		13.0%	

Vintage Year Detail – Notes

Please note that all investment returns represent the latest Portfolio Manager's life span.

* Represents a sold investment or investment portfolio. NAV balances, IRRs and Since Inception Returns are the only meaningful information presented.

- 1 These are investments or investment portfolios that have been Committed to but no investment level contributions have occurred.
- 2 This investment is a result of CalSTRS's Joint Venture reconstruction, commencing in Q2 2010 and continues to occur as relevant investments are acquired.
- 3 CalSTRS has recommitted to a new position in the Lion Industrial Trust Fund. However, no investment level contributions have occurred yet.
- 4 This is a new investment or investment portfolio that was funded in Q4 2010. As such, it is subject to an IRR calculation. However, it is not yet subject to a Time Weighted Return performance calculation.
- 5 These investments have IRR results that cannot be calculated thus an N/A is displayed.
- 6 Due to the mathematical principles involved in the linking of Time Weighted Returns, these investments have produced such extreme results that they are no longer meaningful (N/M) during the applicable time frames.
- 7 This investment's original investment experienced a significant drop in value resulting in a writedown to \$1 and the cessation of Time Weighted Return performance calculation. After a period of greater than one quarter, this investment achieved a positive value and a new investment, a "B" investment, was established to recommence Time Weighted Return performance. In addition, this aggregation allows for a contiguous IRR to be displayed.
- 8 This is one of the underlying direct investments from the 8/1/2010 transfer from the FirstCal Industrial Joint Ventures.
- 9 This investment has been transferred into LCOR Residential Associates, effectively resulting in a \$0 NAV and 0.0% IRR.
- 10 This investment was funded in Q4 2010. As such it is subject to a Time Weighted Return performance calculation starting in Q1 2011. However, this investment was also exited in Q1 2011. Therefore, the return displayed is for a partial period.
- 11 This is a new investment that was funded in Q3 2010. It is subject to an IRR calculation. However, because it still has a negative net asset value, it is not yet subject to a Time Weighted Return performance calculation.
- 12 This is a new investment that was funded in Q1 2010. As such, it is subject to an IRR calculation. However, since its value has been \$0 since then, it is not yet subject to a Time Weighted Return performance calculation.
- 13 Due to the mathematical principles involved in the linking of Time Weighted Returns, a Since Inception Return was incalculable and is listed as "N/A".
- 14 Though reported NAVs for these investments are, or have been, negative due to a temporary and subjective adjustment of value as compared to the outstanding leverage and contributed equity amounts, we set the values of these investments at \$1 in their first negative periods for performance purposes. As such, we have halted time weighted return performance calculations on these investments as of the respective periods and only the NAV balances, IRRs, and Since Inception Returns are considered meaningful.
- 15 This investment was funded in Q1 2009. As such, it is subject to an IRR calculation. However, it is not yet subject to a Time Weighted Return Performance calculation.
- 16 On 8/1/2010, these Joint Venture Funds were transferred into their underlying direct investments.
- 17 Due to CalSTRS's Joint Venture restructuring, the original JV's performance has been halted as of Q1 2010. NAV balances, IRRs and Since Inception Returns are the only meaningful information presented.
- 18 This investment's name was changed. It was formerly known as Centerline High Yield CMBS Fund III.
- 19 These investments have been valued at \$0 as their impairment is considered to be a permanent condition.
- 20 The General Partner of this investment has been valuing CalSTRS NAV at \$0 since Q3 2010. Thus we have halted the Time Weighted Return performance calculation as of 9/30/2010.
- 21 This investment's name was changed. It was formerly known as ARCap RE Special Situation Fund.
- 22 The General Partner has valued this investment at \$0 for CalSTRS' ownership share because, despite the presentation on the Balance Sheet, all debt is non-recourse.
- 23 On 7/1/2010, the LevCal JV was transferred into the individual underlying properties.
- 24 Though reported NAVs for these investments are, or have been, negative due to a temporary and subjective adjustment of value as compared to the outstanding leverage and contributed equity amounts, we set the values of these investments at 1GBP in it's first negative period for performance purposes. As such, we have halted time weighted return performance calculations on these investments as of the respective periods and only the NAV balances, IRRs, and Since Inception Returns are considered meaningful.
- 25 This is a new investment that was commenced in Q3 2009. However, because no actual real estate investments have been made and the Fund has since entered bankruptcy, a \$0 value is assumed.
- 26 This investment's last holding was sold on 4/7/2010 yet proceeds remain undistributed. As all relevant financial results have been recorded as of 3/31/2010, we ended time weighted return performance as of that date.
- 27 CalSTRS position in this investment was liquidated on 10/1/2008. Because of the extreme result such timing would produce in a quarterly result, the returns displayed contain the economic impact of the sale as if the investment ended on 9/30/2008.
- 28 This investment's name was changed. It was formerly known as ARCap CMBS Fund II.
- 29 SH Partners LP was broken down into it's individual investments on 8/3/2009. As a result, IRRs and Since Inception Returns are the only meaningful information presented.

CalSTRS Real Estate Report: March 31, 2011

Appendices

Non-Core Performance Detail (Value Added & Opportunistic Strategies)



