



# PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM

REAL ESTATE QUARTERLY  
PERFORMANCE REVIEW

THIRD QUARTER 2025



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# 1. REAL ESTATE QUARTERLY PERFORMANCE REPORT

As of September 30, 2025



# PORTFOLIO PERFORMANCE SUMMARY

The table below displays trailing time period IRRs for the Pennsylvania State Employees' Retirement System ("PA SERS") Real Estate Portfolio as of September 30, 2025 along with select benchmarks

- **The policy benchmark is currently the NCREIF ODCE Index, which is comprised of open-end core real estate funds; we also show two additional real estate benchmarks**
  - The NCREIF Expanded Property Index, a benchmark of unlevered core real estate returns
  - The C|A Non-Core Real Estate benchmark consists of non-core (value-add and opportunistic) closed-end real estate funds
- **The total real estate portfolio has generated a total net return of 1.5% year to date**
  - The portfolio has generated an annualized return of 0.2% over the trailing five years

Portfolio Performance	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Pennsylvania SERS: Total Real Estate Portfolio	1.5%	-0.4%	-7.5%	0.2%	1.3%	6.7%
<i>Policy Benchmark<sup>1</sup></i>	<i>2.2%</i>	<i>3.1%</i>	<i>-6.4%</i>	<i>2.5%</i>	<i>4.0%</i>	<i>N/A</i>
<i>NCREIF Expanded Property Index<sup>2</sup></i>	<i>3.8%</i>	<i>4.7%</i>	<i>-2.3%</i>	<i>3.9%</i>	<i>5.1%</i>	<i>N/A</i>
<i>C A Non-Core Real Estate Index<sup>3</sup></i>	<i>2.1%</i>	<i>-0.1%</i>	<i>-1.3%</i>	<i>5.4%</i>	<i>6.6%</i>	<i>N/A</i>

Data as of September 30, 2025. Sources include NCREIF, C|A, Manager data, and NEPC, with historical policy benchmark data provided by RVK.

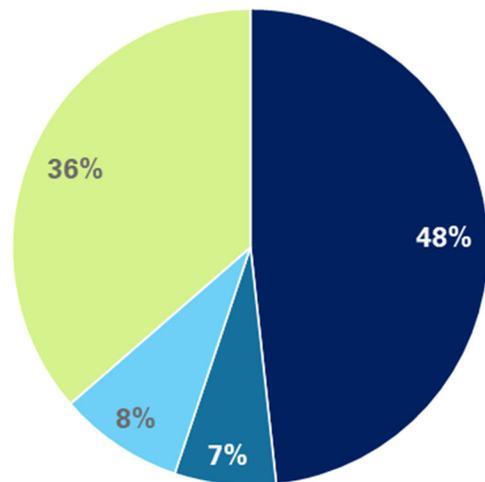
1. The current policy benchmark for SERS is 100% NCREIF ODCE Capitalization-Weighted Index Total Net Return ("NCREIF ODCE"). The composition of the policy benchmark has changed over time, and historical data has been provided to NEPC by RVK. The NCREIF ODCE Index includes the effects of leverage, and the returns shown are time-weighted and net of fees. Due to differences in timing of the General Consultant's report, the calendar year-to-date ("YTD") benchmark returns in these two reports may differ. Benchmark return calculations for all other time periods are unaffected and can be expected to match.
2. The NCREIF Expanded Property Index represents property-level returns of institutionally-owned core real estate properties in the United States. The Expanded NPI is unlevered, and returns are time-weighted and gross of fees.
3. The C|A Benchmark data represents pooled horizon internal rate of return (IRR) calculations, net of fees, across value-add and opportunistic real estate funds.
4. The timing and magnitude of fund cash flows are integral to the IRR performance. Benchmark indices that are time weighted measures should not be directly compared to dollar-weighted IRR calculations. Index data is continuously updated and is therefore subject to change.



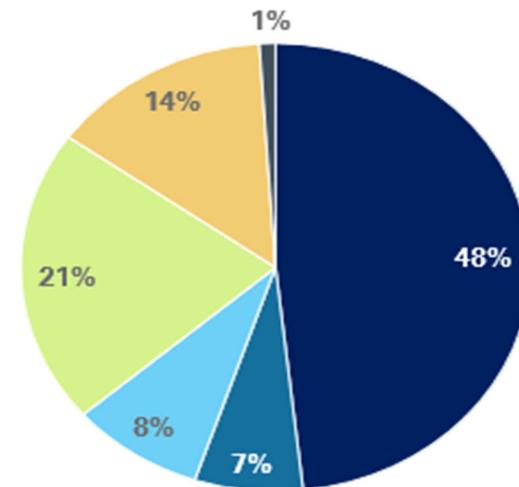
# PORTFOLIO ALLOCATION OVERVIEW

- The charts below show PA SERS real estate portfolio broken out by strategy and by investment structure, with closed-end funds further broken out by lifecycle stage
- As shown, approximately 55% of the portfolio is invested in Core, Core-Plus, and REITs
  - We anticipate the Value-Add and Opportunistic strategies to grow over time, in-line with the board-approved sub-strategy targets

