

# **Richmond Retirement System**

## **4Q 2014**

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# Richmond Retirement System

## Total Fund Net Performance Detail

|   | Market Value (\$) | % of Portfolio | 3 Mo (%)    | Fiscal YTD (%) | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)   | 7 Yrs (%)  | Return (%)  | Since         |
|---|-------------------|----------------|-------------|----------------|-------------|-------------|-------------|------------|-------------|---------------|
| <b>Hedge Funds Composite</b>                  | <b>44,966,965</b> | <b>8.1</b>     | <b>1.9</b>  | <b>2.5</b>     | <b>6.6</b>  | <b>5.8</b>  | <b>4.0</b>  | <b>--</b>  | <b>1.9</b>  | <b>Jul-08</b> |
| <i>HFRI Fund of Funds Composite Index</i>     |                   |                | <u>0.9</u>  | <u>1.2</u>     | <u>3.3</u>  | <u>5.7</u>  | <u>3.3</u>  | <u>0.4</u> | <u>0.8</u>  | <i>Jul-08</i> |
| Over/Under                                    |                   |                | 1.0         | 1.3            | 3.3         | 0.1         | 0.7         |            | 1.1         |               |
| 91 Day T-Bill + 3.5%                          |                   |                | 0.9         | 1.7            | 3.5         | 3.6         | 3.6         | --         | 3.7         | <i>Jul-08</i> |
| Pine Grove Institutional                      | 20,946,105        | 3.8            | -1.0        | -1.3           | 3.6         | 6.2         | 5.3         | --         | 3.2         | Jun-08        |
| <i>HFRI Fund of Funds Composite Index</i>     |                   |                | <u>0.9</u>  | <u>1.2</u>     | <u>3.3</u>  | <u>5.7</u>  | <u>3.3</u>  | <u>0.4</u> | <u>0.7</u>  | <i>Jun-08</i> |
| Over/Under                                    |                   |                | -1.9        | -2.5           | 0.3         | 0.5         | 2.0         |            | 2.5         |               |
| 91 Day T-Bill + 3.5%                          |                   |                | 0.9         | 1.7            | 3.5         | 3.6         | 3.6         | --         | 3.8         | <i>Jun-08</i> |
| Protege Partners                              | 18,364,247        | 3.3            | 0.9         | -0.5           | 4.2         | 5.5         | --          | --         | 4.4         | Nov-11        |
| <i>HFRI Fund of Funds Composite Index</i>     |                   |                | <u>0.9</u>  | <u>1.2</u>     | <u>3.3</u>  | <u>5.7</u>  | <u>3.3</u>  | <u>0.4</u> | <u>4.9</u>  | <i>Nov-11</i> |
| Over/Under                                    |                   |                | 0.0         | -1.7           | 0.9         | -0.2        |             |            | -0.5        |               |
| 91 Day T-Bill + 3.5%                          |                   |                | 0.9         | 1.7            | 3.5         | 3.6         | 3.6         | --         | 3.5         | <i>Nov-11</i> |
| Abbey Capital                                 | 5,656,613         | 1.0            | 18.5        | 34.2           | 31.0        | --          | --          | --         | 6.1         | Jul-12        |
| <i>HFRI Fund of Funds Composite Index</i>     |                   |                | <u>0.9</u>  | <u>1.2</u>     | <u>3.3</u>  | <u>5.7</u>  | <u>3.3</u>  | <u>0.4</u> | <u>6.4</u>  | <i>Jul-12</i> |
| Over/Under                                    |                   |                | 17.6        | 33.0           | 27.7        |             |             |            | -0.3        |               |
| 91 Day T-Bill + 3.5%                          |                   |                | 0.9         | 1.7            | 3.5         | 3.6         | 3.6         | --         | 3.5         | <i>Jul-12</i> |
| <b>Real Estate Composite</b>                  | <b>31,680,922</b> | <b>5.7</b>     | <b>4.6</b>  | <b>5.5</b>     | <b>13.3</b> | <b>12.5</b> | <b>--</b>   | <b>--</b>  | <b>13.8</b> | <b>Dec-10</b> |
| 50% FTSE NAREIT Equity REIT / 50% NCREIF ODCE |                   |                | <u>8.7</u>  | <u>8.8</u>     | <u>21.4</u> | <u>14.7</u> | --          | --         | <u>15.2</u> | <i>Dec-10</i> |
| Over/Under                                    |                   |                | -4.1        | -3.3           | -8.1        | -2.2        |             |            | -1.4        |               |
| CenterSquare                                  | 5,561,920         | 1.0            | 14.1        | 10.3           | 30.3        | 16.5        | 18.0        | 10.9       | 12.0        | Mar-04        |
| <i>FTSE NAREIT Equity REIT</i>                |                   |                | <u>14.2</u> | <u>10.6</u>    | <u>30.1</u> | <u>16.3</u> | <u>16.9</u> | <u>8.2</u> | <u>9.8</u>  | <i>Mar-04</i> |
| Over/Under                                    |                   |                | -0.1        | -0.3           | 0.2         | 0.2         | 1.1         | 2.7        | 2.2         |               |
| JP Morgan Strategic Property                  | 24,450,063        | 4.4            | 2.5         | 4.6            | 10.1        | 12.1        | --          | --         | 12.8        | Dec-10        |
| <i>NCREIF ODCE</i>                            |                   |                | <u>3.3</u>  | <u>6.6</u>     | <u>12.5</u> | <u>12.4</u> | <u>13.9</u> | <u>2.8</u> | <u>14.4</u> | <i>Dec-10</i> |
| Over/Under                                    |                   |                | -0.8        | -2.0           | -2.4        | -0.3        |             |            | -1.6        |               |
| Oaktree Real Estate Debt Fund                 | 283,591           | 0.1            | 11.8        | 12.1           | 15.1        | --          | --          | --         | 12.8        | Nov-13        |
| <i>NCREIF Property Index</i>                  |                   |                | <u>3.0</u>  | <u>5.7</u>     | <u>11.8</u> | <u>11.1</u> | <u>12.1</u> | <u>4.7</u> | <u>12.4</u> | <i>Nov-13</i> |
| Over/Under                                    |                   |                | 8.8         | 6.4            | 3.3         |             |             |            | 0.4         |               |
| Orion European Real Estate Fund IV, C.V.      | 1,385,347         | 0.3            | -2.9        | -5.1           | --          | --          | --          | --         | -52.3       | Mar-14        |
| <i>NCREIF Property Index</i>                  |                   |                | <u>3.0</u>  | <u>5.7</u>     | <u>11.8</u> | <u>11.1</u> | <u>12.1</u> | <u>4.7</u> | <u>11.8</u> | <i>Mar-14</i> |
| Over/Under                                    |                   |                | -5.9        | -10.8          |             |             |             |            | -64.1       |               |