Non-Core Performance Detail

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Opportunistic		19,334.3	9,234.4	18,013.6	5,937.2	7.3%	(8.0%)
Aetos		750.0	169.3	491.4	165.0	(5.2%)	(13.5%)
Aetos Capital Asia	Feb-03	100.0	11.4	89.3	108.1	(2.7%)	12.3%
Aetos Capital Asia III ^{1,2}	Sep-05	400.0	(6.5)	20.1	6.9	N/A	(19.5%)
Aetos Capital Asia TE II LTD	Mar-08	250.0	164.4	382.0	50.0	(21.1%)	(18.3%)
AVP Advisors		300.0	8.8	28.3	0.0	(59.5%)	(40.5%)
AVP M Street Investors	Dec-07	300.0	8.8	28.3	0.0	(59.5%)	(40.5%)
Beacon Capital		1,070.7	449.9	922.2	371.4	5.1%	(5.3%)
Beacon IV Co-Investment	Aug-06	110.7	127.4	109.7	0.8	4.1%	3.6%
Beacon Capital Partners II *	Jan-02		0.0	50.0	105.7	38.3%	42.4%
Beacon Capital Partners V	Aug-07	400.0	139.2	307.8	3.5	(27.8%)	(24.3%)
Beacon Capital Prtrs III Co-Inv *	Jun-05		0.0	51.6	95.0	39.9%	37.3%
Beacon Capital Strategic Fund III *	Dec-04		0.0	63.0	118.5	33.2%	44.7%
Beacon Capital Strategic Partners IV	Jun-06	350.0	180.6	331.6	46.9	(9.9%)	(11.4%)
Beacon Capital Strategic Partners VI, LP ³	Feb-11	210.0	2.7	8.4	1.0		(63.4%)
BlackRock		0.0	81.9	98.2	18.3	(0.3%)	3.5%
BlackRock Cal I LLC Opp ⁴	Apr-10		81.9	83.6	2.2	51.0%	2.3%
Streeterville Phse II Land *	Dec-04		0.0	11.5	13.1	4.5%	5.0%
Waterford Land *	Oct-02		0.0	3.1	3.0	(1.1%)	(1.6%)
Brookfield Homes		200.0	59.5	62.1	1.5	(1.0%)	(0.8%)
BrookCal	Jun-07	200.0	59.5	62.1	1.5	(1.0%)	(0.8%)
Canyon Johnson		405.3	124.7	227.8	70.8	1.0%	(8.2%)
Canyon Johnson Urban Fund II	Apr-05	150.0	81.8	132.5	1.3	(13.2%)	(13.1%)
Canyon Johnson Urban Fund III	Mar-10	225.0	41.2	48.3	0.8	(36.1%)	(22.7%)
Canyon Johnson Urban Fund LP	Jul-07	30.3	1.7	28.6	36.4	(4.9%)	11.1%
CJUF Sunset & Vine *	Jul-02		0.0	18.4	32.2	23.4%	23.4%
Capmark		100.0	20.4	96.5	9.3	(33.0%)	(34.1%)
Capmark Structured RE Partners	Dec-06	100.0	20.4	96.5	9.3	(33.0%)	(34.1%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
CB Richard Ellis		267.4	456.3	1,104.0	80.2	(29.0%)	(31.3%)
CBRE Strategic Prtrs. US Opp. 5 Wood Partners	Mar-08	80.0	21.7	80.1	0.0	(35.1%)	(34.8%)
CBRE Strategic Prtrs. UK Fund III	May-07	187.4	48.5	171.2	0.0	(82.2%)	(39.2%)
CBRE Strategic Partners Asia Fund II ^{1,5}	Jul-07	125.0	59.0	84.7	25.5	N/A	(0.2%)
CBRE Strategic Partners Europe Fund II	Sep-05	106.8	111.0	107.1	0.0	4.1%	0.9%
CBRE Strategic Partners U.S. Opp V	Nov-07	100.0	68.5	89.9	0.3	(55.8%)	(25.8%)
CBRE Strategic Partners US Fund IV	May-07	100.0	22.2	100.0	0.0	(27.1%)	(34.1%)
CBRE Strategic Prtrs. UK Fund II ^{6,7}	Jul-05	81.4	(7.8)	85.7	0.0	(98.6%)	N/A
CSJV FirstCal CAN Opp ^{8,9}	Aug-10		3.3	6.6	9.7		N/M
FirstCal Ind 2 Opp ^{6,8}	Aug-10		0.4	(0.2)	(0.0)	(10.1%)	N/A
FirstCal Ind 3 Opp ⁸	Aug-10		36.6	33.5	0.7	(17.0%)	29.1%
FirstCal Ind Opp ⁸	Aug-10		38.7	26.5	0.1	36.5%	48.7%
FirstCal Industrial 3 JV ^{6,10}	Jul-06	500.0	0.0	186.2	4.2	(107.9%)	N/A
FirstCal Industrial Canada ¹⁰	Dec-07	90.0	0.0	9.8	1.2	(34.4%)	(35.8%)
FirstCal Industrial Europe ^{6,11}	Feb-09	150.0	(1.7)	1.5	0.0		N/A
Metro Fund II LLC *	Mar-10		0.0	38.0	38.0	(0.0%)	(0.0%)
Metro Fund LLC Opp ^{4,12}			56.0	83.3	0.5	N/M	(96.7%)
Centerline ^{1,6,12}		575.0	(86.0)	598.8	131.5	N/A	N/A
LCCG Diversified Risk CMBS Fund II ^{1,5,13}	Jul-04	75.0	1.3	100.0	80.9	N/A	(17.0%)
LCCG High Yield CMBS Fund III LLC ^{2,6,14}	Aug-07	200.0	(109.9)	199.4	1.3	(99.9%)	N/A
LCCG RE Special Situations Mortgage Fund ^{12,15}	May-06	300.0	22.6	299.5	49.3	(24.0%)	(37.7%)
Cerberus		80.0	18.1	92.9	78.9	(1.0%)	1.7%
Blackacre Institutional Prtnrs	May-04	80.0	18.1	55.4	53.1	4.7%	9.2%
CB Riley Blackacre Co-Investment *	Feb-05		0.0	37.6	25.7	N/A	(24.1%)
Cherokee		316.7	66.2	191.7	11.1	(27.0%)	(61.3%)
Cherokee Investment Partners IV ^{1,5}	Feb-06	241.7	60.7	133.6	3.7	N/A	(64.7%)
