



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 17

MEETING DATE: March 18, 2020

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 ending December 31, 2019.

PURPOSE

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

DISCUSSION

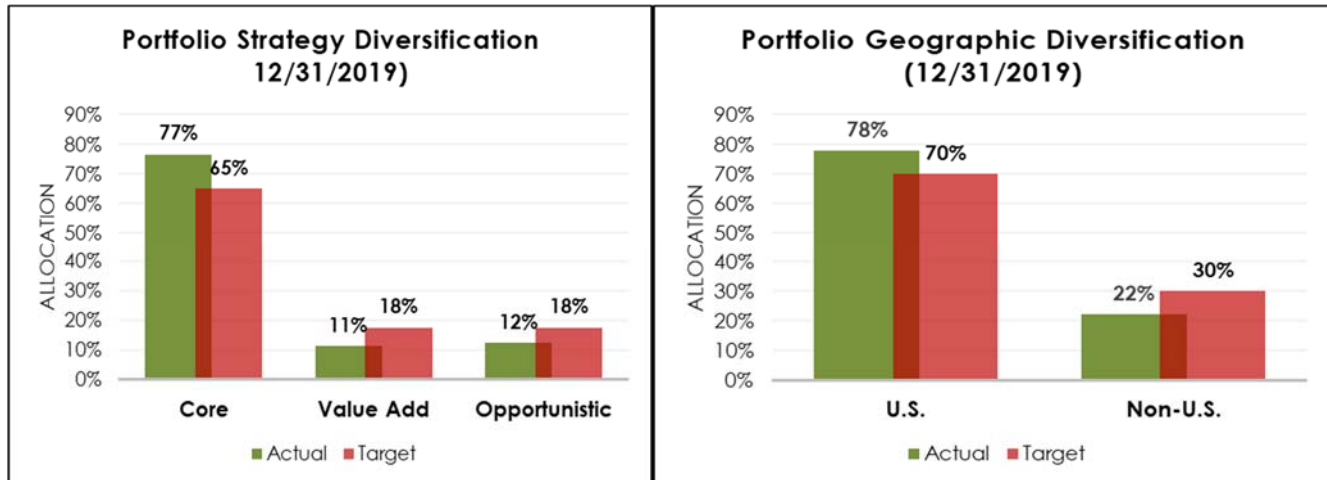
This memorandum provides a summarized table of SCERS' Real Estate period returns, which complements Townsend's Quarterly Performance Review, and it highlights notable manager performance, along with any recent real estate investments made by SCERS.

SCERS' Real Estate allocation sits at 8.7% as of December 31, 2019, above the target allocation of 7% but within the permissible range of 5%-9%. To date, SCERS has been comfortable holding a higher than target weight while the Real Assets portfolio is being built out. The Real Estate portfolio will be rebalanced down toward the 7% target allocation over the next few years, as the Real Assets portfolio moves up toward its target allocation.

SCERS REAL ESTATE PERFORMANCE SUMMARY
Quarter Reporting Period Ending December 31, 2019

SUB-ASSET CLASS	Quarter 12/31/19	1-Year	3-Year	5-Year	Since Inception	Since Inception Date
SCERS Real Estate Portfolio	3.5%	8.9%	10.1%	9.9%	8.3%	Nov-86
(65%) NFI-ODCE + (35%) NFI-ODCE + 1%	1.4%	4.7%	6.5%	8.3%	6.6%	Nov-86
Core Portfolio	2.7%	8.5%	9.4%	9.2%	6.6%	Nov-86
Separate Account	0.6%	16.5%	10.8%	11.8%	9.6%	Nov-86
Commingled Funds	2.7%	8.5%	10.3%	10.8%	7.2%	Sep-13
NFI-ODCE Index	1.3%	4.4%	6.1%	8.0%	6.3%	
Non-Core Portfolio	6.3%	9.8%	12.2%	12.5%	6.1%	Jun-06
Value Add Portfolio	11.9%	11.5%	13.2%	12.7%	4.8%	Jun-06
Opportunistic	0.8%	7.1%	10.7%	13.0%	7.1%	May-13
NFI-ODCE + 1% Index	1.5%	5.4%	7.1%	9.0%	7.3%	

SCERS PORTFOLIO DIVERSIFICATION



SCERS PORTFOLIO RESULTS

For the quarter ended September 30, 2019, SCERS' Real Estate portfolio outperformed against the NFI-ODCE blended benchmark, +3.5% versus +1.4%, due to the outperformance in both the core and non-core portfolios.

Below are notable top and bottom performing funds during the quarter ended December 31, 2019:

- Top performing funds:
 - Core:
 - Prologis European Logistics Fund: +7.3%

- Prologis Targeted U.S. Logistics Fund: +4.3%

➤ Non-Core:

- Hammes Partners II: +22.1%
- NREP Nordic Strategies Fund: +18.2%

Bottom performing funds:

➤ Core:

- Jamestown Premier Property Fund: -0.1%
- Principal U.S. Property Account: +1.3%

➤ Non-Core:

- CIM Fund VIII: -2.3%
- Carlyle China Project Rome Co-Investment: +1.0%

NEW INVESTMENTS

During the quarter ended December 31, 2019, SCERS made the following new investments:

- None

New investments made after the quarter:

- None

ATTACHMENT

Townsend's Real Estate Portfolio Performance Measurement Report for the Quarter ended December 31, 2019.

Prepared by:

/S/

Steve Davis
Chief Investment Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



TOWNSEND[®]
GROUP

an Aon company

Real Estate Portfolio

Performance Measurement Report

FOURTH QUARTER 2019



SCERS

SACRAMENTO COUNTY
EMPLOYEES' RETIREMENT SYSTEM

SCERS Real Estate Portfolio Overview

- In July 2017, Sacramento County Employees' Retirement System ("SCERS") Board adopted a series of changes to its Real Estate Investment Policy Statement. Real Estate, housed within the Real Return asset category, now includes Core, Non-Core and Non-U.S. Private Real Estate; though there is no current exposure to Real Estate Investment Trusts ("REITs"), REITs are included within the Equity allocation. This report will focus on the SCERS Private Real Estate portfolio.
- SCERS targets 7.0% to Real Estate with an allowable range of 5.0% to 9.0%. As of the end of the Fourth Quarter, 2019 (the "Quarter"), the Real Estate Portfolio was below the allowable range at 8.7%. Core Real Estate currently makes up 76.5% of the portfolio, with Non-Core Real Estate making up the remaining 23.5%. Townsend and Staff are evaluating portfolio rebalancing options to reduce Real Estate exposure.

SCERS' Real Estate Portfolio Construction:

	Minimum	Target	Maximum
Total Real Estate Program	5.0%	7.0%	9.0%
	Minimum	Target	Maximum
Core Real Estate	50%	65%	80%
Non-Core Real Estate	20%	35%	50%
Non-U.S. Real Estate	0%	0%	30%

- 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-four 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' 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 IMA Portfolio. Given the size of the 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 1st 2018.
- The loan-to-value ratio of the Private Real Estate Portfolio was 35.2% at the end of the Fourth Quarter of 2019. The loan-to-value ratio of the Core Portfolio was 31.0%, 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 21.5% as of the Fourth Quarter. The Non-Core Portfolio reported a loan-to-value ratio of 45.8%.

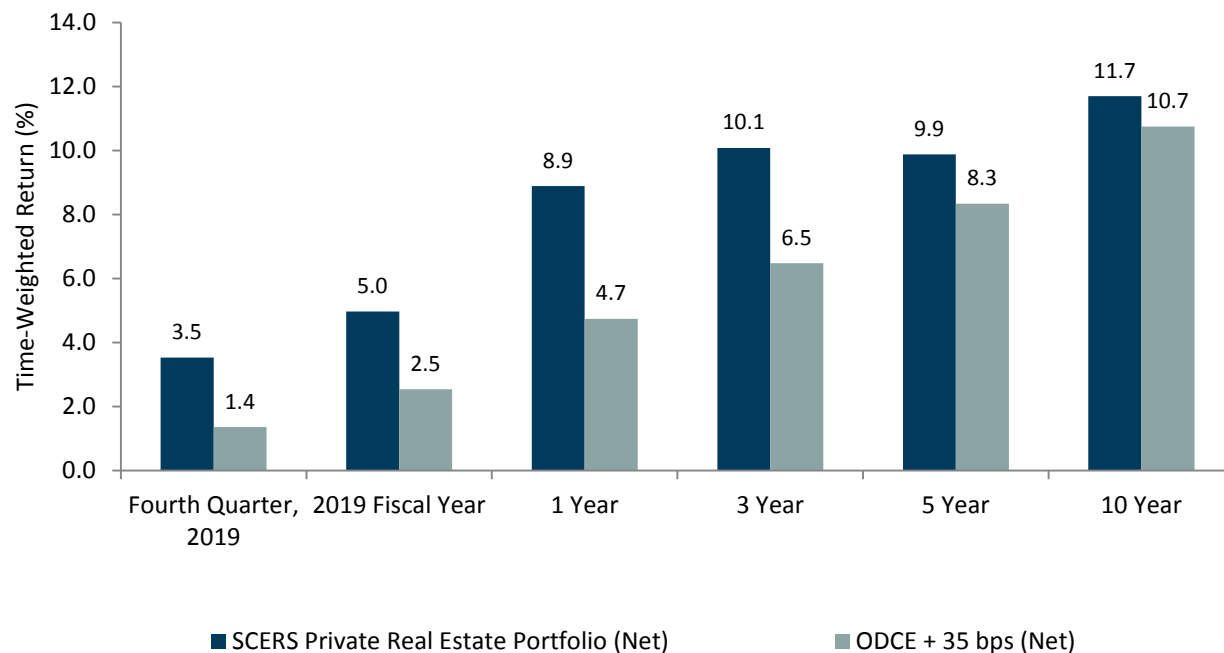
Portfolio Funding Status

- The following slides provide a review of key information of the SCERS Real Estate Portfolio (the “Portfolio”) through December 31, 2019.
- A detailed performance report is also provided in **Exhibit A**.
- Figures exclude commitments / redemptions / dispositions approved subsequent to Quarter-end.

SCERS Portfolio Snapshot <i>As of December 31, 2019</i>	Market Value (in millions of dollars)*	% of SCERS Plan
SCERS Total Plan Assets	10,361	100.0%
Private Portfolio Target	725	7.0%
Private Portfolio Permissible Range		5.0-9.0%
Private Real Estate		
Core Portfolio	687	6.6%
Non-Core Portfolio	211	2.0%
Total SCERS Private Real Estate Market Value	898	8.7%
Total SCERS Private Real Estate Unfunded Commitments	182	1.8%

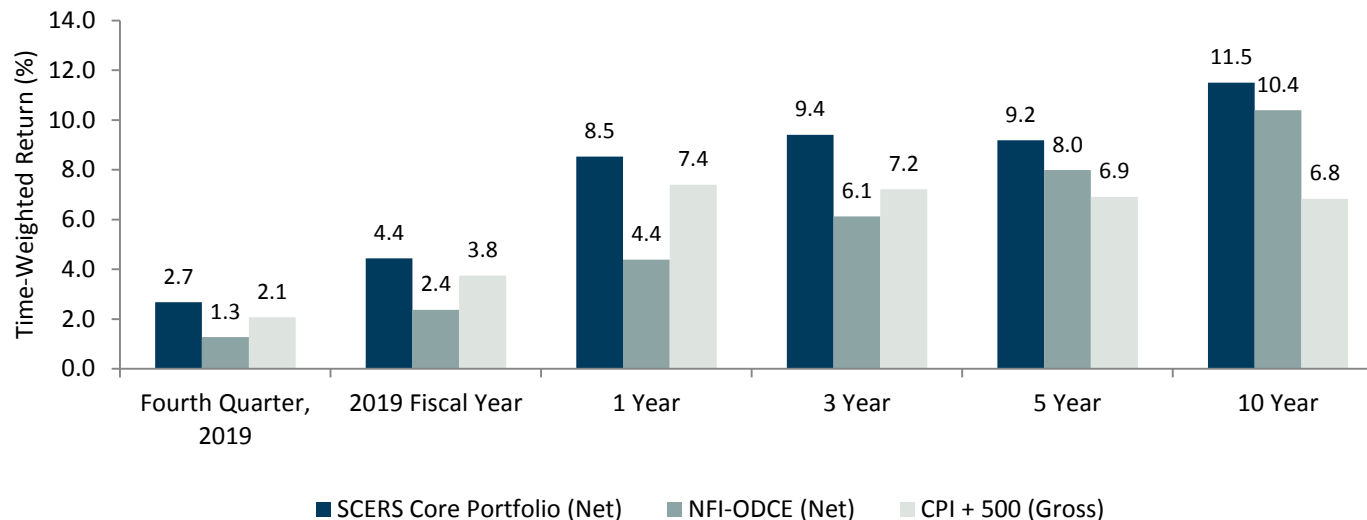
* Figures may not add due to rounding.