Allocation by Strategy

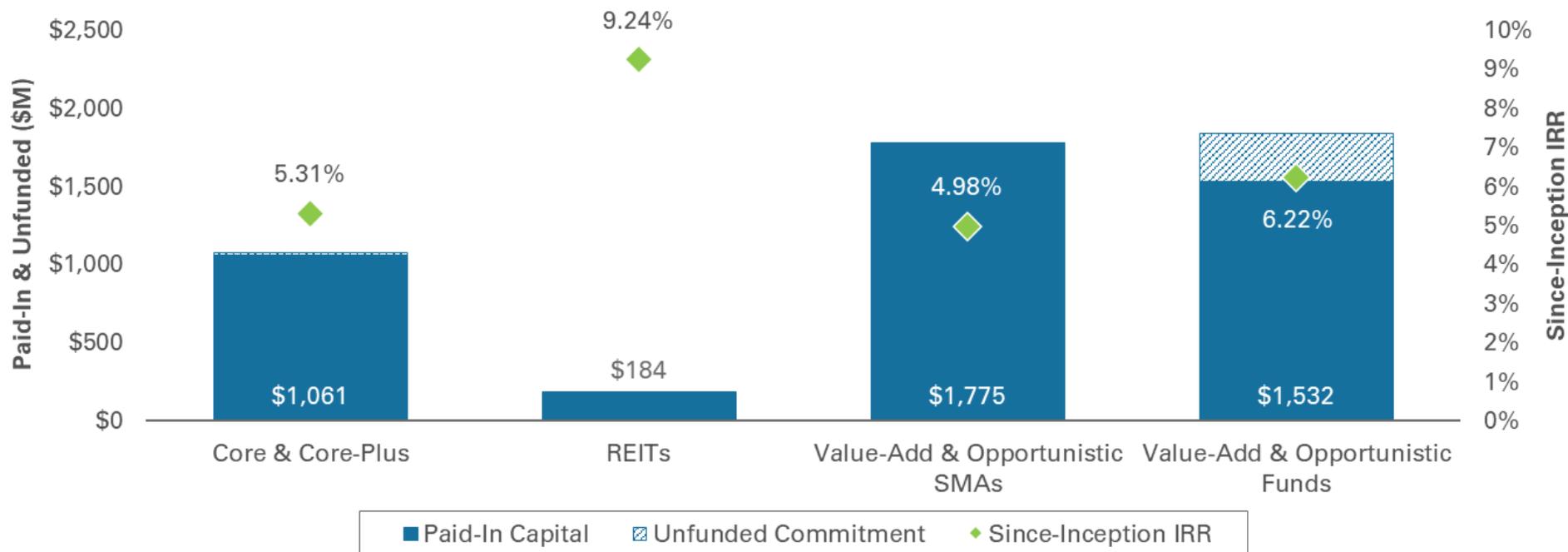


Allocation by Structure & Lifecycle Stage



# PERFORMANCE BY STRATEGY

- The chart and table below shows the performance by strategy for all current (active, non-liquidated) investments in the PA SERS real estate portfolio



Investment Strategy	Commitment	Paid-In Capital	Unfunded Commitment	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
Core & Core-Plus	1,078,871,891	1,061,133,295	17,738,595	452,429,696				98%			5.31%
REITs	183,616,773	183,616,773	0	211,168,336	151,549,486	362,717,822	179,101,049	100%	1.15x	1.98x	9.24%
Value-Add & Opportunistic SMAs	1,756,737,235	1,774,945,623	0	2,286,349,606	186,878,459	2,473,228,065	698,282,442	100%	1.29x	1.39x	4.98%
Value-Add & Opportunistic Funds	1,799,700,959	1,532,137,475	303,600,751	1,150,523,059	801,809,249	1,952,332,308	420,194,834	85%	0.75x	1.27x	6.22%
<b>Total (Active Investments)</b>	<b>4,818,926,858</b>	<b>4,551,833,166</b>	<b>321,339,346</b>	<b>4,100,470,697</b>				<b>94%</b>	<b>0.90x</b>		<b>5.38%</b>

