

# Real Estate Portfolio Review and Real Estate Market Outlook



Kentucky Retirement Systems  
October 22-23, 2015

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# About ORG



# Who We Are - Mission Statement

ORG is a **real assets investment consultant** providing clients with customized, objective advice. Our investment recommendations and analysis are grounded on **thoughtful and conservative underwriting and comprehensive research** delivered with conviction. We provide clients with unequaled access and transparency to global investment opportunities.

# ORG Overview

ORG Portfolio Management, LLC:

is a **Registered Investment Adviser** under the **Investment Advisers Act of 1940**, as amended, and began providing institutional real estate consulting services in 1999 from its Cleveland, Ohio headquarters.

Exclusively focused on:

providing real estate and real asset consulting services for institutional investors and private portfolios through commingled funds and separate accounts.

Stable, knowledgeable staff with investment expertise gained through prior experiences:

Commercial property ownership, acquisition, development, and property management.

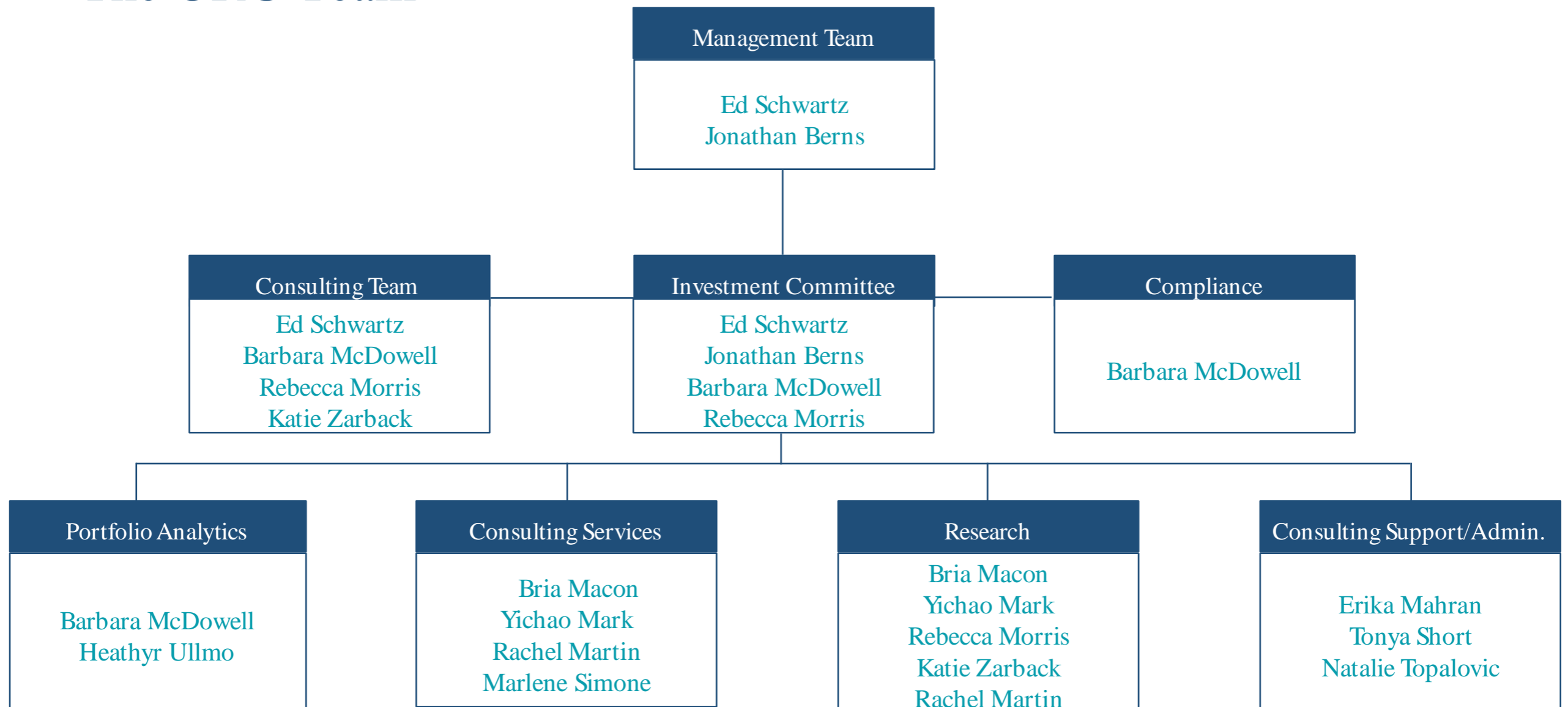
Portfolio strategy and research.

Plan sponsor head of real estate.

Talented, diverse team supports ORG's mission and provides the best in class client services.



# The ORG Team



Portfolio Construction & Analysis

Research & Due Diligence

Monitoring & Reporting



# KRS Real Estate Review



# KRS Real Estate Portfolio Financial Highlights

<b>Financial Highlights At September 30, 2015</b>	<b>Market Value</b>	<b>Percent of Fund</b>
<b>Portfolio Market Value - as of June 30, 2015</b>	\$860,178,046	5.5%
<b>Capital Called and Distributions in 3rd Qtr. 2015</b>	(\$16,116,311)	
<b>Current Unfunded Commitments as of September 30, 2014</b>	\$11,045,192	
<b>Total Market Value and Unfunded Commitments</b>	\$855,106,927	5.4%
<b>Total Fund Market Value</b>	\$15,701,515,156	
Total Allocation to Real Estate	\$785,075,758	5.0%
<b>Total Loan to Value Ratio</b>	45.3%	

- The KRS Real Estate Portfolio made its initial investments in 2009.
- KRS currently has \$907.5 million of real estate commitments to various open and closed end funds.
- The market value of the current investments, plus the unfunded commitments for these investments, equates to \$855.1 million or about 5.4% of the total allocation for real estate. However, ORG does not expect that all funds will call 100% of their commitment. Some of the older funds have begun returning capital.



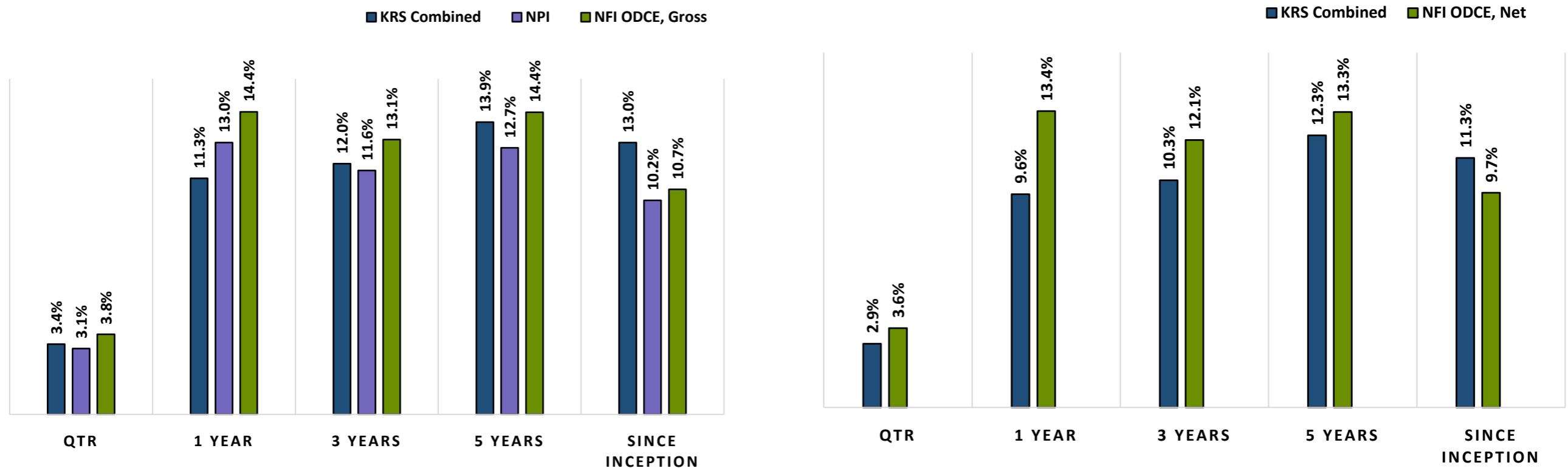


# KRS Real Estate Performance

## Time Weighted Returns, Gross of Fees

## Time Weighted Returns, Net of Fees

As of June 30, 2015



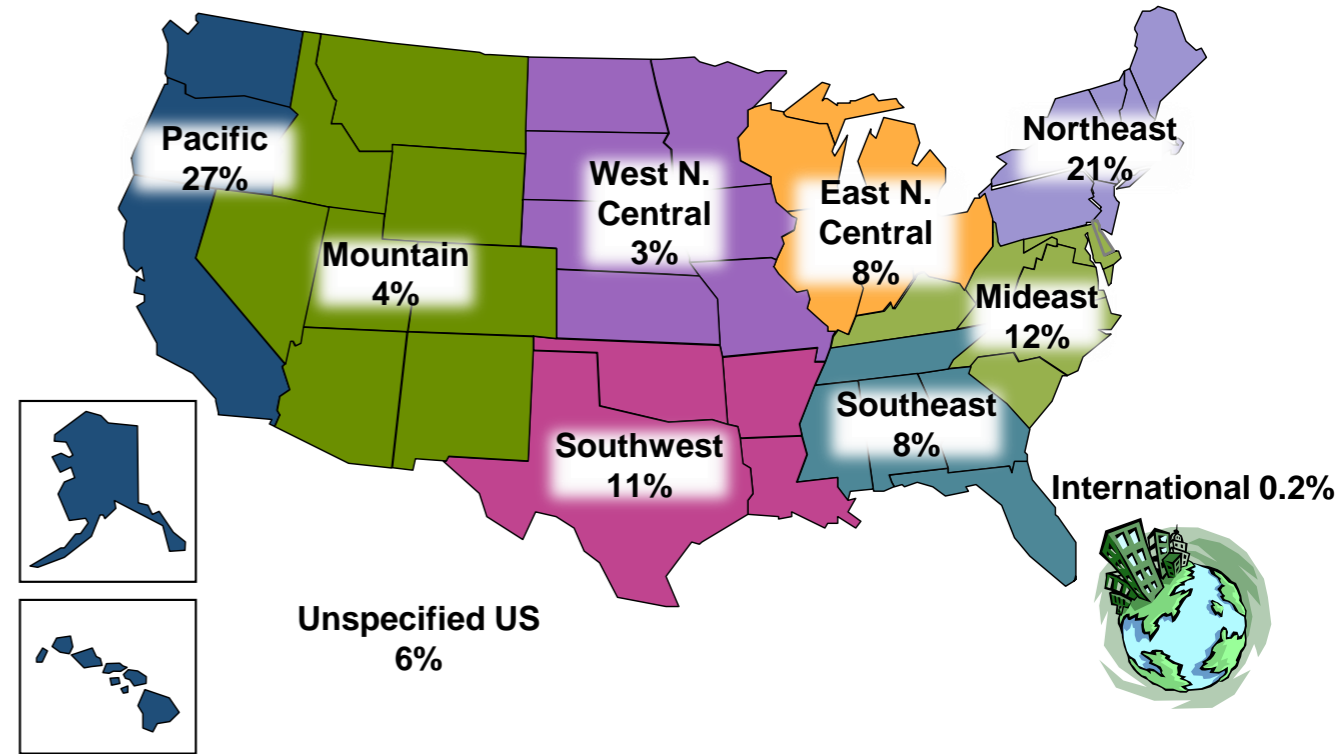
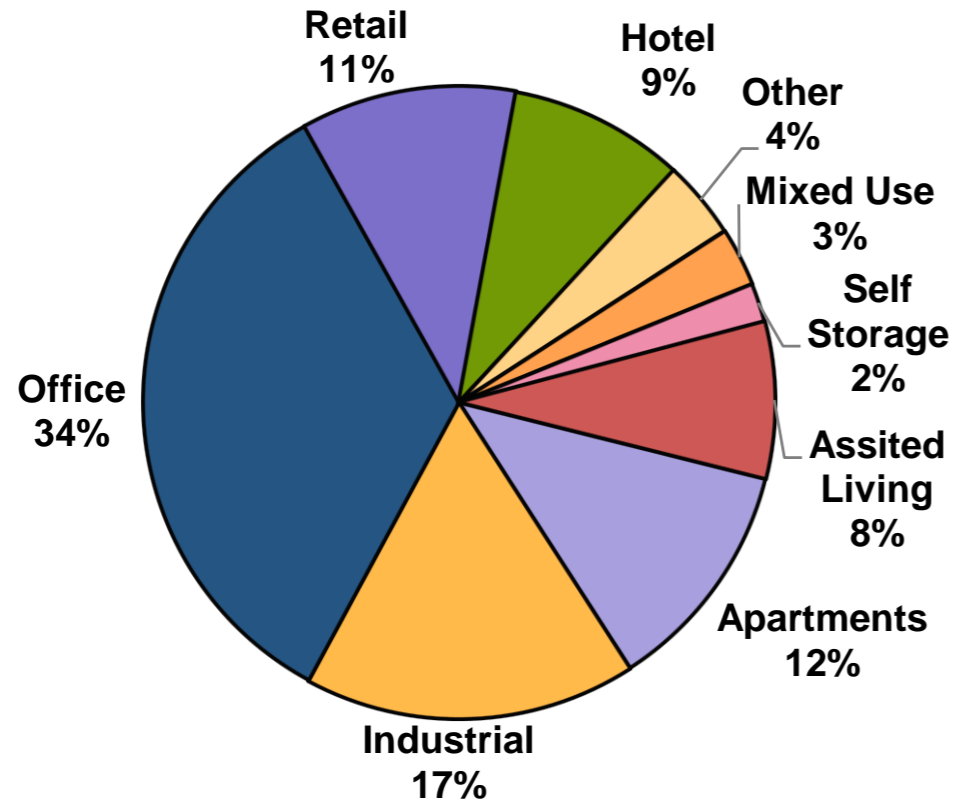
- The KRS Real Estate Portfolio continues to perform well.
- The Since Inception return is 160 basis points greater than the NCREIF ODCE index, net of fees.

# KRS Real Estate Portfolio Diversification

## Property Type Diversification

## Geographic Diversification

Based on Market Value as of June 30, 2015



- The KRS Real Estate Portfolio is well diversified by property type and geographic locations.

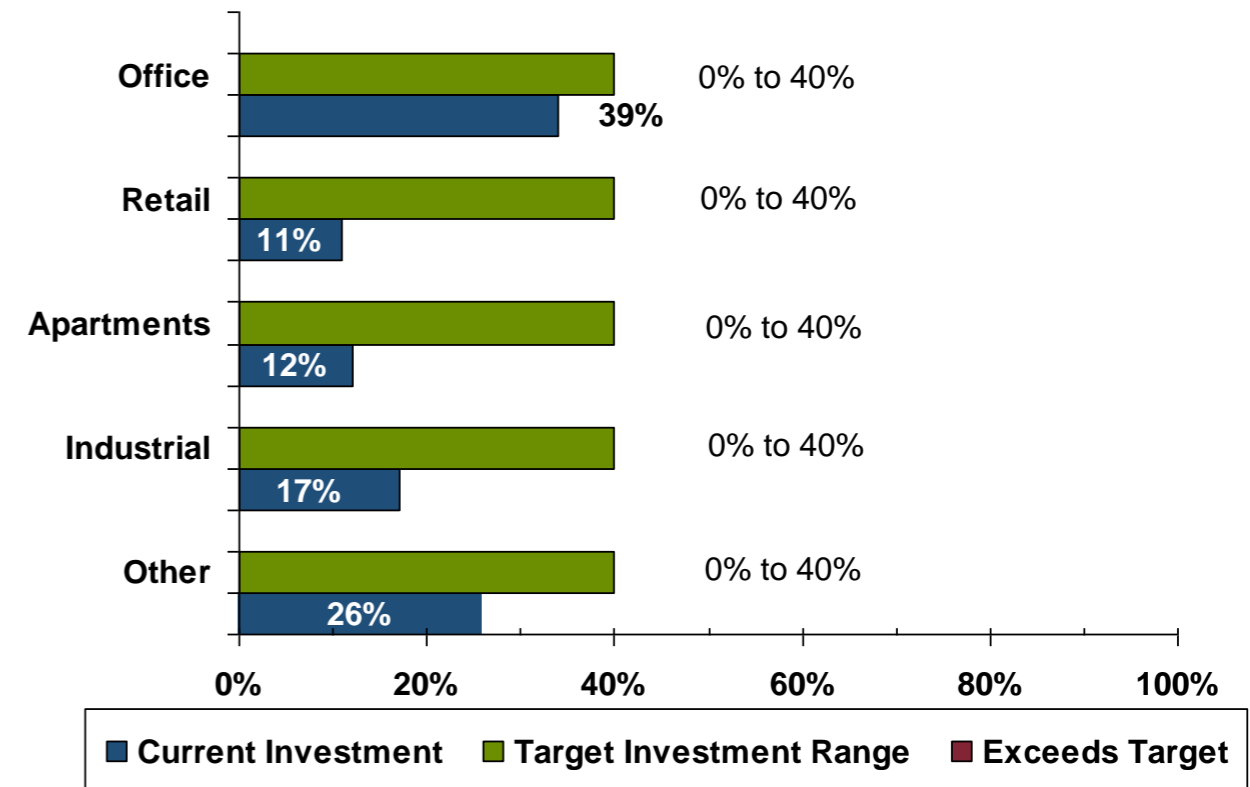
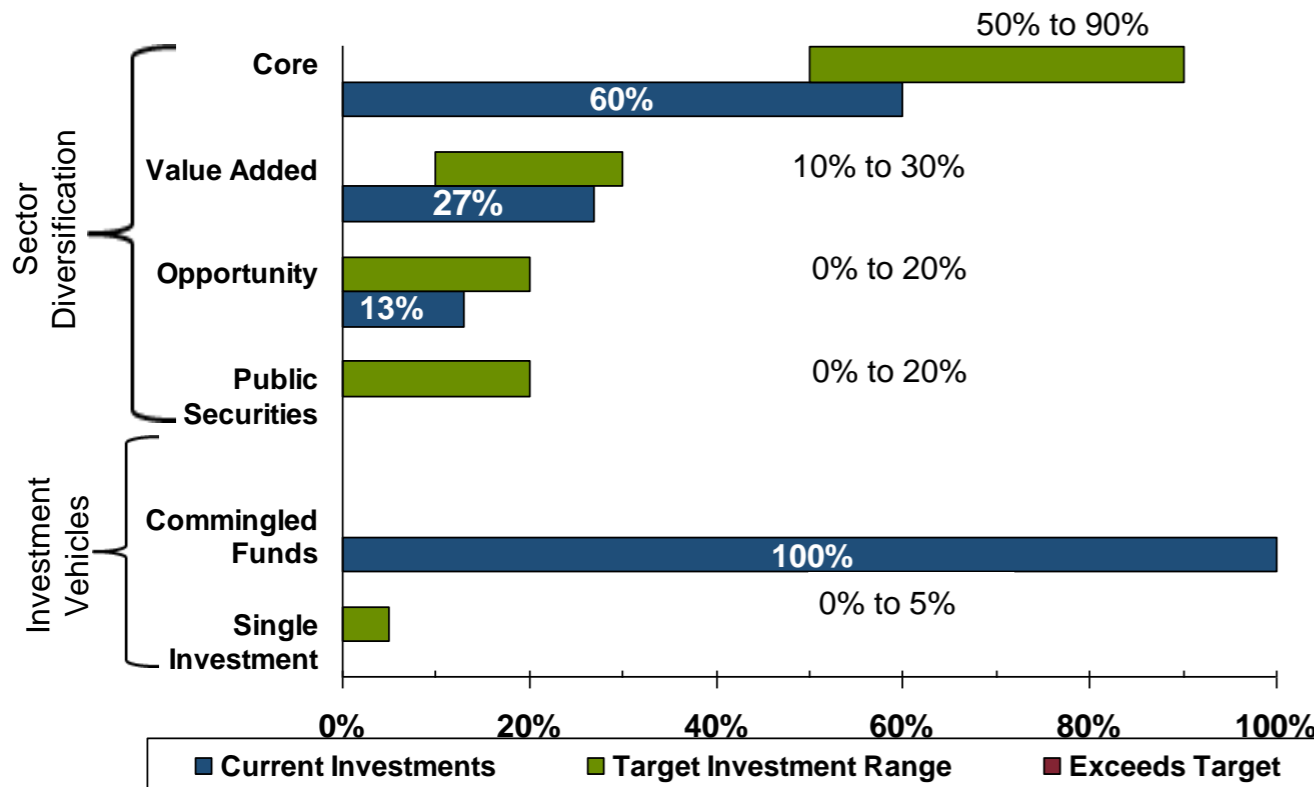


# KRS Real Estate Portfolio Compliance

## Portfolio Diversification

## Property Type Diversification

As of June 30, 2015



- The KRS Real Estate Portfolio is within the ranges for both the Portfolio and Property Type Diversification.

