Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 15

MEETING DATE: **September 16, 2026**

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, 2026, as presented by Townsend Group.

PURPOSE/STRATEGIC PRIORITY

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

DISCUSSION

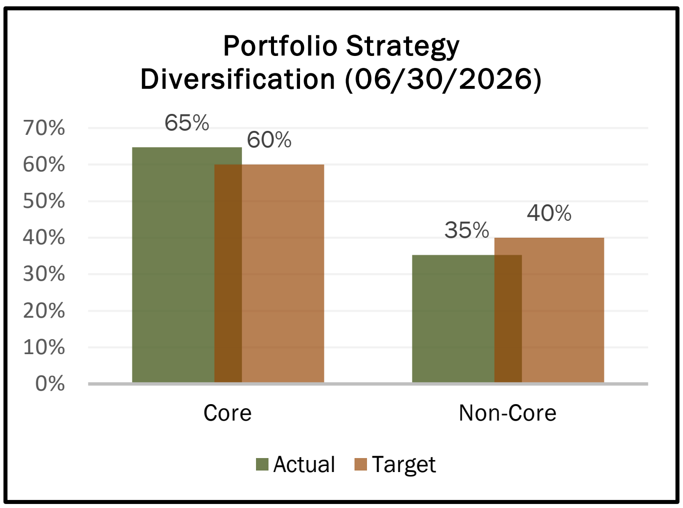
This memorandum provides a summarized table of SCERS' Real Estate period returns, which are provided within Townsend's Quarterly Performance Review, and highlights notable manager performance, along with any recent real estate investments made by SCERS.

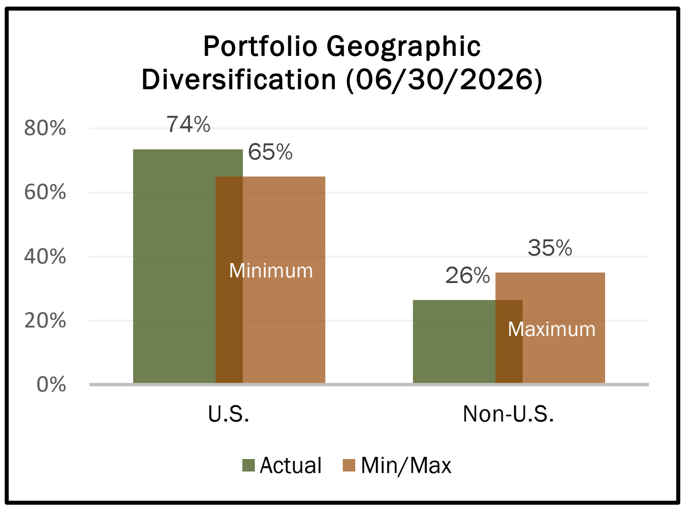
SCERS' Real Estate actual invested allocation is 5.8% as of June 30, 2026, which is below the revised target allocation of 8.0% and modestly below the allocation range of 6.0%-10.0%. SCERS' Real Estate portfolio is currently below its target allocation, and commitments currently in the pipeline, along with investments made over the next several years, are expected to gradually move the portfolio toward its revised 8.0% target allocation.

SCERS REAL ESTATE PERFORMANCE SUMMARY
Quarter Reporting Period Ending June 30, 2026

SUB-ASSET CLASS	Quarter 06/30/26	1-Year	3-Year	5-Year	Since Inception	Since Inception Date
SCERS Real Estate Portfolio	**1.2%**	**3.0%**	**-1.1%**	**2.3%**	**7.7%**	Sep-86
(65%) NFI-ODCE + (35%) NFI-ODCE + 1%	1.4%	4.0%	-1.0%	2.3%	6.0%	Sep-86
Core Portfolio	**1.7%**	**5.4%**	**-0.2%**	**3.1%**	**6.7%**	Sep-86
NFI-ODCE Index	1.3%	3.6%	-1.4%	1.9%	5.6%	
Non-Core Portfolio	**0.2%**	**-1.1%**	**-2.7%**	**-0.4%**	**4.2%**	Dec-06
Value Add Portfolio	0.0%	-2.0%	0.2%	3.7%	2.3%	Sep-86
Opportunistic Portfolio	0.4%	0.5%	-8.4%	-7.6%	5.2%	Dec-90
NFI-ODCE + 1% Index	1.5%	4.6%	-0.4%	2.9%	6.6%	

SCERS PORTFOLIO DIVERSIFICATION





SCERS PORTFOLIO RESULTS

For the quarter ending June 30, 2026, SCERS' Real Estate portfolio returned 1.2%, underperforming the NFI-ODCE blended benchmark return of 1.4%. SCERS' Core portfolio outperformed the benchmark with a return of 1.7% versus the NFI-ODCE return of 1.3%. The Non-Core portfolio underperformed relative to the benchmark with a return of 0.2% against the NFI-ODCE + 1.0% benchmark return of 1.5%. Within Non-Core, the Value Add sub-strategy returned 0.0% and Opportunistic sub-strategy returned 0.4%.

Below are notable top and bottom-performing funds during the quarter ended June 30, 2026

Fund	Return	Contribution to Total Real Estate Quarterly Return
Top performing funds		
Core		
Prologis Targeted U.S. Logistics Fund	4.8%	0.4%
MetLife Core Property Fund	2.2%	0.2%
Brookfield Premier Real Estate Partners	1.9%	0.2%
Non-Core		
NREP Nordic Strategies Fund II	5.4%	0.1%
Sculptor Real Estate Fund V	5.3%	0.0%
WCP NewCold III, LP	5.0%	0.2%
Bottom performing funds		
Core		
Prologis European Logistics Fund	-1.0%	-0.1%
Townsend Real Estate Fund, L.P.	-0.1%	0.0%
Townsend Core Real Estate Fund – US, LP	1.3%	0.1%
Non-Core		
Seven Seas Japan Opportunity Fund	-8.1%	-0.1%
Asana Partners Fund II	-7.8%	-0.2%
Carlyle China Project Rome (Co-Investment)	-5.2%	-0.1%

NEW INVESTMENTS

During the quarter ending June 30, 2026, SCERS did not make any new commitments.

ATTACHMENTS

- Board Order
- Townsend's Real Estate Portfolio Performance Measurement Report for the Quarter ended June 30, 2026

Prepared by:

/S/

Omar Martin
Senior 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 16, 2026

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, 2026 as presented by Townsend Group.

I HEREBY CERTIFY that the above order was passed and adopted on September 16, 2026, 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

Performance Measurement Report

Second Quarter 2026

Townsend

SCERS
Sacramento County Employees' Retirement System

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1. SCERS Real Estate Portfolio Overview & Funding Status

SCERS Real Estate Portfolio Overview

Townsend

- 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 2026 (the “Quarter”), the Real Estate Portfolio was 5.8%; below both the real estate target and the allowable exposure range.
- Core Real Estate currently makes up 64.7% of the portfolio, with the remaining 35.3% in Non-Core Real Estate. SCERS is constantly evaluating new investment opportunities to deploy capital. We have identified multiple investments for the remainder of 2026 that are at various stages of SCERS' investment review process.

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 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. In August of 2025, SCERS updated its investment policy to limit exposure to each property type to the greater of 40% or NFI-ODCE + 10%, except the “Other” sector which has a maximum limit of 25%.
- The loan-to-value ratio of the Private Real Estate Portfolio was 42.0% at the end of the second quarter of 2026. The loan-to-value ratio of the Core Portfolio was 36.2%, 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 27.1% as of the second quarter. The Non-Core Portfolio reported a loan-to-value ratio of 50.2%.

Portfolio Funding Status

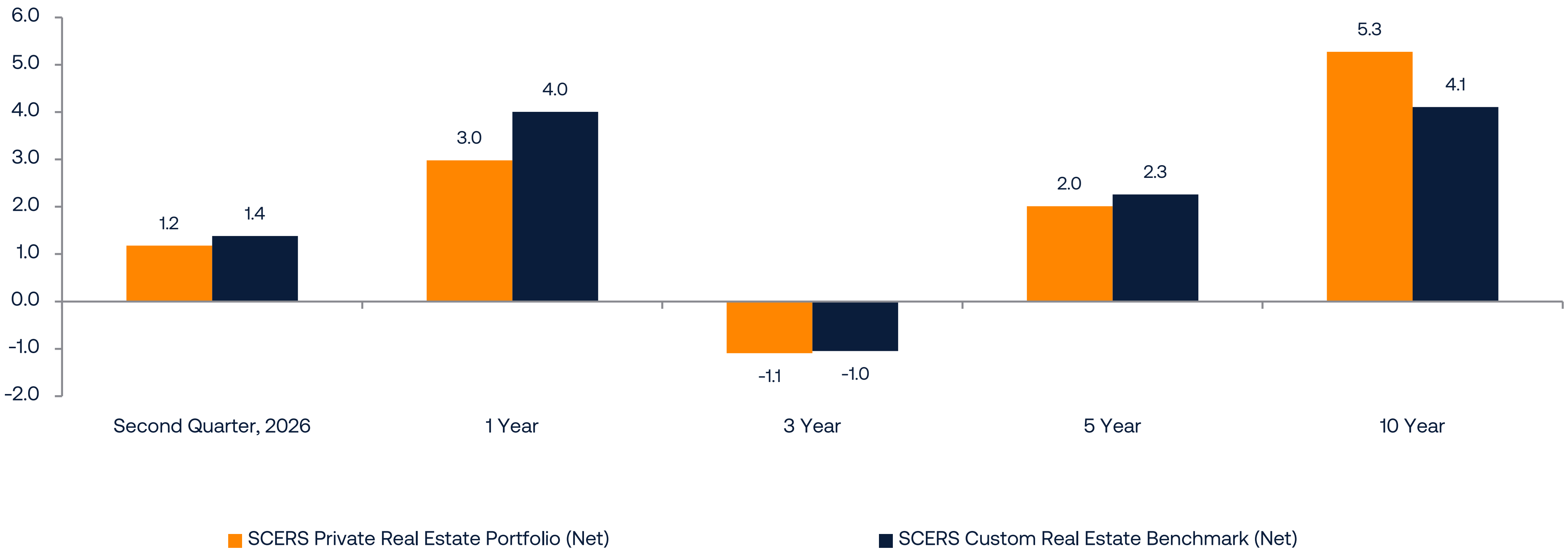
- The table below outlines key components of the SCERS Real Estate Portfolio (the "Portfolio") through June 30, 2026; a detailed performance report is also provided in Section 3.
- Figures exclude commitments / redemptions / dispositions approved subsequent to quarter-end and future distributions.
- Unfunded commitments total 1.6% of plan assets; many commitments from legacy fund investments may never be fully drawn.
- SCERS made a $50 million commitment to Blue Owl Real Estate Fund VII, a U.S. net lease fund, in March 2026, and the fund drew capital this quarter.

SCERS Portfolio Snapshot As of June 30, 2026	**Market Value** (in millions of dollars)*	**% of SCERS Plan**	**% of Real Estate**
SCERS Total Plan Assets	**16,477**	**100.0%**	
Private Portfolio Target	**1,318**	**8.0%****	
Private Portfolio Permissible Range		**6.0-10.0%****	
Private Real Estate			
Core Portfolio	615	3.7%	64.7%
Non-Core Portfolio	335	2.0%	35.3%
Total SCERS Private Real Estate Market Value	**951**	**5.8%**	
Total SCERS Private Real Estate Unfunded Commitments	**258**	**1.6%**	

* Figures may not add due to rounding
** The 8% Private Real Estate 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%

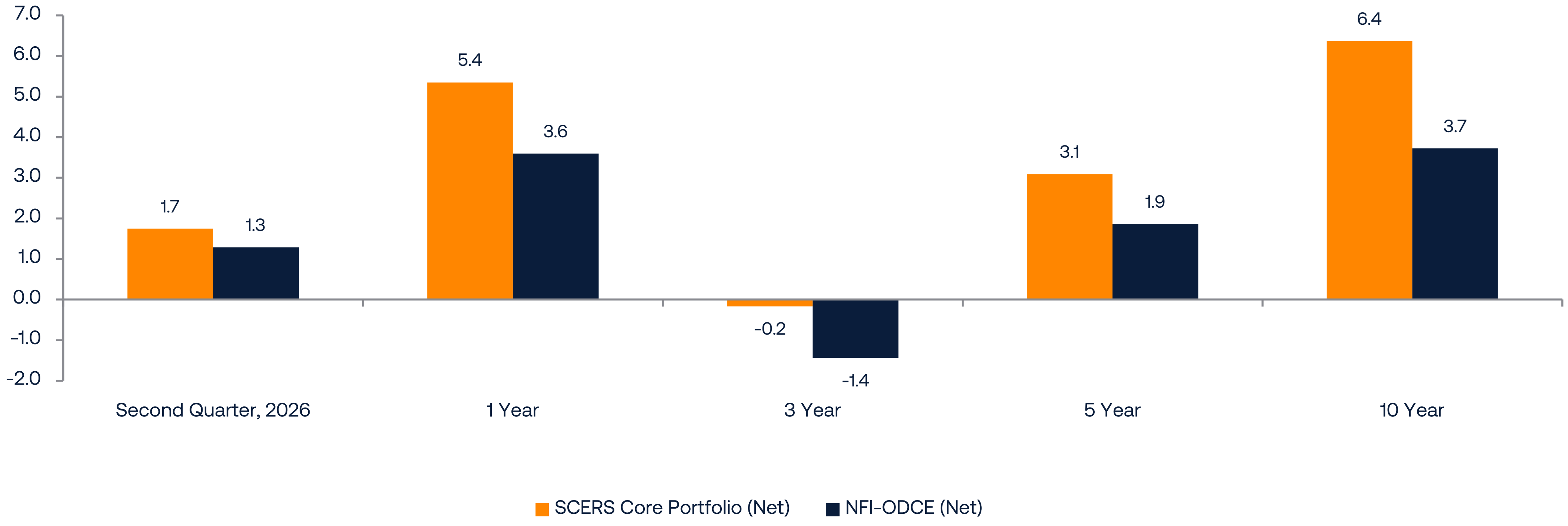
2. Real Estate Portfolio Performance

Private Real Estate Performance



- 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 positive returns in the second quarter of 2026 but underperformed the benchmark by 21 basis points. Underperformance was driven by the Non-Core Portfolio, particularly Value Added investments.
- The SCERS Total Real Estate Portfolio outperformed the benchmark over the 10-Year time period, but underperformed during other time periods. Overall, performance is improving along with the broader real estate market.

