

TEACHERS' RETIREMENT BOARD
INVESTMENT COMMITTEE

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

ITEM NUMBER: 7

CONSENT: _____

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: April 13, 2012 / 45 mins.

INFORMATION: _____

PRESENTER(S): Mike DiRé and Micolyn Magee

POLICY

This item is required and governed under the reporting guidelines of the CalSTRS Real Estate Investment Policy and is a crucial part of the Investment Committee's annual work plan.

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

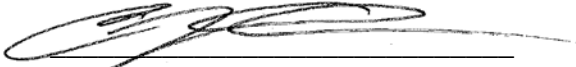
The Investment Committee's real estate consultant provides a semi-annual performance report on the asset class. Due to the timing of appraisals and partnership reporting timelines, this report is lagged one quarter to the total fund report. While the report includes the quarterly and annual returns, 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 approve the report for the record.

Prepared and recommended by:

A handwritten signature in black ink, appearing to read 'C. Ailman', written over a horizontal line.

Christopher J. Ailman
Chief Investment Officer

California State Teachers' Retirement System

Real Estate Report: Third Quarter 2011

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Cleveland Hong Kong San Francisco London

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CalSTRS Real Estate Report: September 30, 2011

Executive Summary



Executive Summary

As of September 30, 2011, the California State Teachers' Retirement System ("CalSTRS" or "System") Real Estate Portfolio was slightly more than \$3.1 billion (216 bps) above the 11% target allocation to Real Estate, remaining within the approved range of 9% to 15% of the Total Plan.

Since the Global Financial Crisis ("GFC"), the broader real estate markets have recovered significantly (+14% and +19% for the NPI and NFI-ODCE, respectively), with the recovery slowing in the Third Quarter of 2011 as a result of broader macro economic turmoil (US credit rating downgrade & potential European default). A robust December job growth report in the US (especially within the private sector), and continued strong corporate profits/balance sheets, low interest rates/inflation have considerably eased concerns of further market turmoil. Expect further market clarity following the general election later in the year.

As of September 30, 2011, the Portfolio was back in compliance with respect to leverage and diversification policies. As projected, the risk composition (Exposure to Core, Value and Opportunistic) remains out of compliance relative to the newly established strategic targets (detailed on slide 11). As approved in the Strategic Plan, the System will manage and allocate capital to balance return objectives, market opportunity and portfolio structure targets to move toward compliance in a prudent manner.

Performance for the total Real Estate Portfolio lagged the Policy Benchmark across all time periods for the Quarter ending September 30, 2011. Significant exposure to peak market vintages in higher risk/return investment strategies will result in benchmark challenges until market decline periods roll off the three and five year periods and dollar cost averaging (currently underway) allows for newer, stronger vintage year investment strategies to outweigh the impact of underperforming investments.

Benchmark Overview

In 2010/2011, CalSTRS dedicated considerable resources and time to revise its Real Estate Policy (“Policy”). As a result of that review and analysis, the System approved the NFI-ODCE as its base index/benchmark for the core real estate portfolio. The NFI-ODCE currently represents the aggregate performance of 18 open-ended core commingled funds, which are limited to no more than 40% leverage and a quarterly valuation methodology.

To reflect the additional risk within the CalSTRS Portfolio, an excess return over the NFI-ODCE has been assumed for Non-Core strategies (outlined below). Based upon historical returns, long term expected returns and market expectations, the following return targets will be used throughout this report:

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

Note that the NFI-ODCE Index reflects the approved index for performance measurement going forward however historical returns will continue to be evaluated relative to historical index of NPI. The blended historical NPI and NFI-ODCE + 100 bps going forward is referred to as the **CalSTRS Policy Benchmark** throughout this report.

The quarter ending September 30, 2011 represents the first and a single quarter of NPI-ODCE +100; all prior quarters are benchmarked to the historical NPI. This blended benchmark is referred to as the “CalSTRS Policy Benchmark”.

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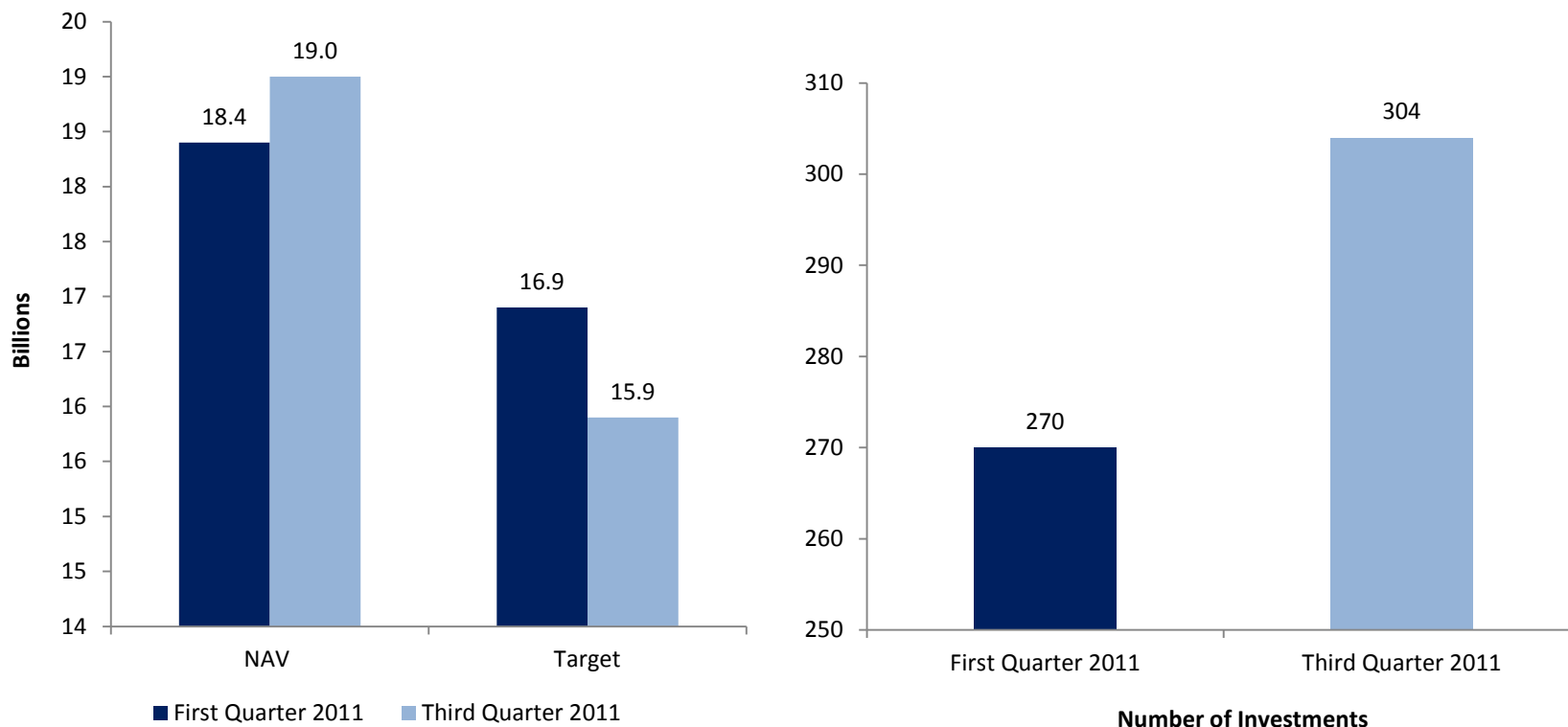
Portfolio Overview



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Portfolio Overview

As a result of market fluctuations in the Third Quarter, the Total Plan declined 6.3% in value. As of September 30, 2011, the System's Real Estate portfolio (the "Portfolio") was valued at \$19.0 billion, 13.2% of the Total Plan compared to \$18.2 billion or 11.8% of the Total Plan as of March 31, 2011.

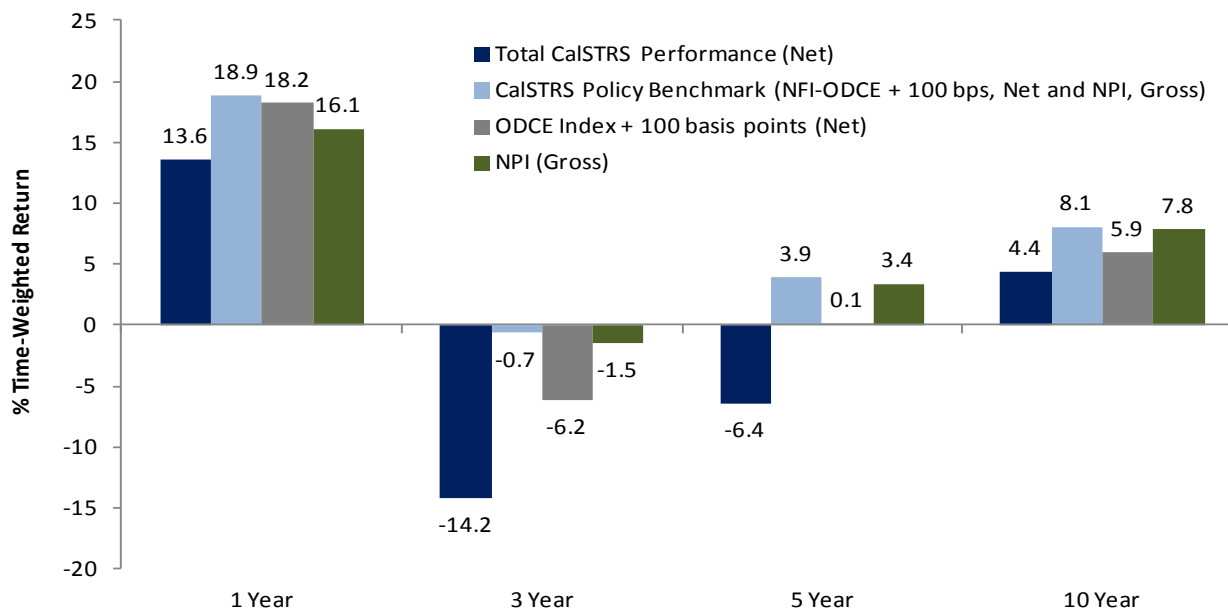


Portfolio Overview

The CalSTRS net (after fee) return objective is to meet or exceed a net NCREIF Open-End Diversified Core Equity (“NFI-ODCE”) Index + 100 basis points¹.

As of September 30, 2011, the CalSTRS Portfolio (net of fees) lagged the Policy Benchmark over all time periods. Underperformance is driven by significant higher risk investment allocations at what became the peak of the market. The System continues to implement rebalancing and de-risking tactics in order to bring the portfolio into compliance with targeted risk/return profiles.

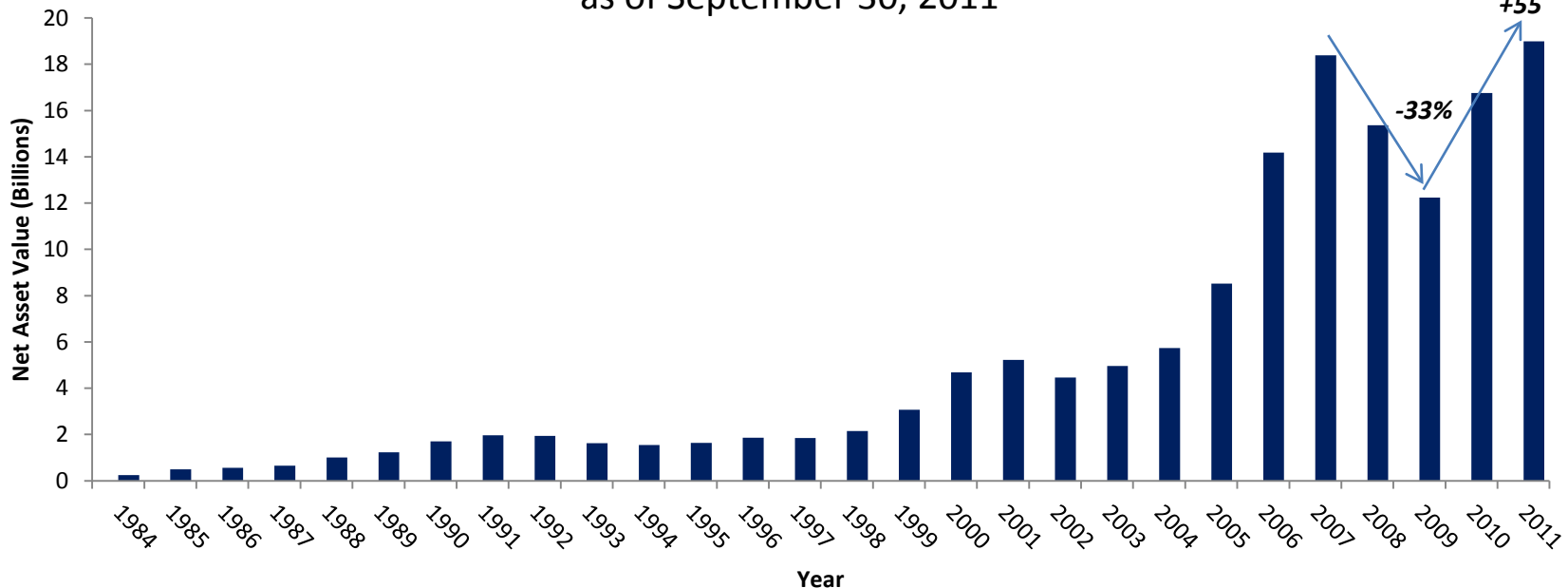
Total Real Estate Performance
Ending September 30, 2011



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 September 30, 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. In 2009, this value declined to \$12.2 billion, representing a 33% peak-to-trough decline. Since that time, the Real Estate Portfolio has recovered 55% in value as a result of new allocations and continued de-leveraging across the Portfolio. This growth is net of strategic liquidations.

Ending Market Value by Year
as of September 30, 2011



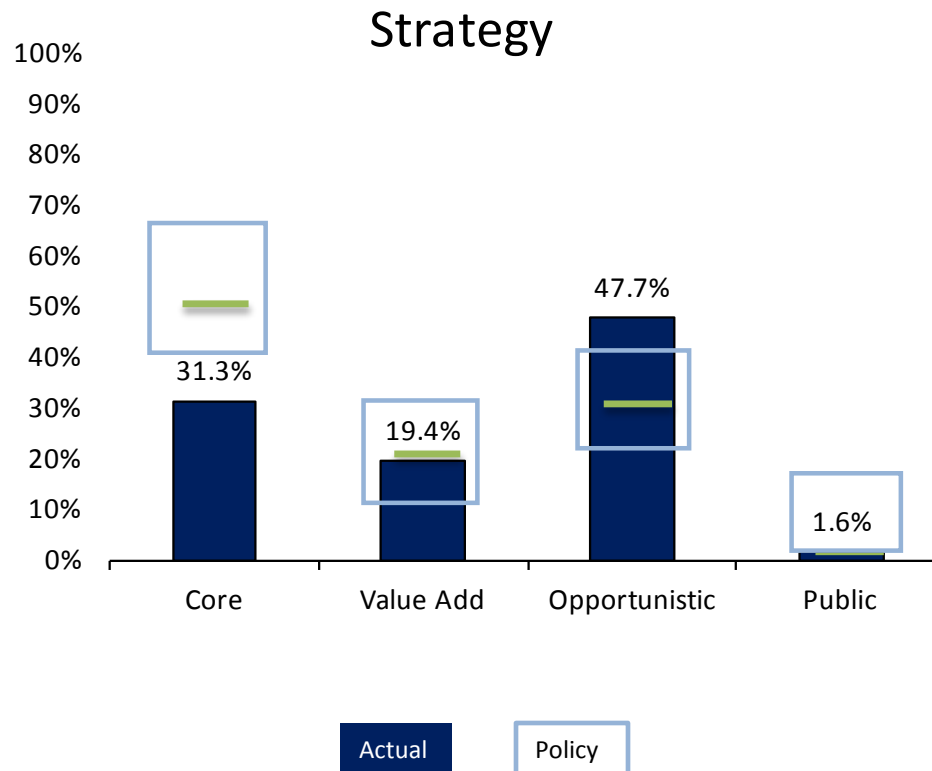
CalSTRS Real Estate Report: September 30, 2011

Policy Compliance



Policy Compliance - Strategy

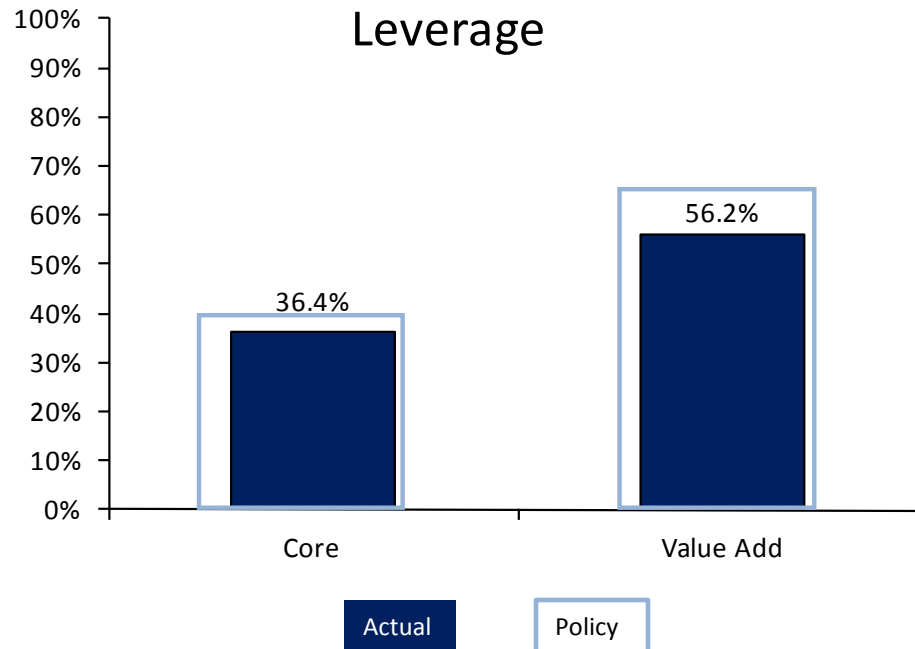
The CalSTRS Real Estate Policy states that the Core Portfolio should comprise between 40%-65% of the Total Portfolio, the Value-Added Portfolio should comprise between 10%-30%, the Opportunistic Portfolio should comprise between 20%-40% of the Total Portfolio and the Public Portfolio should comprise between 0%-15%. A deviation of $\pm 5\%$ for the range has been set for each segment. Rebalancing efforts target exposure to Core, Value-Added and Opportunistic of 50%, 20%, 30% respectively.



Policy Compliance - Leverage

The Real Estate Policy constrains the Core and Value-Added Portfolios to 40% and 65% leverage, respectively, on a loan-to-value ratio. The CalSTRS portfolio does not comply with current leverage restrictions due to the reclassification of assets to reflect risk profile and the 2008-2009 decline in market value. Rebalancing efforts have focused extensively on lowering leverage in order to de-risk the portfolio.

