AGENDA

RETIREMENT BOARD MEETING

SECOND MONTHLY MEETING
October 22, 2014
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.

2. Accept comments from the public.

3. Presentation from staff and INVESCO regarding potential commitment to the INVESCO U.S. Real Estate Fund IV.

4. Consider and take possible action regarding potential commitment to the INVESCO U.S. Real Estate Fund IV.

5. Update for Board on status of Investment Consultant Search.

6. Consider appointment of an ad hoc committee to review the request for proposal responses for labor and employment legal counsel.

7. Consider and take possible action to establish an audit committee of the Board.

8. Consider authorizing the attendance of Board and/or staff:
   a. Annual Partners Meeting, Long Wharf Real Estate Partners, November 19 – 20, 2014, Boston, MA.

9. Miscellaneous
   a. Staff Report
   b. Outside Professionals' Report
   c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

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MEMORANDUM

Date: October 15, 2014

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer; Chih-chi Chu, Investment Analyst

Subject: Invesco U.S. Value-Add Fund IV

Recommendation

We recommend the Board make a capital commitment of $35 million to Invesco U.S. Value-Add Fund IV (Fund IV), subject to successful due diligence and legal review. This commitment will maintain the level of CCCERA's exposure to value-add real estate strategies. It is also consistent to the real estate deployment plan presented to the Board on September 17, 2014.

Fund IV Introduction

Invesco Real Estate (IRE) is fundraising for U.S. Value-Add Fund IV (Fund IV), with a target size of $500 million. The target return is 13%-15% gross and the preferred return is 9% for investors. It had the first closing of $140 million in June, 2014. Fund IV will invest in two key styles of domestic real estate – "broken core" and "inefficiently priced commodity" properties:

- "Broken Core" assets are located in primary markets where Fund IV can sell into abundant core (property) buyers, but they come with problems or complexities.

- "Inefficiently priced commodity" assets are located in non-primary markets, but they are underpriced to an extent that the stabilizing yield (after the property is repositioned) represents a premium to the exit cap rate.

These two styles are identified from IRE's past experience to be able to generate the best value-add returns over different real estate cycles. The focus on these two approaches is a departure from Funds I and II, where CMBS was heavily used. CMBS is not a part of the investable universe for Funds III and IV, stemming from the losses incurred by CMBS in Funds I and II. Currently Fund IV has closed one notable transaction in San Francisco. It is also working off a robust pipeline that represents over $400 million of equity commitments.

Overview of Firm and Staff

Headquartered in Dallas with worldwide regional offices, Invesco Real Estate was founded in 1983 as the real estate investment platform of Invesco Ltd. Invesco Ltd. has over $800 billion of assets under management, including over $60 billion in Invesco Real Estate. Invesco Real Estate has grown its assets under management from $26 billion in 2008 to $61 billion in 2014, and its staff increased from 219 to 327 to 389 during the same period. It also completed an acquisition (without incurring debt) of AIG's Asia Real Estate Group at the beginning of 2011.

On the Value-Add fund personnel, the assistant portfolio manager of Fund I & II, Dan Kubiak, was promoted to become the lead portfolio manager of IRE's *U.S. Income Fund* in 2013, after successfully overseeing the turnaround efforts in our Value-Add Fund I and Fund II. Kevin Conroy, then serving in IRE's internal valuation group, was promoted to the portfolio analyst in Value-Add Funds, currently the number two role working with Jay Hurley, who has been and will continue to be Value-Add funds' portfolio manager. Prior to IRE, Kevin was the loan officer making commercial real estate loans at U.S. Bank.

Overview of INVESCO Relationship

CCCERA has invested in the predecessor funds summarized by the table below:

Fund	Vintage Year	Commitment Size
IREF I	2005	$50 million
IREF II	2007	$85 million
IREF III	2012	$35 million

Fund I is approaching the end of its life with only one investment to be liquidated. The fund had suffered capital losses stemming from investments in CBMS (Commercial Mortgage Backed Securities), but was able to manage the direct real estate part of the portfolio through the real estate downturn. It will likely return investors' money back, with a modest profit.

Fund II is in the harvesting stage, with its maturity in December, 2015. It too had suffered capital losses from the investments in CMBS, but it deployed less real estate capital prior to the downturn than Fund I. As a result, Fund II was able to deploy a portion of its assets post-crisis and buy some bargains. Fund II is projecting a high single digit gross IRR.

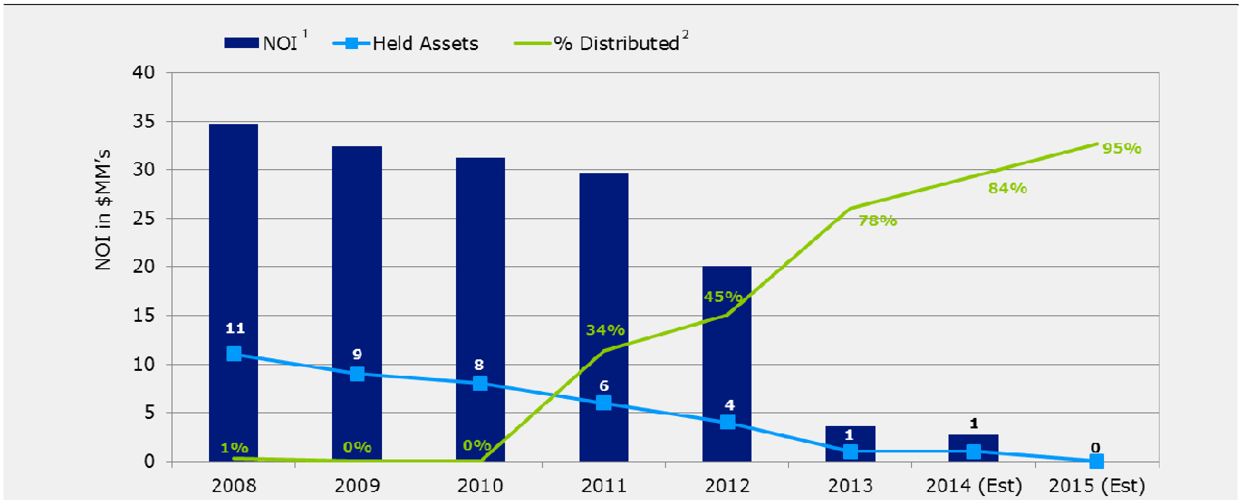
Despite the poor absolute performance of IREF I and II, their performance ranks above the peer medians (shown on page 10 of this memo) for their relative vintage years. Due to the performance results below the stated 10% preferred return to investors, IRE will not earn any incentive fees from IREF I or IREF II.

Invesco was put on watch by CCCERA Board in February, 2010 due to IRE I and IRE II's performance. Following the firm's presentation to the Board in March, 2010, the Board dispatched staff to visit the firm's headquarters in Dallas, to verify the performance outlook presented to the Board. Staff traveled to Dallas in June, 2010, going through Fund I and Fund II portfolios at the property level, comparing the actual operating cash flows to the projection and market forecast. Staff came away satisfied, especially with the firm's focus on increasing net operating income (NOI) of the properties. Through the downturn, IRE was able to execute the plan and returned most of investors' capital. CCCERA Board removed the firm from the watch list in February, 2014.

Fund III was initially passed on by CCCERA when it first came out in 2012. Entering into 2013, as CCCERA received many profitable distributions from Fund I/Fund II, and had greater visibility of Fund III's investment portfolio, the Board made a commitment of $35 million into Fund III's final closing in the summer of 2013. As of June, 2014, Fund III is 77% committed and is shaping up to be a strong performer with a gross IRR over 18% and multiple of 1.8x.

Review of IREF I

Although the fund incurred capital losses in CMBS investment of nearly $50 million (out of the fund's total invested equity of $368 million), IREF I has been able to work off its real estate assets and returned most of investors' capital through the real estate down cycle. See the chart below.



	2008	2009	2010	2011	2012	2013	2014 (Est)	2015 (Est)
GAV	516	439	465	396	390	55	42	0
BY Net Invested Capital (%)	52%	54%	64%	69%	59%	48%	15%	9%
Capital Calls (%)[2]	3%	10%	5%	0%	0%	0%	0%	0%
Capital Distributions (%)[2]	1%	0%	0%	10%	11%	33%	6%	11%
YE Net Invested Capital (%)	**54%**	**64%**	**69%**	**59%**	**48%**	**15%**	**9%**	**<2%>**

[1] NOI at Fund's ownership Interest
[2] Calculated as % of total Fund size

Source: Invesco Real Estate

Among the fund's 15 investments, 10 were profitable and 5 suffered losses (including two CMBS investments). See the table below.

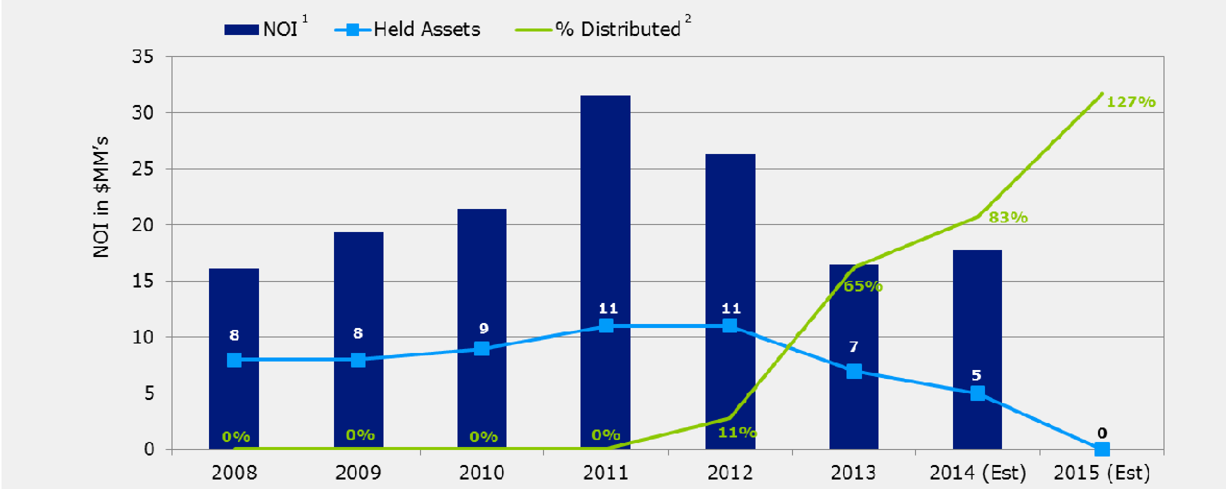
IREF I Portfolio Breakdown by Sold/Held Investments

Number of Sold Investments	**Equity Invested**	**Distribution**	**Net Asset Value**	**Equity Multiple / IRR**
14	$250 million	$244 million	$0	0.9x / -1.9%
Number of Held Investments	**Equity Invested**	**Distribution**	**Net Asset Value**	**Equity Multiple / IRR**
1	$118 million	$104 million	$60 million	1.4x / 7.2%
TOTAL	$368 million	$348 million	$60 million	1.1x / 2.3%
PROJECTION				1.1x / 2.3%

The fund's life expired in April, 2014, after which the General Partner of the fund manages liquidating the remaining assets on a best effort basis. Currently the fund has only one investment left in the portfolio, *Milestone* (symbol: MST.UN). Milestone is a collection of multi-family housings in the South. Milestone had an IPO on the Toronto Stock Exchange in early 2013. The fund's lock-up period ended in September, 2014. As of the date of this memo, it is trading above $11 per share. The fund's average cost per share is $7.40. MST.UN's dividend yield is nearly 6%. Fund I is utilizing Invesco Real Estate's internal REITs platform to monitor this stock's liquidity and execute the trading strategy accordingly, without signaling to the market. The management fee of Fund I is reduced by 60% post the expiration date.

Review of IREF II

IREF II had also suffered capital losses from CMBS investments, albeit to a lesser extent than IREF I. IREF II has come back strongly from the real estate downturn, evidenced by the growth of NOI (net operating income) and successful investment exits. See the chart below.



	2008	2009	2010	2011	2012	2013	2014 (Est)	2015 (Est)
GAV	393	315	576	699	719	428	335	0
BY Net Invested Capital (%)	10%	25%	39%	60%	80%	81%	27%	9%
Capital Calls (%)[2]	15%	14%	21%	20%	12%	0%	0%	0%
Capital Distributions (%)[2]	0%	0%	0%	0%	11%	54%	18%	44%
YE Net Invested Capital (%)	**25%**	**39%**	**60%**	**80%**	**81%**	**27%**	**9%**	**<35%>**

[1] NOI at Fund's ownership interest
[2] Calculated as % of total Fund size

Source: Invesco Real Estate

Among Fund II's 16 investments, nine are profitable, two are held near cost, and 5 suffered losses (including one CMBS investment). See the table below.

IREF II Portfolio Breakdown by Sold/Held Investments

Number of Sold Investments	Equity Invested	Distribution	Net Asset Value	Equity Multiple / IRR
10	$241 million	$291 million	$0	1.2x / 5.7%
Number of Held Investments	**Equity Invested**	**Distribution**	**Net Asset Value**	**Equity Multiple / IRR**
6	$164 million	$56 million	$188 million	1.5x / 15.6%
TOTAL	$405 million	$347 million	$188 million	1.3x / 7.9%
PROJECTION				1.4x / 8.0%

The remaining six properties are well positioned assets. Four of them are nearly fully leased (from 96% to 100%) and the other two are multi-family constructions in strong sub markets (Denver, CO and Austin, TX). Fund II expires in December, 2015 in its original terms, and is currently in the harvesting mode. The General Partner retains the right for three 1-year extensions, although does not anticipate exercising it under the current forecast. INVESCO expects Fund II's asset disposition activities for the rest of 2014 to generate enough capital to return all investors' capital. The fund further expects to distribute profits from disposition activities in 2015.

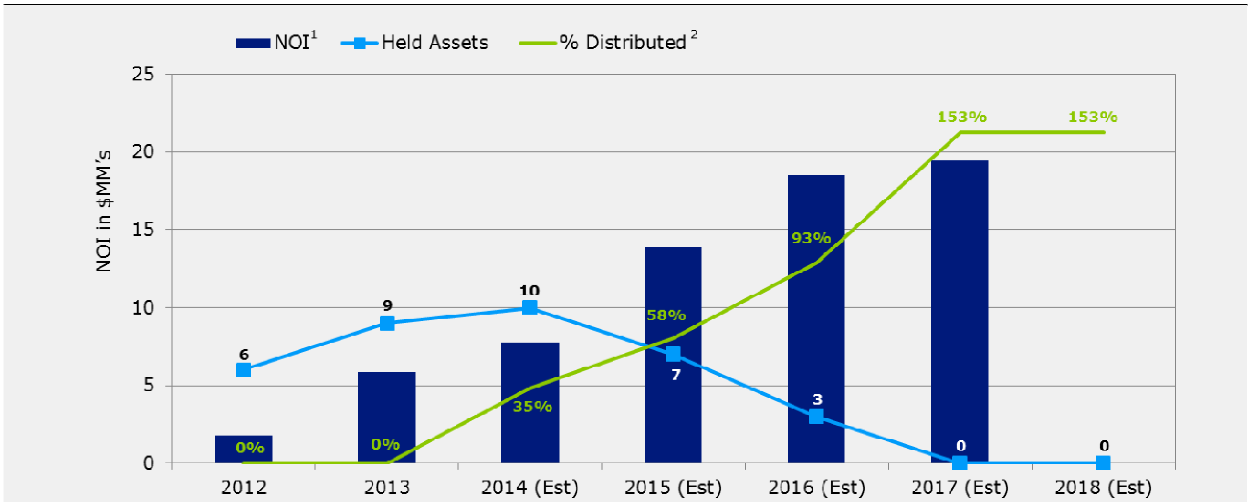
Review of IREF III

IREF III is more than 75% committed. It currently holds 11 properties, two of them recently acquired and the rest are performing assets (83%-100% leased). According to the Fund's assessment all assets are well positioned with IRR ranging from 13% and up. The table below shows the breakdown of the fund's held assets and future investments.

IREF III Portfolio Breakdown by Held/Future Investments

Number of Held Investments	**Equity commitment**	**Distribution**	**Net Asset Value**	**Equity Multiple / IRR**
11	$264 million	$3 million	$277	1.3x / 20.9%
Number of Future Investments	**Equity Reserved**	**Distribution**	**Net Asset Value**	**Equity Multiple / IRR**
TBD	$63 million (new) $17 million (reserve for existing assets)	Not Applicable	Not Applicable	Not Applicable
TOTAL	$344 million	-	-	-
PROJECTION				1.8x / 18%

Nearly 60% of the fund properties are in the primary markets (New York, DC, San Francisco) and 40% in the non-primary markets (Atlanta, Miami, Dallas, Riverside). Fund III's maturity date is December, 2019. Fund III extension requires majority approval from Limited Partners. The fund is projected to return profits in 2017. The fund's operating history and projection is illustrated in the chart below.



