

Performance Measurement Report

Fourth Quarter 2025

(Corrected)

Townsend



SCERS

SACRAMENTO COUNTY
EMPLOYEES'
RETIREMENT SYSTEM

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1. SCERS Real Estate Portfolio Overview & Funding Status

2. Real Estate Portfolio Performance

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1. SCERS Real Estate Portfolio Overview & Funding Status

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 fourth quarter of 2025 (the “Quarter”), the Real Estate Portfolio was 6.1%; below the real estate target but within the allowable exposure range.
- Core Real Estate currently makes up 63.6% of the portfolio, with the remaining 36.4% in Non-Core Real Estate. SCERS is constantly evaluating new investment opportunities to deploy capital.

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 41.2% at the end of the fourth quarter of 2025. The loan-to-value ratio of the Core Portfolio was 35.9%, 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 fourth quarter. The Non-Core Portfolio reported a loan-to-value ratio of 48.7%.

Portfolio Funding Status

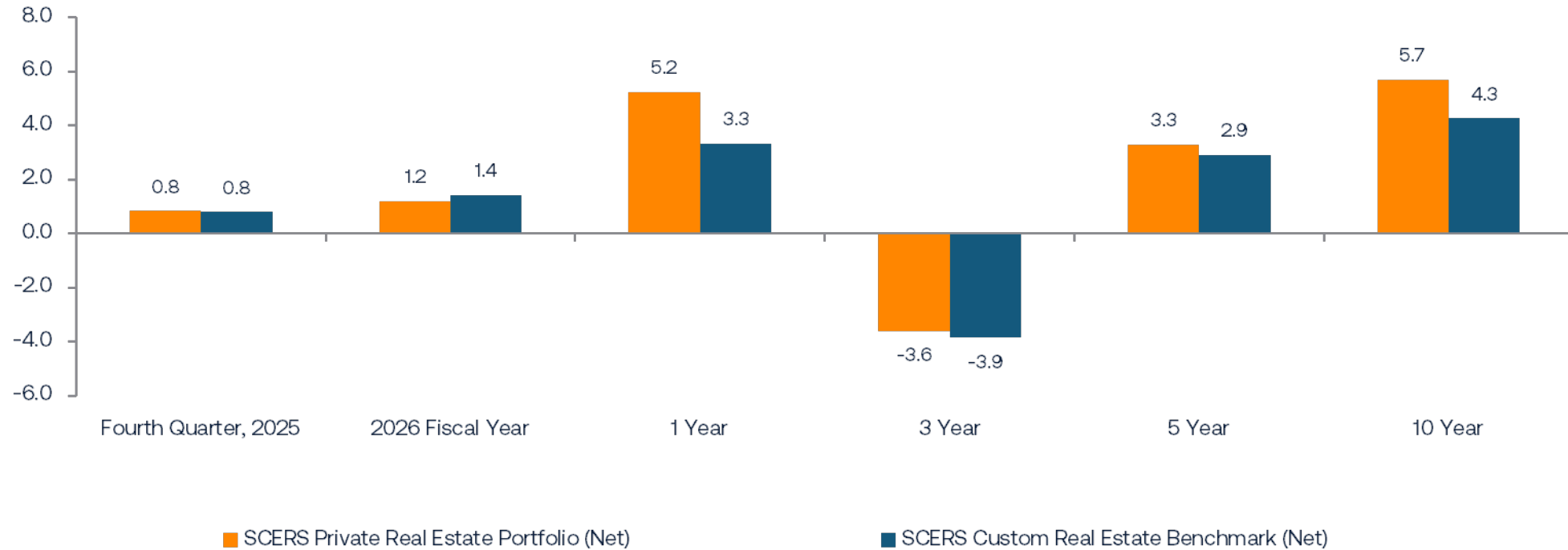
- This report outlines key components of the SCERS Real Estate Portfolio (the “Portfolio”) through December 31, 2025; a detailed performance report is also provided in Exhibit A.
- Figures exclude commitments / redemptions / dispositions approved subsequent to quarter-end and future distributions.
- Unfunded commitments total 1.5% of plan assets; some of those commitments may never be fully drawn.
- Over the past 12 months, SCERS made two commitments with the same manager: a) a Core Plus fund focused on domestic multifamily properties and b) an Opportunistic fund focused on domestic multifamily properties. Furthermore, a commitment to a US net lease fund has been recommended and is expected in 1H 2026.

SCERS Portfolio Snapshot As of December 31, 2025	Market Value (in millions of dollars)*	% of SCERS Plan	% of Real Estate
SCERS Total Plan Assets	15,678	100.0%	
Private Portfolio Target	1,254	8.0%**	
Private Portfolio Permissible Range		6.0-10.0%**	
Private Real Estate			
Core Portfolio	608	3.9%	63.6%
Non-Core Portfolio	348	2.2%	36.4%
Total SCERS Private Real Estate Market Value	956	6.1%	
Total SCERS Private Real Estate Unfunded Commitments	232	1.5%	

* Figures may not add due to rounding

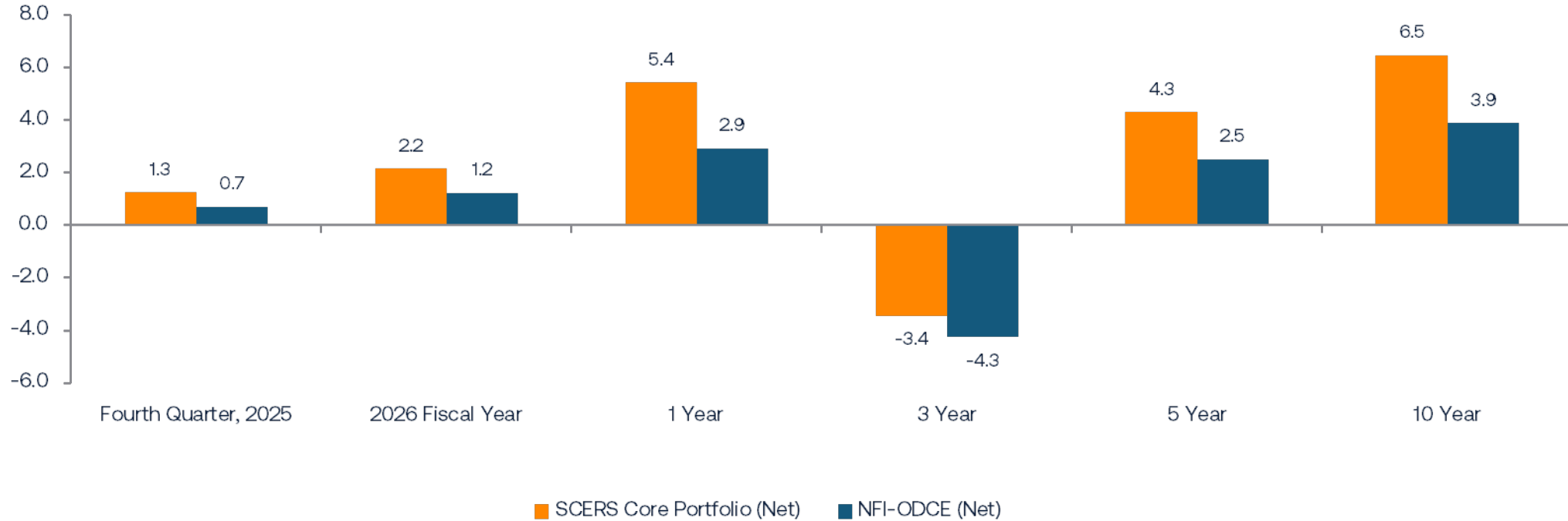
** The 8% Private Portfolio (RE) target and permissible range were approved as part of the March 2025 Asset Liability Study, which reduced the target from 9% to 8%
Sacramento County Employees’ Retirement System – Fourth Quarter 2025

2. Real Estate Portfolio 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 fourth quarter of 2025, outperforming the benchmark by 4 basis points. Outperformance was driven by the Core Portfolio.
- The SCERS Total Real Estate Portfolio outperformed the benchmark over the 1-, 3-, 5-, and 10-Year time periods, but underperformed during the 2026 Fiscal Year-to-Date.

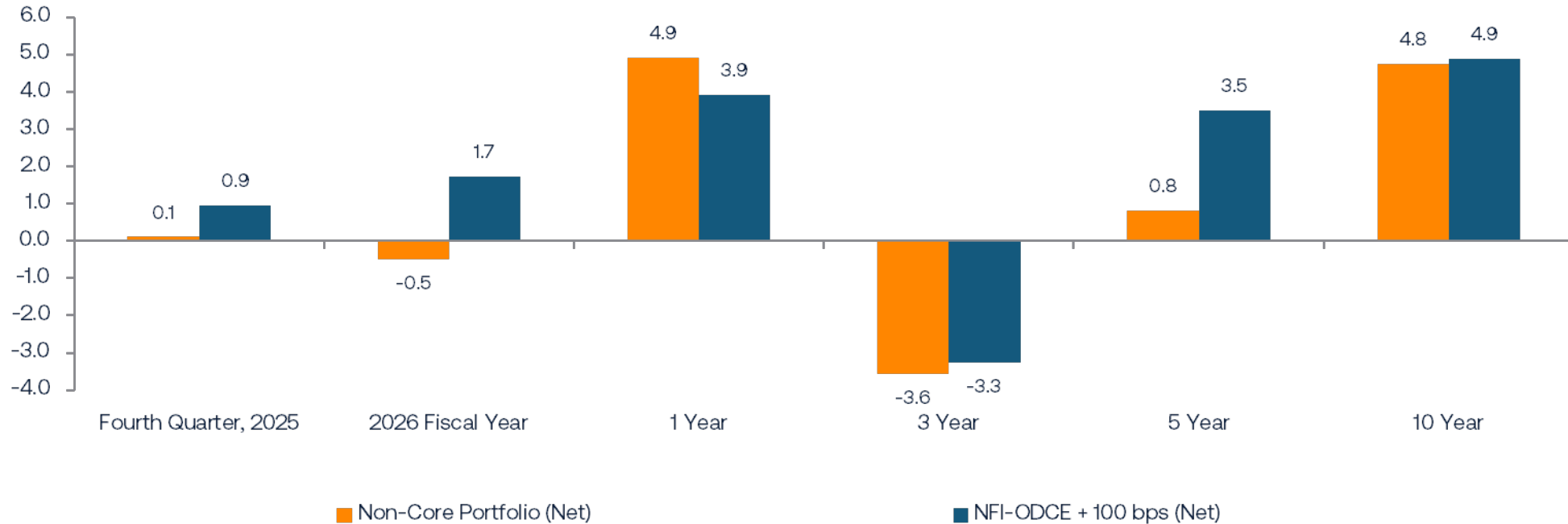
Core Portfolio Performance



- 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 outperforms this benchmark over all time periods.
- During the quarter, the Core portfolio generated a 1.3% net return - all nine funds produced positive returns during this period.
- The strongest absolute Core performers were Townsend Real Estate Fund and FPA Core Plus Fund VI, returning 4.0% net and 3.9% net, respectively. The weakest Core performer during the quarter was MetLife Core Property Fund, with a 0.2% net return.

*Note: EX-US funds produced the following 4Q25 net returns in local currency: Prologis European Logistics Fund (Euro) 0.8%.
Sacramento County Employees' Retirement System - Fourth Quarter 2025*