Core Portfolio Performance

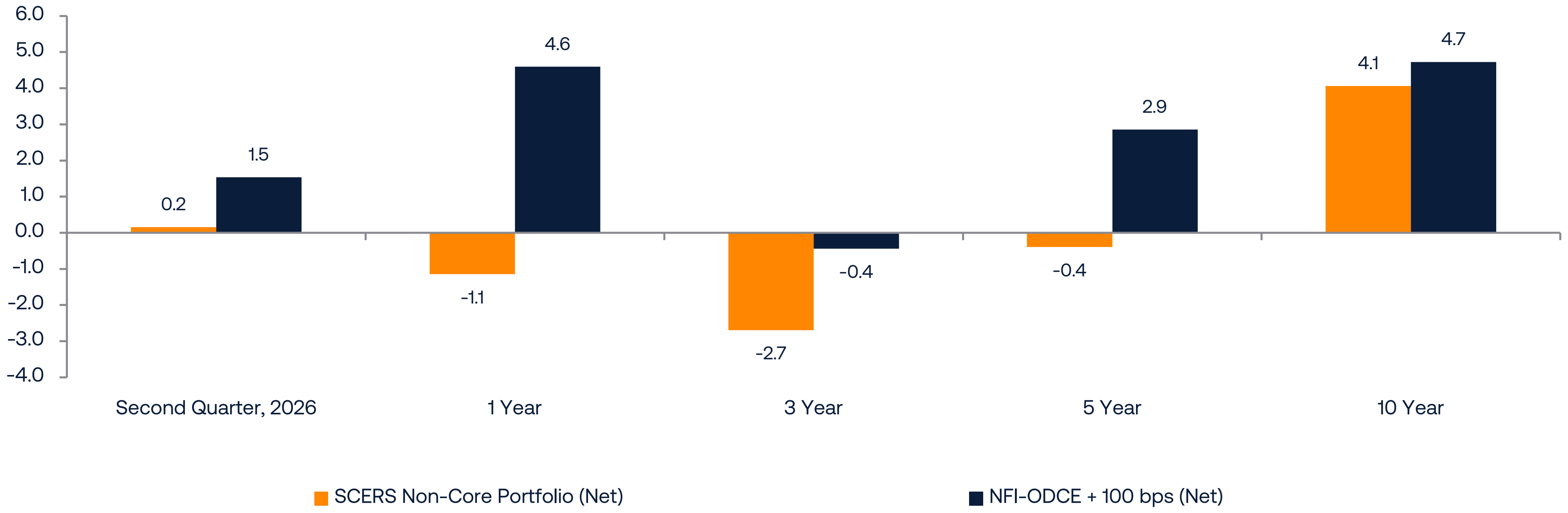


- SCERS' Core Portfolio consists of eight open-end commingled funds and one closed-end commingled fund. These include several diversified Core and Core Plus funds, as well as three sector-specific funds: two industrial and one multifamily.
- Performance of the Core Portfolio is evaluated relative to the NFI-ODCE, net of fees. In aggregate, the Core Portfolio significantly outperforms this benchmark over all time periods.
- During the quarter, the Core Portfolio generated a 1.7% net return – seven out of nine funds produced positive returns during this period.
- The strongest absolute Core performers were Prologis Targeted U.S. Logistics Fund and MetLife Core Property Fund, returning 4.8% net and 2.2% net, respectively.

Note: Ex-US funds produced the following 2Q26 net returns in local currency: Prologis European Logistics Fund (Euro) 0.1%.

Non-Core Portfolio Performance

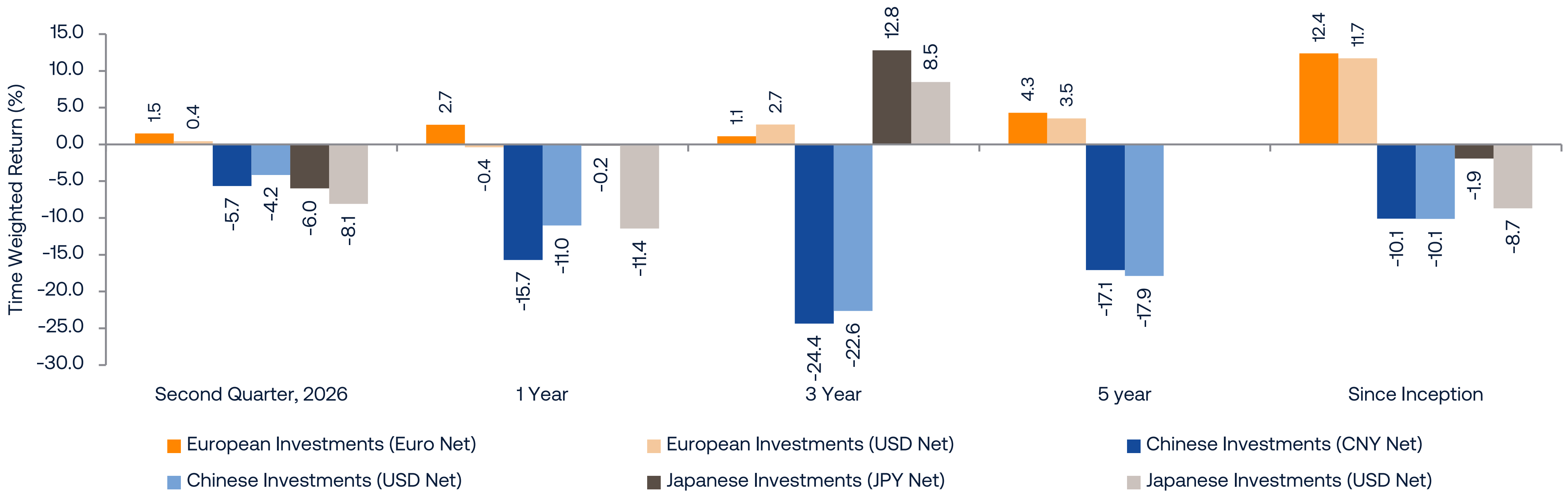
Townsend



- The SCERS Non-Core Real Estate Portfolio includes both Value Added and Opportunistic Real Estate strategies, which are defined in SCERS' Investment Policy Statement.
- During the quarter, the Non-Core Portfolio trailed the benchmark by 138 basis points, producing a 0.2% net return.
- Underperformance within the Non-Core Portfolio was led by Value Added investments. The largest contributor to underperformance during the quarter was Asana Partners Fund II (-7.8% net), which was impacted by weaker performance from office exposure within mixed-use properties combined with delayed exit timelines of certain investments. ECE European Prime Shopping Centre Fund II C (-3.0% net) was also dilutive, adversely affected by declining valuations at several assets and increasing financing costs.

Note: EX-US funds produced the following 2Q26 net returns in local currency: ECE European Prime Shopping Centre Fund II C (Euro) -1.9%, NREP Nordic Strategies Fund II (Euro) 6.6%, NREP Nordic Strategies Fund III (Euro) 4.2%, NREP Nordic Strategies Fund IV (Euro) 5.6%, NREP Nordic Strategies Fund V (Euro) 0.9%, Seven Seas Japan Opportunity Fund -6.0% (Japanese Yen), LaSalle China Logistics Venture (Chinese Yuan) -3.7%, Carlyle China Realty Fund (Chinese Yuan) -6.6%, and Carlyle's Project Rome (Chinese Yuan) -6.7%.

Ex-US Portfolio Performance



- 26.4% of the Real Estate Portfolio is ex-US investments. SCERS does not separately hedge FX exposures and pays liabilities in US dollars, so FX movement impacts the performance of unhedged investments. The chart above illustrates relevant regional investment performance both before and after currency conversion.
- During the quarter, currency exposure benefitted investments in China but diluted those in Japan and Europe.
- The SCERS Euro Denominated Composite includes: ECE European Prime Shopping Centre Fund II C, NREP Nordic Strategies Funds II-V, and Prologis European Logistics Fund (PELF). For the purposes of this composite, DRC has been excluded since it is a British Pound denominated fund. Performance calculation begins 1Q15.
- The SCERS Chinese Yuan Composite includes: Carlyle China Realty Fund, Carlyle's Project Rome, and LaSalle China Logistics Venture. Carlyle and LaSalle investments are USD denominated at the fund level, but property values are exposed to currency translation. Performance calculation begins 3Q17.
- The SCERS Japanese Yen Composite includes Seven Seas Japan Opportunity Fund and performance calculation begins 2Q22.