Cherokee Investment Partners III	Feb-03	75.0	5.5	58.2	7.4	(41.7%)	(46.8%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
CIM		245.0	313.8	290.1	141.5	20.1%	14.5%
CIM California Urban RE Fund	Dec-00	245.0	313.8	290.1	141.5	20.1%	14.5%
Colony Investors		0.0	0.0	145.6	168.3	17.9%	4.8%
Colony Investors II *	Apr-95		0.0	145.6	168.3	17.9%	4.8%
Deutsche Bank		756.6	221.4	725.0	504.1	3.6%	0.0%
DB International Fund 1A ¹²	Dec-03	350.0	0.9	350.2	436.3	N/M	19.9%
DB International Fund 1B	Sep-04	88.0	52.7	56.1	63.8	10.1%	18.7%
RREEF Global Opportunity Fund II	Dec-05	300.0	148.8	300.0	2.4	(13.0%)	(16.3%)
RREEF GOF II 2010 Sr Notes	Sep-10	18.6	19.1	18.8	1.5	10.8%	17.1%
Fairfield		3.8	36.2	205.5	79.1	(96.9%)	(48.8%)
CSJV NF ServiceCo LLC	Aug-10	3.8	4.0	3.8	0.3	0.5%	12.8%
Fairfield CHF LLC Opp Total ^{4,5}	Apr-10	89.1	32.2	70.6	29.8	(111.4%)	(37.8%)
Fairfield Residential Operating Company ^{1,5,6}	May-05	89.1	0.0	131.1	49.0	N/A	N/A
Fortress		2,216.0	1,450.7	2,203.2	627.6	18.6%	(2.0%)
FCO MA II LP RE	Jun-10	195.0	94.1	78.8	0.0	35.4%	29.2%
Fortress Bridge Co-Investment *	Feb-07		0.0	103.6	121.7	11.7%	15.0%
Fortress Credit Opportunity Fund II A LP	Jul-10	5.0	3.7	3.0	0.0	18.9%	27.0%
Fortress Florida Co-Investment	Feb-07	100.0	84.3	99.8	0.0	(4.1%)	(4.5%)
Fortress Florida Preferred Fund LP	Jan-10	21.3	26.5	21.3	0.0	20.1%	20.2%
Fortress Holiday Investment Fund	Feb-07	265.0	289.8	237.6	0.0	5.3%	5.0%
Fortress II	Dec-02	150.0	17.1	165.5	300.9	7.0%	37.8%
Fortress Investment Fund III, LP	Sep-04	250.0	199.8	301.3	126.9	(0.4%)	2.6%
Fortress III 20% PIK Notes Due 2014	Feb-10	20.0	9.9	55.3	54.0	20.3%	20.1%
Fortress Investment Fund IV	Jun-06	300.0	270.5	296.1	0.5	(2.8%)	(2.2%)
Fortress Investment Fund V	Jun-07	300.0	222.0	282.6	0.1	(84.6%)	(9.0%)
Fortress IV Coinvestment Fund	Jul-06	60.0	52.3	60.0	0.0	(3.5%)	(3.4%)
Fortress IW Coinvestment ^{12,16}	Oct-06	200.0	0.0	199.9	0.0	(99.4%)	(99.6%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Fortress Res Inv. Deutschland	Aug-05	153.4	54.2	108.2	18.3	(9.0%)	(8.7%)
Fortress RIC Coinvestment Fund	Jul-06	96.3	71.8	96.3	5.1	(7.0%)	(4.8%)
Fortress V Co-Investment	Jul-07	100.0	54.6	93.8	0.0	(42.4%)	(16.3%)
Frogmore		225.4	49.1	111.8	0.0	(54.3%)	(29.5%)
Frogmore Real Estate Partners	May-06	99.9	27.8	92.5	0.0	(51.5%)	(35.0%)
Frogmore Real Estate Partners II LP	Oct-09	125.5	21.3	19.3	0.0	(7.5%)	12.8%
GI Partners		700.0	669.7	535.6	35.8	6.7%	10.9%
GI Partners Fund II	Sep-05	300.0	388.3	294.4	18.3	6.4%	8.6%
GI Partners Fund III	Jul-08	400.0	281.4	241.1	17.5	3.3%	27.9%
Grove International		425.0	73.7	440.5	245.8	(2.2%)	(23.4%)
CGI Co-Investment Fund	Oct-06	50.0	2.6	39.9	5.1	(44.6%)	(45.6%)
Cypress Grove Opportunity Fund	Dec-05	100.0	40.4	193.5	115.3	(11.4%)	(14.5%)
Redwood Grove	May-07	150.0	23.6	111.7	3.6	(56.3%)	(42.8%)
RGI Co-Investment II ¹⁷		50.0	0.1				
Soros Real Estate Investment	Jul-01	75.0	7.0	95.4	121.7	4.9%	16.6%
Hawkeye Partners		100.0	81.0	77.2	6.7	(8.8%)	13.6%
Scout Fund I A	Jan-09	100.0	81.0	77.2	6.7	(8.8%)	13.6%
Hearthstone ¹		300.6	31.1	126.6	39.3	N/A	(50.1%)
Hearthstone Housing Partners III ^{1,5}	Jun-06	300.0	30.5	126.1	39.3	N/A	(50.5%)
Hearthstone III Default Loan	Mar-10	0.6	0.6	0.6	0.0	8.2%	8.2%
Heitman		84.1	46.8	76.9	6.5	(8.3%)	(9.9%)
Heitman European Property Ptrs. III	Aug-05	84.1	46.8	76.9	6.5	(8.3%)	(9.9%)
IDS ⁶		200.0	0.8	42.4	0.6	10.1%	N/A
IDS Joint Venture Opp ⁴	Apr-10		0.0	0.0	(0.7)	10.1%	(13.6%)
IDS Urban JV ³	Mar-11	200.0	0.8	42.4	1.3		(98.0%)
IL & FS		150.0	154.5	131.3	0.5	5.5%	5.5%
IL & FS India Realty Fund	Dec-08	100.0	121.7	100.0	0.0	5.5%	5.8%
IL & FS India Realty Fund II	Apr-06	50.0	32.8	31.3	0.5	(8.8%)	3.9%

