



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 17

MEETING DATE: March 16, 2022

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 December 31, 2021.

PURPOSE

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

DISCUSSION

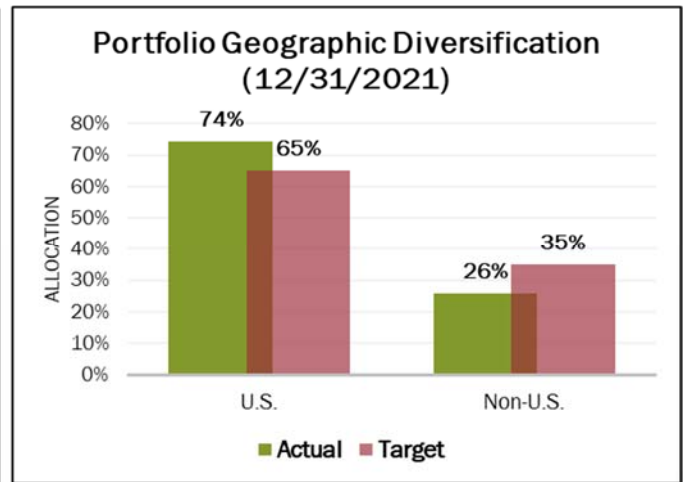
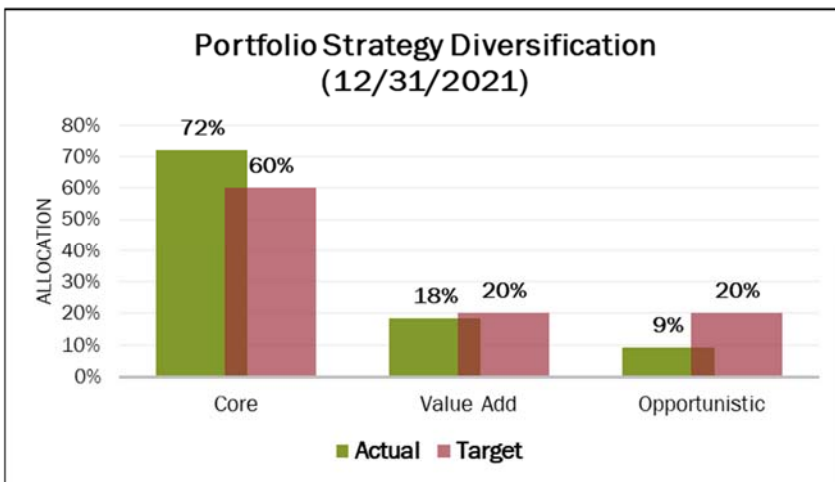
This memorandum provides a summarized table of SCERS' Real Estate period returns, which are provided within Townsend's Quarterly Performance Review, and highlights notable manager performance, along with any recent real estate investments made by SCERS.

SCERS' Real Estate actual invested allocation is 7.8% as of December 31, 2021, below the new target allocation of 9.0% but within the target allocation range of 7.0%-11.0%. 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 and subsequently Staff and Townsend provided an implementation plan to reach the 9.0% target allocation by 2026. SCERS' real estate portfolio allocation is currently underweight non-core and non-U.S. strategies, which is a focus for 2022 commitments.

SCERS REAL ESTATE PERFORMANCE SUMMARY
Quarter Reporting Period Ended December 31, 2021

SUB-ASSET CLASS	Quarter 12/31/21	1-Year	3-Year	5-Year	Since Inception	Since Inception Date
SCERS Real Estate Portfolio	8.0%	24.5%	11.9%	11.3%	8.8%	Nov-86
(65%) NFI-ODCE + (35%) NFI-ODCE + 1%	7.7%	21.4%	8.6%	8.1%	6.8%	Nov-86
Core Portfolio	9.4%	27.6%	12.8%	12.2%	7.6%	Nov-86
NFI-ODCE Index	7.7%	21.0%	8.2%	7.7%	6.5%	
Non-Core Portfolio	4.7%	16.4%	9.2%	10.6%	6.4%	Jun-06
Value Add Portfolio	7.3%	25.1%	15.6%	15.0%	5.5%	Jun-06
Opportunistic	-0.1%	2.8%	0.4%	4.6%	7.2%	May-13
NFI-ODCE + 1% Index	7.8%	22.0%	9.2%	8.7%	7.4%	

SCERS PORTFOLIO DIVERSIFICATION



SCERS PORTFOLIO RESULTS

For the quarter ended December 31, 2021, SCERS' Real Estate portfolio slightly outperformed the NFI-ODCE blended benchmark, +8.0% versus +7.7%, with significant outperformance by the Core portfolio (+9.4% versus +7.7%) resulting from the outsized returns in the industrial sector. The Non-Core portfolio significantly underperformed against the NFI-ODCE + 1% benchmark, +4.7% versus +7.8% due to the underperformance of the Opportunistic portfolio, which returned -0.1% for the quarter. The Opportunistic portfolio continues to feel the impact of the pandemic induced delays and increasing construction costs on development projects.

Below are notable top and bottom performing funds during the quarter ended December 31, 2021:

- Top performing funds:
 - Core:
 - Prologis U.S. Logistics Fund: +13.5%
 - Brookfield Premier Real Estate Partners +10.5%
 - Principal U.S. Property Account: +10.0%
 - Non-Core:
 - LaSalle China Logistics Venture: +39.4%
 - NREP Nordic Strategies Fund IV: +30.0% in U.S. Dollars (+32.4% in Euros)
 - NREP Nordic Strategies Fund III: +13.5% in U.S. Dollars (+15.5% in Euros)
 - Hammes Partners II: +9.3%

Bottom performing funds:

- Core:
 - Prologis European Logistics: +4.7% in U.S. Dollars (+6.5% in Euros)
 - Clarion Lion Properties Fund: +7.6%
- Non-Core:
 - DRC European Real Estate Debt Fund II: -18.4% in U.S. Dollars (-18.7 in U.K. Sterling)
 - KKR Real Estate Partners Americas: -8.9%
 - Carlyle China Realty: -2.8%

NEW INVESTMENTS

During the quarter ended December 31, 2021, SCERS made the following new commitments:

- Asana Partners Fund III (Non-Core): \$40 million

After the quarter, SCERS made the following new commitments:

- Seven Seas Japan Opportunity Fund (Non-Core): \$20 million

ATTACHMENT

Townsend's Real Estate Portfolio Performance Measurement Report for the Quarter ended December 31, 2021.

Prepared by:
/S/

JR Pearce
Senior Investment Officer

Reviewed by:
/S/

Steve Davis
Chief Investment Officer

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
March 16, 2022

AGENDA ITEM:

Quarterly Investment Performance Report Real Estate

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

I HEREBY CERTIFY that the above order was passed and adopted on March 16, 2022 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

FOURTH 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 fourth quarter, 2021 (the “Quarter”), the Real Estate Portfolio was below the new real estate target but within the allowable range at 7.8%. Core Real Estate currently makes up 72.3% of the portfolio, with Non-Core Real Estate making up the remaining 27.7%.

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 34.9% at the end of the fourth quarter of 2021. The loan-to-value ratio of the Core Portfolio was 29.1%, 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 22.1% as of the fourth quarter. The Non-Core Portfolio reported a loan-to-value ratio of 46.4%.

Portfolio Funding Status

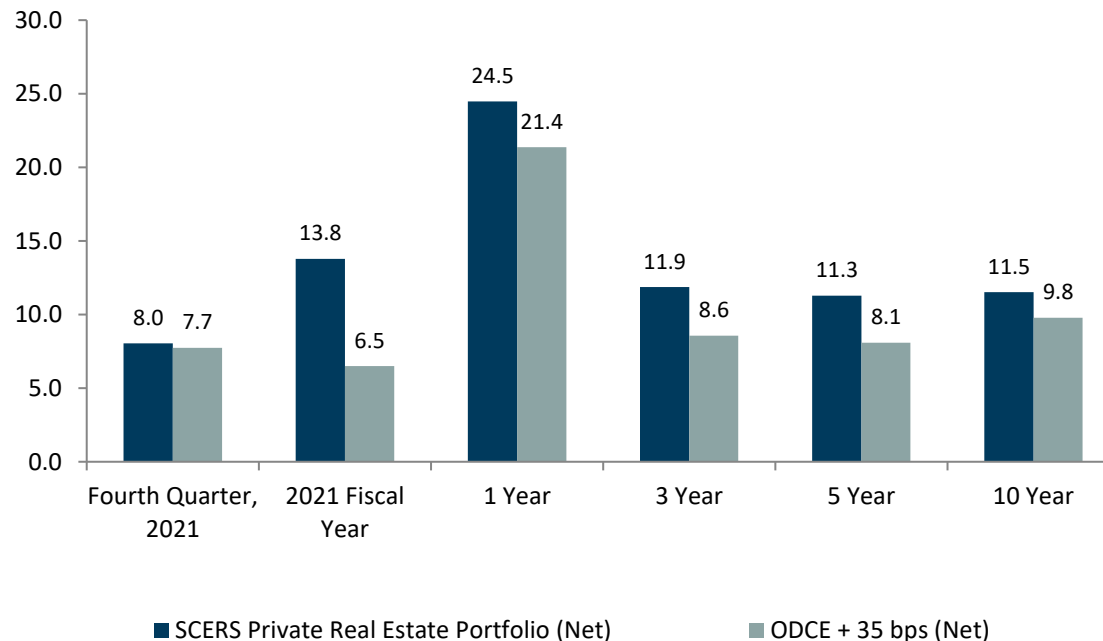
- The following slides provide a review of key information of the SCERS Real Estate Portfolio (the “Portfolio”) through December 31, 2021.
- A detailed performance report is also provided in **Exhibit A**.
- Figures exclude commitments / redemptions / dispositions approved subsequent to Quarter-end and future distributions.
- Unfunded commitments may never be fully drawn.

