

# **JER II**

**(Real Estate)**

Data Entry for: **Fresno County Employees' Retir. Fund**For the 3 months ending: **March 31, 2006**Manager: **JER Partners (A J.E. Robert Company)**Fund: **JER Fund II**

Client Performance	Gross of Fees (3) %	Net of Fees (1) %
Income	5.606%	5.262%
Appreciation	-3.856%	-3.856%
Total	1.750%	1.407%

Client Net IRR (since inception) (2)	10%
Client Ownership of Fund	3.35%
Client Number of Units	N/A

(1) Represents carried interest to GP deducted against gross appreciation return. Investment management fees are deducted against income.

(2) Client net IRR is based on the net cash flow distributed; however, deemed distributions used to pay investment management fees have been excluded. Additional amounts paid among investors relating to the timing of investors initial entry into the partnership have been included. For purposes of determining Client net IRR, distributions to date are net of amounts paid to the GP for carried interest and the terminal value is equal to the ending partner capital balance less accrued promote, if any.

(3) Represents returns before carried interest to GP and investment management fees and after fund level expenses.

Fund Loan To Value	65.41%
No. Investments In Fund	14
Price Per Unit	N/A

**Client Cash Flows**

Beginning Net Asset Value	\$ 8,675,804
+ Contributions	-
- Withdrawals	(1,221,609)
- Distributed Income	-
- Distributed Principal	(355,083)
+ Income	472,165
- Management Fees paid	(28,934)
+ Unrealized Appreciation	(402,263)
+ Realized Gain/(Loss)	77,515
- Incentive/Promote	-
= Ending Net Asset Value	\$ 7,217,595

Include accrued and separately charged fees and promote.

Did Client pay/receive interest due to additional closings?

**No****Fund Balance Sheet**

At Market Value

Assets:	
Gross Investments (6)	\$ 342,412,849
- Investment-level Debt	122,602,445
= Net Investments	219,810,404
Mortgages Held	-
Cash	12,301,741
Other Assets (5)	3,723,482
Total Assets	\$ 235,835,627
Liabilities:	
Fund-level Debt	\$ -
Other Liabilities (4)	20,684,549
Total Liabilities	20,684,549
Net Assets	\$ 215,151,078

Include any and all long-term investment and fund level debt.

**Fund Geographic Type**

Distribution	Based on Cost
Northeast	16.89%
Mideast	22.25%
East North Central	0.05%
West North Central	0.06%
Southeast	1.89%
Southwest	0.96%
Mountain	0.24%
Pacific	2.36%
Other (Foreign Non-R/E)	55.30%
Other	
Total	100.00%

To two decimal places

**Fund Life Cycle Distribution**

Distribution	Based on Cost
Pre-Development	16.19%
Development	23.32%
Operating	44.50%
Re-Development	0.98%
Leasing	4.41%
Other (CMBS)	10.60%
Other (Non-Real Estate, Etc.)	
Total	100.00%

To two decimal places

**Fund Property Type Distribution**

Distribution	Based on Cost
Office	85.16%
Industrial	0.00%
Apartment	2.05%
Retail	6.78%
Hotel	1.40%
Other	4.61%
Total	100.00%

To two decimal places

**Significant Events/Discussion of Returns**

(4) Includes minority interest (\$18.8M) and accounts payable/acrued expenses (\$1.9M).

(5) Includes other assets (\$1.3M), accounts receivable (\$891k), accrued interest receivable (\$756k), restricted cash (\$600k) and prepaid expenses (\$144k).

(6) Amounts related to "Mortgages Held" have been included herein in order to relate the applicable assets (i.e., marketable securities and loans and notes receivables) against the noted "Investment-Level Debt" line item.

Data was prepared by **Yulee Suh**Date: **May 15, 2006**Telephone: **(703) 714-8164**



JER Real Estate Qualified Partners II, LP  
Fresno County Employee Retirement Association  
Capital Account Analysis