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Institutional Housing Partners		125.0	31.1	33.0	0.0	(5.0%)	(7.7%)
IHP Capital Partners VI LLC	Aug-10	125.0	31.1	33.0	0.0	(5.0%)	(7.7%)
JAH Capital Management		211.5	88.6	136.1	12.0	(16.0%)	(12.8%)
Trigate CalSTRS Partnerships	Dec-07	100.0	39.5	88.4	12.0	(15.6%)	(16.6%)
Trigate Capital, LLC	Dec-07	1.5	0.5	0.5	0.0	(2.5%)	(2.3%)
Trigate Property Partners	Dec-07	110.0	48.6	47.2	0.0	70.6%	2.9%
JE Roberts		300.0	72.5	244.8	19.5	(37.2%)	(33.7%)
JER Europe Fund III	Feb-07	300.0	72.5	244.8	19.5	(37.2%)	(33.7%)
Kennedy Associates *			0.1	27.4	55.8	19.7%	26.7%
Crown City Center LLC *	Jan-03		0.1	27.4	55.8	19.7%	26.7%
Lazard Freres		150.0	2.1	196.8	358.3	8.8%	13.1%
Lazard Freres Co-Investment Fund *	Mar-96		0.3	46.8	92.1	23.8%	14.6%
Lazard Freres Strategic Realty Inv.	Mar-96	150.0	1.7	150.0	266.3	7.3%	12.5%
LCOR¹⁵			24.7	24.7	0.0		0.0%
LCOR Residential Associates LLC Opp ^{3,4}	Mar-11		24.7	24.7	0.0		0.0%
Lehman Brothers		100.0	61.1	94.5	30.2	(8.7%)	(1.2%)
Lehman Bros Re Pension Part II	Aug-05	100.0	61.1	94.5	30.2	2.4%	(1.2%)
LNR		244.4	238.2	285.5	10.0	(5.0%)	(5.1%)
LNR Development Fund	Jan-06	244.4	238.2	285.5	10.0	(5.0%)	(5.1%)
Lone Star		960.0	685.7	845.9	505.7	(5.2%)	15.5%
Lone Star Fund IV	Dec-01	200.0	135.7	195.6	308.0	(6.4%)	30.8%
Lone Star Fund V	Jan-05	360.0	242.5	327.3	74.6	10.1%	(1.0%)
Lone Star Fund VI U.S. LP	Apr-08	300.0	231.2	240.1	111.7	16.4%	16.5%
Lone Star Real Estate Fund (US) LP	Aug-08	100.0	80.9	82.9	11.5	7.4%	6.3%
Lone Star Real Estate Fund II	Apr-06	200.0	(4.6)				
Lowe		52.5	0.4	24.9	0.2	(68.7%)	(74.2%)
La Solana Co-Investment SR1, LLC	Sep-07	17.5	0.0	4.4	0.0	(95.2%)	(92.1%)
Lowe Resort Community Fund	Jul-06	35.0	0.4	10.0	0.0	(62.5%)	(69.9%)
Lowe Resort Finance Investment Partners *	Jun-07		0.0	10.5	0.2	(80.1%)	(77.3%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
MacFarlane		380.0	89.8	287.2	6.0	(37.4%)	(50.6%)
MacFarlane Emerging Managers Fund I ^{6,12}	Mar-08	200.0	(5.0)	(0.1)	0.0	N/M	N/A
MacFarlane Urban Real Estate Fund II ¹	Dec-06	180.0	94.8	287.3	6.0	N/A	(48.6%)
Macquarie		599.9	348.1	405.4	25.5	(20.5%)	(3.1%)
MGP Asia Fund II LP	Jul-05	100.0	74.3	92.4	24.4	(8.6%)	2.0%
MGP Asia Fund III LP ¹	Dec-07	250.0	126.6	147.9	0.3	N/A	(7.5%)
MGP Europe Fund III	Sep-07	100.0	79.2	79.5	0.3	(9.2%)	(0.1%)
MGP Europe Parallel Fund II LP	Oct-05	149.9	68.0	85.6	0.5	5.1%	(5.8%)
Mexico Retail		75.0	62.9	72.5	4.1	(6.7%)	(1.9%)
Mexico Retail Properties	Jun-05	75.0	62.9	72.5	4.1	(6.7%)	(1.9%)
Moorfield ³		54.3	(12.0)	57.9	0.0	(121.8%)	N/A
Moorfield Real Estate Fund ^{6,7}	Jul-05	54.3	(12.0)	57.9	0.0	(121.8%)	N/A
Morgan Stanley		2,050.8	549.8	2,357.6	1,191.5	8.5%	(19.8%)
California Urban Housing LLC [*]	Dec-03		0.0	10.9	11.2	1.1%	0.8%
Morgan Stanley RE Fund II	Sep-95	200.0	22.1	244.7	492.9	13.5%	23.7%
Morgan Stanley RE Fund IV	Dec-01	217.8	20.6	221.1	446.1	18.9%	35.1%
MSRE Special Situations III	Sep-06	412.2	249.1	412.2	0.0	(4.8%)	(12.4%)
MS Resort Co-Investment Co [*]	Apr-07		0.0	312.5	0.0	(96.2%)	(100.0%)
MSREF IV Spencers Crossing LLC ^{6,18}	Jun-05	23.0	0.0	24.0	0.0	(100.0%)	N/A
MSREF V International LP	Oct-05	440.0	153.3	321.5	212.1	0.1%	5.4%
MSREF V Intl Co-Invest. Green Project	Feb-06	104.5	1.6	103.0	5.3	(63.1%)	(78.6%)
MSREF V US CIP II ^{2,6}	Oct-06	99.6	(0.0)	83.0	0.0	(100.0%)	N/A
MSREF V US LP ¹	Jul-06	150.0	8.1	173.7	16.3	N/A	(60.1%)
MSREF VI International LP	Jul-07	400.0	95.1	447.2	7.7	(71.6%)	(44.4%)
PHF II HRO C Mezzanine ¹⁹	Jan-10	3.7	0.0	3.7	0.0		(100.0%)
NIAM Nordic		225.1	201.5	205.1	97.8	30.5%	22.4%
Niam Nordic Investment Fund IV	Nov-07	89.6	135.4	107.8	6.7	4.2%	19.0%
Niam Nordic Investment Fund III	Jan-05	135.5	66.1	97.2	91.1	30.5%	24.3%