Private Real Estate Portfolio 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.
- On a net of fee basis, the SCERS Total Real Estate Portfolio outperformed the blended benchmark over all time periods.

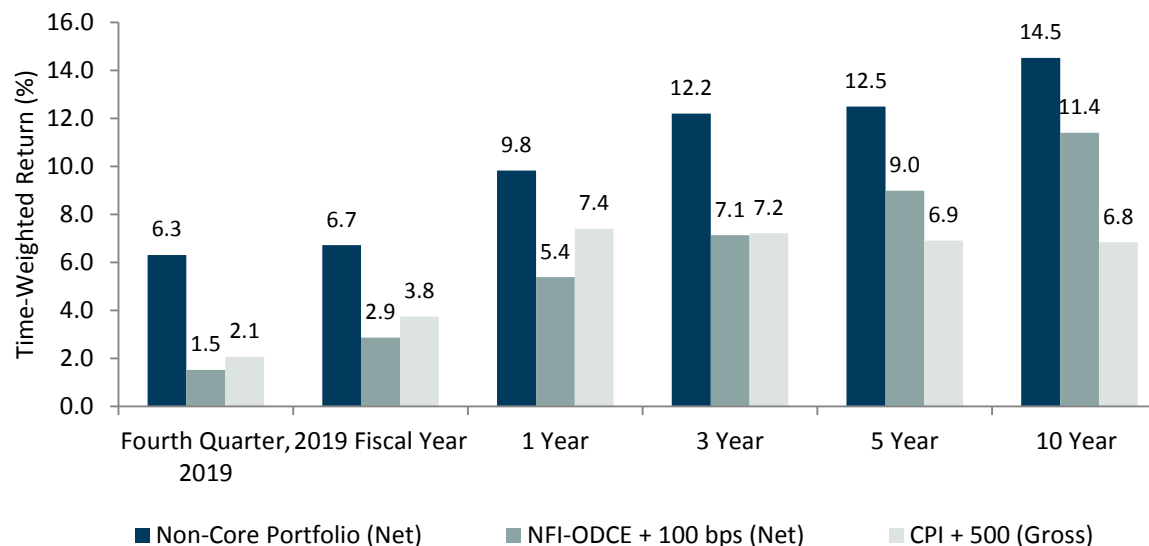
Core Portfolio Performance



- The SCERS Core Portfolio consists of nine open-end Core Commingled funds. The Core Commingled Fund exposure includes Morgan Stanley’s Prime Property Fund, MetLife Core Property Fund, Jamestown Premier Property Fund, Principal U.S. Property Account, Prologis Targeted U.S. Logistics Fund, Prologis European Logistics Fund, Townsend Real Estate Fund, Brookfield Premier Real Estate Partners, and Clarion’s Lion Properties Fund.
- Performance of the Core Portfolio is evaluated relative to the NCREIF Fund Index of Open-End Diversified Core Equity funds (“NFI-ODCE”), net of fees. In aggregate, the Core Portfolio outperforms the NFI-ODCE, net of fees, over all displayed time periods.
- During the Quarter, Prologis European Logistics Fund was the strongest absolute performer (7.3% net return) followed by Prologis Targeted U.S. Logistics Fund (4.3% net return) and the Townsend Real Estate Fund (2.9% net return). On a dollar-weighted basis, Prologis European Logistics Fund was the largest contributor.
- The Core Portfolio has recently benefited from an overweight to industrial exposure, with Prologis U.S. Logistics Fund generating one-year net returns of 16.8%, greatly outperforming the benchmark. Prologis European Logistics Fund has generated strong local currency returns (13.4% over the one-year period), while generating strong returns in U.S. dollars (11.1% over the trailing year).
- The SCERS Core Portfolio performed above the CPI + 500 bps (the SCERS Real Asset benchmark) over all time periods.

**EX-US funds produced the following 4Q19 net returns in local currency: Prologis European Logistics Fund (Euro) 4.3%.*

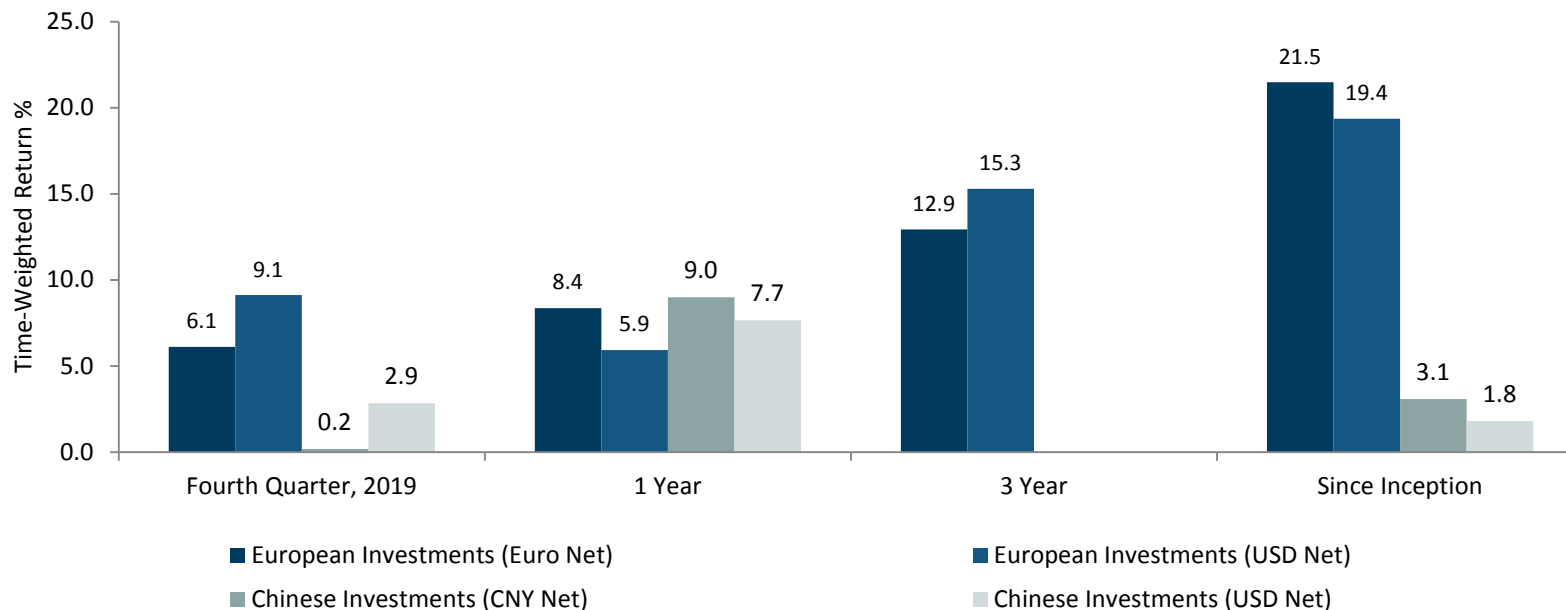
Non-Core Portfolio Performance



- The SCERS Non-Core Portfolio includes both Value Added and Opportunistic Real Estate strategies, which are defined in the Glossary of Terms. As displayed above, the SCERS Non-Core Portfolio outperformed the NFI-ODCE + 100 basis points over all time periods.
- Outperformance of the Non-Core Portfolio over the Fourth Quarter was driven by the strong performance of the Value Added investments. Hammes Partners II was the strongest performer on an absolute basis and dollar basis, generating a 22.1% net return over the trailing quarter. NREP Nordic Strategies Fund was another strong performer, generating a 18.2% net returns.

**EX-US funds produced the following 4Q19 net returns in local currency: Carlyle China Realty Fund (Chinese Yuan) 8.2%, Carlyle's Project Rome (Chinese Yuan) -1.6%, DRC European Real Estate Debt Fund II (Pound Sterling) 0.0%, ECE European Prime Shopping Center Fund II (Euro) 6.6%, NREP Nordic Strategies Fund (Euro) 15.0%, NREP Nordic Strategies Fund II (Euro) 4.4% and NREP Nordic Strategies Fund III (Euro) 12.8%.*

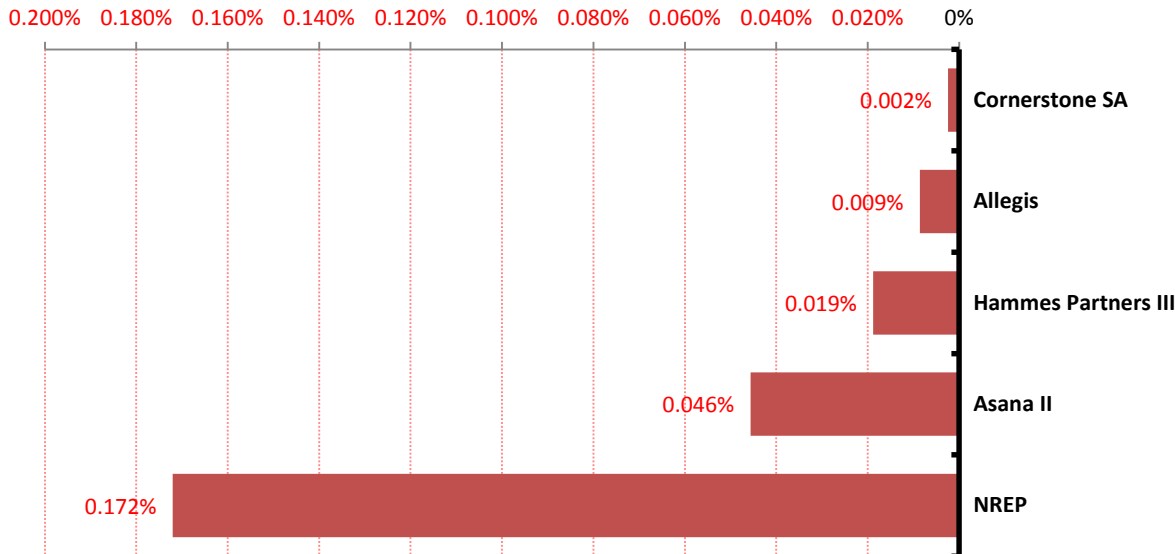
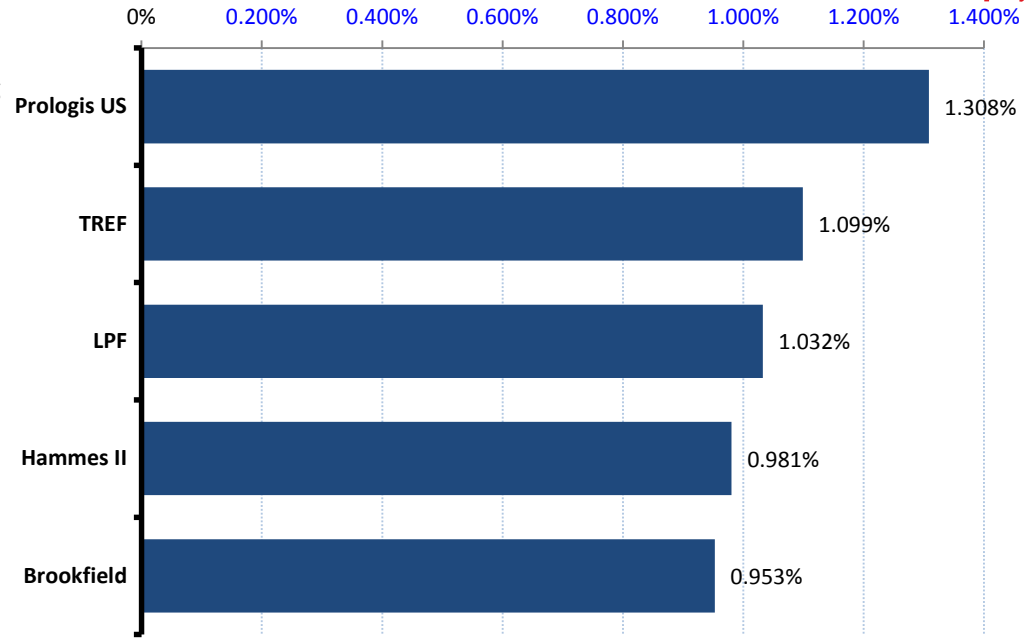
Ex-US Portfolio Performance