SCERS Portfolio Snapshot <i>As of December 31, 2021</i>	Market Value (in millions of dollars)*	% of SCERS Plan	% of Real Estate
SCERS Total Plan Assets	13,257	100.0%	
Private Portfolio Target	1,193	9.0%**	
Private Portfolio Permissible Range		7.0-11.0%**	
Private Real Estate			
Core Portfolio	743	5.6%	72.3%
Non-Core Portfolio	285	2.2%	27.7%
Total SCERS Private Real Estate Market Value	1,028	7.8%	
Total SCERS Private Real Estate Unfunded Commitments	187	1.4%	

• Figures may not add due to rounding

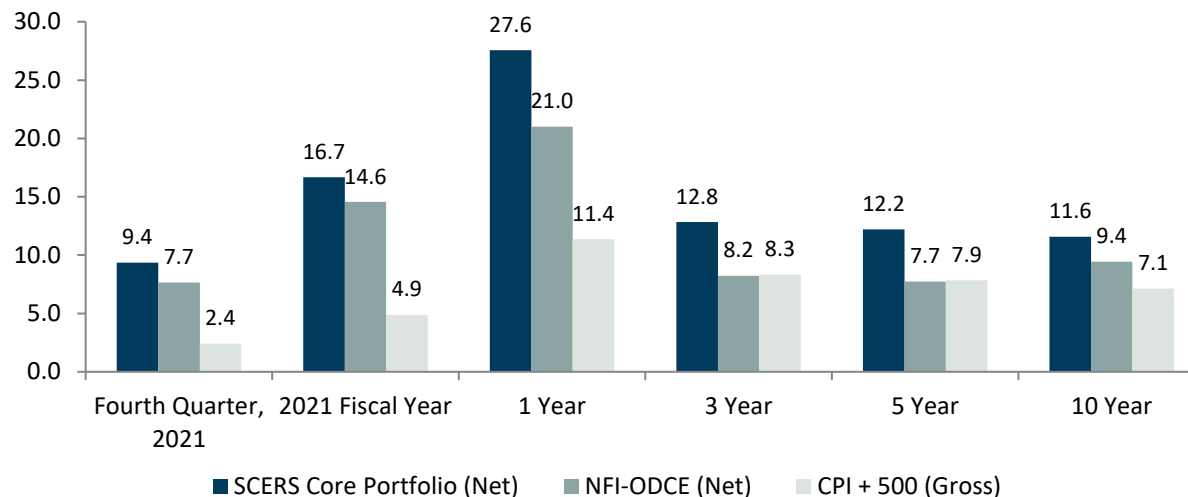
** The 9% Private Portfolio (RE) target and permissible range were approved during the third quarter of 2021

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.
- 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 fourth quarter of 2021, the SCERS Private Real Estate Portfolio outperformed the benchmark by 30 basis points led by the positive performance of the Core funds.

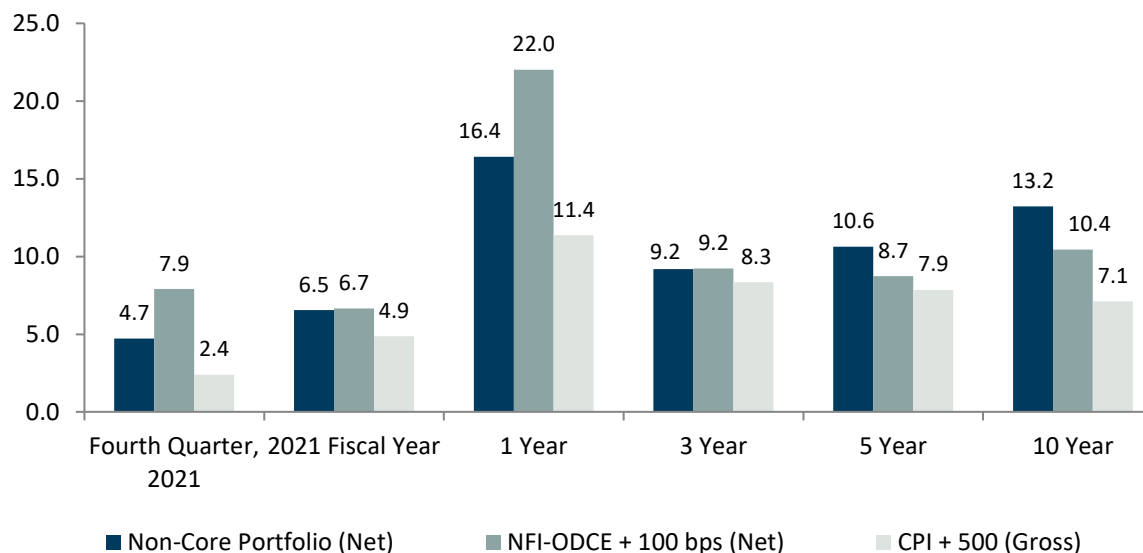
Core Portfolio Performance



- 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 13.5% in net returns as the fund continued to witness uplifts in valuation and strong leasing activities.
- Moreover, Townsend Real Estate Fund was the second largest contributor to the SCERS Core Portfolio producing 9.4% in net returns.
- The SCERS Core Portfolio performed above the CPI + 500 bps (the SCERS Real Asset benchmark) over all time periods.

*EX-US funds produced the following 4Q21 net returns in local currency: Prologis European Logistics Fund (Euro) 6.5%.

Non-Core Portfolio Performance

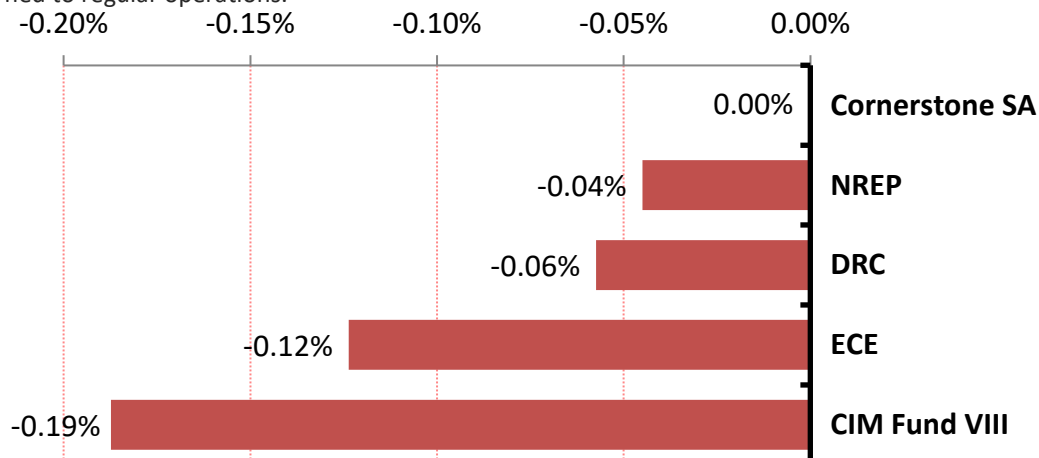
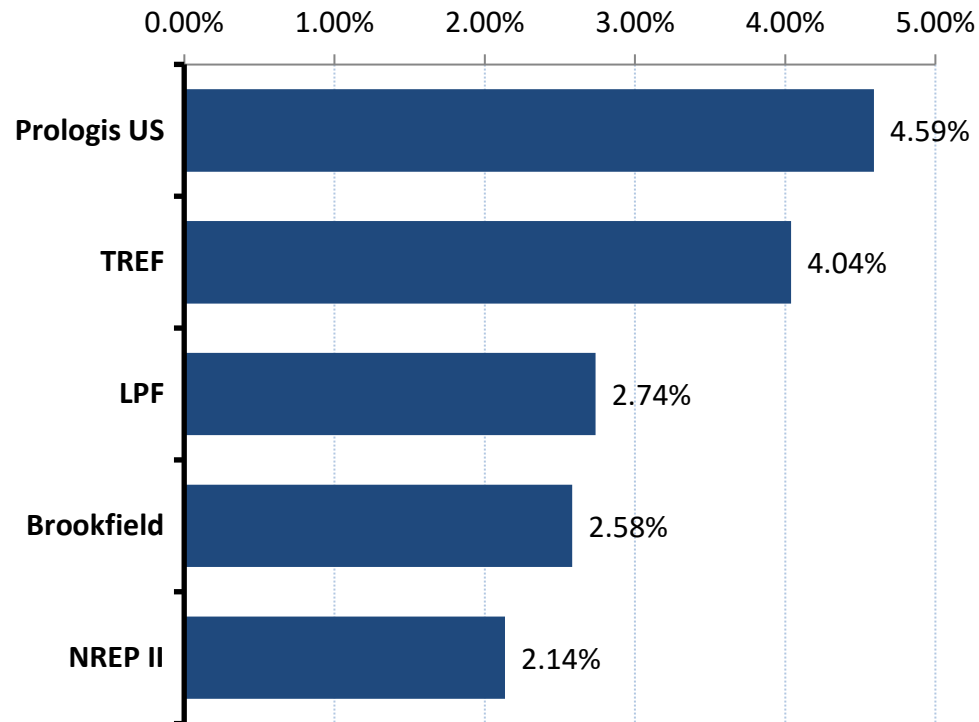


- The SCERS Non-Core Portfolio includes both Value Added and Opportunistic Real Estate strategies, which are defined in the Glossary of Terms.
- During the quarter, the Non-Core Portfolio underperformed the benchmark due to the poor performance of the Opportunistic investments, particularly the negative performance of KKR Real Estate Partners Americas and Carlyle China Project Rome dragging down the overall performance.
- LaSalle China Logistics was the strongest performer generating 39.4% in net returns as a result of uplifts in the fund's assets. Furthermore, NREP Nordic Strategies II was the largest contributor producing 13.5% in net returns attributed to an appreciation in the fund's overall assets as a result of continued strong leasing momentum.

