



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 19

MEETING DATE: **September 17, 2025**

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

SUBMITTED FOR: **Action X Information**

RECOMMENDATION

Receive and file the Investment Performance Report on real estate investments for the quarter ended June 30, 2025, 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

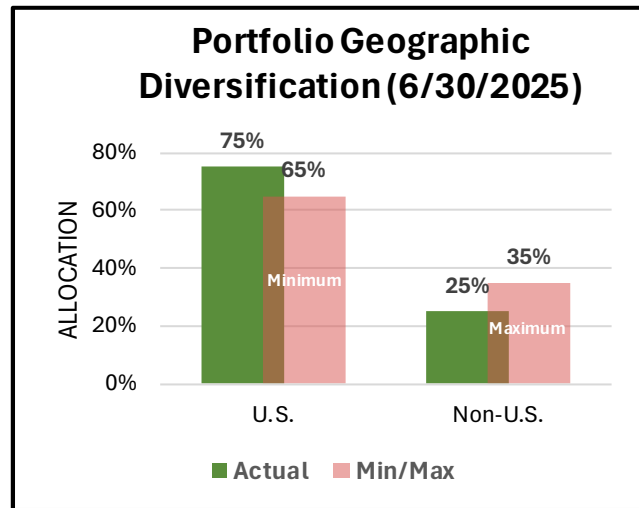
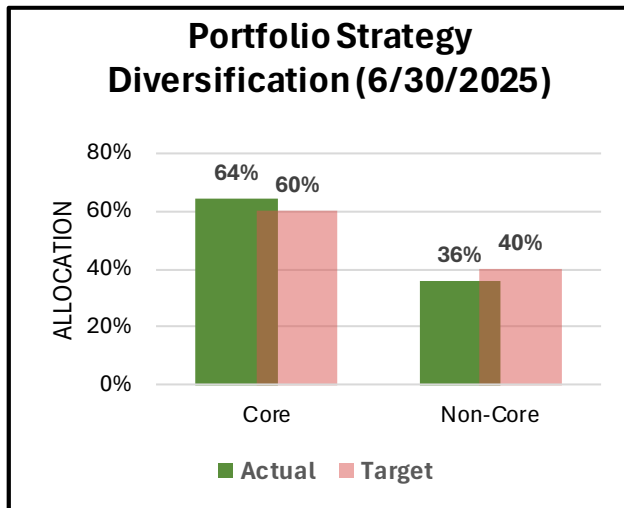
This memorandum provides a summarized table of SCERS' Real Estate period returns, which are provided within Townsend's Quarterly Performance Review, and highlights notable manager performance, along with any recent real estate investments made by SCERS.

SCERS' Real Estate actual invested allocation is 6.4% as of June 30, 2025, which is below the revised target allocation of 8.0% but within the allocation range of 6.0%-10.0%. SCERS' Real Estate portfolio remains within the target allocation, and commitments made over the next few years will further advance the portfolio toward its target.

SCERS REAL ESTATE PERFORMANCE SUMMARY Quarter Reporting Period Ending June 30, 2025

SUB-ASSET CLASS	Quarter 6/30/25	1-Year	3-Year	5-Year	Since Inception	Since Inception Date
SCERS Real Estate Portfolio	2.5%	3.8%	-5.3%	4.1%	7.8%	Sep-86
(65%) NFI-ODCE + (35%) NFI-ODCE + 1%	0.9%	3.1%	-5.8%	2.9%	6.0%	Sep-86
Core Portfolio	1.8%	4.3%	-5.8%	4.7%	6.7%	Sep-86
NFI-ODCE Index	0.8%	2.7%	-6.2%	2.5%	5.7%	
Non-Core Portfolio	3.6%	2.7%	-3.7%	2.5%	4.5%	Dec-06
Value Add Portfolio	5.6%	5.2%	2.1%	8.5%	5.2%	Sep-86
Opportunistic Portfolio	-0.6%	-2.0%	-13.9%	-7.4%	5.2%	Dec-90
NFI-ODCE + 1% Index	1.1%	3.7%	-5.2%	3.5%	6.7%	

SCERS PORTFOLIO DIVERSIFICATION



SCERS PORTFOLIO RESULTS

For the quarter ending June 30, 2025, SCERS' Real Estate portfolio returned 2.5%, which was above the NFI-ODCE blended benchmark return of 0.9%. SCERS' Core and Non-Core portfolios outperformed their benchmarks during the quarter. The Core portfolio return of 1.8% outperformed the NFI-ODCE return of 0.8%. The Non-Core portfolio return of 3.6% outperformed against the NFI-ODCE + 1% benchmark return of 1.1%. Within the Non-Core portfolio, results were mixed as the Value-Add segment outperformed the benchmark, while the Opportunistic segment underperformed.

Below are notable top and bottom-performing funds during the quarter ended June 30, 2025:

- Top performing funds:
 - Core:
 - Prologis European Logistics Fund: +9.5%
 - Townsend Real Estate Fund: +2.6%
 - Principal U.S. Property Account: +1.8%
 - Non-Core:
 - NREP Nordic Strategies Fund II: +14.3%
 - NREP Nordic Strategies Fund III: +10.7%
 - NREP Nordic Strategies Fund IV: +9.3%

Bottom performing funds:

- Core:
 - Prologis Targeted U.S. Logistics Fund: +0.1%
 - MetLife Core Property Fund: +0.5%
 - FPA Core Plus Fund VI: +0.7%
- Non-Core:
 - LaSalle China Logistics Venture: -16.3%
 - Asana Partners Fund II: -5.1%
 - Carlyle China Project Rome (Co-Investment): -4.8%

NEW INVESTMENTS

During the quarter ended June 30, 2025, SCERS did not make any new commitments.

ATTACHMENTS

- Board Order
- Townsend's Real Estate Portfolio Performance Measurement Report for the Quarter ended June 30, 2025

Prepared by:

/S/

Karen McMillen
Retirement Investment Officer

Reviewed by:

/S/

Steve Davis
Chief Investment Officer

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
September 17, 2025**

AGENDA ITEM:

Investment Performance Report—Real Estate

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file the Investment Performance Report on real estate for the quarter ended June 30, 2025, as presented by Townsend Group.

I HEREBY CERTIFY that the above order was passed and adopted on September 17, 2025, by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Chris Giboney
Board President

Eric Stern
Chief Executive Officer and
Board Secretary



Real Estate Portfolio

Performance Measurement Report

Second Quarter 2025



SCERS Real Estate Portfolio Overview



- SCERS has a target real estate allocation of 8% with an allowable range of 6.0%-10.0%. As of the end of the second quarter of 2025 (the “Quarter”), the Real Estate Portfolio was 6.4%; below the real estate target but within the allowable exposure range. As noted in prior reports, it is unlikely all outstanding unfunded capital will be drawn and SCERS is constantly evaluating new investment opportunities to deploy capital. Core Real Estate currently makes up 64.2% of the portfolio, with the remaining 35.8% in Non-Core Real Estate.

SCERS' Real Estate Portfolio Construction:

	Minimum	Target	Maximum	Policy Index Benchmark
Total Real Estate Program	6%	8%	10%	Custom blend of benchmarks below:
Core Real Estate	50%	60%	80%	60% NFI-ODCE
Non-Core Real Estate	30%	40%	50%	40% NFI-ODCE + 1%
U.S. Real Estate	60%	65%	80%	
Non-U.S. Real Estate	0%	35%	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-five 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 2022, SCERS amended the risk sector allocation policy to 60% Core investments and 40% Non-Core investments. The geographic allocation policy was simultaneously amended to allow up to 35% ex-US investments.
- The loan-to-value ratio of the Private Real Estate Portfolio was 41.7% at the end of the second quarter of 2025. The loan-to-value ratio of the Core Portfolio was 34.4%, 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 26.5% as of the second quarter. The Non-Core Portfolio reported a loan-to-value ratio of 51.3%.

Portfolio Funding Status

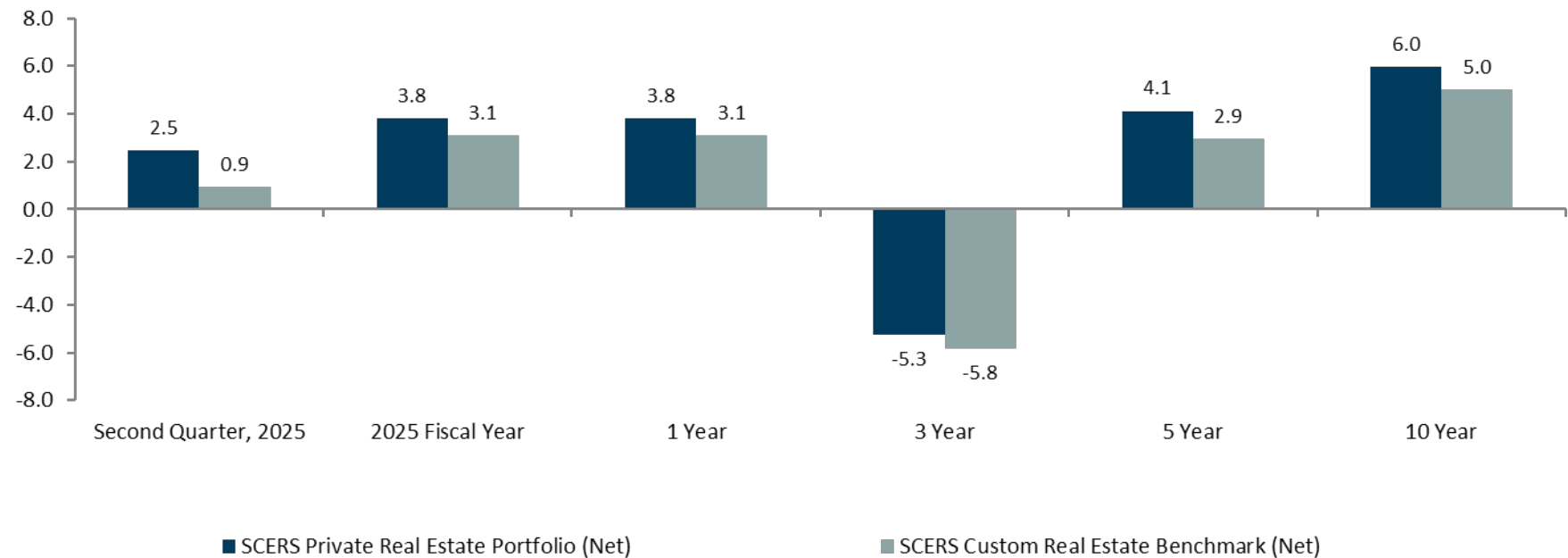


- This report outlines key components of the SCERS Real Estate Portfolio (the “Portfolio”) through June 30, 2025.
- A detailed performance report is also provided in Exhibit A.
- Figures exclude commitments / redemptions / dispositions approved subsequent to quarter-end and future distributions.
- Unfunded commitments total 1.8% of plan assets; some of those commitments may never be fully drawn.
- Over the past 12 months, SCERS has made four commitments: a) an Opportunistic investment in a global fund specializing in the development of state-of-the-art cold warehouses, b) an Opportunistic investment with an existing manager focused on niche sectors, c) a Core Plus fund focused on domestic multifamily properties, and d) an Opportunistic fund focused on domestic multifamily properties.