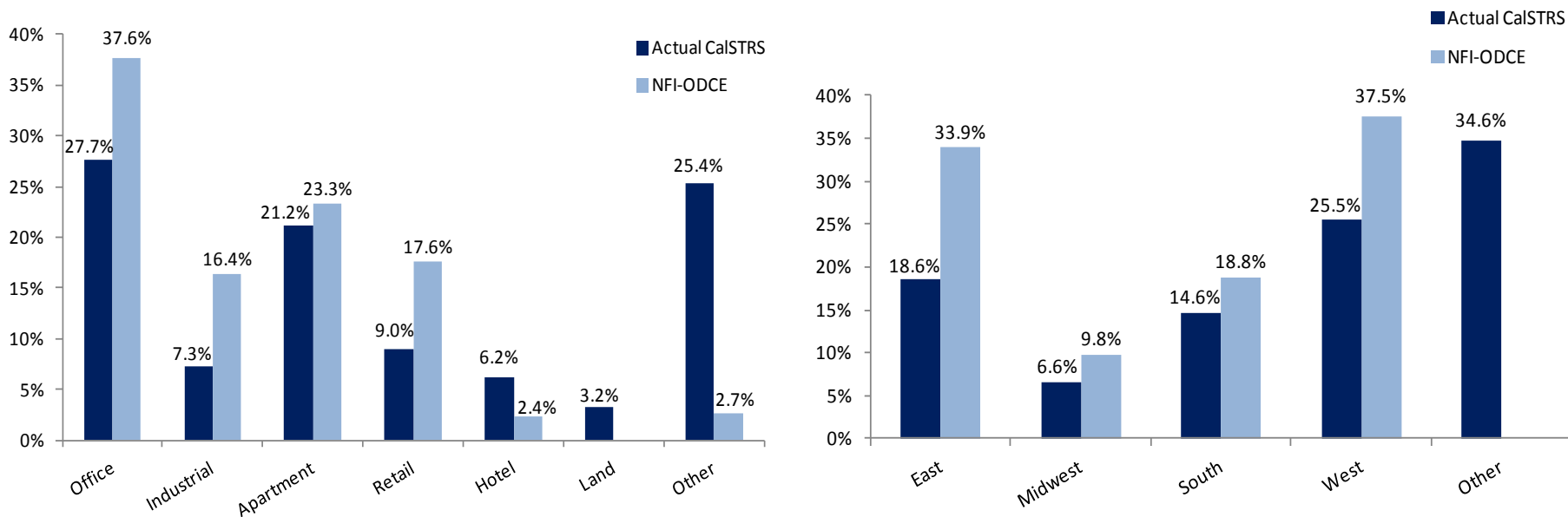
As of September 30, 2011, the Portfolio was in compliance with aggregate Core and Value Add LTV ratios under the maximum limits mentioned above. Staff continues to work with managers to maintain portfolio leverage limits as well as monitor and minimize negative impacts due to near term debt maturities.



Policy Compliance – Diversification

The CalSTRS Real Estate Portfolio does not target specific property type or location exposure but rather seeks to be diversified relative to its benchmark. The program also seeks to tactically take advantage of over and underweighting exposure in order to add alpha above the benchmark.

Assets classified as ‘other’ include student housing, self-storage, housing and are largely accessed through non-core strategies. New allocations of capital will be utilized to rebalance where exposure to office, industrial, retail and/or Apartments is not optimal.



CalSTRS Real Estate Report: September 30, 2011

Core, Value Added and Opportunistic Portfolio



Core Portfolio

The Core Portfolio had a value increase of \$188.2 million in the second quarter and an additional increase of \$272.5 million in the third quarter. While value recover continues, increases for both quarters were primarily attributable to new allocations seeking to capitalize on market recovery and stable income. Allocations are consistent with the need to increase the Core Portfolio to a minimum of 40% of total real estate toward the target of 50%.

Time Weighted Returns (Net of Fees), as of September 30, 2011

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	Market		Net	Net	Net
	Value (\$ Mil)	Net			
CB Richard Ellis	1,881.1	(0.2%)	14.9%	(3.1%)	3.3%
Principal	1,301.4	1.4%	3.6%	(5.8%)	2.2%
Thomas	483.9	(1.5%)	17.1%	1.4%	4.4%
Fairfield	422.9	3.2%	13.0%		
BlackRock	321.4	1.5%	25.7%	11.0%	7.6%
ING Clarion	266.7	3.3%	16.5%	(0.1%)	3.1%
Heitman	260.3	2.0%	11.7%	(3.1%)	0.3%
Spaulding & Slye	185.6	2.9%	19.4%	6.4%	10.5%
Prudential	180.8	3.9%			
LCOR	174.3	3.8%			
GID	89.7	(6.2%)	50.3%	(104.8%)	(117.3%)
Regency	84.3	6.1%	27.0%	(7.5%)	(1.9%)
Lionstone	79.3	(5.6%)	(1.4%)	(21.5%)	(12.6%)
Canyon Johnson	63.2	(0.2%)	(0.7%)	(7.7%)	0.8%
UBS	51.6	3.1%			
Pacific Waterfront Partners	34.1	2.7%			
CalSTRS	31.3	(4.5%)	(2.2%)	4.8%	4.0%
Sarofim	23.3	1.5%	11.1%		
Centerline	5.7	28.0%	70.6%	(21.6%)	
Total Core Portfolio	5,941.0	0.9%	14.7%	(5.1%)	1.3%
NFI-ODCE		3.3%	17.2%	(7.2%)	(0.9%)

Value Added Portfolio

The Value Added Portfolio had a value increase of \$81.8 million in the second quarter and an additional increase of \$179.6 million in the third quarter. Increases in value are primarily attributable to value recovery from the market trough. Recovery of valuations continues for many of the holdings while attention to troubled assets and manager portfolios is structured to cull poor performers thus limiting drag on future performance.

Time Weighted Returns (Net of Fees), as of September 30, 2011

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	Market Value (\$ Mil)	Net	Net	Net	Net
Waterton	532.3	5.8%	53.1%	(7.9%)	(3.2%)
Pacific Coast Capital	510.2	3.1%	29.0%	(20.8%)	(10.8%)
Heitman	412.8	3.2%	24.4%	(3.8%)	0.1%
Thomas	356.8	3.0%	20.4%	(11.8%)	(2.4%)
CB Richard Ellis	327.3	(7.8%)	2.7%	(59.0%)	(40.8%)
ING Clarion	289.0	3.8%	33.0%	4.7%	
BlackRock	288.0	8.8%	32.2%	(9.5%)	(2.4%)
Principal	263.9	(2.2%)	12.1%	(21.2%)	(10.6%)
Vintage	233.2	(6.4%)	5.8%	0.6%	
Fairfield	113.4	9.2%	70.3%	(169.7%)	(186.0%)
True North	98.7	1.5%	4.2%	6.6%	9.7%
Hartford	98.5	18.0%	20.1%	(15.6%)	
Cross Harbor	66.3	(1.8%)	(7.8%)	(8.6%)	
AVP Advisors	41.0	2.0%	17.4%	(64.6%)	
Canyon Johnson	35.5	(0.1%)	20.9%	4.4%	
IDS	24.8	6.2%	(26.3%)		
Total Value Added Portfolio	3,691.8	2.4%	24.6%	(19.0%)	(8.7%)
NFI-ODCE + 100 basis points		4.3%	18.2%	(6.2%)	0.1%

Opportunistic Portfolio²

The Opportunistic Portfolio had a value increase of \$62.1 million in the second quarter and a value decline of \$238.5 million in the third quarter. Valuations in the Opportunistic portfolio should be expected to be volatile as assets complete recovery, managers cull portfolios and funds liquidate realizing gains/losses.

Time Weighted Returns (Net of Fees), as of September 30, 2011

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	\$ Mil	Net	Net	Net	Net
Fortress	1,384.4	(4.1%)	20.6%	(1.4%)	(5.1%)
Lone Star	660.4	(2.2%)	8.1%	3.3%	5.7%
GI Partners	650.4	(4.1%)	13.4%	7.0%	7.7%
Morgan Stanley	540.6	(1.8%)	10.4%	(37.0%)	(19.7%)
Beacon Capital	455.1	(2.1%)	17.1%	(14.7%)	(2.9%)
CB Richard Ellis	448.8	(1.3%)	1.9%	(39.8%)	(27.3%)
Starwood	443.1	(2.4%)	11.6%	(1.1%)	10.8%
Macquarie	408.5	(5.5%)	32.2%	(15.3%)	(1.7%)
CIM	319.9	1.4%	13.7%	(8.7%)	6.7%
Prudential	257.4	(0.4%)	19.4%	(3.1%)	4.1%
Pacific Coast Capital	248.3	2.5%	23.8%	(22.2%)	(14.2%)
Principal	248.0	0.1%	(22.0%)		
LNR	245.5	(0.5%)	4.4%	(9.6%)	(5.3%)
Deutsche Bank	236.7	(7.6%)	34.9%	(8.0%)	0.1%
Paladin	225.6	(4.7%)	(9.1%)	(1.2%)	0.6%
Rockpoint	200.7	7.6%	32.6%	(23.4%)	(20.9%)
Aetos	192.6	1.3%	0.6%	(18.1%)	(11.1%)
NIAM Nordic	192.3	(8.5%)	22.1%	11.8%	11.0%
Opportunistic	9,058.0	(2.2%)	10.3%	(16.4%)	(8.6%)
NFI-ODCE + 300 basis points		6.3%	20.2%	(4.2%)	2.1%

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2. Managers listed above represent 81.2% of the Opportunistic Portfolio. Refer to the next slide for the balance of the Portfolio.

Opportunistic Portfolio

Performance (Continued)

Time Weighted Returns (Net of Fees), as of September 30, 2011

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	\$ Mil	Net	Net	Net	Net
Canyon Johnson	175.1	(1.0%)	1.4%	(14.3%)	(9.2%)
Page Mill	157.5	1.8%	9.6%	(15.1%)	
IL & FS	141.7	(1.5%)	(18.7%)	0.5%	
Fairfield	104.5	36.5%	49.0%		
JAH Capital Management	100.3	1.7%	14.2%	(16.5%)	
Warburg Pincus	91.9	(6.5%)	10.9%	5.8%	
Hawkeye Partners	90.5	2.5%	14.8%		
Stockbridge	84.1	2.5%	8.6%	(51.0%)	(37.3%)
MacFarlane	78.1	(11.5%)	(3.2%)	(73.5%)	
JE Roberts	72.7	(1.3%)	(4.0%)	(36.2%)	
Cherokee	72.6	(0.5%)	(15.1%)	(27.0%)	(35.6%)
Thor	68.4	(1.0%)	2.7%	(17.7%)	(2.5%)
BlackRock	67.9	(3.1%)	(16.8%)		
Grove International	64.9	(4.6%)	(12.6%)	(26.5%)	(21.6%)
Brookfield Homes	62.4	(0.2%)	0.3%	(0.5%)	
Mexico Retail	57.3	(9.6%)	0.7%	(2.3%)	(2.8%)
Lehman Brothers	51.9	(1.3%)	11.7%	(24.7%)	(14.6%)
Institutional Housing Partners	51.7	3.1%	(3.1%)		
Frogmore	49.8	(4.9%)	19.5%	(47.2%)	
Opportunistic	9,058.0	(2.2%)	10.3%	(16.4%)	(8.6%)
NFI-ODCE + 300 basis points		6.3%	20.2%	(4.2%)	2.1%

Manager Name	Current Quarter		1 - Year	3 - Year	5 - Year
	\$ Mil	Net	Net	Net	Net
Heitman	43.8	(6.8%)	(15.3%)	(18.1%)	(6.3%)
Hearthstone	31.9	1.4%	(8.6%)		
Pacific Waterfront Partners	26.8	(0.0%)			
LCOR	24.4	(1.3%)			
Capmark	21.2	2.2%	21.4%	(33.5%)	
AVP Advisors	19.3	59.3%	39.4%	(52.9%)	
Resmark	18.5	(0.4%)	(8.3%)		
Thomas	16.3	(0.6%)	(18.0%)		
Cerberus	13.6	(8.4%)	(45.0%)	(19.5%)	(6.9%)
Sarofim	4.2	(1.5%)	(4.8%)		
Lazard Freres	2.0	(1.2%)	(2.5%)	(10.2%)	(4.4%)
Lowe	0.4	(4.6%)	(82.5%)	(79.0%)	
Waterton	0.4				
IDS	0.4				
Kennedy Associates	0.2				
Moorfield	(11.8)				
Pyramid	(58.0)	23.5%			
Centerline	(97.4)	4.8%	(23.3%)	(154.2%)	(150.1%)
Opportunistic	9,058.0	(2.2%)	10.3%	(16.4%)	(8.6%)
NFI-ODCE + 300 basis points		6.3%	20.2%	(4.2%)	2.1%

Public Portfolio

As of September 30, 2011, the CalSTRS Public Portfolio was valued at \$301 million, an increase of \$222 million from the first quarter. Current public holdings are the result of direct investments and are not reflective of an implemented public sector mandate.

Time Weighted Returns (Net of Fees), as of September 30, 2011

Manager Name	Current Quarter		1 - Year	3 - Year
	Market Value (\$ Mil)	Net	Net	Net
Fortress	138.1	(24.6%)	(21.3%)	(9.0%)
RLJ Partners	163.0	(26.1%)		
Total Public Portfolio	301.2	(25.4%)	(22.2%)	(9.4%)
EPRA/NAREIT Global REIT Index (Gross)		(17.3%)	(6.9%)	(0.4%)

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Market Overview



Market Overview

- During the Global Financial Crisis, real estate values declined 32% and 44% for the de-levered NCREIF Property Index (“NPI”) and the levered NCREIF Open-End Diversified Core Equity Index (“NFI-ODCE”), respectively. Since the market trough in 2010, both indices have recovered 14% and 20%, respectively, suggesting a market recovery is underway.
- During the Third Quarter, real estate outperformed the broader equity markets (S&P, -13.9%) and slightly lagged the bond markets (Barclay’s Aggregate Bond Index, +3.8%). The NPI and NFI-ODCE reported a 3.3% and 3.5% gross time-weighted return, respectively, for the Third Quarter.
- Transaction volume during the Third Quarter totaled \$49.8 billion, a 38% increase from one year prior but well below mid-year levels. Nevertheless, sales have totaled \$143.5 billion year-to-date, already surpassing the full-year 2010 total.
- Concerns of a slowing economy, political unrest in the US (resulting in a Standard & Poor’s US credit downgrade), and the ongoing European debt crisis significantly impacted equities during the quarter, as volatility sharply increased. Though earnings and corporate balance sheets have been resilient, investors are concerned that policymakers are not doing enough to stabilize financial markets given the risk of a Greek default. As a result, many managers have lowered US growth expectations for 2011 and 2012.
- Since the Second Quarter, the availability of capital has tightened and borrowing costs have increased for all but the most pristine properties. The shift reflects unease about the national economy as well as a pullback in CMBS origination due to uncertainty in the capital markets. This is also a driver in the slowing of transaction volume nationally.
- Property markets remain bifurcated between high-quality, stabilized assets in primary markets and all other assets. This is the result of significant capital demand for high quality assets. As such, pricing for high-quality stabilized assets within prime US gateway markets appears expensive today. We believe investors should be prepared to consider value plays in specific markets and locations where core properties may be overpriced. Leasing risk in elite markets of the US such as New York and Washington will reward, as will a similar thesis on the West Coast. We are moving our focus to the next tier of primary markets which offer better entry pricing, although we continue to strongly resist any activity in secondary or tertiary markets where underlying fundamentals and employment remain weak.

CalSTRS Real Estate Report: September 30, 2011

Appendices

Vintage Year Detail



Vintage Year Detail

Investment 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	1,472.0	(2.8%)	(2.7%)									11.8%	12.2%	(7.0%)
Core	1,070.6	2.2%	2.3%									18.7%	19.1%	15.3%
CSHV Waugh Chapel, LLC ¹⁸	1.0													(0.4%)
JP Morgan Strategic Property Fund ¹⁴	0.0													
LCOR Residential Assoc Core ¹	174.3	3.8%	4.0%									13.5%	14.0%	13.4%
Lion Industrial Trust ¹²	131.6	5.3%	5.6%									5.3%	5.6%	5.3%
Metro Fund LLC Core	242.0	0.0%	0.0%									20.4%	20.5%	20.4%
P FC 2 Core	3.7	18.0%	18.8%									18.0%	18.8%	(10.0%)
PanCal Opportunity LLC - Core ¹⁸	0.0													(51.7%)
Plaza At The Arboretum JV ³	73.1	0.3%	0.4%									0.3%	0.4%	0.3%
Principal US Property Account	102.8	3.7%	3.7%									3.7%	3.7%	3.7%
PRISA	180.8	3.9%	4.2%									8.9%	9.4%	8.7%
UBS-Trumbull Property Fund	51.6	3.1%	3.1%									3.1%	3.1%	3.1%
UCal LLC Core ¹⁹	51.9	(6.0%)	(5.9%)									(8.9%)	(8.6%)	(8.9%)
Wynfield Park JV ³	35.9	3.8%	3.9%									3.8%	3.9%	3.8%
ZarCal Res Preferred Equity	21.8	1.5%	1.5%									1.5%	1.5%	2.6%
Opportunistic	100.9	2.5%	4.3%									2.5%	4.3%	(9.3%)
LCOR Residential Associates LLC Opp	24.4	(1.3%)	(1.3%)									(1.3%)	(1.3%)	(1.3%)
Lone Star Real Estate Fund II	20.3	21.1%	30.5%									21.1%	30.5%	(29.2%)
PanCal Opportunity LLC - Opp	3.3	(4.3%)	(4.1%)									(4.3%)	(4.1%)	(3.7%)
Waterton Residential Property Venture XI	0.4													(87.9%)
ZarCal, LLC Opp-Preferred Equity	52.5													2.9%
Public	163.0	(26.1%)	(26.1%)									(26.1%)	(26.1%)	(42.4%)
RLJ Lodging Trust	163.0	(26.1%)	(26.1%)									(26.1%)	(26.1%)	(42.4%)
Value Added	137.5	1.9%	2.3%									(6.2%)	(5.9%)	(4.7%)
Brookfield FF US Multifamily Value Add ¹⁸	7.3													(3.4%)
Fairfield Clairmont II Note	0.1	3.9%	3.9%									8.0%	8.0%	8.0%
Fairfield SAF III LLC Note	0.0	3.9%	3.9%									7.4%	7.4%	8.1%
IDS Realty JV II LLC VA ¹⁸	19.9													(3.6%)
Metro Fund Excess Company Loan ¹⁸	85.1													0.2%
PanCal Opportunity LLC - VA	18.3	0.0%	0.5%									(9.6%)	(9.2%)	(6.0%)
UCal LLC VA ¹⁹	6.9	6.3%	6.4%									0.9%	1.2%	2.5%