	2012	2013	2014 (Est)	2015 (Est)	2016 (Est)	2017 (Est)	2018 (Est)
BY Net Invested Capital (%)	0%	22%	41%	50%	35%	0%	0%
Capital Calls (%) [2]	22%	19%	44%	8%	0%	0%	0%
Capital Distributions (%) [2]	0%	0%	35%	23%	35%	60%	60%
YE Net Invested Capital (%)	**22%**	**41%**	**50%**	**35%**	**0%**	**<60%>**	**<60%>**

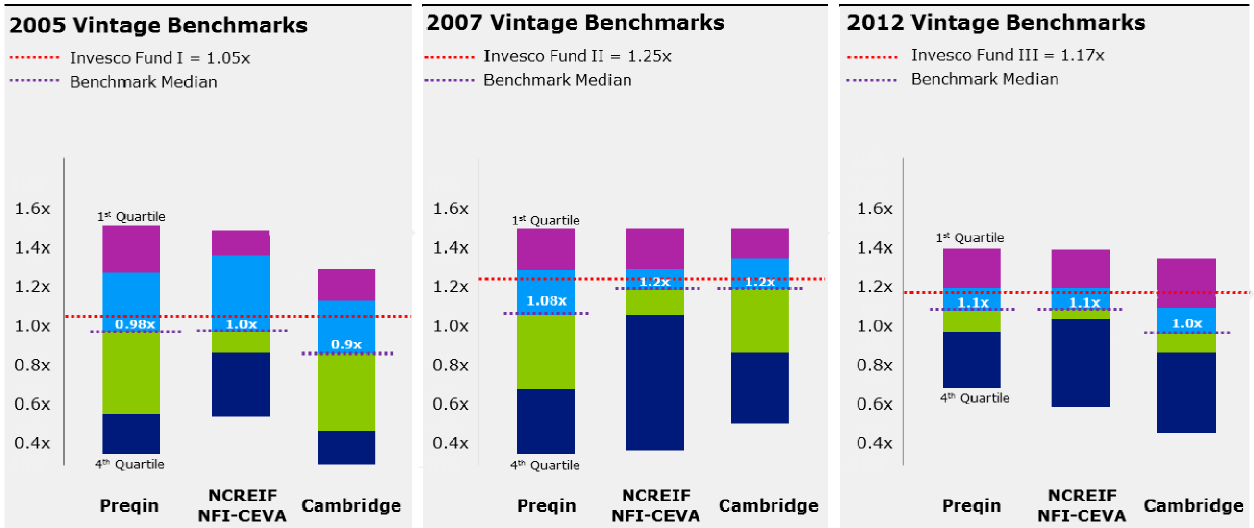
[1] NOI at Fund's ownership Interest
[2] Calculated as % of total Fund size

Source: Invesco Real Estate

Performance Review versus Peers

Funds I-III have stated absolute performance goals and preferred returns for Limited Partners (10%), though it is helpful to also view their performance versus peers that invested at the same time. The funds' performance vs. three common peer groups are shown below. The NCREIF universe contains only Value-Add funds but has fewer samples, whereas Cambridge Associates and Preqin have more samples but they are only 44% and 49% composed of Value-Add funds respectively (the rest in Opportunistic).

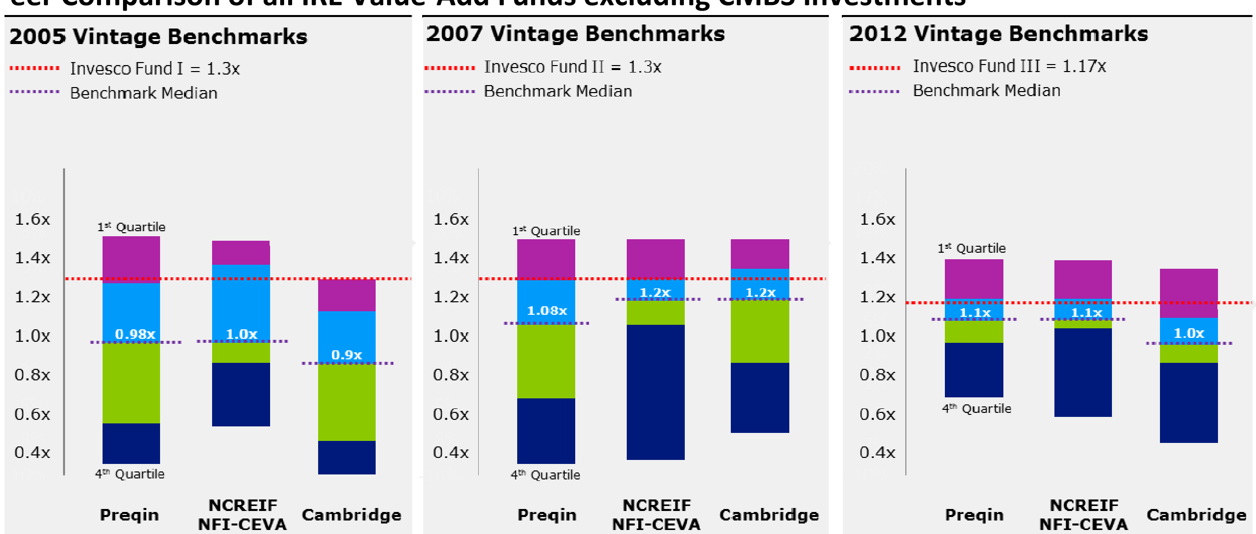
Peer Comparison of all INVESCO Real Estate Value-Add Funds



Source: Invesco Real Estate, Preqin, NCREIF, Cambridge Associates

As the charts show above, Invesco's Funds are mostly in the second quartile of the universes. It is important to note that Funds I and II made significant use of CMBS that is no longer a portion of the firm's investable universe. If CMBS was excluded and only the broken core and inefficiently priced commodity strategies were employed, performance would be improved, as shown by the hypothetical performance excluding the CMBS exposure shown below:

Peer Comparison of all IRE Value-Add Funds excluding CMBS Investments



CCCERA Private Real Estate

Based on CCCERA's August 31, 2014 market value of $7.1 billion, CCCERA has a 12.5% target allocation, or $887 million, to real estate. After subtracting the adjusted target of the REIT portfolios and the Willows Property, CCCERA has a dollar target of $629 million to private (closed-end) real estate funds.

As of August 31, 2014, CCCERA's closed-end real estate investments had a market value of approximately $616 million. Outstanding commitments total $424 million, including the most recent commitments to Oaktree and Angelo Gordon. If the dollar target of $629 million is reduced by these amounts, CCCERA has an over-commitment of $412 million. Given the lagged nature of investing in closed-end real estate, CCCERA needs to over-commit relative to the desired target of $629 million to closed-end real estate in order to achieve the real estate target allocation of 12.5%.

We recommend that CCCERA over-commit to closed end real estate funds by 75% of the $629 closed end target: $472 million. Based on this analysis, the total amount currently available for CCCERA to commit to closed-end real estate funds is approximately $60 million. These figures are illustrated in the table below:

	Value (Millions)		Value (Millions)
CCCERA Total Fund	**$7,097**	**Closed End Target**	$629
as of 8/31/2014		less Closed End Investments	$616
Real Estate @ 12.5%	$887	less Commitments	$424
less REIT Target @ 3.5%	$248	Available to Commit	-$412
=Private R.E. Funds @ 9%	$639	plus 75% Over-Commitment	$472
less Willows Property	$10		
= Closed End Target	**$629**	**Estimated Available to Commit**	**$60**

Currently, our strategy allocation, including both market values and commitments, for CCCERA's total private real estate portfolio is 38% Opportunistic, 40% Distressed, and 22% Value-added, as detailed in the table below:

	CCCERA **Existing** Private Real Estate		CCCERA **New** Private Real Estate	
Opportunistic	$395 million	38%	*$395 million*	*37%*
Distressed	$419 million	40%	*$419 million*	*39%*
Value-Added	$227 million	22%	*$262 million*	*24%*
TOTAL	$1.04 billion	100%	*$1.07 billion*	*100%*

Risk Discussion

The table next displays the characteristics of closed end real estate funds available to institutional investors and CCCERA's representative managers. Value-Added funds target IRRs from high single digit to mid-teens, while opportunity and distressed funds target returns in the high teens and above. Value-Added funds generally use lower leverage than opportunistic funds, depending on the type of investments and the debt availabilities in the market. The risk displayed here includes both financial risk and operating risk.

Strategy	**CCCERA Manager**	**Investment Theme Example**	**Operating Risk**	**Financial Leverage**	**Target Return**
Core	None	Office, Retail, Apartment with low vacancy in prime markets	Low	Low	Low
Value-Added	**Invesco, Long Wharf, LaSalle**	**Tenant improvement**	**Medium**	**Medium**	**Medium**
Opportunistic	DLJ, Angelo Gordon	Development project	High	High	High
Distressed	Oaktree, Siguler Guff, Paulson	Recapitalization	Medium-High	Low-High	High

For IREF IV, the major risks are the following:

- Tenant Risk: Tenant improvement (TI) may not pay off as expected. Tenants' business may go through volatile cycles that reduce their real estate demand;

- Regional Economy Risk: Some regions may be "hot" due to cluster effects from certain industries (such as technology, energy) when properties are acquired. The "hot" trend may not continue to the time properties exit;

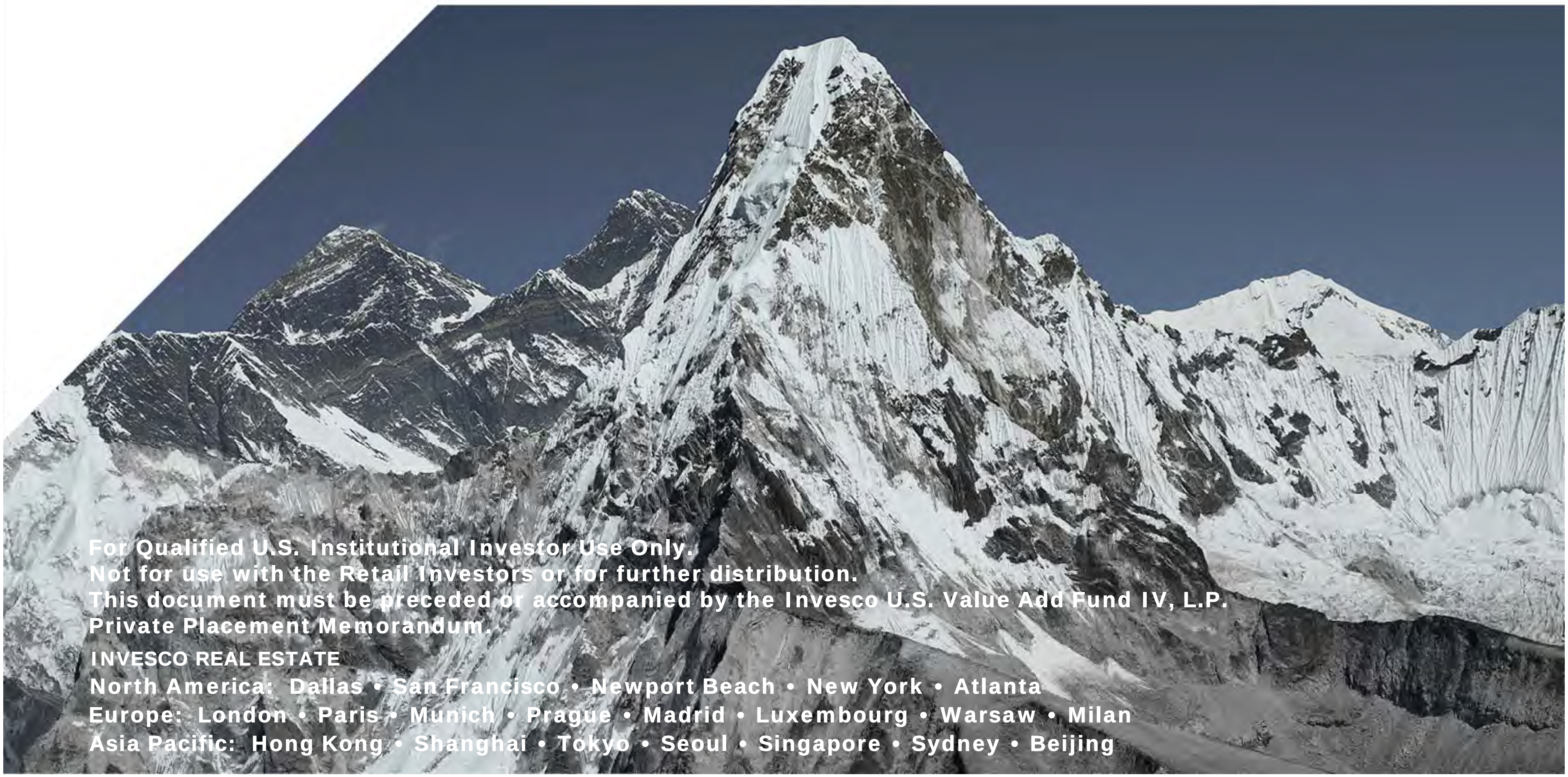
- Operations Risk: Value-Add projects are often operations heavy, whether it's ground-up development or tenant improvement. TI may not turn out as nicely as envisioned; constructions may be delayed or face cost overrun, etc.

Summary of Key Terms of IREF IV

Target Return:	12%-15% gross IRR to Limited Partners
Expected Size:	$500 million
Invesco Commitment:	$10 million
Final Close:	12 months after the initial closing
Investment Period:	2 years after the final closing
Maturity:	Seven years after the final closing, with two additional 1-year extensions to be approved by the majority of Limited Partners
Management Fee:	1.5% of invested equity
Preferred Return:	9% annual cumulative compounded to Limited Partners
General Partner Profits Interest:	20% over the preferred return with a 50% GP/50% LP catch up, then 80% LP/20% GP split

Invesco U.S. Value Add Fund IV, L.P.

October 22, 2014



For Qualified U.S. Institutional Investor Use Only.
Not for use with the Retail Investors or for further distribution.
This document must be preceded or accompanied by the Invesco U.S. Value Add Fund IV, L.P. Private Placement Memorandum.

INVESCO REAL ESTATE

North America: Dallas • San Francisco • Newport Beach • New York • Atlanta
Europe: London • Paris • Munich • Prague • Madrid • Luxembourg • Warsaw • Milan
Asia Pacific: Hong Kong • Shanghai • Tokyo • Seoul • Singapore • Sydney • Beijing

Table of Contents

Section 1
Executive Summary

Executive Summary

Invesco US Value-Add Fund IV, L.P. ("Value Fund IV")

- Flagship US value-add fund sponsored by Invesco Real Estate ("IRE")
- $500 million equity target
- 12–15% gross IRR target returns
- Initial closings to date of $140 million from five institutional investors including Invesco Ltd.
  - Final closing on or before June 30, 2015

Strong Institutional Sponsorship [1]

- Leading global fund sponsor with over $61 billion AUM
- 380+ employees in 20 regional offices across Asia, Europe and the US
- Stable value team and consistent investment process since inception

Successful Value-Add Track Record[2]

- 22 years investing in US value-add space
- 15.3% gross IRR on 100+ realized investments – no realized loss on any vehicle
- Successor to $344 million Invesco Real Estate Value Fund III – 21.6% gross IRR

100-104 Fifth Ave ▪ New York, NY

Highland Park ▪ Washington, DC

[1] Source: Invesco Real Estate. Total employees and assets under management as of June 30, 2014.
[2] Source: Invesco Real Estate as of June 30, 2014. See Track Record slide for further detail. IRR performance shown is combination of realized and unrealized returns valued as of June 30, 2014.
Past performance not indicative of future results.
Photographs shown are of preceding Funds' current holdings and are included for illustrative purposes only. Performance was not a criteria for selection. Photographs are used with permission.

Executive Summary

Strong Alignment of Interest

- Consistent co-investment from Invesco and broad employee participation
- Unique compensation structure to promote stability and long-term retention
- Stable team – no turnover in senior management of value funds since inception

Attractive Pipeline

- Actively reviewing over $2 billion of opportunities
- $1.5 billion average annual value added transaction volume firm-wide
- Strong reputation makes IRE the “first call” for many local JV partners, developers, owners

Dominant US Value Added Platform

- 180+ employees in 5 regional offices gives us “boots on the ground”
- Extensive sourcing network provides access to off-market transactions
- Regional based acquisitions officers and asset managers cover all major markets

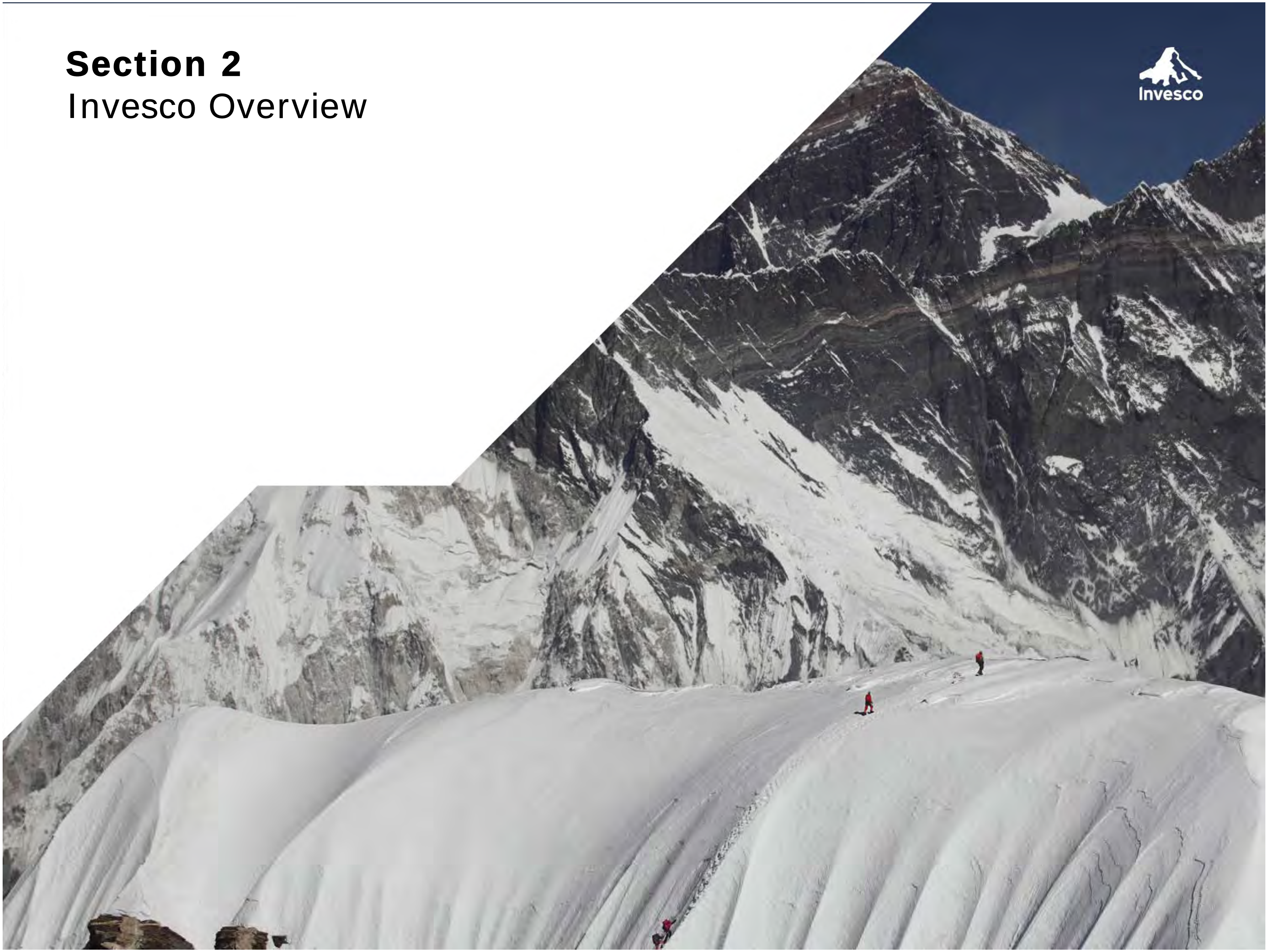
Washington Blvd ▪ Washington, DC

Coppins Well ▪ Seattle, WA

Source: Invesco Real Estate as of June 30, 2014.
Photographs shown are of preceding Funds’ current holdings and are included for illustrative purposes only. Performance was not a criteria for selection.
Photographs are used with permission.

