



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 15

**MEETING DATE:** June 20, 2024

**SUBJECT:** Quarterly Investment Performance Report—Real Estate

**SUBMITTED FOR:** ☐ Consent ☐ Deliberation and Action ☒ Receive and File

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### **RECOMMENDATION**

Receive and file the performance report on real estate investments for the quarter ended March 31, 2024, as presented by Townsend Group.

### **PURPOSE**

This item complies with SCERS' investment policy statement reporting requirements and contributes to the effective management and oversight of investment activities.

### **DISCUSSION**

This memorandum provides a summarized table of SCERS' Real Estate period returns, which are provided within Townsend's Quarterly Performance Review, and highlights notable manager performance, along with any recent real estate investments made by SCERS.

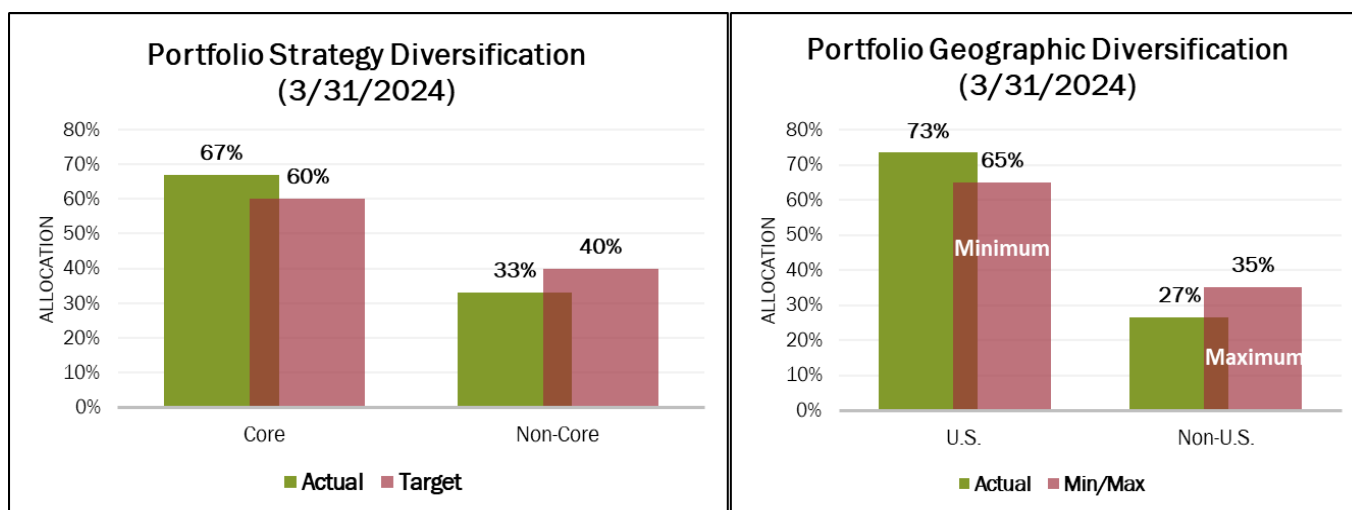
SCERS' Real Estate actual invested allocation is 7.1% as of March 31, 2024, under the target allocation of 9.0% but within the allocation range of 7.0%-11.0%. SCERS' real estate portfolio allocation is currently underweight non-core strategies, which is a focus for 2024 commitments.

## SCERS REAL ESTATE PERFORMANCE SUMMARY

### Quarter Reporting Period Ended March 31, 2024

SUB-ASSET CLASS	Quarter 3/31/24	1-Year	3-Year	5-Year	Since Inception	Since Inception Date
<b>SCERS Real Estate Portfolio</b>	<b>-1.8%</b>	<b>-10.7%</b>	<b>3.9%</b>	<b>4.8%</b>	<b>8.0%</b>	Nov-86
(65%) NFI-ODCE + (35%) NFI-ODCE + 1%	-2.5%	-11.7%	2.9%	3.0%	6.2%	Nov-86
<b>Core Portfolio</b>	<b>-2.0%</b>	<b>-11.7%</b>	<b>4.4%</b>	<b>5.3%</b>	<b>6.9%</b>	Nov-86
NFI-ODCE Index	-2.6%	-12.0%	2.5%	2.6%	5.8%	
<b>Non-Core Portfolio</b>	<b>-1.5%</b>	<b>-8.6%</b>	<b>2.2%</b>	<b>3.0%</b>	<b>5.0%</b>	Jun-06
Value Add Portfolio	-0.9%	-1.9%	9.0%	10.1%	5.3%	Jun-06
Opportunistic	-2.7%	-21.0%	-9.1%	-6.9%	5.7%	May-13
NFI-ODCE + 1% Index	-2.3%	-11.0%	3.5%	3.6%	6.8%	

## SCERS PORTFOLIO DIVERSIFICATION



## SCERS PORTFOLIO RESULTS

For the quarter ended March 31, 2024, SCERS' Real Estate portfolio was down -1.8% but outperformed against the NFI-ODCE blended benchmark return of -2.5%. The relative outperformance was driven by both the core and non-core portfolios. The value-added investments helped the non-core returns at -0.9% versus the benchmark return of -2.3%, with the core portfolio exceeding the index on a relative basis (-2.0% versus -2.6%).

The real estate market and SCERS' Real Estate portfolio continue to feel the effects of the increased interest rates, slowing economy, and minimal transaction activity. While SCERS' Real

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Estate portfolio's quarterly and one-year returns were negative, the portfolio has meaningfully outperformed against the policy benchmark across all reporting periods.

Below are notable top and bottom-performing funds during the quarter ended March 31, 2024:

- Top performing funds:
  - Core:
    - Prologis U.S. Logistics Fund: +1.9%
  - Non-Core:
    - NREP Nordic Strategies Fund IV: +10.0% in U.S. Dollars (12.6% in Euros)
    - Sculptor Real Estate Fund III: +5.4%
    - Sculptor Real Estate Fund IV: +2.6%

Bottom performing funds:

- Core:
  - Brookfield Premier Real Estate Partners: -5.1%
  - Clarion Lion Properties Fund: -2.9%
- Non-Core:
  - CIM Fund VIII: -8.9%
  - Seven Seas Japan: -7.0% in U.S. Dollars (-0.2% in Yen)
  - NREP Nordic Strategies Fund III: -3.1% in U.S. Dollars (-0.9% in Euros)

## **NEW INVESTMENTS**

During the quarter ended March 31, 2024, SCERS did not make any new commitments.

## **ATTACHMENTS**

- Board Order
- Townsend's Real Estate Portfolio Performance Measurement Report for the Quarter ended March 31, 2024

Prepared by:

/s/

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JR Pearce  
Senior Investment Officer

Reviewed by:

/s/

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Steve Davis  
Chief Investment Officer

/s/

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Eric Stern  
Chief Executive Officer



# **Retirement Board Order**

## **Sacramento County Employees' Retirement System**

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**Before the Board of Retirement  
June 20, 2024**

**AGENDA ITEM:**

### **Quarterly Investment Performance Report—Real Estate**

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file the performance report on real estate investments for the quarter ended March 31, 2024, as presented by Townsend Group.

I HEREBY CERTIFY that the above order was passed and adopted on June 20, 2024 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:

(Present but not voting)

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James Diepenbrock  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary



**an Aon company**

Real Estate Portfolio

# Performance Measurement Report

FIRST QUARTER 2024



## SCERS

SACRAMENTO COUNTY  
EMPLOYEES'  
RETIREMENT SYSTEM



## SCERS Real Estate Portfolio Overview

- SCERS has a target real estate allocation of 9% with an allowable range of 7.0%-11.0%. As of the end of the first quarter, 2024 (the "Quarter"), the Real Estate Portfolio was at 6.7%, which is below the real estate target and the allowable range. Core Real Estate currently makes up 66.8% of the portfolio, with Non-Core Real Estate making up the remaining 33.2%.

### SCERS' Real Estate Portfolio Construction:

	Minimum	Target	Maximum	Policy Index Benchmark
Total Real Estate Program	7%	<b>9%</b>	11%	Custom blend of benchmarks below:
Core Real Estate	50%	<b>60%</b>	80%	60% NFI-ODCE +
Non-Core Real Estate	30%	<b>40%</b>	50%	40% NFI-ODCE + 1%
U.S. Real Estate	60%	<b>65%</b>	80%	
Non-U.S. Real Estate	0%	<b>35%</b>	35%	

- Performance of the Core Portfolio is evaluated over rolling 10-year time periods relative to the NCREIF Fund Index of Open-End Diversified Core Equity funds ("NFI-ODCE"), net of fees. The NFI-ODCE represents the aggregation of twenty-fix Diversified Core open-end commingled funds invested across the United States.
- In July of 2017, Staff and Townsend recommended revising the Real Estate IPS to reflect transition away from IMAs, including removal of the Core vehicle constraints of 0-60% (30% target) for funds and 40-100% (70% target) for IMAs, which was subsequently approved by the Board.
- In 2018, SCERS' Core IMA Program transitioned to a commingled fund manager. Following an extensive bidding, selection and structuring process, Staff and Townsend selected Clarion's Lion Properties Fund as the recipient for the Core IMA Portfolio. Given the size of the Core IMA Portfolio, SCERS reduced concentration risk by allocating funds to an additional manager, Brookfield's Premier Property Partners, in order to achieve greater diversification within the Core Portfolio. SCERS' investment in Brookfield Premier Property Fund was funded October 1, 2018.
- The loan-to-value ratio of the Private Real Estate Portfolio was 41.8% at the end of the first quarter of 2024. The loan-to-value ratio of the Core Portfolio was 36.1%, below the 40.0% leverage constraint for Core as approved by the Board. As a point of reference, the loan-to-value ratio of the NFI-ODCE was 26.9% as of the first quarter. The Non-Core Portfolio reported a loan-to-value ratio of 50.7%.

## Portfolio Funding Status

- The following slides provide a review of key information of the SCERS Real Estate Portfolio (the “Portfolio”) through March 31, 2024.
- A detailed performance report is also provided in **Exhibit A**.
- Figures exclude commitments / redemptions / dispositions approved subsequent to Quarter-end and future distributions.
- Unfunded commitments may never be fully drawn.

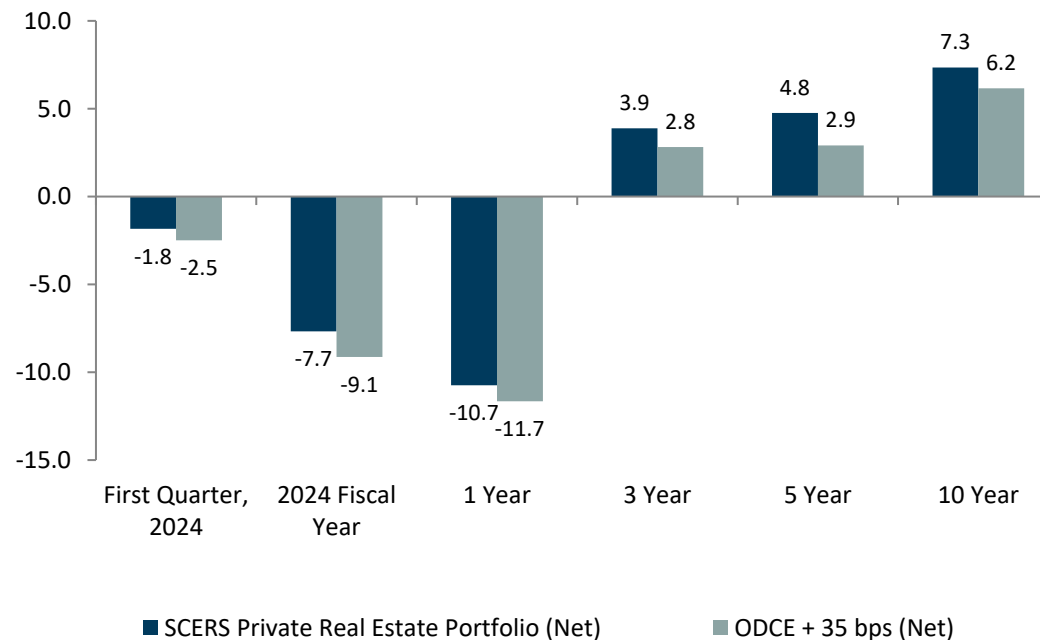
SCERS Portfolio Snapshot <i>As of March 31, 2024</i>	Market Value (in millions of dollars)*	% of SCERS Plan	% of Real Estate
<b>SCERS Total Plan Assets</b>	<b>13,255</b>	<b>100.0%</b>	
<b>Private Portfolio Target</b>	<b>1,193</b>	<b>9.0%**</b>	
<b>Private Portfolio Permissible Range</b>		<b>7.0-11.0%**</b>	
<b>Private Real Estate</b>			
Core Portfolio	592	4.5%	66.8%
Non-Core Portfolio	294	2.2%	33.2%
<b>Total SCERS Private Real Estate Market Value</b>	<b>886</b>	<b>6.7%</b>	
<b>Total SCERS Private Real Estate Unfunded Commitments</b>	<b>184</b>	<b>1.4%</b>	

• Figures may not add due to rounding

\*\* The 9% Private Portfolio (RE) target and permissible range were approved during the third quarter of 2021