Non-Core Portfolio Performance



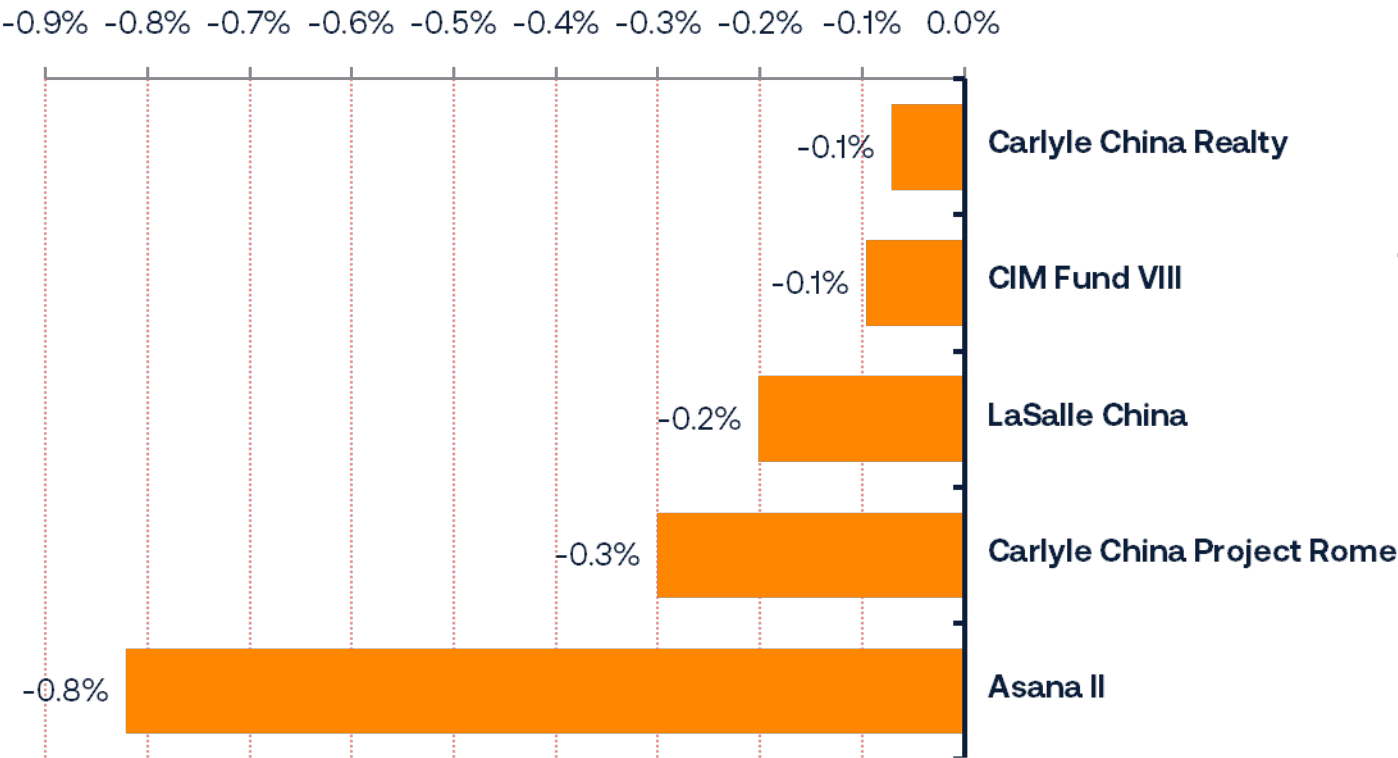
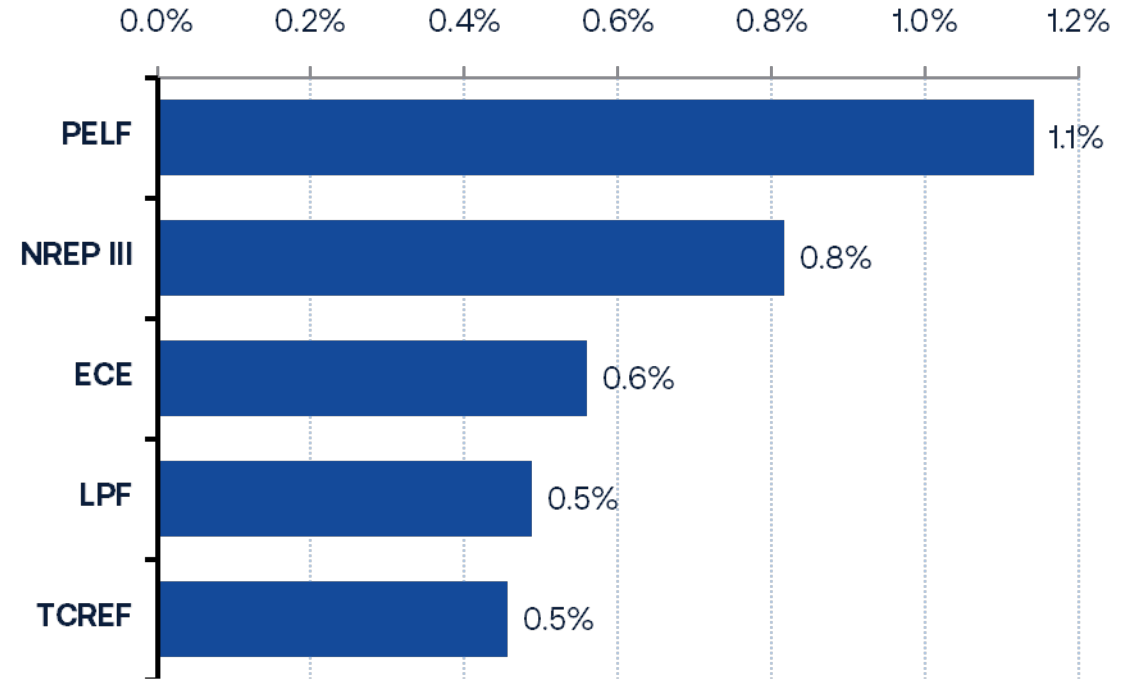
- The SCERS Non-Core Real Estate Portfolio includes both Value Added and Opportunistic Real Estate strategies, which are defined in SCERS’ Investment Policy Statement.
- The Non-Core Portfolio has outperformed its benchmark over the 1-Year time period but underperformed over other time periods.
- During the quarter, the Non-Core Portfolio underperformed the benchmark by 84 basis points, producing a 0.1% net return.
- Underperformance is attributed to Value Added investments, including Asana Partners Fund II (-9.2% net).

Note: EX-US funds produced the following 4Q25 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) 1.2%, NREP Nordic Strategies Fund III (Euro) 11.2%, NREP Nordic Strategies Fund IV (Euro) -10.8%, NREP Nordic Strategies Fund V (Euro) -0.5%, Seven Seas Japan Opportunity Fund 6.3% (Japanese Yen), LaSalle China Logistics Venture (Chinese Yuan) -2.7%, Carlyle China Realty Fund (Chinese Yuan) -2.4%, and Carlyle’s Project Rome (Chinese Yuan) -1.1%.*

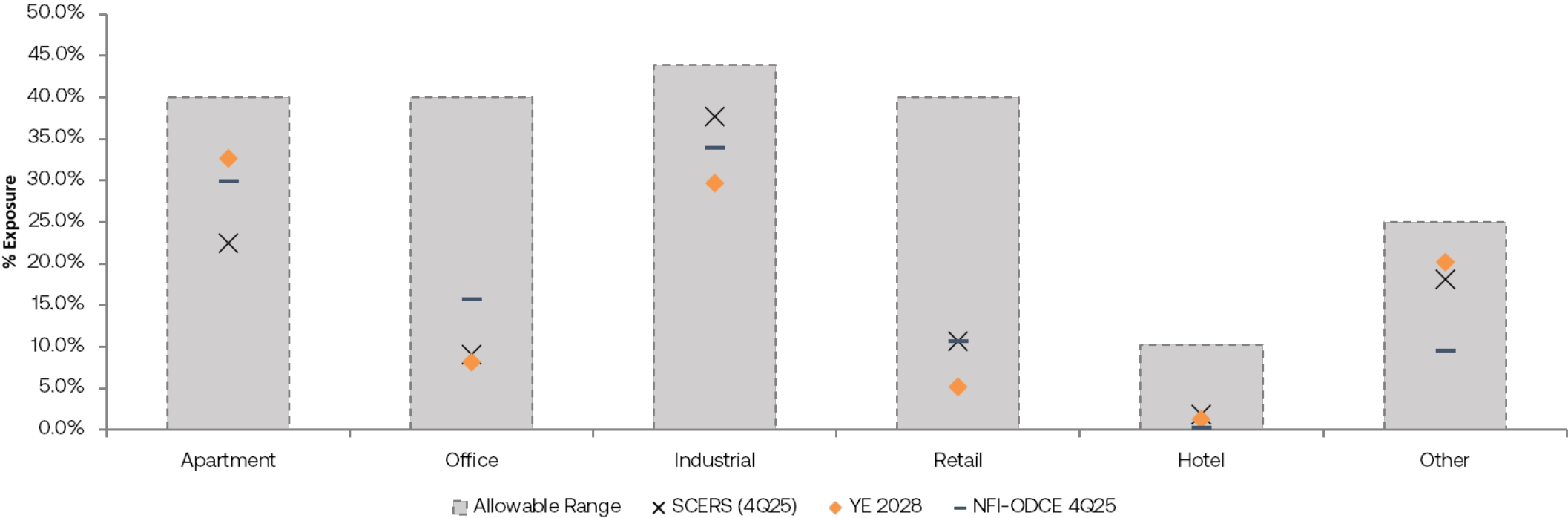
**Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.*

Performance Attribution - One Year Period

- Over the trailing twelve-month period, the top five performers were three Core funds and two Value Added funds.
- Performance was primarily diluted by Non-Core investments over this time period. Asana II was the largest detractor, with Carlyle China Project Rome and LaSalle China also notably detracting from portfolio returns.



Real Estate Portfolio Diversification – Property Type

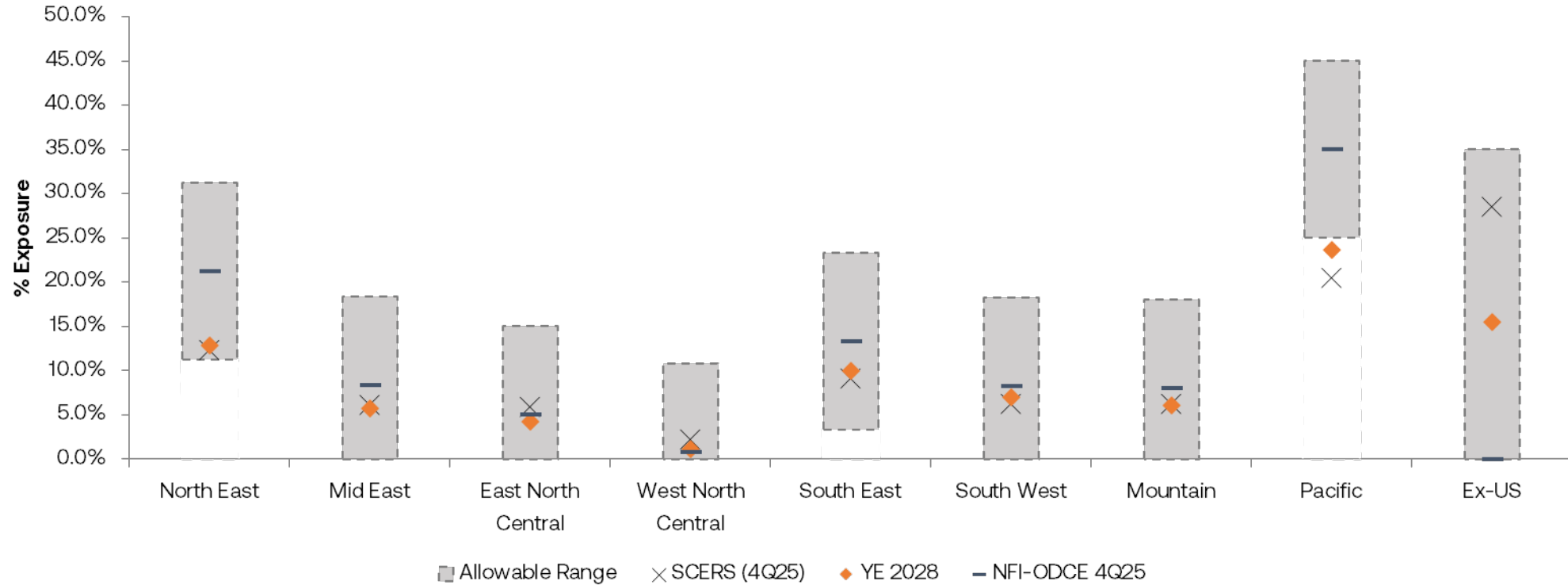


- In August 2025, SCERS updated its investment policy to limit exposure to each property type to the greater of 40% or NFI-ODCE + 10%, except the “Other” sector which has a maximum limit of 25%*. SCERS’ Real Estate Policy allows for temporary deviations for added flexibility, taking advantage of opportunities throughout the market cycle.
- As of the fourth quarter, all property types were in compliance. Industrial exposure is anticipated to decrease as new non-industrial investments continue to call capital and SCERS continues diversifying its portfolio.
- “Other” property type exposure includes Sculptor Real Estate Fund III** (for-sale residential and parking), Sculptor Real Estate Fund IV (entertainment and for-sale residential), Sculptor Real Estate Fund V (parking and for-sale residential), CIM Fund VIII (land), KKR Real Estate Partners Americas (land), Hammes Partners II, III and IV (medical office), NREP Nordic Strategies Fund II (student housing), NREP Nordic Strategies Fund III (senior living), NREP Nordic Strategies Fund IV (senior living and student housing), 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.

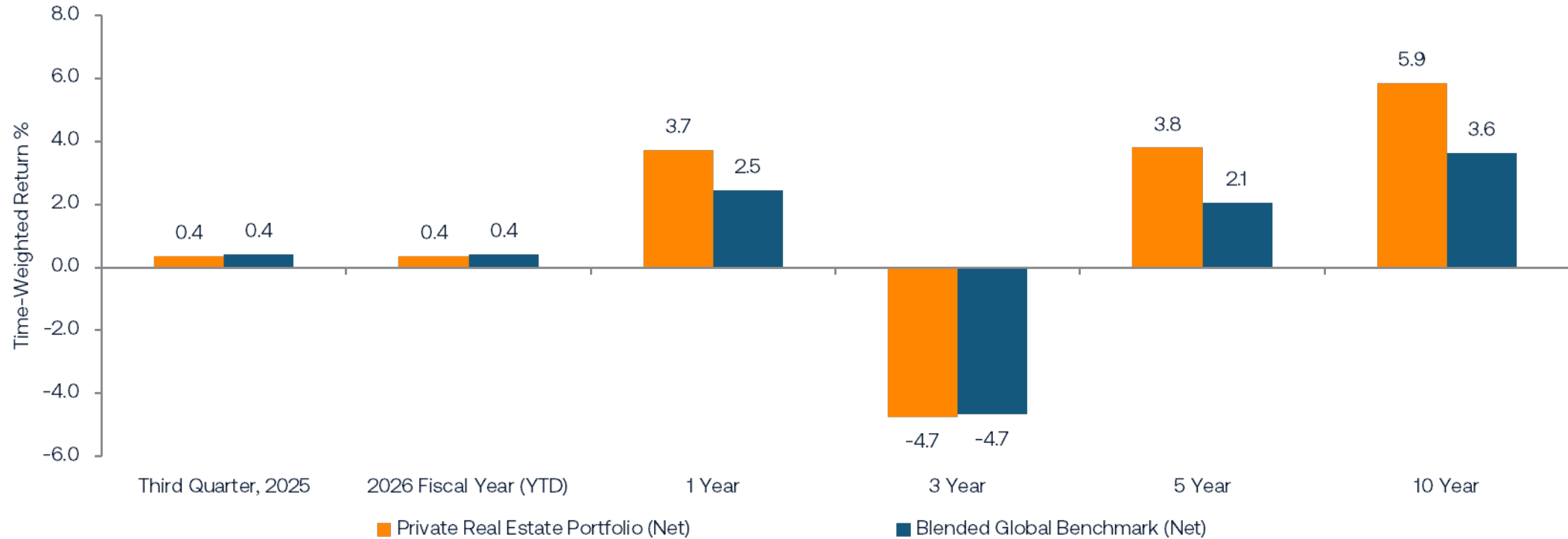
** Sculptor Real Estate Fund III was previously known as Och-Ziff Real Estate Fund III.