Section 2

Invesco Overview



Invesco Ltd.

As an independent firm, our global organization is solely focused on investment management:

- More than 750 investment professionals
- Global assets under management of $802.4 billion
- More than 6,000 employees worldwide

Invesco Real Estate
- Global direct real estate investing
- Global public real estate investing

Locations: Atlanta, Beijing, Dallas, Hong Kong, London, Luxembourg, Madrid, Milan, Munich, New York, Newport Beach, Paris, Prague, San Francisco, Seoul, Shanghai, Singapore, Sydney, Tokyo, Warsaw

Invesco Asia-Pacific
- Asia ex-Japan
- Greater China
- Japan
- Australia

Locations: Beijing, Hong Kong, Melbourne, New Delhi, Shenzhen, Sydney, Taipei, Tokyo

Invesco Canada
Trimark Investments
- Canadian, regional, sector and global equity
- Canadian and global fixed income
- Balanced portfolios

Location: Toronto

Invesco Fixed Income
- Global liquidity
- Stable value
- Global and US broad fixed income
- Global alternatives and bank loans

Locations: Atlanta, Chicago, Hong Kong, Houston, London, Louisville, Melbourne, New York, Palm Harbor, FL, San Diego, Tokyo

Invesco Fundamental Equity
- US growth equity
- US value equity
- International and global growth equity
- Sector equity
- Balanced portfolios

Locations: Austin, Houston, San Francisco

Invesco Global Asset Allocation
- Global macro
- Risk parity
- Commodities
- Active balanced solutions

Locations: Atlanta, Frankfurt

Invesco Global Core Equity
- Emerging markets
- International and global equity
- US equity

Locations: Atlanta, Hong Kong, San Francisco

Invesco Perpetual
- Global and regional equity, including UK, European, Asian, Japanese and emerging markets
- Global macro
- Fixed income

Location: Henley, UK

Invesco PowerShares
Index-based exchange traded funds (ETFs) and notes (ETNs) and actively managed ETFs
- Domestic and international equity
- Taxable and tax-free fixed income
- Commodities and currencies

Location: Chicago

Invesco Private Capital
- Private equity funds of funds
- Customized portfolios

Locations: London, New York, San Francisco

Invesco Quantitative Strategies
- Quantitative equity
- Enhanced
- Long/short strategies

Locations: Boston, Frankfurt, Melbourne, New York, Tokyo

Invesco Unit Investment Trusts
- Equity trusts
- Closed-end trusts
- Tax-free fixed-income trusts
- Taxable fixed-income trusts

Location: Chicago

WL Ross & Co.
- Distressed and restructuring private equity
- Energy private equity

Locations: Beijing, Mumbai, New York, Tokyo

Source: Invesco. Invesco Ltd. Client-related data, investment professional, employee data and AUM are as of June 30, 2014, and include all assets under advisement, distributed and overseen by Invesco, including those of its affiliates Invesco Distributors, Inc. and Invesco PowerShares Capital Management LLC, which have an agreement with Deutsche Bank to provide certain marketing services for the PowerShares DB products. Invesco PowerShares Capital Management LLC is the sponsor for the PowerShares QQQ and BLDRS products. ALPS Distributors, Inc. is the distributor of PowerShares QQQ, BLDRS Funds and the PowerShares DB Funds. Invesco PowerShares Capital Management LLC and Invesco Distributors, Inc. are wholly owned, indirect subsidiaries of Invesco Ltd. Invesco Distributors, Inc. is the US distributor for Invesco Ltd.'s retail products. Invesco Ltd. is not affiliated with ALPS Distributors, Inc. or Deutsche Bank. The listed centers do not all provide products or services that are available in all jurisdictions, nor are their products and services available on all platforms. The entities listed are each wholly owned, indirect subsidiaries of Invesco Ltd., except ALPS Distributors Inc., Deutsche Bank and Invesco Great Wall in Shenzhen, which is a joint venture between Invesco and Great Wall Securities, and the Huaneng Invesco WLR Investment Consulting Company Ltd. in Beijing, which is a joint venture between Huaneng Capital Services and Invesco WLR Limited. Please consult your Invesco representative for more information.

Invesco Real Estate
As of June 30, 2014

$61.5 Billion Under Management

389 Employees Worldwide; 20 Offices; 15 Countries

North American Direct Real Estate Investments
— $21.6 BN Under Management
— Since 1983

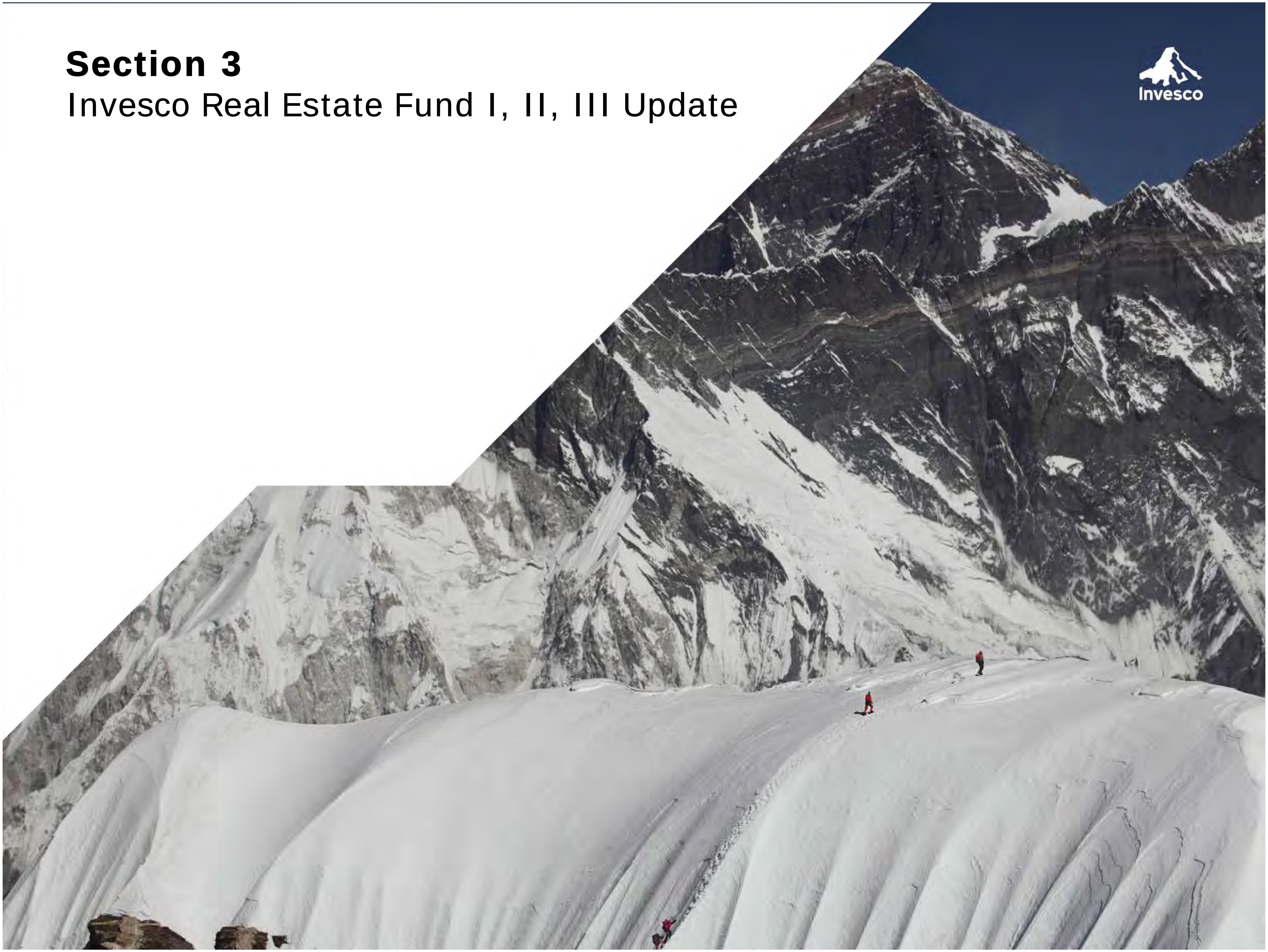
Global Securities Management
— $26.8 BN Under Management
— Since 1988

European Direct Real Estate Investments
— $7.6 BN Under Management
— Since 1996

Asian Direct Real Estate Investments
— $5.5 BN Under Management
— Since 2006

Source: Invesco Real Estate (IRE)
Total employees and assets under management as of June 30, 2014

Section 3
Invesco Real Estate Fund I, II, III Update



Domestic Value Add Exposure

Invesco Real Estate Funds I, II, III and IV

Year End		Pre-2014	2014	2015	2016	2017	2018	2019	2020	2021
VF I ($50MM) (1)										
	Contribution	<$46.2>	$0.0	$0.0						
	Distribution	$38.8	$2.2	$6.0						
VF I Annual Net Invested		**<$7.4>**	**<$5.2>**	**$0.0**						
VF II ($85MM) (2)										
	Contribution	<$78.2>	$0.0	$0.0						
	Distribution	$55.3	$15.3	$34.9						
VF II Annual Net Invested		**<$23.0>**	**<$7.7>**	**$0.0**						
VF III ($35MM) (3)										
	Contribution	<$14.2>	$14.7	$3.5	$0.0	$0.0				
	Distribution	$0.0	$8.8	$11.6	$12.3	$22.8				
VF III Annual Net Invested		**<$14.2>**	**<$20.2>**	**<$12.1>**	**$0.0**	**$0.0**				
VF IV ($35MM) (4)										
	Contribution	$0.0	<$7.0>	<$17.5>	<$8.8>	$0.0	$0.0	$0.0	$0.0	$0.0
	Distribution	$0.0	$0.0	$0.0	$7.0	$12.3	$12.3	$12.3	$7.0	$0.0
VF IV Annual Net Invested		**$0.0**	**<$7.0>**	**<$24.5>**	**<$26.3>**	**<$14.0>**	**<$1.7>**	**$0.0**	**$0.0**	**$0.0**
Cumulative Annual Net Invested		**<$44.6>**	**<$40.1>**	**<$36.6>**	**<$26.3>**	**<$14.0>**	**<$1.7>**	**$0.0**	**$0.0**	**$0.0**

[1] Performance projection is a 1.0x net equity multiple (it is anticipated that the maximum gross capital called will be 92%)
[2] Performance projection is a 1.3x net equity multiple (it is anticipated that the maximum gross capital called will be 92%)
[3] Performance projection is a 1.7x net equity multiple (it is anticipated that the maximum gross capital called will be 95%)
[4] Performance projection is a 1.5x net equity multiple (it is anticipated that the maximum gross capital called will be 95%)
$ in millions

Invesco Real Estate Fund I
Executive Summary

The Milestone Portfolio
Various MSA's

Las Cimas IV
Austin, TX

Vintage Year
2005

Fund Size (millions)
$320

Projected/Since Inception IRR (gross)
2.3% / 2.3%

Projected/Since Inception Equity Multiple (gross)
1.13x / 1.11x

Leverage
N/A

Net Invested Capital
14%

Investments (Total/Unrealized)
15 / 1

Fund Maturity
April 2014

As of June 30, 2014

Invesco Real Estate Fund II
Executive Summary

Highland Park
Washington, DC

222 Hennepin
Minneapolis, MN

Vintage Year
2007

Fund Size (millions)
$457

Projected/Since Inception IRR (gross)
8.0% / 7.9%

Projected/Since Inception Equity Multiple (gross)
1.35x / 1.29x

Leverage
53%

Net Invested Capital
19%

Investments (Total/Unrealized)
16 / 6

Fund Maturity
December 2015

As of June 30, 2014

Invesco Real Estate Fund III
Executive Summary

3001-3003 Washington Blvd
Washington, DC

116 New Montgomery
San Francisco, CA

Vintage Year
2012

Fund Size (millions)
$344

Projected/Since Inception IRR (gross)
21.6% / 24.3%

Projected/Since Inception Equity Multiple (gross)
1.73x / 1.28x

Leverage
49%

Committed Capital (Total/To Date) (1)
93% / 77%

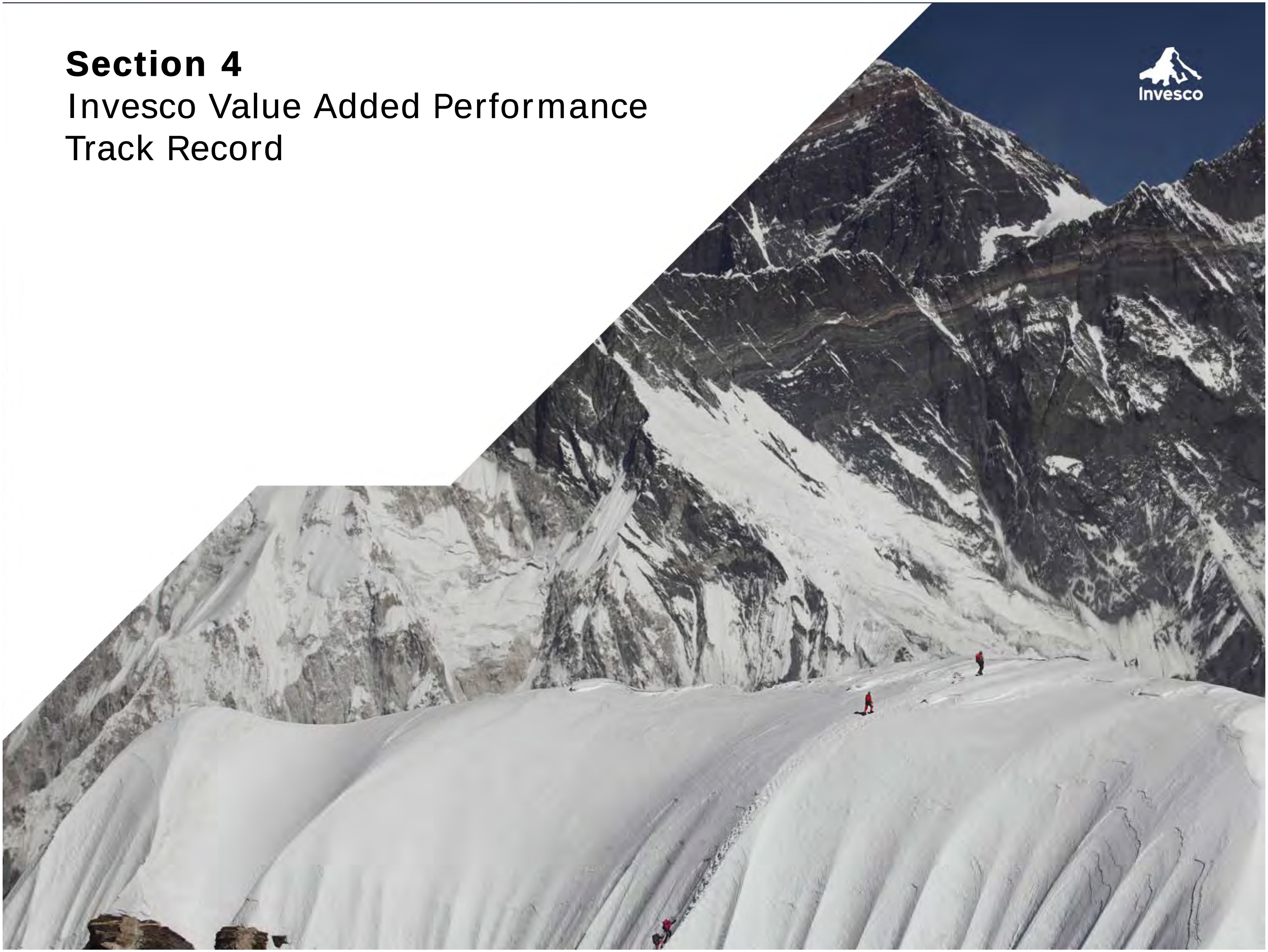
Investments (Total/Currently Held) (2)
12 / 10

Fund Maturity
December 2019

[1] As of June 30, 2014, 77% of capital is closed and committed; 16% currently in due diligence
[2] As of June 30, 2014, 10 assets currently held; 2 additional assets in due diligence

Section 4

Invesco Value Added Performance Track Record



Track Record

Invesco Real Estate has invested in U.S. value-add since 1992

- 150+ transactions totaling $9.2B in value
- 15.3% IRR on 100+ realized investments
- No realized losses on any vehicle since inception

Fund	Vintage Year	Equity Raised ($ MM)	Equity Invested ($ MM)	Gross Capitalization ($ MM)	Current LTV[1]	# of Investments	IRR (Gross)	IRR (Net)	Equity Multiple (Gross)	Equity Multiple (Net)	% Realized
Value-Add Separate Accounts	1992-2014	3,972	3,972	6,529	29%	121	14.6%	N/A	1.5x	N/A	51%
Value-Add Fund I	2005	320	330	891	0%	15	2.3%	1.0%	1.1x	1.1x	88%
Value-Add Fund II	2007	457	416	1,074	53%	16	8.0%	7.0%	1.4x	1.3x	66%
Value-Add Fund III(3)	2012	344	264	704	49%	12	21.6%	17.5%	1.7x	1.6x	0%
Value-Add Fund IV(4)	2014	140									
Totals		**5,233**	**4,982**	**9,198**	**35%**	**158[2]**	**13.5%**	**N/A**	**1.5x**	**N/A**	

[1] LTV is an aggregate of realized and unrealized investments as of June 30, 2014.
[2] Total excludes duplicate investments.
[3] As of June 30, 2014, 10 assets currently held; 2 additional assets in due diligence
[4] Equity raised as of June 30, 2014 first closing.
IRR performance shown is combination of realized and unrealized returns valued as of June 30, 2014.
Source: Invesco Real Estate unaudited results. The above presentation reflects our historical value add performance results, earned in both separate accounts and fund vehicles spanning many market cycles. Past performance is not indicative of future results and historical market conditions may not be comparable to current market conditions.