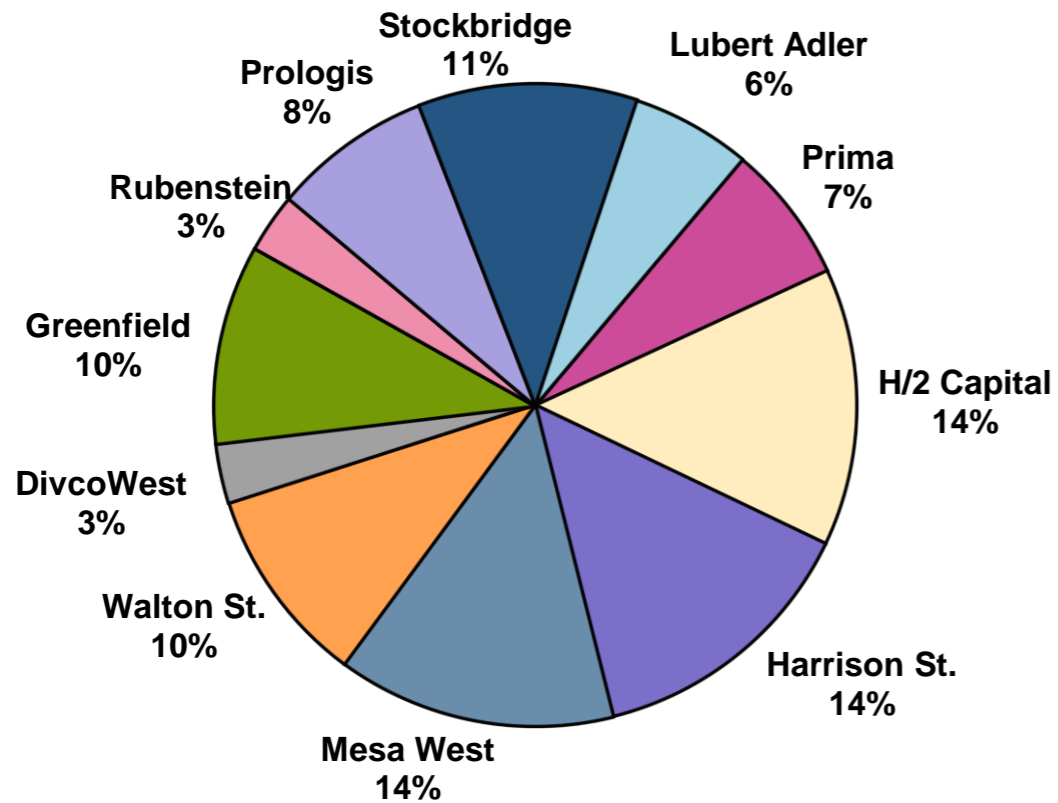
Compliance with Policy:



# KRS Real Estate Portfolio Compliance

## Investment Manager Diversification

Based on Commitments as of June 30, 2015



Policy Target is 20% Committed to One Manager (\$157.0 million)

- The KRS Real Estate Portfolio meets the Investment Manager Diversification and the Leverage Ratio targets.

## Leverage Ratio

Based on Market Value as of June 30, 2015

Portfolio Investments	Leverage Ratio	Policy Maximum
Core Funds	33.5%	50.0%
Value Added Funds	60.0%	65.0%
Opportunistic Funds	50.2%	75.0%+
<b>Total Portfolio</b>	<b>45.3%</b>	<b>65.0%</b>

Policy Target is 65% Total Portfolio Leverage

Compliance with Policy:



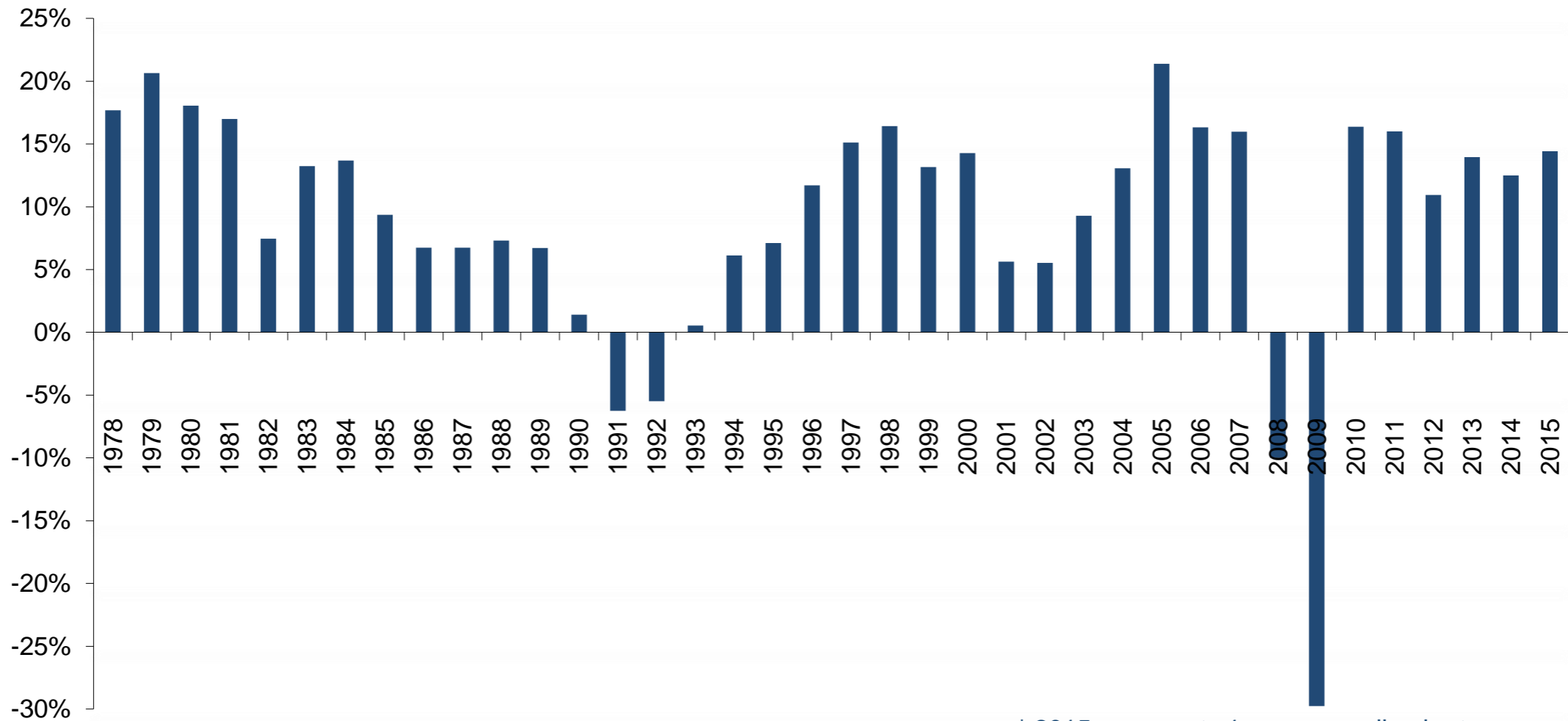
# Real Estate Market Outlook



# Real Estate is a Long-term Investment

Cycles of Real Estate returns can last for several years.

## NCREIF ODCE Index Annual Total Return 1978-2015\*



\* 2015 represents 1 year annualized returns for the period ending June 30, 2015.

Source: NCREIF 2Q15 ODCE Index. Annual Returns Gross of Fees.



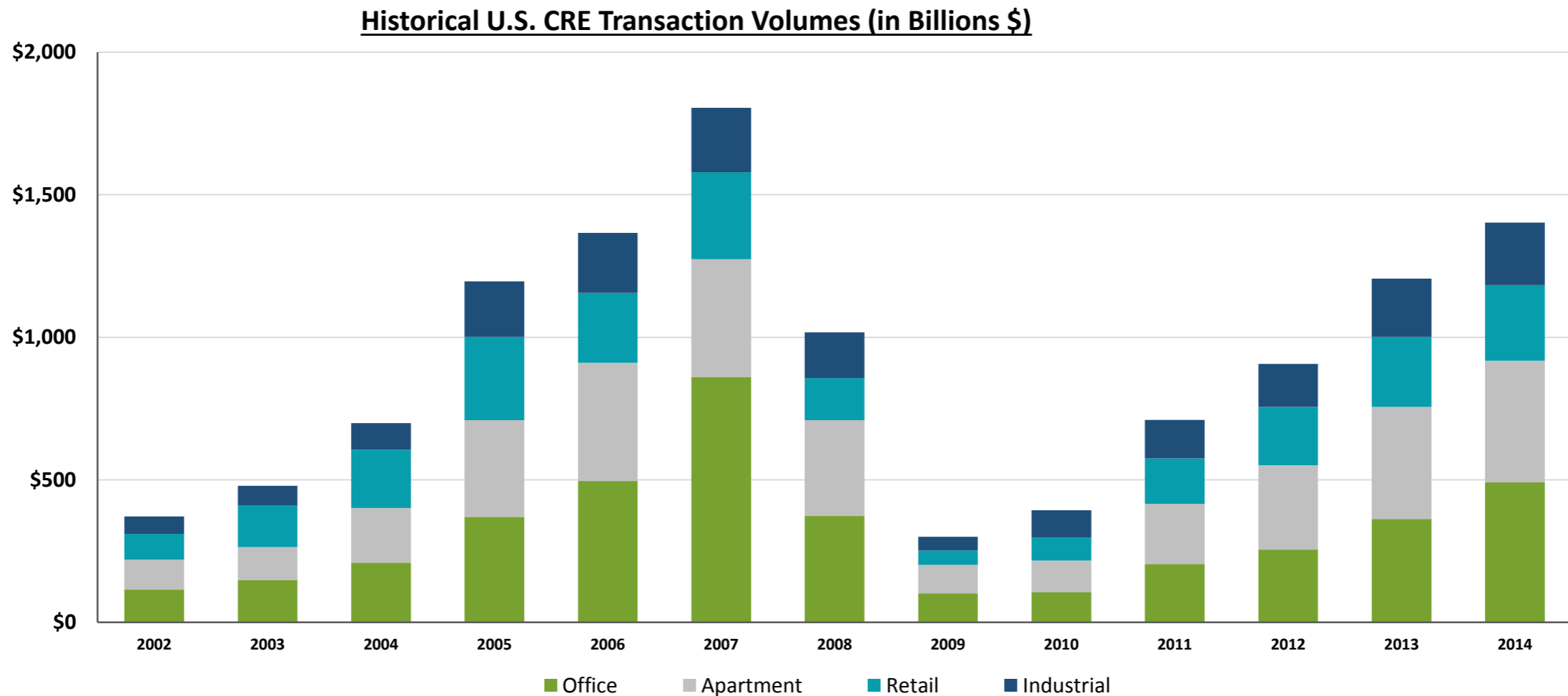
## Approach with caution:

- Real estate pricing/falling cap rates
- Low yields
- Cheap debt
- Debt maturities
- Unconstrained credit/relaxed underwriting
- Capital flows – foreign investors hungry for yield
- Construction starts
- Slow economic growth



# Where are we in the cycle?

- U.S. Real Estate Market is maturing and nearing the early stages of peak asset values.
- Total investment activity has returned to a level achieved in 2006.



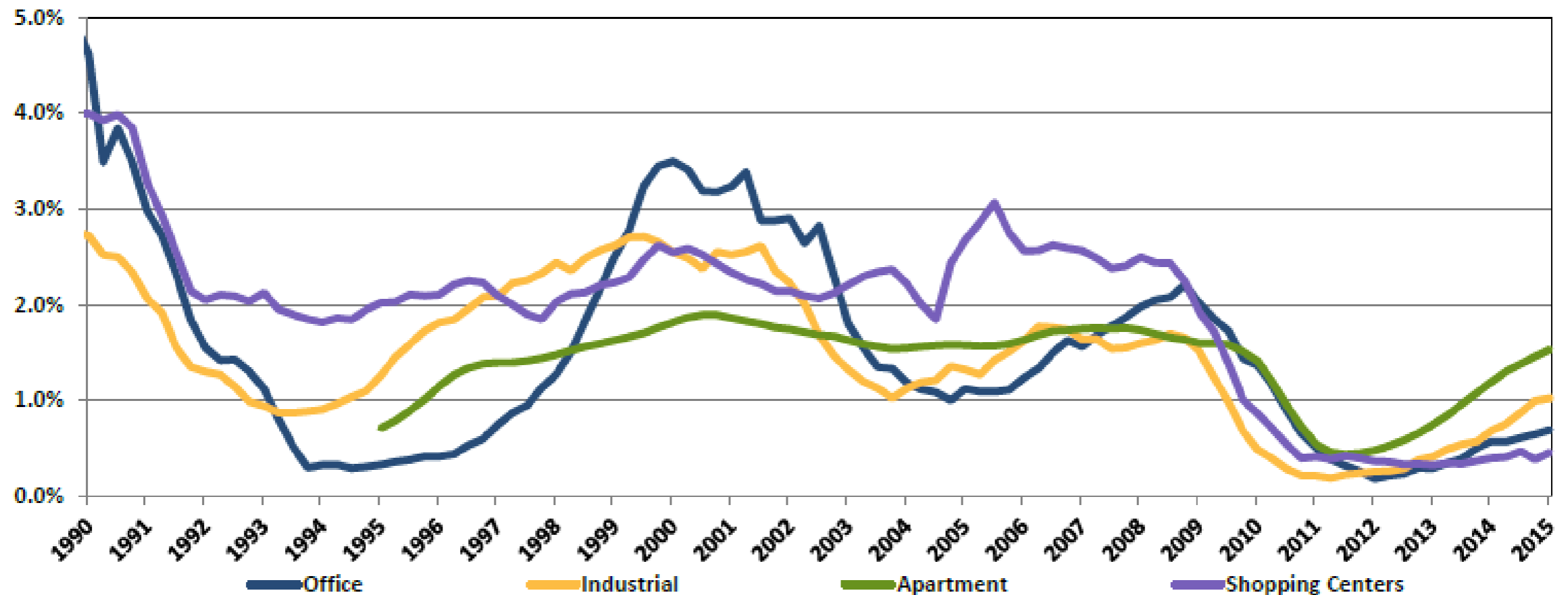
Source: Real Capital Analytics





# Supply and Demand

New Supply Remains Muted in Most Markets.

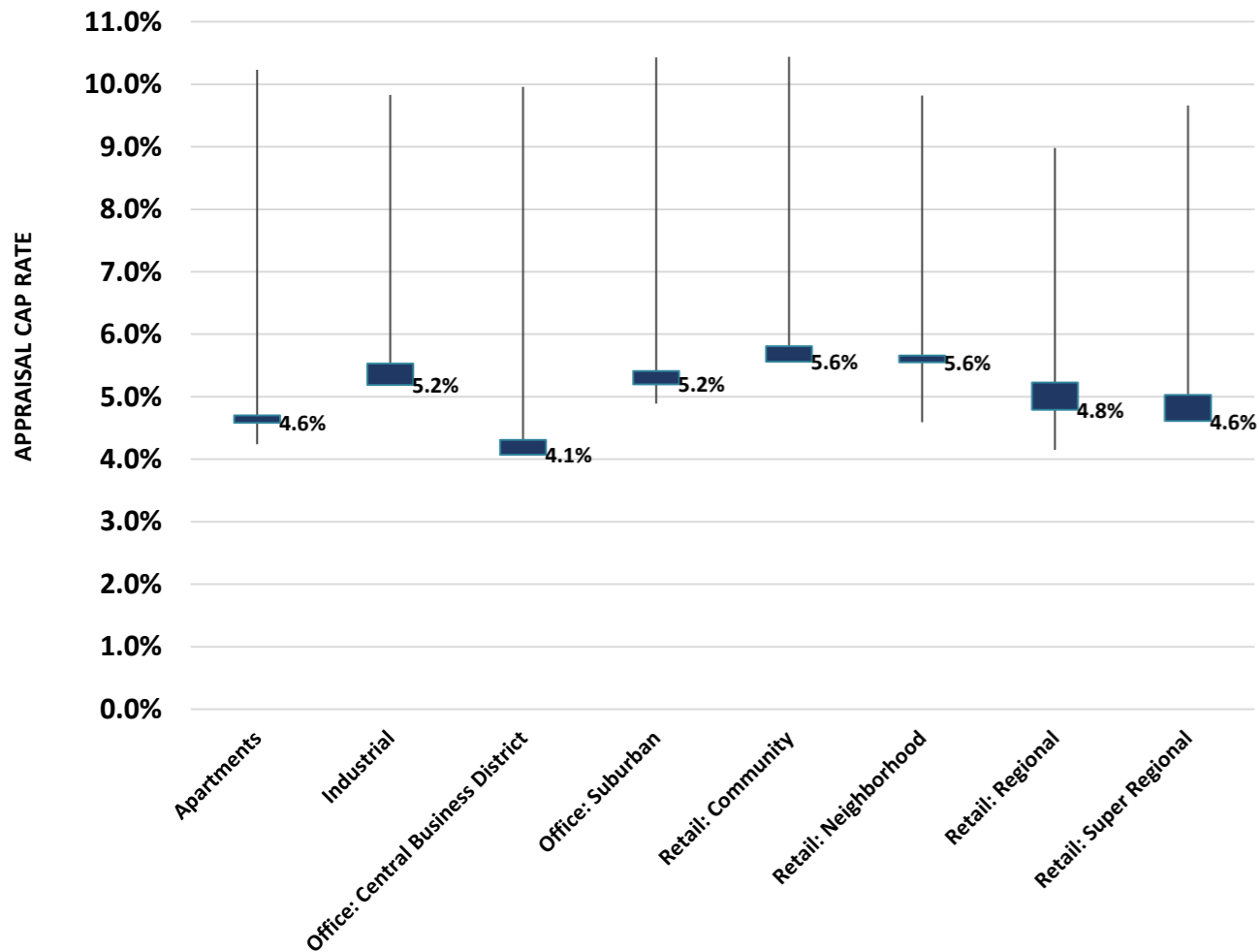


- Pre-crisis, growth in the U.S. property stock averaged 1.5%-2.0% per year (1999-2007).
- Apartment construction moving back above 1% of stock. All other major property types remain below 1.0%.

