



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 21

MEETING DATE: September 15, 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 June 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

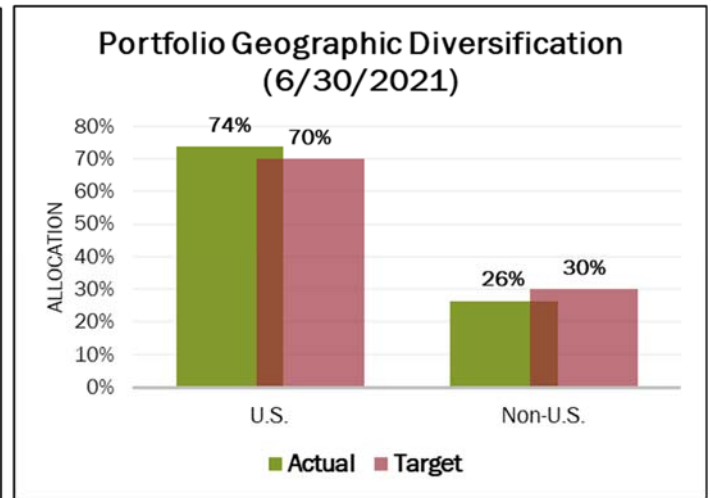
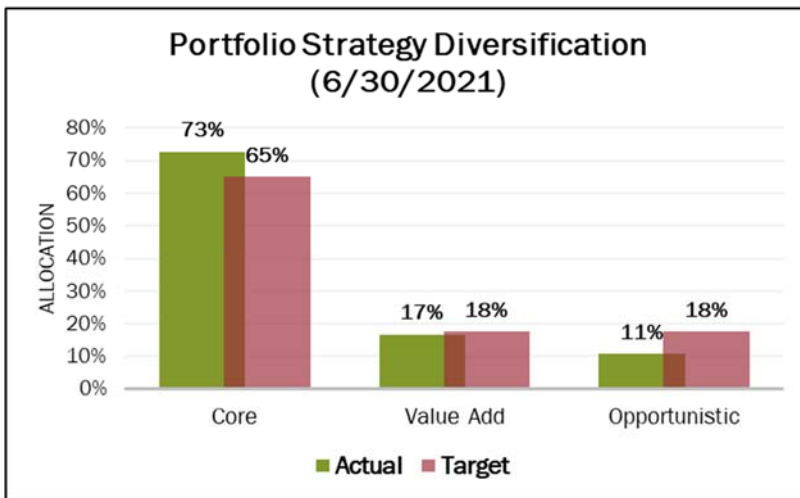
This memorandum provides a summarized table of SCERS' Real Estate period returns, which are provided within Townsend's Quarterly Performance Review, and highlights notable manager performance, along with any recent real estate investments made by SCERS.

SCERS' Real Estate allocation sits at 7.1% as of June 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 REAL ESTATE PERFORMANCE SUMMARY
Quarter Reporting Period Ended June 30, 2021

SUB-ASSET CLASS	Quarter 6/30/21	1-Year	3-Year	5-Year	Since Inception	Since Inception Date
SCERS Real Estate Portfolio	5.8%	13.6%	7.3%	9.2%	8.3%	Nov-86
(65%) NFI-ODCE + (35%) NFI-ODCE + 1%	3.8%	7.5%	5.0%	5.8%	6.6%	Nov-86
Core Portfolio	6.3%	14.1%	8.6%	9.8%	7.2%	Nov-86
NFI-ODCE Index	3.7%	7.1%	4.6%	5.3%	6.2%	
Non-Core Portfolio	4.7%	12.5%	6.3%	9.0%	5.9%	Jun-06
Value Add Portfolio	7.8%	21.4%	11.0%	11.8%	5.1%	Jun-06
Opportunistic	0.4%	1.7%	0.5%	5.6%	6.5%	May-13
NFI-ODCE + 1% Index	3.9%	8.1%	5.6%	6.6%	7.2%	

SCERS PORTFOLIO DIVERSIFICATION



SCERS PORTFOLIO RESULTS

For the quarter ended June 30, 2021, SCERS' Real Estate portfolio significantly outperformed the NFI-ODCE blended benchmark, +5.8% versus +3.8%, with outperformance by the Core portfolio (+6.3% versus +3.7%), in particular SCERS' investment in Prologis Europe and U.S. Logistics Fund. The Non-Core portfolio outperformed against the NFI-ODCE + 1% benchmark, +4.7% versus +3.9% due to the strong performance of the value add strategies, in particular the NREP Nordic Strategies Funds.

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

- Top performing funds:
 - Core:
 - Prologis U.S. Logistics Fund: +11.7%
 - Prologis European Logistics Fund: +7.5% in U.S. Dollars (+6.4% in Euros)
 - MetLife Core Property Fund: +6.5%
 - Non-Core:
 - NREP Nordic Strategies Fund II: +16.5% in U.S. Dollars (+15.5% in Euros)
 - Sculptor Real Estate Fund IV: +9.2%
 - Sculptor Real Estate Fund III: +8.9%
 - Asana Partners II: +8.9%

Bottom performing funds:

- Core:
 - Principal U.S. Property Account: +3.7%
- Non-Core:
 - CIM Fund VIII: -3.4%
 - Carlyle China Realty: -0.3%
 - Carlyle China Rome: -0.2%

NEW INVESTMENTS

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

- None

After the quarter, SCERS made the following new investments:

- LaSalle China Logistics Venture (real estate - non-core): \$30 million

ATTACHMENT

- Board Order
- Townsend's Real Estate Portfolio Performance Measurement Report for the Quarter ended June 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
September 15, 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 September 15, 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



TOWNSEND[®]
GROUP

an Aon company

Real Estate Portfolio

Performance Measurement Report

SECOND 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 second quarter, 2021 (the “Quarter”), the Real Estate Portfolio was below the new real estate target but within the allowable range at 7.1%. Core Real Estate currently makes up 72.7% of the portfolio, with Non-Core Real Estate making up the remaining 27.3%.

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 36.6% at the end of the second quarter of 2021. The loan-to-value ratio of the Core Portfolio was 31.1%, 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 22.6% as of the second quarter. The Non-Core Portfolio reported a loan-to-value ratio of 47.7%.

Portfolio Funding Status

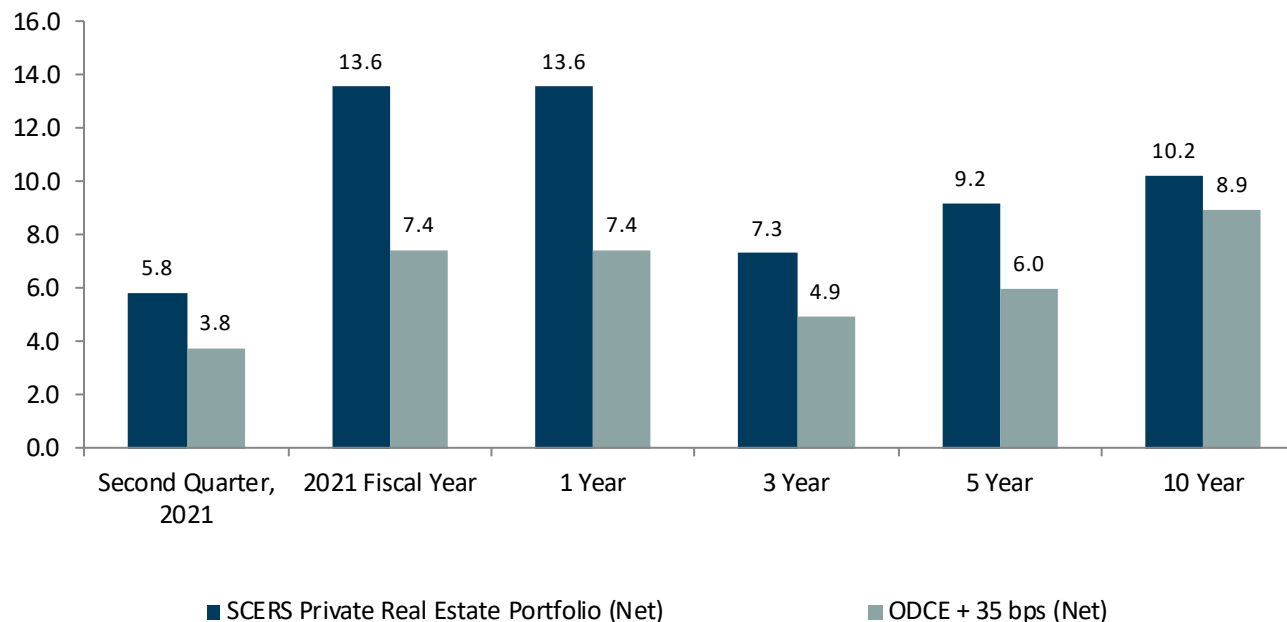
- The following slides provide a review of key information of the SCERS Real Estate Portfolio (the “Portfolio”) through June 30, 2021.
- A detailed performance report is also provided in **Exhibit A**.
- Figures exclude commitments / redemptions / dispositions approved subsequent to Quarter-end and future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

SCERS Portfolio Snapshot <i>As of June 30, 2021</i>	Market Value (in millions of dollars)*	% of SCERS Plan	% of Real Estate
SCERS Total Plan Assets	12,444	100.0%	
Private Portfolio Target	1,120	9.0%**	
Private Portfolio Permissible Range		7.0-11.0%**	
Private Real Estate			
Core Portfolio	646	5.2%	72.7%
Non-Core Portfolio	242	1.9%	27.3%
Total SCERS Private Real Estate Market Value	888	7.1%	
Total SCERS Private Real Estate Unfunded Commitments	154	1.2%	