SCERS Portfolio Snapshot <i>As of June 30, 2025</i>	Market Value (in millions of dollars)*	% of SCERS Plan	% of Real Estate
SCERS Total Plan Assets	14,539	100.0%	
Private Portfolio Target	1,163	8.0%**	
Private Portfolio Permissible Range		6.0-10.0%**	
Private Real Estate			
Core Portfolio	599	4.1%	64.2%
Non-Core Portfolio	334	2.3%	35.8%
Total SCERS Private Real Estate Market Value	933	6.4%	
Total SCERS Private Real Estate Unfunded Commitments	262	1.8%	

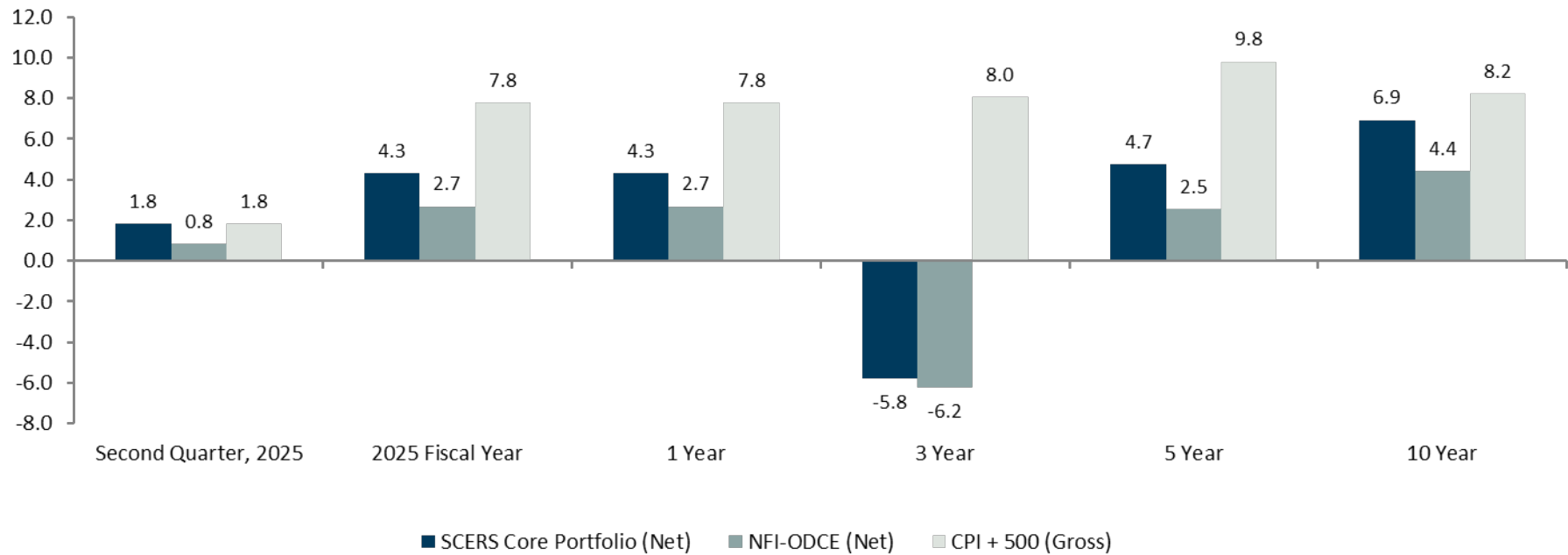
* Figures may not add due to rounding
 ** The 8% Private Portfolio (RE) target and permissible range were approved as part of the March 2025 Asset Liability Study, which reduced the target from 9% to 8%

Private Real Estate Performance



- The SCERS Private Real Estate Portfolio includes: (1) Core Real Estate and (2) Non-Core Real Estate.
- Today, the SCERS Private Real Estate Benchmark is NFI-ODCE + 40bps (net), comprised of 60% NFI-ODCE (Core Benchmark, net) and 40% NFI-ODCE + 100bps (Non-Core Benchmark, net).
- Until March 31st, 2022, the Private Real Estate Benchmark was NFI-ODCE + 35bps. This reflects the change in Core and Non-Core weightings adopted by the Plan in 2022.
- The SCERS Private Real Estate Portfolio generated strong positive returns in the second quarter of 2025, outperforming the benchmark by 154 basis points. Outperformance was driven by the Non-Core Portfolio, particularly Value Added investments in Europe.
- The SCERS Total Real Estate Portfolio continues to outperform the benchmark over all time periods.

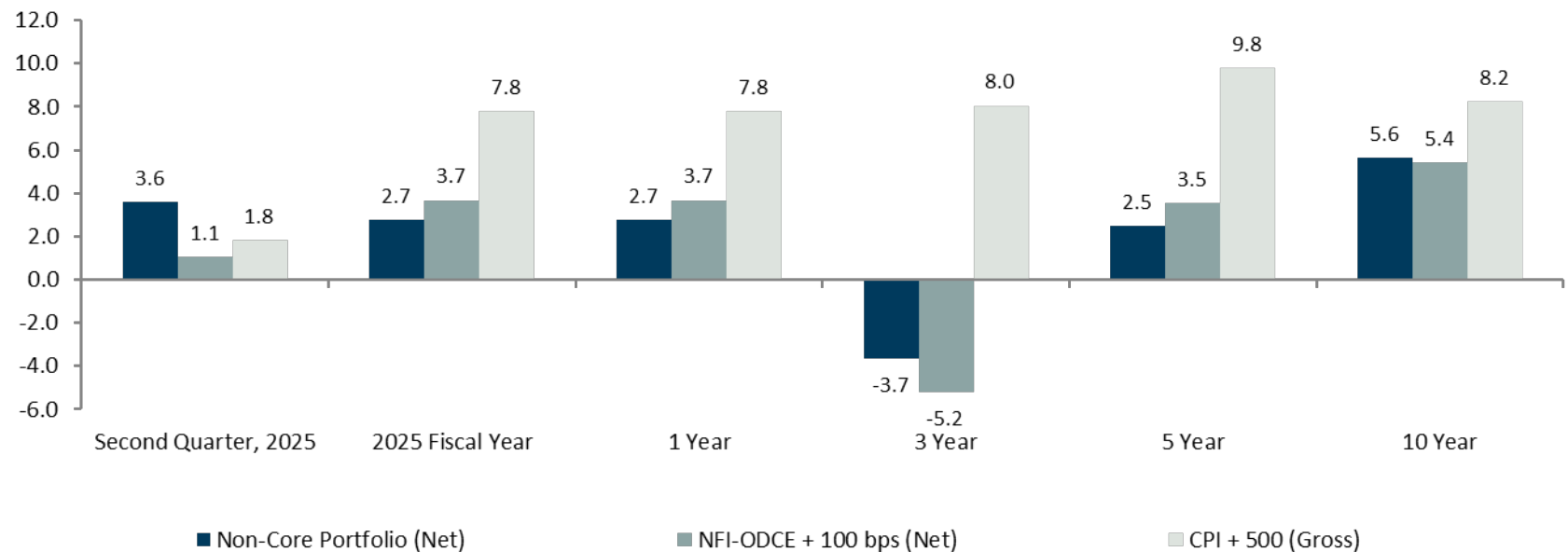
Core Portfolio Performance



- The SCERS Core Portfolio consists of eight open-end commingled funds and one closed-end commingled fund. These include several diversified Core and Core Plus funds, as well as three sector-specific funds: two industrial and one multifamily.
- Performance of the Core Portfolio is evaluated relative to the NFI-ODCE, net of fees. In aggregate, the Core Portfolio outperforms the NFI-ODCE, net of fees, over all time periods.
- During the quarter, the Core portfolio generated a 1.8% net return - all nine funds generated positive returns during this period.
- The strongest absolute performers were Prologis European Logistics Fund and Townsend Real Estate Fund, returning 9.5% and 2.6%, respectively. The weakest performing fund during the quarter was Prologis Targeted U.S. Logistics Fund (0.1% net).

Note: EX-US funds produced the following 2Q25 net returns in local currency: Prologis European Logistics Fund (Euro) 0.5%.

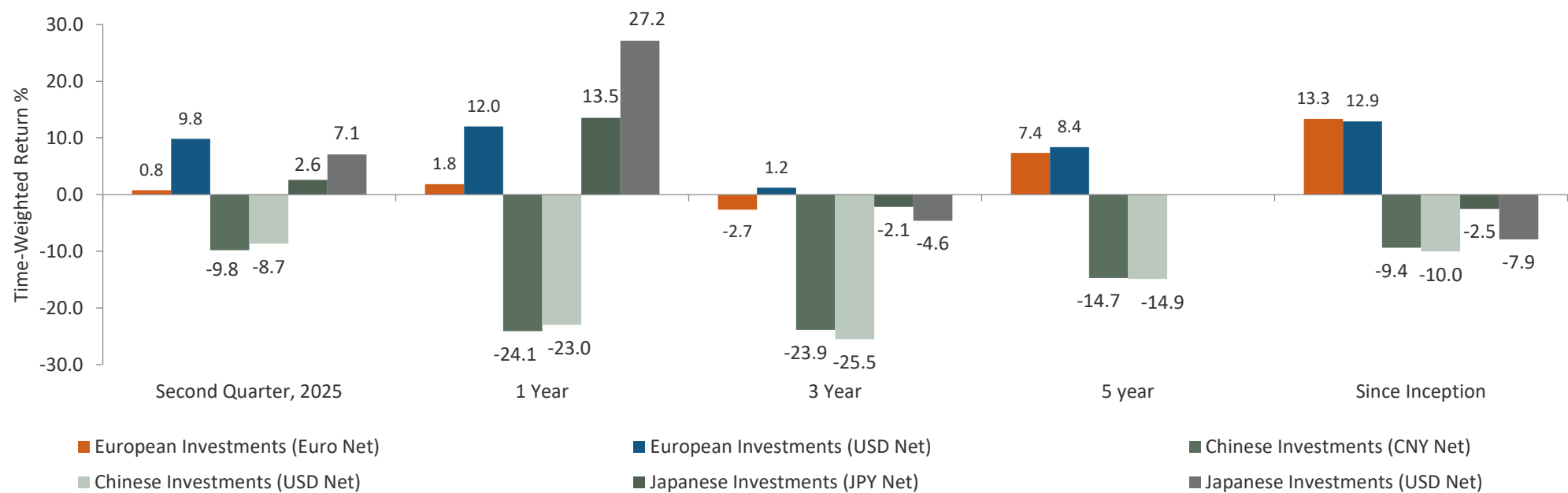
Non-Core Portfolio Performance



- The SCERS Non-Core Real Estate Portfolio includes both Value Added and Opportunistic Real Estate strategies, which are defined in SCERS’ Investment Policy Statement.
- The Non-Core Portfolio’s performance has been mixed – outperforming over most time periods shown but underperforming over the 1- and 5-Year time periods.
- During the quarter, the Non-Core Portfolio outperformed the benchmark by 253 basis points, producing a 3.6% net return. Outperformance is attributed to positive performance and currency movements impacting SCERS’ European investments, including NREP Nordic Strategies Fund III (10.7% net), ECE European Prime Shopping Centre Fund II (8.9% net), NREP Nordic Strategies Fund IV (9.3% net), NREP Nordic Strategies Fund V (9.0% net), and NREP Nordic Strategies Fund II (14.3% net).

Note: EX-US funds produced the following 2Q25 net returns in local currency: DRC European Real Estate Debt Fund II (Pound Sterling) 0.0%, ECE European Prime Shopping Centre Fund II (Euro) 0.0%, NREP Nordic Strategies Fund II (Euro) 4.9%, NREP Nordic Strategies Fund III (Euro) 1.6%, NREP Nordic Strategies Fund IV (Euro) 0.3%, NREP Nordic Strategies Fund V (Euro) 0.0%, Seven Seas Japan Opportunity Fund 2.6% (Japanese Yen), LaSalle China Logistics Venture (Chinese Yuan) -17.4%, Carlyle China Realty Fund (Chinese Yuan) -6.0%, and Carlyle’s Project Rome (Chinese Yuan) -6.1%

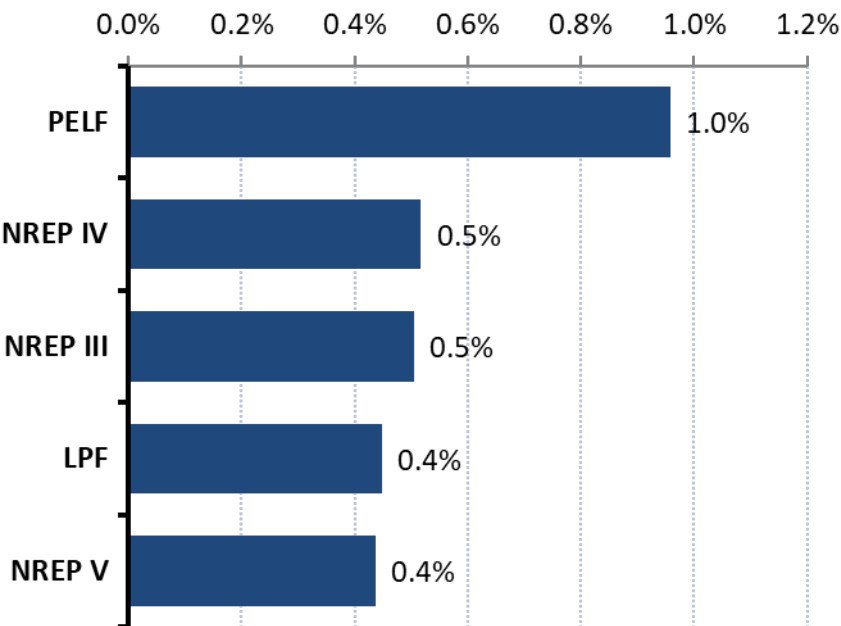
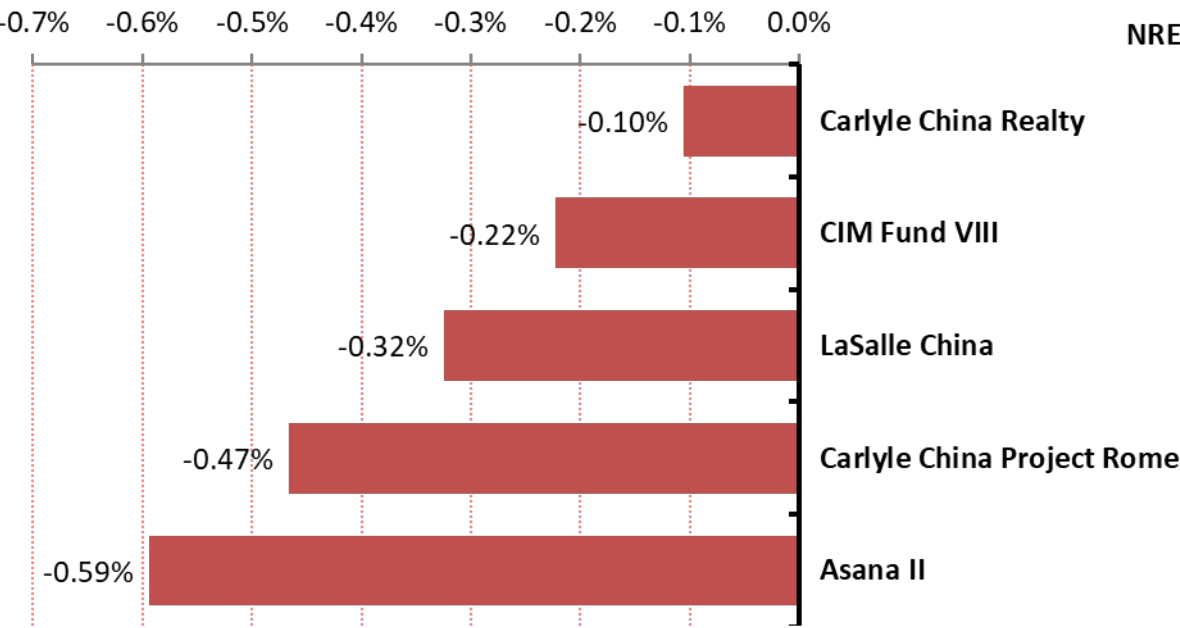
Ex-US Portfolio Performance



