

# **ARKANSAS TEACHER RETIREMENT SYSTEM**

**August 16, 2022**

1400 West Third Street

**BOARD ROOM**

Little Rock, AR 72201

**Board of Trustees - Called Meeting Meeting**

**4:15 p.m.**

## **Trustees**

Danny Knight, Chair

Dr. Mike Hernandez, Vice Chair

Anita Bell

Kathy Clayton

Kelly Davis

Susan Ford

Shawn Higginbotham

Michael Johnson

Bobby G. Lester

Chip Martin

Jeff Stubblefield

## **Ex Officio Trustees**

Susannah Marshall, State Bank Commissioner

Johnny Key, Education Secretary

Honorable Andrea Lea, State Auditor

Honorable Dennis Milligan, State Treasurer

**AGENDA**  
**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**BOARD OF TRUSTEES - CALLED MEETING**

**August 16, 2022**  
**4:15 p.m.**  
**1400 West Third Street**  
**Little Rock, AR 72201**

- I. **\*Call to Order/Roll Call.** page 1.
- II. **\*Adoption of Agenda.** page 2.
- III. Executive Summary. (Attachment No. 1) page 4.
- IV. **\*Set the Interest Rate after Actuarial Assumed Rate of Return Changed.**
  - A. **\*Resolution 2022-35.** (Attachment No. 2) page 7.
- V. **\*Unreported Service: Contributions Due.**
  - A. **\*In Re: ATRS ID: 124842.**
    - 1. **\*Resolution 2022-36.** (Attachment No. 3) page 8.
  - B. **\*In Re: ATRS ID: 481834.**
    - 1. **\*Resolution 2022-37.** (Attachment No. 4) page 10.
- VI. Investment Committee Report.
  - A. **\*Recommendation to approve for Board adoption Resolution 2022-38 authorizing an investment of up to \$75 Million Dollars in LaSalle Value Partners US IX, LP.** (Attachment No. 5) page 13.
    - 1. **\*Resolution 2022-38.** (Attachment No. 6) page 33.
- VII. **\*Litigation Update.** *Martha Miller, General Counsel*
- VIII. **\*ATRS Contract Status.** *Rod Graves, Deputy Director* (Attachment No. 7) page 34.
- IX. Other Business.

\* Action Item

2022-08-16 10:35:57.707112

X.       **\*Adjourn.**

## EXECUTIVE SUMMARY

TO: Board of Trustees - Called Meeting  
FROM: ATRS Staff  
RE: Executive Summary  
DATE: August 16, 2022

### IV. **\*Set the Interest Rate after Actuarial Assumed Rate of Return Changed.**

The Board of Trustees of ATRS is authorized to adopt from time to time the rate of interest that will be used to compute the "purchase of service credit or to repay a refund, or repayment of benefits". The Board of Trustees may not set the rate at a rate less than the Arkansas Teacher Retirement System's current assumed interest rate assumption. The current ATRS assumed rate of return is seven and a quarter percent (7 1/4%). The proposed Board action is to set the interest rate at seven and a quarter percent (7 1/4%) and has been formalized as a resolution. Executive Staff recommends the adoption of Resolution 2022-35.

A. **\*Resolution 2022-35.** page 7.

### V. **\*Unreported Service: Contributions Due.**

A. **\*In Re: ATRS ID: 124842.**

The member has 1/2 year of unreported service from the Pulaski County Special School District (PCSSD) from 2006. The PCSSD failed to report the member's employment and did not pay the employer contributions for the contributory service. As a result, the member's record is missing 1/2 year of service. ATRS has no evidence that the failure to report and remit employer contributions on this member's service was the result of an intentional nondisclosure, fraud or misrepresentation. Given that the initial failure to report the service occurred over 16 years ago, the amount of interest due is unduly penal and burdensome. The PCSSD owes employer contributions in the amount of \$717.77 with an interest penalty of \$1,282.10. Executive Staff recommends the waiver of the employer's interest due in the effort to finally resolve the errors in this member's record. The proposed Board action to waive the interest on the unreported service has been formalized as a resolution. Executive Staff recommends the adoption of Resolution 2022-36.

1. **\*Resolution 2022-36.** page 8.

B. **\*In Re: ATRS ID: 481834.**

The member has 1 year of unreported service from the Fourche Valley School District from 1997. The Fourche Valley SD failed to report the

member's employment and did not pay the employer contributions for the contributory service. As a result, the member's record is missing one (1) year of service. ATRS has no evidence that the failure to report and remit employer contributions on this member's service was the result of an intentional nondisclosure, fraud or misrepresentation. Given that the initial failure to report the service occurred over 25 years ago, the amount of interest due is unduly penal and burdensome. The Fourche Valley SD owes employer contributions in the amount of \$2,345.20 with an interest penalty of \$11,147.92. The

member owes member contributions in the amount of \$1,172.60 with an interest penalty of \$5,573.96. Executive Staff recommends the waiver of the employer's and member's interest due in the effort to finally resolve the errors in this member's record. Executive Staff recommends the waiver of the employer's interest due in the effort to finally resolve the errors in this member's record. The proposed Board action to waive the interest on the unreported service has been formalized as a resolution. Executive Staff recommends the adoption of Resolution 2022-37.

1. **\*Resolution 2022-37.** page 10.

## VI. Investment Committee Report.

- A. **\*Recommendation to approve for Board adoption Resolution 2022-38 authorizing an investment of up to \$75 Million Dollars in LaSalle Value Partners US IX, LP.** page 13.

Established in 1980, LaSalle Investment Management is a wholly-owned subsidiary of parent company Jones Lange LaSalle Inc., a publicly traded firm. LaSalle Investment Management provides a fully integrated real estate platform including portfolio management, asset management and property management. As of June 30, 2022, the firm had \$23 billion in U.S. assets under management with over 300 clients worldwide. The parent organization has over 90,000 employees in 300 offices based in 80 countries.

LaSalle Value Partners US IX, LP (Fund IX) will be a closed end, domestic, value added fund. The fund strategy is to capitalize on real estate sectors where growth is leading to tenant demand for spaces that are not available in sufficient supply in a selected market. Sectors identified for this vintage are residential, industrial, and healthcare. The associated property types are apartments, single family rentals, manufactured housing, warehouse, distribution centers, medical office, and life science lab/office. For higher above-core returns, higher quality value-add properties are acquired that have viable repositioning or renovation potential to enable a core-priced exit. The fund is targeting a return of 12% net IRR. Fund IX represents LaSalle Investment Management's ninth offering in its value-added series. ATRS previously invested in LaSalle Income & Growth Fund VI, VII & VIII (Fund IX is a continuation of the strategy with a rebranded

name) which have produced an approximate net IRR of 14.73 % with VIII still being early in its life. Aon Hewitt Investment Consulting recommends an investment of up to \$75 million dollars in LaSalle Value Partners US IX, LP and ATRS staff concurs.

1. **\*Resolution 2022-38.** page 33.

VII. **\*Litigation Update.** *Martha Miller, General Counsel*

VIII. **\*ATRS Contract Status.** *Rod Graves, Deputy Director* page 34.

IX. **Other Business.**

**ARKANSAS TEACHER RETIREMENT SYSTEM  
1400 West Third Street  
Little Rock, Arkansas 72201**

**RESOLUTION  
No. 2022-35**

**WHEREAS**, A.C.A. § 24-7-202(22) authorizes the Board of Trustees of the Arkansas Teacher Retirement System to adopt from time to time the rate of interest that will be used to compute the “purchase of service credit or to repay a refund, or repayment of benefits”; and

**WHEREAS**, The Board of Trustees may not set the rate at a rate less than the Arkansas Teacher Retirement *System’s* current assumed interest rate assumption; and

**WHEREAS**, the current ATRS assumed rate of return is seven and a quarter percent (7 ¼%);

**NOW, THEREFORE, BE IT RESOLVED**, That the Board of Trustees in accordance with legislative authority hereby sets the plain interest rate beginning August 1, 2022, at seven and a quarter percent (7 ¼%) to be used to compute interest on purchase of service credit or to repay a refund, or repayment of benefits.

**Adopted this 16th day of August, 2022.**

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**Mr. Danny Knight, Chair**

**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 West Third Street**  
**Little Rock, Arkansas 72201**

**R E S O L U T I O N**  
**No. 2022-36**

**Approving the Waiver of  
Interest on Contributions for Unreported Service**

**WHEREAS**, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to resolve unreported service; and

**WHEREAS**, A.C.A. §24-7-401 provides that employer contributions be paid in for all employees by each employer calculated as the applicable employer contribution rate multiplied by the total covered employee salaries; and

**WHEREAS**, A.C.A. §24-7-406 provides that, based on the year of membership, member contributions be paid in by contributory members calculated as the applicable member contribution rate multiplied by their covered salary; and

**WHEREAS**, A.C.A. §24-7-205 allows the system to correct errors related to unreported service when there exists an obvious or documented error by an employer or the system that understated the service credit or salary of a member; and

**WHEREAS**, A.C.A. §§24-7-205(b)(1)(C) and 24-7-406(c)(1)(B)(ii) allow the member to elect to convert service credit for which there is a member contribution balance due from contributory to noncontributory rather than pay the balance due; and

**WHEREAS**, A.C.A. 24-7-411(a) requires ATRS to impose an interest penalty for late remittance of employer and member contributions; and

**WHEREAS**, A.C.A. 24-7-411(c) allows the Board to waive interest if the employer delinquency was not the result of intentional nondisclosure, fraud or misrepresentation and that under the circumstances the payment would be unduly penal, or burdensome; and

**WHEREAS**, under Act 504 of 1985 and ATRS Rule 6, whether or not a member is considered contributory or non-contributory depends upon the year the member entered the system and that all service rendered before July 1, 1986, is contributory service; and

**WHEREAS**, the member (ATRS ID: 124842) has one-half (1/2) year of unreported service from the Pulaski County Special School District (PCSSD) from



2006 and the PCSSD failed to report the member's employment and did not remit the employer contributions or member contributions for the unreported service; and

**WHEREAS**, the PCSSD has certified the member's service for the fiscal year 2006; and

**WHEREAS**, to resolve the unreported service employer contributions in the amount of \$717.77 must be paid to ATRS; and

**WHEREAS**, employer interest totaling \$1,281.10 has been assessed as a result of the 16 years that have passed since the initial unreported service; and

**WHEREAS**, ATRS has no evidence that the failure to report and remit employer contributions on this member's service was the result of an intentional nondisclosure, fraud or misrepresentation; and

**WHEREAS**, given that the initial failure to report the service occurred over 16 years ago, the amount of interest due could be considered unduly penal and burdensome; and

**WHEREAS**, in the past the Board has waived the interest associated with errors involving unreported employer and member contributions; and

**WHEREAS**, the Board finds it desirable to correct the member's service record caused by the employer failing to report past service due to no fault of the member.

**NOW, THEREFORE, BE IT RESOLVED**, that the ATRS Board waives the employer's interest due for unreported service to resolve the errors in this member's (ATRS ID: 124842) record; and

**FURTHER, BE IT RESOLVED**, that promissory notes for the employer contributions will be established so that the interest will be waived as long as the note is paid off by the end of the following fiscal year, otherwise the full interest is reinstated.

**Adopted this 16th day of August 2022.**

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**Mr. Danny Knight, Chair**

**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 West Third Street**  
**Little Rock, Arkansas 72201**

**R E S O L U T I O N**  
**No. 2022-37**

**Approving the Waiver of  
Interest on Contributions for Unreported Service**

**WHEREAS**, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to resolve unreported service; and

**WHEREAS**, A.C.A. §24-7-401 provides that employer contributions be paid in for all employees by each employer calculated as the applicable employer contribution rate multiplied by the total covered employee salaries; and

**WHEREAS**, A.C.A. §24-7-406 provides that, based on the year of membership, member contributions be paid in by contributory members calculated as the applicable member contribution rate multiplied by their covered salary; and

**WHEREAS**, A.C.A. §24-7-205 allows the system to correct errors related to unreported service when there exists an obvious or documented error by an employer or the system that understated the service credit or salary of a member; and

**WHEREAS**, A.C.A. §§24-7-205(b)(1)(C) and 24-7-406(c)(1)(B)(ii) allow the member to elect to convert service credit for which there is a member contribution balance due from contributory to noncontributory rather than pay the balance due; and

**WHEREAS**, A.C.A. 24-7-411(a) requires ATRS to impose an interest penalty for late remittance of employer and member contributions; and

**WHEREAS**, A.C.A. 24-7-411(c) allows the Board to waive interest if the employer delinquency was not the result of intentional nondisclosure, fraud or misrepresentation and that under the circumstances the payment would be unduly penal, or burdensome; and

**WHEREAS**, under Act 504 of 1985 and ATRS Rule 6, whether or not a member is considered contributory or non-contributory depends upon the year the member entered the system and that all service rendered before July 1, 1986, is contributory service; and

**WHEREAS**, the member (ATRS ID: 481834) has 1 year of unreported service from the Fourche Valley School District from 1997 and the Fourche Valley SD failed to report the member's employment and did not remit the employer contributions or member contributions for the unreported service; and

**WHEREAS**, the Fourche Valley SD has certified the member's service for the fiscal year 1997; and

**WHEREAS**, in order to correct the error of unreported service, the member shall either remit member contributions in the amount of \$1,172.60 to ATRS, or elect to convert the unreported service from contributory service to noncontributory service; and

**WHEREAS**, a large amount of member interest totaling \$5,573.96 has been assessed as a result of the 25 plus years that have passed since the initial unreported service; and

**WHEREAS**, to resolve the unreported service employer contributions in the amount of \$2,345.20 must be paid to ATRS; and

**WHEREAS**, a large amount of employer interest totaling \$11,147.92 has been assessed as a result of the 25 plus years that have passed since the initial unreported service; and

**WHEREAS**, ATRS has no evidence that the failure to report and remit employer contributions on this member's service was the result of an intentional nondisclosure, fraud or misrepresentation; and

**WHEREAS**, given that the initial failure to report the service occurred over 25 years ago, the amount of interest due could be considered unduly penal and burdensome; and

**WHEREAS**, in the past the Board has waived the interest associated with errors involving unreported employer and member contributions; and

**WHEREAS**, the Board finds it desirable to correct the member's service record caused by the employer failing to report past service due to no fault of the member.

