



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 22

MEETING DATE: December 8, 2021

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 September 30, 2021.

PURPOSE

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

DISCUSSION

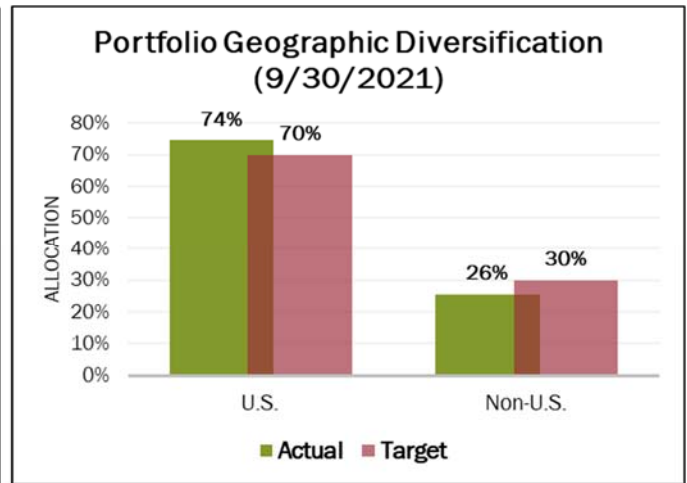
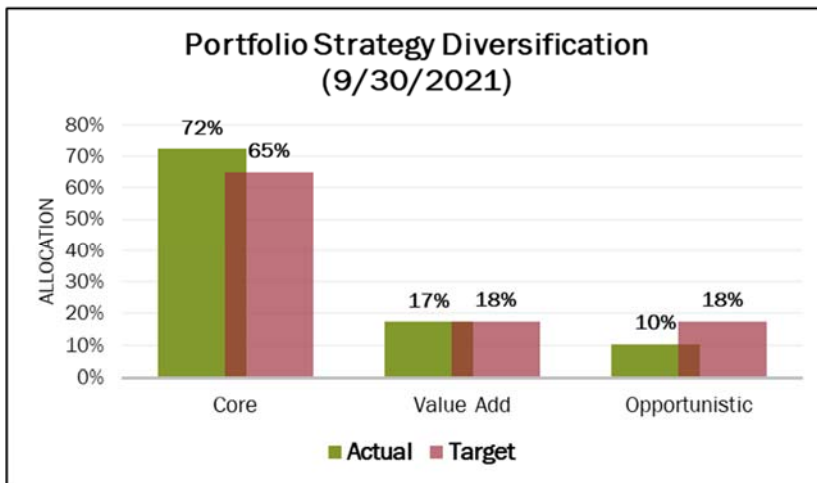
This memorandum provides a summarized table of SCERS' Real Estate period returns, which are provided within Townsend's Quarterly Performance Review, and highlights notable manager performance, along with any recent real estate investments made by SCERS.

SCERS' Real Estate allocation sits at 7.3% as of September 30, 2021, in line with the target allocation of 7.0%. SCERS' real estate portfolio allocation is underweight non-core and non-U.S. strategies. SCERS increased its target allocation to Real Estate from 7.0% to 9.0% within the revised strategic asset allocation approved by the Board in August. Townsend and Staff are in the process of developing an implementation plan to reach the 9.0% target allocation, as well as revised geographic and core/non-core allocation targets.

SCERS REAL ESTATE PERFORMANCE SUMMARY
Quarter Reporting Period Ended September 30, 2021

SUB-ASSET CLASS	Quarter 9/30/21	1-Year	3-Year	5-Year	Since Inception	Since Inception Date
SCERS Real Estate Portfolio	5.3%	17.4%	9.2%	9.4%	8.6%	Nov-86
(65%) NFI-ODCE + (35%) NFI-ODCE + 1%	6.5%	14.0%	6.5%	7.0%	6.7%	Nov-86
Core Portfolio	6.7%	20.2%	10.2%	10.7%	7.4%	Nov-86
NFI-ODCE Index	6.4%	13.6%	6.1%	6.6%	6.3%	
Non-Core Portfolio	1.7%	10.1%	6.5%	8.9%	5.9%	Jun-06
Value Add Portfolio	1.3%	15.8%	10.6%	11.6%	5.1%	Jun-06
Opportunistic	2.4%	2.8%	1.4%	5.7%	6.5%	May-13
NFI-ODCE + 1% Index	6.7%	14.6%	7.1%	7.6%	7.3%	

SCERS PORTFOLIO DIVERSIFICATION



SCERS PORTFOLIO RESULTS

For the quarter ended September 30, 2021, SCERS' Real Estate portfolio underperformed the NFI-ODCE blended benchmark, +5.3% versus +6.5%, due to the underperformance of the Non-Core portfolio (+1.7% versus +6.7%) resulting from the currency impact in the Euro denominated funds. The Core portfolio outperformed against the NFI-ODCE + 1% benchmark, +6.7% versus +6.4% due to the strong performance of the industrial investments among the open-end funds and Prologis U.S. Logistics, which returned 11.4% for the quarter.

Below are notable top and bottom performing funds during the quarter ended September 30, 2021:

- Top performing funds:
 - Core:
 - Prologis U.S. Logistics Fund: +11.4%
 - Townsend Real Estate Fund: +7.6%
 - MetLife Core Property Fund: +7.4%
 - Non-Core:
 - Asana Partners II: +17.1%
 - Sculptor Real Estate Fund IV: +6.4%

Bottom performing funds:

- Core:
 - Prologis European Logistics: +3.8% in U.S. Dollars (+6.3% in Euros)
 - Brookfield Premier Real Estate Partners: +4.3%
- Non-Core:
 - NREP Nordic Strategies Fund I: -10.3% in U.S. Dollars (-8.2% in Euros)
 - NREP Nordic Strategies Fund IV: -4.3% in U.S. Dollars (-1.8% in Euros)
 - ECE European Prime Shopping Centre Fund II: -2.5% in U.S. Dollars (-0.5% in Euros)

NEW INVESTMENTS

During the quarter ended September 30, 2021, SCERS made the following new investments:

- LaSalle China Logistics Venture (Non-Core): \$30 million

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 September 30, 2021.

Prepared by:

/S/

JR Pearce
Senior Investment Officer

Reviewed by:

/S/

Steve Davis
Chief Investment Officer

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
December 8, 2021**

MOTION:

Quarterly Investment Performance Report Real Estate

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file the Quarterly Investment Performance Report Real Estate.

I HEREBY CERTIFY that the above order was passed and adopted on December 8, 2021 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Richard B. Fowler II
Board President

Eric Stern
Chief Executive Officer and
Board Secretary

Item 22



TOWNSEND[®]
GROUP

an Aon company

Real Estate Portfolio

Performance Measurement Report

THIRD QUARTER 2021



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 third quarter, 2021 (the “Quarter”), the Real Estate Portfolio was below the new real estate target but within the allowable range at 7.3%. Core Real Estate currently makes up 72.4% of the portfolio, with Non-Core Real Estate making up the remaining 27.6%.

SCERS' Real Estate Portfolio Construction:

	Minimum	Target	Maximum
Total Real Estate Program	7.0%	9.0%	11.0%
	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-six 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 1, 2018.
- The loan-to-value ratio of the Private Real Estate Portfolio was 35.5% at the end of the third quarter of 2021. The loan-to-value ratio of the Core Portfolio was 29.3%, 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 22.1% as of the third quarter. The Non-Core Portfolio reported a loan-to-value ratio of 47.4%.

Portfolio Funding Status

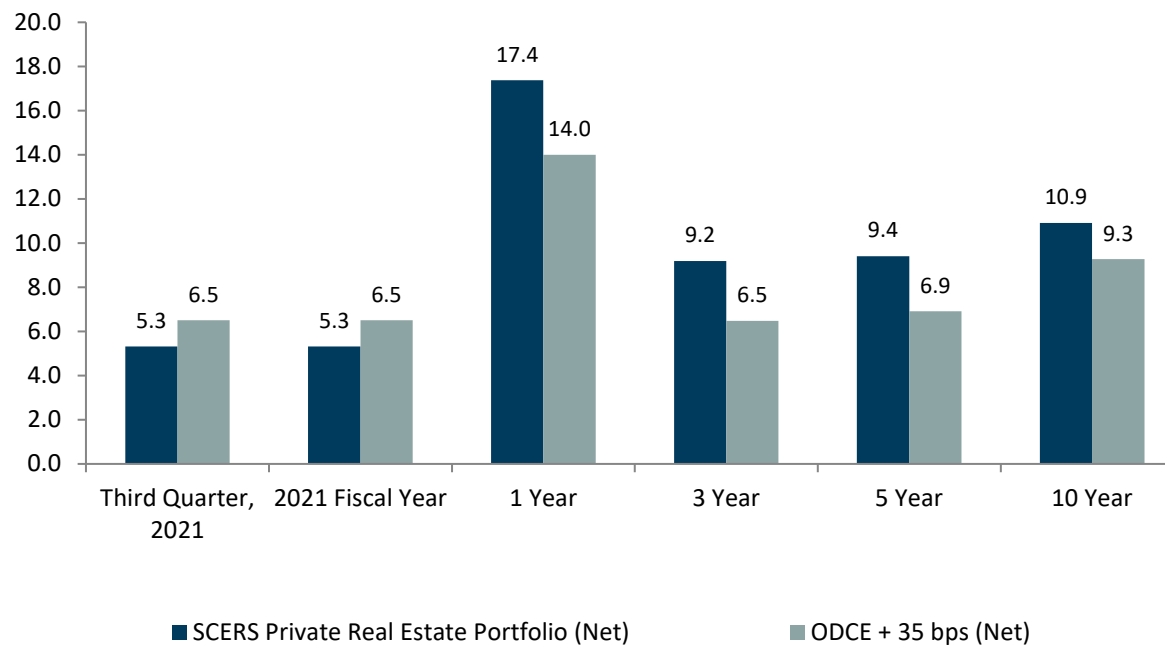
- The following slides provide a review of key information of the SCERS Real Estate Portfolio (the “Portfolio”) through September 30, 2021.
- A detailed performance report is also provided in **Exhibit A**.
- Figures exclude commitments / redemptions / dispositions approved subsequent to Quarter-end and future distributions.
- Unfunded commitments may never be fully drawn.