Vintage Year Detail

Investment 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	
2010	3,765.5	2.2%	2.4%	20.0%	21.2%							15.6%	17.0%	15.6%
Core	1,805.6	0.8%	0.9%	17.6%	18.5%							(4.7%)	(3.8%)	5.8%
BlackRock Cal I LLC Core ¹	189.2	2.0%	2.3%	30.2%	31.4%							83.9%	86.3%	67.7%
CenterCal LLC Core ¹	191.8	(2.0%)	(1.9%)	4.3%	4.9%							4.0%	4.5%	3.9%
CNP Investor LLC [*]	0.0											10.6%	10.6%	30.0%
Community Retail Dev Fund Core ¹	23.3	1.5%	2.1%	11.1%	13.8%							(0.4%)	2.3%	(0.7%)
CSFV Funding I LLC	13.6	1.7%	1.7%	5.7%	5.7%							5.6%	5.6%	5.5%
Fairfield CHF LLC Core Total^{1,8,9}	410.5	2.2%	2.2%	11.6%	11.6%							N/M	N/M	(35.7%)
Fairfield CHF LLC Core ^{1,5,9}	0.0											N/M	N/M	N/A
Fairfield CHF LLC Core - B	410.5	2.2%	2.2%									9.3%	9.3%	9.3%
FirstCal Ind 2 Core ⁶	30.9	8.3%	8.7%	199.5%	206.0%							199.5%	206.0%	791.5%
FirstCal Ind Core ⁶	50.6	(5.2%)	(4.6%)	366.7%	371.1%							366.7%	371.1%	N/M
Harvest Park - Knoxville	20.2	(4.8%)	(4.7%)	(11.8%)	(11.4%)							(34.9%)	(34.4%)	(12.5%)
Hedwig Village I & II - Houston	17.6	5.6%	5.9%	28.1%	29.5%							22.7%	24.0%	22.5%
LCOR Excess Company Loan ¹⁵	0.0													0.0%
P FC 1 Core ⁶	17.8	151.0%	151.4%	147.9%	150.5%							147.9%	150.5%	57.4%
PanCal Portfolio LLC	479.6	0.8%	0.9%									2.6%	2.8%	3.1%
PanCal Portfolio Note [*]	0.0											1.4%	1.4%	2.7%
TPG CalSTRS LLC Core ¹	342.0	(2.9%)	(2.7%)	14.4%	15.3%							19.9%	21.3%	13.6%
UrbanCal LLC Core ¹	7.4	6.8%	7.2%	(11.2%)	(9.6%)							(3.1%)	(1.4%)	(3.0%)
ZarCal, LLC Core Total^{8,9}	1.8	33.0%	34.8%	456.9%	467.5%							N/M	N/M	N/M
ZarCal, LLC Core ^{1,9}	0.0											N/M	N/M	23.6%
ZarCal, LLC Core - B	1.8	33.0%	34.8%									85.4%	89.9%	87.7%
ZarCalRes, LLC Core ¹	9.3	(5.2%)	(5.2%)	(33.5%)	(33.1%)							(52.4%)	(51.9%)	(44.1%)
ZarCalRes-Preferred Equity [*]	0.0											1.0%	1.0%	6.6%
Opportunistic	816.7	4.0%	4.2%	0.9%	2.8%							(20.8%)	(19.2%)	(5.1%)
BlackRock Cal I LLC Opp ¹	67.9	(3.1%)	(2.9%)	(16.8%)	(16.0%)							33.0%	33.9%	3.1%
CenterCal LLC Opp ¹	65.5	4.5%	4.5%	(22.2%)	(22.0%)							(20.7%)	(20.6%)	(17.4%)
Community Retail Dev Fund Opp ¹	4.2	(1.5%)	(0.8%)	(4.8%)	(2.1%)							(50.5%)	(49.2%)	(49.8%)
CSJV FirstCal CAN Opp ⁶	3.4	1.4%	1.6%									14.1%	14.7%	N/M
CSJV NF ServiceCo LLC	4.4	6.6%	6.6%	10.3%	10.3%							10.3%	10.3%	20.2%

Vintage Year Detail

Investment 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	
Fairfield CHF LLC Opp Total ^{1,7,8}	100.1	38.6%	38.6%	54.7%	54.7%							N/A	N/A	35.8%
Fairfield CHF LLC Opp ¹	0.0											(111.4%)	(111.4%)	(39.7%)
Fairfield CHF LLC Opp - B	100.1	38.6%	38.6%									36.0%	36.0%	53.9%
FCO MA II LP RE	144.4	0.1%	0.4%	19.3%	25.7%							29.8%	39.2%	19.8%
FirstCal Ind 2 Opp ^{5,6}	0.4	(11.9%)	(11.8%)									(29.7%)	(27.8%)	N/A
FirstCal Ind 3 Opp ⁶	36.7	6.0%	6.2%	(17.3%)	(16.3%)							(17.3%)	(16.3%)	14.0%
FirstCal Ind Opp ⁶	46.7	19.0%	19.2%	56.5%	57.8%							56.5%	57.8%	68.8%
Fortress Credit Opportunity Fund II A LP	4.4	(2.4%)	(2.7%)	15.2%	20.6%							15.2%	20.6%	15.9%
Fortress Florida Pref Fund LP	29.0	4.5%	4.5%	20.0%	20.0%							20.0%	20.0%	20.1%
Hearthstone III Default Loan	0.7	1.9%	1.9%	7.9%	7.9%							8.1%	8.1%	8.1%
IDS Realty JV LLC Opp ^{*1}	0.0											10.1%	9.3%	(14.6%)
IHP Capital Partners VI LLC	51.7	3.1%	3.7%	(3.1%)	1.3%							(3.1%)	1.3%	(1.6%)
Metro Fund II LLC	0.0											(0.0%)	(0.0%)	(0.0%)
Metro Fund LLC Opp	58.1	(1.6%)	(1.4%)	(26.4%)	(26.0%)							N/A	N/A	(47.3%)
P FC 1 Opportunistic ⁶	12.2	149.9%	150.3%									53.1%	55.6%	(389.0%)
P FC 3 Opportunistic ⁶	10.2	(22.3%)	(22.2%)	(41.5%)	(41.3%)							(41.5%)	(41.3%)	(66.6%)
PacificCal II LLC Opp ¹	13.9	(9.7%)	(9.1%)	62.9%	66.6%							31.6%	34.3%	21.5%
PacificCal LLC Opp ^{1,7}	7.9	(14.1%)	(13.3%)	(100.3%)	(99.6%)							N/A	(97.7%)	(63.9%)
PHF II HRO C MEZZ ³⁰	0.0													(100.0%)
Piazza Del Sol - Laredo	22.3	(0.6%)	(0.6%)	(7.0%)	(7.0%)							(66.8%)	(66.6%)	(5.7%)
Potranco - San Antonio	28.6	(0.5%)	(0.5%)	(3.6%)	(3.6%)							(7.8%)	(7.7%)	(4.0%)
ResCal Investments LLC	18.5	(0.4%)	0.4%	(8.3%)	(8.5%)							(8.3%)	(8.5%)	(7.4%)
RREEF GOF II 2010 Sr Notes	16.0	4.5%	4.5%	21.8%	21.8%							21.8%	21.8%	25.6%
Stonebridge - Dallas	14.7	(0.7%)	(0.7%)									(2.1%)	(2.1%)	(4.4%)
TPG CalSTRS LLC Opp ¹	16.3	(0.6%)	(0.5%)	(17.0%)	(16.7%)							(12.1%)	(11.8%)	(12.2%)
ZarCal, LLC Opp ^{1,5,9}	(5.6)											N/M	N/M	N/A
ZarCalRes, LLC Opp ¹	44.1	(1.3%)	(1.2%)	3.3%	3.5%							9.6%	9.8%	(8.6%)
Value Added	1,143.2	3.3%	3.6%	33.0%	34.3%							54.8%	56.5%	48.5%
BlackRock Cal I LLC VA ^{1,9}	168.6	14.9%	15.4%	71.9%	75.5%							N/M	N/M	360.7%
CenterCal LLC VA ¹	22.3	(9.2%)	(9.1%)	4.4%	4.7%							(2.8%)	(2.5%)	(3.9%)
CSJV NF InvestCo LLC	3.8	(11.5%)	(11.5%)									(16.7%)	(16.7%)	(30.5%)
Fairfield Centennial Note	0.2	4.0%	4.0%									12.1%	12.1%	12.9%

Vintage Year Detail

Investment 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	
Fairfield CHF LLC VA Total ^{1,5,7,8}	88.1	11.8%	11.8%	131.9%	131.9%							N/A	N/A	N/A
Fairfield CHF LLC VA ^{1,5,9}	0.0											N/M	N/M	N/A
Fairfield CHF LLC VA - B	88.1	11.8%	11.8%									67.3%	67.3%	66.0%
FirstCal Ind 2 Value Add ^{5,6}	2.1	(7.7%)	(7.3%)	542.6%	554.5%							542.6%	554.5%	N/A
FirstCal Ind Value Add ⁶	18.7	(2.5%)	(2.3%)	272.9%	276.0%							272.9%	276.0%	383.7%
IDS Realty JV Value Add⁸	4.9	6.2%	9.2%	(26.3%)	(10.7%)							32.7%	29.4%	(105.9%)
IDS Realty JV LLC VA ¹	0.0											52.9%	47.2%	(54.6%)
IDS Realty JV LLC VA - B	4.9	6.2%	9.2%									(36.1%)	(21.2%)	(9.5%)
Metro Fund LLC VA ^{1,7,8}	(2.8)											N/A	N/A	129.7%
P FC 1 Value Add ^{5,6}	16.6	(9.4%)	(9.3%)									283.3%	284.0%	N/A
P FC 3 Value Add ⁶	8.3	(27.5%)	(27.5%)	274.5%	275.1%							274.5%	275.1%	36.6%
PacificCal II LLC VA ¹	223.4	(0.8%)	(0.5%)	12.6%	14.2%							21.3%	23.2%	16.8%
PacificCal LLC VA ¹	76.0	7.8%	8.1%	12.1%	14.0%							20.3%	22.7%	20.5%
PMRP Preferred LLC	6.9	6.3%	6.3%	32.1%	32.1%							25.0%	25.0%	25.5%
TPG CalSTRS LLC VA ¹	356.8	3.0%	3.1%	20.4%	21.0%							16.9%	17.5%	17.0%
UrbanCal LLC VA ¹	146.3	1.2%	1.3%	6.6%	7.0%							5.9%	7.0%	7.0%
Yuma Target - Yuma	3.0	(1.2%)	(1.2%)	(6.4%)	(6.4%)							(7.0%)	(7.0%)	(6.9%)
2009	263.5	1.3%	1.9%	12.5%	14.6%	7.0%	8.1%					3.6%	4.5%	6.6%
Core	81.1	1.9%	2.0%	(3.1%)	(2.5%)	(7.9%)	(7.4%)					(12.3%)	(12.0%)	(12.7%)
Belmont Apartments	21.5	4.6%	4.6%	31.8%	32.2%	39.5%	40.0%					32.6%	33.0%	33.9%
Carlos Bee	0.6	(11.3%)	(11.5%)	(57.1%)	(58.1%)	(24.9%)	(26.4%)					(35.2%)	(36.4%)	(15.9%)
Fairway View I	1.1	192.8%	193.7%	(75.2%)	(72.4%)	(37.6%)	(33.9%)					(55.9%)	(53.6%)	(50.8%)
Fairway View II	1.7	151.7%	152.0%	(77.0%)	(76.3%)	(45.1%)	(44.2%)					(52.7%)	(52.0%)	(41.9%)
Mayfair Village	0.2	(62.6%)	(62.3%)	(72.4%)	(72.0%)	(63.8%)	(63.4%)					(60.3%)	(59.9%)	(67.0%)
Mustang Village	14.9	(2.8%)	(2.6%)	(2.8%)	(1.8%)	(24.5%)	(24.0%)					(32.2%)	(32.0%)	(30.1%)
Naismith Hall ^{5,7,10}	(0.8)											N/A	N/A	N/A
Peppermill Village	2.2	(9.9%)	(9.8%)	(15.6%)	(15.1%)	(22.4%)	(22.0%)					(21.1%)	(20.7%)	(22.4%)
Place Du Plantier	3.2	32.8%	33.0%	(25.0%)	(24.3%)	(29.6%)	(29.2%)					(31.5%)	(31.6%)	(33.7%)
Shadowood	8.5	(4.2%)	(4.1%)	2.4%	2.8%	8.6%	9.1%					9.1%	9.6%	9.1%
Stadium View	2.6	(15.4%)	(15.3%)	(21.0%)	(21.3%)	(7.1%)	(7.3%)					(7.4%)	(7.7%)	(7.3%)
Sunstone	8.6	4.0%	4.0%	6.0%	6.4%	11.2%	11.7%					14.6%	15.1%	15.0%
Turtle Creek ^{*5}	0.0											(28.5%)	(28.5%)	N/A

Vintage Year Detail

Investment 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	
Westpark Plaza	0.8	(0.7%)	(0.2%)	(34.9%)	(30.4%)	(57.7%)	(55.5%)					(48.0%)	(47.4%)	(45.9%)
Williamsburg on the Wabash	8.0	(7.9%)	(7.8%)	5.5%	6.0%	(7.5%)	(7.0%)					(13.2%)	(12.8%)	(13.9%)
Windsor Hills	8.0	2.9%	3.1%	3.1%	3.7%	23.2%	23.9%					18.6%	19.3%	19.1%
Opportunistic	151.9	1.8%	2.9%	17.2%	21.2%	12.1%	15.0%					13.7%	16.1%	4.6%
Beacon Capital Strategic Partners VI, LP	5.6	(16.0%)	1.9%									(98.5%)	(67.0%)	(78.5%)
FirstCal Industrial Europe ^{5,22}	(1.8)													N/A
Fortress III 20% PIK Notes Due 2014	10.8	4.6%	4.6%	20.4%	20.4%	20.3%	20.3%					20.3%	20.3%	20.1%
Frogmore Real Estate Partners II LP	20.8	(3.6%)	(2.7%)	(1.8%)	2.8%							(7.7%)	(2.8%)	4.4%
SH Group I, LP	9.6	4.7%	5.0%									33.6%	34.4%	25.3%
Starwood Cap Hospitality Fd II Global LP	106.9	3.2%	3.7%	24.6%	27.3%							18.4%	21.5%	7.6%
Thomas High Performance Green Fund *	0.0											N/A	N/A	(100.0%)
Public	30.5	(2.8%)	(2.8%)	18.8%	18.8%	14.9%	14.9%					17.8%	17.8%	17.9%
Eurocastle Investment Limited	30.5	(2.8%)	(2.8%)	18.8%	18.8%	14.9%	14.9%					17.8%	17.8%	17.9%
Value Added	0.0											0.2%	0.2%	15.9%
Fairfield Excess Company Loan *	0.0											0.2%	0.2%	15.9%
2008	1,289.3	(3.2%)	(3.0%)	13.5%	15.6%	5.8%	8.3%	(1.5%)	1.1%			(0.8%)	1.7%	0.0%
Core	44.4	7.2%	8.7%	24.1%	28.7%	20.2%	24.4%	(9.0%)	(6.4%)			(5.9%)	(3.5%)	(13.2%)
CanyonPSR III LLC	38.7	3.8%	5.5%	14.6%	20.1%	12.9%	18.3%	11.6%	17.1%			11.6%	17.1%	8.9%
CSFV Centerline	5.7	28.0%	28.0%	70.6%	70.6%	49.1%	49.1%	(21.6%)	(21.6%)			(17.1%)	(17.1%)	(29.1%)
Opportunistic	1,044.3	(4.0%)	(3.8%)	12.5%	14.1%	7.4%	9.9%	3.8%	6.9%			3.5%	6.6%	4.3%
Aetos Capital Asia III Total ^{7,8}	4.4	(38.8%)	(37.9%)									N/A	N/A	(29.5%)
Aetos Capital Asia III ⁷	0.0											N/A	N/A	(21.8%)
Aetos Capital Asia III - B	4.4	(38.8%)	(37.9%)									#REF!	#REF!	(38.8%)
AVP M Street Investors	19.3	59.3%	59.5%	39.4%	40.6%	53.1%	58.5%	(52.9%)	(50.9%)			(47.9%)	(45.9%)	(20.2%)
Canyon Johnson Urban Fund III	94.9	4.8%	3.6%	20.2%	21.2%							(21.3%)	8.2%	(2.9%)
CBRE SP US Opportunity 5 Wood Partners	19.9	(7.7%)	(7.7%)	34.1%	34.1%	(48.9%)	(48.9%)	(37.2%)	(37.2%)			(32.6%)	(32.6%)	(32.4%)
FirstCal Industrial Canada ⁴	0.0											(34.4%)	(33.4%)	(35.8%)
GI Partners Fund III	277.3	(5.1%)	(4.7%)	15.0%	16.5%	15.0%	19.3%	1.4%	18.7%			1.4%	18.7%	14.0%
IL & FS India Realty Fund II	32.3	0.2%	0.8%	9.8%	12.6%	11.9%	15.2%					(7.5%)	(3.4%)	2.6%
Lone Star Fund VI (US), LP	240.8	(0.1%)	(0.3%)	17.3%	17.5%	18.2%	19.8%	17.5%	19.1%			15.8%	17.5%	16.0%
Lone Star Real Estate Fund (US), LP	71.4	(1.7%)	(1.5%)	4.3%	5.1%	6.5%	7.6%	7.9%	10.0%			7.9%	10.0%	7.1%
MacFarlane Emerging Managers Fund I ^{5,9}	(6.5)											N/M	N/M	N/A

Vintage Year Detail

Investment 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	
Niam Nordic Fund IV	128.4	(8.7%)	(8.4%)	26.0%	27.6%	17.7%	19.9%	11.7%	14.9%			4.4%	19.2%	16.4%
Paladin Latin America Investors III	66.1	(20.6%)	(19.9%)	(22.7%)	(20.4%)	(12.2%)	(8.8%)					17.2%	21.0%	8.9%
Stockbridge Real Estate Fund III A LP	35.7	1.5%	2.5%	19.8%	24.8%	(2.9%)	2.5%	(37.2%)	(31.5%)			(37.2%)	(31.5%)	(15.8%)
Trigate Property Partners	60.3	0.2%	1.0%	15.2%	19.2%	7.1%	15.6%	42.2%	20.9%			57.8%	23.2%	2.8%
Value Added	200.6	(0.6%)	(0.6%)	17.2%	21.0%	(4.2%)	(1.9%)	(14.6%)	(13.1%)			(12.5%)	(11.0%)	(10.2%)
CBRE Strategic Partners US Value Fund 5	102.3	0.4%	0.3%	27.6%	34.3%	14.1%	18.6%	(0.9%)	2.0%			(0.9%)	2.0%	21.2%
CenterCal-Preferred Equity *	0.0											2.8%	2.8%	2.7%
Fairfield Strategic Apartment Fund III ^{7,8}	13.9	(0.5%)	(0.4%)	(3.4%)	(4.8%)							N/A	N/A	(33.2%)
Fairfield Strategic Apartment Fund III ⁷	0.0											(100.0%)	N/A	(96.2%)
Fairfield Strategic Apartment Fund III B	13.9	(0.5%)	(0.4%)	(3.4%)	(4.8%)							4.5%	3.9%	5.9%
SeaCal, LLC	26.2	2.8%	2.8%	0.0%	1.3%	(15.7%)	(14.5%)	(26.5%)	(25.5%)			(22.5%)	(21.5%)	(21.1%)
WRPF IX Presidential Towers LLC	58.1	(4.0%)	(3.6%)	10.5%	12.1%	(9.8%)	(8.5%)	(21.3%)	(20.2%)			(18.5%)	(17.5%)	(18.6%)
2007	2,502.0	0.6%	0.9%	27.8%	29.8%	10.7%	13.3%	(21.7%)	(19.6%)			(20.2%)	(18.2%)	(16.4%)
Core	76.1	(1.9%)	(1.7%)	36.6%	38.5%	13.5%	15.7%	(15.5%)	(13.7%)			(146.6%)	(150.0%)	(9.6%)
CampusCal	63.7	(6.2%)	(6.1%)	18.7%	19.3%	16.4%	17.1%	1.4%	2.1%			2.5%	3.1%	3.9%
CSOV Bouwfonds Takeover ^{7,8}	12.4	55.1%	56.5%									N/A	N/A	(20.4%)
CSOV Bouwfonds	0.0											(85.4%)	(80.7%)	(65.4%)
CSOV Bouwfonds - B ⁹	12.4	55.1%	56.5%									N/M	N/M	N/M
UCal, LLC ²⁰	0.0	0.0									15.9%	16.9%	15.6%	1.64
ZarCal, LLC ^{5,16}	0.0											(76.6%)	(75.6%)	N/A
ZarCalRes - Preferred Equity *	0.0											(2.8%)	(2.8%)	(2.6%)
ZarCalRes, LLC ¹⁶	0.0											(87.9%)	(84.1%)	(65.1%)