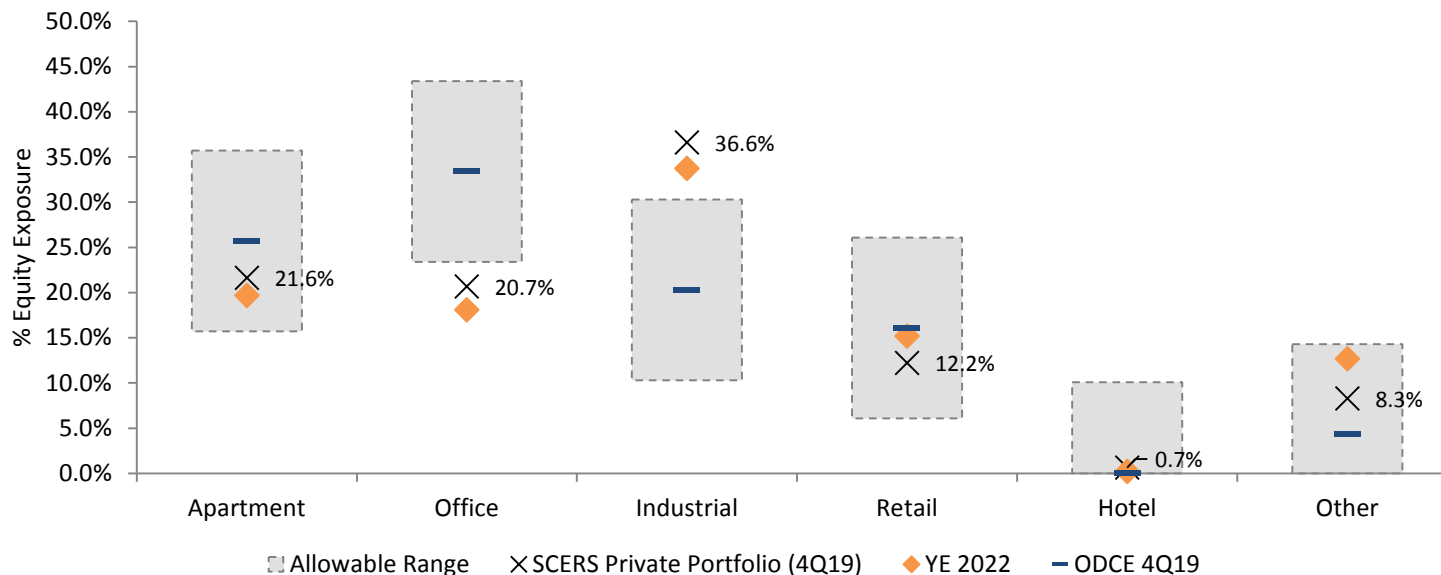
- Approximately 22.1% of the SCERS Portfolio is comprised of Ex-US investment. SCERS does not currently hedge its foreign currency exposures and pays liabilities in US Dollars. As such, FX movement will impact performance for Ex-US investments. The chart above isolates European and Asian investments and displays performance both before and after currency conversion.
- Unlike the previous quarters, currency movement has positively impacted foreign investments over the trailing quarter. 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) 6.6%, NREP Nordic Strategies Fund (Euro) 15.0%, NREP Nordic Strategies Fund II (Euro) 4.4%, NREP Nordic Strategies Fund III (Euro) 12.8%, and Prologis European Logistics Fund (PELF) 4.3%.
 - 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) 8.2% and Carlyle's Project Rome (Chinese Yuan) -1.6%.
 - Since Inception period begins 3Q17.
 - SCERS' Carlyle investments are USD denominated at the fund level, but property values are exposed to currency translation.
 - The Chinese composite's weak performance is a result of the Carlyle Rome co-investment being held at cost, as well as negative performance from the J-curve effect for Carlyle China Realty.

Performance Attribution

- Over the trailing year, performance was driven primarily by Core OECFs, with Prologis Targeted U.S. Logistics Fund contributing the greatest proportion of overall returns.
 - Lion Properties Fund, Brookfield Premier Real Estate Partners and the Townsend Real Estate Fund also contributed significantly to overall portfolio performance.
- The Value Added Portfolio contributed positively to the performance with Hammes Partners II generating strong returns.
- NREP Nordic Strategies Fund's negative performance was affected by the accrued incentive fees that had previously not been reported on. However, NREP NSF was a strong performer during the Fourth Quarter.
- During the trailing year, Hammes Partners III witnessed negative net returns as the fund is relatively new and undergoing the J-curve effect.



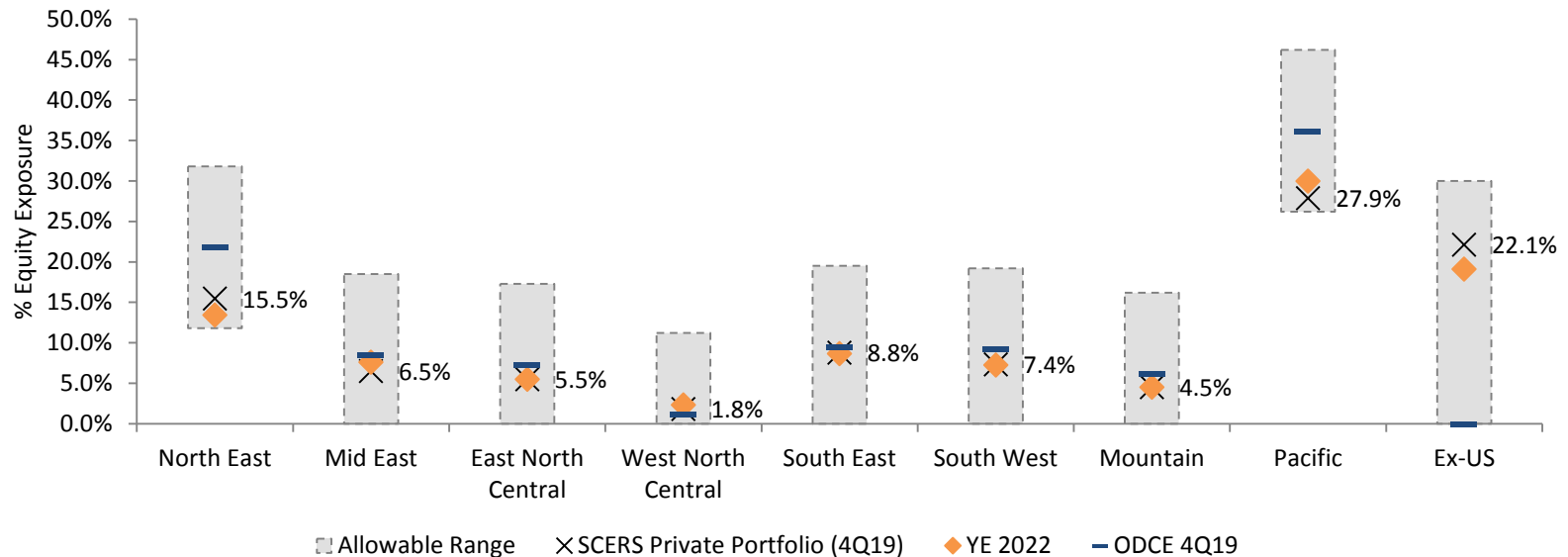
Real Estate Private Portfolio Diversification – Property Type



- 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 property type. 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 Fourth Quarter, the Private Portfolio was in compliance across all property types, with the exception of office and industrial. Given a majority of industrial exposure is within open-ended vehicles, Townsend and Staff will continue to monitor the property type fundamentals for opportunities to tactically reduce exposure if secular growth trends moderate.
- Favorable views on the industrial property type fundamentals support increasing exposure in today's environment. SCERS made a \$70 million commitment in 2014 to the industrial space (in both the US and Europe). SCERS made an additional contribution of \$15 million to Prologis USLF in the 2nd Quarter of 2018, which further increased exposure. Going forward, exposure to logistics assets will increase as capital is called by Carlyle for the Project Rome co-investment, NREP II, NREP III and NREP IV.
- The "Other" property type exposure represents Sculptor Real Estate Fund III* (parking, senior housing and cell towers), KKR Real Estate Partners Americas (senior housing), CIM Fund VIII (condominiums), Hammes Partners II and III (medical office), Jamestown Premier Property Fund (signage – One Times Square), 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 Prime Property Fund (self storage).

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

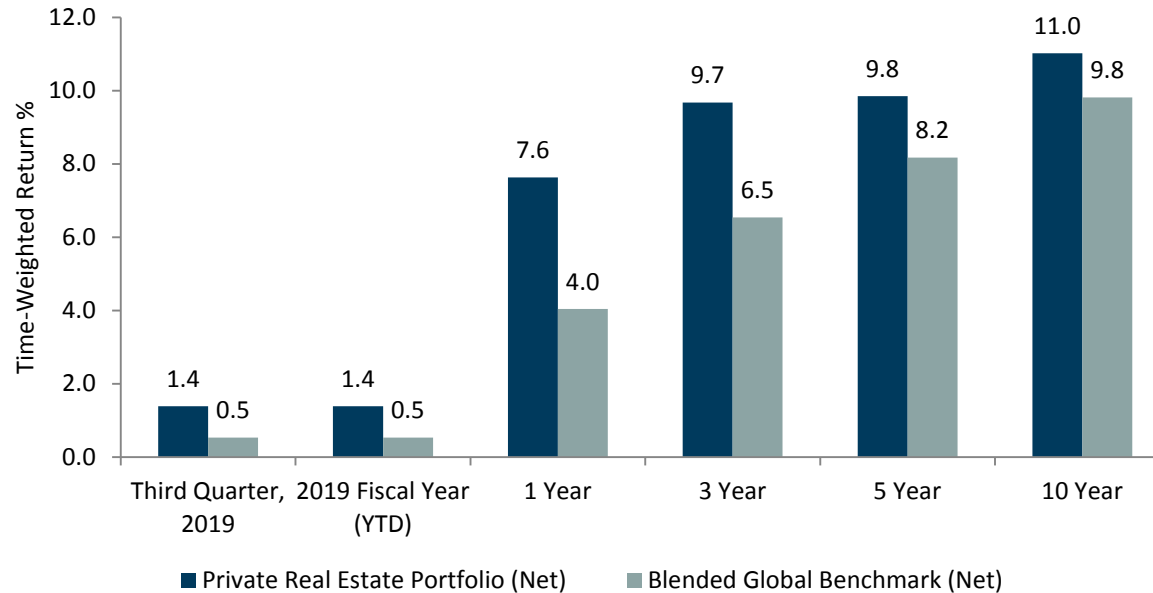
Real Estate Private Portfolio Diversification – Geographic Region



- 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 30% of the Total Private Portfolio.
- As of the Fourth Quarter, the Private Portfolio was in compliance across all region. However, tactical overweight/underweight positions may exist over time.
- The Private Portfolio's international exposure is 22.1%, well within its 30% constraint, but will increase as KKR Real Estate Partners Americas, Sculptor Real Estate Fund III*, NREP Nordic Strategies Fund II, III and IV, ECE European Prime Shopping Centre Fund II, and Prologis European Logistics Fund continue to call capital and purchase assets in Europe.
- In 2017, SCERS committed to Carlyle China Realty (\$10m) and Project Rome co-invest (\$20m initial; \$20m re-up April 2017) which will increase Ex-US exposure and diversify international exposure as both investments are 100% China. As of 4Q19, these investments provide \$46.4 million in equity exposure to China.
- Ex-US exposure consists of 3.99% in China, 2.04% in Denmark, 2.04% in Finland, 2.47% in Germany, 1.92% in France, 2.00% in Sweden, 1.15% in Netherlands, 1.44% in Poland, 1.51% in the UK and 3.54% in other countries.