**NOW, THEREFORE, BE IT RESOLVED**, that the ATRS Board waives the employer's and member's interest due for unreported service to resolve the errors in this member's (ATRS ID: 481834) record; and

**FURTHER, BE IT RESOLVED**, that, should the member not elect to convert the unreported service to noncontributory, promissory notes for both the employee and employer contributions will be established so that the interest will

be waived as long as the notes are paid off by the end of the following fiscal year, otherwise the full interest is reinstated. For the avoidance of doubt, interest will not be reinstated should the member elect to convert the unreported service credit from contributory to noncontributory.

**Adopted this 16th day of August 2022.**

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**Mr. Danny Knight, *Chair***

## Memorandum

**To:** Arkansas Teacher Retirement System (“ATRS”)  
**From:** Chae Hong  
**CC:** PJ Kelly; Jack Dowd; Trevor Dodds  
**Date:** August 8, 2022  
**Re:** LaSalle Value Partners U.S. IX – \$75 million Commitment Recommendation

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### Background and Recommendation

LaSalle Investment Management, Inc (“LaSalle” or the “Sponsor”) is forming LaSalle Value Partners US IX, L.P. (“Fund IX” or the “Fund”) for value-add investments in certain property types according to secular growth themes across markets in the US. The Fund is targeting a 12%-14% net IRR using up to 65% leverage over an 8-year term. In its simplest form, the Fund strategy is to capitalize on real estate sectors where growth is leading to tenant demand for spaces that are not available in sufficient supply in a selected market. Sectors identified for this vintage are residential, industrial, and healthcare. The associated property types are apartments, single family rentals, manufactured housing, warehouse, distribution centers, medical office, and life science lab/office. For higher above-core returns, higher quality value-add properties are acquired that have viable repositioning or renovation potential to enable a core-priced exit. Also, in certain property types, the Fund will pursue aggregations for portfolio premiums, and new development.

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. A Fund IX Investment Summary is attached as **Exhibit A**. We recommend that ATRS invest \$75 million in the Fund to fulfill ATRS’ 2022 real estate allocation, in accordance with the previously approved 2022 ATRS Real Asset Pacing Schedule. Additionally, Fund IX may provide investors with various investment vehicles. Townsend recommends ATRS consult with its tax and legal counsel to determine the most appropriate vehicle for the Plan.

## Exhibit A



Real Estate InDetail

## LaSalle Value Partners U.S. IX, L.P.

A multiple property type value-add fund

May 2022

*Trade Secret and Confidential*

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## EXECUTIVE SUMMARY

### OVERVIEW

| Review Date | Rating | Prior Fund Rating |
|-------------|--------|-------------------|
| May 2022    | Buy    | Buy               |

LaSalle Investment Management, Inc (“LaSalle” or the “Sponsor”) is forming LaSalle Value Partners US IX, L.P. (“Fund IX” or the “Fund”) for value-add investments in certain property types according to secular growth themes across markets in the US. The Fund is targeting a 12%-14% net IRR using up to 65% leverage over an 8-year term.

*Strategy:* Capitalize on real estate sectors where growth is leading to tenant demand for spaces that are not available in sufficient supply in a selected market. Sectors identified for this vintage are residential, industrial, and healthcare. The associated property types are apartments, single family rentals, manufactured housing, warehouse, distribution centers, medical office, and life science lab/office. For higher above-core returns, higher quality value-add properties are acquired that have viable repositioning or renovation potential to enable a core-priced exit. Also, in certain property types, the Fund will pursue aggregations for portfolio premiums, and new development.

#### Sponsor:

|                     |   |                       |                           |
|---------------------|---|-----------------------|---------------------------|
| <b>HQ Location</b>  | Chicago, Illinois   | <b>Founded</b>        | 1980                      |
| <b>Ownership</b>    | Public; 100% owned subsidiary of JLL (NYSE: JLL)  | <b>Employees</b>      | 875 (345 in the Americas) |
| <b>AUM</b>          | \$78 billion GAV globally (\$27 billion in the US)  | <b>SEC Registered</b> | Yes                       |
| <b>Organization</b> | LaSalle is a wholly-owned, operationally independent subsidiary of Jones Lang LaSalle, Inc. It is the subsidiary housing investment management, while a separate subsidiary called JLL provides an extensive list of real estate services. Within Investment Management, dedicated fund and account teams are supported by shared in-house research, regional acquisitions, legal, tax, due diligence, investor relations, and corporate support. |                       |                           |

#### Performance (as of December 31, 2021):

| Fund                      | Vintage | Equity Fund Size (M) | Fair Market Value |                     |   | Realizations            |
|---------------------------|---------|----------------------|-------------------|---------------------|---|-------------------------|
|                           |         |                      | Net IRR           | Net Equity Multiple | Quartile Ranking* by Net IRR / Multiple | % of Projected Proceeds |
| Income & Growth Fund I    | 1996    | \$109                | 11.0%             | 1.5x                | 2Q/3Q                                   | 100%                    |
| Income & Growth Fund II   | 1999    | \$205                | 20.1%             | 1.8x                | 1Q/1Q                                   | 100%                    |
| Income & Growth Fund III  | 2002    | \$198                | 9.2%              | 1.5x                | 3Q/4Q                                   | 100%                    |
| Income & Growth Fund IV   | 2005    | \$509                | -5.5%             | 0.7x                | 4Q/4Q                                   | 100%                    |
| Income & Growth Fund V    | 2008    | \$790                | 13.0%             | 1.7x                | 2Q/1Q                                   | 100%                    |
| Income & Growth Fund VI   | 2013    | \$512                | 10.6%             | 1.5x                | 3Q/3Q                                   | 79%                     |
| Income & Growth Fund VII  | 2016    | \$511                | 12.1%             | 1.4x                | 2Q/2Q                                   | 34%                     |
| Income & Growth Fund VIII | 2020    | \$832                | 21.5%             | 1.3x                | 2Q/1Q                                   | 10%                     |

\*Compared to 181 same vintage closed-end value-add peers. Source is Townsend and Prequin return data.

#### Fund/Portfolio Characteristics:

|                        |                                       |                              |                            |
|------------------------|---------------------------------------|------------------------------|----------------------------|
| <b>Structure</b>       | Closed-end fund                       | <b>Risk Segment</b>          | Value-Add                  |
| <b>Targeted Size</b>   | \$1.25 billion (no cap)               | <b>Sponsor Commitment</b>    | 2.5% of total commitments  |
| <b>Target Return</b>   | 14%-17% gross; 12%-14% net IRR        | <b>Leverage</b>              | 65% LTV max                |
| <b>Term</b>            | 5 years from end of Investment Period | <b>Investment Period</b>     | 3 years from Final Closing |
| <b>Avg Transaction</b> | Ranging from \$50M to \$200M GAV      | <b>Typical Business Plan</b> | 3-5 years                  |

#### Fees:

|                       |  |                      |   |
|-----------------------|--|----------------------|---|
| <b>Management Fee</b> | 1.5% on Committed then Invested;<br>Discounted for size, timing, and loyalty | <b>Incentive Fee</b> | 20% subject to a 9% pref and a 50/50 catch-up |
|-----------------------|--|----------------------|---|

*Status/Timing:* First close on June 30, 2022. Rolling closes thereafter; First Close fee break applies from June 30 to Sep 30, 2022.

## COMPARATIVE ADVANTAGES

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### 1. Well-Known Brand

The fund series has been active in the market for 26 years, and averaged ~\$2.5 billion of property acquisitions in the U.S. over the last three years. The investment management business has its own industry presence and positive brand recognition, especially as an active core investor and prolific provider of research to the industry, and then the parent's profile as one of the largest property services companies elevates it further. The parent has 90,000 employees in 300 offices in 80 countries, providing an extensive list of real estate services.

- Enhances sourcing and volume of deal flow, makes the Sponsor a desired strategic JV partner to operators, and keeps lending relationships strong.

### 2. Platform Strengths

- Advisor Resources: 345 professionals in the US region private equity business segment.
- Research and Information Access: 26-person global Research & Strategy team within the Sponsor, able to leverage JLL with access to 500+ research professionals across JLL affiliates, and with internal access to thousands of JLL local professionals for informal opinions, commentary, and cross-checks.
- Sourcing: The fund series has established relationships and sourcing channels over 26 years of activity providing significant deal flow, and the brand helps bring additional deal flow from new parties targeting LaSalle as a prospective partner. 60%-70% of the Fund is likely to be off-market or lightly marketed.
- Core Mentality: The Sponsor is core-oriented with 85% of AUM in PERE, and 80% of that is core. Targeted returns assume core-priced exits which requires core market expertise. Implicit in that, the Sponsor sees its targeted non-traditional property types such as SFR, manufactured housing, life science lab/office, and portfolios of small medical office increasingly accepted and sought after by core funds/accounts.

### 3. Well-Aligned Organization

- Fund IX will have first right to LaSalle deal flow that fits the strategy (new exclusivity starting with Fund IX).
- Sponsor co-investment is 2.5% of commitments.
  - A minimum of \$20M will come from employees and any additional necessary will come from the Sponsor balance sheet.
  - The team and LaSalle employees at the VP level and higher may invest in the fund at their election. For this fund, the employee portion is expected to make up the whole 2.5% Sponsor co-investment.
  - The Sponsor offers low-rate non-recourse financing up to 80% of an employees' chosen amount.
- Carry is shared with JLL, LaSalle bonus programs, dedicated team, plus an amount for non-team contributors.

## POTENTIAL ISSUES AND CONCERNS

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### 1. Turnover

Since Fund VIII was raised, only one of the eight IC members remains as an IC member for Fund IX, and four of twelve dedicated team members have left the team. Also, the Head of Investments for the dedicated team, a key role, is held by a newer hire. Turnover and new people to the fund investment process raises uncertainties about risk preferences going forward and repeatability of prior successes.

**Discussion:** Firms that build structural comparative advantages withstand turnover better. This firm has brand, market presence, an array of resources, and a platform design that give its people an edge no matter who they are. IC members have changed out but the incoming are all appropriately experienced, averaging 26 years of experience as a group. These facts make turnover in this instance potentially less impactful, lessening the uncertainty created.

### 2. New Strategy Components

Since inception the fund series and the team and acquisition process formed around it was focused on the four traditional property types. As recent as the prior fund, Investment Guidelines limited exposures outside of those four property types to 15% of the fund. Now, Office and Retail together are limited to 15% of the next fund and

the strategy emphasizes a number of specialty properties designed for more narrowed tenant pools. They are life science lab/office buildings, medical use office, single family houses for rent, and manufactured housing. This elevates dependence on operating partners, adds the associated fee leakages for such execution, and comes without a track record within the series.