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 fourth 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 2.9% of the Real Estate Portfolio.
- The Real Estate Portfolio's international exposure is 28.5%, 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 (5.1%), Denmark (4.2%), Germany (3.5%), China (3.0%), United Kingdom (2.6%), Poland (2.2%), Finland (2.2%), and other countries (5.7%).

Private Real Estate Performance – Global Ancillary Benchmark (3Q25)

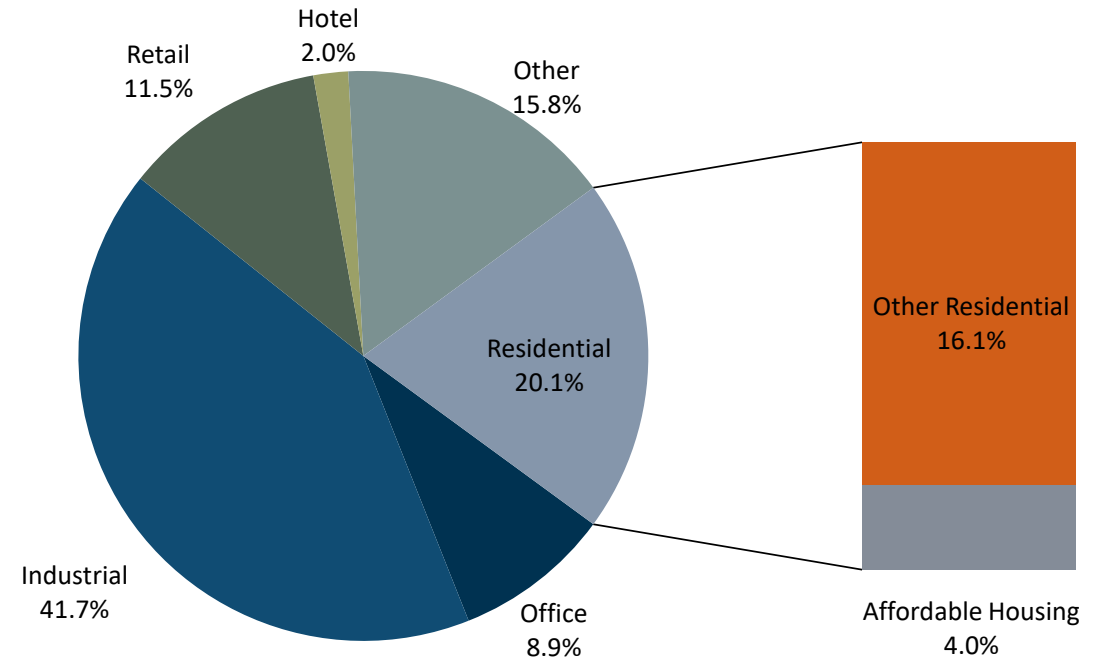


- The Global Ancillary Benchmark is made-up of the NFI-ODCE (Core), NFI-ODCE + 100bps (Non-Core), GREFI Europe Core, GREFI Europe Non-Core, and GREFI Non-Core Asia Pacific to create a global blended benchmark based on weighted average invested capital for each strategy.
 - GREFI reports on a 12 week lag. As a result, the ancillary benchmark is reported to SCERS on a quarterly lag.
- The Real Estate Portfolio's international exposure was 29.6% in 3Q25, 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 1-, 5-, and 10-Year time periods, and performed roughly in-line over the quarter, fiscal year, and 3-Year time periods.

3. Affordable Housing Discussion

SCERS' Affordable Housing Exposure

- As of 3Q 2025, 4.0% of SCERS' Real Estate Portfolio was comprised of affordable housing properties
- This includes 8 funds (of the 12 that manage residential on behalf of SCERS); exposure among funds with affordable housing ranged from just over 1% to 86% of the specific vehicle
- Affordable housing accounted for 24.6% of SCERS' residential investments; just over 75% of this is Naturally Occurring Affordable Housing
- Performance ranged considerably from +18.6% gross property-level IRR down to -13.4% gross IRR; assets we received data on performed between these two outliers with mixed results



Other Institutional Investors

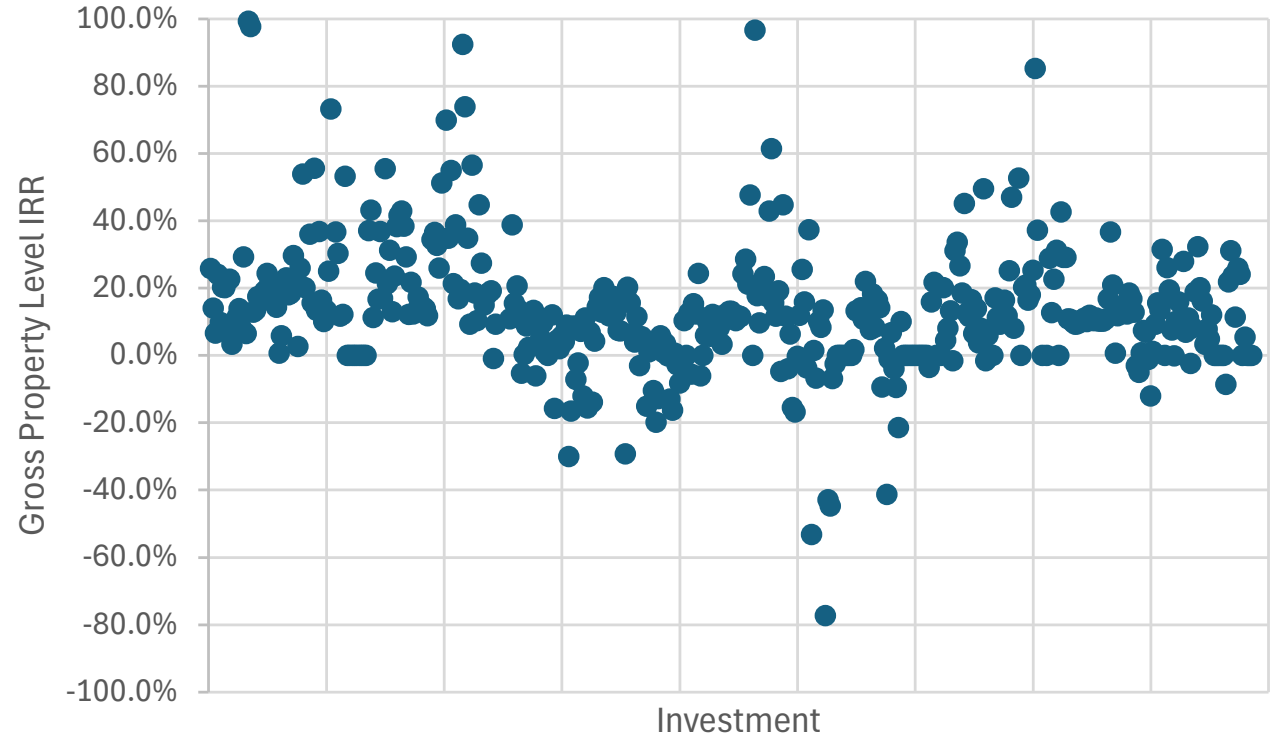
- As requested, Townsend connected with two of the largest US pensions to understand more about their affordable housing programs and exposure
 - Both plans execute with a single manager in multiple vehicles
 - One investor provided more detailed information
 - The other investor’s program is newer and not yet fully deployed; this comprises a mix of NOAH and subsidized, which may double by the time capital is fully deployed
- Returns vary by strategy
 - These investors generally target 9-12% net returns with 4-5% from current income for most strategies; and
 - High-teens returns for development
- These plans (and their real estate portfolios) are many times the size of SCERS. For additional detail and more relevant-sized peer samples, Townsend also collected data on several similar sized US public pension plans

	% of Total Real Estate	% of Residential	% NOAH
SCERS	4.0%	24.6%	75.9%
Investor 1	4.0%	15-20%	33.3%
Investor 2	1.0%	4.0%	unknown
Similar Sized Investors	3-6%	15-30%	60-100%

- Fund size
 - Subsidized: \$200 million - \$500 million; some regional strategies are even smaller (<\$200 million)
 - NOAH: slightly larger, \$350 million – \$1.75 billion
- Returns
 - Funds generally target 8-12% net returns, though these may be higher for higher risk non-core strategies
 - Gross, property-level IRRs presented at the January board meeting were confirmed by new firms interviewed during these follow up discussions
- Investors
 - Based on discussions with investment managers in this space, many investors are small and mid-sized institutions, including Taft-Hartley, Endowments, Foundations, insurance companies, and banks
 - There were very few pensions by number; for funds with significant pension exposure, pensions generally comprised 20-35% of the fund and included large institutions
 - Pensions as described in the comments above are not limited to US pensions; this includes foreign pension investors

Affordable Housing Performance

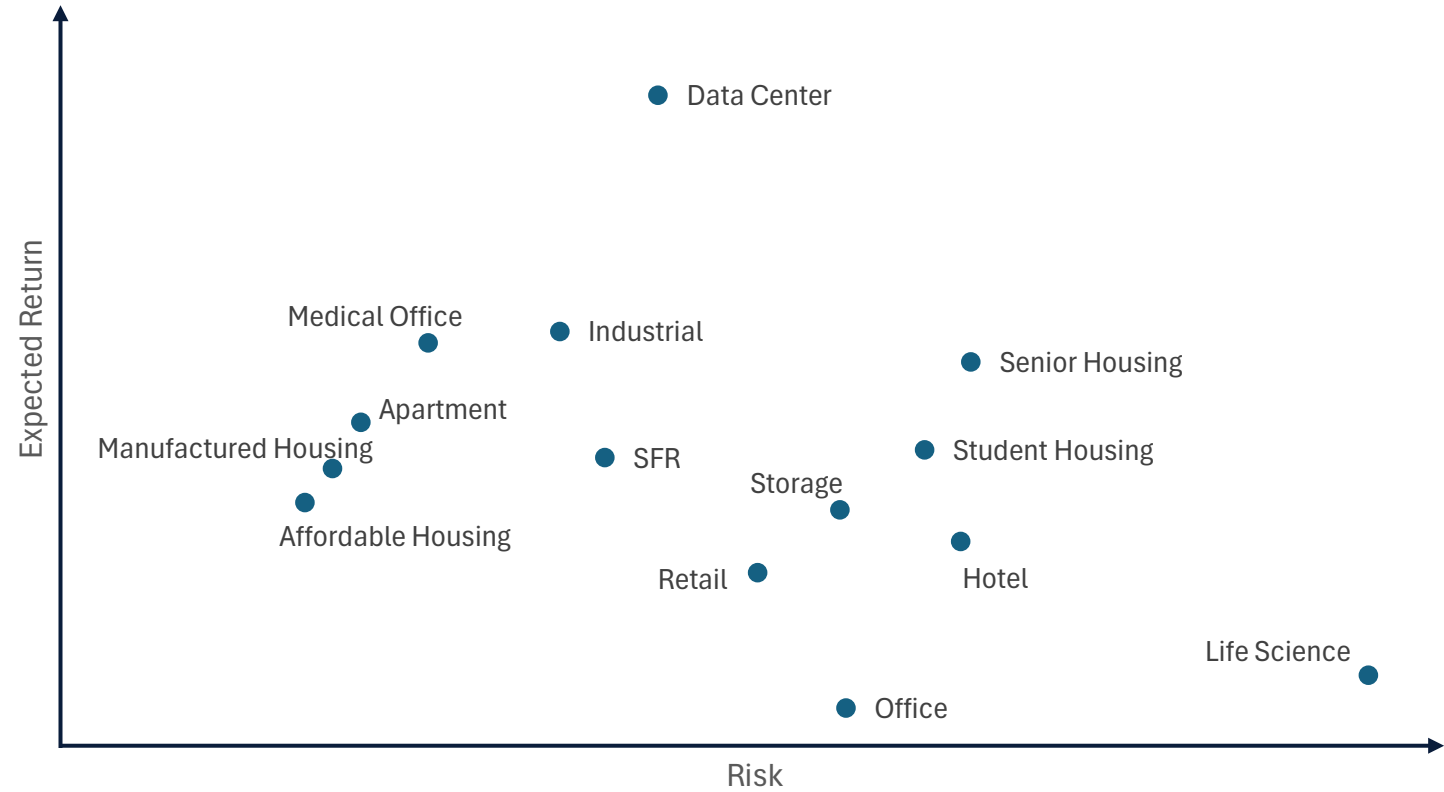
- The adjacent chart shows asset-level performance (realized or fair market value) of subsidized affordable housing investments managed by 16 firms within more than 30 separate vehicles
- Performance has varied considerably across these 420+ individual investments, but they have produced a cumulative weighted average 12.9% IRR*
- Only 19 (4%) investments were made pre-GFC, introducing possible survivorship bias, and this performance was reported to Townsend in a relatively short collection window
- However, data does seem to indicate the potential for strong positive performance in subsidized housing



** A small number of outliers were omitted from the chart above for scale but have been included in the weighted average IRR calculation.*

SCERS' Affordable Housing Exposure

- The following chart illustrates core investment risk and return by property type
- While risk can be measured in a variety of ways, the information below uses volatility as a simple measure of risk
- Scale is intended to illustrate the differences between property types
- Except student and senior housing, expected risk and return are generally more similar within residential investments than among other property types