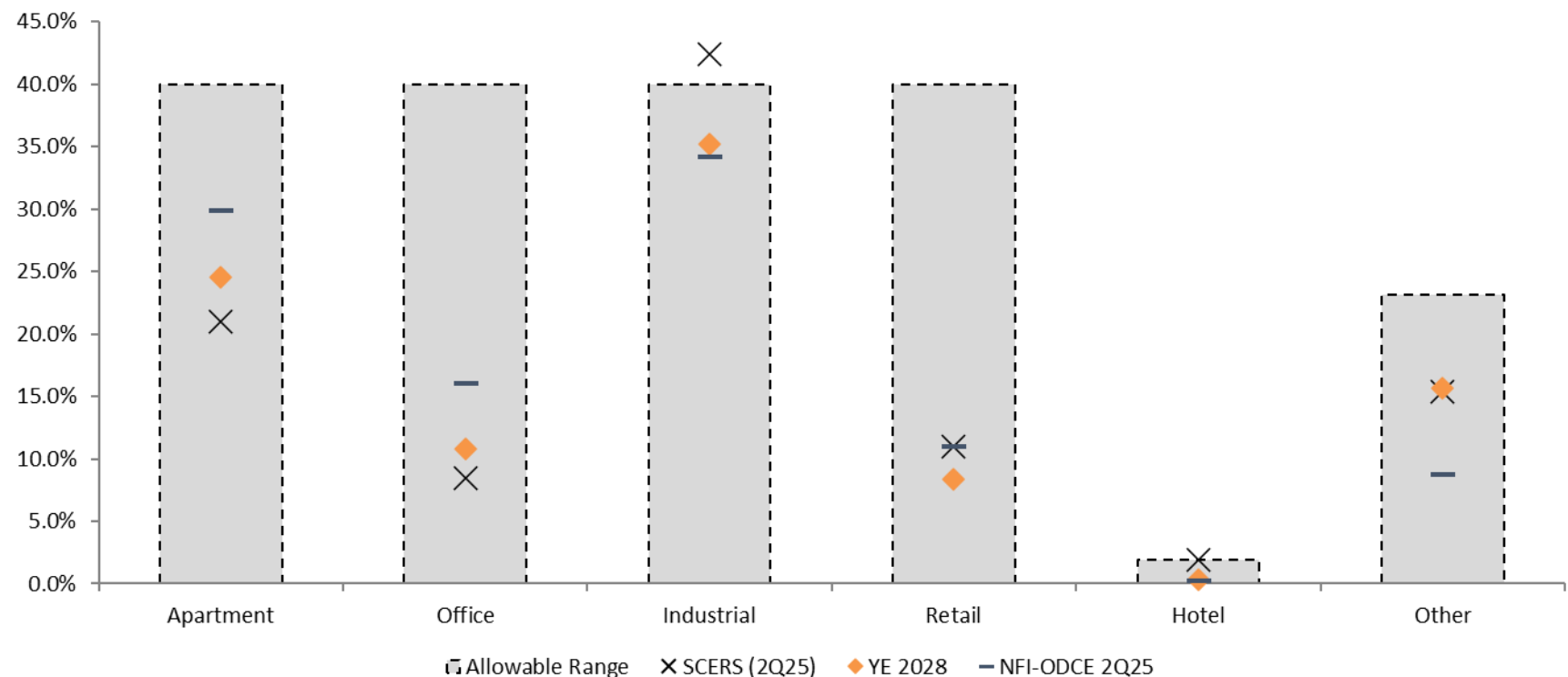
- 30.0% of the Real Estate Portfolio is comprised of ex-US investments. SCERS does not separately hedge foreign currency exposures and pays liabilities in US dollars, so FX movement will impact performance of unhedged investments. The chart above isolates European, Chinese, and Japanese investments and displays performance both before and after currency conversion.
- During the quarter, the impact of currency movement was positive on foreign investments with US dollar investments in Euros, Chinese Yuan, and Japanese Yen all outperforming local currency performance. Currency impacts tend to be cyclical in nature.
- The SCERS Euro Denominated Composite includes: ECE European Prime Shopping Center Fund II, NREP Nordic Strategies Funds II-V, and Prologis European Logistics Fund (PELF).
 - Performance calculation begins 1Q15. For the purposes of this composite, DRC has been excluded since it is a British Pound denominated fund.
- The SCERS Chinese Yuan Composite includes: Carlyle China Realty Fund, Carlyle’s Project Rome, and LaSalle China Logistics Venture.
 - Performance calculation begins 3Q17. Carlyle and LaSalle investments are USD denominated at the fund level, but property values are exposed to currency translation.
- The SCERS Japanese Yen Composite includes Seven Seas Japan Opportunity Fund and performance calculation begins 2Q22.

Performance Attribution - One Year Period

- Over the trailing twelve-month period, the top five performers were comprised of two Core funds and three Value Added funds.
- The largest detractors were Value Added and Opportunistic funds.
- Asana II was the largest detractor over the period, impacted by adjustments to underwriting, including changes to cap rates and discount rates.
- Carlyle China Project Rome was the second largest detractor due to weak fundamentals in the Chinese industrial market.
- Finally, LaSalle China was impacted due to a drop in occupancy in the portfolio, primarily due to the additional time required to stabilize recently completed development assets.



Real Estate Portfolio Diversification – Property Type

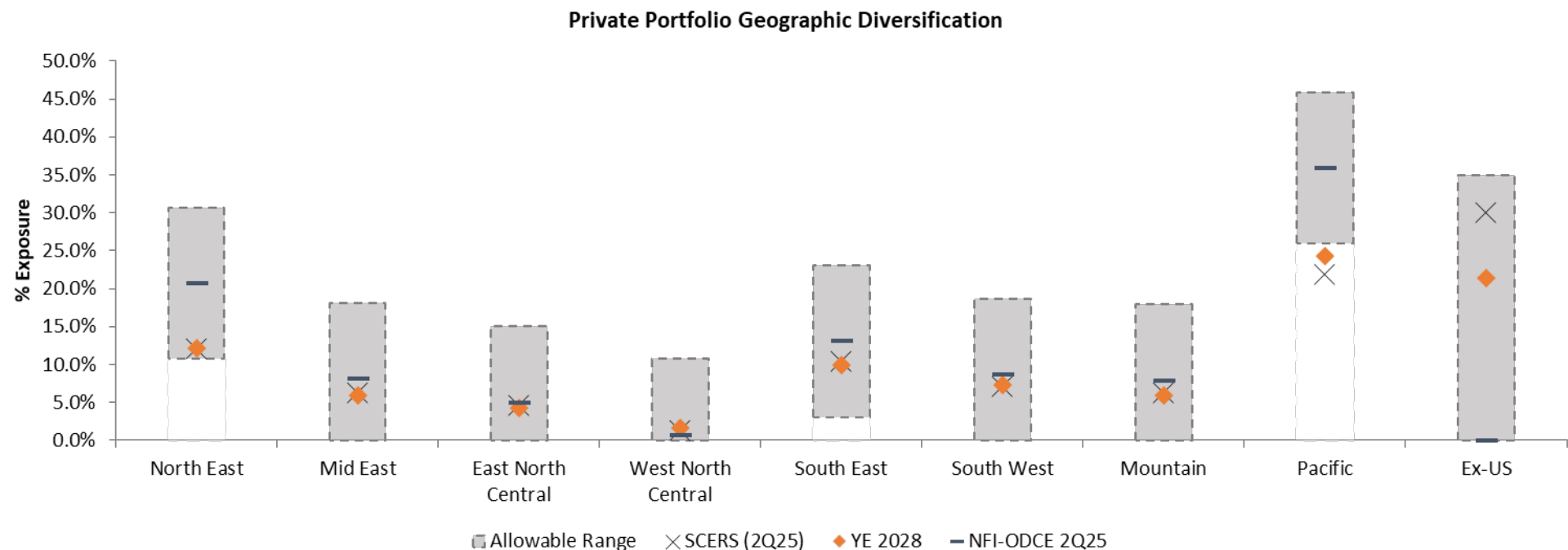


- Diversification of the Real Estate Portfolio is compared to that of NFI-ODCE. SCERS has imposed a 40% maximum limit for each property type, except the “Other” sector which has a maximum limit of 25%*. SCERS’ Real Estate Policy also allows for temporary deviations for added flexibility, taking advantage of opportunities during different parts of the market cycle.
- As of the second quarter, the industrial property type was the only sector outside the current set limit of 40%. However, the industrial exposure is anticipated to decrease as new non-industrial investments continue to call capital. The industrial exposure includes multiple strategies, sectors, and regions, so exposure is more diversified than it might otherwise seem. For example, WCP NewCold III invests in cold storage facilities globally; Prologis European Logistics Fund and NREP Nordic Strategies Funds invest in Europe.
- “Other” property type exposure includes Sculptor Real Estate Fund III** (for-sale residential and parking), Sculptor Real Estate Fund IV (senior living and entertainment), CIM Fund VIII (land), Hammes Partners II, III and IV (medical office), NREP Nordic Strategies Fund II (student housing and senior living), NREP Nordic Strategies Fund III (senior living), NREP Nordic Strategies Fund IV (senior living), and NREP Nordic Strategies Fund V (senior living).

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

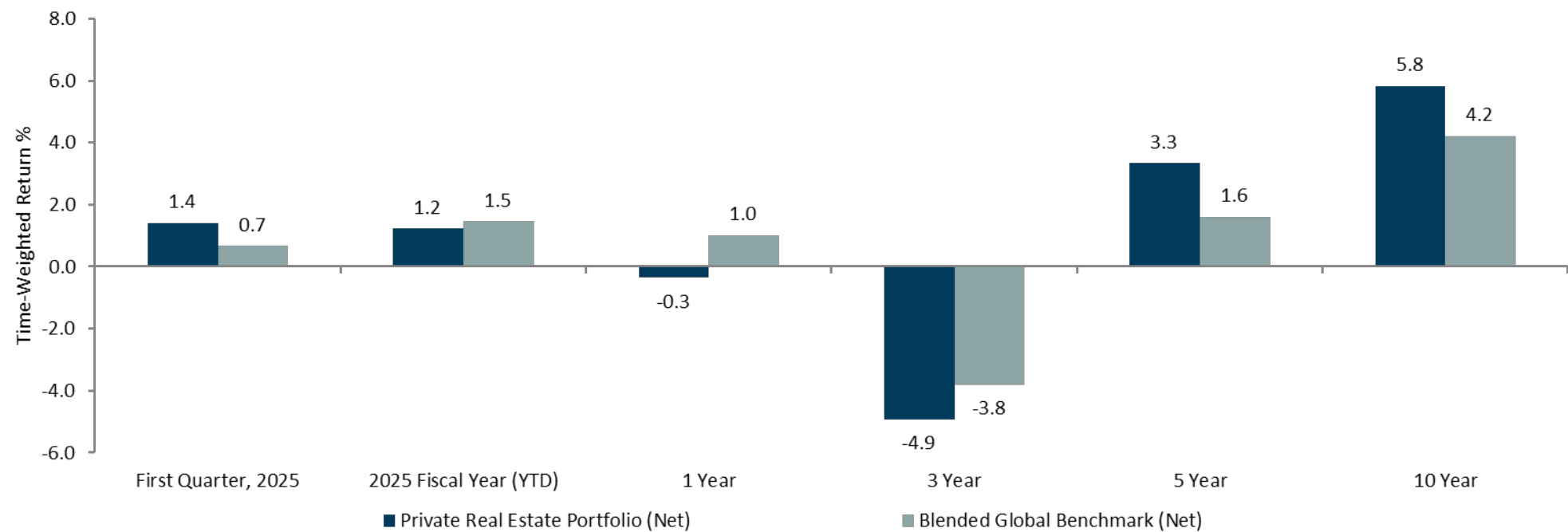
** Sculptor Real Estate Fund III was previously called Och-Ziff Real Estate Fund III.

