



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 17

MEETING DATE: June 21, 2023

SUBJECT: Quarterly Investment Performance Report
Real Estate

SUBMITTED FOR: ___ Consent ___ Deliberation and Action X Receive and File

RECOMMENDATION

Staff recommends the Board receive and file the Townsend Real Estate Portfolio Performance Measurement Report for the period ended March 31, 2023.

PURPOSE

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

DISCUSSION

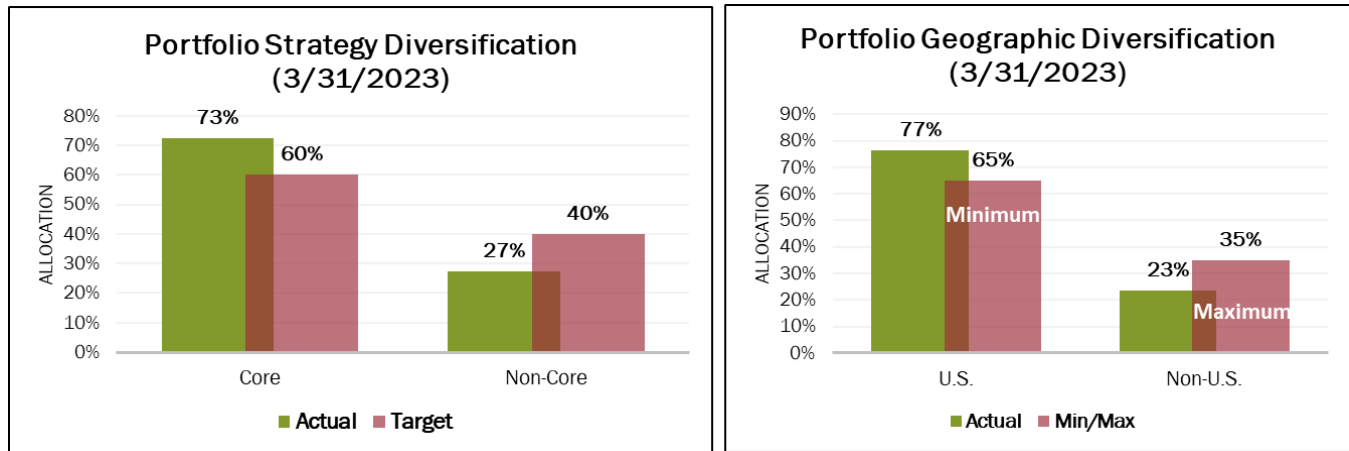
This memorandum provides a summarized table of SCERS' Real Estate period returns, which are provided within Townsend's Quarterly Performance Review, and highlights notable manager performance, along with any recent real estate investments made by SCERS.

SCERS' Real Estate actual invested allocation is 9.0% as of March 31, 2023, at the target allocation of 9.0% and within the allocation range of 7.0%-11.0%. SCERS' real estate portfolio allocation is currently underweight non-core and non-U.S. strategies, which is a focus for 2023 commitments.

SCERS REAL ESTATE PERFORMANCE SUMMARY Quarter Reporting Period Ended March 31, 2023

SUB-ASSET CLASS	Quarter 3/31/23	1-Year	3-Year	5-Year	Since Inception	Since Inception Date
SCERS Real Estate Portfolio	-2.5%	-3.5%	9.8%	8.5%	8.6%	Nov-86
(65%) NFI-ODCE + (35%) NFI-ODCE + 1%	-3.3%	-3.6%	7.9%	7.0%	6.7%	Nov-86
Core Portfolio	-3.4%	-3.9%	10.9%	9.7%	7.4%	Nov-86
NFI-ODCE Index	-3.4%	-3.9%	7.5%	6.6%	6.3%	
Non-Core Portfolio	0.1%	-2.5%	6.9%	5.9%	5.7%	Jun-06
Value Add Portfolio	1.7%	4.1%	14.4%	10.9%	5.5%	Jun-06
Opportunistic	-2.6%	-12.6%	-3.9%	-1.4%	6.5%	May-13
NFI-ODCE + 1% Index	-3.1%	-2.9%	8.5%	7.6%	7.3%	

SCERS PORTFOLIO DIVERSIFICATION



SCERS PORTFOLIO RESULTS

For the quarter ended March 31, 2023, SCERS’ Real Estate portfolio was down -2.5% but on a relative basis outperformed against the NFI-ODCE blended benchmark return of -3.3%. The Non-Core portfolio (+0.1%) and specifically the Value Add strategies (+1.7%) outperformed the NFI-ODCE + 1% benchmark return of -3.1%.

The Value Add portfolio’s positive return benefited from the positive Euro currency exchange and the strong performance of the medical office strategies. The Core portfolio’s negative return was driven by the broad write-down of assets values amidst a challenging economic environment, with transaction volumes down by 30%-50% as rising interest rates and slowing economy impact valuations. While SCERS’ Real Estate portfolio’s absolute quarterly and one year returns were negative, it has outperformed its benchmark over all reporting periods.

Below are notable top and bottom performing funds during the quarter ended March 31, 2023:

- Top performing funds:
 - Core:
 - Prologis U.S. Logistics Fund: -0.4%
 - Non-Core:
 - Sculptor Real Estate Fund III: +10.1%
 - NREP Nordic Strategies Fund II: +9.4% in U.S. Dollars (+8.1% in Euros)
 - ECE European Shopping Center Fund II: +2.5% in U.S. Dollars (+1.2% in Euros)

Bottom performing funds:

- Core:
 - Clarion Lion Properties Fund: -5.3%
 - Townsend Real Estate Funds: -4.6%
 - Brookfield Premier Real Estate Partners: -4.0%
- Non-Core:
 - Seven Seas Japan: -6.0% in U.S. Dollars (-4.7% in Yen)
 - Asana Partners Fund III: -5.5%
 - CIM Fund VIII: -4.3%

NEW INVESTMENTS

During the quarter ended March 31, 2023, SCERS made the following new commitments:

- None

After the quarter, SCERS made the following new investments:

- None

ATTACHMENT

- Board Order
- Townsend's Real Estate Portfolio Performance Measurement Report for the Quarter ended March 31, 2023.

Prepared by:

/S/

JR Pearce
Senior Investment Officer

Reviewed by:

/S/

/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
June 21, 2023

AGENDA ITEM:

Quarterly Investment Performance Report—Real Estate

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to receive and file the Quarterly Investment Performance Report - Real Estate portfolio for the period ending March 31, 2023, as presented by Townsend Group.

I HEREBY CERTIFY that the above order was passed and adopted on June 21, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:
(Present but not voting)

Keith DeVore
Board President

Eric Stern
Chief Executive Officer and
Board Secretary



TOWNSEND[®]
GROUP

an Aon company

Real Estate Portfolio

Performance Measurement Report

FIRST QUARTER 2023



SCERS

SACRAMENTO COUNTY
EMPLOYEES'
RETIREMENT SYSTEM

SCERS Real Estate Portfolio Overview

- SCERS recently changed the target real estate allocation from 7% to 9% with the allowable range changing to 7.0%-11.0%. As of the end of the first quarter, 2023 (the “Quarter”), the Real Estate Portfolio was slightly below the new real estate target but within the allowable range at 8.6%. Core Real Estate currently makes up 72.5% of the portfolio, with Non-Core Real Estate making up the remaining 27.5%.

SCERS' Real Estate Portfolio Construction:

	Minimum	Target	Maximum	Policy Index Benchmark
Total Real Estate Program	7%	9%	11%	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-six Diversified Core open-end commingled funds invested across the United States.
- In July of 2017, Staff and Townsend recommended revising the Real Estate IPS to reflect transition away from IMAs, including removal of the Core vehicle constraints of 0-60% (30% target) for funds and 40-100% (70% target) for IMAs, which was subsequently approved by the Board.
- In 2018, SCERS’ Core IMA Program transitioned to a commingled fund manager. Following an extensive bidding, selection and structuring process, Staff and Townsend selected Clarion’s Lion Properties Fund as the recipient for the Core IMA Portfolio. Given the size of the Core IMA Portfolio, SCERS reduced concentration risk by allocating funds to an additional manager, Brookfield’s Premier Property Partners, in order to achieve greater diversification within the Core Portfolio. SCERS’ investment in Brookfield Premier Property Fund was funded October 1, 2018.
- The loan-to-value ratio of the Private Real Estate Portfolio was 35.7% at the end of the first quarter of 2023. The loan-to-value ratio of the Core Portfolio was 30.3%, 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 23.8% as of the first quarter. The Non-Core Portfolio reported a loan-to-value ratio of 46.5%.

Portfolio Funding Status

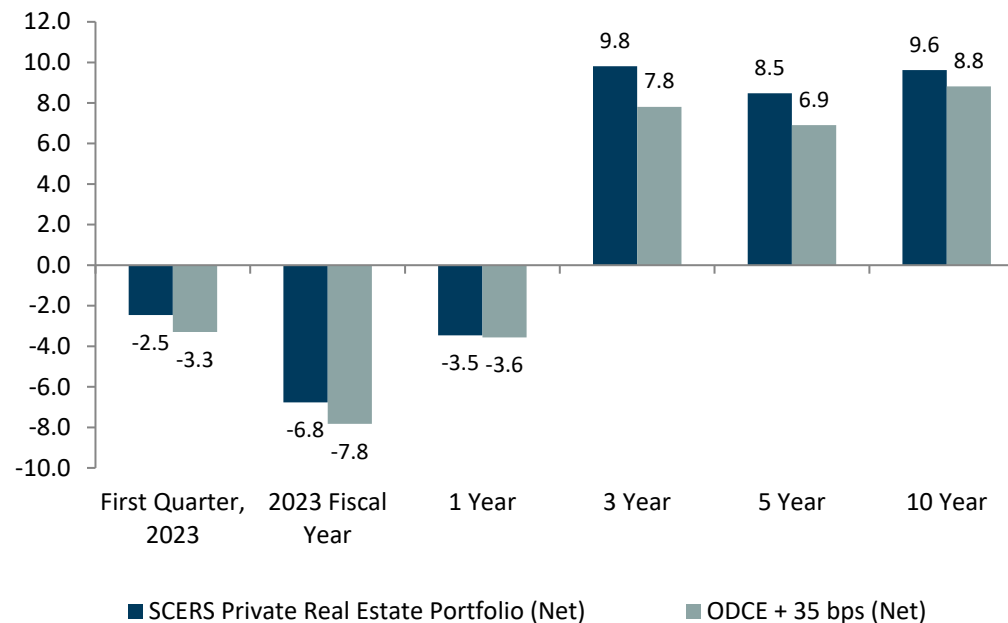
- The following slides provide a review of key information of the SCERS Real Estate Portfolio (the “Portfolio”) through March 31, 2023.
- A detailed performance report is also provided in **Exhibit A**.
- Figures exclude commitments / redemptions / dispositions approved subsequent to Quarter-end and future distributions.
- Unfunded commitments may never be fully drawn.