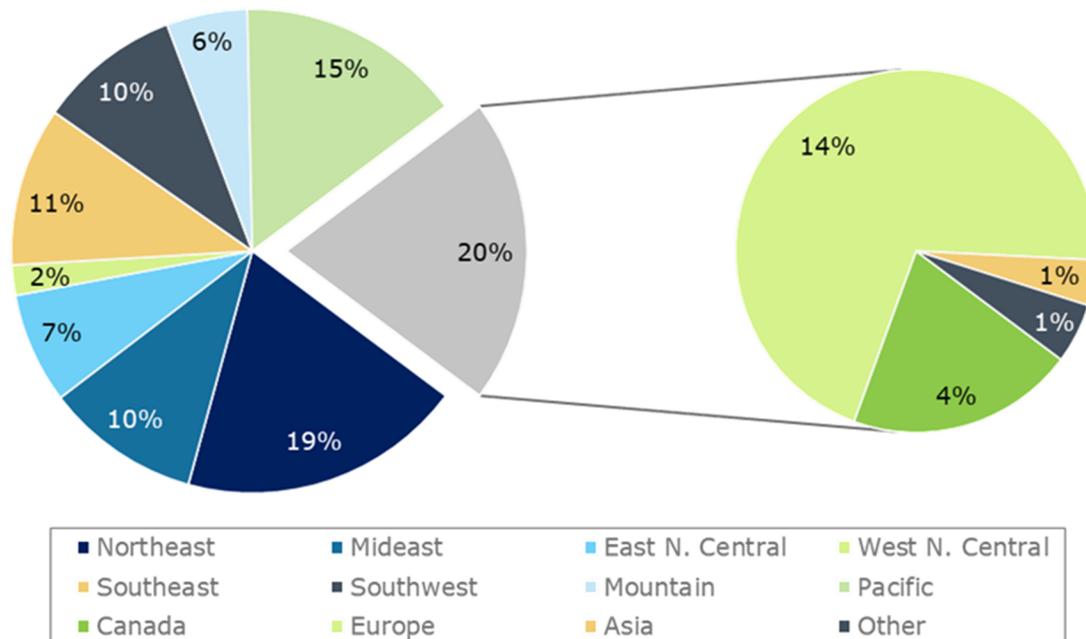
Data as of September 30, 2025. Liquidated investments not shown. Returns shown do not take into account risk/volatility of underlying strategies. Note that, due to rounding, there may be slight differences between the summed figures, totals, and amounts shown elsewhere in this presentation.



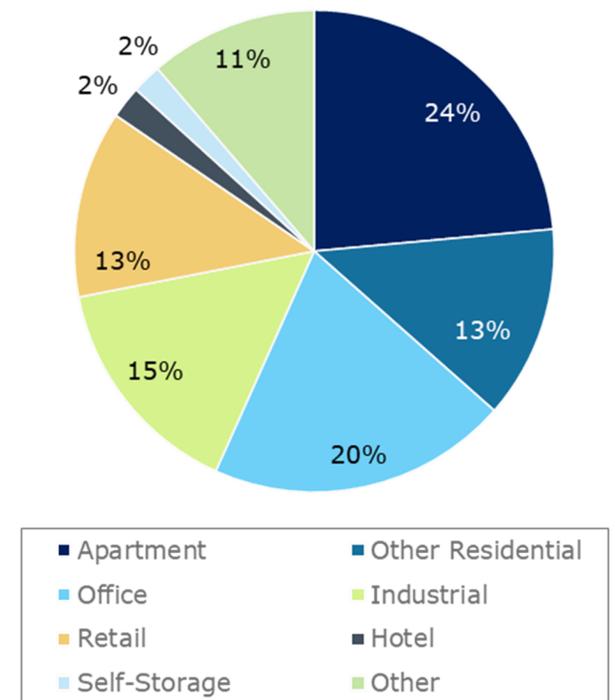
# PORTFOLIO DIVERSIFICATION

- The PA SERS real estate portfolio is broadly diversified by property type and geography within the U.S.
- 20% of the portfolio is invested outside the U.S., primarily in Europe