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

Private Real Estate Performance – Global Ancillary Benchmark (3Q19)



- The Global Ancillary Benchmark is made-up of a the NFI-ODCE (Core), NFI-ODCE + 100bps (Non-Core), GREFI Europe Core, GREFI Europe Non-Core, and GREFI Non-Core Asia Pacific to create a global blended benchmark based on weighted average invested capital for each strategy.
 - GREFI reports on a 12 week lag. As a result, the ancillary benchmark will be reported on a quarterly lag to SCERS.
- The Private Portfolio's international exposure is 22.1%, well within its 30% 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 over all time periods.

Exhibit A: Performance Flash Report



Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
10,360,977,399	Core	7.0%	686,804,217	6.6%	0	0.0%	38,464,201	0.4%
	Non-Core	0.00% - 5.00%	210,887,365	2.0%	181,849,820	1.8%	-159,615,194	-1.5%
	Total	7.0%	897,691,582	8.7%	181,849,820	1.8%	-121,150,993	-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)	3.0	2.7	9.8	8.5	10.6	9.4	10.4	9.2
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	8.4	6.3	15.6	9.8	16.2	12.2	16.4	12.5
Private Real Estate Portfolio	4.3	3.5	11.2	8.9	12.0	10.1	11.7	9.9
NFI-ODCE (Core)	1.5	1.3	5.3	4.4	7.1	6.1	9.0	8.0
NFI-ODCE + 100 bps (Non-Core)	1.8	1.5	6.3	5.4	8.1	7.1	10.0	9.0
NFI-ODCE + 35 bps (Private Portfolio)	1.6	1.4	5.7	4.7	7.4	6.5	9.3	8.3

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Core Commingled Funds								
Brookfield Premier Real Estate Partners	2018	100,000,000	100,000,000	0	5,185,387	105,127,471	11.7	9.7
Jamestown Premier Property Fund	2014	15,000,000	21,421,121	0	13,214,185	18,488,819	2.1	1.7
Lion Properties Fund	2018	152,400,000	153,784,574	0	39,796,718	126,785,275	14.1	11.7
MetLife Core Property Fund	2013	35,000,000	47,074,553	0	12,754,615	63,779,307	7.1	5.9
Prime Property Fund	2013	35,000,000	47,155,374	0	12,155,374	63,986,009	7.1	5.9
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	48,562,433	5.4	4.5
Prologis European Logistics Fund ¹	2017	47,950,142	49,151,023	0	4,508,800	55,819,492	6.2	5.2
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,000,000	0	7,148,662	79,164,623	8.8	7.3
Townsend Real Estate Fund, L.P.	2016	90,000,000	103,470,199	0	13,470,199	121,513,017	13.5	11.3
Core Commingled Funds	1986	560,350,142	607,056,844	0	108,233,940	683,226,446	76.1	63.3
Core Separate Accounts								
BlackRock Core Separate Account	1995	0	852,777,064	0	1,217,078,847	3,259,271	0.4	0.3
Cornerstone Separate Account	2004	0	255,784,314	0	349,671,865	318,500	0.0	0.0
Core Separate Accounts	1996	0	1,108,561,378	0	1,566,750,712	3,577,771	0.4	0.3
<i>Total BlackRock Separate Account</i>	<i>1996</i>	<i>0</i>	<i>872,562,491</i>	<i>0</i>	<i>1,246,578,847</i>	<i>4,137,196</i>	<i>0.5</i>	<i>0.4</i>
Total Core Portfolio	1986	560,350,142	1,715,618,222	0	1,674,984,652	686,804,217	76.5	63.6
Value Added Portfolio								
Allegis Value Trust	2006	25,000,000	25,550,296	0	31,209,296	179,433	0.0	0.0
Asana Partners Fund II ³	2019	35,000,000	2,668,750	32,331,250	0	2,143,708	0.2	3.2
DRC European Real Estate Debt Fund II ³	2013	50,007,963	48,584,007	14,786,314	42,858,396	10,225,991	1.1	2.3
ECE European Prime Shopping Centre Fund II C ³	2015	33,611,623	23,042,043	12,021,484	2,632,408	26,849,450	3.0	3.6
Hammes Partners II ³	2015	25,000,000	26,552,486	1,341,074	34,337,100	7,100,837	0.8	0.8
Hammes Partners III ⁴	2018	25,000,000	3,489,483	27,635,517	360,135	2,631,227	0.3	2.8
NREP Nordic Strategies Fund ³	2014	25,130,756	22,485,011	0	30,472,269	7,539,434	0.8	0.7
NREP Nordic Strategies Fund II	2016	35,176,432	27,678,997	8,258,612	6,176,126	31,205,626	3.5	3.7
NREP Nordic Strategies Fund III	2018	39,019,632	11,600,195	24,364,307	0	12,363,992	1.4	3.4
NREP Nordic Strategies Fund IV	2019	35,449,208	858,878	35,878,462	0	677,416	0.1	3.4
Value Added Portfolio	1986	328,395,614	192,510,146	156,617,020	148,045,730	100,917,114	11.2	23.9

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Opportunistic Portfolio								
BlackRock High Return Separate Account	2016	0	19,785,427	0	29,500,000	877,925	0.1	0.1
Carlyle China Project Rome Co-Investment	2017	40,000,000	37,196,570	4,416,111	0	37,293,537	4.2	3.9
Carlyle China Realty	2017	10,000,000	10,219,848	1,259,557	1,593,478	9,097,179	1.0	1.0
CIM Fund VIII ³	2015	35,000,000	37,829,999	520,647	6,262,056	38,406,641	4.3	3.6
KKR Real Estate Partners Americas ³	2014	35,000,000	0	4,221,077	0	10,444,326	1.2	1.4
Sculptor Real Estate Fund III ^{2,3}	2014	35,000,000	24,743,175	14,815,408	22,705,313	13,850,643	1.5	2.7
Opportunistic Portfolio	1991	155,000,000	129,775,019	25,232,800	60,060,847	109,970,251	12.3	12.5
Total Non-Core Portfolio 1Q 2007 Forward	2007	483,395,614	322,285,165	181,849,820	208,106,577	210,887,365	23.5	36.4
Total Private Portfolio								
SCERS	1986	1,043,745,756	2,037,903,387	181,849,820	1,883,091,229	897,691,582	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 2020				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
Core Commingled Funds																	
Brookfield Premier Real Estate Partners	105,127,471	0.6	2.2	2.8	2.3	1.3	4.1	5.4	4.4	2.7	7.7	10.6	8.5				
Jamestown Premier Property Fund	18,488,819	0.2	0.0	0.2	-0.1	0.7	0.2	0.9	0.5	2.1	0.9	3.0	2.4	3.4	6.5	10.1	8.0
Lion Properties Fund	126,785,275	0.9	1.1	2.0	1.8	1.9	1.7	3.7	3.3	3.9	3.3	7.3	6.4				
MetLife Core Property Fund	63,779,307	1.1	1.0	2.1	2.0	2.5	0.9	3.4	3.2	5.1	3.4	8.6	8.1	5.0	3.1	8.3	7.8
Prime Property Fund	63,986,009	0.9	0.9	1.8	1.5	1.9	1.6	3.5	3.0	3.9	3.4	7.4	6.2	4.0	4.7	8.8	7.6
Principal U.S. Property Account	48,562,433	1.1	0.5	1.5	1.3	2.0	1.4	3.4	2.9	4.3	2.6	7.0	6.0	4.5	3.7	8.4	7.4
Prologis European Logistics Fund ¹	55,819,492	1.3	6.7	8.1	7.3	2.6	4.5	7.2	5.9	5.4	7.7	13.5	11.1				
Prologis Targeted U.S. Logistics Fund	79,164,623	1.1	3.8	4.9	4.3	2.3	8.1	10.5	9.1	4.7	14.2	19.4	16.8	5.0	15.1	20.7	17.7
Townsend Real Estate Fund, L.P.	121,513,017	1.0	2.0	2.9	2.9	2.0	3.1	5.1	5.0	4.2	4.6	8.9	8.7	4.3	5.2	9.7	9.4
Core Commingled Funds	683,226,446	0.9	2.1	3.0	2.7	2.0	3.1	5.1	4.4	4.0	5.6	9.8	8.5	4.4	7.0	11.6	10.3
Core Separate Accounts																	
BlackRock Core Separate Account	3,259,271	0.7	0.0	0.7	0.7	3.2	0.0	3.2	3.2	9.3	-0.7	8.6	8.6	7.0	3.9	11.1	10.3
Cornerstone Separate Account	318,500																
Core Separate Accounts	3,577,771	0.6	0.0	0.6	0.6	1.6	0.0	1.6	1.6	6.6	-0.6	6.0	6.0	6.4	8.7	15.4	14.7
<i>Total BlackRock Separate Account</i>	<i>4,137,196</i>	<i>-0.5</i>	<i>1.6</i>	<i>1.1</i>	<i>1.1</i>	<i>0.7</i>	<i>2.8</i>	<i>3.6</i>	<i>3.6</i>	<i>1.1</i>	<i>16.5</i>	<i>17.7</i>	<i>16.5</i>	<i>2.3</i>	<i>10.3</i>	<i>12.9</i>	<i>10.8</i>
Total Core Portfolio	686,804,217	0.9	2.0	3.0	2.7	2.0	3.1	5.1	4.4	4.1	5.5	9.8	8.5	4.4	6.0	10.6	9.4
Value Added Portfolio																	
Allegis Value Trust	179,433																
Asana Partners Fund II ³	2,143,708	-6.3	17.4	11.1	1.5	-6.3	17.4	11.1	1.5								
DRC European Real Estate Debt Fund II ³	10,225,991	0.0	7.8	7.8	7.8	0.3	4.4	4.7	4.4	8.0	3.6	12.0	11.1	9.0	2.1	11.3	10.2
ECE European Prime Shopping Centre Fund II C ³	26,849,450	4.2	6.4	10.6	9.6	6.9	4.0	11.0	9.5	-2.7	5.4	2.2	0.0	4.0	9.6	13.7	11.1
Hammes Partners II ³	7,100,837	6.6	15.8	22.4	22.1	8.7	40.2	50.6	49.8	12.9	42.7	59.2	55.9	10.4	20.2	31.9	27.0
Hammes Partners III ³	2,631,227	1.7	7.6	9.3	2.1	4.1	12.6	17.0	1.5	5.4	17.9	23.9	-24.4				
NREP Nordic Strategies Fund ³	7,539,434	0.6	21.3	21.9	18.2	1.2	19.0	20.3	14.8	2.7	19.9	23.0	-4.2	5.3	14.7	20.5	10.3
NREP Nordic Strategies Fund II	31,205,626	-1.3	17.3	16.0	7.4	-1.2	14.9	13.8	4.7	-0.2	20.9	20.9	9.8	0.8	26.0	27.0	18.3
NREP Nordic Strategies Fund III	12,363,992	-4.8	23.3	18.6	15.4	-5.3	18.2	12.9	6.0	-4.9	24.0	19.0	-5.5				
NREP Nordic Strategies Fund IV	677,416																
Value Added Portfolio	100,917,114	1.3	14.4	15.8	11.9	2.4	16.1	18.7	13.6	2.6	19.2	22.1	11.5	5.2	13.4	19.0	13.2
Opportunistic Portfolio																	
BlackRock High Return Separate Account	877,925																
Carlyle China Project Rome Co-Investment	37,293,537	-0.1	1.4	1.3	1.0	0.0	-0.8	-0.8	-1.4	-0.2	7.4	7.2	5.8				
Carlyle China Realty	9,097,179	10.2	1.4	11.6	11.1	10.2	-0.8	9.1	8.1	8.8	8.5	18.1	15.7				
CIM Fund VIII ³	38,406,641	0.1	-2.1	-2.0	-2.3	0.1	-3.1	-3.0	-3.5	0.0	2.0	2.0	0.9	0.0	6.6	6.6	5.1
KKR Real Estate Partners Americas ³	10,444,326	3.0	0.2	3.2	2.6	13.3	-11.1	1.8	2.9	11.5	-4.6	6.8	6.4	20.4	-4.8	15.4	13.8
Sculptor Real Estate Fund III ^{2,3}	13,850,643	2.8	-0.2	2.6	2.3	4.7	2.0	6.7	6.0	9.7	5.7	15.9	13.6	10.7	17.1	29.1	25.4
Opportunistic Portfolio	109,970,251	1.4	-0.2	1.1	0.8	2.2	-1.8	0.4	-0.2	2.7	5.7	8.5	7.1	3.2	9.6	13.0	10.7
Total Non-Core Portfolio 1Q 2007 Forward	210,887,365	1.3	7.1	8.4	6.3	2.3	7.0	9.4	6.7	2.6	12.8	15.6	9.8	4.3	11.5	16.2	12.2
Total Private Portfolio																	
SCERS	897,691,582	1.0	3.2	4.3	3.5	2.0	4.0	6.1	5.0	3.7	7.3	11.2	8.9	4.4	7.3	12.0	10.1