Real Estate Portfolio Diversification – Geographic Region



- Private Portfolio diversification is compared to the diversification of the NFI-ODCE above, with a permissible deviation of $\pm 10.0\%$ for each region. Ex-US exposure is limited to 35.0% of the Total Real Estate Portfolio. As of the second quarter, the Real Estate Portfolio was in compliance across all regions, excluding the US Pacific.
- Several funds report exposure as “Various-US,” comprised of investments across multiple regions that are not easily separated. As of quarter-end, Various-US exposure made up 0.3% of the Real Estate Portfolio.
- The Real Estate Portfolio’s international exposure is 30.0%, well within the 35% limit, and will remain similar as newer funds such as NREP Nordic Strategies Fund V, LaSalle China Logistics, WCP NewCold III, Sculptor V, and Seven Seas Japan continue to call capital and purchase assets in Europe and Asia, while older vintage funds liquidate.
- Ex-US exposure consists of Sweden (4.6%), Denmark (4.3%), Germany (3.4%), China (3.3%), United Kingdom (2.4%), Finland (2.3%), Poland (2.2%), Netherlands (1.4%), France (1.3%), Japan (1.3%), Italy (1.1%), and other countries (3.6%).

Private Real Estate Performance – Global Ancillary Benchmark (1Q25)



- 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 is reported to SCERS on a quarterly lag.
- The Real Estate Portfolio's international exposure was 29.2% in 1Q25, well within its 35% maximum constraint. International exposure within the portfolio is Non-Core in nature, with one exception (Prologis Targeted Europe Logistics Fund).
- The SCERS Private Real Estate Portfolio outperformed its secondary benchmark over the quarter, 5-, and 10-Year time periods, but underperformed during the Fiscal Year, 1-, and 3-Year time periods.

01 Performance Flash Report

Portfolio Composition (\$)							
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation
14,539,267,524	Core	4.8%	598,568,012	4.1%	25,000,000	0.2%	74,316,829
	Non-Core	3.2%	334,121,977	2.3%	236,958,985	1.6%	-243,947,443
	Total	8.0%	932,689,989	6.4%	261,958,985	1.8%	-169,630,614

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Portfolio (Commingled Funds & Separate Accounts)	2.0	1.8	5.1	4.3	-5.5	-5.8	5.8	4.7
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	4.1	3.6	5.1	2.7	-1.9	-3.7	6.2	2.5
Private Real Estate Portfolio	2.8	2.5	5.1	3.8	-4.6	-5.3	5.9	4.1
NFI-ODCE (Core)	1.0	0.8	3.5	2.7	-5.4	-6.2	3.4	2.5
NFI-ODCE + 100 bps (Non-Core)	1.3	1.1	4.5	3.7	-4.4	-5.2	4.4	3.5
SCERS Custom Real Estate Benchmark ⁴	1.1	0.9	3.9	3.1	-5.0	-5.8	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 (%)
Core Commingled Funds								
Brookfield Premier Real Estate Partners	2018	100,000,000	100,000,000	0	26,619,363	92,291,884	9.9	8.1
FPA Core Plus Fund VI	2025	50,000,000	25,000,000	25,000,000	609,638	25,622,680	2.7	4.4
Lion Properties Fund	2018	152,400,000	159,308,004	0	83,224,947	103,939,317	11.1	9.1
MetLife Core Property Fund	2013	35,000,000	55,099,893	0	26,451,856	69,893,395	7.5	6.1
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	55,383,677	5.9	4.8
Prologis European Logistics Fund ^{1,3}	2016	78,037,070	80,543,205	0	51,102,764	65,441,883	7.0	5.7
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,507,519	0	68,341,350	75,078,838	8.0	6.6
Townsend Core Real Estate Fund – US, LP ³	2024	96,064,202	92,064,200	0	2,568,335	92,835,437	10.0	8.1
Townsend Real Estate Fund, L.P. ³	2016	90,000,000	120,975,151	0	163,340,952	18,080,901	1.9	1.6
Core Commingled Funds	1986	686,501,272	718,497,972	25,000,000	422,259,205	598,568,012	64.2	52.2
Value Added Portfolio								
Asana Partners Fund II ³	2019	35,000,000	30,931,250	4,068,750	0	29,174,879	3.1	2.9
Asana Partners Fund III ³	2022	40,000,000	21,733,333	18,266,667	0	20,650,489	2.2	3.4
DRC European Real Estate Debt Fund II ³	2013	50,007,963	47,627,074	4,434,537	43,498,683	6,489,910	0.7	1.0
ECE European Prime Shopping Centre Fund II C ³	2015	33,611,623	34,613,419	0	8,207,113	37,511,408	4.0	3.3
Hammes Partners II	2015	25,000,000	27,817,203	956,199	44,332,498	3,315,344	0.4	0.4
Hammes Partners III	2018	25,000,000	32,116,307	2,636,333	16,568,191	23,590,906	2.5	2.3
Hammes Partners IV	2023	40,000,000	8,009,246	31,990,754	722,368	6,394,806	0.7	3.4
NREP Nordic Strategies Fund II	2016	35,176,432	35,664,816	518,111	55,351,664	14,487,894	1.6	1.3
NREP Nordic Strategies Fund III ³	2018	39,019,632	34,309,672	1,696,676	13,175,475	33,286,653	3.6	3.1

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ SCERS used NFI-ODCE + 35bps as its benchmark until 3/31/2022, and switched to NFI-ODCE + 40bps starting 4/01/2022.

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	27,270,869	9,280,267	0	29,513,112	3.2	3.4
NREP Nordic Strategies Fund V	2022	41,710,115	16,837,386	22,334,567	0	27,057,643	2.9	4.3
Value Added Portfolio	1986	399,974,973	316,930,575	96,182,861	181,855,992	231,473,044	24.8	27.4
Opportunistic Portfolio								
Carlyle China Project Rome Co-Investment	2017	40,000,000	38,745,488	4,405,916	0	15,284,259	1.6	1.6
Carlyle China Realty	2017	10,000,000	10,783,995	695,409	2,342,232	3,405,775	0.4	0.3
CIM Fund VIII	2015	35,000,000	40,303,114	0	8,722,924	9,786,110	1.0	0.8
FPA Apartment Opportunity Fund IX	2025	30,000,000	0	30,000,000	0	-149,050	0.0	2.5
KKR Real Estate Partners Americas	2014	22,720,638	30,477,571	3,842,263	38,636,854	178,126	0.0	0.3
LaSalle China Logistics Venture	2021	30,000,000	12,857,823	5,111,877	0	8,224,188	0.9	1.1
Sculptor Real Estate Fund III ²	2014	35,000,000	27,206,359	12,284,809	46,541,163	2,424,127	0.3	1.2
Sculptor Real Estate Fund IV	2020	30,000,000	29,716,217	6,380,335	14,869,186	19,719,897	2.1	2.2
Sculptor Real Estate Fund V	2024	50,000,000	0	50,000,000	0	0	0.0	4.2
Seven Seas Japan Opportunity Fund	2022	20,492,375	19,084,277	3,855,515	4,663,572	15,080,692	1.6	1.6
WCP NewCold III, LP	2024	50,000,000	31,601,319	24,200,000	5,625,200	28,694,809	3.1	4.4
Opportunistic Portfolio	1991	353,213,013	240,776,163	140,776,124	121,401,131	102,648,933	11.0	20.4
Total Non-Core Portfolio 1Q 2007 Forward	2007	753,187,986	557,706,738	236,958,985	303,257,123	334,121,977	35.8	47.8
Total Private Portfolio								
SCERS	1986	1,439,689,258	2,128,981,774	261,958,985	1,945,847,379	932,689,989	100.0	100.0

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ SCERS used NFI-ODCE + 35bps as its benchmark until 3/31/2022, and switched to NFI-ODCE + 40bps starting 4/01/2022.

Returns (%)	Market Value (\$)	Quarter				Fiscal Year 2025				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	92,291,884	0.3	0.9	1.2	1.0	1.8	0.5	2.4	1.3	1.8	0.5	2.4	1.3	1.7	-11.2	-9.7	-9.7
FPA Core Plus Fund VI	25,622,680	0.7	0.0	0.8	0.7												
Lion Properties Fund	103,939,317	0.9	0.7	1.7	1.5	3.8	1.1	4.9	4.0	3.8	1.1	4.9	4.0	3.7	-10.1	-6.6	-7.4
MetLife Core Property Fund	69,893,395	1.3	-0.7	0.6	0.5	5.1	-3.0	2.0	1.6	5.1	-3.0	2.0	1.6	4.8	-10.3	-6.0	-6.4
Principal U.S. Property Account	55,383,677	1.2	0.9	2.1	1.8	4.7	-1.0	3.6	2.7	4.7	-1.0	3.6	2.7	4.3	-8.9	-4.9	-5.8
Prologis European Logistics Fund ^{1,3}	65,441,883	1.4	8.4	9.8	9.5	5.3	10.5	16.2	15.0	5.3	10.5	16.2	15.0	4.9	-6.3	-1.6	-2.3
Prologis Targeted U.S. Logistics Fund	75,078,838	1.1	-0.9	0.2	0.1	4.5	0.2	4.7	3.9	4.5	0.2	4.7	3.9	3.9	-7.7	-4.0	-3.3
Townsend Core Real Estate Fund – US, LP ³	92,835,437	0.7	0.1	0.8	0.8												
Townsend Real Estate Fund, L.P. ³	18,080,901	1.0	1.7	2.7	2.6	3.8	1.4	5.3	5.1	3.8	1.4	5.3	5.1	3.1	-7.1	-4.1	-4.3
Core Commingled Funds	598,568,012	0.9	1.1	2.0	1.8	3.8	1.2	5.1	4.3	3.8	1.2	5.1	4.3	3.5	-8.8	-5.5	-5.8
Value Added Portfolio																	
Asana Partners Fund II ³	29,174,879	-0.4	-4.4	-4.8	-5.1	-1.8	-12.8	-14.4	-15.4	-1.8	-12.8	-14.4	-15.4	-1.4	-5.0	-6.4	-6.2
Asana Partners Fund III ³	20,650,489	-0.4	1.3	0.9	0.5	-0.7	6.1	5.4	2.9	-0.7	6.1	5.4	2.9	-3.6	7.1	3.6	-6.0
DRC European Real Estate Debt Fund II ³	6,489,910	0.0	6.3	6.3	6.3	0.0	8.6	8.6	8.6	0.0	8.6	8.6	8.6	12.2	3.9	15.8	15.9
ECE European Prime Shopping Centre Fund II C ³	37,511,408	0.8	8.7	9.5	8.9	3.8	10.3	14.4	11.5	3.8	10.3	14.4	11.5	-0.8	10.8	10.1	7.3
Hammes Partners II	3,315,344	1.3	1.0	2.3	1.7	5.2	8.5	14.0	10.3	5.2	8.5	14.0	10.3	5.3	6.4	12.1	8.9
Hammes Partners III	23,590,906	0.8	0.9	1.7	1.6	3.5	3.8	7.3	6.8	3.5	3.8	7.3	6.8	5.0	2.3	7.4	5.7
Hammes Partners IV	6,394,806	1.2	2.1	3.2	-0.1	-1.2	49.9	49.3	17.3	-1.2	49.9	49.3	17.3				
NREP Nordic Strategies Fund II	14,487,894	0.2	16.3	16.5	14.3	0.6	-4.0	-2.4	-3.1	0.6	-4.0	-2.4	-3.1	-0.1	-5.0	-4.5	-4.3
NREP Nordic Strategies Fund III ³	33,286,653	-1.1	12.3	11.2	10.7	1.3	16.1	17.7	15.8	1.3	16.1	17.7	15.8	1.3	-2.3	-1.0	0.4
NREP Nordic Strategies Fund IV	29,513,112	-1.5	11.2	9.7	9.3	0.7	20.7	21.6	19.3	0.7	20.7	21.6	19.3	-1.3	1.4	0.0	-1.0
NREP Nordic Strategies Fund V	27,057,643	-1.9	11.5	9.7	9.0	-1.9	23.0	20.8	17.4	-1.9	23.0	20.8	17.4				
Value Added Portfolio	231,473,044	-0.4	6.6	6.2	5.6	-0.5	7.9	7.4	5.2	-0.5	7.9	7.4	5.2	1.6	2.0	3.6	2.1
Opportunistic Portfolio																	
Carlyle China Project Rome (Co-Investment)	15,284,259	-39.8	35.6	-4.2	-4.8	-45.9	26.4	-19.8	-21.4	-45.9	26.4	-19.8	-21.4	-18.6	-13.0	-25.4	-26.6
Carlyle China Realty	3,405,775	-40.3	36.0	-4.3	-4.8	-46.4	26.7	-20.0	-21.6	-46.4	26.7	-20.0	-21.6	-19.0	-13.0	-25.6	-27.0
CIM Fund VIII	9,786,110	-0.2	1.7	1.5	1.1	-0.7	-14.6	-15.1	-16.7	-0.7	-14.6	-15.1	-16.7	-0.4	-28.9	-29.2	-30.6
FPA Apartment Opportunity Fund IX	-149,050																
KKR Real Estate Partners Americas	178,126	-0.7	0.0	-0.7	-0.6	-90.6	53.7	-15.3	-11.8	-90.6	53.7	-15.3	-11.8	-74.6	49.3	-18.3	-14.5
LaSalle China Logistics Venture	8,224,188	-0.3	-15.6	-16.0	-16.3	-1.1	-24.1	-25.1	-26.2	-1.1	-24.1	-25.1	-26.2	-3.1	-12.1	-15.0	-19.2
Sculptor Real Estate Fund III ²	2,424,127	-0.3	-4.5	-4.8	-4.8	0.1	11.6	11.6	10.9	0.1	11.6	11.6	10.9	3.9	12.8	17.2	16.1
Sculptor Real Estate Fund IV	19,719,897	1.5	0.6	2.1	1.8	8.5	-2.3	6.2	4.8	8.5	-2.3	6.2	4.8	5.0	5.4	10.7	8.1
Seven Seas Japan Opportunity Fund	15,080,692	-4.2	12.2	8.0	7.1	11.1	18.5	32.2	27.2	11.1	18.5	32.2	27.2	9.6	-8.4	0.9	-4.6
WCP NewCold III, LP	28,694,809	0.5	1.1	1.6	1.5												
Opportunistic Portfolio	102,648,933	-7.7	7.5	-0.2	-0.6	-7.3	8.1	0.8	-2.0	-7.3	8.1	0.8	-2.0	-2.3	-9.8	-11.7	-13.9
Total Non-Core Portfolio 1Q 2007 Forward	334,121,977	-2.8	6.9	4.1	3.6	-2.8	7.9	5.1	2.7	-2.8	7.9	5.1	2.7	0.3	-2.3	-1.9	-3.7
Total Private Portfolio																	
SCERS	932,689,989	-0.4	3.1	2.8	2.5	1.5	3.6	5.1	3.8	1.5	3.6	5.1	3.8	2.4	-6.9	-4.6	-5.3