## Geography



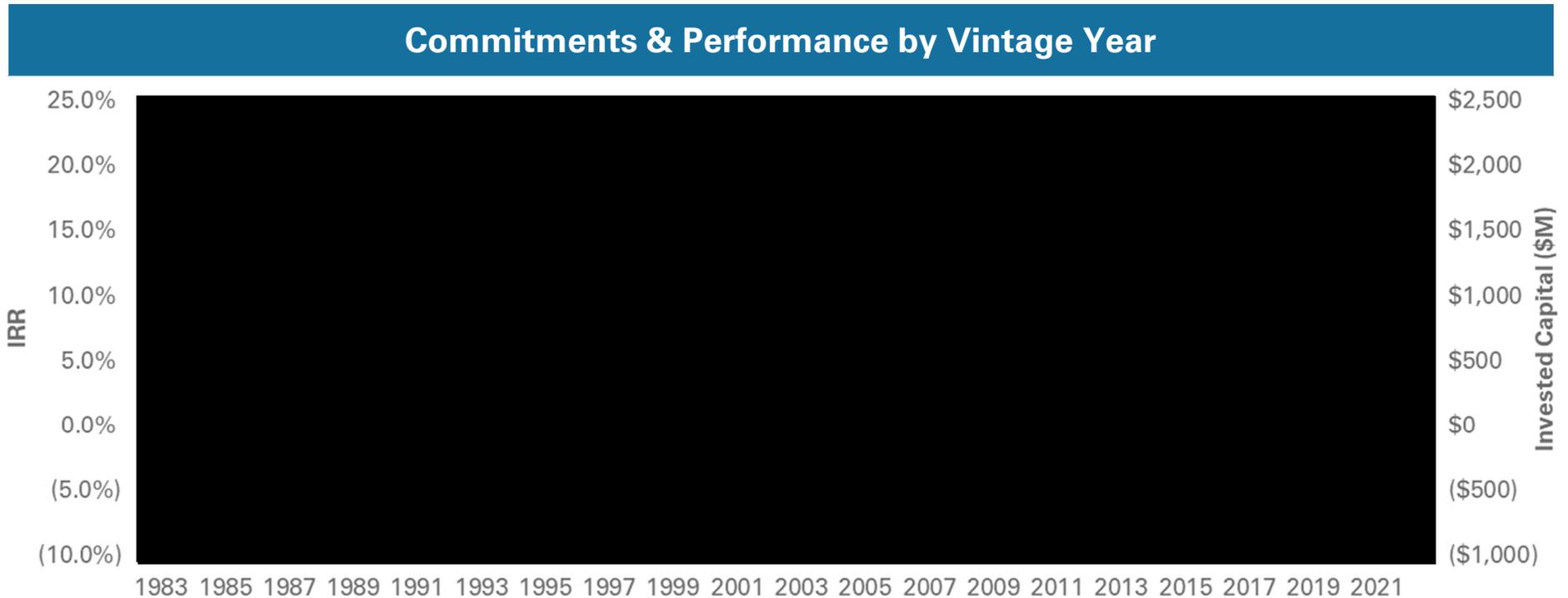
## Property Type



Data as of September 30, 2025. Underlying diversification data provided by the investment managers. Some figures may not sum due to rounding.

# HISTORICAL PERFORMANCE BY VINTAGE

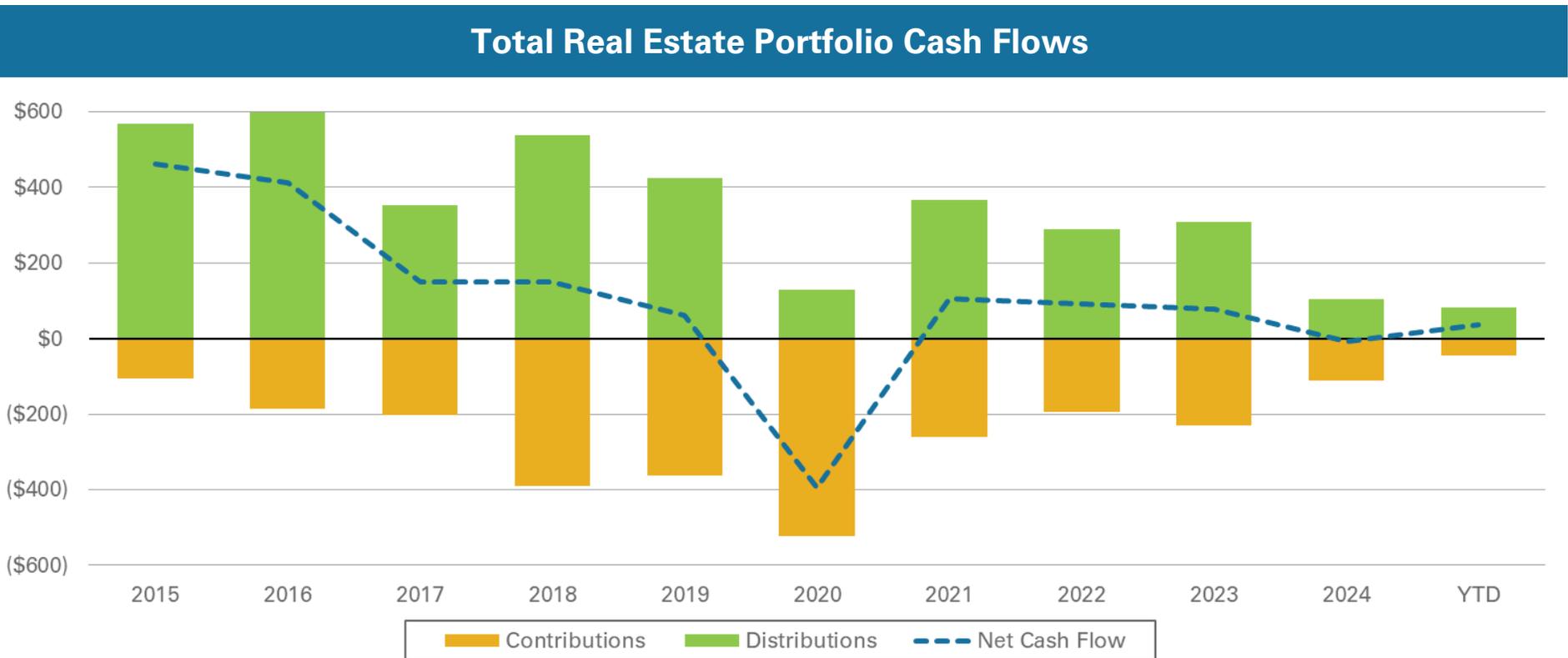
- **The following chart illustrates capital invested and inception-to-date performance by vintage year as of September 30, 2025**
  - Historic inconsistent pacing has negatively impacted portfolio performance
  - The PA SERS Investment Office and NEPC are focused on maintaining a more consistent investment pacing schedule to mitigate the risk of heavy capital investments in poor vintage years



Data as of September 30, 2025. Note that vintage years 2023 and later are excluded; performance may be less meaningful for more recent vintage years due to the “J-curve” effect associated with closed-end fund structures. For separate accounts, the date of initial commitment or investment is used as the vintage year.