SCERS Portfolio Snapshot <i>As of March 31, 2023</i>	Market Value (in millions of dollars)*	% of SCERS Plan	% of Real Estate
SCERS Total Plan Assets	12,066	100.0%	
Private Portfolio Target	1,086	9.0%**	
Private Portfolio Permissible Range		7.0-11.0%**	
Private Real Estate			
Core Portfolio	754	6.3%	72.5%
Non-Core Portfolio	285	2.4%	27.5%
Total SCERS Private Real Estate Market Value	1,039	8.6%	
Total SCERS Private Real Estate Unfunded Commitments	224	1.9%	

• Figures may not add due to rounding

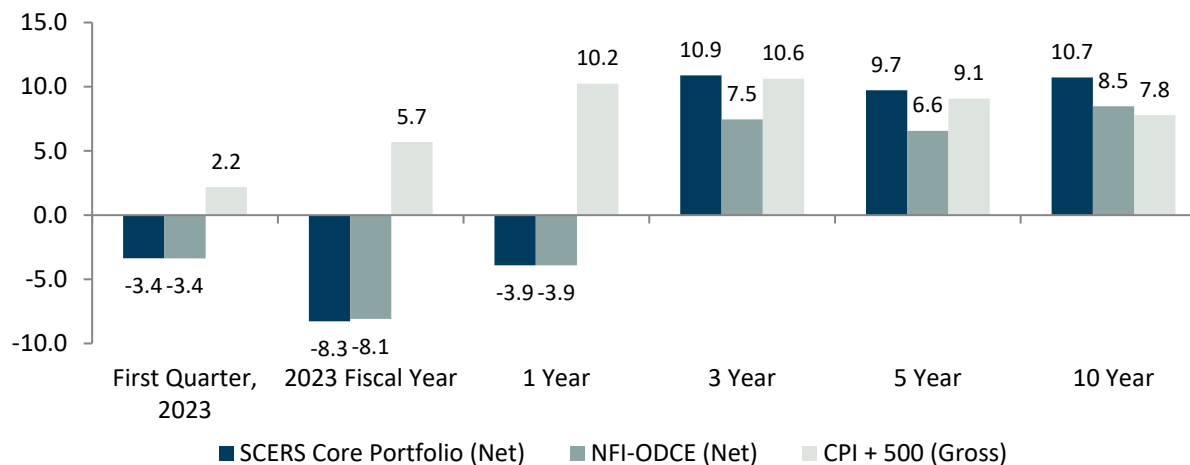
** The 9% Private Portfolio (RE) target and permissible range were approved during the third quarter of 2021

Private Real Estate Performance



- The SCERS Private Real Estate Portfolio includes: (1) Core Real Estate and (2) Non-Core Real Estate.
- The SCERS Private Real Estate Benchmark is comprised of the NFI-ODCE (Core Benchmark, net) (65%) and the NFI-ODCE + 100bps (Non-Core Benchmark, net) (35%), resulting in an NFI-ODCE + 35bps (net) portfolio benchmark.
- Although the SCERS Private Real Estate Portfolio generated negative returns in the first quarter of 2023, the SCERS Portfolio outperformed the benchmark by 83 basis points. Outperformance is driven by positive returns of the Non-Core Portfolio.
- Moreover, the SCERS Total Real Estate Portfolio outperformed the benchmark over all other time periods driven by the robust performance of the Core funds as well as the Non-Core investments.

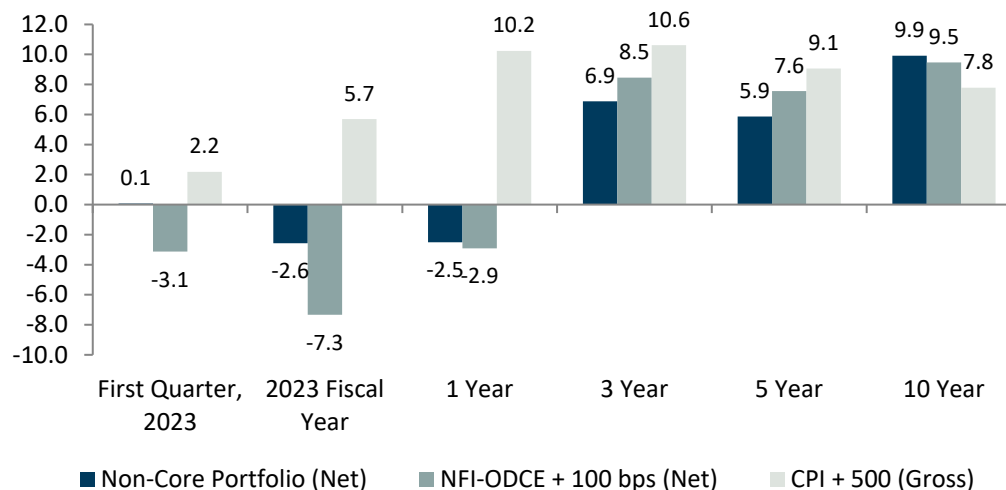
Core Portfolio Performance



- The SCERS Core Portfolio consists of seven open-end Core Commingled funds. The Core Commingled Fund exposure includes, MetLife Core Property Fund, Principal U.S. Property Account, Prologis Targeted U.S. Logistics Fund, Prologis European Logistics Fund, Townsend Real Estate Fund, Brookfield Premier Real Estate Partners, and Clarion’s Lion Properties Fund.
- Performance of the Core Portfolio is evaluated relative to the NCREIF Fund Index of Open-End Diversified Core Equity funds (“NFI-ODCE”), net of fees. In aggregate, the Core Portfolio outperforms or is in line with the NFI-ODCE, net of fees, over all displayed time periods except for the fiscal year.
- During the Quarter, the Core portfolio was in line with the NFI-ODCE generating -3.4% in net returns as the Core open-end fund managers continue to write-downs their assets in response to the higher interest rate environment.

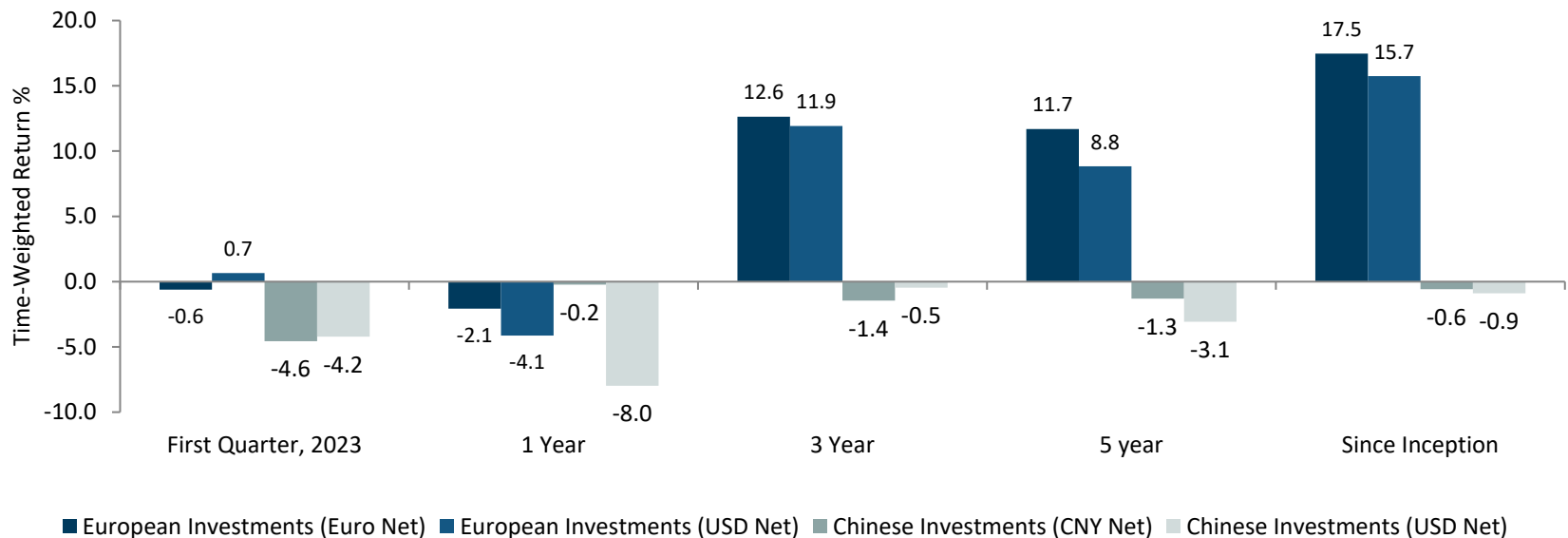
*EX-US funds produced the following 1Q23 net returns in local currency: Prologis European Logistics Fund (Euro) (2.8%).

Non-Core Portfolio Performance



- The SCERS Non-Core Portfolio includes both Value Added and Opportunistic Real Estate strategies, which are defined in the Glossary of Terms.
- During the quarter, the Non-Core Portfolio outperformed the benchmark by 345 basis points recording net returns of 0.1%. The outperformance is attributed to the strong performance of the Value-add investments, largely driven by the strong performance of NREP Nordic Strategies Fund II. NREP Nordic Strategies Fund II was the strongest absolute performer and largest contributor generating net returns of 9.4%.

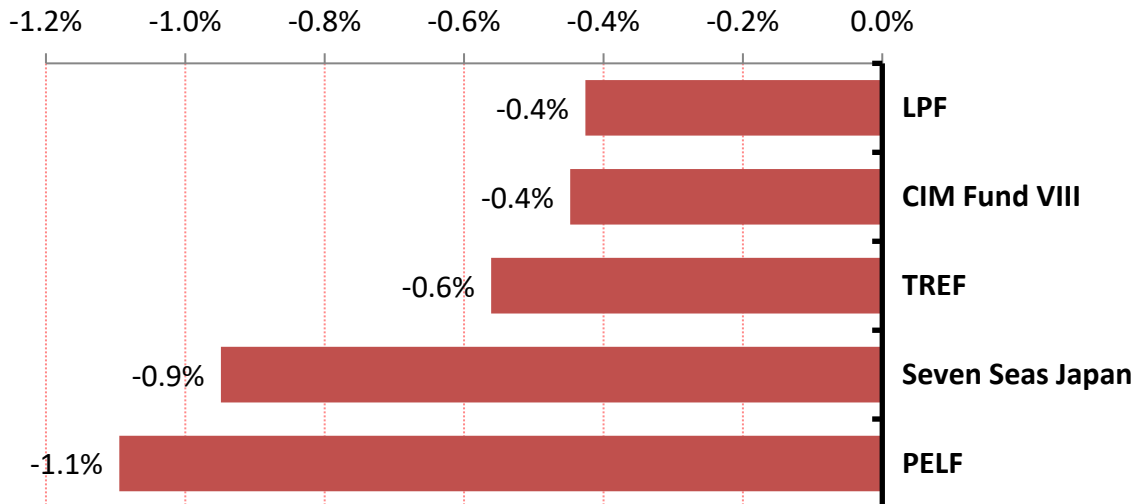
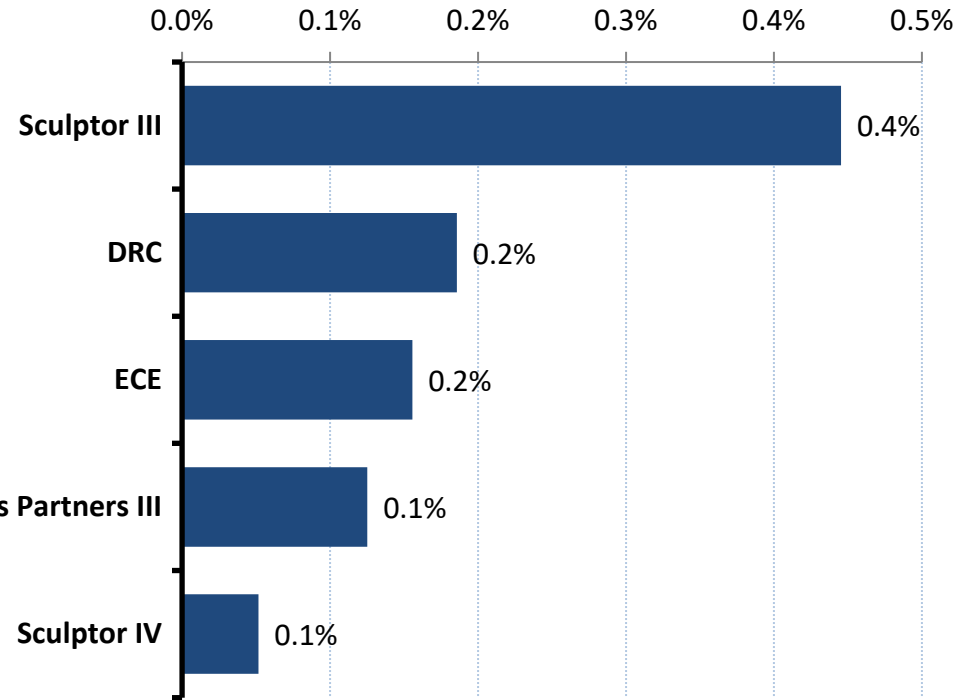
Ex-US Portfolio Performance