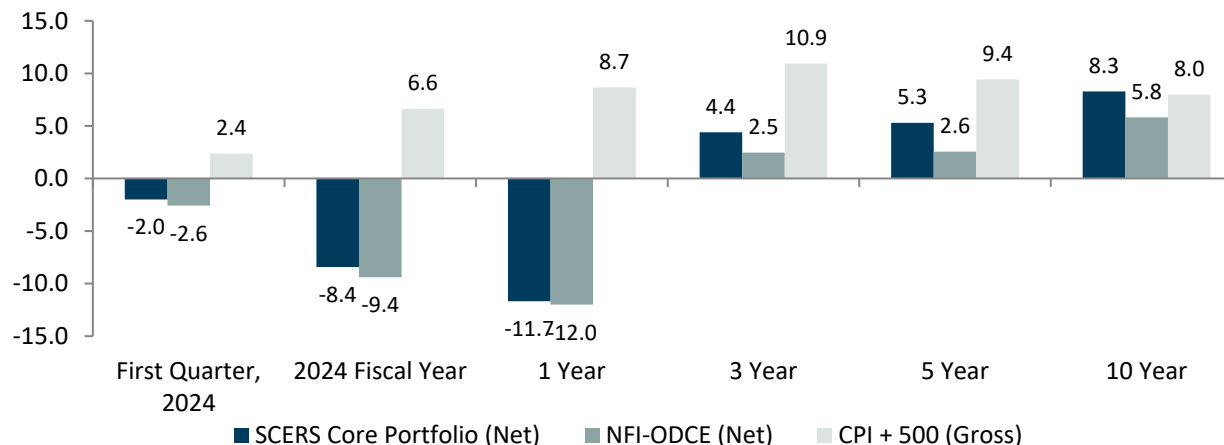


## Private Real Estate Performance



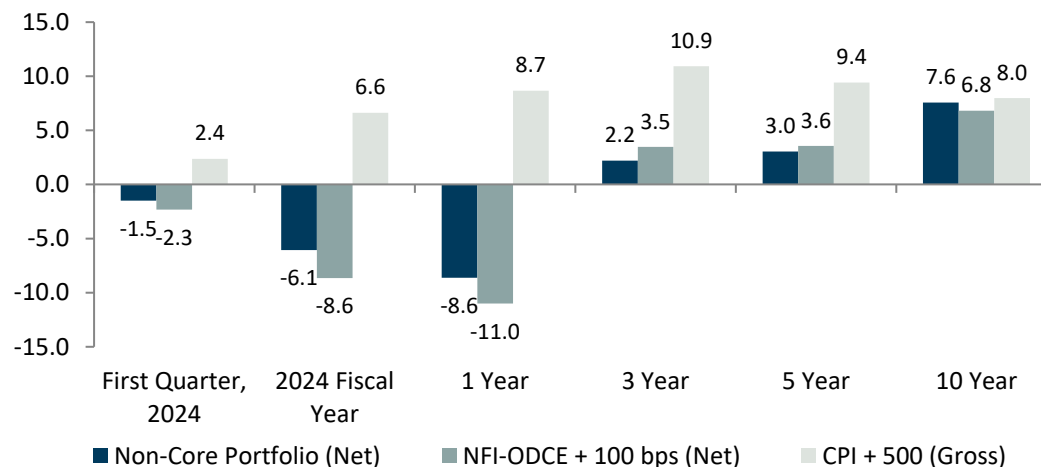
- The SCERS Private Real Estate Portfolio includes: (1) Core Real Estate and (2) Non-Core Real Estate.
- The SCERS Private Real Estate Benchmark is comprised of the NFI-ODCE (Core Benchmark, net) (65%) and the NFI-ODCE + 100bps (Non-Core Benchmark, net) (35%), resulting in an NFI-ODCE + 35bps (net) portfolio benchmark.
- Although the SCERS Private Real Estate Portfolio generated negative returns in the first quarter of 2024, the SCERS Portfolio outperformed the benchmark by 66 basis points. Outperformance is driven by the Non-Core Portfolio.
- Moreover, the SCERS Total Real Estate Portfolio outperformed the benchmark over all other time periods driven by the robust performance of the Core funds as well as the Value-Added Component of the Non-Core investments.

## Core Portfolio Performance



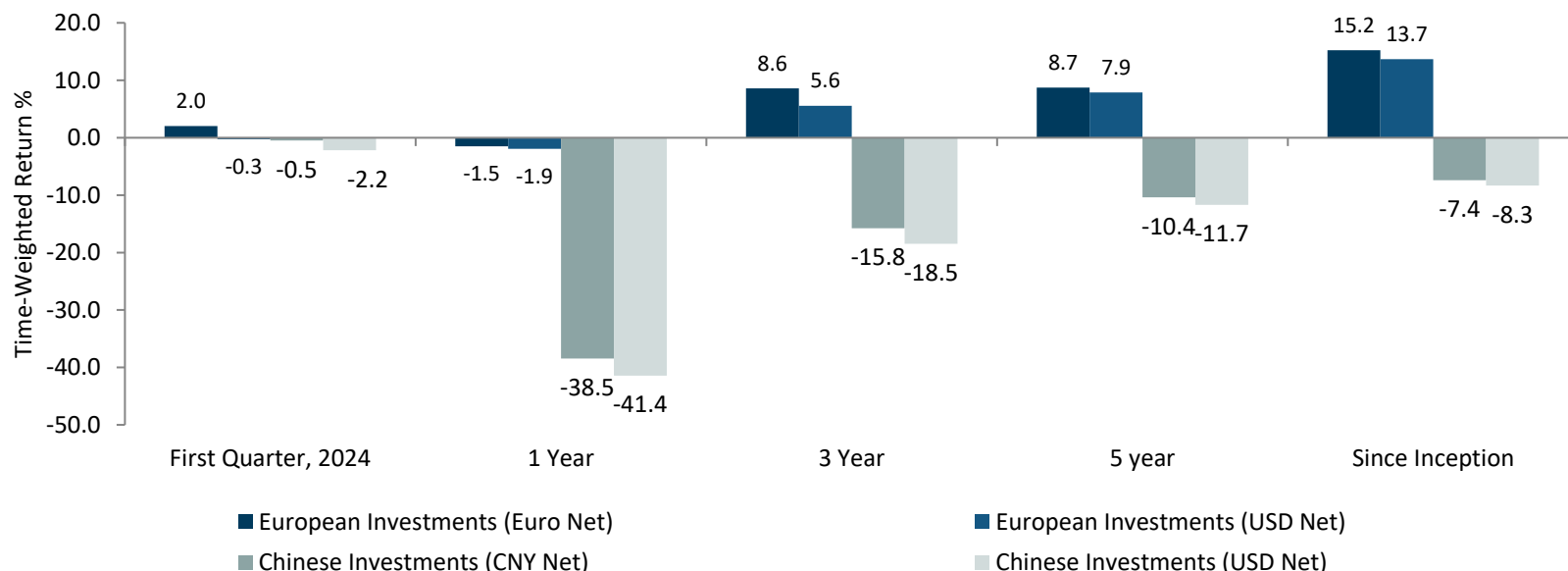
- The SCERS Core Portfolio consists of seven open-end Core Commingled funds. The Core Commingled Fund exposure includes, MetLife Core Property Fund, Principal U.S. Property Account, Prologis Targeted U.S. Logistics Fund, Prologis European Logistics Fund, Townsend Real Estate Fund, Brookfield Premier Real Estate Partners, and Clarion's Lion Properties Fund.
- Performance of the Core Portfolio is evaluated relative to the NCREIF Fund Index of Open-End Diversified Core Equity funds ("NFI-ODCE"), net of fees. In aggregate, the Core Portfolio outperforms the NFI-ODCE, net of fees, over all time periods. The NFI-ODCE benchmark has been lagging in reflecting the overall market conditions in real estate as appraisers are challenged with valuations because of the lack of transactions.
- During the Quarter, the Core portfolio outperformed the NFI-ODCE by 59 basis points generating -2.0% in net returns as the Core open-end fund managers continue to write-down their assets in response to the higher interest rate environment.
- A partial redemption payment was received from the Townsend Real Estate Fund in the first quarter.

## Non-Core Portfolio Performance



- The SCERS Non-Core Portfolio includes both Value Added and Opportunistic Real Estate strategies, which are defined in the Glossary of Terms.
- The Non-Core Portfolio outperformed the benchmark over all time periods except for the 3-year and 5-year periods.
- During the quarter, the Non-Core Portfolio outperformed the benchmark by 83 basis points recording net returns of -1.5%. The outperformance is attributed to the strong performance of the Value-add investments generating -0.9% in net returns, largely driven by strong performance of the European investments coupled with the robust performance of the alternative sector specialists.
- The Opportunistic Portfolio has detracted from performance of the Non-Core Portfolio, mainly due to negative performance from the investments located in China and one investment focused in the U.S.
- NREP Nordic Strategies Fund IV was the strongest absolute performer and contributor generating 10.0% in net returns.

## Ex-US Portfolio Performance

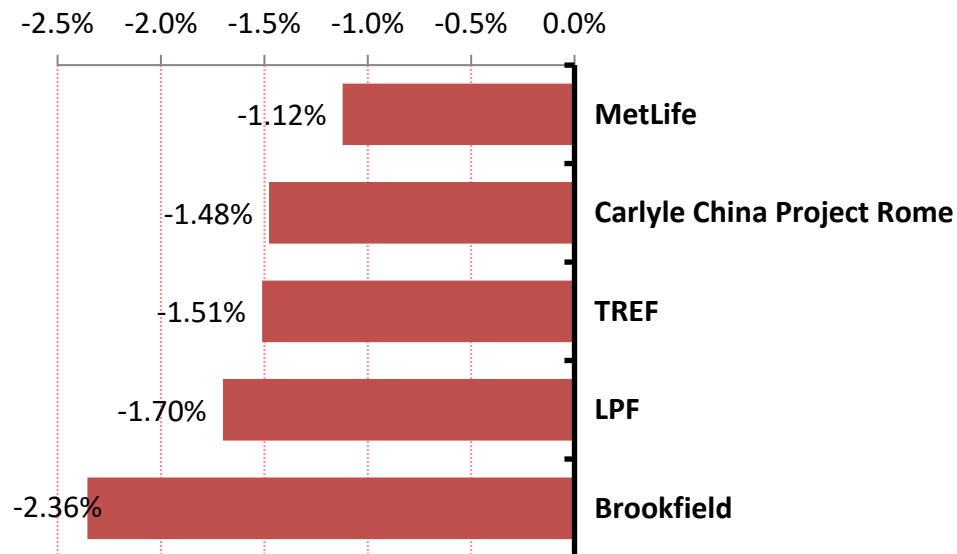
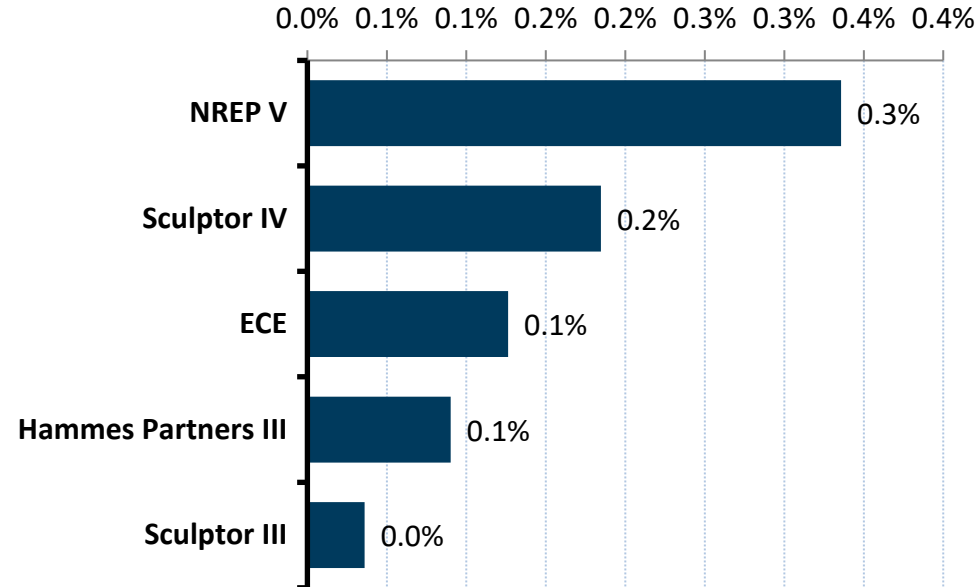


- Approximately 22.9% of the SCERS Portfolio is comprised of Ex-US investments. SCERS does not currently hedge its foreign currency exposures and pays liabilities in US Dollars. As such, FX movement will impact performance for Ex-US investments. The chart above isolates European and Asian investments and displays performance both before and after currency conversion.
- During the quarter, the impact of currency movement was negative on foreign investments with both investments in Euros and Chinese Yuan negatively affected. However, currency impacts on performance tend to be cyclical in nature.
- The SCERS Euro Denominated Composite includes: ECE European Prime Shopping Center Fund II, NREP Nordic Strategies Funds I-V, and Prologis European Logistics Fund (PELF).
  - Since Inception period begins 1Q15.
  - For the purposes of this composite, DRC has been excluded since it is a Pound denominated fund.
- The SCERS Chinese Yuan Composite includes: Carlyle China Realty Fund, Carlyle's Project Rome and LaSalle China Logistics Venture.
  - Since Inception period begins 3Q17.
  - Carlyle and LaSalle investments are USD denominated at the fund level, but property values are exposed to currency translation.