4. Performance Flash Report

Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
15,677,612,831	Core	4.8%	608,078,940	3.9%	17,500,000	0.1%	126,946,476	0.8%
	Non-Core	3.2%	348,357,107	2.2%	214,948,043	1.4%	-210,558,861	-1.3%
	Total	8.0%	956,436,047	6.1%	232,448,043	1.5%	-83,612,385	-0.5%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Portfolio (Commingled Funds & Separate Accounts)	1.4	1.3	6.2	5.4	-3.0	-3.4	5.3	4.3
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	0.5	0.1	7.0	4.9	-2.1	-3.6	4.0	0.8
Private Real Estate Portfolio	1.1	0.8	6.5	5.2	-2.8	-3.6	5.0	3.3
NFI-ODCE (Core)	0.9	0.7	3.8	2.9	-3.4	-4.3	3.4	2.5
NFI-ODCE + 100 bps (Non-Core)	1.2	0.9	4.8	3.9	-2.4	-3.3	4.4	3.5
SCERS Custom Real Estate Benchmark ⁴	1.0	0.8	4.2	3.3	-3.0	-3.9	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	27,702,192	92,636,248	9.7	7.8
FPA Core Plus Fund VI ²	2025	50,000,000	32,500,000	17,500,000	1,120,564	34,309,215	3.6	4.4
Lion Properties Fund	2018	152,400,000	159,738,880	0	85,118,415	104,688,716	10.9	8.8
MetLife Core Property Fund	2013	35,000,000	55,099,893	0	27,794,483	69,215,674	7.2	5.8
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	56,658,282	5.9	4.8
Prologis European Logistics Fund ^{1,3}	2016	78,037,070	80,543,205	0	52,118,398	65,249,593	6.8	5.5
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,507,519	0	69,301,098	75,946,598	7.9	6.4
Townsend Core Real Estate Fund – US, LP ³	2024	96,064,202	92,064,200	0	4,091,184	93,679,719	9.8	7.9
Townsend Real Estate Fund, LP ³	2016	90,000,000	120,975,151	0	166,170,422	15,694,895	1.6	1.3
Core Commingled Funds	1986	686,501,272	726,428,848	17,500,000	433,416,756	608,078,940	63.6	52.6
Value Added Portfolio								
Asana Partners Fund II ³	2019	35,000,000	32,340,950	2,659,050	0	27,296,705	2.9	2.5
Asana Partners Fund III ³	2022	40,000,000	21,733,333	18,266,667	0	21,726,187	2.3	3.4
DRC European Real Estate Debt Fund II ³	2013	50,007,963	47,627,074	4,351,476	43,498,683	6,368,350	0.7	0.9
ECE European Prime Shopping Centre Fund II C ³	2015	33,611,623	34,613,419	0	8,869,433	36,977,328	3.9	3.1
Hammes Partners II ³	2015	25,000,000	27,854,757	918,646	44,398,358	3,491,629	0.4	0.4
Hammes Partners III ³	2018	25,000,000	32,116,307	2,954,981	17,150,921	24,011,912	2.5	2.3
Hammes Partners IV ³	2023	40,000,000	10,744,886	29,255,114	935,148	9,349,979	1.0	3.2
NREP Nordic Strategies Fund II	2016	35,176,432	35,664,816	516,285	60,671,484	9,226,708	1.0	0.8
NREP Nordic Strategies Fund III	2018	39,019,632	34,309,672	1,690,698	16,300,376	32,739,779	3.4	2.9

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.

⁵ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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 ⁵	2019	35,449,208	27,270,869	9,247,567	-2,158,224	28,632,845	3.0	3.2
NREP Nordic Strategies Fund V ³	2022	41,710,115	16,837,386	23,273,369	-1,178,190	28,015,270	2.9	4.3
Value Added Portfolio	1986	399,974,973	321,113,469	93,133,853	188,487,989	227,836,692	23.8	27.0
Opportunistic Portfolio								
Cariyle China Project Rome Co-Investment	2017	40,000,000	38,745,488	4,467,193	0	14,357,107	1.5	1.6
Cariyle China Realty	2017	10,000,000	10,783,995	695,409	2,342,232	3,156,927	0.3	0.3
CIM Fund VIII ³	2015	35,000,000	40,528,654	0	9,001,897	9,333,563	1.0	0.8
FPA Apartment Opportunity Fund IX ³	2025	30,000,000	6,000,000	24,000,000	0	5,552,458	0.6	2.5
KKR Real Estate Partners Americas	2014	22,720,638	30,477,571	3,842,263	38,677,541	147,170	0.0	0.3
LaSalle China Logistics Venture	2021	30,000,000	12,857,823	5,111,877	0	8,016,580	0.8	1.1
Sculptor Real Estate Fund III ²	2014	35,000,000	27,283,592	12,207,576	46,541,163	2,190,644	0.2	1.2
Sculptor Real Estate Fund IV	2020	30,000,000	33,216,078	3,003,018	15,098,609	23,702,160	2.5	2.2
Sculptor Real Estate Fund V	2025	50,000,000	4,102,064	46,793,303	522,648	3,331,049	0.3	4.2
Seven Seas Japan Opportunity Fund ³	2022	20,492,375	19,084,277	3,543,551	5,339,189	14,508,767	1.5	1.5
WCP NewCold III, LP	2024	50,000,000	37,651,319	18,150,000	5,683,997	36,223,990	3.8	4.6
Opportunistic Portfolio	1991	353,213,013	260,730,861	121,814,190	123,207,276	120,520,415	12.6	20.4
Total Non-Core Portfolio 1Q 2007 Forward	2007	753,187,986	581,844,330	214,948,043	311,695,265	348,357,107	36.4	47.4
Total Private Portfolio								
SCERS	1986	1,439,689,258	2,161,050,242	232,448,043	1,965,443,072	956,436,047	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.

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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
Brookfield Premier Real Estate Partners	92,636,248	0.4	0.6	1.0	0.7	0.8	1.3	2.1	1.6	1.7	1.7	3.4	2.4	1.6	-9.4	-7.9	-8.1
FPA Core Plus Fund VI ³	34,309,215	0.6	3.5	4.2	3.9	1.3	3.6	4.9	4.6	4.9	20.7	26.2	23.1				
Lion Properties Fund	104,688,716	1.0	0.4	1.4	1.2	1.9	0.6	2.6	2.1	3.8	1.4	5.3	4.4	3.9	-8.0	-4.4	-5.2
MetLife Core Property Fund	69,215,674	1.3	-1.0	0.3	0.2	2.6	-1.4	1.2	1.0	5.3	-2.8	2.4	2.0	4.9	-9.2	-4.6	-5.1
Principal U.S. Property Account	56,658,282	1.1	0.2	1.4	1.1	2.2	0.5	2.8	2.3	4.7	0.4	5.1	4.1	4.5	-6.4	-2.2	-3.1
Prologis European Logistics Fund ^{1,3}	65,249,593	1.3	-0.2	1.1	0.9	2.6	-0.8	1.8	1.3	5.3	13.6	19.4	18.2	5.1	-0.5	4.6	3.5
Prologis Targeted U.S. Logistics Fund	75,946,598	1.1	0.8	1.9	1.7	2.3	0.5	2.8	2.4	4.6	-0.5	4.1	3.3	4.2	-4.9	-0.9	-0.7
Townsend Core Real Estate Fund – US, LP ³	93,679,719	0.9	0.5	1.4	1.4	1.7	0.8	2.5	2.3	3.1	1.7	4.8	4.6				
Townsend Real Estate Fund, L.P. ³	15,694,895	0.3	3.8	4.1	4.0	1.7	5.5	7.2	7.1	2.0	5.7	7.8	7.5	2.7	-4.9	-2.3	-2.5
Core Commingled Funds	608,078,940	0.9	0.5	1.4	1.3	1.9	0.6	2.5	2.2	3.8	2.3	6.2	5.4	3.6	-6.5	-3.0	-3.4
Value Added Portfolio																	
Asana Partners Fund II ³	27,296,705	-0.1	-8.8	-8.9	-9.2	0.4	-10.7	-10.4	-11.0	-0.6	-20.7	-21.3	-22.3	-1.2	-10.1	-11.2	-10.8
Asana Partners Fund III ³	21,726,187	-0.1	3.3	3.2	2.8	-0.3	6.3	6.1	5.2	-1.1	10.8	9.5	7.6	-1.8	3.0	1.2	-2.6
DRC European Real Estate Debt Fund II ³	6,368,350	0.0	0.2	0.2	0.2	0.0	-1.9	-1.9	-1.9	0.0	7.7	7.7	7.7	-0.1	3.7	3.7	3.7
ECE European Prime Shopping Centre Fund II C ³	36,977,328	0.9	0.3	1.2	0.1	2.0	0.2	2.2	0.3	3.8	14.2	18.4	15.3	2.5	6.1	8.7	5.9
Hammes Partners II ³	3,491,629	0.5	4.0	4.6	3.5	1.9	6.3	8.2	6.2	3.9	13.0	17.3	12.9	5.2	8.3	13.8	10.1
Hammes Partners III ³	24,011,912	0.9	3.8	4.7	3.1	1.7	5.0	6.7	4.3	3.4	6.5	10.1	7.5	4.4	3.9	8.5	6.4
Hammes Partners IV ²	9,349,979	0.7	7.0	7.6	5.4	1.6	9.7	11.4	6.6	2.8	18.2	21.4	8.8				
NREP Nordic Strategies Fund II	9,226,708	-2.1	-2.9	-5.0	1.5	-6.2	2.3	-3.9	0.5	-6.0	24.3	17.0	19.4	-1.5	-7.8	-8.7	-5.0
NREP Nordic Strategies Fund III	32,739,779	-0.7	12.4	11.7	11.3	-2.8	11.9	8.8	8.4	-1.8	30.7	28.4	27.0	-0.1	2.8	2.8	4.2
NREP Nordic Strategies Fund IV ⁶	28,632,845	-9.9	-0.3	-10.2	-10.5	-11.2	10.9	-1.4	-2.2	-7.7	16.5	7.5	5.7	-3.2	0.5	-2.7	-3.7
NREP Nordic Strategies Fund V ³	28,015,270	-7.4	7.5	0.2	-0.5	-7.3	7.8	0.5	-0.8	-6.5	25.6	18.2	15.2	17.2	9.7	28.6	22.0
Value Added Portfolio	227,836,692	-2.9	3.0	0.0	-0.2	-3.2	3.5	0.3	-0.6	-2.4	12.6	10.0	7.9	0.0	1.7	1.7	0.7
Opportunistic Portfolio																	
Carlyle China Project Rome (Co-Investment)	14,357,107	-0.3	0.1	-0.2	0.8	-11.5	5.2	-6.3	-6.1	-46.8	35.0	-15.2	-16.1	-21.8	-10.4	-26.0	-27.1
Carlyle China Realty	3,156,927	-0.2	0.1	-0.1	-0.5	-11.8	5.3	-6.6	-7.3	-47.5	35.4	-15.7	-17.1	-22.3	-10.3	-26.3	-27.7
CIM Fund VIII ³	9,333,563	-0.4	-1.4	-1.7	-2.0	-0.6	-2.9	-3.5	-4.1	-1.2	-6.2	-7.4	-8.5	-0.6	-26.7	-27.1	-28.4
FPA Apartment Opportunity Fund IX ³	5,552,458	-1.4	0.0	-1.4	-4.7	-1.4	0.0	-1.4	-4.7								
KKR Real Estate Partners Americas	147,170	5.3	0.0	5.3	4.2	6.8	0.0	6.8	5.5	-90.1	100.3	16.3	13.0	-71.0	44.1	-12.4	-9.5
LaSalle China Logistics Venture	8,016,580	-0.6	0.1	-0.5	-0.8	-3.2	1.4	-1.8	-2.5	-3.5	-14.4	-17.4	-18.7	-2.9	-11.9	-14.5	-17.2
Sculptor Real Estate Fund III ²	2,190,644	-0.3	-9.6	-9.9	-9.9	-2.0	-10.6	-12.4	-12.4	-2.2	-12.4	-14.4	-14.6	1.8	5.0	6.9	6.1
Sculptor Real Estate Fund IV	23,702,160	0.4	1.4	1.8	1.6	0.9	3.0	4.0	3.4	3.2	3.9	7.2	5.9	5.3	5.0	10.5	8.4
Sculptor Real Estate Fund V	3,331,049	-1.6	3.6	2.0	-2.9	-1.6	3.6	2.0	-2.9								
Seven Seas Japan Opportunity Fund ³	14,508,767	0.3	1.6	1.9	0.3	1.1	2.0	3.2	0.7	3.8	8.3	13.3	10.1	2.4	11.6	14.4	9.3
WCP NewCold III, LP	36,223,990	0.1	4.3	4.3	3.4	0.2	5.8	6.0	4.7	1.6	10.1	11.8	9.6				
Opportunistic Portfolio	120,520,415	0.0	1.5	1.5	0.8	-2.0	3.1	1.1	-0.1	-8.5	9.8	1.0	-1.1	-3.5	-6.4	-9.4	-11.7
Total Non-Core Portfolio 1Q 2007 Forward	348,357,107	-2.0	2.5	0.5	0.1	-2.8	3.4	0.6	-0.5	-4.3	11.6	7.0	4.9	-1.2	-1.0	-2.1	-3.6
Total Private Portfolio																	
SCERS	956,436,047	-0.1	1.2	1.1	0.8	0.2	1.6	1.8	1.2	0.8	5.6	6.5	5.2	1.9	-4.7	-2.8	-3.6

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.