SCERS Portfolio Snapshot <i>As of September 30, 2021</i>	Market Value (in millions of dollars)*	% of SCERS Plan	% of Real Estate
SCERS Total Plan Assets	12,854	100.0%	
Private Portfolio Target	1,157	9.0%**	
Private Portfolio Permissible Range		7.0-11.0%**	
Private Real Estate			
Core Portfolio	682	5.3%	72.4%
Non-Core Portfolio	260	2.0%	27.6%
Total SCERS Private Real Estate Market Value	942	7.3%	
Total SCERS Private Real Estate Unfunded Commitments	164	1.3%	

• Figures may not add due to rounding

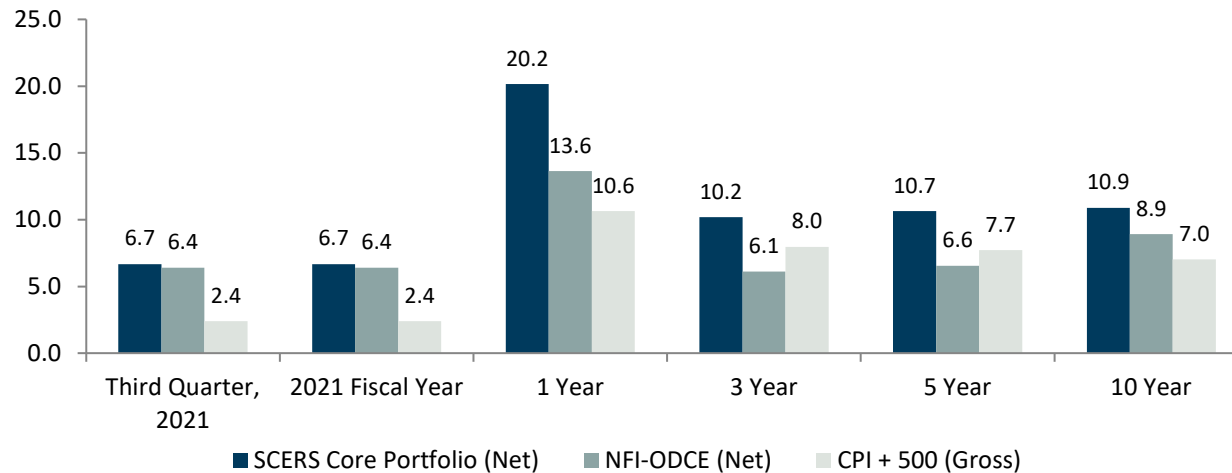
** The 9% Private Portfolio (RE) target and permissible range were approved during the third quarter of 2021

Private Real Estate Performance



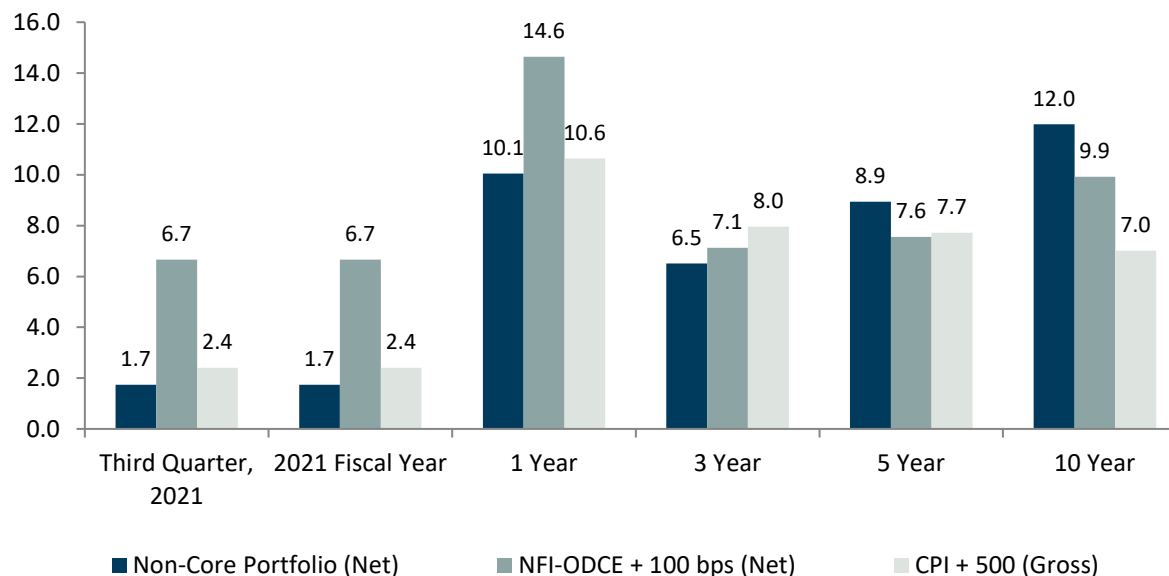
- The SCERS Private Real Estate Portfolio includes: (1) Core Real Estate and (2) Non-Core Real Estate.
- The SCERS Private Real Estate Benchmark is comprised of the NFI-ODCE (Core Benchmark, net) (65%) and the NFI-ODCE + 100bps (Non-Core Benchmark, net) (35%), resulting in an NFI-ODCE + 35bps (net) portfolio benchmark.
- During the third quarter of 2021, the SCERS Total Real Estate Portfolio underperformed the benchmark by 118 basis points due to the underperformance of the Non-Core portfolio.
- On the other hand, 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 the NFI-ODCE, net of fees, over all displayed time periods.
- During the Quarter, Prologis Targeted U.S. Logistics Fund was the strongest absolute performer and largest contributor, generating 11.4% in net returns as the fund continued to witness uplifts in valuation.
- Moreover, Townsend Real Estate Fund was the second largest contributor to the SCERS Core Portfolio producing 7.6% in net returns.
- The SCERS Core Portfolio performed above the CPI + 500 bps (the SCERS Real Asset benchmark) over all time periods.
- As of quarter end, SCERS has received all the remaining amount from the Clarion’s Lion Properties Fund \$20 million redemption request.

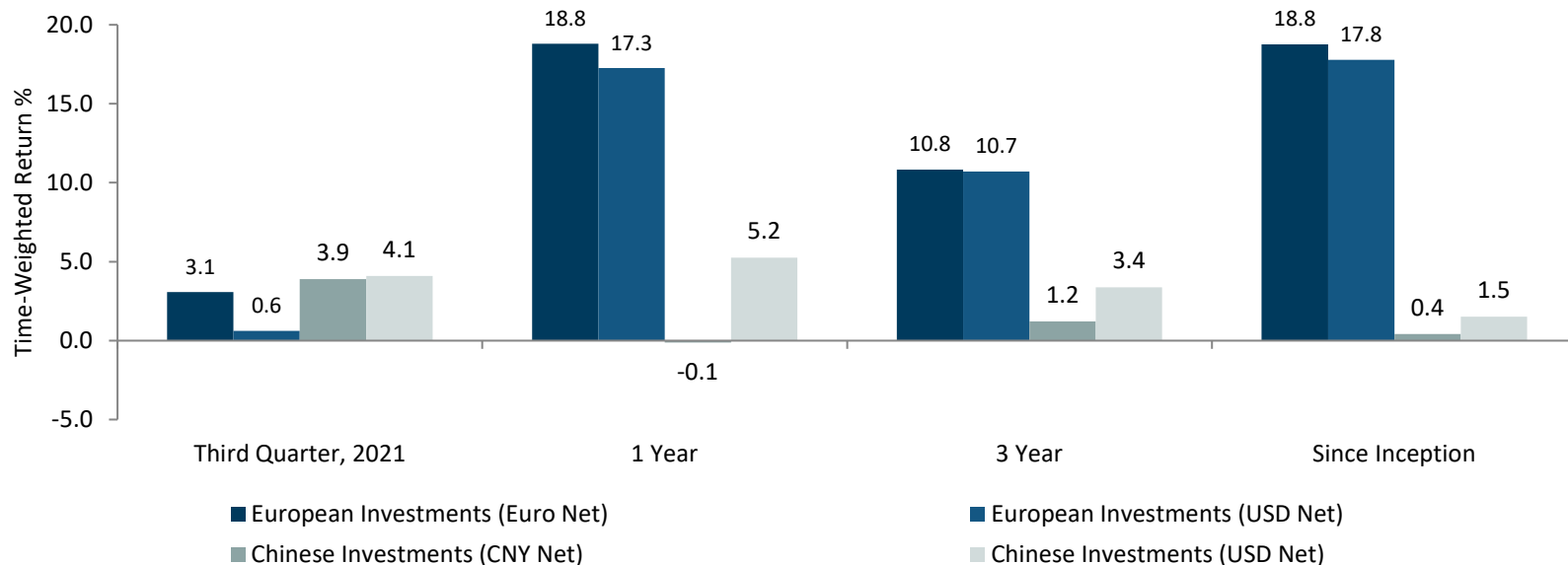
Non-Core Portfolio Performance



- 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 underperformed the benchmark due to the poor performance of the Value Added investments, particularly the EX-US ones which were negatively affected by the currency exchange as shown on the next slide. In addition, the opportunistic portfolio contributed to the underperformance led by the negative performance of CIM Fund VIII as a result of the challenges that the fund's asset in New York and Chicago continue to face.
- Asana Partners Fund II was the largest contributor and strongest performer on an absolute basis with the fund recording 17.1% in net returns over the quarter. Asana II's strong performance is attributed to a strong momentum in leasing activities as well as realized gains from recent sales.

*EX-US funds produced the following 3Q21 net returns in local currency: DRC European Real Estate Debt Fund II (Pound Sterling) 2.9%, ECE European Prime Shopping Centre Fund II (Euro) (0.5%), NREP Nordic Strategies Fund (Euro) (8.2%), NREP Nordic Strategies Fund II (Euro) 4.0%, NREP Nordic Strategies Fund III (Euro) 0.6%, NREP Nordic Strategies Fund IV (Euro) (1.8%), Carlyle China Realty Fund (Chinese Yuan) 4.0% and Carlyle's Project Rome (Chinese Yuan) 4.1%.