Performance Attribution - One Year Period

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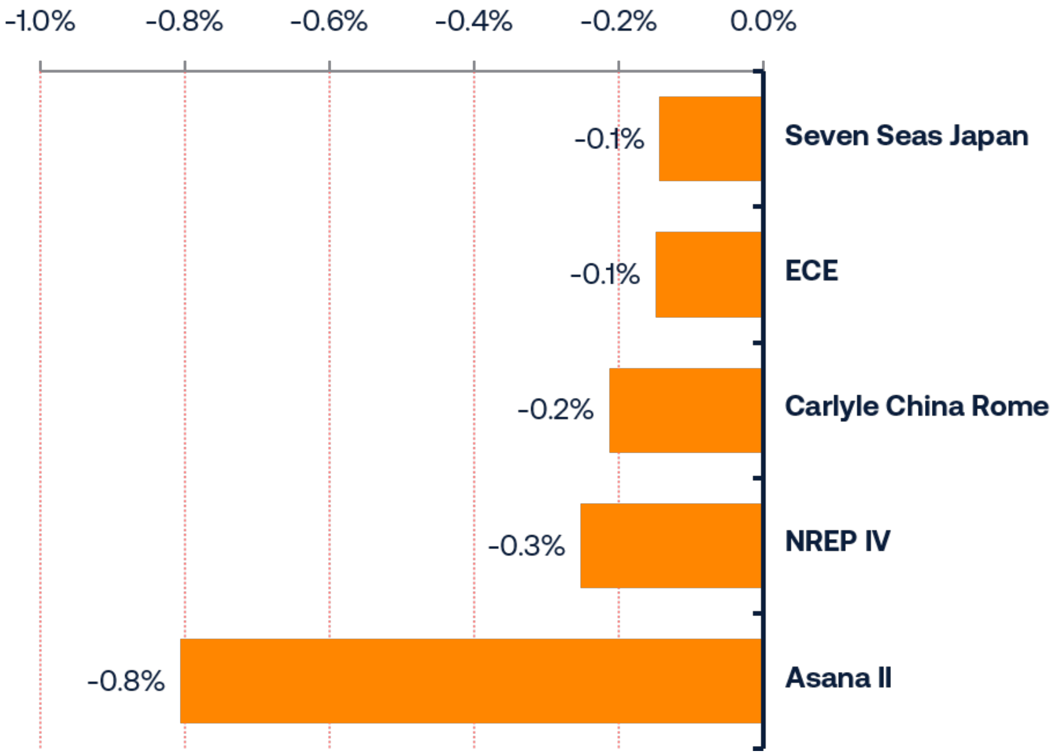
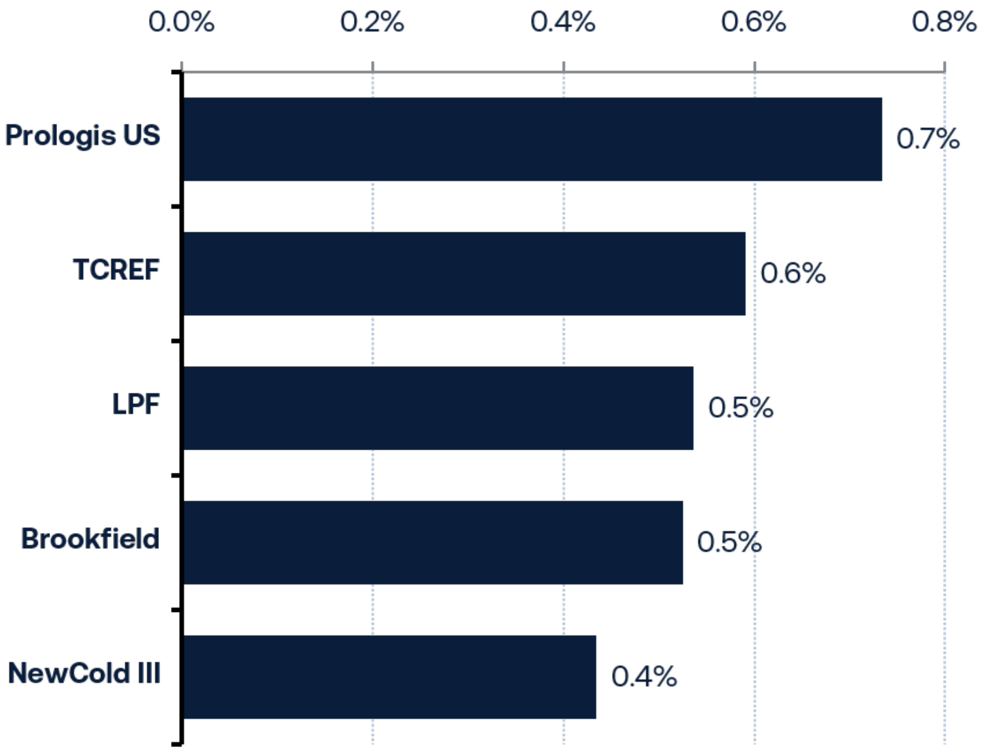
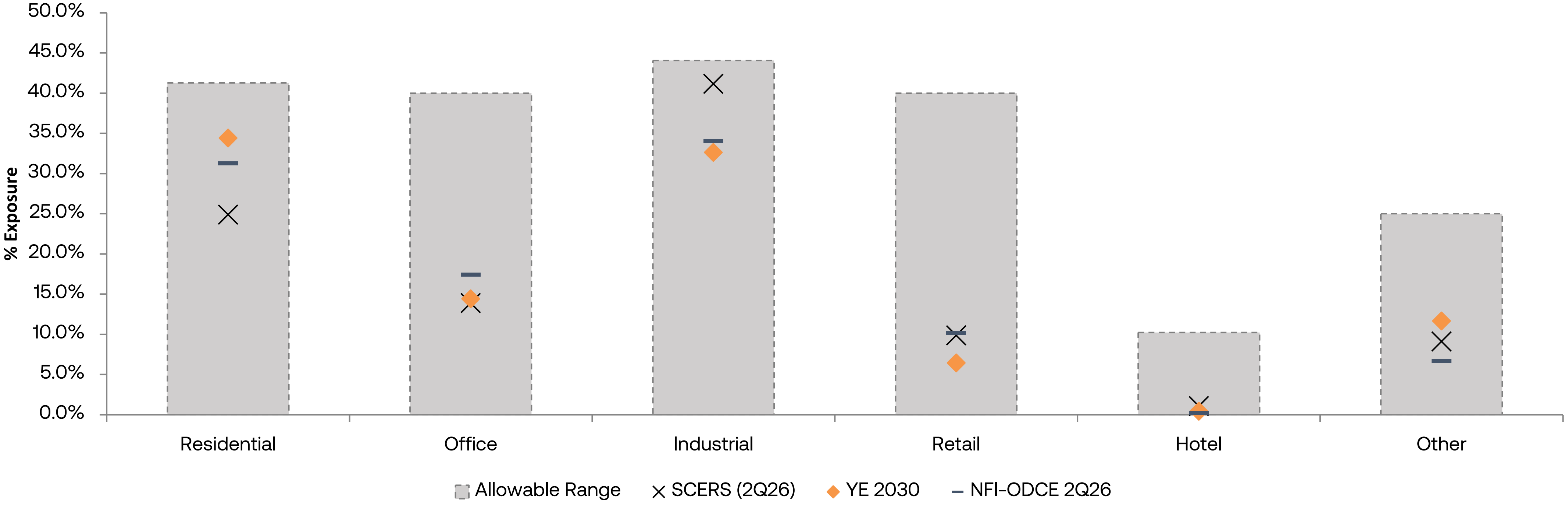
- Over the trailing twelve-month period, the top five performers were four Core funds and one Opportunistic fund. Performance was diluted by Non-Core investments over this period. Asana Partners Fund II was the largest detractor, primarily driven by its office exposure within mixed-use properties in addition to negative adjustments in underwriting assumptions.
- While not presented below, 5-year performance was led by three US Core investments and two Nordic Value Added investments, partially offset by three Chinese industrial Opportunistic investments, a diversified US Opportunistic investment, and a US retail Value Added investment.





Real Estate Portfolio Diversification – Property Type



- In August 2025, SCERS updated its investment policy to limit exposure to each property type to the greater of 40% or NFI-ODCE + 10%, except the "Other" sector which has a maximum limit of 25%*. SCERS' Real Estate Policy allows for temporary deviations for added flexibility, taking advantage of opportunities throughout the market cycle.
- As of the second quarter, all property types were in compliance with investment policy guidelines.
- Based on the recent changes to the property type definitions set forth by the National Council of Real Estate Investment Fiduciaries ("NCREIF"), SCERS' exposure to certain property types may have changed from prior quarterly performance reports. For example, medical office was previously categorized under the "Other" category, but it now falls under "Office".
- Examples of "Other" property type exposure in SCERS' portfolio include self-storage, cell towers, parking, gaming, car wash, golf, data center, seniors housing, and land.

** The 25% limit is for "Other" property type exposure including hotels. The chart above separates the "Hotel" property sector from "Other" to align with NFI-ODCE classifications.*

Real Estate Portfolio Diversification – Geographic Region

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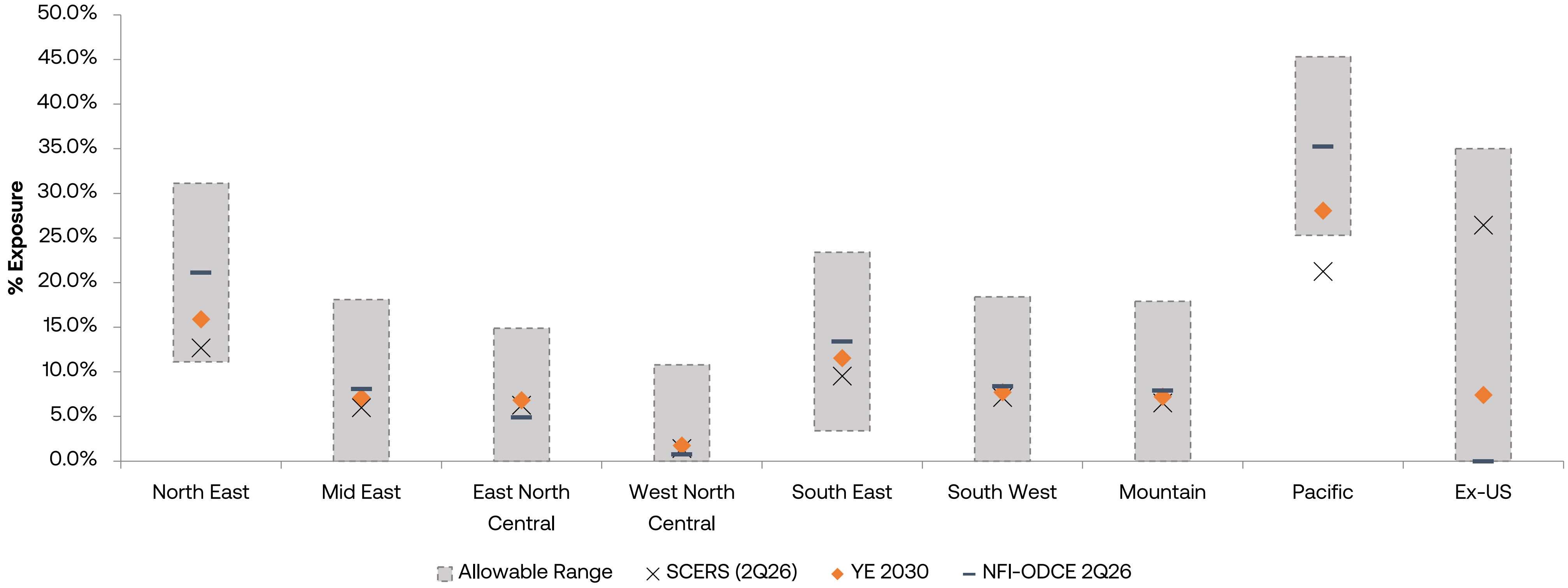

- Private Portfolio diversification is compared to the diversification of the NFI-ODCE above, with a permissible deviation of ± 10.0% for each region. Ex-US exposure is limited to 35.0% of the Total Real Estate Portfolio. As of the second quarter, the Real Estate Portfolio was in compliance with investment policy guidelines 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 2.7% of the Real Estate Portfolio.
- The Real Estate Portfolio's international exposure is 26.4%, well within the 35% limit, and is projected to decrease.
- Ex-US exposure consists of Denmark (3.9%), Germany (3.5%), Sweden (3.1%), China (2.4%), United Kingdom (2.3%), Poland (1.7%), Finland (1.7%), and other countries (7.8%).

Private Real Estate Performance – Global Ancillary Benchmark (1Q26)

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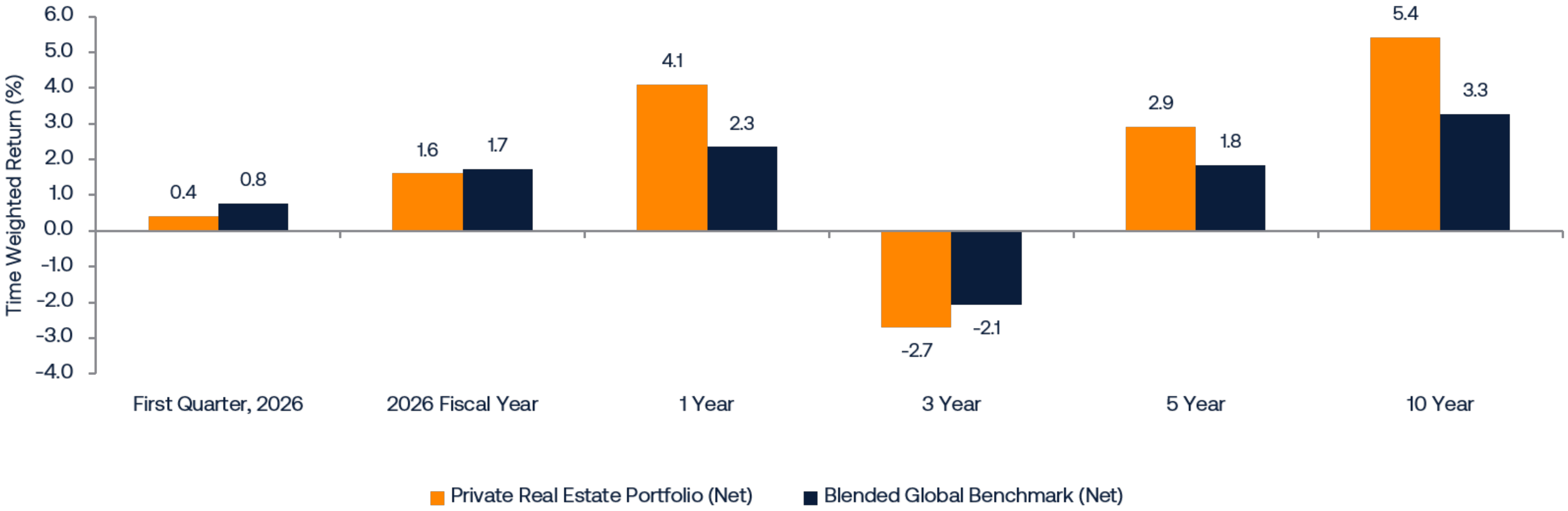


- The Global Ancillary Benchmark is made-up of the NFI-ODCE (Core), NFI-ODCE + 100bps (Non-Core), GREFI Europe Core, GREFI Europe Non-Core, and GREFI Non-Core Asia Pacific to create a global blended benchmark based on weighted average invested capital for each strategy.
  - GREFI reports on a 12 week lag. As a result, the ancillary benchmark is reported to SCERS on a quarterly lag.
- The Real Estate Portfolio's international exposure was 28.1% in 1Q26, well within its 35% maximum constraint. International exposure within the portfolio is Non-Core in nature, with one exception (Prologis European Logistics Fund).
- The SCERS Private Real Estate Portfolio outperformed its secondary benchmark over the 1-, 5-, and 10-Year time periods.