• Figures may not add due to rounding

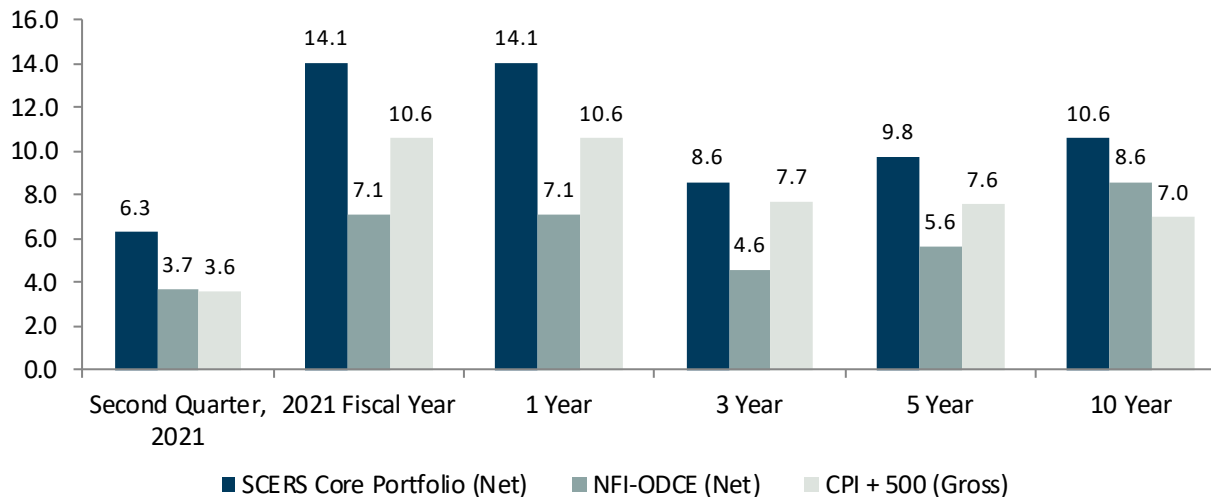
** The 9% Private Portfolio (RE) target and permissible range were approved subsequent to 6/30/2021

Private Real Estate Consistent Strong 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.
- The SCERS Total Real Estate Portfolio outperformed the benchmark over all time periods driven by the robust performance of the Core funds as well as the Non-Core investments.
- During the second quarter of 2021, the SCERS Private Real Estate Portfolio outperformed the benchmark by 207 basis points led by the positive performance of both the Core portfolio and the Value Added investments.

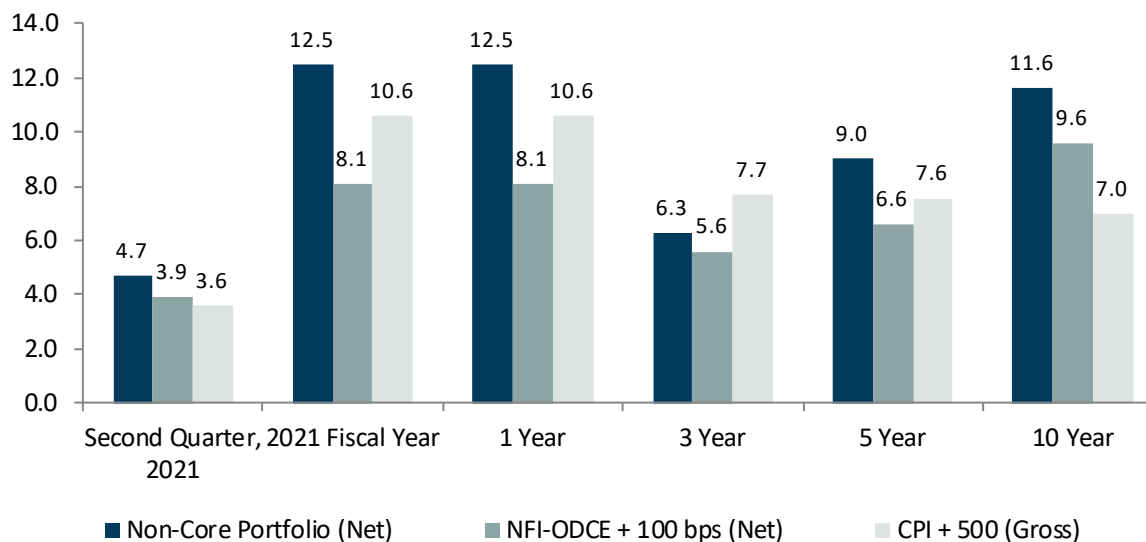
Strong Core Portfolio Performance



- 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 11.7% in net returns as the fund witnessed the strongest valuation uplift in PELF’s history.
- while Townsend Real Estate Fund was the largest contributor to the SCERS Core Portfolio with the funds generating 5.3% and 3.7% in net returns, respectively.
- The SCERS Core Portfolio performed above the CPI + 500 bps (the SCERS Real Asset benchmark) over all time periods.
- SCERS still has one outstanding redemption with Clarion’s Lion Properties Fund with less than \$5 million remain to be distributed. To date, the fund has distributed \$15.8 million from the \$20 million redemption request.

*EX-US funds produced the following 2Q21 net returns in local currency: Prologis European Logistics Fund (Euro) 6.4%.

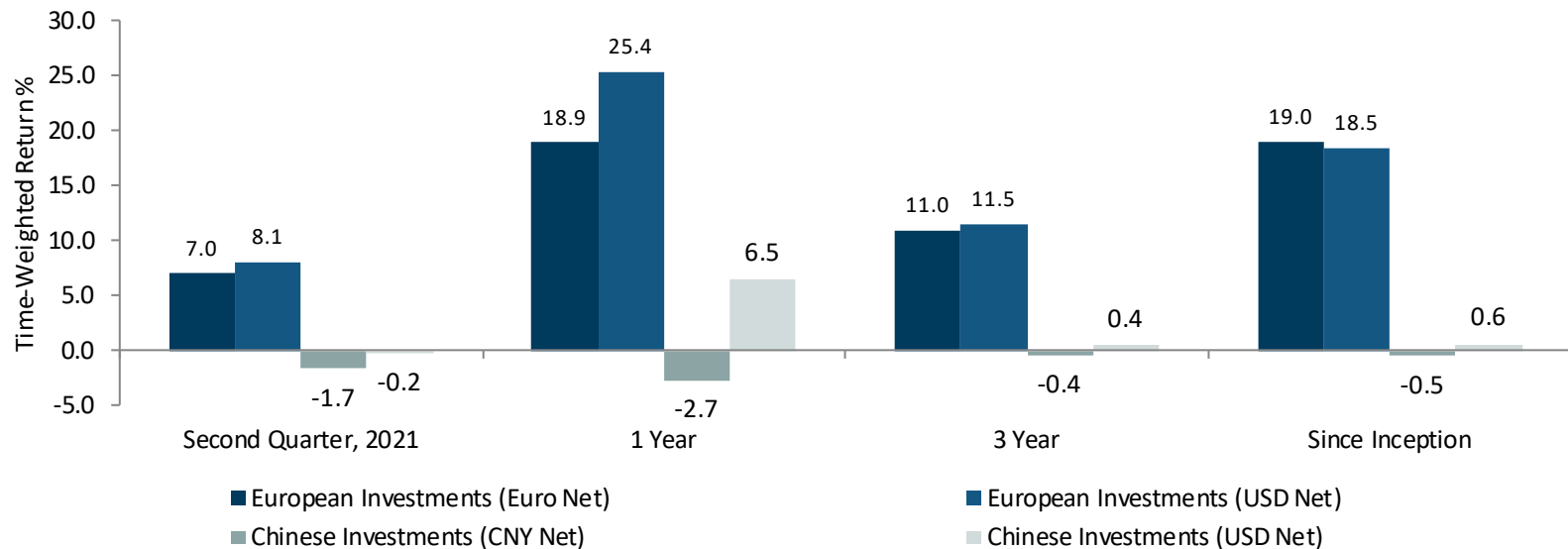
Robust Non-Core Portfolio Performance



- The SCERS Non-Core Portfolio includes both Value Added and Opportunistic Real Estate strategies, which are defined in the Glossary of Terms.
- The Non-Core Portfolio outperformed the benchmark over all time periods except for the 3 year period.
- During the quarter, the Non-Core Portfolio outperformed the benchmark led by strong returns among Value Added investments, 7.8% in net returns.
- NREP Nordic Strategies Fund II was the largest contributor and strongest performer on an absolute basis with the fund recording 16.5% in net returns. NREP II's strong performance is attributed to an appreciation in the fund's assets overall as a result of strong leasing activities.