Returns (%)	Market Value (\$)	Quarter				Fiscal Year 2020				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	€ 49,785,405	1.3	3.7	5.0	4.3	2.6	5.8	8.5	7.2	5.5	9.9	15.8	13.4				
DRC European Real Estate Debt Fund II (Pound Sterling) ³	£7,713,465	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.0	8.0	0.0	8.0	7.2	9.0	0.0	9.0	7.9
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 23,947,025	4.1	3.3	7.5	6.6	7.0	5.4	12.6	11.0	-2.7	7.7	4.7	2.4	4.0	7.2	11.3	8.8
NREP Nordic Strategies Fund (Euro) ³	€ 6,724,421	0.6	18.0	18.6	15.0	1.2	21.1	22.4	16.8	2.8	23.0	26.2	-1.7	5.2	12.4	18.1	8.2
NREP Nordic Strategies Fund II (Euro)	€ 27,832,297	-1.3	14.1	12.8	4.4	-1.2	16.6	15.4	6.2	-0.2	23.7	23.6	12.3	0.7	23.5	24.5	16.0
NREP Nordic Strategies Fund III (Euro)	€ 11,027,445	-4.7	20.7	15.9	12.8	-5.3	20.6	15.2	8.1	-4.9	28.3	23.0	-2.3				
NREP Nordic Strategies Fund IV (Euro)	€ 604,187																
Indices																	
NFI ODCE+ 35bps				1.6	1.4			3.0	2.5			5.7	4.7			7.4	6.5
NFI-ODCE		1.0	0.5	1.5	1.3	2.1	0.7	2.8	2.4	4.2	1.1	5.3	4.4	4.2	2.8	7.1	6.1
NFI-ODCE + 100bps				1.8	1.5			3.3	2.9			6.3	5.4			8.1	7.1
CPI + 500 bps				2.1				3.8				7.4				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 Large gross to net spreads since inception resultant from fees being called on committed capital, as well as incentive fees.

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			
Core Commingled Funds																
Brookfield Premier Real Estate Partners	105,127,471									2.4	7.8	10.4	8.3	4Q18	8.3	1.1
Jamestown Premier Property Fund	18,488,819	3.9	7.6	11.7	9.2					4.1	7.9	12.2	9.7	1Q14	10.2	1.5
Lion Properties Fund	126,785,275									3.9	3.4	7.5	6.6	4Q18	6.7	1.1
MetLife Core Property Fund	63,779,307	5.1	4.9	10.1	9.6					5.1	6.0	11.3	10.8	1Q14	10.8	1.6
Prime Property Fund	63,986,009	4.1	6.2	10.5	9.3					4.2	7.1	11.5	10.3	4Q13	10.2	1.6
Principal U.S. Property Account	48,562,433									4.7	4.2	9.0	8.0	4Q15	8.0	1.4
Prologis European Logistics Fund ¹	55,819,492									5.8	9.1	15.3	12.8	4Q17	12.8	1.2
Prologis Targeted U.S. Logistics Fund	79,164,623									5.3	13.6	19.5	16.8	3Q15	17.4	1.7
Townsend Real Estate Fund, L.P.	121,513,017									4.3	5.5	10.0	9.7	2Q16	9.5	1.3
Core Commingled Funds	683,226,446	4.5	7.3	12.0	10.8	4.8	7.4	12.5	11.4	4.5	3.5	8.1	7.2	4Q86	7.0	1.3
Core Separate Accounts																
BlackRock Core Separate Account	3,259,271	6.2	5.5	11.9	10.8	6.0	7.6	13.9	12.6	7.2	3.3	10.6	9.1	1Q96	9.9	1.4
Cornerstone Separate Account	318,500													3Q04	5.6	1.4
Core Separate Accounts	3,577,771	5.8	6.7	12.7	11.8	5.8	8.1	14.2	13.1	7.2	3.5	10.8	9.6	1Q96	8.8	1.4
<i>Total BlackRock Separate Account</i>	<i>4,137,196</i>	<i>3.3</i>	<i>8.0</i>	<i>11.6</i>	<i>9.8</i>	<i>4.5</i>	<i>8.4</i>	<i>13.2</i>	<i>11.6</i>	<i>6.6</i>	<i>3.9</i>	<i>10.8</i>	<i>9.2</i>	<i>1Q96</i>	<i>9.7</i>	<i>1.4</i>
Total Core Portfolio	686,804,217	4.6	5.6	10.4	9.2	5.1	7.3	12.7	11.5	5.5	2.1	7.6	6.6	4Q86	8.4	1.4
Value Added Portfolio																
Allegis Value Trust	179,433													1Q07	2.5	1.2
Asana Partners Fund II ³	2,143,708									-6.3	17.4	11.1	1.5	4Q19	-67.3	0.8
DRC European Real Estate Debt Fund II ⁴	10,225,991	10.4	-4.2	5.9	4.6					9.7	-4.3	5.2	3.5	1Q14	3.6	1.1
ECE European Prime Shopping Centre Fund II C ³	26,849,450									1.6	16.0	17.8	15.1	4Q15	13.4	1.3
Hammes Partners II ³	7,100,837									11.1	16.9	29.4	23.2	3Q15	22.1	1.6
Hammes Partners III ³	2,631,227									5.4	17.9	23.9	-24.4	1Q19	-27.3	0.9
NREP Nordic Strategies Fund ³	7,539,434	8.7	17.5	27.3	19.8					8.7	17.5	27.3	19.8	1Q15	24.2	1.7
NREP Nordic Strategies Fund II	31,205,626									2.2	22.9	25.7	14.3	3Q16	14.5	1.4
NREP Nordic Strategies Fund III	12,363,992									-9.5	22.9	12.4	-15.6	4Q18	10.4	1.1
NREP Nordic Strategies Fund IV	677,416													1Q20	-92.8	0.8
Value Added Portfolio	100,917,114	6.8	9.8	17.0	12.7	6.8	10.0	17.3	14.1	2.0	4.2	6.3	4.8	4Q86	5.5	1.2
Opportunistic Portfolio																
BlackRock High Return Separate Account	877,925													3Q16	19.1	1.5
Carlyle China Project Rome Co-Investment	37,293,537									-1.4	5.2	3.7	0.7	3Q17	0.2	1.0
Carlyle China Realty	9,097,179									3.7	4.8	8.7	5.5	3Q17	3.1	1.0
CIM Fund VIII ⁹	38,406,641									0.1	8.9	9.0	6.9	2Q15	5.8	1.2
KKR Real Estate Partners Americas ⁹	10,444,326	28.4	-2.5	27.6	22.2					41.9	-27.7	29.4	23.7	2Q14	0.0	
Sculptor Real Estate Fund III ^{2,3}	13,850,643	13.2	15.4	30.2	20.9					14.5	14.6	30.8	12.4	4Q14	23.5	1.5
Opportunistic Portfolio	109,970,251	5.5	12.8	19.0	13.0	12.4	-4.4	21.5	15.3	4.2	0.7	9.4	7.1	1Q91	22.2	1.4
Total Non-Core Portfolio 1Q 2007 Forward	210,887,365	6.3	9.7	16.4	12.5	6.5	11.2	18.3	14.5	4.9	5.5	10.5	6.1	1Q07	7.8	1.3
Total Private Portfolio																
SCERS	897,691,582	4.9	6.5	11.7	9.9	4.9	8.0	13.1	11.7	4.4	4.8	9.4	8.3	4Q86	8.3	1.4

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	€ 49,785,405													5.9	11.5	17.9	15.4	4Q17	15.4	1.3
DRC European Real Estate Debt Fund II (Pound Sterling) ³	£7,713,465	10.4	-0.9	9.4	8.1									9.8	-0.6	9.1	6.6	1Q14	7.65	1.2
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 23,947,025													1.4	16.0	17.9	15.2	4Q15	13.9	1.3
NREP Nordic Strategies Fund (Euro) ³	€ 6,724,421	8.8	19.3	29.3	21.7									8.8	19.3	29.3	21.7	1Q15	25.9	1.7
NREP Nordic Strategies Fund II (Euro)	€ 27,832,297													2.3	22.5	25.1	13.8	3Q16	15.3	1.4
NREP Nordic Strategies Fund III (Euro)	€ 11,027,445													-9.6	27.6	16.5	-12.5	4Q18	11.8	1.1
NREP Nordic Strategies Fund IV (Euro)	€ 604,187																	1Q20	-94.1	0.8
Indices																				
NFI ODCE+ 35bps				9.3	8.3				11.8	10.7						7.6	6.6	4Q86		
NFI-ODCE		4.4	4.4	9.0	8.0		5.0	6.2	11.4	10.4				6.7	0.6	7.3	6.3	4Q86		
NFI-ODCE + 100bps				10.0	9.0				12.4	11.4						8.3	7.3	4Q86		
CPI + 500 bps				6.9					6.8							7.7		4Q86		

¹ Represent composite performance of Prologis Targeted Europe Logistics Fund and Prologis I

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ Large gross to net spreads since inception resultant from fees being called on committed capital, as well as incentive fees.