Vintage Year Detail

Investment 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	
Opportunistic	1,643.0	(1.5%)	(1.2%)	24.3%	26.5%	6.2%	9.1%	(27.4%)	(24.9%)			(26.6%)	(24.3%)	(19.3%)
Beacon Capital Partners V	167.4	(1.9%)	(1.3%)	16.3%	20.3%	8.4%	13.6%	(23.6%)	(19.7%)			(23.6%)	(20.0%)	(19.3%)
BrookCal	62.4	(0.2%)	0.0%	0.3%	1.1%	(0.3%)	0.5%	(0.5%)	0.3%			(0.7%)	0.1%	(0.6%)
CBRE SPUK III	46.4	(3.5%)	(2.8%)	(3.6%)	(0.8%)	(6.6%)	(3.7%)	(102.2%)	(102.2%)			(78.5%)	(74.0%)	(34.8%)
CBRE Strategic Partners Asia Fund II ^{7,8}	59.6	(4.9%)	(4.6%)	3.6%	5.7%	29.9%	33.4%					N/A	N/A	(2.0%)
CBRE Strategic Partners Asia Fund II ⁵	0.0											(100.0%)	(94.6%)	N/A
CBRE Strategic Partners Asia Fund II B	59.6	(4.9%)	(4.6%)	3.6%	5.7%	29.9%	33.4%					46.4%	52.3%	30.8%
CBRE Strategic Partners U.S. Opp V	69.9	(0.8%)	(0.5%)	16.2%	17.7%	(67.7%)	(66.4%)	(57.5%)	(55.7%)			(50.4%)	(47.9%)	(15.6%)
Fortress Bridge Coinvestment *	0.0											11.7%	14.8%	15.0%
Fortress Florida Coinvestment	84.0	1.1%	1.3%	15.2%	16.5%	0.9%	2.1%	(4.9%)	(3.7%)			(3.6%)	(2.5%)	(4.1%)
Fortress Holiday Investment Fund	330.9	2.6%	2.8%	51.0%	52.1%	46.9%	48.1%	15.3%	16.4%			7.6%	8.6%	7.4%
Fortress Investment Fund V	248.3	(4.0%)	(3.8%)	35.2%	36.9%	20.9%	23.1%	(1.1%)	1.6%			(80.2%)	(79.4%)	(5.5%)
Fortress V Coinvestment	54.2	(7.5%)	(7.2%)	0.8%	3.2%	0.4%	3.1%	(7.7%)	(5.0%)			(39.8%)	(38.0%)	(16.7%)
IDS Urban JV ^{5,28}	0.4													N/A
JER Europe Fund III	72.7	(1.3%)	(1.0%)	(4.0%)	(2.9%)	15.6%	17.8%	(36.2%)	(35.0%)			(33.4%)	(31.8%)	(29.1%)
La Solana Co-Invr SR1	0.0	(0.6%)	(0.6%)	(132.5%)	(132.5%)	(98.3%)	(98.2%)	(96.9%)	(96.8%)			(93.0%)	(92.8%)	(80.0%)
LCCG High Yield CMBS Fund III LLC ^{5,10,24}	(115.6)											(99.9%)	(98.9%)	N/A
Lowes Resort Finance Investment Partners *	0.0											(80.1%)	(75.6%)	(77.1%)
MGP Asia Fund III, LP ⁷	156.7	(3.8%)	(3.6%)	65.1%	67.9%	58.6%	65.5%	(127.3%)	(140.3%)			N/A	N/A	(0.0%)
MGP Europe Fund III	110.1	(8.9%)	(8.6%)	5.9%	8.5%	5.5%	10.0%	(6.7%)	0.1%			(10.4%)	(3.6%)	(6.1%)
MS Resort Coinvestment Co A *	0.0											(96.2%)	(86.1%)	(100.0%)
MSREF VI International	98.5	(1.6%)	(1.2%)	15.7%	17.6%	22.5%	25.7%	(73.2%)	(72.2%)			(66.5%)	(65.4%)	(37.9%)
PacificCal Land Total ^{7,8}	0.0	(71.3%)	(71.3%)									N/A	N/A	(84.0%)
PacificCal Land ⁷	0.0											N/A	(96.7%)	(83.6%)
PacificCal Land - B	0.0	(71.3%)	(71.3%)									(71.3%)	(71.3%)	(71.3%)
Redwood Grove	23.0	(7.6%)	(7.1%)	(7.0%)	(2.7%)	(18.3%)	(14.6%)	(34.2%)	(30.7%)			(52.9%)	(50.1%)	(39.6%)
RGI Co Invest II ¹⁴	0.1													
RLJ Real Estate Fund III *	0.0											(9.4%)	7.4%	(4.3%)
Rockpoint Real Estate Fund III ⁷	133.9	7.4%	7.7%	48.4%	50.1%	15.7%	24.1%	(155.1%)	(62.5%)			N/A	N/A	14.1%
Trigate CalSTRS Partnerships	39.5	3.8%	4.1%	13.6%	14.9%	(2.8%)	(1.8%)	(15.4%)	(14.6%)			(12.2%)	(11.4%)	(13.5%)
Trigate Capital, LLC	0.6	2.0%	2.0%	11.2%	11.2%	3.1%	3.1%	(3.4%)	(3.4%)			0.3%	0.3%	2.0%

Vintage Year Detail

Investment 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	
Value Added	782.9	5.7%	5.9%	34.4%	35.8%	20.6%	22.2%	(13.4%)	(12.3%)			(9.7%)	(8.1%)	(10.9%)
Canyon Value Opportunity Fund	35.5	(0.1%)	(0.0%)	20.9%	21.6%	27.5%	28.4%	4.4%	5.9%			2.4%	4.8%	9.0%
Hartford Mezzanine Investors I, LLC	98.5	18.0%	18.3%	20.1%	21.8%	(3.0%)	(1.2%)	(15.6%)	(14.1%)			(7.1%)	(4.9%)	(9.2%)
Heitman Value Partners II	84.3	0.6%	0.8%	7.9%	8.8%	3.6%	4.4%	(19.9%)	(19.2%)			(16.2%)	(15.3%)	(14.1%)
INGCal Tactical, LLC	289.0	3.8%	4.0%	33.0%	33.9%	18.7%	19.6%	4.7%	5.5%			3.1%	3.9%	4.0%
LilliCal LLC	26.4	(1.6%)	(1.4%)	37.3%	38.6%	18.0%	19.4%	(13.0%)	(11.9%)			(10.5%)	(9.5%)	(8.7%)
PacificCal III, LLC	203.9	5.7%	6.1%	54.5%	56.7%	47.3%	50.5%	(10.9%)	(8.9%)			(10.9%)	(9.3%)	(7.5%)
Peter Cooper Village Stuy Town ^{7,29}	0.0											N/A	N/A	(100.0%)
Principal Mortgage Value Investors	16.2	(9.1%)	(9.1%)	3.1%	3.1%	9.9%	9.9%	(43.2%)	(43.2%)			(57.4%)	(56.3%)	(41.3%)
UrbanCal LLC ¹⁶	0.0											(38.7%)	(36.0%)	(39.9%)
WilCal, LLC	29.2	28.1%	28.3%	68.9%	70.6%	32.4%	33.9%	(17.5%)	(16.4%)			(14.8%)	(14.0%)	(14.4%)
2006	2,240.6	(5.9%)	(4.7%)	(1.5%)	0.7%	(3.5%)	(1.4%)	(25.7%)	(24.2%)	(18.6%)	(17.2%)	(16.9%)	(15.4%)	(18.2%)
Core	318.8	(3.0%)	(2.8%)	(1.7%)	(1.2%)	(3.7%)	(2.8%)	(11.2%)	(10.5%)	(9.0%)	(8.4%)	(7.7%)	(7.2%)	(7.2%)
CanyonPSR II LLC	24.0	(4.9%)	(4.6%)	(12.0%)	(10.8%)	(15.7%)	(10.2%)	(15.3%)	(12.1%)	(4.1%)	(1.2%)	(3.5%)	(0.5%)	0.8%
Denver Tech Center	121.9	(0.3%)	(0.3%)	(0.3%)	(0.2%)	(2.7%)	(2.4%)	(7.7%)	(7.5%)			(8.6%)	(8.4%)	(7.7%)
LIONSTONE CASH FLOW OFFIC II	79.3	(5.6%)	(5.1%)	(1.4%)	(0.4%)	(3.7%)	(2.7%)	(21.5%)	(20.7%)	(12.6%)	(11.9%)	(12.6%)	(11.9%)	(14.7%)
Metro Park LLC *	0.0											2.0%	2.1%	2.2%
One Atlanta	93.5	(3.7%)	(3.6%)	(0.7%)	(0.5%)	(1.5%)	(1.2%)	(2.0%)	(1.7%)	(7.9%)	(7.7%)	(6.5%)	(6.2%)	(6.1%)
Opportunistic	1,354.1	(4.7%)	(4.3%)	1.5%	2.8%	(3.3%)	(1.7%)	(28.6%)	(27.2%)	(20.4%)	(18.9%)	(106.5%)	(43.0%)	(20.7%)
BEACON 4 CO INVESTMENT	125.2	(4.7%)	(4.7%)	24.6%	24.6%	17.2%	17.2%	(2.1%)	(2.1%)	3.7%	3.7%	3.7%	3.7%	3.2%
Capmark Structured RE Partners	21.2	2.2%	2.9%	21.4%	25.8%	11.4%	15.5%	(33.5%)	(30.5%)			(29.5%)	(26.6%)	(29.8%)
CGI Coinvestment Fund	2.3	3.7%	4.2%	(42.2%)	(41.2%)	(26.2%)	(24.1%)	(45.7%)	(44.1%)			(42.4%)	(41.6%)	(43.6%)
Cherokee Investment Partners IV ^{7,8}	65.0	(3.0%)	(2.6%)	(16.6%)	(14.0%)							N/A	N/A	(45.0%)
Cherokee Investment Partners IV ^{5,7}	0.0											N/A	N/A	N/A
Cherokee Investment Partners IV - B	65.0	(3.0%)	(2.6%)	(16.6%)	(14.0%)							(81.9%)	(71.5%)	(16.7%)
FirstCal Industrial 3 JV ^{4,5,6}	0.0											N/A	N/A	N/A
Fortress Investment Fund IV	242.5	(9.7%)	(9.4%)	10.2%	11.1%	8.8%	9.7%	(3.5%)	(2.6%)	(4.6%)	(3.7%)	(4.6%)	(3.7%)	(4.3%)
Fortress IV Coinvestment Fund	46.0	(12.4%)	(12.1%)	5.5%	6.8%	5.8%	7.1%	(6.7%)	(5.4%)	(5.6%)	(4.5%)	(5.6%)	(4.5%)	(5.7%)
Fortress IW Coinvestment ^{9,27}	0.0											(99.4%)	N/M	(99.1%)
Frogmore Real Estate Partners	29.0	(5.9%)	(5.0%)	39.3%	45.8%	18.1%	25.3%	(42.6%)	(38.3%)			(47.6%)	(43.5%)	(30.5%)
Hearthstone Housing Partners III ^{7,8}	31.2	1.4%	1.5%	(8.9%)	(8.4%)							N/A	N/A	(39.0%)
Hearthstone Housing Partners III ^{5,7}	0.0											N/A	N/A	N/A

Vintage Year Detail

Investment 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	
Hearthstone Housing Partners III - B	31.2	1.4%	1.5%	(8.9%)	(8.4%)							(14.4%)	(13.9%)	(14.2%)
IL & FS India Realty Fund	109.4	(2.0%)	(1.7%)	(24.4%)	(23.4%)	1.7%	2.9%	(0.2%)	1.1%			2.5%	4.2%	2.3%
LCCG RE Special Situations Mortgage Fd	16.9	(1.2%)	(1.2%)	158.6%	158.6%	17.2%	17.2%	(21.4%)	(21.1%)	(23.1%)	(22.2%)	(22.3%)	(20.9%)	(36.0%)
Lowes Resort Community Fund	0.4	(5.0%)	(5.0%)	(82.6%)	(82.4%)	(62.1%)	(61.6%)	(71.1%)	(69.8%)			(58.0%)	(54.2%)	(61.6%)
MacFarlane Urban Real Estate Fund II, LP ⁷	84.5	(9.2%)	(8.3%)	(0.7%)	3.4%	N/A	N/A	(114.2%)	(112.7%)			N/A	N/A	(42.5%)
Market Street Capital Partners	157.5	1.8%	2.2%	9.6%	11.4%	2.0%	4.2%	(15.1%)	(12.8%)			(11.6%)	(7.9%)	(3.5%)
Morgan Stanley Spec. Situations Fund III	257.1	(0.7%)	(0.5%)	20.5%	21.7%	17.1%	18.2%	(11.8%)	(10.9%)	(3.7%)	(3.1%)	(3.7%)	(3.1%)	(10.4%)
MSREF V Intl Colinvest Project Green	1.2	(26.5%)	(23.1%)	(95.1%)	(94.3%)	(85.0%)	(83.6%)	(82.6%)	(81.5%)	(61.7%)	(60.3%)	(61.7%)	(60.3%)	(73.6%)
MSREF V US CIP II	(0.0)											(100.0%)	(100.0%)	N/A
MSREF V US LP ⁷	9.9	9.1%	9.1%	32.1%	32.1%	0.6%	2.0%	(115.3%)	(115.0%)			N/A	N/A	(51.7%)
Pyramid Hotel Opportunity Venture II ^{5,7}	(64.6)											(98.6%)	N/A	N/A
RLJ Lodging Fund II *	0.0											2.4%	3.6%	1.8%
Rockpoint Finance Fund I	10.1	1.2%	1.5%	3.5%	4.6%	2.6%	3.8%	(23.5%)	(14.3%)			(53.1%)	(13.7%)	(21.1%)
S F WATERFRONT PARTNERS 2 LLC	26.8	(0.0%)	(0.0%)									0.0%	0.0%	(0.1%)
Scout Fund I A	90.5	2.5%	2.8%	14.8%	16.7%	20.1%	23.0%					(5.0%)	4.4%	12.9%
Warburg Pincus Real Estate Fund I	91.9	(6.5%)	(6.4%)	10.9%	11.7%	20.6%	21.6%	5.8%	6.9%			4.1%	6.2%	4.9%
Public	67.5	(35.5%)	(35.3%)	(39.2%)	(39.1%)	(30.1%)	(30.0%)	(17.5%)	(17.4%)			(25.5%)	(25.3%)	(15.3%)
Fortress Res Inv Deutschland ³²	31.6	(49.0%)	(48.8%)									(49.0%)	(48.8%)	(17.9%)
GAGFAH SA	35.9	(15.8%)	(15.8%)	(20.6%)	(20.6%)	(20.1%)	(20.1%)	(9.9%)	(9.8%)			(21.1%)	(21.0%)	(13.0%)
Value Added	500.3	(5.4%)	(0.6%)	(3.2%)	2.9%	0.3%	4.4%	(28.9%)	(26.5%)	(19.0%)	(16.7%)	(18.3%)	(15.7%)	(19.2%)
American Value Partners Fund I	41.0	2.0%	2.4%	17.4%	19.8%	8.0%	11.4%	(64.6%)	(60.6%)			(58.6%)	(52.6%)	(15.8%)
CBRE Strategic Partners Europe Fund III	121.9	(12.8%)	(12.6%)	(24.6%)	(23.6%)	(14.3%)	(13.2%)	(99.7%)	(73.4%)			(83.4%)	202.6%	(17.1%)
CrossHarbor Institutional Partners	66.3	(1.8%)	(1.0%)	(7.8%)	(4.8%)	(8.3%)	(5.1%)	(8.6%)	(5.9%)			(3.8%)	(0.6%)	(6.6%)
HVP Sun Co-investments	37.9	18.4%	18.6%	40.2%	41.8%	46.1%	47.4%	(7.2%)	(6.5%)			(1.5%)	(0.8%)	(2.6%)
Levcal LLC ³⁵	0.0											(20.9%)	(20.1%)	(21.6%)
Metro Fund, LLC ^{5,7,16}	0.0											N/A	N/A	N/A
PacificCal II, LLC ¹⁶	0.0											(31.0%)	(29.8%)	(32.0%)
VinCal LLC	233.2	(6.4%)	3.3%	5.8%	17.6%	20.8%	28.5%	0.6%	5.6%			(0.0%)	4.6%	4.7%