**EX-US funds produced the following 2Q21 net returns in local currency: DRC European Real Estate Debt Fund II (Pound Sterling) 3.0%, ECE European Prime Shopping Centre Fund II (Euro) 1.3%, NREP Nordic Strategies Fund (Euro) 0.3%, NREP Nordic Strategies Fund II (Euro) 15.5%, NREP Nordic Strategies Fund III (Euro) 6.2%, NREP Nordic Strategies Fund IV (Euro) 8.0%, Carlyle China Realty Fund (Chinese Yuan) (1.8)% and Carlyle's Project Rome (Chinese Yuan) (0.2)%.*

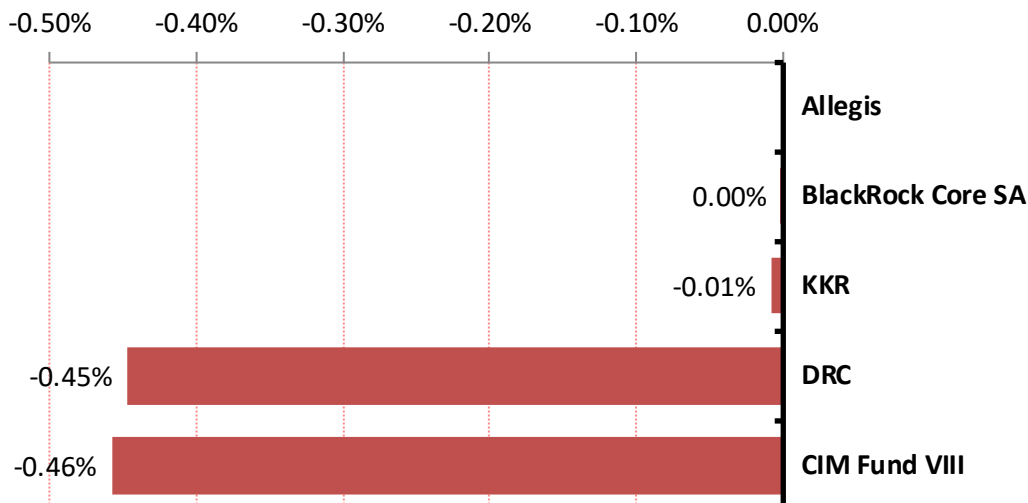
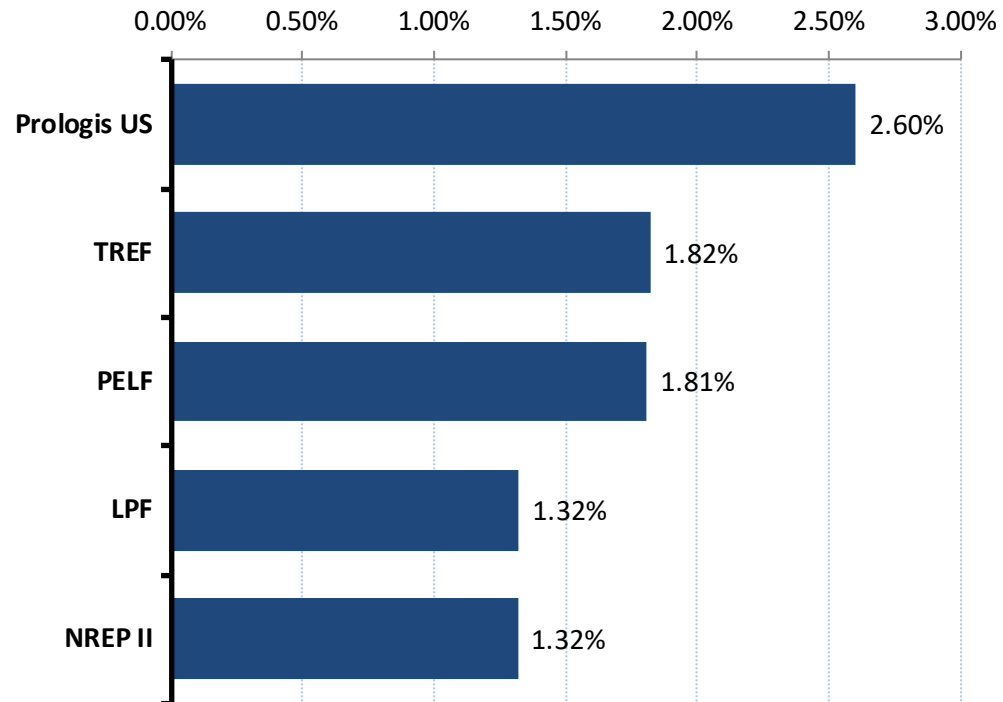
Ex-US Portfolio Performance



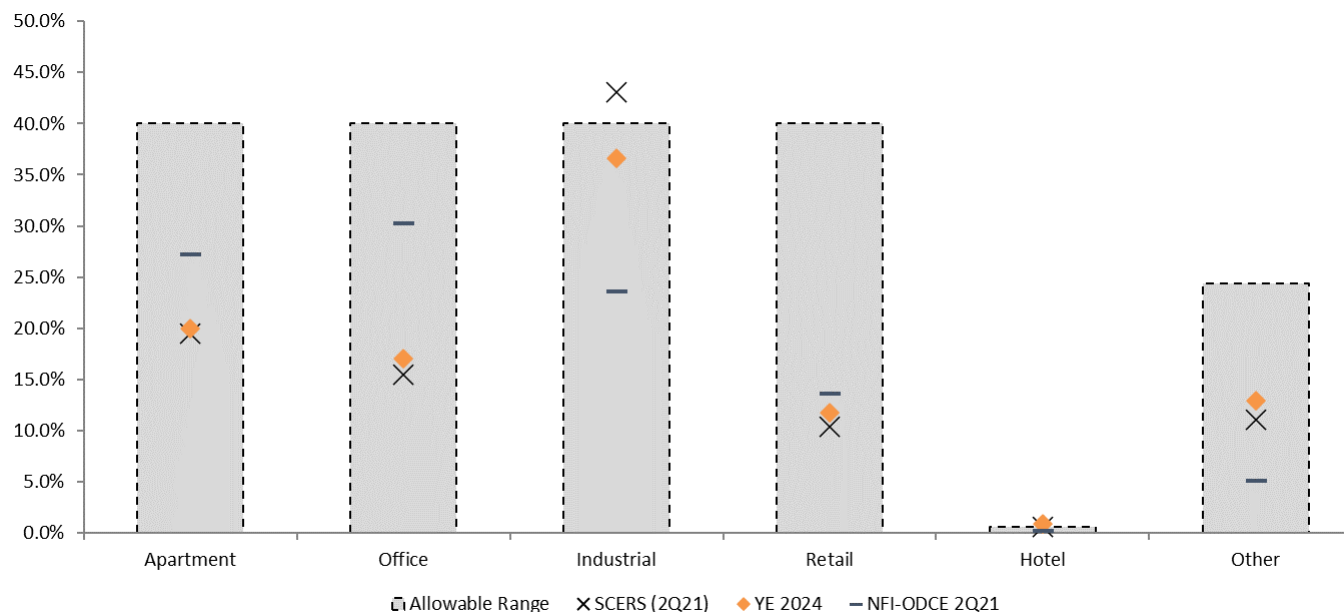
- Approximately 26.4% of the SCERS Portfolio is comprised of Ex-US investments. SCERS does not currently hedge its foreign currency exposures and pays liabilities in US Dollars. As such, FX movement will impact performance for Ex-US investments. The chart above isolates European and Asian investments and displays performance both before and after currency conversion.
- 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) 1.3%, NREP Nordic Strategies Fund (Euro) 0.3%, NREP Nordic Strategies Fund II (Euro) 15.5%, NREP Nordic Strategies Fund III (Euro) 6.2%, NREP Nordic Strategies Fund IV (Euro) 8.0% and Prologis European Logistics Fund (PELF) 6.4%.
 - 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) (1.8)% and Carlyle's Project Rome (Chinese Yuan) (1.7)%.
 - 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, four OECFs within the SCERS portfolio were in the top contributors to overall portfolio performance. The funds include Prologis Targeted U.S. Logistics Fund, Townsend Real Estate Fund, Prologis Targeted Europe Logistics Fund and LionProperties Fund.
- Additionally, the Value-Added portfolio contributed positively to the performance with NREP Nordic Strategies II taking the lead in the greatest portion of overall returns.
- 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.
- DRC European Real Estate Debt Fund II's performance was hit by significant write-downs in two of the fund's shopping malls dragging down the trailing year performance.
- KKR Real Estate Partners was negatively affected during the pandemic period, especially in the office and retail assets in France. Nonetheless, the fund performed well with the realized assets.