Returns (%)	Market Value (\$)	2019		Fiscal Year 2020		2018		2017		2016		2015		2014		2013		2012	
		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	105,127,471	10.6	8.5	5.4	4.4	2.3	1.9												
Jamestown Premier Property Fund	18,488,819	3.0	2.4	0.9	0.5	9.7	7.7	18.0	14.2	6.6	5.3	22.4	17.3	14.7	11.9				
Lion Properties Fund	126,785,275	7.3	6.4	3.7	3.3	2.0	1.8												
MetLife Core Property Fund	63,779,307	8.6	8.1	3.4	3.2	7.8	7.3	8.4	7.9	9.3	8.8	16.9	16.3	17.4	16.9				
Prime Property Fund	63,986,009	7.4	6.2	3.5	3.0	9.1	8.0	9.9	8.7	10.4	9.2	15.9	14.6	15.5	14.1	3.8	3.6		
Principal U.S. Property Account	48,562,433	7.0	6.0	3.4	2.9	9.1	8.1	9.1	8.1	10.0	9.0	3.0	2.8						
Prologis European Logistics Fund ¹	55,819,492	13.5	11.1	7.2	5.9	13.6	10.8	30.4	28.5	2.8	2.4								
Prologis Targeted U.S. Logistics Fund	79,164,623	19.4	16.8	10.5	9.1	18.5	16.1	24.2	20.3	16.1	14.2	9.1	7.9						
Townsend Real Estate Fund, L.P.	121,513,017	8.9	8.7	5.1	5.0	9.0	8.8	11.0	10.8	8.4	8.2								
Core Commingled Funds	683,226,446	9.8	8.5	5.1	4.4	10.9	9.7	14.2	12.8	9.8	8.9	15.7	14.1	13.5	12.4	10.2	9.3	11.1	10.1
Core Separate Accounts																			
BlackRock Core Separate Account	3,259,271	8.6	8.6	3.2	3.2	15.8	14.9	9.1	7.5	11.3	9.3	15.3	13.9	16.3	12.5	11.8	9.6	13.5	13.0
Cornerstone Separate Account	318,500					-8.4	-8.8	21.5	20.8	14.0	13.3	2.4	1.6	14.0	13.2	11.3	10.5	16.2	15.4
Core Separate Accounts	3,577,771	6.0	6.0	1.6	1.6	28.5	27.7	12.8	11.6	10.0	8.6	7.7	6.6	16.0	13.5	11.0	9.5	14.1	13.5
<i>Total BlackRock Separate Account</i>	<i>4,137,196</i>	<i>17.7</i>	<i>16.5</i>	<i>3.6</i>	<i>3.6</i>	<i>10.6</i>	<i>7.2</i>	<i>10.6</i>	<i>9.0</i>	<i>8.6</i>	<i>7.0</i>	<i>10.7</i>	<i>9.4</i>	<i>17.0</i>	<i>13.6</i>	<i>10.9</i>	<i>9.0</i>	<i>13.1</i>	<i>12.5</i>
Total Core Portfolio	686,804,217	9.8	8.5	5.1	4.4	8.6	7.4	13.6	12.3	9.8	8.5	10.4	9.2	15.3	13.2	10.8	9.5	13.3	12.6
Value Added Portfolio																			
Allegis Value Trust	179,433					-22.6	-22.8	8.2	7.8	9.9	9.4	8.6	8.0	10.8	10.2	4.7	4.0	21.8	20.9
Asana Partners Fund II ³	2,143,708	11.1	1.5																
DRC European Real Estate Debt Fund II ³	10,225,991	12.0	11.1	4.7	4.4	-0.6	-1.7	23.8	22.3	-7.8	-8.9	5.0	3.0	1.4	-2.1				
ECE European Prime Shopping Centre Fund II C ³	26,849,450	2.2	0.0	11.0	9.5	15.1	12.8	24.7	21.5	22.1	19.7	12.1	11.0						
Hammes Partners II ³	7,100,837	59.2	55.9	50.6	49.8	27.9	19.6	12.7	10.0	16.2	10.4	19.4	12.9						
Hammes Partners III ³	2,631,227	23.9	-24.4																
NREP Nordic Strategies Fund ³	7,539,434	23.0	-4.2	20.3	14.8	0.8	0.1	41.2	40.1	23.1	21.7	55.1	50.8						
NREP Nordic Strategies Fund II	31,205,626	20.9	9.8	13.8	4.7	17.0	12.3	44.9	34.4	8.6	-3.8								
NREP Nordic Strategies Fund III	12,363,992	19.0	-5.5	12.9	6.0	-2.8	-14.4												
NREP Nordic Strategies Fund IV	677,416																		
Value Added Portfolio	100,917,114	22.1	11.5	18.7	13.6	10.5	6.3	24.9	22.3	9.5	7.0	19.1	17.0	15.7	13.7	13.3	10.8	19.6	18.1
Opportunistic Portfolio																			
BlackRock High Return Separate Account	877,925					17.0	14.4	24.0	21.7	6.3	6.3								
Carlyle China Project Rome Co-Investment	37,293,537	7.2	5.8	-0.8	-1.4	-2.5	-7.1	4.7	3.6										
Carlyle China Realty	9,097,179	18.1	15.7	9.1	8.1	1.6	-1.4	2.7	0.2										
CIM Fund VIII ³	38,406,641	2.0	0.9	-3.0	-3.5	9.4	8.0	8.4	6.7	6.4	4.0	16.9	13.8						
KKR Real Estate Partners Americas ³	10,444,326	6.8	6.4	1.8	2.9	8.6	9.0	11.9	10.4	6.8	5.8	15.7	11.4	7.4	6.1				
Sculptor Real Estate Fund III ^{2,3}	13,850,643	15.9	13.6	6.7	6.0	29.7	25.7	43.3	38.2	30.0	22.2	33.7	6.9	9.4	-28.3				
Opportunistic Portfolio	109,970,251	8.5	7.1	0.4	-0.2	11.1	8.7	16.9	14.2	10.2	7.6	23.1	12.7	32.6	25.2	11.7	9.4	54.2	38.5
Total Non-Core Portfolio 1Q 2007 Forward	210,887,365	15.6	10.2	9.4	6.7	10.8	7.7	21.1	18.4	9.9	7.4	19.7	15.3	18.9	15.9	16.7	13.5	34.6	26.9
Total Private Portfolio																			
SCERS	897,691,582	11.2	8.9	6.1	5.0	9.2	7.5	15.4	13.8	9.8	8.2	12.2	10.5	15.8	13.5	11.4	9.9	16.4	14.7
Indices																			
NFI-ODCE + 35 bps		5.7	4.7	3.0	2.5	8.7	7.7	8.0	7.0	9.1	8.1	15.4	14.3	12.8	11.8	14.3	13.3	11.3	10.1
NFI-ODCE		5.3	4.4	2.8	2.4	8.3	7.4	7.6	6.7	8.8	7.8	15.0	14.0	12.5	11.5	13.9	12.9	10.9	9.8
NFI-ODCE + 100 bps		6.3	5.4	3.3	2.9	9.3	8.4	8.6	7.7	9.8	8.8	16.0	15.0	13.5	12.5	14.9	13.9	11.9	10.8
CPI + 500 bps		7.4		3.8		7.0		7.2		7.2		5.7		5.7		6.6		6.8	

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

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

⁴ Large gross to net spreads since inception resultant from fees being called on committed capital, as well as incentive fees.

Returns (%)	Market Value (\$)	2011		2010		2009		2008		2007		2006	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Commingled Funds													
Brookfield Premier Real Estate Partners	105,127,471												
Jamestown Premier Property Fund	18,488,819												
Lion Properties Fund	126,785,275												
MetLife Core Property Fund	63,779,307												
Prime Property Fund	63,986,009												
Principal U.S. Property Account	48,562,433												
Prologis European Logistics Fund ¹	55,819,492												
Prologis Targeted U.S. Logistics Fund	79,164,623												
Townsend Real Estate Fund, L.P.	121,513,017												
Core Commingled Funds	683,226,446	16.4	15.5	14.1	13.3	-33.0	-33.6	-13.8	-14.6	15.5	14.5	16.9	15.8
Core Separate Accounts													
BlackRock Core Separate Account	3,259,271	17.8	17.4	20.7	19.6	-29.5	-29.1	-13.9	-14.3	21.2	16.8	17.7	13.3
Cornerstone Separate Account	318,500	24.9	23.9	21.2	20.2	-31.7	-32.4	-9.4	-10.1	11.9	11.1	11.1	10.2
Core Separate Accounts	3,577,771	18.7	18.2	18.6	17.6	-28.5	-28.7	-10.5	-11.1	16.3	13.6	15.2	12.1
<i>Total BlackRock Separate Account</i>	<i>4,137,196</i>	<i>16.1</i>	<i>15.7</i>	<i>17.3</i>	<i>16.4</i>	<i>-26.8</i>	<i>-26.7</i>	<i>-11.1</i>	<i>-11.6</i>	<i>18.5</i>	<i>15.0</i>	<i>16.8</i>	<i>13.1</i>
Total Core Portfolio	686,804,217	18.2	17.6	17.6	16.7	-29.5	-29.8	-11.3	-12.0	16.1	13.8	15.5	12.7
Value Added Portfolio													
Allegis Value Trust	179,433	15.7	14.7	21.6	20.4	-62.2	-62.8	-21.2	-23.9	38.6	28.4		
Asana Partners Fund II ³	2,143,708												
DRC European Real Estate Debt Fund II ⁴	10,225,991												
ECE European Prime Shopping Centre Fund II C ³	26,849,450												
Hammes Partners II ³	7,100,837												
Hammes Partners III ³	2,631,227												
NREP Nordic Strategies Fund ³	7,539,434												
NREP Nordic Strategies Fund II	31,205,626												
NREP Nordic Strategies Fund III	12,363,992												
NREP Nordic Strategies Fund IV	677,416												
Value Added Portfolio	100,917,114	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													
BlackRock High Return Separate Account	877,925												
Carlyle China Project Rome Co-Investment	37,293,537												
Carlyle China Realty	9,097,179												
CIM Fund VIII ³	38,406,641												
KKR Real Estate Partners Americas ³	10,444,326												
Sculptor Real Estate Fund III ^{2,3}	13,850,643												
Opportunistic Portfolio	109,970,251	-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	210,887,365	-0.3	0.4	37.0	30.4	-13.5	-17.8	-33.7	-35.7	18.2	5.6		
Total Private Portfolio													
SCERS	897,691,582	14.9	14.5	20.6	18.8	-28.1	-28.8	-12.8	-13.5	15.8	13.4	15.5	12.7
Indices													
NFI-ODCE + 35 bps		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		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		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		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 Large gross to net spreads since inception resultant from fees being called on committed capital, as well as incentive fees.