**EX-US funds produced the following 4Q21 net returns in local currency: DRC European Real Estate Debt Fund II (Pound Sterling) (18.7%), ECE European Prime Shopping Centre Fund II (Euro) 3.1%, NREP Nordic Strategies Fund (Euro) 1.6%, NREP Nordic Strategies Fund II (Euro) 8.1%, NREP Nordic Strategies Fund III (Euro) 15.5%, NREP Nordic Strategies Fund IV (Euro) 32.4%, Carlyle China Realty Fund (Chinese Yuan) (4.1%) and Carlyle's Project Rome (Chinese Yuan) (4.0%).*

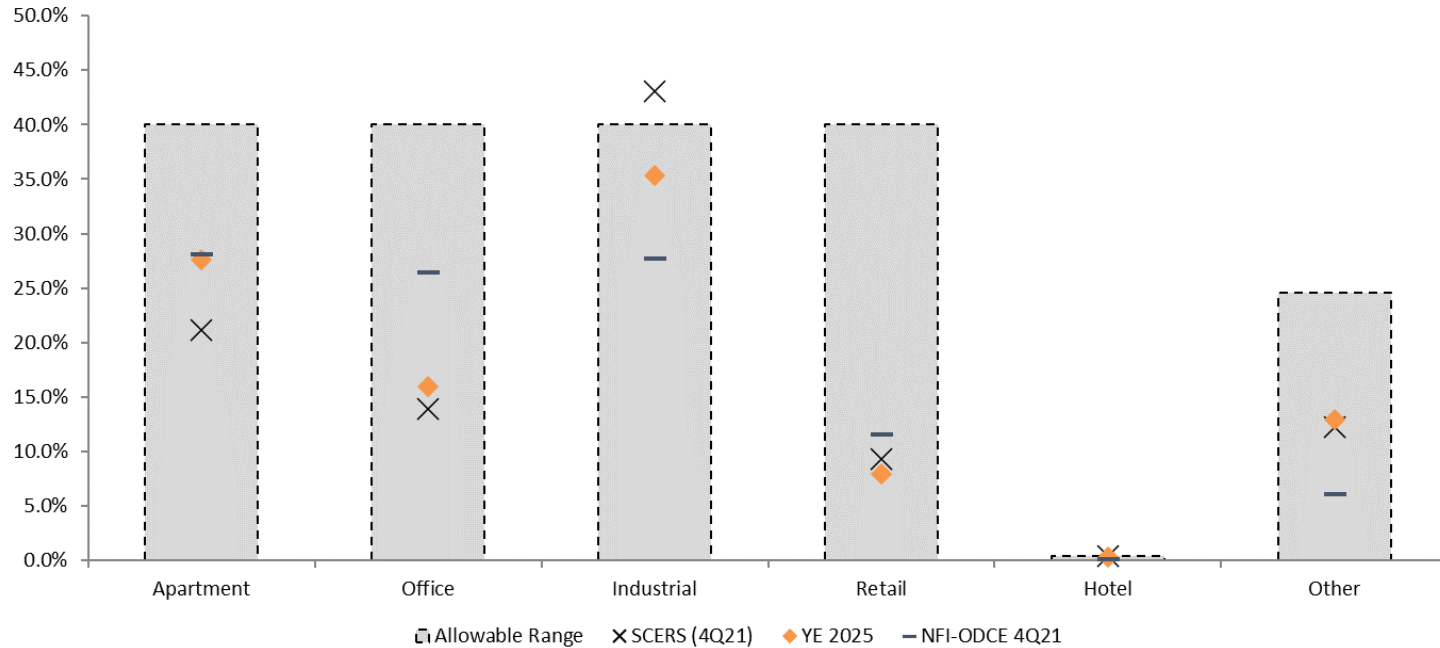
Performance Attribution

- SCERS total portfolio's positive performance over the 1-year period is primarily attributed to the solid performance of the Core OECFs as well as the value-add investments.
- Over the trailing year, the top four 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, Lion Properties Fund and Brookfield Premier Real Estate Partners.
- Additionally, NREP Nordic Strategies II boosted the returns of with a solid 52.7% in net returns for the trailing year.
- 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 continued to be a large detractor over the trailing year due to significant write-downs in two of the fund's shopping malls dragging down the trailing year performance.
- 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

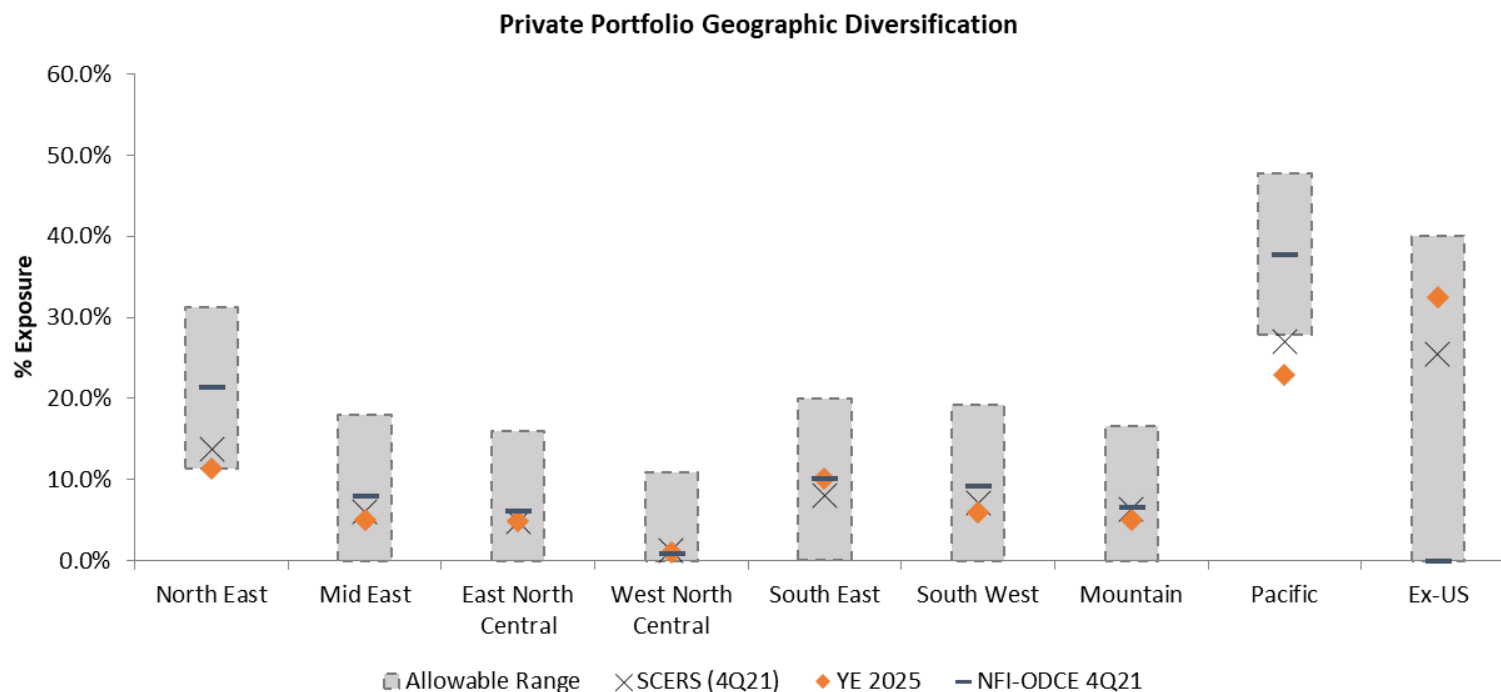


- The diversification of the Private Portfolio is compared to the diversification of the NFI-ODCE, and has a maximum limit of 40% for each property type, except for the “other” property type which has a maximum limit of 25%**. The Real Estate Policy also allows for temporary deviations in order to provide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

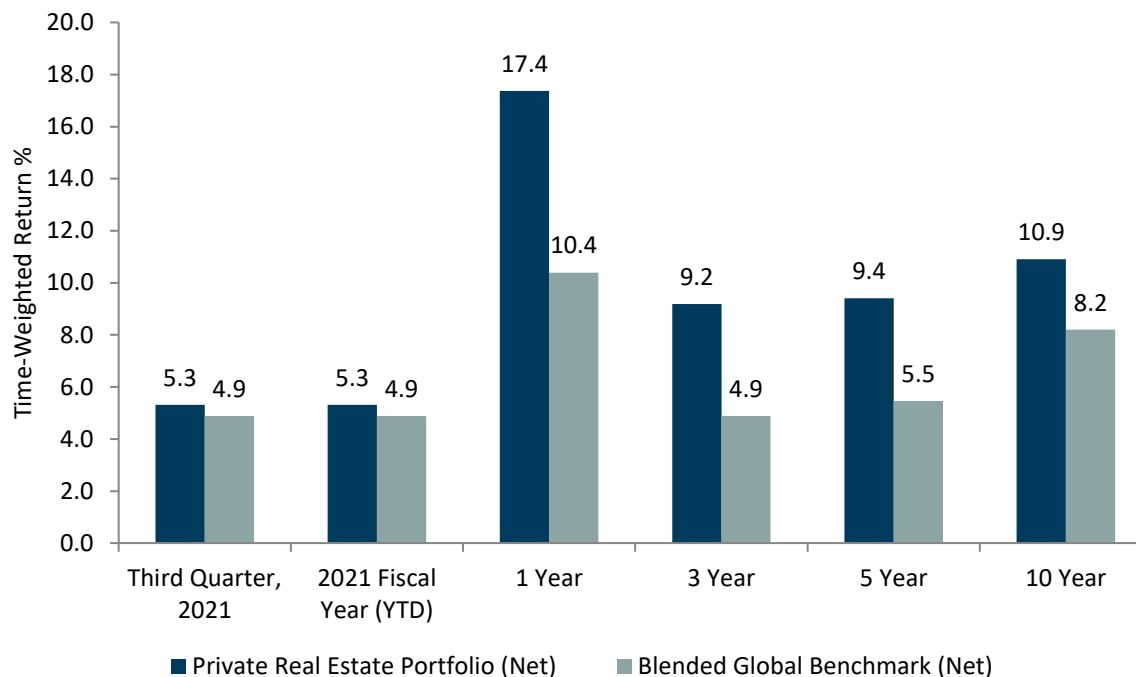
** The 25% limit is for “Other” property type exposure including hotels. However, our chart currently separates the “Hotel” property sector from “Other” due to be aligned with the ODCE classifications.