Real Estate Private Portfolio Diversification – Property Type

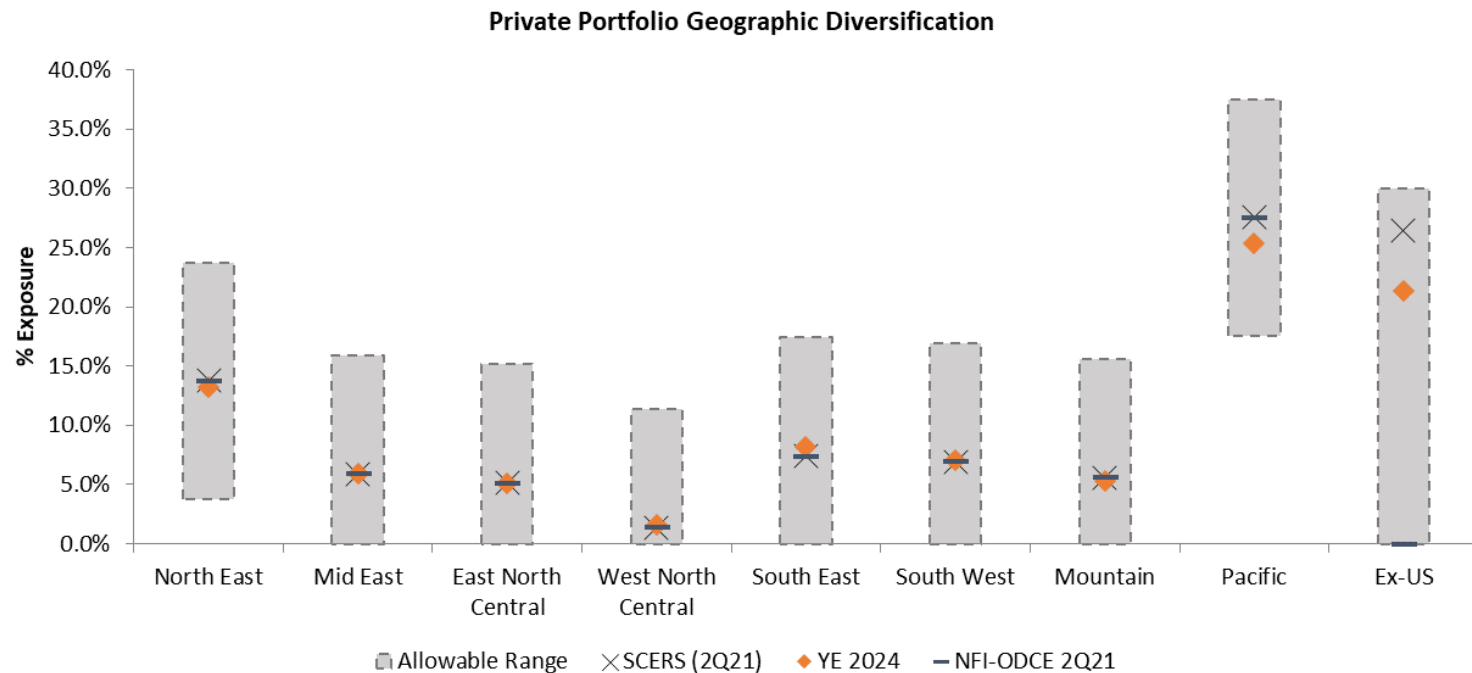


- The diversification of the Private Portfolio is compared to the diversification of the NFI-ODCE, and has a maximum limit of 40% for each property type, except for the “other” property type which has a maximum limit of 25%**. The Real Estate Policy also allows for temporary deviations in order to provide SCERS with the flexibility required to overweight or underweight property types during certain parts of the market cycle.
- As of the second quarter, the industrial property type was the only sector outside the current set limit of 40%. Townsend and Staff will continue to monitor the industrial property type fundamentals for opportunities to tactically reduce exposure if secular growth trends moderate. However, Townsend’s current views support an overweight to the industrial sector.
- 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.

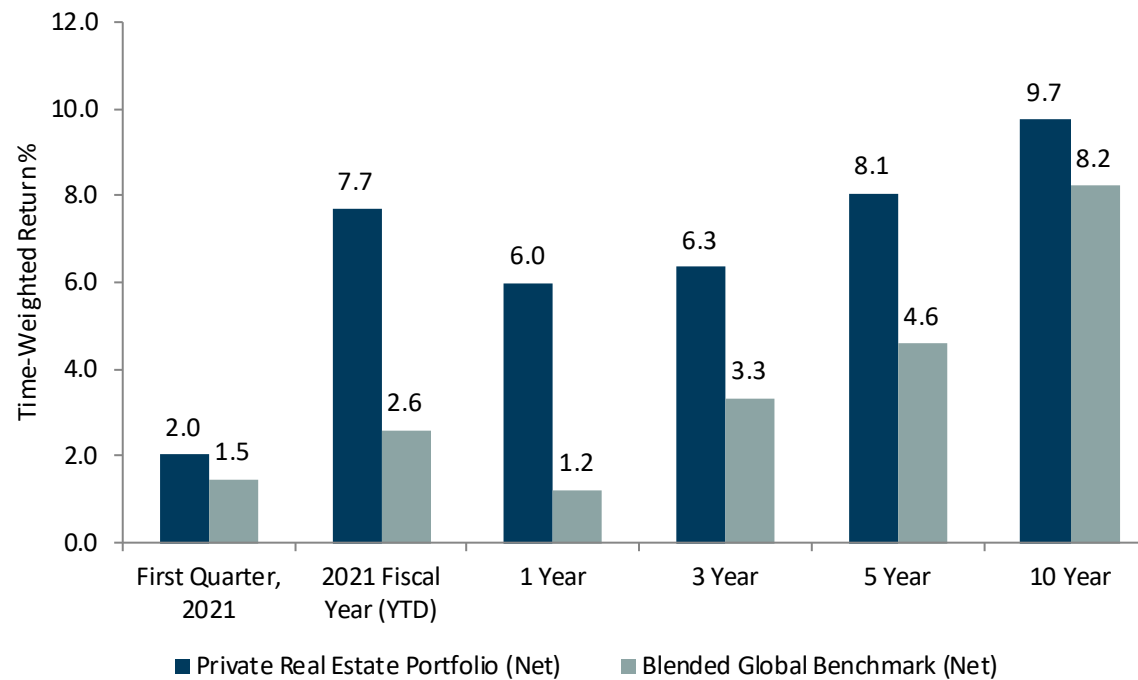
Real Estate Private Portfolio Diversification – Geographic Region



- 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 30.0% of the Total Private Portfolio.
- As of the second 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 26.4%, well within its 30% constraint, and will remain similar as Sculptor Real Estate Fund III* and IV, NREP Nordic Strategies Fund III and IV continue to call capital and purchase assets in Europe while older vintage funds liquidate.
- Ex-US exposure consists of 4.16% in China, 3.92% in Denmark, 2.53% in Finland, 2.99% in Germany, 2.10% in France, 3.37% in Sweden, 1.28% in Netherlands, 1.53% in Poland, 1.43% in the UK, 0.98% in Spain, 0.90% in Italy and 1.21% in other countries.

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

Private Real Estate Performance – Global Ancillary Benchmark (1Q21)



- 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 26.4%, 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 benchmarks significantly over all time periods.

Exhibit A: Performance Flash Report



Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
12,443,793,557	Core	7.0%	646,152,609	5.2%	0	0.0%	224,912,940	1.8%
	Non-Core	0.00% - 5.00%	242,164,920	1.9%	153,910,981	1.2%	-116,090,546	-0.9%
	Total	7.0%	888,317,529	7.1%	153,910,981	1.2%	108,822,394	0.9%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Portfolio (Commingled Funds & Separate Accounts)	6.8	6.3	15.7	14.1	9.7	8.6	10.9	9.8
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	6.3	4.7	18.8	12.5	11.3	6.3	13.1	9.0
Private Real Estate Portfolio	6.7	5.8	16.3	13.6	9.3	7.3	11.1	9.2
NFI-ODCE (Core)	3.9	3.7	8.0	7.1	5.5	4.6	6.6	5.6
NFI-ODCE + 100 bps (Non-Core)	4.2	3.9	9.0	8.1	6.5	5.6	7.6	6.6
NFI-ODCE + 35 bps (Private Portfolio)	4.0	3.8	8.4	7.4	5.9	4.9	6.9	6.0

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	10,771,924	108,476,006	12.2	10.4
Lion Properties Fund	2018	152,400,000	155,267,789	0	62,346,279	115,813,892	13.0	11.1
MetLife Core Property Fund	2013	35,000,000	50,914,538	0	16,563,801	70,097,306	7.9	6.7
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	51,860,666	5.8	5.0
Prologis European Logistics Fund ^{1,3}	2017	47,950,142	49,151,023	0	7,650,276	68,362,796	7.7	6.6
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,000,000	0	11,382,366	97,181,326	10.9	9.3
Townsend Real Estate Fund, L.P. ³	2016	90,000,000	110,908,265	0	20,908,265	134,360,617	15.1	12.9
Core Commingled Funds	1986	510,350,142	551,241,615	0	129,622,911	646,152,609	72.7	62.0
Value Added Portfolio								
Asana Partners Fund II ⁵	2019	35,000,000	12,556,250	22,443,750	0	13,326,794	1.5	3.4
DRC European Real Estate Debt Fund II	2013	50,007,963	47,627,074	10,081,490	42,853,672	5,092,949	0.6	1.5
ECE European Prime Shopping Centre Fund II C ⁵	2015	26,145,400	32,571,585	2,792,991	3,027,180	35,182,817	4.0	3.6
Hammes Partners II	2015	25,000,000	27,294,856	1,338,605	43,107,540	2,683,792	0.3	0.4
Hammes Partners III	2018	25,000,000	15,416,626	15,708,373	6,064,696	11,002,825	1.2	2.6
NREP Nordic Strategies Fund ³	2014	25,130,756	22,485,011	0	36,039,331	3,250,753	0.4	0.3
NREP Nordic Strategies Fund II ⁵	2016	26,988,800	33,088,697	3,385,954	12,338,314	42,416,127	4.8	4.4
NREP Nordic Strategies Fund III ⁵	2018	39,019,632	19,619,254	17,367,950	0	27,274,160	3.1	4.3