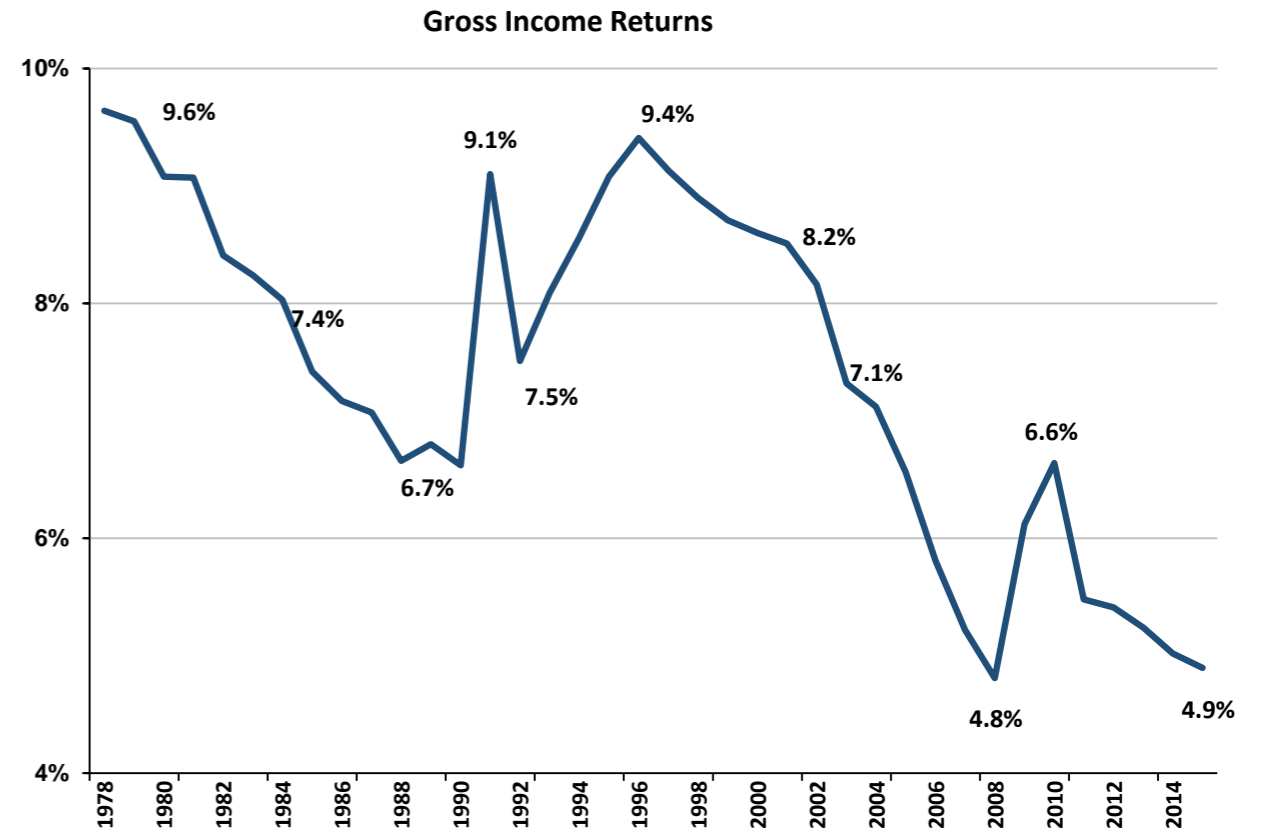
Source: CBRE-EA. 2015Q1 apartment and shopping center figures are projected.

# Property Yields Near All-Time Lows

- Near-term cap rate expansion will be limited by strong capital in-flows and the low yield environment around the globe.



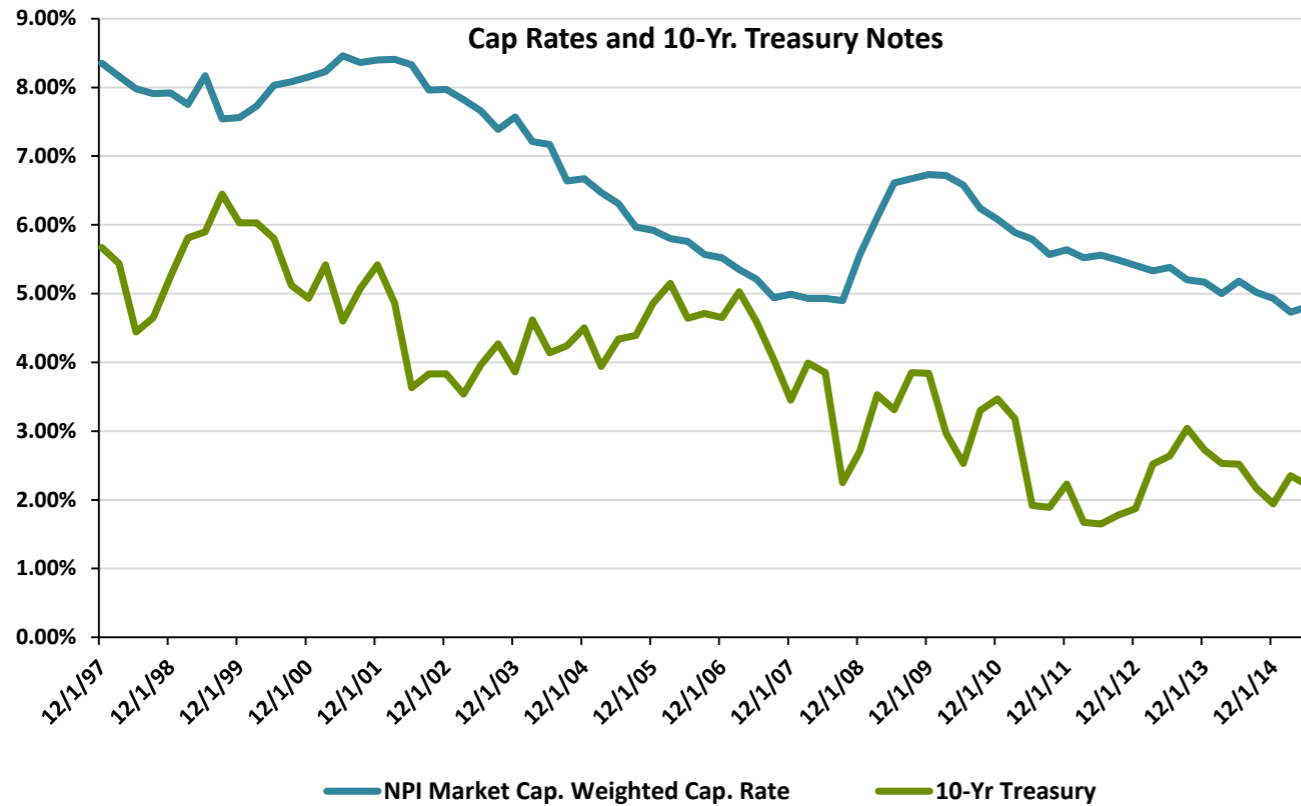
Source: NCREIF



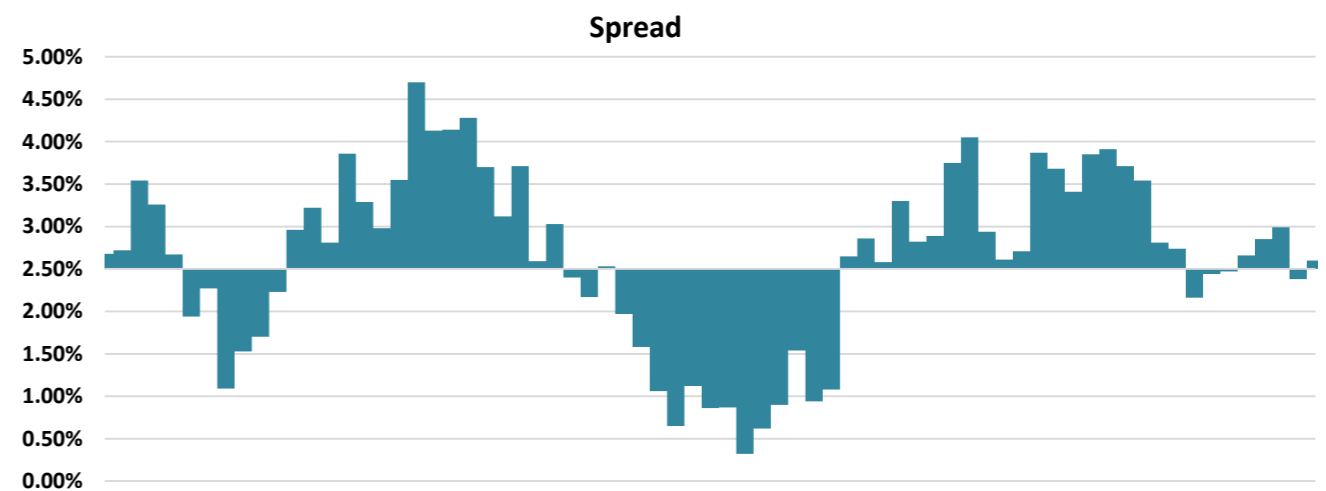
Source: NCREIF - ODCE



# Cap Rates and Interest Rates at Historic Lows



- Relationship between cap rates and interest rates are not consistent and linear.



Source: NCREIF NPI Detailed Report, St. Louis Federal Reserve Bank



# Historical Performance Metrics

## NCREIF Performance Returns from 1/1/78 through 6/30/2015

Property Type	1 Year			5 Years			10 Years			20 Years			Since Inception			Standard Deviation
	Total	Income	Appr.	Total	Income	Appr.	Total	Income	Appr.	Total	Income	Appr.	Total	Income	Appr.	
Apartments	11.6%	4.9%	6.5%	13.3%	5.3%	7.8%	7.8%	5.2%	5.5%	9.8%	6.5%	3.2%	10.6%	7.1%	3.3%	7.8%
Office	12.9%	5.0%	7.5%	11.7%	6.1%	6.5%	8.0%	5.8%	2.1%	9.7%	7.1%	2.4%	8.5%	7.4%	1.1%	9.9%
Industrial	14.8%	5.6%	8.8%	13.0%	6.1%	6.5%	7.8%	6.4%	1.4%	10.1%	7.3%	2.4%	9.6%	7.9%	1.6%	7.9%
Retail	13.6%	5.4%	7.9%	13.7%	6.1%	7.3%	9.1%	6.2%	2.8%	10.2%	7.3%	2.8%	9.8%	7.4%	2.3%	6.7%
<b>Index Data</b>																
Total NPI	13.0%	5.2%	7.5%	12.7%	5.8%	6.7%	8.2%	5.9%	2.2%	9.8%	7.1%	2.5%	9.3%	7.4%	1.2%	7.8%
ODCE-Net	13.4%	3.9%	9.1%	13.3%	4.4%	8.7%	5.9%	4.5%	1.3%	8.2%	5.9%	2.2%	7.6%	6.4%	1.2%	9.5%

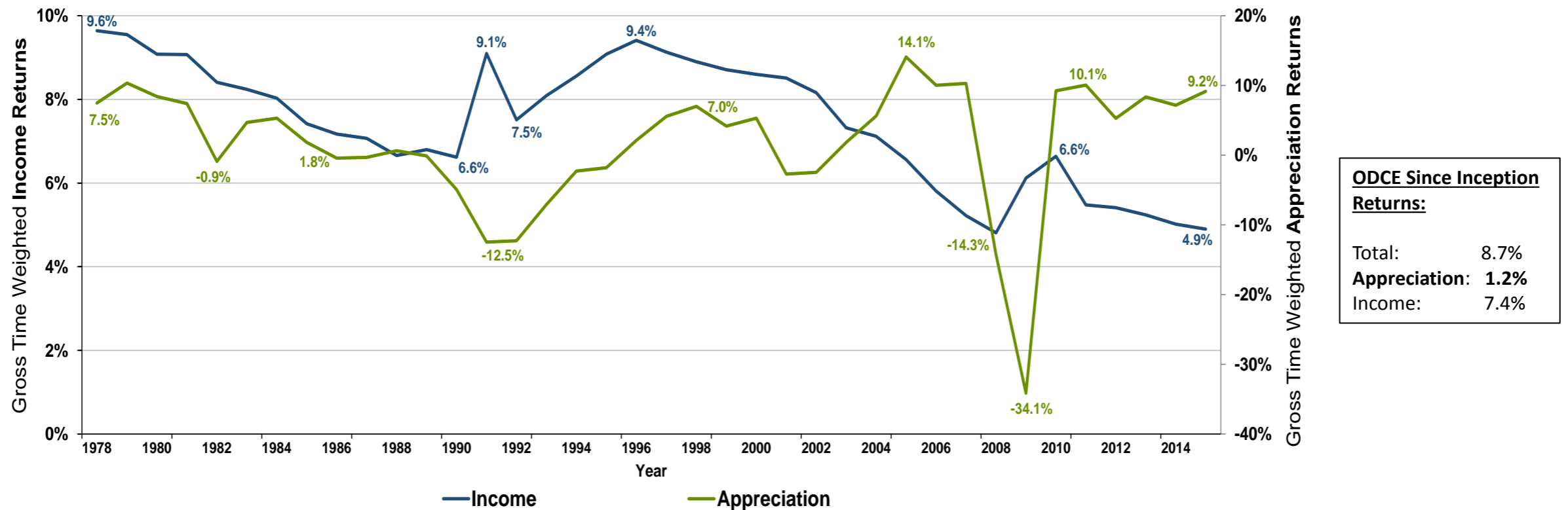


- Current one-year NCREIF-ODCE Net of Fees Income return is 250 basis points lower than the since inception Income return.
- Since inception Appreciation return for both the NPI and the ODCE Index is 1.2%.
- Income returns make up majority of total return.

Source: NCREIF



# Income vs. Appreciation



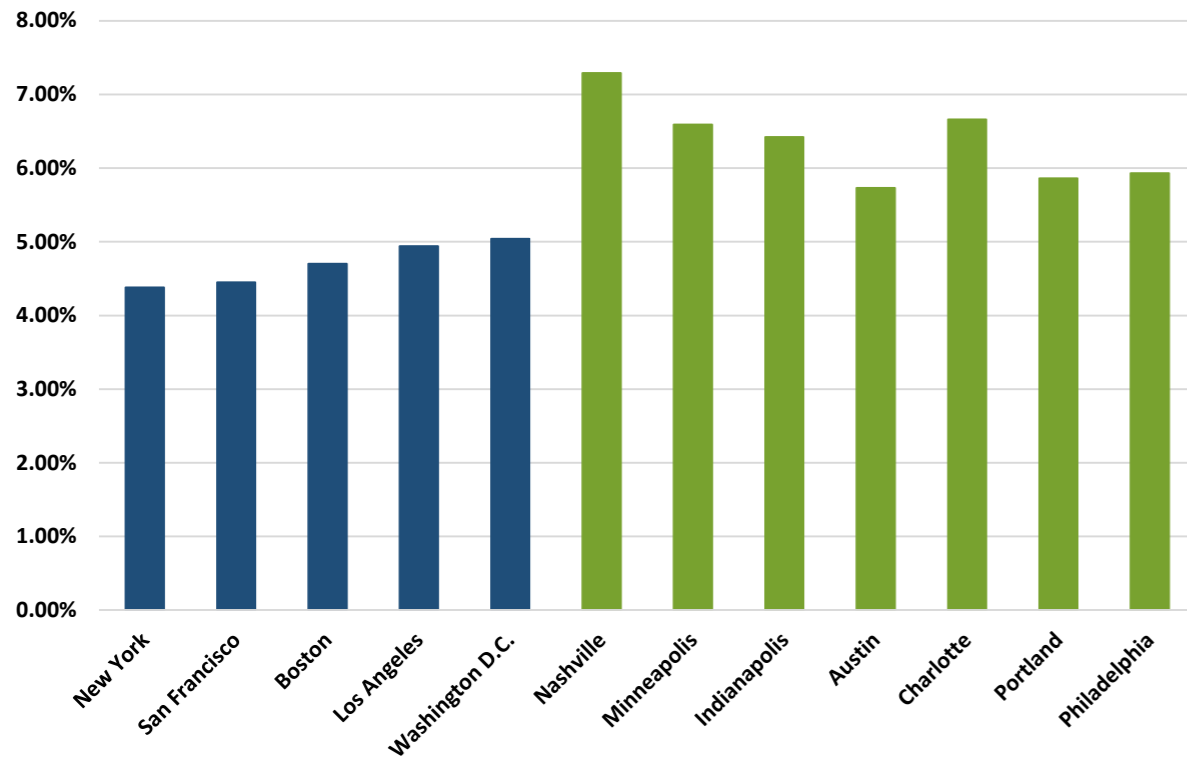
- Income returns are significantly below previous highs, a decline from 9.6% in 1978 to a low of 4.9% in 2015.
- Appreciation returns are high and have risen since the crisis.
- However, long term appreciation returns are very volatile; the long term (37.5 years) appreciation as reported by NCREIF ODCE is 1.2% suggesting that the current appreciation pace is unsustainable.

Source: NCREIF 2Q2015 ODCE Report. Annual Returns Gross of Fees. 2015 Data is one year income return ending 2Q 2015.

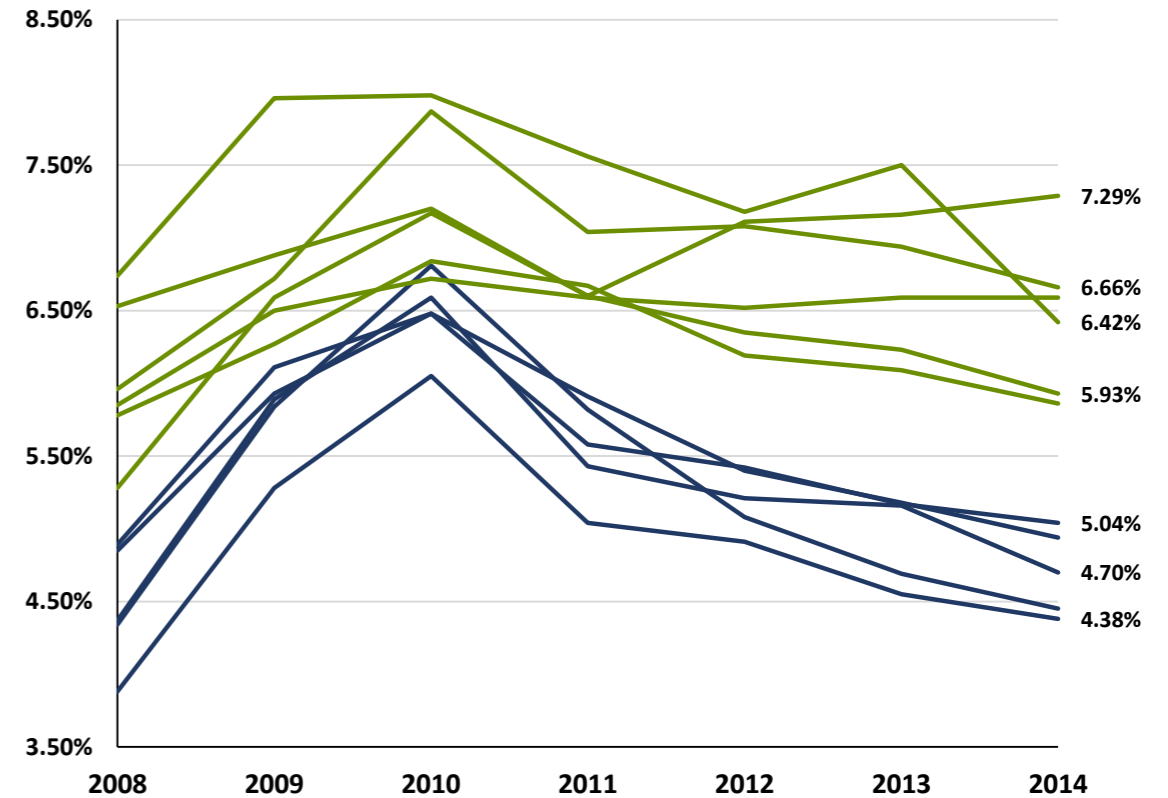


# So Income Returns are stable, but where do we look?

NPI Calendar Year 2014 Income Returns by MSA



NPI Income Returns by MSA Trends



- Income returns in “Gateway” Cities have diminished due to strong appreciation of price.
- Opportunity in other “secondary” markets for defensive income.