Ex-US Portfolio Performance

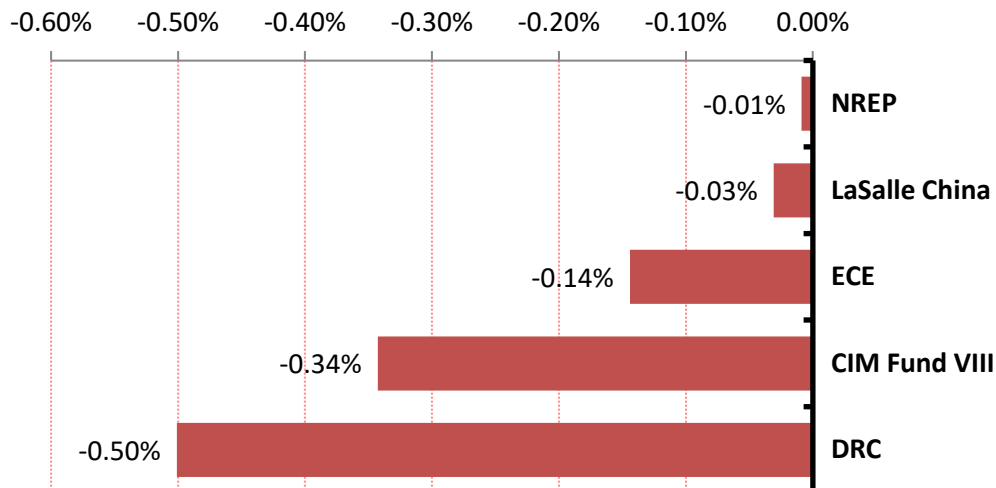
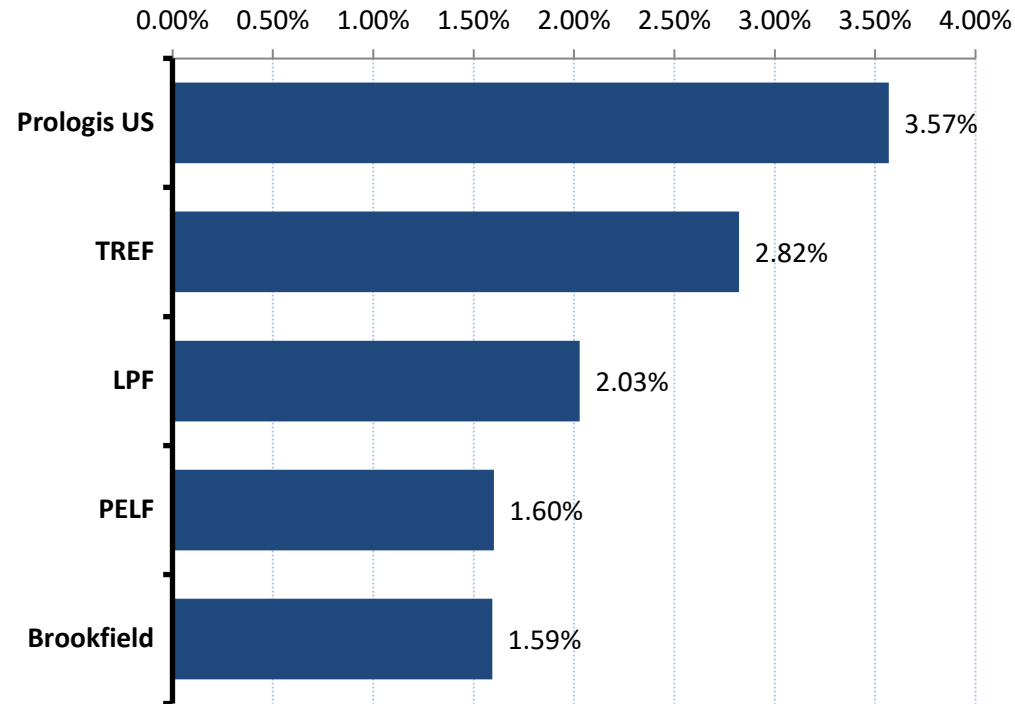


- Approximately 25.5% of the SCERS Portfolio is comprised of Ex-US investments. SCERS does not currently hedge its foreign currency exposures and pays liabilities in US Dollars. As such, FX movement will impact performance for Ex-US investments. The chart above isolates European and Asian investments and displays performance both before and after currency conversion.
- During the quarter, the impact of currency movement was mixed on foreign investments with investments in Euros negatively affected while investments in the Chinese Yuan were 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) (0.5%), NREP Nordic Strategies Fund (Euro) (8.2%), NREP Nordic Strategies Fund II (Euro) 4.0%, NREP Nordic Strategies Fund III (Euro) 0.6%, NREP Nordic Strategies Fund IV (Euro) (1.8%) and Prologis European Logistics Fund (PELF) 6.3%.
 - 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) 3.8% and Carlyle's Project Rome (Chinese Yuan) 3.9%.
 - Since Inception period begins 3Q17.
 - SCERS' Carlyle investments are USD denominated at the fund level, but property values are exposed to currency translation.

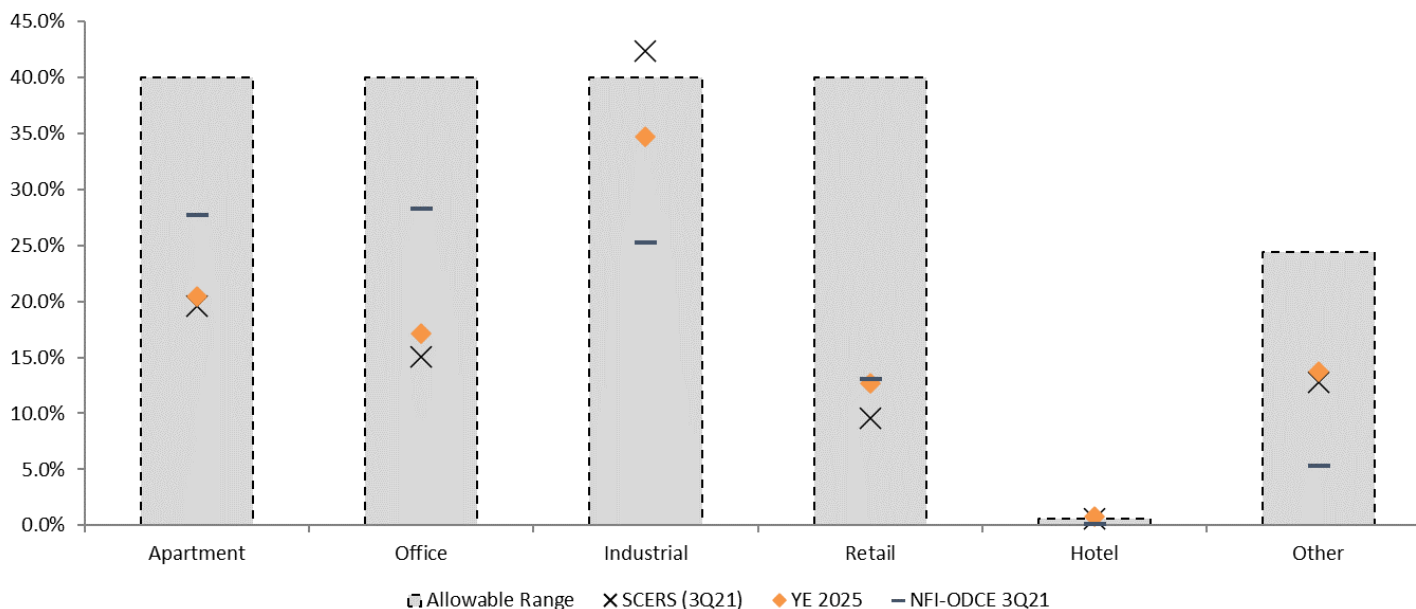


Performance Attribution

- SCERS total portfolio's positive performance over the 1-year period is primarily attributed to the solid performance of the Core OECFs.
- Over the trailing year, the top five performers were OECFs within the SCERS portfolio that contributed significantly to overall portfolio performance. The funds include Prologis Targeted U.S. Logistics Fund, Townsend Real Estate Fund, Prologis Targeted Europe Logistics Fund, Lion Properties Fund and Brookfield Premier Real Estate Partners
- DRC European Real Estate Debt Fund II has been the largest detractor over the trailing year due to significant write-downs in two of the fund's shopping malls dragging down the trailing year performance.
- CIM Fund VIII has been the largest detractor over the trailing year as the fund's performance challenges were exacerbated by COVID-19, specifically due to the fund's development-heavy strategy and exposure to the New York City market.
- ECE European Prime Shopping Center Fund II C was negatively affected by the closings that took place in Europe resulting in an overall decrease in the value of the fund's shopping centers. However, at the end of October all centers have returned to regular operations.