**Discussion:** Execution in the series has increasingly relied upon JV operator/developer partners, moving from ~30% in Fund V, to ~65% of transactions in Funds VI and VII, to 80%+ in Fund VIII. At this percentage the series is already close to a typical allocator model with 200-300bps of fee leakage from a double promote underwritten at the property level. The platform advantages described previously enhance the fund team’s intel regarding partners and volume of choices, presumably providing an edge in partner selection compared to certain competing allocators. Regarding experience, LaSalle Americas has invested its ODCE core fund as well as certain separate accounts (through operating partners and directly) in medical office for 20 years (totaling \$3 billion GAV), logistics/truck terminals for 10 years (\$1 billion), and more recently in life science lab/office (\$750 million), SFR (\$950 million), active adult apartments, and manufactured housing.

| Property Type           | 15 Year Transaction History<br>(Funds IV-VIII) |  |  |  |  |    |
|-------------------------|--|--|--|--|--|----|
|                         |  |  |  |  |  |    |
| Apartments              | [Bar chart showing 39 transactions]            |  |  |  |  | 39 |
| Office                  | [Bar chart showing 25 transactions]            |  |  |  |  | 25 |
| Industrial              | [Bar chart showing 21 transactions]            |  |  |  |  | 21 |
| Retail                  | [Bar chart showing 9 transactions]             |  |  |  |  | 9  |
| Life Science Lab/Office | [Bar chart showing 1 transaction]              |  |  |  |  | 1  |
| Single Family Rentals   | [Bar chart showing 1 transaction]              |  |  |  |  | 1  |

## STRATEGY

### OVERVIEW

The following chart summarizes the strategy and targeted portfolio construction; Focusing on a relatively small number of US metros (10 to 12) with the strongest fundamentals for the property type, plus above-average growth in population and jobs.

|                             | Residential   | Industrial   | Healthcare   | Office                                | Retail   |
|-----------------------------|---|--|--|---------------------------------------|--|
| <b>Description</b>          | Apartment, Single family for rent, Age targeted, Manufactured housing | Bulk and mid-size distribution, Small infill warehouse | Life Sciences, Lab, cGMP, Medical office, Medical/Retail | Deep value/repricing on strong assets | Deep value/repricing on strong assets, Densification opportunities |
| <b>Potential Allocation</b> | 30 – 50%  | 25 – 35%   | 25 – 35%   | 0 – 10%                               | 0 – 5%   |
| <b>Reposition</b>           | ●   | ●  | ●  | ●                                     | ●  |
| <b>Aggregate</b>            | ●   | ●  | ●  |                                       |  |
| <b>Develop</b>              | ●   | ●  | ●  |                                       |  |

The Sponsor plans to drive returns as follows:

- Acquire properties with core potential but currently valued at a lower cost basis reflective of heightened leasing risks, prolonged vacancy, operational inefficiencies, deferred maintenance and/or outdated amenities.
- Reposition/Renovate to enhance leasing, increase long term occupancy, and enable a core valuation upon disposition.

- Ground up build-to-core development; especially industrial warehouse and life science lab/office.
- Portfolio aggregations of SFR houses, smaller last mile/distribution properties, and possibly medical offices in order to exit to a large/core buyer.
  - The SFR strategy is a house-by-house acquisition, renovation, and aggregated sale strategy with an exclusive operating platform.

Execution is through direct property acquisition (20%-35%), or with a JV operator/developer partner. Development is likely to comprise the full 25% allowed under the risk/guideline limitations. JVs with operators on acquisitions may be single property JVs or may be programmatic JVs in the case of aggregations, and may include platform level capital to garner exclusivity or priority over deal flow.

Emphasis is on capital appreciation (65%+ of return). Three to five year holds are underwritten in general, and the manager typically does not extend holds for additional cash flow/equity multiple. Appropriate to the management of a tactical non-core closed-end vehicle, the series has historically shown noteworthy sale discipline.

## INVESTMENT GUIDELINES

Guidelines are as a percent of Capital Commitments:

- 15% max in any one asset;
- No investments outside of U.S.;
- No more than 15% in retail use and conventional office combined; No hospitality properties;
- No more than 25% permissible in speculative new development (defined as <75% pre-leased)

## LEVERAGE

Overall, targeted leverage is 60-65% and the cap is 65% LTV. The cap for any individual property is 75%.

- Typically property level first mortgage debt.
- Mostly capped floating rate financing pursued; Manager prefers having prepayment flexibility so the financing doesn't get in the way of desired exit timing.
- Repayment guaranties, completion guaranties, and recourse debt are all avoided. The Fund may provide limited recourse or guaranties in unavoidable situations typical of development.
- The Fund does not cross-collateralize separate property investments.
- Borrowings on a subscription facility are for cash management only and not included under the cap.

## PIPELINE

Fund VIII is still actively investing (~80% committed), with the Sponsor's pipeline slated to be capitalized by that fund. The heavy focus on development was enabled by an LPAC approved expansion of the guideline limitation up to 30% of that fund.

|                 | Transaction     | Property Type                       | Location           | Fund Equity |
|-----------------|-----------------|-------------------------------------|--------------------|-------------|
| Recently Closed | Development     | Industrial Distribution Center      | Glendale, AZ       | \$53M       |
|                 | Development     | Industrial Distribution Center      | Inland Empire East | \$17M       |
|                 | Development     | Build-for-Rent SF Housing Community | Kansas City, KS    | \$9M        |
| Pipeline        | Development     | Life science lab/office             | Philadelphia       | \$8M        |
|                 | Forward Takeout | Warehouse                           | Atlanta            | \$13M       |
|                 | Development     | Manufactured Housing Site           | Ft Worth           | \$22M       |

## SPONSOR

Background: The roots of the firm go back to 1968 when a real estate operator/development company was formed in El Paso, Texas and later relocated to a larger market, Chicago, and changed its name to LaSalle Partners. LaSalle Partners offered property services and also formed an institutional fund and separate account management subsidiary starting in 1980. In 1997 LaSalle Partners went public, and in 1999 merged with Jones Lang Wootton, a large/growing international real estate services firm headquartered in London. The merged company was named Jones Lang LaSalle, and the merged investment management business was named LaSalle Investment Management.

Ownership: 100% owned by Jones Lang LaSalle, or "JLL" (NYSE: JLL).

Investment AUM: \$77.8 billion GAV globally; \$27.3 billion in US.

- 85% PERE, 10% debt, and 5% public equity securities.
- PERE by risk: 80% core and 20% non-core.

Staffing: 345 professionals in the Americas per chart at right. Staff is predominantly organized by function, with certain members dedicated to products and accounts.

Dedicated Team: 17-person team. Chicago-based, though the Head of Investments is in New York.

- Senior Leadership: Joe Munoz, President of LaSalle Value Partners US, Jeff Schuster, Head of Investments, Ty Spearing, Head of Asset Management, and Brian Gorz, CFO.
- (2) SVPs, (2) VPs, (2) AVPs, (4) Analysts, (3) in Accounting.
- Bios of the senior and mid-level team members are in **Exhibit A**.

| Location      | Professional Staff | Functions   |
|---------------|--------------------|---|
| Atlanta       | 6                  | Asset Management, Portfolio Management  |
| Baltimore     | 49                 | Acquisitions, Asset Management, Portfolio Management, Client Services, Financial Reporting                        |
| Chicago (HQ)  | 212                | Acquisitions, Asset Management, Portfolio Management, Client Services, Financial Reporting, all Corporate/Support |
| Denver        | 5                  | Acquisitions, Asset Management  |
| Los Angeles   | 22                 | Acquisitions  |
| Mexico City   | 5                  | Acquisitions, Asset Management, Portfolio Management  |
| New York      | 16                 | Acquisitions, Asset Management  |
| San Diego     | 6                  | Acquisitions, Asset Management  |
| San Francisco | 4                  | Asset Management, Client Services   |
| Toronto       | 17                 | Acquisitions, Asset Management, Portfolio Management  |
| Vancouver     | 3                  | Acquisitions, Asset Management  |

## TURNOVER, COMPENSATION AND RETENTION

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Turnover: Specific to the fund team, turnover has been typical, not indicative of issues. Since the prior fundraise, one VP and two associate/analysts left, and the former fund lead Jim Hutchinson finalized his well-communicated retirement. Over that timeframe, the team hired Jeff Schuster, Head of Investments, three new analysts, and two new dedicated accounting professionals.

Compensation: Team member compensation consists of base salary, bonus, and restricted stock awards to senior staff. Certain employees are additionally granted participations in the carried interest pool, with 30% allocated to members of the fund team, while 20% goes into LaSalle's bonus programs, 5% is left available to contributors outside the fund team when that occurs, and 45% goes to JLL.

Retention: Carry typically vests incrementally over the Investment Period up to 80% of the award, and the remaining 20% at fund liquidation.

## CLIENT BASE

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Fund series investors are public pensions, corporate pensions, banks/financial institutions, endowment and foundations, and sovereign funds.

## COMPLIANCE / LITIGATION DISCLOSURES

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LaSalle has made the following disclosures:

- Outside of common claims that are typical in the real estate industry, there are no material outstanding or past complaints, proceedings, disciplinary actions, or litigation against LaSalle or its employees.
- The Sponsor was subject to a routine exam by the SEC in 2015. The SEC identified several findings which were subsequently corrected by LaSalle resulting in additional detail in affiliated transaction disclosure and cost reimbursements associated with transfers of LP interests. Otherwise, the firm nor any senior member of the firm has been investigated by or reported to any regulatory authority within the past 10 years.

## ENVIRONMENTAL, and SOCIAL, and GOVERNANCE POLICIES & PROCEDURES

### SUMMARY

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The Sponsor has a sweeping ESG umbrella policy in place since 2010 that outlines the firm's objectives with respect to the environment, also numerous topics under the social heading, and, governance practices. The policy is reviewed and published on an annual basis. Policies further detailing sub-topics include a code of ethics, code of conduct, diversity and inclusion, and harassment policies.

*Staffing:* LaSalle has an internal Global Sustainability Committee (the "GSC"), formed in 2008, which is led by the firm's Global COO, Tim Kessler, and chaired by the Global Head of ESG, David DeVos. The GSC sets the global ESG goals for the year in conjunction with LaSalle's Regional Sustainability Officers, which are responsible for execution. The firm also has a Climate Risk Taskforce, which is the Sponsor's governance body in relation to climate risk.

*Process:* Environmental risks and opportunities are identified within asset due diligence at acquisition and addressed where economically feasible. Examples include capital upgrades like LED lighting, solar, energy efficient appliances, and HVAC replacements, and implementing energy/water tracking initiatives when possible.

*Stewardship:* The Sponsor has reported to PRI since 2009; and reports to GRESB, submitting its first report in 2013 for various products outside of this U.S. value-add series. Additionally, LaSalle is currently in the process of complying with and reporting to Task Force for Climate Related Financial Disclosures. Additionally, LaSalle is a founding member of the Urban Land Institute Greenprint Center for Building Performance and utilizes its environmental management system to monitor reductions in energy and emissions across the LaSalle portfolio in Greenprint.

*Outcomes:*

- In its annual submissions to PRI, LaSalle has received a score of A+ in Strategy & Governance for five years in a row, and A+ score in the Direct Property category for 2 years.
- In 2021, LaSalle submitted 14 Real Estate Assessments for vehicles globally representing \$25 billion to

GRESB. Results include five 5-Star, three 4-Star, four 3-Star and two 2 Star GRESB ratings.

- Received perfect score from HRC Foundation's Corporate Equality Index; named as one of the World's Most Ethical Companies by Ethisphere Institute; named as one of World's Most Admired Companies by Fortune Magazine.

Across these three broad unrelated areas collectively, the Sponsor garners an overall ESG assessment of *Integrated* (as defined in the *Appendix*).

## OPERATIONAL DUE DILIGENCE

### SUMMARY

An Aon specialist team (Aon Operational Risk Solutions and Analytics, "ORSA") reviewed the Sponsor's policies, procedures, and capabilities across a range of operations, middle and back office, and control functions including: (i) corporate governance, (ii) transaction execution, (iii) cash controls, (iv) valuation, (v) compliance, regulatory, legal, and controls testing, (vi) counterparty risk oversight, (vii) business continuity/disaster recovery, (viii) cyber security and IT, (ix) service provider selection and monitoring, and (x) fund governance and administration.

The following area of risk were highlighted:

- LaSalle staffs/controls/runs its own fund administration, while ORSA states that third party administration helps to limit investor risk by providing independent oversight of accounting, valuation, and cash movements.
  - ORSA does point out, in this case, there is sufficient organizational segregation to mitigate the typical risks.

For an overall assessment, the team concluded that LaSalle has established controls and operating procedures that generally align with best practice, garnering an A1 Pass rating.

## INVESTMENT PROCESS

### OVERVIEW

The investment process is slightly different than the prior fund, in that Fund IX has a first look on all potential deals sourced by the firm, but otherwise, the firm's organization and the fund approval process remains the same. The process overall reflects a well-resourced research-based sector allocator. Allocations to identified sectors and trends set an initial outline for the fund portfolio.

Research & Strategy is a 26-person global team including eight in the U.S. that sets the LaSalle House View which guides the fund portfolio construction, and provides input down to the sub-market level.

Sourcing: Primarily performed by LaSalle's U.S. Acquisitions group, secondarily by certain members of the dedicated team. The vast majority of transactions for Funds VI, VII and VIII were either off-market or lightly negotiated rather than broadly marketed.

Acquisitions and Due Diligence: US team of 8 senior people supported by 12 junior people, led by Brad Gries, Co-Head of the Americas. Team members specialize by product type and region.

Asset Management: The dedicated Fund team is responsible for developing and monitoring asset strategy, overseeing third party property management and leasing, JV partners where applicable, conducting the valuation and third party appraisal process, and recommending disposition. The associated annual operating budgets, capital improvement budgets, major leases, and financings/re-financings are reviewed and must be approved by the Fund PM, Joe Munoz.