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ SCERS used NFI-ODCE + 35bps as its benchmark until 3/31/2022, and switched to NFI-ODCE + 40bps starting 4/01/2022.

Returns (%)	Market Value (\$)	Quarter				Fiscal Year 2025				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) ^{1,3}	€ 55,520,894	1.3	-0.5	0.8	0.5	5.3	0.3	5.6	4.5	5.3	0.3	5.6	4.5	4.9	-9.9	-5.4	-6.0
DRC European Real Estate Debt Fund II (Pound Sterling) ³	£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	11.2	0.0	11.2	11.3
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 31,824,679	0.7	-0.2	0.5	0.0	3.8	0.2	4.0	1.3	3.8	0.2	4.0	1.3	-0.8	6.5	5.9	3.2
NREP Nordic Strategies Fund II (Euro)	€ 12,291,530	0.2	6.7	6.9	4.9	0.8	-12.6	-11.3	-11.9	0.8	-12.6	-11.3	-11.9	0.0	-8.7	-8.2	-8.0
NREP Nordic Strategies Fund III (Euro) ³	€ 28,240,396	-1.1	3.1	2.0	1.6	1.3	5.6	7.1	5.3	1.3	5.6	7.1	5.3	1.2	-6.0	-4.7	-3.4
NREP Nordic Strategies Fund IV (Euro)	€ 25,038,924	-1.4	2.1	0.7	0.3	0.7	9.6	10.6	8.5	0.7	9.6	10.6	8.5	-1.4	-2.6	-3.9	-4.8
NREP Nordic Strategies Fund V (Euro)	€ 22,955,705	-1.8	2.4	0.7	0.0	-1.9	11.7	9.8	6.6	-1.9	11.7	9.8	6.6				
Seven Seas Japan Opportunity Fund	¥2,172,072,020	-4.0	7.5	3.4	2.6	10.3	5.6	18.0	13.5	10.3	5.6	18.0	13.5	8.8	-6.5	3.5	-2.1
Indices																	
SCERS Custom Real Estate Benchmark ⁴				1.1	0.9			3.9	3.1			3.9	3.1			-5.0	-5.8
NFI-ODCE		1.0	0.0	1.0	0.8	4.1	-0.6	3.5	2.7	4.1	-0.6	3.5	2.7	3.8	-9.0	-5.4	-6.2
NFI-ODCE + 100 bps				1.3	1.1			4.5	3.7			4.5	3.7			-4.4	-5.2
CPI + 500 bps				1.8				7.8				7.8				8.0	

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ SCERS used NFI-ODCE + 35bps as its benchmark until 3/31/2022, and switched to NFI-ODCE + 40bps starting 4/01/2022.

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	92,291,884	2.4	0.2	2.5	1.1					2.4	1.3	3.8	2.4	4Q18	3.0	1.2
FPA Core Plus Fund VI	25,622,680									3.3	14.4	17.9	15.5	1Q25	5.0	1.0
Lion Properties Fund	103,939,317	3.7	-0.3	3.5	2.6					3.7	0.1	3.9	3.0	4Q18	3.6	1.2
MetLife Core Property Fund	69,893,395	4.7	-0.7	4.0	3.5	4.8	1.4	6.3	5.8	4.9	2.6	7.6	7.0	1Q14	7.1	1.7
Principal U.S. Property Account	55,383,677	4.2	-0.3	3.9	2.9					4.4	1.4	5.8	4.8	4Q15	4.8	1.6
Prologis European Logistics Fund ^{1,3}	65,441,883	4.9	3.2	8.1	6.1					4.9	5.4	10.5	8.6	1Q16	8.1	1.4
Prologis Targeted U.S. Logistics Fund	75,078,838	3.9	9.5	13.7	11.7	4.6	10.6	15.6	13.4	4.6	10.6	15.6	13.4	3Q15	14.8	2.8
Townsend Core Real Estate Fund – US, LP ³	92,835,437									2.1	1.7	3.8	3.7	4Q24	3.7	1.0
Townsend Real Estate Fund, L.P. ³	18,080,901	3.3	2.5	5.8	5.6					3.7	3.1	6.9	6.7	2Q16	6.6	1.5
Core Commingled Funds	598,568,012	3.7	2.1	5.8	4.7	4.0	3.9	8.0	6.9	4.4	3.2	7.6	6.7	4Q86	6.2	1.4
Value Added Portfolio																
Asana Partners Fund II ³	29,174,879	-0.8	7.8	6.9	4.5					-2.7	1.6	-1.4	-6.9	4Q19	-1.6	0.9
Asana Partners Fund III ³	20,650,489									-3.6	7.1	3.6	-6.0	3Q22	-2.7	1.0
DRC European Real Estate Debt Fund II ³	6,489,910	-5.7	1.5	-3.4	-3.9	1.6	-2.1	0.0	-0.7	2.6	-2.2	0.8	-0.2	1Q14	1.5	1.0
ECE European Prime Shopping Centre Fund II C ³	37,511,408	2.2	4.7	7.1	4.3					1.3	8.9	10.4	7.8	4Q15	4.8	1.3
Hammes Partners II	3,315,344	6.1	17.2	23.9	18.1	8.2	16.7	25.9	20.0	8.2	16.7	25.9	20.0	3Q15	23.0	1.7
Hammes Partners III	23,590,906	7.4	11.0	18.9	13.5					7.2	11.4	19.1	5.3	1Q19	9.5	1.3
Hammes Partners IV	6,394,806									-6.1	27.6	21.2	-27.9	3Q23	-15.9	0.9
NREP Nordic Strategies Fund II	14,487,894	-1.6	15.5	14.9	10.2					0.1	17.9	18.7	11.5	3Q16	18.7	2.0
NREP Nordic Strategies Fund III ³	33,286,653	0.1	12.4	12.7	9.1					-1.8	14.4	12.7	3.8	4Q18	7.6	1.4
NREP Nordic Strategies Fund IV	29,513,112	-7.5	29.5	21.9	6.2					-11.9	22.0	9.2	N/A	1Q20	2.8	1.1
NREP Nordic Strategies Fund V	27,057,643									24.7	8.4	35.0	27.4	1Q23	34.8	1.6
Value Added Portfolio	231,473,044	0.6	12.3	13.1	8.5	3.1	10.7	14.1	9.4	1.8	5.2	7.1	5.2	4Q86	6.0	1.3
Opportunistic Portfolio																
Carlyle China Project Rome (Co-Investment)	15,284,259	-11.7	-6.2	-14.4	-15.7					-7.9	-3.3	-9.2	-10.8	3Q17	-12.8	0.4
Carlyle China Realty	3,405,775	-11.9	-6.1	-14.6	-16.1					-6.6	-3.3	-7.9	-9.8	3Q17	-12.1	0.5
CIM Fund VIII	9,786,110	-0.3	-20.3	-20.6	-21.9	-0.2	-8.1	-8.3	-9.9	-0.1	-8.0	-8.1	-9.7	2Q15	-12.4	0.5
FPA Apartment Opportunity Fund IX	-149,050													2Q25	N/A	N/A
KKR Real Estate Partners Americas	178,126	-66.6	46.2	-13.6	-11.6	-37.6	11.4	-6.7	-5.2	-32.6	8.4	-4.7	-3.6	2Q14	11.6	1.3
LaSalle China Logistics Venture	8,224,188									N/A	41.4	17.6	-16.2	3Q21	-19.1	0.6
Sculptor Real Estate Fund III ²	2,424,127	7.8	19.9	28.9	26.9	9.1	17.3	27.6	24.0	11.0	16.3	28.7	18.6	4Q14	23.9	1.8
Sculptor Real Estate Fund IV	19,719,897	9.3	8.5	18.4	10.2					9.3	8.5	18.4	10.2	3Q20	9.4	1.2
Seven Seas Japan Opportunity Fund	15,080,692									8.2	-10.7	-2.9	-7.9	2Q22	1.4	1.0
WCP NewCold III, LP	28,694,809									1.4	4.1	5.5	4.7	1Q25	9.7	1.1
Opportunistic Portfolio	102,648,933	-1.3	-3.8	-4.9	-7.4	1.3	0.7	2.0	-0.4	1.6	5.4	7.2	5.2	1Q91	0.3	1.0
Total Non-Core Portfolio 1Q 2007 Forward	334,121,977	0.0	6.1	6.2	2.5	2.4	6.6	9.2	5.6	3.2	5.3	8.6	4.5	1Q07	4.7	1.2
Total Private Portfolio																
SCERS	932,689,989	2.5	3.3	5.9	4.1	3.4	4.1	7.6	6.0	4.0	4.7	8.9	7.8	4Q86	7.8	1.4

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ SCERS used NFI-ODCE + 35bps as its benchmark until 3/31/2022, and switched to NFI-ODCE + 40bps starting 4/01/2022.