Real Estate Private Portfolio Diversification – Property Type

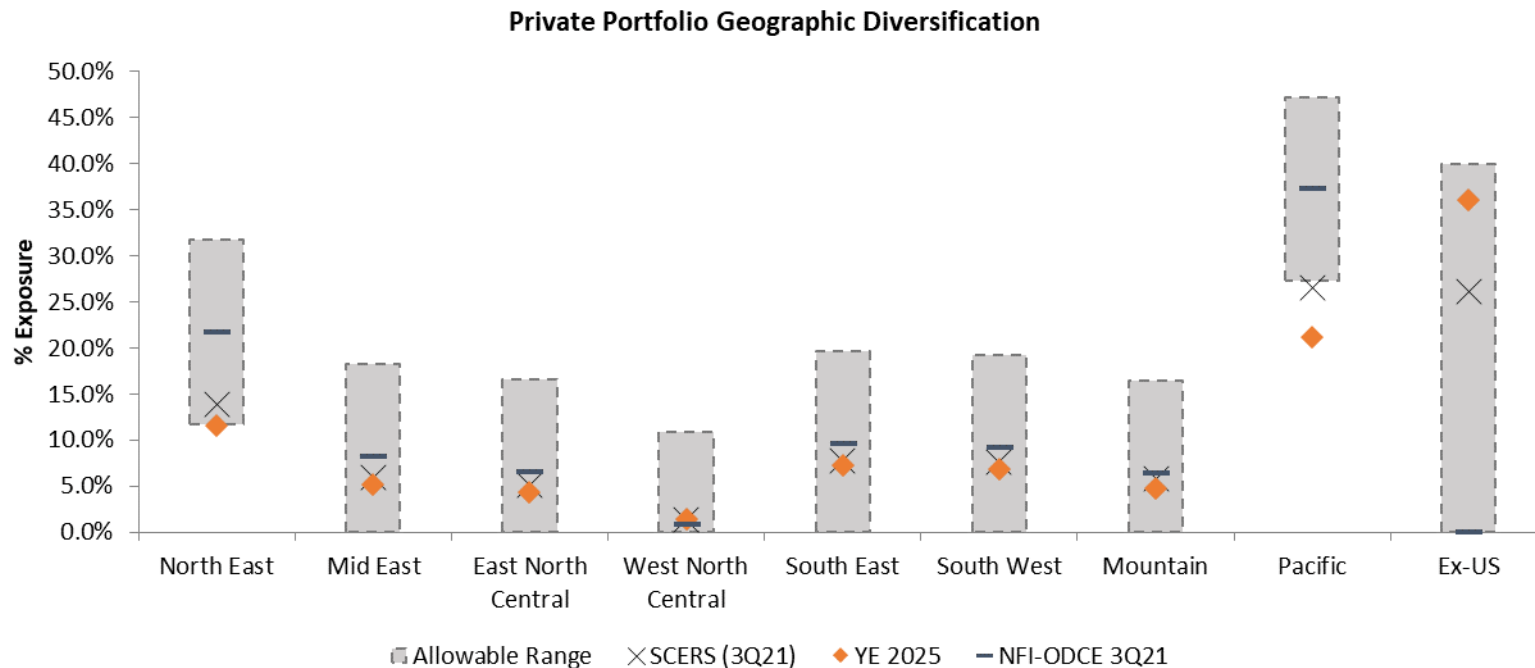


- The diversification of the Private Portfolio is compared to the diversification of the NFI-ODCE, and has a maximum limit of 40% for each property type, except for the “other” property type which has a maximum limit of 25%**. The Real Estate Policy also allows for temporary deviations in order to provide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

*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.

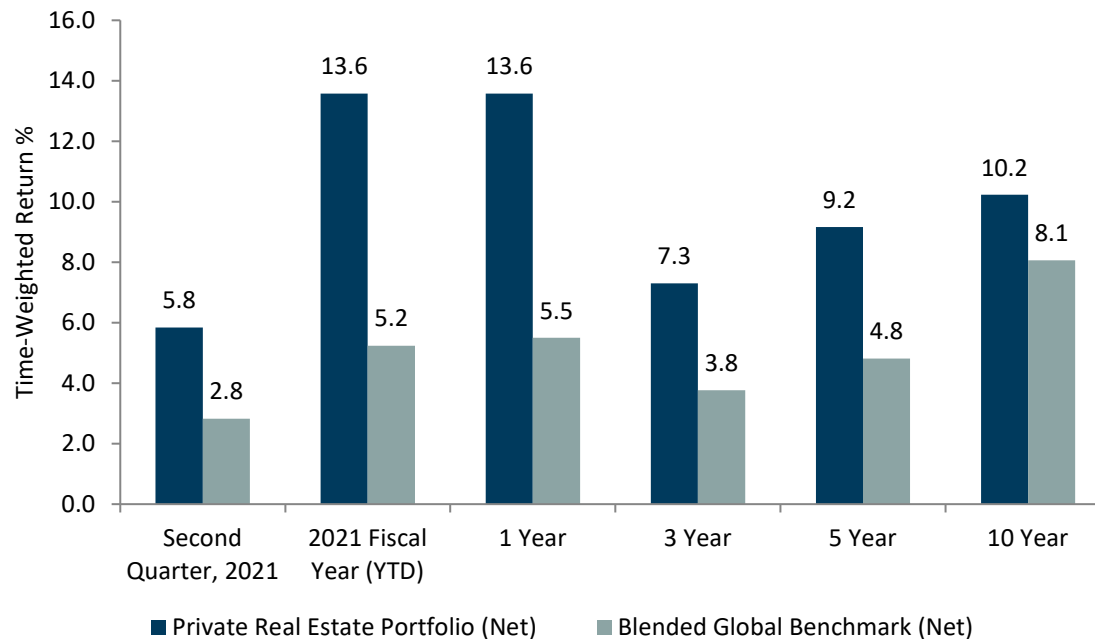
Real Estate Private Portfolio Diversification – Geographic Region



- 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 40.0% of the Total Private Portfolio.
- As of the third quarter, the Private Portfolio was in compliance across all regions. However, tactical overweight/underweight positions may exist over time.
- The Private Portfolio's international exposure is 25.5%, well within its 40% 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 continue to call capital and purchase assets in Europe and China while older vintage funds liquidate.
- Ex-US exposure consists of 5.58% in China, 4.09% in Denmark, 2.57% in Finland, 2.77% in Germany, 1.97% in France, 4.10% in Sweden, 1.41% in Poland, 1.18 in Netherlands, 1.34% in the UK and 1.19% in other countries.

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

Private Real Estate Performance – Global Ancillary Benchmark (2Q21)



- 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 26.2%, 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.

Exhibit A: Performance Flash Report



Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
12,854,381,344	Core	7.0%	682,074,209	5.3%	0	0.0%	217,732,485	1.7%
	Non-Core	0.00% - 5.00%	260,368,942	2.0%	163,936,200	1.3%	-135,081,562	-1.1%
	Total	9.0%	942,443,151	7.3%	163,936,200	1.3%	82,650,923	0.6%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Portfolio (Commingled Funds & Separate Accounts)	7.6	6.7	22.7	20.2	11.6	10.2	12.0	10.7
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	3.8	1.7	17.5	10.1	12.0	6.5	13.4	8.9
Private Real Estate Portfolio	6.6	5.3	21.2	17.4	11.6	9.2	11.5	9.4
NFI-ODCE (Core)	6.6	6.4	14.6	13.6	7.1	6.1	7.5	6.6
NFI-ODCE + 100 bps (Non-Core)	6.9	6.7	15.6	14.6	8.1	7.1	8.5	7.6
NFI-ODCE + 35 bps (Private Portfolio)	6.7	6.5	15.0	14.0	7.4	6.5	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	11,926,213	111,938,527	11.9	10.1
Lion Properties Fund	2018	152,400,000	155,512,362	0	67,614,886	117,589,168	12.5	10.6
MetLife Core Property Fund	2013	35,000,000	51,563,801	0	17,237,044	75,286,440	8.0	6.8
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	54,441,037	5.8	4.9
Prologis European Logistics Fund ^{1,3}	2016	47,950,142	49,151,023	0	8,153,201	70,437,391	7.5	6.4
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,000,000	0	11,867,335	107,753,912	11.4	9.7
Townsend Real Estate Fund, L.P. ³	2016	90,000,000	112,475,458	0	22,475,458	144,627,734	15.3	13.1
Core Commingled Funds	1986	510,350,142	553,702,644	0	139,274,137	682,074,209	72.4	61.6
Value Added Portfolio								
Asana Partners Fund II ⁵	2019	35,000,000	18,025,000	16,975,000	0	21,707,575	2.3	3.5
DRC European Real Estate Debt Fund II	2013	50,007,963	47,627,074	9,820,656	42,853,672	5,103,397	0.5	1.3
ECE European Prime Shopping Centre Fund II C ⁵	2015	33,611,623	32,571,585	2,727,030	3,442,884	33,454,859	3.5	3.3
Hammes Partners II	2015	25,000,000	27,340,027	1,293,434	43,184,495	2,750,534	0.3	0.4
Hammes Partners III	2018	25,000,000	21,414,072	9,710,928	6,447,271	17,015,278	1.8	2.4
NREP Nordic Strategies Fund ³	2014	25,130,756	22,485,011	0	36,359,214	2,596,016	0.3	0.2
NREP Nordic Strategies Fund II ⁵	2016	35,176,432	33,088,697	3,305,989	13,979,669	41,414,403	4.4	4.0
NREP Nordic Strategies Fund III ⁵	2018	39,019,632	23,775,986	12,858,221	0	30,884,329	3.3	4.0