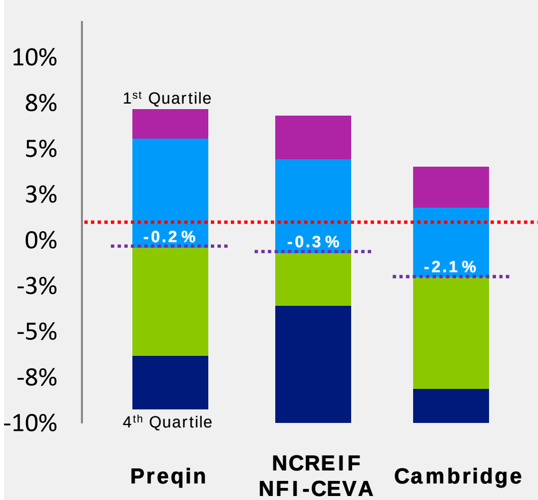
Relative Performance – Net IRR

Invesco value-add funds have performed well on a net IRR basis

2005 Vintage Benchmarks

Invesco Fund I = 1.0% IRR

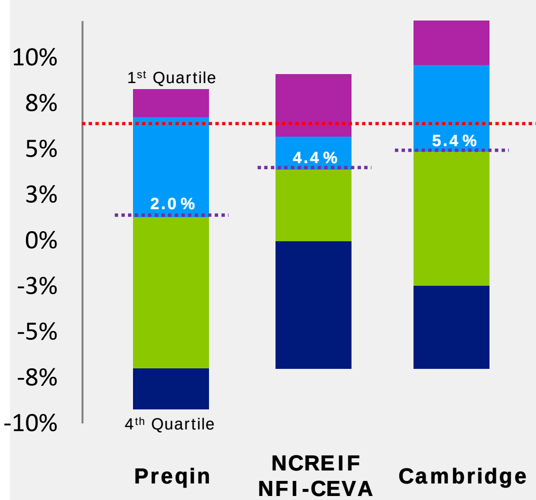
Benchmark Median



2007 Vintage Benchmarks

Invesco Fund II = 7.0% IRR

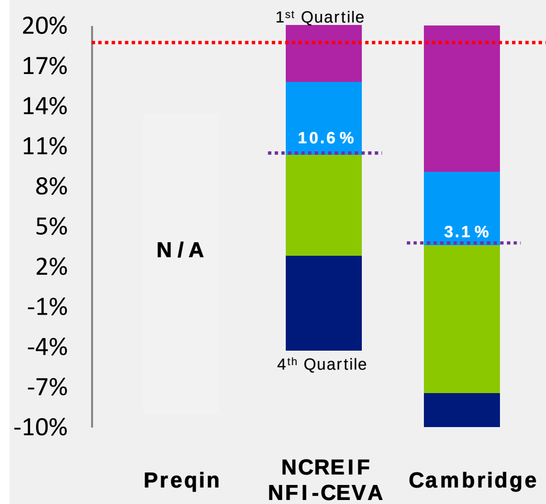
Benchmark Median



2012 Vintage Benchmarks

Invesco Fund III = 18.7% IRR

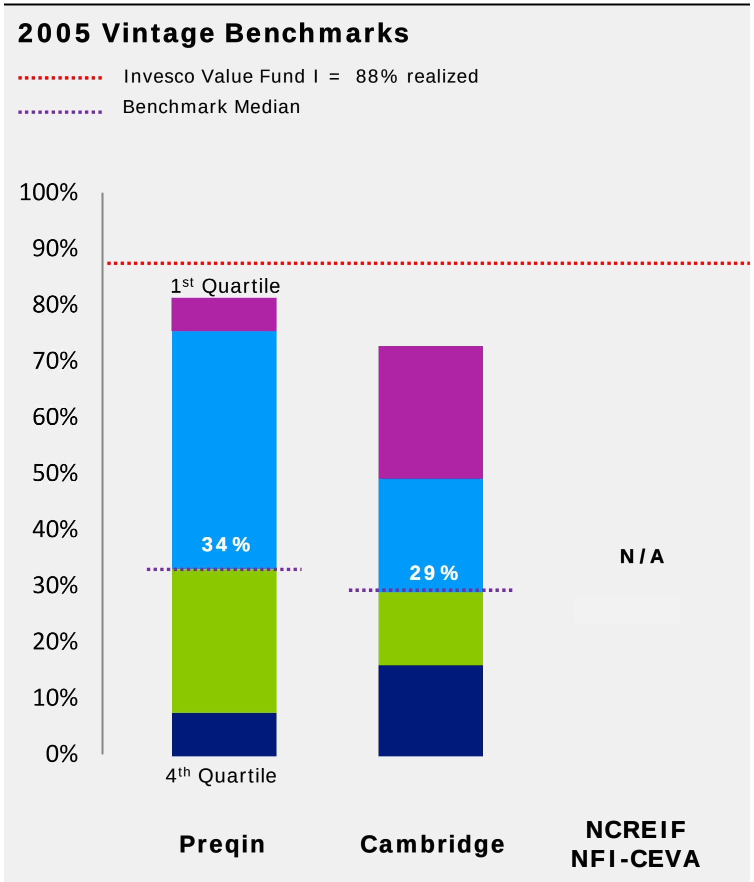
Benchmark Median

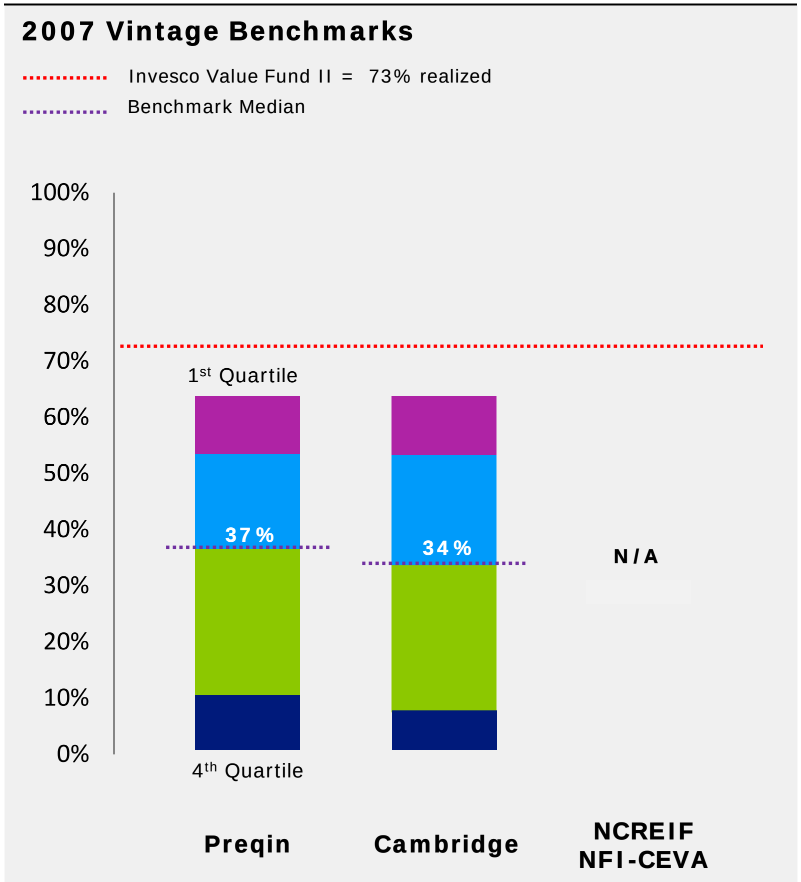


IRRs are net, since inception (mark-to-market). Benchmark data as of most recent available (Preqin) and December 31, 2013 (Cambridge & NCREIF, NFI-CEVA). Please see Appendix for quartile data. Past performance is not indicative of future returns.

Relative Performance – Return of Capital

Capital has been returned to investors at a faster pace than peers





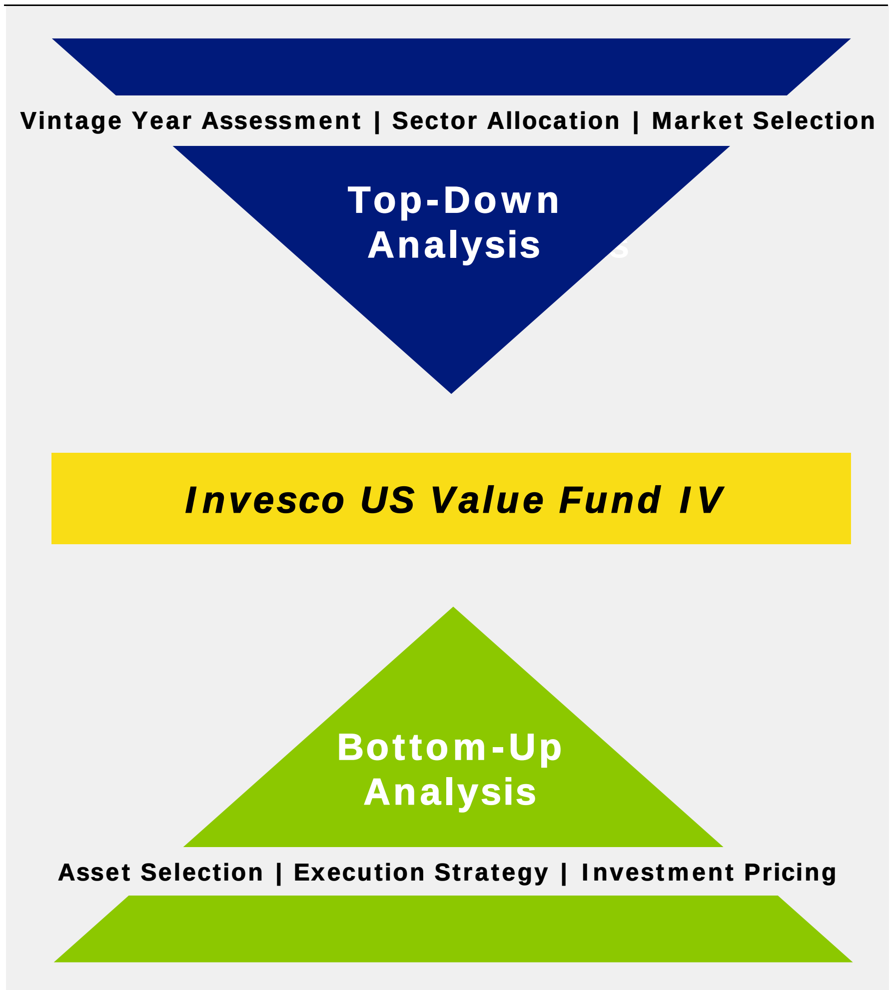
Benchmark data as of most recent available (Preqin) and December 31, 2013 (Cambridge & NCREIF, NFI-CEVA).
Please see Appendix for quartile data. Past performance is not indicative of future returns.

Section 5

Value Added Investment Philosophy and Portfolio Construction

Portfolio Construction

Disciplined, research-driven investment process



Investment Profile

- **Acquire "Broken Core".** Fundamentally core but capital starved, income impaired and/or operationally mismanaged assets; optimize the income and reposition as institutional quality asset for core buyer
- **Capitalize on Mispricing Opportunities.** Tactical opportunities to acquire non-stabilized assets where impaired liquidity offers attractive total returns

Model Portfolio

Strategic Overweights

- Non-commodity assets
- Primary markets
- Multi-family
- Urban office
- Exits to core buyers
- Short hold period (2-3 years)

Tactical Underweights

- Commodity assets
- Non-primary markets
- Necessity and high street retail
- Low finish industrial
- Exits to non-core buyers
- Intermediate hold period (4-6 years)

 For illustrative purposes only.

Investment Strategy

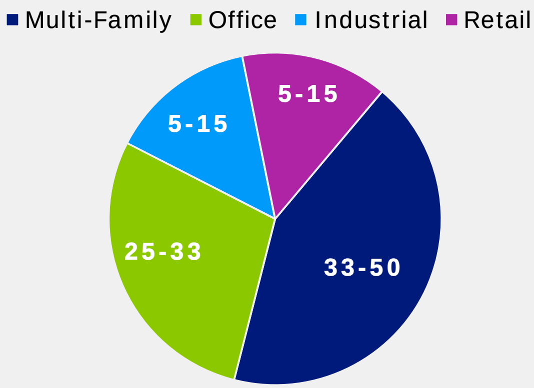
Focused on value creation thru NOI growth at the property level

- Actively manage substantial stabilized yield premiums to core
- Tactical, best relative value on strategy weightings

	Re-Capitalization	Re-tenanting, Re-positioning and Renovation	Development
Market Opportunity	**Enhance Capital Structure** ▪ Buy-out existing partners and/or lenders at a discount ▪ Provide rescue financing to overleveraged owners ▪ Fix broken capital structures	**Fix "Broken" Core** ▪ Acquire mismanaged or income impaired assets in need of rehab ▪ Fundamentally sound assets in need of upgrades ▪ Capital starved assets in need of re-tenanting or repositioning	**Capitalize on Growth** ▪ Build-to-suit ▪ "State of the art" multi-family, and limited commercial ▪ Urban, in-fill, transit oriented ▪ Wholesale vs. retail pricing
Strategy	▪ Access high-quality real estate by strategically restructuring capital structure ▪ Enhance returns by modifying and improving capital structure	▪ Active asset management to improve property operations, stabilize assets and increase value ▪ Raise occupancy, optimize tenant mix and improve tenant quality ▪ Cure deferred maintenance	▪ Focus on largest and most liquid markets to secure exit opportunities ▪ Identify growth markets that have supply/demand imbalances
Invesco value-add capabilities	▪ Leverage reputation in market as a leading value-add capital provider	▪ Leverage Invesco's asset and portfolio management team ▪ Active implementation of value creation strategy at property	▪ Downside protection from joint-venture structures that maximize control ▪ Active oversight and control over major decisions

Portfolio Construction Targets for Value Fund IV

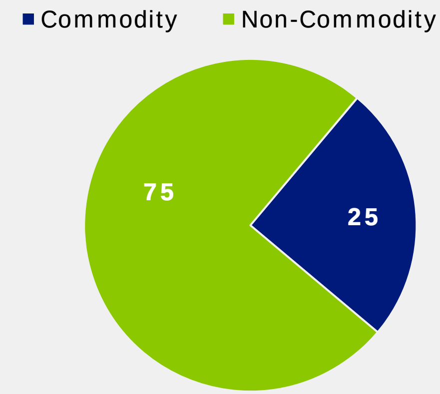
Sector Allocation (%)



Market Selection (%)

Primary	67 – 75
Non-Primary	25 – 33

Asset Selection (%) [1]

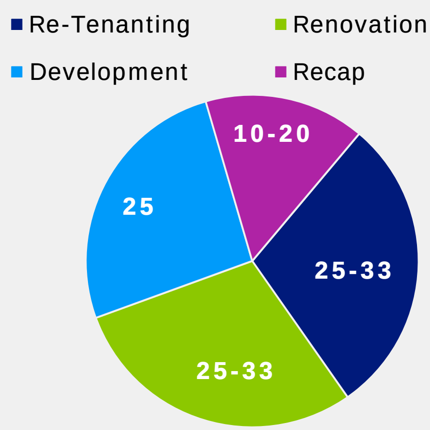


[1] IRE defined; relative tenant demand capture and submarket's institutional ownership

Investment Pace (%)
(Acquisition Entry Point)

2014	35 – 45
2015	25 – 35
2016	15 – 25

Investment Strategy (%)



Projected Total Returns (%)
(gross IRR)

Recap	10 – 12
Renovation	12 – 14
Re-Tenanting	12 – 16
Development	16+
Fund Wtd. Avg.	**12 – 15**

Source: Invesco Real Estate as of June 30, 2014

Section 6
Invesco U.S. Value Add Fund IV, L.P.

US Market Opportunity

Compelling environment for top-tier value-add platforms

Macro Themes

- **Fundamentals**
  - Supply: Apartment and industrial deliveries to exceed long term average rates; office and retail at below average
  - Demand: Trending in excess of supply growth leading to increasing occupancies
  - Revenue Growth: 2014 has been the first year of a broad based revenue growth environment – anticipated to persist over short to medium-term

Capital Markets

  - Cap Rates (Relative): In line with long-term spreads to Treasuries and Baa Corporates (e.g. fair value)
  - Capital Flows: Equity and debt "widening" to secondary markets and product quality

731 Market Street ▪ San Francisco, CA

Soho House ▪ New York, NY

Value-Add Implications

- Favorable fundamentals entry point – revenue creation strategies favored
- Value-added risk premiums are at attractive, normalized levels despite absolute cap rates on core near cyclical peaks
- Debt capitalization for transition assets is plentiful and accretive
- Deal flow is strong only for platforms with long-term value-added reputations

Invesco U.S. Value-Add Fund IV, L.P.

Invesco

Investment Strategy:	U.S. Value-Add Real Estate Target Overweight Exposures to Primary Markets and Non-Commodity Assets Primary Property Types Only (Multi-Family, Office, Retail, Industrial)
Target Gross Return*:	12%-15% Gross IRR
Targeted Fund Size:	$500,000,000 Equity (maximum investment of $750,000,000)
Leverage:	Maximum of 60% LTV (Portfolio)
Investment Period:	2 years from Final Closing
Term:	7 years from Final Closing (2, one-year extensions with LP approval)
Structure:	Limited Partnership – an Affiliate of Invesco Real Estate will act as General Partner. Assets that qualify will be held in a private REIT.
Invesco's Capital Commitment:	$10.0 million includes contribution from Invesco and certain executive officers of Invesco
Management Fee:	1.5% on Invested Equity
Distributions:	Full Portfolio Test: i. 100% return of capital to LPs ii. 9% preferred return to LPs iii. 50-50 catch-up to GP iv. 80% LPs/20%GP
Key Man Provision:	To include certain senior members of the organization
GP Removal:	With cause with majority vote by LPs or without cause with 2/3 vote by LPs
Liquidation:	Anytime with majority vote by LPs

* This is a target return based on current economic condition and other factors. There is no guarantee that the return objective can be achieved. Investors should not rely solely on the information above to make any investment decision. Please see PPM for more complete information.