3. Performance Flash Report

Portfolio Composition ($)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
16,477,414,966	Core	4.8%	615,169,154	3.7%	13,500,000	0.1%	162,246,765	1.0%
	Non-Core	3.2%	335,452,542	2.0%	244,266,130	1.5%	-52,441,393	-0.3%
	Total	**8.0%**	**950,621,695**	**5.8%**	**257,766,130**	**1.6%**	**109,805,372**	**0.7%**

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Portfolio (Commingled Funds & Separate Accounts)	1.7	1.7	5.9	5.4	0.4	-0.2	4.0	3.1
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	0.7	0.2	0.9	-1.1	-0.8	-2.7	2.5	-0.4
Private Real Estate Portfolio	1.4	1.2	4.1	3.0	-0.1	-1.1	3.5	2.0
NFI-ODCE (Core)	1.5	1.3	4.4	3.6	-0.6	-1.4	2.7	1.9
NFI-ODCE + 100 bps (Non-Core)	1.7	1.5	5.4	4.6	0.4	-0.4	3.7	2.9
SCERS Custom Real Estate Benchmark[3]	1.6	1.4	4.9	4.0	-0.2	-1.0	3.1	2.3

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	28,861,946	94,972,685	10.0	7.9
FPA Core Plus Fund VI	2025	50,000,000	36,500,000	13,500,000	1,750,572	39,605,925	4.2	4.4
Lion Properties Fund	2018	152,400,000	160,176,837	0	87,015,929	106,032,340	11.2	8.8
MetLife Core Property Fund	2013	35,000,000	55,099,893	0	29,248,773	69,621,915	7.3	5.8
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	58,032,402	6.1	4.8
Prologis European Logistics Fund[1]	2015	47,950,142	49,151,023	0	15,666,998	63,773,076	6.7	5.3
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,507,519	0	70,333,576	79,970,369	8.4	6.6
Townsend Core Real Estate Fund – US, LP	2024	96,064,202	92,064,200	0	6,066,354	95,013,347	10.0	7.9
Townsend Real Estate Fund, L.P.	2016	90,000,000	120,975,151	0	173,028,058	8,147,095	0.9	0.7
Core Commingled Funds	**1986**	**656,414,344**	**699,474,623**	**13,500,000**	**411,972,206**	**615,169,154**	**64.7**	**52.0**
Value Added Portfolio								
Asana Partners Fund II	2019	35,000,000	31,587,500	2,659,050	0	22,252,695	2.3	2.1
Asana Partners Fund III	2022	40,000,000	21,733,333	18,266,667	0	21,786,406	2.3	3.3
DRC European Real Estate Debt Fund II	2013	50,007,963	47,627,074	4,282,231	45,901,499	239,868	0.0	0.4
ECE European Prime Shopping Centre Fund II C	2015	33,611,623	34,613,419	0	10,056,401	34,251,131	3.6	2.8
Hammes Partners II	2015	25,000,000	27,908,318	865,084	46,973,781	1,479,632	0.2	0.2
Hammes Partners III	2018	25,000,000	33,575,052	1,708,641	17,911,540	25,363,708	2.7	2.2
Hammes Partners IV	2023	40,000,000	13,858,630	26,141,370	1,438,148	12,269,278	1.3	3.2
NREP Nordic Strategies Fund II	2016	35,176,432	35,664,816	502,073	60,671,484	9,564,036	1.0	0.8
NREP Nordic Strategies Fund III	2018	39,019,632	34,309,672	1,644,158	17,761,266	31,437,014	3.3	2.7

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

[2] Previously Och-Ziff Real Estate Fund III.

[3] 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	8,993,008	8,378,034	18,789,666	2.0	2.3
NREP Nordic Strategies Fund V	2022	41,710,115	19,857,439	20,819,961	-290,483	29,804,843	3.1	4.2
Value Added Portfolio	**1986**	**399,974,972**	**328,006,122**	**85,882,243**	**208,801,670**	**207,238,278**	**21.8**	**24.3**
Opportunistic Portfolio								
Blue Owl Real Estate Fund VII	2026	50,000,000	6,364,809	43,445,214	0	6,197,599	0.7	4.1
Carlyle China Project Rome (Co-Investment)	2017	40,000,000	38,745,488	4,467,193	975629	12,309,409	1.3	1.4
Carlyle China Realty	2017	10,000,000	10,783,995	695,409	2,342,232	2,906,835	0.3	0.3
CIM Fund VIII	2015	35,000,000	40,587,270	0	9,072,235	9,015,439	0.9	0.7
FPA Apartment Opportunity Fund IX	2025	30,000,000	9,600,100	20,399,900	83,745	9,076,509	1.0	2.4
KKR Real Estate Partners Americas	2014	22,720,638	30,477,571	3,842,263	38,677,541	150,870	0.0	0.3
LaSalle China Logistics Venture	2021	30,000,000	12,857,823	5,111,877	0	7,817,193	0.8	1.1
Sculptor Real Estate Fund III[2]	2014	35,000,000	27,313,925	12,177,247	46,571,496	2,074,684	0.2	1.2
Sculptor Real Estate Fund IV	2020	30,000,000	33,621,205	2,735,806	15,400,616	25,133,748	2.6	2.3
Sculptor Real Estate Fund V	2025	50,000,000	5,588,256	46,392,737	1,474,416	4,343,756	0.5	4.2
Seven Seas Japan Opportunity Fund	2022	20,492,375	19,084,277	3,416,241	10,274,536	8,055,692	0.8	0.9
WCP NewCold III, LP	2024	50,000,000	40,101,319	15,700,000	5,765,560	41,132,530	4.3	4.7
Opportunistic Portfolio	**1991**	**403,213,013**	**275,126,039**	**158,383,887**	**130,638,005**	**128,214,263**	**13.5**	**23.7**
Total Non-Core Portfolio 1Q 2007 Forward	**2007**	**803,187,985**	**603,132,160**	**244,266,130**	**339,439,674**	**335,452,542**	**35.3**	**48.0**
Total Private Portfolio								
SCERS	**1986**	**1,459,602,329**	**1,302,606,784**	**257,766,130**	**751,411,880**	**950,621,695**	**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] 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 2026				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
Core Commingled Funds																	
Brookfield Premier Real Estate Partners	94,972,685	2.2	-0.1	2.2	1.9	3.5	2.9	6.5	5.4	3.5	2.9	6.5	5.4	2.3	-5.3	-3.1	-4.0
FPA Core Plus Fund VI	39,605,925	1.1	0.7	1.7	1.5	3.9	9.1	13.3	12.4	3.9	9.1	13.3	12.4				
Lion Properties Fund	106,032,340	0.9	1.0	1.8	1.6	3.7	2.0	5.8	4.9	3.7	2.0	5.8	4.9	3.7	-3.5	0.1	-0.7
MetLife Core Property Fund	69,621,915	1.3	1.0	2.3	2.2	5.2	-0.9	4.2	3.7	5.2	-0.9	4.2	3.7	5.0	-6.0	-1.3	-1.7
Principal U.S. Property Account	58,032,402	1.2	0.4	1.6	1.4	4.7	1.0	5.8	4.8	4.7	1.0	5.8	4.8	4.6	-4.2	0.3	-0.7
Prologis European Logistics Fund[1]	63,773,076	1.3	-2.1	-0.8	-1.0	5.4	-3.7	1.6	0.6	5.4	-3.7	1.6	0.6	5.3	-0.2	5.0	4.0
Prologis Targeted U.S. Logistics Fund	79,970,369	1.2	2.3	3.5	4.8	4.7	3.7	8.6	9.3	4.7	3.7	8.6	9.3	4.3	-1.6	2.7	2.9
Townsend Core Real Estate Fund – US, LP	95,013,347	0.7	0.6	1.3	1.3	3.0	3.2	6.3	6.0	3.0	3.2	6.3	6.0				
Townsend Real Estate Fund, L.P.	8,147,095	0.2	-0.2	0.0	-0.1	0.8	-0.5	0.3	0.0	0.8	-0.5	0.3	0.0	2.2	-3.9	-1.8	-2.0
Core Commingled Funds	**615,169,154**	**1.2**	**0.5**	**1.7**	**1.7**	**4.1**	**1.8**	**5.9**	**5.4**	**4.1**	**1.8**	**5.9**	**5.4**	**3.8**	**-3.3**	**0.4**	**-0.2**
Value Added Portfolio																	
Asana Partners Fund II	22,252,695	0.3	-7.7	-7.4	-7.8	0.7	-24.9	-24.3	-25.4	0.7	-24.9	-24.3	-25.4	-0.8	-14.2	-14.9	-15.7
Asana Partners Fund III	21,786,406	-0.2	0.0	-0.2	-0.7	-0.8	8.1	7.3	5.5	-0.8	8.1	7.3	5.5	-1.0	6.1	5.1	2.4
DRC European Real Estate Debt Fund II	239,868	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ECE European Prime Shopping Centre Fund II C	34,251,131	0.2	-2.7	-2.4	-3.0	2.2	-3.5	-1.3	-3.9	2.2	-3.5	-1.3	-3.9	2.2	3.1	5.4	2.6
Hammes Partners II	1,479,632	15.3	-15.5	-0.2	-0.4	19.0	5.7	28.5	21.7	19.0	5.7	28.5	21.7	10.1	6.4	17.9	13.4
Hammes Partners III	25,363,708	1.0	0.6	1.6	1.3	4.1	5.8	10.0	7.1	4.1	5.8	10.0	7.1	4.0	3.8	8.0	6.3
Hammes Partners IV	12,269,278	1.4	2.2	3.6	2.0	3.9	14.4	18.7	10.1	3.9	14.4	18.7	10.1	N/A	N/A	N/A	N/A
NREP Nordic Strategies Fund II	9,564,036	-0.6	6.2	5.7	5.4	-6.2	7.4	1.0	4.1	-6.2	7.4	1.0	4.1	-2.1	-3.1	-4.7	-3.4
NREP Nordic Strategies Fund III	31,437,014	-0.4	4.0	3.6	3.2	-3.7	14.4	10.3	9.0	-3.7	14.4	10.3	9.0	-0.5	6.4	5.9	6.5
NREP Nordic Strategies Fund IV	18,789,666	-0.5	6.0	5.5	5.0	-14.0	9.5	-5.4	-7.0	-14.0	9.5	-5.4	-7.0	-4.2	6.5	2.2	0.2
NREP Nordic Strategies Fund V	29,804,843	-4.1	4.5	0.4	-0.2	-14.8	16.3	0.3	-2.0	-14.8	16.3	0.3	-2.0	0.8	12.6	13.8	10.3
Value Added Portfolio	**207,238,278**	**-0.2**	**0.7**	**0.5**	**0.0**	**-3.5**	**3.4**	**-0.2**	**-2.0**	**-3.5**	**3.4**	**-0.2**	**-2.0**	**-0.8**	**2.6**	**1.8**	**0.2**
Opportunistic Portfolio																	
Blue Owl Real Estate Fund VII	6,197,599																
Carlyle China Project Rome (Co-Investment)	12,309,409	0.0	-4.9	-4.9	-5.2	-11.7	-2.5	-13.3	-13.6	-11.7	-2.5	-13.3	-13.6	-21.9	-6.7	-23.0	-24.1
Carlyle China Realty	2,906,835	-0.1	-4.7	-4.7	-5.1	-12.1	-2.1	-13.3	-14.6	-12.1	-2.1	-13.3	-14.6	-22.3	-6.5	-23.2	-24.7
CIM Fund VIII	9,015,439	-0.3	-1.2	-1.5	-1.9	-1.2	-4.9	-6.0	-7.2	-1.2	-4.9	-6.0	-7.2	-0.7	-25.2	-25.8	-27.1
FPA Apartment Opportunity Fund IX	9,076,509	1.0	0.7	1.7	0.5												
KKR Real Estate Partners Americas	150,870	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LaSalle China Logistics Venture	7,817,193	0.0	-1.9	-1.8	-2.1	-3.6	0.0	-3.6	-4.9	-3.6	0.0	-3.6	-4.9	-2.8	-12.4	-14.9	-16.7
Sculptor Real Estate Fund III[2]	2,074,684	-0.3	-3.7	-4.1	-4.1	-2.6	-14.8	-17.1	-17.1	-2.6	-14.8	-17.1	-17.1	1.0	-0.3	0.8	0.2
Sculptor Real Estate Fund IV	25,133,748	0.9	2.0	2.9	2.6	1.8	8.5	10.4	9.2	1.8	8.5	10.4	9.2	4.9	5.1	10.3	8.6
Sculptor Real Estate Fund V	4,343,756	0.1	7.5	7.5	5.3												
Seven Seas Japan Opportunity Fund	8,055,692	0.7	-10.1	-9.4	-8.1	2.9	-13.7	-11.1	-11.4	2.9	-13.7	-11.1	-11.4	3.7	8.2	12.5	8.5
WCP NewCold III, LP	41,132,530	0.1	6.1	6.3	5.0	0.4	14.7	15.1	11.8	0.4	14.7	15.1	11.8				
Opportunistic Portfolio	**128,214,263**	**0.0**	**1.0**	**1.0**	**0.4**	**-1.8**	**4.7**	**2.8**	**0.5**	**-1.8**	**4.7**	**2.8**	**0.5**	**-3.4**	**-2.9**	**-6.0**	**-8.4**
Total Non-Core Portfolio 1Q 2007 Forward	**335,452,542**	**-0.1**	**0.8**	**0.7**	**0.2**	**-2.9**	**3.9**	**0.9**	**-1.1**	**-2.9**	**3.9**	**0.9**	**-1.1**	**-1.7**	**0.8**	**-0.8**	**-2.7**
Total Private Portfolio																	
SCERS	**950,621,695**	**0.7**	**0.6**	**1.4**	**1.2**	**1.5**	**2.5**	**4.1**	**3.0**	**1.5**	**2.5**	**4.1**	**3.0**	**1.9**	**-1.9**	**-0.1**	**-1.1**

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

[2] Previously Och-Ziff Real Estate Fund III.