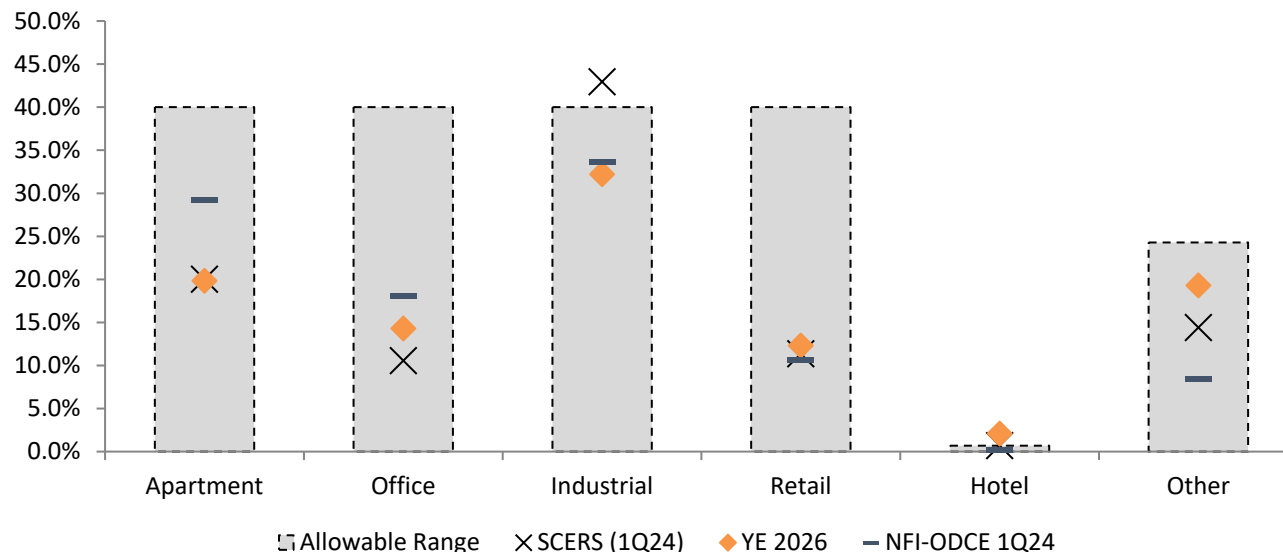
*\*Seven Seas Japan was excluded from the graph because the fund is a Japanese Yen denominated fund.*

## Performance Attribution- One Year Period

- Over the trailing twelve-months period, the top five performers were non-core investments including value-add and opportunistic funds which drove outperformance of the SCERS Portfolio recently. The funds include NREP Nordic Strategies Fund V, Sculptor Real Estate Fund IV, ECE European Prime Shopping Center Fund II, Hammes Partners III, and Sculptor Real Estate Fund III.
- The largest detractors were mainly Core funds given the continued valuation write-downs witnessed across all stabilized properties due to higher interest rates along with increased cap rates.
- Brookfield Premier Real Estate Partners was the largest detractor. Brookfield's performance was impacted by continued downward pressure on valuations due to higher interest rates.
- Lion Properties Fund (LPF) was the second largest detractor. LPF recorded negative returns primarily due to weakness in its office portfolio.



## Real Estate Private Portfolio Diversification – Property Type

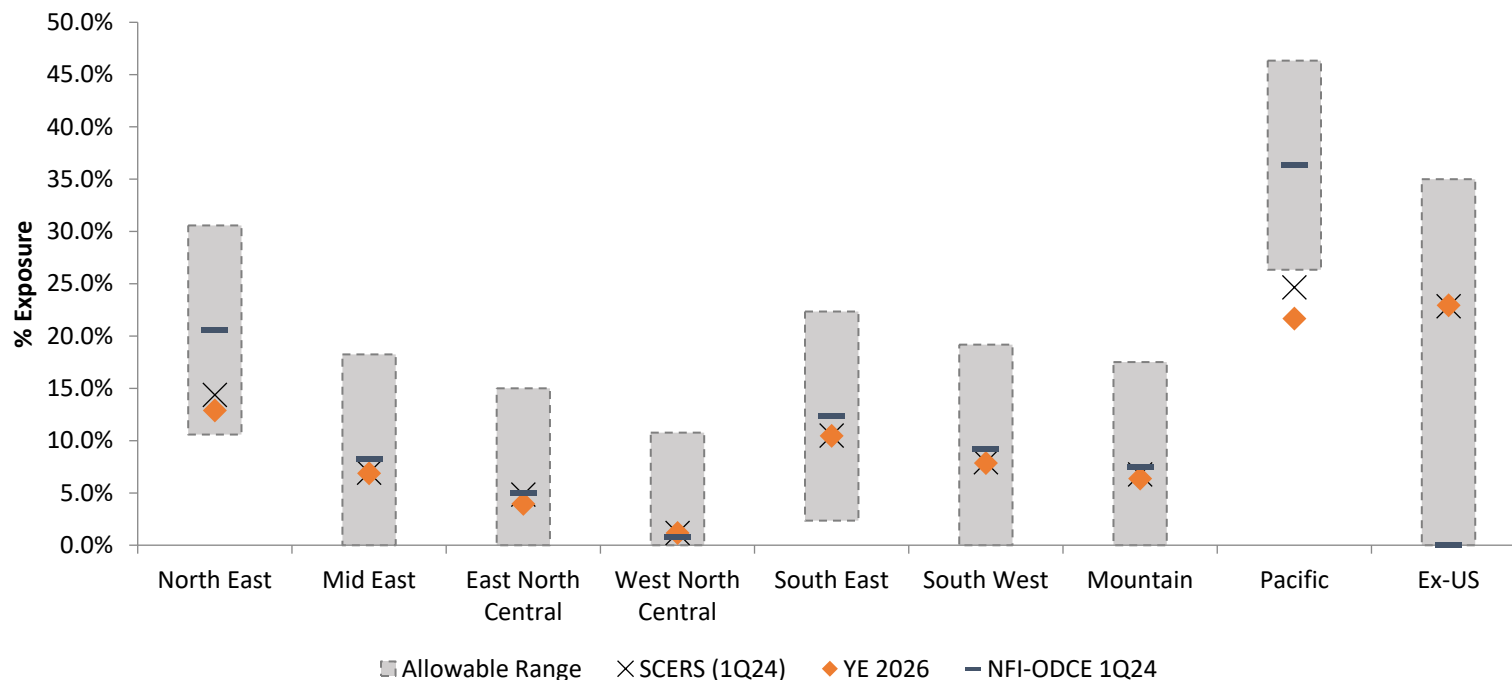


- The diversification of the Private Portfolio is compared to the diversification of the NFI-ODCE, and has a maximum limit of 40% for each property type, except for the “other” property type which has a maximum limit of 25%\*\*. The Real Estate Policy also allows for temporary deviations in order to provide SCERS with the flexibility required to overweight or underweight property types during certain parts of the market cycle.
- As of the first quarter, the industrial property type was the only sector outside the current set limit of 40%. However, the industrial exposure has already been brought down through a partial redemption and is anticipated to decrease further as new non-industrial investments continue to call capital.
- The “Other” property type exposure represents Sculptor Real Estate Fund III\* (parking, senior housing and cell towers), Sculptor Real Estate Fund IV (parking), CIM Fund VIII (condominiums), Hammes Partners II, III and IV (medical office), Townsend Real Estate Fund (senior and student housing), NREP Nordic Strategies Fund II (student housing), NREP Nordic Strategies Fund III (senior living and land), NREP Nordic strategies Fund IV (Senior Living and Student Housing), and NREP Nordic Strategies Fund V (senior living).

\*Sculptor Real Estate Fund III was previously called Och-Ziff Real Estate Fund III.

\*\* The 25% limit is for “Other” property type exposure including hotels. However, our chart currently separates the “Hotel” property sector from “Other” due to be aligned with the ODCE classifications.

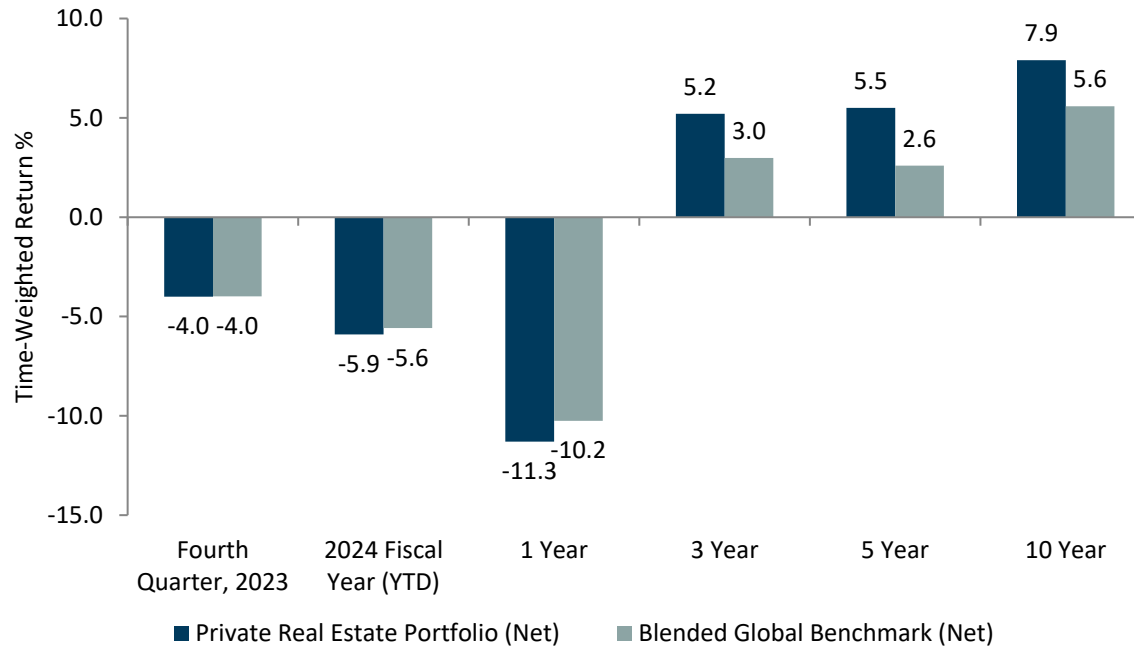
## Real Estate Private Portfolio Diversification – Geographic Region



- The diversification of the Private Portfolio is compared to the diversification of the NFI-ODCE, with a permissible deviation of  $\pm 10.0\%$  for each region. Ex-US exposure is limited to 35.0% of the Total Private Portfolio.
- As of the first quarter, the Private Portfolio was in compliance across all regions excluding the Pacific.
- The Private Portfolio's international exposure is 22.9%, well within its 35% constraint, and will remain similar as newer funds such as NREP Nordic Strategies Fund III, IV, and V, as well as LaSalle China Logistics and Seven Seas Japan continue to call capital and purchase assets in Europe, China and Japan while older vintage funds liquidate.
- Ex-US exposure consists of 5.0% in China, 3.8% in Denmark, 2.3% in Finland, 2.7% in Germany, 1.1% in France, 3.1% in Sweden, 1.6% in Poland, 1.3% in Netherlands, 1.9% in the UK and 4.5% in other countries.



## Private Real Estate Performance – Global Ancillary Benchmark (4Q23)



- The Global Ancillary Benchmark is made-up of the NFI-ODCE (Core), NFI-ODCE + 100bps (Non-Core), GREFI Europe Core, GREFI Europe Non-Core, and GREFI Non-Core Asia Pacific to create a global blended benchmark based on weighted average invested capital for each strategy.
- GREFI reports on a 12 week lag. As a result, the ancillary benchmark will be reported on a quarterly lag to SCERS.
- The Private Portfolio's international exposure is 22.9%, well within its 35% constraint. International exposure is mainly Non-Core in nature, with the exception of Prologis Targeted Europe Logistics Fund.
- The SCERS Private Real Estate program has outperformed its secondary benchmark significantly over the medium and long-term, but underperformed over the trailing quarter, fiscal year, and trailing year.

## Exhibit A: Performance Flash Report



Portfolio Composition (\$)							
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation
13,254,705,446	Core	5.5%	592,243,965	4.5%	0	0.0%	136,764,835 1.0%
	Non-Core	3.5%	293,887,039	2.2%	183,937,982	1.4%	-179,594,148 -1.4%
	<b>Total</b>	<b>9.0%</b>	<b>886,131,004</b>	<b>6.7%</b>	<b>183,937,982</b>	<b>1.4%</b>	<b>-42,829,314 -0.3%</b>

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Portfolio (Commingled Funds & Separate Accounts)	-1.8	-2.0	-11.7	-11.7	5.6	4.4	6.4	5.3
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	-1.3	-1.5	-8.4	-8.6	5.9	2.2	7.4	3.0
Private Real Estate Portfolio	-1.6	-1.8	-10.7	-10.7	5.7	3.9	6.7	4.8
NFI-ODCE (Core)	-2.4	-2.6	-11.3	-12.0	3.4	2.5	3.5	2.6
NFI-ODCE + 100 bps (Non-Core)	-2.1	-2.3	-10.3	-11.0	4.4	3.5	4.5	3.6
NFI-ODCE + 35 bps (Private Portfolio)	-2.3	-2.5	-10.9	-11.7	3.7	2.8	3.8	2.9

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
<b>Core Commingled Funds</b>								
Brookfield Premier Real Estate Partners	2018	100,000,000	100,000,000	0	23,924,228	96,440,667	11.1	9.4
Lion Properties Fund	2018	152,400,000	158,213,853	0	78,462,605	105,610,995	12.1	10.3
MetLife Core Property Fund	2013	35,000,000	55,099,893	0	23,955,872	72,178,991	8.3	7.1
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	54,448,695	6.2	5.3
Prologis European Logistics Fund <sup>1,3</sup>	2017	47,950,142	49,151,023	0	11,247,456	58,515,046	6.7	5.7
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,225,869	0	66,334,801	72,962,488	8.4	7.1
Townsend Real Estate Fund, L.P. <sup>3</sup>	2016	90,000,000	120,975,151	0	50,006,614	132,087,083	15.2	12.9
<b>Core Commingled Funds</b>	<b>1986</b>	<b>510,350,142</b>	<b>568,665,789</b>	<b>0</b>	<b>253,931,576</b>	<b>592,243,965</b>	<b>66.8</b>	<b>55.3</b>
<b>Value Added Portfolio</b>								
Asana Partners Fund II <sup>3</sup>	2019	35,000,000	29,181,250	5,818,750	0	32,967,485	3.8	3.8
Asana Partners Fund III <sup>3</sup>	2022	45,000,000	17,333,333	22,666,667	0	15,609,470	1.8	3.7
DRC European Real Estate Debt Fund II <sup>3</sup>	2013	50,007,963	47,627,074	4,076,281	43,498,683	5,965,605	0.7	1.0
ECE European Prime Shopping Centre Fund II C <sup>3</sup>	2015	33,611,623	34,613,419	0	6,535,859	35,258,977	4.0	3.5
Hammes Partners II <sup>3</sup>	2015	25,000,000	27,643,960	1,129,443	43,766,261	3,331,460	0.4	0.4
Hammes Partners III <sup>4</sup>	2018	25,000,000	29,177,951	4,391,686	15,091,322	20,176,306	2.3	2.4
Hammes Partners IV <sup>3</sup>	2023	40,000,000	1,650,018	38,349,982	161,347	617,981	0.1	3.8
NREP Nordic Strategies Fund	2014	25,130,756	22,485,011	0	36,076,702	3,041,808	0.3	0.3
NREP Nordic Strategies Fund II	2016	35,176,432	35,664,816	474,282	55,351,664	15,218,940	1.7	1.5
NREP Nordic Strategies Fund III	2018	39,019,632	34,309,672	1,553,151	8,455,396	33,737,612	3.9	3.5

<sup>1</sup> Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

<sup>2</sup> Previously Och-Ziff Real Estate Fund III.