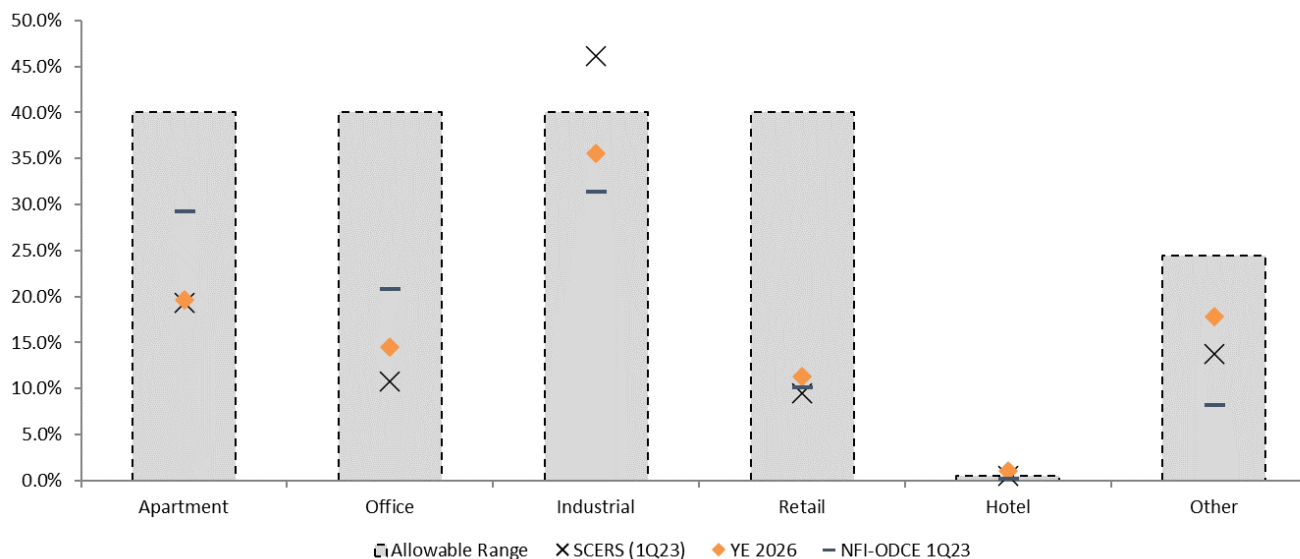
- Approximately 21.1% of the SCERS Portfolio is comprised of Ex-US investments. SCERS does not currently hedge its foreign currency exposures and pays liabilities in US Dollars. As such, FX movement will impact performance for Ex-US investments. The chart above isolates European and Asian investments and displays performance both before and after currency conversion.
- During the quarter, currency movements had a positive impact on foreign investments with both investments in Euros and Chinese Yuan positively affected. However, currency impacts on performance tend to be cyclical in nature.
- The SCERS Euro Denominated Composite includes: ECE European Prime Shopping Center Fund II (Euro) 1.2%, NREP Nordic Strategies Fund (Euro) (0.2%), NREP Nordic Strategies Fund II (Euro) 8.1%, NREP Nordic Strategies Fund III (Euro) (1.3%), NREP Nordic Strategies Fund IV (Euro) (1.5%) and Prologis European Logistics Fund (PELF) (2.8%).
 - Since Inception period begins 1Q15.
 - For the purposes of this composite, DRC has been excluded since it is a Pound denominated fund.
- The SCERS Chinese Yuan Composite includes: Carlyle China Realty Fund (Chinese Yuan) (4.6%) and Carlyle's Project Rome (Chinese Yuan) (4.5%).
 - Since Inception period begins 3Q17.
 - SCERS' Carlyle investments are USD denominated at the fund level, but property values are exposed to currency translation.

Performance Attribution

- Over the trailing twelve-months period, the top five performers were non-core investments including value-add and opportunistic funds which drove outperformance of the SCERS Portfolio recently. The funds include Sculptor Real Estate Fund III, DRC European Real Estate Debt Fund II, ECE European Prime Shopping Center Fund II, Hammes Partners III and Sculptor Real Estate Fund IV.
- Prologis European Logistics Fund (PELF) was the largest detractor. PELF recorded negative returns for the second half of 2022 and continued in the beginning of 2023 as a result of write-downs in the fund's assets due to cap rate expansion across the fund's assets.
- Seven Seas Japan was the second largest detractor. Seven Seas recorded negative net returns because the fund is new and undergoing the J-curve effect.
- Townsend Real Estate Fund performance detracted during the first quarter of 2023 as independent appraisers valuing a number of the fund's positions recorded negative appreciation due to changing real estate and capital market conditions.



Real Estate Private Portfolio Diversification – Property Type

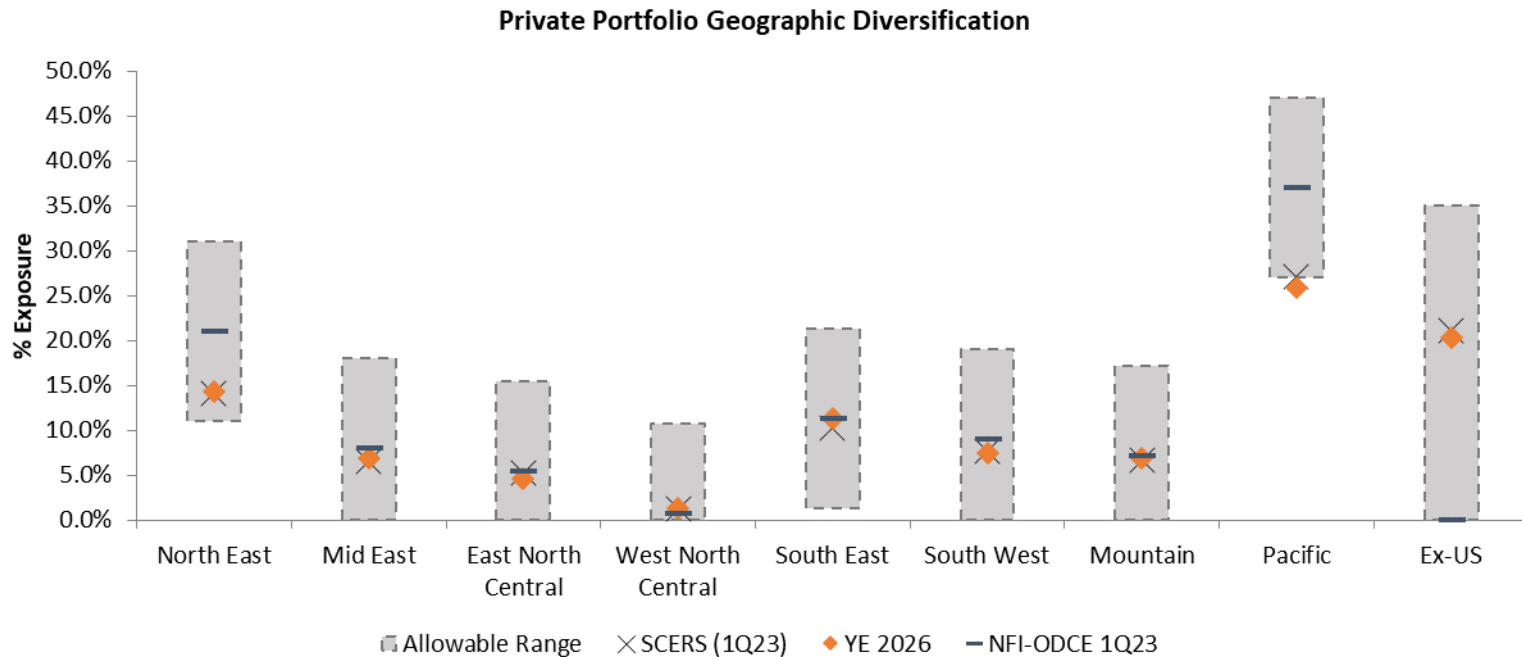


- The diversification of the Private Portfolio is compared to the diversification of the NFI-ODCE, and has a maximum limit of 40% for each property type, except for the “other” property type which has a maximum limit of 25%**. The Real Estate Policy also allows for temporary deviations in order to provide SCERS with the flexibility required to overweight or underweight property types during certain parts of the market cycle.
- As of the first quarter, the industrial property type was the only sector outside the current set limit of 40%. However, Townsend’s current views support an overweight to the industrial sector. Townsend and Staff will continue to monitor the industrial property type fundamentals for opportunities to tactically reduce exposure if secular growth trends moderate. Additionally, Townsend will work with Staff to develop a plan to reduce the overweight through deploying capital to specialty funds in other sectors.
- The “Other” property type exposure represents Sculptor Real Estate Fund III* (parking, senior housing and cell towers), Sculptor Real Estate Fund IV (parking), CIM Fund VIII (condominiums), Hammes Partners II, III and IV (medical office), Townsend Real Estate Fund (senior and student housing), NREP Nordic Strategies Fund II (student housing), NREP Nordic Strategies Fund III (senior living and land) and NREP Nordic strategies Fund IV (Senior Living and Student Housing).