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 ¹	2019	35,449,208	9,697,025	28,233,395	0	8,738,777	0.9	3.3
Value Added Portfolio	1986	303,395,614	236,024,477	84,924,653	146,267,205	163,665,168	17.4	22.5
Opportunistic Portfolio								
Carlyle China Project Rome Co-Investment	2017	40,000,000	37,807,858	4,405,916	0	38,686,847	4.1	3.9
Carlyle China Realty	2017	10,000,000	10,492,287	987,118	2,342,232	8,707,174	0.9	0.9
CIM Fund VIII	2015	35,000,000	39,129,070	0	7,221,805	30,169,589	3.2	2.7
KKR Real Estate Partners Americas ²	2015	22,720,638	1,066,178	4,078,477	4,172,078	6,198,373	0.7	0.9
LaSalle China Logistics Venture	2021	30,000,000	838,608	29,161,392	0	564,155	0.1	2.7
Sculptor Real Estate Fund III ^{2,3}	2014	35,000,000	26,543,745	12,947,424	31,933,754	9,385,749	1.0	2.0
Sculptor Real Estate Fund IV ^{2,3}	2020	30,000,000	5,836,768	27,431,220	3,523,874	2,991,887	0.3	2.7
Opportunistic Portfolio	1991	202,720,638	121,714,514	79,011,547	49,193,743	96,703,774	10.3	15.9
Total Non-Core Portfolio 1Q 2007 Forward	2007	506,116,252	357,738,991	163,936,200	195,460,948	260,368,942	27.6	38.4
Total Private Portfolio								
SCERS	1986	1,016,466,394	1,764,218,699	163,936,200	1,555,066,136	942,443,151	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 2021				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	111,938,527	0.7	6.4	7.0	4.3	0.7	6.4	7.0	4.3	3.3	13.8	17.5	13.7	2.9	6.7	9.8	7.9
Lion Properties Fund	117,589,168	1.0	5.1	6.1	5.9	1.0	5.1	6.1	5.9	3.8	12.6	16.8	15.8	3.8	4.7	8.6	7.7
MetLife Core Property Fund	75,286,440	1.1	6.4	7.6	7.4	1.1	6.4	7.6	7.4	4.7	14.3	19.5	18.9	4.7	4.5	9.3	8.8
Principal U.S. Property Account	54,441,037	1.0	4.2	5.2	5.0	1.0	4.2	5.2	5.0	4.1	10.0	14.4	13.3	4.2	3.1	7.4	6.4
Prologis European Logistics Fund ^{1,4}	70,437,391	1.2	3.7	4.8	3.8	1.2	3.7	4.8	3.8	5.1	22.2	28.1	23.4	5.3	11.9	17.6	15.0
Prologis Targeted U.S. Logistics Fund	107,753,912	0.9	12.6	13.5	11.4	0.9	12.6	13.5	11.4	4.0	41.3	46.5	38.8	4.4	18.6	23.6	20.2
Townsend Real Estate Fund, L.P. ³	144,627,734	1.0	6.7	7.7	7.6	1.0	6.7	7.7	7.6	3.8	16.1	20.4	20.1	4.0	5.6	9.8	9.5
Core Commingled Funds	682,074,209	1.0	6.7	7.6	6.7	1.0	6.7	7.6	6.7	4.0	18.1	22.7	20.2	4.0	7.4	11.6	10.2
Value Added Portfolio																	
Asana Partners Fund II	21,707,575	0.1	23.0	23.1	17.1	0.1	23.0	23.1	17.1	-0.4	64.7	64.1	51.2	-16.2	0.6	-14.3	-15.2
DRC European Real Estate Debt Fund II	5,103,397	3.3	-2.7	0.6	0.2	3.3	-2.7	0.6	0.2	-48.1	3.1	-43.7	-44.6	2.7	-0.6	1.9	-0.5
ECE European Prime Shopping Centre Fund II C ²	33,454,859	-0.5	-1.2	-1.7	-2.5	-0.5	-1.2	-1.7	-2.5	4.5	-5.4	-0.9	-3.6	9.9	33.2	45.0	37.5
Hammes Partners II	2,750,534	1.8	3.1	4.9	3.7	1.8	3.1	4.9	3.7	9.6	55.8	68.1	51.8	13.2	35.8	52.0	35.9
Hammes Partners III	17,015,278	2.3	3.3	5.6	3.6	2.3	3.3	5.6	3.6	13.2	35.8	52.0	35.9	1.2	15.5	15.0	1.2
NREP Nordic Strategies Fund ¹	2,596,016	0.0	-2.3	-2.3	-10.3	0.0	-2.3	-2.3	-10.3	1.2	1.5	2.7	-7.5	2.6	12.2	15.0	1.2
NREP Nordic Strategies Fund II ¹	41,414,403	-38.3	42.6	4.4	1.5	-38.3	42.6	4.4	1.5	-38.0	97.5	45.8	30.9	-14.5	42.7	29.2	18.9
NREP Nordic Strategies Fund III ¹	30,884,329	1.5	-2.5	-1.0	-2.0	1.5	-2.5	-1.0	-2.0	2.2	33.0	36.6	22.1	-3.6	26.0	22.1	2.7
NREP Nordic Strategies Fund IV ¹	8,738,777	-1.5	-0.1	-1.6	-4.3	-1.5	-0.1	-1.6	-4.3	-14.6	106.9	84.3	24.2	-2.2	21.6	19.4	10.6
Value Added Portfolio	163,665,168	-10.2	13.8	3.6	1.3	-10.2	13.8	3.6	1.3	-11.5	40.8	26.8	15.8	-2.2	21.6	19.4	10.6
Opportunistic Portfolio																	
Carlyle China Project Rome Co-Investment	38,686,847	-0.1	4.4	4.4	4.1	-0.1	4.4	4.4	4.1	-0.1	6.5	6.5	5.3	-0.2	4.2	4.1	2.8
Carlyle China Realty	8,707,174	-0.1	4.4	4.4	4.0	-0.1	4.4	4.4	4.0	-0.1	6.5	6.4	4.9	2.6	4.8	7.6	5.6
CIM Fund VIII	30,169,589	0.0	0.2	0.2	-0.2	0.0	0.2	0.2	-0.2	-0.2	-7.5	-7.7	-8.9	0.0	-6.0	-6.0	-7.1
KKR Real Estate Partners Americas ³	6,198,373	8.9	-4.2	4.7	3.5	8.9	-4.2	4.7	3.5	10.7	-0.6	10.3	7.0	9.3	-15.0	-5.2	-3.5
LaSalle China Logistics Venture	564,155	-184.9	276.0	91.2	-32.7	-184.9	276.0	91.2	-32.7	15.0	9.5	25.5	22.4	11.2	6.5	18.2	15.7
Sculptor Real Estate Fund III ¹	9,385,749	3.1	2.0	5.1	4.0	3.1	2.0	5.1	4.0	35.6	15.7	55.9	37.4	1.6	1.7	3.3	1.4
Sculptor Real Estate Fund IV ¹	2,991,887	14.8	-5.1	9.7	6.4	14.8	-5.1	9.7	6.4	1.4	4.3	5.8	2.8	1.6	1.7	3.3	1.4
Opportunistic Portfolio	96,703,774	-0.3	4.4	4.1	2.4	-0.3	4.4	4.1	2.4	1.4	4.3	5.8	2.8	1.6	1.7	3.3	1.4
Total Non-Core Portfolio 1Q 2007 Forward	260,368,942	-6.4	10.2	3.8	1.7	-6.4	10.2	3.8	1.7	-6.5	24.7	17.5	10.1	-0.7	12.6	12.0	6.5
Total Private Portfolio																	
SCERS	942,443,151	-1.1	7.7	6.6	5.3	-1.1	7.7	6.6	5.3	1.1	19.9	21.2	17.4	2.7	8.7	11.6	9.2

Returns (%)	Market Value (\$)	Quarter				Fiscal Year 2021				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}	€ 60,843,819	1.2	6.2	7.4	6.3	1.2	6.2	7.4	6.3	5.0	23.8	29.7	25.0	5.2	11.9	17.6	15.0
DRC European Real Estate Debt Fund II (Pound Sterling) ³	£3,787,231	3.3	0.0	3.3	2.9	3.3	0.0	3.3	2.9	-46.0	0.0	-46.0	-46.9	-15.1	0.0	-15.1	-16.1
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 28,898,307	-0.5	1.2	0.7	-0.5	-0.5	1.2	0.7	-0.5	4.4	-4.2	0.3	-2.4	2.5	-0.6	2.0	-0.4
NREP Nordic Strategies Fund (Euro) ³	€ 2,242,439	0.0	0.0	0.0	-8.2	0.0	0.0	0.0	-8.2	1.2	2.7	4.0	-6.4	2.6	12.7	15.5	1.6
NREP Nordic Strategies Fund II (Euro) ³	€ 35,773,762	-38.4	45.3	6.9	4.0	-38.4	45.3	6.9	4.0	-38.1	99.1	47.8	32.7	-14.6	42.6	29.4	19.1
NREP Nordic Strategies Fund III (Euro) ³	€ 26,677,883	1.5	0.1	1.6	0.6	1.5	0.1	1.6	0.6	2.4	34.5	38.1	23.4				
NREP Nordic Strategies Fund IV (Euro) ³	€ 7,548,556	-1.5	2.5	1.0	-1.8	-1.5	2.5	1.0	-1.8	-14.3	114.5	91.5	29.2				
Indices																	
NFI ODCE+ 35bps				6.7	6.5			6.7	6.5			15.0	14.0			7.4	6.5
NFI-ODCE		1.0	5.6	6.6	6.4	1.0	5.6	6.6	6.4	4.0	10.4	14.6	13.6	4.0	2.9	7.1	6.1
NFI-ODCE + 100bps				6.9	6.7			6.9	6.7			15.6	14.6			8.1	7.1
CPI + 500 bps				2.4				2.4				10.6				8.0	