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 fourth quarter, the Private Portfolio was in compliance across all regions except for the Pacific.
- The Private Portfolio's international exposure is 25.4%, 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 5.31% in China, 4.01% in Denmark, 2.62% in Finland, 2.56% in Germany, 1.79% in France, 2.82% in Sweden, 1.37% in Poland, 1.10 in Netherlands, 1.80% in the UK and 2.02% in other countries.

Private Real Estate Performance – Global Ancillary Benchmark (3Q21)



- 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 25.4%, 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	
13,256,941,736	Core	7.0%	743,032,482	5.6%	0	0.0%	184,953,440	1.4%
	Non-Core	0.00% - 5.00%	285,129,611	2.2%	186,792,608	1.4%	-173,641,030	-1.3%
	Total	7.0%	1,028,162,093	7.8%	186,792,608	1.4%	11,312,410	0.1%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Portfolio (Commingled Funds & Separate Accounts)	10.2	9.4	30.8	27.6	14.5	12.8	13.7	12.2
Non-Core Portfolio (Value Added & Opportunistic, 1Q2007 Forward)	6.2	4.7	24.4	16.4	15.4	9.2	15.5	10.6
Private Real Estate Portfolio	9.1	8.0	29.1	24.5	14.7	11.9	13.6	11.3
NFI-ODCE (Core)	8.0	7.7	22.2	21.0	9.2	8.2	8.7	7.7
NFI-ODCE + 100 bps (Non-Core)	8.2	7.9	23.2	22.0	10.2	9.2	9.7	8.7
NFI-ODCE + 35 bps (Private Portfolio)	8.1	7.7	22.5	21.4	9.5	8.6	9.1	8.1

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	13,105,478	122,368,847	12.8	11.3
Lion Properties Fund	2018	152,400,000	155,760,908	0	68,680,223	125,714,137	13.1	11.6
MetLife Core Property Fund	2013	35,000,000	52,237,044	0	17,914,419	81,572,634	8.5	7.5
Principal U.S. Property Account	2015	35,000,000	35,000,000	0	0	59,894,894	6.2	5.5
Prologis European Logistics Fund ^{1,3}	2017	47,950,142	49,151,023	0	8,633,633	73,235,565	7.6	6.8
Prologis Targeted U.S. Logistics Fund	2015	50,000,000	50,000,000	0	12,346,593	121,785,325	12.7	11.2
Townsend Real Estate Fund, L.P. ³	2016	90,000,000	114,057,862	0	24,057,862	158,461,080	16.5	14.6
Core Commingled Funds	1986	510,350,142	556,206,837	0	144,738,208	743,032,482	72.3	61.2
Value Added Portfolio								
Asana Partners Fund II	2019	35,000,000	18,025,000	16,975,000	0	23,224,120	2.3	3.3
Asana Partners Fund III	2021	45,000,000	0	40,000,000	0	-214,742	0.0	3.3
DRC European Real Estate Debt Fund II	2013	50,007,963	47,627,074	4,368,547	42,853,672	4,164,429	0.4	0.7
ECE European Prime Shopping Centre Fund II C ³	2015	33,611,623	34,613,419	0	3,766,971	35,645,233	3.5	2.9
Hammes Partners II	2015	25,000,000	27,340,027	1,293,434	43,148,651	3,041,194	0.3	0.4
Hammes Partners III	2018	25,000,000	23,918,513	7,206,487	6,843,247	20,288,584	2.0	2.3
NREP Nordic Strategies Fund ³	2014	17,322,210	22,485,011	0	36,359,214	2,590,953	0.3	0.2
NREP Nordic Strategies Fund II ³	2016	35,176,432	33,088,697	3,247,712	18,982,472	50,025,191	4.9	4.4
NREP Nordic Strategies Fund III ³	2018	39,019,632	26,177,016	10,215,185	0	38,591,270	3.8	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	27,735,707	0	12,697,501	1.2	3.3
Value Added Portfolio	1986	340,587,068	242,971,782	111,042,072	151,954,227	190,053,733	18.5	24.8
Opportunistic Portfolio								
Carlyle China Project Rome Co-Investment	2017	40,000,000	38,063,985	4,405,916	0	37,917,239	3.7	3.5
Carlyle China Realty	2017	10,000,000	10,572,646	906,759	2,342,232	8,546,479	0.8	0.8
CIM Fund VIII	2015	35,000,000	39,225,572	0	7,344,769	30,299,786	2.9	2.5
KKR Real Estate Partners Americas ²	2014	22,720,638	30,228,836	4,050,181	37,527,894	1,822,124	0.2	0.5
LaSalle China Logistics Venture	2021	30,000,000	2,744,999	27,255,001	0	2,847,618	0.3	2.5
Sculptor Real Estate Fund III ^{2,3}	2014	35,000,000	26,554,684	12,936,485	32,749,954	9,068,242	0.9	1.8
Sculptor Real Estate Fund IV ^{2,3}	2020	30,000,000	7,189,310	26,196,194	3,628,700	4,574,390	0.4	2.5
Opportunistic Portfolio	1991	202,720,638	154,580,032	75,750,536	83,593,549	95,075,878	9.2	14.1
Total Non-Core Portfolio 1Q 2007 Forward	2007	543,307,706	397,551,814	186,792,608	235,547,776	285,129,611	27.7	38.8
Total Private Portfolio								
SCERS	1986	1,053,657,848	1,806,535,715	186,792,608	1,600,617,035	1,028,162,093	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	122,368,847	0.8	11.2	11.9	10.5	1.4	18.2	19.8	15.2	2.7	25.3	28.5	23.0	3.1	9.8	13.1	10.8
Lion Properties Fund	125,714,137	0.9	6.9	7.8	7.6	1.9	12.3	14.4	13.9	3.9	18.9	23.4	22.4	3.8	6.7	10.6	9.7
MetLife Core Property Fund	81,572,634	1.1	7.4	8.5	8.4	2.3	14.3	16.7	16.4	4.7	22.4	27.8	27.2	4.7	7.0	11.9	11.4
Principal U.S. Property Account	59,894,894	1.1	9.2	10.3	10.0	2.1	13.8	16.0	15.5	4.3	18.9	23.7	22.6	4.2	6.0	10.4	9.3
Prologis European Logistics Fund ^{4,3}	73,235,565	1.1	4.7	5.8	4.7	2.3	8.5	10.9	8.6	4.8	17.3	22.7	18.0	5.2	13.0	18.7	15.9
Prologis Targeted U.S. Logistics Fund	121,785,325	1.0	15.1	16.1	13.5	1.9	29.6	31.7	26.4	3.9	53.9	59.3	48.7	4.3	23.2	28.3	24.0
Townsend Real Estate Fund, L.P. ³	158,461,080	1.0	8.5	9.5	9.4	2.0	15.8	17.9	17.8	3.7	25.0	29.3	29.1	3.9	8.4	12.6	12.3
Core Commingled Funds	743,032,482	1.0	9.2	10.2	9.4	1.9	16.5	18.6	16.7	3.9	26.2	30.8	27.6	4.0	10.2	14.5	12.8
Value Added Portfolio																	
Asana Partners Fund II	23,224,120	0.4	8.8	9.2	7.0	0.5	33.8	34.4	25.2	0.3	63.3	63.7	49.9				
Asana Partners Fund III	-214,742																
DRC European Real Estate Debt Fund II	4,164,429	-18.3	0.0	-18.2	-18.4	-15.6	-2.6	-17.7	-18.2	-9.7	-1.5	-11.0	-12.4	-21.6	1.3	-19.2	-20.1
ECE European Prime Shopping Centre Fund II C ⁵	35,645,233	1.8	0.6	2.5	1.4	1.3	-0.5	0.8	-1.2	2.1	-2.3	-0.2	-3.0	1.8	-0.8	0.9	-1.6
Hammes Partners II	3,041,194	1.1	10.8	11.9	9.3	2.9	14.2	17.4	13.3	5.3	22.4	28.6	21.3	9.2	37.9	49.0	40.6
Hammes Partners III	20,288,584	2.0	7.3	9.2	6.8	4.3	10.8	15.3	10.6	9.9	17.9	29.1	18.3	9.4	21.3	31.9	3.7
NREP Nordic Strategies Fund ²	2,590,953	0.0	0.3	0.3	-0.2	0.0	-2.1	-2.1	-10.5	0.2	-3.2	-3.0	-11.6	2.2	12.5	14.9	1.0
NREP Nordic Strategies Fund II ¹	50,025,191	4.6	2.1	6.6	6.0	-35.4	45.6	11.3	7.7	-4.8	74.9	71.5	52.7	-0.9	40.9	41.0	28.5
NREP Nordic Strategies Fund III ¹	38,591,270	-3.7	21.9	18.2	13.5	-2.3	18.9	17.0	11.3	-1.4	36.3	35.9	22.8	-2.5	34.5	32.0	14.1
NREP Nordic Strategies Fund IV ²	12,697,501	-4.5	37.7	33.3	30.0	-5.9	37.6	31.1	24.4	-10.8	57.2	42.2	20.5				
Value Added Portfolio	190,053,733	0.5	8.8	9.3	7.3	-9.7	23.8	13.3	8.7	-0.7	36.9	36.4	25.1	0.4	25.0	25.6	15.6
Opportunistic Portfolio																	
Carlyle China Project Rome Co-Investment	37,917,239	-0.1	-2.3	-2.4	-2.7	-0.1	2.0	1.9	1.4	-0.3	2.6	2.4	1.3	-0.2	3.0	2.8	1.7
Carlyle China Realty	8,546,479	-0.1	-2.3	-2.4	-2.8	-0.2	2.0	1.8	1.1	-0.4	2.6	2.2	0.8	2.7	3.6	6.3	4.5
CIM Fund VIII	30,299,786	0.0	0.9	0.8	0.5	0.0	1.0	1.0	0.3	0.0	-3.7	-3.7	-4.9	0.0	-6.4	-6.5	-7.6
KKR Real Estate Partners Americas ³	1,822,124	-47.1	36.9	-10.2	-8.9	-42.4	31.2	-6.0	-5.8	-24.0	33.6	27.9	19.1	-10.2	-9.2	-8.7	-7.0
LaSalle China Logistics Venture	2,847,618	-4.2	55.1	51.0	39.4	-181.3	483.3	188.6	-6.2								
Sculptor Real Estate Fund III ²	9,068,242	4.3	2.4	6.7	5.2	7.5	4.5	12.1	9.4	17.7	9.6	28.5	24.1	11.8	6.4	18.7	16.0
Sculptor Real Estate Fund IV ²	4,574,390	2.1	8.3	10.4	8.0	17.2	2.8	21.2	14.9	22.0	14.8	40.3	25.9				
Opportunistic Portfolio	95,075,878	-0.6	1.1	0.5	-0.1	-0.9	5.5	4.6	2.3	0.6	5.5	6.2	2.8	1.3	1.0	2.4	0.4
Total Non-Core Portfolio 1Q 2007 Forward	285,129,611	0.1	6.1	6.2	4.7	-6.3	16.9	10.3	6.5	-0.1	24.4	24.4	16.4	0.8	14.4	15.4	9.2
Total Private Portfolio																	
SCERS	1,028,162,093	0.7	8.3	9.1	8.0	-0.4	16.6	16.2	13.8	2.8	25.8	29.1	24.5	3.1	11.2	14.7	11.9