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) ^{1,3}	€ 55,520,894	4.8	2.2	7.1	5.1					4.9	4.4	9.5	7.7	1Q16	7.7	1.4
DRC European Real Estate Debt Fund II (Pound Sterling) ³	£4,725,953	-5.4	0.0	-5.4	-5.8	1.8	-0.5	1.4	0.6	2.8	-0.3	2.5	1.4	1Q14	4.7	1.2
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 31,824,679	2.1	3.7	6.0	3.3					1.3	8.3	9.8	7.2	4Q15	4.4	1.3
NREP Nordic Strategies Fund II (Euro)	€ 12,291,530	-1.5	14.4	13.8	9.2					0.1	17.1	17.8	10.7	3Q16	19.3	2.0
NREP Nordic Strategies Fund III (Euro) ³	€ 28,240,396	0.0	11.2	11.7	8.1					-1.9	14.2	12.5	3.6	4Q18	7.3	1.3
NREP Nordic Strategies Fund IV (Euro)	€ 25,038,924	-7.5	29.7	22.3	6.5					-12.0	22.2	9.5	N/A	1Q20	0.5	1.0
NREP Nordic Strategies Fund V (Euro)	€ 22,955,705									25.0	4.2	30.0	22.7	1Q23	27.3	1.5
Seven Seas Japan Opportunity Fund	¥2,172,072,020									7.5	-5.9	2.7	-2.5	2Q22	4.4	1.1
Indices																
SCERS Custom Real Estate Benchmark ⁴				3.8	2.9			5.9	5.0			7.0	6.0	4Q86		
NFI-ODCE		3.8	-0.4	3.4	2.5	4.1	1.2	5.3	4.4	6.3	0.4	6.7	5.7	4Q86		
NFI-ODCE + 100 bps				4.4	3.5			6.3	5.4			7.7	6.7	4Q86		
CPI + 500 bps				9.8				8.2				7.9		4Q86		

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ SCERS used NFI-ODCE + 35bps as its benchmark until 3/31/2022, and switched to NFI-ODCE + 40bps starting 4/01/2022.

Returns (%)	Market Value (\$)	2025		Fiscal Year 2025		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	TGRS	TNET
Core Commingled Funds																							
Brookfield Premier Real Estate Partners	92,291,884	1.3	0.8	2.4	1.3	-6.3	-7.3	-19.3	-18.2	13.1	10.8	28.5	23.0	1.8	1.9	10.6	8.5	2.3	1.9				
FPA Core Plus Fund VI	25,622,680	17.9	15.5																				
Lion Properties Fund	103,939,317	2.6	2.2	4.9	4.0	-2.3	-3.1	-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	69,893,395	1.2	1.0	2.0	1.6	-1.6	-2.1	-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	55,383,677	2.3	1.8	3.6	2.7	-1.1	-2.1	-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 ^{1,3}	65,441,883	17.4	16.8	16.2	15.0	-0.6	-1.6	-3.7	-4.6	-10.2	-11.6	22.7	18.0	20.2	18.7	13.5	11.1	13.6	10.8	30.4	28.5	2.8	2.4
Prologis Targeted U.S. Logistics Fund	75,078,838	1.2	0.8	4.7	3.9	7.2	6.4	-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 Core Real Estate Fund – US, Lp ³	92,835,437	2.1	2.0			1.7	1.7																
Townsend Real Estate Fund, L.P. ³	18,080,901	4.4	4.2	5.3	5.1	-1.9	-2.1	-11.8	-12.0	10.7	10.4	28.4	28.1	2.6	2.3	7.6	7.3	9.0	8.8	11.0	10.8	8.4	8.2
Core Commingled Funds	598,568,012	3.6	3.2	5.1	4.3	-1.3	-2.0	-13.0	-12.9	8.8	7.7	30.6	27.4	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 ³	29,174,879	-12.2	-12.7	-14.4	-15.4	-7.8	-8.8	-3.4	0.3	1.8	0.7	63.7	49.9	-36.4	-45.7	11.1	1.5						
Asana Partners Fund III ³	20,650,489	3.3	2.3	5.4	2.9	1.9	-1.0	-7.2	-13.3	13.9	-5.4												
DRC European Real Estate Debt Fund II ³	6,489,910	9.7	9.7	8.6	8.6	-1.7	-1.7	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 ³	37,511,408	15.8	14.9	14.4	11.5	-2.0	-4.5	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	3,315,344	8.4	6.3	14.0	10.3	9.5	6.7	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	23,590,906	3.1	3.1	7.3	6.8	9.0	7.6	6.4	4.1	13.2	9.0	29.1	18.3	43.5	24.5	23.9	-24.4						
Hammes Partners IV	6,394,806	9.0	2.0	49.3	17.3	30.5	-33.8	-285.7	-649.7														
NREP Nordic Strategies Fund II	14,487,894	21.6	18.9	-2.4	-3.1	-22.3	-20.8	-16.1	-9.3	7.8	-1.9	81.6	57.7	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 ³	33,286,653	18.0	17.1	17.7	15.8	-3.8	-5.1	-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	29,513,112	18.5	17.4	21.6	19.3	-0.9	-2.9	-13.7	-13.1	0.6	-6.4	30.7	10.0	22.1	-121.4								
NREP Nordic Strategies Fund V	27,057,643	17.7	16.2	20.8	17.4	-3	-6	85.5	68.3														
Value Added Portfolio	231,473,044	9.6	8.5	7.4	5.2	-4.2	-6.0	-0.1	0.6	7.3	2.5	37.9	25.6	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	15,284,259	-9.5	-10.6	-19.8	-21.4	-18.0	-19.5	-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	3,405,775	-9.7	-10.5	-20.0	-21.6	-18.3	-20.2	-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	9,786,110	-4.0	-4.7	-15.1	-16.7	-50.3	-51.6	-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
FPA Apartment Opportunity Fund IX	-149,050																						
KKR Real Estate Partners Americas	178,126	8.9	7.1	-15.3	-11.8	-19.9	-15.7	-27.9	-22.2	-25.1	-21.8	27.9	19.1	-45.1	-37.4	8.4	8.0	6.9	7.1	12.3	10.6	6.8	5.8
LaSalle China Logistics Venture	8,224,188	-15.9	-16.6	-25.1	-26.2	-13.2	-14.7	-12.9	-18.1	4.2	-9.6	188.6	-6.2										
Sculptor Real Estate Fund III ²	2,424,127	-2.2	-2.4	11.6	10.9	23.8	22.7	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	19,719,897	3.0	2.4	6.2	4.8	10.3	8.4	14.2	11.0	6.9	0.8	40.3	25.9	19.6	3.9								
Seven Seas Japan Opportunity Fund	15,080,692	9.9	9.4	32.2	27.2	24.4	16.0	6.3	2.2	-37.5	-41.0												
WCP NewCold III, LP	28,694,809	5.5	4.7																				
Opportunistic Portfolio	102,648,933	-0.2	-1.0	0.8	-2.0	-9.0	-12.2	-19.2	-20.9	-2.3	-5.0	6.2	2.8	-7.0	-8.2	8.6	7.1	11.0	8.7	17.0	14.2	10.2	7.7
Total Non-Core Portfolio 1Q 2007 Forward	334,121,977	6.3	5.3	5.1	2.7	-5.7	-7.9	-7.0	-7.2	3.5	-0.5	25.3	16.7	6.6	1.7	15.8	9.9	10.7	7.5	21.1	18.4	9.9	7.4
Total Private Portfolio																							
SCERS	932,689,989	4.6	4.0	5.1	3.8	-2.8	-4.0	-11.3	-11.3	7.4	5.5	29.2	24.4	5.2	3.5	11.0	8.7	9.2	7.5	15.0	13.5	8.9	7.7
Indices																							
SCERS Custom Real Estate Benchmark ⁴		2.3	1.9	3.9	3.1	-1.0	-1.9	-11.6	-12.3	7.9	7.0	22.5	21.4	1.5	0.7	5.7	4.7	8.7	7.7	8.0	7.0	9.1	8.1
NFI-ODCE		2.1	1.7	3.5	2.7	-1.4	-2.3	-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		2.6	2.2	4.5	3.7	-0.4	-1.3	-11.0	-11.7	8.5	7.5	23.2	22.0	2.2	1.3	6.3	5.4	9.3	8.4	8.6	7.7	9.8	8.8
CPI + 500 bps		3.7		7.8		8.0		8.5		11.7		12.5		6.4		7.4		7.1		7.2		7.2	

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ SCERS used NFI-ODCE + 35bps as its benchmark until 3/31/2022, and switched to NFI-ODCE + 40bps starting 4/01/2022.

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	92,291,884																				
FPA Core Plus Fund VI	25,622,680																				
Lion Properties Fund	103,939,317																				
MetLife Core Property Fund	69,893,395	16.9	16.3	17.4	16.9																
Principal U.S. Property Account	55,383,677	3.0	2.8																		
Prologis European Logistics Fund ^{1,3}	65,441,883																				
Prologis Targeted U.S. Logistics Fund	75,078,838	9.1	7.9																		
Townsend Core Real Estate Fund – US, LP ³	92,835,437																				
Townsend Real Estate Fund, L.P. ³	18,080,901																				
Core Commingled Funds	598,568,012	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 ³	29,174,879																				
Asana Partners Fund III ³	20,650,489																				
DRC European Real Estate Debt Fund II ³	6,489,910	5.0	3.0	1.4	-2.1																
ECE European Prime Shopping Centre Fund II C ³	37,511,408	12.1	11.0																		
Hammes Partners II	3,315,344	19.4	12.9																		
Hammes Partners III	23,590,906																				
Hammes Partners IV	6,394,806																				
NREP Nordic Strategies Fund II	14,487,894																				
NREP Nordic Strategies Fund III ³	33,286,653																				
NREP Nordic Strategies Fund IV	29,513,112																				
NREP Nordic Strategies Fund V	27,057,643																				
Value Added Portfolio	231,473,044	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	15,284,259																				
Carlyle China Realty	3,405,775																				
CIM Fund VIII	9,786,110	16.9	13.8																		
FPA Apartment Opportunity Fund IX	-149,050																				
KKR Real Estate Partners Americas	178,126	17.1	12.4	8.1	6.6																
LaSalle China Logistics Venture	8,224,188																				
Sculptor Real Estate Fund III ²	2,424,127	33.7	6.9	9.4	-28.3																
Sculptor Real Estate Fund IV	19,719,897																				
Seven Seas Japan Opportunity Fund	15,080,692																				
WCP NewCold III, LP	28,694,809																				
Opportunistic Portfolio	102,648,933	23.8	13.0	89.6	72.1	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	334,121,977	20.0	15.6	20.1	16.9	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	932,689,989	9.8	8.3	16.4	14.5	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																					
SCERS Custom Real Estate Benchmark ⁴		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	

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis European Logistics Fund.

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ SCERS used NFI-ODCE + 35bps as its benchmark until 3/31/2022, and switched to NFI-ODCE + 40bps starting 4/01/2022.

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
Core Commingled Funds									
Brookfield Premier Real Estate Partners	91,923,482	0	517,383	0	260,632	231,352	856,505	92,291,884	49.7
FPA Core Plus Fund VI	25,655,864	0	204,127	0	181,139	22,329	12,133	25,622,680	50.5
Lion Properties Fund	103,179,019	215,802	945,423	0	940,118	214,766	764,567	103,939,317	26.6
MetLife Core Property Fund	70,200,098	0	624,143	0	875,482	83,018	-475,024	69,893,395	32.0
Principal U.S. Property Account	54,382,630	0	0	0	631,890	129,867	499,024	55,383,677	27.0
Prologis European Logistics Fund	60,212,063	0	510,388	0	834,900	167,439	5,072,747	65,441,883	25.6
Prologis Targeted U.S. Logistics Fund	75,510,424	0	476,356	0	843,977	139,811	-659,396	75,078,838	20.9
Townsend Core Real Estate Fund – US, LP	93,017,170	0	901,348	0	641,285	53,145	131,475	92,835,437	37.6
Townsend Real Estate Fund, L.P.	20,878,434	0	0	3,263,930	184,561	11,308	293,144	18,080,901	27.2
Core Commingled Funds	594,959,184	215,802	4,179,168	3,263,930	5,393,984	1,053,035	6,495,175	598,568,012	34.4
Value Added Portfolio									
Asana Partners Fund II	30,735,744	0	0	0	-112,384	93,550	-1,354,931	29,174,879	50.5
Asana Partners Fund III	20,543,142	0	0	0	-75,801	83,708	266,856	20,650,489	40.8
DRC European Real Estate Debt Fund II	6,105,093	0	0	0	0	0	384,817	6,489,910	0.0
ECE European Prime Shopping Centre Fund II	34,826,087	0	429,875	0	270,785	202,862	3,047,273	37,511,408	55.5
Hammes Partners II	3,236,256	65,571	40,994	0	42,490	21,075	33,096	3,315,344	57.0
Hammes Partners III	22,220,641	1,299,558	220,242	59,773	175,725	23,266	198,262	23,590,906	66.1
Hammes Partners IV	4,365,940	2,181,638	131,496	16,862	52,136	150,000	93,449	6,394,806	70.0
NREP Nordic Strategies Fund II	12,679,305	0	0	0	26,745	281,792	2,063,636	14,487,894	59.0
NREP Nordic Strategies Fund III	30,056,320	0	0	0	-338,460	136,979	3,705,771	33,286,653	50.3
NREP Nordic Strategies Fund IV	27,002,964	0	0	0	-400,419	119,321	3,029,887	29,513,112	52.0
NREP Nordic Strategies Fund V	24,826,726	0	0	0	-464,399	171,886	2,867,202	27,057,643	49.0
Value Added Portfolio	216,598,218	3,546,767	822,607	76,635	-823,582	1,284,439	14,335,318	231,473,044	53.7
Opportunistic Portfolio									
Carlisle China Project Rome (Co-Investment)	16,060,686	0	0	0	-6,397,695	99,178	5,720,446	15,284,259	29.0
Carlisle China Realty	3,575,903	0	0	0	-1,442,026	15,522	1,287,420	3,405,775	29.0
CIM Fund VIII	9,674,948	0	0	0	-22,732	30,021	163,915	9,786,110	55.7
FPA Apartment Opportunity Fund IX	0	0	0	0	-39,737	109,313	0	-149,050	100.5
KKR Real Estate Partners Americas	179,147	0	0	0	-1,276	-255	0	178,126	0.0
LaSalle China Logistics Venture	9,827,461	0	0	0	-33,418	34,802	-1,535,053	8,224,188	59.1
Sculptor Real Estate Fund III ¹	2,546,110	0	0	0	-7,092	0	-114,891	2,424,127	39.8
Sculptor Real Estate Fund IV	18,788,476	1,048,303	303,783	160,103	289,991	57,551	114,564	19,719,897	39.0
Seven Seas Japan Opportunity Fund	16,977,029	0	0	3,026,083	-669,548	142,973	1,942,267	15,080,692	0.0
WCP NewCold III, LP	31,097,945	0	130,520	2,700,000	132,568	22,279	317,095	28,694,809	24.8
Opportunistic Portfolio	108,727,705	1,048,303	434,303	5,886,186	-8,190,965	511,384	7,895,763	102,648,933	44.9
Total Non-Core Portfolio 1Q 2007 Forward	325,325,923	4,595,070	1,256,910	5,962,821	-9,014,547	1,795,823	22,231,081	334,121,977	51.3
Total Private Portfolio									
SCERS	920,285,107	4,810,872	5,436,078	9,226,751	-3,620,563	2,848,858	28,726,256	932,689,989	41.7