⁵ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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 Targeted Europe Logistics Fund (Euro) ^{1,3}	€ 55,553,503	1.3	-0.3	1.0	0.8	2.6	-0.5	2.1	1.6	5.3	0.0	5.3	4.2	5.1	-3.6	1.4	0.4
DRC European Real Estate Debt Fund II (Pound Sterling) ²	£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	-0.1	0.0	-0.1	-0.1
ECE European Prime Shopping Centre Fund II (Euro) ²	€ 31,482,497	0.9	0.2	1.1	0.0	2.1	0.5	2.6	0.7	3.8	0.5	4.4	1.6	2.5	2.9	5.4	2.7
NREP Nordic Strategies Fund II (Euro)	€ 7,855,619	-2.1	-3.2	-5.3	1.2	-6.2	2.5	-3.7	0.6	-6.1	9.4	2.9	5.1	-15	-10.7	-11.5	-7.9
NREP Nordic Strategies Fund III (Euro)	€ 27,874,648	-0.9	12.5	11.6	11.2	-3.1	12.5	9.2	8.8	-2.0	15.4	13.2	12.0	-0.2	-0.3	-0.3	1.0
NREP Nordic Strategies Fund IV (Euro) ⁵	€ 24,378,004	-13.5	3.1	-10.4	-10.8	-14.7	5.2	-9.8	-10.5	-11.3	6.2	-5.3	-6.9	-4.5	-1.6	-5.8	-6.8
NREP Nordic Strategies Fund V (Euro) ³	€ 23,852,201	-10.0	10.1	0.1	-0.5	-10.0	10.9	0.9	-0.4	-9.1	13.5	4.3	1.6	16.3	7.2	24.8	18.4
Seven Seas Japan Opportunity Fund ³	¥2,273,668,927	0.3	7.6	7.9	6.3	1.2	11.0	12.2	9.5	3.7	7.6	12.7	9.5	2.1	18.4	21.4	16.0
Indices																	
SCERS Custom Real Estate Benchmark ⁴				1.0	0.8			1.9	1.4			4.2	3.3			-3.0	-3.9
NFI-ODCE		1.0	-0.1	0.9	0.7	2.0	-0.4	1.7	1.2	4.1	-0.3	3.8	2.9	3.9	-7.2	-3.4	-4.3
NFI-ODCE + 100 bps				1.2	0.9			2.2	1.7			4.8	3.9			-2.4	-3.3
CPI + 500 bps				1.8				4.0				7.8				8.1	

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.

⁵ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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	92,636,248	2.1	0.5	2.6	1.1					2.4	1.4	3.8	2.5	4Q18	3.0	1.2
FPA Core Plus Fund VI ²	34,309,215									4.9	20.7	26.2	23.1	1Q25	12.0	1.1
Lion Properties Fund	104,688,716	3.8	-0.3	3.4	2.6					3.7	0.2	4.0	3.1	4Q18	3.7	1.2
MetLife Core Property Fund	69,215,674	4.8	-0.7	4.0	3.5	4.8	0.6	5.5	5.0	4.9	2.4	7.3	6.8	1Q14	6.9	1.8
Principal U.S. Property Account	56,658,282	4.3	-0.3	4.0	3.0	4.4	1.2	5.6	4.6	4.4	1.4	5.8	4.8	4Q15	4.8	1.6
Prologis European Logistics Fund ^{1,3}	65,249,593	4.8	-0.1	4.7	3.0	4.9	5.0	10.1	8.3	4.9	5.0	10.1	8.3	1Q16	7.8	1.5
Prologis Targeted U.S. Logistics Fund	75,946,598	3.9	7.9	12.1	10.3	4.5	10.1	14.9	12.8	4.6	10.2	15.1	13.0	3Q15	14.5	2.9
Townsend Core Real Estate Fund – US, LP ³	93,679,719									3.1	2.1	5.2	5.0	4Q24	5.0	1.1
Townsend Real Estate Fund, LP. ³	15,694,895	2.9	2.8	5.8	5.6					3.6	3.3	6.9	6.7	2Q16	6.6	1.5
Core Commingled Funds	608,078,940	3.6	1.7	5.3	4.3	4.0	3.4	7.5	6.5	4.4	3.2	7.6	6.7	4Q86	6.1	1.4
Value Added Portfolio																
Asana Partners Fund II ³	27,296,705	-0.7	3.9	3.2	1.4					-2.4	-0.3	-3.0	-8.1	4Q19	-4.3	0.8
Asana Partners Fund III ³	21,726,187									-3.2	7.9	4.9	-3.8	3Q22	0.0	1.0
DRC European Real Estate Debt Fund II ³	6,368,350	9.4	-0.6	8.6	8.2	1.3	-1.6	0.2	-0.5	2.5	-2.3	0.7	-0.4	1Q14	1.4	1.0
ECE European Prime Shopping Centre Fund II C ³	36,977,328	0.5	5.2	5.8	3.1	1.7	7.2	9.1	6.5	1.5	8.4	10.1	7.4	4Q15	4.5	1.3
Hammes Partners II ³	3,491,629	5.1	10.5	16.0	11.9	7.9	15.9	24.7	19.3	8.0	16.5	25.5	19.6	3Q15	22.9	1.7
Hammes Partners III ³	24,011,912	6.1	6.9	13.3	9.2					6.9	11.3	18.7	5.6	1Q19	9.4	1.3
Hammes Partners IV ³	9,349,979									-4.1	26.0	21.8	-20.2	3Q23	-4.9	1.0
NREP Nordic Strategies Fund II	9,226,708	-3.1	10.6	8.3	5.8					-0.6	17.2	17.1	10.9	3Q16	18.4	2.0
NREP Nordic Strategies Fund III	32,739,779	-0.3	8.2	8.2	6.1					-2.1	15.1	13.1	4.7	4Q18	8.3	1.4
NREP Nordic Strategies Fund IV ⁵	28,632,845	-7.2	10.9	3.9	-1.7					-12.4	20.1	6.7	N/A	1Q20	-0.9	1.1
NREP Nordic Strategies Fund V ³	28,015,270									17.2	9.7	28.6	22.0	1Q23	25.2	1.7
Value Added Portfolio	227,836,692	0.0	9.2	9.3	5.6	2.4	10.5	13.1	8.5	1.7	5.2	7.0	5.4	4Q86	5.7	1.3
Opportunistic Portfolio																
Carlyle China Project Rome (Co-Investment)	14,357,107	-13.8	-6.5	-16.7	-17.8					-8.8	-2.5	-9.3	-10.9	3Q17	-12.7	0.4
Carlyle China Realty	3,156,927	-14.1	-6.5	-16.9	-18.4					-7.6	-2.6	-8.1	-10.1	3Q17	-12.2	0.5
CIM Fund VIII ³	9,333,563	-0.4	-19.8	-20.2	-21.5	-0.2	-9.8	-10.0	-11.4	-0.2	-7.9	-8.0	-9.6	2Q15	-12.2	0.5
FPA Apartment Opportunity Fund IX ³	5,552,458									-1.4	0.0	-1.4	-4.7	4Q25	-12.5	0.9
KKR Real Estate Partners Americas	147,170	-63.7	43.3	-8.4	-7.2	-37.4	10.8	-6.9	-5.2	-31.1	8.0	-4.0	-3.0	2Q14	11.6	1.3
LaSalle China Logistics Venture	8,016,580									N/A	36.5	15.0	-15.0	3Q21	-16.5	0.6
Sculptor Real Estate Fund III ²	2,190,644	6.4	16.4	23.4	21.7	8.2	15.5	24.6	21.7	10.3	14.4	25.8	16.3	4Q14	23.7	1.8
Sculptor Real Estate Fund IV	23,702,160	7.1	7.4	15.2	10.1					8.6	8.3	17.5	9.9	3Q20	9.0	1.2
Sculptor Real Estate Fund V	3,331,049									-1.6	3.6	2.0	-2.9	4Q25	-15.4	0.9
Seven Seas Japan Opportunity Fund ³	14,508,767									7.4	-8.9	-1.7	-6.7	2Q22	1.4	1.0
WCP NewCold III, LP	36,223,990									1.6	10.1	11.8	9.6	1Q25	14.0	1.1
Opportunistic Portfolio	120,520,415	-1.6	-3.6	-5.1	-7.7	0.8	0.2	1.1	-1.2	1.5	5.5	7.2	5.1	1Q91	0.3	1.0
Total Non-Core Portfolio 1Q 2007 Forward	348,357,107	-0.5	4.5	4.0	0.8	1.8	6.3	8.3	4.8	3.0	5.2	8.3	5.5	1Q07	4.5	1.2
Total Private Portfolio																
SCERS	956,436,047	2.3	2.6	5.0	3.3	3.2	4.0	7.4	5.7	4.0	4.7	8.8	7.9	4Q86	6.8	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 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.

⁵ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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}	€ 55,553,503	4.8	0.7	5.6	3.8	4.9	4.2	9.2	7.5	4.9	4.2	9.2	7.5	1Q16	7.5	1.4
DRC European Real Estate Debt Fund II (Pound Sterling) ⁴	£4,725,953	8.9	0.0	8.9	8.5	15	-0.5	1.0	0.3	2.7	-0.3	2.4	1.3	1Q14	4.7	1.2
ECE European Prime Shopping Centre Fund II (Euro) ⁴	€ 31,482,497	0.6	6.0	6.6	3.9	1.7	6.3	8.2	5.6	1.4	7.9	9.6	6.9	4Q15	4.2	1.3
NREP Nordic Strategies Fund II (Euro)	€ 7,855,619	-3.1	11.5	9.2	6.6					-0.5	16.4	16.4	10.2	3Q16	19.1	2.0
NREP Nordic Strategies Fund III (Euro)	€ 27,874,648	-0.4	9.2	9.1	7.0					-2.2	15.0	13.0	4.6	4Q18	8.0	1.4
NREP Nordic Strategies Fund IV (Euro) ⁵	€ 24,378,004	-8.0	13.0	5.2	-0.4					-13.1	21.0	7.0	N/A	1Q20	-2.8	1.1
NREP Nordic Strategies Fund V (Euro) ³	€ 23,852,201									16.3	7.2	24.8	18.4	1Q23	20.0	1.6
Seven Seas Japan Opportunity Fund ³	¥2,273,668,927									6.8	-2.4	5.6	0.2	2Q22	6.4	1.2
Indices																
SCERS Custom Real Estate Benchmark ⁴				3.8	2.9			5.2	4.3			7.0	6.0	4Q86		
NFI-ODCE		3.9	-0.4	3.4	2.5	4.0	0.7	4.8	3.9	6.3	0.3	6.6	5.6	4Q86		
NFI-ODCE + 100 bps				4.4	3.5			5.8	4.9			7.6	6.6	4Q86		
CPI + 500 bps				9.7				8.4				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.
⁵ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

Returns (%)	Market Value (\$)	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
Core Commingled Funds																							
Brookfield Premier Real Estate Partners	92,636,248	2.1	1.6	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 ¹	34,309,215	4.9	4.6	26.2	23.1																		
Lion Properties Fund	104,688,716	2.6	2.1	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	69,215,674	1.2	1.0	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	56,658,282	2.8	2.3	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 ^{1,2}	65,249,593	1.8	1.3	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	75,946,598	2.8	2.4	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 ³	93,679,719	2.5	2.3	4.8	4.6	1.7	1.7																
Townsend Real Estate Fund, LP ³	15,694,895	7.2	7.1	7.8	7.5	-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	608,078,940	2.5	2.2	6.2	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 ³	27,296,705	-10.4	-11.0	-21.3	-22.3	-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	21,726,187	6.1	5.2	9.5	7.6	1.9	-1.0	-7.2	-13.3	13.9	-5.4												
DRC European Real Estate Debt Fund II ³	6,368,350	-1.9	-1.9	7.7	7.7	-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	36,977,328	2.2	0.3	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 ³	3,491,629	8.2	6.2	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 ³	24,011,912	6.7	4.3	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 ³	9,349,979	11.4	6.6	21.4	8.8	30.5	-33.8	-285.7	-649.7														
NREP Nordic Strategies Fund II	9,226,708	-3.9	0.5	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	32,739,779	8.8	8.4	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 ⁴	28,632,845	-1.4	-2.2	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 ²	28,015,270	0.5	-0.8	18.2	15.2	-3	-6	85.5	68.3														
Value Added Portfolio	227,836,692	0.3	-0.6	10.0	7.9	-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)	14,357,107	-6.3	-6.1	-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	3,156,927	-6.6	-7.3	-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 ⁵	9,333,563	-3.5	-4.1	-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 ³	5,552,458	-1.4	-4.7	-1.4	-4.7																		
KKR Real Estate Partners Americas	147,170	6.8	5.5	16.3	13.0	-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	8,016,580	-1.8	-2.5	-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	2,190,644	-12.4	-12.4	-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	23,702,160	4.0	3.4	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	3,331,049	2.0	-2.9	2.0	-2.9																		
Seven Seas Japan Opportunity Fund ³	14,508,767	3.2	0.7	13.3	10.1	24.4	16.0	6.3	2.2	-37.5	-41.0												
WCP NewCold III, LP	36,223,990	6.0	4.7	11.8	9.6																		
Opportunistic Portfolio	120,520,415	1.1	-0.1	1.0	-1.1	-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	348,357,107	0.6	-0.5	7.0	4.9	-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	956,436,047	1.8	1.2	6.5	5.2	-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		1.9	1.4	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		1.7	1.2	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		2.2	1.7	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
CPI + 500 bps		4.0		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.