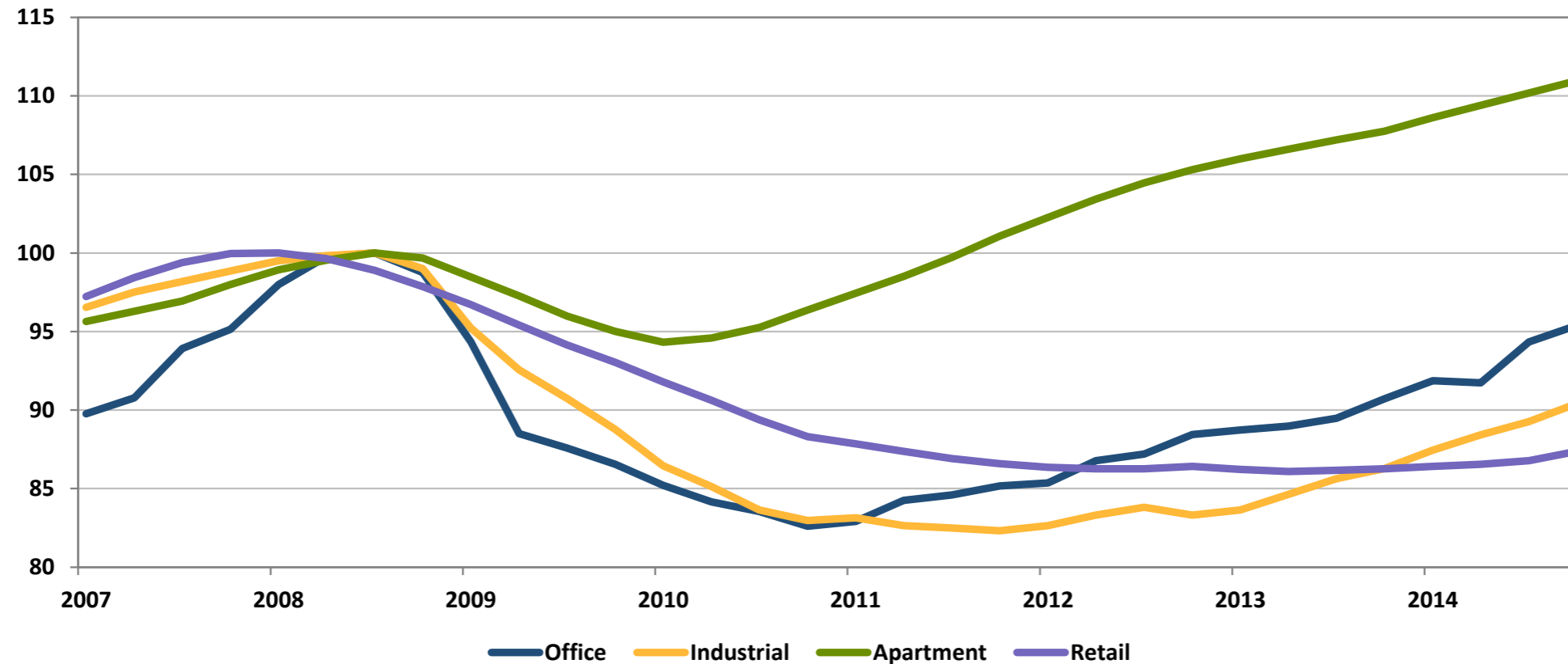
Source: NCREIF



# Rental Rate Recovery Underway

Rental Rates continue to recover in all sectors.

U.S. Average Rental Rate by Property Type (Index=100 at Prior Peak Level)



- Average apartment rents at all-time high.
- Average office rents nearly 10% below New Peak.
- Industrial and Retail rents still 15% below prior New Peak.

Source: CBRE-EA



# U.S. Real Estate Market Summary Statistics

2007 vs 2015

		2007	2015
Income Return		5.6%	5.2%
Appreciation Return		9.9%	7.5%
10 Year Treasury Rate		4.0%	2.4%
Cap Rates:	Overall	5.6%	5.4%
	Apartments	4.9%	5.0%
	Industrial	6.0%	5.6%
	Office	5.4%	5.3%
	Retail	5.2%	5.7%
Cap Rate Spread over Treasuries		160 bp	300 bp
Debt Originations		\$500+ Billion	Forecast \$350 Billion
CMBS% of New Originations		50%	25%
Occupancy:	Office	87%	86%
	Industrial	91%	90%
	Retail	92%	89%
	Apartments	94%	94%

- Current environment has some similarities to 2007, however supply and demand fundamentals are more attractive today.

Source: Morgan Stanley Research





# Appendix



# KRS Real Estate Portfolio Performance Returns – Pension Plan

Based on Market Value as of June 30, 2015

Investment	Vintage Year	Strategy	Commitment	Capital Contributions	Distributions	Net Asset Value	Net Multiple	Net IRR
DivcoWest Fund IV REIT, LLC	2013	Opportunistic	\$20,800,000	\$15,370,731	(\$2,605,974)	\$17,892,787	1.2x	25.9%
Greenfield Acquisition Partners VI, L.P.	2012	Value Added	38,120,000	36,569,127	(14,433,432)	38,890,057	1.4x	17.8%
Greenfield Acquisition Partners VII, L.P.	2013	Value Added	27,800,000	14,683,349	(7,102,978)	16,107,203	1.1x	12.9%
H/2 Core Debt Fund, LP	2014	Core	21,100,000	21,100,000	(771,901)	22,052,714	1.0x	4.9%
H/2 Credit Partners, L.P.	2011	Value Added	76,900,000	82,500,000	(5,600,000)	103,141,978	1.3x	7.7%
Harrison Street Core Property Fund, L.P.	2011	Core	92,540,000	92,540,000	(13,668,692)	105,246,246	1.3x	9.3%
Lubert-Adler VII, L.P.	2014	Opportunistic	34,750,000	8,687,500	(148,726)	7,947,628	0.9x	-15.0%
Mesa West Core Lending Fund, L.P.	2013	Core	57,500,000	57,073,256	(6,918,779)	58,027,601	1.1x	6.5%
Mesa West Real Estate Income Fund II, L.P.	2008	Value Added	36,000,000	30,035,381	(32,734,506)	8,975,163	1.4x	13.1%
PRIMA Mortgage Investment Trust	2008	Core	45,000,000	45,000,000	(18,116,298)	54,121,870	1.5x	9.7%
Prologis Targeted US Fund, L.P.	2013	Core	51,000,000	51,000,000	(636,933)	53,478,393	1.1x	17.5%
Rubenstein Properties II, L.P.	2013	Value Added	20,800,000	5,504,326	(7,168,131)	5,268,408	1.2x	23.3%
Stockbridge Smart Markets Fund, L.P.	2013	Core	69,000,000	69,000,000	(3,070,474)	74,468,790	1.1x	14.5%
Walton Street Fund VI, L.P.	2008	Opportunistic	36,000,000	28,728,424	(20,970,849)	26,267,729	1.5x	10.7%
Walton Street Fund VII, L.P.	2012	Opportunistic	38,120,000	27,998,758	(1,510,094)	33,978,506	1.2x	24.5%
			\$665,430,000	\$585,790,852	(\$135,457,767)	\$625,865,073		



# KRS Real Estate Portfolio Performance Returns – Insurance Fund

Based on Market Value as of June 30, 2015

Investment	Vintage Year	Strategy	Commitment	Capital Contributions	Distributions	Net Asset Value	Net Multiple	Net IRR
DivcoWest Fund IV REIT, LLC	2013	Opportunistic	\$9,200,000	\$6,798,594	(\$1,152,643)	\$7,914,115	1.8x	25.9%
Greenfield Acquisition Partners VI, L.P.	2012	Value Added	16,755,000	16,073,340	(6,343,970)	17,093,468	1.4x	17.8%
Greenfield Acquisition Partners VII, L.P.	2013	Value Added	12,200,000	6,443,772	(3,117,136)	7,068,627	1.1x	12.9%
H/2 Core Debt Fund, LP	2014	Core	8,900,000	8,900,000	(325,589)	9,301,856	1.0x	4.9%
H/2 Credit Partners, L.P.	2011	Value Added	22,800,000	22,800,000	0	29,352,237	1.3x	7.6%
Harrison Street Core Property Fund, L.P.	2011	Core	31,010,000	31,010,000	(4,583,087)	38,316,951	1.2x	10.0%
Lubert-Adler VII, L.P.	2014	Opportnistic	15,250,000	3,812,500	(65,269)	3,487,808	0.9x	nm
Mesa West Core Lending Fund, L.P.	2013	Core	25,500,000	25,310,748	(3,231,637)	28,413,581	1.1x	6.5%
Mesa West Real Estate Income Fund II, L.P.	2008	Value Added	4,000,000	3,337,265	(3,637,169)	997,236	1.4x	13.1%
PRIMA Mortgage Investment Trust	2008	Core	21,500,000	21,500,000	(16,612,012)	22,871,844	1.2x	7.2%
Prologis Targeted US Fund, L.P.	2013	Core	19,000,000	19,000,000	(238,507)	20,029,012	1.1x	17.5%
Rubenstein Properties II, L.P.	2013	Value Added	9,200,000	2,434,606	(3,170,520)	2,330,257	1.2x	23.3%
Stockbridge Smart Markets Fund, L.P.	2013	Core	26,000,000	26,000,000	(1,176,852)	29,282,667	1.1x	14.5%
Walton Street Fund VI, L.P.	2008	Opportnistic	4,000,000	3,192,047	(2,329,966)	2,918,636	1.5x	10.7%
Walton Street Fund VII, L.P.	2012	Opportnistic	16,755,000	12,306,380	(663,736)	14,934,677	1.2x	24.5%
			\$242,070,000	\$208,919,252	(\$46,648,093)	\$234,312,972	nm-not meaningful	



# KRS Real Estate Portfolio Performance Returns – Combined – Net of Fees

Based on Market Value as of June 30, 2015

Portfolio Investments	Market Value	Manager Projected IRR	Current Value IRR	Manager Projected Equity Multiple	Current Value Equity Multiple	Time Weighted Returns - Net of Fees				
						Qtr.	1 Year	3 Years	5 Years	Since Incept.
<b>Core Funds</b>										
Harrison St. Core Prop.	\$143,563,197	*	8.8%	*	1.2x	3.6%	10.2%	9.52		9.5%
H/2 Core Debt	31,354,570	*	4.9%		1.0x	1.0%	5.1%			5.5%
Mesa West Core Lending	86,441,182	*	5.3%	*	1.1x	1.9%	7.3%			6.9%
PRIMA Mortg. Inv. Trust	76,993,714	*	9.2%	*	1.4x	0.2%	4.9%	5.0%	6.6%	10.0%
Prologis Targeted US #	73,507,405	*	17.5%		1.1x	3.8%				7.0%
Stockbridge Smart Mkts.	103,751,458	*	13.7%		1.1x	3.8%	16.3%			16.3%
<b>Total Core</b>	<b>\$515,611,526</b>	*	<b>8.9%</b>	*	<b>1.2x</b>	<b>2.7%</b>	<b>9.5%</b>	<b>8.1%</b>	<b>8.4%</b>	<b>11.7%</b>
<b>Value Added Funds</b>										
Greenfield Partners VI	55,983,525	16.4%	18.9%	1.6x	1.4x	6.9%	15.3%			18.3%
Greenfield Partners VII	23,175,830	14.8%	12.9%	1.8x	1.1x	7.2%				9.9%
H/2 Credit Partners	132,494,215	*	7.7%	*	1.3x	1.0%	5.5%	6.8%		6.4%
Mesa West II	9,972,399	13.3%	13.1%	1.4x	1.4x	-20.9%	-20.8%	1.5%	7.2%	10.2%
Rubenstein II	7,598,665	14.0%	22.3%	1.7x	1.2x	0.9%	9.6%			19.7%
<b>Total Value Added</b>	<b>\$229,224,634</b>		<b>10.7%</b>		<b>1.3x</b>	<b>1.9%</b>	<b>6.9%</b>	<b>10.5%</b>	<b>11.2%</b>	<b>14.2%</b>
<b>Opportunistic Funds</b>										
DivcoWest IV	25,806,902	13.4%	25.9%	1.8x	1.2x	8.4%	30.4%			23.5%
Lubert-Adler VII	11,435,436	18.0%	-15.0%	1.7x	0.9x	-0.9%				5.2%
Walton Street VI	29,186,365	11.0%	10.6%	2.0x	1.5x	3.3%	11.0%	13.7%	23.6%	-45.0%
Walton Street VII	48,913,183	17.0%	24.5%	1.8x	1.2x	7.9%	23.4%			26.0%
<b>Total Opportunistic</b>	<b>\$115,341,886</b>		<b>12.8%</b>		<b>1.3x</b>	<b>5.8%</b>	<b>17.9%</b>	<b>16.6%</b>	<b>25.5%</b>	<b>-44.3%</b>
<b>Total Portfolio</b>	<b>\$860,178,046</b>		<b>10.1%</b>		<b>1.2x</b>	<b>2.9%</b>	<b>9.6%</b>	<b>10.3%</b>	<b>12.3%</b>	<b>11.3%</b>
NCREIF ODCE Index - Net of Fees						3.6%	13.4%	12.1%	13.3%	9.7%

Note: \* - Open ended fund does not provide IRR or Equity Multiple data.

nm - Not Meaningful

\*\*Walton Street Fund VI - The negative Since Inception return relates to a 2009 significant write down of several major assets including the West Coast Industrial Portfolio which was totally written off at that time.



# Divco West Fund IV REIT, LLC

## 2015 Manager Summary

### Portfolio Snapshot

### KRS Investment

### Allocation / Account Balance 9-30-2015

Fund Inception Date: June 2013  
 Expected Termination Date: June 2021  
 Structure: Ltd. Partnership  
 Sector Classification: Opportunistic  
 Number of Investments: 17  
 Loan to Value/Max LTV: 55.5%/65.0%  
 Liquidity Term: Closed End Fund (8 yr. term)  
 Fees: Commitment period-0.75% on Commitments plus 1.5% on funded commitments. Thereafter-1.5% on funded commitments. 20% promote over 6% Preferred Return

Investment Committee  
 Approval Date: April 2013  
 Initial Mandate: \$30,000,000

**Pension Plan**  
 Allocation: \$20,800,000  
 Account Balance: \$18,105,880  
 Remaining to be called: \$5,216,176

**Insurance Fund**  
 Allocation: \$9,200,000  
 Account Balance: \$8,008,368  
 Remaining to be called: \$2,307,154

### Strategy Summary

Divco West Fund IV REIT, LLC will focus on acquiring, redeveloping or developing primary office and research and development properties serving technology markets, as well as other property types, primarily throughout the United States. The strategy employs leverage.

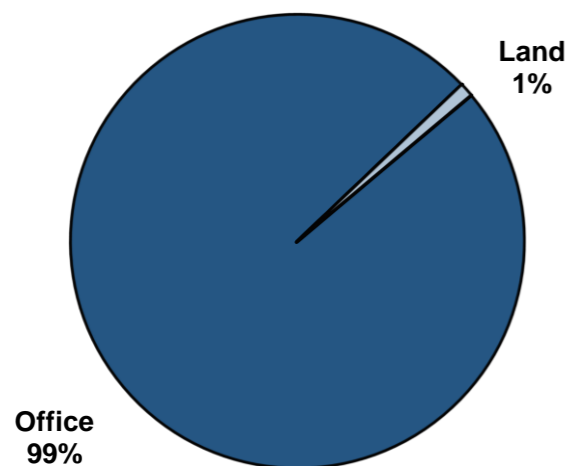
### Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.3	9.4	10.7	8.4	3.6
1 Year	5.5	32.1	38.9	30.4	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	5.7	26.7	33.5	23.5	12.9

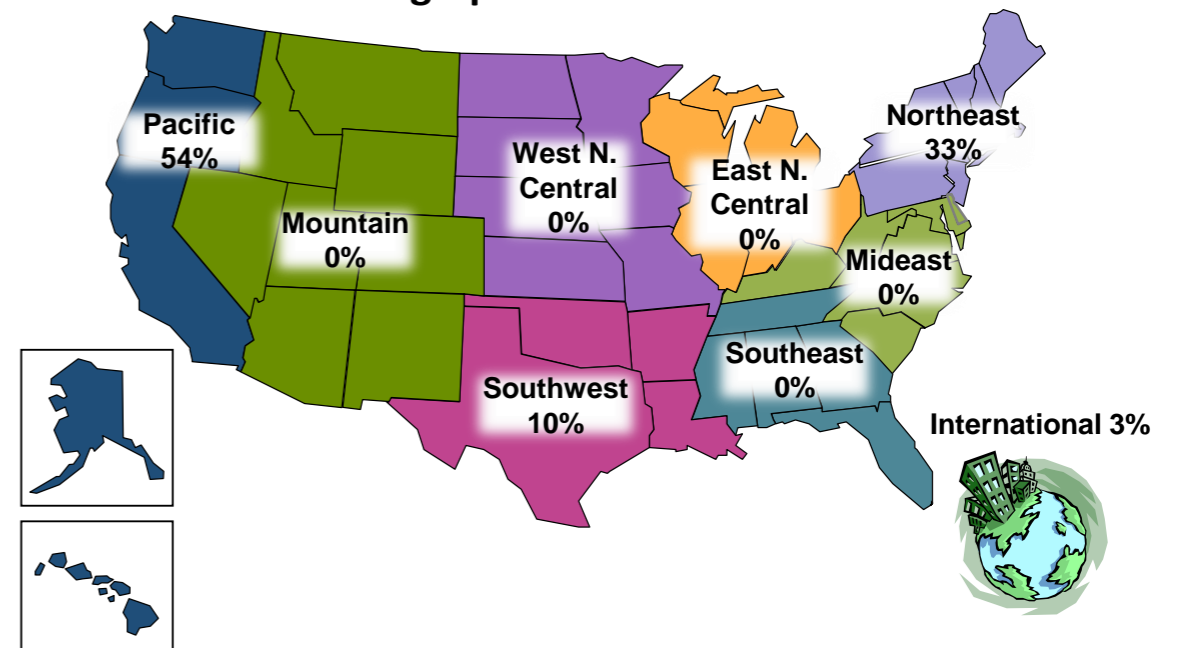
NFI-ODCE-Open End Diversified Core Equity Index

### Exposures Summary

#### Property Type Diversification



#### Geographic Diversification



# Greenfield Acquisition Partners VI, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date: Feb. 2011  
 Expected Termination Date: Feb. 2019  
 Structure: Ltd. Partnership  
 Sector Classification: Value Add  
 Number of Investments: 24  
 Loan to Value/Max LTV: 59.0%/75.0%  
 Liquidity Term: Closed End Fund (8 yr. term)  
 Fees: Commitment period-1% on Commitments and 0.5% on average capital. Thereafter: 1.5% on average capital. 9% preferred / 20% promote (IRRs 8-12%) 50% promote (IRR > 12%)

Investment Committee  
 Approval Date: December 2012  
 Initial Mandate: \$54,875,000

**Pension Plan**  
 Allocation: \$38,120,000  
 Account Balance: \$30,371,602  
 Remaining to be called: \$1,550,873

**Insurance Fund**  
 Allocation: \$16,755,000  
 Account Balance: \$13,349,325  
 Remaining to be called: \$681,660

## Strategy Summary

Greenfield Acquisition Partners VI, L.P. makes investments in real estate, including multifamily, office, hotel, resort and recreational properties, retail, industrial and undeveloped land located primarily in the United States. The investments may include equity investments, a combination of equity and debt investments or participating or mezzanine debt investments. The strategy employs leverage.