Funding Status

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	7,595,382	31,033,166	0	6,977,118	0.8	3.6
Value Added Portfolio	1986	287,741,759	218,254,735	104,152,279	143,430,733	147,207,335	16.6	24.1
Opportunistic Portfolio								
BlackRock High Return Separate Account	2016	0	19,810,607	0	29,976,931	0	0.0	0.0
Carlyle China Project Rome Co-Investment	2017	40,000,000	37,807,858	4,405,916	0	37,157,872	4.2	4.0
Carlyle China Realty	2017	10,000,000	10,492,287	987,118	2,342,232	8,372,090	0.9	0.9
CIM Fund VIII	2015	35,000,000	39,032,808	0	7,099,222	30,246,970	3.4	2.9
KKR Real Estate Partners Americas ⁴	2015	22,720,638	1,066,178	4,078,477	4,172,078	5,989,136	0.7	1.0
Sculptor Real Estate Fund III ^{2,3}	2014	35,000,000	25,785,938	13,705,231	31,016,629	9,183,661	1.0	2.2
Sculptor Real Estate Fund IV ^{2,3}	2020	30,000,000	5,715,750	26,581,960	2,184,069	4,007,856	0.5	2.9
Opportunistic Portfolio	1991	172,720,638	139,711,426	49,758,702	76,791,161	94,957,585	10.7	13.9
Total Non-Core Portfolio 1Q 2007 Forward	2007	460,462,397	357,966,161	153,910,981	220,221,894	242,164,920	27.3	38.0
Total Private Portfolio								
SCERS	1986	970,812,539	1,761,984,840	153,910,981	1,570,175,856	888,317,529	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	108,476,006	0.6	3.8	4.4	4.1	3.8	5.3	9.3	8.3	3.8	5.3	9.3	8.3				
Lion Properties Fund	115,813,892	1.0	4.5	5.5	5.3	3.7	6.9	10.8	9.9	3.7	6.9	10.8	9.9				
MetLife Core Property Fund	70,097,306	1.1	5.5	6.7	6.5	4.6	5.9	10.7	10.2	4.6	5.9	10.7	10.2	4.8	2.4	7.3	6.8
Principal U.S. Property Account	51,860,666	1.0	2.9	3.9	3.7	4.1	4.7	9.0	8.0	4.1	4.7	9.0	8.0	4.2	2.2	6.5	5.5
Prologis European Logistics Fund ^{4,5}	68,362,796	1.2	7.4	8.6	7.5	5.3	25.7	32.0	28.0	5.3	25.7	32.0	28.0	5.4	11.2	17.0	14.5
Prologis Targeted U.S. Logistics Fund	97,181,326	0.9	13.0	13.9	11.7	4.3	28.6	33.7	28.6	4.3	28.6	33.7	28.6	4.5	15.0	20.0	17.2
Townsend Real Estate Fund, L.P. ⁶	134,360,617	0.9	4.7	5.5	5.5	3.6	9.3	13.2	12.9	3.6	9.3	13.2	12.9	3.9	3.8	7.9	7.6
Core Commingled Funds	646,152,609	0.9	5.9	6.8	6.3	4.0	11.3	15.7	14.1	4.0	11.3	15.7	14.1	4.0	5.6	9.7	8.6
Value Added Portfolio																	
Asana Partners Fund II	13,326,794	-0.2	10.0	9.8	8.9	-0.3	30.8	30.4	23.7	-0.3	30.8	30.4	23.7				
DRC European Real Estate Debt Fund II	5,092,949	3.5	0.3	3.8	3.4	-49.1	10.4	-41.0	-41.9	-49.1	10.4	-41.0	-41.9	-16.5	1.2	-14.1	-15.0
ECE European Prime Shopping Centre Fund II C ³	35,182,817	0.9	2.1	3.0	2.4	12.5	-3.4	8.8	5.9	12.5	-3.4	8.8	5.9	4.2	0.8	4.9	2.5
Hammes Partners II	2,683,792	1.2	4.6	5.8	4.3	9.2	53.1	64.5	49.2	9.2	53.1	64.5	49.2	9.9	35.8	47.8	39.6
Hammes Partners III	11,002,825	2.1	2.6	4.7	2.7	14.2	34.6	51.9	35.6	14.2	34.6	51.9	35.6				
NREP Nordic Strategies Fund ⁷	3,250,753	0.0	1.6	1.6	1.3	2.4	15.3	17.9	14.1	2.4	15.3	17.9	14.1	3.0	13.0	16.3	5.2
NREP Nordic Strategies Fund II ⁸	42,416,127	-2.2	23.7	21.5	16.5	1.2	52.0	54.3	40.0	1.2	52.0	54.3	40.0	1.7	26.8	29.1	19.5
NREP Nordic Strategies Fund III ⁹	27,274,160	-2.5	12.8	10.3	7.4	0.1	48.5	49.4	33.2	0.1	48.5	49.4	33.2				
NREP Nordic Strategies Fund IV ⁹	6,977,118	-3.3	15.8	12.5	8.5	-16.5	121.0	92.9	12.7	-16.5	121.0	92.9	12.7				
Value Added Portfolio	147,207,335	-0.7	10.9	10.2	7.8	0.9	30.2	31.7	21.4	0.9	30.2	31.7	21.4	2.2	16.8	19.4	11.0
Opportunistic Portfolio																	
BlackRock High Return Separate Account	0					26.5	-12.8	13.9	13.9	26.5	-12.8	13.9	13.9	-47.5	23.5	-7.8	-8.7
Carlyle China Project Rome Co-Investment	37,157,872	0.0	0.1	0.1	-0.2	0.0	7.8	7.7	6.6	0.0	7.8	7.7	6.6	-0.3	1.5	1.2	-0.1
Carlyle China Realty	8,372,090	-0.1	0.1	0.0	-0.3	-0.2	7.8	7.6	6.0	-0.2	7.8	7.6	6.0	2.4	2.1	4.5	2.5
CIM Fund VIII	30,246,970	0.0	-3.1	-3.1	-3.4	-0.2	-10.1	-10.3	-11.5	-0.2	-10.1	-10.3	-11.5	0.0	-5.9	-5.9	-7.0
KKR Real Estate Partners Americas ³	5,989,136	3.6	5.2	8.8	6.8	-9.0	9.2	-0.1	-1.2	-9.0	9.2	-0.1	-1.2	10.0	-15.5	-5.0	-2.9
Sculptor Real Estate Fund III ⁴	9,183,661	5.4	4.3	9.7	8.9	14.7	9.1	24.8	22.6	14.7	9.1	24.8	22.6	10.8	6.6	17.9	15.6
Sculptor Real Estate Fund IV ⁵	4,007,856	4.3	7.9	12.2	9.2	16.1	20.8	38.5	13.9	16.1	20.8	38.5	13.9				
Opportunistic Portfolio	94,957,585	0.9	0.1	0.9	0.4	1.4	2.0	3.4	1.7	1.4	2.0	3.4	1.7	2.1	-0.1	2.0	0.5
Total Non-Core Portfolio 1Q 2007 Forward	242,164,920	0.0	6.3	6.3	4.7	1.1	17.5	18.8	12.5	1.1	17.5	18.8	12.5	2.1	9.0	11.3	6.3
Total Private Portfolio																	
SCERS	888,317,529	0.7	6.0	6.7	5.8	3.2	12.8	16.3	13.6	3.2	12.8	16.3	13.6	3.5	5.6	9.3	7.3

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) ^{1,3}	€ 57,657,183	1.2	6.3	7.5	6.4	5.1	19.2	25.1	21.3	5.1	19.2	25.1	21.3	5.4	10.6	16.4	13.9
DRC European Real Estate Debt Fund II (Pound Sterling) ⁴	£3,681,693	3.4	0.0	3.4	3.0	-47.1	0.0	-47.1	-47.9	-47.1	0.0	-47.1	-47.9	-15.4	0.0	-15.4	-16.3
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 29,673,188	1.2	0.7	1.9	1.3	12.4	-8.8	3.0	0.4	12.4	-8.8	3.0	0.4	4.3	0.1	4.3	2.0
NREP Nordic Strategies Fund (Euro) ³	€ 2,741,685	0.0	0.5	0.5	0.3	2.3	9.3	11.8	8.2	2.3	9.3	11.8	8.2	3.0	12.8	16.1	5.1
NREP Nordic Strategies Fund II (Euro) ³	€ 35,773,762	-3.2	23.6	20.4	15.5	0.2	45.5	46.5	32.9	0.2	45.5	46.5	32.9	1.4	26.7	28.6	19.0
NREP Nordic Strategies Fund III (Euro) ³	€ 23,003,026	-2.4	11.5	9.1	6.2	0.3	40.3	41.1	25.8	0.3	40.3	41.1	25.8				
NREP Nordic Strategies Fund IV (Euro) ³	€ 5,884,501	-3.1	15.9	12.8	8.8	-16.2	122.4	94.6	13.8	-16.2	122.4	94.6	13.8				
Indices																	
NFI ODCE+ 35bps				4.0	3.8			8.4	7.4			8.4	7.4			5.9	4.9
NFI-ODCE		1.0	2.9	3.9	3.7	3.9	4.0	8.0	7.1	3.9	4.0	8.0	7.1	4.0	1.4	5.5	4.6
NFI-ODCE + 100bps				4.2	3.9			9.0	8.1			9.0	8.1			6.5	5.6
CPI + 500 bps				3.6				10.6				10.6				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 All assets in the core separate account have been sold and the time-weighted return won't be meaningful going forward.

