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GROUP

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Real Estate Portfolio
**Performance Measurement
Report**

Second Quarter 2021



Portfolio Funding Status

Portfolio Funding Status	Market Value (\$ millions)*	% LAFPP Plan
LAFPP Total Plan Assets	\$30,721	
Real Estate Target	\$3,072	10.00%
RE Market Value		
Public	\$991	3.22%
Private	\$1,368	4.45%
<i>Core</i>	\$1,056	3.44%
<i>Non-Core</i>	\$311	1.01%
LAFPP Real Estate Market Value	\$2,358	7.68%
<i>Unfunded Commitments</i>	\$376	1.22%
RE Market Value & Unfunded Commitments	\$2,735	8.90%
Remaining Allocation	\$338	1.10%

Highlights

- The following slides provide a review of key information for the Los Angeles Fire & Police Pension System (“LAFPP”) Real Estate Portfolio (the “Portfolio”) through June 30, 2021
- LAFPP has a 10.0% target allocation to real estate and allows for additional flexibility of $\pm 1.5\%$ of the Total Plan. On a funded basis, LAFPP is below its established target. However, taking into account unfunded commitments, the Portfolio is within its target allocation range at 8.9%
- Though unfunded commitments include all approved investments, the funded and committed figures below do not take into account liquidating positions or planned redemptions

*Figures may not add due to rounding.

Real Estate Portfolio Composition

	Strategic Targets		Portfolio Composition (06/30/2021) *	
	Target Allocation	Tactical Range	Funded	Funded & Committed
Public Real Estate	30%	25% - 35%	42.00%	36.22%
Private Real Estate	70%	65% - 100%	58.00%	63.78%
<u>Private Portfolio</u>				
Core Portfolio	60%	50% - 70%	77.23%	64.73%
Non-Core Portfolio	40%	30% - 50%	22.77%	35.27%
<i>Value Add Portfolio</i>	20%	0% - 50%	19.66%	28.96%
<i>Opportunistic Portfolio</i>	20%	0% - 50%	3.12%	6.30%

- LAFPP is currently out of compliance with its target ranges for both Public and Private Real Estate.
- The Private Real Estate Portfolio is overweight to core strategies but within the tactical range on a funded and committed basis.
- Of the non-core funds approved by LAFPP over recent years, several still have unfunded commitments that will bring the Non-Core Portfolio in-line with its target as the remaining capital is called.
 - Common practice in non-core private market investments is to over-commit in order to maintain and/or grow current market values to target allocation levels.
- As of quarter-end, the Core Private Portfolio had a loan-to-value (“LTV”) ratio of 30.2%, well below the 40.0% constraint outlined in the Strategic Plan. The Total Portfolio LTV ratio of 28.1% is also well below the 60.0% LTV ‘governor’ defined in the LAFPP Strategic Plan.