55 Hawthorne Street - Closed

San Francisco, CA

Office Re-Tenanting

Investment Thesis / Attributes

- ***Significant Mark-to-Market Re-Tenanting Opportunity.*** Building is 30% vacant coupled with in-place rents 30% below current market rents. Ability to re-tenant the majority of the building within the first two years of ownership leading to significant value creation.
- ***IRE Top Rated Office Market.*** San Francisco is benefitting from substantial tenant demand from the tech and new media industries resulting in high occupancy and substantial rental rate growth. As a result, capital market demand is very high with cap rates at or near prior cyclical peaks and expected to remain so for the next few years.
- ***Ground Zero Micro Location.*** While the asset itself does not drive excess tenant demand, its micro location at the heart of the SOMA submarket coupled with its significant parking garage amenity makes this building a prime opportunity for the re-tenanting value creation premise.
- ***Defensive Acquisition Basis.*** At a purchase price of $551 psf, IRE basis will be about 65% of current replacement cost of $800 psf. This advantageous basis will allow for any widening in cap rates during the hold period, if they occur, while still producing strong value added total returns.
- ***Material Leasing Prospect.*** Shortly after acquisition, IRE began leasing discussions with a publicly-traded technology tenant for staged occupancy on 70% of the building. If this lease is made, value over cost is likely to be equal to 1.5x within the first 6 months of ownership.

Projected Financial Metrics

- 14.5-15.5% Leveraged IRR (gross)
- 1.5-1.8x Equity multiple (gross)
- $30-35 MM equity commitment
- 7.4% stabilized yield
- 60% - 65% leverage
- 2-4 year hold

Source: Invesco Real Estate as of July 17, 2014. For illustrative purposes only. It does not constitute recommendation or advice. Returns stated are based on Invesco Real Estate's underwriting at acquisition.

55 Hawthorne Street - Closed

San Francisco, CA

Source: Invesco Real Estate as of July 17, 2014. For illustrative purposes only. It does not constitute recommendation or advice. Returns stated are based on Invesco Real Estate's underwriting at acquisition.

Broadstone Harbor Beach– Under LOI

Ft. Lauderdale, FL

Multi-Family Development

Investment Thesis / Attributes

- ***High Quality Property with Favorable, Wholesale Basis.*** IRE's development partner, Alliance, is developing some of the highest quality properties in the South Florida marketplace. IRE owns the highest quality existing asset in the submarket with a current valuation materially in excess of the development basis for the subject.
- ***Infill, Supply-Protected Site.*** This to-be-developed multi-family property is located on one of the primary east/west arterials within Ft. Lauderdale, only 1 mile from the beach. New supply is concentrated in downtown or in suburban locations ensuring this property's distinctive leasing advantage over its competitors.
- ***Strong Development Yield.*** Current projections indicate a development yield +/-30% in excess of current spot cap rates for comparable quality assets. Further, given the infill site characteristics and high quality product, this investment should be highly coveted upon disposition.
- ***Traditional Development Risks Borne by the Partner, not IRE.*** Cost overruns, if incurred, as well as loan guarantees with the construction lender are completely borne by the development partner, not IRE. Further, IRE has control over all major decisions including all capital events – refinancing and sale.

Projected Financial Metrics

- 14.1-16.2% Leveraged IRR (gross)
- 1.6-1.9x Equity multiple (gross)
- $30-35 MM equity commitment
- 6.3% stabilized yield
- 65% leverage
- 3-5 year hold

Information is presented for illustrative purposes only. Estimates and Representative Opportunities Under Consideration are as of June 2014 and are SUBJECT TO CHANGE. It is not currently known whether the transaction will be undertaken.

Downtown East – Under LOI

Minneapolis, MN

Rendering

Multi-Family Development

Investment Thesis / Attributes

- ***High Quality Property with Favorable, Wholesale Basis.*** IRE's development partner, Ryan Companies, has developed some of the highest quality properties in the Minneapolis metro area and is a highly experienced national development and construction firm.
- ***Infill, Supply-Protected Site.*** This to-be-developed multi-family property is located on the East side of the Minneapolis CBD as part of a 40-acre mixed use project. The transformational redevelopment will be anchored by two 17-story office towers (to be owned and occupied by Wells Fargo), the new Minnesota Vikings NFL Stadium and an eight-acre two-block urban park. Being located within the mixed-use project provides imbedded leasing advantages to the surrounding supply within the downtown submarkets.
- ***Strong Development Yield.*** Current projections indicate a development yield +/-25% in excess of current spot cap rates for comparable quality assets. Further, given the infill site characteristics and high quality product, this investment should be highly coveted upon disposition.
- ***Traditional Development Risks Borne by the Partner, not IRE.*** Cost overruns, if incurred, as well as loan guarantees with the construction lender are completely borne by the development partner, not IRE. Further, IRE has control over all major decisions including all capital events – refinancing and sale.

Projected Financial Metrics

- 16.5-17.5% Leveraged IRR (gross)
- 1.7-1.9x Equity multiple (gross)
- $20-22 MM equity commitment
- 6.5% stabilized yield
- 65% leverage
- 3-5 year hold

Information is presented for illustrative purposes only. Estimates and Representative Opportunities Under Consideration are as of June 2014 and are SUBJECT TO CHANGE. It is not currently known whether the transaction will be undertaken.

Sourced Opportunities Under Consideration

Strong Pipeline of Value-Add Opportunities

- $2.0B+ of opportunities being underwritten and evaluated
- Pipeline transactions include recapitalizations, re-tenant/re-position strategies, and risk mitigated development/re-development opportunities across all four property types

Investment	MSA / Location	Property Type	Investment Strategy	Gross Investment Amount	Leverage (%)	Fund Equity ($)	% of Fund	Stabilized Yield (Unleveraged)	Target IRR (Leveraged)	Target Equity Multiple
Broadstone Harbor Beach	Ft. Lauderdale, FL	Multi-Family	Development	$100	65%	$33	7%	6.25%	15%	1.9x
609 H Street	Washington, DC	Multi-Family	Re-Development	$55	55%	$24	5%	6.00%	16%	1.7x
Grayco Brookwood	Atlanta, GA	Multi-Family	Development	$68	65%	$22	4%	6.50%	16%	1.6x
Crest at Ft. Lee	New York MSA	Multi-Family	Renovation	$110	60%	$42	8%	5.50%	13%	1.6x
Villas at Hermann Park	Houston, TX	Multi-Family	Renovation	$56	65%	$20	4%	6.75%	16%	1.6x
Arris Portfolio	San Diego, CA	Office	Re-Tenant	$130	55%	$55	11%	7.50%	15%	1.6x
Downtown East	Minneapolis, MN	Multi-Family	Development	$58	60%	$22	4%	6.25%	16%	1.6x
Saybrook Pointe	San Jose, CA	Multi-Family	Renovation	$115	60%	$46	9%	5.50%	13%	1.5x
1620 L Street	Washington, DC	Urban Office	Re-Tenant	$80	55%	$34	7%	6.50%	14%	1.6x
Pasadena Commons	Pasadena, CA	Retail/Office	Re-Positioning	$40	60%	$16	3%	6.00%	18%	1.6x
801 N. Clark	Chicago, IL	Multi-Family	Development	$105	60%	$40	8%	6.00%	16%	1.6x
Central Park	Los Angeles, CA	Office	Recapitalization	$113	55%	$46	9%	6.50%	14%	1.5x
180 Grand	Oakland, CA	Office	Re-Tenant	$63	60%	$38	8%	7.50%	15%	1.5x
Totals / Wtd. Avg. / Ranges				**$1,093**	**58%**	**$438**	**88%**	**5.50-7.50%**	**13-18%**	**1.5-1.9x**

($ in millions)
Information is presented for illustrative purposes only. Estimates and Representative Opportunities Under Consideration are as of September 2014 and are SUBJECT TO CHANGE.

Why Invesco Real Estate?

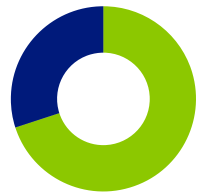
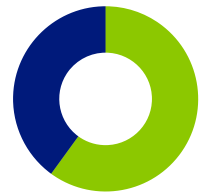
- Strong Institutional Sponsorship
- Invesco's Flagship US Value-Add Fund
- Successful Value-Add Track Record
- Strong Alignment of Interest
- Attractive Pipeline
- Dominant US Value Added Platform

Appendix

Market Commentary

Where Are We Today in the Investment Cycle?

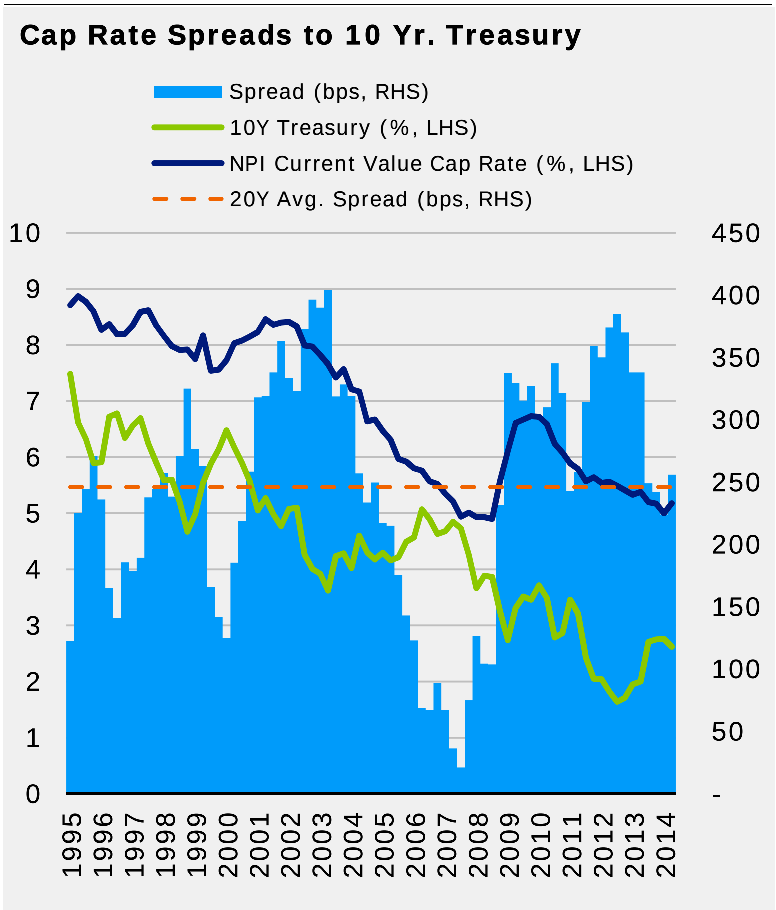
Roughly half-way; status varies moderately across the key cycles

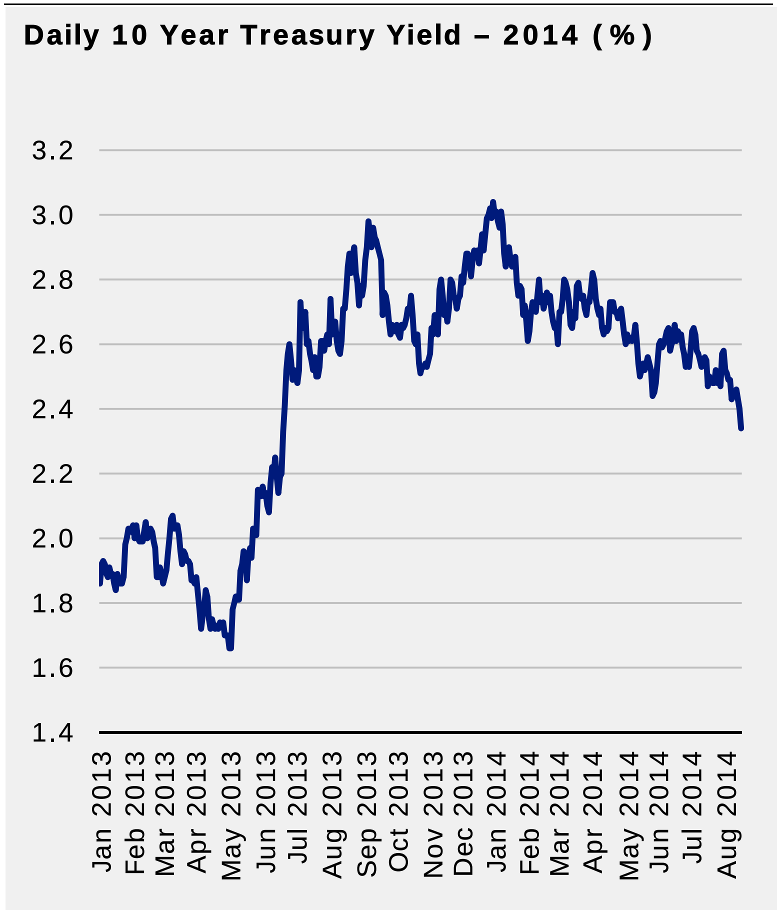
Employment Cycle	Commercial Fundamentals	Apartment Fundamentals	Capital Market Cycle
			
Mid-way or slightly beyond	**Approaching mid-way**	**Beyond mid-way; not late cycle**	**Beyond mid-way; not late cycle**
+ Leading indicators are at near a stage that historically has led to improving job growth + Value-creation jobs approaching stage of salary growth + Job growth is supporting tenant demand across all sectors	+ Market-level demand exceeds supply in office, industrial, retail with limited exceptions	- Apartment supply growth exceeds long-term average + Yet, strong tenant demand at present is keeping occupancy rates high	+ Spreads at 20-year average levels + Few instances of outsized risk behavior - Absolute cap rates near record lows - Pricing often > replacement costs - Bond rates likely to rise going forward

Source: Invesco Real Estate as of August 2014
For illustrative purposes only
Based on current market conditions, subject to change

Rising Treasuries Have Narrowed Cap Rate Spreads

Appreciation will likely moderate if Treasuries rise materially





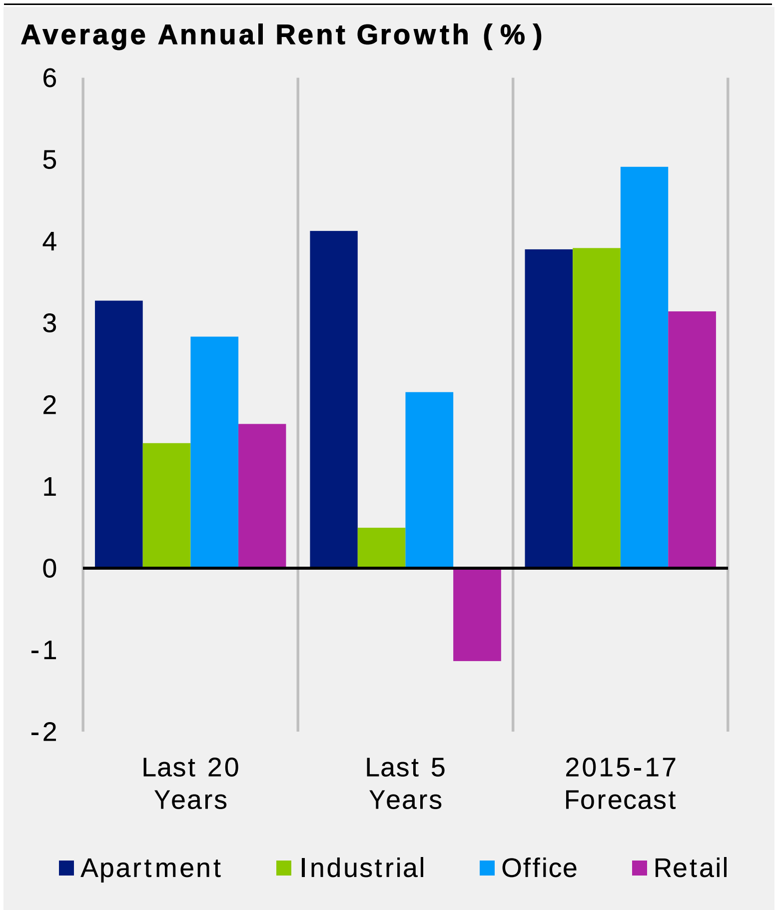
Historical average spreads reflect period from 1Q 1995 to 2Q 2014. Daily Treasury Yields through August 15, 2014

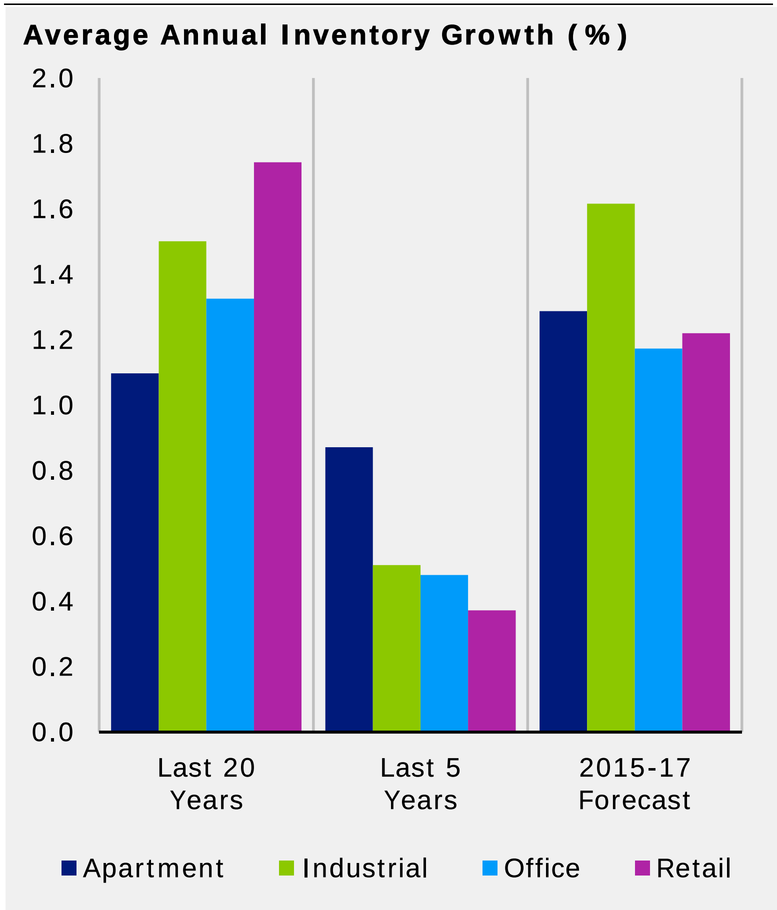
Source: Invesco Real Estate using data from NCREIF and Moody's Analytics as of August 2014.