⁵ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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	92,636,248																				
FPA Core Plus Fund VI ¹	34,309,215																				
Lion Properties Fund	104,688,716																				
MetLife Core Property Fund	69,215,674	16.9	16.3	17.4	16.9																
Principal U.S. Property Account	56,658,282	3.0	2.8																		
Prologis European Logistics Fund ²	65,249,593																				
Prologis Targeted U.S. Logistics Fund	75,946,598	9.1	7.9																		
Townsend Core Real Estate Fund - US, LP ³	93,679,719																				
Townsend Real Estate Fund, LP ³	15,694,895																				
Core Commingled Funds	608,078,940	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	27,296,705																				
Asana Partners Fund III ³	21,726,187																				
DRC European Real Estate Debt Fund II ³	6,368,350	5.0	3.0	14	-2.1																
ECE European Prime Shopping Centre Fund II C ³	36,977,328	12.1	11.0																		
Hammes Partners II ³	3,491,629	19.4	12.9																		
Hammes Partners III ³	24,011,912																				
Hammes Partners IV ³	9,349,979																				
NREP Nordic Strategies Fund II	9,226,708																				
NREP Nordic Strategies Fund III	32,739,779																				
NREP Nordic Strategies Fund IV ⁵	28,632,845																				
NREP Nordic Strategies Fund V ³	28,015,270																				
Value Added Portfolio	227,836,692	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)	14,357,107																				
Carlyle China Realty	3,156,927																				
CIM Fund VIII ³	9,333,563	16.9	13.8																		
FPA Apartment Opportunity Fund IX ³	5,552,458																				
KKR Real Estate Partners Americas	147,170	17.1	12.4	8.1	6.6																
LaSalle China Logistics Venture	8,016,580																				
Sculptor Real Estate Fund III ²	2,190,644	33.7	6.9	9.4	-28.3																
Sculptor Real Estate Fund IV	23,702,160																				
Sculptor Real Estate Fund V	3,331,049																				
Seven Seas Japan Opportunity Fund ³	14,508,767																				
WCP NewCold III, LP	36,223,990																				
Opportunistic Portfolio	120,520,415	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	348,357,107	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	956,436,047	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	12.9	11.9	14.3	13.3	11.3	10.2	16.4	15.4	16.8	15.7	-29.5	-30.2	-9.7	-10.4	16.4	15.2	16.7	15.7
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.

⁵ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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	92,506,446	0	552,515	0	348,488	232,214	566,043	92,636,248	49.3
FPA Core Plus Fund VI	26,043,711	7,500,000	259,368	0	162,258	60,396	923,010	34,309,215	50.4
Lion Properties Fund	104,165,371	216,110	956,986	0	1,031,601	218,543	451,163	104,688,716	27.6
MetLife Core Property Fund	69,784,942	0	686,705	0	887,638	82,221	-687,980	69,215,674	32.4
Principal U.S. Property Account	56,030,124	0	0	0	626,086	134,922	136,994	56,658,282	26.1
Prologis European Logistics Fund	65,193,234	0	507,691	0	830,355	167,747	-98,557	65,249,593	26.0
Prologis Targeted U.S. Logistics Fund	75,131,206	0	479,618	0	863,679	142,747	574,078	75,946,598	23.5
Townsend Core Real Estate Fund – US, LP	93,303,154	0	887,878	0	823,054	53,561	494,949	93,679,719	41.6
Townsend Real Estate Fund, L.P.	16,498,646	0	0	1,414,835	43,782	9,815	577,117	15,694,895	36.3
Core Commingled Funds	598,656,834	7,716,110	4,330,761	1,414,835	5,616,941	1,102,166	2,936,817	608,078,940	35.9
Value Added Portfolio									
Asana Partners Fund II ²	29,260,304	753,450	0	0	-15,566	93,124	-2,608,360	27,296,705	51.4
Asana Partners Fund III ²	21,130,675	0	0	0	-17,508	89,276	702,296	21,726,187	41.3
DRC European Real Estate Debt Fund II	6,354,649	0	0	0	0	0	13,701	6,368,350	0.0
ECE European Prime Shopping Centre Fund II C	37,394,524	0	469,762	0	339,105	402,238	115,698	36,977,328	56.5
Hammes Partners II	3,385,264	9,996	19,183	2,055	18,467	37,028	136,168	3,491,629	55.0
Hammes Partners III	23,612,332	0	227,693	108,382	206,240	378,119	907,535	24,011,912	66.1
Hammes Partners IV	6,381,642	2,735,640	113,500	12,352	44,793	150,000	463,755	9,349,979	68.0
NREP Nordic Strategies Fund II	14,340,536	0	5,319,819	0	-288,500	-900,278	-408,787	9,226,708	48.0
NREP Nordic Strategies Fund III	30,541,121	0	1,243,953	0	-199,944	119,545	3,762,101	32,739,779	49.0
NREP Nordic Strategies Fund IV ³	29,706,401	0	-2,158,224	0	-3,032,303	111,653	-87,824	28,632,845	53.0
NREP Nordic Strategies Fund V	26,961,977	0	-1,178,190	0	-1,995,087	167,368	2,037,559	28,015,270	51.0
Value Added Portfolio	229,069,425	3,499,086	4,057,496	122,789	-4,940,303	648,073	5,033,842	227,836,692	53.7
Opportunistic Portfolio									
Carlyle China Project Rome (Co-Investment)	14,249,012	0	0	0	-38,387	-133,219	13,263	14,357,107	29.0
Carlyle China Realty	3,174,116	0	0	0	-7,609	12,565	2,985	3,156,927	29.0
CIM Fund VIII	9,582,490	225,540	0	278,973	-36,095	29,306	-130,093	9,333,563	54.1
FPA Apartment Opportunity Fund IX	3,307,552	2,400,000	0	0	-45,781	109,313	0	5,552,458	65.2
KKR Real Estate Partners Americas	180,284	0	40,687	0	9,466	1,893	0	147,170	0.0
LaSalle China Logistics Venture	8,081,342	0	0	0	-48,396	28,231	11,865	8,016,580	58.0
Sculptor Real Estate Fund III ¹	2,431,260	0	0	0	-7,269	0	-233,347	2,190,644	39.1
Sculptor Real Estate Fund IV	21,027,547	2,439,902	111,805	0	94,833	61,536	313,219	23,702,160	34.7
Sculptor Real Estate Fund V	1,272,750	2,080,344	-3,325	-21,035	-25,399	77,832	56,826	3,331,049	31.8
Seven Seas Japan Opportunity Fund	15,140,092	0	0	675,617	42,951	237,916	239,258	14,508,767	0.0
WCP NewCold III, LP	32,087,442	3,025,000	36,031	0	24,478	315,593	1,438,694	36,223,990	23.4
Opportunistic Portfolio	110,533,887	10,170,786	185,198	933,555	-37,208	740,966	1,712,670	120,520,415	35.5
Total Non-Core Portfolio 1Q 2007 Forward	339,603,312	13,669,872	4,242,694	1,056,344	-4,977,511	1,389,039	6,746,512	348,357,107	48.7
Total Private Portfolio									
SCERS	938,260,146	21,385,982	8,573,455	2,471,179	639,430	2,491,205	9,683,329	956,436,047	41.2

¹ Previously Och-Ziff Real Estate Fund III.

² Manager did not provide 4Q25 LTV, so 3Q25 LTV has been used as a placeholder.

³ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core Commingled Funds						
Brookfield Premier Real Estate Partners	33.9	11.6	47.6	-	-	6.9
FPA Core Plus Fund VI	100.0	-	-	-	-	-
Lion Properties Fund	26.1	11.0	37.0	6.6	-	19.3
MetLife Core Property Fund	30.3	26.4	24.8	9.9	1.7	6.9
Principal U.S. Property Account	26.0	13.8	38.5	11.2	-	10.5
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Core Real Estate Fund – US, LP ¹	29.8	7.4	46.6	1.9	0.1	14.2
Townsend Real Estate Fund, L.P. ¹	56.5	4.0	24.7	3.7	0.0	11.1
Core Commingled Funds	27.2	9.2	51.1	3.7	0.2	8.6
Value Added Portfolio						
Asana Partners Fund II ²	0.6	34.0	-	55.3	-	10.2
Asana Partners Fund III ²	9.6	25.8	-	64.4	-	0.1
DRC European Real Estate Debt Fund II	-	50.0	-	50.0	-	-
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	-	-	-	53.2	-	46.8
NREP Nordic Strategies Fund III	53.5	16.9	19.5	6.3	-	3.8
NREP Nordic Strategies Fund IV ³	41.2	2.4	31.0	3.8	4.9	16.7
NREP Nordic Strategies Fund V	36.8	9.7	31.2	3.2	6.5	12.6
Value Added Portfolio	18.4	11.9	10.5	34.3	1.4	23.5

¹ Property diversification numbers used are from 3Q25.

² Manager did not submit 4Q25 diversification data by the requested deadline, so 3Q25 data has been used as a placeholder.

³ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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	21.7	40.8	-	18.0	3.6	15.9
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	-	-	-	-	11.8	88.2
Sculptor Real Estate Fund IV	-	1.4	1.4	-	7.4	89.8
Sculptor Real Estate Fund V	-	-	-	-	25.2	74.8
Seven Seas Japan Opportunity Fund	-	1.3	-	-	73.5	25.2
WCP NewCold III, LP	-	-	-	-	-	100.0
Opportunistic Portfolio	6.3	3.6	21.5	1.4	11.5	55.8
Total Non-Core Portfolio 1Q 2007 Forward	14.2	9.0	14.3	22.9	4.9	34.7
Total Private Portfolio						
SCERS	22.5	9.1	37.7	10.7	1.9	18.1
Indices						
NFI-ODCE	29.9	15.7	33.9	10.7	0.2	9.5

¹ Property diversification numbers used are from 3Q25.

² Manager did not submit 4Q25 diversification data by the requested deadline, so 3Q25 data has been used as a placeholder.

³ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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	23.1	10.0	15.3	6.9	3.4	-	1.1	40.3	-	-
FPA Core Plus Fund VI	18.5	-	-	-	25.2	6.8	-	49.5	-	-
Lion Properties Fund	20.3	9.9	2.5	0.2	10.7	8.5	9.2	38.6	-	-
MetLife Core Property Fund	17.4	11.9	9.2	1.3	11.3	7.9	10.3	30.7	-	-
Principal U.S. Property Account	9.5	8.0	1.3	1.9	12.0	19.7	14.9	32.7	-	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	16.5	5.7	11.1	-	15.5	9.5	7.4	34.3	-	-
Townsend Core Real Estate Fund – US, LP ¹	13.6	8.9	10.8	3.7	18.7	10.9	10.2	23.1	0.3	0.0
Townsend Real Estate Fund, L.P. ¹	10.0	9.1	13.4	1.7	21.3	13.9	8.3	22.1	0.1	-
Core Commingled Funds	15.3	7.7	7.3	2.0	11.6	7.8	7.0	30.6	0.0	10.7
Value Added Portfolio										
Asana Partners Fund II ²	15.6	17.8	12.5	6.8	-	9.4	29.3	8.6	-	-
Asana Partners Fund III ²	1.2	16.7	4.7	1.7	36.8	26.6	9.5	2.8	-	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II	-	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	-	51.4	5.7	-	-	20.1	22.8	-	-	-
Hammes Partners III	46.4	2.2	6.4	19.8	14.8	1.3	7.7	1.4	-	-
Hammes Partners IV	2.2	6.4	13.5	17.8	15.9	25.7	18.5	-	-	-
NREP Nordic Strategies Fund II	-	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund III	-	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund IV ³	-	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund V	-	-	-	-	-	-	-	-	-	100.0
Value Added Portfolio	7.0	5.0	3.3	3.8	5.7	5.2	6.3	1.4	0.0	62.3

¹ Geographic diversification numbers used are from 3Q25.

² Manager did not submit 4Q25 diversification data by the requested deadline, so 3Q25 data has been used as a placeholder.

³ Manager informed Townsend that the data originally submitted data was incorrect, but was unable to adjust by the required deadline.

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	51.1	-	4.8	-	-	-	0.8	43.3	-	-
FPA Apartment Opportunity Fund IX	26.7	7.6	15.6	1.1	16.3	3.6	11.2	17.8	-	-
KKR Real Estate Partners Americas	-	-	-	-	-	100.0	-	-	-	-
LaSalle China Logistics	-	-	-	-	-	-	-	-	-	100.0
Sculptor Real Estate Fund III	80.5	-	-	0.4	-	-	1.3	6.0	-	11.8
Sculptor Real Estate Fund IV	-	-	-	-	-	-	-	-	100.0	-
Sculptor Real Estate Fund V	-	-	-	-	-	-	-	-	100.0	-
Seven Seas Japan Opportunity Fund	-	-	-	-	-	-	-	-	-	100.0
WCP NewCold III, LP	1.3	-	9.5	-	8.1	0.5	5.8	5.0	-	69.9
Opportunistic Portfolio	7.0	0.3	3.9	0.1	3.2	0.4	2.3	5.8	22.4	54.4
Total Non-Core Portfolio 1Q 2007 Forward	7.0	3.4	3.5	2.5	4.8	3.5	5.0	2.9	7.8	59.6
Total Private Portfolio										
SCERS	12.3	6.1	5.9	2.2	9.1	6.2	6.3	20.5	2.9	28.5
Indices										
NFI-ODCE	21.2	8.3	5.1	0.8	13.3	8.2	8.0	35.0	-	-

¹ Geographic diversification numbers used are from 3Q25.

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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.