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}	€ 64,396,033	1.1	6.6	7.7	6.5	2.3	13.2	15.6	13.2	4.8	26.1	31.8	26.7	5.2	13.3	19.0	16.1
DRC European Real Estate Debt Fund II (Pound Sterling) ⁴	£3,078,346	-18.5	0.0	-18.5	-18.7	-15.8	0.0	-15.8	-16.4	-10.1	0.0	-10.1	-11.5	-20.7	0.0	-20.7	-21.6
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 31,342,853	1.9	2.4	4.3	3.1	1.4	3.6	5.0	2.6	2.2	4.9	7.1	4.2	1.7	-0.6	1.1	-1.4
NREP Nordic Strategies Fund (Euro) ³	€ 2,968,324	0.0	2.1	2.1	1.6	0.0	2.1	2.1	-6.7	0.2	4.0	4.2	-5.0	2.2	13.2	15.5	1.6
NREP Nordic Strategies Fund II (Euro) ³	€ 43,987,151	4.7	4.0	8.7	8.1	-35.5	51.1	16.2	12.4	-4.6	88.2	84.8	64.5	-0.8	41.3	41.5	29.0
NREP Nordic Strategies Fund III (Euro) ³	€ 33,933,304	-3.8	24.0	20.2	15.5	-2.4	24.1	22.1	16.1	-1.3	46.6	46.1	32.0	-2.5	35.2	32.6	14.6
NREP Nordic Strategies Fund IV (Euro) ³	€ 11,164,913	-4.6	40.2	35.7	32.4	-6.0	43.7	37.0	30.0	-10.8	72.8	56.6	33.0				
Indices																	
NFI ODCE+ 35bps				8.1	7.7			6.7	6.5			22.5	21.4			9.5	8.6
NFI-ODCE		1.0	7.0	8.0	7.7	2.0	13.0	15.1	14.6	4.0	17.6	22.2	21.0	4.0	5.0	9.2	8.2
NFI-ODCE + 100bps				8.2	7.9			6.9	6.7			23.2	22.0			10.2	9.2
CPI + 500 bps				2.4				4.9				11.4				8.3	

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

² Previously Och-Ziff Real Estate Fund III.

³ Preliminary data.

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	122,368,847									3.0	9.7	12.8	10.6	4Q18	10.3	1.4
Lion Properties Fund	125,714,137									3.8	6.5	10.4	9.5	4Q18	8.7	1.2
MetLife Core Property Fund	81,572,634	4.8	5.4	10.4	9.9					5.0	6.7	11.9	11.4	1Q14	11.4	1.9
Principal U.S. Property Account	59,894,894	4.4	5.3	9.9	8.8					4.5	5.3	10.0	9.0	4Q15	9.0	1.7
Prologis European Logistics Fund ^{4,2}	73,235,565									5.5	12.2	18.1	15.4	4Q17	15.5	1.7
Prologis Targeted U.S. Logistics Fund	121,785,325	4.7	20.1	25.5	21.7					5.0	17.9	23.5	20.1	3Q15	20.6	2.7
Townsend Real Estate Fund, L.P. ²	158,461,080	4.1	7.2	11.5	11.3					4.1	7.2	11.5	11.3	2Q16	11.3	1.6
Core Commingled Funds	743,032,482	4.2	9.2	13.7	12.2	4.5	8.1	12.9	11.6	4.4	4.0	8.5	7.6	4Q86	8.2	1.5
Value Added Portfolio																
Asana Partners Fund II	23,224,120									-5.1	13.1	6.7	-8.1	4Q19	23.2	1.3
Asana Partners Fund III	-214,742													2Q22	0.0	65535.0
DRC European Real Estate Debt Fund II	4,164,429	-10.4	1.4	-8.3	-9.3					-3.1	-3.2	-5.5	-6.9	1Q14	-0.5	1.0
ECE European Prime Shopping Centre Fund II C ⁵	35,645,233	4.0	4.0	8.1	5.5					2.4	9.3	11.9	9.2	4Q15	4.6	1.1
Hammes Partners II	3,041,194	9.1	26.1	36.7	29.6					9.9	22.3	33.8	26.3	3Q15	23.6	1.7
Hammes Partners III	20,288,584									9.4	21.3	31.9	3.7	1Q19	17.8	1.1
NREP Nordic Strategies Fund ²	2,590,953	3.9	12.4	16.6	7.7					6.7	15.0	22.4	15.0	1Q15	23.3	1.7
NREP Nordic Strategies Fund II ³	50,025,191	0.0	35.8	36.5	26.2					1.0	32.8	34.7	22.7	3Q16	23.5	2.1
NREP Nordic Strategies Fund III ²	38,591,270									-4.5	33.2	28.1	7.7	4Q18	24.0	1.5
NREP Nordic Strategies Fund IV ²	12,697,501									-23.5	67.8	31.7	N/A	1Q20	33.5	1.3
Value Added Portfolio	190,053,733	2.8	19.0	22.3	15.0	5.2	13.0	18.8	14.1	1.9	5.4	7.4	5.5	4Q86	7.3	1.3
Opportunistic Portfolio																
Carlyle China Project Rome Co-Investment	37,917,239									-0.9	3.3	2.4	0.2	3Q17	-0.1	1.0
Carlyle China Realty	8,546,479									1.9	3.2	5.2	2.7	3Q17	1.0	1.0
CIM Fund VIII	30,299,786	-0.1	-0.5	-0.6	-1.9					0.0	2.8	2.8	1.1	2Q15	-0.9	1.0
KKR Real Estate Partners Americas ²	1,822,124	-1.1	-7.3	-1.8	-1.0					5.5	-7.5	2.8	2.5	2Q14	12.5	1.3
LaSalle China Logistics Venture	2,847,618									-181.3	483.3	188.6	-6.2	3Q21	10.1	1.0
Sculptor Real Estate Fund III ²	9,068,242	11.6	12.8	25.5	22.1					14.1	12.4	27.8	13.7	4Q14	22.0	1.6
Sculptor Real Estate Fund IV ²	4,574,390									22.8	15.5	41.2	19.6	3Q20	23.8	1.1
Opportunistic Portfolio	95,075,878	2.1	4.7	6.8	4.6	5.1	13.6	20.0	14.8	2.0	7.0	9.2	7.2	1Q91	9.8	1.3
Total Non-Core Portfolio 1Q 2007 Forward	285,129,611	2.5	12.8	15.5	10.6	5.0	12.3	17.7	13.2	3.9	6.8	10.9	6.4	1Q07	7.8	1.3
Total Private Portfolio																
SCERS	1,028,162,093	3.7	9.6	13.6	11.3	4.4	8.7	13.4	11.5	4.2	5.5	9.9	8.8	4Q86	8.7	1.5