Vintage Year Detail

Investment 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	
2005	3,668.2	(2.5%)	(1.9%)	11.2%	12.8%	0.6%	1.9%	(18.0%)	(17.1%)	(7.9%)	(6.4%)	(3.9%)	(1.6%)	(7.5%)
Core	310.7	0.6%	0.9%	40.0%	41.2%	6.4%	9.0%	(28.9%)	(26.9%)	(16.9%)	(14.8%)	(10.6%)	(8.0%)	(0.5%)
Federal Acquisition Partners LLC Total ^{7,8}	61.3	5.6%	6.4%									N/A	N/A	16.9%
Federal Acquisition Prtn LLC	0.0											6.2%	16.9%	15.9%
Federal Acquisition Prtn LLC - B	61.3	5.6%	6.4%									25.9%	29.2%	26.1%
First Industrial II ^{4,5}	0.0											(76.7%)	(73.8%)	N/A
LCOR Residential Associates ^{7,16}	0.0											N/A	N/A	(20.6%)
Siebel Systems Building *	0.0											37.7%	48.2%	40.3%
Southpark Towers	57.1	(0.2%)	(0.0%)	20.3%	21.0%	9.9%	10.7%	(8.8%)	(8.1%)	(1.3%)	(0.6%)	2.2%	2.9%	3.0%
Windsor Fund V ⁷	89.7	(6.2%)	(5.9%)	50.3%	52.0%	N/A	N/A	(104.8%)	(118.4%)	(117.3%)	(139.4%)	N/A	N/A	(6.0%)
Woodlands Portfolio	102.6	7.6%	7.7%	25.2%	25.6%	30.4%	30.8%	3.2%	3.6%	2.1%	2.5%	2.8%	3.1%	2.0%
Opportunistic	3,149.2	(2.8%)	(2.2%)	9.4%	11.2%	0.8%	2.0%	(13.6%)	(12.8%)	(4.9%)	(3.6%)	(2.5%)	0.1%	(6.1%)
Aetos Capital Asia TE II LTD	178.8	3.1%	3.3%	7.1%	8.0%	(13.3%)	(12.4%)	(16.8%)	(16.0%)	(11.1%)	(7.4%)	(19.1%)	(6.8%)	(15.5%)
Beacon Capital Prtrs III Co-Inv *	0.0											39.9%	39.9%	37.3%
Beacon Capital Strategic Partners IV	156.9	(0.0%)	0.2%	14.9%	15.9%	6.7%	8.5%	(15.5%)	(13.8%)	(6.9%)	(4.9%)	(8.2%)	(5.8%)	(9.3%)
Ca Smart Growth Fund IV	174.6	4.1%	4.4%	30.5%	32.0%	21.8%	23.7%	(14.9%)	(13.0%)	(13.8%)	(11.3%)	(12.9%)	(10.2%)	(7.2%)
Canyon Johnson Urban Fund II -Calstrs	79.5	(4.0%)	(3.8%)	(4.8%)	(3.5%)	(11.2%)	(9.8%)	(15.5%)	(14.1%)	(10.6%)	(7.0%)	(12.5%)	(6.6%)	(12.0%)
CB Riley Blackacre Colinvest ^{*,7,8}	0.0											N/A	N/A	(24.1%)
CB Riley Blackacre Colinvest	0.0											(97.8%)	(97.8%)	4.5%
CB Riley Blackacre Colinvest - B *	0.0											(99.2%)	(99.2%)	(100.0%)
CBRE Strategic Partners Europe Fund II	95.8	(8.1%)	(7.9%)	(8.4%)	(7.4%)	(5.6%)	(4.5%)	(10.5%)	(9.4%)	5.4%	7.4%	1.3%	9.6%	(2.5%)
CBRE Strategic Partners US Fund IV	22.6	0.1%	0.7%	9.4%	12.4%	(41.7%)	(39.9%)	(38.8%)	(37.4%)	(22.9%)	(20.8%)	(24.9%)	(20.1%)	(30.3%)
CBRE Strategic Prtns UK Fund II ^{5,21}	(8.8)											(98.6%)	(75.3%)	N/A
Cypress Grove Opportunity Fund	35.1	(3.1%)	(2.7%)	(9.4%)	(7.6%)	(11.7%)	(10.1%)	(20.9%)	(19.5%)	(11.5%)	(10.1%)	(10.6%)	(8.8%)	(13.2%)
Fairfield Residential Operating Company ^{5,7,8}	0.0											N/A	N/A	N/A
Fairfield Residential Oper Co ⁵	0.0											(99.4%)	(99.4%)	N/A
Fairfield Residential Oper Co - B ²⁶	0.0											(100.0%)	(100.0%)	(100.0%)
GI Partners Fund II	373.1	(3.3%)	(3.1%)	12.4%	13.4%	15.9%	16.9%	6.5%	7.5%	7.4%	8.1%	5.1%	5.7%	6.7%
Heitman European Prop Ptrs III	43.8	(6.8%)	(6.3%)	(15.3%)	(13.7%)	(23.3%)	(21.8%)	(18.1%)	(16.7%)	(6.3%)	(4.8%)	(8.6%)	(7.1%)	(10.2%)
Heritage Fields Capital -Calstrs	6.9	(1.0%)	(1.0%)	(3.9%)	(1.3%)	(99.8%)	(99.8%)	(100.0%)	(100.0%)	(99.9%)	(99.9%)	(99.6%)	(99.6%)	(51.6%)
Lehman Bros Re Pension Part II	51.9	(1.3%)	(1.0%)	11.7%	13.6%	7.3%	8.8%	(11.7%)	(12.8%)	(5.2%)	(5.1%)	1.9%	4.9%	(1.4%)
LNR Development Fund	245.5	(0.5%)	0.5%	4.4%	7.1%	(0.9%)	1.2%	(9.6%)	(7.1%)	(5.3%)	(1.8%)	(4.1%)	0.2%	(3.4%)

Vintage Year Detail

Investment 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	
Lone Star Fund V	229.9	(5.6%)	(5.4%)	(3.3%)	(2.7%)	(8.2%)	(8.8%)	(11.4%)	(11.6%)	(1.0%)	(0.6%)	8.4%	11.5%	(2.0%)
MEXICO RETAIL PROPERTIES	57.3	(9.6%)	(9.3%)	0.7%	1.9%	6.6%	7.9%	(2.3%)	(0.9%)	(2.8%)	(0.8%)	(7.2%)	(2.5%)	(3.0%)
MGP Asia Fund II LP	74.0	(3.3%)	(3.0%)	30.9%	32.6%	13.3%	14.8%	(8.9%)	(7.6%)	6.9%	8.7%	(7.5%)	(1.8%)	2.3%
MGP Europe Parallel Fund II LP	67.6	(6.1%)	(5.7%)	15.9%	17.8%	13.7%	15.6%	(11.1%)	(9.4%)	(2.7%)	(0.7%)	4.1%	(6.9%)	(5.8%)
Moorfield Real Estate Fund A ^{5,21}	(11.8)											(121.8%)	(123.5%)	N/A
MSREF IV Spencers Crossing LLC ^{5,29}	0.0											(100.0%)	(73.0%)	N/A
MSREF V International LP	133.7	(3.8%)	(3.6%)	8.5%	9.6%	16.4%	17.9%	(24.1%)	(22.9%)	(8.4%)	(7.4%)	(0.1%)	1.0%	5.0%
Niam Nordic Investment FD III	63.9	(8.3%)	(8.1%)	14.4%	15.3%	18.0%	19.2%	10.5%	11.7%	10.1%	12.2%	27.2%	34.5%	22.1%
Paladin Latin Amer Invest II	86.2	(5.9%)	(5.6%)	2.5%	4.2%	11.9%	14.2%	(0.6%)	2.9%	(10.3%)	12.1%	(17.9%)	5.9%	1.8%
PCCP CalSTRS Anaheim LLC ^{5,7,31}	0.0											N/A	(74.8%)	N/A
PCCP Mezzanine Recovery Partners I LP	27.2	(1.5%)	(0.9%)	48.6%	53.5%	24.5%	29.6%	(35.1%)	(33.0%)	(22.6%)	(20.3%)	(16.7%)	(13.3%)	(23.3%)
Pla Mexico Industrial LP	175.4	9.6%	10.1%	31.7%	34.2%	1.9%	4.0%	(7.5%)	(5.8%)	2.0%	5.6%	1.8%	5.6%	(1.7%)
Pla Mexico Residential LP	82.0	(16.7%)	(16.7%)	(0.6%)	2.2%	6.0%	8.4%	(0.2%)	2.5%	5.5%	9.4%	3.1%	6.8%	5.1%
Project CHQ *	0.0											(2.3%)	(2.3%)	0.7%
Pyramid Hotel Opportunity Total ^{7,8}	6.6	1.8%	5.7%									N/A	N/A	(17.2%)
Pyramid Hotel Opportunity	0.0											(28.0%)	(24.5%)	(18.5%)
Pyramid Hotel Opportunity - B	6.6	1.8%	5.7%									21.9%	33.3%	24.8%
Rockpoint Real Estate Fund II, L.P. ⁷	43.9	11.9%	12.6%	16.5%	19.7%	(8.5%)	(5.9%)	(20.3%)	(18.3%)	(13.7%)	(11.8%)	N/A	N/A	(12.4%)
RREEF Global Opportunity Fund II	189.3	(10.9%)	(10.4%)	44.1%	45.9%	9.5%	12.5%	(9.0%)	(6.7%)	(8.8%)	(6.4%)	(8.1%)	(5.4%)	(9.7%)
SDL Hospitality Co-Invest Fund	178.4	(3.6%)	2.1%	6.8%	10.0%	4.1%	(1.4%)	0.3%	(8.1%)	14.6%	13.3%	19.5%	18.4%	18.0%
SoCal Smart Growth Fund	24.7	7.5%	7.7%	3.0%	4.1%	8.0%	9.5%	(16.4%)	(15.0%)	(1.1%)	0.4%	(2.1%)	(0.1%)	0.2%
Starwood Hotel Fund	148.2	(5.0%)	(4.8%)	8.4%	9.3%	0.3%	2.6%	(5.1%)	(7.2%)	5.3%	2.5%	8.0%	7.8%	3.4%
Stockbridge Real Estate Fund II, L.P.	48.4	3.1%	3.8%	3.5%	6.4%	(33.6%)	(30.9%)	(55.2%)	(53.1%)	(40.6%)	(36.4%)	(40.6%)	(36.4%)	(38.5%)
Thor Urban Retail	68.4	(1.0%)	(0.6%)	2.7%	4.8%	(22.6%)	(21.0%)	(17.7%)	(16.7%)	(2.5%)	(0.7%)	(1.8%)	0.1%	(2.4%)
Public	40.2	(14.8%)	(14.4%)									(14.8%)	(14.4%)	(12.4%)
Fortress Res Inv Deutschland ³²	40.2	(14.8%)	(14.4%)									(14.8%)	(14.4%)	(12.4%)
Value Added	168.2	1.0%	1.0%	2.9%	3.5%	(22.7%)	(20.3%)	(47.0%)	(45.4%)	(28.0%)	(25.6%)	(20.2%)	(17.5%)	(22.0%)
1710 H Street	51.9	(2.5%)	(3.1%)	(0.3%)	(0.8%)	55.3%	60.8%	14.8%	16.3%	13.8%	15.7%	18.3%	20.2%	17.0%
Blackrock JV ^{7,16}	0.0											N/A	N/A	(40.9%)
First Industrial JV ^{4,5}	0.0											(132.2%)	(124.7%)	N/A
HVP Pembroke Pines CoInvest *	0.2											13.1%	12.7%	17.3%
HVP PNW Co Investment *	0.1											27.0%	27.3%	26.6%

Vintage Year Detail

Investment 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	
IDS Joint Venture ^{5,16}	0.0											(86.7%)	(83.6%)	N/A
One Rittenhouse Square	17.2	10.4%	10.8%	3.6%	5.0%	107.5%	114.8%	(9.9%)	(6.7%)	(14.2%)	(12.0%)	(14.3%)	(12.2%)	(13.6%)
PacificCal LLC ¹⁶	0.0											(15.3%)	(14.2%)	(5.9%)
True North Mezzanine Investment Fund	98.7	1.5%	1.7%	4.2%	5.3%	5.3%	6.4%	6.6%	7.8%	9.7%	12.2%	9.1%	13.0%	8.8%
2004	681.6	(3.7%)	(3.8%)	7.0%	6.2%	7.8%	7.2%	(6.7%)	(9.0%)	(0.3%)	(0.7%)	6.9%	8.1%	9.6%
Core	167.5	(4.9%)	(4.7%)	1.1%	(2.7%)	1.6%	(2.1%)	(6.6%)	(12.8%)	2.2%	0.7%	9.3%	10.3%	14.1%
120 Broadway	4.2	51.7%	52.5%	55.5%	44.5%	25.6%	17.4%	9.8%	(3.6%)	18.4%	16.7%	26.4%	31.2%	23.5%
1220 N Mathilda Business *	0.0											20.6%	24.7%	26.0%
180 Grand Ave	51.4	(1.0%)	(1.0%)	4.7%	4.9%	2.2%	2.5%	(1.4%)	(1.2%)	(1.1%)	(1.1%)	3.0%	3.3%	2.8%
2100 River Parkway	27.1	4.1%	4.2%	11.6%	12.1%	4.1%	3.7%	(0.9%)	(1.0%)	7.9%	8.0%	9.0%	9.2%	9.6%
CanyonPSR LLC	0.5	9.9%	13.6%	3.8%	9.9%	(13.3%)	(15.2%)	(30.8%)	(20.9%)	(16.9%)	(9.6%)	(9.1%)	(2.8%)	8.2%
Lion Industrial Trust Fd ^{*13}	0.0											13.9%	15.1%	14.3%
Mathilda Business Center *	0.0											24.4%	28.5%	31.6%
Regency Centers	84.3	6.1%	6.4%	27.0%	28.2%	18.5%	19.8%	(7.5%)	(6.5%)	(1.9%)	(0.9%)	2.9%	3.9%	4.7%
Stoneliagh At The Reserve *	0.0											10.4%	10.5%	11.6%
Opportunistic	229.1	(7.5%)	(8.0%)	3.0%	3.9%	4.6%	5.6%	(1.3%)	(4.0%)	(2.8%)	(4.2%)	2.7%	3.5%	11.1%
Beacon Capital Strategic Fund III *	0.0											33.2%	46.9%	44.7%
Blackacre Institutional Prtnrs	13.6	(8.4%)	(8.0%)	(2.4%)	(1.2%)	1.8%	2.9%	(9.6%)	(12.5%)	(1.6%)	(2.4%)	3.6%	5.6%	8.6%
Calabash Distribution Center *	0.0											30.5%	32.3%	49.0%
DB International Fund 1B	31.0	3.4%	(0.2%)	17.1%	17.8%	11.7%	12.1%	(6.3%)	(17.0%)	9.1%	6.4%	10.3%	9.3%	18.5%
Fortress III	177.2	(10.4%)	(10.2%)	(0.4%)	0.4%	2.8%	3.7%	(0.4%)	0.5%	(10.7%)	(12.6%)	(2.1%)	(1.2%)	0.3%
LCCG Diversified Risk CMBS Fund II Total ^{7,8,23}	1.3	2.0%	2.0%									N/A	N/A	(16.8%)
LCCG Diversified Risk CMBS Fund II - B ²³	1.3	2.0%	2.0%									1.3%	1.3%	1.2%
LCCG Diversified Risk CMBS Fund II LLC ²³	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.	6.0	2.2%	2.7%	1.0%	3.3%	(5.7%)	(3.4%)	(17.4%)	(15.3%)	(18.9%)	(17.0%)	(7.7%)	(5.0%)	12.9%
Streeterville Phse II Land *	0.0											4.5%	4.8%	5.0%
Value Added	285.0	0.5%	0.7%	17.0%	18.0%	19.6%	20.4%	(6.7%)	(6.2%)	0.8%	1.3%	6.1%	7.3%	4.2%
234 East 46th Street	31.3	2.4%	2.7%	23.6%	24.8%	119.4%	123.5%	(12.0%)	(11.6%)	1.2%	2.7%	5.8%	7.2%	7.7%
25 Martine Ave	18.9	2.6%	2.9%	(21.0%)	(20.3%)	(1.5%)	(0.4%)	(9.2%)	(8.3%)	0.7%	2.1%	1.1%	2.4%	1.3%

Vintage Year Detail

Investment 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	
Centercal LLC ¹⁶	0.0											0.9%	1.9%	(4.2%)
Community Retail Devp Fund LLC ¹⁶	0.0											(11.3%)	(10.1%)	(18.9%)
Heitman Value Partners LP	72.8	2.2%	2.4%	18.0%	18.6%	18.3%	19.0%	(4.3%)	(3.8%)	(2.3%)	(2.2%)	5.3%	6.3%	1.5%
HVP/THL Co-Investment	51.1	2.9%	3.1%	18.4%	20.0%	15.3%	16.3%	1.9%	1.5%	7.0%	7.1%	11.5%	11.9%	12.1%
Lillibridge Health Trust I	110.8	(2.5%)	(2.4%)	23.6%	24.5%	20.3%	21.0%	4.7%	5.4%	2.6%	2.3%	8.1%	8.6%	8.1%
Page Mill/Divco *	0.0											15.6%	(11.9%)	297.5%
Streeterville *	0.0											31.9%	35.2%	38.7%
2003	110.2	2.6%	2.8%	(0.7%)	(1.5%)	(1.2%)	(1.7%)	(16.0%)	(15.8%)	(1.0%)	2.3%	8.7%	12.2%	15.2%
Core	92.6	1.2%	1.4%	3.7%	4.1%	2.5%	2.8%	(7.7%)	(6.8%)	14.4%	21.7%	14.5%	18.8%	18.7%
Dermody Industrial *	0.1											32.2%	41.8%	32.1%
Frankford Trade Center	32.8	1.0%	1.2%	3.7%	4.4%	1.7%	2.3%	(6.2%)	(5.6%)	(0.6%)	(0.0%)	4.2%	4.9%	4.5%
Little Orchard	28.4	2.0%	2.1%	4.3%	4.6%	2.7%	3.1%	(4.1%)	(3.8%)	(2.1%)	(1.8%)	1.3%	1.4%	6.6%
SF WATERFRONT CONSTRUCTION LOA	31.3	0.8%	0.8%	3.6%	3.6%	3.2%	3.2%	3.3%	3.3%	5.1%	5.1%	5.9%	5.9%	6.5%
SH Partners LP ^{*11}	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	17.6	10.5%	11.1%	(18.4%)	(24.0%)	(14.7%)	(18.8%)	(25.4%)	(28.2%)	(11.8%)	(9.7%)	(2.8%)	5.1%	4.3%
Aetos Capital Asia ⁹	9.3	1.2%	1.9%	(25.8%)	(33.7%)	(16.9%)	(22.9%)	(17.3%)	(22.8%)	(9.6%)	(13.5%)	(3.0%)	N/M	12.1%
California Urban Housing LLC *	0.0											1.1%	1.7%	0.8%
Cherokee Investment Partners III	7.6	25.0%	25.7%	(5.9%)	(2.4%)	(13.4%)	(9.9%)	(70.2%)	(68.7%)	(55.6%)	(54.2%)	(39.0%)	(38.0%)	(38.2%)
Crown City Center LLC *	0.2											19.7%	23.6%	26.7%
DB International Fund 1A ⁹	0.5	(0.5%)	(0.9%)	(12.6%)	(24.7%)	(8.0%)	(19.5%)	3.3%	(6.8%)	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/CalSTRS LLC ¹⁶	0.0											8.7%	9.8%	5.0%