### INVESTMENT COMMITTEE

All U.S. acquisitions and dispositions are subject to the review and approval of the Americas Investment Committee. Committee decisions require supermajority vote (four of the five members). Committee members are listed at right. Bios are included in **Exhibit A**. The Committee also

| Name/Title   | Years of Experience | Years with Firm |
|--|---------------------|-----------------|
| Mark Gabbay, Global CEO  | 27                  | 12              |
| Brad Gries, Co-Head of the Americas                                      | 25                  | 5               |
| Kristy Heuberger, Co-Head of the Americas                                | 24                  | 7               |
| Rich Kleinman, Head of US Research and Americas Co-CIO                   | 35                  | 12              |
| Joseph Munoz, President of LaSalle Value Partners US and Americas Co-CIO | 18                  | 19              |

reviews the Fund's intermediate term strategic plans, approves internal valuations, contributes to the US macro view, and guides fund deal selection for consistency with the house view.

#### USE OF AFFILIATED SERVICE PROVIDERS

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LaSalle may retain JLL for services when they are the most qualified provider in a market or sector.

- JLL's range of commercial real estate services include sales brokerage, development management, construction management, leasing and property management, tenant representation and corporate advisory services. JLL mainly works for third parties in addition to select assignments on behalf of LaSalle's clients.
- When utilized historically, which has involved about a third of fund investments, the fund series typically engages JLL for property management and leasing, mortgage brokerage to obtain acquisition financing, and/or investment sales at the time of disposition.

The team generally utilizes a competitive bid process and evaluates each bidding company's experience and performance track record relevant to the assignment. It is LaSalle's policy to employ the best service providers and to negotiate competitive market fees for these services.

Approval of the LP Advisory Committee is required for the Fund to utilize JLL services for fund investments. The Committee is required to review and approve all affiliated transactions, with fee comparables and rationale for engaging JLL discussed at the meeting.

#### EXCLUSIVITY

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LVP US IX will have a first look at LaSalle's proprietary deal flow for opportunities that fit the Fund's strategy, as the LaSalle's flagship US non-core vehicle.

#### VALUATIONS

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Same formal policy & procedures as the prior fund. The Sponsor requires the fair market value of assets (i) to be assessed quarterly using internal models prepared by the fund controller and Asset Managers and reviewed by the PM, and (ii) to be reviewed annually using an external independent appraiser. Year-end valuations will be reviewed by the to-be-hired "Big Four" audit firm in conjunction with year-end audits of the financial statements.

#### LP ADVISORY COMMITTEE

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The GP will form an Advisory Committee. LPs of \$100M+ may have a seat and additional members are selected at the GP's discretion.<sup>1</sup> Voting requires simple majority, single vote.

- Duties are typical, with an expected amount of affiliated transaction reviews required. In addition to acting as a resource to the Manager, the Advisory Committee is utilized to review and approve (i) conflicts of interest, (ii) affiliated transactions with JLL, (iii) certain waivers of guidelines and terms, and possibly other matters at the Manager's request.

#### USE OF PLACEMENT AGENT

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The Sponsor is not engaging a placement agent in the US for this fundraise.

## FUND STRUCTURE

#### OVERVIEW

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Closed-end fund to be organized as three underlying Delaware limited partnerships and a Luxembourg special limited partnership. Assets will be held through REIT subsidiaries or taxable domestic blocker corporations. The anticipated legal structuring of the fund is diagrammed in **Exhibit B**.

- General Partner of the Delaware Funds: LaSalle Value Partners US IX GP, LLC
- Investment Manager: LaSalle Investment Management Inc
  - Registered Investment Advisor with the SEC

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<sup>1</sup> Fund VIII members are Arkansas Teachers (non-voting), Boeing (non-voting), Erie Insurance, Hawaii ERS, Illinois Municipal, Korea Teachers, (Kuwait) Public Institution for Social Security, Textron, United Nations, and Ventura County.

## REVIEW OF TERMS & CONDITIONS

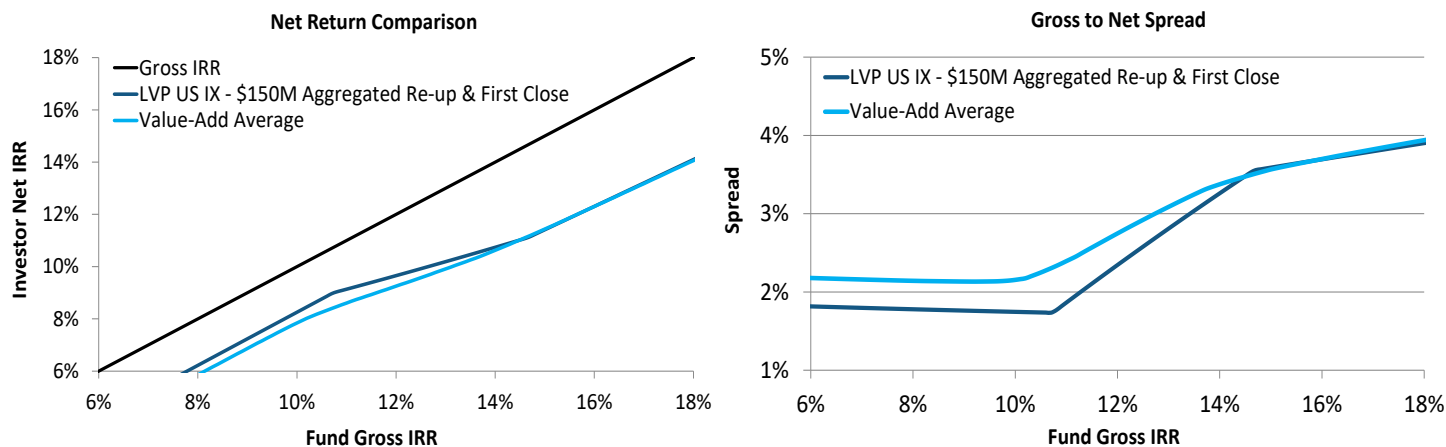
| Key Terms                    |  | Townsend Comment |   |
|------------------------------|--|------------------|---|
| <b>Target Return:</b>        | 12%-14% IRR and 1.55x equity multiple net; (14%-17% IRR and 1.75x equity multiple gross).  | Neutral          | 11%-13% is the proper net given the fee structure applied to the gross target range.                      |
| <b>Fund Size:</b>            | \$1.25 billion (no cap).   | Neutral          | There should (always) be a cap.   |
| <b>Sponsor Commitment:</b>   | 2.5% of total commitments.   | Positive         | \$3-\$4M likely from team members, balance from LaSalle employees VP level and up.                        |
| <b>Investment Period:</b>    | 3 years from the Final Closing.  | Neutral          | 1-year extension at GP discretion.  |
| <b>Term:</b>                 | 5 years from the end of the Investment Period.   | Neutral          | 1-year extension at GP discretion.  |
| <b>Key Person Provision:</b> | Triggered by two of Joe Munoz, Jeff Shuster, and Ty Spearing ceasing to spend time/attention as defined. Suspends the Investment Period, and starts a cure period. | Neutral          | LPAC must consent to replacements or agree to continue as-is, otherwise the Investment Period terminates. |
| <b>No-Fault Remedies:</b>    | GP/Manager removal by 75% LP vote.   | Neutral          |   |

### Fees and Distribution Waterfall

|  |   |
|--|---|
| <b>Organizational Expenses:</b>              | Fund pays up to \$2.5 million.  |
| <b>Investment Management Fee:</b>            | If commitment is <\$75M, 1.5% on Committed, then Invested.<br>If \$75M+, 1.4% and if \$150M+, 1.25%.<br>AON/Townsend client commitments are considered in the aggregate to determine fee tier.<br>First Closers receive a fee holiday to Dec 31, 2022.<br>Prior fund investors receive additional 15bp discount life-of-fund. |
| <b>Incentive Fee/Waterfall Distribution:</b> | 20% subject to a 9% preferred return and 50/50 catch-up; fully pooled waterfall.  |
| <b>Clawback:</b>                             | Triggered if (i) LP distributions produced <9% IRR; (ii) GP received distributions >20%.  |

## FEE AND EXPENSE ANALYSIS

At the midpoint of the targeted range, the expected gross-to-net drop is ~350 bps. Fee tier thresholds, rates, and the Incentive structure have been tweaked in the favor of the GP compared to the prior fund. However, if an LP can take advantage of discounts for timing, size, and loyalty, the fee becomes better than average as illustrated. AON/Townsend client commitment amounts will be considered in the aggregate to determine the applicable fee tier. In the prior fund that resulted in the lowest fee. Also, investors in prior funds receive an additional 15bp loyalty discount. And, First Closers are provided a small fee holiday. Structurally, a 9% pref before the GP catch-up is still an LP-friendly hurdle.





# PERFORMANCE (as of December 31, 2021)

## SUMMARY

The fund series track record contains 127 transactions across 8 funds since inception.

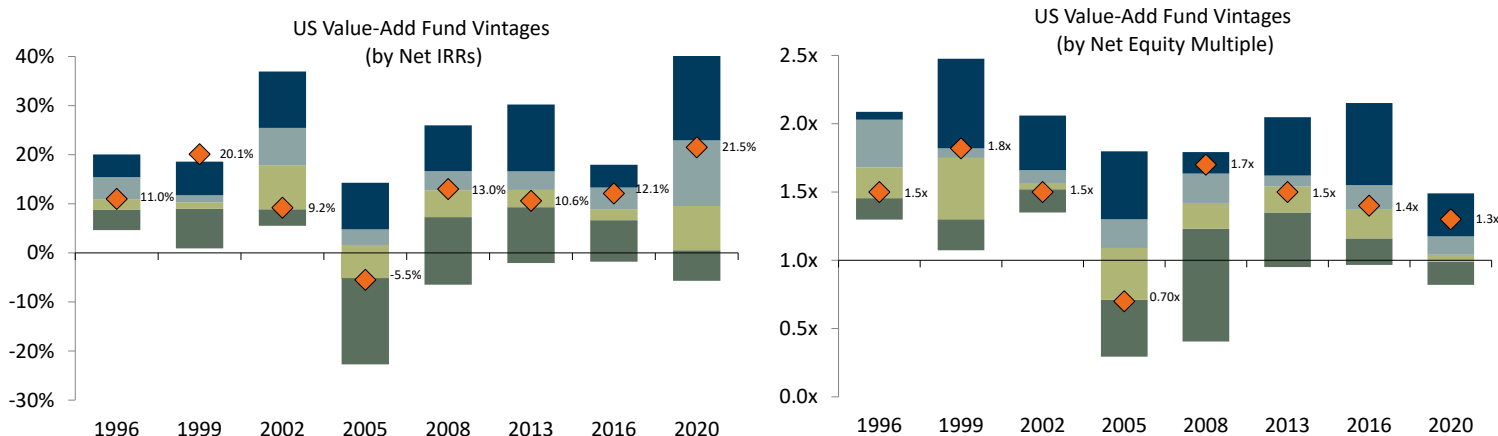
| Fund     | Vintage | Fund Size (M) | Number of Assets (Number Realized) | Targeted Return (Net IRR) | Fair Market Value |                     | Realizations            | Distributions to Paid-in-Capital | Manager Projected Life-of-Fund Net IRR |
|----------|---------|---------------|------------------------------------|---------------------------|-------------------|---------------------|-------------------------|----------------------------------|--|
|          |         |               |                                    |                           | Net IRR           | Net Equity Multiple | % of Projected Proceeds |                                  |  |
| I&G I    | 1996    | \$109         | 11 (11)                            | 14-16%                    | 11.0%             | 1.5x                | 100%                    | 1.5x                             | Realized                               |
| I&G II   | 1999    | \$205         | 12 (12)                            | 14-16%                    | 20.1%             | 1.8x                | 100%                    | 1.8x                             | Realized                               |
| I&G III  | 2002    | \$198         | 8 (8)                              | 14-16%                    | 9.2%              | 1.5x                | 100%                    | 1.5x                             | Realized                               |
| I&G IV   | 2005    | \$509         | 22 (22)                            | 14-15%                    | -5.5%             | 0.7x                | 100%                    | 0.7x                             | Realized                               |
| I&G V    | 2008    | \$790         | 20 (20)                            | 12-14%                    | 13.0%             | 1.7x                | 100%                    | 1.7x                             | Realized                               |
| I&G VI   | 2013    | \$512         | 14 (13)                            | 12-14%                    | 10.6%             | 1.5x                | 79%                     | 1.2x                             | 10-11%                                 |
| I&G VII  | 2016    | \$511         | 17 (7)                             | 12-14%                    | 12.1%             | 1.4x                | 34%                     | 0.5x                             | 12-14%                                 |
| I&G VIII | 2020    | \$832         | 23 (1)                             | 12-14%                    | 21.5%             | 1.3x                | 10%                     | 0.6x                             | 16-18%                                 |

The series was historically run as an office-heavy diversified value-add fund investing in each of four traditional property types, with a small development component.

The general approach has been to acquire non-core properties that can be improved for sale to core buyers. Primary value-add risks have been weighted to lease-up of vacancy and managing near term lease expirations, and executing capital plans associated with repositioning; far less weighted to deep redevelopments, conversions, or other capital-intensive business plans.