¹In 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

5. Real Estate Market Update

Lower Rates are Catalyzing a Turn in Real Estate Valuations

Lower borrowing costs and easing cap rates are providing broad support to valuations

GDP Growth Anticipated to be Healthy

- **US:** Growth resilient; strong labor markets, solid consumption from high-income households (K-shaped economy), & reshoring-linked investment
- **Europe:** Growth stabilizing; real incomes improving and manufacturing indicators turning up
- **APAC:** Australia and Japan both seeing stabilizing to improving outlook

Inflation Coming Under Control

- In the US, Europe, and Australia, disinflation broad-based across goods, housing, and core services
- Japan is the outlier with wage-gain driven inflation

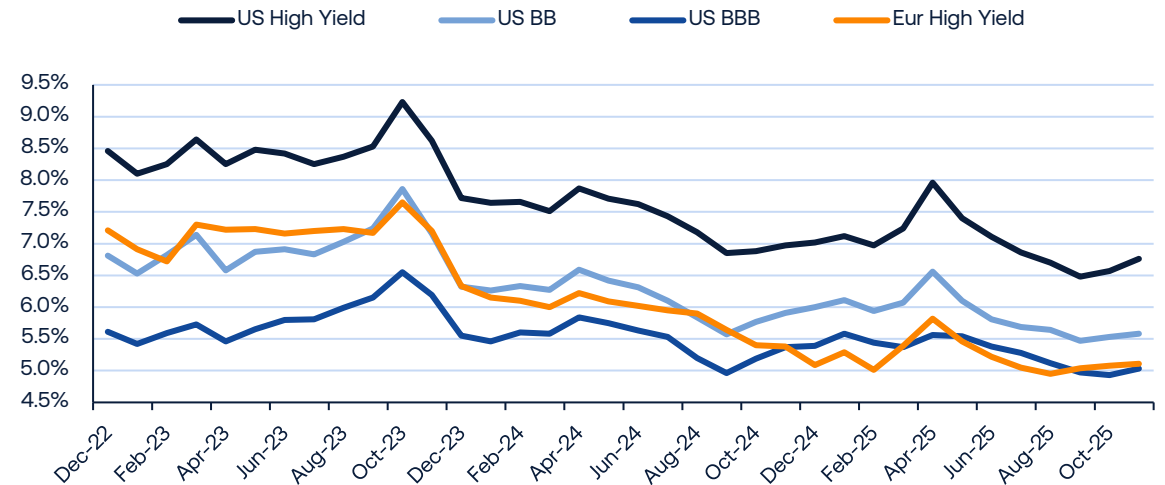
Interest Rates Declining and Likely to Remain Below Recent Highs

- **US:** Fed easing underway, BBB bond yields (proxy for core borrowing cost) and high yields (proxy for non-core borrowing cost) declining
- **Europe:** ECB cutting; lower sovereign yields reducing financing costs and supporting cap-rate compression
- **Australia:** Anticipated rate cuts as inflation moderates; lending spreads narrowing and refinancing improving
- **Japan:** BOJ policy steady with mild normalization; rates remain lowest globally and unlikely to fall further

Real GDP Forecasts (YoY%)

Major Regions	2024	2025	2026	2027
North America	2.7	2.1	2.3	2.0
European Union	1.1	1.6	1.5	1.6
Asia Pacific	4.4	3.9	3.9	3.8
Selected Markets	2024	2025	2026	2027
United States	2.8	2.2	2.4	2.0
United Kingdom	1.1	1.4	1.0	1.4
Germany	-0.5	0.2	1.0	1.5
China	5.0	5.0	4.5	4.4
Japan	-0.2	1.2	0.8	0.9
Australia	1.0	1.9	2.2	2.3

High Yield Bond Effective Yields



Source: Bloomberg (January 2026), Federal Reserve Bank of St. Louis (December 2025).

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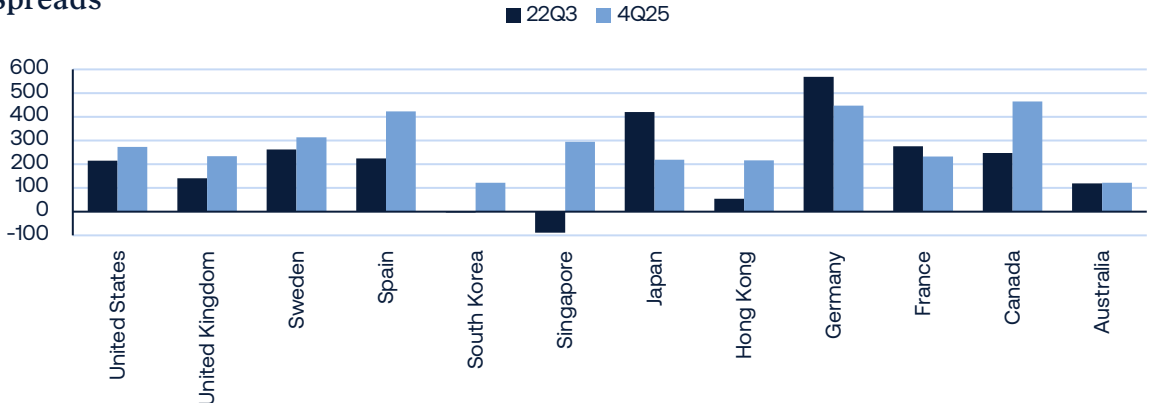
Yield Spreads Signal Real Estate is Attractively Priced at this Point

Falling rates and rising property yields have opened a valuation gap supportive of forward returns

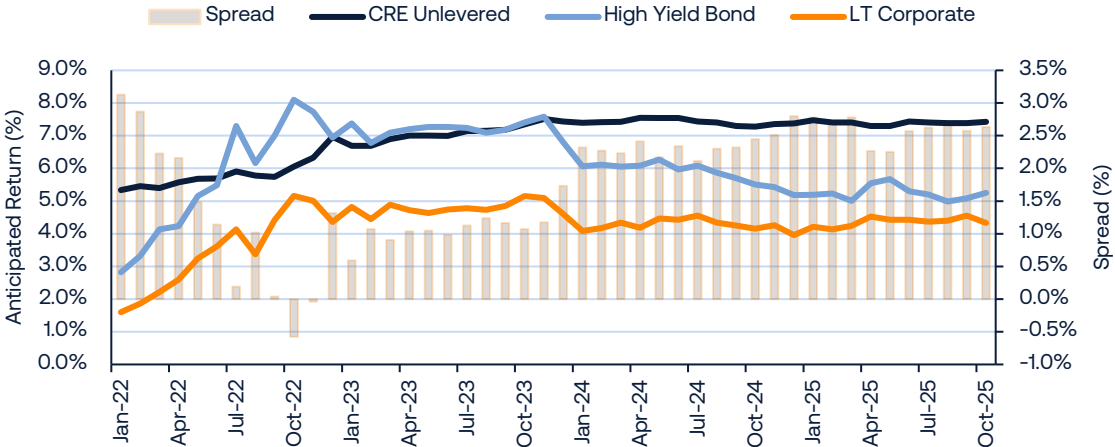
Valuation Signals Point to Opportunity

- **Wide yield spreads:** Cap rates remain well above government bond yields across major markets, with spreads widening over the past year as rates fell and property yields rose
- **Private-market spreads attractive:** In the U.S., risk-adjusted private real estate returns (~7–8%) exceed both Baa and high-yield bond benchmarks
- **Strong corporate-bond comparison:** CRE spreads versus investment-grade bonds remain above long-term norms, a historically supportive valuation signal
- **Public market confirmation:** U.S. REITs trade cheaply relative to the S&P 500, with AFFO yields above equity earnings yields—supporting valuation upside
- **Europe also compelling:** Pan-European real estate shows elevated spreads versus corporate bonds, with fair-value indicators still in “cheap” territory
- **Cycle inflection:** Historically, wide CRE–bond spreads have preceded periods of above-average forward returns

10-yr Government Bond Yields vs. Average Cap Rate (Office, Industrial, Retail) Spreads



Pan-European RE Unlevered Performance Forecasts vs. Income



Source: MSCI Real Capital Analytics (Q4 2025), Green Street (December 2025). 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.

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

Stabilizing values & early appreciation signals indicate the turn in the private real estate cycle is underway

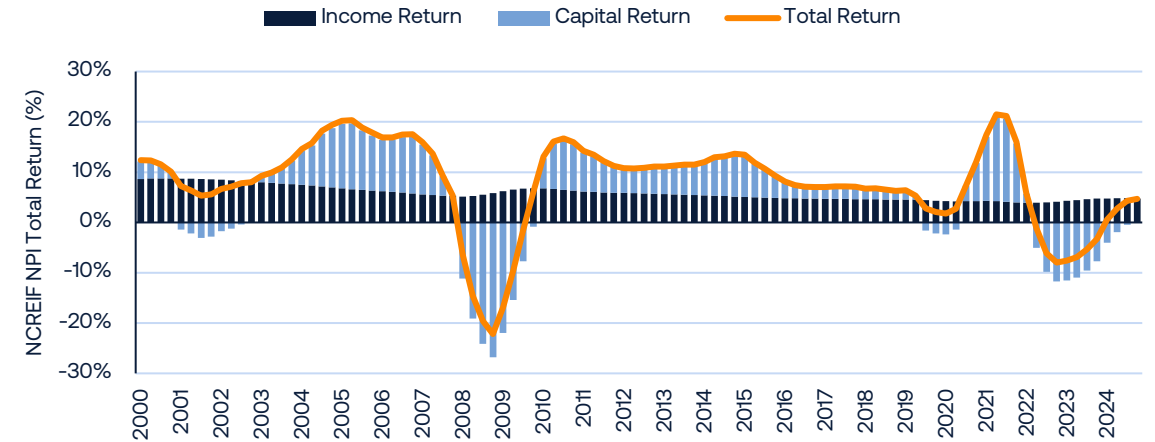
Real Estate has lagged General Post-COVID Financial Market Recovery

- **Public markets surged:** Since mid-2019, the S&P 500 has returned ~170–175%, with the Nasdaq even higher
- **Real estate lagged:** Over the same period, private real estate delivered only ~15–20% in North America and ~20–25% in Europe and APAC

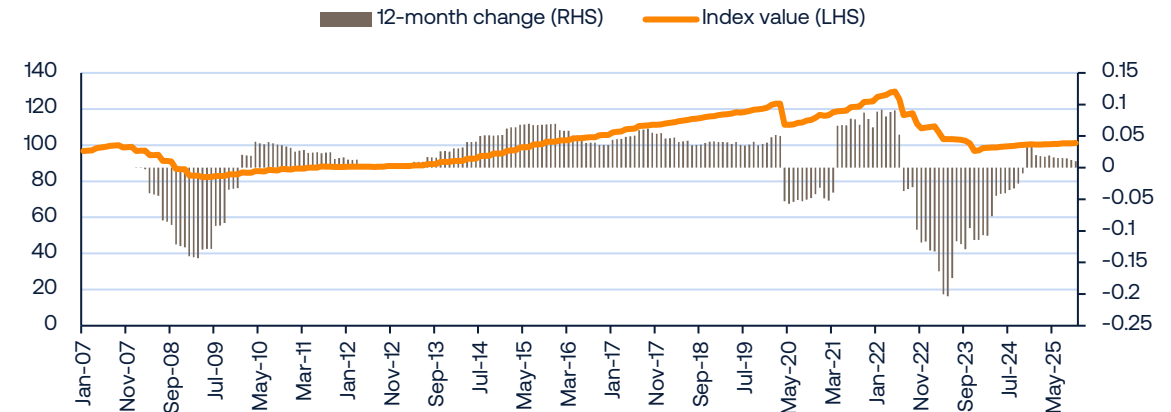
Returns are Stabilizing and Early-Cycle Signals are Emerging

- **US bottoming:** NCREIF returns have been positive for five straight quarters, with appreciation improving from -10% in 2023 to near 0% in 2025
- **History rhymes:** In past easing cycles (2000–03, 2007–08), US total returns rebounded 12–14% annually for five years after the trough
- **Europe recovering:** Pan-European values fell ~15–20% from the peak but have rebounded ~5–7% since mid-2024
- **UK turned first:** UK funds repriced fastest post-2022, moving from -16% in 2023 to +6% in 2024, one of the strongest YoY rebounds globally
- **APAC improving:** APAC property index is up ~10% from the 2023 trough, with Australia and Japan stabilizing
- **Cycle duration supportive:** real estate early-cycle recovery window is now open

Rate Cuts Cycles ('00-03, '07-08) and Corresponding US RE Performance (NPI Total Return)