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

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

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	111,938,527													2.9	6.7	9.8	7.9	4Q18	7.8	1.2
Lion Properties Fund	117,589,168													3.8	4.7	8.6	7.7	4Q18	7.3	1.2
MetLife Core Property Fund	75,286,440	4.8	4.3	9.2	8.7					5.0	5.9	11.1	10.6	1Q14	10.6	1.8		10.6	1.8	
Principal U.S. Property Account	54,441,037	4.4	3.8	8.3	7.3					4.5	4.0	8.7	7.6	4Q15	7.6	1.6		7.6	1.6	
Prologis European Logistics Fund ^{1,4}	70,437,391	5.7	11.5	17.7	15.2					5.0	11.1	16.5	14.4	1Q16	13.6	1.4		13.6	1.4	
Prologis Targeted U.S. Logistics Fund	107,753,912	4.8	17.9	23.3	19.9					5.0	16.0	21.6	18.5	3Q15	19.0	2.4		19.0	2.4	
Townsend Real Estate Fund, L.P. ³	144,627,734	4.2	5.7	10.1	9.8					4.2	5.9	10.2	10.0	2Q16	9.8	1.5		9.8	1.5	
Core Commingled Funds	682,074,209	4.3	7.5	12.0	10.7	4.5	7.3	12.1	10.9	4.4	3.7	8.3	7.4	4Q86	7.6	1.5		7.6	1.5	
Value Added Portfolio																				
Asana Partners Fund II	21,707,575													-5.9	10.2	3.0	-12.1	4Q19	21.4	1.2
DRC European Real Estate Debt Fund II	5,103,397	-6.4	0.5	-5.0	-6.1					-0.7	-3.3	-3.2	-4.7	1Q14	0.3	1.0		0.3	1.0	
ECE European Prime Shopping Centre Fund II C ²	33,454,859	2.2	5.7	8.1	5.5					2.2	9.6	11.9	9.4	4Q15	4.5	1.1		4.5	1.1	
Hammes Partners II	2,750,534	9.2	24.0	34.5	28.0					10.1	21.3	32.9	25.7	3Q15	23.6	1.7		23.6	1.7	
Hammes Partners III	17,015,278									9.5	20.3	31.0	1.5	1Q19	14.9	1.1		14.9	1.1	
NREP Nordic Strategies Fund ¹	2,596,016	4.4	12.5	17.2	8.3					7.0	15.5	23.3	15.6	1Q15	23.4	1.7		23.4	1.7	
NREP Nordic Strategies Fund II ¹	41,414,403	-7.6	36.2	30.3	20.4					-7.3	34.2	28.6	17.5	3Q16	17.6	1.7		17.6	1.7	
NREP Nordic Strategies Fund III ²	30,884,329									-3.6	26.0	22.1	2.7	4Q18	17.0	1.3		17.0	1.3	
NREP Nordic Strategies Fund IV ²	8,738,777									-24.8	40.5	8.0	N/A	1Q20	-15.4	0.9		-15.4	0.9	
Value Added Portfolio	163,665,168	1.1	16.6	18.2	11.6	4.4	11.9	16.8	12.5	1.6	5.2	6.9	5.1	4Q86	6.2	1.3		6.2	1.3	
Opportunistic Portfolio																				
Carlyle China Project Rome Co-Investment	38,686,847													-0.9	4.0	3.1	0.9	3Q17	0.7	1.0
Carlyle China Realty	8,707,174									2.1	3.9	6.1	3.6	3Q17	1.9	1.1		1.9	1.1	
CIM Fund VIII	30,169,589	0.0	-0.6	-0.6	-1.9					0.0	2.8	2.8	1.0	2Q15	-1.1	1.0		-1.1	1.0	
KKR Real Estate Partners Americas ⁵	6,198,373	17.2	-12.1	4.9	5.6					32.5	-25.9	18.0	14.8	2Q14	97.9	9.7		97.9	9.7	
LaSalle China Logistics Venture	564,155									-184.9	276.0	91.2	-32.7	3Q21	-33.0	0.7		-33.0	0.7	
Sculptor Real Estate Fund III ⁶	9,385,749	11.2	13.3	25.6	22.3					13.9	12.5	27.7	13.4	4Q14	21.9	1.6		21.9	1.6	
Sculptor Real Estate Fund IV ⁵	2,991,887									25.9	11.5	39.8	16.6	3Q20	20.9	1.1		20.9	1.1	
Opportunistic Portfolio	96,703,774	2.8	5.0	7.8	5.7	11.6	-6.8	17.6	11.6	4.0	0.6	8.8	6.5	1Q91	12.0	1.3		12.0	1.3	
Total Non-Core Portfolio 1Q 2007 Forward	260,368,942	1.7	11.4	13.4	8.9	4.9	10.9	16.2	12.0	3.9	6.3	10.4	5.9	1Q07	7.2	1.3		7.2	1.3	
Total Private Portfolio																				
SCERS	942,443,151	3.5	7.7	11.5	9.4	4.3	8.1	12.6	10.9	4.2	5.3	9.7	8.6	4Q86	8.5	1.4		8.5	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) ^{1,2}	€ 60,843,819	5.7	10.8	16.9	14.5									5.0	9.9	15.2	13.1	1Q16	15.6	1.6
DRC European Real Estate Debt Fund II (Pound Sterling) ³	£3,787,231	-5.6	0.0	-5.6	-6.7									-0.1	-0.5	-0.6	-2.2	1Q14	4.1	1.1
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 28,898,307	2.1	5.0	7.4	4.9									2.0	9.0	11.4	8.8	4Q15	3.9	1.1
NREP Nordic Strategies Fund (Euro) ²	€ 2,242,439	4.4	12.0	16.8	7.9									7.1	16.4	24.2	16.5	1Q15	24.8	1.8
NREP Nordic Strategies Fund II (Euro) ²	€ 35,773,762	-7.6	35.1	29.4	19.6									-7.3	33.0	27.5	16.5	3Q16	17.4	1.7
NREP Nordic Strategies Fund III (Euro) ²	€ 26,677,883													-3.6	26.4	22.4	3.0	4Q18	15.7	1.3
NREP Nordic Strategies Fund IV (Euro) ²	€ 7,548,556													-24.9	43.0	10.0	N/A	1Q20	-12.0	0.9
Indices																				
NFI ODCE+ 35bps				7.9	6.9				10.3	9.3						7.7	6.7	4Q86		
NFI-ODCE		4.1	3.3	7.5	6.6		4.6	5.1	9.9	8.9			6.6	0.7	7.3	6.3	4Q86			
NFI-ODCE + 100bps				8.5	7.6				10.9	9.9					8.3	7.3	4Q86			
CPI + 500 bps				7.7					7.0						7.8		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 (\$)	2021		Fiscal Year 2021		2020		2019		2018		2017		2016		2015		2014	
		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	111,938,527	14.8	11.4	7.0	4.3	1.8	1.9	10.6	8.5	2.3	1.9								
Lion Properties Fund	117,589,168	14.5	13.8	6.1	5.9	2.2	1.4	7.3	6.4	2.0	1.8								
MetLife Core Property Fund	75,286,440	17.8	17.4	7.6	7.4	1.0	0.5	8.6	8.1	7.8	7.3	8.4	7.9	9.3	8.8	16.9	16.3	17.4	16.9
Principal U.S. Property Account	54,441,037	12.2	11.4	5.2	5.0	1.6	0.6	7.0	6.0	9.1	8.1	9.1	8.1	10.0	9.0	3.0	2.8		
Prologis European Logistics Fund ^{1,3}	70,437,391	16.0	12.7	4.8	3.8	20.2	18.7	13.5	11.1	13.6	10.8	6.8	6.5						
Prologis Targeted U.S. Logistics Fund	107,753,912	37.2	31.1	13.5	11.4	11.1	9.8	19.4	16.8	18.5	16.1	24.2	20.3	16.1	14.2	9.1	7.9		
Townsend Real Estate Fund, L.P. ²	144,627,734	18.0	17.8	7.7	7.6	2.6	2.3	7.6	7.3	9.0	8.8	11.0	10.8	8.4	8.2				
Core Commingled Funds	682,074,209	18.7	16.6	7.6	6.7	4.6	4.0	9.5	8.3	10.9	9.7	14.2	12.8	9.8	8.9	15.7	14.1	13.5	12.4
Value Added Portfolio																			
Asana Partners Fund II ¹	21,707,575	49.9	40.2	23.1	17.1	-36.4	-45.7	11.1	1.5										
DRC European Real Estate Debt Fund II	5,103,397	8.8	7.4	0.6	0.2	-47.1	-47.7	12.0	11.1	-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 ²	33,454,859	-2.7	-4.3	-1.7	-2.5	0.7	-1.8	2.2	0.0	15.1	12.8	24.7	21.5	22.1	19.7	12.1	11.0		
Hammes Partners II ¹	2,750,534	14.9	11.0	4.9	3.7	61.5	46.9	59.2	55.9	27.9	19.6	12.7	10.0	16.2	10.4	19.4	12.9		
Hammes Partners III ¹	17,015,278	18.2	10.8	5.6	3.6	43.5	24.5	23.9	-24.4										
NREP Nordic Strategies Fund ³	2,596,016	-3.3	-11.4	-2.3	-10.3	27.2	21.8	23.0	-4.2	0.8	0.1	41.2	40.1	23.1	21.7	55.1	50.8		
NREP Nordic Strategies Fund II ³	41,414,403	24.8	15.4	4.4	1.5	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	30,884,329	10.5	4.7	-1.0	-2.0	42.3	28.1	19.0	-5.5	-2.8	-14.4								
NREP Nordic Strategies Fund IV ³	8,738,777	-6.3	-18.5	-1.6	-4.3	22.1	-121.4												
Value Added Portfolio	163,665,168	14.1	7.9	3.6	1.3	19.0	10.6	22.1	11.5	10.5	6.3	24.9	22.3	9.5	7.0	19.1	17.0	15.7	13.7
Opportunistic Portfolio																			
Carlyle China Project Rome Co-Investment	38,686,847	4.9	4.0	4.4	4.1	-0.9	-2.0	7.2	5.8	-2.5	-7.1	4.7	3.6						
Carlyle China Realty ²	8,707,174	4.8	3.7	4.4	4.0	-0.3	-2.1	18.1	15.7	1.6	-1.4	2.7	0.2						
CIM Fund VIII	30,169,589	-4.5	-5.4	0.2	-0.2	-16.7	-17.9	2.0	0.9	9.4	8.0	8.4	6.7	6.4	4.0	16.9	13.8		
KKR Real Estate Partners Americas ⁴	6,198,373	16.4	12.1	4.7	3.5	-30.9	-24.7	7.8	7.3	11.0	10.7	27.5	23.3	20.8	17.2	79.0	55.3	30.1	24.7
LaSalle China Logistics Venture	564,155	91.2	-32.7	91.2	-32.7	-30.9	-24.7	7.8	7.3	11.0	10.7	27.5	23.3	20.8	17.2	79.0	55.3	30.1	24.7
Sculptor Real Estate Fund III ²	9,385,749	20.5	17.9	5.1	4.0	12.4	10.8	15.9	13.6	29.7	25.7	43.3	38.2	30.0	22.2	33.7	6.9	9.4	-28.3
Sculptor Real Estate Fund IV	2,991,887	27.1	16.6	9.7	6.4	19.6	3.9												
Opportunistic Portfolio	96,703,774	5.5	2.8	4.1	2.4	-6.9	-8.1	8.6	7.1	11.5	9.1	19.1	16.0	13.9	10.2	44.5	23.2	33.3	19.9
Total Non-Core Portfolio 1Q 2007 Forward⁵	260,368,942	10.4	5.7	3.8	1.7	6.5	1.6	15.8	9.9	10.9	7.6	22.3	19.4	10.8	8.1	23.0	17.9	17.0	14.2
Total Private Portfolio																			
SCERS	942,443,151	16.4	13.6	6.6	5.3	5.2	3.5	11.0	8.7	9.2	7.5	15.2	13.6	9.1	7.8	9.9	8.5	16.0	14.2
Indices																			
NFI-ODCE + 35 bps		13.4	12.7	6.7	6.5	1.5	0.7	5.7	4.7	8.7	7.7	8.0	7.0	9.1	8.1	15.4	14.3	12.8	11.8
NFI-ODCE		13.2	12.4	6.6	6.4	1.2	0.3	5.3	4.4	8.3	7.4	7.6	6.7	8.8	7.8	15.0	14.0	12.5	11.5
NFI-ODCE + 100 bps		13.9	13.2	6.9	6.7	2.2	1.3	6.3	5.4	9.3	8.4	8.6	7.7	9.8	8.8	16.0	15.0	13.5	12.5
CPI + 500 bps		8.7		2.4		6.4		7.4		7.0		7.2		7.2		5.7		5.7	

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.