Vintage Year Detail

Investment 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	
2002	691.5	4.8%	5.9%	37.6%	40.3%	37.5%	39.5%	(20.1%)	(19.3%)	(7.9%)	(6.8%)	(6.0%)	(7.5%)	(4.1%)
Core	204.1	1.1%	1.2%	10.5%	10.8%	0.5%	0.7%	(3.6%)	(3.3%)	2.9%	2.9%	1.7%	1.3%	(1.3%)
1835 Market Street	96.4	5.9%	6.0%	15.4%	15.7%	(3.2%)	(3.0%)	(4.4%)	(4.2%)	(1.2%)	(1.0%)	4.0%	4.7%	4.4%
CMBS *	0.0											4.6%	4.6%	(5.4%)
Marbrisas Apartments *	0.0											19.7%	22.1%	17.6%
Pacific Plaza	55.4	(0.1%)	(0.1%)	10.9%	11.2%	5.3%	5.5%	(4.6%)	(4.3%)	(1.6%)	(1.3%)	3.6%	3.9%	4.0%
Parc Vue Apartments *	0.0											1.4%	1.5%	26.2%
Pershing Point Plaza	52.3	(5.7%)	(5.6%)	2.0%	2.2%	2.7%	3.0%	(0.8%)	(0.5%)	1.5%	1.8%	4.2%	4.6%	4.6%
Opportunistic	13.3	(13.2%)	(15.2%)	(12.5%)	(16.9%)	(11.9%)	(16.5%)	(19.3%)	(28.9%)	(22.4%)	(31.7%)	(1.3%)	(1.8%)	32.8%
Beacon Capital Partners II *	0.0											38.3%	52.7%	42.4%
Canyon Johnson Urban Fund LP	0.8	(48.7%)	(46.6%)	(69.1%)	(65.9%)	(45.5%)	(58.8%)	(54.3%)	(60.6%)	(31.4%)	(36.8%)	(12.3%)	(12.5%)	10.5%
CJUF Sunset & Vine *	0.0											23.4%	23.4%	23.4%
Fortress II	12.5	(9.4%)	(11.9%)	(5.4%)	(11.3%)	(8.5%)	(13.1%)	(17.9%)	(30.5%)	(23.2%)	(34.6%)	4.3%	2.2%	37.6%
Value Added	474.2	7.2%	8.9%	62.2%	67.5%	145.5%	155.9%	42.1%	48.9%	28.1%	32.1%	23.2%	26.9%	(10.7%)
Fairfield CA Housing Fund, LLC ^{5,7,16}	0.0											N/A	N/A	N/A
Waterton Residential	474.2	7.2%	8.9%	62.2%	67.5%	24.0%	28.1%	(4.9%)	(2.4%)	(1.6%)	0.2%	8.3%	11.5%	3.7%
2001	588.0	2.4%	2.3%	11.9%	12.2%	6.0%	6.2%	(2.5%)	(2.3%)	4.7%	5.4%	11.3%	12.7%	15.6%
Core	72.9	2.1%	2.2%	19.6%	20.0%	26.9%	29.6%	10.2%	11.1%	8.7%	9.6%	12.7%	13.8%	14.6%
100 + 150 Staples Drive	38.8	2.6%	2.7%	15.5%	16.0%	11.7%	12.2%	5.5%	6.0%	8.0%	8.5%	10.3%	10.8%	10.4%
Alexandria Apartments *	0.0											4.7%	4.9%	23.5%
Colonnade At Sycamore *	0.0											0.3%	0.4%	17.9%
Glenmoor Apartments *	0.0											(1.4%)	(1.3%)	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%
Peoria Center *	0.0											7.9%	8.3%	8.0%
Plaza At The Arboretum	0.0	0.0%	0.0%	19.5%	19.8%	36.5%	40.8%	14.1%	15.7%	10.4%	11.6%	5.3%	5.8%	10.7%
Reflections II *	0.0											10.7%	11.2%	11.1%
San Francisco Waterfront Partners	34.1	2.7%	2.7%									2.7%	2.7%	6.6%
Via Lugano *	0.0											0.5%	0.5%	21.9%

Vintage Year Detail

Investment 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	
Opportunistic	515.1	2.4%	2.3%	8.8%	9.1%	1.9%	1.8%	(5.1%)	(4.9%)	4.3%	4.9%	10.6%	12.4%	16.4%
Cim California Urban RE Fund	319.9	1.4%	1.5%	13.7%	14.4%	(1.4%)	(1.2%)	(8.7%)	(8.0%)	6.7%	7.3%	19.3%	20.1%	13.6%
Lone Star Fund IV	98.1	(1.3%)	(2.2%)	15.8%	14.7%	12.5%	10.2%	8.7%	7.1%	2.3%	1.9%	(5.9%)	29.8%	30.4%
Morgan Stanley Re Fund IV	19.3	(9.0%)	(8.7%)	(5.2%)	(4.1%)	6.7%	8.0%	(13.8%)	(12.8%)	6.4%	7.3%	17.1%	17.9%	35.0%
Simon + Son Realty Partners	71.0	18.2%	18.3%	5.3%	6.0%	10.1%	10.9%	2.4%	3.1%	4.2%	5.1%	4.0%	5.3%	2.9%
SKS Co Investment *	2.3											(14.7%)	(14.0%)	(15.8%)
Soros Real Estate Investment -Calstrs	4.4	(4.4%)	(3.7%)	(30.2%)	(34.9%)	(18.3%)	(20.8%)	(16.5%)	(20.1%)	(13.5%)	(16.8%)	2.3%	3.3%	16.2%
2000	312.3	(0.1%)	1.3%	7.7%	9.4%	4.6%	5.5%	(3.6%)	(2.9%)	0.6%	0.9%	8.2%	8.8%	11.5%
Core	312.3	(0.1%)	1.3%	7.7%	9.4%	4.6%	5.5%	(3.6%)	(2.9%)	0.6%	0.9%	8.2%	8.8%	11.5%
250 Apollo Drive	17.2	(6.5%)	(6.5%)	(9.8%)	(9.8%)	(13.5%)	(13.5%)	(21.6%)	(21.6%)	(19.0%)	(19.1%)	(3.4%)	(3.1%)	(1.4%)
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	45.4	4.0%	4.1%	12.8%	13.1%	(9.4%)	(9.2%)	(6.1%)	(5.9%)	1.6%	1.4%	6.2%	6.8%	6.9%
Abbott Beltman	22.6	3.1%	3.1%	5.9%	6.0%	0.5%	0.6%	(5.4%)	(5.5%)	(2.5%)	(2.5%)	4.8%	5.1%	5.9%
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											2.7%	2.7%	17.7%
Concord Road	40.5	3.6%	3.7%	26.3%	26.5%	5.7%	6.0%	(0.0%)	0.3%	(2.7%)	(2.4%)	1.6%	1.9%	2.2%
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											0.7%	0.7%	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											7.1%	7.6%	11.2%
Mariners Landing Apartments	23.1	(0.6%)	(0.5%)	14.8%	15.1%	17.6%	18.0%	(5.0%)	(4.6%)	(5.8%)	(5.5%)	6.4%	6.8%	6.2%
Missions Rio Vista Apartment *	0.0											17.3%	18.2%	17.8%
Preserve At Cress Creek *	0.0											6.8%	7.1%	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%

Vintage Year Detail

Investment 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	
River Oaks *	0.0											3.2%	3.3%	1.0%
San Valiente *	0.0											6.9%	7.2%	12.3%
Shaws Supermarkets Retail *	0.6											2.9%	3.3%	12.8%
South Trust Plaza *	0.0											18.4%	20.4%	21.8%
Stone Bridge Plaza *	0.0											13.2%	13.9%	11.9%
The Concourse	93.6	(0.3%)	(0.3%)	8.7%	8.9%	8.5%	8.7%	(4.1%)	(3.8%)	2.9%	3.0%	7.5%	7.9%	8.0%
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 *	0.0											18.4%	18.8%	19.2%
Waterview	69.3	2.2%	2.3%	11.6%	12.0%	13.3%	13.8%	(4.8%)	(4.4%)	1.1%	1.5%	3.6%	3.9%	5.1%
Wells Fargo Plaza *	0.0											17.3%	18.5%	17.5%
Opportunistic	0.0											(1.4%)	(1.4%)	(1.6%)
Waterford Land *	0.0											(1.4%)	(1.4%)	(1.6%)
1999	463.5	2.8%	2.9%	15.2%	15.6%	10.0%	10.3%	0.7%	0.9%	3.4%	3.6%	7.7%	8.0%	8.5%
Core	463.5	2.8%	2.9%	15.2%	15.6%	10.0%	10.3%	0.7%	0.9%	3.4%	3.6%	7.7%	8.0%	8.5%
Abbots Run *	0.0											14.1%	14.6%	19.7%
Alamo Quarry *	0.0											16.1%	17.3%	15.5%
Anderson Consulting	99.1	6.2%	6.2%	9.0%	9.2%	7.9%	8.2%	(3.3%)	(3.1%)	(0.8%)	(0.5%)	3.1%	3.3%	7.6%
Atlanta Airport Industrial *	0.0											7.2%	7.5%	7.3%
Bay Colony Corporate Center *	0.0											5.8%	6.2%	7.9%
Campus Commons	(0.2)	(1.1%)	(1.0%)	18.1%	18.4%	7.7%	8.1%	0.7%	1.1%	(0.4%)	(0.1%)	6.3%	6.7%	6.9%
Charlotte Plaza *	0.0											14.4%	15.2%	14.3%
Dallas Tower	106.5	0.7%	0.8%	18.3%	18.6%	8.4%	8.6%	(2.9%)	(2.7%)	(4.8%)	(4.7%)	0.7%	1.0%	0.9%
Harrington Farms *	0.0											2.0%	2.2%	4.3%
Hayden Woods *	0.0											8.4%	9.0%	8.8%
Lincoln Place	124.3	2.5%	2.6%	9.9%	10.3%	10.4%	10.8%	2.4%	2.6%	6.9%	7.0%	3.4%	3.4%	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	133.6	3.5%	3.6%	20.8%	21.2%	12.1%	12.3%	2.3%	2.4%	3.8%	3.9%	6.6%	6.9%	6.8%
Waterford Forest *	0.0											3.5%	3.8%	3.7%
Waterford Hills *	0.0											2.3%	2.5%	2.4%

Vintage Year Detail

Investment 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	
1998	37.2	(0.3%)	(0.3%)	20.3%	20.6%	14.5%	14.9%	(4.4%)	(4.0%)	(1.7%)	(1.4%)	7.6%	7.9%	10.0%
Core	37.2	(0.3%)	(0.3%)	20.3%	20.6%	14.5%	14.9%	(4.4%)	(4.0%)	(1.7%)	(1.4%)	7.6%	7.9%	10.0%
Coastal Tower	37.2	0.2%	0.2%	13.6%	13.9%	7.9%	8.2%	(1.5%)	(1.3%)	0.5%	0.7%	4.0%	4.3%	4.5%
Oaks Shopping Center *	0.0											11.1%	11.4%	10.2%
St. James *	0.0											14.6%	15.0%	14.1%
Wynfield Park	0.0	0.0%	0.0%	29.2%	29.6%	23.3%	23.8%	(8.3%)	(7.9%)	(4.7%)	(4.3%)	8.5%	8.8%	12.7%
1996	2.0	(1.2%)	(1.2%)	(2.5%)	(2.5%)	(14.6%)	(14.6%)	(10.2%)	(10.2%)	(4.4%)	(4.4%)	8.4%	8.7%	13.1%
Opportunistic	2.0	(1.2%)	(1.2%)	(2.5%)	(2.5%)	(14.6%)	(14.6%)	(10.2%)	(10.2%)	(4.4%)	(4.4%)	8.4%	8.7%	13.1%
Lazard Freres Co-Investment *	0.3											23.8%	23.6%	14.6%
Lazard Freres Strat Realty Inv	1.7	(1.4%)	(1.4%)	(3.0%)	(3.0%)	(16.7%)	(16.7%)	(11.7%)	(11.7%)	(3.1%)	(3.1%)	6.9%	7.5%	12.5%
1995	20.9	0.6%	0.6%	8.4%	8.4%	7.4%	7.4%	(19.6%)	(19.6%)	(2.1%)	(1.9%)	8.3%	9.0%	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											8.5%	8.9%	13.7%
Centerpointe of Woodridge *	0.0											6.0%	6.4%	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	20.9	0.6%	0.6%	8.4%	8.4%	7.4%	7.4%	(19.4%)	(19.4%)	(0.9%)	(0.9%)	10.0%	11.4%	17.2%
Colony Investors II -Calstrs *	0.0											17.9%	24.6%	4.8%
Morgan Stanley RE Fund II	20.9	0.6%	0.6%	8.4%	8.4%	6.6%	6.6%	(19.9%)	(19.9%)	(1.4%)	(1.4%)	13.2%	13.5%	23.7%
1994 *	0.0											(0.1%)	(0.0%)	4.1%
Core *	0.0											(0.1%)	(0.0%)	4.1%
19th Street *	0.0											(0.1%)	(0.1%)	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%

Vintage Year Detail

Investment 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	
1993	28.0	0.1%	0.2%	19.2%	19.6%	20.2%	20.7%	15.2%	15.6%	8.1%	8.6%	12.4%	12.9%	15.7%
Core	28.0	0.1%	0.2%	19.2%	19.6%	20.2%	20.7%	15.2%	15.6%	8.1%	8.6%	12.4%	12.9%	15.7%
Briar Meadows *	0.0											8.5%	8.9%	8.4%
Quarry Shopping Center	28.0	0.1%	0.2%	19.2%	19.6%	20.2%	20.6%	15.2%	15.6%	8.4%	8.7%	1.8%	1.9%	12.8%
Stafford Place *	0.0											(251.1%)	(251.1%)	137.0%
Stratford Place *	0.0											9.2%	9.8%	12.0%
Vista Del Lago *	0.0											12.0%	12.5%	12.4%
1992 *	0.0											8.5%	8.9%	11.0%
Core *	0.0											8.5%	8.9%	11.0%
Waterford *	0.0											8.5%	8.9%	11.0%
1991	53.3	1.4%	1.6%	4.8%	5.4%	9.3%	9.8%	1.6%	2.0%	5.3%	5.7%	7.6%	7.8%	11.2%
Core	53.3	1.4%	1.6%	4.8%	5.4%	9.3%	9.8%	1.6%	2.0%	5.3%	5.7%	7.6%	7.8%	11.2%
Crocker Industrial Park	53.3	1.4%	1.6%	4.8%	5.4%	9.3%	9.8%	1.6%	2.0%	5.3%	5.7%	2.4%	2.6%	11.0%
North Ranch Mall *	0.0											11.0%	11.5%	11.0%
Parks Arlington *	0.0											8.5%	9.0%	11.3%
1990	296.2	1.0%	1.1%	15.8%	16.1%	12.8%	13.1%	0.5%	0.8%	5.1%	5.4%	6.4%	6.8%	4.6%
Core	296.2	1.0%	1.1%	15.8%	16.1%	12.8%	13.1%	0.5%	0.8%	5.1%	5.4%	6.4%	6.8%	4.6%
M Street *	0.0											(3.3%)	(3.2%)	5.3%
Northrop Plaza	236.4	0.9%	1.0%	11.7%	11.9%	12.1%	12.3%	0.3%	0.5%	5.1%	5.4%	5.7%	6.1%	3.7%
Opus Emerson *	0.0											1.0%	1.3%	10.0%
Rancho Pacifica	59.8	1.2%	1.3%	35.7%	36.3%	18.2%	18.6%	3.3%	3.7%	6.5%	6.9%	8.0%	8.4%	7.3%
Southrail Business *	0.0											7.8%	8.3%	6.5%
Sutton Kilmer *	0.0											(3.8%)	(3.5%)	0.1%
1989	90.4	1.8%	1.8%	11.2%	11.5%	10.0%	10.3%	(3.4%)	(3.1%)	10.6%	10.9%	6.5%	6.9%	3.0%
Core	90.4	1.8%	1.8%	11.2%	11.5%	10.0%	10.3%	(3.4%)	(3.1%)	10.6%	10.9%	6.5%	6.9%	3.0%
9595 Wilshire Blvd	90.4	1.8%	1.8%	11.2%	11.5%	10.0%	10.3%	(3.4%)	(3.1%)	10.6%	10.9%	8.1%	8.5%	6.5%
Davies Pacific Center *	0.0											(0.0%)	0.4%	0.2%
La Palma *	0.0											(2.8%)	(2.2%)	(2.0%)
Pan Am Building *	0.0											3.5%	3.9%	3.9%
Wilshire 9720 *	0.0											0.0%	0.5%	(1.6%)

Vintage Year Detail

Investment 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	
1988	79.3	0.7%	0.8%	21.4%	21.8%	9.0%	9.4%	2.2%	2.5%	8.5%	8.8%	9.1%	9.6%	5.5%
Core	79.3	0.7%	0.8%	21.4%	21.8%	9.0%	9.4%	2.2%	2.5%	8.5%	8.8%	9.1%	9.6%	5.5%
Hawaiian Property *	0.0											7.3%	7.9%	7.5%
Pacific Finance Plaza *	0.0											3.4%	3.7%	6.2%
Retail Prop Trust *	0.0											4.0%	4.6%	3.2%
Wilshire Landmark I	79.3	0.6%	0.7%	8.2%	8.6%	3.9%	4.4%	(6.5%)	(6.1%)	4.3%	4.6%	6.7%	7.1%	5.0%
1987	37.9	0.7%	0.8%	27.8%	28.1%	7.0%	7.4%	(3.4%)	(3.1%)	4.8%	5.0%	7.9%	8.3%	5.0%
Core	37.9	0.7%	0.8%	27.8%	28.1%	7.0%	7.4%	(3.4%)	(3.1%)	4.8%	5.0%	7.9%	8.3%	5.0%
Alondra/Midway Industrial	12.6	1.5%	1.6%	22.7%	23.0%	5.5%	5.8%	(1.7%)	(1.4%)	4.4%	4.7%	8.9%	9.4%	7.6%
G Street *	0.0											5.3%	5.8%	4.5%
Miramar Industrial *	0.0											0.0%	0.2%	8.2%
Mountain Heights *	0.0											0.6%	0.6%	(0.8%)
Pacific Commerce Center	10.4	1.0%	1.0%	10.4%	10.3%	(2.8%)	(2.8%)	(12.7%)	(12.6%)	(1.4%)	(1.3%)	8.0%	8.5%	7.7%
Santa Fe Springs	14.9	(0.1%)	(0.0%)	50.7%	51.3%	17.2%	17.8%	2.9%	3.3%	9.5%	9.9%	9.0%	9.4%	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											0.5%	0.6%	(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											(3.3%)	(3.2%)	(3.9%)
Piedmont Center *	0.0											(0.3%)	(0.2%)	2.9%
1984	298.6	1.6%	1.7%	5.7%	6.0%	4.8%	5.1%	(3.1%)	(2.9%)	5.4%	5.6%	7.4%	7.8%	7.3%
Core	298.6	1.6%	1.7%	5.7%	6.0%	4.8%	5.1%	(3.1%)	(2.9%)	5.4%	5.6%	7.4%	7.8%	7.3%
Anaheim Plaza *	0.0											1.4%	1.4%	2.7%
Pacific Northwest A	231.0	2.1%	2.2%	5.1%	5.5%	3.3%	3.6%	(4.3%)	(4.0%)	4.3%	4.6%	0.9%	1.0%	8.0%
University Office Park *	0.0											2.9%	2.9%	10.0%
Westwood Plaza	67.6	(0.1%)	(0.1%)	7.5%	7.8%	10.8%	11.1%	1.7%	2.0%	9.7%	9.9%	1.7%	1.7%	7.5%
Total	18,992.1	(0.9%)	(0.5%)	13.6%	15.0%	5.9%	7.3%	(14.2%)	(13.3%)	(6.4%)	(4.9%)	5.4%	6.4%	1.3%
NPI (Gross)			3.3%		16.1%				(1.5%)		3.4%		9.0%	
NAREIT			(15.1%)		0.9%				(2.0%)		(2.4%)		12.3%	

Vintage Year Detail – Notes

- * Represents a sold investment or investment portfolio. NAV balances, IRRs and Since Inception Returns are the only meaningful information presented.
- 1 This investment is a result of CalSTRS's Joint Venture reconstruction in Q2 2010. New investment split outs continue to occur as relevant investments are acquired.
- 2 This is a direct investment that was converted into a Joint Venture in Q3 2011.
- 3 This Joint Venture is the result of a conversion from a direct investment.
- 4 On 8/1/2010, these Joint Venture Funds were transferred into their underlying direct investments.
- 5 These investments have IRR results that cannot be calculated thus an N/A is displayed.
- 6 This is one of the underlying direct investments from the 8/1/2010 transfer from the FirstCal Industrial Joint Ventures.
- 7 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".
- 8 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. In addition, this aggregation allows for a contiguous IRR to be displayed.
- 9 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.
- 10 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 its 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.
- 11 SH Partners LP was broken down into its individual investments on 8/3/2009. As a result, IRRs and Since Inception Returns are the only meaningful information presented.
- 12 CalSTRS has recommitted to a new position in the Lion Industrial Trust Fund. However, no investment level contributions have occurred yet.
- 13 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.
- 14 These are investments or investment portfolios that have been Committed to but no investment level contributions have occurred.
- 15 This investment has been transferred into LCOR Residential Associates. The NAV Balance and IRR are the only meaningful information presented.
- 16 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.
- 17 This investment or investment portfolio has been transferred from the Value Added Portfolio to the Core Portfolio beginning in Q3 2011. Please note that time weighted return performance is reflective of this, but the IRR displays inception-to-date performance.
- 18 This investment or aggregate was funded in Q3 2011. As such, it is subject to an IRR calculation. However, it is not yet subject to a Time Weighted Return Performance calculation.
- 19 This investment is a result of CalSTRS's Joint Venture reconstruction. New investment split outs continue to occur as relevant investments are acquired.
- 20 Due to CalSTRS's Joint Venture restructuring, the original JV's performance has been halted as of Q1 2011. NAV balances, IRRs and Since Inception Returns are the only meaningful information presented.
- 21 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 its 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.
- 22 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.
- 23 This investment's name was changed. It was formerly known as ARCap CMBS Fund II.
- 24 This investment's name was changed. It was formerly known as Centerline High Yield CMBS Fund III.
- 25 This investment's name was changed. It was formerly known as ARCap RE Special Situation Fund.
- 26 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.
- 27 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.
- 28 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.
- 29 These investments have been valued at \$0 as their impairment is considered to be a permanent condition.
- 30 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.
- 31 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.