[3] 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 2026				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 European Logistics Fund (Euro) [1]	€ 55,833,328	1.3	-1.0	0.4	0.1	5.4	-0.6	4.8	3.8	5.4	-0.6	4.8	3.8	5.3	-1.8	3.4	2.4
DRC European Real Estate Debt Fund II (Pound Sterling)	£180,884	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ECE European Prime Shopping Centre Fund II C (Euro)	€ 29,986,866	0.2	-1.6	-1.3	-1.9	2.3	-0.4	1.8	-0.8	2.3	-0.4	1.8	-0.8	2.2	1.5	3.8	1.1
NREP Nordic Strategies Fund II (Euro)	€ 8,373,314	-0.5	7.4	6.9	6.6	-6.2	10.7	4.0	7.3	-6.2	10.7	4.0	7.3	-2.1	-4.6	-6.2	-5.0
NREP Nordic Strategies Fund III (Euro)	€ 27,523,106	-0.4	5.1	4.7	4.2	-3.7	17.9	13.7	12.4	-3.7	17.9	13.7	12.4	-0.5	4.8	4.3	4.8
NREP Nordic Strategies Fund IV (Euro)	€ 16,450,353	-0.5	6.7	6.2	5.6	-14.1	12.3	-3.1	-4.7	-14.1	12.3	-3.1	-4.7	-4.3	4.6	0.4	-1.6
NREP Nordic Strategies Fund V (Euro)	€ 26,094,140	-4.1	5.5	1.5	0.9	-14.8	20.0	3.5	1.1	-14.8	20.0	3.5	1.1	0.9	11.1	12.2	8.7
Seven Seas Japan Opportunity Fund	¥1,309,452,658	0.7	-8.0	-7.3	-6.0	2.9	-2.8	0.2	-0.2	2.9	-2.8	0.2	-0.2	3.5	12.5	17.0	12.8
Indices																	
SCERS Custom Real Estate Benchmark [3]				1.6	1.4			4.9	4.0			4.9	4.0			-0.2	-1.0
NFI-ODCE		1.0	0.5	1.5	1.3	4.1	0.4	4.4	3.6	4.1	0.4	4.4	3.6	4.0	-4.5	-0.6	-1.4
NFI-ODCE + 100 bps				1.7	1.5			5.4	4.6			5.4	4.6			0.4	-0.4

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

[2] Previously Och-Ziff Real Estate Fund III.

[3] 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			
Core Commingled Funds																
Brookfield Premier Real Estate Partners	94,972,685	2.3	-0.3	2.0	0.6					2.6	1.5	4.1	2.8	4Q 18	3.3	1.2
FPA Core Plus Fund VI	39,605,925									4.8	15.9	21.2	19.0	1Q 25	13.0	1.1
Lion Properties Fund	106,032,340	3.7	-1.2	2.5	1.6					3.7	0.4	4.1	3.2	4Q 18	3.8	1.2
MetLife Core Property Fund	69,621,915	4.8	-2.0	2.7	2.2	4.8	0.6	5.4	4.9	4.9	2.3	7.3	6.8	1Q 14	6.9	1.8
Principal U.S. Property Account	58,032,402	4.3	-1.0	3.2	2.3	4.4	1.0	5.5	4.5	4.4	1.3	5.8	4.8	4Q 15	4.8	1.7
Prologis European Logistics Fund[1]	63,773,076	4.9	-2.2	2.6	1.1	5.2	4.2	9.6	7.8	4.9	4.5	9.6	7.8	1Q 16	7.4	1.5
Prologis Targeted U.S. Logistics Fund	79,970,369	4.0	4.9	9.1	8.2	4.4	10.1	14.9	13.0	4.6	10.0	14.9	13.0	3Q 15	14.5	3.0
Townsend Core Real Estate Fund – US, LP	95,013,347									2.9	2.9	5.9	5.6	4Q 24	5.6	1.1
Townsend Real Estate Fund, L.P.	8,147,095	2.6	0.4	3.0	2.7	3.4	2.5	5.9	5.7	3.4	2.6	6.1	5.9	2Q 16	6.5	1.5
Core Commingled Funds	**615,169,154**	**3.7**	**0.3**	**4.0**	**3.1**	**4.0**	**3.3**	**7.4**	**6.4**	**4.4**	**3.2**	**7.6**	**6.7**	**4Q 86**	**6.1**	**1.4**
Value Added Portfolio																
Asana Partners Fund II	22,252,695	-0.6	-3.6	-4.1	-5.6					-2.2	-2.8	-5.2	-9.9	4Q 19	-7.7	0.7
Asana Partners Fund III	21,786,406									-2.9	7.4	4.5	-3.3	3Q 22	0.1	1.0
DRC European Real Estate Debt Fund II	239,868	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-1.3	1.0
ECE European Prime Shopping Centre Fund II C	34,251,131	0.4	4.8	5.3	2.6	1.4	6.4	7.9	5.3	1.4	7.7	9.3	6.6	4Q 15	3.8	1.3
Hammes Partners II	1,479,632	7.9	8.9	17.9	13.4	8.6	15.9	25.8	20.3	9.2	15.7	26.1	20.2	3Q 15	23.0	1.7
Hammes Partners III	25,363,708	5.5	5.8	11.4	8.3					6.8	10.6	17.8	5.6	1Q 19	9.1	1.3
Hammes Partners IV	12,269,278									N/A	N/A	N/A	N/A	3Q 23	-1.1	1.0
NREP Nordic Strategies Fund II	9,564,036	-2.8	7.6	5.6	3.9	-0.6	16.8	16.8	10.8	-0.6	16.8	16.8	10.8	3Q 16	18.3	2.0
NREP Nordic Strategies Fund III	31,437,014	-0.7	6.6	6.1	4.8					-2.1	14.4	12.4	4.4	4Q 18	7.8	1.4
NREP Nordic Strategies Fund IV	18,789,666	-7.0	12.5	5.7	2.2					-12.2	20.0	6.8	N/A	1Q 20	-0.1	1.0
NREP Nordic Strategies Fund V	29,804,843									11.9	10.5	24.0	18.2	1Q 23	18.9	1.5
Value Added Portfolio	**207,238,278**	**-0.6**	**7.4**	**6.8**	**3.7**	**1.5**	**10.5**	**12.3**	**7.6**	**3.3**	**2.7**	**6.1**	**2.3**	**4Q 86**	**5.3**	**1.3**
Opportunistic Portfolio																
Blue Owl Real Estate Fund VII	6,197,599													2Q26	N/A	N/A
Carlyle China Project Rome (Co-Investment)	12,309,409	-13.8	-8.0	-18.1	-19.1					-8.3	-3.2	-9.6	-11.1	3Q 17	-12.9	0.3
Carlyle China Realty	2,906,835	-14.2	-7.9	-18.2	-19.7					-7.2	-3.2	-8.5	-10.4	3Q 17	-12.4	0.5
CIM Fund VIII	9,015,439	-0.5	-19.4	-19.8	-21.1	-0.3	-10.4	-10.6	-12.0	-0.2	-7.7	-7.9	-9.5	2Q 15	-11.9	0.4
FPA Apartment Opportunity Fund IX	9,076,509									1.0	0.8	1.8	-4.7	4Q 25	-7.8	1.0
KKR Real Estate Partners Americas	150,870	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11.6	1.3
LaSalle China Logistics Venture	7,817,193	N/A	32.0	13.0	-14.0					N/A	32.0	13.0	-14.0	3Q 21	-14.7	0.6
Sculptor Real Estate Fund III[2]	2,074,684	4.4	14.1	18.8	17.4	7.6	13.8	22.1	19.7	9.8	13.3	24.0	15.0	4Q 14	23.6	1.8
Sculptor Real Estate Fund IV	25,133,748	6.5	6.2	13.2	9.3					8.0	8.5	17.1	10.0	3Q 20	9.3	1.2
Sculptor Real Estate Fund V	4,343,756									-1.0	19.8	18.6	8.2	4Q 25	7.4	1.0
Seven Seas Japan Opportunity Fund	8,055,692									6.9	-11.4	-4.9	-8.7	2Q 22	-1.3	1.0
WCP NewCold III, LP	41,132,530									1.2	12.5	13.8	11.1	1Q 25	14.1	1.2
Opportunistic Portfolio	**128,214,263**	**-1.9**	**-3.3**	**-5.0**	**-7.6**	**0.7**	**0.0**	**0.7**	**-1.5**	**2.8**	**5.9**	**9.2**	**5.2**	**1Q 91**	**0.3**	**1.0**
Total Non-Core Portfolio 1Q 2007 Forward	**335,452,542**	**-1.0**	**3.5**	**2.5**	**-0.4**	**1.2**	**6.3**	**7.6**	**4.1**	**2.8**	**5.3**	**8.1**	**4.2**	**1Q 07**	**4.1**	**1.2**
Total Private Portfolio																
SCERS	**950,621,695**	**2.1**	**1.3**	**3.5**	**2.0**	**3.1**	**3.8**	**6.9**	**5.3**	**4.0**	**4.7**	**8.8**	**7.7**	**4Q 86**	**6.7**	**1.3**

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

[2] Previously Och-Ziff Real Estate Fund III.