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

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

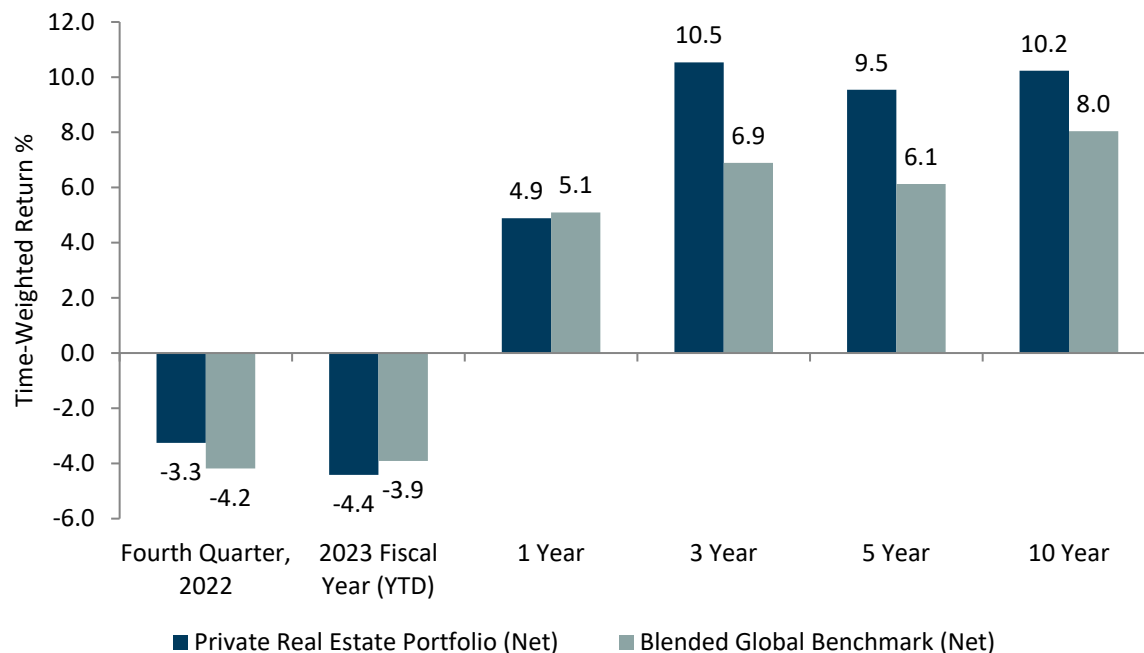
Real Estate Private Portfolio Diversification – Geographic Region



- The diversification of the Private Portfolio is compared to the diversification of the NFI-ODCE, with a permissible deviation of \pm 10.0% for each region. Ex-US exposure is limited to 35.0% of the Total Private Portfolio.
- As of the first quarter, the Private Portfolio was in compliance across all regions.
- The Private Portfolio's international exposure is 21.1%, well within its 35% constraint, and will remain similar as Sculptor Real Estate Fund III* and IV, NREP Nordic Strategies Fund III and IV as well as LaSalle China Logistics and Seven Seas Japan continue to call capital and purchase assets in Europe, China and Japan while older vintage funds liquidate.
- Ex-US exposure consists of 5.6% in China, 3.1% in Denmark, 2.2% in Finland, 2.4% in Germany, 1.1% in France, 2.5% in Sweden, 1.3% in Poland, 1.1% in Netherlands, 1.4% in the UK and 0.5% in other countries.

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

Private Real Estate Performance – Global Ancillary Benchmark (4Q22)



- The Global Ancillary Benchmark is made-up of the NFI-ODCE (Core), NFI-ODCE + 100bps (Non-Core), GREFI Europe Core, GREFI Europe Non-Core, and GREFI Non-Core Asia Pacific to create a global blended benchmark based on weighted average invested capital for each strategy.
 - GREFI reports on a 12 week lag. As a result, the ancillary benchmark will be reported on a quarterly lag to SCERS.
- The Private Portfolio's international exposure is 21.1%, well within its 40% new constraint. International exposure is mainly Non-Core in nature, with the exception of Prologis Targeted Europe Logistics Fund.
- The SCERS Private Real Estate program has outperformed its secondary benchmark significantly over all time periods, except for the trailing year and fiscal year.

Exhibit A: Performance Flash Report



Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
12,066,123,033	Core	7.0%	754,084,890	6.2%	0	0.0%	90,543,722	0.8%
	Non-Core	0.0% - 5.0%	285,343,491	2.4%	224,318,378	1.9%	-238,174,101	-2.0%
	Total	9.0%	1,039,428,381	8.6%	224,318,378	1.9%	-147,630,378	-1.2%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Portfolio (Commingled Funds & Separate Accounts)	-3.3	-3.4	-3.6	-3.9	12.4	10.9	11.1	9.7
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	0.2	0.1	0.4	-2.5	12.6	6.9	11.0	5.9
Private Real Estate Portfolio	-2.4	-2.5	-2.5	-3.5	12.4	9.8	10.8	8.5
NFI-ODCE (Core)	-3.2	-3.4	-3.1	-3.9	8.4	7.5	7.5	6.6
NFI-ODCE + 100 bps (Non-Core)	-2.9	-3.1	-2.1	-2.9	9.4	8.5	8.5	7.6
NFI-ODCE + 35 bps (Private Portfolio)	-3.1	-3.3	-2.7	-3.6	8.8	7.8	7.9	6.9

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	20,078,330	123,472,499	11.9	9.8
Lion Properties Fund	2018	152,400,000	157,181,869	0	74,289,448	125,526,430	12.1	9.9
MetLife Core Property Fund	2013	35,000,000	55,099,893	0	21,412,847	85,689,539	8.2	6.8
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	60,333,571	5.8	4.8
Prologis European Logistics Fund ^{1,3}	2017	47,950,142	49,151,023	0	9,352,273	63,050,498	6.1	5.0
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,000,000	0	15,443,335	133,045,604	12.8	10.5
Townsend Real Estate Fund, L.P. ³	2016	90,000,000	120,975,151	0	33,762,940	162,966,749	15.7	12.9
Core Commingled Funds	1986	510,350,142	567,407,936	0	174,339,173	754,084,890	72.5	59.7
Value Added Portfolio								
Asana Partners Fund II ³	2019	35,000,000	23,275,000	11,725,000	0	29,301,767	2.8	3.2
Asana Partners Fund III ³	2022	45,000,000	9,733,333	30,266,667	0	9,014,995	0.9	3.1
DRC European Real Estate Debt Fund II ³	2013	50,007,963	47,627,074	3,983,753	42,853,672	6,466,001	0.6	0.8
ECE European Prime Shopping Centre Fund II C ³	2015	33,611,623	34,613,419	0	5,347,558	35,182,457	3.4	2.8
Hammes Partners II	2015	25,000,000	27,601,602	1,031,859	43,592,886	3,145,202	0.3	0.3
Hammes Partners III	2018	25,000,000	28,190,989	3,896,009	13,312,438	20,094,126	1.9	1.9
Hammes Partners IV	2022	40,000,000	0	40,000,000	0	-203,285	0.0	3.1
NREP Nordic Strategies Fund ³	2014	25,130,756	22,485,011	0	36,076,702	3,039,589	0.3	0.2
NREP Nordic Strategies Fund II ³	2016	35,176,432	35,664,816	476,442	55,351,664	18,565,138	1.8	1.5
NREP Nordic Strategies Fund III ³	2018	39,019,632	31,836,234	4,055,104	8,455,396	34,429,185	3.3	3.0

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 ²	2019	35,449,208	19,095,461	16,758,271	0	20,314,603	2.0	2.9
NREP Nordic Strategies Fund V	2022	35,058,800	3,419,401	37,583,677	0	6,039,337	0.6	3.5
Value Added Portfolio	1986	423,454,414	283,542,340	149,776,782	204,990,316	185,389,115	17.8	26.5
Opportunistic Portfolio								
Carlyle China Project Rome Co-Investment	2017	40,000,000	38,492,870	4,405,916	0	35,159,959	3.4	3.1
Carlyle China Realty	2017	10,000,000	10,707,665	771,740	2,342,232	7,916,174	0.8	0.7
CIM Fund VIII	2015	35,000,000	39,711,706	0	7,965,361	24,734,702	2.4	2.0
KKR Real Estate Partners Americas	2014	22,720,638	30,468,779	3,851,055	37,610,739	1,586,869	0.2	0.4
LaSalle China Logistics Venture	2021	30,000,000	5,840,173	24,159,827	0	5,756,635	0.6	2.4
Sculptor Real Estate Fund III ^{2,3}	2014	35,000,000	26,852,819	12,638,350	42,439,787	5,309,498	0.5	1.4
Sculptor Real Estate Fund IV ^{2,3}	2020	30,000,000	16,366,472	17,861,919	6,055,445	11,757,014	1.1	2.3
Seven Seas Japan Opportunity Fund	2022	177,336	12,314,535	10,852,789	-4,991,153	7,733,525	0.7	1.5
Opportunistic Portfolio	1991	202,897,974	180,755,019	74,541,596	91,422,411	99,954,376	9.6	13.8
Total Non-Core Portfolio 1Q 2007 Forward	2007	626,352,388	464,297,359	224,318,378	296,412,727	285,343,491	27.5	40.3
Total Private Portfolio								
SCERS	1986	1,136,702,530	1,884,482,359	224,318,378	1,691,082,951	1,039,428,381	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.