¹ Previously Och-Ziff Real Estate Fund III.

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core Commingled Funds						
Brookfield Premier Real Estate Partners	33.3	11.3	48.0	-	-	7.4
FPA Core Plus Fund VI	100.0	-	-	-	-	-
Lion Properties Fund	26.4	10.9	37.5	6.4	-	18.8
MetLife Core Property Fund	27.7	19.5	27.7	11.2	1.6	12.4
Principal U.S. Property Account	27.5	14.0	38.7	10.1	-	9.8
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Core Real Estate Fund – US, LP ¹	30.5	3.6	45.8	1.9	0.1	18.1
Townsend Real Estate Fund, L.P. ¹	39.8	3.6	45.5	2.6	0.1	8.4
Core Commingled Funds	25.7	7.9	52.7	3.7	0.2	9.8
Value Added Portfolio						
Asana Partners Fund II	0.6	33.5	-	55.6	-	10.4
Asana Partners Fund III	8.9	26.5	-	64.4	-	0.1
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 II	-	-	-	27.9	-	72.1
NREP Nordic Strategies Fund III	45.4	16.2	20.4	5.6	-	12.4
NREP Nordic Strategies Fund IV	40.3	3.6	29.8	3.5	5.1	17.6
NREP Nordic Strategies Fund V	36.7	9.3	31.6	3.1	6.4	12.8
Value Added Portfolio	16.8	11.9	10.4	33.7	1.4	25.7

¹Property diversification numbers used are from 1Q25.

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Opportunistic Portfolio						
Carlyle China Project Rome (Co-Investment)	-	-	100.0	-	-	-
Carlyle China Realty	-	-	100.0	-	-	-
CIM Fund VIII	27.4	34.7	-	17.1	3.8	17.0
FPA Apartment Opportunity Fund IX	77.2	-	-	-	-	22.8
KKR Real Estate Partners Americas	-	-	-	13.5	-	86.5
LaSalle China Logistics Venture	-	-	100.0	-	-	-
Sculptor Real Estate Fund III	-	-	-	-	-	100.0
Sculptor Real Estate Fund IV	1.1	1.6	1.6	-	7.6	88.1
Seven Seas Japan Opportunity Fund	-	1.4	-	-	73.8	24.8
WCP NewCold III, LP	-	-	100.0	-	-	-
Opportunistic Portfolio	2.7	3.8	54.5	1.7	12.7	24.7
Total Non-Core Portfolio 1Q 2007 Forward	12.5	9.4	24.0	23.9	4.9	25.4
Total Private Portfolio						
SCERS	21.0	8.4	42.4	10.9	1.9	15.4
Indices						
NFI-ODCE	29.9	16.0	34.2	11.0	0.2	8.7

¹Property diversification numbers used are from 1Q25.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
Core Commingled Funds										
Brookfield Premier Real Estate Partners	23.6	9.9	2.9	-	14.9	7.5	1.0	40.1	-	-
FPA Core Plus Fund VI	-	-	-	-	31.4	-	-	68.6	-	-
Lion Properties Fund	20.0	9.2	2.4	0.2	11.8	8.8	9.1	38.4	-	-
MetLife Core Property Fund	15.6	12.7	8.1	0.1	10.6	6.7	9.4	36.8	-	-
Principal U.S. Property Account	9.7	8.4	1.3	1.4	12.1	18.2	15.4	33.6	-	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	16.9	5.9	10.3	-	14.5	9.5	6.9	35.8	-	-
Townsend Core Real Estate Fund – US, LP ¹	14.4	7.8	10.8	3.6	18.5	10.9	9.8	23.9	-	0.3
Townsend Real Estate Fund, L.P. ¹	13.2	8.1	11.2	1.4	18.2	13.2	8.3	26.3	0.0	-
Core Commingled Funds	14.6	7.6	5.2	0.8	13.3	8.4	6.9	32.2	0.0	11.0
Value Added Portfolio										
Asana Partners Fund II	16.2	19.0	-	9.4	12.7	6.2	27.3	9.2	-	-
Asana Partners Fund III	1.1	15.4	4.7	1.6	35.8	23.9	13.3	4.2	-	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II	-	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	-	52.4	5.7	-	-	20.3	21.5	-	-	-
Hammes Partners III	45.0	2.0	15.6	1.6	6.4	20.4	7.6	1.5	-	-
Hammes Partners IV	3.7	11.2	14.7	32.5	5.4	25.9	6.5	-	-	-
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	-	-	-	-	-	-	-	-	-	100.0
Value Added Portfolio	6.8	5.0	2.5	2.4	5.6	6.0	5.9	1.7	0.0	64.1

¹Geographic diversification numbers used are from 1Q25.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
Opportunistic Portfolio										
Carlyle China Project Rome Co-Investment	-	-	-	-	-	-	-	-	-	100.0
Carlyle China Realty	-	-	-	-	-	-	-	-	-	100.0
CIM Fund VIII	56.4	-	4.1	-	-	-	0.7	38.8	-	-
FPA Apartment Opportunity Fund IX	37.6	-	17.9	-	22.8	-	-	21.8	-	-
KKR Real Estate Partners Americas	-	-	-	100.0	-	-	-	-	-	-
LaSalle China Logistics	-	-	-	-	-	-	-	-	-	100.0
Sculptor Real Estate Fund III	63.4	-	-	-	-	0.4	1.1	4.3	-	30.8
Sculptor Real Estate Fund IV	8.7	9.0	10.4	5.7	12.0	7.5	5.3	11.1	15.0	15.2
Seven Seas Japan Opportunity Fund	-	-	-	-	-	-	-	-	-	100.0
WCP NewCold III, LP	0.0	-	10.1	-	6.4	0.5	6.2	5.4	-	71.3
Opportunistic Portfolio	8.5	1.7	5.2	1.3	4.1	1.6	2.9	7.4	2.9	64.5
Total Non-Core Portfolio 1Q 2007 Forward	7.3	4.0	3.3	2.0	5.1	4.6	5.0	3.4	0.9	64.2
Total Private Portfolio										
SCERS	12.0	6.3	4.5	1.2	10.4	7.1	6.2	21.9	0.3	30.0
Indices										
NFI-ODCE	20.7	8.1	5.0	0.7	13.0	8.6	7.9	35.9	-	-

¹Geographic diversification numbers used are from 1Q25.

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.

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.

¹In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to Townsend Group via a secure data collection site, 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 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.

02

Real Estate Market Update 2Q25

Global Economic Conditions

Growth Outlook Remains Positive

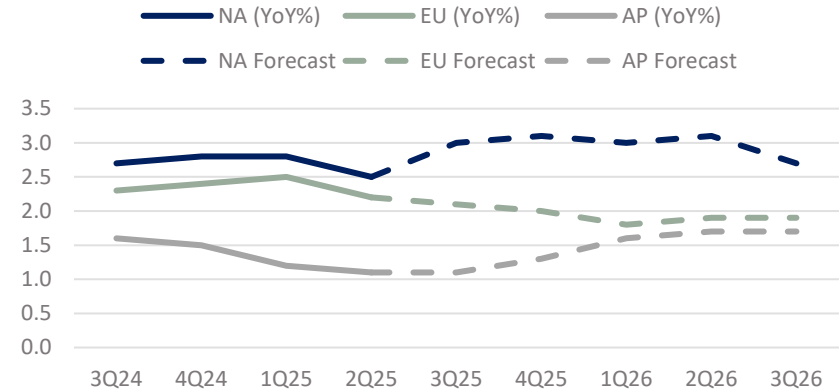
GDP Growth Remains Positive

Real GDP Forecasts

Real GDP Forecasts (YoY%)				
Major Regions	2024	2025	2026	2027
North America	2.6	1.5	1.7	2.0
European Union	1.0	1.3	1.4	1.7
Asia Pacific	4.5	3.8	3.8	3.8
Selected Markets	2024	2025	2026	2027
United States	1.6	1.4	1.3	1.9
United Kingdom	1.1	1.2	1.1	1.5
Germany	-0.5	0.3	1.0	1.6
China	5.0	4.8	4.2	4.0
Japan	0.1	1.0	0.8	0.8
Australia	1.1	1.6	2.2	2.5

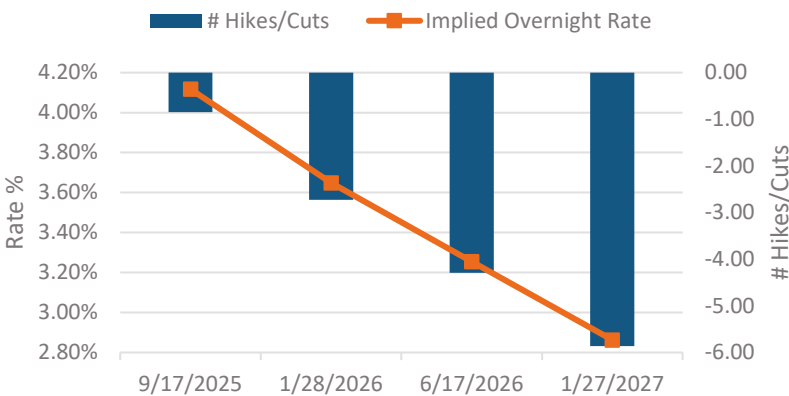
Inflation Forecasted to Slightly Increase in U.S. Due to Tariff Impact

Consumer Price Index



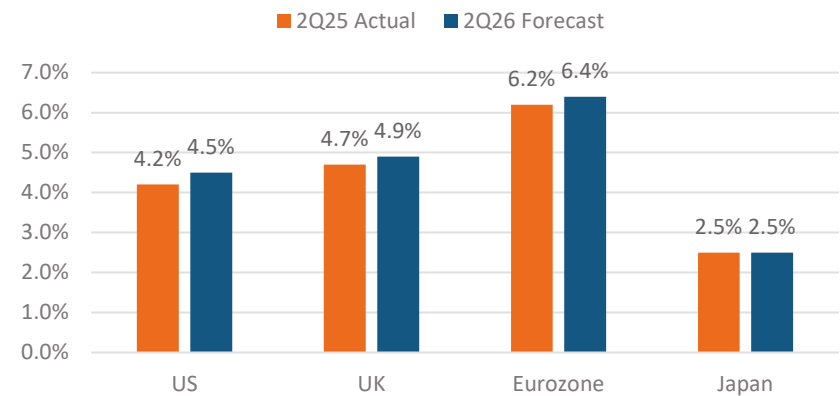
Fed Forecasts Indicating Decline in Rates

U.S. Fed Funds Futures



Unemployment Rates Remain Low

Regional Unemployment Rate



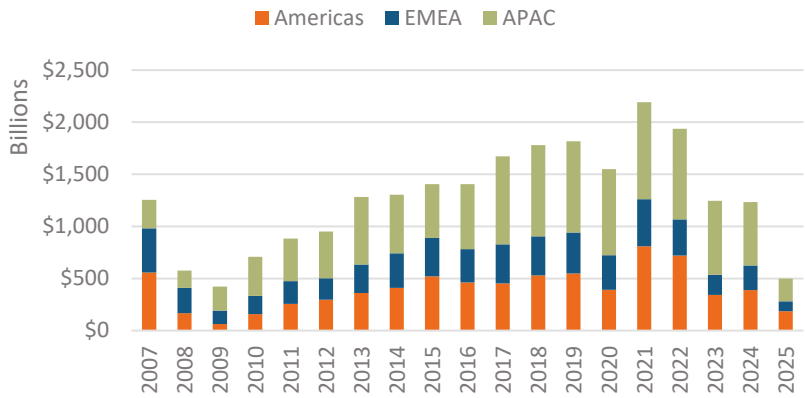
Source: Bloomberg (August 2025).