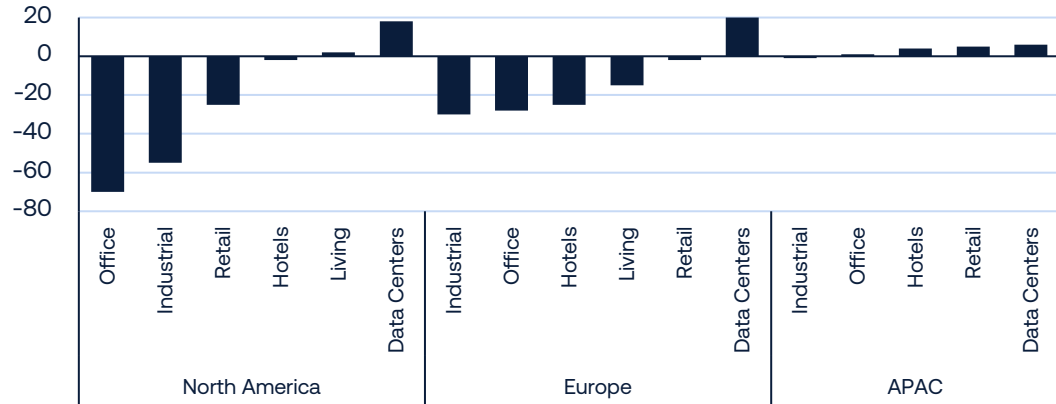


Pan-European RE Property Price Index

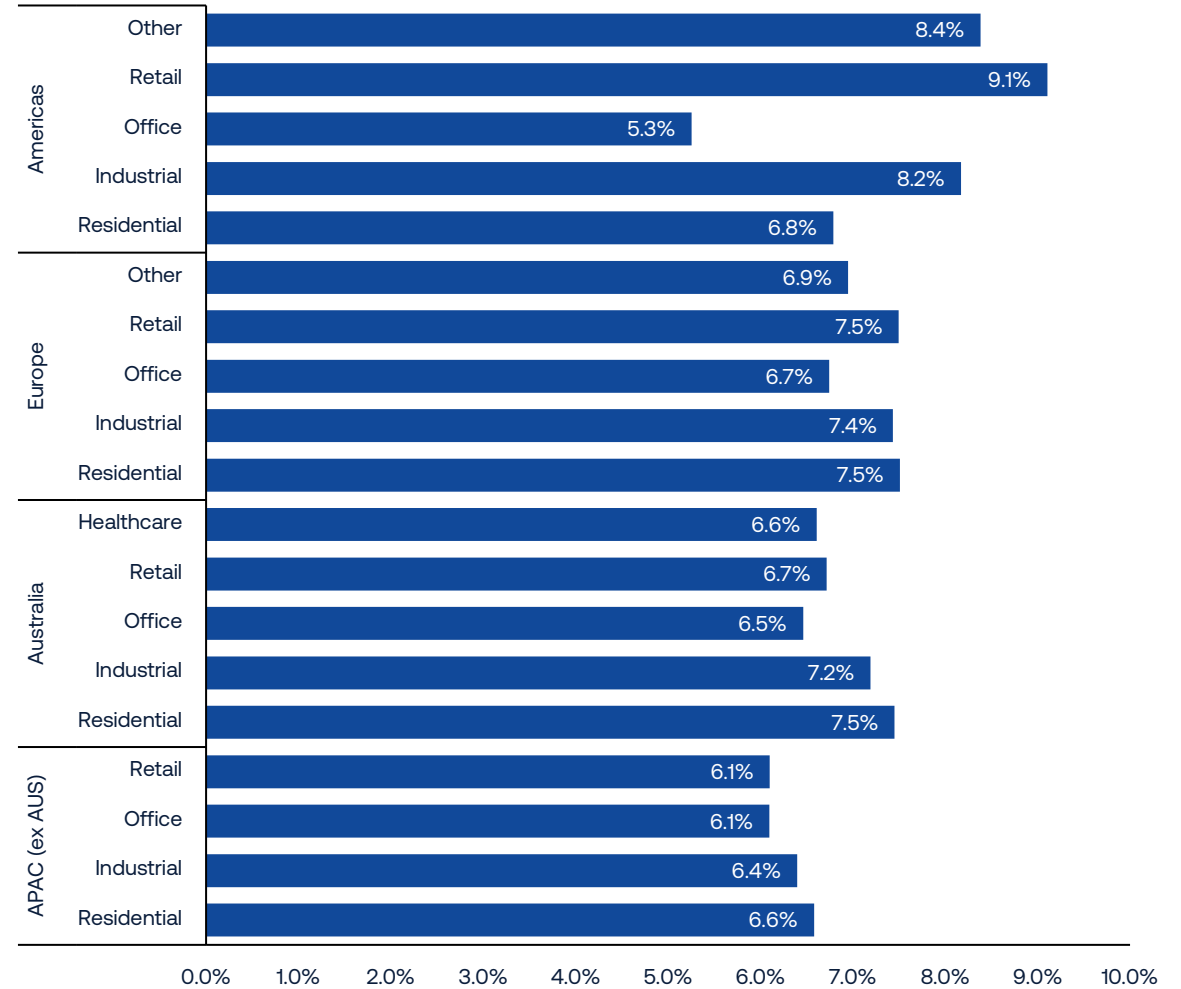


Source: NCREIF (Third Quarter 2025), Green Street (December 2025).
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 Sacramento County Employees' Retirement System – Fourth Quarter 2025

New Supply Is Forecasted To Decline Across Most Asset Classes Globally
2025 Forecast Completions vs 2021-2024 Peak

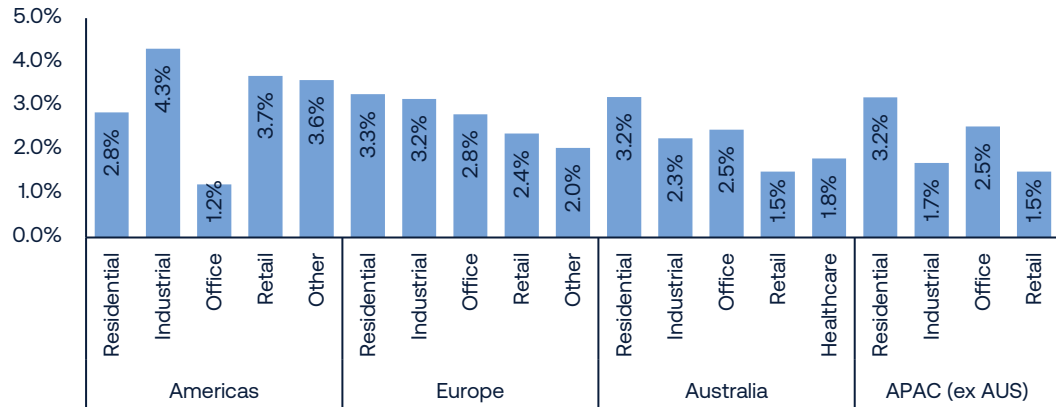


Alternative Property Types Forecasting Highest Returns in US
5-Year Unlevered IRR Forecasts by Region/Sector



Macro Fundamentals Supporting NOI Growth Across Multiple Asset Classes/Regions

5-year CAGR Forecasts by Region/Sector



Source: JLL Research (July 2025), Townsend.

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Many Long-Term Secular Trends Remain Intact

Secular trends can guide long-term real estate investors

ACUTE HOUSING SHORTAGE



- Millennials, the largest age cohort comprising 22% of the population, are demanding bigger dwellings leading to acute single family housing shortage
- Excess apartment supply in sunbelt market getting absorbed and new supply shrinking. Annual completions are projected to decline from +2.2% (2023-2024) to +1.4% (2025-2029E)

EVOLVING CONSUMER HABITS REQUIRING LOGISTICS INFRASTRUCTURE



- E-commerce remains a strong driver of industrial demand: as of March 2025, e-commerce represented 16.3% of total retail sales. Speculative development starts fell 12% year-over-year in 2025, resulting in the total industrial development pipeline reaching its lowest level since 2017

CONTINUED DIGITIZATION AND AI ADOPTION



- Explosive growth of AI and growing need for cloud computing are driving demand for Data Centers as digital economy expands globally. In 2025, hyperscale tenants invested over \$400 billion in capital expenditures into data centers and data infrastructure, a +65% increase year-over-year from 2024

SUPPORTIVE DEMOGRAPHIC TRENDS



- The “Silver Tsunami” is anticipated to create need for over 500k new units over the next 10 years, and the percentage of 80+ years age population is projected to increase by +93% by 2040, driving demand for Senior Housing. Annualized same store NOI growth for Senior Housing is forecast to be +6.0% across 2026-2030.

INSTITUTIONALIZATION OF ALTERNATIVE SECTORS



- Outside of the main four property types, niche/alternative sectors have seen outsized capital inflows from institutional investors. Alternative property type exposure within the NCREIF Property Index (“NPI”) has increased from 1.6% in 1Q15 to 12.6% in 4Q25.

Source: Townsend, U.S. Census Bureau (2025), Green Street (November 2025), St. Louis Fed (August 2025), Prologis Research (November 2025), NIC, Harrison Street Research (2025), NCREIF (4Q25). Townsend’s views are as of the date of this publication 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.

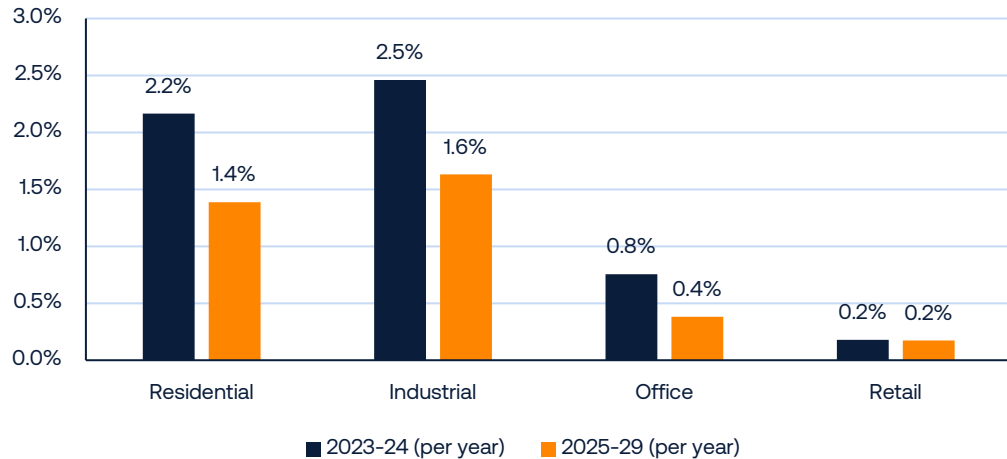
U.S. Real Estate Market Conditions Improving

Most property sectors poised for growth

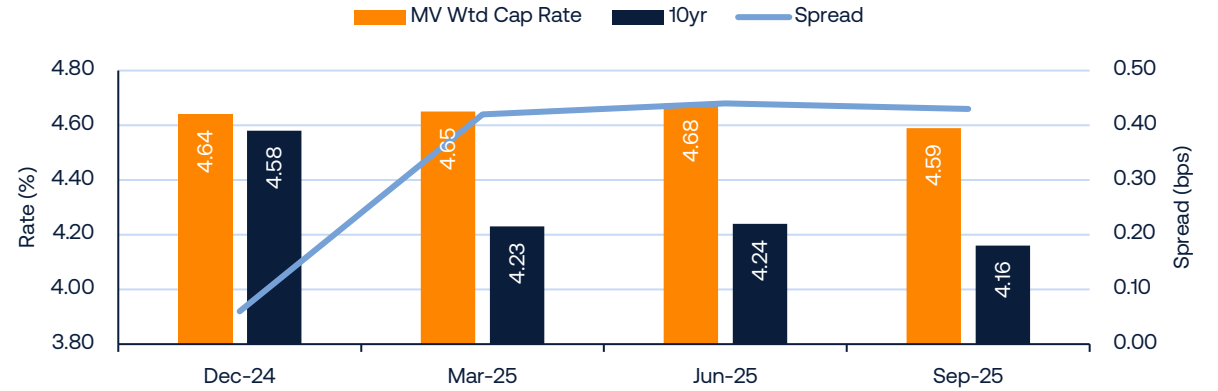
Returns Forecasted To Increase Through 2027
PREA Consensus Unlevered Gross Return Forecasts (Fourth Quarter 2025)

Sector	2025	2026	2027	25-29
NPI All Property	5.2%	5.9%	6.9%	6.5%
Office	3.2%	4.8%	6.0%	5.5%
Retail	7.6%	7.3%	7.6%	7.4%
Industrial	5.5%	5.8%	6.7%	6.5%
Residential	5.2%	6.3%	7.5%	6.8%
Seniors Housing	10.7%	10.8%	10.2%	9.9%
Self Storage	5.6%	5.4%	7.1%	6.5%

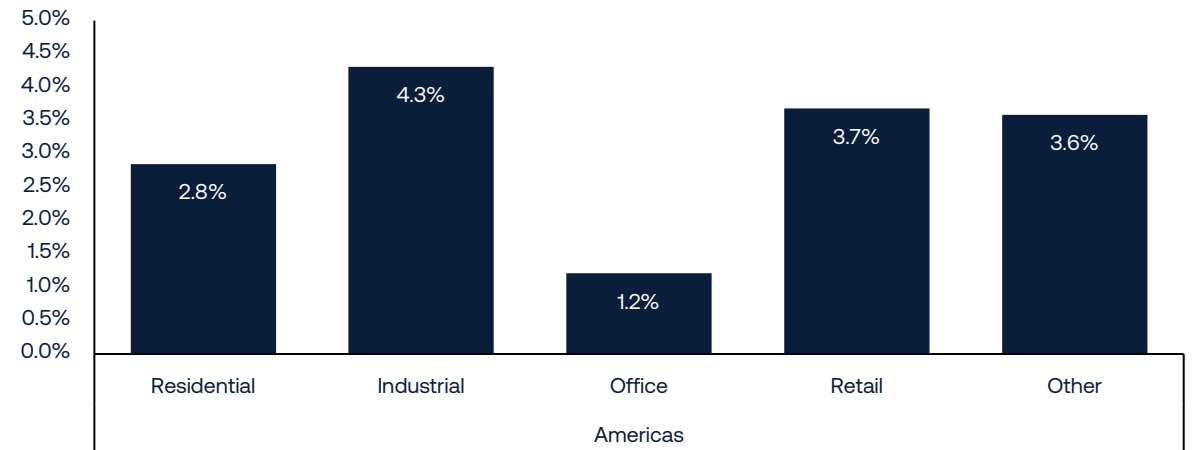
Supply growth is contracting meaningfully across sectors
Annual Completions as % of Existing Stock



Spreads Widened in 2025 Between Private Real Estate Valuations & 10yr Treasury
NPI Current Value Cap Rate vs. 10yr Treasury



Growth forecasts remain above long-term inflation
5-year NOI Growth CAGR Forecasts



Source: Pension Real Estate Association (Fourth Quarter 2025), NCREIF, St. Louis Fed (Third Quarter 2025), Green Street (November 2025), Townsend. Other NOI Growth includes cold storage, data center, self-storage, and senior housing sectors. Townsend's views are as of the date of this publication 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.

Thank you

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