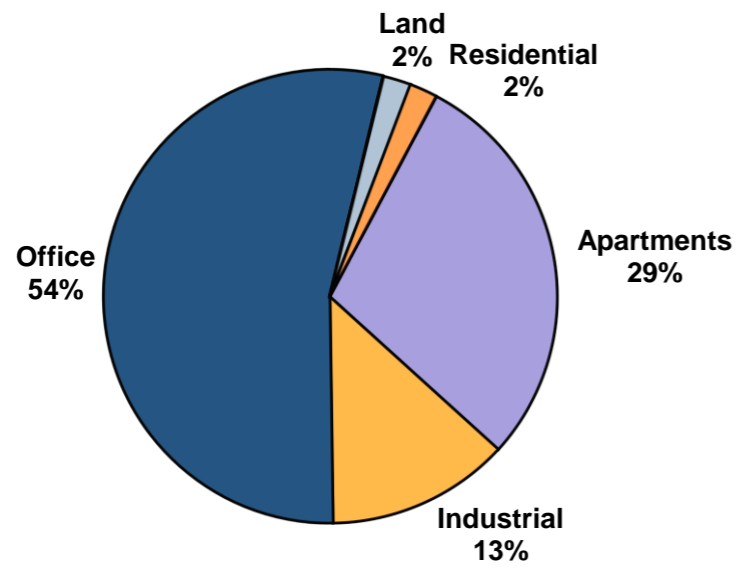
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.4	7.3	8.7	6.9	3.6
1 Year	3.4	15.7	19.4	15.3	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	3.3	21.2	25.0	18.3	12.6

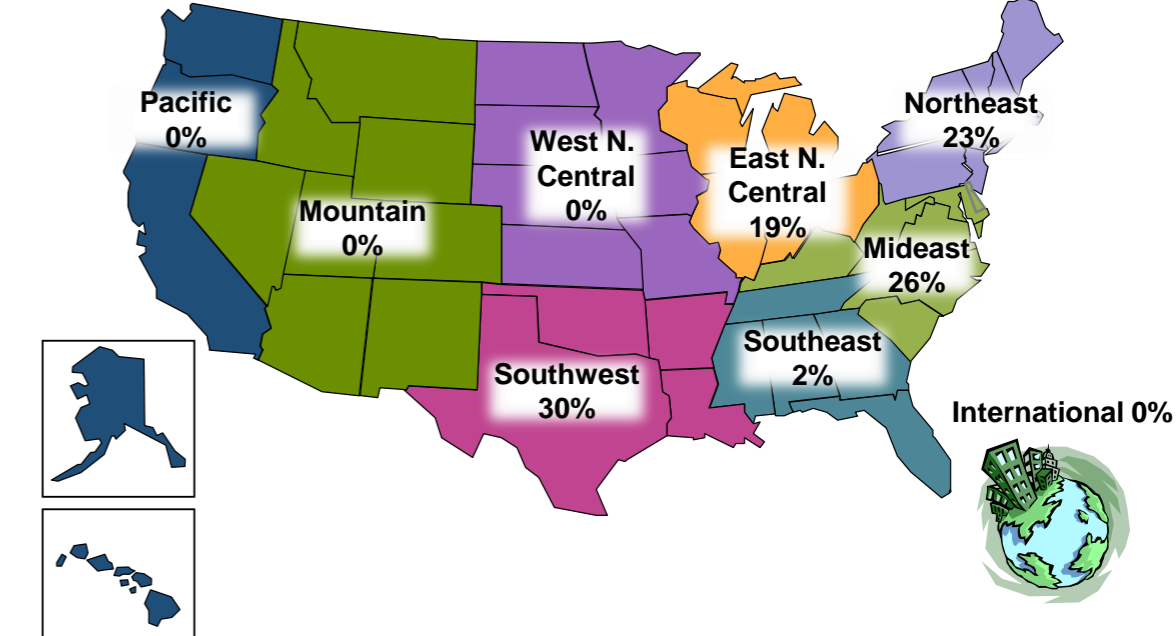
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

**Property Type Diversification**



**Geographic Diversification**



# Greenfield Acquisition Partners VII, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date: Sept. 2013  
 Expected Termination Date: Sept. 2022  
 Structure: Ltd. Partnership  
 Sector Classification: Value Add  
 Number of Investments: 26  
 Loan to Value/Max LTV: 69.0%/75.0%  
 Liquidity Term: Closed End Fund (8 yr. term)  
 Fees: Commitment period-1.5% on Commitments  
 Thereafter: 1.5% on invested capital.  
 9% preferred / 50% promote to GP until he receives  
 20% of IRR >6%, 20% promote (IRR > 9%)

Investment Committee  
 Approval Date: July 2014  
 Initial Mandate: \$40,000,000

**Pension Plan**  
 Allocation: \$27,800,000  
 Account Balance: \$16,107,203  
 Remaining to be called: \$13,116,651

**Insurance Fund**  
 Allocation: \$12,200,000  
 Account Balance: \$7,068,627  
 Remaining to be called: \$5,756,228

## Strategy Summary

Greenfield Acquisition Partners VII, L.P. makes investments in real estate, including multifamily, office, hotel, resort and recreational properties, retail, industrial and undeveloped land located primarily in the United States. The investments may include equity investments, a combination of equity and debt investments or participating or mezzanine debt investments. The strategy employs leverage.

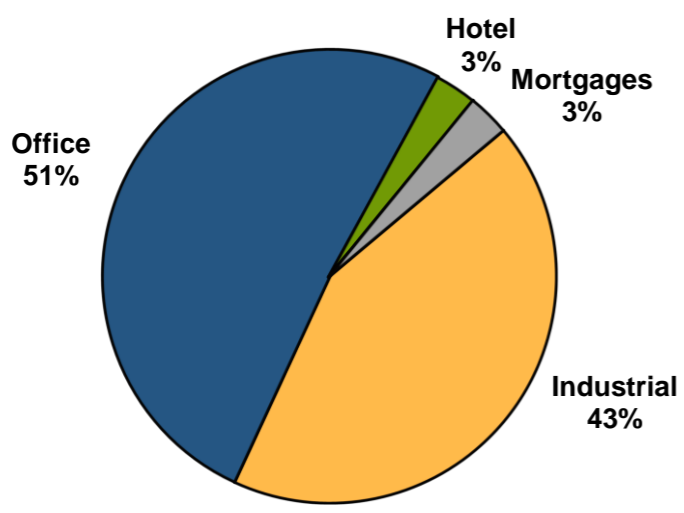
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.5	6.4	7.9	7.2	3.6
1 Year	n/a	n/a	n/a	n/a	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	4.9	9.2	14.4	9.9	10.1

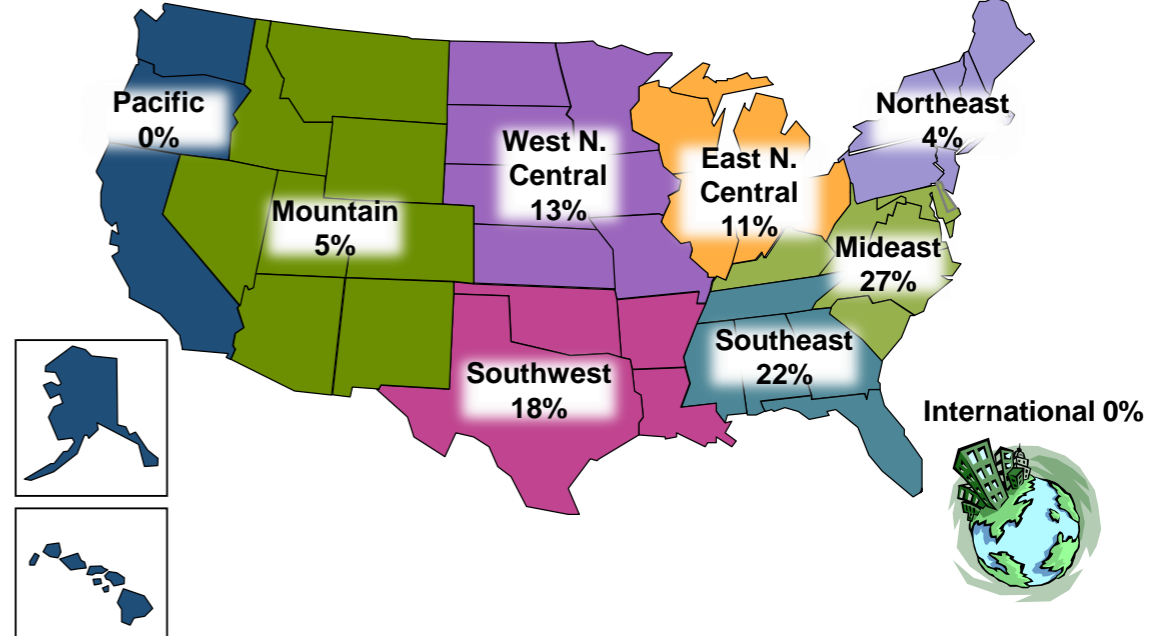
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

**Property Type Diversification**



**Geographic Diversification**



# Harrison Street Core Property Fund, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date: Nov. 2011  
 Expected Termination Date: Open Ended  
 Structure: Ltd. Partnership  
 Sector Classification: Core  
 Number of Investments: 78  
 Loan to Value/Max LTV:: 29.0%/40.0%  
 Liquidity Term: Pension: Quarterly  
 Insurance: Quarterly reinvestments  
 Fees: 0.75% on Invested Capital

Investment Committee  
 Approval Date: November 3, 2011  
 Initial Mandate: \$100,000,000  
 Pension Plan \$80,140,000  
 Insurance Fund \$21,710,000\*  
 \*Plus dividend reinvestments.  
 Additional Subscription:  
 Pension Plan \$12,400,000  
 Insurance Fund \$9,300,000\*

**Pension Plan**  
 Allocation: \$92,540,000  
 Account Balance: \$105,246,246  
 Remaining to be called: \$0  
**Insurance Fund**  
 Allocation: \$31,010,000  
 Account Balance: \$38,877,812  
 Remaining to be called: \$0

## Strategy Summary

Harrison Street Core Property is a core, open-end commingled fund that invests in stabilized real estate properties. Investments include student housing, senior housing, medical office, storage and life science buildings. Harrison Street feels these real estate sectors are 'demand driven' and that there are not natural real estate alternatives to these sectors and that the US demographics these trends. The strategy employs leverage.

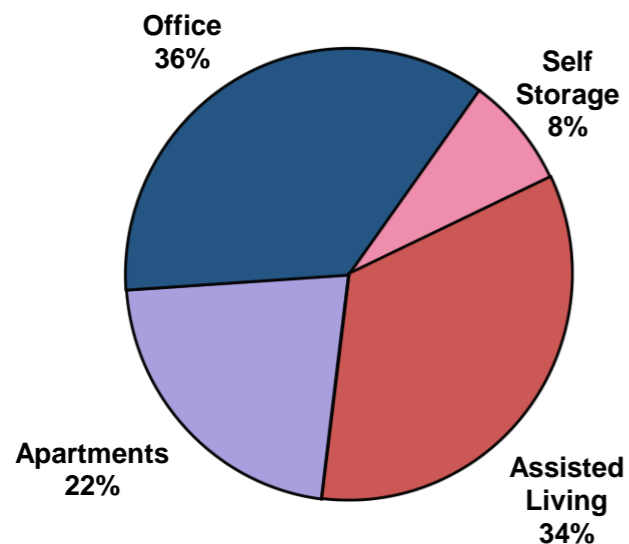
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.5	2.2	3.8	3.6	3.6
1 Year	6.5	4.3	11.1	10.2	13.4
3 Years	6.1	4.2	10.4	9.5	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	6.1	4.2	10.4	9.5	12.1

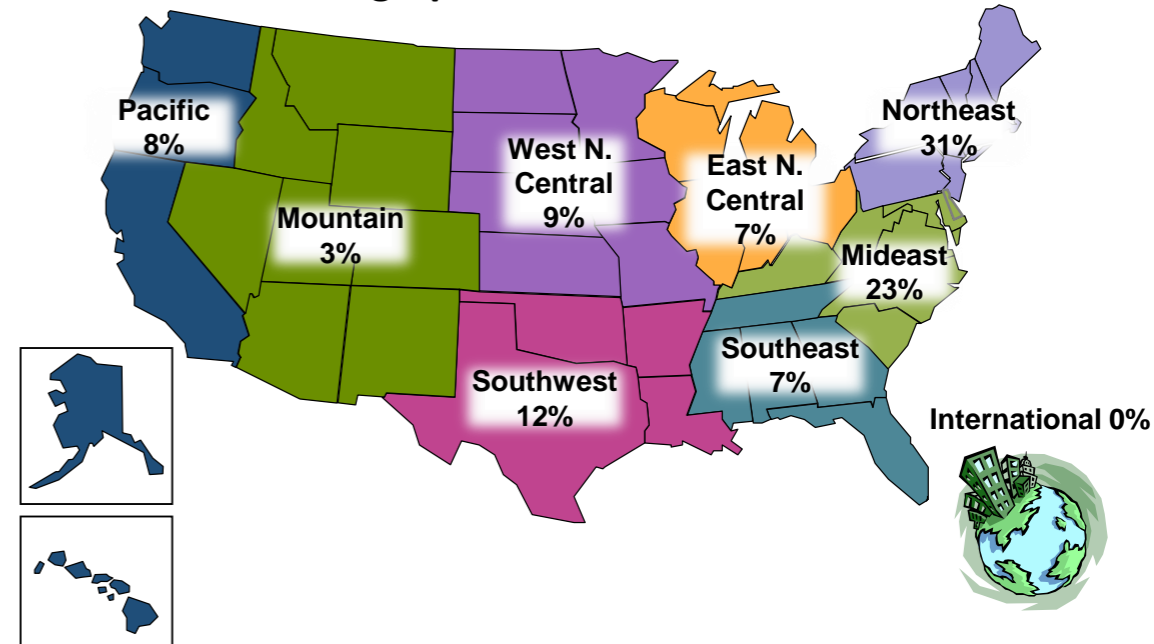
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

### Property Type Diversification



### Geographic Diversification





# H/2 Core Debt Fund, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date: 2011  
 Expected Termination Date: Open Ended  
 Structure: Ltd. Partnership  
 Sector Classification: Core  
 Number of Investments: 20  
 Loan to Value/Max LTV: 57.0%/60.0%  
 Liquidity Term: 2 yr. lock up/Annually  
 Fees: 0.75% Annual Mgt. Fees  
 10% over High Water Mark

Investment Committee  
 Approval Date: August 2013  
 Initial Mandate: \$30,000,000  
 Plus dividend reinvestments.

**Pension Plan**  
 Allocation: \$21,100,000  
 Account Balance: \$22,052,714  
 Remaining to be called: \$0

**Insurance Fund**  
 Allocation: \$8,900,000  
 Account Balance: \$9,301,856  
 Remaining to be called: \$0

## Strategy Summary

H/2 Core Debt Fund provides investors with access to senior Commercial Real Estate debt origination and acquisition opportunities collateralized by high-quality core properties concentrated in U.S. markets. The strategy employs leverage.

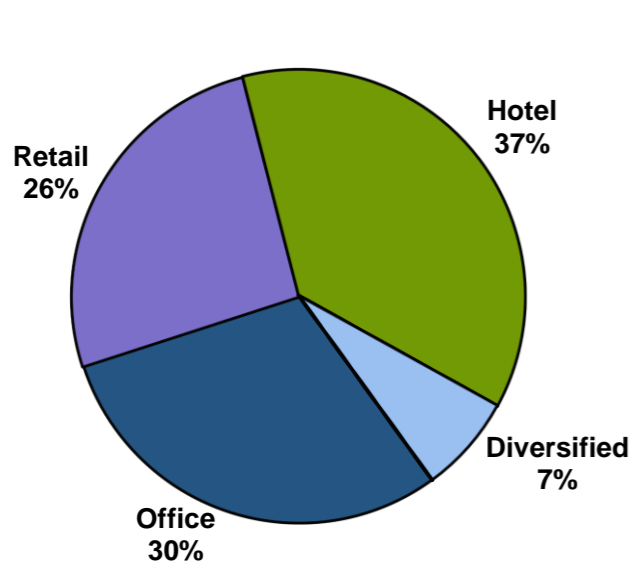
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.2	0.0	1.2	1.0	3.6
1 Year	4.3	1.8	6.1	5.1	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	3.8	2.8	6.7	5.5	12.4

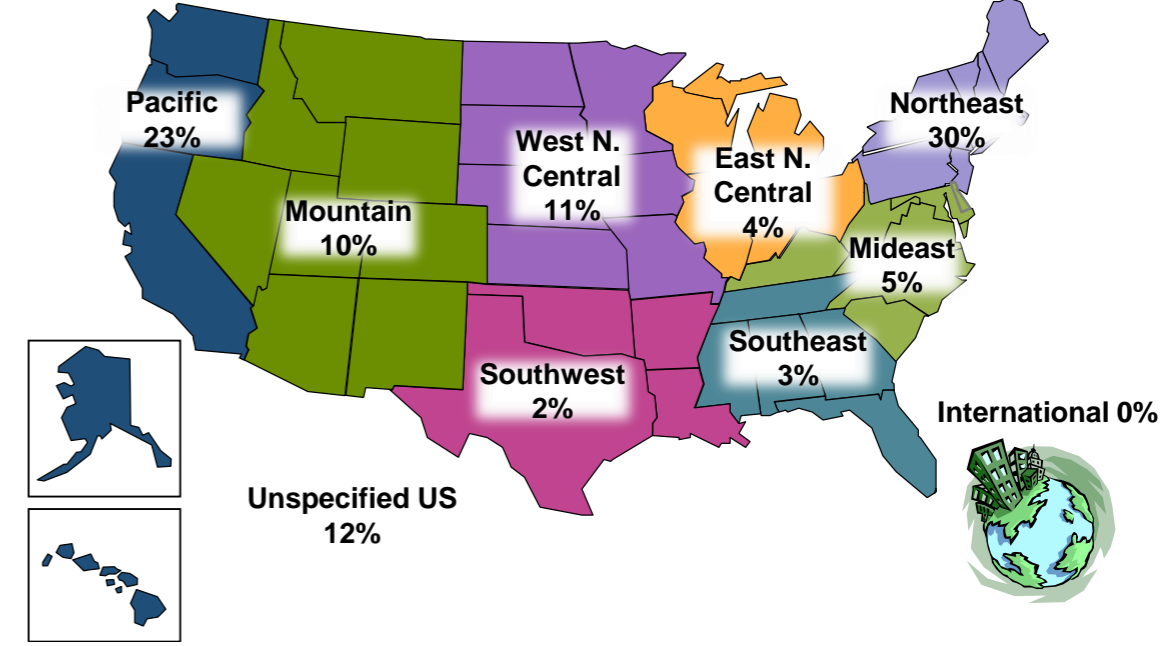
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

Property Type Diversification



Geographic Diversification



# H/2 Credit Partners, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date:	2004
Expected Termination Date:	Open Ended
Structure:	Ltd. Partnership
Sector Classification:	Value Add
Number of Investments:	53
Loan to Value/Max LTV:	58.0%/60.0%
Liquidity Term:	Annually
Fees:	1.0% Annual Mgt. Fees 10% over High Water Mark

Investment Committee	
Approval Date:	February 2, 2011
Initial Mandate:	\$100,000,000
Plus dividend reinvestments.	
Additional Subscription:	
Insurance Fund	\$5,300,000
Withdrawal:	(\$5,600,000)
Pension Fund	

<b>Pension Plan</b>	
Allocation:	\$76,900,000
Account Balance:	\$103,141,978
Remaining to be called:	\$0
<b>Insurance Fund</b>	
Allocation:	\$22,800,000
Account Balance:	\$29,352,237
Remaining to be called:	\$0

## Strategy Summary

H/2 Credit Partners applies in-depth fundamental research on real estate properties to identify mispriced low-risk parts of commercial real estate capital structures that can be accessed through the fixed income universe (CMBS, CRE corporate bonds, loans, convertible securities, etc.) The strategy employs leverage.