Returns (%)	Market Value (\$)	Quarter				Fiscal Year 2023				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	123,472,499	0.4	-4.5	-4.1	-4.0	1.5	-9.1	-7.7	-7.6	2.5	-3.5	-1.1	-1.9	3.0	8.3	11.5	9.4
Lion Properties Fund	125,526,430	0.8	-5.9	-5.1	-5.3	2.2	-11.5	-9.4	-10.0	3.1	-5.7	-2.8	-3.6	3.5	5.4	9.0	8.1
MetLife Core Property Fund	85,689,539	1.1	-4.0	-2.9	-3.0	3.3	-8.9	-5.8	-6.2	4.4	-5.7	-1.5	-2.0	4.5	6.2	10.9	10.3
Principal U.S. Property Account	60,333,571	1.0	-3.9	-3.0	-3.2	2.8	-10.8	-8.2	-8.9	3.7	-8.7	-5.2	-6.1	4.0	4.3	8.4	7.4
Prologis European Logistics Fund ^{4,3}	63,050,498	1.2	-2.5	-1.4	-1.6	3.0	-19.0	-16.4	-16.2	4.0	-18.9	-15.4	-16.1	4.7	4.4	9.2	6.7
Prologis Targeted U.S. Logistics Fund	133,045,604	0.9	-1.7	-0.7	-0.4	2.5	-9.6	-7.3	-5.6	3.3	-4.3	-1.1	-0.2	3.8	20.5	25.0	21.3
Townsend Real Estate Fund, L.P. ²	162,966,749	0.7	-5.2	-4.5	-4.6	2.2	-9.0	-6.9	-7.1	2.9	-6.0	-3.3	-3.5	3.3	7.9	11.4	11.2
Core Commingled Funds	754,084,890	0.8	-4.1	-3.3	-3.4	2.4	-10.6	-8.4	-8.3	3.3	-6.6	-3.6	-3.9	3.7	8.5	12.4	10.9
Value Added Portfolio																	
Asana Partners Fund II ²	29,301,767	-0.2	2.9	2.7	1.9	-0.5	8.2	7.7	5.5	-0.4	1.0	0.5	-0.3	-0.3	20.7	20.4	13.2
Asana Partners Fund III ²	9,014,995	-1.6	-0.8	-2.4	-5.5	-7.4	18.6	11.2	-10.5								
DRC European Real Estate Debt Fund II ³	6,466,001	-0.2	2.1	1.9	1.9	41.1	0.8	39.4	39.8	58.6	-7.1	45.9	46.1	-8.7	-1.1	-8.5	-9.2
ECE European Prime Shopping Centre Fund II C ³	35,182,457	0.5	2.2	2.8	2.5	-7.0	16.6	9.0	6.8	-7.1	15.4	7.8	5.1	0.3	1.6	2.1	-0.6
Hammes Partners II	3,145,202	1.2	0.6	1.8	1.2	3.6	1.6	5.3	4.1	4.6	1.8	6.5	4.8	6.5	24.4	31.6	24.2
Hammes Partners III	20,094,126	2.4	-0.6	1.8	1.1	5.7	-0.3	5.4	3.3	7.6	2.5	10.3	6.8	10.0	16.4	27.4	18.4
Hammes Partners IV	-203,285					3.2	0.3	3.6	2.2								
NREP Nordic Strategies Fund ³	3,039,589	0.0	1.1	1.1	0.9	0.0	13.0	13.0	10.9	0.0	7.5	7.5	5.1	1.0	9.4	10.5	5.2
NREP Nordic Strategies Fund II ³	18,565,138	-1.2	6.1	4.9	9.4	-3.3	18.4	15.0	16.0	-2.0	9.9	8.3	4.8	-2.7	44.7	42.4	30.3
NREP Nordic Strategies Fund III ³	34,429,185	-0.3	0.8	0.5	-0.1	0.9	-3.1	-2.4	-3.1	-1.6	4.7	3.0	-0.4	-0.5	26.6	26.5	17.2
NREP Nordic Strategies Fund IV ³	20,314,603	-0.5	0.5	-0.1	-0.1	1.5	-3.5	-1.3	-2.0	-8.0	11.1	2.5	-1.7	-12.4	44.5	30.5	N/A
NREP Nordic Strategies Fund V ³	6,039,337	-1.3	0.0	-1.3	-4.1	0.8	-4.0	-2.6	-6.0								
Value Added Portfolio	185,389,115	0.0	1.7	1.7	1.7	0.2	5.5	5.6	4.1	1.7	6.2	7.8	4.1	-0.1	22.5	22.6	14.4
Opportunistic Portfolio																	
Carlyle China Project Rome Co-Investment	35,159,959	0.0	-3.9	-3.9	-4.2	0.0	-7.6	-7.6	-8.3	0.0	-6.9	-6.9	-7.9	-0.1	0.8	0.7	-0.4
Carlyle China Realty	7,916,174	0.0	-3.9	-3.9	-4.3	-0.1	-7.6	-7.7	-8.7	-0.1	-6.9	-7.0	-8.3	-0.2	0.8	0.6	-0.9
CIM Fund VIII	24,734,702	0.0	-3.9	-3.9	-4.3	-0.1	-15.1	-15.2	-16.1	-0.2	-15.2	-15.3	-16.5	-0.1	-11.0	-11.1	-12.3
KKR Real Estate Partners Americas	1,586,869	-2.2	4.1	1.9	1.5	-30.1	15.8	-11.6	-9.6	-28.3	12.3	-12.0	-10.4	-43.3	25.6	-12.1	-11.5
LaSalle China Logistics Venture	5,756,635	-0.1	1.6	1.5	-0.4	-4.0	2.2	-2.1	-9.9	-6.1	12.9	6.0	-6.1				
Sculptor Real Estate Fund III ^{4,3}	5,309,498	0.9	9.6	10.5	10.1	5.3	21.2	27.2	26.1	8.6	70.4	82.8	80.4	11.7	28.8	42.9	40.0
Sculptor Real Estate Fund IV ^{2,3}	11,757,014	1.0	1.9	2.9	2.0	1.2	6.2	7.4	4.5	0.5	10.2	10.7	5.9				
Seven Seas Japan Opportunity Fund	7,733,525	-0.7	-6.9	-7.7	-6.0	16.7	-62.9	-53.4	-57.7	20.3	-84.0	-72.8	-74.5				
Opportunistic Portfolio	99,954,376	0.1	-2.4	-2.3	-2.6	1.2	-11.9	-10.8	-12.5	1.6	-12.2	-10.7	-12.6	0.9	-2.3	-1.3	-3.9
Total Non-Core Portfolio 1Q 2007 Forward	285,343,491	0.1	0.2	0.2	0.1	0.6	-1.5	-0.9	-2.6	1.7	-1.2	0.4	-2.5	0.3	12.2	12.6	6.9
Total Private Portfolio																	
SCERS	1,039,428,381	0.6	-3.0	-2.4	-2.5	1.9	-8.3	-6.4	-6.8	2.8	-5.2	-2.5	-3.5	2.8	9.4	12.4	9.8

Returns (%)	Market Value (\$)	Quarter				Fiscal Year 2023				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) ^{1,2}	€ 58,170,390	1.2	-3.8	-2.6	-2.8	3.0	-21.7	-19.2	-19.0	4.1	-17.2	-13.7	-14.3	4.6	5.0	9.8	7.4
DRC European Real Estate Debt Fund II (Pound Sterling)	£5,241,340	-0.2	0.0	-0.2	-0.2	37.5	0.0	37.5	38.0	55.4	0.0	55.4	55.6	-8.2	0.0	-8.2	-9.0
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 32,459,335	0.5	1.0	1.5	1.2	-6.9	12.8	5.4	3.3	-6.9	17.8	10.1	7.3	0.2	2.2	2.6	0.0
NREP Nordic Strategies Fund (Euro) ³	€ 2,804,325	0.0	0.0	0.0	-0.2	0.0	9.4	9.4	7.3	0.0	9.8	9.8	7.5	1.0	10.1	11.2	5.8
NREP Nordic Strategies Fund II (Euro)	€ 17,128,196	-1.2	4.8	3.6	8.1	-3.2	14.4	11.0	12.0	-1.8	12.3	10.6	7.0	-2.6	45.6	43.2	31.1
NREP Nordic Strategies Fund III (Euro)	€ 31,764,366	-0.3	-0.5	-0.8	-1.3	0.7	-6.2	-5.5	-6.2	-1.8	6.8	5.3	1.7	-0.6	27.3	27.1	17.9
NREP Nordic Strategies Fund IV (Euro)	€ 18,742,253	-0.5	-1.0	-1.5	-1.5	1.9	-6.6	-4.6	-5.3	-8.1	13.4	4.7	0.4	-12.4	48.3	34.1	N/A
NREP Nordic Strategies Fund V (Euro)	€ 5,571,892	-1.5	0.0	-2.5	-5.3	396.8	3.7	395.0	319.0								
Seven Seas Japan Opportunity Fund	¥1,027,476,194	-0.8	-5.7	-6.4	-4.7	18.7	-83.5	-70.4	-72.3								
Indices																	
NFI ODCE+ 35bps				-3.1	-3.3			-7.2	-7.8			-2.7	-3.6			8.8	7.8
NFI-ODCE		0.8	-4.0	-3.2	-3.4	2.5	-9.8	-7.5	-8.1	3.4	-6.3	-3.1	-3.9	3.7	4.6	8.4	7.5
NFI-ODCE + 100bps				-2.9	-3.1			-6.7	-7.3			-2.1	-2.9			9.4	8.5
CPI + 500 bps				2.2				5.7				10.2				10.6	

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.

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 ⁴			
Brookfield Premier Real Estate Partners	123,472,499									2.8	8.1	11.1	9.0	4Q18	9.1	1.4
Lion Properties Fund	125,526,430									3.6	4.6	8.4	7.5	4Q18	7.3	1.3
MetLife Core Property Fund	85,689,539	4.7	4.7	9.5	9.0					4.9	5.9	11.0	10.4	1Q14	10.5	1.9
Principal U.S. Property Account	60,333,571	4.1	3.7	7.9	6.9					4.4	4.0	8.5	7.5	4Q15	7.5	1.7
Prologis European Logistics Fund ^{4,3}	63,050,498	5.0	4.2	9.3	7.0					5.2	5.9	11.3	8.9	4Q17	8.8	1.5
Prologis Targeted U.S. Logistics Fund	133,045,604	4.2	17.5	22.2	19.0					4.7	16.0	21.3	18.3	3Q15	18.7	3.0
Townsend Real Estate Fund, L.P. ³	162,966,749	3.7	5.9	9.7	9.5					3.9	6.1	10.1	9.9	2Q16	9.8	1.6
Core Commingled Funds	754,084,890	3.8	7.0	11.1	9.7	4.3	7.5	12.0	10.7	4.4	3.9	8.4	7.4	4Q86	7.8	1.6
Value Added Portfolio																
Asana Partners Fund II ¹	29,301,767									-3.4	9.7	5.6	-4.6	4Q19	12.1	1.3
Asana Partners Fund III ²	9,014,995									-7.4	18.6	11.2	-10.5	3Q22	-27.1	0.9
DRC European Real Estate Debt Fund II ³	6,466,001	-2.8	-3.1	-4.9	-5.7					3.3	-3.8	-0.1	-1.4	1Q14	1.2	1.0
ECE European Prime Shopping Centre Fund II C ⁵	35,182,457	1.6	2.3	3.9	1.4					1.1	9.4	10.7	8.1	4Q15	4.0	1.2
Hammes Partners II	3,145,202	8.1	26.6	36.0	28.9					9.0	19.4	29.6	23.0	3Q15	23.3	1.7
Hammes Partners III	20,094,126									8.9	15.9	25.7	4.9	1Q19	12.7	1.2
Hammes Partners IV	-203,285													3Q23	0.0	N/A
NREP Nordic Strategies Fund ³	3,039,589	2.1	7.6	9.8	1.3					5.7	13.6	19.8	13.4	1Q15	23.0	1.7
NREP Nordic Strategies Fund II ¹	18,565,138	-1.8	31.7	30.2	20.6					-0.3	30.7	30.9	20.0	3Q16	21.8	2.1
NREP Nordic Strategies Fund III ²	34,429,185									-3.4	23.3	19.8	4.7	4Q18	12.2	1.3
NREP Nordic Strategies Fund IV ³	20,314,603									-19.4	39.8	15.6	N/A	1Q20	4.6	1.1
NREP Nordic Strategies Fund V ²	6,039,337									-1.3	0.0	-1.3	-4.1	1Q23	77.5	1.8
Value Added Portfolio	185,389,115	1.2	17.2	18.6	10.9	4.4	12.7	17.6	12.6	1.8	5.5	7.4	5.5	4Q86	7.0	1.3
Opportunistic Portfolio																
Carlyle China Project Rome Co-Investment	35,159,959	-0.7	-1.1	-1.8	-3.7					-0.7	1.3	0.5	-1.3	3Q17	-1.9	0.9
Carlyle China Realty	7,916,174	1.8	-0.9	0.9	-1.1					1.5	1.2	2.7	0.5	3Q17	-1.1	1.0
CIM Fund VIII	24,734,702	-0.1	-5.9	-6.0	-7.2					0.0	0.1	0.1	-1.6	2Q15	-3.7	0.8
KKR Real Estate Partners Americas	1,586,869	-22.7	1.4	-9.6	-7.7					-7.3	-1.7	-0.6	-0.5	2Q14	12.0	1.3
LaSalle China Logistics Venture	5,756,635									N/A	179.1	89.2	-9.2	3Q21	-1.6	1.0
Sculptor Real Estate Fund III ^{4,5}	5,309,498	10.7	19.9	32.1	29.3					13.3	18.7	33.8	21.0	4Q14	24.3	1.8
Sculptor Real Estate Fund IV ^{2,3}	11,757,014									11.9	12.0	25.0	11.4	3Q20	10.5	1.1
Seven Seas Japan Opportunity Fund	7,733,525									20.3	-84.0	-72.8	-74.5	2Q22	-68.2	1.0
Opportunistic Portfolio	99,954,376	1.6	-0.8	0.7	-1.4	5.1	5.9	11.8	8.2	1.9	6.3	8.5	6.5	1Q91	5.8	1.2
Total Non-Core Portfolio 1Q 2007 Forward	285,343,491	1.3	9.5	11.0	5.9	4.5	9.2	14.1	9.9	3.7	6.4	10.2	5.7	1Q07	6.8	1.3
Total Private Portfolio																
SCERS	1,039,428,381	3.2	7.4	10.8	8.5	4.1	7.2	11.5	9.6	4.1	5.4	9.7	8.6	4Q86	8.5	1.5