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Pacific Coast Capital		378.0	233.7	500.6	80.2	(14.3%)	(17.3%)
California Smart Growth Fund IV	Oct-05	300.0	168.6	249.0	5.9	(15.8%)	(11.8%)
PacificCal II LLC Opp ⁴	Apr-10		13.4	12.1	2.0	63.1%	64.8%
PacificCal Land ^{1,2}	Jul-07	200.0	(0.0)	26.4	0.3	N/A	(83.7%)
PacificCal LLC Opp ⁴	Apr-10		8.0	16.0	0.0	(100.3%)	(99.1%)
PCCP CalSTRS Anaheim LLC ^{1,6,20}	Oct-05	28.0	0.0	21.7	9.5	N/A	N/A
PCCP Mezzanine Recovery Partners I LP	Sep-05	100.0	24.1	134.0	41.9	26.0%	(28.3%)
SoCal Smart Growth Fund	Apr-05	50.0	19.6	41.4	20.6	(3.4%)	(1.0%)
Pacific Waterfront Partners		26.7	23.0	23.0	0.0	0.0%	(0.1%)
San Francisco Waterfront Partners II	Jan-10	26.7	23.0	23.0	0.0	0.0%	(0.1%)
Page Mill		180.0	156.5	180.1	8.0	(13.0%)	(4.7%)
Market Street Capital Partners	Aug-06	180.0	156.5	180.1	8.0	(13.0%)	(4.7%)
Paladin		450.6	300.5	356.4	74.6	0.2%	1.2%
Paladin Latin America Investor II	Oct-05	83.2	81.3	82.7	0.6	(20.6%)	(0.4%)
Paladin Latin America Investors III	Nov-08	165.0	95.5	72.3	9.8	37.4%	30.2%
Wm. E. Simon & Son Realty Partners	Jan-01	126.9	93.9	124.3	55.2	3.9%	3.1%
Soma Simon, LLC. (SKS)	Jan-01	75.5	29.7	77.1	9.1	(11.6%)	(10.7%)
Principal		0.0	149.5	434.1	231.1	5.2%	(36.3%)
Calabash Distribution Center [*]	Mar-04		0.0	20.6	24.7	30.5%	49.0%
CenterCal LLC Opp ⁴			43.1	60.1	0.0	(32.2%)	(34.7%)
P FC 1 Opportunistic ⁸	Aug-10		0.2	24.9	0.5		(150.4%)
P FC 3 Opportunistic ⁸	Aug-10		8.6	16.7	0.1	(8.3%)	(60.7%)
Piazza Del Sol - Laredo	Jul-10		22.5	23.7	0.5	(74.4%)	(7.6%)
Potranco - San Antonio	Jul-10		28.9	29.6	0.0	(8.7%)	(4.9%)
Project CHQ [*]	Oct-05		0.0	199.6	201.2	(2.3%)	0.7%
Stonebridge - Dallas	Jul-10		14.9	15.4	0.0	(0.7%)	(3.1%)
ZarCal, LLC Opp ^{4,12}			0.8	9.7	2.1	N/M	(100.0%)
ZarCalRes, LLC Opp ⁴			30.4	33.7	2.0	17.0%	(34.8%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Prudential		350.0	278.3	379.3	85.9	1.5%	(0.7%)
Pla Mexico Industrial LP	Sep-05	200.0	148.7	200.1	13.9	(1.0%)	(7.4%)
Pla Mexico Residential LP	Jun-05	150.0	129.5	179.2	72.0	5.6%	8.1%
Pyramid^{1,6}		350.0	8.8	275.7	23.1	N/A	N/A
Pyramid Hotel Opportunity Fund	Jun-05	150.0	8.8	84.0	23.1	N/A	(16.2%)
Pyramid Hotel Opportunity Fund II ^{1,6}	May-06	200.0	0.0	191.7	0.0	(98.6%)	N/A
Resmark		125.0	11.8	12.6	0.0	(6.0%)	(7.0%)
ResCal Investments LLC	Aug-10	125.0	11.8	12.6	0.0	(6.0%)	(7.0%)
RLJ Partners		350.0	314.7	392.5	186.6	13.8%	15.6%
RLJ Lodging Fund II	Jun-06	150.0	158.3	184.8	67.4	7.4%	6.8%
RLJ Real Estate Fund III	Sep-08	200.0	156.4	162.4	0.0	(10.5%)	(6.0%)
RLJ Urban Lodging FD [*]	May-05		0.0	45.3	119.2	58.7%	50.1%
Rockpoint		548.8	146.9	374.2	92.4	(14.9%)	(17.6%)
Heritage Fields Capital	Jul-05	132.7	6.0	88.6	0.0	(99.8%)	(62.8%)
Rockpoint Finance Fund	Dec-06	16.1	9.8	21.9	0.0	(57.6%)	(25.0%)
Rockpoint Real Estate Fund I	Sep-04	50.0	5.8	43.1	47.1	(8.5%)	13.1%
Rockpoint Real Estate Fund II ¹	Sep-05	150.0	37.2	131.0	42.9	N/A	(16.2%)
Rockpoint Real Estate Fund III ¹	Sep-07	200.0	88.1	89.6	2.4	N/A	0.7%
Sarofim		0.0	4.2	11.4	0.0	(64.3%)	(63.8%)
Community Retail Dev Fund Opp ⁴			4.2	11.4	0.0	(64.3%)	(63.8%)
Starwood		512.2	412.7	311.1	20.8	16.6%	12.1%
SDL Hospitality Co-Investment	Oct-05	100.0	179.3	78.2	0.0	21.7%	20.2%
SH Group I, LP	Dec-07	12.2	7.2	7.7	0.0	(19.9%)	(6.3%)
Starwood Capital Hospitality Fund II Global LP	Apr-10	250.0	74.5	75.1	0.0	14.3%	(1.3%)
Starwood Hotel Fund	Jan-06	150.0	151.6	150.1	20.8	9.4%	4.5%
Stockbridge		290.0	71.0	241.0	0.0	(41.4%)	(41.7%)
Stockbridge Real Estate Fund II	Nov-05	200.0	44.0	198.3	0.0	(45.0%)	(47.2%)
Stockbridge Real Estate Fund III	Jun-08	90.0	27.0	42.7	0.0	(43.8%)	(21.9%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Thomas		483.8	19.0	19.2	0.0	(1.3%)	(1.3%)
Thomas High Performance Green Fund ³	Feb-11	100.0	0.2	0.2	0.0		0.0%
TPG CalSTRS LLC Opp ⁴	Jan-03	383.8	18.7	19.0	0.0	(1.3%)	(1.3%)
Thor		100.0	63.7	81.4	12.3	(1.6%)	(2.2%)
Thor Urban Retail	Dec-05	100.0	63.7	81.4	12.3	(1.6%)	(2.2%)
Warburg Pincus		100.0	97.9	95.9	11.9	3.8%	4.6%
Warburg Pincus Real Estate Fund I	Nov-06	100.0	97.9	95.9	11.9	3.8%	4.6%
Public		108.0	79.1	131.3	28.5	(16.5%)	(5.8%)
Fortress		108.0	79.1	131.3	28.5	(16.5%)	(5.8%)
Eurocastle Investment Limited	Jun-09	20.9	29.5	20.9	0.0	21.0%	21.0%
GAGFAH SA	Oct-06	87.1	49.6	110.4	28.5	(17.6%)	(9.2%)
Value Added		8,513.3	3,430.4	8,337.4	3,446.5	1.4%	(8.9%)
AVP Advisors		100.0	35.7	59.6	3.7	(64.4%)	(22.3%)
American Value Partners Fund I	Aug-06	100.0	35.7	59.6	3.7	(64.4%)	(22.3%)
BlackRock		700.0	229.4	672.9	239.7	(0.6%)	(11.6%)
1710 H Street	May-05		52.3	22.5	5.1	11.3%	18.8%
234 East 46th Street	Sep-04		29.8	21.0	2.2	12.2%	7.6%
25 Martine Ave	Nov-04		18.5	19.5	2.4	8.3%	1.2%
BlackRock Cal I LLC VA ^{4,12}	Apr-10		113.1	21.9	0.7	N/M	809.0%
Blackrock JV ²¹	May-05	700.0	0.0	413.3	144.9	N/A	(40.9%)
One Rittenhouse Square	Dec-05		15.8	32.7	0.3	1.4%	(17.1%)
Peter Cooper Village Stuy Town ^{1,18}	May-07		0.0	100.1	0.0	N/A	(100.0%)
Streeterville [*]	Dec-04		0.0	41.9	84.1	31.9%	38.7%
Canyon Johnson ²²		30.3	33.8	56.3	49.6	N/A	38.6%
Canyon Value Opportunity Fund	Jul-07	30.3	33.8	28.6	0.2	1.2%	8.7%
CJUF New Pacific [*]	May-03		0.0	27.7	49.4	51.2%	44.9%