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	108,476,006									3.0	4.9	8.0	7.0	4Q18	6.9	1.2
Lion Properties Fund	115,813,892									3.8	3.2	7.1	6.2	4Q18	6.1	1.1
MetLife Core Property Fund	70,097,306	4.9	3.3	8.2	7.7					5.0	5.3	10.4	9.9	1Q14	9.9	1.7
Principal U.S. Property Account	51,860,666	4.4	3.2	7.7	6.7					4.5	3.5	8.1	7.1	4Q15	7.1	1.5
Prologis European Logistics Fund ^{4,5}	68,362,796									5.6	11.4	17.5	15.0	4Q17	15.2	1.5
Prologis Targeted U.S. Logistics Fund	97,181,326	4.9	15.5	21.0	18.0					5.0	14.4	20.0	17.2	3Q15	17.6	2.2
Townsend Real Estate Fund, L.P. ⁵	134,360,617	4.2	4.7	9.0	8.7					4.2	4.9	9.2	8.9	2Q16	8.7	1.4
Core Commingled Funds	646,152,609	4.3	6.4	10.9	9.8	4.6	6.9	11.7	10.6	4.5	3.6	8.1	7.2	4Q86	7.2	1.4
Value Added Portfolio																
Asana Partners Fund II	13,326,794									-6.8	-0.8	-8.2	-21.2	4Q19	6.1	1.1
DRC European Real Estate Debt Fund II	5,092,949	-6.4	-0.5	-5.9	-6.9					-1.1	-3.1	-3.4	-4.9	1Q14	0.3	1.0
ECE European Prime Shopping Centre Fund II C ³	35,182,817	2.5	8.3	10.9	8.4					2.5	10.3	13.1	10.5	4Q15	6.3	1.2
Hammes Partners II	2,683,792	9.3	23.5	34.2	27.6					10.2	21.7	33.4	26.1	3Q15	23.6	1.7
Hammes Partners III	11,002,825									9.5	21.0	31.7	0.3	1Q19	14.8	1.1
NREP Nordic Strategies Fund ⁵	3,250,753	4.9	13.9	19.3	12.0					7.3	16.6	24.7	18.2	1Q15	23.7	1.7
NREP Nordic Strategies Fund II ⁵	42,416,127	2.0	26.6	29.1	18.1					2.0	26.6	29.1	18.1	3Q16	18.3	1.7
NREP Nordic Strategies Fund III ⁵	27,274,160									-4.5	29.8	24.8	3.8	4Q18	21.1	1.4
NREP Nordic Strategies Fund IV ⁵	6,977,118									-27.6	48.8	10.6	N/A	1Q20	-15.0	0.9
Value Added Portfolio	147,207,335	3.8	13.7	18.0	11.8	5.7	10.7	16.9	12.8	2.0	4.8	6.9	5.1	4Q86	6.2	1.3
Opportunistic Portfolio																
BlackRock High Return Separate Account	0	-32.4	21.9	1.8	0.8					-32.4	21.9	1.8	0.8	3Q16	18.5	1.5
Carlyle China Project Rome Co-Investment	37,157,872									-0.9	3.2	2.2	-0.1	3Q17	-0.6	1.0
Carlyle China Realty	8,372,090									2.2	3.0	5.4	2.8	3Q17	0.8	1.0
CIM Fund VIII	30,246,970	0.0	-0.3	-0.3	-1.7					0.0	2.9	2.9	1.1	2Q15	-1.1	1.0
KKR Real Estate Partners Americas ⁵	5,989,136	21.0	-15.9	4.9	5.5					32.2	-26.3	17.9	14.8	2Q14	99.8	9.5
Sculptor Real Estate Fund III ⁶	9,183,661	10.9	13.5	25.4	22.1					14.0	12.6	27.9	13.3	4Q14	22.0	1.6
Sculptor Real Estate Fund IV ⁵	4,007,856									16.1	20.8	38.5	13.9	3Q20	19.0	1.1
Opportunistic Portfolio	94,957,585	3.7	3.8	7.6	5.6	11.8	-8.1	16.3	10.8	4.0	0.4	8.7	6.5	1Q91	12.1	1.3
Total Non-Core Portfolio 1Q 2007 Forward	242,164,920	3.7	9.2	13.1	9.0	5.7	9.3	15.5	11.6	4.4	5.7	10.3	5.9	1Q07	7.2	1.3
Total Private Portfolio																
SCERS	888,317,529	4.2	6.7	11.1	9.2	4.9	6.9	12.0	10.2	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) ^{1,3}	€ 57,657,183	5.6	9.6	15.6	13.4					5.0	9.1	14.5	12.5	1Q16	12.6	1.4
DRC European Real Estate Debt Fund II (Pound Sterling) ⁴	£3,681,693	-5.7	-0.9	-6.5	-7.6					-0.6	-0.5	-1.1	-2.6	1Q14	4.0	1.1
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 29,673,188	2.4	6.7	9.4	6.9					2.4	9.1	12.0	9.5	4Q15	4.8	1.1
NREP Nordic Strategies Fund (Euro) ³	€ 2,741,685	4.9	12.7	18.0	10.8					7.3	17.1	25.3	18.7	1Q15	25.0	1.8
NREP Nordic Strategies Fund II (Euro) ³	€ 35,773,762	1.8	25.2	27.4	16.5					1.8	25.2	27.4	16.5	3Q16	17.5	1.6
NREP Nordic Strategies Fund III (Euro) ³	€ 23,003,026									-4.5	29.1	24.0	3.1	4Q18	17.8	1.3
NREP Nordic Strategies Fund IV (Euro) ³	€ 5,884,501									-27.7	49.3	11.1	N/A	1Q20	-14.5	0.9
Indices																
NFI ODCE+ 35bps				6.9	6.0								7.5	6.5	4Q86	
NFI-ODCE		4.2	2.3	6.6	5.6	4.6	4.8	9.6	8.6	6.6	0.6	7.2	6.2	4Q86		
NFI-ODCE + 100bps				7.6	6.6			10.6	9.6			8.2	7.2	4Q86		
CPI + 500 bps				7.6				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.

⁴ All assets in the core separate account have been sold and the time-weighted return won't be meaningful going forward.

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	108,476,006	7.3	6.8	9.3	8.3	1.8	1.9	10.6	8.5	2.3	1.9								
Lion Properties Fund	115,813,892	7.9	7.5	10.8	9.9	2.2	1.4	7.3	6.4	2.0	1.8								
MetLife Core Property Fund	70,097,306	9.5	9.3	10.7	10.2	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	51,860,666	6.6	6.2	9.0	8.0	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}	68,362,796	10.7	8.6	32.0	28.0	20.2	18.7	13.5	11.1	13.6	10.8	6.8	6.5						
Prologis Targeted U.S. Logistics Fund	97,181,326	20.9	17.7	33.7	28.6	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. ⁴	134,360,617	9.6	9.4	13.2	12.9	2.6	2.3	7.6	7.3	9.0	8.8	11.0	10.8	8.4	8.2				
Core Commingled Funds	646,152,609	10.2	9.3	15.7	14.1	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 ³	13,326,794	21.8	19.7	30.4	23.7	-36.4	-45.7	11.1	1.5										
DRC European Real Estate Debt Fund II	5,092,949	8.1	7.1	-41.0	-41.9	-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 ⁵	35,182,817	0.2	-0.6	8.8	5.9	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 ³	2,683,792	9.6	7.1	64.5	49.2	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 ⁵	11,002,825	11.9	6.9	51.9	35.6	43.5	24.5	23.9	-24.4										
NREP Nordic Strategies Fund ⁴	3,250,753	-1.0	-1.2	17.9	14.1	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 ⁴	42,416,127	19.6	13.6	54.3	40.0	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 ⁴	27,274,160	11.6	6.8	49.4	33.2	42.3	28.1	19.0	-5.5	-2.8	-14.4								
NREP Nordic Strategies Fund IV ⁴	6,977,118	-4.7	-14.8	92.9	12.7	22.1	-121.4												
Value Added Portfolio	147,207,335	10.4	6.8	31.7	21.4	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																			
BlackRock High Return Separate Account	0									17.0	14.4	24.0	21.7	6.3	6.3				
Carlyle China Project Rome Co-Investment	37,157,872	0.5	-0.1	7.7	6.6	-0.9	-2.0	7.2	5.8	-2.5	-7.1	4.7	3.6						
Carlyle China Realty ⁴	8,372,090	0.4	-0.3	7.6	6.0	-0.3	-2.1	18.1	15.7	1.6	-1.4	2.7	0.2						
CIM Fund VIII	30,246,970	-4.6	-5.2	-10.3	-11.5	-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 ³	5,989,136	11.2	8.3	-0.1	-1.2	-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	9,183,661	14.6	13.4	24.8	22.6	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	4,007,856	15.8	9.6	38.5	13.9	19.6	3.9												
Opportunistic Portfolio	94,957,585	1.3	0.4	3.4	1.7	-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	242,164,920	6.6	4.1	18.8	12.5	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	888,317,529	9.3	7.9	16.3	13.6	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		6.2	5.7	8.4	7.4	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		6.1	5.6	8.0	7.1	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		6.4	5.9	9.0	8.1	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		6.2		10.6		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	108,476,006																
Lion Properties Fund	115,813,892																
MetLife Core Property Fund	70,097,306																
Principal U.S. Property Account	51,860,666																
Prologis European Logistics Fund ^{1,3}	68,362,796																
Prologis Targeted U.S. Logistics Fund	97,181,326																
Townsend Real Estate Fund, L.P. ²	134,360,617																
Core Commingled Funds	646,152,609	10.2	9.3	11.1	10.1	16.4	15.5	14.1	13.3	-33.0	-33.6	-13.8	-14.6	15.5	14.5	16.9	15.8
Value Added Portfolio																	
Asana Partners Fund II ³	13,326,794																
DRC European Real Estate Debt Fund II	5,092,949																
ECE European Prime Shopping Centre Fund II C ³	35,182,817																
Hammes Partners II ³	2,683,792																
Hammes Partners III ⁴	11,002,825																
NREP Nordic Strategies Fund ⁴	3,250,753																
NREP Nordic Strategies Fund II ⁴	42,416,127																
NREP Nordic Strategies Fund III ⁴	27,274,160																
NREP Nordic Strategies Fund IV ⁴	6,977,118																
Value Added Portfolio	147,207,335	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																	
BlackRock High Return Separate Account	0																
Carlyle China Project Rome Co-Investment	37,157,872																
Carlyle China Realty ⁴	8,372,090																
CIM Fund VIII	30,246,970																
KKR Real Estate Partners Americas ³	5,989,136																
Sculptor Real Estate Fund III ²	9,183,661																
Sculptor Real Estate Fund IV	4,007,856																
Opportunistic Portfolio	94,957,585	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	242,164,920	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	888,317,529	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	105,332,992	0	1,143,493	0	585,447	271,870	3,972,929	108,476,006	47.4
Lion Properties Fund	114,716,173	241,797	1,092,409	4,172,438	1,146,048	241,797	5,216,518	115,813,892	24.8
MetLife Core Property Fund	65,816,864	625,162	649,263	0	748,600	83,225	3,639,168	70,097,306	23.6
Principal U.S. Property Account	50,033,083	0	0	0	517,845	119,961	1,429,700	51,860,666	23.6
Prologis European Logistics Fund	64,070,463	0	521,901	0	790,534	706,720	4,730,420	68,362,796	16.8
Prologis Targeted U.S. Logistics Fund	87,413,759	0	491,520	0	822,637	1,897,676	11,334,126	97,181,326	16.3
Townsend Real Estate Fund, L.P.	127,384,556	1,344,340	1,344,340	0	1,086,295	73,467	5,963,232	134,360,617	38.7
Core Commingled Funds	614,767,890	2,211,299	5,242,926	4,172,438	5,697,406	3,394,716	36,286,093	646,152,609	31.1
Value Added Portfolio									
Asana Partners Fund II	12,234,927	0	0	0	-19,044	109,375	1,220,287	13,326,794	57.7
DRC European Real Estate Debt Fund II	4,926,925	0	0	0	174,828	21,856	13,053	5,092,949	0.0
ECE European Prime Shopping Centre Fund II	34,554,891	0	211,929	0	298,086	198,044	739,813	35,182,817	60.0
Hammes Partners II	2,573,410	47,067	27,134	21,408	30,274	36,240	117,823	2,683,792	64.0
Hammes Partners III	6,629,881	4,368,959	227,572	15,266	193,218	191,054	244,659	11,002,825	75.0
NREP Nordic Strategies Fund	3,207,518	0	0	0	0	8,059	51,294	3,250,753	0.0
NREP Nordic Strategies Fund II	31,641,717	5,409,700	0	0	-714,484	1,619,040	7,698,234	42,416,127	55.0
NREP Nordic Strategies Fund III	25,406,729	0	0	0	-632,758	742,209	3,242,397	27,274,160	38.0
NREP Nordic Strategies Fund IV	3,497,408	3,015,059	0	0	-177,226	218,350	860,227	6,977,118	48.0
Value Added Portfolio	124,673,406	12,840,785	466,635	36,674	-847,106	3,144,227	14,187,787	147,207,335	55.5
Opportunistic Portfolio									
BlackRock High Return Separate Account	0	0	0	0	0	0	0	0	0.0
Carlyle China Project Rome Co-Investment	37,033,347	201,644	0	0	-17,088	99,178	39,147	37,157,872	0.0
Carlyle China Realty	8,339,684	59,661	0	0	-6,721	29,344	8,810	8,372,090	0.0
CIM Fund VIII	31,342,953	95,967	42,747	79,386	-9,103	96,262	-964,452	30,246,970	46.7
KKR Real Estate Partners Americas	5,609,684	0	0	0	202,907	113,804	290,349	5,989,136	71.0
Sculptor Real Estate Fund III	10,782,910	24,021	2,452,078	0	504,364	73,960	398,404	9,183,661	0.0
Sculptor Real Estate Fund IV	3,453,950	657,565	427,115	0	150,729	102,842	275,569	4,007,856	0.0
Opportunistic Portfolio	96,562,528	1,038,858	2,921,940	79,386	825,088	515,390	47,827	94,957,585	28.1
Total Non-Core Portfolio 1Q 2007 Forward	221,235,934	13,879,643	3,388,575	116,060	-22,018	3,659,617	14,235,614	242,164,920	47.7
Total Private Portfolio									
SCERS	836,003,824	16,090,942	8,631,501	4,288,498	5,675,388	7,054,333	50,521,707	888,317,529	36.6