# 10-YEAR CASH FLOWS

- The chart below illustrates the capital invested, distributed, and net cash flows for the real estate portfolio YTD and over the prior 10 full calendar years
  - The portfolio was cash flow positive in eight of the last 10 full calendar years
  - The portfolio is cash flow positive year-to-date in 2025



Data as of September 30, 2025. Offsetting cash flows have been excluded, such as assets that were transferred from one account to another.

# ACTIVE DIVERSE-LED INVESTMENTS

- The table below displays the since-inception performance of active (non-liquidated) investments managed by diverse-owned and diverse-led investment management firms in the PA SERS real estate portfolio

Investment Name	Vintage Year	Commitment	Paid-In Capital	Unfunded Commitment	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI Ratio	TVPI Ratio	IRR
Blue Moon Senior Housing II Sidecar L.P.	2019	50,000,000	47,968,832	2,062,589	7,600,000	59,206,127	66,806,127	18,837,295	0.16x	1.39x	8.53%
Blue Moon Senior Housing II, L.P.	2019	50,000,000	48,051,089	1,948,911	4,615,385	52,774,370	57,389,755	9,338,666	0.10x	1.19x	4.65%
HotelAVE Separate Account	2018	95,994,432	95,994,432	0	69,113,042	289,170	69,402,212	(26,592,220)	0.72x	0.72x	(13.11%)
Rubicon First Ascent Sidecar	2021	20,000,000	16,094,555	3,905,445	0	15,103,853	15,103,853	(990,702)	0.00x	0.94x	(2.62%)
Rubicon First Ascent, L.P.	2021	30,000,000	24,892,387	5,107,613	0	24,000,449	24,000,449	(891,938)	0.00x	0.96x	(1.93%)
Scout Fund II-A, L.P.	2016	30,000,000	30,000,000	0	3,678,245	13,738,659	17,416,904	(12,583,096)	0.12x	0.58x	(6.88%)
<b>Total</b>		<b>275,994,432</b>	<b>263,001,295</b>	<b>13,024,558</b>	<b>85,006,672</b>	<b>165,112,628</b>	<b>250,119,300</b>	<b>(12,881,995)</b>	<b>0.32x</b>	<b>0.95x</b>	<b>(1.33%)</b>

Data as of September 30, 2025. NEPC defines “diverse-owned” as a firm that’s at least 50% owned by an under-represented group and “diverse-led” as a firm that’s 33% to 50% owned by an under-represented group. The funds listed on this page are those which NEPC has identified as diverse-owned or diverse-led as of September 30, 2025. Therefore, it is possible that a firm may have been diverse-owned or diverse-led at the time of PA SERS commitment but is no longer, and therefore is excluded from this list. While NEPC has exercised reasonable professional care in preparing this information, we cannot guarantee the accuracy of all source information. Note that, due to rounding, there may be slight differences between the summed figures and the totals.



## 2. REAL ESTATE MARKET & PORTFOLIO UPDATE



# REAL ESTATE MARKET UPDATE

- **U.S. real estate (both core and value-add/opportunistic) experienced positive performance in 2025, though the recovery maintained a measured pace**
  - The NCREIF ODCE Index had a positive result each quarter of 2025
    - Income was the primary driver of return, which NEPC expects to remain the case over coming quarters
  - Real estate debt markets have continued to normalize and market liquidity has rebounded
    - 2025 transaction volume resembled pre-pandemic levels
  - Broader market uncertainty remains, though fundamentals indicate that asset values have bottomed and vacancy rates are stable
    - Office remains the exception
- **NEPC continues to believe that opportunistic strategies and select sector-focused funds are attractive in this market**
  - Flexible mandates offer the ability to capture upside from any distress that may appear, while housing, data centers, and industrial-related real estate exhibit sustained positive sector tailwinds
  - Global diversification has become increasingly attractive as Europe and Asia benefit from differentiated return drivers and growth factors

# 2026 TARGET REAL ESTATE STRATEGIES



# LOOKING FORWARD

- **NEPC will continue to work with the PA SERS Investment Office to implement the strategic investment plan for the real estate portfolio, including:**
  - Shifting the underlying strategy mix to the new targets approved in 2022
  - Identifying potential investment opportunities for future value-add and opportunistic commitments in 2026
    - We will seek strategies that will both complement the PA SERS portfolio and capitalize on the current market environment
- **Best practices for private market investments include maintaining annual commitment pacing, even through periods of uncertainty**
  - It is the manager’s job to navigate the market and identify attractive investment opportunities

Sub-Strategy	Current Allocation	Target Allocation
Core / Core-Plus	48%	25%
Value-Add & Opportunistic	44%	70%
REITs	7%	5%



Data as of September 30, 2025. Some allocation figures may not sum due to rounding.