DATE	CONTRIBUTIONS	INCOME	RETURN OF CAPITAL	DISTRIBUTION OF INCOME	BALANCE	ROC UNPAID CAPITAL COMMITMENT	DEEMED CAPITAL CONTRIBUTION	UNPAID CAPITAL COMMITMENT
5/28/99	\$ 2,511,961.71				\$ 2,511,961.71			\$ 20,000,000.00
6/15/99	4,236,842.11				7,248,803.82			17,488,038.29
6/29/99	933,014.35				8,181,818.17			12,781,396.18
7/2/99	(1,180,794.61)				7,001,023.56			11,816,181.83
8/4/99	5,699,078.81				12,700,102.37			12,998,976.44
8/30/99	(5,207,778.92)				7,492,323.45			12,507,674.85
9/30/99			(1,228,249.74)		6,264,073.71	(1,228,249.74)		13,735,926.29
10/5/99				(103,333.33)	6,160,740.38			13,735,926.29
11/16/99	(711,469.18)		116,634.29	9,812.51	5,575,718.00	116,634.29		14,330,761.18
11/18/99			(264,008.67)		5,311,709.33	(264,008.67)		14,594,769.85
12/13/99	2,334,392.46				7,646,101.79			12,260,377.39
12/15/99	(4,430,670.13)		668,652.96	45,457.90	3,929,542.52	668,652.96		16,022,394.56
12/24/99	3,999,028.81				7,928,571.33			12,023,365.75
12/31/99		32,914.38			7,961,485.71			12,023,365.75
1/7/00				(146,411.23)	7,815,074.48			12,023,365.75
1/24/00	(1,179,007.61)		95,988.28	26,404.53	6,758,459.68	95,988.28		13,106,385.08
3/29/00	2,221,755.93				8,980,215.61			10,884,629.15
3/30/00	(2,718,107.22)		195,843.28	33,872.72	6,314,824.39	195,843.28		13,403,893.09
4/6/00				(75,000.00)	6,439,824.39			13,403,893.09
5/31/00			(686,579.54)	(7,272.17)	5,880,572.68	(686,579.54)		14,090,472.63
7/7/00				(75,000.00)	5,805,572.68			14,090,472.63
10/2/00				(75,000.00)	5,730,572.68			14,090,472.63
11/30/00	2,180,531.00				7,711,103.68			11,909,941.63
12/26/00	1,207,679.00				8,918,782.68			10,702,262.63
12/31/00		134,016.88		(2,893.45)	9,049,906.11			10,702,262.63
1/2/01				(75,000.00)	8,974,906.11			10,702,262.63
1/25/01	1,543,145.00				10,518,051.11			9,159,117.63
3/31/01		111,446.85		(10,629,497.96)	10,629,497.96			9,159,117.63
4/2/01	1,006,399.00			(75,000.00)	11,560,896.96			8,152,718.63
4/30/01				(6.31)	11,560,890.65			8,152,718.63
6/26/01	2,012,798.00				13,573,688.65			6,139,920.63
6/30/01		134,303.56		(2,262.32)	13,705,729.89			6,139,920.63
7/6/01				(75,000.00)	13,630,729.89			6,139,920.63
9/30/01		48,592.68			13,679,322.57			6,139,920.63
10/2/01				(75,000.00)	13,604,322.57			6,139,920.63
10/31/01				(2,457.23)	13,576,374.74			6,139,920.63
11/5/01				(310.58)	13,576,374.74			6,139,920.63
12/26/01			(470,932.68)		12,905,442.08	(470,932.68)		6,810,853.31
12/31/01		678,182.86			13,583,624.94			6,810,853.31
1/4/02				(75,000.00)	13,508,624.94			6,810,853.31
1/14/02				(905.33)	13,507,719.61			6,810,853.31
3/31/02		173,914.53			13,681,634.14			6,810,853.31
4/2/02	2,851,464.00				16,533,098.14			3,959,389.31
4/16/02				(76,281.77)	16,456,816.37			3,959,389.31
5/31/02			(1,465,182.60)		14,998,700.47	(1,465,182.60)		5,424,571.91
6/28/02		275,246.48	(335,466.34)	(123,611.00)	14,784,869.61	(335,466.34)		5,760,038.25
7/3/02				(74,711.93)	14,710,157.68			5,760,038.25
7/31/02			(1,407,439.24)	(143,165.83)	13,159,552.61	(1,249,770.03)		7,009,808.30
8/29/02			(120,651.14)	(45,291.35)	12,993,610.12	(120,651.14)		7,130,459.44
9/16/02				(129.89)	12,993,430.23			7,130,459.44
9/30/02		433,505.36			13,426,935.59			7,130,459.44
10/4/02	872,212.00				14,299,147.59			6,258,247.44
10/8/02				(72,123.37)	14,227,024.22			6,258,247.44
10/31/02			(343,604.67)	(959,501.74)	13,267,522.48	(343,604.67)		6,601,852.11
11/27/02			(670,932.68)	0.00	12,852,985.13	(670,932.68)		7,272,784.79
12/31/02		179,155.77		(2,398.24)	13,029,742.66			7,272,784.79
1/10/03				(72,653.11)	12,957,089.55			7,272,784.79
1/27/03	2,012,798.04				14,969,887.59			5,258,986.75
2/27/03			(1,006,399.02)		13,963,488.57			6,055,041.98
3/31/03		(103,499.86)	(1,274,772.09)	(581.04)	12,584,635.58	(795,055.23)		7,329,814.07
4/9/03				(70,134.26)	12,514,501.32	(1,274,772.09)		7,329,814.07
5/27/03			(335,466.34)		12,179,034.98			7,329,814.07
6/30/03		(2,862.54)		(20,758.06)	12,155,414.38			7,329,814.07
7/18/03				(40,708.85)	12,114,705.53			7,329,814.07
9/29/03				(7,339.46)	12,107,366.07			7,329,814.07
9/30/03		(132,916.60)			11,974,449.47			7,329,814.07
10/10/03				(30,282.90)	11,944,166.57			7,329,814.07
11/25/03			(167,733.17)		11,776,433.40		476,362.20	6,853,451.87
12/30/03			(201,279.80)		11,575,153.60			6,853,451.87
12/31/03		(39,933.34)		(659.30)	11,534,454.96			6,853,451.87
2/17/04				(44,289.53)	11,490,165.43			6,853,451.87
3/31/04		356,804.00		(660.17)	11,846,445.26			6,853,451.87
4/20/04				(44,806.57)	11,801,638.69			6,853,451.87
6/30/04		117,140.62		(602.39)	11,918,176.92			6,853,451.87
7/16/04				(44,009.41)	11,874,167.51			6,853,451.87
9/30/04		222,979.01		(626.59)	12,096,519.93			6,853,451.87
10/7/04				(23,845.31)	12,072,674.62			6,853,451.87
12/29/04			(1,677,331.70)		10,395,342.92			6,853,451.87
12/31/04		1,033,413.00		(660.07)	11,428,095.85			6,853,451.87
2/5/05			(503,199.51)		10,924,896.34			6,853,451.87
3/31/05		\$52,499.00			11,477,395.34			6,853,451.87
4/29/05				(22,233.69)	11,455,161.65			6,853,451.87
5/27/05			(2,162,639.95)	(856,557.11)	8,436,064.59			6,853,451.87
6/30/05		198.00			8,436,162.59			6,853,451.87
7/25/05				(20,612.89)	8,415,549.70			6,853,451.87
9/30/05		1,932,894.00			10,348,443.70			6,853,451.87
10/26/05			(1,247,149.43)	(1,365,488.02)	7,735,806.25			6,853,451.87
11/22/05				(29,692.59)	7,702,113.67			6,853,451.87
11/30/05			(618,000.39)	(23,864.57)	6,360,248.81			6,853,451.87
12/29/05			(625,433.35)	(45,499.33)	5,689,315.63			6,853,451.87
12/31/05		2,986,488.00			8,675,803.63			6,853,451.87
1/24/06				(28,933.68)	8,646,869.95			6,853,451.87
2/28/06			(451,732.09)		8,110,123.81			6,853,451.87
3/29/06			(769,856.57)	(270,089.08)	7,070,178.16			6,853,451.87
3/31/06		147,416.00			7,217,594.16			6,853,451.87
TOTALS	\$ 20,698,272.55	\$ 9,271,898.64	\$ (17,156,941.90)	\$ (5,595,635.13)		\$ (8,028,086.62)		