Returns (%)	Market Value (\$)	5 Year				10 Year				Inception				TWR Calculation Inception	Net IRR	Equity Multiple
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET ⁴			
Ex-US Dollar Denominated Investments (In Local Currency)																
Prologis Targeted Europe Logistics Fund (Euro) ^{1,3}	€ 64,396,033	5.4	12.1	18.0	15.4					5.0	10.6	15.9	13.7	1Q16	13.8	1.5
DRC European Real Estate Debt Fund II (Pound Sterling) ²	£3,078,346	-9.8	0.0	-9.8	-10.8					-2.7	-0.5	-3.1	-4.6	1Q14	3.4	1.1
ECE European Prime Shopping Centre Fund II (Euro) ³	€ 31,342,853	4.0	2.3	6.3	3.8					2.2	9.0	11.6	9.0	4Q15	4.6	1.1
NREP Nordic Strategies Fund (Euro) ³	€ 2,968,324	3.9	10.8	15.0	6.2					6.8	16.1	23.6	16.1	1Q15	24.7	1.8
NREP Nordic Strategies Fund II (Euro) ³	€ 43,987,151	0.0	33.9	34.6	24.4					1.0	32.2	34.1	22.2	3Q16	23.7	2.1
NREP Nordic Strategies Fund III (Euro) ³	€ 33,933,304									-4.5	34.4	29.1	8.5	4Q18	23.9	1.5
NREP Nordic Strategies Fund IV (Euro) ³	€ 11,164,913									-23.6	71.8	35.1	N/A	1Q20	38.7	1.4
Indices																
NFI ODCE+ 35bps				9.1	8.1			10.8	9.8			7.9	6.8	4Q86		
NFI-ODCE		4.1	4.4	8.7	7.7	4.6	5.7	10.4	9.4	6.5	0.9	7.5	6.5	4Q86		
NFI-ODCE + 100bps				9.7	8.7			11.4	10.4			8.5	7.5	4Q86		
CPI + 500 bps				7.9				7.1				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	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Commingled Funds																	
Brookfield Premier Real Estate Partners	122,368,847	28.5	23.0	19.8	15.2	1.8	1.9	10.6	8.5	2.3	1.9						
Lion Properties Fund	125,714,137	23.4	22.4	14.4	13.9	2.2	1.4	7.3	6.4	2.0	1.8						
MetLife Core Property Fund	81,572,634	27.8	27.2	16.7	16.4	1.0	0.5	8.6	8.1	7.8	7.3	8.4	7.9	9.3	8.8	16.9	16.3
Principal U.S. Property Account	59,894,894	23.7	22.6	16.0	15.5	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}	73,235,565	22.7	18.0	10.9	8.6	20.2	18.7	13.5	11.1	13.6	10.8	6.8	6.5				
Prologis Targeted U.S. Logistics Fund	121,785,325	59.3	48.7	31.7	26.4	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. ³	158,461,080	29.3	29.1	17.9	17.8	2.6	2.3	7.6	7.3	9.0	8.8	11.0	10.8	8.4	8.2		
Core Commingled Funds	743,032,482	30.8	27.6	18.6	16.7	4.6	4.0	9.5	8.3	10.9	9.7	14.2	12.8	9.8	8.9	15.7	14.1
Value Added Portfolio																	
Asana Partners Fund II	23,224,120	63.7	49.9	34.4	25.2	-36.4	-45.7	11.1	1.5								
Asana Partners Fund III	-214,742																
DRC European Real Estate Debt Fund II	4,164,429	-11.0	-12.4	-17.7	-18.2	-47.1	-47.7	12.0	11.1	-0.6	-1.7	23.8	22.3	-7.8	-8.9	5.0	3.0
ECE European Prime Shopping Centre Fund II C ⁴	35,645,233	-0.2	-3.0	0.8	-1.2	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	3,041,194	28.6	21.3	17.4	13.3	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 ⁴	20,288,584	29.1	18.3	15.3	10.6	43.5	24.5	23.9	-24.4								
NREP Nordic Strategies Fund ⁵	2,590,953	-3.0	-11.6	-2.1	-10.5	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 ⁵	50,025,191	71.5	52.7	11.3	7.7	35.1	26.6	20.9	9.8	17.0	12.3	44.9	34.4	8.6	-3.8		
NREP Nordic Strategies Fund III ³	38,591,270	35.9	22.8	17.0	11.3	42.3	28.1	19.0	-5.5	-2.8	-14.4						
NREP Nordic Strategies Fund IV ⁵	12,697,501	42.2	20.5	31.1	24.4	22.1	-121.4										
Value Added Portfolio	190,053,733	36.4	25.1	13.3	8.7	19.0	10.6	22.1	11.5	10.5	6.3	24.9	22.3	9.5	7.0	19.1	17.0
Opportunistic Portfolio																	
Carlyle China Project Rome Co-Investment	37,917,239	2.4	1.3	1.9	1.4	-0.9	-2.0	7.2	5.8	-2.5	-7.1	4.7	3.6				
Carlyle China Realty	8,546,479	2.2	0.8	1.8	1.1	-0.3	-2.1	18.1	15.7	1.6	-1.4	2.7	0.2				
CIM Fund VIII	30,299,786	-3.7	-4.9	1.0	0.3	-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	1,822,124	27.9	19.1	-6.0	-5.8	-30.9	-24.7	7.8	7.3	11.0	10.7	27.5	23.3	20.8	17.2	79.0	55.3
LaSalle China Logistics Venture	2,847,618	188.6	-6.2	188.6	-6.2	-30.9	-24.7	7.8	7.3	11.0	10.7	27.5	23.3	20.8	17.2	79.0	55.3
Sculptor Real Estate Fund III ²	9,068,242	28.5	24.1	12.1	9.4	12.4	10.8	15.9	13.6	29.7	25.7	43.3	38.2	30.0	22.2	33.7	6.9
Sculptor Real Estate Fund IV	4,574,390	40.3	25.9	21.2	14.9	19.6	3.9										
Opportunistic Portfolio	95,075,878	6.2	2.8	4.6	2.3	-6.9	-8.1	8.6	7.1	11.5	9.1	19.1	16.0	13.9	10.2	44.5	23.2
Total Non-Core Portfolio 1Q 2007 Forward⁵	285,129,611	24.4	16.4	10.3	6.5	6.5	1.6	15.8	9.9	10.9	7.6	22.3	19.4	10.8	8.1	23.0	17.9
Total Private Portfolio																	
SCERS	1,028,162,093	29.1	24.5	16.2	13.8	5.2	3.5	11.0	8.7	9.2	7.5	15.2	13.6	9.1	7.8	9.9	8.5
Indices																	
NFI-ODCE + 35 bps		22.4	21.3	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
NFI-ODCE		22.2	21.0	15.1	14.6	1.2	0.3	5.3	4.4	8.3	7.4	7.6	6.7	8.8	7.8	15.0	14.0
NFI-ODCE + 100 bps		22.9	21.8	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
CPI + 500 bps		11.4		4.9		6.4		7.4		7.0		7.2		7.2		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 (\$)	2014		2013		2012		2011		2010		2009		2008		2007		2006	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Core Commingled Funds																			
Brookfield Premier Real Estate Partners	122,368,847																		
Lion Properties Fund	125,714,137																		
MetLife Core Property Fund	81,572,634	17.4	16.9																
Principal U.S. Property Account	59,894,894																		
Prologis European Logistics Fund ^{1,3}	73,235,565																		
Prologis Targeted U.S. Logistics Fund	121,785,325																		
Townsend Real Estate Fund, L.P. ³	158,461,080																		
Core Commingled Funds	743,032,482	13.5	12.4	10.2	9.3	11.1	10.1	16.4	15.5	14.1	13.3	-33.0	-33.6	-13.8	-14.6	15.5	14.5	16.9	15.8
Value Added Portfolio																			
Asana Partners Fund II	23,224,120																		
Asana Partners Fund III	-214,742																		
DRC European Real Estate Debt Fund II	4,164,429	1.4	-2.1																
ECE European Prime Shopping Centre Fund II C ⁵	35,645,233																		
Hammes Partners II ³	3,041,194																		
Hammes Partners III ⁵	20,288,584																		
NREP Nordic Strategies Fund ⁵	2,590,953																		
NREP Nordic Strategies Fund II ⁵	50,025,191																		
NREP Nordic Strategies Fund III ³	38,591,270																		
NREP Nordic Strategies Fund IV ⁵	12,697,501																		
Value Added Portfolio	190,053,733	15.7	13.7	13.3	10.8	19.6	18.1	16.7	14.7	23.2	20.3	-56.4	-57.6	-31.2	-33.5	18.2	5.6	0.8	0.5
Opportunistic Portfolio																			
Carlyle China Project Rome Co-Investment	37,917,239																		
Carlyle China Realty	8,546,479																		
CIM Fund VIII	30,299,786																		
KKR Real Estate Partners Americas ³	1,822,124	30.1	24.7																
LaSalle China Logistics Venture	2,847,618	30.1	24.7																
Sculptor Real Estate Fund III ²	9,068,242	9.4	-28.3																
Sculptor Real Estate Fund IV	4,574,390																		
Opportunistic Portfolio	95,075,878	33.3	19.9	11.7	9.4	54.2	38.5	-10.1	-8.0	42.4	34.2	54.0	43.5	-44.5	-45.4	3.4	2.6	0.0	0.0
Total Non-Core Portfolio 1Q 2007 Forward⁵	285,129,611	17.0	14.2	16.7	13.5	34.6	26.9	-0.3	0.4	37.0	30.4	-13.5	-17.8	-33.7	-35.7	18.2	5.6		
Total Private Portfolio																			
SCERS	1,028,162,093	16.0	14.2	12.0	10.7	19.2	17.8	9.8	9.4	20.6	19.2	-16.0	-16.7	-14.1	-14.7	10.7	8.7	16.9	14.2
Indices																			
NFI-ODCE + 35 bps		12.8	11.8	14.3	13.3	11.3	10.1	16.3	15.3	16.7	15.6	-29.4	-30.0	-9.7	-10.3	16.3	15.2	16.7	15.6
NFI-ODCE		12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0	16.4	15.3	-29.8	-30.4	-10.0	-10.7	16.0	14.8	16.3	15.3
NFI-ODCE + 100 bps		13.5	12.5	14.9	13.9	11.9	10.8	17.0	16.0	17.4	16.3	-28.8	-29.4	-9.0	-9.7	17.0	15.8	17.3	16.3
CPI + 500 bps		5.7		6.6		6.8		8.2		6.5		8.0		5.0		9.3		7.7	