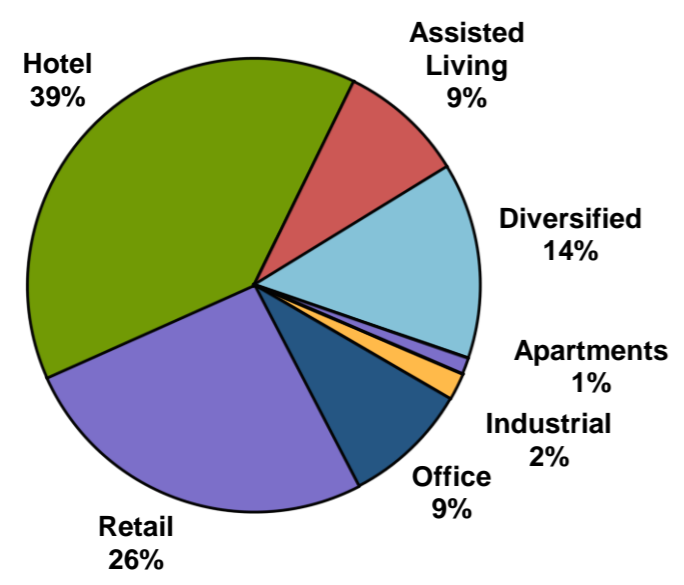
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.9	-0.6	1.4	1.0	3.6
1 Year	7.2	-0.1	7.2	5.5	13.4
3 Years	6.9	1.7	8.7	6.8	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	6.9	1.3	8.3	6.4	11.9

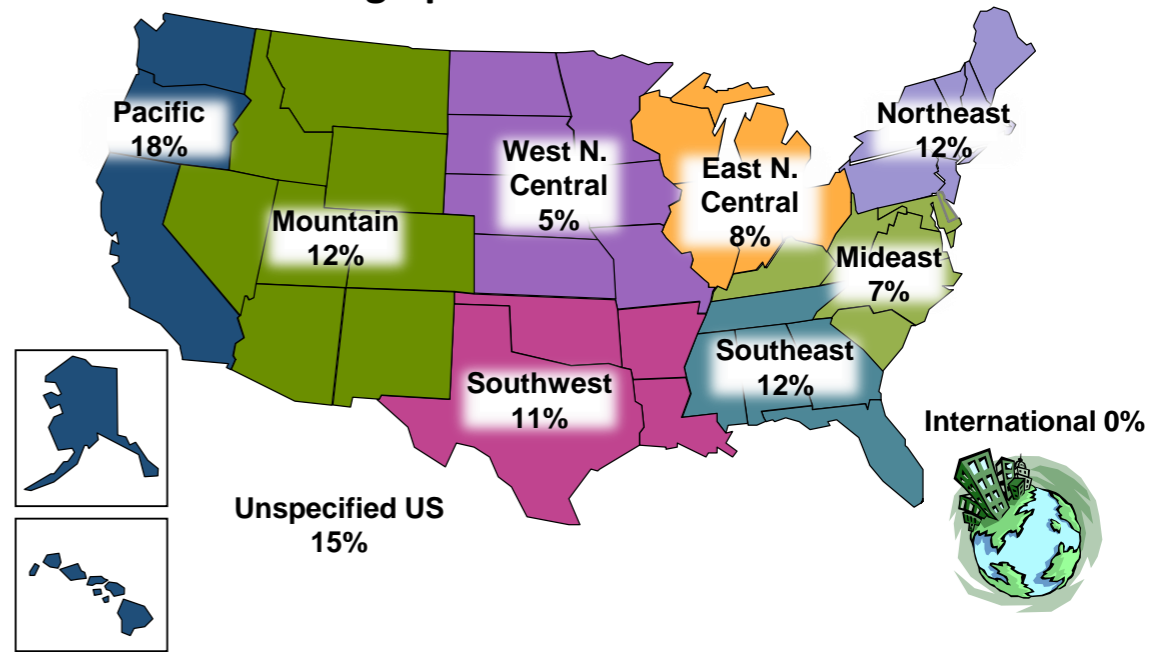
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

### Property Type Diversification



### Geographic Diversification



# Lubert-Adler Real Estate Fund VII, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date: Oct. 2013  
 Expected Termination Date: Oct. 2023  
 Structure: Ltd. Partnership  
 Sector Classification: Value Added  
 Number of Investments: 17  
 Loan to Value/Max LTV: 68.1%/40.0%  
 Liquidity Term: Closed End Fund (10 yr. term)  
 Fees: Commitment period: 1.5% on Commitments.  
 Thereafter: 1.5% on invested capital.  
 20% promote over 9% Preferred Return

Investment Committee  
 Approval Date: March, 2014  
 Initial Mandate: \$40,000,000  
 Additional Subscription:  
 Pension Plan \$6,950,000  
 Insurance Fund \$3,050,000

**Pension Plan**  
 Allocation: \$34,750,000  
 Account Balance: \$9,663,409  
 Remaining to be called: \$24,325,000  
**Insurance Fund**  
 Allocation: \$15,250,000  
 Account Balance: \$4,240,777  
 Remaining to be called: \$10,675,000

## Strategy Summary

Lubert-Adler Real Estate Fund VII will seek to acquire assets at significant discount to replacement cost. The Fund will target bankruptcy/restructuring, rental assets, transitional assets and portfolios of large pools of assets controlled by banks, retailers and the FDIC. The strategy employs leverage.

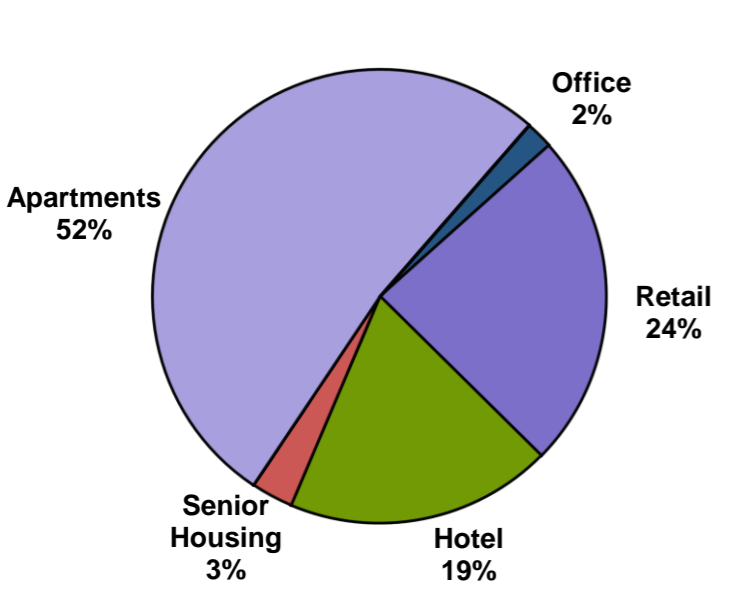
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	0.0	0.4	0.4	-0.9	3.6
1 Year	n/a	n/a	n/a	n/a	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	6.0	6.9	13.0	5.2	10.1

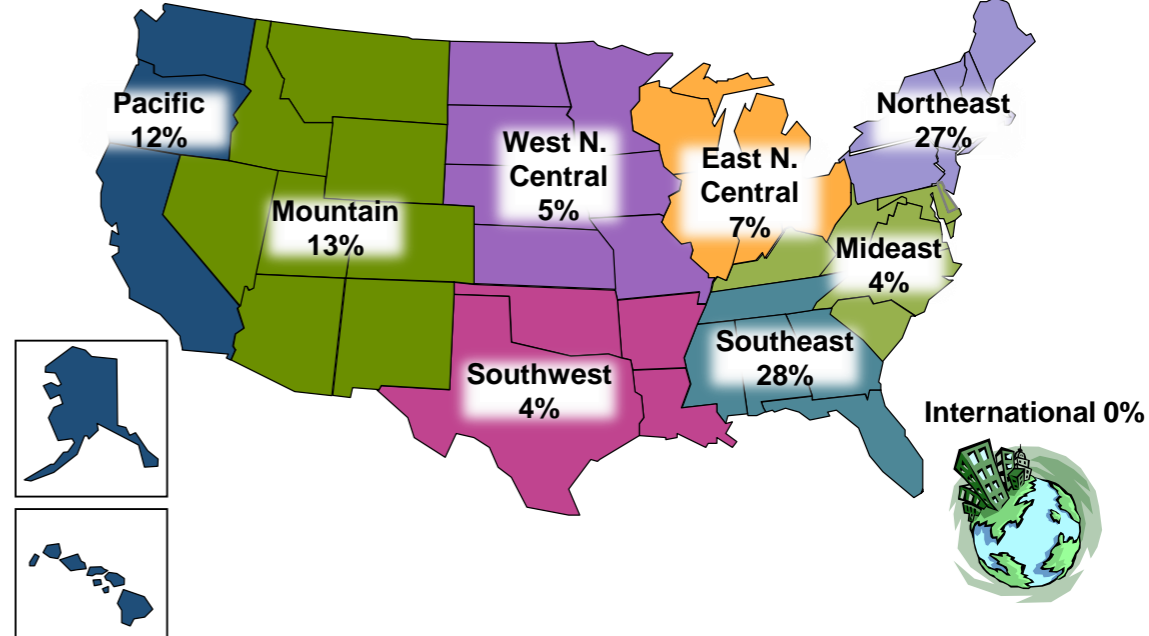
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

**Property Type Diversification**



**Geographic Diversification**



# Mesa West Core Lending Fund, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date: May 2013  
 Expected Termination Date: Open Ended  
 Structure: Ltd. Partnership  
 Sector Classification: Core  
 Number of Investments: 12  
 Loan to Value/Max LTV: 53.3%/35.0%  
 Liquidity Term: Quarterly Reinvestments  
 Fees: 1.0% on Invested Equity

Investment Committee  
 Approval Date: December 2012  
 Initial Mandate: \$83,000,000  
 Plus dividend reinvestments for the Insurance Fund.

**Pension Plan**  
 Allocation: \$57,500,000  
 Account Balance: \$57,371,192  
 Remaining to be called: \$0

**Insurance Fund**  
 Allocation: \$25,500,000  
 Account Balance: \$29,133,206  
 Remaining to be called: \$0

## Strategy Summary

Mesa West Core Lending Fund will originate first mortgage commercial and multi-family real estate mortgages within the United States. The strategy employs leverage.

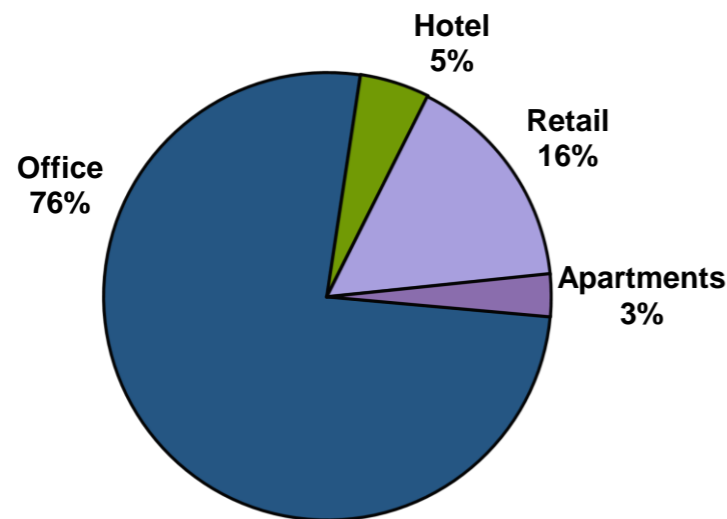
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	2.1	0.0	2.1	1.9	3.6
1 Year	7.9	0.2	8.1	7.3	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	7.4	0.3	7.7	6.9	12.6

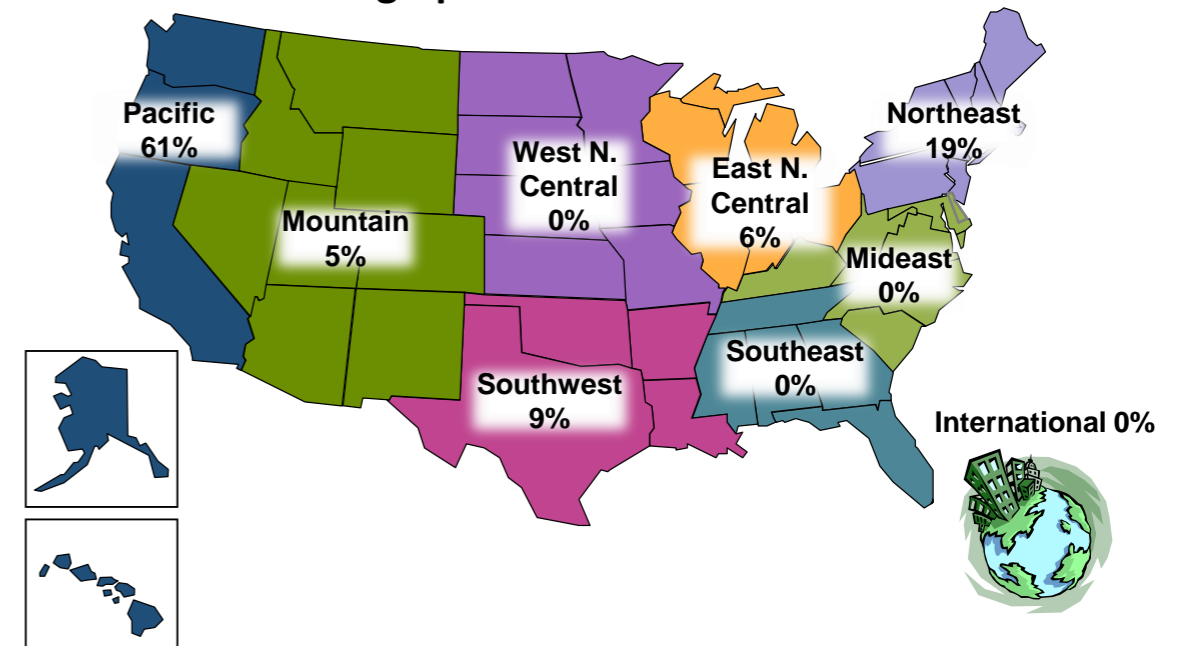
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

**Property Type Diversification**



**Geographic Diversification**



2015 Manager Summary

**Portfolio Snapshot**

**KRS Investment**

**Allocation / Account Balance 9-30-2015**

Fund Inception Date: May 2008  
 Expected Termination Date: Dec. 2017  
 Structure: Ltd. Partnership  
 Sector Classification: Value Add  
 Number of Investments: 8  
 Loan to Value/Max LTV: 62.0%/60.0%  
 Liquidity Term: Closed End Fund (8 yr. term)  
 Fees: 1.5% on Commitments  
 8% preferred / 20% promote (IRR 8-12%)  
 50% promote (IRR > 12%)

Investment Committee  
 Approval Date: November 5, 2008  
 Initial Mandate: \$40,000,000

**Pension Plan**  
 Allocation: \$36,000,000  
 Account Balance: \$2,983,250  
 Remaining to be called: \$0

**Insurance Fund**  
 Allocation: \$4,000,000  
 Account Balance: \$331,468  
 Remaining to be called: \$0

**Strategy Summary**

Mesa West Real Estate Income Fund II seeks to originate and service first mortgage floating-rate loans on middle market, value-added, and transitional commercial real estate assets throughout the United States. The strategy employs leverage.

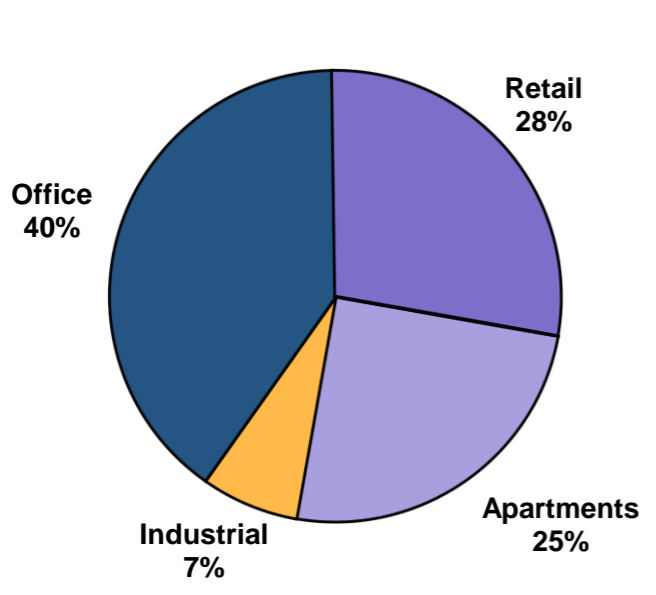
**Investment Performance Returns**

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.9	-22.7	-20.8	-20.9	3.6
1 Year	9.2	-27.6	-20.3	-20.8	13.4
3 Years	13.2	-9.8	2.4	1.5	12.1
5 Years	15.7	-5.2	9.8	7.2	13.3
Since Incept.	11.4	2.0	14.9	10.2	13.5

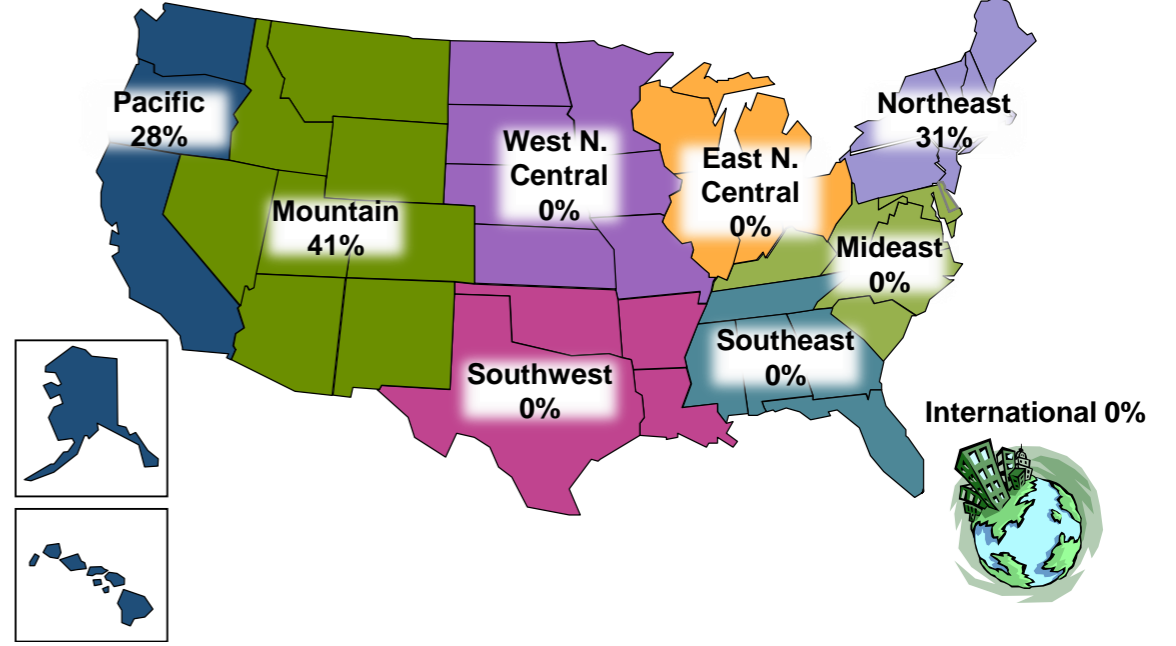
NFI-ODCE-Open End Diversified Core Equity Index

**Exposures Summary**

**Property Type Diversification**



**Geographic Diversification**



# Prima Mortgage Investment Trust 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date:	Oct. 2003
Expected Termination Date:	Open Ended
Structure:	Trust
Sector Classification:	Core
Number of Investments:	82
Loan to Value/Max LTV:	0%/0%
Liquidity Term:	Monthly
Fees:	0.4% Management Fee 0.75% Loan Origination Fees

Investment Committee Approval Date:	December 3, 2008
Initial Mandate:	\$40,000,000
Additional Subscription:	
Pension Plan	\$12,000,000
Insurance Fund	\$30,000,000
Redemption:	
Pension Plan	(\$3,000,000)
Insurance Fund	(\$12,500,000)

<b>Pension Plan</b>	
Allocation:	\$45,000,000
Account Balance:	\$53,752,506
Remaining to be called:	\$0
<b>Insurance Fund</b>	
Allocation:	\$21,500,000
Account Balance:	\$22,715,751
Remaining to be called:	\$0

## Strategy Summary

Prima employs a strategy to invest in and originate high quality fixed-rate first mortgages collateralized by office, retail, apartments or industrial properties; the investment opportunity set also includes investment grade REIT bonds and high quality B/Mezzanine notes in special circumstances.