# **APPENDIX 1:**

Investment Level  
Performance  
as of September 30, 2025

# ACTIVE INVESTMENTS

Investments			Trailing Period Returns (IRR) %							
Investment Name	Vintage Year	Commitment	(QTD)	(YTD)	(1 Yr)	(3 Yrs)	(5 Yrs)	(7 Yrs)	(10 Yrs)	SI IRR
Activum SG Fund VI L.P.	2019	57,417,457								
Activum SG Fund VI Pennsylvania Side-Car L.P.	2019	57,568,061								
AG Asia Realty Fund, L.P.	2007	23,500,000	-1.75%	-6.30%	-7.66%	-8.76%	36.72%	0.34%	-3.75%	3.22%
Ares PA Opportunities Fund, L.P. - Opportunistic Real Estate	2023	100,000,000	NM	NM	NM	NM	NM	NM	NM	NM
Blackstone Property Partners, L.P.	2017	300,000,000	-1.31%	-5.73%	-8.84%	-9.15%	0.61%	1.29%	0.00%	1.70%
Blackstone Real Estate Partners V, L.P.	2006	50,000,000	11.33%	16.96%	21.51%	170.32%	77.21%	9.24%	6.52%	10.73%
Blackstone Real Estate Partners VI, L.P.	2007	75,000,000	22.13%	12.87%	12.61%	-1.83%	0.57%	7.62%	12.44%	12.69%
Blackstone Real Estate Partners VII, L.P.	2011	75,000,000	-3.66%	-3.44%	-7.93%	-17.95%	7.54%	0.92%	5.94%	14.08%
Blackstone Real Estate Partners X, L.P.	2022	75,000,000	NM	NM	NM	NM	NM	NM	NM	NM
Blue Moon Senior Housing II Sidecar L.P.	2019	50,000,000	3.51%	22.07%	28.39%	10.70%	9.48%	0.00%	0.00%	8.53%
Blue Moon Senior Housing II, L.P.	2019	50,000,000	3.56%	17.62%	21.13%	5.99%	5.99%	0.00%	0.00%	4.65%
Blue Owl Real Estate Capital Fund IV, L.P.	2017	100,000,000	-1.60%	-6.95%	-15.07%	-7.57%	21.52%	16.06%	0.00%	15.82%
Blue Owl Real Estate Capital Fund V, L.P.	2020	50,000,000	0.27%	3.15%	3.74%	5.67%	0.00%	0.00%	0.00%	10.52%
Blue Owl Real Estate Capital Fund VI, L.P.	2022	75,000,000	NM	NM	NM	NM	NM	NM	NM	NM
Blue Owl Real Estate Capital Net Lease Property Fund, L.P.	2018	309,743,743	1.49%	1.03%	2.35%	3.18%	9.59%	0.00%	0.00%	9.01%
BPG Investment Partnership IX, L.P.	2012	25,000,000								14.99%
BPG Investment Partnership VI, L.P.	2002	24,543,712	0.76%	0.13%	-6.04%	1.52%	32.94%	19.11%	9.64%	13.51%
BPG Investment Partnership VII, L.P.	2005	25,000,000	0.09%	-1.54%	-1.11%	-9.76%	-2.97%	-1.15%	4.81%	-0.66%
CenterSquare Real Estate Securities	2002	183,616,773	4.55%	4.05%	-1.54%	10.17%	8.37%	5.94%	6.29%	9.24%
C-III Recovery Fund III, L.P.	2017	100,000,000								
Heitman America Real Estate Trust, L.P.	2007	100,000,000	0.73%	3.47%	4.72%	-4.86%	5.19%	3.50%	5.65%	6.75%
Heitman Separate Account	1988	813,992,364	2.89%	6.01%	7.26%	1.14%	17.31%	7.82%	9.22%	4.59%
Henderson Park Enhanced Income Fund, SCSp	2019	343,569,623								
HotelAVE Separate Account	2018	95,994,432	-1.23%	52.28%	18.50%	-31.19%	-17.98%	-14.15%	0.00%	-13.11%

Data as of September 30, 2025. Performance metrics calculated by NEPC based on data provided by the investment managers. BPG Investment Partnership IX, L.P. was completed during the third quarter, and therefore the trailing IRRs are unavailable.