## COMPARED TO PEERS

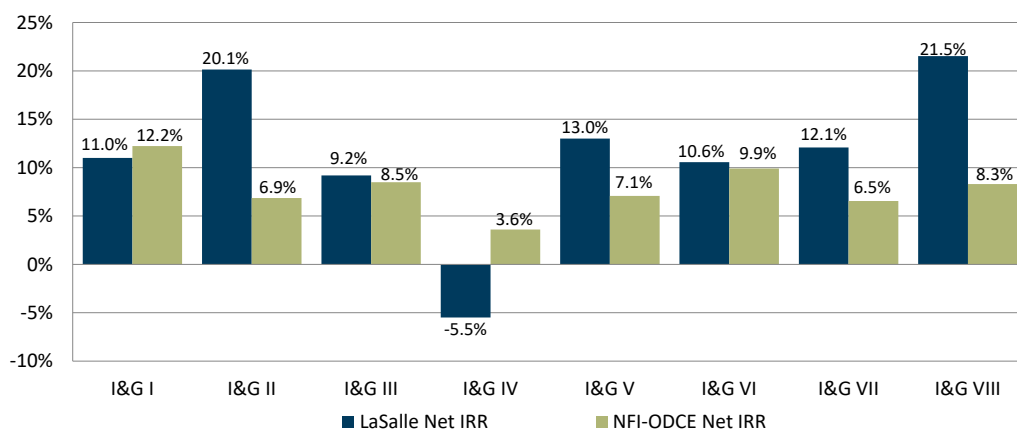
The following displays LaSalle’s fund series returns relative to the peer sets of same vintage US value-add funds.



Source: TTG database and Preqin fund database.

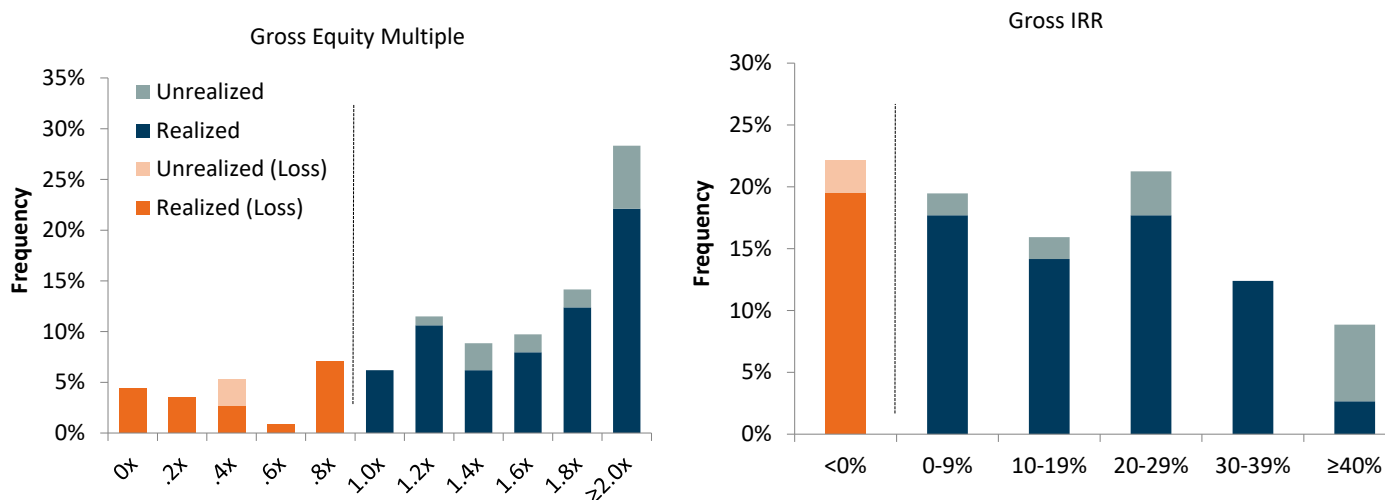
## COMPARED TO BENCHMARK

The chart at right assumes fund series cash flows were instead invested into and out of the NFI-ODCE index to create a net IRR comparison of the closed-end IRR-based LaSalle fund series to the open-end core fund based benchmark.



## DISPERSION OF RETURNS

The following chart illustrates the dispersion of individual deal investment returns across the transactions within the fund series held over 1 year, totaling 95 since inception. The returns included in the analysis are fair market valuations on a gross property level basis.



65% of negative returns reside in Fund IV (2005 vintage) alone, across each of the four property types in the fund. The manager increased leverage from around 50% in the prior three funds to 65%-75% right at the wrong time to take leverage risk. Returns since the GFC have been achieved with more consistency and vastly less losses (~one negative return per fund).

- Deal by deal property level gross returns are provided for the series as **Exhibit C**.

## OTHER PERFORMANCE

The Sponsor's open-end core fund, formed in 2010, has been a good benchmark-tracking performer, now with ~\$8 billion in GAV.

| Vehicle               | Description                               | Performance (Net TWR) |             |             |             |
|-----------------------|---|-----------------------|-------------|-------------|-------------|
|                       |   | 1-Year                | 3-Year      | 5-Year      | 10-Year     |
| LaSalle Property Fund | Open-end Commingled Diversified Core Fund | 19.4%                 | 8.0%        | 7.7%        | 9.9%        |
| <b>NFI-ODCE</b>       | <b>Benchmark</b>                          | <b>21.0%</b>          | <b>8.2%</b> | <b>7.7%</b> | <b>9.4%</b> |

## EXHIBIT A: Bios

### Americas Investment Committee

**Mark Gabbay, Global Chief Executive Officer.** Mark Gabbay is Global CEO of LaSalle, a position he assumed in January 2021. He is responsible for strategic leadership of LaSalle's 900+ employees and oversight of the firm's \$75 billion of assets, including investment strategy and operational activities across North America, Asia Pacific, and Europe. Mark joined LaSalle in 2010 as Chief Investment Officer for Asia Pacific. In 2015, he became CEO of the region, in addition to his CIO oversight, and maintained overall responsibility for formulating and implementing LaSalle's investment strategy across Asia Pacific, sourcing opportunities and overseeing the investment process. Prior to joining LaSalle, Mark served as Managing Director and Head of the Asia Asset Finance Division at Nomura, and was Co-Head of the Asia Pacific Global Real Estate Group at Lehman Brothers, where he was in charge of the firm's expansion into new markets for both debt and equity real estate investments. Mark also worked at GMAC Commercial Mortgage Corporation as the Head of Real Estate Lending for Japan in the late 1990s. Mark has been in the commercial real estate and investment industries for more than 25 years, working in the Asia Pacific region for the past 20 years and the United States for six previously. Mark has a BA from the University of California, Berkeley.

**Brad Gries, Co-Head of the Americas.** Brad Gries is LaSalle's Co-Head of the Americas, a role he assumed March 31, 2021. Together with his counterpart Kristy Heuberger, Brad is responsible for all personnel, operational and portfolio management across the region. He is a member LaSalle's Global Management Committee. Brad also maintains oversight as LaSalle's Head of US Transactions. He leads a team of 20 transactions professionals that are responsible for sourcing, underwriting and executing new investments as well as dispositions across North America. He chairs the LaSalle Americas Investment Committee and helps formulate investment strategy for the firm. Brad is an active participant in the firm's capital raising efforts and is directly involved in the formation and execution of joint ventures and large portfolio transactions. Prior to joining LaSalle, Brad held leadership positions over the course of a 16-year career with the real estate investment arm of DWS, most recently serving as Managing Director, Real Estate Transactions. In this role, he led the acquisition team responsible for new investment initiatives in the Central and Southeast US, including investments in all property types and throughout the risk spectrum. Before DWS, Brad held analyst and consultant positions at MB Real Estate and Arthur Anderson. Brad earned a BA in Economics from the University of Illinois.

**Kristy Heuberger, Co-Head of the Americas.** Kristy Heuberger is LaSalle's Co-Head of the Americas, a role she assumed March 31, 2021. Together with her counterpart Brad Gries, she is responsible for all personnel, operational and portfolio management across the region. She is a member of LaSalle's Global Management Committee and reports to Global CEO Mark Gabbay. Kristy also maintains oversight as LaSalle's Head of US Asset Management, where she leads the team responsible for developing and executing asset level strategies and driving active asset management. Kristy is a member of JLL Income Property Trust's Board, a member LaSalle's Growth Through Inclusion Board, and chairs the Americas Data & Technology Strategy Committee. Kristy has over 21 years of real estate experience including equity asset management, debt structuring/originations, debt workouts, operations, marketing/market segmenting, and process improvement. Prior to joining LaSalle, she held several leadership roles with GE Capital, including leading the Central Region Originations and US Equity Asset Management groups and as Chief Marketing Officer for the North American region. Kristy earned a MBA in Finance and Economics from the University of Chicago and a BS in Accounting from Indiana University. She also holds a Six Sigma Master Black Belt certification.

**Rich Kleinman, Head of US Research and Strategy, Americas Co-Chief Investment Officer.** Rich Kleinman is Head of LaSalle's U.S. Research and Strategy group and serves as Co-Chief Investment Officer for the Americas. He serves on the Americas Investment Committee and is the lead representative of the Research and Strategy team for several LaSalle funds and separate accounts. In this capacity he works with the Research and Strategy team in to developing investment strategies for clients, formulating a House View on the real estate market outlook, assessing market conditions associated with specific investment decisions, and monitoring capital market conditions. He helps represent LaSalle's US market views and research process to clients and consultants. He has spoken at the Real Estate Research Institute (RERI), Urban Land Institute, and NCREIF Conferences, published in the PREA Quarterly, and contributed to the PWC/ULI Emerging Trends Publication. Mr. Kleinman earned at BA in Economics and American Studies from Williams College and a Masters Degree in Urban Studies from the London School of Economics. He is a past Co-chair of the NCREIF Research Committee and is currently on the NCREIF Board of Directors.

**Joseph Munoz, President of LVP US, Americas Co-Chief Investment Officer.** Mr. Muñoz has more than 18 years of experience at LaSalle and is the President of LaSalle Value Partners US and Americas Co-Chief Investment Officer. He is responsible for the strategy, operations, investor relationships and investment activities of the Fund series. Since joining the firm, he has completed over \$8 billion in transactions across property types and has also held roles where he was responsible for asset management, financings, dispositions and capital formation. His direct experience in all aspects of both property level and capital markets

execution informs the overall strategy of the Funds. Mr. Muñoz is a member of LaSalle's Americas Investment Committee and Management Board. Mr. Muñoz received a BA in Economics from the University of Pennsylvania and an MBA from the Kellogg School of Management at Northwestern University. Mr. Muñoz is based in Chicago.

## Dedicated Team

### Senior Members of the Team

**Joseph Munoz, President of LVP US, Americas Co-Chief Investment Officer.** See above.

**Jeffrey Shuster, Head of Investments.** Mr. Shuster is a Managing Director and leads the investment activity of LaSalle Value Partners US. Prior to joining LaSalle, Mr. Shuster spent 12 years at Starwood Capital Group where he completed over \$6 billion of real estate private equity transactions. His roles included acquisitions sourcing, structuring and underwriting, managing joint venture partner relationships as well as positions in asset management on behalf of Starwood's Opportunity Fund and Property Trust platforms. Prior to Starwood, Jeff began his career with Bear Stearns in the Commercial Mortgages group where he underwrote over \$2 billion of CMBS debt. Mr. Shuster holds a Bachelor of Science in Economics with a concentration in Real Estate and Finance from the Wharton School at the University of Pennsylvania. Mr. Shuster is based in New York.

**Ty Spearing, Head of Asset Management and Dispositions.** Mr. Spearing is a Managing Director with more than 28 years of experience at LaSalle, including 18 years with the fund series, is responsible for the asset management and disposition activities of LaSalle Value Partners US. He has led the execution and realization of over \$6 billion of completed investments across all property sectors and over 20 metropolitan areas of the US, the majority of which was directly executed by the Fund team with no joint venture operating partner. In previous roles at LaSalle, Mr. Spearing headed the Florida Office Property Company, a LaSalle sponsored value add fund, and also served as the Chief Financial Officer for the first fund in the LaSalle Value Partners US series. Prior to joining LaSalle, Mr. Spearing was a senior auditor in the Audit and Assurance Group at Deloitte. Mr. Spearing received a BS in Accounting from Indiana University and is also a Certified Public Accountant. He is based in Chicago.

**Brian Gorz, Chief Financial Officer – LVP US.** Mr. Gorz, a Managing Director with more than 29 years of experience at LaSalle, serves as the Chief Financial Officer of LaSalle Value Partners US, responsible for financial planning, analysis, cash management and reporting. Brian works closely with the investment, asset management and capital functions to support the Funds strategy and activity. Mr. Gorz earned a BA from the University of Illinois and is also a Certified Public Accountant. He is based in Chicago.

### Mid-Level Members of the Fund Team

**Michelle Gottlieb, Senior Vice President – Asset Management.** Ms. Gottlieb, a Senior Vice President with more than 14 years of experience at LaSalle, is a senior asset manager with a focus on the Western region of the US. Ms. Gottlieb has extensive experience across property sectors, responsible for \$4 billion of portfolio properties over her tenure. Ms. Gottlieb received a BBA from the University of Wisconsin and an MBA from the Kellogg School of Management at Northwestern University. She is based in San Francisco.