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
CB Richard Ellis		1,327.4	438.1	1,260.0	169.3	(34.9%)	(38.8%)
CBRE Strategic Partners Europe Fund III	May-07	187.4	142.6	199.5	0.1	(86.2%)	(14.5%)
CBRE Strategic Partners US Value Fund 5	Nov-07	100.0	86.1	74.4	6.6	(4.4%)	21.5%
First Industrial JV ^{6,10}	Mar-05	500.0	0.0	442.6	121.9	(132.2%)	N/A
FirstCal Ind 2 Value Add ⁸	Aug-10		1.7	0.5	1.1	529.0%	N/A
FirstCal Ind Value Add ⁸	Aug-10		16.8	7.5	3.0	222.8%	293.5%
Metro Fund LLC VA ^{4,12}			190.9	181.5	0.0	N/M	63.6%
Metro Fund, LLC ^{1,6,21}	Aug-06	540.0	0.0	353.9	36.6	N/A	N/A
Cross Harbor		100.0	63.0	78.4	2.2	(3.5%)	(6.8%)
CrossHarbor Institutional Partners	Nov-06	100.0	63.0	78.4	2.2	(3.5%)	(6.8%)
Deutsche Bank *		50.0	0.0	23.1	33.3	3.0%	18.8%
DB Realty Mezzanine Investment *	Jan-03	50.0	0.0	23.1	33.3	3.0%	18.8%
Fairfield ¹		1,174.1	100.6	1,300.2	1,055.4	N/A	(8.9%)
CSJV NF InvestCo LLC	Aug-10	3.8	1.1	1.3	0.0	(3.9%)	(24.0%)
Fairfield CA Housing Fund, LLC ^{1,6,21}	Sep-02	1,100.0	0.0	541.6	195.2	N/A	N/A
Fairfield Centennial Note	Dec-10	0.2	0.2	0.2	0.0	4.5%	5.3%
Fairfield CHF LLC VA Total ^{4,5,6,12}	Apr-10		86.2	249.5	317.0	N/M	N/A
Fairfield Clairmont II Note ³	Mar-11	0.0	0.0	0.0	0.0		0.0%
Fairfield Excess Company Loan *	Sep-09		0.0	473.1	536.4	0.2%	15.9%
Fairfield SAF III LLC Note ³	Mar-11	0.0	0.0	0.0	0.0		0.6%
Fairfield Strategic Apartment Fund III ^{1,5}	Jul-07	70.0	13.0	34.5	6.7	N/A	(51.3%)
Hartford		150.0	64.6	166.9	22.0	(17.1%)	(20.8%)
Hartford Mezzanine Investors I, LLC	Jul-07	150.0	64.6	166.9	22.0	(17.1%)	(20.8%)
Heitman		629.5	353.3	556.4	243.7	5.1%	2.0%
Heitman Value Partners II	Dec-06	200.0	44.4	81.4	0.0	(20.4%)	(20.2%)
Heitman Value Partners LP	May-04	100.0	69.2	113.0	45.0	4.6%	0.3%
HVP Pembroke Pines CoInvest *	Mar-05		1.1	36.6	67.7	13.1%	17.3%
HVP PNW Co Investment *	Dec-05		0.1	43.3	67.8	27.3%	26.6%
HVP Sun Co-Investment Fund	Dec-06	54.9	32.9	55.7	11.2	(5.5%)	(6.1%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
HVP/THL Co-Investment	May-04	35.0	47.1	31.4	10.2	11.1%	11.7%
Lillibridge Health Trust I	Oct-04	98.0	114.3	97.9	39.3	8.8%	8.7%
LilliCal LLC	Apr-07	42.6	25.7	41.6	2.5	(12.3%)	(10.2%)
WilCal, LLC	Jan-07	99.0	18.5	55.4	0.0	(25.4%)	(26.1%)
IDS⁶		390.0	1.4	130.8	76.3	(73.9%)	N/A
IDS Joint Venture ^{6,21}	Feb-05	390.0	0.0	109.7	62.9	(86.7%)	N/A
IDS Realty JV LLC VA ⁴	Apr-10		1.4	21.1	13.4	52.9%	(54.6%)
ING Clarion		516.7	231.6	242.9	15.0	(0.1%)	0.5%
INGCal Tactical, LLC	Aug-07	516.7	231.6	242.9	15.0	(0.1%)	0.5%
Pacific Coast Capital		890.0	503.4	1,096.6	349.4	(12.4%)	(11.0%)
PacificCal II LLC VA ⁴	Apr-10		201.8	164.4	2.0	32.5%	27.3%
PacificCal II, LLC ²¹	Aug-06	250.0	0.0	226.5	75.7	(31.0%)	(32.0%)
PacificCal III, LLC	Apr-07	400.0	231.7	362.0	19.2	(15.4%)	(12.6%)
PacificCal LLC ²¹	May-05	225.0	0.0	281.5	252.3	(15.3%)	(5.9%)
PacificCal LLC VA ⁴	Apr-10		63.3	56.4	0.0	13.1%	12.9%
PMRP Preferred LLC	May-10	15.0	6.6	5.8	0.2	17.2%	22.2%
Pacific Waterfront Partners		12.7	22.6	16.3	0.0	2.7%	6.1%
San Francisco Waterfront Partners	Oct-01	12.7	22.6	16.3	0.0	2.7%	6.1%
Page Mill[*]		100.0	0.2	22.4	50.3	15.6%	297.5%
Page Mill/Divco [*]	Dec-04	100.0	0.2	22.4	50.3	15.6%	297.5%
Principal		883.8	236.7	865.3	378.0	(3.0%)	(19.0%)
Centercal LLC ²¹	Dec-04	350.0	0.0	278.2	255.2	1.0%	(4.2%)
CenterCal LLC VA ⁴	Apr-10		22.0	20.2	0.0	9.2%	9.7%
CenterCal-Preferred Equity [*]	Oct-07		0.0	39.2	40.6	2.8%	2.7%
LevCal LLC ²³	Apr-06	100.0	0.0	74.2	36.2	(20.9%)	(21.6%)
P FC 1 Value Add ⁸	Aug-10		1.1	3.4	0.4		(124.9%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of March 31, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
P FC 3 Value Add ⁸	Aug-10		4.2	6.5	0.6	89.1%	(36.1%)
PanCal Opportunity LLC - VA ³	Jan-11		14.4	14.3	0.0		0.9%
Principal Mortgage Value Investors	Apr-07	133.8	20.9	133.8	3.3	(61.4%)	(45.1%)
SeaCal, LLC	Feb-08	100.0	23.2	54.3	5.3	(27.3%)	(27.5%)
UrbanCal LLC ²¹	Aug-07	200.0	0.0	89.9	30.0	(38.7%)	(39.9%)
UrbanCal LLC VA ⁴	Apr-10		148.1	148.2	6.5	6.8%	10.1%
Yuma Target - Yuma	Jul-10		3.0	3.2	0.0	(6.3%)	(6.3%)
Sarofim		75.0	0.0	96.2	54.7	(11.3%)	(18.9%)
Community Retail Dev Fund VA ⁴	Apr-10		0.0				
Community Retail Devp Fund LLC ²¹	Aug-04	75.0	0.0	96.2	54.7	(11.3%)	(18.9%)
Thomas		383.8	356.5	681.1	453.0	7.6%	7.1%
TPG CalSTRS LLC VA ⁴	Apr-10		356.5	300.4	1.0	20.7%	21.1%
TPG/CalSTRS LLC ²¹	Jan-03	383.8	0.0	380.7	451.9	8.7%	5.0%
True North		100.0	103.8	92.4	16.7	9.4%	9.1%
True North Mezzanine Investment Fund	Jun-06	100.0	103.8	92.4	16.7	9.4%	9.1%
Vintage		75.0	250.5	227.0	14.5	1.4%	8.8%
VinCal LLC	May-06	75.0	250.5	227.0	14.5	1.4%	8.8%
Waterton		825.0	405.4	692.5	219.8	5.9%	(3.8%)
Waterton Residential	Jun-02	700.0	342.8	567.5	219.8	6.4%	(0.3%)
WRPF IX Presidential Towers LLC	Jan-08	125.0	62.6	125.0	0.0	(19.3%)	(19.4%)
Total		27,955.6	12,743.8	26,482.3	9,412.2	6.7%	(8.3%)