<sup>3</sup> Preliminary data.

<sup>4</sup> Fund was unable to submit in time for this report. Prior quarter NAV has been used as a placeholder.

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
NREP Nordic Strategies Fund IV	2019	35,449,208	23,176,074	12,636,938	0	23,912,012	2.7	3.6
NREP Nordic Strategies Fund V <sup>4</sup>	2022	41,710,115	7,345,941	33,488,024	0	14,864,829	1.6	2.7
<b>Value Added Portfolio</b>	<b>1986</b>	<b>430,105,729</b>	<b>310,208,519</b>	<b>124,585,204</b>	<b>208,937,234</b>	<b>204,702,485</b>	<b>23.1</b>	<b>30.8</b>
<b>Opportunistic Portfolio</b>								
Carlyle China Project Rome Co-Investment	2017	40,000,000	38,745,488	4,405,916	0	20,801,379	2.4	2.5
Carlyle China Realty	2017	10,000,000	10,783,995	695,409	2,342,232	4,653,061	0.5	0.5
CIM Fund VIII	2015	35,000,000	40,104,995	0	8,468,831	19,402,745	2.2	1.9
KKR Real Estate Partners Americas	2014	22,720,638	30,477,571	3,842,263	37,829,006	989,765	0.1	0.5
LaSalle China Logistics Venture	2021	30,000,000	9,056,999	20,943,001	0	7,876,433	0.9	2.8
Sculptor Real Estate Fund III <sup>2,3</sup>	2014	35,000,000	27,081,556	12,409,613	44,281,219	4,033,011	0.5	1.6
Sculptor Real Estate Fund IV <sup>2,3</sup>	2020	30,000,000	24,973,380	10,783,803	8,120,902	20,087,903	2.3	3.0
Seven Seas Japan Opportunity Fund <sup>3</sup>	2022	177,336	16,530,212	6,272,773	1,144,069	11,340,257	1.3	1.7
<b>Opportunistic Portfolio</b>	<b>1991</b>	<b>202,897,974</b>	<b>197,754,196</b>	<b>59,352,778</b>	<b>102,186,259</b>	<b>89,184,554</b>	<b>10.1</b>	<b>13.9</b>
<b>Total Non-Core Portfolio 1Q 2007 Forward</b>	<b>2007</b>	<b>633,003,703</b>	<b>507,962,715</b>	<b>183,937,982</b>	<b>311,123,493</b>	<b>293,887,039</b>	<b>33.2</b>	<b>44.7</b>
<b>Total Private Portfolio</b>								
<b>SCERS</b>	<b>1986</b>	<b>1,143,353,845</b>	<b>1,929,405,568</b>	<b>183,937,982</b>	<b>1,785,386,120</b>	<b>886,131,004</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

<sup>2</sup> Previously Och-Ziff Real Estate Fund III.

<sup>3</sup> Preliminary data.

<sup>4</sup> Fund was unable to submit in time for this report. Prior quarter NAV has been used as a placeholder.

Returns (%)	Market Value (\$)	Quarter				Fiscal Year 2024				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
Brookfield Premier Real Estate Partners	96,440,667	0.4	-5.3	-4.9	-5.1	1.1	-15.3	-14.3	-14.9	1.4	-21.1	-19.9	-19.2	2.2	0.6	2.8	1.0
Lion Properties Fund	105,610,995	0.9	-3.5	-2.7	-2.9	2.7	-10.4	-7.9	-8.5	4.2	-16.5	-12.8	-13.5	3.7	-0.6	3.1	2.2
MetLife Core Property Fund	72,178,991	1.2	-2.5	-1.3	-1.4	3.4	-11.6	-8.5	-8.8	4.6	-16.5	-12.5	-12.9	4.5	0.5	5.0	4.5
Principal U.S. Property Account	54,448,695	1.1	-2.9	-1.8	-2.0	3.2	-10.3	-7.3	-8.0	4.3	-12.8	-8.9	-9.8	4.1	-0.2	3.8	2.9
Prologis European Logistics Fund <sup>1,3</sup>	58,515,046	1.3	-2.2	-1.0	-1.2	3.8	-6.8	-3.2	-3.9	5.0	-8.0	-3.3	-4.2	4.6	-3.4	1.0	-0.9
Prologis Targeted U.S. Logistics Fund	72,962,488	1.1	1.0	2.1	1.9	2.7	-8.6	-6.0	-5.2	3.6	-13.5	-10.3	-8.9	3.6	11.2	15.1	12.8
Townsend Real Estate Fund, L.P. <sup>3</sup>	132,087,083	0.9	-2.5	-1.6	-1.7	2.3	-9.9	-7.7	-7.9	3.1	-11.9	-9.1	-9.3	3.1	2.7	5.9	5.7
<b>Core Commingled Funds</b>	<b>592,243,965</b>	<b>0.9</b>	<b>-2.8</b>	<b>-1.8</b>	<b>-2.0</b>	<b>2.6</b>	<b>-10.6</b>	<b>-8.2</b>	<b>-8.4</b>	<b>3.5</b>	<b>-14.8</b>	<b>-11.7</b>	<b>-11.7</b>	<b>3.5</b>	<b>2.0</b>	<b>5.6</b>	<b>4.4</b>
<b>Value Added Portfolio</b>																	
Asana Partners Fund II <sup>3</sup>	32,967,485	-0.3	-4.7	-5.0	-5.3	-0.9	-3.5	-4.4	-4.3	-1.5	-9.2	-10.7	-6.8	-0.5	11.9	11.3	9.3
Asana Partners Fund III <sup>3</sup>	15,609,470	-0.1	-1.1	-1.3	-2.1	-1.2	2.6	1.4	-1.5	-2.4	-3.8	-6.2	-10.2				
DRC European Real Estate Debt Fund II <sup>3</sup>	5,965,605	0.0	-0.9	-0.9	-0.9	0.0	-0.6	-0.6	-0.6	0.0	2.3	2.3	2.3	14.9	-3.4	10.8	10.3
ECE European Prime Shopping Centre Fund II C <sup>3</sup>	35,258,977	0.6	-2.0	-1.4	-1.6	-0.6	3.5	3.0	0.9	0.0	6.3	6.3	3.6	-1.7	6.6	5.0	2.3
Hammes Partners II <sup>3</sup>	3,331,460	0.5	0.7	1.2	0.7	3.0	5.8	8.8	6.4	3.6	10.2	14.1	10.3	4.5	12.0	16.9	12.6
Hammes Partners III <sup>3</sup>	20,176,306	1.0	0.3	1.3	1.4	3.5	-0.4	3.1	2.4	4.7	1.2	5.9	4.4	7.0	6.5	13.8	9.3
Hammes Partners IV <sup>3</sup>	617,981	-7.4	14.0	6.6	-12.3	-7.4	14.0	6.6	-12.3								
NREP Nordic Strategies Fund	3,041,808	0.0	-2.3	-2.3	-2.0	0.4	-0.7	-0.3	-0.3	0.4	-0.1	0.3	0.1	0.1	2.3	2.5	-1.2
NREP Nordic Strategies Fund II	15,218,940	-0.5	-0.9	-1.4	-1.1	1.5	-12.1	-10.7	-9.2	4.5	-25.1	-21.2	-18.0	-3.2	20.2	18.0	12.5
NREP Nordic Strategies Fund III	33,737,612	-0.5	-2.6	-3.1	-3.1	0.7	-8.7	-8.0	-3.5	2.4	-17.2	-15.1	-9.0	-1.0	5.3	4.7	2.8
NREP Nordic Strategies Fund IV	23,912,012	11.2	-1.8	9.5	10.0	16.7	-9.6	5.9	5.0	13.0	-16.5	-5.5	-4.4	-4.2	16.5	13.6	7.8
NREP Nordic Strategies Fund V <sup>4</sup>	14,864,829	1.8	-1.1	0.7	-0.4	27.0	2.0	28.8	25.8	83.1	1.7	85.5	68.3				
<b>Value Added Portfolio</b>	<b>204,702,485</b>	<b>1.3</b>	<b>-2.0</b>	<b>-0.7</b>	<b>-0.9</b>	<b>3.6</b>	<b>-5.8</b>	<b>-2.3</b>	<b>-1.3</b>	<b>5.4</b>	<b>-7.7</b>	<b>-2.6</b>	<b>-1.9</b>	<b>1.2</b>	<b>12.1</b>	<b>13.6</b>	<b>9.0</b>
<b>Opportunistic Portfolio</b>																	
Carlyle China Project Rome Co-Investment	20,801,379	0.0	-1.6	-1.6	-2.1	-0.1	-30.1	-30.1	-31.0	-0.2	-40.2	-40.4	-41.3	-0.1	-17.2	-17.3	-18.4
Carlyle China Realty	4,653,061	-0.2	-1.6	-1.8	-2.5	-0.4	-30.1	-30.4	-31.5	-0.6	-40.2	-40.6	-41.9	-0.4	-17.2	-17.5	-18.9
CIM Fund VIII	19,402,745	-0.1	-8.3	-8.4	-8.9	-0.3	-16.2	-16.5	-17.6	-0.3	-19.4	-19.7	-21.2	-0.2	-12.9	-13.1	-14.4
KKR Real Estate Partners Americas	989,765	-2.2	0.0	-2.2	-1.8	-59.6	29.8	-30.7	-24.6	-59.8	30.0	-30.8	-24.8	-54.4	41.2	-13.7	-11.7
LaSalle China Logistics Venture	7,876,433	-0.6	2.5	1.8	1.3	-3.6	-7.4	-10.9	-13.4	-4.4	-8.4	-12.6	-16.7				
Sculptor Real Estate Fund III <sup>2,3</sup>	4,033,011	0.1	5.5	5.6	5.4	4.7	2.6	7.7	6.9	5.6	4.1	10.3	9.1	9.9	27.8	39.8	37.1
Sculptor Real Estate Fund IV <sup>2,3</sup>	20,087,903	0.6	2.5	3.2	2.6	2.5	7.7	10.4	8.4	3.6	10.7	14.6	11.7	8.2	10.5	19.7	13.0
Seven Seas Japan Opportunity Fund	11,340,257	-1.0	-6.8	-7.8	-7.0	-2.1	5.9	3.7	2.6	-3.7	10.2	6.1	1.1				
<b>Opportunistic Portfolio</b>	<b>89,184,554</b>	<b>-0.1</b>	<b>-2.3</b>	<b>-2.4</b>	<b>-2.7</b>	<b>-0.9</b>	<b>-12.9</b>	<b>-13.8</b>	<b>-14.9</b>	<b>-1.0</b>	<b>-18.4</b>	<b>-19.3</b>	<b>-21.0</b>	<b>0.2</b>	<b>-6.8</b>	<b>-6.6</b>	<b>-9.1</b>
<b>Total Non-Core Portfolio 1Q 2007 Forward</b>	<b>293,887,039</b>	<b>0.8</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-1.5</b>	<b>1.2</b>	<b>-6.7</b>	<b>-5.6</b>	<b>-6.1</b>	<b>3.2</b>	<b>-11.3</b>	<b>-8.4</b>	<b>-8.6</b>	<b>0.9</b>	<b>4.8</b>	<b>5.9</b>	<b>2.2</b>
<b>Total Private Portfolio</b>																	
<b>SCERS</b>	<b>886,131,004</b>	<b>0.9</b>	<b>-2.6</b>	<b>-1.6</b>	<b>-1.8</b>	<b>2.2</b>	<b>-9.4</b>	<b>-7.4</b>	<b>-7.7</b>	<b>3.4</b>	<b>-13.7</b>	<b>-10.7</b>	<b>-10.7</b>	<b>2.8</b>	<b>2.8</b>	<b>5.7</b>	<b>3.9</b>

<sup>1</sup> Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

<sup>2</sup> Previously Och-Ziff Real Estate Fund III.

<sup>3</sup> Preliminary data.

<sup>4</sup> Fund was unable to submit in time for this report. Prior quarter NAV has been used as a placeholder.