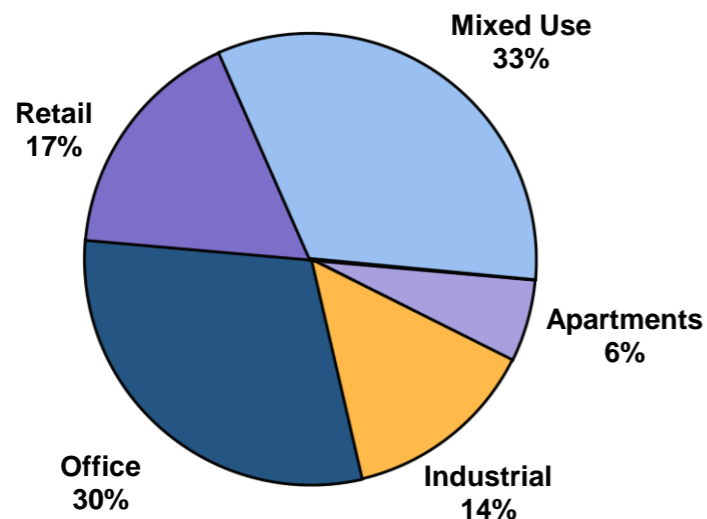
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.5	-1.3	0.3	0.2	3.6
1 Year	5.3	-0.2	5.2	4.9	13.4
3 Years	5.4	-0.1	5.3	5.0	12.1
5 Years	6.2	0.6	6.9	6.6	13.3
Since Incept.	7.3	3.0	10.4	10.0	9.7

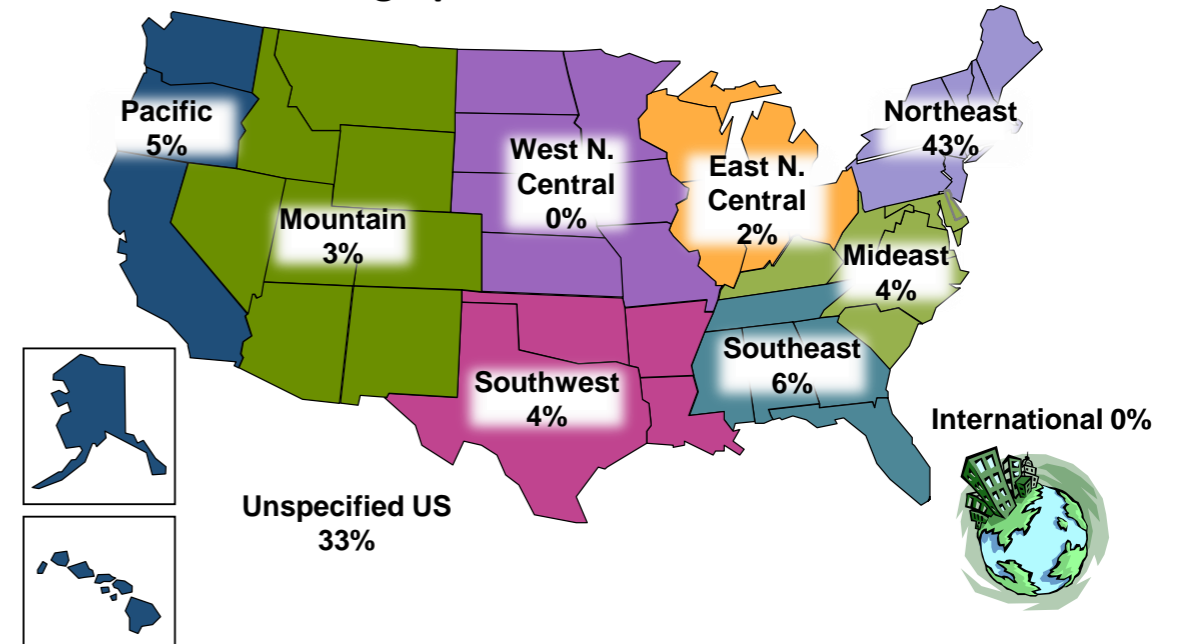
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

### Property Type Diversification



### Geographic Diversification



# Prologis Targeted U.S. Logistics Fund 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

**Fund Inception Date:** Oct. 2004  
**Expected Termination Date:** Open Ended  
**Structure:** Ltd. Partnership  
**Sector Classification:** Core  
**Number of Investments:** 170  
**Loan to Value/Max LTV:** 29.6%/65.0%  
**Liquidity Term:** Quarterly  
**Fees:** 7.5% Management Fee based on Net Operating Income. 0.9% Acquisition fees for third party acquisitions. Preferred return 3 year periods: 15% promote (9% IRRs); 20% promote (IRR > 12%).

**Investment Committee**  
**Approval Date:** October 2013  
**Initial Mandate:** \$70,000,000

**Pension Plan**  
**Allocation:** \$51,000,000  
**Account Balance:** \$52,947,577  
**Remaining to be called:** \$0

**Insurance Fund**  
**Allocation:** \$19,000,000  
**Account Balance:** \$19,965,868  
**Remaining to be called:** \$0

## Strategy Summary

Prologis Targeted U.S. Logistics Fund invests in industrial properties throughout the United States. The strategy employs leverage.

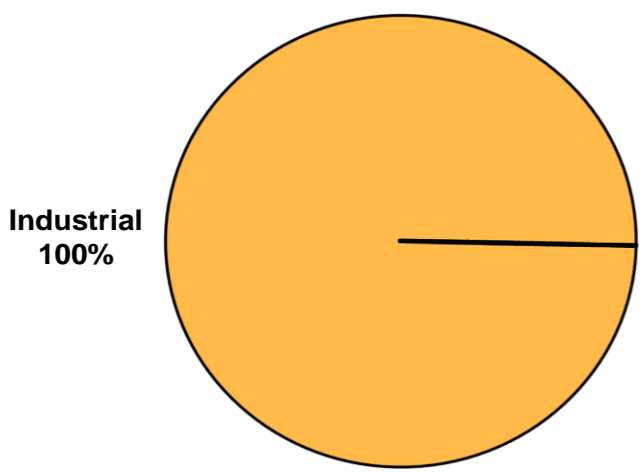
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.4	3.0	4.4	3.8	3.6
1 Year	n/a	n/a	n/a	n/a	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	2.8	5.0	7.9	7.0	6.8

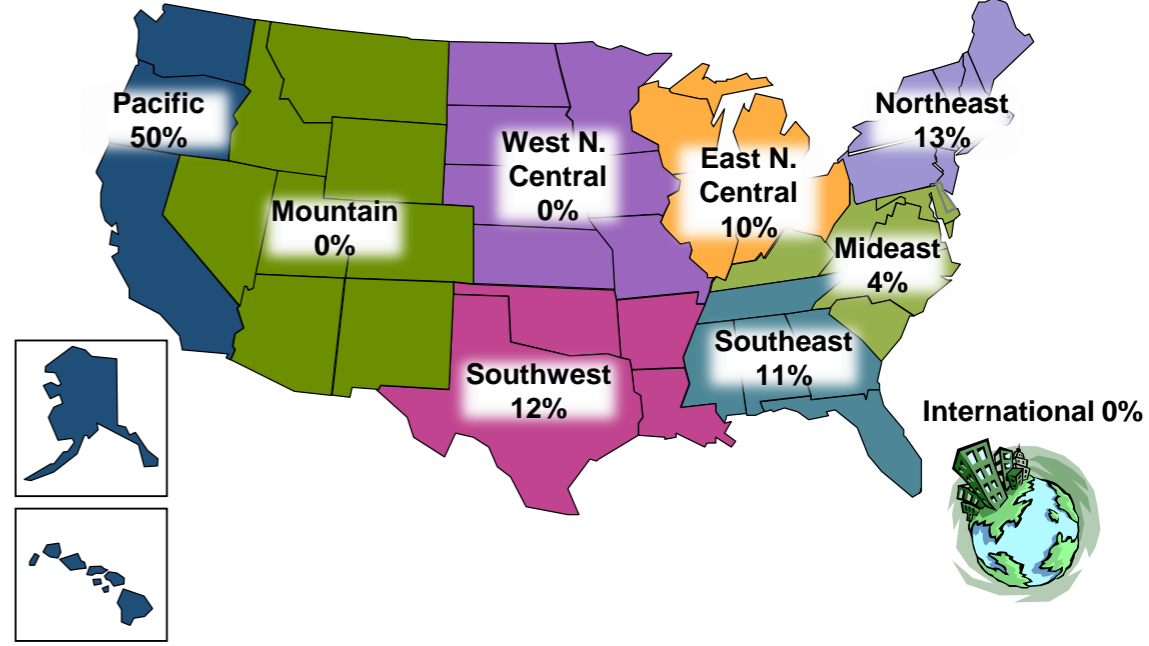
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

**Property Type Diversification**



**Geographic Diversification**



# Rubenstein Properties II, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date: May 2012  
 Expected Termination Date: May 2023  
 Structure: Ltd. Partnership  
 Sector Classification: Value Added  
 Number of Investments: 9  
 Loan to Value/Max LTV: 59.7%/70.0%  
 Liquidity Term: Closed End Fund (10 yr. term)  
 Fees: Commitment period-1.5% on Commitments. Thereafter: 1.5% on invested capital. 20% promote over 9% Preferred Return. Also construction and property management fees.

Investment Committee  
 Approval Date: July 2013  
 Initial Mandate: \$30,000,000

**Pension Plan**  
 Allocation: \$20,800,000  
 Account Balance: \$8,398,505  
 Remaining to be called: \$12,165,577

**Insurance Fund**  
 Allocation: \$9,200,000  
 Account Balance: \$3,714,723  
 Remaining to be called: \$5,380,928

## Strategy Summary

Rubenstein Properties Fund II will invest in commercial office and office related real estate opportunities across the eastern United States. The strategy employs leverage.

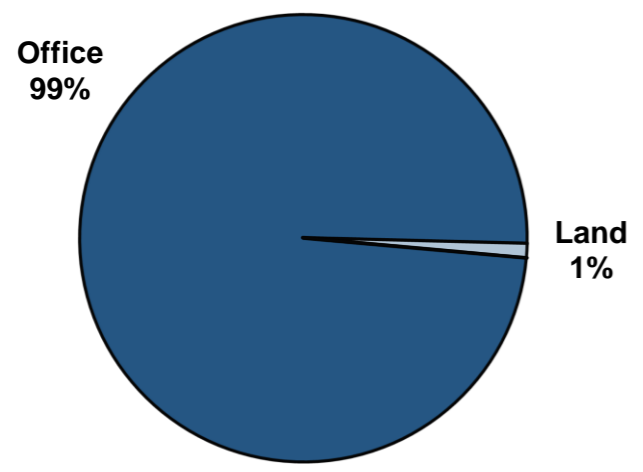
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	-0.5	2.9	2.4	0.9	3.6
1 Year	-3.5	16.2	12.3	9.6	13.4
3 Years	n/a	n/a	n/a	n/a	13.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	-4.6	31.0	25.3	19.7	12.3

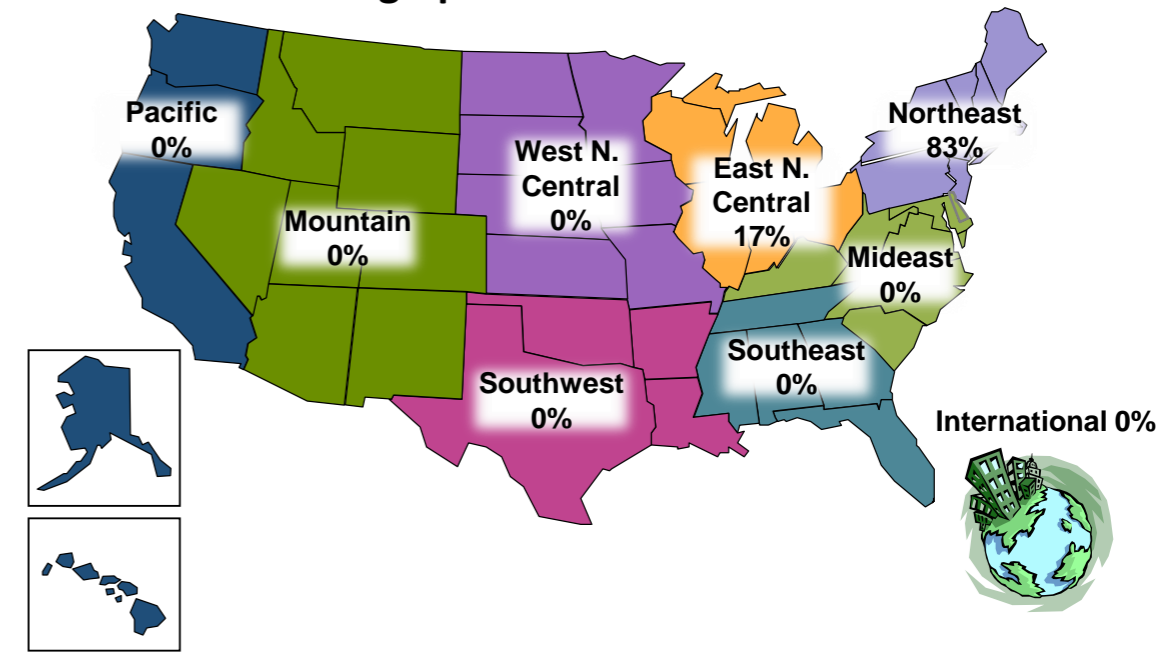
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

Property Type Diversification



Geographic Diversification





# Stockbridge Smart Markets Fund, L.P. 2015 Manager Summary

## Portfolio Snapshot

Fund Inception Date: May 2011  
 Expected Termination Date: Open ended  
 Structure: Ltd. Partnership  
 Sector Classification: Core  
 Number of Investments: 40  
 Loan to Value/Max LTV: 27.8%/40.0%  
 Liquidity Term: Quarterly  
 Fees: 0.95% on Net Asset Value

## KRS Investment

Investment Committee  
 Approval Date: December 2013  
 Initial Mandate: \$95,000,000

## Allocation / Account Balance 9-30-2015

**Pension Plan**  
 Allocation: \$69,000,000  
 Account Balance: \$74,468,790  
 Remaining to be called: \$0

**Insurance Fund**  
 Allocation: \$26,000,000  
 Account Balance: \$29,282,667  
 Remaining to be called: \$0

## Strategy Summary

Stockbridge Smart Markets, L.P. invests in core multi-family, industrial, retail, office and mixed-use properties in select markets in the United States and will focus on small to medium size properties. The strategy employs leverage.

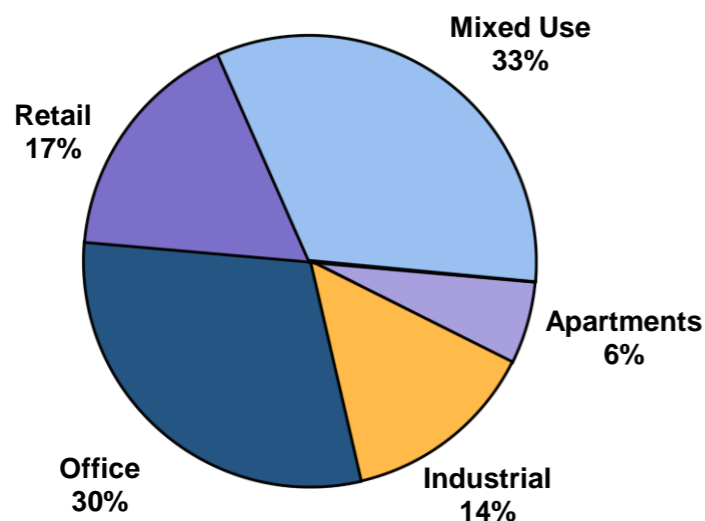
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.4	2.6	4.0	3.8	3.6
1 Year	7.7	9.4	17.7	16.3	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	7.7	9.4	17.7	16.3	13.4

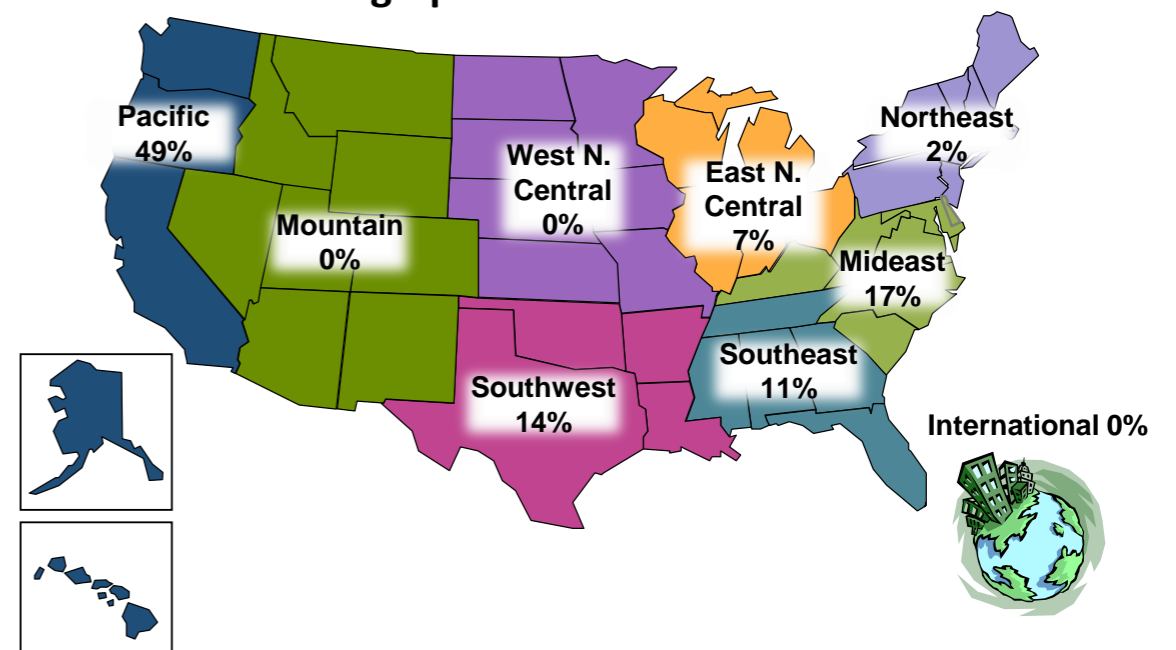
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

### Property Type Diversification



### Geographic Diversification



# Walton Street Real Estate Fund VI, L.P. 2015 Manager Summary

## Portfolio Snapshot

Fund Inception Date: Oct. 2007  
 Expected Termination Date: Mar. 2019  
 Structure: Ltd. Partnership  
 Sector Classification: Opportunistic  
 Number of Investments: 33  
 Loan to Value/Max LTV: 44.1%/80.0%  
 Liquidity Term: Closed End Fund (10 yr. term)  
 Fees: 1.5% on Invested Capital  
 20% promote over 9% Preferred Return

## KRS Investment

Investment Committee  
 Approval Date: November 5, 2008  
 Initial Mandate: \$40,000,000

## Allocation / Account Balance 9-30-2015

**Pension Plan**  
 Allocation: \$36,000,000  
 Account Balance: \$24,564,513  
 Remaining to be called: \$7,271,576  
**Insurance Fund**  
 Allocation: \$4,000,000  
 Account Balance: \$2,729,390  
 Remaining to be called: \$807,953

## Strategy Summary

Walton Street VI invests in equity and debt interests in real estate related assets and real estate operating companies through value-added and opportunistic investment strategies. Developments, property rebranding, lease-up and opportunistic buying of debt instruments are among the strategies employed. The strategy employs leverage.