[3] 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 European Logistics Fund (Euro) [1]	€ 55,833,328	4.9	-1.5	3.4	1.9	5.2	3.9	9.3	7.5	4.9	4.0	9.0	7.3	1Q 16	7.3	1.5
DRC European Real Estate Debt Fund II (Pound Sterling)	£180,884	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.9	1.1
ECE European Prime Shopping Centre Fund II C (Euro)	€ 29,986,866	0.4	5.5	6.1	3.3	1.3	6.1	7.6	5.0	1.4	7.4	9.1	6.4	4Q 15	3.8	1.3
NREP Nordic Strategies Fund II (Euro)	€ 8,373,314	-2.8	8.3	6.3	4.6	-0.5	16.4	16.4	10.4	-0.5	16.4	16.4	10.4	3Q 16	19.0	2.0
NREP Nordic Strategies Fund III (Euro)	€ 27,523,106	-0.8	7.4	6.9	5.6					-2.1	14.7	12.7	4.7	4Q 18	7.9	1.4
NREP Nordic Strategies Fund IV (Euro)	€ 16,450,353	-7.1	13.2	6.4	2.8					-12.3	20.6	7.5	N/A	1Q 20	-1.1	1.0
NREP Nordic Strategies Fund V (Euro)	€ 26,094,140									12.0	8.5	21.8	16.1	1Q 23	16.3	1.4
Seven Seas Japan Opportunity Fund	¥1,309,452,658									6.3	-5.1	2.2	-1.9	2Q 22	3.8	1.1
Indices																
SCERS Custom Real Estate Benchmark[3]				3.1	2.3			5.0	4.1			7.0	6.0	4Q86		
NFI-ODCE		3.9	-1.1	2.7	1.9	4.0	0.6	4.6	3.7	6.2	0.4	6.6	5.6	4Q 86		
NFI-ODCE + 100 bps				3.7	2.9			5.6	4.7			7.6	6.6	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] 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 ($)	2026		Fiscal Year 2026		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	TGRS	TNET
Core Commingled Funds																											
Brookfield Premier Real Estate Partners	94,972,685	4.3	3.8	6.5	5.4	3.4	2.4	-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	39,605,925	5.8	5.4	13.3	12.4	26.2	23.1																		
Lion Properties Fund	106,032,340	3.1	2.7	5.8	4.9	5.3	4.4	-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	69,621,915	3.0	2.7	4.2	3.7	2.4	2.0	-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	58,032,402	2.9	2.4	5.8	4.8	5.1	4.1	-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]	63,773,076	-0.2	-0.7	1.6	0.6	19.4	18.2	-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	79,970,369	5.6	6.7	8.6	9.3	4.1	3.3	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	95,013,347	3.5	3.3	6.3	6.0	5.0	4.8	1.7	1.7																
Townsend Real Estate Fund, L.P.	8,147,095	-0.3	-0.4	0.3	0.0	3.4	3.1	-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	**615,169,154**	**3.4**	**3.2**	**5.9**	**5.4**	**6.1**	**5.4**	**-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	22,252,695	-15.5	-16.2	-24.3	-25.4	-21.4	-22.4	-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	21,786,406	1.2	0.3	7.3	5.5	9.5	7.6	1.9	-1.0	-7.2	-13.3	13.9	-5.4												
DRC European Real Estate Debt Fund II	239,868	-7.7	-7.7	N/A	N/A	-3.7	-3.7	-8.0	-8.0	1.7	1.7	-165.3	-165.2	-167.9	-166.5	-65.1	-65.7	9.6	8.4	-0.6	-1.7	23.8	22.3	-7.8	-8.9
ECE European Prime Shopping Centre Fund II C	34,251,131	-3.5	-4.2	-1.3	-3.9	18.4	15.3	-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	1,479,632	18.7	14.6	28.5	21.7	17.3	12.9	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	25,363,708	3.1	2.7	10.0	7.1	10.1	7.5	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	12,269,278	6.6	3.3	18.7	10.1	21.4	8.8	30.5	-33.8	-285.7	-649.7														
NREP Nordic Strategies Fund II	9,564,036	5.0	3.7	1.0	4.1	17.0	19.4	-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	31,437,014	1.4	0.6	10.3	9.0	28.4	27.0	-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	18,789,666	4.2	3.3	-5.4	-7.0	7.5	5.7	-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	29,804,843	-0.2	-1.2	0.3	-2.0	18.2	15.2	-3	-6	85.5	68.3														
Value Added Portfolio	**207,238,278**	**-0.6**	**-1.6**	**-0.2**	**-2.0**	**10.1**	**7.9**	**-4.2**	**-6.1**	**-0.3**	**0.5**	**7.6**	**2.7**	**36.5**	**24.1**	**19.5**	**10.9**	**21.9**	**11.4**	**10.5**	**6.3**	**24.9**	**22.3**	**9.5**	**7.0**
Opportunistic Portfolio																											
Blue Owl Real Estate Fund VII	6,197,599																								
Carlyle China Project Rome (Co-Investment)	12,309,409	-7.5	-8.0	-13.3	-13.6	-15.2	-16.1	-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	2,906,835	-7.2	-7.9	-13.3	-14.6	-15.7	-17.1	-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	9,015,439	-2.7	-3.3	-6.0	-7.2	-7.4	-8.5	-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	9,076,509	3.2	-0.1			-1.4	-4.7																		
KKR Real Estate Partners Americas	150,870	-3.4	-2.7	N/A	N/A	22.4	17.7	-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	7,817,193	-1.9	-2.5	-3.6	-4.9	-17.4	-18.7	-13.2	-14.7	-12.9	-18.1	4.2	-9.6	188.6	-6.2										
Sculptor Real Estate Fund III[2]	2,074,684	-5.3	-5.3	-17.1	-17.1	-14.4	-14.6	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	25,133,748	6.2	5.6	10.4	9.2	7.2	5.9	10.3	8.4	14.2	11.0	6.9	0.8	40.3	25.9	19.6	3.9								
Sculptor Real Estate Fund V	4,343,756	16.3	11.5			2.0	-2.9																		
Seven Seas Japan Opportunity Fund	8,055,692	-14.7	-12.7	-11.1	-11.4	14.8	11.2	24.4	16.0	6.3	2.2	-37.5	-41.0												
WCP NewCold III, LP	41,132,530	8.6	6.8	15.1	11.8	11.8	9.6																		
Opportunistic Portfolio	**128,214,263**	**1.6**	**0.6**	**2.8**	**0.5**	**1.1**	**-1.0**	**-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	**335,452,542**	**0.2**	**-0.8**	**0.9**	**-1.1**	**7.0**	**4.9**	**-5.7**	**-8.0**	**-7.2**	**-7.4**	**3.6**	**-0.5**	**24.3**	**15.7**	**6.7**	**1.7**	**15.7**	**9.8**	**10.7**	**7.5**	**21.1**	**18.4**	**9.9**	**7.4**
Total Private Portfolio																											
SCERS	**950,621,695**	**2.2**	**1.7**	**4.1**	**3.0**	**6.4**	**5.2**	**-2.8**	**-4.0**	**-11.4**	**-11.4**	**7.5**	**5.6**	**28.9**	**24.1**	**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[3]		3.0	2.5	4.9	4.0	4.2	3.3	-1.0	-1.9	-11.7	-12.4	7.9	7.0	22.6	21.4	1.5	0.7	5.7	4.8	8.7	7.7	8.0	7.0	9.1	8.2
NFI-ODCE		2.7	2.3	4.4	3.6	3.8	2.9	-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		3.2	2.8	5.4	4.6	4.8	3.9	-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

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

[2] Previously Och-Ziff Real Estate Fund III.

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

Calendar Year Returns

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	93,802,472	0	606,211	0	2,098,191	238,027	-83,741	94,972,685	49.6
FPA Core Plus Fund VI	39,330,484	0	332,566	0	415,592	69,668	262,083	39,605,925	50.0
Lion Properties Fund	105,038,391	219,414	918,775	0	906,584	221,059	1,007,786	106,032,340	27.9
MetLife Core Property Fund	68,826,896	0	726,058	0	889,136	82,669	714,610	69,621,915	32.4
Principal U.S. Property Account	57,248,663	0	0	0	695,518	136,471	224,693	58,032,402	26.5
Prologis European Logistics Fund	64,950,856	0	509,578	0	876,072	163,689	-1,380,586	63,773,076	25.9
Prologis Targeted U.S. Logistics Fund	76,836,711	0	542,968	0	932,836	-988,816	1,754,974	79,970,369	25.0
Townsend Core Real Estate Fund – US, LP	94,765,065	0	959,706	0	692,535	54,264	569,718	95,013,347	41.0
Townsend Real Estate Fund, L.P.	10,874,448	0	0	2,721,477	18,343	5,095	-19,125	8,147,095	43.0
Core Commingled Funds	**611,673,986**	**219,414**	**4,595,861**	**2,721,477**	**7,524,806**	**-17,873**	**3,050,413**	**615,169,154**	**36.2**
Value Added Portfolio									
Asana Partners Fund II	24,128,793	0	0	0	60,919	89,132	-1,847,884	22,252,695	52.7
Asana Partners Fund III	21,931,147	0	0	0	-42,028	104,295	1,582	21,786,406	53.0
DRC European Real Estate Debt Fund II	244,031	0	0	0	-4,847	0	684	239,868	0.0
ECE European Prime Shopping Centre Fund II C	35,404,104	0	104,142	0	82,362	186,766	-944,428	34,251,131	55.3
Hammes Partners II	4,014,217	11,486	1,353,528	1,179,169	558,809	7,283	-564,899	1,479,632	44.0
Hammes Partners III	23,894,226	1,458,745	276,645	16,476	242,868	84,630	145,621	25,363,708	63.0
Hammes Partners IV	9,138,001	3,113,744	168,371	5,513	129,106	150,000	212,310	12,269,278	60.0
NREP Nordic Strategies Fund II	9,075,315	0	0	0	-50,046	26,876	565,643	9,564,036	53.0
NREP Nordic Strategies Fund III	31,914,754	0	1,460,890	0	-135,287	137,686	1,256,123	31,437,014	50.0
NREP Nordic Strategies Fund IV	28,166,184	0	10,536,258	0	-115,488	120,949	1,396,177	18,789,666	54.2
NREP Nordic Strategies Fund V	30,561,801	181,164	887,706	0	-1,244,903	162,764	1,357,251	29,804,843	51.6
Value Added Portfolio	**218,472,574**	**4,765,139**	**14,787,541**	**1,201,158**	**-518,534**	**1,070,381**	**1,578,180**	**207,238,278**	**54.7**
Opportunistic Portfolio									
Blue Owl Real Estate Fund VII	0	6,364,809	0	0	-368,240	34,368	235,397	6,197,599	54.7
Carlyle China Project Rome (Co-Investment)	12,983,055	0	0	0	-4,287	32,756	-636,604	12,309,409	0.0
Carlyle China Realty	3,062,944	0	0	0	-1,707	11,130	-143,271	2,906,835	0.0
CIM Fund VIII	9,191,306	29,310	0	35,171	-27,541	28,723	-113,742	9,015,439	57.2
FPA Apartment Opportunity Fund IX	8,484,557	600,100	46,430	0	87,934	109,313	59,661	9,076,509	67.8
KKR Real Estate Partners Americas	154,098	0	0	0	-4,036	-808	0	150,870	0.0
LaSalle China Logistics Venture	7,986,712	0	0	0	2,783	22,778	-149,524	7,817,193	59.0
Sculptor Real Estate Fund III[1]	2,162,359	30,333	30,333	0	-6,893	0	-80,782	2,074,684	36.3
Sculptor Real Estate Fund IV	24,723,853	74,870	302,007	0	224,381	69,688	482,339	25,133,748	33.3
Sculptor Real Estate Fund V	4,642,659	111,032	216,855	427,450	2,947	97,558	328,981	4,343,756	29.8
Seven Seas Japan Opportunity Fund	12,700,336	0	0	3,755,181	73,015	-143,729	-1,106,207	8,055,692	50.0
WCP NewCold III, LP	38,332,816	900,000	41,750	0	41,341	463,869	2,363,992	41,132,530	26.0
Opportunistic Portfolio	**124,424,695**	**8,110,454**	**637,375**	**4,217,802**	**19,697**	**725,646**	**1,240,239**	**128,214,263**	**40.7**
Total Non-Core Portfolio 1Q 2007 Forward	**342,897,269**	**12,875,593**	**15,424,916**	**5,418,960**	**-498,837**	**1,796,027**	**2,818,419**	**335,452,542**	**50.2**
Total Private Portfolio									
SCERS	**954,571,255**	**13,095,007**	**20,020,777**	**8,140,436**	**7,025,969**	**1,778,154**	**5,868,832**	**950,621,695**	**42.0**

[1] Previously Och-Ziff Real Estate Fund III.

Property Type Diversification (%)	Residential	Office	Industrial	Retail	Hotel	Other
Core Commingled Funds						
Brookfield Premier Real Estate Partners	40.4	11.2	44.2	-	-	4.2
FPA Core Plus Fund VI	100.0	-	-	-	-	-
Lion Properties Fund	25.1	23.1	38.5	6.7	-	6.6
MetLife Core Property Fund	29.6	24.3	24.9	11.5	1.7	7.9
Principal U.S. Property Account	30.6	13.0	38.9	10.6	-	6.9
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Core Real Estate Fund – US, LP[1]	28.1	8.1	45.9	4.4	-	13.5
Townsend Real Estate Fund, L.P.[1]	59.6	4.1	16.9	4.4	-	15.1
Core Commingled Funds	**28.4**	**11.0**	**50.6**	**4.2**	**0.2**	**5.6**
Value Added Portfolio						
Asana Partners Fund II	0.5	33.1	-	60.0	-	6.4
Asana Partners Fund III	9.3	21.6	-	69.1	-	0.1
DRC European Real Estate Debt Fund II	-	100.0	-	-	-	-
ECE European Prime Shopping Centre Fund II C	-	-	-	100.0	-	-
Hammes Partners II	-	100.0	-	-	-	-
Hammes Partners III	-	100.0	-	-	-	-
Hammes Partners IV	-	100.0	-	-	-	-
NREP Nordic Strategies Fund II	31.0	-	-	-	-	69.0
NREP Nordic Strategies Fund III	56.5	17.1	17.7	6.1	-	2.5
NREP Nordic Strategies Fund IV	57.3	3.0	11.5	5.3	6.1	16.9
NREP Nordic Strategies Fund V	44.1	8.4	25.3	2.8	5.9	13.4
Value Added Portfolio	**22.6**	**28.9**	**7.4**	**32.0**	**1.4**	**7.7**

[1] Property diversification numbers used are from 1Q26.