Returns (%)	Market Value (\$)	Quarter				Fiscal Year 2024				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
Ex-US Dollar Denominated Investments (In Local Currency)																	
Prologis Targeted Europe Logistics Fund (Euro) <sup>1,3</sup>	€ 54,231,745	1.3	0.1	1.3	1.1	3.8	-8.7	-5.2	-5.9	5.0	-7.6	-2.9	-3.8	4.6	-0.6	3.9	1.9
DRC European Real Estate Debt Fund II (Pound Sterling)	£4,725,953	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.1	0.0	14.1	13.6
ECE European Prime Shopping Centre Fund II (Euro) <sup>3</sup>	€ 32,678,020	0.6	0.3	0.9	0.6	-0.5	4.7	4.1	2.0	0.0	6.8	6.8	4.1	-1.6	9.6	8.0	5.2
NREP Nordic Strategies Fund (Euro) <sup>4</sup>	€ 2,819,148	0.0	0.0	0.0	0.3	0.4	0.4	0.8	0.8	0.4	0.4	0.8	0.5	0.1	5.3	5.4	1.7
NREP Nordic Strategies Fund II (Euro)	€ 14,104,914	-0.6	1.4	0.9	1.2	3.7	-22.3	-18.9	-15.7	4.5	-24.8	-20.8	-17.7	-3.1	23.6	21.4	15.7
NREP Nordic Strategies Fund III (Euro)	€ 31,268,019	-0.5	-0.3	-0.9	-0.9	0.5	-16.4	-15.9	-9.8	2.4	-16.9	-14.8	-8.6	-1.0	8.3	7.7	5.8
NREP Nordic Strategies Fund IV (Euro)	€ 22,161,652	11.4	0.6	12.0	12.6	16.9	-8.6	7.1	6.1	13.1	-16.0	-5.1	-3.9	-4.3	20.3	17.4	11.4
NREP Nordic Strategies Fund V (Euro) <sup>4</sup>	€ 13,466,049	1.7	-5.3	-3.6	-4.6	29.2	-3.7	23.0	19.0	84.1	-1.3	80.4	63.7				
Seven Seas Japan Opportunity Fund	¥1,716,347,955	-1.0	0.0	-1.1	-0.2	-2.2	11.4	9.1	8.0	-3.8	25.8	21.3	15.6				
Indices																	
NFI ODCE+ 35bps				-2.3	-2.5			-8.6	-9.1			-10.9	-11.7			3.7	2.8
NFI-ODCE		1.0	-3.3	-2.4	-2.6	2.9	-11.5	-8.8	-9.4	3.8	-14.6	-11.3	-12.0	3.7	-0.3	3.4	2.5
NFI-ODCE + 100bps				-2.1	-2.3			-8.1	-8.6			-10.3	-11.0			4.4	3.5
CPI + 500 bps				2.4				6.6				8.7				10.9	

<sup>1</sup> Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

<sup>2</sup> Previously Och-Ziff Real Estate Fund III.

<sup>3</sup> Preliminary data.

<sup>4</sup> Fund was unable to submit in time for this report. Prior quarter NAV has been used as a placeholder.

Returns (%)	Market Value (\$)	5 Year				10 Year				Inception				TWR Calculation Inception	Net IRR	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
Brookfield Premier Real Estate Partners	96,440,667	2.7	1.5	4.2	2.8					2.6	2.1	4.7	3.2	4Q18	3.8	1.2
Lion Properties Fund	105,610,995	3.7	0.1	3.8	2.9					3.7	0.4	4.2	3.3	4Q18	4.0	1.2
MetLife Core Property Fund	72,178,991	4.6	0.4	4.9	4.5	4.8	3.0	8.0	7.4	4.8	3.4	8.4	7.9	1Q14	8.0	1.7
Principal U.S. Property Account	54,448,695	4.1	0.1	4.2	3.2					4.4	1.9	6.3	5.3	4Q15	5.3	1.6
Prologis European Logistics Fund <sup>1,3</sup>	58,515,046	4.9	2.0	7.0	5.0					5.1	3.6	8.9	6.8	4Q17	6.7	1.4
Prologis Targeted U.S. Logistics Fund	72,962,488	3.9	11.5	15.8	13.5					4.6	12.2	17.2	14.8	3Q15	15.7	2.8
Townsend Real Estate Fund, L.P. <sup>3</sup>	132,087,083	3.5	2.5	6.0	5.8					3.8	3.6	7.5	7.3	2Q16	7.2	1.5
<b>Core Commingled Funds</b>	<b>592,243,965</b>	<b>3.7</b>	<b>2.6</b>	<b>6.4</b>	<b>5.3</b>	<b>4.2</b>	<b>5.1</b>	<b>9.4</b>	<b>8.3</b>	<b>4.4</b>	<b>3.3</b>	<b>7.8</b>	<b>6.9</b>	<b>4Q86</b>	<b>6.4</b>	<b>1.5</b>
<b>Value Added Portfolio</b>																
Asana Partners Fund II <sup>3</sup>	32,967,485									-3.0	5.2	1.7	-5.1	4Q19	5.0	1.1
Asana Partners Fund III <sup>3</sup>	15,609,470									-5.6	7.8	2.5	-11.8	3Q22	-10.9	0.9
DRC European Real Estate Debt Fund II <sup>3</sup>	5,965,605	-4.2	-1.2	-4.5	-5.1	2.7	-3.4	-0.2	-1.4	2.9	-3.3	0.1	-1.1	1Q14	1.3	1.0
ECE European Prime Shopping Centre Fund II C <sup>3</sup>	35,258,977	1.6	3.5	5.2	2.5					1.0	9.0	10.2	7.6	4Q15	4.0	1.2
Hammes Partners II <sup>3</sup>	3,331,460	6.9	25.1	32.9	26.8					8.4	18.3	27.8	21.5	3Q15	23.1	1.7
Hammes Partners III <sup>3</sup>	20,176,306	8.3	13.1	22.1	8.8					8.1	13.0	21.7	4.8	1Q19	10.3	1.2
Hammes Partners IV <sup>3</sup>	617,981									N/A	N/A	N/A	N/A	3Q23	-55.7	0.5
NREP Nordic Strategies Fund	3,041,808	1.2	9.4	10.7	2.2					5.1	12.1	17.5	11.9	1Q15	22.7	1.7
NREP Nordic Strategies Fund II	15,218,940	-1.4	22.4	21.7	14.4					0.3	21.7	22.6	14.2	3Q16	19.7	2.0
NREP Nordic Strategies Fund III	33,737,612	-1.3	15.5	14.6	8.5					-2.3	14.7	12.5	2.1	4Q18	6.8	1.2
NREP Nordic Strategies Fund IV	23,912,012									-12.8	23.8	10.3	N/A	1Q20	1.6	1.0
NREP Nordic Strategies Fund V <sup>4</sup>	14,864,829									83.1	1.7	85.5	68.3	1Q23	156.8	2.0
<b>Value Added Portfolio</b>	<b>204,702,485</b>	<b>1.5</b>	<b>14.8</b>	<b>16.6</b>	<b>10.1</b>	<b>4.3</b>	<b>11.1</b>	<b>15.8</b>	<b>11.1</b>	<b>1.9</b>	<b>5.1</b>	<b>7.2</b>	<b>5.3</b>	<b>4Q86</b>	<b>6.4</b>	<b>1.3</b>
<b>Opportunistic Portfolio</b>																
Carlyle China Project Rome Co-Investment	20,801,379	-0.2	-10.7	-10.9	-11.9					-0.6	-6.4	-6.9	-8.6	3Q17	-10.6	0.5
Carlyle China Realty	4,653,061	1.8	-10.6	-9.1	-10.6					1.2	-6.4	-5.3	-7.3	3Q17	-9.7	0.6
CIM Fund VIII	19,402,745	-0.1	-11.9	-12.0	-13.3					0.0	-2.3	-2.3	-4.0	2Q15	-6.2	0.7
KKR Real Estate Partners Americas	989,765	-37.5	8.9	-17.0	-14.0	-14.7	1.1	-4.2	-3.2	-14.7	1.1	-4.2	-3.2	2Q14	11.6	1.3
LaSalle China Logistics Venture	7,876,433									N/A	86.1	42.9	-12.0	3Q21	-10.0	0.9
Sculptor Real Estate Fund III <sup>2,3</sup>	4,033,011	9.9	17.8	29.0	26.8					12.4	17.1	31.1	19.7	4Q14	24.0	1.8
Sculptor Real Estate Fund IV <sup>2,3</sup>	20,087,903									9.6	11.6	22.1	11.5	3Q20	11.0	1.1
Seven Seas Japan Opportunity Fund	11,340,257									7.9	-27.9	-21.8	-25.1	2Q22	-16.6	0.8
<b>Opportunistic Portfolio</b>	<b>89,184,554</b>	<b>0.9</b>	<b>-5.8</b>	<b>-4.9</b>	<b>-6.9</b>	<b>5.0</b>	<b>-0.7</b>	<b>4.8</b>	<b>1.6</b>	<b>1.8</b>	<b>5.7</b>	<b>7.7</b>	<b>5.7</b>	<b>1Q91</b>	<b>2.3</b>	<b>1.1</b>
<b>Total Non-Core Portfolio 1Q 2007 Forward</b>	<b>293,887,039</b>	<b>1.3</b>	<b>6.0</b>	<b>7.4</b>	<b>3.0</b>	<b>4.2</b>	<b>6.9</b>	<b>11.3</b>	<b>7.6</b>	<b>3.7</b>	<b>5.4</b>	<b>9.2</b>	<b>5.0</b>	<b>1Q07</b>	<b>5.5</b>	<b>1.2</b>
<b>Total Private Portfolio</b>																
<b>SCERS</b>	<b>886,131,004</b>	<b>3.1</b>	<b>3.5</b>	<b>6.7</b>	<b>4.8</b>	<b>4.0</b>	<b>5.0</b>	<b>9.1</b>	<b>7.3</b>	<b>4.1</b>	<b>4.8</b>	<b>9.1</b>	<b>8.0</b>	<b>4Q86</b>	<b>8.0</b>	<b>1.4</b>

<sup>1</sup> Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

<sup>2</sup> Previously Och-Ziff Real Estate Fund III.

<sup>3</sup> Preliminary data.

<sup>4</sup> Fund was unable to submit in time for this report. Prior quarter NAV has been used as a placeholder.



Returns (%)	Market Value (\$)	5 Year				10 Year				Inception				TWR Calculation Inception	Net IRR	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
Ex-US Dollar Denominated Investments (In Local Currency)																
Prologis Targeted Europe Logistics Fund (Euro) <sup>1,3</sup>	€ 54,231,745	4.9	2.8	7.8	5.7					4.8	5.0	10.0	8.1	1Q16	8.1	1.4
DRC European Real Estate Debt Fund II (Pound Sterling)	£4,725,953	-3.8	0.0	-3.8	-4.4	3.0	-0.4	2.6	1.3	3.2	-0.4	2.8	1.5	1Q14	4.9	1.2
ECE European Prime Shopping Centre Fund II (Euro) <sup>3</sup>	€ 32,678,020	1.5	4.2	5.9	3.3					0.9	9.5	10.7	8.0	4Q15	5.0	1.3
NREP Nordic Strategies Fund (Euro) <sup>4</sup>	€ 2,819,148	1.2	10.5	11.8	3.2					5.1	13.5	19.1	13.4	1Q15	24.2	1.8
NREP Nordic Strategies Fund II (Euro)	€ 14,104,914	-1.3	23.3	22.7	15.3					0.3	22.1	23.0	14.6	3Q16	20.8	2.1
NREP Nordic Strategies Fund III (Euro)	€ 31,268,019	-1.3	16.6	15.6	9.5					-2.4	16.4	14.1	3.5	4Q18	8.3	1.3
NREP Nordic Strategies Fund IV (Euro)	€ 22,161,652									-12.9	26.8	13.0	N/A	1Q20	3.1	1.1
NREP Nordic Strategies Fund V (Euro) <sup>4</sup>	€ 13,466,049									84.1	-1.3	80.4	63.7	1Q23	144.8	2.0
Seven Seas Japan Opportunity Fund	¥1,716,347,955									7.1	-19.3	-11.9	-15.6	2Q22	-8.6	0.9
Indices																
NFI ODCE+ 35bps				3.8	2.9			7.1	6.2			7.2	6.2	4Q86		
NFI-ODCE		3.8	-0.3	3.5	2.6	4.2	2.5	6.8	5.8	6.4	0.4	6.8	5.8	4Q86		
NFI-ODCE + 100bps				4.5	3.6			7.8	6.8			7.8	6.8	4Q86		
CPI + 500 bps				9.4				8.0				8.0		4Q86		

<sup>1</sup> Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

<sup>2</sup> Previously Och-Ziff Real Estate Fund III.

<sup>3</sup> Preliminary data.

<sup>4</sup> Fund was unable to submit in time for this report. Prior quarter NAV has been used as a placeholder.