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 ⁴			
Ex-US Dollar Denominated Investments (In Local Currency)																
Prologis Targeted Europe Logistics Fund (Euro) ^{1,5}	€ 58,170,390	5.0	6.9	12.1	9.7					4.8	6.8	11.9	9.8	1Q16	9.8	1.4
DRC European Real Estate Debt Fund II (Pound Sterling)	£5,241,340	-2.4	0.0	-2.4	-3.2					3.5	-0.4	3.1	1.7	1Q14	5.1	1.2
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 32,459,335	1.6	4.8	6.5	4.0					1.0	9.9	11.2	8.6	4Q15	5.2	1.2
NREP Nordic Strategies Fund (Euro) ³	€ 2,804,325	2.1	10.7	12.9	4.2					5.7	15.3	21.5	15.0	1Q15	24.5	1.8
NREP Nordic Strategies Fund II (Euro)	€ 17,128,196	-1.7	35.1	33.6	23.7					-0.3	31.1	31.3	20.3	3Q16	22.9	2.2
NREP Nordic Strategies Fund III (Euro)	€ 31,764,366									-3.4	25.4	21.8	6.4	4Q18	14.0	1.4
NREP Nordic Strategies Fund IV (Euro)	€ 18,742,253									-19.6	43.9	19.2	N/A	1Q20	7.0	1.1
NREP Nordic Strategies Fund V (Euro)	€ 5,571,892									N/A	N/A	N/A	N/A	4Q22	72.2	1.7
Seven Seas Japan Opportunity Fund	¥1,027,476,194									18.7	-83.5	-70.4	-72.3	2Q22	-66.9	1.1
Indices																
NFI ODCE+ 35bps				7.9	6.9			9.8	8.8			7.7	6.7	4Q86		
NFI-ODCE		3.9	3.5	7.5	6.6	4.3	5.0	9.5	8.5	6.4	0.9	7.4	6.3	4Q86		
NFI-ODCE + 100bps				8.5	7.6			10.5	9.5			8.4	7.3	4Q86		
CPI + 500 bps				9.1				7.8				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.

Returns (%)	Market Value (\$)	2023		Fiscal Year 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
Core Commingled Funds																			
Brookfield Premier Real Estate Partners	123,472,499	-4.1	-4.0	-7.7	-7.6	13.1	10.8	28.5	23.0	1.8	1.9	10.6	8.5	2.3	1.9				
Lion Properties Fund	125,526,430	-5.1	-5.3	-9.4	-10.0	9.6	8.7	23.4	22.4	2.2	1.4	7.3	6.4	2.0	1.8				
MetLife Core Property Fund	85,689,539	-2.9	-3.0	-5.8	-6.2	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	60,333,571	-3.0	-3.2	-8.2	-8.9	5.1	4.1	23.7	22.6	1.6	0.6	7.0	6.0	9.1	8.1	9.1	8.1	10.0	9.0
Prologis European Logistics Fund ^{1,3}	63,050,498	-1.4	-1.6	-16.4	-16.2	-10.2	-11.6	22.7	18.0	20.2	18.7	13.5	11.1	13.6	10.8	6.8	6.5		
Prologis Targeted U.S. Logistics Fund	133,045,604	-0.7	-0.4	-7.3	-5.6	13.9	12.2	59.3	48.7	11.1	9.8	19.4	16.8	18.5	16.1	24.2	20.3	16.1	14.2
Townsend Real Estate Fund, L.P. ³	162,966,749	-4.5	-4.6	-6.9	-7.1	10.5	10.3	29.3	29.1	2.6	2.3	7.6	7.3	9.0	8.8	11.0	10.8	8.4	8.2
Core Commingled Funds	754,084,890	-3.3	-3.4	-8.4	-8.3	8.8	7.6	30.8	27.6	4.6	4.0	9.5	8.3	10.9	9.7	14.2	12.8	9.8	8.9
Value Added Portfolio																			
Asana Partners Fund II ³	29,301,767	2.7	1.9	7.7	5.5	1.8	0.7	63.7	49.9	-36.4	-45.7	11.1	1.5						
Asana Partners Fund III ³	9,014,995	-2.4	-5.5	11.2	-10.5	13.9	-5.4												
DRC European Real Estate Debt Fund II ²	6,466,001	1.9	1.9	39.4	39.8	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	35,182,457	2.8	2.5	9.0	6.8	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	3,145,202	1.8	1.2	5.3	4.1	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	20,094,126	1.8	1.1	5.4	3.3	13.2	9.0	29.1	18.3	43.5	24.5	23.9	-24.4						
Hammes Partners IV	-203,285			3.6	2.2	13.2	9.0	29.1	18.3	43.5	24.5	23.9	-24.4						
NREP Nordic Strategies Fund ³	3,039,589	1.1	0.9	13.0	10.9	6.6	5.4	-3.0	-11.6	27.2	21.8	23.0	-4.2	0.8	0.1	41.2	40.1	23.1	21.7
NREP Nordic Strategies Fund II ⁴	18,565,138	4.9	9.4	15.0	16.0	7.8	-1.9	71.5	52.7	35.1	26.6	20.9	9.8	17.0	12.3	44.9	34.4	8.6	-3.8
NREP Nordic Strategies Fund III ³	34,429,185	0.5	-0.1	-2.4	-3.1	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 ³	20,314,603	-0.1	-0.1	-1.3	-2.0	0.6	-6.4	42.2	20.5	22.1	-121.4								
NREP Nordic Strategies Fund V ⁴	6,039,337	-1.3	-4.1	-2.6	-6.0	0.6	-6.4	42.2	20.5	22.1	-121.4								
Value Added Portfolio	185,389,115	1.7	1.7	5.6	4.1	5.1	0.7	36.4	25.1	19.0	10.6	22.1	11.5	10.5	6.3	24.9	22.3	9.5	7.0
Opportunistic Portfolio																			
Carlyle China Project Rome Co-Investment	35,159,959	-3.9	-4.2	-7.6	-8.3	-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	7,916,174	-3.9	-4.3	-7.7	-8.7	-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	24,734,702	-3.9	-4.3	-15.2	-16.1	-13.1	-14.3	-3.7	-4.9	-16.7	-17.9	2.0	0.9	9.4	8.0	8.4	6.7	6.4	4.0
KKR Real Estate Partners Americas	1,586,869	1.9	1.5	-11.6	-9.6	-25.1	-21.8	27.9	19.1	-30.9	-24.7	7.8	7.3	11.0	10.7	27.5	23.3	20.8	17.2
LaSalle China Logistics Venture	5,756,635	1.5	-0.4	-2.1	-9.9	4.2	-9.6	188.6	-6.2	-30.9	-24.7	7.8	7.3	11.0	10.7	27.5	23.3	20.8	17.2
Sculptor Real Estate Fund III ^{2,3}	5,309,498	10.5	10.1	27.2	26.1	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 ^{2,3}	11,757,014	2.9	2.0	7.4	4.5	6.9	0.8	40.3	25.9	19.6	3.9								
Seven Seas Japan Opportunity Fund	7,733,525	-7.7	-6.0	-53.4	-57.7	-55.4	-60.3												
Opportunistic Portfolio	99,954,376	-2.3	-2.6	-10.8	-12.5	-4.9	-7.9	6.2	2.8	-6.9	-8.1	8.6	7.1	11.5	9.1	19.1	16.0	13.9	10.2
Total Non-Core Portfolio 1Q 2007 Forward⁵	285,343,491	0.2	0.1	-0.9	-2.6	1.1	-2.7	24.4	16.4	6.5	1.6	15.8	9.9	10.9	7.6	22.3	19.4	10.8	8.1
Total Private Portfolio																			
SCERS	1,039,428,381	-2.4	-2.5	-6.4	-6.8	6.8	4.9	29.1	24.5	5.2	3.5	11.0	8.7	9.2	7.5	15.2	13.6	9.1	7.8
Indices																			
NFI-ODCE + 35 bps		-3.1	-3.3	-7.2	-7.8	7.6	6.7	22.4	21.3	1.5	0.7	5.7	4.7	8.7	7.7	8.0	7.0	9.1	8.1
NFI-ODCE		-3.2	-3.4	-7.5	-8.1	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		-2.9	-3.1	-6.7	-7.3	8.0	7.0	22.9	21.8	2.2	1.3	6.3	5.4	9.3	8.4	8.6	7.7	9.8	8.8
CPI + 500 bps		2.2		5.7		9.9		11.4		6.4		7.4		7.0		7.2		7.2	

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	123,472,499																				
Lion Properties Fund	125,526,430																				
MetLife Core Property Fund	85,689,539	16.9	16.3	17.4	16.9																
Principal U.S. Property Account	60,333,571	3.0	2.8																		
Prologis European Logistics Fund ^{1,3}	63,050,498																				
Prologis Targeted U.S. Logistics Fund	133,045,604	9.1	7.9																		
Townsend Real Estate Fund, L.P. ³	162,966,749																				
Core Commingled Funds	754,084,890	15.7	14.1	13.5	12.4	10.2	9.3	11.1	10.1	16.4	15.5	14.1	13.3	-33.0	-33.6	-13.8	-14.6	15.5	14.5	16.9	15.8
Value Added Portfolio																					
Asana Partners Fund II ³	29,301,767																				
Asana Partners Fund III ³	9,014,995																				
DRC European Real Estate Debt Fund II ⁴	6,466,001	5.0	3.0	1.4	-2.1																
ECE European Prime Shopping Centre Fund II C ³	35,182,457	12.1	11.0																		
Hammes Partners II	3,145,202	19.4	12.9																		
Hammes Partners III	20,094,126																				
Hammes Partners IV	-203,285																				
NREP Nordic Strategies Fund ³	3,039,589	55.1	50.8																		
NREP Nordic Strategies Fund II ⁴	18,565,138																				
NREP Nordic Strategies Fund III ³	34,429,185																				
NREP Nordic Strategies Fund IV ³	20,314,603																				
NREP Nordic Strategies Fund V ³	6,039,337																				
Value Added Portfolio	185,389,115	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	35,159,959																				
Carlyle China Realty	7,916,174																				
CIM Fund VIII	24,734,702	16.9	13.8																		
KKR Real Estate Partners Americas	1,586,869	79.0	55.3	30.1	24.7																
LaSalle China Logistics Venture	5,756,635	79.0	55.3	30.1	24.7																
Sculptor Real Estate Fund III ^{2,3}	5,309,498	33.7	6.9	9.4	-28.3																
Sculptor Real Estate Fund IV ^{2,3}	11,757,014																				
Seven Seas Japan Opportunity Fund	7,733,525																				
Opportunistic Portfolio	99,954,376	44.5	23.2	33.3	19.9	11.7	9.4	54.2	38.5	-10.1	-8.0	42.4	34.2	54.0	43.5	-44.5	-45.4	3.4	2.6	0.0	0.0
Total Non-Core Portfolio 1Q 2007 Forward⁵	285,343,491	23.0	17.9	17.0	14.2	16.7	13.5	34.6	26.9	-0.3	0.4	37.0	30.4	-13.5	-17.8	-33.7	-35.7	18.2	5.6		
Total Private Portfolio																					
SCERS	1,039,428,381	9.9	8.5	16.0	14.2	12.0	10.7	19.2	17.8	9.8	9.4	20.6	19.2	-16.0	-16.7	-14.1	-14.7	10.7	8.7	16.9	14.2
Indices																					
NFI-ODCE + 35 bps		15.4	14.3	12.8	11.8	14.3	13.3	11.3	10.1	16.3	15.3	16.7	15.6	-29.4	-30.0	-9.7	-10.3	16.3	15.2	16.7	15.6
NFI-ODCE		15.0	14.0	12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0	16.4	15.3	-29.8	-30.4	-10.0	-10.7	16.0	14.8	16.3	15.3
NFI-ODCE + 100 bps		16.0	15.0	13.5	12.5	14.9	13.9	11.9	10.8	17.0	16.0	17.4	16.3	-28.8	-29.4	-9.0	-9.7	17.0	15.8	17.3	16.3
CPI + 500 bps		5.7		5.7		6.6		6.8		8.2		6.5		8.0		5.0		9.3		7.7	

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.