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Richmond Retirement System

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## Richmond Retirement System

### Third Quarter 2014 Private Equity Review

Kevin Leonard, Partner

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**City of Richmond  
Performance Analysis**

9/30/2014

| Partnership Name                       | Commitment        | Paid In Capital   | Valuation         | IRR            |
|--|-------------------|-------------------|-------------------|----------------|
| 1 ELG Energy Fund XVI, L.P.            | 5,000,000         | 632,632           | 451,690           | -33.21 %       |
| 2 Lexington Capital Partners VII       | 7,500,000         | 5,509,493         | 5,150,575         | 18.38 %        |
| 3 Private Advisors Small Company Buy   | 3,000,000         | 1,967,869         | 1,808,971         | 3.50 %         |
| 4 Private Advisors Small Company Buy   | 5,000,000         | 1,635,091         | 1,431,085         | -10.97 %       |
| 5 StepStone Pioneer Capital Europe II, | 2,805,152         | 1,970,350         | 2,327,314         | 7.19 %         |
| 6 TPG Opportunities Partners Fund III  | 3,500,000         | 241,351           | 213,819           | -17.92 %       |
| 7 TPG Opportunities Partners II, L.P.  | 3,500,000         | 2,481,469         | 3,323,470         | 19.33 %        |
| <b>7 Total Partnerships</b>            | <b>30,305,152</b> | <b>14,438,255</b> | <b>14,706,924</b> | <b>12.68 %</b> |

\*\*\* Indicates Estimated Valuation for the fund



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| Partnership Name                     |  | Commitment        | Paid In Capital   |  |  | Valuation         |  |  |  |  | IRR           |
|--------------------------------------|--|-------------------|-------------------|--|--|-------------------|--|--|--|--|---------------|
| 1 Aladdin Credit Offshore Fund I     |  | 3,500,000         | 3,325,000         |  |  | 302,627           |  |  |  |  | 4.17 %        |
| 2 Audax Mezzanine Fund III           |  | 3,500,000         | 2,128,027         |  |  | 1,757,575         |  |  |  |  | 7.99 %        |
| 3 GOLUB Capital Partners VIII, L.P.  |  | 15,000,000        | 12,750,000        |  |  | 13,006,096        |  |  |  |  | 9.64 %        |
| 4 Mariner Tricadia Credit Strategies |  | 5,000,000         | 5,000,000         |  |  | 5,666,400         |  |  |  |  | 7.46 %        |
| 4 Total Partnerships                 |  | <b>27,000,000</b> | <b>23,203,027</b> |  |  | <b>20,732,699</b> |  |  |  |  | <b>7.15 %</b> |

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| Partnership Name                     |  | Commitment        | Paid In Capital   |  |  |  | Valuation         |  |  |  |  |  | IRR            |
|--------------------------------------|--|-------------------|-------------------|--|--|--|-------------------|--|--|--|--|--|----------------|
| 1 JP Morgan Strategic Property Fund  |  | 15,000,000        | 15,000,000        |  |  |  | 23,856,952        |  |  |  |  |  | 13.20 %        |
| 2 Oaktree Real Estate Debt Fund      |  | 5,000,000         | 385,000           |  |  |  | 394,201           |  |  |  |  |  | 6.10 %         |
| 3 Orion European Real Estate Fund IV |  | 3,710,400         | 623,571           |  |  |  | 453,003           |  |  |  |  |  | -46.70 %       |
| 3 Total Partnerships                 |  | <b>23,710,400</b> | <b>16,008,571</b> |  |  |  | <b>24,704,156</b> |  |  |  |  |  | <b>12.91 %</b> |

\*\*\* Indicates Estimated Valuation for the fund