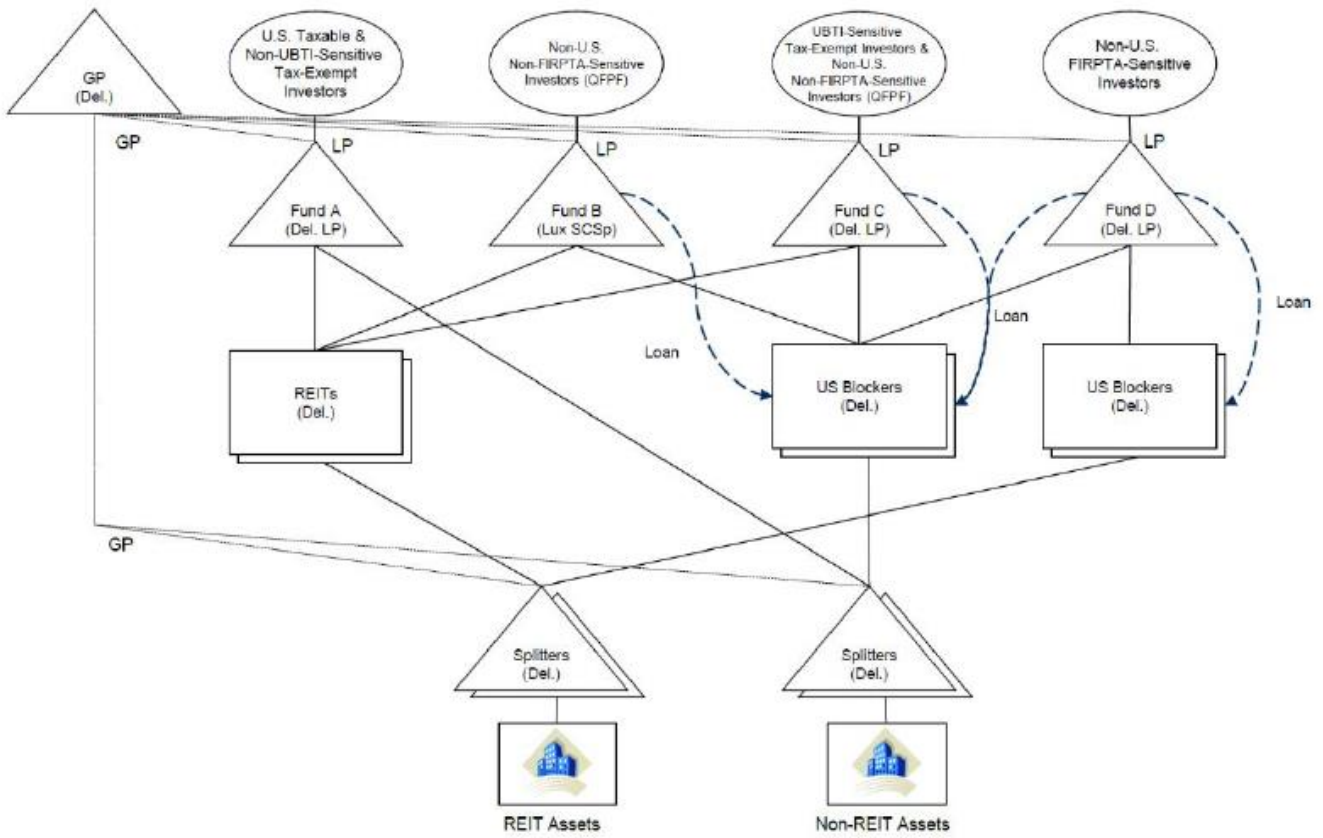
**Amanda Hassan, Senior Vice President - Investments.** Ms. Hassan is a Senior Vice President responsible for the sourcing and evaluation of investment opportunities. Since joining LaSalle in 2014, she has completed over \$3.5 billion in property transactions across property sectors throughout the US and has also held asset management, portfolio management and capital formation responsibilities. Ms. Hassan earned a BS in Finance from the University of Illinois and an MBA with a concentration in Real Estate Finance and Investment from the Kellstadt Graduate School of Business at DePaul University.

**Brian Wilkinson, Vice President – Asset Management.** Mr. Wilkinson, a Vice President, is an asset manager responsible for a variety of property sectors throughout the United States. Mr. Wilkinson has been a dedicated member of the LaSalle Value Partners US Fund team since 2021 and, prior to his current responsibilities, spent five years in LaSalle's Asset Management group focusing on assets for open-ended funds and separate account clients. Prior to joining LaSalle, Mr. Wilkinson was an Associate with NPV Advisors, a real estate valuation and advisory firm, where he specialized in the valuation of office and multifamily assets for lenders and institutional clients. Mr. Wilkinson earned a BA from The University of Chicago. He is based in Chicago.

**Zac Bublitz, Vice President – Asset Management.** Mr. Bublitz, a Vice President, joined the LaSalle Value Partners US Fund team in 2014. He has extensive experience across the Fund's asset and portfolio management activities including transactions, financings, valuations, and analysis. Mr. Bublitz earned a BBA from the University of Notre Dame and is completing his MBA from the Kellogg School of Management at Northwestern University.

EXHIBIT B

Legal/Tax Structure



## EXHIBIT C: Deal Level Gross Returns

| Deal Level Information          |               |                                 |                   |               |                   |                  |                                |                        |             |  |                       | Projected Returns |                       | Fair Market Value Returns |  |
|---------------------------------|---------------|---------------------------------|-------------------|---------------|-------------------|------------------|--------------------------------|------------------------|-------------|--|-----------------------|-------------------|-----------------------|---------------------------|--|
| Investment                      | Fund          | Deal Descriptor / Business Plan | Partner           | Property Type | Location          | Acquisition Date | Sale Date or Modeled Sale Date | Total Transaction Size | Fund Equity | Realized Proceeds & Projected Proceeds to Fund Equity <sup>4</sup> | Gross Equity Multiple | Gross IRR         | Gross Equity Multiple | Gross IRR                 |  |
|                                 |               |                                 |                   |               |                   |                  |                                |                        |             |  |                       |                   |                       |                           |  |
| <b>REALIZED INVESTMENTS</b>     |               |                                 |                   |               |                   |                  |                                |                        |             |  |                       |                   |                       |                           |  |
| Juncture Alpharetta             | I&G Fund VIII | Operating                       |                   | Residential   | Alpharetta, GA    | 10/19            | 12/21                          | 161,500,000            | 63,700,000  | 125,400,000  | N/A                   | N/A               | 2.0x                  | 38.3%                     |  |
| Ygnacio Center                  | I&G Fund VII  | Reposition                      |                   | Office        | Walnut Creek, CA  | 05/16            | 10/18                          | 190,900,000            | 63,200,000  | 93,200,000   | N/A                   | N/A               | 1.5x                  | 18.3%                     |  |
| MILO at Mountain Park           | I&G Fund VII  | Reposition                      |                   | Multifamily   | Lake Oswego, OR   | 12/16            | 10/21                          | 34,500,000             | 13,000,000  | 24,500,000   | N/A                   | N/A               | 1.9x                  | 16.0%                     |  |
| One Ardmore                     | I&G Fund VII  | Develop                         | Drano             | Multifamily   | Ardmore, PA       | 02/17            | 04/19                          | 47,500,000             | 9,400,000   | 14,400,000   | N/A                   | N/A               | 1.5x                  | 25.0%                     |  |
| 10 Post Office Square           | I&G Fund VII  | Operate                         | Synergy           | Office        | Boston, MA        | 03/17            | 05/19                          | 197,300,000            | 61,400,000  | 104,200,000  | N/A                   | N/A               | 1.7x                  | 29.8%                     |  |
| RH Buckhead                     | I&G Fund VII  | Operate                         | RFB               | Retail        | Atlanta, GA       | 07/17            | 04/21                          | 34,400,000             | 16,800,000  | 32,300,000   | N/A                   | N/A               | 2.0x                  | 25.0%                     |  |
| Speedway 10                     | I&G Fund VII  | Develop                         | Panattoni         | Industrial    | Las Vegas, NV     | 01/18            | 09/20                          | 16,600,000             | 6,400,000   | 12,400,000   | N/A                   | N/A               | 1.9x                  | 34.0%                     |  |
| Lakeshore Pearl                 | I&G Fund VII  | Reposition                      | Cypress           | Multifamily   | Austin, TX        | 02/18            | 10/21                          | 62,200,000             | 15,900,000  | 39,200,000   | N/A                   | N/A               | 2.5x                  | 34.2%                     |  |
| Titan Industrial                | I&G Fund VI   | Develop                         |                   | Industrial    | Sumner, WA        | 02/13            | 06/16                          | 20,900,000             | 7,500,000   | 17,500,000   | N/A                   | N/A               | 2.3x                  | 27.5%                     |  |
| Apollo Industrial               | I&G Fund VI   | Develop                         |                   | Industrial    | Sumner, WA        | 03/13            | 06/16                          | 8,300,000              | 3,100,000   | 7,400,000  | N/A                   | N/A               | 2.4x                  | 29.5%                     |  |
| Axis Apartments                 | I&G Fund VI   | Reposition                      | ATRF              | Residential   | Chicago, IL       | 02/13            | 12/16                          | 204,500,000            | 37,900,000  | 64,700,000   | N/A                   | N/A               | 1.7x                  | 12.6%                     |  |
| Crossings@880                   | I&G Fund VI   | Develop                         | Overton Moore     | Industrial    | Fremont, CA       | 03/13            | 08/15                          | 69,800,000             | 27,800,000  | 61,100,000   | N/A                   | N/A               | 2.2x                  | 57.5%                     |  |
| Writer Square                   | I&G Fund VI   | Operate                         | Unico             | Office        | Denver, CO        | 09/13            | 12/16                          | 77,100,000             | 25,800,000  | 47,100,000   | N/A                   | N/A               | 1.8x                  | 20.6%                     |  |
| VSU Student Housing             | I&G Fund VI   | Reposition                      | Student Quarters  | Residential   | Valdosta, GA      | 10/13            | 07/16                          | 28,200,000             | 10,500,000  | 1,800,000  | N/A                   | N/A               | 0.2x                  | -54.2%                    |  |
| The Edge Midtown                | I&G Fund VI   | Develop                         |                   | Residential   | Nashville, TN     | 11/13            | 10/19                          | 21,800,000             | 9,000,000   | 19,000,000   | N/A                   | N/A               | 2.1x                  | 24.1%                     |  |
| The Dallas on Elliston          | I&G Fund VI   | Develop                         |                   | Residential   | Nashville, TN     | 01/13            | 10/19                          | 18,900,000             | 7,900,000   | 14,900,000   | N/A                   | N/A               | 1.9x                  | 16.5%                     |  |
| 60 South Market                 | I&G Fund VI   | Reposition                      | Harvest           | Office        | San Jose, CA      | 12/13            | 07/16                          | 66,600,000             | 32,000,000  | 51,900,000   | N/A                   | N/A               | 1.6x                  | 22.8%                     |  |
| Precedent Office Park           | I&G Fund VI   | Operate                         | ATRF              | Office        | Indianapolis, IN  | 07/14            | 12/17                          | 134,300,000            | 23,600,000  | 39,500,000   | N/A                   | N/A               | 1.7x                  | 20.0%                     |  |
| 1620 L Street NW                | I&G Fund VI   | Reposition                      |                   | Office        | Washington, DC    | 08/14            | 03/17                          | 80,800,000             | 36,500,000  | 49,300,000   | N/A                   | N/A               | 1.4x                  | 13.7%                     |  |
| Alesio Urban Center             | I&G Fund VI   | Reposition                      | ATRF              | Residential   | Las Colinas, TX   | 12/14            | 04/21                          | 137,900,000            | 42,000,000  | 50,300,000   | N/A                   | N/A               | 1.3x                  | 4.3%                      |  |
| Summit at Lantana               | I&G Fund VI   | Operate                         | Spear Street      | Office        | Austin, TX        | 12/14            | 12/18                          | 269,400,000            | 44,000,000  | 56,300,000   | N/A                   | N/A               | 1.3x                  | 7.3%                      |  |
| Orchard Pond Apartments         | I&G Fund V    | Operate                         |                   | Multifamily   | Gaithersburg, MD  | 05/08            | 10/15                          | 115,800,000            | 45,400,000  | 57,700,000   | N/A                   | N/A               | 1.3x                  | 4.6%                      |  |
| Bay Street Emeryville           | I&G Fund V    | Reposition                      | Madison Marquette | Retail        | Emeryville, CA    | 06/08            | 08/14                          | 246,000,000            | 63,600,000  | 140,700,000  | N/A                   | N/A               | 2.2x                  | 16.0%                     |  |
| Caribbean Corporate Center      | I&G Fund V    | Operate                         |                   | Industrial    | Sunnyvale, CA     | 07/08            | 02/12                          | 81,800,000             | 43,700,000  | 36,100,000   | N/A                   | N/A               | 0.8x                  | -8.8%                     |  |
| US Bancorp Tower                | I&G Fund V    | Reposition                      | Unico / Zurich    | Office        | Portland, OR      | 09/08            | 08/15                          | 358,300,000            | 96,400,000  | 137,500,000  | N/A                   | N/A               | 1.4x                  | 7.2%                      |  |
| Denver World Trade Center       | I&G Fund V    | Reposition                      |                   | Office        | Denver, CO        | 10/08            | 04/13                          | 173,500,000            | 83,900,000  | 104,600,000  | N/A                   | N/A               | 1.2x                  | 6.2%                      |  |
| NATMI Truck Terminals           | I&G Fund V    | Operate                         | NAT / Assurant    | Industrial    | Various, US       | 01/09            | 06/15                          | 141,500,000            | 87,100,000  | 186,800,000  | N/A                   | N/A               | 2.1x                  | 26.4%                     |  |
| Oakdale Village Shopping Center | I&G Fund V    | Operate                         |                   | Retail        | Oakdale, MN       | 01/10            | 06/13                          | 25,200,000             | 12,600,000  | 26,800,000   | N/A                   | N/A               | 2.1x                  | 30.3%                     |  |
| Puyallup Distribution Center    | I&G Fund V    | Reposition                      |                   | Industrial    | Puyallup, WA      | 05/10            | 07/11                          | 15,200,000             | 8,500,000   | 11,800,000   | N/A                   | N/A               | 1.4x                  | 38.3%                     |  |
| Highland Pointe                 | I&G Fund V    | Operate                         |                   | Office        | Lombard, IL       | 06/10            | 10/15                          | 51,100,000             | 20,300,000  | 20,600,000   | N/A                   | N/A               | 1.0x                  | 0.4%                      |  |
| 925 Main St                     | I&G Fund V    | Operate                         |                   | Multifamily   | Grapevine, TX     | 08/10            | 10/14                          | 42,500,000             | 18,600,000  | 38,300,000   | N/A                   | N/A               | 2.1x                  | 22.1%                     |  |
| Canal Centre                    | I&G Fund V    | Reposition                      |                   | Office        | Irving, TX        | 09/10            | 02/15                          | 25,600,000             | 26,500,000  | 34,900,000   | N/A                   | N/A               | 1.3x                  | 9.0%                      |  |
| 750 Canyon                      | I&G Fund V    | Operate                         |                   | Office        | Coppell, TX       | 09/10            | 08/13                          | 29,400,000             | 16,000,000  | 30,200,000   | N/A                   | N/A               | 1.9x                  | 32.1%                     |  |
| Shade at Desert Ridge           | I&G Fund V    | Operate                         |                   | Multifamily   | Phoenix, AZ       | 09/10            | 08/15                          | 44,100,000             | 16,600,000  | 31,200,000   | N/A                   | N/A               | 1.9x                  | 12.5%                     |  |
| Mission Ridge                   | I&G Fund V    | Reposition                      |                   | Office        | Chantilly, VA     | 10/10            | 02/16                          | 69,500,000             | 43,000,000  | 70,100,000   | N/A                   | N/A               | 1.6x                  | 12.0%                     |  |
| Miami Tower                     | I&G Fund V    | Reposition                      |                   | Office        | Miami, FL         | 12/10            | 05/16                          | 136,800,000            | 74,200,000  | 185,900,000  | N/A                   | N/A               | 2.5x                  | 25.5%                     |  |
| Vantage at Fair Oaks            | I&G Fund V    | Develop                         |                   | Multifamily   | San Antonio, TX   | 02/11            | 01/13                          | 24,200,000             | 9,200,000   | 15,400,000   | N/A                   | N/A               | 1.7x                  | 32.3%                     |  |
| Observatory Park                | I&G Fund V    | Develop                         | Urban West        | Multifamily   | Denver, CO        | 02/11            | 12/15                          | 54,000,000             | 15,500,000  | 39,200,000   | N/A                   | N/A               | 2.5x                  | 22.8%                     |  |
| Waterfront Plaza                | I&G Fund V    | Reposition                      |                   | Office        | San Francisco, CA | 03/11            | 08/14                          | 52,100,000             | 46,700,000  | 96,000,000   | N/A                   | N/A               | 2.1x                  | 25.7%                     |  |
| Broadway Market                 | I&G Fund V    | Reposition                      | Madison Marquette | Retail        | Seattle, WA       | 03/11            | 12/14                          | 24,500,000             | 8,000,000   | 23,200,000   | N/A                   | N/A               | 2.9x                  | 36.2%                     |  |
| Optima Center Chicago           | I&G Fund V    | Debt/Yield                      | Optima            | Multifamily   | Chicago, IL       | 11/11            | 10/13                          | 20,000,000             | 20,000,000  | 28,100,000   | N/A                   | N/A               | 1.4x                  | 20.6%                     |  |