For illustrative purposes only
Based on current market conditions, subject to change

Moderate Construction Supports Rent Growth

Longer development time benefits office, especially over next three years





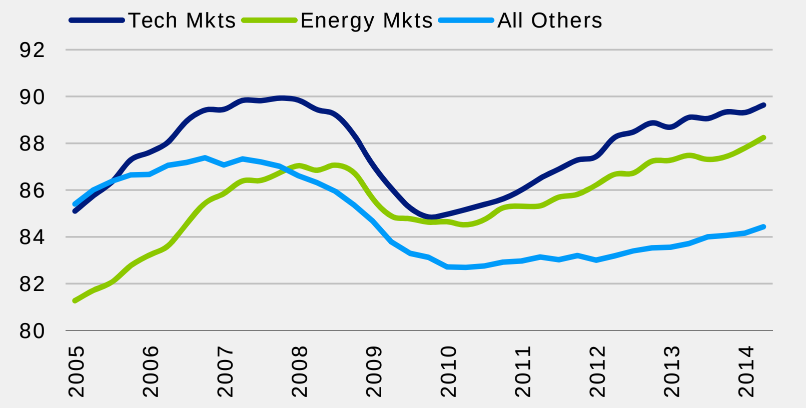
Source: Invesco Real Estate using underlying data provided by CBRE-Econometric Advisors.
Forecast by Invesco Real Estate as of August 2014. History includes estimate for 2014.

For illustrative purposes only
Based on current market conditions, subject to change

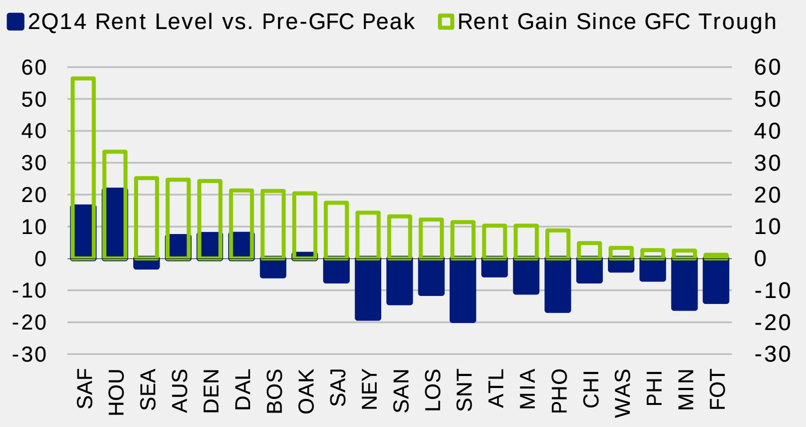
Office Trends and Strategy Implications

Tenant demand is overflowing to next-choice locations

Office Occupancy Rates (%)



Office Rent Trends by Market (%)



Trends:

- Most markets are improving, but not all are strong
- Leasing confidence in tech and energy markets
- Demand is overflowing from best-choice to next-choice locations in strongest markets
- Strong demand for large contiguous blocks
- Space efficiency trends continue to temper absorption pace
- Competition for talent is driving location and space decisions
- New supply is focused in few markets and is demand-driven
- Marking expiring leases up to current market rents should drive NOI growth

Strategy Focus:

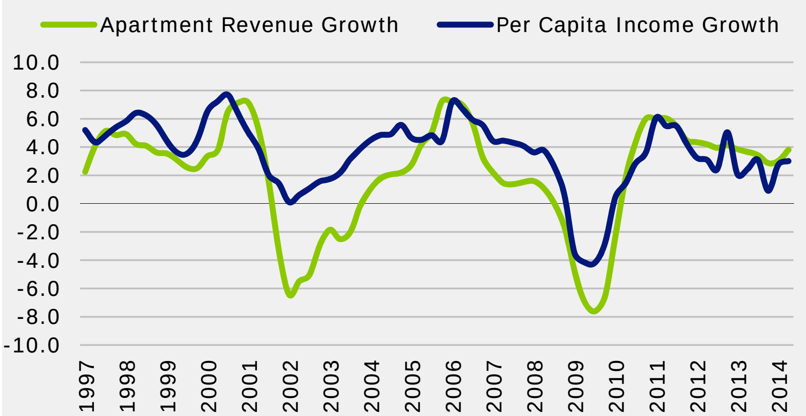
- Amenity-rich best-choice and next-choice high-density locations near transit
- Highly functional assets that meet local tenant profile and technology requirements
- Assume lease-up and lease expiration exposure to capture revenue growth and take advantage of rent cycle
- Aggregate contiguous space to lease at premium rents
- Best-in-class assets with pricing below replacement costs
- Value add, same characteristics as core, but with greater degree of lease-up and lease expiration exposure
- Adaptive re-use for creative office configurations

Sources: Invesco Real Estate using underlying data from CBRE-EA, Moody's Analytics as of August 2014. Tech markets: Austin, Boston, NY Midtown South, San Francisco, San Jose, & Seattle; Energy markets: Denver, Houston, & Pittsburgh.

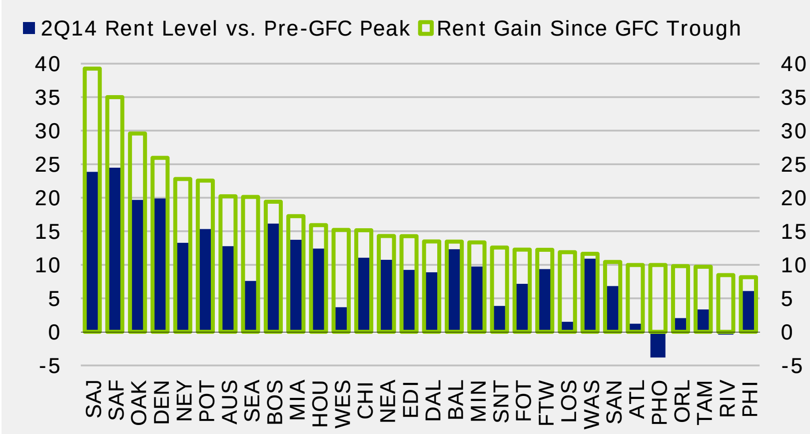
Apartment Trends and Strategy Implications

Occupancy remains high; demand is strong; supply is up

Apartment Revenue & Income Growth (Y/Y, %)



Apartment Rent Trends by Market (%)



Trends:

- Occupancy exceeds 95% in most markets
- Demand remains strong, especially in tech/energy markets
- Job quality is a key differentiator of metro rent growth
- Job growth could unlock pent-up demand from Millennials
- Demographic wave should support long-term demand
- Credit repair and lifecycle factors could keep renters renting
- Urban and suburban supply deliveries will increase in 2014/15
- Supply growth in several markets is outpacing job growth
- Concessions needed to accelerate new product lease-up; low/no concessions in high quality existing product
- Pricing exceeds replacement cost in a number of markets

Strategy Focus:

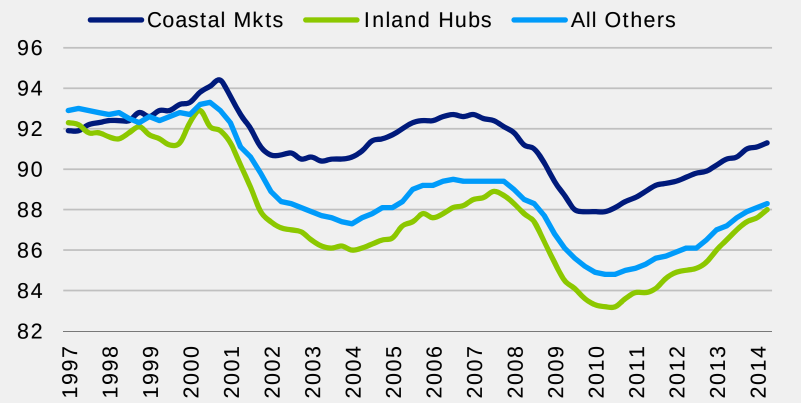
- Amenity-rich urbanized locations with strong transit linkages
- Target locations with strongest job pace and quality and high housing costs
- Prefer newer vintage assets to reduce exposure to cap ex
- Avoid locations where new supply is ill-matched with job growth
- Reduce exposure to commodity locations
- Renovation plays to achieve outsized revenue growth
- Development opportunities in durable locations with less risk of cap rate expansion
- Higher-quality, stable-income assets in select secondary markets with prudent use of leverage

 Sources: Invesco Real Estate using underlying data from CBRE-EA , Axiometrics, and Moody's Analytics as of August 2014.

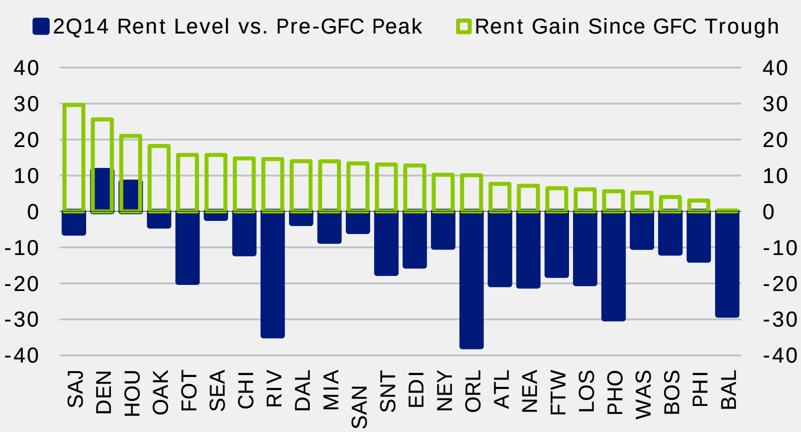
Industrial Trends and Strategy Implications

Housing recovery joins internet retail as key demand driver

Industrial Occupancy (%)



Industrial Rent Trends by Market (%)



Trends:

- Internet retailing is driving multi-year shift in supply chains
- Fulfillment demand insists upon functional space
- Housing recovery beginning to drive demand for mid-sized buildings
- Global trade remains important
- Energy production and manufacturing renaissance spurring demand in select markets
- Absorption pace and scarcity is driving quick leasing decisions
- Strong demand and obsolescence are driving new supply across a growing range of markets
- Prevalence of functionally obsolete buildings may increase

Strategy Focus:

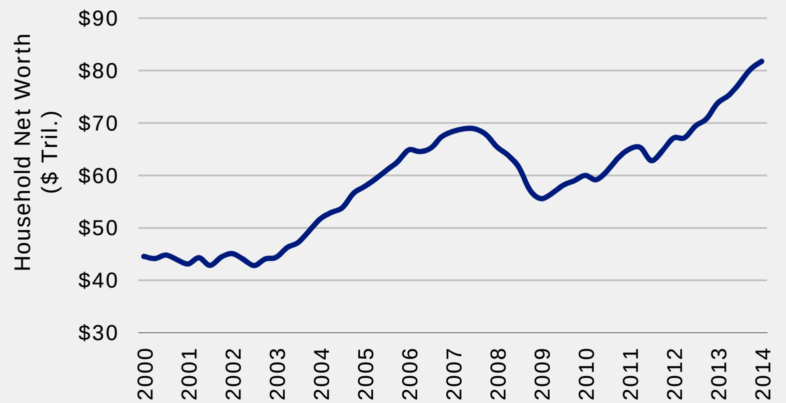
- Highly functional large warehouses in large metros near major ports and intermodal facilities
- Functional moderate-size warehouses in housing recovery markets
- Minimize capital expenditure drag through buying newer vintage assets or building-to-own
- Development focus to capture the “wholesale” investment basis
- Re-tenanting/mark-to-market plays on in-place vacancy and/or near-term lease maturities
- Higher-quality, stable-income assets in very select secondary markets with prudent use of leverage

Sources: Invesco Real Estate using underlying data from CBRE-EA, Moody’s Analytics as of August 2014. Coastal Markets: Seattle, San Jose, Oakland, Los Angeles, Orange County, Riverside, New York, Newark, Edison, Ft. Lauderdale, Miami, Houston. Inland Hubs: Atlanta, Chicago, Dallas, Fort Worth.

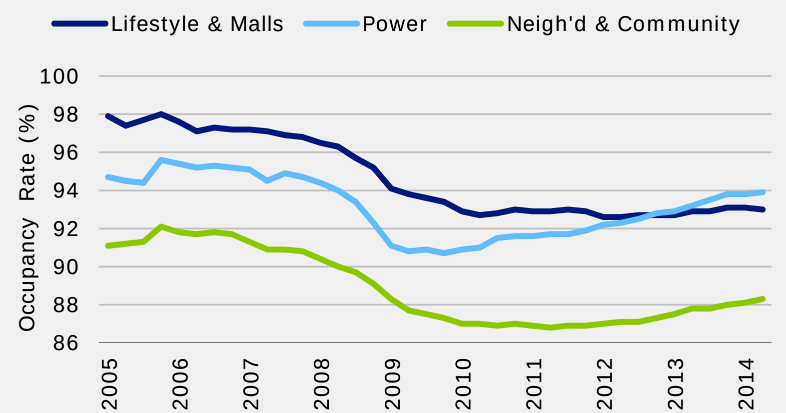
Retail Trends and Strategy Implications

Long-term trends constrain, but jobs and housing drive cyclical recovery

Positive Wealth Effect Impacting Retail Spending



Power Center Recovery Outpaces Broader Retail



Trends:

- Steady job growth and initial housing recovery driving cyclical improvement
- Yet, internet retail, consumer debt and shifting demographics impact and constrain long-term spending trends
- Positive wealth effect, led by upper-income households, support high-end retail
- Tourism and foreign capital continue to drive demand for high-street space
- Power center and shop space contraction expected to continue as retailer balance space needs with e-commerce growth
- Asset performance differentiated among winners and losers
- Construction across formats remains limited

Strategy Focus:

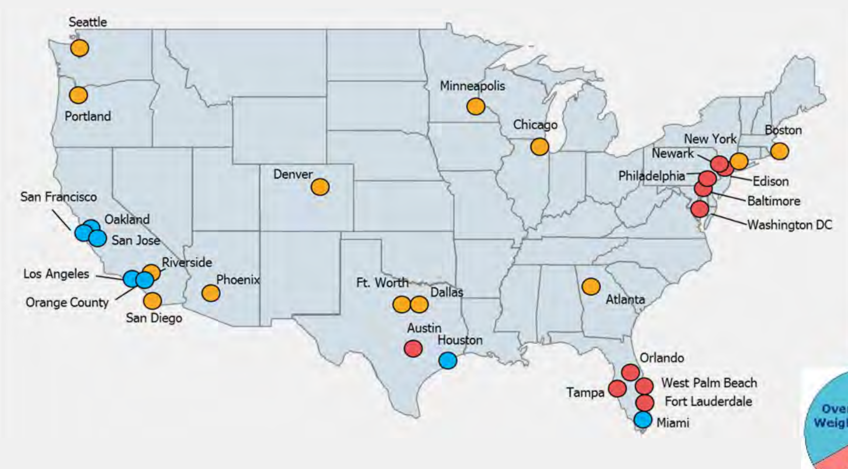
- Prefer high-density main-and-main locations; selectively consider "path of growth" locations
- Consider centers anchored by market-dominant or specialty grocers with limited shop space, esp. in high barrier locations
- Target discretionary, luxury, food service, personal service and entertainment tenancy to compete with virtual stores
- High street locations supported by high-wealth neighborhoods and robust tourism
- Select high street opportunities with significant mark-to-market value creation profiles
- Select grocery-anchored development within high-income demographic locations
- Selectively focus on underserved densely populated trade areas with low existing retail space per-capita
- Higher-quality, stable-income assets in select secondary markets with prudent use of leverage

 Sources: Invesco Real Estate using underlying data from CBRE-EA and Moody's Analytics as of August 2014.