Property Type Diversification (%)	Residential	Office	Industrial	Retail	Hotel	Other
Opportunistic Portfolio						
Blue Owl Real Estate Fund VII	-	-	-	-	-	100.0
Carlyle China Project Rome (Co-Investment)	-	-	100.0	-	-	-
Carlyle China Realty	-	-	100.0	-	-	-
CIM Fund VIII	14.4	43.8	-	18.9	5.3	17.6
FPA Apartment Opportunity Fund IX	100.0	-	-	-	-	-
KKR Real Estate Partners Americas	-	-	-	-	-	100.0
LaSalle China Logistics Venture	-	-	100.0	-	-	-
Sculptor Real Estate Fund III	7.5	-	-	-	1.9	90.5
Sculptor Real Estate Fund IV	12.5	1.4	1.4	-	7.5	77.3
Sculptor Real Estate Fund V	37.7	-	-	-	3.7	58.6
Seven Seas Japan Opportunity Fund	-	1.6	-	-	45.6	52.8
WCP NewCold III, LP	-	-	100.0	-	-	-
Opportunistic Portfolio	**11.9**	**3.5**	**50.3**	**1.3**	**4.9**	**28.1**
Total Non-Core Portfolio 1Q 2007 Forward	**18.5**	**19.2**	**23.8**	**20.3**	**2.7**	**15.5**
Total Private Portfolio						
SCERS	**24.9**	**13.9**	**41.2**	**9.9**	**1.1**	**9.1**
Indices						
NFI-ODCE	**31.3**	**17.4**	**34.1**	**10.2**	**0.2**	**6.7**

[1] Property diversification numbers used are from 1Q26.

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	23.7	9.7	4.8	0.2	14.9	6.2	1.2	39.2	-	-
FPA Core Plus Fund VI	18.3	-	25.4	7.1	-	-	-	49.2	-	-
Lion Properties Fund	19.8	9.5	2.6	0.3	9.0	8.9	9.2	40.8	-	-
MetLife Core Property Fund	17.8	12.6	9.2	0.2	11.1	7.1	9.6	30.6	1.9	-
Principal U.S. Property Account	10.2	7.8	1.1	2.0	12.3	19.3	15.4	31.9	-	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	16.6	5.8	11.8	-	15.9	10.0	7.5	32.5	-	-
Townsend Core Real Estate Fund – US, LP[1]	12.2	9.7	11.5	2.2	16.8	13.2	10.3	20.7	3.1	0.3
Townsend Real Estate Fund, L.P.[1]	7.2	8.5	16.0	2.2	19.7	15.7	6.7	23.8	0.1	-
Core Commingled Funds	**15.4**	**7.7**	**7.5**	**1.1**	**11.2**	**8.7**	**7.0**	**30.5**	**0.7**	**10.4**
Value Added Portfolio										
Asana Partners Fund II	17.1	14.5	-	8.4	11.2	7.9	38.8	2.1	-	-
Asana Partners Fund III	0.9	12.9	4.0	1.7	37.0	22.9	11.8	8.8	-	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II C	-	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	-	97.7	0.3	-	-	0.9	1.1	-	-	-
Hammes Partners III	45.1	2.1	14.6	2.7	6.2	19.7	8.1	1.4	-	-
Hammes Partners IV	2.4	6.7	20.3	28.0	14.3	18.1	10.2	-	-	-
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	**7.6**	**4.3**	**3.4**	**3.1**	**6.7**	**6.7**	**7.0**	**1.3**	**0.0**	**59.9**

[1] Geographic diversification numbers used are from 1Q26.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
Opportunistic Portfolio										
Blue Owl Real Estate Fund VII	-	-	-	-	-	-	-	-	100.0	-
Carlyle China Project Rome (Co-Investment)	-	-	-	-	-	-	-	-	-	100.0
Carlyle China Realty	-	-	-	-	-	-	-	-	-	100.0
CIM Fund VIII	49.5	-	5.4	-	-	-	0.6	44.5	-	-
FPA Apartment Opportunity Fund IX	21.1	9.8	18.8	3.0	23.3	0.9	9.0	14.1	-	-
KKR Real Estate Partners Americas	-	-	-	-	-	100.0	-	-	-	-
LaSalle China Logistics Venture	-	-	-	-	-	-	-	-	-	100.0
Sculptor Real Estate Fund III	91.5	-	-	-	-	0.1	0.8	5.7	-	1.9
Sculptor Real Estate Fund IV	0.0	-	-	-	7.2	-	6.4	16.0	54.8	15.6
Sculptor Real Estate Fund V	8.6	-	-	-	11.7	2.6	-	14.9	43.5	18.7
Seven Seas Japan Opportunity Fund	-	-	-	-	-	-	-	-	-	100.0
WCP NewCold III, LP	4.1	-	10.5	-	8.6	0.4	5.2	4.6	-	66.6
Opportunistic Portfolio	**8.1**	**0.7**	**5.1**	**0.2**	**6.2**	**0.4**	**3.6**	**9.3**	**17.1**	**49.3**
Total Non-Core Portfolio 1Q 2007 Forward	**7.8**	**2.9**	**4.1**	**2.0**	**6.5**	**4.3**	**5.7**	**4.4**	**6.5**	**55.8**
Total Private Portfolio										
SCERS	**12.7**	**6.0**	**6.3**	**1.4**	**9.5**	**7.1**	**6.5**	**21.3**	**2.7**	**26.4**
Indices										
NFI-ODCE	**21.1**	**8.1**	**4.9**	**0.8**	**13.4**	**8.4**	**7.9**	**35.3**	**0.0**	**0.0**

[1] Geographic diversification numbers used are from 1Q26.

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, 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.

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

4. Real Estate Market Update

Real Estate Is Entering the Early Stages of a New Return Cycle

Stabilizing values and early appreciation indicate a turn in the private real estate cycle is underway

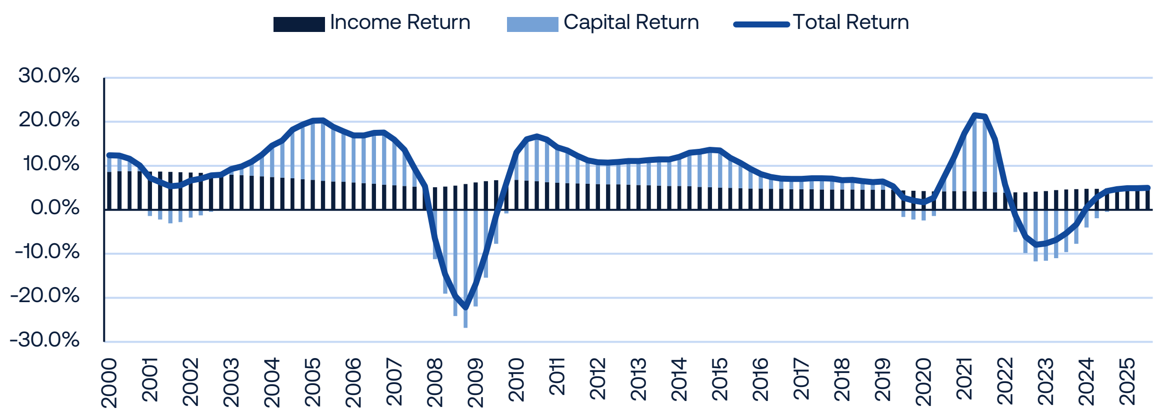
US Real Estate Has Lagged Broader Post-COVID Financial Market Recovery

- *Public markets surged:* From the start of 2023 through Q2 '26, the S&P 500 returned ~95%, with the Nasdaq even higher
- *Real estate lagged:* Over the same period, US private real estate (NFI-ODCE) returned approximately -3% annually after fees (Q2 '26 forecast)
- *Valuation gap has widened:* Public equities now sit near cyclical highs; private real estate has already absorbed its correction and is entering its recovery from a reset base

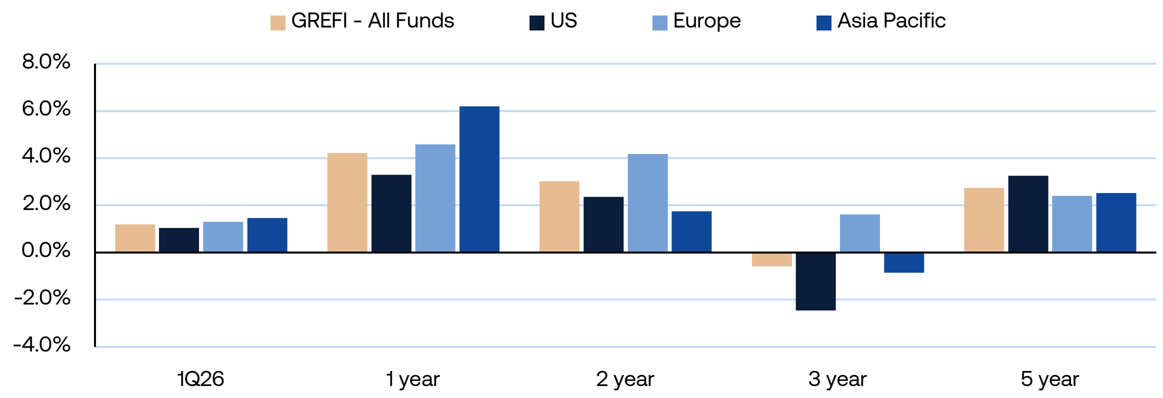
Returns Are Stabilizing and Early-Cycle Signals are Emerging

- *US values stabilizing:* NCREIF NPI returns have been positive for seven straight quarters, with valuations stabilizing in 2025-26
- *Europe recovering:* Europe total returns declined 11-12% but exhibited the fastest recovery, generating a positive return in Q2 2024 that started a streak of eight consecutive positive quarters through Q1 2026
- *APAC improving:* APAC total returns declined ~9% through Q4 2024 but delivered the strongest performance over the trailing year
- *Cycle duration supportive:* Real estate early-cycle recovery window is now open

US Private Real Estate Stabilized in 2025
NCREIF NPI Total Returns (Unlevered)



Global Real Estate Returns Have Steadied
Global Real Estate Fund Index (GREFI) Total Returns (1Q26)

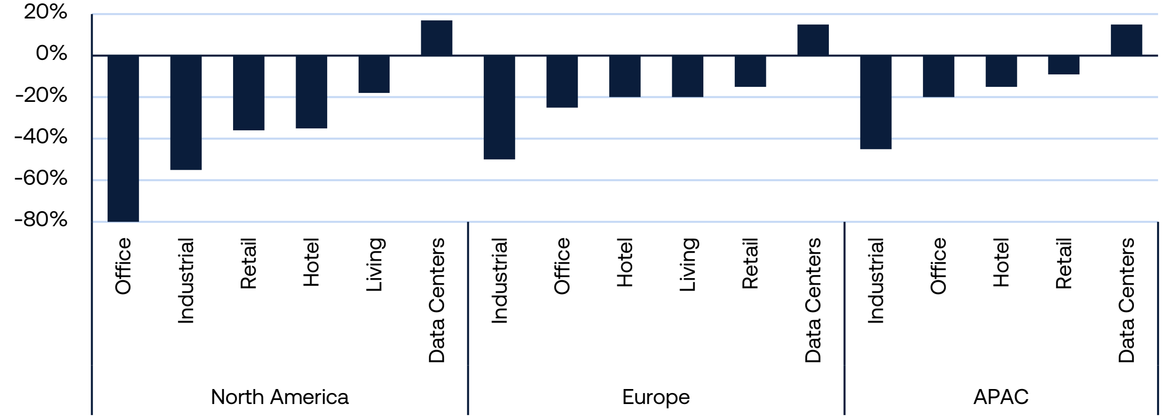


Source: Townsend, NCREIF (Second Quarter 2026), GREFI – ANREV, INREV, NCREIF (Returns in Reporting Currency) (First Quarter 2026). Townsend's views are as of the date of this presentation and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

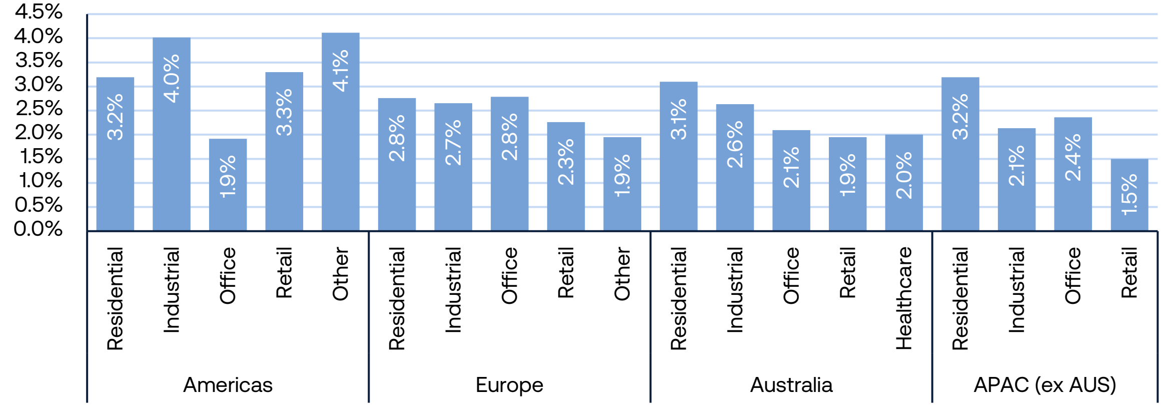
Improving Real Estate Performance Outlook