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core Commingled Funds						
Brookfield Premier Real Estate Partners	30.7	32.5	36.8	-	-	-
Lion Properties Fund	23.0	30.1	27.0	9.7	-	10.2
MetLife Core Property Fund	30.7	29.5	28.5	11.3	-	-
Principal U.S. Property Account	21.3	34.0	27.0	13.3	-	4.4
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Real Estate Fund, L.P.	-	-	-	-	-	100.0
Core Commingled Funds	14.3	16.8	41.9	4.0	-	23.0
Value Added Portfolio						
Asana Partners Fund II	-	-	-	100.0	-	-
DRC European Real Estate Debt Fund II	-	89.5	-	10.5	-	-
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	38.7	1.0	34.1	3.6	-	22.5
NREP Nordic Strategies Fund III	17.5	7.9	39.9	4.5	-	30.2
NREP Nordic Strategies Fund IV	21.9	6.8	20.7	10.5	14.2	25.9
Value Added Portfolio	15.4	5.2	18.2	35.7	0.7	24.8

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Opportunistic Portfolio						
BlackRock High Return Separate Account	-	-	-	-	-	-
Carlyle China Project Rome Co-Investment	-	-	100.0	-	-	-
Carlyle China Realty	-	-	100.0	-	-	-
CIM Fund VIII	50.4	18.7	1.1	13.3	5.5	11.1
KKR Real Estate Partners Americas	8.0	19.8	-	15.6	42.0	14.6
Sculptor Real Estate Fund III	-	2.6	-	0.2	0.3	96.9
Sculptor Real Estate Fund IV	-	0.1	-	-	0.0	99.9
Opportunistic Portfolio	16.5	7.5	48.3	5.2	4.4	18.0
Total Non-Core Portfolio 1Q 2007 Forward	15.9	6.1	30.0	23.7	2.1	22.2
Total Private Portfolio						
SCERS	14.7	13.9	38.7	9.4	0.6	22.8
Indices						
NFI-ODCE	27.2	30.2	23.6	13.6	0.2	5.1

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	17.4	7.7	3.1	-	6.4	7.2	7.5	50.8	-
Lion Properties Fund	24.2	7.4	2.8	0.0	7.1	8.3	7.8	42.3	-
MetLife Core Property Fund	9.0	11.5	10.4	3.0	9.9	11.4	10.6	34.1	-
Principal U.S. Property Account	13.3	8.9	2.5	1.2	9.4	15.3	10.8	38.4	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	15.0	4.5	12.5	-	10.3	9.2	5.2	43.4	-
Townsend Real Estate Fund, L.P.	17.6	10.2	8.9	5.5	17.2	9.8	6.0	24.7	-
Core Commingled Funds	15.2	7.4	6.1	1.6	9.3	8.6	6.7	34.5	10.6
Value Added Portfolio									
Asana Partners Fund II	20.8	19.1	-	9.3	18.9	0.4	11.4	20.2	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	0.2	47.0	7.0	-	-	18.4	27.3	-	-
Hammes Partners III	41.5	1.0	14.8	4.7	12.1	23.4	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	5.2	2.8	1.3	1.2	2.7	2.2	1.8	1.9	80.7

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Ex-US
Opportunistic Portfolio									
BlackRock High Return Separate Account	-	-	-	-	-	-	-	-	-
Carlyle China Project Rome Co-Investment	-	-	-	-	-	-	-	-	100.0
Carlyle China Realty	-	-	-	-	-	-	-	-	100.0
CIM Fund VIII	39.9	-	12.2	-	0.8	-	9.9	32.9	4.3
KKR Real Estate Partners Americas	2.8	-	0.7	-	8.9	13.6	-	39.2	34.7
Sculptor Real Estate Fund III	27.7	2.5	2.9	0.6	0.9	13.8	0.9	36.0	14.7
Sculptor Real Estate Fund IV	3.4	-	3.0	-	21.7	9.6	1.5	5.8	13.8
Opportunistic Portfolio	16.3	0.3	4.4	0.1	0.9	2.3	3.4	17.2	55.3
Total Non-Core Portfolio 1Q 2007 Forward	9.6	1.8	2.5	0.8	2.0	2.3	2.4	7.9	70.7
Total Private Portfolio									
SCERS	13.7	5.9	5.1	1.4	7.4	6.9	5.6	27.5	26.4
Indices									
NFI-ODCE	22.3	8.2	6.8	1.0	9.2	9.2	6.1	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 2Q21



United States Real Estate Market Update (2Q21)

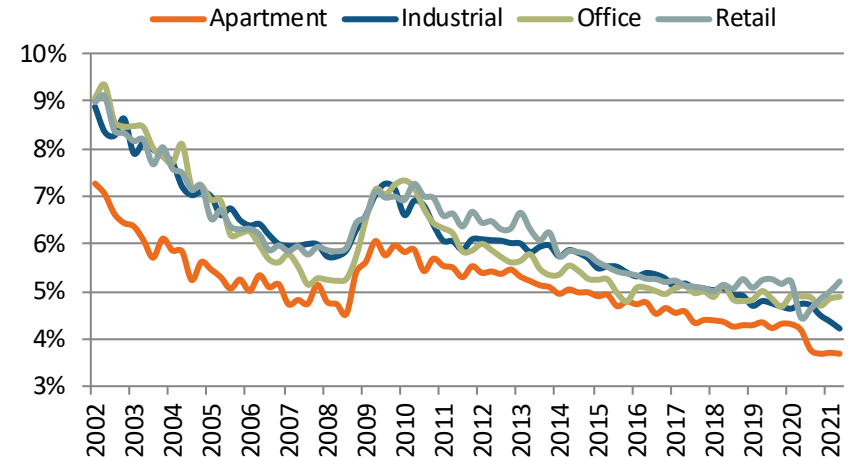
General

- 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 2Q21, 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 8.6%, bringing the first half of 2021 total return to 15.3%. The MSCI US REIT index continued to rebound and produced a return of 8.7% and returned to 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 2nd quarter, U.S. GDP grew at an annualized rate of 6.5%. The unemployment rate peaked in April at 14.7% and has since declined to 5.9% at quarter end 2Q21, falling an additional 10 bps from the end of 1Q21. 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 6.1% in 2021.