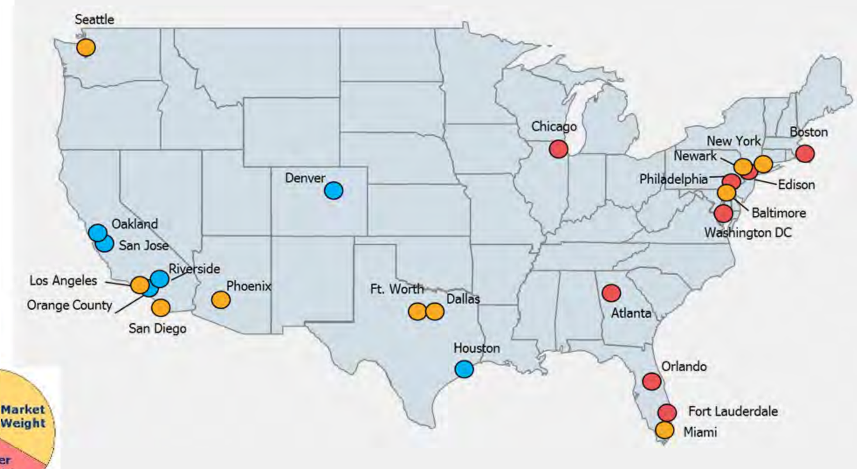
IRE Qualified & Target Markets – H1 2014

Invesco

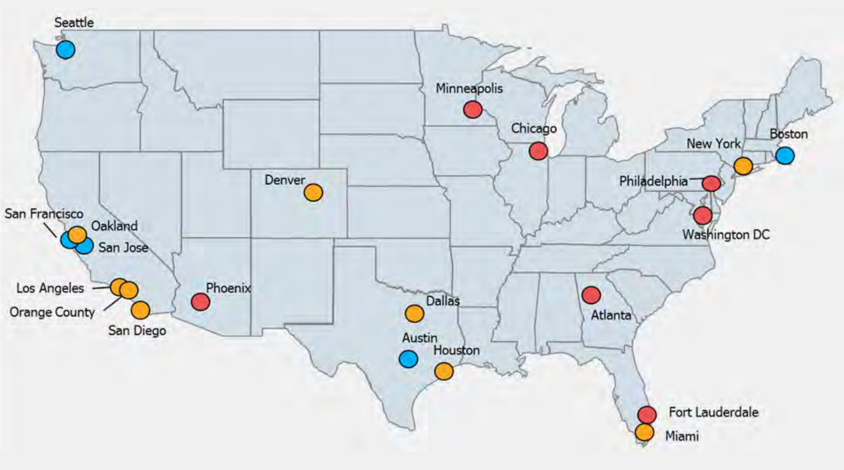
Apartment



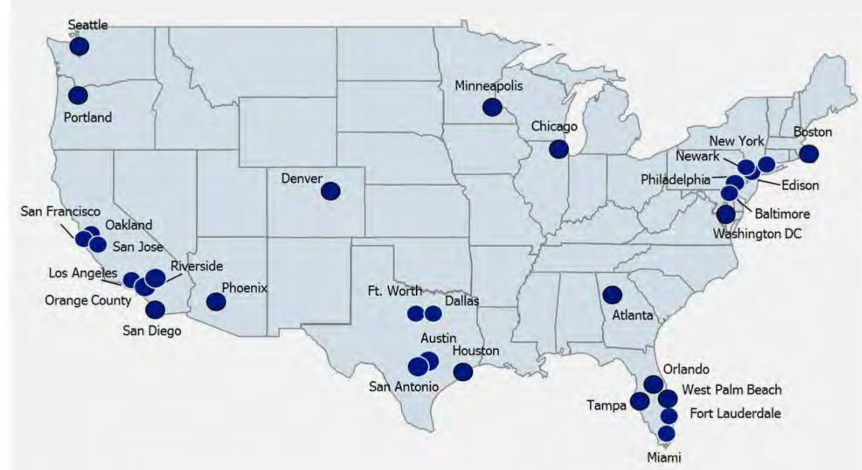
Industrial



Office



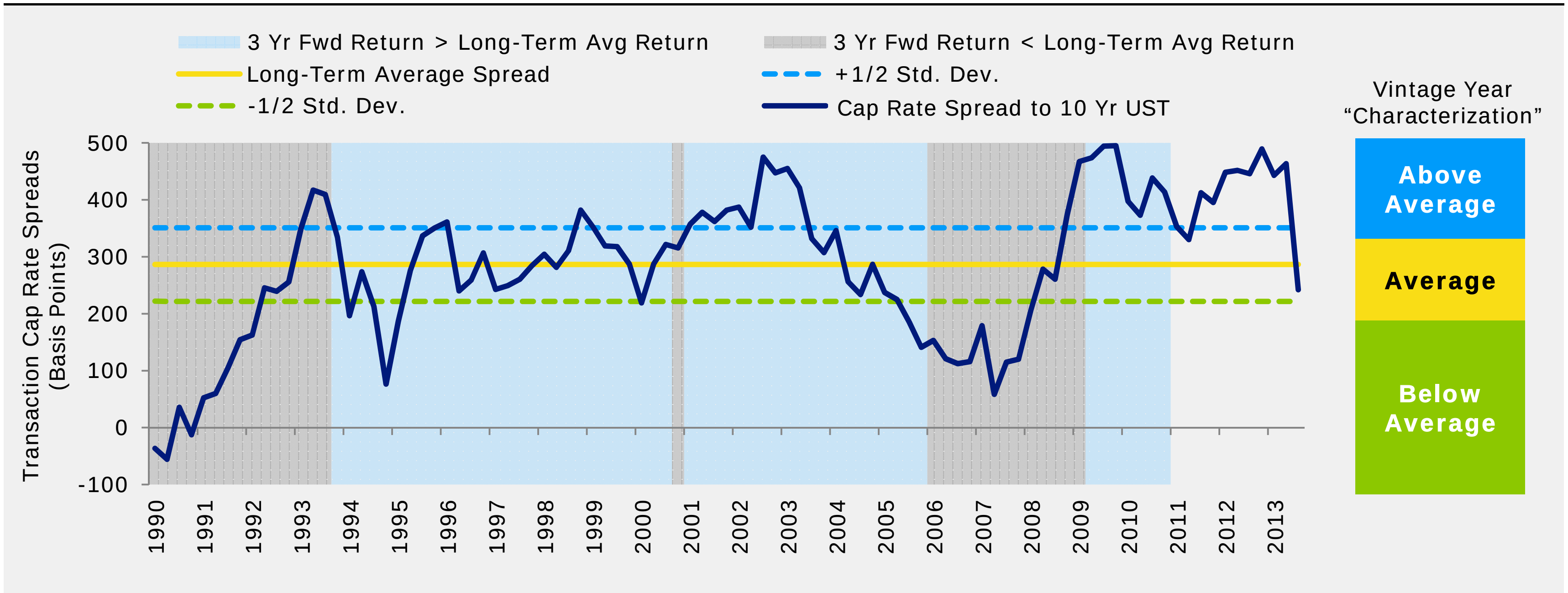
Retail



Source: Invesco Real Estate as of March 2014

Vintage Year / Acquisition Entry Point

Helps Guide Appropriate Qualitative Risk Tolerances



Vintage Year "Characterization"	Vintage Year Definition	3 Year Forward Returns (NPI) to Long-Term Average	% Match
Above Average	½ Standard Deviation Above Long Term Average	Greater Than (>)	79%
Below Average	½ Standard Deviation Below Long Term Average	Less Than (<)	81%

Notes: Shaded areas represent whether total returns in the 3-year period following each quarter were above or below the average three-year return during the period from 1990 to 2013. Cap rate spreads represent the difference between NCREIF transaction cap rates and the 10-year U.S. Treasury yield. The straight line approximates the average cap rate spread (286 basis points) and the dotted lines are ½ standard deviations.
Source: Invesco Real Estate using underlying data provided by NCREIF 4Q 2013.
Past performance is not indicative of future results.

Appendix

Invesco Value Add Fund IV

Steering Committee

Invesco Real Estate

Jay Hurley, Senior Director

Mr. Hurley joined IRE in 1995, and he serves as the portfolio manager for Invesco Real Estate's series of U.S. closed-end Value Added Funds. He has over 25 years of real estate transactional and portfolio management experience encompassing a broad range of product types and investment strategies. He spent the first five years with IRE in the firm's Acquisition Group originating, evaluating, negotiating and closing core and value added investments nationally. Additionally, he has previously held positions as the firm's Director of Dispositions and Director of Underwriting, and is a long-standing member of the firm's Investment Committee and North American Direct Executive Committee.

Prior to joining IRE, Mr. Hurley held production positions with both Amstar Group (private equity) and Citicorp Real Estate (syndicated debt).

Mr. Hurley is a member of the Urban Land Institute (ULI) and the National Multi-Housing Council (NMHC). He received his Bachelor of Science degree in Civil Engineering from The University of Texas at Austin and his Master of Business Administration degree from Southern Methodist University.

Laler C. DeCosta, Senior Director

Mr. DeCosta joined Invesco in 2003 and currently serves as a client portfolio manager focused on developing and managing IRE's client and consultant relationships. He is a member of the Invesco Core Real Estate and Value-Added Funds steering committees. Prior to this role, Mr. DeCosta was a portfolio manager for several of IRE's separate account clients. He has 31 years of real estate experience.

Prior to joining Invesco, Mr. DeCosta served as Head of Separate Accounts with Lend Lease where he was responsible for the portfolio management area encompassing $9 billion of assets under management for major pension funds and offshore clients.

Mr. DeCosta is an active member of the National Association of Industrial and Office Properties. He is a past President of the Georgia chapter. He holds a Bachelor of Science degree from the University of South Carolina.

Greg Kraus, Managing Director

Mr. Kraus joined IRE in 2000 where he directs IRE's Acquisition Group. In addition, Mr. Kraus serves on IRE's Investment Committee, North American Executive Committee and Direct Management Committee. Since joining IRE, Mr. Kraus has served in both a portfolio management and acquisition role with the firm.

Prior to joining IRE, Mr. Kraus was previously affiliated with the Harberg-Masinter Company, Crescent Real Estate Equities, the L&B Group and its predecessor company Lehndorff USA, Ltd., Hall Financial Group and Southland Financial Corporation.

Mr. Kraus holds a Bachelor of Business Administration degree from Southern Methodist University. He has 33 years of real estate experience.

 Source: Invesco Real Estate. Data as of June 30, 2014.

Invesco Real Estate

R. Scott Dennis, Managing Director

Mr. Dennis is the Chief Executive Officer of Invesco Real Estate. He is responsible for the day-to-day strategy execution and management of the global real estate unit. He chairs the Global Real Estate Executive Committee and is a member of the firm's investment committees. Mr. Dennis has been with Invesco for 22 years. Prior to his role managing the global real estate group, he was co-head of IRE's North America group and head of the US acquisitions team. Over his career, Mr. Dennis has been involved in more than $20 billion of real estate investments, covering a broad range of property types and investment structures.

Before joining Invesco, Mr. Dennis worked at Bankers Trust Company, where he was responsible for structuring equity and debt investments on behalf of Bankers Trust and other institutional clients. Additionally, Mr. Dennis was with Trammell Crow Company, where he was responsible for investments on behalf of their commingled funds.

Mr. Dennis is actively involved in the Urban Land Institute and holds a BBA in Finance and Real Estate from The University of Texas at Austin. Mr. Dennis has 33 years of real estate investment experience.

David Farmer, Managing Director

Mr. Farmer is responsible for overseeing the day-to-day operations of IRE's Global real estate business and is a member of IRE's Global Executive Management Committee. Prior to serving as COO, Mr. Farmer led the Portfolio Management and Asset Management teams of the firm. Mr. Farmer's 37 years of real estate experience include development, leasing, financing and the sale of commercial properties.

Before joining IRE in 1987, Mr. Farmer served as Vice President and Director of Henry S. Miller Management Corporation, HDW Group, responsible for managing more than 4.5 million square feet of commercial real estate.

Mr. Farmer is a member of the Institute of Real Estate Management (IREM) and has served on IREM's Dallas Board of Directors and on numerous national committees. He is also a member of the National Council of Real Estate Investment Fiduciaries, Pension Real Estate Association, National Association of Real Estate Investment Managers and the International Council of Shopping Centers. Mr. Farmer received his Bachelor of Science degree in Finance from Louisiana State University.

William C. Grubbs Jr. , Managing Director

Mr. Grubbs joined Invesco in 2005 and has 24 years of real estate experience. He is the lead portfolio manager for Invesco Core Real Estate, IRE's US open-end core commingled fund. In addition, Mr. Grubbs oversees Funds Management for the US direct real estate group.

Prior to joining Invesco, Mr. Grubbs was with the investment firm of Bailard, Biehl & Kaiser (BB&K), in Foster City, California, where he directed BB&K's real estate investment program for six years including serving as the President and Chief Operating Officer of the BB&K Real Estate Investment Trust (BB&K REIT), an open-end commingled private real estate equity fund with a value added acquisition strategy. Prior to joining BB&K, Mr. Grubbs held various positions in real estate development, portfolio management and finance with Prudential located in San Francisco.

Mr. Grubbs received a Master of Business Administration with distinction from the University of Michigan and a Bachelor of Science degree from Colorado State University. He is a member of Pension Real Estate Association (PREA) and a full member of the Urban Land Institute.

 Source: Invesco Real Estate. Data as of June 30, 2014.

Invesco Real Estate

Claiborne Johnston, Senior Director

Mr. Johnston joined Invesco in 2012 and serves as a client portfolio manager focused on developing and managing Invesco Real Estate's client and consultant relationships, as well as, new product development. He is a member of the Invesco Core Real Estate and Value-Added Funds Steering Committees and Invesco Structured Investments Operating Committee. He has over 14 years of real estate experience.

Prior to joining Invesco, Mr. Johnston was a Managing Director at Morgan Stanley where he was responsible for real estate private equity capital formation, real estate company recapitalizations and coverage of real estate investment managers and global capital sources for a variety of investment management and investment banking activities. In addition to these institutional activities, Mr. Johnston was responsible for the supervision and coordination of all real estate investment management services offered to Morgan Stanley Smith Barney.

Mr. Johnston has a Master of Business Administration degree from Columbia University and graduated with a Bachelor of Arts in Political Science from James Madison University. He is actively involved in a number of real estate associations including Pension Real Estate Association (PREA), Institute for Fiduciary Education and the Urban Land Institute.

Michael Kirby, Managing Director

Mr. Kirby joined Invesco in 1993 after a varied career in commercial real estate management. He currently serves as Director of North American Real Estate Operations and U.S. Asset Management for IRE. In this capacity he co-manages IRE's North American direct real estate investment platform and heads asset management of Invesco's $13 billion portfolio of office, industrial, retail, and multi-family investments in the U.S. He currently chairs IRE's North American Executive Committee and serves on both the Investment Committee and Investment Strategy Group. Mr. Kirby has 30 years of real estate experience.

Mr. Kirby is a graduate of The University of Texas at Austin with a Bachelor of Science degree in Civil Engineering. He is a Certified Property Manager (CPM®) and has served on the Executive Council of the Dallas Chapter of the Institute of Real Estate Management (IREM).

Cain Kirk, Senior Director

Mr. Kirk joined IRE in 1997 and currently serves as the Lead Asset Manager for Invesco Real Estate's series of closed-end value added funds. He is part of the management team for the Asset Management Department and a member of the Yardi Project team. Prior to joining IRE, Mr. Kirk was Vice President of Management and Construction for the retail division of Lincoln Property Company for ten years. His portfolio included approximately three million square feet of shopping centers throughout the central and southeast regions of the country. His responsibilities included the supervision of several property managers and construction personnel, as well as assisting leasing agents in negotiating lease agreements. He has 31 years of real estate experience.

Mr. Kirk received a Bachelor of Business Administration degree from the University of Texas at Austin. He is a member of the International Council of Shopping Centers and the Institute of Real Estate Management having earned his designation as a Certified Property Manager (CPM®).

 Source: Invesco Real Estate. Data as of June 30, 2014.

Invesco Real Estate

Paul Michaels, Managing Director

Mr. Michaels has been with IRE since its inception in 1983. As Director of North American Direct Real Estate, he is responsible for leading IRE's North American business. Previously, Mr. Michaels served as Director of U.S. Portfolio Management responsible for portfolio strategy for institutional pension fund clients. Mr. Michaels is currently Chairman of IRE's U.S. Direct Investment Committee and has responsibility for portfolio design and investment process for several of IRE's separate account clients. He has 32 years of real estate experience including both debt and equity transactions in industrial, multi-family, retail and office properties.

Mr. Michaels holds a Bachelor of Business Administration degree in Finance and Real Estate from The University of Texas at Austin.

Mike Sobolik, Senior Director

Mike Sobolik serves as Invesco Real Estate's Regional Director of Research for North America. His role involves oversight of the group's forecasting and analysis processes, including the integration of forecasts and outlooks into the firm's investment underwriting and investment strategy. As a member of the firm's Investment Strategy Group, Mr. Sobolik provides research-based strategic guidance on matters related to property sector allocation, market selection, and macro risk and opportunity. He also is a member of the company's Investment Committee. Prior to coming to Invesco in 1999, Mr. Sobolik served with HFF, L.P. and USAA Real Estate Company.

Mr. Sobolik graduated from Texas A&M University with a Bachelors of Business Administration degree. He holds the Chartered Financial Analyst® (CFA®) designation and is a Counselor of Real Estate (CRE). He has 29 years' experience.

Max Swango, Managing Director

Mr. Swango has been with IRE since 1988. For the last 16 years he has served as IRE's Director of Product and Client Portfolio Management. He is a member of the Invesco Core Real Estate and Value-Added Funds steering committees. He is responsible for developing and managing real estate investment strategies for Invesco's diverse client base and for overseeing existing and new client and consultant relationships.

He spent the first 10 years with the firm in the Acquisitions group originating direct real estate investments. Those investments included acquisitions of existing properties, pre-sale commitments on to-be-completed properties, equity investments in development transactions, mortgages, participating mortgages, second participating mortgages and re-capitalization of existing partnerships.

From 1995-1999, Mr. Swango oversaw the firm's West Coast investment activity from its San Francisco office. That office is responsible for executing IRE's investment strategy in the western United States for its institutional client portfolios.

Mr. Swango serves on the Editorial Advisory Board of the Institutional Real Estate Letter and is a member of numerous other retirement system industry associations, including PREA, SACRS, CALAPRS and TEXPERS. He holds a Bachelor of Business Administration degree with a double major in Real Estate and Finance from The University of Texas at Austin. Mr. Swango has 26 years of real estate experience.

 Source: Invesco Real Estate. Data as of June 30, 2014.