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	103,783,508	0	1,022,997	0	597,163	531,909	2,301,705	105,127,471	46.4
Jamestown Premier Property Fund	18,501,800	57,532	57,532	0	35,674	47,994	-660	18,488,819	41.7
Lion Properties Fund	125,533,524	256,853	1,242,262	0	1,165,615	256,853	1,328,399	126,785,275	22.4
MetLife Core Property Fund	62,507,574	674,139	680,062	0	696,063	75,829	657,422	63,779,307	23.5
Prime Property Fund	63,023,182	622,177	622,177	0	587,110	163,588	539,306	63,986,009	16.7
Principal U.S. Property Account	47,944,634	0	0	0	506,110	115,639	227,328	48,562,433	18.8
Prologis European Logistics Fund	52,489,714	0	512,348	0	707,098	385,380	3,520,407	55,819,492	19.7
Prologis Targeted U.S. Logistics Fund	76,413,441	0	505,484	0	868,345	492,112	2,880,433	79,164,623	16.2
Townsend Real Estate Fund, L.P.	118,099,418	1,215,368	1,215,368	0	1,160,060	67,040	2,320,579	121,513,017	44.0
Core Commingled Funds	668,296,795	2,826,069	5,858,230	0	6,323,238	2,136,344	13,774,919	683,226,446	31.1
Core Separate Accounts									
BlackRock Core Separate Account	3,236,784	0	0	0	22,486	0	0	3,259,271	0.0
Cornerstone Separate Account	319,664	0	0	0	-1,164	0	0	318,500	0.0
Core Separate Accounts	3,556,448	0	0	0	21,322	0	0	3,577,771	0.0
<i>Total BlackRock Separate Account</i>	<i>4,094,017</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-20,663</i>	<i>0</i>	<i>63,842</i>	<i>4,137,196</i>	<i>0.0</i>
Total Core Portfolio	671,853,243	2,826,069	5,858,230	0	6,344,560	2,136,344	13,774,919	686,804,217	31.0
Value Added Portfolio									
Allegis Value Trust	182,420	0	0	0	-2,987	0	0	179,433	0.0
Asana Partners Fund II	376,890	1,750,000	0	0	-71,350	109,375	197,543	2,143,708	0.0
DRC European Real Estate Debt Fund II	8,339,049	0	-1,201,408	0	0	0	685,535	10,225,991	77.0
ECE European Prime Shopping Centre Fund II	23,201,808	1,625,792	123,758	104,921	976,364	218,923	1,493,087	26,849,450	56.3
Hammes Partners II	20,582,279	263,370	8,425,681	9,530,371	1,264,546	60,080	3,006,774	7,100,837	62.0
Hammes Partners III	1,444,872	1,247,505	76,430	18,032	28,117	116,719	121,914	2,631,227	80.4
NREP Nordic Strategies Fund	9,697,014	0	3,614,860	0	45,489	293,680	1,705,471	7,539,434	38.7
NREP Nordic Strategies Fund II	30,922,465	0	1,971,967	0	-393,080	2,640,704	5,288,912	31,205,626	46.0
NREP Nordic Strategies Fund III	6,895,657	3,941,146	0	0	-471,352	310,398	2,308,940	12,363,992	33.0
NREP Nordic Strategies Fund IV	0	858,878	0	0	-4,003	209,784	32,324	677,416	0.0
Value Added Portfolio	101,642,454	9,686,691	13,011,288	9,653,324	1,371,744	3,959,663	14,840,500	100,917,114	56.0
Opportunistic Portfolio									
BlackRock High Return Separate Account	857,233	0	0	0	-43,149	0	63,842	877,925	0.0
Carlyle China Project Rome Co-Investment	31,970,781	5,005,003	0	0	-30,652	100,822	449,227	37,293,537	0.0
Carlyle China Realty	7,220,445	1,074,757	0	0	738,684	37,808	101,101	9,097,179	0.0
CIM Fund VIII	39,922,195	108,561	0	708,177	43,022	116,530	-842,430	38,406,641	34.8
KKR Real Estate Partners Americas	10,183,203	0	0	0	304,019	64,818	21,922	10,444,326	65.0
Sculptor Real Estate Fund III	14,084,742	622,628	1,174,699	0	397,325	46,844	-32,509	13,850,643	41.6
Opportunistic Portfolio	104,238,599	6,810,949	1,174,699	708,177	1,409,249	366,822	-238,847	109,970,251	31.2
Total Non-Core Portfolio 1Q 2007 Forward	205,881,053	16,497,640	14,185,987	10,361,501	2,780,993	4,326,485	14,601,653	210,887,365	45.8
Total Private Portfolio									
SCERS	877,734,296	19,323,709	20,044,217	10,361,501	9,125,553	6,462,829	28,376,572	897,691,582	35.2

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core Commingled Funds						
Brookfield Premier Real Estate Partners	33.8	29.9	36.3	-	-	-
Jamestown Premier Property Fund	-	67.4	-	24.8	-	7.8
Lion Properties Fund	23.3	36.6	20.3	13.4	-	6.4
MetLife Core Property Fund	33.3	33.3	19.9	13.6	-	-
Prime Property Fund	25.3	31.1	22.1	11.9	-	9.6
Principal U.S. Property Account	18.7	38.7	22.6	14.5	-	5.5
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Real Estate Fund, L.P.	38.8	15.5	19.7	11.2	-	14.8
Core Commingled Funds	23.2	24.7	38.1	8.6	-	5.3
Core Separate Accounts						
BlackRock Core Separate Account	-	-	-	-	-	-
Cornerstone Separate Account	-	-	-	-	-	-
Core Separate Accounts	-	-	-	-	-	-
<i>Total BlackRock Separate Account</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Core Portfolio	22.7	24.1	39.5	8.5	-	5.2
Value Added Portfolio						
Allegis Value Trust	-	-	-	-	-	-
Asana Partners Fund II	-	-	-	100.0	-	-
DRC European Real Estate Debt Fund II	-	37.5	-	62.5	-	-
ECE European Prime Shopping Centre Fund II	-	-	-	100.0	-	-
Hammes Partners II	-	-	-	-	-	100.0
Hammes Partners III	-	-	-	-	-	100.0
NREP Nordic Strategies Fund	73.4	-	-	26.6	-	-
NREP Nordic Strategies Fund II	20.1	1.3	50.9	5.7	-	22.0
NREP Nordic Strategies Fund III	13.4	12.9	29.0	8.3	-	36.4
NREP Nordic Strategies Fund IV	85.5	-	-	-	-	14.5
Value Added Portfolio	13.9	5.8	19.3	39.8	-	21.0
Opportunistic Portfolio						
BlackRock High Return Separate Account	-	-	-	-	-	-
Carlyle China Project Rome Co-Investment	-	-	100.0	-	-	-
Carlyle China Realty	-	-	100.0	-	-	-
CIM Fund VIII	50.3	20.7	1.2	13.4	4.8	9.7
KKR Real Estate Partners Americas	-	12.2	-	43.6	32.1	12.1
Sculptor Real Estate Fund III	6.5	3.5	0.1	3.7	4.6	81.7
Opportunistic Portfolio	18.5	8.9	43.0	9.4	5.3	14.9
Total Non-Core Portfolio	16.3	7.4	31.6	24.0	2.8	17.8
Total Private Portfolio						
SCERS	21.6	20.7	36.6	12.2	0.7	8.3
Indices						
NFI-ODCE	25.7	33.4	20.3	16.1	0.1	4.3

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	22.0	10.1	5.7	7.7	2.8	-	5.0	46.7	-
Jamestown Premier Property Fund	30.1	29.9	-	-	4.4	-	-	35.6	-
Lion Properties Fund	24.2	7.6	3.8	0.2	8.2	10.7	6.2	39.1	-
MetLife Core Property Fund	11.5	9.5	6.5	-	15.8	14.9	8.2	33.7	-
Prime Property Fund	23.9	7.0	9.0	1.5	13.0	8.1	5.0	32.5	-
Principal U.S. Property Account	17.0	9.0	2.9	1.2	8.7	14.3	11.5	35.4	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	13.1	3.9	11.5	-	10.3	12.0	4.3	45.0	-
Townsend Real Estate Fund, L.P.	15.0	9.5	10.5	5.0	21.6	11.4	4.6	22.3	-
Core Commingled Funds	17.4	8.1	6.4	2.3	10.4	8.6	5.3	33.3	8.2
Core Separate Accounts									
BlackRock Core Separate Account	-	-	-	-	-	-	-	-	-
Cornerstone Separate Account	-	-	-	-	-	-	-	-	-
Core Separate Accounts	-	-	-	-	-	-	-	-	-
<i>Total BlackRock Separate Account</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Core Portfolio	17.1	7.9	6.4	2.2	10.4	8.6	5.2	32.9	9.3
Value Added Portfolio									
Allegis Value Trust	-	-	-	-	-	-	-	-	-
Asana Partners Fund II	23.6	38.3	-	-	-	-	2.6	35.5	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	11.8	12.6	54.1	0.0	0.0	13.4	7.9	0.1	-
Hammes Partners III	13.3	9.7	22.6	5.2	19.5	15.4	14.3	-	-
NREP Nordic Strategies Fund	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund II	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund III	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund IV	-	-	-	-	-	-	-	-	100.0
Value Added Portfolio	1.7	2.0	4.4	0.1	0.5	1.4	1.0	0.8	88.1
Opportunistic Portfolio									
BlackRock High Return Separate Account	-	-	-	-	-	-	-	-	-
Carlyle China Project Rome Co-Investment	-	-	-	-	-	-	-	-	100.0
Carlyle China Realty	-	-	-	-	-	-	-	-	100.0
CIM Fund VIII	37.7	0.8	0.8	0.3	12.5	-	7.2	37.0	3.7
KKR Real Estate Partners Americas	9.1	-	0.6	-	9.6	44.6	-	17.1	19.0
Sculptor Real Estate Fund III	14.6	3.0	2.4	0.5	6.4	7.8	4.4	33.5	27.3
Opportunistic Portfolio	16.0	0.7	0.7	0.2	6.1	5.3	3.1	18.9	49.1
Total Non-Core Portfolio	9.2	1.3	2.5	0.2	3.4	3.4	2.1	10.2	67.8
Total Private Portfolio									
SCERS	15.5	6.5	5.5	1.8	8.8	7.4	4.5	27.9	22.1
Indices									
NFI-ODCE	21.8	8.5	7.3	1.2	9.5	9.2	6.2	36.2	-

Advisory Disclosures and Definitions

Disclosure

Trade Secret and Confidential.

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

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

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

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 4Q19



United States Real Estate Market Update (4Q19)

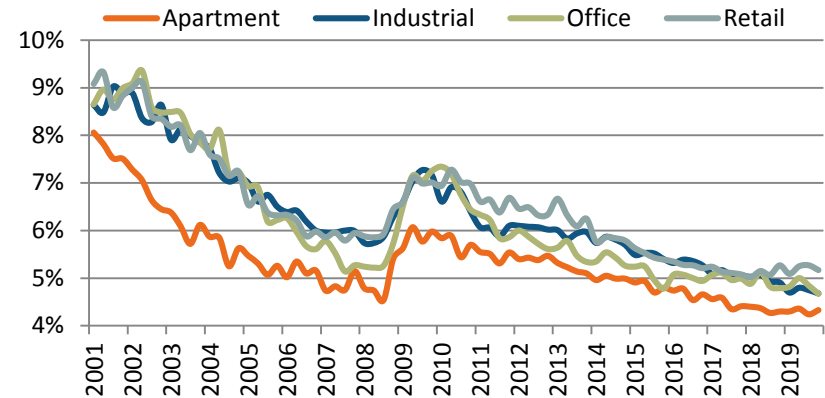
General

- The S&P 500 produced a gross total return of 9.1% during the quarter. The MSCI US REIT index produced a return of -0.8%. Ending the year on a high note, Consumer Sentiment increased to 99.3. Subsequent to quarter-end, the macro environment took a sharp turn as a result of the novel coronavirus spreading globally, disrupting supply chains, and impacting consumer behavior.
- Macro indicators for U.S. real estate continue to be positive; GDP grew at an annualized rate of 2.0% in the fourth quarter and headline CPI rose by 2.3% YoY, just above the Fed's 2% target. As of quarter-end, the economy has now experienced 111 consecutive months of job growth. The Federal Reserve cut rates three times in 2019 and, in 2020, an emergency 50bps rate cut was made intermeeting as a result of the previously mentioned coronavirus.