Returns (%)	Market Value (\$)	2013		2012		2011		2010		2009		2008		2007		2006	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Commingled Funds																	
Brookfield Premier Real Estate Partners	111,938,527																
Lion Properties Fund	117,589,168																
MetLife Core Property Fund	75,286,440																
Principal U.S. Property Account	54,441,037																
Prologis European Logistics Fund ^{1,3}	70,437,391																
Prologis Targeted U.S. Logistics Fund	107,753,912																
Townsend Real Estate Fund, L.P. ³	144,627,734																
Core Commingled Funds	682,074,209	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 ¹	21,707,575																
DRC European Real Estate Debt Fund II	5,103,397																
ECE European Prime Shopping Centre Fund II C ²	33,454,859																
Hammes Partners II ³	2,750,534																
Hammes Partners III ³	17,015,278																
NREP Nordic Strategies Fund ³	2,596,016																
NREP Nordic Strategies Fund II ³	41,414,403																
NREP Nordic Strategies Fund III ³	30,884,329																
NREP Nordic Strategies Fund IV ³	8,738,777																
Value Added Portfolio	163,665,168	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	38,686,847																
Carlyle China Realty ⁷	8,707,174																
CIM Fund VIII	30,169,589																
KKR Real Estate Partners Americas ⁴	6,198,373																
LaSalle China Logistics Venture	564,155																
Sculptor Real Estate Fund III ²	9,385,749																
Sculptor Real Estate Fund IV	2,991,887																
Opportunistic Portfolio	96,703,774	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	260,368,942	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	942,443,151	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		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		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		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		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	108,476,006	0	1,154,288	0	698,454	2,905,363	6,823,719	111,938,527	44.3
Lion Properties Fund	115,813,892	244,573	1,096,169	4,172,438	1,140,907	244,573	5,902,975	117,589,168	24.5
MetLife Core Property Fund	70,097,306	649,263	673,243	0	796,243	89,358	4,506,229	75,286,440	25.1
Principal U.S. Property Account	51,860,666	0	0	0	516,690	126,271	2,189,951	54,441,037	22.2
Prologis European Logistics Fund	68,362,796	0	502,925	0	793,053	723,225	2,507,691	70,437,391	15.3
Prologis Targeted U.S. Logistics Fund	97,181,326	0	484,970	0	891,183	2,064,821	12,231,194	107,753,912	14.3
Townsend Real Estate Fund, L.P.	134,360,617	1,567,194	1,567,194	0	1,320,503	73,467	9,020,081	144,627,734	36.9
Core Commingled Funds	646,152,609	2,461,030	5,478,789	4,172,438	6,157,033	6,227,078	43,181,840	682,074,209	29.3
Value Added Portfolio									
Asana Partners Fund II	13,326,794	5,468,750	0	0	14,619	1,030,019	3,927,431	21,707,575	49.7
DRC European Real Estate Debt Fund II	5,092,949	0	0	0	166,902	21,291	-135,164	5,103,397	0.0
ECE European Prime Shopping Centre Fund II	34,741,271	0	415,704	0	-173,164	287,080	-410,464	33,454,859	59.9
Hammes Partners II	2,683,792	45,171	70,826	6,130	47,829	32,922	83,620	2,750,534	63.7
Hammes Partners III	11,002,825	5,997,445	342,281	40,294	255,740	222,429	364,271	17,015,278	66.8
NREP Nordic Strategies Fund	3,250,753	0	319,883	0	0	258,675	-76,179	2,596,016	0.0
NREP Nordic Strategies Fund II	42,416,127	0	1,641,356	0	-15,972,694	1,193,437	17,805,764	41,414,403	55.0
NREP Nordic Strategies Fund III	27,274,160	4,156,732	0	0	413,589	267,992	-692,160	30,884,329	46.0
NREP Nordic Strategies Fund IV	6,975,995	2,101,643	0	0	-118,691	213,193	-6,977	8,738,777	47.0
Value Added Portfolio	146,764,666	17,769,741	2,790,050	46,424	-15,365,870	3,527,038	20,860,142	163,665,168	54.4
Opportunistic Portfolio									
Carlyle China Project Rome Co-Investment	37,157,872	0	0	0	-23,669	100,822	1,653,466	38,686,847	0.0
Carlyle China Realty	8,372,090	0	0	0	-7,208	29,830	372,122	8,707,174	0.0
CIM Fund VIII	30,246,970	96,262	42,904	79,679	-3,701	96,502	49,143	30,169,589	45.6
KKR Real Estate Partners Americas	5,989,136	0	0	0	530,706	72,315	-249,154	6,198,373	73.0
LaSalle China Logistics Venture	0	838,608	0	0	-1,550,190	1,039,143	2,314,880	564,155	43.2
Sculptor Real Estate Fund III	9,183,661	757,807	917,125	0	278,572	102,853	185,687	9,385,749	0.0
Sculptor Real Estate Fund IV	4,007,856	121,018	1,339,805	0	468,515	103,973	-161,724	2,991,887	0.0
Opportunistic Portfolio	94,957,585	1,813,695	2,299,834	79,679	-306,975	1,545,438	4,164,420	96,703,774	29.0
Total Non-Core Portfolio 1Q 2007 Forward	241,722,251	19,583,436	5,089,884	126,103	-15,672,845	5,072,476	25,024,562	260,368,942	47.4
Total Private Portfolio									
SCERS	887,874,860	22,044,466	10,568,673	4,298,541	-9,515,812	11,299,554	68,206,402	942,443,151	35.5

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core Commingled Funds						
Brookfield Premier Real Estate Partners	32.1	26.9	41.0	-	-	-
Lion Properties Fund	23.6	28.3	27.5	8.9	-	11.6
MetLife Core Property Fund	31.7	29.0	28.9	10.4	-	-
Principal U.S. Property Account	21.9	31.3	28.2	12.3	-	6.3
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Real Estate Fund, L.P.	33.7	11.0	15.81	6.6	-	32.9
Core Commingled Funds	21.7	17.3	46.4	5.1	-	9.5
Value Added Portfolio						
Asana Partners Fund II	0.9	41.3	-	57.9	-	-
DRC European Real Estate Debt Fund II	-	89.1	-	10.9	-	-
ECE European Prime Shopping Centre Fund II	-	-	-	100.0	-	-
Hammes Partners II	-	-	-	-	-	100.0
Hammes Partners III	-	-	-	-	-	100.0
NREP Nordic Strategies Fund	-	-	-	-	-	100.0
NREP Nordic Strategies Fund II	28.4	0.7	50.9	3.4	-	16.6
NREP Nordic Strategies Fund III	18.9	7.6	39.9	4.3	-	29.2
NREP Nordic Strategies Fund IV	36.7	5.1	17.7	7.8	10.5	22.2
Value Added Portfolio	12.8	10.2	21.3	30.6	0.6	24.6

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	50.2	18.4	1.1	13.4	5.7	11.1
KKR Real Estate Partners Americas	6.5	22.2	-	17.9	48.4	4.9
LaSalle China Logistics Venture	-	-	100	-	-	-
Sculptor Real Estate Fund III	-	2.8	-	0.3	0.0	96.8
Sculptor Real Estate Fund IV	-	0.1	-	-	0.0	99.9
Opportunistic Portfolio	16.1	7.5	49.9	5.3	4.9	16.3
Total Non-Core Portfolio 1Q 2007 Forward	14.0	9.1	32.0	21.2	2.2	21.5
Total Private Portfolio						
SCERS	19.6	15.1	42.4	9.5	0.6	12.8
Indices						
NFI-ODCE	27.7	28.3	25.3	13.1	0.2	5.4

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	19.9	9.5	2.9	-	6.9	7.3	6.7	46.6	-
Lion Properties Fund	24.1	7.5	2.6	0.0	6.9	8.0	8.0	42.9	-
MetLife Core Property Fund	9.6	10.9	9.9	2.9	9.5	13.7	10.5	32.9	-
Principal U.S. Property Account	12.4	8.6	2.4	1.2	9.6	15.2	12.8	37.8	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	14.6	4.5	12.7	-	10.5	9.3	4.9	43.5	-
Townsend Real Estate Fund, L.P.	17.5	8.3	9.1	5.2	19.0	9.7	6.9	24.4	-
Core Commingled Funds	15.5	7.2	6.1	1.5	9.8	8.8	6.9	33.7	10.3
Value Added Portfolio									
Asana Partners Fund II	16.5	22.3	-	8.3	16.2	9.0	13.8	13.8	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	-	48.4	6.4	-	-	18.2	27.0	-	-
Hammes Partners III	35.4	1.2	12.0	4.4	6.1	36.5	1.9	2.5	-
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	5.9	3.9	1.4	1.6	2.8	5.3	2.5	2.1	74.7

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	39.7	-	12.0	-	0.8	-	10.3	33.0	4.2
KKR Real Estate Partners Americas	3.4	-	0.7	-	4.9	6.5	-	45.0	39.5
LaSalle China Logistics	-	-	-	-	-	-	-	-	100.0
Sculptor Real Estate Fund III	28.3	2.8	4.2	0.9	1.1	18.5	0.9	27.8	15.3
Sculptor Real Estate Fund IV	0.0	-	0.0	-	21.6	0.0	0.0	0.9	18.7
Opportunistic Portfolio	15.9	0.3	4.3	0.1	0.7	2.3	3.4	16.4	56.7
Total Non-Core Portfolio 1Q 2007 Forward	9.5	2.6	2.4	1.0	2.0	4.2	2.8	7.3	68.1
Total Private Portfolio									
SCERS	13.8	5.9	5.1	1.4	7.7	7.6	5.8	26.5	26.2
Indices									
NFI-ODCE	21.8	8.2	6.5	0.9	9.7	9.3	6.4	37.2	-

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 3Q21



United States Real Estate Market Update (3Q21)

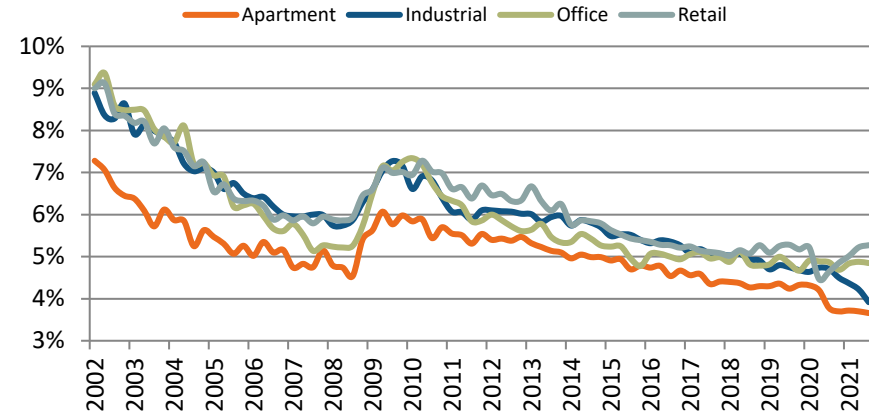
General

- As a result of the COVID-19 pandemic, national, state and local governments across the world implemented stay-at-home orders, which caused a near complete halt of the world economy in the 1st half 2020. Governments dramatically expanded expenditures in order to protect people and businesses from large-scale disruption. In 3Q21, equity markets continued to bounce back from the March 2020 rout and continued to exceed prior highs, the S&P 500 produced a gross total return of 0.6%, bringing the year-to-date total return to 15.9%. The MSCI US REIT index continued to rebound and produced a return of 12.0% and exceed pre-COVID levels.
- The U.S. entered a recession in February 2020, but the economy has since rebounded with the accelerated development and continued rollout of vaccines. In the 3rd quarter, U.S. GDP grew at an annualized rate of 2.0%. The unemployment rate peaked in April at 14.8% and has since declined to 4.8% at quarter end 3Q21, falling an additional 110 bps from the end of 2Q21. The Federal Reserve continues to act aggressively, thus far financial markets have stabilized. The world economy shrunk by -3.5% in 2020 but is forecasted to grow 5.9% in 2021.