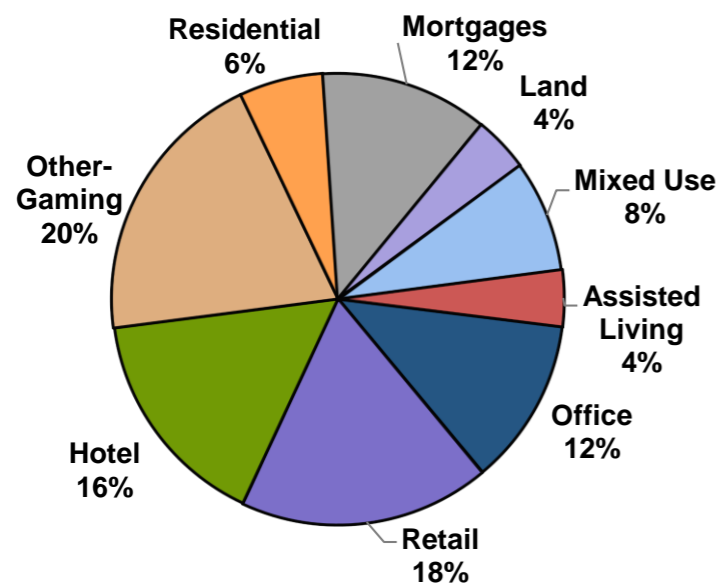
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	0.9	2.6	3.5	3.3	3.6
1 Year	3.7	8.3	12.2	11.0	13.4
3 Years	3.6	11.2	15.2	13.7	12.1
5 Years	2.6	22.2	25.5	23.6	13.3
Since Incept.	-7.8	3.2	-27.6	-45.0	9.7

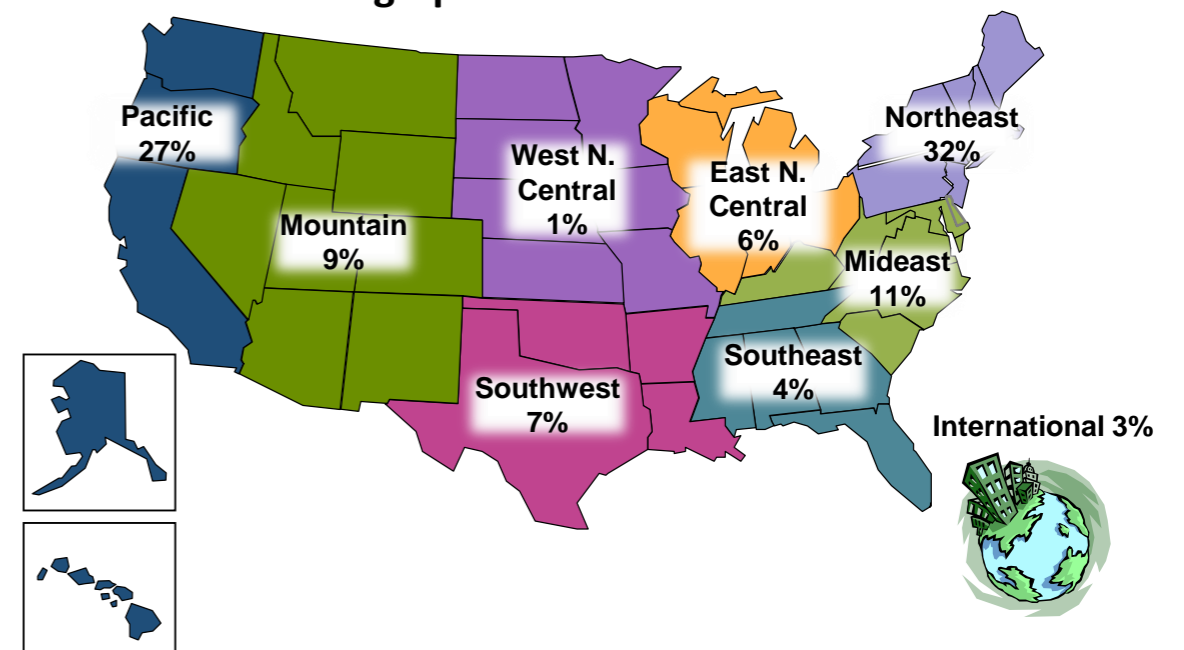
NPI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

### Property Type Diversification



### Geographic Diversification



# Walton Street Real Estate Fund VII, L.P. 2015 Manager Summary

## Portfolio Snapshot

## KRS Investment

## Allocation / Account Balance 9-30-2015

Fund Inception Date: May 2012  
 Expected Termination Date: May 2022  
 Structure: Ltd. Partnership  
 Sector Classification: Opportunistic  
 Number of Investments: 25  
 Loan to Value/Max LTV: 48.1%/70.0%  
 Liquidity Term: Closed End Fund (10 yr. term)  
 Fees: 1.5% on Invested Capital  
       1.0% Acquisition Fee  
       20% promote over 9% Preferred Return

Investment Committee  
 Approval Date: August 2012  
 Initial Mandate: \$40,000,000

**Pension Plan**  
 Allocation: \$38,120,000  
 Account Balance: \$33,978,506  
 Remaining to be called: \$10,121,242

**Insurance Fund**  
 Allocation: \$16,755,000  
 Account Balance: \$14,934,677  
 Remaining to be called: \$4,448,620

## Strategy Summary

Walton Street VII invests in equity and debt interests in real estate related assets and real estate operating companies through value-added and opportunistic investment strategies. Developments, property rebranding, lease-up and opportunistic buying of debt instruments are among the strategies employed. The strategy employs leverage.

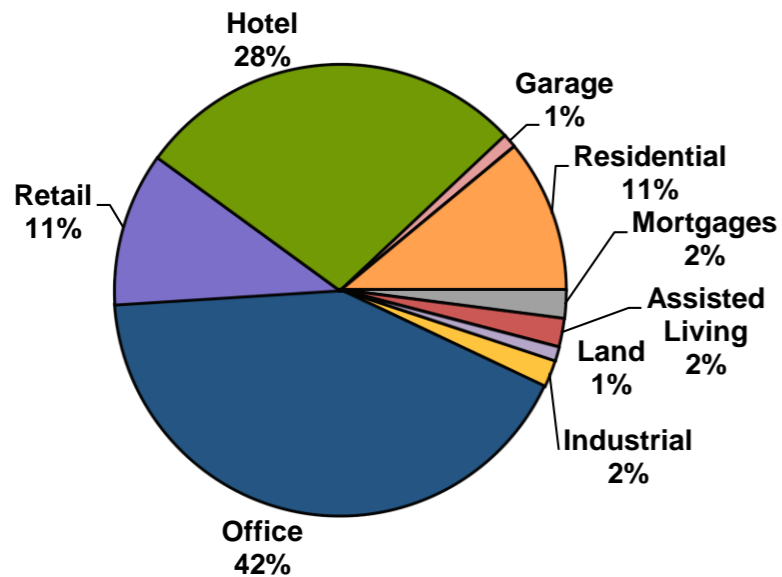
## Investment Performance Returns

Time Weighted Returns as of 6-30-2015					
Period	Gross			Net	NFI-ODCE
	Inc.	App.	Tot.	Tot.	Tot. Net
2Q2015	1.3	6.9	8.2	7.8	3.6
1 Year	2.7	22.5	25.6	23.4	13.4
3 Years	n/a	n/a	n/a	n/a	12.1
5 Years	n/a	n/a	n/a	n/a	13.3
Since Incept.	-10.8	39.6	28.7	26.0	12.6

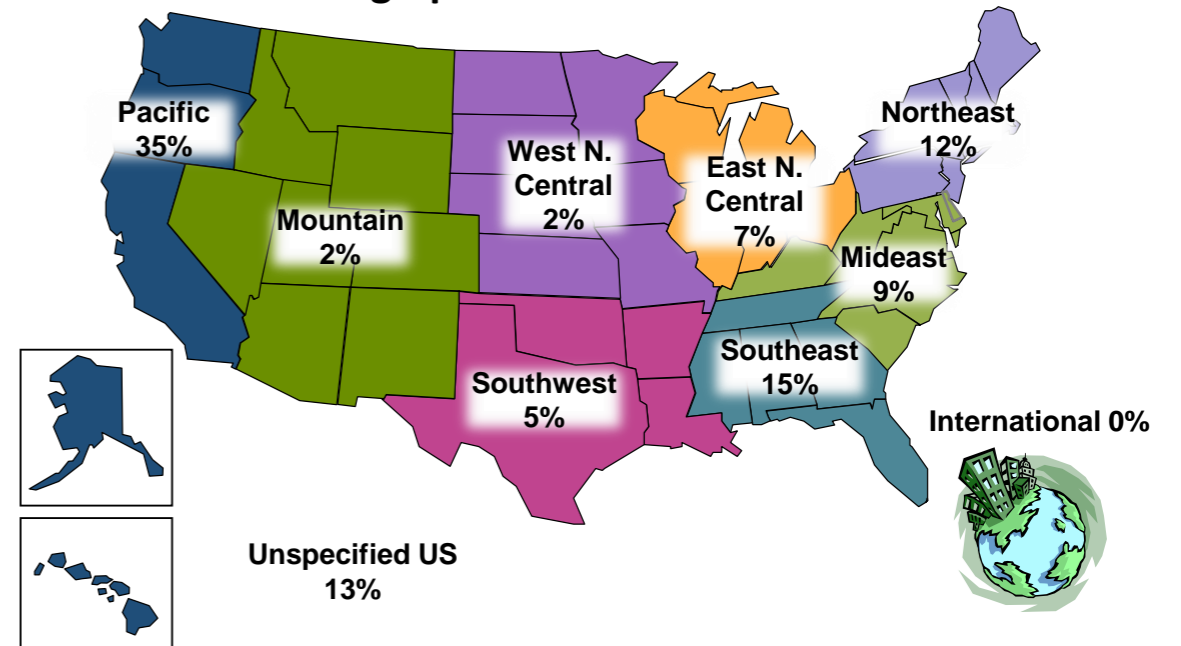
NFI-ODCE-Open End Diversified Core Equity Index

## Exposures Summary

**Property Type Diversification**



**Geographic Diversification**



# Biographies



# Biographies

## Edward Schwartz, Principal

Mr. Schwartz is a co-founder of ORG Portfolio Management LLC (ORG) and has over 20 years of experience in real estate consulting. Mr. Schwartz's vision and planning, along with co-founder Jonathan Berns, has resulted in ORG's growth and standing as a premier institutional real estate consulting firm. Mr. Schwartz also participates in and administers the firm's review of investment managers, co-investment opportunities and secondary offering purchases. He formulates ORG's economic and real estate market opinions and develops client portfolio strategies. Mr. Schwartz is a voting member of ORG's Investment Committee. Prior to forming ORG in 1999, Mr. Schwartz was a consultant with The Townsend Group where his clients included some of the largest public and private US pension plans. As a consultant, his responsibilities included investment manager reviews and strategic portfolio construction. He served as Portfolio Manager for a limited partnership with 350 taxable investors, overseeing in excess of \$1 billion of real estate assets. Mr. Schwartz participates on The Institutional Real Estate Letter's Editorial Advisory Board and is an active member of Pension Real Estate Association (PREA). He is a frequent panelist and speaker at industry conferences and educational forums for public pension plan staff and trustees. Mr. Schwartz has authored articles for a variety of pension and real estate focused publications and has been quoted in The Wall Street Journal relative to his opinions on real estate issues. Mr. Schwartz has a Master of Science in Business Administration with a concentration in Finance from Weatherhead School of Management, Case Western Reserve University and a Bachelor of Arts in Economics from Kenyon College.

## Jonathan Berns, Principal

Mr. Berns is a co-founder of ORG Portfolio Management LLC and has been active in the real estate and consulting industry for over 25 years. Mr. Berns has dedicated his time and vision, along with co-founder Edward Schwartz, to growing ORG into a premier real estate consulting firm. As a senior investment professional, Mr. Berns is directly involved in and administers client service, investment fund and real asset due diligence, portfolio strategy and manager oversight. He also is responsible for the oversight of the ORG Diversified Real Estate Portfolio, a separate entity that owns and manages a \$150 million investment portfolio including apartment, office, retail and industrial properties. Mr. Berns is a voting member of the ORG Investment Committee. Prior to forming ORG in 1999, Mr. Berns was president of Berns Properties, Inc., a real estate development, investment and consulting company that he founded in 1984. Acting as a consultant under Berns Properties, Mr. Berns was responsible for negotiating an investment by Nuon International, a \$2 billion Dutch utility, in North Coast Energy, as well as consulting in the acquisition of two large research facilities located in Michigan and Pennsylvania. Mr. Berns is a past chairman of the First Suburbs Consortium, a nationally recognized government-led advocacy organization focused on redevelopment of urban property, and has been a national speaker on real estate investment strategies, urban redevelopment and energy utilization optimization and procurement. Mr. Berns is a member of Pension Real Estate Association (PREA). He has a Bachelor of Science in General Science from the University of Michigan.



# Biographies

## Barbara McDowell, CEBS, Consultant

Ms. McDowell joined ORG in 2003 and has over 20 years of experience in the institutional real estate industry. Ms. McDowell manages ORG's client reporting, performance measurement, portfolio compliance and monitoring. She also serves as ORG's Chief Compliance Officer. Prior to joining ORG, Ms. McDowell spent 10 years with the SBC Communications Inc.'s Master Pension Trust (SBC Master Pension Trust) as Director of Real Estate and Alternative Investments. Ms. McDowell managed the Trust's real estate asset class investments, including private and public real estate and private equity. Throughout her career Ms. McDowell has been active in Pension Real Estate Association (PREA) and was a member of the Plan Sponsor Executive Council. In 2000, she chaired the Plan Sponsor PREA conference. Prior to working with the SBC Master Pension Trust, Ms. McDowell held various positions at SBC Communications Inc. in Finance, Audit and Information Systems acquiring significant experience and knowledge of compliance and audit procedures, financial reporting, investment and risk management and oversight. Ms. McDowell is a member of National Council of Real Estate Investment Fiduciaries (NCREIF). She has been a member of the Real Estate Information Standards (REIS) Council and remains active in the organization's task forces. Ms. McDowell has a Bachelor of Arts in History from the University of Houston, and a designation as a Certified Employee Benefit Specialist (CEBS).

## Rebecca Morris, Consultant

Ms. Morris has worked with ORG since 2007. Her primary responsibilities include investment fund due diligence and on-going investment manager review and monitoring. She assists with client service and research projects. Prior to joining ORG, Ms. Morris worked at Impact Capital, a consortium of insurance companies, evaluating investment opportunities in private equity and real estate investment funds. She was President of California Capital Alliance, an organization whose focus was finding funding for businesses and infrastructure in lower income communities in California. Ms. Morris also served as Investment Advisor to the Secretary of Trade and Commerce for the State of California, where she headed a program responsible for promoting job-creating infrastructure investments by private equity and real estate funds in the state of California and advising on industrial development bond issues Ms. Morris also previously was a special assistant to California Insurance Commissioner John Garamendi. Ms. Morris served in the United States Army Reserves with a mission specialty of Psychological Operations. She has a Master of Business Administration in Finance from Anderson School of Management at UCLA, a Master of Arts in International Business and was a Rotary Scholar at the University of Leeds, England, and a Bachelor of Science in Marketing Management from California Polytechnic University.



# Biographies

## Katie Zarback, Consultant

Ms. Zarback joined ORG in 2004. She has over 12 years of institutional real estate experience, including asset management, and project management and implementation. As the firm's senior Asset Manager, Ms. Zarback is responsible for creating and managing customized asset management strategies for client-owned real estate investments. Her focus is on maximizing the total return for each asset through the analysis of property efficiencies and identifying opportunities for improved performance, as well as oversees the asset disposition process. She works closely with third party property managers and leasing agents to provide direction for and oversight of business plans, risk management, budgets, forecasts, lease analysis and negotiations, and capital investment approvals. Ms. Zarback has extensive experience in real estate operations, asset level analytics, legal practices and policies, and investor reporting procedures. She has had significant involvement in managing project-based direct investment analysis and research on behalf of clients over the years. Prior to her current role, Ms. Zarback spent several years managing client service initiatives and relationship management, as well as being deeply involved in the acquisition and management of direct real estate investments. Ms. Zarback currently is enrolled in the Master's program for Communications Management at John Carroll University and has a Bachelor of Arts in Communications from John Carroll University.

## Bria Macon, Database Administrator

Ms. Macon joined ORG in 2009 and has primary responsibility for managing ORG's research efforts and supporting due diligence activities by maintaining the information and integrity of ORG's proprietary database. Ms. Macon focuses on obtaining information and researching investment manager strategies and fund-level data. She coordinates the collection of questionnaires, marketing materials, reports and general information from investment managers for the database that facilitates ORG's client recommendations and investment decision making process. Ms. Macon also is responsible for obtaining quarterly reports and periodical data for client invested funds. Prior to joining ORG, Ms. Macon gained significant experience in research and reporting procedures for state and local governing bodies serving as an Administrative Assistant and Analyst for the City of Burbank's Management Services Department in California, where her main responsibilities included maintaining historical files, preparing documents for City officials and organizing City meetings. She also conducted surveys, created reports and provided research for union negotiations with the City. Ms. Macon has a Bachelor of Arts in Communications from Howard University.

# Biographies

## Heathyr Ullmo, Manager, Portfolio Analytics

Ms. Ullmo joined ORG in March 2014 with over 14 years of experience in the financial industry. She is responsible for managing the statistical data in ORG's proprietary database, including cash flows and performance information. Ms. Ullmo also prepares client quarterly reports and manages fund and performance-related special projects. Prior to joining ORG, Ms. Ullmo was the Business Development Officer and Treasury Management Sales Officer at Peoples Bank f/k/a Ohio Commerce Bank, where her primary responsibilities were client relationship management and building and managing the bank's commercial loan portfolio gaining a deep understanding of legal compliance policies for the investment banking and finance industry. Ms. Ullmo negotiated and structured loans for financial feasibility and industry analysis, as well as financial and investor reporting. During her tenure, she managed the commercial loan portfolio transition when Ohio Commerce Bank was bought by Peoples Bank. Ms. Ullmo has a BA in Business Administration with a concentration in Finance from Malone College.

## Yichao Mark, Analyst - Research & Consulting Services

Yichao joined ORG in August 2015 and is responsible for conducting research to support the firm's investment theses, following capital market activity, analyzing statistical data, and developing financial models for investment due diligence. Yichao also assists with evaluating the capabilities of real estate managers and investment strategies, performing asset level analytics, and managing specific client research requests. Prior to joining ORG, Yichao worked for Markets Group (formerly US Markets) where he worked in an investor relations capacity to develop regional institutional investor forums across the USA. Prior to Markets Group, he worked in investor relations at MacKenzie Partners and as an intern at UBS Wealth Management. Before beginning his career in the financial industry, he was a CRTA (Cancer Research Training Award), working with bioinformatics at the National Institutes of Health. Yichao has a Bachelor of Arts in Biology from Boston University. He is also a candidate in the CFA Program.

## Rachel Martin, Support Specialist - Research & Consulting Services

Ms. Martin joined ORG in December 2014 and is responsible for supporting the development and implementation of marketing and research strategies and client initiatives. Ms. Martin works on actively gathering manager and investment opportunity information and reviewing data submissions to support ORG's proprietary database activities. She plays an integral role in the firm's research efforts and the development of client deliverables and marketing materials, as well as assisting with responses to requests for proposals. Ms. Martin has a Bachelor of Business Administration with a concentration in Managerial Marketing from Kent State University.





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