| Investment                            | Fund     | Partner                  | Property Type | Location            | Acquisition Date | Sale Date or Modeled Sale Date | Total Equity | Fund Equity | Realized Proceeds to Fund Equity | Realized Proceeds & Projected Proceeds to Fund Equity | Projected             |           | MTM                   |           |
|---------------------------------------|----------|--------------------------|---------------|---------------------|------------------|--------------------------------|--------------|-------------|----------------------------------|---|-----------------------|-----------|-----------------------|-----------|
|                                       |          |                          |               |                     |                  |                                |              |             |                                  |   | Gross Equity Multiple | Gross IRR | Gross Equity Multiple | Gross IRR |
| Montage Park                          | Fund IV  |                          | Office        | San Jose            | 01/08            | 08/12                          | 113,924,732  | 37,896,576  | 98,500,000                       | 98,500,000  | 0.3x                  | -21.6%    | 0.3x                  | -21.6%    |
| DeKalb Technology Center              | Fund IV  |                          | Industrial    | Atlanta             | 02/06            | 02/14                          | 23,000,000   | 8,766,602   | 20,700,000                       | 20,700,000  | 0.7x                  | -6.7%     | 0.7x                  | -6.7%     |
| Houston Multifamily Portfolio         | Fund IV  | TVO North America        | Multifamily   | Houston             | 02/07            | 02/12                          | 38,975,000   | 22,762,393  | 68,823,306                       | 68,823,306  | 0.9x                  | -3.9%     | 0.9x                  | -3.9%     |
| Central Florida Multifamily Portfolio | Fund IV  | Affirmative Equities Co. | Multifamily   | Orlando             | 04/06            | 06/10 & 08/10                  | 40,230,000   | 11,903,716  | n/a                              | n/a   | 0.0x                  | -50.0%    | 0.0x                  | -50.0%    |
| St. Paul Apartment Portfolio          | Fund IV  |                          | Multifamily   | St. Paul            | 05/06 & 11/06    | 08/11 & 08/10                  | 69,185,000   | 30,911,431  | 63,570,000                       | 63,570,000  | 1.0x                  | -1.2%     | 1.0x                  | -1.2%     |
| Henry Ford Distribution Center        | Fund IV  |                          | Industrial    | Atlanta             | 05/07            | 10/12                          | 13,000,000   | 4,086,375   | 8,025,000                        | 8,025,000   | 0.4x                  | -16.3%    | 0.4x                  | -16.3%    |
| Tranco County Mart                    | Fund IV  | JS Rosenfield & Co.      | Retail        | Malibu              | 06/06            | 06/11                          | 19,000,000   | 5,445,102   | 16,150,000                       | 16,150,000  | 0.3x                  | -24.3%    | 0.3x                  | -24.3%    |
| Timberwalk Apartments                 | Fund IV  |                          | Multifamily   | Jacksonville        | 06/07            | 09/13                          | 27,000,000   | 8,960,626   | 20,000,000                       | 20,000,000  | 0.0x                  | -64.8%    | 0.0x                  | -64.8%    |
| City West                             | Fund IV  | TVO North America        | Multifamily   | Houston             | 06/08            | 5/13 & 10/14                   | 46,550,000   | 13,843,152  | 50,540,000                       | 51,680,000  | 1.1x                  | 2.1%      | 1.1x                  | 2.1%      |
| Jackson 85 Distribution Center        | Fund IV  | RACO                     | Industrial    | Atlanta             | 07/07 & 11/07    | 08/12                          | 55,999,740   | 20,708,720  | 56,259,500                       | 56,259,500  | 1.0x                  | 1.0%      | 1.0x                  | 1.0%      |
| The Point                             | Fund IV  |                          | Office        | San Diego           | 08/05            | 02/11                          | 74,500,000   | 26,711,691  | 90,000,000                       | 90,000,000  | 1.6x                  | 39.7%     | 1.6x                  | 39.7%     |
| Gulf Coast Multifamily Portfolio      | Fund IV  | TVO North America        | Multifamily   | Various             | 08/06            | 4/12 & 8/13 & 7/14             | 92,805,156   | 32,085,156  | 92,805,156                       | 92,805,156  | 1.5x                  | 19.9%     | 1.5x                  | 19.9%     |
| Central Building                      | Fund IV  |                          | Office        | Seattle             | 08/07            | 07/13                          | 43,154,000   | 29,927,408  | 35,861,081                       | 35,861,081  | 0.9x                  | -2.3%     | 0.9x                  | -2.3%     |
| Suburban Chicago Apartments           | Fund IV  |                          | Multifamily   | Bloomington         | 09/07            | 12/12                          | 104,800,000  | 35,668,723  | 108,500,000                      | 108,500,000   | 1.1x                  | 1.5%      | 1.1x                  | 1.5%      |
| Crescent Centre                       | Fund IV  | Movav Office Partners    | Office        | Atlanta             | 11/05            | 09/11                          | 17,550,000   | 8,153,832   | 18,675,000                       | 18,675,000  | 0.3x                  | -11.8%    | 0.3x                  | -11.8%    |
| Inverness Retail                      | Fund IV  |                          | Retail        | Birmingham          | 12/05            | 5/06 & 8/14                    | 44,716,254   | 20,088,181  | 43,912,500                       | 43,912,500  | 1.2x                  | -2.2%     | 1.2x                  | -2.2%     |
| New Jersey Office Portfolio           | Fund IV  |                          | Office        | Somerset            | 12/05            | 04/12                          | 103,850,000  | 42,557,570  | n/a                              | n/a   | 0.0x                  | -50.0%    | 0.0x                  | -50.0%    |
| Sussex at Kingsome                    | Fund IV  |                          | Multifamily   | Alexandria          | 12/06            | 06/12                          | 149,500,000  | 50,302,716  | 125,500,000                      | 125,500,000   | 0.4x                  | -13.9%    | 0.4x                  | -13.9%    |
| The Fountain Apts. at Lake Orlando    | Fund IV  |                          | Multifamily   | Orlando             | 12/06            | 08/12                          | 34,353,000   | 11,624,387  | n/a                              | n/a   | 0.0x                  | -50.0%    | 0.0x                  | -50.0%    |
| UOC Industrial Portfolio              | Fund IV  |                          | Industrial    | Various             | 12/06 & 2/07     | 03/10 & 09/10 & 04/12          | 57,514,900   | 23,982,956  | 57,740,000                       | 57,740,000  | 1.1x                  | 2.7%      | 1.1x                  | 2.7%      |
| Bellevue Pacific Center               | Fund IV  |                          | Office        | Bellevue            | 12/07            | 07/11 & 8/14                   | 40,300,000   | 18,334,573  | 0                                | 36,701,468  | 1.2x                  | 1.8%      | 1.2x                  | 1.8%      |
| Peachtree Crossings                   | Fund IV  |                          | Office        | Atlanta             | 4/05 & 8/05      | 7/11 & 8/14                    | 105,600,000  | 31,581,092  | 90,785,000                       | 90,785,000  | 2.9x                  | 1.3%      | 2.9x                  | 1.3%      |
| Corporate Hill Campus Bldgs I-III     | Fund III |                          | Office        | St. Louis           | 03/02            | 03/12                          | 24,936,938   | 12,964,000  | 12,041,330                       | 12,041,330  | 1.0x                  | -0.3%     | 1.0x                  | -0.3%     |
| Corporate Hill Campus Bldgs IV        | Fund III |                          | Office        | St. Louis           | 03/02            | 02/04                          | 26,547,014   | 13,434,000  | 17,708,000                       | 17,708,000  | 1.3x                  | 17.3%     | 1.3x                  | 17.3%     |
| 370 Lexington Avenue                  | Fund III |                          | Office        | New York City       | 06/02            | 04/06                          | 59,557,630   | 28,422,000  | 56,729,582                       | 56,729,582  | 2.0x                  | 19.8%     | 2.0x                  | 19.8%     |
| 100 Minuteman Park                    | Fund III | Brickstone Properties    | Industrial    | North Andover       | 03/04            | 12/05                          | 25,057,803   | 18,543,000  | 30,938,000                       | 30,938,000  | 1.9x                  | 39.8%     | 1.9x                  | 39.8%     |
| Southview Gables                      | Fund III |                          | Multifamily   | Inver Grove Heights | 02/04            | 07/10                          | 38,293,991   | 14,972,000  | 16,881,000                       | 16,881,000  | 1.4x                  | 5.3%      | 1.4x                  | 5.3%      |
| Southmeadow                           | Fund III |                          | Industrial    | Atlanta             | 04/05            | 07/07                          | 12,861,991   | 4,716,000   | 5,750,902                        | 5,750,902   | 1.2x                  | 8.4%      | 1.2x                  | 8.4%      |
| Forest Rim Apartments                 | Fund III |                          | Multifamily   | Tulalut             | 06/02            | 05/07                          | 21,945,636   | 10,397,000  | 26,505,000                       | 26,505,000  |                       |           |                       |           |