Vintage Year Detail – Notes

- 32 This investment or investment portfolio has been transferred from the Opportunistic Portfolio to the Public Portfolio beginning in Q3 2011. Please note that time weighted return performance is reflective of this, but the IRR displays inception-to-date performance.
- 33 Because the investments in this aggregate are not concurrent, the Time Weighted Return linking breaks and causes an "N/A" Since Inception result.
- 34 On 7/1/2010, the LevCal JV was transferred into the individual underlying properties.
- 35 IRRs are based on the entire life of an investment regardless of Portfolio Manager.
- 36 This investment or aggregation has been transferred between Manager Portfolio's. The returns displayed represent the time it was held in the most recent Portfolio.
- 37 This investment has been transferred between Manager Portfolio's after the Time Weighted Return performance calculation has been halted. NAV Balances, and IRRs are the only meaningful information presented.

CalSTRS Real Estate Report: September 30, 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 September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Opportunistic		20,048.4	9,058.0	18,472.1	6,634.6	7.0%	(6.9%)
Aetos⁹		750.0	192.6	523.0	174.4	(4.8%)	(12.1%)
Aetos Capital Asia	Feb-03	100.0	9.3	89.6	110.0	(3.0%)	12.1%
Aetos Capital Asia III Total ^{7,8}	Sep-05	400.0	4.4	41.9	14.1	N/A	(29.5%)
Aetos Capital Asia TE II LTD	Mar-08	250.0	178.8	391.5	50.3	(19.1%)	(15.5%)
AVP Advisors		300.0	19.3	32.8	0.0	(47.9%)	(20.2%)
AVP M Street Investors	Dec-07	300.0	19.3	32.8	0.0	(47.9%)	(20.2%)
Beacon Capital		1,070.7	455.1	948.5	405.8	5.2%	(4.0%)
BEACON 4 CO INVESTMENT	Aug-06	110.7	125.2	109.7	3.1	3.7%	3.2%
Beacon Capital Partners II *	Jan-02		0.0	50.0	105.7	38.3%	42.4%
Beacon Capital Partners V	Aug-07	400.0	167.4	327.8	3.9	(23.6%)	(19.3%)
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	156.9	331.6	78.6	(8.2%)	(9.3%)
Beacon Capital Strategic Partners VI, LP	Feb-11	210.0	5.6	14.7	1.0	(98.5%)	(78.5%)
BlackRock		0.0	67.9	82.9	18.4	(0.2%)	3.5%
BlackRock Cal I LLC Opp ¹	Apr-10		67.9	68.3	2.3	33.0%	3.1%
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	62.4	64.9	1.5	(0.7%)	(0.6%)
BrookCal	Jun-07	200.0	62.4	64.9	1.5	(0.7%)	(0.6%)
Canyon Johnson		405.3	175.1	289.1	83.6	1.1%	(6.3%)
Canyon Johnson Urban Fund II -Calstrs	Apr-05	150.0	79.5	132.3	1.7	(12.5%)	(12.0%)
Canyon Johnson Urban Fund III	Mar-10	225.0	94.9	109.7	13.3	(21.3%)	(2.9%)
Canyon Johnson Urban Fund LP	Jul-07	30.3	0.8	28.6	36.4	(12.3%)	10.5%
CJUF Sunset & Vine *	Jul-02		0.0	18.4	32.2	23.4%	23.4%
Capmark		100.0	21.2	96.5	9.3	(29.5%)	(29.8%)
Capmark Structured RE Partners	Dec-06	100.0	21.2	96.5	9.3	(29.5%)	(29.8%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
CB Richard Ellis		1,520.6	448.8	1,125.8	93.6	(27.4%)	(26.5%)
CBRE SP US Opportunity 5 Wood Partners	Mar-08	80.0	19.9	80.1	0.0	(32.6%)	(32.4%)
CBRE SPUK III	May-07	187.4	46.4	171.2	0.0	(78.5%)	(34.8%)
CBRE Strategic Partners Asia Fund II ^{7,8}	Jul-07	125.0	59.6	87.5	25.5	N/A	(2.0%)
CBRE Strategic Partners Europe Fund II	Sep-05	106.8	95.8	107.1	0.0	1.3%	(2.5%)
CBRE Strategic Partners U.S. Opp V	Nov-07	100.0	69.9	89.9	0.3	(50.4%)	(15.6%)
CBRE Strategic Partners US Fund IV	May-07	100.0	22.6	100.0	0.0	(24.9%)	(30.3%)
CBRE Strategic Prtns UK Fund II ^{5,21}	Jul-05	81.4	(8.8)	85.7	0.0	(98.6%)	N/A
CSJV FirstCal CAN Opp ⁶	Aug-10		3.4	10.3	13.8	14.1%	N/M
FirstCal Ind 2 Opp ^{5,6}	Aug-10		0.4	(0.1)	(0.0)	(29.7%)	N/A
FirstCal Ind 3 Opp ⁶	Aug-10		36.7	40.8	7.8	(17.3%)	14.0%
FirstCal Ind Opp ⁶	Aug-10		46.7	30.7	2.4	56.5%	68.8%
FirstCal Industrial 3 JV ^{4,5,6}	Jul-06	500.0	0.0	186.2	4.2	N/A	N/A
FirstCal Industrial Canada ⁴	Dec-07	90.0	0.0	9.8	1.2	(34.4%)	(35.8%)
FirstCal Industrial Europe ^{5,22}	Feb-09	150.0	(1.8)	1.7	0.0		N/A
Metro Fund II LLC [*]	Mar-10		0.0	38.0	38.0	(0.0%)	(0.0%)
Metro Fund LLC Opp ⁷			58.1	86.7	0.5	N/A	(47.3%)
Centerline		575.0	(97.4)	598.8	136.7	(162.1%)	N/A
LCCG Diversified Risk CMBS Fund II Total ^{7,8,23}	Jul-04	75.0	1.3	100.0	80.9	N/A	(16.8%)
LCCG High Yield CMBS Fund III LLC ^{5,10,24}	Aug-07	200.0	(115.6)	199.4	1.3	(99.9%)	N/A
LCCG RE Special Situations Mortgage Fd ²⁵	May-06	300.0	16.9	299.5	54.5	(22.3%)	(36.0%)
Cerberus		80.0	13.6	92.9	82.7	(1.6%)	1.4%
Blackacre Institutional Prtnrs	May-04	80.0	13.6	55.4	56.9	3.6%	8.6%
CB Riley Blackacre CoInvest ^{*,7,8}	Feb-05		0.0	37.6	25.7	N/A	(24.1%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Cherokee		316.7	72.6	201.0	12.0	(25.9%)	(43.6%)
Cherokee Investment Partners IV ^{7,8}	Feb-06	241.7	65.0	141.6	4.6	N/A	(45.0%)
Cherokee Investment Partners III	Feb-03	75.0	7.6	59.4	7.4	(39.0%)	(38.2%)
CIM		245.0	319.9	290.1	141.5	19.3%	13.6%
Cim California Urban RE Fund	Dec-00	245.0	319.9	290.1	141.5	19.3%	13.6%
Colony Investors		0.0	0.0	145.6	168.3	18.7%	4.8%
Colony Investors II -Calstrs *	Apr-95		0.0	145.6	168.3	17.9%	4.8%
Deutsche Bank		756.6	236.7	725.5	534.5	5.8%	3.0%
DB International Fund 1A ⁹	Dec-03	350.0	0.5	350.2	436.7	N/M	19.9%
DB International Fund 1B	Sep-04	88.0	31.0	56.1	88.5	10.3%	18.5%
RREEF Global Opportunity Fund II	Dec-05	300.0	189.3	300.0	2.4	(8.1%)	(9.7%)
RREEF GOF II 2010 Sr Notes	Sep-10	18.6	16.0	19.2	6.8	21.8%	25.6%
Fairfield		182.0	104.5	247.3	79.1	(95.8%)	(18.5%)
CSJV NF ServiceCo LLC	Aug-10	3.8	4.4	3.8	0.3	10.3%	20.2%
Fairfield CHF LLC Opp Total ^{1,7,8}	Apr-10	89.1	100.1	112.4	29.8	N/A	35.8%
Fairfield Residential Operating Company ^{5,7,8}	May-05	89.1	0.0	131.1	49.0	N/A	N/A
Fortress		1,966.3	1,384.4	2,066.6	606.1	17.2%	(1.3%)
FCO MA II LP RE	Jun-10	195.0	144.4	126.8	0.0	29.8%	19.8%
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	4.4	3.9	0.1	15.2%	15.9%
Fortress Florida Coinvestment	Feb-07	100.0	84.0	99.8	0.0	(3.6%)	(4.1%)
Fortress Florida Pref Fund LP	Jan-10	21.3	29.0	21.3	0.0	20.0%	20.1%
Fortress Holiday Investment Fund	Feb-07	265.0	330.9	240.4	0.0	7.6%	7.4%
Fortress II	Dec-02	150.0	12.5	165.5	302.7	4.3%	37.6%

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Fortress III	Sep-04	250.0	177.2	301.3	126.9	(2.1%)	0.3%
Fortress III 20% PIK Notes Due 2014	Feb-10	20.0	10.8	55.3	54.0	20.3%	20.1%
Fortress Investment Fund IV	Jun-06	300.0	242.5	296.1	0.5	(4.6%)	(4.3%)
Fortress Investment Fund V	Jun-07	300.0	248.3	293.5	0.1	(80.2%)	(5.5%)
Fortress IV Coinvestment Fund	Jul-06	60.0	46.0	60.0	0.0	(5.6%)	(5.7%)
Fortress IW Coinvestment ^{9,27}	Oct-06	200.0	0.0	199.9	0.0	(99.4%)	(99.1%)
Fortress V Coinvestment	Jul-07	100.0	54.2	99.1	0.0	(39.8%)	(16.7%)
Frogmore		225.4	49.8	113.8	0.0	(50.4%)	(25.2%)
Frogmore Real Estate Partners	May-06	99.9	29.0	94.1	0.0	(47.6%)	(30.5%)
Frogmore Real Estate Partners II LP	Oct-09	125.5	20.8	19.7	0.0	(7.7%)	4.4%
GI Partners		700.0	650.4	550.5	42.2	5.4%	7.9%
GI Partners Fund II	Sep-05	300.0	373.1	296.1	19.0	5.1%	6.7%
GI Partners Fund III	Jul-08	400.0	277.3	254.4	23.2	1.4%	14.0%
Grove International		425.0	64.9	444.8	254.5	(2.7%)	(22.1%)
CGI Coinvestment Fund	Oct-06	50.0	2.3	39.9	5.1	(42.4%)	(43.6%)
Cypress Grove Opportunity Fund	Dec-05	100.0	35.1	195.2	122.1	(10.6%)	(13.2%)
Redwood Grove	May-07	150.0	23.0	113.7	3.6	(52.9%)	(39.6%)
RGI Co-Investment II ¹⁷		50.0	0.1				
Soros Real Estate Investment -Calstrs	Jul-01	75.0	4.4	96.0	123.7	2.3%	16.2%
Hawkeye Partners		100.0	90.5	96.9	22.0	(5.0%)	12.9%
Scout Fund I A	Jan-09	100.0	90.5	96.9	22.0	(5.0%)	12.9%
Hearthstone⁷		125.6	31.9	126.6	39.3	N/A	(38.6%)
Hearthstone Housing Partners III ^{7,8}	Jun-06	125.0	31.2	126.1	39.3	N/A	(39.0%)
Hearthstone III Default Loan	Mar-10	0.6	0.7	0.6	0.0	8.1%	8.1%
Heitman		84.1	43.8	76.8	6.5	(8.6%)	(10.2%)
Heitman European Prop Ptrs III	Aug-05	84.1	43.8	76.8	6.5	(8.6%)	(10.2%)
IDS⁵		200.0	0.4	44.9	0.6	10.1%	N/A
IDS Realty JV LLC Opp	Apr-10		0.0	0.0	(0.7)	10.1%	(14.6%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
IDS Urban JV	Mar-11	200.0	0.4	44.9	1.3		N/A
IL & FS		150.0	141.7	131.3	0.8	2.9%	2.3%
IL & FS India Realty Fund	Dec-08	100.0	109.4	100.0	0.0	2.5%	2.3%
IL & FS India Realty Fund II	Apr-06	50.0	32.3	31.3	0.8	(7.5%)	2.6%
Institutional Housing Partners		125.0	51.7	52.4	0.0	(3.1%)	(1.6%)
IHP Capital Partners VI LLC	Aug-10	125.0	51.7	52.4	0.0	(3.1%)	(1.6%)
JAH Capital Management		211.5	100.3	147.4	15.0	(13.1%)	(9.5%)
Trigate CalSTRS Partnerships	Dec-07	100.0	39.5	88.6	15.0	(12.2%)	(13.5%)
Trigate Capital, LLC	Dec-07	1.5	0.6	0.6	0.0	0.3%	2.0%
Trigate Property Partners	Dec-07	110.0	60.3	58.2	0.0	57.8%	2.8%
JE Roberts		300.0	72.7	244.8	19.5	(33.4%)	(29.1%)
JER Europe Fund III	Feb-07	300.0	72.7	244.8	19.5	(33.4%)	(29.1%)
Kennedy Associates *		0.0	0.2	27.4	55.8	21.1%	26.7%
Crown City Center LLC *	Jan-03		0.2	27.4	55.8	19.7%	26.7%
Lazard Freres		150.0	2.0	196.8	358.3	8.4%	13.1%
Lazard Freres Co-Investment *	Mar-96		0.3	46.8	92.1	23.8%	14.6%
Lazard Freres Strat Realty Inv	Mar-96	150.0	1.7	150.0	266.3	6.9%	12.5%
LCOR		0.0	24.4	24.7	0.0	(1.3%)	(1.3%)
LCOR Residential Associates LLC Opp	Mar-11		24.4	24.7	0.0	(1.3%)	(1.3%)
Lehman Brothers		100.0	51.9	94.8	38.7	(8.3%)	(1.4%)
Lehman Bros Re Pension Part II	Aug-05	100.0	51.9	94.8	38.7	1.9%	(1.4%)
LNR		244.4	245.5	285.5	10.0	(4.1%)	(3.4%)
LNR Development Fund	Jan-06	244.4	245.5	285.5	10.0	(4.1%)	(3.4%)
Lone Star		1,160.0	660.4	869.8	565.6	(4.8%)	14.2%
Lone Star Fund IV	Dec-01	200.0	98.1	195.6	349.4	(5.9%)	30.4%
Lone Star Fund V	Jan-05	360.0	229.9	327.3	74.9	8.4%	(2.0%)
Lone Star Fund VI (US), LP	Apr-08	300.0	240.8	240.1	115.7	15.8%	16.0%
Lone Star Real Estate Fund (US), LP	Aug-08	100.0	71.4	82.9	25.1	7.9%	7.1%
Lone Star Real Estate Fund II	Apr-06	200.0	20.3	24.0	0.5	21.1%	(29.2%)
Lowe		52.5	0.4	24.9	0.2	(64.4%)	(66.9%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
La Solana Co-Inv SR1	Sep-07	17.5	0.0	4.4	0.0	(93.0%)	(80.0%)
Lowes Resort Community Fund	Jul-06	35.0	0.4	10.0	0.0	(58.0%)	(61.6%)
Lowes Resort Finance Investment Partners *	Jun-07		0.0	10.5	0.2	(80.1%)	(77.1%)
MacFarlane		380.0	78.1	288.4	6.3	(36.2%)	(44.8%)
MacFarlane Emerging Managers Fund I ^{5,9}	Mar-08	200.0	(6.5)	(0.1)	0.0	N/M	N/A
MacFarlane Urban Real Estate Fund II, LP ⁷	Dec-06	180.0	84.5	288.5	6.3	N/A	(42.5%)
Macquarie		599.9	408.5	457.6	27.7	(18.6%)	(1.7%)
MGP Asia Fund II LP	Jul-05	100.0	74.0	92.4	26.6	(7.5%)	2.3%
MGP Asia Fund III, LP ⁷	Dec-07	250.0	156.7	157.1	0.3	N/A	(0.0%)
MGP Europe Fund III	Sep-07	100.0	110.1	120.8	0.3	(10.4%)	(6.1%)
MGP Europe Parallel Fund II LP	Oct-05	149.9	67.6	87.4	0.5	4.1%	(5.8%)
Mexico Retail		75.0	57.3	72.5	5.7	(7.2%)	(3.0%)
MEXICO RETAIL PROPERTIES	Jun-05	75.0	57.3	72.5	5.7	(7.2%)	(3.0%)
Moorfield ⁵		54.3	(11.8)	57.9	0.0	(121.8%)	N/A
Moorfield Real Estate Fund A ^{5,21}	Jul-05	54.3	(11.8)	57.9	0.0	(121.8%)	N/A
Morgan Stanley		2,050.8	540.6	2,357.6	1,212.2	8.3%	(17.0%)
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	20.9	244.7	494.5	13.2%	23.7%
Morgan Stanley Re Fund IV	Dec-01	217.8	19.3	221.1	446.1	17.1%	35.0%
Morgan Stanley Spec. Situations Fund III	Sep-06	412.2	257.1	412.2	0.0	(3.7%)	(10.4%)
MS Resort Co-Investment Co *	Apr-07		0.0	312.5	0.0	(96.2%)	(100.0%)
MSREF IV Spencers Crossing LLC	Jun-05	23.0	0.0	24.0	0.0	(100.0%)	N/A
MSREF V International LP	Oct-05	440.0	133.7	321.5	231.2	(0.1%)	5.0%
MSREF V Intl Colinvest Project Green	Feb-06	104.5	1.2	103.0	5.3	(61.7%)	(73.6%)
MSREF V US CIP II	Oct-06	99.6	(0.0)	83.0	0.0	(100.0%)	N/A
MSREF V US LP	Jul-06	150.0	9.9	173.7	16.3	N/A	(51.7%)
MSREF VI International	Jul-07	400.0	98.5	447.2	7.7	(66.5%)	(37.9%)
PHF II HRO C MEZZ ³⁰	Jan-10	3.7	0.0	3.7	0.0		(100.0%)
NIAM Nordic		225.1	192.3	206.6	111.0	28.0%	19.8%
Niam Nordic Fund IV	Nov-07	89.6	128.4	109.3	19.9	4.4%	16.4%