Returns (%)	Market Value (\$)	2024		Fiscal Year 2024		2023		2022		2021		2020		2019		2018		2017		2016	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Commingled Funds																					
Brookfield Premier Real Estate Partners	96,440,667	-4.9	-5.1	-14.3	-14.9	-19.3	-18.2	13.1	10.8	28.5	23.0	1.8	1.9	10.6	8.5	2.3	1.9				
Lion Properties Fund	105,610,995	-2.7	-2.9	-7.9	-8.5	-15.0	-15.7	9.6	8.7	23.4	22.4	2.2	1.4	7.3	6.4	2.0	1.8				
MetLife Core Property Fund	72,178,991	-1.3	-1.4	-8.5	-8.8	-13.9	-14.4	9.7	9.1	27.8	27.2	1.0	0.5	8.6	8.1	7.8	7.3	8.4	7.9	9.3	8.8
Principal U.S. Property Account	54,448,695	-1.8	-2.0	-7.3	-8.0	-10.0	-10.9	5.1	4.1	23.7	22.6	1.6	0.6	7.0	6.0	9.1	8.1	9.1	8.1	10.0	9.0
Prologis European Logistics Fund <sup>1,3</sup>	58,515,046	-1.0	-1.2	-3.2	-3.9	-3.7	-4.6	-10.2	-11.6	22.7	18.0	20.2	18.7	13.5	11.1	13.6	10.8	6.8	6.5		
Prologis Targeted U.S. Logistics Fund	72,962,488	2.1	1.9	-6.0	-5.2	-12.7	-11.0	13.9	12.2	59.3	48.7	11.1	9.8	19.4	16.8	18.5	16.1	24.2	20.3	16.1	14.2
Townsend Real Estate Fund, L.P. <sup>3</sup>	132,087,083	-1.6	-1.7	-7.7	-7.9	-11.7	-11.9	10.5	10.3	29.3	29.1	2.6	2.3	7.6	7.3	9.0	8.8	11.0	10.8	8.4	8.2
Core Commingled Funds	592,243,965	-1.8	-2.0	-8.2	-8.4	-13.0	-12.9	8.8	7.6	30.8	27.6	4.6	4.0	9.5	8.3	10.9	9.7	14.2	12.8	9.8	8.9
Value Added Portfolio																					
Asana Partners Fund II <sup>3</sup>	32,967,485	-5.0	-5.3	-4.4	-4.3	-3.4	0.3	1.8	0.7	63.7	49.9	-36.4	-45.7	11.1	1.5						
Asana Partners Fund III <sup>3</sup>	15,609,470	-1.3	-2.1	1.4	-1.5	-7.2	-13.3	13.9	-5.4												
DRC European Real Estate Debt Fund II <sup>3</sup>	5,965,605	-0.9	-0.9	-0.6	-0.6	5.2	5.2	52.5	52.3	-11.0	-12.4	-47.1	-47.7	12.0	11.1	-0.6	-1.7	23.8	22.3	-7.8	-8.9
ECE European Prime Shopping Centre Fund II C <sup>3</sup>	35,258,977	-1.4	-1.6	3.0	0.9	10.8	8.0	3.5	0.9	-0.2	-3.0	0.7	-1.8	2.2	0.0	15.1	12.8	24.7	21.5	22.1	19.7
Hammes Partners II <sup>3</sup>	3,331,460	1.2	0.7	8.8	6.4	14.8	10.8	10.9	8.2	28.6	21.3	61.5	46.9	59.2	55.9	27.9	19.6	12.7	10.0	16.2	10.4
Hammes Partners III <sup>3</sup>	20,176,306	1.3	1.4	3.1	2.4	6.4	4.1	13.2	9.0	29.1	18.3	43.5	24.5	23.9	-24.4						
Hammes Partners IV <sup>3</sup>	617,981	6.6	-12.3	6.6	-12.3			13.2	9.0	29.1	18.3	43.5	24.5	23.9	-24.4						
NREP Nordic Strategies Fund	3,041,808	-2.3	-2.0	-0.3	-0.3	3.8	3.0	6.6	5.4	-3.0	-11.6	27.2	21.8	23.0	-4.2	0.8	0.1	41.2	40.1	23.1	21.7
NREP Nordic Strategies Fund II	15,218,940	-1.4	-1.1	-10.7	-9.2	-16.1	-9.3	7.8	-1.9	71.5	52.7	35.1	26.6	20.9	9.8	17.0	12.3	44.9	34.4	8.6	-3.8
NREP Nordic Strategies Fund III	33,737,612	-3.1	-3.1	-8.0	-3.5	-12.0	-6.1	0.3	-3.3	35.9	22.8	42.3	28.1	19.0	-5.5	-2.8	-14.4				
NREP Nordic Strategies Fund IV	23,912,012	9.5	10.0	5.9	5.0	-13.7	-13.1	0.6	-6.4	42.2	20.5	22.1	-121.4								
NREP Nordic Strategies Fund V <sup>4</sup>	14,864,829			28.8	25.8	85.5	68.3	0.6	-6.4	42.2	20.5	22.1	-121.4								
Value Added Portfolio	204,702,485	-0.7	-0.9	-2.3	-1.3	-0.1	0.6	5.1	0.7	36.4	25.1	19.0	10.6	22.1	11.5	10.5	6.3	24.9	22.3	9.5	7.0
Opportunistic Portfolio																					
Carlyle China Project Rome Co-Investment	20,801,379	-1.6	-2.1	-30.1	-31.0	-41.8	-42.6	-3.3	-4.3	2.4	1.3	-0.9	-2.0	7.2	5.8	-2.5	-7.1	4.7	3.6		
Carlyle China Realty	4,653,061	-1.8	-2.5	-30.4	-31.5	-41.9	-43.0	-3.4	-4.8	2.2	0.8	-0.3	-2.1	18.1	15.7	1.6	-1.4	2.7	0.2		
CIM Fund VIII	19,402,745	-8.4	-8.9	-16.5	-17.6	-15.8	-17.2	-13.1	-14.3	-3.7	-4.9	-16.7	-17.9	2.0	0.9	9.4	8.0	8.4	6.7	6.4	4.0
KKR Real Estate Partners Americas	989,765	-2.2	-1.8	-30.7	-24.6	-27.9	-22.2	-25.1	-21.8	27.9	19.1	-30.9	-24.7	7.8	7.3	11.0	10.7	27.5	23.3	20.8	17.2
LaSalle China Logistics Venture	7,876,433	1.8	1.3	-10.9	-13.4	-12.9	-18.1	4.2	-9.6	188.6	-6.2	-30.9	-24.7	7.8	7.3	11.0	10.7	27.5	23.3	20.8	17.2
Sculptor Real Estate Fund III <sup>2,3</sup>	4,033,011	5.6	5.4	7.7	6.9	15.4	14.0	82.4	80.0	28.5	24.1	12.4	10.8	15.9	13.6	29.7	25.7	43.3	38.2	30.0	22.2
Sculptor Real Estate Fund IV <sup>2,3</sup>	20,087,903	3.2	2.6	10.4	8.4	14.2	11.0	6.9	0.8	40.3	25.9	19.6	3.9								
Seven Seas Japan Opportunity Fund	11,340,257	-7.8	-7.0	3.7	2.6	2.8	0.1	-55.4	-60.3												
Opportunistic Portfolio	89,184,554	-2.4	-2.7	-13.8	-14.9	-19.5	-21.1	-4.9	-7.9	6.2	2.8	-6.9	-8.1	8.6	7.1	11.5	9.1	19.1	16.0	13.9	10.2
Total Non-Core Portfolio 1Q 2007 Forward	293,887,039	-1.3	-1.5	-5.6	-6.1	-7.1	-7.3	1.1	-2.7	24.4	16.4	6.5	1.6	15.8	9.9	10.9	7.6	22.3	19.4	10.8	8.1
Total Private Portfolio																					
SCERS	886,131,004	-1.6	-1.8	-7.4	-7.7	-11.4	-11.3	6.8	4.9	29.1	24.5	5.2	3.5	11.0	8.7	9.2	7.5	15.2	13.6	9.1	7.8
Indices																					
NFI-ODCE + 35 bps		-2.3	-2.5	-8.6	-9.1	-11.7	-12.4	7.6	6.7	22.4	21.3	1.5	0.7	5.7	4.7	8.7	7.7	8.0	7.0	9.1	8.1
NFI-ODCE		-2.4	-2.6	-8.8	-9.4	-12.0	-12.7	7.5	6.5	22.2	21.0	1.2	0.3	5.3	4.4	8.3	7.4	7.6	6.7	8.8	7.8
NFI-ODCE + 100 bps		-2.1	-2.3	-8.1	-8.6	-11.0	-11.7	8.0	7.0	22.9	21.8	2.2	1.3	6.3	5.4	9.3	8.4	8.6	7.7	9.8	8.8
CPI + 500 bps		2.4		6.6		8.5		9.9		11.4		6.4		7.4		7.0		7.2		7.2	

<sup>1</sup> Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

<sup>2</sup> Previously Och-Ziff Real Estate Fund III.

<sup>3</sup> Preliminary data.

<sup>4</sup> Fund was unable to submit in time for this report. Prior quarter NAV has been used as a placeholder.

Returns (%)	Market Value (\$)	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Commingled Funds																					
Brookfield Premier Real Estate Partners	96,440,667																				
Lion Properties Fund	105,610,995																				
MetLife Core Property Fund	72,178,991	16.9	16.3	17.4	16.9																
Principal U.S. Property Account	54,448,695	3.0	2.8																		
Prologis European Logistics Fund <sup>1,3</sup>	58,515,046																				
Prologis Targeted U.S. Logistics Fund	72,962,488	9.1	7.9																		
Townsend Real Estate Fund, L.P. <sup>3</sup>	132,087,083																				
Core Commingled Funds	592,243,965	15.7	14.1	13.5	12.4	10.2	9.3	11.1	10.1	16.4	15.5	14.1	13.3	-33.0	-33.6	-13.8	-14.6	15.5	14.5	16.9	15.8
Value Added Portfolio																					
Asana Partners Fund II <sup>3</sup>	32,967,485																				
Asana Partners Fund III <sup>3</sup>	15,609,470																				
DRC European Real Estate Debt Fund II <sup>3</sup>	5,965,605	5.0	3.0	1.4	-2.1																
ECE European Prime Shopping Centre Fund II C <sup>3</sup>	35,258,977	12.1	11.0																		
Hammes Partners II <sup>3</sup>	3,331,460	19.4	12.9																		
Hammes Partners III <sup>3</sup>	20,176,306																				
Hammes Partners IV <sup>3</sup>	617,981																				
NREP Nordic Strategies Fund	3,041,808	55.1	50.8																		
NREP Nordic Strategies Fund II	15,218,940																				
NREP Nordic Strategies Fund III	33,737,612																				
NREP Nordic Strategies Fund IV	23,912,012																				
NREP Nordic Strategies Fund V <sup>4</sup>	14,864,829																				
Value Added Portfolio	204,702,485	19.1	17.0	15.7	13.7	13.3	10.8	19.6	18.1	16.7	14.7	23.2	20.3	-56.4	-57.6	-31.2	-33.5	18.2	5.6	0.8	0.5
Opportunistic Portfolio																					
Carlyle China Project Rome Co-Investment	20,801,379																				
Carlyle China Realty	4,653,061																				
CIM Fund VIII	19,402,745	16.9	13.8																		
KKR Real Estate Partners Americas	989,765	79.0	55.3	30.1	24.7																
LaSalle China Logistics Venture	7,876,433	79.0	55.3	30.1	24.7																
Sculptor Real Estate Fund II <sup>2,3</sup>	4,033,011	33.7	6.9	9.4	-28.3																
Sculptor Real Estate Fund IV <sup>2,3</sup>	20,087,903																				
Seven Seas Japan Opportunity Fund	11,340,257																				
Opportunistic Portfolio	89,184,554	44.5	23.2	33.3	19.9	11.7	9.4	54.2	38.5	-10.1	-8.0	42.4	34.2	54.0	43.5	-44.5	-45.4	3.4	2.6	0.0	0.0
Total Non-Core Portfolio 1Q 2007 Forward	293,887,039	23.0	17.9	17.0	14.2	16.7	13.5	34.6	26.9	-0.3	0.4	37.0	30.4	-13.5	-17.8	-33.7	-35.7	18.2	5.6		
Total Private Portfolio																					
SCERS	886,131,004	9.9	8.5	16.0	14.2	12.0	10.7	19.2	17.8	9.8	9.4	20.6	19.2	-16.0	-16.7	-14.1	-14.7	10.7	8.7	16.9	14.2
Indices																					
NFI-ODCE + 35 bps		15.4	14.3	12.8	11.8	14.3	13.3	11.3	10.1	16.3	15.3	16.7	15.6	-29.4	-30.0	-9.7	-10.3	16.3	15.2	16.7	15.6
NFI-ODCE		15.0	14.0	12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0	16.4	15.3	-29.8	-30.4	-10.0	-10.7	16.0	14.8	16.3	15.3
NFI-ODCE + 100 bps		16.0	15.0	13.5	12.5	14.9	13.9	11.9	10.8	17.0	16.0	17.4	16.3	-28.8	-29.4	-9.0	-9.7	17.0	15.8	17.3	16.3
CPI + 500 bps		5.7		5.7		6.6		6.8		8.2		6.5		8.0		5.0		9.3		7.7	

<sup>1</sup> Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

<sup>2</sup> Previously Och-Ziff Real Estate Fund III.

<sup>3</sup> Preliminary data.

<sup>4</sup> Fund was unable to submit in time for this report. Prior quarter NAV has been used as a placeholder.