Commercial Real Estate

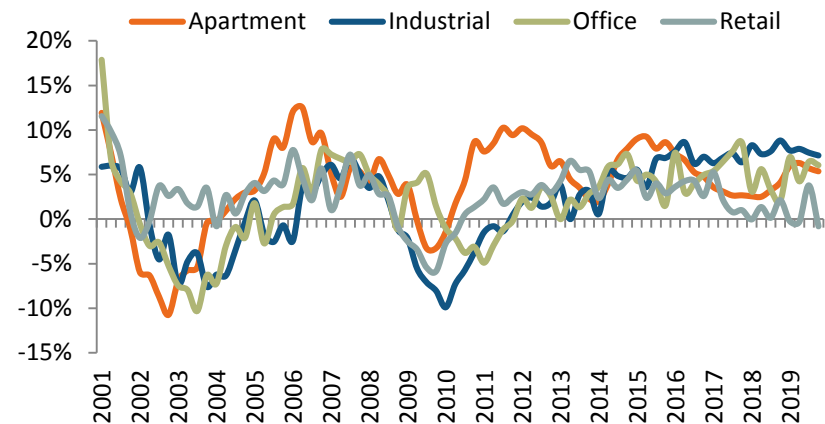
- Private real estate market carrying values remained flat over the quarter. Transaction cap rates (5.4%) expanded 4 bps during the quarter, while current valuation cap rates compressed across property sectors, industrial (-7 bps), office (-17 bps), and retail (-10 bps). Apartment cap rates were expanded 9 bps during the quarter.
- NOI growth continues to be elevated across property sectors during the quarter, with the industrial sector continuing to outpace the other traditional property types. While the industrial sector has faced increasing supply, it continues to benefit from outsized demand tailwinds (e-commerce and economic growth). Retail NOI growth continues to struggle (-82 bps) in the face of e-commerce headwinds.
- In the fourth quarter of 2019, \$22 bn of aggregate capital was raised by real estate funds. Through the fourth quarter of 2019, private equity real estate funds raised \$157 bn which is an increase of 5% YoY. Transaction volume was flat during the 4th quarter at \$581.2 bn.
- 10-year treasury bond yields increased to 1.88% during the quarter, and, subsequent to quarter-end, have dropped to 0.57%.

Current Value Cap Rates by Property Type



Source: NCREIF

4 Qtr Rolling NOI Growth



Source: NCREIF

United States Property Matrix (4Q19)

INDUSTRIAL

- In 4Q19, industrial properties were the highest returning sector at 3.2% and outperformed the NPI by 160 bps.
- Transaction volumes reached \$35.9 billion in the fourth quarter of the year, a 10.0% year-over-year increase. Individual asset sales were up 25.5% year-over-year, while portfolio purchases turned in a year-over-year volume increase of 149.0%. Yet again, portfolio transaction volume was driven by multiple megadeals occurring in the sector, as well as a significant year-over-year decrease in entity-level transactions. This large portfolio transaction volume increase is expected to be an outlier and should regress to the mean positive growth rate.
- The industrial sector continued to experience steady NOI growth of 7.1% over the past year, decreasing from the prior periods TTM growth of 7.5% in 3Q19. Market rent growth is expected to decelerate compared to the recent phenomenal pace, but still remains strong.
- Vacancy increased by 11 bps to 3.3%, still remaining close to all-time historic lows. E-commerce continues to drive demand.
- Industrial cap rates compressed approximately 23 bps from a year ago, to 4.68%. Industrial fundamentals still top all property sectors.

MULTIFAMILY

- The apartment sector delivered a 1.5% return during the quarter, underperforming the NPI by 9 bps.
- Transaction volume in the fourth quarter of 2019 reached \$52.7 billion, an decrease of 1.8% year-over-year. This volume continues to make multifamily the most actively traded sector for the tenth straight quarter.
- Cap rates grew to 4.33%, inflating 3 bps year-over-year. Robust job growth and improving wages have supported healthy operating fundamentals.
- Steady demand for the sector continues to keep occupancy floating around 94.0%, vacancy has decreased 16 bps from a year ago. 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 1.7% in 4Q19, 15 bps above the NPI return over the period.
- Transaction volumes decreased by 3.8% year-over-year in Q4. Annual sales volumes equaled \$41.1 billion for the quarter. Single asset transactions accounted for 79% of volume.
- Occupancy growth within the office sector has improved, increasing 0.7% year-over-year. Office continues to be the highest vacancy property type at close to 9.8%.
- NOI growth of 6.1% in the last year is a positive as the sector continues to benefit from positive job growth. Sun Belt and tech-oriented West Coast office fundamentals continue to prove healthiest.
- Office cap rates compressed from a year ago to approximately 4.67% in the fourth quarter. Office-using job growth is positive, though decelerating as expected.

RETAIL

- As of 4Q19, the retail sector delivered a quarterly return of 0.1%, performing 150 bps below the NPI.
- Transaction volumes totaled \$19.4 billion in the fourth quarter, increasing 2.5% year-over-year.
- Cap rates have compressed approximately 10 bps within the sector over the last year. Strong fundamental headwinds continue to affect the retail landscape.
- After showing positive for the first time this year last quarter, NOI growth has turned a negative for the fourth quarter. NOI has decreased 82 bps over the past year. Retail is expected to continue to suffer from the shift towards e-commerce.
- Retail vacancy rates increased 19 bps over the past year to 7.1%. Many big box stores have closed as the need for retail space shrinks, translating to a negative outlook for rent growth.

Global Real Estate Market Update (4Q19)

- Global investment activity during the fourth quarter of 2019 was down relative to the same period in 2018. In 2019, the New York, San Francisco and Los Angeles metro markets have witnessed the greatest transaction volume.
- Broad geopolitical risk factors, such as Brexit and the Trade War, continue to have negatively influenced sentiment. An impending global slowdown, especially in the manufacturing sector, further dampened transaction volumes. Loose monetary policy continued supporting low yields and pushing capital inflows towards real estate which offers a premium to other asset classes.

Global Total Commercial Real Estate Volume - 2018 - 2019

\$ US Billions	% Change			% Change		
	Q4 2019	Q4 2018	Q4 19 - Q4 18	2019	2018	2019 - 2018
Americas	155	159	-2%	520	525	-1%
EMEA	121	124	-3%	335	361	-7%
Asia Pacific	199	229	-13%	825	868	-5%
Total	475	512	-7%	1680	1754	-4%

Source: Real Capital Analytics, Inc., Q4' 19

- Investment volumes in the Americas decreased by 2% year-over-year, including Canada and Brazil showing declines, the US remaining unchanged, and Mexico posting investment volume growth.
- The Asia Pacific region declined as a whole due largely to activity levels falling in several key markets. Specifically in Hong Kong, volume hit its lowest level since the Global Financial Crisis as a product of continued sociopolitical uncertainty within the metro. Japan was the sole country to experience growth as Australia was flat and both China and South Korea declined.
- In EMEA, Brexit continued to press UK investment volumes lower, a 21% decline from fourth quarter 2018. Growth was mixed for the rest of EMEA countries with Italy, Ireland, Sweden, and Greece reporting the largest increases.
- In the office sector, global leasing activity was healthy but moderated in the final quarter of 2019. The U.S office market saw net absorption hit a cyclical high despite a 6% QoQ decline in leasing activity. Europe experienced an uptick in demand, and office net absorption surpassed the 10 year average by nearly 20%. Economic, geopolitical, and sectoral headwinds subdued leasing activity in the APAC region resulting in leasing volumes 13% lower than in 2018.
- The retail sector continued to face headwinds globally as e-commerce disrupts traditional consumer spending habits. Within the U.S., net absorption continued to trend downward, declining 10% YoY. Retail sales increased 3.8% YoY driven by non-store retailers and food services. Across Europe, rents were broadly stable, while APAC markets rents were muted.
- The multifamily market in the U.S. has continued to see strong growth, with vacancy rates hitting their lowest Q4 level since 2000. Construction remains near peak levels, possibly presenting future supply headwinds. Rent control and low supply constrained activity in many European markets, but investment volume remains positive. APAC markets were mixed, a result of macroeconomic uncertainty and holiday season effects.
- Industrial properties demand continued to grow but at a slower pace. Uptake was robust globally driven by logistics and omnichannel distribution demand. New supply has been increasing rapidly, and there are signs of slowing demand in Asia while Europe recovered from a slow start earlier in the year.

Global Outlook - GDP (Real) Growth % pa, 2019-2021

	2019	2020	2021
Global	2.9	3.0	3.3
Asia Pacific	4.5	4	4.4
Australia	1.8	2.0	2.6
China	6.1	5.5	5.8
India	5.0	5.8	6.6
Japan	0.8	0.3	0.8
North America	2.1	1.7	2.0
US	2.3	1.8	2.0
MENA*	2.0	2.7	2.9
European Union	1.5	1.2	1.5
France	1.3	1	1.3
Germany	0.6	0.6	1.2
UK	1.4	1.0	1.5

*Middle East North Africa

Source: Bloomberg (March 2, 2020)

Exhibit C: Glossary



Cash Flow Statement

Beginning Market Value:	Value of real estate, cash and other holdings from prior period end.
Contributions:	Cash funded to the investment for acquisition and capital items (i.e., initial investment cost or significant capital improvements).
Distributions:	Actual cash returned from the investment, representing distributions of income from operations.
Withdrawals:	Cash returned from the investment, representing returns of capital or net sales proceeds.
Ending Market Value:	The value of an investment as determined by actual sales dollars invested and withdrawn plus the effects of appreciation and reinvestment; market value is equal to the ending cumulative balance of the cash flow statement (NAV).
Unfunded Commitments:	Capital allocated to managers which remains to be called for investment. Amounts are as reported by managers.
Remaining Allocation	The difference between the ending market value + the unfunded commitments and the target allocation. This figure represents dollars available for allocation.

Style Groups

The Style Groups consist of returns from commingled funds with similar risk/return investment strategies. Investor portfolios/investments are compared to comparable style groupings.	
Core:	Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).
Value-Added:	Core returning investments that take on moderate additional risk from one or more of the following sources: leasing, re-development, exposure to non-traditional property types, the use of leverage (typically between 40% and 65%).
Opportunistic:	Investments that take on additional risk in order to achieve a higher return. Typical sources of risks are: development, land investing, operating company investing, international exposure, high leverage (typically between 50% and 65% or higher), distressed properties.

Indices

Stylized Index:	Weights the various style group participants so as to be comparable to the investor portfolio holdings for each period.
Open-End Diversified Core Equity Index (“ODCE”):	A core index that includes only open-end diversified core strategy funds with at least 95% of their investments in U.S. markets. The ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical and current basis (24 active vehicles). The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.
NCREIF Timberland Index (“NTI”):	National Index comprised of a large pool of individual timber properties owned by institutions for investment purposes.
NCREIF Property Index (“NPI”):	National Property Index comprised of core equity real estate assets owned by institutions.

Performance

Income Return (“INC”):	Net operating income net of debt service before deduction of capital items (e.g., roof replacement, renovations, etc.)
Appreciation Return (“APP”):	Increase or decrease in investment's value based on internal or third party appraisal, recognition of capital expenditures which did not add value or uncollectible accrued income, or realized gain or loss from sales.
Total Gross Return (“TGRS”):	The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.
Total Net Return (“TNET”):	Total gross return less Advisor fees reported. All fees are requested (asset management, accrued incentives, paid incentives). No fee data is verified. May not include any fees paid directly by the investor as opposed to those paid from cash flows.
Inception Returns ¹ :	The total net return for an investment or portfolio over the period of time the client has funds invested. Total portfolio Inception Returns may include returns from investments no longer held in the current portfolio.
Net IRR:	IRR after advisory fees, incentive and promote. This includes actual cash flows and a reversion representing the LP Net Assets at market value as of the period end reporting date.
Equity Multiple:	The ratio of Total Value to Paid-in-Capital (TVPIC). It represents the Total Return of the investment to the original investment not taking into consideration the time invested. Total Value is computed by adding the Residual Value and Distributions. It is calculated net of all investment advisory and incentive fees and promote.

¹ Portfolio level returns include historical returns of managers no longer with assets under management. All returns are calculated on a time-weighted basis.

GEOGRAPHIC REGIONS and DIVISIONS