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	111,938,527	0	1,179,265	0	832,005	1,599,876	12,377,456	122,368,847	44.8
Lion Properties Fund	117,589,168	248,546	1,065,337	0	1,104,621	248,546	8,085,687	125,714,137	23.7
MetLife Core Property Fund	75,286,440	673,243	677,375	0	848,382	96,757	5,538,701	81,572,634	27.7
Principal U.S. Property Account	54,441,037	0	0	0	577,254	136,379	5,012,982	59,894,894	21.7
Prologis European Logistics Fund	70,437,391	0	480,432	0	766,511	793,551	3,305,646	73,235,565	16.8
Prologis Targeted U.S. Logistics Fund	107,753,912	0	479,257	0	1,047,694	2,794,679	16,257,656	121,785,325	12.3
Townsend Real Estate Fund, L.P.	144,801,789	1,700,988	1,700,988	0	1,447,201	78,690	12,290,780	158,461,080	35.2
Core Commingled Funds	682,248,264	2,622,777	5,582,654	0	6,623,668	5,748,478	62,868,908	743,032,482	29.1
Value Added Portfolio									
Asana Partners Fund II	21,707,575	0	0	0	93,395	477,362	1,900,512	23,224,120	50.4
Asana Partners Fund III	0	0	0	0	-127,785	86,958	0	-214,742	101.2
DRC European Real Estate Debt Fund II	5,103,397	0	0	0	-931,389	9,834	2,255	4,164,429	0.0
ECE European Prime Shopping Centre Fund II	33,454,859	2,041,834	324,087	0	625,890	372,633	219,369	35,645,233	57.1
Hammes Partners II	2,750,534	0	-35,543	-301	30,401	72,174	296,589	3,041,194	64.0
Hammes Partners III	17,015,278	2,504,441	371,986	23,990	337,303	414,244	1,241,782	20,288,584	66.1
NREP Nordic Strategies Fund	2,596,016	0	0	0	0	11,705	6,642	2,590,953	0.2
NREP Nordic Strategies Fund II	51,951,682	0	5,002,802	0	2,331,059	313,684	1,058,937	50,025,191	51.0
NREP Nordic Strategies Fund III	31,781,894	2,401,030	0	0	-1,214,132	1,519,216	7,141,693	38,591,270	42.0
NREP Nordic Strategies Fund IV	9,764,248	0	0	0	-435,354	315,747	3,684,353	12,697,501	42.0
Value Added Portfolio	176,125,483	6,947,305	5,663,332	23,689	709,388	3,593,557	15,552,132	190,053,733	54.0
Opportunistic Portfolio									
Carlyle China Project Rome Co-Investment	38,686,847	256,127	0	0	-29,669	100,822	-895,244	37,917,239	0.0
Carlyle China Realty	8,707,174	80,359	0	0	-9,744	29,830	-201,480	8,546,479	0.0
CIM Fund VIII	30,169,589	96,502	0	122,964	-7,805	96,743	261,207	30,299,786	41.4
KKR Real Estate Partners Americas	2,151,890	48,087	93,643	101,119	-963,751	-25,981	754,679	1,822,124	71.0
LaSalle China Logistics Venture	564,155	1,906,391	0	0	-39,890	111,025	527,987	2,847,618	43.2
Sculptor Real Estate Fund III	9,385,749	10,939	816,200	0	398,999	132,177	220,932	9,068,242	0.0
Sculptor Real Estate Fund IV	2,991,887	1,352,542	104,826	0	87,375	103,973	351,385	4,574,390	0.0
Opportunistic Portfolio	92,657,291	3,750,947	1,014,669	224,083	-564,485	548,589	1,019,466	95,075,878	19.8
Total Non-Core Portfolio 1Q 2007 Forward	268,782,774	10,698,252	6,678,001	247,772	144,903	4,142,146	16,571,598	285,129,611	46.4
Total Private Portfolio									
SCERS	951,031,038	13,321,029	12,260,655	247,772	6,768,571	9,890,624	79,440,506	1,028,162,093	34.9

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core Commingled Funds						
Brookfield Premier Real Estate Partners	31.5	26.7	40.4	-	-	1.4
Lion Properties Fund	23.5	26.3	31.6	7.1	-	11.5
MetLife Core Property Fund	29.9	31.4	29.3	9.4	-	-
Principal U.S. Property Account	23.7	26.2	32.5	11.0	-	6.6
Prologis European Logistics Fund	-	-	100.0	-	-	-
Prologis Targeted U.S. Logistics Fund	-	-	100.0	-	-	-
Townsend Real Estate Fund, L.P. [†]	35.1	8.2	29.2	8.0	-	19.4
Core Commingled Funds	21.8	16.2	50.3	4.8	-	6.8
Value Added Portfolio						
Asana Partners Fund II	0.9	42.4	-	56.6	-	-
Asana Partners Fund III	-	60.6	-	39.4	-	-
DRC European Real Estate Debt Fund II	-	88.9	-	11.1	-	-
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	56.6	1.5	-	6.2	-	35.7
NREP Nordic Strategies Fund III	22.4	4.1	41.2	4.3	-	28.0
NREP Nordic Strategies Fund IV	26.6	5.0	23.7	6.5	9.1	29.0
Value Added Portfolio	21.3	8.6	10.0	28.8	0.6	30.7

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	49.3	18.9	1.1	13.9	5.9	10.9
KKR Real Estate Partners Americas	-	11.7	-	23.3	57.3	7.7
LaSalle China Logistics Venture	-	-	100	-	-	-
Sculptor Real Estate Fund III	-	2.0	-	0.4	0.0	97.5
Sculptor Real Estate Fund IV	-	-	0.0	-	0.4	99.6
Opportunistic Portfolio	15.7	6.4	52.2	4.9	3.0	17.7
Total Non-Core Portfolio 1Q 2007 Forward	19.5	7.9	24.0	20.8	1.4	26.4
Total Private Portfolio						
SCERS	21.2	13.9	43.0	9.3	0.4	12.3
Indices						
NFI-ODCE	28.1	26.5	27.7	11.6	0.2	6.0

¹Property diversification numbers used are from 3Q21.

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	18.7	9.5	2.0	-	8.8	7.3	5.6	48.2	-
Lion Properties Fund	23.4	7.5	2.5	0.0	6.0	7.7	8.7	44.3	-
MetLife Core Property Fund	14.5	10.3	9.3	2.8	9.1	11.9	10.0	32.1	-
Principal U.S. Property Account	10.5	8.8	2.2	1.2	9.9	15.3	13.9	38.1	-
Prologis European Logistics Fund	-	-	-	-	-	-	-	-	100.0
Prologis Targeted U.S. Logistics Fund	14.3	4.4	11.6	-	11.6	9.1	5.2	43.7	-
Townsend Real Estate Fund, L.P. ¹	16.1	8.8	8.3	4.1	19.9	9.2	9.1	24.5	-
Core Commingled Funds	15.3	7.3	5.6	1.3	10.4	8.5	7.4	34.4	9.9
Value Added Portfolio									
Asana Partners Fund II	16.2	22.5	-	10.0	13.9	5.1	18.9	13.5	-
Asana Partners Fund III	-	-	18.5	-	81.5	-	-	-	-
DRC European Real Estate Debt Fund II	-	-	-	-	-	-	-	-	100.0
ECE European Prime Shopping Centre Fund II	-	-	-	-	-	-	-	-	100.0
Hammes Partners II	-	49.2	6.8	-	-	17.4	26.6	-	-
Hammes Partners III	39.0	2.3	17.3	5.0	6.2	25.1	2.1	3.1	-
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	6.6	4.0	2.1	1.9	2.4	3.8	3.2	2.1	73.9

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	39.6	-	10.5	-	0.8	-	11.7	33.2	4.1
KKR Real Estate Partners Americas	4.0	-	0.8	-	-	7.7	-	53.3	34.2
LaSalle China Logistics	-	-	-	-	-	-	-	-	100.0
Sculptor Real Estate Fund III	27.4	2.1	3.8	0.8	0.9	17.8	1.0	29.8	16.5
Sculptor Real Estate Fund IV	0.4	-	-	-	16.0	-	-	4.5	13.3
Opportunistic Portfolio	16.1	0.2	3.9	0.1	0.4	1.9	4.0	15.2	58.2
Total Non-Core Portfolio 1Q 2007 Forward	9.8	2.8	2.7	1.3	1.7	3.2	3.5	6.5	68.6
Total Private Portfolio									
SCERS	13.8	6.1	4.8	1.3	8.1	7.1	6.3	27.0	25.4
Indices									
NFI-ODCE	21.3	8.0	6.0	0.9	10.1	9.2	6.6	37.8	-

¹Geographic diversification numbers used are from 3Q21.