# ACTIVE INVESTMENTS (CONTINUED)

Investments			Trailing Period Returns (IRR) %							
Investment Name	Vintage Year	Commitment	(QTD)	(YTD)	(1 Yr)	(3 Yrs)	(5 Yrs)	(7 Yrs)	(10 Yrs)	SI IRR
LaSalle Separate Account	1994	512,697,739	-22.22%	-54.03%	-54.17%	-54.05%	-41.98%	-34.21%	-10.67%	7.95%
Lasalle Takeover Account	2018	334,052,700	-11.48%	-13.25%	-12.98%	-27.52%	-13.77%	-0.59%	0.00%	-0.67%
LEM Multifamily Fund VI, L.P.	2022	75,000,000	0.10%	12.34%	4.01%	-10.41%	0.00%	0.00%	0.00%	-11.21%
Lubert-Adler Real Estate Fund VII, L.P.	2014	25,000,000	-5.43%	-14.37%	-14.25%	-17.81%	-8.27%	-6.61%	-1.22%	-1.55%
Mesirow Financial Real Estate Value Fund III, L.P.	2018	25,647,559	0.11%	2.21%	1.70%	0.68%	11.07%	10.27%	0.00%	9.63%
Rockpoint Real Estate Fund III, L.P.	2007	50,632,887	-18.46%	-24.38%	-26.47%	-15.89%	-8.76%	-0.84%	-3.43%	13.34%
Rockpoint Real Estate Fund V, L.P.	2015	50,000,000	1.48%	2.46%	1.58%	-22.59%	-8.12%	-6.08%	-2.73%	-2.86%
Rubicon First Ascent Sidecar	2021	20,000,000	-0.29%	3.94%	2.86%	-0.58%	0.00%	0.00%	0.00%	-2.62%
Rubicon First Ascent, L.P.	2021	30,000,000	0.60%	12.01%	11.19%	4.15%	0.00%	0.00%	0.00%	-1.93%
Scout Fund II-A, L.P.	2016	30,000,000	0.06%	17.77%	19.25%	-19.63%	-12.44%	-8.34%	0.00%	-6.88%
Senior Housing Partners V, L.P.	2015	45,727,881	9.28%	17.10%	14.65%	-7.69%	-2.74%	0.03%	2.09%	2.00%
Senior Housing Partners VI, L.P.	2019	100,000,000	4.95%	10.34%	8.42%	-3.54%	-1.79%	0.00%	0.00%	-2.10%
SRE Opportunity Fund III Select, L.P.	2018	50,000,000								
SRE Opportunity Fund III, L.P.	2018	50,000,000								
Starwood Global Opportunity Fund VII-A, L.P.	2006	35,000,000								
Starwood Global Opportunity Fund VIII, L.P.	2009	50,000,000								
Trumbull Property Fund, L.P.	1988	25,558,525	0.94%	3.53%	4.26%	-7.64%	1.13%	-0.10%	3.57%	6.77%
ValStone Opportunity Fund V, LLC	2014	14,663,402	-4.56%	-10.20%	-6.10%	-5.82%	-0.29%	2.99%	4.82%	5.17%
Westbrook Real Estate Fund VI, L.P.	2006	35,000,000	0.31%	0.30%	0.68%	0.57%	-0.30%	-1.04%	-0.60%	0.23%
Westbrook Real Estate Fund VII, L.P.	2007	50,000,000	-2.97%	-5.44%	-5.49%	-16.56%	-8.90%	-9.07%	-3.77%	1.37%
Westbrook Real Estate Fund VIII, L.P.	2009	50,000,000	-0.70%	-1.04%	-13.08%	-18.09%	-12.83%	-12.75%	-7.58%	8.34%
<b>Total</b>			<b>-0.35%</b>	<b>1.51%</b>	<b>-0.39%</b>	<b>-7.50%</b>	<b>0.17%</b>	<b>1.47%</b>	<b>2.79%</b>	<b>5.38%</b>

Data as of September 30, 2025. Performance metrics calculated by NEPC based on data provided by the investment managers.