Commercial Real Estate

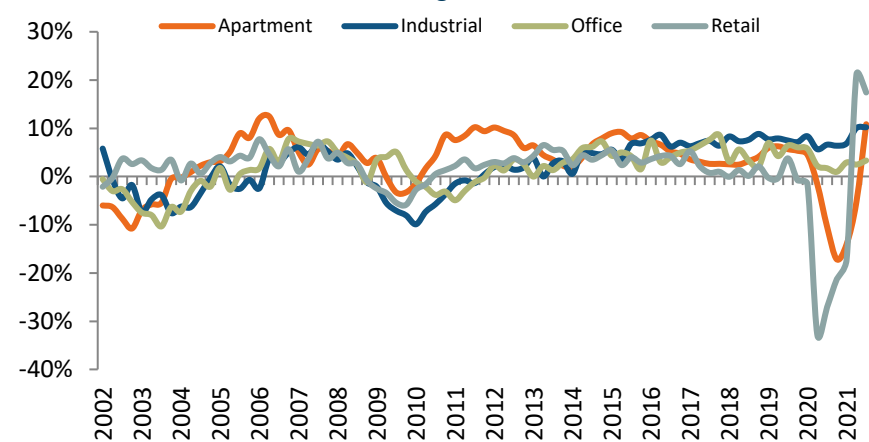
- Through the third quarter of 2021, total CRE transaction activity for the quarter was up 151% YoY, after seeing a significant transaction freeze in the first half of 2020, the market continues to rebound and has now exceeded activity levels observed prior to the COVID-19 induced slowdown. Transaction volume has been the strongest in the apartment and industrial sectors.
- Transaction cap rates (5.0%) compressed -16 bps during the quarter. Current valuation cap rates declined for industrial (-30 bps), apartment (-4 bps), and office (-3 bps). The retail (+5 bps) property sector continued to experience cap rate expansion.
- NOI growth has substantially diverged between property sectors due to the impacts of COVID-19. Retail NOI has expanded substantially (+17%) YoY as the sector recovers from decreased rent collections and retailer shutdowns early last year. Apartment NOI expanded (+11%) YoY, as broad-based effective market rents are deep in their recovery.
- In the third quarter of 2021, \$49 bn of aggregate capital was raised by real estate funds. There continues to be substantial dry powder, ~\$384 billion, seeking exposure to private real estate.
- 10-year treasury bond yields expanded 7 bps to 1.52% during the quarter, signaling inflation which many experts expected to observe, though varying significance levels.

Current Value Cap Rates by Property Type



Source: NCREIF

4 Qtr Rolling NOI Growth



Source: NCREIF

United States Property Matrix (3Q21)

INDUSTRIAL

- In 3Q21, industrial properties were the highest returning sector at 10.9% and outperformed the NPI by 570 bps.
- Transaction volumes rose to \$39.5 billion in the third quarter of the year, resulting in a 130% increase year-over-year. Individual asset sales increased 79% year-over-year, while portfolio purchases turned in a year-over-year volume increase of 258%. At slightly over \$39.5 billion, the industrial sector increased a significant \$7.0 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 10.2% over the past year. NOI continues to reach all time highs for the sector.
- Vacancy decreased by 100 bps year-over-year to 2.5%. Vacancy in the sector decreased 60 bps from last quarter, reaching all-time historic lows. E-commerce continues to drive demand across the sector.
- Industrial cap rates compressed approximately 80 bps from a year ago, to 3.9%. Industrial overall fundamentals still top all property sectors.

MULTIFAMILY

- The apartment sector delivered a 6.5% return during the quarter, outperforming the NPI by 130 bps.
- Transaction volume in the third quarter of 2021 rose to \$78.7 billion, resulting in an increase of 192% year-over-year. Transaction volume for the sector is now exceeding all historic highs. This volume continues to make multifamily the most actively traded sector for the seventeenth straight quarter.
- Cap rates remained steady at 3.7% quarter-over-quarter, compressing 10 bps year-over-year. Multifamily cap rates remain at the lowest level observed in years, driven by continued increases in valuation.
- The multifamily sector saw increasing vacancy rates throughout the entirety of 2020 due to the global pandemic. Through 2021, the sector appears to have shaken that trend as vacancy rates decreased 60 bps quarter-over-quarter, now 280 bps lower than a year ago and back to pre-pandemic levels. 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 1.9% in 3Q21, 340 bps below the NPI return over the period.
- Transaction volumes increased by 137% year-over-year in the third quarter. Transaction volume equated to \$34.8 billion for the quarter, an increase of \$6.7 billion quarter-over-quarter. Office transaction levels have officially regressed to levels only seen prior to 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 close to 13.1%, expanding 40 bps from last quarter.
- NOI growth in the office sector expanded quarter-over-quarter by 80 bps and appears to be in the midst of its recovery to pre-pandemic levels as it has increased 160 bps since the same period last year.
- Office cap rates remained flat from a year ago, sitting at approximately 4.9%. 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 3Q21, the retail sector delivered a quarterly return of 1.6%, performing 370 bps below the NPI.
- Transaction volumes totaled \$17.4 billion in the third quarter, increasing 127% year-over-year. Single asset transactions accounted for just over 73.5% of all sales volume for the quarter.
- Cap rates have expanded approximately 60 bps within the sector over the last year, to 5.3%. Current valuation cap rates did expand quarter-over-quarter by 10 bps due to slight downward valuation adjustments made across the sector in general.
- NOI growth significantly increased, +17.4% over the last year. Retail has begun its slow recovery as vaccine rollouts have allowed a large portion of store nationally to open and operate safely.
- Retail vacancy rates compressed over the quarter by 60 bps, though still up 80 bps over the past year to 9.1%. 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 (3Q21)

- The real estate investment market has continued its recovery from the COVID-19 crisis with investments in income producing real estate doubling the level of that last year. In 3Q21 US Volume was \$187.4 billion, a 193% growth year over year. The US was at the forefront of this recovery and transaction volume as a result of strong demand in industrial and apartment properties.
- Renewed COVID restrictions stemming from the spread of the Delta variant impeded the recovery in some parts of the world during the third quarter, but in most countries the economy continued to rebound. Uncertainty remains an ongoing theme.
- Investment activity in the Americas witnessed an extreme surge to 193% year-over-year. Transaction volume in the US decreased 28% relative to 2Q21.
- In the Asia Pacific region, volumes grew only 1% year-over-year. Mainland China (+20%) remains the top market in the region with Australia (+106%), and South Korea (+54%) seeing the most improvements in deal activity year over year in 3Q21.
- In the office sector, global leasing activity improved by 39% year-over-year; however, they remain 25% lower than Q3 2019, showing that the recovery, although underway, is far from over. Office re-entry rates still vary significantly by country but are now starting to rise around the globe. This is important, as before new space requirements are cemented, corporates need more evidence of how hybrid office and remote work impacts their demand profile. Vacancy continued its upward trajectory in Q3, adding 30bps over the quarter to 14.6%; that said, this is the slowest rate of increase since the onset of the pandemic.
- Supported by rising vaccination rates and easing restrictions, trading conditions for a large number of retailers have improved over the third quarter in markets such as the U.S. as well as most of Europe. Leasing activity continues to pick up in many major retail destinations globally, with prime space highly sought-after in countries with high vaccination rates and eased containment measures. In markets where containment measures have been tightened recently, notably across the Southeast Asia region, many retailers remain concentrated on servicing domestic consumers and opening stores in suburban shopping centers.
- Multifamily maintained its status as the most liquid asset type in the U.S. in the third quarter, while complementary segments such as single-family residential attracted increased attention. In Europe, investor interest in multifamily, along with single-family and affordable housing, continues unabated. In Asia Pacific, Japan remained the most active market for multifamily in Q3, while the build-to-rent (BTR) market in Australia is gaining momentum. There are still very few projects operational in Australia, but the number planned and under construction continues to grow.
- Ongoing supply chain disruptions and pressure on critical supply hubs are posing a challenge to the global economic recovery. Demand for logistics space remained extremely robust across all three regions in the third quarter, to the extent that new supply is struggling to keep up with the weight of demand in some markets. With supply tight, aggregate vacancy rates are sub-5% in both the U.S. and Europe. These supply and demand dynamics are supporting solid rental growth, which is evident across all three regions.

Global Total Commercial Real Estate Volume - 2020 - 2021

\$ US Billions	Q3 2021	Q3 2020	% Change		% Change	
			Q3 21 - Q3 20	YTD 2021	Q1-Q3 2021	YTD 2021/Q1 - Q3 21
Americas	187	64	193%	424	230	84%
EMEA	76	61	24%	239	206	16%
Asia Pacific	205	203	1%	569	558	2%
Total	468	328	43%	1232	994	24%

Source: Real Capital Analytics, Inc., Q3' 21

Global Outlook - GDP (Real) Growth % pa, 2021-2023

	2021	2022	2023
Global	5.8	4.4	3.4
Asia Pacific	6.0	5.0	4.6
Australia	3.8	3.7	3.0
China	8.0	5.4	5.4
India	9.2	7.5	
Japan	2.4	2.6	1.3
North America	5.5	3.9	2.5
US	5.5	3.9	2.5
Middle East	3.0	4.7	3.6
European Union	5.4	4.4	2.3
France	6.7	4.1	2.1
Germany	2.8	4.8	2.0
UK	7.0	5.0	2.1

Source: Bloomberg