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	130,007,617	0	1,448,132	0	464,714	-250,283	-5,801,983	123,472,499	44.9
Lion Properties Fund	133,369,288	278,967	1,066,119	0	1,043,157	278,967	-7,819,896	125,526,430	21.8
MetLife Core Property Fund	88,290,597	721,033	635,579	0	988,498	102,348	-3,572,662	85,689,539	30.7
Principal U.S. Property Account	62,330,731	0	0	0	595,199	144,522	-2,447,837	60,333,571	24.5
Prologis European Logistics Fund	64,566,525	0	472,694	0	745,341	150,619	-1,638,055	63,050,498	23.8
Prologis Targeted U.S. Logistics Fund	134,366,704	0	740,408	0	1,275,702	-366,047	-2,222,441	133,045,604	13.1
Townsend Real Estate Fund, L.P.	173,678,098	0	1,667,718	1,120,072	1,174,174	93,136	-9,004,598	162,966,749	36.9
Core Commingled Funds	786,609,560	1,000,000	6,030,650	1,120,072	6,286,785	153,262	-32,507,472	754,084,890	30.3
Value Added Portfolio									
Asana Partners Fund II	27,463,022	1,312,500	0	0	-68,130	202,655	797,030	29,301,767	48.0
Asana Partners Fund III	2,568,750	6,666,667	0	0	-64,516	125,000	-30,906	9,014,995	54.3
DRC European Real Estate Debt Fund II	6,342,991	0	0	0	-9,767	0	132,777	6,466,001	0.0
ECE European Prime Shopping Centre Fund II	34,557,729	0	241,131	0	181,680	90,836	775,016	35,182,457	55.7
Hammes Partners II	3,131,264	11,200	35,608	0	37,470	18,259	19,135	3,145,202	61.0
Hammes Partners III	21,425,217	1,363,435	1,417,292	1,498,560	486,426	138,999	-126,102	20,094,126	70.0
Hammes Partners IV	0	0	0	0	-82,011	73,973	-47,301	-203,285	121.0
NREP Nordic Strategies Fund	2,730,004	0	-282,513	0	0	6,314	33,386	3,039,589	0.0
NREP Nordic Strategies Fund II	16,964,525	0	0	0	-201,510	-769,964	1,032,159	18,565,138	48.0
NREP Nordic Strategies Fund III	33,702,067	746,993	0	0	-99,999	178,569	258,694	34,429,185	51.0
NREP Nordic Strategies Fund IV	18,429,756	1,894,244	0	0	-100,717	-2,926	88,394	20,314,603	48.0
NREP Nordic Strategies Fund V	6,298,643	0	0	0	-80,164	176,545	-2,596	6,039,337	57.0
Value Added Portfolio	173,613,968	11,995,039	1,411,518	1,498,560	-1,238	238,260	2,929,686	185,389,115	53.7
Opportunistic Portfolio									
Carlyle China Project Rome Co-Investment	36,701,518	0	0	0	5,001	99,178	-1,447,382	35,159,959	23.0
Carlyle China Realty	8,270,733	0	0	0	527	29,344	-325,742	7,916,174	23.0
CIM Fund VIII	25,874,102	97,712	0	124,892	-3,936	97,955	-1,010,329	24,734,702	37.1
KKR Real Estate Partners Americas	1,530,684	32,482	-43,121	43,121	-33,059	5,926	62,688	1,586,869	60.0
LaSalle China Logistics Venture	5,777,762	0	0	0	-4,937	108,739	92,549	5,756,635	39.5
Sculptor Real Estate Fund III	7,815,487	3,863	3,084,458	0	50,533	20,968	545,041	5,309,498	0.0
Sculptor Real Estate Fund IV	11,152,351	489,285	107,723	0	107,704	101,712	217,109	11,757,014	0.0
Seven Seas Japan Opportunity Fund	8,224,602	0	0	0	-59,509	-138,724	-570,292	7,733,525	0.0
Opportunistic Portfolio	105,347,239	623,342	3,149,060	168,013	62,324	325,098	-2,436,358	99,954,376	25.2
Total Non-Core Portfolio 1Q 2007 Forward	278,961,207	12,618,381	4,560,578	1,666,573	61,086	563,358	493,328	285,343,491	46.5
Total Private Portfolio									
SCERS	1,065,570,767	13,618,381	10,591,228	2,786,645	6,347,871	716,620	-32,014,144	1,039,428,381	35.7

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core Commingled Funds						
Brookfield Premier Real Estate Partners	29.8	15.2	50.3	-	-	4.7
Lion Properties Fund	27.0	18.9	35.2	5.3	-	13.6
MetLife Core Property Fund	31.1	20.2	28.0	10.2	1.3	9.1
Principal U.S. Property Account	26.2	18.9	37.4	10.1	-	7.4
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Real Estate Fund, L.P. [†]	33.3	8.0	36.7	1.9	0.1	20.1
Core Commingled Funds	22.2	11.2	54.2	3.2	0.2	9.0
Value Added Portfolio						
Asana Partners Fund II	1.1	36.4	-	62.5	-	-
Asana Partners Fund III	-	47.3	-	52.7	-	-
DRC European Real Estate Debt Fund II	-	50.0	-	50.0	-	-
ECE European Prime Shopping Centre Fund II	-	-	-	100.0	-	-
Hammes Partners II	-	-	-	-	-	100.0
Hammes Partners III	-	-	-	-	-	100.0
Hammes Partners IV	-	-	-	-	-	100.0
NREP Nordic Strategies Fund	-	-	-	-	-	-
NREP Nordic Strategies Fund II	2.6	-	-	18.8	-	78.6
NREP Nordic Strategies Fund III	35.0	5.3	27.5	6.1	-	26.1
NREP Nordic Strategies Fund IV	32.2	5.2	27.2	3.7	6.3	25.4
NREP Nordic Strategies Fund V	-	32.1	20.9	17.7	-	29.3
Value Added Portfolio	10.6	12.6	8.9	37.8	0.7	29.4

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	48.1	16.9	-	16.7	5.7	12.7
KKR Real Estate Partners Americas	-	-	-	13.8	73.7	12.5
LaSalle China Logistics Venture	-	-	100	-	-	-
Sculptor Real Estate Fund III	-	0.0	-	0.7	-	99.3
Sculptor Real Estate Fund IV	-	-	0.0	-	4.1	95.9
Seven Seas Japan Opportunity Fund	-	34.1	-	39.8	26.1	-
Opportunistic Portfolio	12.9	4.5	53.0	4.8	3.3	21.6
Total Non-Core Portfolio 1Q 2007 Forward	11.4	9.9	23.7	26.7	1.6	26.7
Total Private Portfolio						
SCERS	19.3	10.8	46.1	9.5	0.5	13.7
Indices						
NFI-ODCE	29.3	20.8	31.4	10.1	0.2	8.2

¹Property diversification numbers used are from 4Q22.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Ex-US
Core Commingled Funds									
Brookfield Premier Real Estate Partners	20.0	8.7	3.0	-	12.0	9.5	3.7	43.3	-
Lion Properties Fund	20.0	8.3	2.2	0.0	9.9	8.0	8.0	43.5	-
MetLife Core Property Fund	13.4	11.5	8.5	2.3	11.0	9.4	10.7	33.2	-
Principal U.S. Property Account	11.3	9.0	2.1	1.5	11.0	14.6	14.1	36.4	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	14.4	4.8	10.9	-	12.6	8.3	5.4	43.6	-
Townsend Real Estate Fund, L.P. ¹	14.7	7.8	9.8	3.7	18.2	11.1	9.0	25.7	-
Core Commingled Funds	14.7	7.4	6.0	1.2	11.9	9.0	7.2	34.3	8.4
Value Added Portfolio									
Asana Partners Fund II	19.5	20.6	-	8.1	17.6	7.2	20.6	6.4	-
Asana Partners Fund III	-	10.8	3.3	3.3	54.8	10.2	17.5	-	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	-	46.2	6.8	-	-	17.4	29.7	-	-
Hammes Partners III	44.7	2.0	16.6	2.7	6.0	20.9	5.9	1.2	-
Hammes Partners IV	31.9	-	68.1	-	-	-	-	-	-
NREP Nordic Strategies Fund	-	-	-	-	-	-	-	-	-
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	9.4	5.7	2.4	2.1	7.2	5.0	6.2	1.3	60.7

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Ex-US
Opportunistic Portfolio									
Carlyle China Project Rome Co-Investment	-	-	-	-	-	-	-	-	100.0
Carlyle China Realty	-	-	-	-	-	-	-	-	100.0
CIM Fund VIII	48.3	-	11.1	-	-	-	9.4	26.3	4.8
KKR Real Estate Partners Americas	-	-	-	-	-	12.5	-	73.7	13.8
LaSalle China Logistics	-	-	-	-	-	-	-	-	100.0
Sculptor Real Estate Fund III	40.2	0.4	4.3	0.9	0.9	15.4	2.3	6.4	29.1
Sculptor Real Estate Fund IV	14.9	3.7	1.9	0.0	13.0	0.2	3.3	23.7	16.0
Seven Seas Japan Opportunity Fund	-	-	-	-	-	-	-	-	100.0
Opportunistic Portfolio	17.5	0.0	3.7	0.1	0.1	1.3	3.0	10.0	64.4
Total Non-Core Portfolio 1Q 2007 Forward	12.1	3.8	2.8	1.4	4.8	3.7	5.2	4.3	61.9
Total Private Portfolio									
SCERS	14.1	6.5	5.3	1.2	10.2	7.7	6.7	27.1	21.1
Indices									
NFI-ODCE	21.1	8.1	5.4	0.8	11.3	9.0	7.2	37.1	-

¹Geographic diversification numbers used are from 4Q22.

Advisory Disclosures and Definitions

Disclosure

11,909,155,119

Trade Secret and Confidential.