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 4Q21



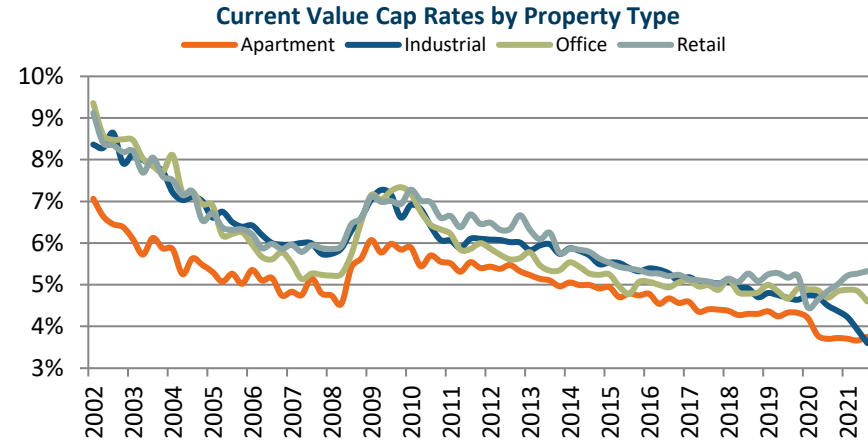
United States Real Estate Market Update (4Q21)

General

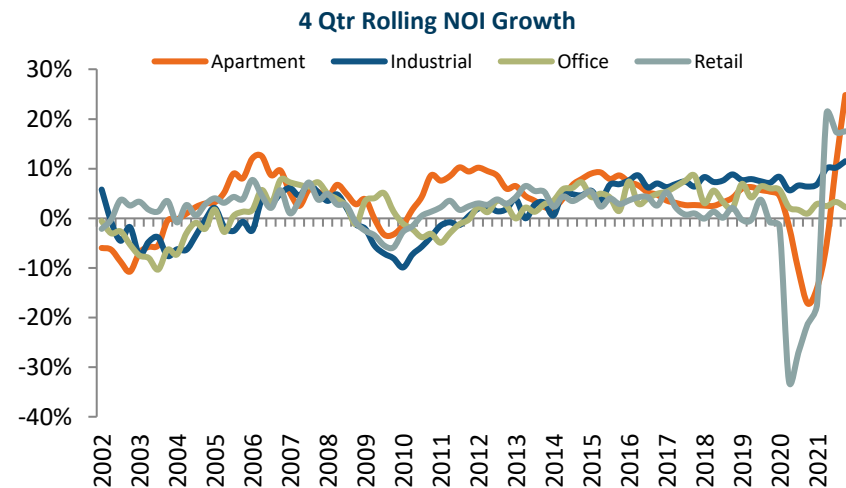
- 2021 was the year of broad-based recovery, following a 2020, where the pandemic was cemented in headlines across the globe. The post-pandemic economic recovery has remained generally on track; however, an array of headwinds have emerged including tight labor markets, the surfacing of COVID variants, various geopolitical events, and widespread global supply chain struggles. In 4Q21, 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 11.0%, bringing the year-to-date total return to 28.7%. The MSCI US REIT index has rebounded sharply and produced returns of 16.3% and 43.1% for the quarter and year, respectively.
- The U.S. entered a recession in February 2020, but the economy has since rebounded with the continued rollout of vaccines and an unprecedented level of federal aid distributed to households and businesses. In the 4th quarter, U.S. GDP grew at an annualized rate of 6.9%, well above the forecasted 5.5%. The unemployment rate peaked in April 2020 at 14.7% and has since declined to 3.9% at quarter end 4Q21, falling an additional 90 bps from the end of 3Q21. The Federal Reserve continues to view the overall economy as strong, despite, noting an anticipated slowing of growth in early 2022. The world economy is forecasted to grow by 5.9% in 2021, slowing to 4.9% of growth in 2022.

Commercial Real Estate

- Through the fourth quarter of 2021, total CRE transaction activity for the quarter was up 97% YoY, specifically increasing significantly QoQ, to the tune of 53%. The market continues to rebound strongly and has now reached all time high transaction activity levels. Transaction volume has been the strongest in the apartment and industrial sectors.
- Transaction cap rates (4.2%) compressed significantly during the quarter, to the tune of -81 bps. Current valuation cap rates declined for industrial (-32 bps) and office (-15 bps). While both the apartment (+9 bps) and retail (+6 bps) property sectors experienced slight cap rate expansion.
- NOI growth has substantially diverged between property sectors due to the impacts of COVID-19. Retail NOI has expanded substantially (+18%) YoY as the sector continues to slowly recover from decreased rent collections and retailer shutdowns early last year. Apartment NOI expanded (+25%) YoY, as broad-based effective market rents have fully recovered and in many cases are now exceeding levels only seen prior to the global pandemic.
- In the fourth quarter of 2021, \$70 bn of aggregate capital was raised by real estate funds. There continues to be substantial dry powder, ~\$391 billion, seeking exposure to private real estate.
- 10-year treasury bond yields remained essentially flat at 1.51% as of quarter end. Economists expect rates to move modestly higher throughout 2022, though forecasts vary in significance.



Source: NCREIF



Source: NCREIF

United States Property Matrix (4Q21)

INDUSTRIAL

- In 4Q21, industrial properties were the highest returning sector at 10.3% and outperformed the NPI by 720 bps.
- Transaction volumes rose to \$67.1 billion in the fourth quarter of the year, resulting in a 59% increase year-over-year. Individual asset sales increased 38% year-over-year, while portfolio purchases turned in a year-over-year volume increase of 160%. At slightly over \$67.1 billion, the industrial sector increased a significant \$23.5 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 11.5% over the past year. NOI continues to reach all time highs for the sector.
- Vacancy decreased by 130 bps year-over-year to 2.1%. 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 90 bps from a year ago, to 3.6%. Industrial overall fundamentals still top all property sectors.

MULTIFAMILY

- The apartment sector delivered a 6.8% return during the quarter, outperforming the NPI by 60 bps.
- Transaction volume in the fourth quarter of 2021 rose to \$148.9 billion, resulting in an increase of 134% year-over-year. Transaction volume for the sector is now exceeding historic highs. This volume continues to make multifamily the most actively traded sector for the eighteenth straight quarter.
- Cap rates remained steady at 3.8% quarter-over-quarter, increasing 5 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 although vacancy rates increased 40 bps quarter-over-quarter, but 250 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 1.7% in 4Q21, 450 bps below the NPI return over the period.
- Transaction volumes increased by 73% year-over-year in the fourth quarter. Transaction volume equated to \$51.6 billion for the quarter, an increase of \$12.9 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 12.7%, compressing 40 bps from last quarter.
- NOI growth in the office sector compressed quarter-over-quarter by 100 bps and appears to be in the midst of its recovery to pre-pandemic levels as it has increased 130 bps since the same period last year.
- Office cap rates compressed slightly from a year ago, sitting at approximately 4.6%. 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 4Q21, the retail sector delivered a quarterly return of 2.2%, performing 400 bps below the NPI.
- Transaction volumes totaled \$32.5 billion in the fourth quarter, increasing 126% year-over-year. Single asset transactions accounted for just over 59.5% of all sales volume for the quarter.
- Cap rates have expanded approximately 40 bps within the sector over the last year, to 5.3%. Current valuation cap rates did expand quarter-over-quarter by 6 bps due to slight downward valuation adjustments made across the sector in general.
- NOI growth significantly increased, +17.5% 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 20 bps, and down 5 bps over the past year to 8.9%. 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 (4Q21)

- The real estate investment market had an exemplary 2021, setting transaction records across the Americas, EMEA and Asia Pacific regions for the first time. In 4Q21 US Volume was \$321 billion, a 112% 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.

- This record setting growth in activity illuminates both how quickly the market has recovered following the pandemic induced shutdowns and the temperature for investor demand for commercial property.

- Investment activity in the Americas witnessed an extreme surge to by 112% year-over-year. Transaction volume in the US increased 72% relative to 3Q21.

- In the Asia Pacific region, volumes grew 22% year-over-year. Mainland China (+18%) remains the top market in the region with , Australia (+105%), and South Korea (+32%) seeing the most improvements in deal activity year over year in 4Q21.

- Throughout 2021, new lease transactions increased from pandemic lows, negative net absorption diminished, and sublease space began to recede amid strong job growth nationally. These trends will accelerate in 2022—fueled by the expected creation of 1 million new office-using jobs—resulting in nationwide positive net absorption for the first time since Q1 2020. At the same time, however, occupiers are still determining how best to support hybrid work and how it will impact their portfolio strategies. Although demand will be greater in 2022, the U.S. office market will contend with the highest vacancy in nearly three decades and lower rental rates until the second half of the year.

- The retail sector is recovering relatively well from the pandemic’s major disruptions. Existing retail space is more efficient, with sales per sq. ft. improving due to few new stores being built and rising retail sales. Consumer spending is forecast to rise in 2022, as a build-up of personal savings during the pandemic is released. The revival of inbound international travel, responsible for more than \$150 billion in expenditures annually according to a 2019 U.S. Travel Association report, will provide an additional boost to retail in coastal and other tourism-focused markets.

- Multifamily led all sectors for investment volume in Q4 (\$136 billion) and for the year (\$315 billion). In Europe, apartment sector growth was led by Germany, with the completion of the largest ever European transaction, Vonovia’s acquisition of Deutsche Wohnen for close to \$32b. In Asia Pacific, China cemented its position as the largest market for income-producing property. Chinese transaction volume was up 18% YOY and 45% against the annual average for 2015-19.

- Inflation and its corresponding impact on monetary policy are taking on greater importance. Although we anticipate that inflation should slow as the year progresses (particularly beyond the second quarter of 2022), the pandemic adds tremendous uncertainty to this prospect in terms of timing and magnitude. Moreover, even if inflation decelerates as we anticipate, central banks around the world will need to carefully manage monetary policy, walking a fine line between preventing economies from overheating further and restraining real growth too much.

Global Total Commercial Real Estate Volume - 2020 - 2021

\$ US Billions	Q4 2021	Q4 2020	% Change		2021	2020	% Change Full Year
			Q4 21 - Q4 20	2021 - 2020			
Americas	321	151	112%	755	381	98%	
EMEA	152	111	37%	403	317	27%	
Asia Pacific	288	248	16%	871	806	8%	
Total	761	511	49%	2029	1505	35%	

Source: Real Capital Analytics, Inc., Q4' 21

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

	2021	2022	2023
Global	5.9	4.3	3.6
Asia Pacific	6.0	5.0	4.5
Australia	4.2	4.1	2.9
China	8.1	5.2	5.1
India	9.2	7.8	
Japan	1.7	2.9	1.5
North America	5.7	3.7	2.5
US	5.7	3.8	2.5
Middle East	3.2	4.9	3.6
European Union	5.5	4.1	2.6
France	6.8	4.0	2.3
Germany	2.8	3.8	2.6
UK	7.1	4.5	2.2

Source: Bloomberg