Unpaid Capital Commitment Summary	
Initial Capital Commitment	\$ 20,000,000.00
Less: Contributions	(20,698,272.55)
Plus: Return of Capital	8,028,086.62
Deemed Capital Contribution	(476,362.20)
Unpaid Capital Commitment	\$ 6,853,451.87



JER Fund II  
Schedule of Changes in Partners' Capital Accounts  
For the three months ended March 31, 2006  
(unaudited)

	Ownership Percentage	Balance at December 31, 2005	Net Income	Distributions	Balance at March 31, 2006
JER Real Estate Qualified Partners II, L.P.					
Fresno County Employee Retirement Association	6.64452%	8,675,804	147,416	(1,605,625)	7,217,595

**10. FINANCIAL HIGHLIGHTS**

The following financial highlights are being presented in accordance with the provisions of the AICPA Audit and Accounting Guide for Audits of Investment Companies, as amended by AICPA SOP 03-4 for the three months ended March 31, 2006.

**Internal rate of return, since inception<sup>(1)</sup>:**

IRR through December 31, 2005	10.1%
IRR through March 31, 2006	10.0%

**Ratio to Weighted Average Limited Partners' Capital<sup>(2)</sup>:**

Net investment income <sup>(3)</sup>	6.8%
Expenses <sup>(4)</sup>	(0.3%)
Incentive allocation <sup>(5)</sup>	0.0%
Total expenses and incentive allocation	(0.3%)

- (1) The internal rate of return (IRR) since inception of the Limited Partners, net of all fees and Carried Interest to the General Partner, was computed based on the assumption that capital contributions and distributions occurred on the last day of each month, and the ending partners' capital at the end of the period (residual value) of the Limited Partners' capital account as of each measurement date.
- (2) Net investment income, expense and incentive allocation ratios are calculated for the Limited Partners taken as a whole. The computation of such ratios to an individual Limited Partner's capital may vary from these ratios due to individual circumstances.
- (3) Net investment income for purposes of this calculation includes income adjusted for minority interest before net realized and unrealized gains (losses). Net investment income does not include Management Fees or Carried Interest but does include Fund level administrative expenses. If net investment income included Management Fees, the ratio would be 6.5%. Net investment income is presented on an annualized basis.
- (4) Expenses for the purpose of this calculation include Management Fees paid directly by the Limited Partners, prior to the offset for Designated Fees and Fund level administrative expenses on an annualized basis.
- (5) Net income and loss has been allocated among the General Partner and Limited Partners in accordance with Note 3 ("Note 3") of the accompanying consolidated and combined financial statements. Incentive allocation is calculated by taking the incremental, if any, net income that has been allocated to the General Partner in accordance with Note 3 as a percent of the weighted average Limited Partners' capital on an annualized basis.