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
<b>Core Commingled Funds</b>									
Brookfield Premier Real Estate Partners	102,412,160	0	756,233	0	445,729	241,706	-5,419,283	96,440,667	53.0
Lion Properties Fund	109,474,496	241,729	985,905	0	966,753	230,501	-3,855,578	105,610,995	27.2
MetLife Core Property Fund	73,883,519	0	636,796	0	878,360	86,456	-1,859,636	72,178,991	33.4
Principal U.S. Property Account	55,559,687	0	0	0	622,222	130,902	-1,602,313	54,448,695	26.1
Prologis European Logistics Fund	59,707,216	0	473,496	0	748,662	146,992	-1,320,344	58,515,046	25.0
Prologis Targeted U.S. Logistics Fund	71,723,087	0	147,824	0	783,767	133,937	737,395	72,962,488	20.6
Townsend Real Estate Fund, L.P.	138,094,728	0	1,016,482	2,710,644	1,271,040	79,185	-3,472,373	132,087,083	41.2
<b>Core Commingled Funds</b>	<b>610,854,893</b>	<b>241,729</b>	<b>4,016,736</b>	<b>2,710,644</b>	<b>5,716,533</b>	<b>1,049,679</b>	<b>-16,792,132</b>	<b>592,243,965</b>	<b>36.1</b>
<b>Value Added Portfolio</b>									
Asana Partners Fund II	32,581,894	2,187,500	0	0	-107,748	88,863	-1,605,298	32,967,485	46.3
Asana Partners Fund III	14,596,135	1,333,333	0	0	-22,386	125,000	-172,612	15,609,470	41.2
DRC European Real Estate Debt Fund II	6,180,521	0	0	162,378	0	0	-52,538	5,965,605	0.0
ECE European Prime Shopping Centre Fund II	36,016,963	0	165,543	0	217,402	92,396	-717,450	35,258,977	55.3
Hammes Partners II	3,315,159	8,099	16,473	0	15,505	14,271	23,440	3,331,460	59.0
Hammes Partners III	20,151,400	0	245,638	15,697	207,106	-16,665	62,470	20,176,306	70.1
Hammes Partners IV	770,627	0	51,409	6,979	-56,895	145,159	107,796	617,981	97.0
NREP Nordic Strategies Fund	3,103,020	0	0	0	0	-8,763	-69,975	3,041,808	0.0
NREP Nordic Strategies Fund II	15,392,495	0	0	0	-84,156	-42,995	-132,394	15,218,940	61.0
NREP Nordic Strategies Fund III	34,833,367	0	0	0	-175,387	20,633	-899,734	33,737,612	56.0
NREP Nordic Strategies Fund IV	21,733,286	0	0	0	2,438,795	-123,104	-383,173	23,912,012	63.0
NREP Nordic Strategies Fund V <sup>1</sup>	13,271,068	1,646,517	0	0	260,430	154,228	-158,957	14,864,829	55.0
<b>Value Added Portfolio</b>	<b>201,945,935</b>	<b>5,175,449</b>	<b>479,063</b>	<b>185,054</b>	<b>2,692,666</b>	<b>449,023</b>	<b>-3,998,425</b>	<b>204,702,485</b>	<b>57.8</b>
<b>Opportunistic Portfolio</b>									
Carlyle China Project Rome Co-Investment	21,250,083	0	0	0	-3,679	99,454	-345,571	20,801,379	0.0
Carlyle China Realty	4,770,585	0	0	0	-10,325	29,426	-77,773	4,653,061	0.0
CIM Fund VIII	21,316,681	98,690	0	126,455	-23,834	98,936	-1,763,401	19,402,745	40.6
KKR Real Estate Partners Americas	1,007,684	0	0	0	-22,399	-4,480	0	989,765	65.0
LaSalle China Logistics Venture	7,778,844	0	0	0	-49,428	45,833	192,850	7,876,433	45.0
Sculptor Real Estate Fund III	3,625,211	207,213	0	0	4,247	8,637	204,977	4,033,011	0.0
Sculptor Real Estate Fund IV	19,541,052	1,255,619	1,221,177	0	123,059	102,842	492,192	20,087,903	0.0
Seven Seas Japan Opportunity Fund	12,193,491	0	0	0	-117,436	-97,151	-832,948	11,340,257	0.0
<b>Opportunistic Portfolio</b>	<b>91,483,631</b>	<b>1,561,522</b>	<b>1,221,177</b>	<b>126,455</b>	<b>-99,795</b>	<b>283,497</b>	<b>-2,129,674</b>	<b>89,184,554</b>	<b>19.4</b>
<b>Total Non-Core Portfolio 1Q 2007 Forward</b>	<b>293,429,566</b>	<b>6,736,971</b>	<b>1,700,240</b>	<b>311,509</b>	<b>2,592,871</b>	<b>732,520</b>	<b>-6,128,099</b>	<b>293,887,039</b>	<b>50.7</b>
<b>Total Private Portfolio</b>									
<b>SCERS</b>	<b>904,284,459</b>	<b>6,978,700</b>	<b>5,716,976</b>	<b>3,022,153</b>	<b>8,309,404</b>	<b>1,782,199</b>	<b>-22,920,231</b>	<b>886,131,004</b>	<b>41.8</b>

<sup>1</sup> Fund was unable to submit in time for this report. Data is as of 4Q23.

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
<b>Core Commingled Funds</b>						
Brookfield Premier Real Estate Partners	33.0	10.3	50.9	-	-	5.7
Lion Properties Fund	26.7	13.1	37.9	5.9	-	16.5
MetLife Core Property Fund	27.6	19.6	30.4	10.9	1.6	9.9
Principal U.S. Property Account	27.8	15.6	37.7	10.4	-	8.4
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Real Estate Fund, L.P. <sup>1</sup>	31.9	6.9	43.4	2.1	0.1	15.7
<b>Core Commingled Funds</b>	<b>23.2</b>	<b>9.4</b>	<b>54.1</b>	<b>3.8</b>	<b>0.2</b>	<b>9.4</b>
<b>Value Added Portfolio</b>						
Asana Partners Fund II	1.2	42.0	-	56.8	-	-
Asana Partners Fund III	0.4	41.6	-	57.9	-	-
DRC European Real Estate Debt Fund II	-	50.0	-	50.0	-	-
ECE European Prime Shopping Centre Fund II	-	-	-	100.0	-	-
Hammes Partners II	-	-	-	-	-	100.0
Hammes Partners III	-	-	-	-	-	100.0
Hammes Partners IV	-	-	-	-	-	100.0
NREP Nordic Strategies Fund	-	-	-	-	-	-
NREP Nordic Strategies Fund II	2.2	-	-	26.4	-	71.4
NREP Nordic Strategies Fund III	41.8	14.3	24.9	6.3	-	12.8
NREP Nordic Strategies Fund IV	39.4	4.3	29.5	2.7	5.4	18.6
NREP Nordic Strategies Fund V <sup>2</sup>	22.0	24.8	35.0	5.0	3.3	10.0
<b>Value Added Portfolio</b>	<b>13.7</b>	<b>16.3</b>	<b>10.2</b>	<b>36.5</b>	<b>0.9</b>	<b>22.4</b>

<sup>1</sup>Property diversification numbers used are from 4Q23.

<sup>2</sup> Fund was unable to submit in time for this report. Data is as of 4Q23.

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
<b>Opportunistic Portfolio</b>						
Carlyle China Project Rome Co-Investment	-	-	100.0	-	-	-
Carlyle China Realty	-	-	100.0	-	-	-
CIM Fund VIII	46.4	17.5	-	15.9	7.2	13.1
KKR Real Estate Partners Americas	-	-	-	-	79.0	21.0
LaSalle China Logistics Venture	-	-	100.0	-	-	-
Sculptor Real Estate Fund III	-	-	-	-	-	100.0
Sculptor Real Estate Fund IV	3.4	1.4	0.0	-	4.6	90.5
Seven Seas Japan Opportunity Fund	-	47.6	-	-	52.4	-
<b>Opportunistic Portfolio</b>	<b>12.5</b>	<b>4.7</b>	<b>42.8</b>	<b>4.0</b>	<b>4.0</b>	<b>32.1</b>
<b>Total Non-Core Portfolio 1Q 2007 Forward</b>	<b>13.3</b>	<b>13.1</b>	<b>19.3</b>	<b>27.4</b>	<b>1.7</b>	<b>25.1</b>
<b>Total Private Portfolio</b>						
<b>SCERS</b>	<b>20.0</b>	<b>10.6</b>	<b>42.9</b>	<b>11.4</b>	<b>0.7</b>	<b>14.4</b>
<b>Indices</b>						
<b>NFI-ODCE</b>	<b>29.2</b>	<b>18.0</b>	<b>33.6</b>	<b>10.6</b>	<b>0.2</b>	<b>8.4</b>

<sup>1</sup>Property diversification numbers used are from 4Q23.

<sup>2</sup>Fund was unable to submit in time for this report. Data is as of 4Q23.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Ex-US
<b>Core Commingled Funds</b>									
Brookfield Premier Real Estate Partners	24.6	9.1	2.9	-	13.3	8.1	1.3	40.8	-
Lion Properties Fund	17.7	9.1	2.3	0.2	10.7	9.6	9.1	41.4	-
MetLife Core Property Fund	14.3	12.3	8.7	2.1	12.1	7.4	9.4	33.8	-
Principal U.S. Property Account	8.9	9.3	1.9	1.7	12.0	16.6	14.6	35.0	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	15.6	5.1	10.9	-	13.4	8.3	5.7	40.9	-
Townsend Real Estate Fund, L.P. <sup>1</sup>	15.8	7.7	9.5	2.1	16.2	11.4	8.9	26.0	2.2
<b>Core Commingled Funds</b>	<b>15.2</b>	<b>7.8</b>	<b>5.6</b>	<b>0.9</b>	<b>11.9</b>	<b>9.0</b>	<b>7.0</b>	<b>32.2</b>	<b>10.4</b>
<b>Value Added Portfolio</b>									
Asana Partners Fund II	17.0	18.8	-	7.6	20.0	7.3	21.3	8.1	-
Asana Partners Fund III	-	13.3	5.0	3.2	43.5	22.5	12.5	-	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	-	46.3	4.8	-	-	18.0	30.9	-	-
Hammes Partners III	44.7	2.0	15.1	2.1	6.0	20.0	8.8	1.3	-
Hammes Partners IV	4.6	-	9.9	44.6	7.0	26.5	7.4	-	-
NREP Nordic Strategies Fund <sup>1</sup>	-	-	-	-	-	-	-	-	-
NREP Nordic Strategies Fund II	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund III	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund IV	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund V <sup>2</sup>	-	-	-	-	-	-	-	-	100.0
<b>Value Added Portfolio</b>	<b>9.0</b>	<b>6.3</b>	<b>2.5</b>	<b>2.3</b>	<b>9.0</b>	<b>6.6</b>	<b>7.3</b>	<b>1.8</b>	<b>55.4</b>

<sup>1</sup>Geographic diversification numbers used are from 4Q23.

<sup>2</sup> Fund was unable to submit in time for this report. Data is as of 4Q23.



Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Ex-US
<b>Opportunistic Portfolio</b>									
Carlyle China Project Rome Co-Investment	-	-	-	-	-	-	-	-	100.0
Carlyle China Realty	-	-	-	-	-	-	-	-	100.0
CIM Fund VIII	50.9	-	11.3	-	-	-	7.8	30.1	-
KKR Real Estate Partners Americas	-	-	-	-	-	21.0	-	79.0	-
LaSalle China Logistics	-	-	-	-	-	-	-	-	100.0
Sculptor Real Estate Fund III	60.3	0.3	0.6	9.1	2.7	0.6	2.7	4.3	19.5
Sculptor Real Estate Fund IV	-	-	-	-	-	-	-	-	-
Seven Seas Japan Opportunity Fund	-	-	-	-	-	-	-	-	100.0
<b>Opportunistic Portfolio</b>	<b>21.3</b>	<b>0.0</b>	<b>3.8</b>	<b>0.6</b>	<b>0.2</b>	<b>0.4</b>	<b>2.8</b>	<b>11.7</b>	<b>59.1</b>
<b>Total Non-Core Portfolio 1Q 2007 Forward</b>	<b>12.2</b>	<b>4.6</b>	<b>2.8</b>	<b>1.8</b>	<b>6.7</b>	<b>5.0</b>	<b>6.1</b>	<b>4.4</b>	<b>56.3</b>
<b>Total Private Portfolio</b>									
<b>SCERS</b>	<b>14.4</b>	<b>6.9</b>	<b>4.8</b>	<b>1.2</b>	<b>10.5</b>	<b>7.9</b>	<b>6.8</b>	<b>24.6</b>	<b>22.9</b>
<b>Indices</b>									
<b>NFI-ODCE</b>	<b>20.6</b>	<b>8.3</b>	<b>5.0</b>	<b>0.8</b>	<b>12.4</b>	<b>9.2</b>	<b>7.5</b>	<b>36.3</b>	<b>-</b>

<sup>1</sup>Geographic diversification numbers used are from 4Q23.

<sup>2</sup> Fund was unable to submit in time for this report. Data is as of 4Q23.

## Advisory Disclosures and Definitions

### Disclosure

Trade Secret and Confidential.

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

Returns are presented on a time weighted basis and shown both gross and net of underlying third party fees and expenses and may include income, appreciation and/or other earnings. In addition, investment level Net IRR's and equity multiples are reported.

The Townsend Group, on behalf of its client base, collects quarterly limited partner/client level performance data based upon inputs from the underlying investment managers. Data collection is for purposes of calculating investment level performance as well as aggregating and reporting client level total portfolio performance. Quarterly limited partner/client level performance data is collected directly from the investment managers via a secure data collection site.

<sup>1</sup>In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to The Townsend Group via a secure data collection site, The Townsend Group may choose to input performance data on behalf of its client based upon the investment managers quarterly capital account statements which are supplied to The Townsend Group and the client alike.

### Benchmarks

The potential universe of available real asset benchmarks are infinite. Any one benchmark, or combination thereof, may be utilized on a gross or net of fees basis with or without basis point premiums attached. These benchmarks may also utilize a blended composition with varying weighting methodologies, including market weighted and static weighted approaches.

## Exhibit B: Real Estate Market Update 1Q24



# United States Real Estate Market Update (1Q24)

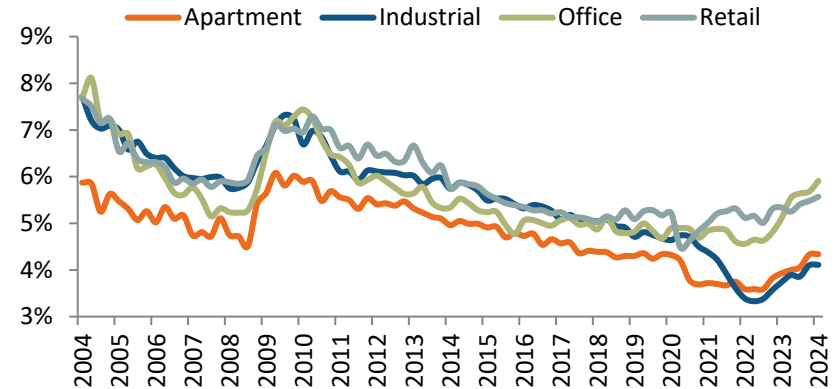
## General

- The economy remained fast paced in the first quarter, leading the Fed to indicate its intentions to maintain a steady pace, keeping interest rates within the 5.25%-5.00% target. The S&P 500 continued along with a strong first quarter coming in at 10.5%, its greatest first quarter return since 2019. The MSCI US REIT index fell off its fourth quarter highs and returned a relatively flat -0.3% during the first quarter of 2024.
- During the first quarter, GDP increased at an annualized rate of 1.3%, coming down from 3.4% in the fourth quarter. This growth was primarily due to increases in consumer spending, residential and nonresidential fixed investments, as well as state and local spending which was partially offset by a decrease in private inventory investment. The Fed continues to fight inflation, maintaining its target and announcing a plan involving quantitative tightening to reduce its balance sheet.
- 10-year treasury bond yields continued to increase, ending the quarter at 4.2%. As economists expected, rates moved significantly higher throughout 2023, but have since plateaued after the Fed paused its dramatic rate increases spanning from early 2022 until mid 2023.