Global Real Estate Market Conditions

Valuations Nearing Bottom

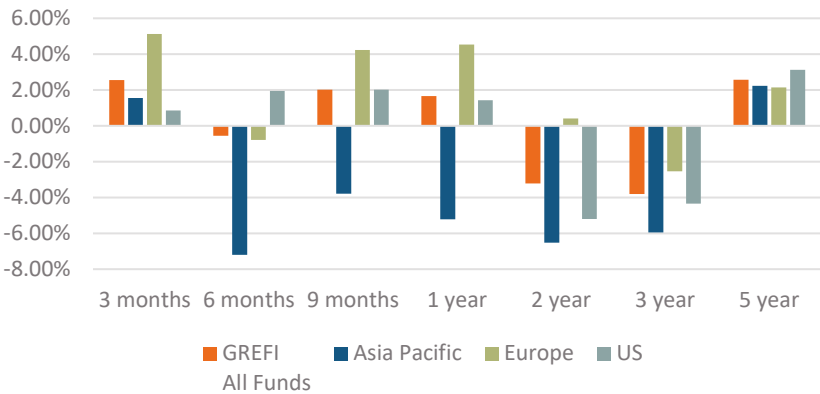
Transaction Volume Remains Low Due to Higher Interest Rates

Global Real Estate Transaction Volume



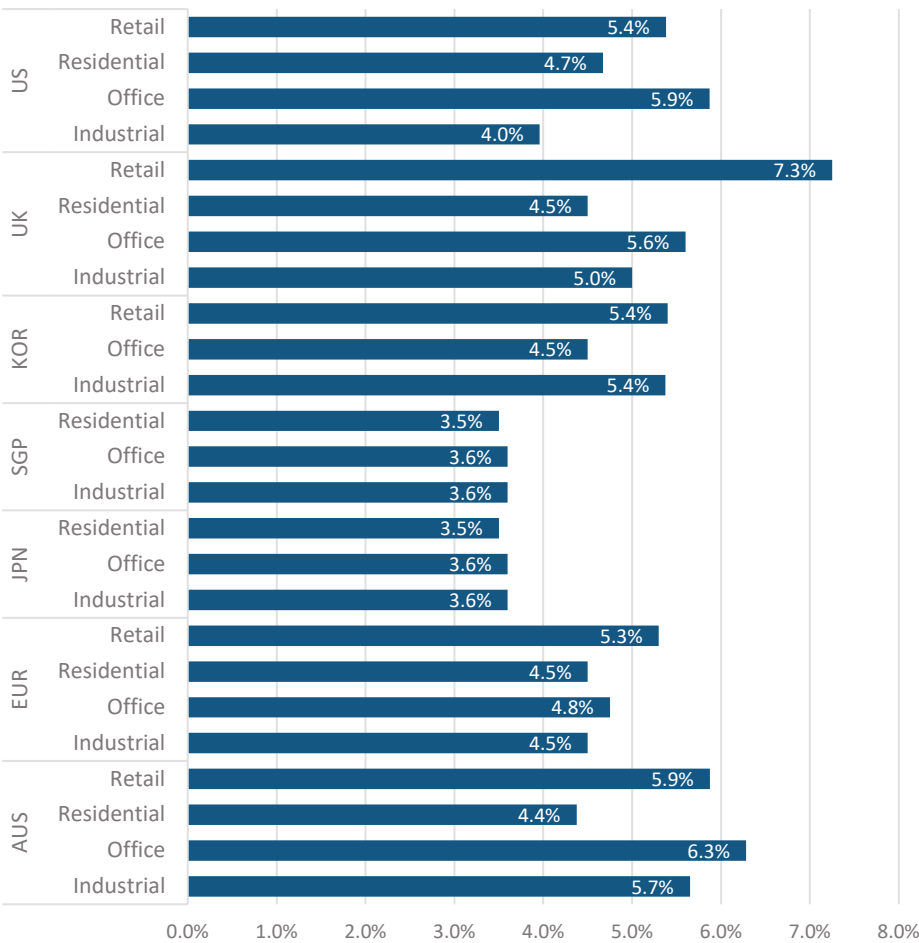
Minimal Cap Rate Expansion Driving Positive YTD Performance

Global Return Performance



Real Estate Valuations

Regional/Sector Going-In Yields



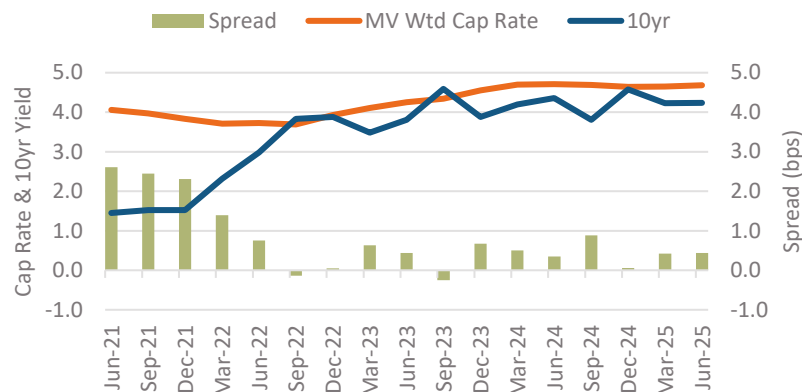
Source: MSCI Real Assets (August 2025). NCREIF, INREV Global Real Estate Fund Index (GREFI) (First Quarter 2025), Townsend Group (August 2025).

US Real Estate Market Conditions

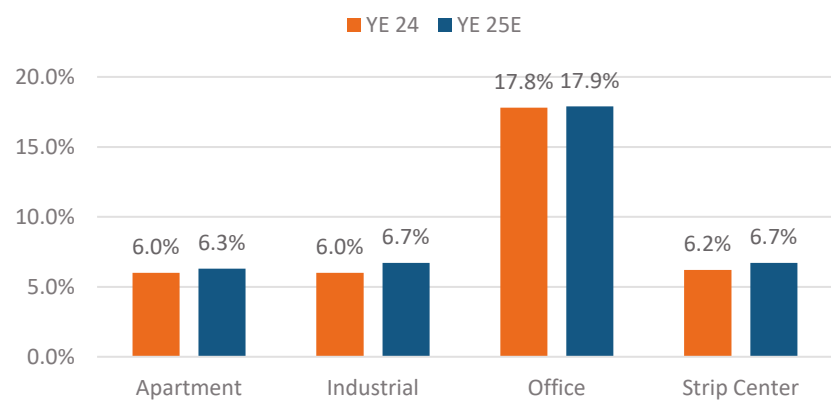
Supply Declining and Growth Forecasts Improving



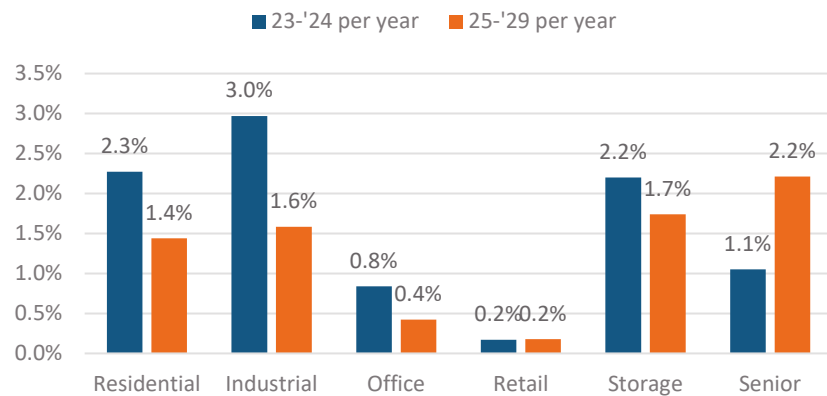
Spreads Remain Narrow Between Private Real Estate Valuations & 10yr Treasury
NPI Current Value Cap Rate Versus 10yr Treasury



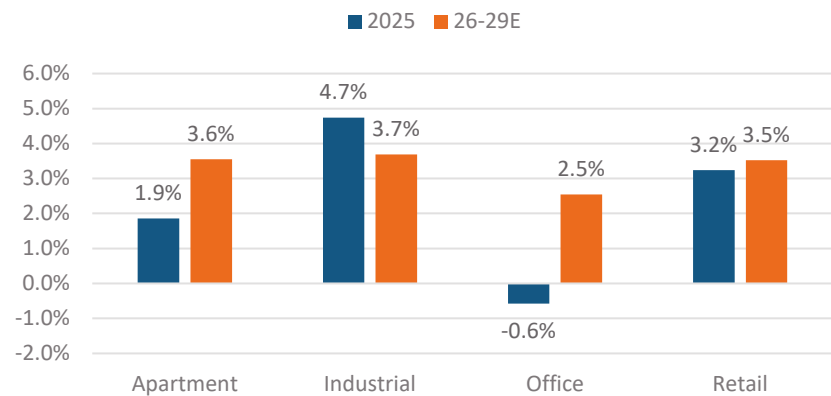
Vacancy Remains Elevated In Office
Sector Vacancy Rates



Supply Growth Forecasted to Moderate Across Most Property Types
Annual Completions as % of Existing Stock



NOI Growth Improving For Apartment With Supply Decline
Sector NOI Growth Forecasts



Source: NCREIF, Federal Reserve Bank of St. Louis (June 2025), Green Street (August 2025).

US Debt Financing

Current State of Real Estate Financing Costs

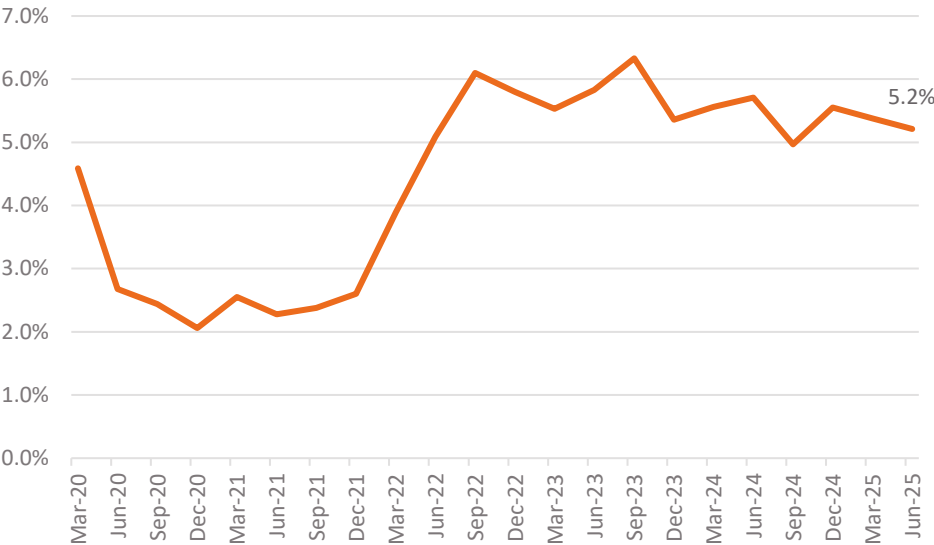


Credit is Loosening

Commercial real estate lending standards are loosening. According to the Senior Loan Officer Opinion Survey, only 9% of net respondents reported tighter standards in mid-2025. While lenders still demand discipline—like more equity and pre-leasing on new builds—they’re increasingly comfortable financing acquisitions. Slower construction starts are reinforcing the case for existing assets.

BBB Corporate Bond Yields Peaked in Late 2023

ICE BofA BBB US Corporate Index Effective Yield



Spreads Have Declined But Remain High for Office

Sector Fixed- & Floating-Rate Spreads

Sector	Fixed Spread	Floating Spread
Industrial	1.65%	1.70%
Multifamily	1.50%	1.70%
Office	3.05%	3.00%
Retail	2.50%	2.50%
Hotel	2.85%	2.95%
Self Storage	1.60%	2.00%
10-Year Treasury	4.26%	-
Term SOFR	-	4.31%

Source: Federal Reserve Bank of St. Louis (June 2025), Chatham Financial (Second Quarter 2025).