| Deal Level Information                             |               |                                 |                      |               |                     |                  |                                |                        |             |  | Projected Returns |           | Fair Market Value Returns |              |
|--|---------------|---------------------------------|----------------------|---------------|---------------------|------------------|--------------------------------|------------------------|-------------|--|-------------------|-----------|---------------------------|--------------|
| Investment   | Fund          | Deal Descriptor / Business Plan | Partner              | Property Type | Location            | Acquisition Date | Sale Date or Modeled Sale Date | Total Transaction Size | Fund Equity | Realized Proceeds & Projected Proceeds to Fund Equity <sup>4</sup> | Gross Equity      | Gross IRR | Gross Equity              | Gross IRR    |
|  |               |                                 |                      |               |                     |                  |                                |                        |             |  | Multiple          |           | Multiple                  |              |
| <b>PARTIALLY REALIZED / UNREALIZED INVESTMENTS</b> |               |                                 |                      |               |                     |                  |                                |                        |             |  |                   |           |                           |              |
| 4 Hutton Centre                                    | I&G Fund VIII | Operate                         |                      | Office        | Orange County, CA   | 06/19            | N/A                            | 66,300,000             | 25,000,000  | 20,000,000   | 0.8x              | -10.0%    | 0.5x                      | -25.3%       |
| Parc Santa Fe                                      | I&G Fund VIII | Operate                         |                      | Industrial    | Highlands Range, CO | 12/19            | N/A                            | 61,000,000             | 19,900,000  | 39,800,000   | 2.0x              | 27.8%     | 1.7x                      | 24.3%        |
| Ardmore Cates Creek                                | I&G Fund VIII | Operate                         | Ardmore Residential  | Residential   | Hillsborough, NC    | 01/20            | N/A                            | 38,700,000             | 6,500,000   | 18,200,000   | 2.8x              | 69.0%     | 2.9x                      | 79.3%        |
| Ardmore King's Grant                               | I&G Fund VIII | Operate                         | Ardmore Residential  | Residential   | Charlotte, NC       | 01/20            | N/A                            | 50,700,000             | 8,800,000   | 22,000,000   | 2.5x              | 61.0%     | 2.8x                      | 75.2%        |
| Lathrop Gateway III                                | I&G Fund VIII | Other                           | Phelan Development   | Industrial    | Lathrop, CA         | 06/20            | N/A                            | 12,900,000             | 12,200,000  | 18,300,000   | 1.5x              | 14.6%     | 1.8x                      | N/A-Develop  |
| Ardmore at Alcove                                  | I&G Fund VIII | Operate                         | Ardmore Residential  | Residential   | Charlotte, NC       | 07/20            | N/A                            | 22,100,000             | 4,400,000   | 8,800,000  | 2.0x              | 45.3%     | 2.1x                      | 70.7%        |
| Ardmore at Rice Hope                               | I&G Fund VIII | Operate                         | Ardmore Residential  | Residential   | Savannah, GA        | 08/20            | N/A                            | 38,900,000             | 7,600,000   | 14,440,000   | 1.9x              | 65.2%     | 1.9x                      | 95.1%        |
| Sage Plum Creek                                    | I&G Fund VIII | Develop                         | Sparrow Partners     | Residential   | Kyle, TX            | 09/20            | N/A                            | 32,000,000             | 11,800,000  | 18,880,000   | 1.6x              | 15.9%     | 1.0x                      | N/A-Develop  |
| Sage Mesa  | I&G Fund VIII | Develop                         | Sparrow Partners     | Residential   | Mesa, AZ            | 12/20            | N/A                            | 39,600,000             | 19,500,000  | 32,565,000   | 1.7x              | 17.1%     | 1.0x                      | N/A-Develop  |
| Ardmore at Price                                   | I&G Fund VIII | Operate                         | Ardmore Residential  | Residential   | Charlotte, NC       | 10/20            | N/A                            | 37,800,000             | 6,700,000   | 22,110,000   | 3.3x              | 260.0%    | 3.0x                      | 342.1%       |
| Coffee Creek Industrial                            | I&G Fund VIII | Develop                         | Panattoni            | Industrial    | Portland, OR        | 12/20            | N/A                            | 12,800,000             | 5,500,000   | 8,195,000  | 1.5x              | 16.7%     | 1.4x                      | N/A-Develop  |
| Vancouver Logistics                                | I&G Fund VIII | Develop                         | Panattoni            | Industrial    | Portland, OR        | 01/21            | N/A                            | 19,800,000             | 8,500,000   | 11,815,000   | 1.4x              | 13.7%     | 1.4x                      | N/A < 1 year |
| Avenida Loveland                                   | I&G Fund VIII | Develop                         | Avenida Partners     | Residential   | Loveland, CO        | 04/21            | N/A                            | 45,000,000             | 15,600,000  | 26,520,000   | 1.7x              | 16.5%     | 1.0x                      | N/A < 1 year |
| BLVD SFR Venture                                   | I&G Fund VIII | Operate                         | BLVD                 | Other         | Various, US         | 04/21            | N/A                            | 300,900,000            | 99,000,000  | 168,300,000  | 1.7x              | 15.8%     | 1.0x                      | N/A < 1 year |
| One Kenmore Square                                 | I&G Fund VIII | Reposition                      | Related Fund Mgmt    | Healthcare    | Boston, MA          | 05/21            | N/A                            | 308,700,000            | 65,600,000  | 98,400,000   | 1.5x              | 19.7%     | 1.0x                      | N/A < 1 year |
| 1700 Place   | I&G Fund VIII | Operate                         | Sandhurst Apartments | Residential   | Charlotte, NC       | 05/21            | N/A                            | 30,400,000             | 9,200,000   | 19,320,000   | 2.1x              | 14.1%     | 1.4x                      | N/A < 1 year |
| Napa 55  | I&G Fund VIII | Develop                         | Panattoni            | Industrial    | Napa, CA            | 08/21            | N/A                            | 24,500,000             | 22,100,000  | 38,896,000   | 1.8x              | 17.1%     | 1.0x                      | N/A < 1 year |
| Lathrop Phase II                                   | I&G Fund VIII | Develop                         | Phelan Development   | Industrial    | Lathrop, CA         | 08/21            | N/A                            | 102,400,000            | 41,500,000  | 64,740,000   | 1.6x              | 17.2%     | 1.0x                      | N/A < 1 year |
| Groveport South Logistics                          | I&G Fund VIII | Develop                         | Stotan Industrial    | Industrial    | Groveport, OH       | 09/21            | N/A                            | 48,900,000             | 18,600,000  | 26,598,000   | 1.4x              | 18.1%     | 1.0x                      | N/A < 1 year |
| Bickman Industrial                                 | I&G Fund VIII | Develop                         |                      | Industrial    | Phoenix, AZ         | 12/21            | N/A                            | 122,900,000            | 52,900,000  | 84,640,000   | 1.6x              | 17.0%     | 1.0x                      | N/A < 1 year |
| Ethanac Menifee                                    | I&G Fund VIII | Develop                         | Phelan Development   | Industrial    | Menifee, CA         | 12/21            | N/A                            | 40,300,000             | 17,200,000  | 27,520,000   | 1.6x              | 19.4%     | 1.0x                      | N/A < 1 year |
| Wolf Creek   | I&G Fund VIII | Develop                         | Mission Peak         | Residential   | Overland Park, KS   | 12/21            | N/A                            | 25,800,000             | 9,300,000   | 14,880,000   | 1.6x              | 17.8%     | 1.0x                      | N/A < 1 year |

## Appendix

### Rating Rationale

|   |   |
|---|---|
| <i>Strategy</i>                               | Chosen under/over-weightings align with current vintage conditions.   |
| <i>Sponsor</i>                                | Brings multiple platform strengths; brand power; well-aligned organization.   |
| <i>ESG Policy &amp; Practices</i>             | Scores as <i>Integrated</i> .   |
| <i>Operational Due Diligence</i>              | A1-Pass.  |
| <i>Investment Process</i>                     | Reflective of well-resourced long-established fiduciary; typical of non-core fund management.   |
| <i>Fund Structure, Terms &amp; Conditions</i> | Appropriate. Legal structuring is accommodative to the varied tax, regulatory, and other sensitivities of the Sponsor's client base. Terms generally market; favorable fund fees. |
| <i>Performance</i>                            | Ok, with only the GFC-impacted fund losing capital. Three of four post GFC funds are at or above their target and above the median of the same vintage peer set.                  |
| <i>Overall</i>                                | Buy-rated   |

### Ratings Explanations

The comments and assertions reflect Townsend views of the specific investment product, its strengths and weaknesses in general and in the context of Townsend's *View of the World* and same vintage alternative choices.

- **Buy** - Suitable for institutional investors that have a portfolio construction need. Appropriate overall risk profile given the strategy.
- **Qualified** - Suitable for institutional capital. In addition to customary risks, contains one or more heightened risks that should be weighed against an investor's preferences, risk tolerances, and portfolio construction needs.

Operational due diligence rating provided by ORSA, Aon's dedicated multi-asset class Operational Due Diligence team according to its autonomous review of the Sponsor's policies & procedures, infrastructure and capabilities across a range of operations, middle and back office, and control functions.

- **A1-Pass (✓+)** - No material operational concerns; firm's operations largely align with a well-controlled operating environment.
- **A2-Pass (✓)** - Firm's operations largely align with a well-controlled operating environment, with limited exceptions due to resource limitations or where isolated areas do not align with best practice.
- **Conditional Pass** - ORSA noted specific operational concerns that the firm has agreed to address in a reasonable timeframe.
- **Negative (✓-)** - ORSA noted operational concerns that introduce the potential for economic loss or reputational risk exposure.

ESG scoring and an associated rating is according to guidance from AON's internal ESG Committee and sub-committees for various asset classes.

- **Limited** - The fund management team takes limited steps to address ESG considerations in existing and anticipated portfolios.
- **Integrated** - The fund management team takes essential steps to identify, evaluate, and mitigate potential financially material ESG risks within existing and anticipated portfolios.
- **Advanced** - The fund management team demonstrates an advanced awareness of potential ESG risks in the investment strategy. The fund management team can demonstrate advanced processes to identify, evaluate, and potentially mitigate these risks across its activities.

#### About Townsend Group – An Aon Company

Founded in 1983, The Townsend Group provides custom real asset solutions that help clients worldwide achieve their unique investment goals. As an Aon company, The Townsend Group is now part of one of the top three outsourced chief investment officer (OCIO) providers in the world measured by global assets under management. Aon's Investment organization, including Townsend, manages more than \$130 billion of worldwide assets under management and has advised on more than \$240 billion of real estate assets.

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**ARKANSAS TEACHER RETIREMENT SYSTEM  
1400 West Third Street  
Little Rock, Arkansas 72201**

**RESOLUTION  
No. 2022-38**

**Approving Investment in LaSalle Value Partners US IX, LP**

**WHEREAS**, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

**WHEREAS**, the Board has reviewed the recommendation of its real assets investment consultant, Aon Hewitt Investment Consulting, Inc., along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **LaSalle Value Partners US IX, LP** a closed end, domestic, value added fund whose investment strategy will focus on the current and growing demand for core real estate assets by aggressively pursuing non-core properties that can be leased, redeveloped or repositioned and later sold to core buyers.

**NOW, THEREFORE, BE IT RESOLVED**, that the ATRS Board approves an investment of up to **\$75 million dollars (\$75,000,000.00)** in **LaSalle Value Partners US IX, LP.**; The total investment amount is to be determined by the real assets consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

**FURTHER, BE IT RESOLVED**, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment, if acceptable terms are reached.

**Adopted this 16th day of August 2022.**

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**Mr. Danny Knight, Chair**  
**Arkansas Teacher Retirement System**

| VENDOR   | OUTLINE AGREEMENT # | START DATES | TOTAL POSSIBLE EXTENSIONS | STATUS - ORIGINAL OR AMENDMENT | TOTAL EXTENSION AMOUNT | Current Total | To Date      | Requested Amount |
|--|---------------------|-------------|---------------------------|--------------------------------|------------------------|---------------|--------------|------------------|
| INVESTMENT CONTRACTS                           |                     |             |                           |                                |                        |               |              |                  |
| Arkansas Capital Corporation                   | TBD                 | TBD         | Act 304                   | ORIGINAL                       | \$ 1,400,000.00        | \$0.00        | \$0.00       | \$1,400,000.00   |
| ADMINISTRATIVE PROFESSIONAL SERVICES CONTRACTS |                     |             |                           |                                |                        |               |              |                  |
| Kutak Rock LLP                                 | 4600016199          | 11/15/2008  | Act 304                   | AMENDMENT #7                   | \$ 290,000.00          | \$275,000.00  | \$154,507.50 | \$250,000.00     |