Constrained supply and proliferation of alternative property types are driving near-term growth

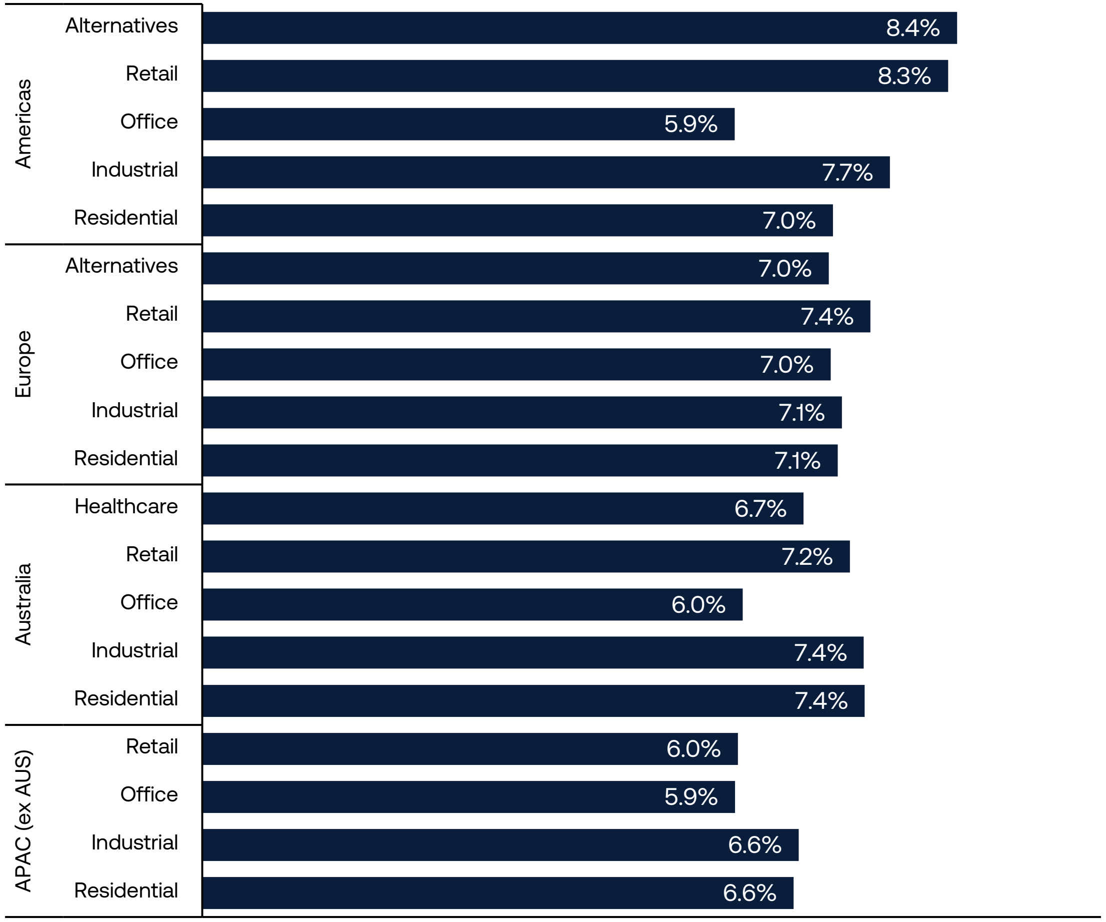
New Supply Is Forecast to Decline Across Most Property Types Globally
2026 Forecast Completions vs 2021-2025 Peak



Macro Fundamentals Supporting NOI Growth Across Property Types and Regions
5-year CAGR Forecasts by Region/Property Type



Alternative Property Types Are Forecast to Generate the Highest Returns in the US
5-Year Unlevered IRR Forecasts by Region/Sector



Source: Townsend, JLL Research (December 2025).

Secular Trends Can Guide Long-Term Real Estate Investors Beyond Near-Term Uncertainties

Townsend

Many long-term secular trends remain intact

Acute Housing Shortage

- Home prices have softened modestly but the rent-vs-own affordability gap remains wide, supporting demand for rental housing including traditional apartments, single-family rental/build-to-rent, and affordable housing
- In the US, there is an estimated shortfall of more than 8 million units for very-low-income households

Evolving Consumer Habits Requiring Logistics Infrastructure

- The institutionalization of industrial outdoor storage (“IOS”) has created a compelling opportunity as supply chains and logistics networks continue to expand
- IOS trades at a 125 bps premium to Class A industrial in comparable markets, while average rents are 44% above 2020 levels

Continued Digitization and AI Adoption

- Explosive growth of AI and growing need for cloud computing are driving demand for data centers as the digital economy expands globally. Cloud/AI platforms boosted 2025 capital budgets by +$190 billion and all major hyperscalers signal even higher spend in 2026

Supportive Demographic Trends

- The 80+ population is projected to grow 36.6% over the next decade, compared to only ~5% growth for the overall population, creating sustained demand for senior housing and care services

Institutionalization of Alternative Sectors

- The universe of investable institutional real estate continues to expand globally with the emergence of alternative property types such as data centers, manufactured housing, student housing, IOS, etc.

Source: Townsend, HUD (May 2026), Realterm (June 2026), Bloomberg NEF (1Q26), JLL Research, National Investment Center (NIC) (1Q26).

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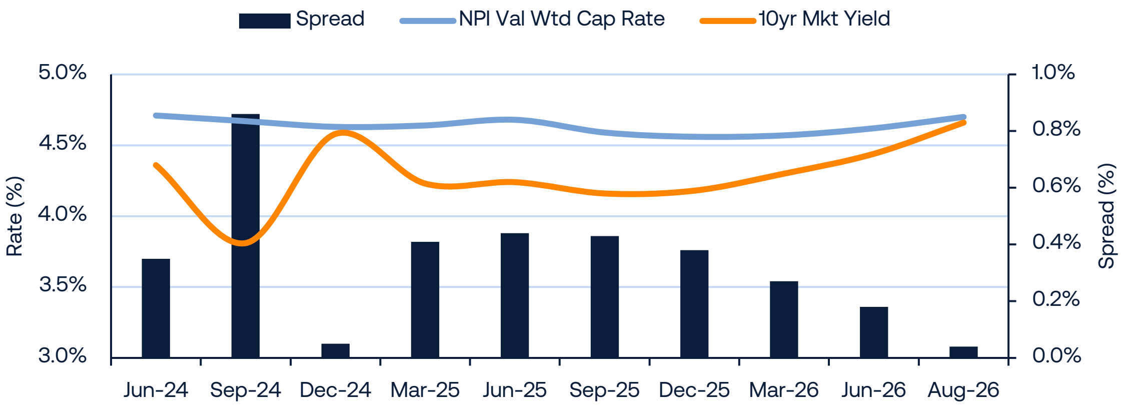
US Real Estate Market Conditions Improving

Most property sectors poised for growth

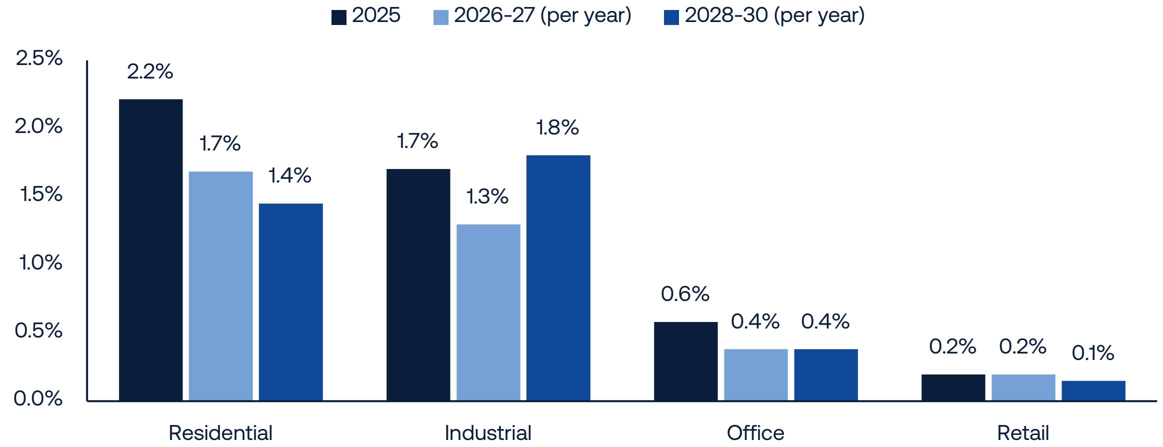
Projected Growth is Healthy Across Most Fund Sectors
Townsend Internal Income Growth Forecasts by Strategy

Fund Classification	2026-27	2027-28	2028-29
NFI-ODCE	2.7%	2.7%	3.1%
Apartment	1.7%	2.9%	4.7%
Industrial	4.1%	3.2%	2.9%
Retail	3.9%	3.5%	3.0%
Core Plus	2.8%	2.8%	3.2%
Value	2.5%	2.8%	3.6%
Alternatives	3.3%	3.4%	3.4%

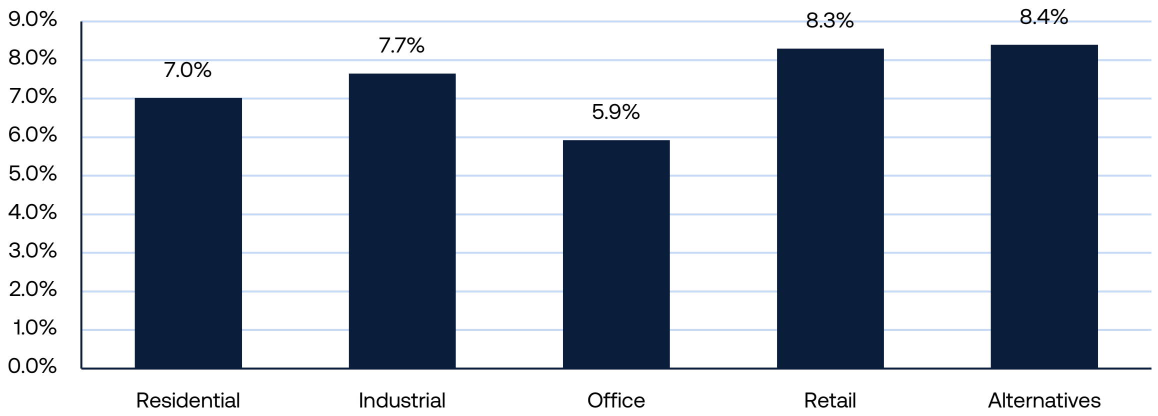
Private Real Estate Valuations Have Stabilized Despite Volatility in 10-Year Treasury
NPI Value-Weighted Cap Rate Versus 10-Year Treasury Market Yield



Supply Growth is Contracting Meaningfully Across Sectors
Annual Completions as % of Existing Stock



Higher Entry Yields and Growth Forecasts Support Strong Performance Outlook
Townsend 5-Year Unlevered IRR by Sector



Source: Townsend, NCREIF (June 2026), St. Louis Fed (August 2026), Green Street (August 2026).
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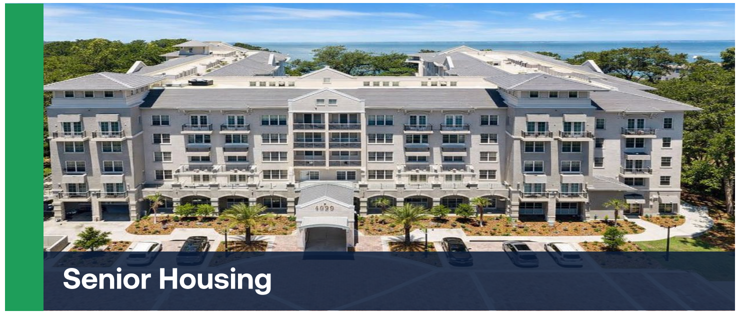
US Real Estate Sector Opportunity Set

Conviction across sectors signaled by color — green favorable to red challenged


Data Centers


Senior Housing


Net Lease


Affordable Housing


Industrial


Residential


Retail


Life Sciences


Office

Favorable | Stable+ | Neutral | Cautious | Challenged

Source: Townsend.
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Thank you

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