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

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

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

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

Benchmarks

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

Exhibit B: Real Estate Market Update 1Q23



United States Real Estate Market Update (1Q23)

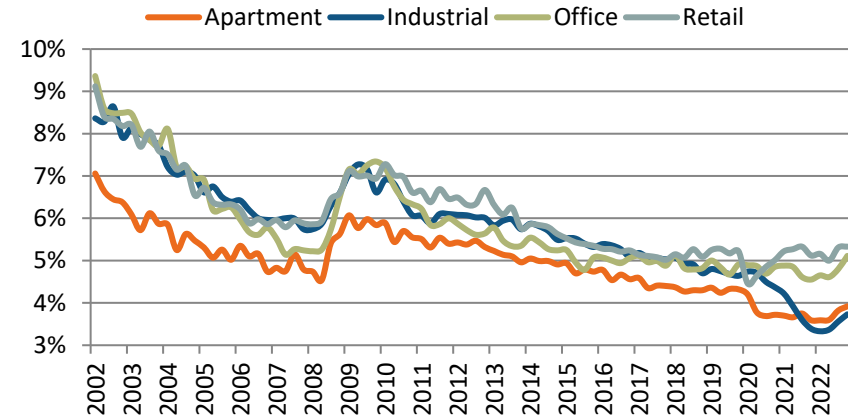
General

- The economy continues to face headwinds stemming from an increasingly aggressive federal funds rate, continuous inflation, and geopolitical events. The S&P 500 has returned a positive quarter coming in at 7.5% despite the underperformance in 2022. The MSCI US REIT index continued its upward trend after a challenging 2022, posting a gross first quarter return of 2.8%.
- During the first quarter, GDP increased at an annualized rate of 1.1%. This positive growth was primarily due to government spending, consumer spending, and strong job market growth. As a result of geopolitical events such as the atrocities of the Russia-Ukraine war, Saudi-Iranian oil concerns, and increased protectionist measures, commodity pricing has remained elevated in tandem with persistent inflation, which may persist throughout 2023. Federal reserve officials remain committed to taming inflation and reducing the central bank's balance sheet for the foreseeable future, approving seven interest rate hikes throughout 2022, and two in the first quarter of 2023 totaling an increase of 500 basis points since March 2022.

Commercial Real Estate

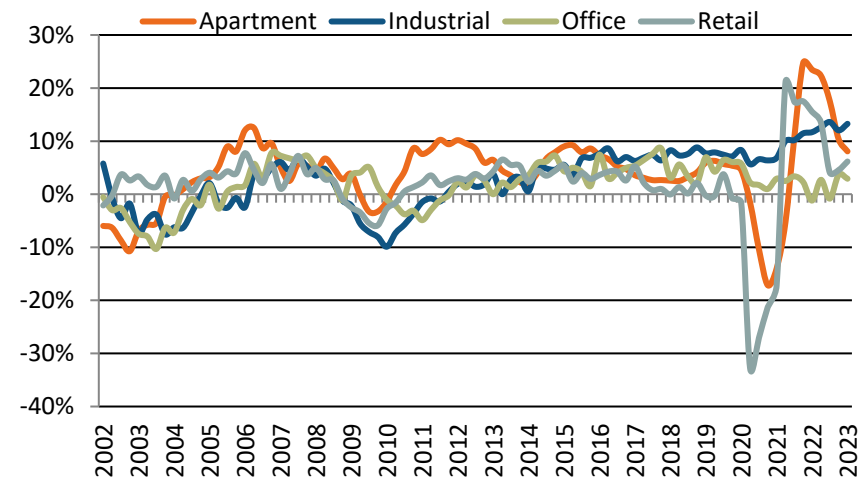
- To start off 2023, total CRE transaction activity for the quarter decreased by -56% YoY, with annual transaction activity down -32% YoY. The office sector transaction volumes in the U.S. have notably not recovered to pre-pandemic levels. Although the office sector has seen minor improvements, transaction volumes for the office sector in the U.S. have continued to fall due to the increase in the cost of debt and loose return to office requirements.
- Transaction cap rates (5.6%) continued to expand, moving out 77 bps during the quarter. This increase comes after historic low cap rates experienced in 4Q21 and 2Q22. Current valuation cap rates expanded for all major property sectors, led by office (+31 bps), and followed by industrial (+17 bps), apartment (+10 bps) and retail (+2 bps).
- NOI growth has continued to diverge between property sectors. Apartment sector fundamentals continue to show strength. With the cost of debt for homes continuing to become more expensive, Apartment NOI expanded (+8%) YoY. Industrial NOI expanded (+13%) YoY on the back of companies' investments in direct-to-customer distribution.
- 10-year treasury bond yields declined slightly, ending the quarter at 3.5%. As economists expected, rates moved significantly higher throughout the first quarter of 2023, with the potential to climb further.

Current Value Cap Rates by Property Type



Source: NCREIF

4 Qtr Rolling NOI Growth



Source: NCREIF

United States Property Matrix (1Q23)

INDUSTRIAL

- In 1Q23, industrial properties returned -0.82% and outperformed the NPI by 99 bps.
- Transaction volumes decreased to \$18 billion in the first quarter of the year, resulting in an 54% decrease year-over-year. Individual asset sales decreased 65% year-over-year, while portfolio purchases turned in a year-over-year volume decrease of 30%. At \$18 billion, the industrial sector decreased by \$15 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 13.3% over the past year. NOI continues to reach all time highs for the sector.
- Vacancy decreased by 30 bps year-over-year to 1.5%. Vacancy in the sector decreased 2 bps from last quarter, reaching all-time historic lows. E-commerce continues to drive demand across the sector.
- Industrial cap rates slightly compressed approximately 18 bps from a year ago, to 3.5%. Industrial overall fundamentals still top all property sectors.

MULTIFAMILY

- The apartment sector delivered a -2.1% return during the quarter, underperforming the NPI by 31 bps.
- Transaction volume in the first quarter of 2023 decreased to \$25 billion, resulting in a decrease of 64% year-over-year. Transaction volume for the sector decreased from the fourth quarter by nearly 50%. This volume continues to make multifamily the most actively traded sector for the twentieth straight quarter.
- Cap rates remained steady at 3.7% quarter-over-quarter, increasing 6 bps year-over-year. Multifamily cap rates remain at low levels relative to prior years, driven by continued increases in valuation.
- The multifamily sector saw increasing vacancy rates throughout the entirety of 2020 due to the global pandemic. Throughout 2021 and 2022, the sector appeared to have shaken that trend although vacancy rates remained steady. Vacancy rates increased during fourth quarter of 2022 but have decreased by 12 bps quarter-over-quarter. The aging millennials have begun shifting their desires to suburban living, but continued home price appreciation has deterred the full effect of this migratory trend.

OFFICE

- The office sector returned -4.06% in 1Q23, 225 bps below the NPI return over the period.
- Transaction volumes decreased by 68% year-over-year in the first quarter. Transaction volume equated to \$11 billion for the quarter, a decrease of \$10 billion quarter-over-quarter. Office transaction levels have regressed since 4Q21 and are now at levels seen during the COVID-19 pandemic.
- Office sector vacancy rates have expanded since the beginning of the pandemic due to work from home orders and uncertainty revolving around the future of office space. Office continues to be the highest vacancy property type at 12.68%, slightly decreasing by 10 bps from last quarter.
- NOI growth in the office sector decreased quarter-over-quarter by 75 bps to 2.91% and appears to be in the midst of its recovery to pre-pandemic levels.
- Office cap rates expanded from a year ago, sitting at approximately 4.8%. Office-using job growth was stunted significantly through out 2020 due to work from home orders. Though we are observing a slow but steady flow back to in-office work, there is still uncertainty in the sector as many companies remain hesitant.

RETAIL

- As of 1Q23, the retail sector delivered a quarterly return of 0.52%, outperforming 129 bps compared to the NPI.
- Transaction volumes totaled \$17 billion in the first quarter, decreasing 27% year-over-year. Single asset transactions accounted for just over 53% of all sales volume for the quarter.
- Cap rates have remained fairly steady within the sector over the last year at 5.2%. Current valuation cap rates expanded quarter-over-quarter by 5 bps due to valuation adjustments made across the sector in general.
- NOI growth increased from the prior quarter to 6.17% as of the first quarter. Retail has begun its slow recovery as a large portion of stores nationally have opened and operate safely.
- Retail vacancy rates remained steady over the quarter at 7.85%, down 122 bps over the past year. Many big box stores have closed as the need for retail space shrinks, translating to a negative outlook for rent growth. Paired with the global economic crisis, which has had a significant negative impact on this sector.

Global Real Estate Market Update (1Q23)

- Headwinds related to elevating interest rates, stringent lending standards, and a looming moderate recession remain present entering 2023. Year over year, deal volumes have contracted by 52% with capital markets activity hampered by uncertainty. These difficulties crystalized in the US, in which two of the largest bank collapses in history were felt throughout the property markets. The resulting \$66 B in capital invested in commercial real estate priced at \$10M or greater was the lowest since Q3 2020, amid the pandemic.
- US markets endured relative to the EMEA region, whose deal volume fell to its lowest since 2012. YOY Transaction activity in the U.K. was down 60%, in Germany by 76% and in France by 43%. Pockets of encouragement can be seen with large retail warehouse and grocery-anchored properties trading. This further illuminates the resilience and preference for the asset type which emerged during the pandemic.
- Despite strong investment activity in Japan and mainland China, Asia Pacific deal volume fell by 36% YOY in Q1. The tandem accounted for the bulk of office investment in Q1 with investors preferring Tier 1 cities in those countries with higher rates of return to office work. Hospitality is foreseen to have significant growth with the return of Chinese tourism in 2023. Regional tourism should be bolstered by investment in prime retail assets in Hong Kong and Singapore. Logistics leasing demand in the region is expected to recede due to limited availability of prime assets and a slowdown in e-commerce growth. Markets with low vacancy, such as Japan and Australia, likely will attract investor interest throughout the year.
- Consumer demand softened in several major retail markets globally during Q1 as pressure mounts on disposable incomes particularly in Europe and North America. Retail fundamentals have started to pull back because of sustained inflation and banking troubles. Absorption in Q1 was lower but positive in the U.S., leasing was healthy across Asia Pacific, and demand rose in several European cities. Discount and online retailers will increase consumer market share as disposable income wanes.
- In the first quarter, demand for logistics and industrial in the US in Europe had declines in leasing activity. Amid climbing interest rates coupled with an uncertain global economic outlook, the stagnation in decision-making timelines will persist as GP's strategically weigh their options when executing deals. Tenants that are time sensitive to supply chain delays will increase nearshoring operations to have better access to their end-users. E-commerce related demand has continued to rise past peak pandemic levels globally and this will drive additional demand for warehouse space, particularly in emerging Asia where e-commerce levels are still materializing.
- Investment in U.S. multifamily declined 65% since Q1 2022, despite record levels of dry power indicating latent demand pending an interest rate decrease. Across Europe, house price growth eased or began to fall as mortgage rates increased and sentiment declined, while transaction volumes also softened in the region during the first quarter. Bucking the trend, Asia Pacific multifamily investment continues to be encouraging, with China particularly active post-lockdown.

Global Total Commercial Real Estate Volume - 2022 - 2023

\$ US Billions	Q1 2023	Q1 2022	% Change	Full Year	Full Year	% Change
			Q1 23 - Q1 22	Ending 1Q23	Ending 1Q22	Full Year
Americas	78	186	-58%	579	877	-34%
EMEA	38	105	-64%	266	474	-44%
Asia Pacific	95	148	-36%	795	903	-12%
Total	211	439	-52%	1639	2254	-27%

Source: Real Capital Analytics, Inc., Q1' 23

Global Outlook - GDP (Real) Growth % pa, 2023-2025

	2023	2024	2025
Global	2.6	2.7	3.2
Asia Pacific	4.4	4.2	4.2
Australia	1.7	1.6	2.4
China	5.5	4.9	4.7
India	7.0	6.0	6.3
Japan	1.0	1.1	1.1
North America	1.1	0.8	2.0
US	1.1	0.8	2.0
Middle East	2.9	3.5	-
European Union	0.7	1.4	1.9
France	0.6	1.0	1.5
Germany	0.0	1.1	1.6
UK	0.2	0.9	1.7

Source: Bloomberg