## Commercial Real Estate

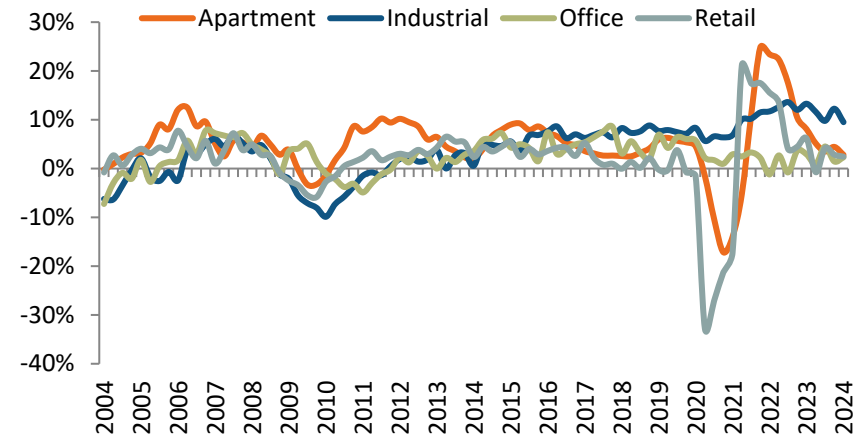
- First quarter 2024 CRE transaction activity continued to decline, falling to -24% YoY. The apartment sector transaction volumes continued to lead the plummeting of transactions in the U.S., largely due to the sizeable amount of transaction volume during and post-pandemic. Although apartment fundamentals remain intact, the increase in cost of debt has contributed to a YoY decrease in transaction volume by 49% YoY.
- Transaction cap rates (6.3%) expanded, moving out 58 bps during the quarter. This increase continues the upward trend on cap rates beginning in 4Q21. Current valuation cap rates expanded for all major property sectors, led by office (+23 bps), and followed by retail (+9 bps), industrial (+1 bps), and apartment (+1 bps).
- NOI growth has continued to diverge between property sectors. The industrial sector continues to outperform the compared to the other three main categories of commercial real estate. Industrial outperformance is largely due to high demand for quality products and efficient logistics centers, driving rents upwards. Industrial NOI continued to expand (9.5%) YoY with the continued investments into direct-to-customer distribution by companies.
- Commercial Real Estate fundraising activity has remained steady after seeing a slow year. In the first quarter, the number of funds in the market decreased (40%) although there was a (1%) increase in aggregate capital raised over the previous quarter.

## Current Value Cap Rates by Property Type



Source: NCREIF

## 4 Qtr Rolling NOI Growth



Source: NCREIF

# United States Property Matrix (1Q24)

## INDUSTRIAL

- In 1Q24, industrial properties returned 0.13% and outperformed the NPI by 111 bps.
- Transaction volumes decreased to \$17 billion in the first quarter of the year, resulting in an 19% decrease year-over-year. Individual asset sales decreased 70% year-over-year, while portfolio purchases turned in a year-over-year volume decrease of 1%. At \$17 billion, the industrial sector decreased by \$5 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 9.5% over the past year. NOI continues to reach all time highs for the sector.
- Vacancy increased by 113 bps year-over-year to 2.6%. Vacancy in the sector increased 32 bps from the prior quarter. E-commerce continues to drive demand across the sector.
- Industrial cap rates expanded approximately 50 bps from a year ago, to 4.0%. Industrial overall fundamentals still top all property sectors.

## MULTIFAMILY

- The apartment sector delivered a -0.97% return during the quarter, outperforming the NPI by 1 bps.
- Transaction volume in the first quarter of 2024 decreased to \$21 billion, resulting in a decrease of 30% year-over-year. Transaction volume for the sector decreased from the fourth quarter by \$6 billion. This volume continues to make multifamily the most actively traded sector for the twenty fourth straight quarter.
- Cap rates increased to 4.2% quarter-over-quarter, increasing 45 bps year-over-year. Multifamily cap rates remain at low levels relative to prior years, driven by continued increases in valuation.
- The multifamily sector saw increasing vacancy rates throughout the entirety of 2020 due to the global pandemic. Throughout 2021 and 2022, the sector appeared to have shaken that trend although vacancy rates remained steady. Vacancy rates slightly decreased quarter over quarter to 6.4% as of the first quarter of 2024. The aging millennials have begun shifting their desires to suburban living, but continued home price appreciation has deterred the full effect of this migratory trend.

## OFFICE

- The office sector returned -3.80% in 1Q24, 282 bps below the NPI return over the period.
- Transaction volumes increased by 25% year-over-year in the first quarter. Transaction volume equated to \$15 billion for the quarter, slightly increasing quarter-over-quarter. Office transaction levels have regressed since 4Q21 and are at levels seen during the COVID-19 pandemic.
- Office sector vacancy rates have expanded since the beginning of the pandemic due to work from home orders and uncertainty revolving around the future of office space. Office continues to be the highest vacancy property type at 14.3%, increasing by 5 bps from last quarter.
- NOI growth in the office sector increased quarter-over-quarter by 430 bps to 2.3% and is still experiencing volatility given the current market environment.
- Office cap rates expanded from a year ago, sitting at approximately 5.7%. Office-using job growth was stunted significantly through out 2020 due to work from home orders. Though we are observing a slow but steady flow back to in-office work, there is still uncertainty in the sector.

## RETAIL

- As of 1Q24, the retail sector delivered a quarterly return of 0.64%, outperforming 162 bps compared to the NPI.
- Transaction volumes totaled \$16 billion in the first quarter, decreasing 14% year-over-year. Single asset transactions accounted for just over 60% of all sales volume for the quarter.
- Cap rates have remained fairly steady within the sector over the last year at 5.4%. Current valuation cap rates expanded quarter-over-quarter by 6 bps due to valuation adjustments made across the sector in general.
- NOI growth decreased from the prior quarter to 1.0% as of the first quarter. Retail has begun its slow recovery but has continued to experience volatility due to the current market environment.
- Retail vacancy rates remained steady over the quarter at 7.9%, up 6 bps over the past year. Many big box stores have closed as the need for retail space shrinks, translating to a negative outlook for rent growth. Paired with the global economic crisis, which has had a significant negative impact on this sector.

# Global Real Estate Market Update (1Q24)

- The global real estate market has endured its seventh consecutive quarter of negative deal volume. This is an irreverent shift from the previous cycle characterized as buoyant with lower interest rates. While at a reduced rate of decline, deal volume and participants are mirroring levels seen in 2011. The pronounced illiquidity is multifaceted with price uncertainty with elevated interest rates, structural headwinds in certain sectors, and pending wave of debt maturities accumulated during the previous cycle of cheaper financing.
- US markets produced \$60B in deal volume in the first quarter, showing to be the slowest quarter since late 2020. Outside of continued lagging demand in office, Industrial pricing has increased 5.7% year over year with positive dynamics in the occupier market outweigh the negative impact of higher yields.
- Higher borrowing costs, wide bid-ask spreads and persistent global headwinds remain major factors hindering investment sentiment in the Asia. Japan emerged as the top performing market in the Asia Pacific this quarter, benefiting from its central bank's monetary policy, ending negative interest rates and yield curve control which provides more clarity for pricing. India saw a spike in transactions with industrial and logistics investment. Office holdings in China still face headwinds, while an uptick in consumer spending in the region presented a surge in hotel and retail growth.
- European markets are expected to remain close to recession levels in the first half of 2024 as investors await rate cuts from the European Central Bank (ECB). The UK was the leader in transaction activity, doubling the volume of Germany and tripling that of France. As the fastest major global market to reprice assets during this down cycle, the resilience in deal making points to an assumed end to price correction. In contrast, Germany and France have been slower to react as office sales were at their lowest on record.
- All three global regions registered moderating industrial fundamentals during the first quarter, with a recovery in demand anticipated to begin in the second half of 2024. While absorption figures fell sharply over the quarter in the U.S. and Asia Pacific regions, both noted an increase in inquiries. Rental growth in all three regions remained positive, albeit at a slowing pace. Supply chains will continue to pivot in the post-pandemic world as occupiers aim for more localized distribution networks. All three regions will feel the impacts of shipping routes under stress by both geopolitical tensions and climate-related hurdles.
- Global housing markets showed tentative signs of improvement as spring leasing momentum and large-scale M&A deals in the multifamily space have driven renewed investor conviction. Investors went forward to begin the year with business plans as the significant undersupply of housing and constrained affordability globally acted as incentives for investment. Asia Pacific housing transactions rose 10% year over year as European investment is slowly rebounding, although at reduced levels compared to the last 5-10 years.

## Global Total Commercial Real Estate Volume - 2023 - 2024

\$ US Billions	Q1 2024	Q1 2023	% Change Q1 24 - Q1 23	2024	2023	% Change Full Year
Americas	68	85	-20%	317	587	-46%
EMEA	37	47	-22%	175	278	-37%
Asia Pacific	91	106	-14%	686	817	-16%
<b>Total</b>	<b>196</b>	<b>238</b>	<b>-18%</b>	<b>1178</b>	<b>1681</b>	<b>-30%</b>

Source: Real Capital Analytics, Inc., Q1' 24

## Global Outlook - GDP (Real) Growth % pa, 2024-2026

	2024	2025	2026
<b>Global</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>Asia Pacific</b>	<b>4.3</b>	<b>4.1</b>	<b>3.9</b>
Australia	1.3	2.2	2.5
China	4.9	4.5	4.2
India	7.8	6.8	6.5
Japan	0.4	1.1	0.9
<b>North America</b>	<b>2.3</b>	<b>1.8</b>	<b>2.0</b>
US	2.4	1.8	2.0
<b>Middle East</b>	<b>2.3</b>	<b>3.8</b>	<b>4.0</b>
<b>European Union</b>	<b>1.0</b>	<b>1.7</b>	<b>1.8</b>
France	0.9	1.3	1.5
Germany	0.2	1.2	1.3
UK	0.6	1.2	1.4

Source: Bloomberg





# **Open End Funds – Property Returns Pacific Division and California Only Compared to Benchmarks**

PROPRIETARY & CONFIDENTIAL  
April 2024



## SCERS Open End Core/Core + Domestic Funds Property Performance- Pacific Region

- SCERS invests directly in five domestic open-end funds that account for 46% (by NAV) of the Real Estate Portfolio:
  - Brookfield Premier Real Estate Partners
  - Clarion Lion Properties Fund
  - MetLife Core Property Fund
  - Principal US Property Account
  - ProLogis Targeted US Logistics Fund
- This report shows the Property Level Performance for the broad Pacific Region (CA, OR, WA, NV, HI, AK), as well as California only, compared to industry property benchmarks and the SCERS fund level benchmark.
- As shown below, SCERS's domestic open-end funds have under-performed the respective benchmarks for the one-year period, but outperforms for the three-year and five-year periods.

SCERS Open End Funds			
Fund Composite- Unlevered Quarterly Property Returns:		NCREIF Pacific Division	
Years Ending 12/31/2023	Income %	Appreciation %	Total Gross %
1 Year	3.52%	-15.80%	-12.70%
3 Year	3.40%	3.47%	6.96%
5 Year	3.54%	4.01%	7.66%

All Open End Funds/NPI Unlevered Property Returns: NCREIF Pacific Division			
Years Ending 12/31/2023	Income %	Appreciation %	Total Gross %
1 Year	3.85%	-13.75%	-10.30%
3 Year	3.76%	1.78%	5.59%
5 Year	3.91%	1.63%	5.59%

NCREIF ODCE Fund Level Total Gross Returns			
Years Ending 12/31/2023	Income %	Appreciation %	Total Gross %
1 Year	3.62%	-15.20%	-12.02%
3 Year	3.69%	1.20%	4.92%
5 Year	3.82%	0.42%	4.25%

## SCERS Open End Core/Core + Domestic Funds Property Performance- California Only

- SCERS invests directly in five domestic open-end funds that account for 46% (by NAV) of the Real Estate Portfolio:
  - Brookfield Premier Real Estate Partners
  - Clarion Lion Properties Fund
  - MetLife Core Property Fund
  - Principal US Property Account
  - ProLogis Targeted US Logistics Fund
  
- This report shows the Property Level Performance for the narrow California only, compared to industry property benchmarks and the SCERS fund level benchmark.
  
- As shown below, SCERS's domestic open-end funds have under-performed the respective benchmarks for the one-year period, but outperforms for the three-year and five- year periods.

SCERS Open End Funds			
Fund Composite- Unlevered Quarterly Property Returns:		NCREIF California Only	
Years Ending 12/31/2023	Income %	Appreciation %	Total Gross %
1 Year	3.30%	-15.86%	-12.96%
3 Year	3.19%	5.68%	9.01%
5 Year	3.39%	5.48%	9.01%

All Open End Funds/NPI Unlevered Property Returns: NCREIF California Only			
Years Ending 12/31/2023	Income %	Appreciation %	Total Gross %
1 Year	3.77%	-13.61%	-10.23%
3 Year	3.70%	2.40%	6.16%
5 Year	3.85%	1.94%	5.85%

NCREIF ODCE Fund Level Total Gross Returns			
Years Ending 12/31/2023	Income %	Appreciation %	Total Gross %
1 Year	3.62%	-15.20%	-12.02%
3 Year	3.69%	1.20%	4.92%
5 Year	3.82%	0.42%	4.25%