Non-Core Performance Detail - Notes

- * Represents a sold investment or investment portfolio. NAV balances, IRRs and Since Inception Returns are the only meaningful information presented.
- 1 Due to the mathematical principles involved in the linking of Time Weighted Returns, a Since Inception Return was incalculable and is listed as "N/A".
- 2 Though reported NAVs for these investments are, or have been, negative, due to a temporary and subjective adjustment of value as compared to the outstanding leverage and contributed equity amounts, we set the values of these investments at \$1 in it's first negative period for performance purposes. As such, we have halted time weighted return performance calculations on these investments as of the respective periods and only the NAV balances, IRRs, and Since Inception Returns are considered meaningful.
- 3 This is a new investment that was funded in Q4 2010. As such, it is subject to an IRR calculation. However, it is not yet subject to a Time Weighted Return performance calculation
- 4 This investment is a result of CalSTRS's Joint Venture reconstruction, commencing in Q2 2010 and continues to occur as relevant investments are acquired.
- 5 This investment's original investment experienced a significant drop in value resulting in a writedown to \$1 and the cessation of TWR performance calculation. After a period of greater than one quarter, this investment achieved a positive value and a new investment, a "B" investment, was established to recommence TWR performance. As result, this data represents an aggregation which allows for a contiguous IRR to be displayed.
- 6 These investments have IRR results that cannot be calculated thus an N/A is displayed.
- 7 Though reported NAVs for these investments are, or have been, negative, due to a temporary and subjective adjustment of value as compared to the outstanding leverage and contributed equity amounts, we set the values of these investments at 1GBP in it's first negative period for performance purposes. As such, we have halted time weighted return performance calculations on these investments as of the respective periods and only the NAV balances, IRRs, and Since Inception Returns are considered meaningful.
- 8 This is one of the underlying direct investments from the 8/1/2010 transfer from the FirstCal Industrial Joint Ventures.
- 9 This is a new investment that was funded in Q3 2010. It is subject to an IRR calculation. However, due to its previous negative net asset value, it is not yet subject to a Time Weighted Return performance calculation.
- 10 On 8/1/2010, these Joint Venture Funds were transferred into their underlying direct investments.
- 11 This investment was funded in Q1 2009. As such, it is subject to an IRR calculation. However, it is not yet subject to a Time Weighted Return Performance calculation.
- 12 Due to the mathematical principles involved in the linking of Time Weighted Returns, these investments have produced such extreme results that they are no longer meaningful (N/M) during the applicable time frames.
- 13 This investment's name was changed. It was formerly known as ARCap CMBS Fund II.
- 14 This investment's name was changed. It was formerly known as Centerline High Yield CMBS Fund III.
- 15 This investment's name was changed. It was formerly known as ARCap RE Special Situation Fund.
- 16 The General Partner of this investment has been valuing CalSTRS NAV at \$0 since Q3 2010. Thus we have halted the Time Weighted Return performance calculation as of 9/30/2010.
- 17 This investment has been Committed to but no investment level contributions have occurred.
- 18 These investments have been valued at \$0 as their impairment is considered to be a permanent condition.
- 19 This is a new investment that was funded in Q1 2010. As such, it is subject to an IRR calculation. However, since its value has been \$0 since then, it is not yet subject to a Time Weighted Return performance calculation.
- 20 This investment's last holding was sold on 4/7/2010 yet proceeds remain undistributed. As all relevant financial results have been recorded as of 3/31/2010, we ended time weighted return performance as of that date.
- 21 Due to CalSTRS's Joint Venture restructuring, the original JV's performance has been halted as of Q1 2010. NAV balances, IRRs and Since Inception Returns are the only meaningful information presented.
- 22 Because the investments in this aggregate are not concurrent, the Time Weighted Return linking breaks and causes an "N/A" Since Inception result.
- 23 On 7/1/2010, the LevCal JV was transferred into the individual underlying properties.

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Glossary

Investment Cashflows

Beginning Market Value: Cumulative contributions, distributions, withdrawals, valuation adjustments, and retained income attributed to the Client's ownership position as of the beginning of the period.

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: Cumulative contributions, distributions, withdrawals, valuation adjustments, and retained income attributed to the Client's ownership position as of the end of the period.

Glossary

Unfunded Commitments: Capital allocated to managers that has not been 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.

Style Groups

The Style Groups consist of returns from commingled funds with similar risk/return investment strategies. Investor portfolios/investments are compared to comparable style groupings.