Appendix
Invesco North American Direct Real Estate Composite

Invesco North American Direct Real Estate Composite

Schedule Of Investment Performance

	Composite Gross-of-Fees Returns					NCREIF NFI-ODCE Index Benchmark			Composite Statistics at Year End				
Year	**Income Return**	**Capital Return**	**Total Return**	**Range of Returns**	**Composite Net-of-Fees Returns Total Return**	**Income Return**	**Capital Return**	**Total Return**	**Number of Portfolios**	**Composite Assets (USD Million)**	**External Appraisal % of Composite Assets**	**Total Firm Assets (USD Billion)**	**Non-Real Estate % of Composite Assets**
2013	5.2%	8.6%	14.1%	(0.2%) - 36.0%	13.2%	5.2%	8.4%	13.9%	19	9,448.4	73.19%	572.8	0.0%
2012	5.5%	4.3%	10.0%	2.9% - 27.9%	9.0%	5.4%	5.3%	10.9%	18	8,237.8	72.14%	497.1	0.0%
2011	6.0%	13.5%	20.1%	7.6% - 56.2%	19.1%	5.5%	9.2%	16.4%	17	7,456.7	74.83%	479.8	0.0%
2010	7.0%	9.1%	16.5%	1.8% - 96.7%	15.6%	6.6%	9.2%	16.4%	17	5,040.4	66.65%	475.3	0.0%
2009	6.5%	(32.8%)	(28.0%)	(75.4%) - (7.2%)	(28.4%)	6.1%	(34.1%)	(29.8%)	16	3,810.8	77.52%	298.2	0.0%
2008	5.0%	(13.7%)	(9.2%)	(74%) - 6.6%	(9.3%)	4.8%	(14.3%)	(10.0%)	16	5,262.7	84.28%	254.6	0.0%
2007	5.4%	10.2%	16.0%	1.0% - 51.7%	14.4%	5.2%	10.3%	16.0%	14	5,299.0	66.32%	328.6	0.7%
2006	6.1%	12.1%	18.6%	(51.1%) - 37.9%	17.3%	5.8%	10.0%	16.3%	17	4,463.7	64.20%	243.8	0.0%
2005	6.7%	14.1%	21.5%	(10.7%) - 33.6%	20.1%	6.6%	14.1%	21.4%	17	3,333.9	62.04%	174.6	0.0%
2004	7.6%	7.9%	16.0%	3.2% - 47.4%	14.4%	7.1%	5.6%	13.1%	16	2,787.6	49.47%	168.0	0.0%

Annualized Returns

3 Year	5.6%	8.7%	14.6%	13.7%	5.4%	7.9%	13.6%
5 Year	6.0%	(1.2%)	4.8%	4.0%	5.8%	(2.0%)	3.7%
7 Year	5.8%	(1.6%)	4.2%	3.4%	5.6%	(2.2%)	3.3%
10 Year	6.1%	2.1%	8.3%	7.4%	5.8%	1.3%	7.2%
Since Inception	8.0%	2.8%	11.0%	9.8%	7.3%	0.5%	7.8%

Invesco Worldwide has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The composite creation date is January 2008.

Invesco North American Direct Real Estate Composite

Performance Notes

Compliance Statement

Invesco Worldwide claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Invesco Worldwide has been independently verified for the periods 1st January 2003 thru December 31, 2013. The legacy firms that constitute Invesco Worldwide have been verified since 2001 or earlier. Verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies are designed to calculate and present performance in compliance with GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The Firm

Invesco Worldwide ("The Firm") manages a broad array of investment strategies around the world. The Firm comprises U.S.-based Invesco Advisers, Inc. (excluding Unit Investment Trusts) and all wholly owned Invesco firms outside of North America. All entities within the Firm are directly or indirectly owned by Invesco Ltd. Invesco Canada Ltd. Is also a GIPS-compliant firm whose assets are managed by a subsidiary of Invesco Ltd. Invesco Senior Secured Management, Inc. Invesco Private Capital, Inc. Invesco and PowerShares Capital Management LLC are also affiliates of the Firm. Each is an SEC-registered investment adviser and is marketed as a separate entity. Invesco Great Wall Fund Management Co. Ltd IGW is a fund management company established under China Securities Regulatory Commission's approval. Their assets are excluded from total Firm assets. During 2012 new guidance was issued requiring firm assets be calculated net of leverage. This guidance will be applied for years ending 2012 and forward.

The Composite

The Invesco North American Direct Real Estate composite is constructed using all fee-paying discretionary non-taxable portfolios that have a focused investment mandate covering North American Direct Real Estate. All assets included in this composite either meet this definition or they are related assets (such as CMBS) that cannot be carved out of a particular portfolio without violating GIPS 2010 carve-out provisions. The Firm's list of composite descriptions is available upon request.

Description of Discretion

Portfolios are considered discretionary if Invesco has sole or primary responsibility for major investment decisions. Major decisions may include portfolio strategy, purchases, sales, investment structuring, financing, capital improvements and operating budgets. Investors rarely delegate complete investment discretion to managers for real estate investments, but in many cases the constraints imposed do not inhibit the manager's investment policy or decision making to any significant extent. Therefore, the required client approval of major decisions does not preclude classification of a real estate portfolio as discretionary. Acceptance of primary responsibility by Invesco may be inferred if a portion of Invesco's compensation is tied to performance or Invesco's success is assessed based on comparison of its performance to an industry benchmark. Portfolios are considered nondiscretionary if client imposed investment limitations and restrictions hinder or prohibit application of Invesco's desired investment strategy.

Invesco North American Direct Real Estate Composite

Performance Notes

Valuation

Internal values are developed by Invesco's valuation department on a periodic (annual, quarterly or "significant event") basis to be used: (1) to value the asset to market in quarters where no external valuation is performed (2) in reporting to clients, consultants and for general business management purposes. Value is primarily derived from the income approach; therefore internal sources are accessed to provide adequate detail in developing the cash flows, including: Underwriting, Research, Asset Management and Acquisitions. In addition to internal sources of information, external data such as Market Cycles, Property Considerations and Alternative Investments information is employed in determining the inputs for each assumption in the cash flow and rates of capitalization. Comparable sales are also considered in the valuation process. Further, each asset is valued externally at least once every 36 months unless otherwise more frequently required by the respective investment management agreement. The policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.

Basis of Accounting

All portfolios in the composite are reported on a fair value basis in accordance with authoritative guidance in conformity with accounting principles generally accepted in the United States of America.

Calculation of Performance Returns

Calculation of Performance Returns

Returns are calculated in accordance with the Investment Level methodology as prescribed by the National Council of Real Estate Investment Fiduciaries (NCREIF). Component returns are calculated separately using chain-linked time weighted rates of return. Quarterly returns are geometrically linked in arriving at annual returns.

Leverage

Individual underlying portfolios may include a significant amount of leverage.

Investment Management Fees

Gross of fee performance results are presented net of execution or transaction costs and before advisory, incentive, and disposition fees. Fee schedule structures vary between clients, based on contractual agreements with differing objectives, and may include acquisition, advisory, incentive, and disposition fees. Advisory fees for clients are typically based on Net Operating Income (NOI) or Net Asset Value (NAV). Fees for NOI-based objectives reach as high as 8.5% while fees for NAV-based objectives reach as high as 1.1% of NAV. Performance based fees are specifically negotiated with individual clients.

Benchmark

The NCREIF Fund Index - Open-end Diversified Core Equity (NFI-ODCE) includes only open-end diversified core strategy funds with at least 95% of their investments in U.S. markets. The NFI-ODCE was created by NCREIF in May 2005 and is a specialized sub-index with its own set of index criteria. Please refer to the NFI-ODCE detail report at www.NCREIF.org for further information.

Important Information

This document must be preceded or accompanied by the Invesco U.S. Value-Add Fund IV, L.P. Private Placement Memorandum (PPM). This is not to be construed as an offer to buy or sell any financial instruments and should not be relied upon as the sole factor in an investment making decision. All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. It is not our intention to state, indicate or imply in any manner that current or past results are indicative of future profitability or expectations. The opinions expressed herein are based on current market conditions and are subject to change without notice.

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For important information on risks associated with this product, see the "Risk Factors and Conflicts of Interest" section of the PPM for risks on pages 46 - 63 .

Forward looking statement disclosure
These materials may contain statements that are not purely historical in nature but are "forward-looking statements." These include, among other things, projections, forecasts, estimates of income, yield or return, future performance targets, sample or pro forma portfolio structures or portfolio composition, scenario analysis, specific investment strategies and proposed or pro forma levels of diversification or sector investment. These forward-looking statements can be identified by the use of forward looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," "believe," the negatives thereof, other variations thereon or comparable terminology. Forward looking statements are based upon certain assumptions, some of which are described herein. Actual events are difficult to predict, are beyond the Issuer's control, and may substantially differ from those assumed. All forward-looking statements included herein are based on information available on the date hereof and Invesco assumes no duty to update any forward-looking statement. Some important factors which could cause actual results to differ materially from those in any forward-looking statements include, among others, the actual composition of the portfolio of underlying assets, any defaults to the underlying assets, the timing of any defaults and subsequent recoveries, changes in interest rates, and any weakening of the specific obligations included in the portfolio of Underlying Assets. Other detailed risk factors are also described in the Private Placement Memorandum. Accordingly, there can be no assurance that estimated returns or projections can be realized, that forward-looking statements will materialize or that actual returns or results will not be materially lower than those presented.

All information and data as of June 2014 unless otherwise stated.

Invesco makes no representation or warranty, expressed or implied, regarding any prospective investor's legal, tax or accounting treatment of the matters described herein, and Invesco is not responsible for providing legal, regulatory or accounting advice to any prospective investor.

Contra Costa County Employees' Retirement Association
Placement Agent Information Disclosure Invesco Advisers, Inc.
Related to CCCERA prospective investment in
Invesco U.S. Value- Add Fund IV, L.P.
October 13, 2014

Attachment 1

Max Swango and Delia Roges are both employees of Invesco Advisers, Inc. and would be classified as placement agents according to the Contra Costa County Employees' Retirement Association Placement Agent Disclosure Policy. Max Swango receives no compensation directly or indirectly related to any investment by CCCERA. Delia Roges may be compensated in connection with an investment by CCCERA. Accordingly, the disclosures will be slightly different for each individual.

Attachment 2

Biographical information for both is included below. Neither individual is a current or former CCCERA Board member, employee or Consultant, or a member of the immediate family of any such person.

Max Swango – Invesco Managing Director, Director of Client Portfolio Management

Mr. Swango has been with IRE since 1988. For the last 15 years he has served as IRE's Director of Product and Client Portfolio Management. He is a member of the Invesco Core Real Estate – USA and Value-Added Funds steering committees. He is responsible for developing and managing real estate investment products for Invesco's diverse client base and for overseeing existing and new client and consultant relationships.

He spent the first 10 years with the firm in the Acquisitions group originating direct real estate investments. Those investments included acquisitions of existing properties, pre-sale commitments on to-be-completed properties, equity investments in development transactions, mortgages, participating mortgages, second participating mortgages and re-capitalization of existing partnerships.

From 1995-1999, Mr. Swango oversaw the firm's West Coast investment activity from its San Francisco office. That office is responsible for executing IRE's investment strategy in the western United States for its institutional client portfolios.

Mr. Swango serves on the Editorial Advisory Board of the Institutional Real Estate Letter and is a member of numerous other retirement system industry associations, including PREA, SACRS, CALAPRS and TEXPERS. He holds a Bachelor of Business Administration degree with a double major in Real Estate and Finance from The University of Texas at Austin. Mr. Swango has 25 years of real estate experience. Mr. Swango has FINRA Series 7and 63 licenses and is a registered lobbyist in the state of California.

Delia M. Roges
Managing Director - US Institutional Sales & Service Team

Delia Roges is a member of the US Institutional Sales & Service team. As managing director, she is responsible for relationship management and new business generation for institutional investors in public funds in the western United States. Ms. Roges has been in the institutional investment management business since 1991. Prior to joining Invesco in 2011, she was a senior member of a boutique investment banking and private placement firm focused on securing capital for private equity and real estate general partnerships.

Previously, she served nearly 14 years as a senior vice president for Trust Company of the West (TCW) where she was responsible for advising institutional clients and developing product solutions primarily for new business development. She joined TCW in 1994 from Southern California Edison Company (SCE) where she held various investment responsibilities in the Corporate Treasurer's Department.

Ms. Roges presently serves on the Board of Regents to Loyola Marymount University (LMU) and on the Board of Visitors at the School of Education at LMU. She earned an MBA from the University of Southern California and a BBA from Loyola Marymount University. Ms. Roges holds FINRA Series 7, 63, and 79 licenses and is a registered lobbyist in the state of California.

Attachment 3-

Max Swango receives a base salary and bonus but receives no compensation directly or indirectly related to any client investment.

Delia Roges is paid a base salary and would receive contingent compensation based on CCCERA's prospective investment in Invesco U.S. Value-Add Fund IV, L.P. in the form of sales credits. Those sales credits will be calculated and determined as a percentage of committed capital, and will be paid ratably over three years measured from inception. Delia has received compensation for CCCERA's investment in Invesco Real Estate Fund III, L.P., but not prior real estate mandates with Invesco.

Attachment 4-

Max Swango will continue to be the real estate professional assigned to provide specific investment and real estate market updates and advice on behalf of your real estate mandates with Invesco Real Estate.

Ms. Roges will serve in a relationship management role and support the client by being the client's first contact - there to take calls, schedule meetings and gather reports and other required information. She may also contact CCCERA on other Invesco product offerings that are not real estate related.

Attachment 5-

Both Max Swango and Delia Roges are employees of Invesco Advisers, Inc. a SEC registered investment adviser. Invesco Distributors, Inc. is an affiliated broker dealer governed by FINRA. Max Swango and Delia Roges are FINRA licensed representatives under this broker dealer.

Attachment 6-

Both Max Swango and Delia Roges are registered lobbyists of the state of California.

6. To the extent of any disclosure set forth on Attachment 1, we attached as Attachment 6 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government.

We further represent and warrant as follows:

A. We shall provide an update of any changes to any of the information included in this Disclosure Statement within fourteen (14) business days of the occurrence of the change in information.

B. We shall cause our engaged Placement Agent, if any, prior to acting as a Placement Agent with regard to CCCERA, to disclose to CCCERA in writing any campaign contribution, gift (as defined in Government Code section 82028) or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant (as defined in the Policy), during the prior twenty-four month period.

C. We shall cause our engaged Placement Agent, during the time it is receiving compensation in connection with a CCCERA investment, to disclose to CCCERA any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during such period.

Dated: 10/13/14

EXTERNAL MANAGER

Invesco Advisers Inc - Real Estate
Name of Entity

By: Mary C Carroll
Authorized Signatory

Print Name Mary C. Carroll

Its Compliance Director

MEMORANDUM

Date: October 22, 2014

To: CCCERA Board of Retirement

From: Gail Strohl, Chief Executive Officer
Karen Levy, General Counsel

Subject: Appointment of ad hoc committee to review responses to the request for proposal for Labor and Employment Counsel

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Background

Effective January 1, 2015, CCCERA and its Board of Retirement will become the direct employer for its entire staff, including represented and unrepresented staff members. The independent employer status is a result of the passage of Senate Bill 673.

On September 10, 2014, the CCCERA Board authorized CCCERA to issue a request for proposal for Labor and Employment Counsel in order to ensure compliance with federal and state rules and regulations and provide counsel on related general labor and employment law matters. In addition, the attorney will be experienced in the Meyers-Milias-Brown Act and the Public Employment Relations Board in order to provide the Board and CCCERA guidance and counsel through possible dispute resolution.

CCCERA received five responses from qualified law firms to the request for proposal. The Board had directed that an ad hoc committee of the Board be established to review the responses and make a recommendation to the full Board regarding the selection of one or more labor and employment law firms. Possible meeting dates for the ad hoc committee are: October 23, 24 or 27.

Recommendation

Consider and take possible action to appoint an ad hoc committee of up to four trustees for the limited purpose of reviewing responses, selecting finalists, and making a recommendation to the full Board regarding the request for proposal for Labor and Employment Counsel.

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

MEMORANDUM

Date: October 22, 2014

To: CCCERA Board of Retirement

From: Karen Levy, General Counsel

Subject: Establishment of Standing Audit Committee of the Board of Retirement

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Background

The Board asked to consider the establishment of a standing audit committee of the Retirement Board. A standing committee, as distinguished from an ad hoc committee, has continuing subject matter jurisdiction and an indefinite duration. It is subject to open meetings laws, requiring a public agenda and public meetings where members of the public are afforded the opportunity to attend and comment. Generally, the purpose of an audit committee of a public pension fund is to assist the full Board in its oversight responsibilities of the integrity of the trust fund's finances, financial reports, operations and internal controls.

Analysis

In considering this item, the Board is respectfully encouraged to consider preparing and adopting a written audit committee policy that sets forth specific responsibilities given to the audit committee. The responsibilities may include the following subject matters:

(i) Reviewing recommendations of CCCERA staff and outside auditor regarding the audited financial statements, CCCERA internal controls and audit and compliance plans;
(ii) Reviewing and addressing audit and compliance review findings;
(iii) Monitoring compliance with policies;
(iv) Overseeing the appointment of the outside auditor;
(v) Ensuring the independence of outside auditor;
(vi) Ensuring that the outside auditor has all necessary opportunities to share its findings with the committee or the Board as appropriate;
(vii) Other specific subject matters that the full Board deems appropriate.

The audit committee policy should also address the composition of the committee, manner of appointment, removal and term durations. Committees are, by definition, comprised of less than a quorum of the full board (i.e., less than five trustees). However, other members of the Board may attend committee meetings as they are open to the public.

Additionally, the audit committee policy should address the scheduling of committee meetings. All standing committees are subject to the Brown Act, and public notice and agenda requirements are the same as those applicable to full Board meetings. Meetings must be open to the public, and the public must be afforded an opportunity to comment.

Finally, the policy should note that all formal actions taken at committee meetings must be considered for approval by the full Board at a scheduled and properly agendized full Board meeting.

Recommendation

Consider and take possible action to establish a standing audit committee comprised of a maximum of four trustees to make recommendations to the full Board regarding audit matters; direct staff to prepare a written audit committee policy for the Board's consideration at a future meeting.

LONG WHARF
REAL ESTATE PARTNERS

2014 Annual Partners Meeting
Fidelity Real Estate Growth Fund III, L.P.
Long Wharf Real Estate Partners IV, L.P.

Boston Harbor Hotel
Boston, Massachusetts

<u>Wednesday, November 19, 2014</u>

6:30 p.m.	Meet in the Lobby for Dinner Mamma Maria's, North End

<u>Thursday, November 20, 2014</u>

<u>Annual Partners Meeting</u>

8:00 a.m. – 9:00 a.m.	Breakfast
9:00 a.m. – 10:30 a.m.	Fidelity Real Estate Growth Fund III
10:30 a.m. – 12:30 p.m.	Long Wharf Real Estate Partners IV
12:30 p.m. – 1:30 p.m.	Lunch

Please **R.S.V.P.** to Jane Walsh at (617) 250-7262 or via e-mail at jane.walsh@lwrep.com.