Non-Core Performance Detail (Continued)

Investment Portfolio Performance								
Time Weighted Returns (Net of Fees)								
(as of September 30, 2011)								
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR	
Niam Nordic Investment FD III	Jan-05	135.5	63.9	97.2	91.1	27.2%	22.1%	
Pacific Coast Capital		300.0	248.3	514.4	100.8	(12.1%)	(12.6%)	
Ca Smart Growth Fund IV	Oct-05	300.0	174.6	256.3	26.2	(12.9%)	(7.2%)	
PacificCal II LLC Opp ¹	Apr-10		13.9	13.7	2.0	31.6%	21.5%	
PacificCal Land Total ^{7,8}	Jul-07	200.0	0.0	26.5	0.3	N/A	(84.0%)	
PacificCal LLC Opp ^{1,7}	Apr-10		7.9	17.3	0.3	N/A	(63.9%)	
PCCP CalSTRS Anaheim LLC ^{5,7,31}	Oct-05	28.0	0.0	21.7	9.5	N/A	N/A	
PCCP Mezzanine Recovery Partners I LP	Sep-05	100.0	27.2	134.0	41.9	26.5%	(23.3%)	
SoCal Smart Growth Fund	Apr-05	50.0	24.7	45.0	20.6	(2.1%)	0.2%	
Pacific Waterfront Partners		26.7	26.8	26.8	0.0	0.0%	(0.1%)	
S F WATERFRONT PARTNERS 2 LLC	Jan-10	26.7	26.8	26.8	0.0	0.0%	(0.1%)	
Page Mill		180.0	157.5	180.1	8.0	(11.6%)	(3.5%)	
Market Street Capital Partners	Aug-06	180.0	157.5	180.1	8.0	(11.6%)	(3.5%)	
Paladin		375.1	225.6	362.6	129.8	(0.7%)	(0.4%)	
Paladin Latin Amer Invest II	Oct-05	83.2	86.2	82.6	0.6	(17.9%)	1.8%	
Paladin Latin America Investors III	Nov-08	165.0	66.1	78.6	24.2	17.2%	8.9%	
Simon + Son Realty Partners	Jan-01	126.9	71.0	124.3	78.0	4.0%	2.9%	
SKS Co Investment *	Jan-01		2.3	77.1	26.9	(14.7%)	(15.8%)	
Principal		0.0	248.0	538.1	233.7	4.7%	(17.2%)	
Calabash Distribution Center *	Mar-04		0.0	20.6	24.7	30.5%	49.0%	
CenterCal LLC Opp ¹			65.5	80.0	0.0	(20.7%)	(17.4%)	
P FC 1 Opportunistic ⁶	Aug-10		12.2	31.8	1.0	53.1%	(389.0%)	
P FC 3 Opportunistic ⁶	Aug-10		10.2	23.1	0.1	(41.5%)	(66.6%)	
PanCal Opportunity LLC - Opp	May-11		3.3	3.5	0.0	(4.3%)	(3.7%)	
Piazza Del Sol - Laredo	Jul-10		22.3	23.9	0.5	(66.8%)	(5.7%)	
Potranco - San Antonio	Jul-10		28.6	29.7	0.0	(7.8%)	(4.0%)	
Project CHQ	Oct-05		0.0	199.6	201.2	(2.3%)	0.7%	
Stonebridge - Dallas	Jul-10		14.7	15.4	0.0	(2.1%)	(4.4%)	
ZarCal, LLC Opp ^{1,5,9}	Apr-10		(5.6)	9.7	2.6	N/M	N/A	

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
ZarCal, LLC Opp-Preferred Equity ¹⁸			52.5	52.5	1.5		2.9%
ZarCalRes, LLC Opp ¹	Apr-10		44.1	48.3	2.1	9.6%	(8.6%)
Prudential		350.0	257.4	379.3	123.2	2.5%	1.0%
Pla Mexico Industrial LP	Sep-05	200.0	175.4	200.1	13.9	1.8%	(1.7%)
Pla Mexico Residential LP	Jun-05	150.0	82.0	179.2	109.3	3.1%	5.1%
Pyramid ^{5,7}		350.0	(58.0)	276.5	23.1	N/A	N/A
Pyramid Hotel Opportunity Total ^{7,8}	Jun-05	150.0	6.6	84.3	23.1	N/A	(17.2%)
Pyramid Hotel Opportunity Venture II	May-06	200.0	(64.6)	192.2	0.0	(98.6%)	N/A
Resmark		125.0	18.5	19.6	0.0	(8.3%)	(7.4%)
ResCal Investments LLC	Aug-10	125.0	18.5	19.6	0.0	(8.3%)	(7.4%)
RLJ Partners *		0.0	0.0	392.5	471.0	11.3%	11.7%
RLJ Lodging Fund II *	Jun-06		0.0	184.8	194.7	2.4%	1.8%
RLJ Real Estate Fund III *	Sep-08		0.0	162.4	157.2	(9.4%)	(4.3%)
RLJ Urban Lodging FD *	May-05		0.0	45.3	119.2	58.7%	50.1%
Rockpoint		548.8	200.7	449.1	147.3	(11.9%)	(10.1%)
Heritage Fields Capital -Calstrs	Jul-05	132.7	6.9	89.7	0.0	(99.6%)	(51.6%)
Rockpoint Finance Fund I	Dec-06	16.1	10.1	22.0	0.0	(53.1%)	(21.1%)
Rockpoint Real Estate Fund I, L.P.	Sep-04	50.0	6.0	43.1	47.1	(7.7%)	12.9%
Rockpoint Real Estate Fund II, L.P. ⁷	Sep-05	150.0	43.9	131.5	42.9	N/A	(12.4%)
Rockpoint Real Estate Fund III ⁷	Sep-07	200.0	133.9	162.8	57.3	N/A	14.1%
Sarofim		0.0	4.2	11.6	0.0	(50.5%)	(49.8%)
Community Retail Dev Fund Opp ¹	Apr-10		4.2	11.6	0.0	(50.5%)	(49.8%)
Starwood		512.2	443.1	339.9	24.9	15.4%	10.7%
SDL Hospitality Co-Invest Fund	Oct-05	100.0	178.4	78.2	0.0	19.5%	18.0%
SH Group I, LP	Dec-07	12.2	9.6	7.7	0.0	33.6%	25.3%
Starwood Cap Hospitality Fd II Global LP	Apr-10	250.0	106.9	103.8	4.0	18.4%	7.6%
Starwood Hotel Fund	Jan-06	150.0	148.2	150.1	20.8	8.0%	3.4%

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Stockbridge		290.0	84.1	249.1	0.0	(37.3%)	(33.4%)
Stockbridge Real Estate Fund II, L.P.	Nov-05	200.0	48.4	199.0	0.0	(40.6%)	(38.5%)
Stockbridge Real Estate Fund III A LP	Jun-08	90.0	35.7	50.1	0.0	(37.2%)	(15.8%)
Thomas		483.8	16.3	19.9	0.0	(12.8%)	(13.0%)
Thomas High Performance Green Fund *	Feb-11	100.0	0.0	0.2	0.0	(100.0%)	(100.0%)
TPG CalSTRS LLC Opp ¹	Jan-03	383.8	16.3	19.7	0.0	(12.1%)	(12.2%)
Thor		100.0	68.4	87.3	12.3	(1.8%)	(2.4%)
Thor Urban Retail	Dec-05	100.0	68.4	87.3	12.3	(1.8%)	(2.4%)
Warburg Pincus		100.0	91.9	95.9	21.0	4.1%	4.9%
Warburg Pincus Real Estate Fund I	Nov-06	100.0	91.9	95.9	21.0	4.1%	4.9%
Waterton ¹⁸		100.0	0.4	3.4	0.0		(87.9%)
Waterton Residential Property Venture XI ¹⁸	Sep-11	100.0	0.4	3.4	0.0		(87.9%)
Public		642.2	301.2	620.3	52.9	(20.9%)	(27.0%)
Fortress		357.7	138.1	335.8	52.9	(20.7%)	(12.4%)
Eurocastle Investment Limited	Jun-09	20.9	30.5	20.9	0.0	17.8%	17.9%
Fortress Res Inv Deutschland ³²	Aug-05	153.4	40.2	108.2	18.3	(14.8%)	(12.4%)
Fortress RIC Coinvestment Fund ³²	Jul-06	96.3	31.6	96.3	5.1	(49.0%)	(17.9%)
GAGFAH SA	Oct-06	87.1	35.9	110.4	29.4	(21.1%)	(13.0%)
RLJ Partners		284.5	163.0	284.5	0.0	(26.1%)	(42.4%)
RLJ Lodging Trust	Oct-06	284.5	163.0	284.5	0.0	(26.1%)	(42.4%)
Value Added		8,400.6	3,691.8	8,691.5	3,818.0	2.2%	(6.2%)
AVP Advisors		100.0	41.0	66.7	7.2	(58.6%)	(15.8%)
American Value Partners Fund I	Aug-06	100.0	41.0	66.7	7.2	(58.6%)	(15.8%)
BlackRock		700.0	288.0	694.2	245.7	1.8%	(7.8%)
1710 H Street	May-05		51.9	23.0	5.1	18.3%	17.0%
234 East 46th Street	Sep-04		31.3	21.2	2.2	5.8%	7.7%
25 Martine Ave	Nov-04		18.9	19.7	2.4	1.1%	1.3%
BlackRock Cal I LLC VA ^{1,9}	Apr-10		168.6	42.3	6.7	N/M	360.7%
Blackrock JV ^{7,16}	May-05	700.0	0.0	413.3	144.9	N/A	(40.9%)
One Rittenhouse Square	Dec-05		17.2	32.8	0.3	(14.3%)	(13.6%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Peter Cooper Village Stuy Town ^{7,29}	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 ³³		30.3	35.5	56.3	49.6	N/A	37.6%
Canyon Value Opportunity Fund	Jul-07	30.3	35.5	28.6	0.2	2.4%	9.0%
CJUF New Pacific *	May-03		0.0	27.7	49.4	51.2%	44.9%
CB Richard Ellis		1,327.4	327.3	1,370.0	388.2	(32.8%)	(33.2%)
CBRE Strategic Partners Europe Fund III	May-07	187.4	121.9	199.5	0.1	(83.4%)	(17.1%)
CBRE Strategic Partners US Value Fund 5	Nov-07	100.0	102.3	90.7	16.5	(0.9%)	21.2%
First Industrial JV ^{4,5}	Mar-05	500.0	0.0	442.6	121.9	(132.2%)	N/A
FirstCal Ind 2 Value Add ^{5,6}	Aug-10		2.1	1.6	1.9	542.6%	N/A
FirstCal Ind Value Add ⁶	Aug-10		18.7	14.8	10.8	272.9%	383.7%
Metro Fund Excess Company Loan ¹⁸	Sep-11		85.1	85.0	0.0		0.2%
Metro Fund LLC VA ^{1,7,8}			(2.8)	181.9	200.5	N/A	129.7%
Metro Fund, LLC ^{5,7,16}	Aug-06	540.0	0.0	353.9	36.6	N/A	N/A
Cross Harbor		100.0	66.3	83.7	2.2	(3.8%)	(6.6%)
CrossHarbor Institutional Partners	Nov-06	100.0	66.3	83.7	2.2	(3.8%)	(6.6%)
Deutsche Bank *		0.0	0.0	23.1	33.3	3.0%	18.8%
DB Realty Mezzanine Investment *	Jan-03		0.0	23.1	33.3	3.0%	18.8%
Fairfield		1,224.1	113.4	1,310.8	1,065.7	(181.9%)	(7.7%)
Brookfield FF US Multifamily Value Add ¹⁸	Aug-11	50.0	7.3	7.4	0.0		(3.4%)
CSJV NF InvestCo LLC	Aug-10	3.8	3.8	4.5	0.0	(16.7%)	(30.5%)
Fairfield CA Housing Fund, LLC	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	12.1%	12.9%
Fairfield CHF LLC VA Total ^{1,5,7,8}	Apr-10		88.1	249.5	327.1	N/A	N/A
Fairfield Clairmont II Note	Mar-11	0.0	0.1	0.0	0.0	8.0%	8.0%
Fairfield Excess Company Loan	Sep-09		0.0	473.1	536.4	0.2%	15.9%
Fairfield SAF III LLC Note	Mar-11	0.0	0.0	0.0	0.0	7.4%	8.1%
Fairfield Strategic Apartment Fund III ^{7,8}	Jul-07	70.0	13.9	34.5	7.0	N/A	(33.2%)

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Hartford		150.0	98.5	166.9	22.0	(7.1%)	(9.2%)
Hartford Mezzanine Investors I, LLC	Jul-07	150.0	98.5	166.9	22.0	(7.1%)	(9.2%)
Heitman		629.5	412.8	594.8	253.4	5.9%	3.1%
Heitman Value Partners II	Dec-06	200.0	84.3	118.9	1.9	(16.2%)	(14.1%)
Heitman Value Partners LP	May-04	100.0	72.8	113.2	46.9	5.3%	1.5%
HVP Pembroke Pines ColInvest *	Mar-05		0.2	36.6	68.6	13.1%	17.3%
HVP PNW Co Investment *	Dec-05		0.1	43.3	67.8	27.3%	26.6%
HVP Sun Co-investments	Dec-06	54.9	37.9	55.9	12.2	(1.5%)	(2.6%)
HVP/THL Co-Investment	May-04	35.0	51.1	31.5	10.3	11.5%	12.1%
Lillibridge Health Trust I	Oct-04	98.0	110.8	98.1	43.2	8.1%	8.1%
LilliCal LLC	Apr-07	42.6	26.4	41.8	2.5	(10.5%)	(8.7%)
WilCal, LLC	Jan-07	99.0	29.2	55.5	0.0	(14.8%)	(14.4%)
IDS		390.0	24.8	159.2	80.3	(68.4%)	(83.3%)
IDS Joint Venture ^{5,16}	Feb-05	390.0	0.0	109.7	62.9	(86.7%)	N/A
IDS Realty JV II LLC VA ¹⁸	Jun-11		19.9	21.1	0.6		(3.6%)
IDS Realty JV Value Add ⁸	Apr-10		4.9	28.4	16.8	32.7%	(105.9%)
ING Clarion		516.7	289.0	267.3	15.0	3.1%	4.0%
INGCal Tactical, LLC	Aug-07	516.7	289.0	267.3	15.0	3.1%	4.0%
Pacific Coast Capital		890.0	510.2	1,121.2	412.1	(10.3%)	(7.6%)
PacificCal II LLC VA ¹	Apr-10		223.4	184.2	2.0	21.3%	16.8%
PacificCal II, LLC ¹⁶	Aug-06	250.0	0.0	226.5	75.7	(31.0%)	(32.0%)
PacificCal III, LLC	Apr-07	400.0	203.9	363.5	80.1	(10.9%)	(7.5%)
PacificCal LLC ¹⁶	May-05	225.0	0.0	281.5	252.3	(15.3%)	(5.9%)
PacificCal LLC VA ¹	Apr-10		76.0	59.7	1.4	20.3%	20.5%
PMRP Preferred LLC	May-10	15.0	6.9	5.8	0.6	25.0%	25.5%
Page Mill *		0.0	0.0	22.4	50.4	14.9%	297.5%
Page Mill/Divco *	Dec-04		0.0	22.4	50.4	15.6%	297.5%

Non-Core Performance Detail (Continued)

Investment Portfolio Performance							
Time Weighted Returns (Net of Fees)							
(as of September 30, 2011)							
Investment Name	Inception Date	Commitment (\$M)	Current Value (\$M)	Contributions (\$M)	Distributions (\$M)	Since Inception	IRR
Principal		883.8	263.9	893.0	391.2	(2.0%)	(15.4%)
CenterCal LLC ¹⁶	Dec-04	350.0	0.0	278.2	255.2	0.9%	(4.2%)
CenterCal LLC VA ¹	Apr-10		22.3	23.4	0.0	(2.8%)	(3.9%)
CenterCal-Preferred Equity *	Oct-07		0.0	39.2	40.6	2.7%	2.7%
LevCal LLC ³⁵	Apr-06	100.0	0.0	74.2	36.2	(20.9%)	(21.6%)
P FC 1 Value Add ^{5,6}	Aug-10		16.6	11.2	1.3	283.3%	N/A
P FC 3 Value Add ⁶	Aug-10		8.3	7.0	1.0	274.5%	36.6%
PanCal Opportunity LLC - VA	Jan-11		18.3	21.7	2.6	(9.6%)	(6.0%)
Principal Mortgage Value Investors	Apr-07	133.8	16.2	133.8	7.2	(57.4%)	(41.3%)
SeaCal, LLC	Feb-08	100.0	26.2	56.0	5.4	(22.5%)	(21.1%)
UCal LLC VA ¹⁹	Apr-11		6.9	6.9	0.1	0.9%	2.5%
UrbanCal LLC ¹⁶	Aug-07	200.0	0.0	89.9	30.0	(38.7%)	(39.9%)
UrbanCal LLC VA ¹	Apr-10		146.3	148.4	11.5	5.9%	7.0%
Yuma Target - Yuma	Jul-10		3.0	3.2	0.0	(7.0%)	(6.9%)
Sarofim *		75.0	0.0	96.2	54.7	(10.8%)	(18.9%)
Community Retail Devp Fund LLC ¹⁶	Aug-04	75.0	0.0	96.2	54.7	(11.3%)	(18.9%)
Thomas		383.8	356.8	681.1	468.8	7.1%	7.3%
TPG CalSTRS LLC VA ¹	Apr-10		356.8	300.4	16.9	16.9%	17.0%
TPG/CaISTRs LLC ¹⁶	Jan-03	383.8	0.0	380.7	451.9	8.7%	5.0%
True North		100.0	98.7	92.4	24.9	9.1%	8.8%
True North Mezzanine Investment Fund	Jun-06	100.0	98.7	92.4	24.9	9.1%	8.8%
Vintage		75.0	233.2	227.0	18.9	(0.0%)	4.7%
VinCal LLC	May-06	75.0	233.2	227.0	18.9	(0.0%)	4.7%
Waterton		825.0	532.3	765.1	234.4	7.3%	0.1%
Waterton Residential	Jun-02	700.0	474.2	640.1	234.4	8.3%	3.7%
WRPF IX Presidential Towers LLC	Jan-08	125.0	58.1	125.0	0.0	(18.5%)	(18.6%)
Total		29,091.1	13,051.0	27,783.9	10,505.4	6.6%	(7.0%)

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.

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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.

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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

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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.

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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

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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.
- Open-ended Fund:* 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.
- Closed-ended Fund:* 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