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

Value-Add: Stable Return property type investments that take on additional risk from one or more of the following sources: leasing; re-development, exposure to non-traditional property types, the use of leverage (less than 50%).

Opportunistic: Investments that take on considerable additional risk in order to achieve higher returns. Typical sources of risk are: development, land investing, operating company investing, international exposure, distressed properties, high leverage (unlimited).

Public: Diversified non-control investments in domestic (or Global) real estate investment trusts of real estate operating companies. All property types available. Not correlated to private equity real estate.

Glossary

Indices

NCREIF Index (“NPI”): National Property Index comprised of core equity real estate assets owned by institutions.

Open-End Diversified
Core Equity (“ODCE”)

Index: A core index that includes 18 open-ended diversified core funds with at least 95% of their investments in the US. The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.

NAREIT Equity Index: Index of Equity Real Estate Investment Trust returns reflecting the stock value changes of REIT issues as determined through public market transactions.

Performance

Income Return: That portion of an investment's Total Return based on quarterly Net Investment Income which includes net operating income, non-operating income and expenses, and leverage expenses

Glossary

Appreciation Return :	That portion of an investment's Total Return based on the quarterly 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 :	The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.
Total Net Return:	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

Quarterly Time Weighted Returns

Performance returns based on specific income definitions and adjusted for the weighted impact of cash flows during the period of measure. For result sets of greater than one period, all periodic returns must be geometrically linked and all return sets of greater than one year should represent annualized figures. The following are the six return types computed for the CalSTRS Real Estate Portfolio and their formulas are:

Net Income Return:	Net Investment Income – Asset Management Fees/Weighted Average Equity
Net Appreciation Return:	Gross Appreciation – Incentive Fees/Weighted Average Equity
Total Net Return:	Net Income Return + Net Appreciation Return = Net Investment Income – Asset Management Fees + Gross Appreciation – Incentive Fees / Weighted Average Equity
Gross Income Return:	Net Investment Income / Weighted Average Equity
Gross Appreciation Return:	Gross Appreciation / Weighted Average Equity
Total Gross Return:	Gross Income Return + Gross Appreciation Return = Net Investment Income + Gross Appreciation / Weighted Average Equity

Glossary

Additional Terms

Appraisal: An estimate or opinion of market value.

Asset Management: The various disciplines involved with managing real property assets from the time of investment through the time of disposition. Proper asset management plans and policies include requirements for operating and capital budgets; property management; leasing; physical property analysis; operational and financial reporting; appraisal; audits; accounting policies; and asset disposition plans (hold/sell analyses).

Benchmark: An index derived from database information that allows for comparative performance evaluation within an asset class.

Capital Improvements: Expenditures that cure or arrest deterioration of property or add new improvements to prolong its life.

Co-Investment: Investments where the management organization has a capital investment and ownership share.

Glossary

Commingled Fund :	A term applied to all open-ended and closed-ended pooled investment vehicles designed for institutional tax-exempt investors. A commingled fund may be organized as a group trust, partnership, corporation, insurance company separate account, private real estate investment trust, or other multiple ownership entity.
<i>Open-ended Fund:</i>	A commingled fund with no finite life, which allows continuous entry and exit of investors, and typically engages in ongoing investment purchase and sale activities.
<i>Closed-ended Fund:</i>	A commingled fund with a stated termination date, with few or no additional investors after the initial formation of the fund. Closed-ended funds typically purchase a portfolio of properties to hold for the duration of the fund and, as sales occur, typically do not reinvest the sales proceeds.

Glossary

Discretion :	The level of authority given to an investment manager over the investment and management of a client's capital once that capital is allocated to the investment manager.
Direct Investment:	An investment in which CalSTRS has a direct ownership interest in a property or group of properties.
Fair Market Value:	The highest price a property would bring if exposed for sale in the open market by a willing seller to a willing buyer with both parties being fully informed of all the uses and purposes to which the property is reasonably adaptable and available.
Fiduciary:	A person in whom CalSTRS reposes, and the person accepts, a special trust and confidence involving the exercise of professional expertise and discretion.
Ground Lease:	A lease of land only, not including any improvements on the property.

Glossary

Hotel:	May include budget, economy, mid-scale, upscale, luxury, extended stay and independent hotels and any other properties that provide hospitality services.
Industrial:	May include manufacturing, R & D Flex, Office Showroom, Freight forwarding/logistics and warehouse distribution.
Internal Rate of Return (IRR):	The actual (or projected) dollar-weighted holding period return produced by an asset, calculated with consideration for all items of cash in and cash out.
Investment Manager:	A company that, by contractual agreement, provides property investment opportunities and/or property asset management services.
Joint Venture:	A structure wherein CalSTRS and a partner form a partnership to purchase and/or operate an investment, or investments.
Land:	Undeveloped land parcels.

Glossary

Leverage:	The use of borrowed funds to increase purchasing power and, ideally, to increase the profitability of an investment.
Limited Partnership:	A partnership with both general and limited partners in which the general partner manages the business and assumes full liability for the partnership obligations with the liability of the limited partners generally restricted to their capital contributions.
Multi-Family:	May include high-rise, low-rise, and garden complexes of multiple rental units in an apartment building. May also include condominiums, student-oriented complexes and senior rental housing with limited or no medical services.
Net Asset Value (NAV):	Represents total assets at fair market value minus liabilities.
Net Operating Income (NOI):	Rental and other income of a property, less operating expenses, but before the deduction of capital expenditures and debt service.

Glossary

New Firm:	Investment Manager with whom CalSTRS Real Estate has a contractual relationship of less than one year.
Office:	May include multi-tenanted buildings in both central business district and suburban locations. Types of use in office buildings may include commercial banks, financial buildings that serve as office space, owner-occupied space including corporate headquarters and branch offices. Others, such as government administration buildings, medical offices and Office R & D which is used primarily for office, may also be included.
Other:	Alternative property types including, but not limited to, the following: alternative investments (mezzanine debt and entity level), land, senior housing, single-family housing, self storage, some mixed-use.
Property Management:	The various functions that are performed at the property level in order to assure timely collection of rents, payment of expenses, and supervision of on-site activities.

Glossary

Real Rate of Return:	Yield to the investor after adjusting for inflation (typically determined by the Consumer Price Index).
Retail:	May include neighborhood, community, regional, super-regional, fashion/specialty, power, theme/festival, outlet and single tenant centers in which tenants sell goods and services.

Glossary

GEOGRAPHIC REGIONS and DIVISIONS