Commercial Real Estate

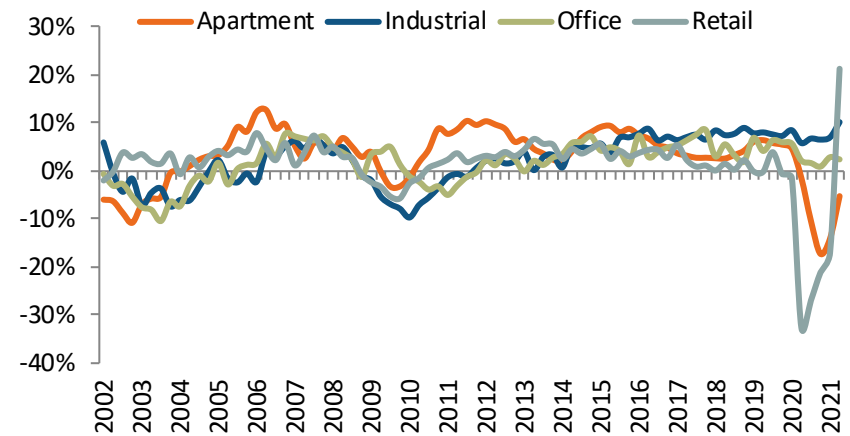
- Through the second quarter of 2021, total transaction activity for the quarter was up 199% YoY, after significantly rebounding from a broad-based COVID-19 induced slowdown. Transaction volume has been the strongest in the apartment and industrial sectors.
- Transaction cap rates (5.2%) compressed -68 bps during the quarter. Current valuation cap rates declined for industrial (-15 bps) and apartment (-2 bps). The office (+4 bps) and retail (+21 bps) property sectors experienced cap rate expansion.
- NOI growth has substantially diverged between property sectors due to the impacts of COVID-19. Retail NOI has expanded substantially (+21%) YoY as the sector recovers from decreased rent collections and retailer shutdowns early last year. Apartment NOI contracted (-5%) YoY, primarily driven by declines in CBD effective market rents, though slowly recovering.
- In the second quarter of 2021, \$24 bn of aggregate capital was raised by real estate funds. There continues to be substantial dry powder, ~\$363 billion, seeking exposure to private real estate.
- 10-year treasury bond yields dropped 30 bps to 1.45% during the quarter, signaling disinflation rather than inflation which many expected to observe.

Current Value Cap Rates by Property Type



Source: NCREIF

4 Qtr Rolling NOI Growth



Source: NCREIF

United States Property Matrix (2Q21)

INDUSTRIAL

- In 2Q21, industrial properties were the highest returning sector at 8.8% and outperformed the NPI by 520 bps.
- Transaction volumes rose to \$32.1 billion in the second quarter of the year, resulting in a 156% increase year-over-year. Individual asset sales increased 174% year-over-year, while portfolio purchases turned in a year-over-year volume increase of 111%. At slightly over \$32.1 billion, the industrial sector increased a significant \$9.7 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 10.0% over the past year, a substantial increase from the prior periods TTM growth of 6.8% in 1Q21.
- Vacancy decreased by 30 bps year-over-year to 3.1%. Vacancy in the sector decreased 40 bps from last quarter, reaching all-time historic lows. E-commerce continues to drive demand across the sector.
- Industrial cap rates compressed approximately 50 bps from a year ago, to 4.2%. Industrial overall fundamentals still top all property sectors.

MULTIFAMILY

- The apartment sector delivered a 3.6% return during the quarter, performing in line with the NPI.
- Transaction volume in the second quarter of 2021 rose to \$57.9 billion, resulting in an increase of 271% year-over-year. This volume continues to make multifamily the most actively traded sector for the sixteenth straight quarter.
- Cap rates remained steady at 3.7% quarter-over-quarter, compressing 50 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. Halfway through 2021, the sector appears to have shaken the trend as vacancy rates decreased 140 bps quarter-over-quarter, now 170 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 1.4% in 2Q21, 220 bps below the NPI return over the period.
- Transaction volumes increased by 105% year-over-year in the second quarter. Transaction volume equaled \$27.8 billion for the quarter, an increase of \$6.2 billion quarter-over-quarter. Single asset transactions accounted for 75.4% of volume.
- 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 12.7%, expanding 30 bps from last quarter.
- NOI growth in the office sector fell quarter-over-quarter by 40 bps but appears to have begun its slow recovery to pre-pandemic values as it has increased 20 bps since the same period last year.
- Office cap rates remained flat from a year ago, sitting at approximately 4.8%. Office-using job growth was stunted significantly through out 2020 due to many 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 2Q21, the retail sector delivered a quarterly return of 0.9%, performing 270 bps below the NPI.
- Transaction volumes totaled \$15.0 billion in the second quarter, increasing 177% year-over-year. Single asset transactions accounted for just over 86.5% of all sales volume for the quarter.
- Cap rates have expanded approximately 80 bps within the sector over the last year, to 5.2%. The current valuation cap rate did expand quarter-over-quarter by 20 bps due to slight downward valuation adjustments made across the sector in general.
- NOI growth significantly increased, +21.1% over the last year. This is a 38.4% increase from last quarter. Retail has begun its slow recovery as vaccine rollouts increase store openings and foot traffic.
- Retail vacancy rates compressed over the quarter by 20 bps, though still up 180 bps over the past year to 9.7%. 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 (2Q21)

- With vaccinations ramping up and economies reopening worldwide, global investment activity during the second quarter of 2021 has experienced a robust rebound 2Q21 to US \$260.4 billion, a 98% growth year over year. During 2Q21, transaction volumes recovered significantly in the APAC regions while the emerging markets continued to experience significant depression.

- Increased availability of the vaccine has driven an uptick in investor appetite, specifically in regions that were among the first to be affected by the virus such as APAC. Interest in the quarter was concentrated primarily in industrial and multifamily properties.

- Investment activity in the Americas witnessed an extreme surge to by 161% year-over-year. Transaction volume in the US increased 176% relative to 1Q21.

- In the Asia Pacific region, volumes grew by 99% year-over-year with vaccination rates picking up in the region and activity largely returning to normal. Mainland China (+117%), India (+354%), and Hong Kong (+270%) saw the most improvements in deal activity year over year in 2Q21.

- Large ticket transactions contributed greatly to investment activity dropped in the EMEA region. Deals of US \$1 billion or more accounted for 25% of the region's investment volume. Additionally, cross-border transactions grew 65% year over year in Q2

- In the office sector, global leasing activity improved by 44% year-over-year and vacancy rates increased by 60 bps to 14.3%. Office re-entry rates have varied significantly by country and a multi-speed recovery is emerging dependent on vaccination rates, outbreaks and societal restrictions in place. This adds to the long-term uncertainty with long term space planning for occupiers. US coastal markets have been more affected than lower-cost and high-growth markets. Across the main European markets, office rents across Europe grew (+0.3%) over the quarter. On an annual basis rents are now just (-0.2%) year over year. In the APAC region, net absorption increased by 20% year over year.

- Globally, retail foot traffic and sales continue to increase from COVID-19 pandemic lows with increased vaccination rates and easing of restrictions. Retailers have expanded omnichannel strategies such as click-and-collect, curbside pickup and ship-from-store. In many cases, retailers are implementing a hybrid store model that fully integrates retail with logistics. As online sales grow, retailers will reevaluate their store portfolios in terms of store size, location and use. The overall level of occupied retail space will continue to shrink in some U.S. and European markets, while APAC markets will be relatively unchanged.

- With the multifamily market recording the quarter's only increase in investments globally, the sector remains the most liquid in commercial real estate highlighting its attractiveness. Throughout the world, the re-opening of businesses and returns to the office has contributed to a pickup in urban demand, leading to a growth in asking rents, as the number of tours and leases increased during the quarter.

- Industrial yields continued to compress due to strong market fundamentals and heightened demand. US vacancy rates fell to 4.8% in 2Q21. EMEA vacancy rates declined to 3.6% for the quarter, while the Asia Pacific region saw a rise to 18.0%.

Global Total Commercial Real Estate Volume - 2020 - 2021

\$ US Billions	Q2 2021	Q2 2020	% Change		% Change	
			Q2 21 - Q2 20	H1 2021	H1 2020	H1 21 - H1 20
Americas	260	132	98%	459	399	15%
EMEA	83	58	42%	41	46	-11%
Asia Pacific	41	21	99%	69	46	51%
Total	384	211	83%	569	491	16%

Source: Real Capital Analytics, Inc., Q2' 21

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

	2021	2022	2023
Global	6.0	4.5	3.4
Asia Pacific	6.4	5.1	4.6
Australia	5.0	3.2	3.0
China	8.5	5.6	5.5
India	9.3	7.0	
Japan	2.6	2.7	1.2
North America	6.5	4.0	2.3
US	6.6	4.1	2.3
Middle East	2.9	4.3	3.3
European Union	4.8	4.5	2.2
France	5.7	4.0	2.1
Germany	3.4	4.5	1.9
UK	4.0	3.8	3.6

Source: Bloomberg