# PERFORMANCE BY STRATEGY

Investments		Commitments		Contributions & Distributions		Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Paid In Capital	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	IRR
<b>Core/Core-Plus</b>											
Blackstone Property Partners, L.P.	2017	\$300,000,000	\$0	\$300,000,000	\$26,987,872	\$311,818,644	\$338,806,516	\$38,806,516	0.09	1.13	1.70%
Blue Owl Real Estate Capital Net Lease Property Fund, L.P.	2018	\$309,743,743	\$0	\$309,743,743	\$110,773,239	\$338,093,653	\$448,866,892	\$139,123,150	0.36	1.45	9.01%
Heitman America Real Estate Trust, L.P.	2007	\$100,000,000	\$0	\$100,000,000	\$109,681,511	\$144,934,164	\$254,615,675	\$154,615,675	1.10	2.55	6.75%
Henderson Park Enhanced Income Fund, SCSp	2019	\$343,569,623	\$17,738,595	\$325,831,028	\$75,467,224						
Trumbull Property Fund, L.P.	1988	\$25,558,525	\$0	\$25,558,525	\$129,519,850	\$15,456,708	\$144,976,558	\$119,418,033	5.07	5.67	6.77%
<b>Total Core/Core-Plus</b>		<b>\$1,078,871,891</b>	<b>\$17,738,595</b>	<b>\$1,061,133,295</b>	<b>\$452,429,696</b>						<b>5.31%</b>
<b>Value-Add/Oppportunistic SMAs</b>											
Heitman Separate Account	1988	\$813,992,364	\$0	\$825,635,117	\$1,234,776,873	\$23,053,788	\$1,257,830,661	\$432,195,544	1.50	1.52	4.59%
HotelAVE Separate Account	2018	\$95,994,432	\$0	\$95,994,432	\$69,113,042	\$289,170	\$69,402,212	-\$26,592,220	0.72	0.72	-13.11%
LaSalle Separate Account	1994	\$512,697,739	\$0	\$515,758,318	\$792,997,999	\$23,832,376	\$816,830,375	\$301,072,057	1.54	1.58	7.95%
Lasalle Takeover Account	2018	\$334,052,700	\$0	\$337,557,756	\$189,461,692	\$139,703,125	\$329,164,817	-\$8,392,939	0.56	0.98	-0.67%
<b>Total Value-Add/Oppportunistic SMAs</b>		<b>\$1,756,737,235</b>	<b>\$0</b>	<b>\$1,774,945,623</b>	<b>\$2,286,349,606</b>	<b>\$186,878,459</b>	<b>\$2,473,228,065</b>	<b>\$698,282,442</b>	<b>1.29</b>	<b>1.39</b>	<b>4.98%</b>
<b>REIT</b>											
CenterSquare Real Estate Securities	2002	\$183,616,773	\$0	\$183,616,773	\$211,168,336	\$151,549,486	\$362,717,822	\$179,101,049	1.15	1.98	9.24%
<b>Total REIT</b>		<b>\$183,616,773</b>	<b>\$0</b>	<b>\$183,616,773</b>	<b>\$211,168,336</b>	<b>\$151,549,486</b>	<b>\$362,717,822</b>	<b>\$179,101,049</b>	<b>1.15</b>	<b>1.98</b>	<b>9.24%</b>
<b>Value-Add/Oppportunistic</b>											
Activum SG Fund VI L.P.	2019	\$57,417,457	\$2,133,721	\$55,275,236	\$11,013,135						
Activum SG Fund VI Pennsylvania Side-Car L.P.	2019	\$57,568,061	\$22,726,261	\$34,841,800	\$438,595						
AG Asia Realty Fund, L.P.	2007	\$23,500,000	\$1,340,156	\$22,159,844	\$26,147,344	\$40,154	\$26,187,498	\$4,027,654	1.18	1.18	3.22%
Ares PA Opportunities Fund, L.P. - Opportunistic Real Estate	2023	\$100,000,000	\$83,550,192	\$16,449,808	\$109,244	NM	NM	NM	NM	NM	NM
Blackstone Real Estate Partners V, L.P.	2006	\$50,000,000	\$208,703	\$49,791,297	\$102,202,861	\$57,468	\$102,260,329	\$52,469,032	2.05	2.05	10.73%
Blackstone Real Estate Partners VI, L.P.	2007	\$75,000,000	\$552,134	\$74,791,105	\$157,987,512	\$25,299	\$158,012,811	\$83,221,707	2.11	2.11	12.69%
Blackstone Real Estate Partners VII, L.P.	2011	\$75,000,000	\$5,065,220	\$72,693,132	\$125,193,397	\$7,878,378	\$133,071,775	\$60,378,642	1.72	1.83	14.08%
Blackstone Real Estate Partners X, L.P.	2022	\$75,000,000	\$48,502,770	\$29,465,558	\$228,891	NM	NM	NM	NM	NM	NM
Blue Moon Senior Housing II Sidecar L.P.	2019	\$50,000,000	\$2,062,589	\$47,968,832	\$7,600,000	\$59,206,127	\$66,806,127	\$18,837,295	0.16	1.39	8.53%
Blue Moon Senior Housing II, L.P.	2019	\$50,000,000	\$1,948,911	\$48,051,089	\$4,615,385	\$52,774,370	\$57,389,755	\$9,338,666	0.10	1.19	4.65%
Blue Owl Real Estate Capital Fund IV, L.P.	2017	\$100,000,000	\$0	\$100,000,000	\$119,795,131	\$28,451,249	\$148,246,380	\$48,246,380	1.20	1.48	15.82%
Blue Owl Real Estate Capital Fund V, L.P.	2020	\$50,000,000	\$0	\$49,996,863	\$21,889,375	\$42,735,054	\$64,624,429	\$14,627,566	0.44	1.29	10.52%
Blue Owl Real Estate Capital Fund VI, L.P.	2022	\$75,000,000	\$35,889,100	\$38,985,290	\$2,402,522	NM	NM	NM	NM	NM	NM

Data as of September 30, 2025. Performance metrics calculated by NEPC based on data provided by the investment managers. Note that, due to rounding, there may be slight differences between the summed figures, subtotals, totals, and amounts shown elsewhere in this presentation.



# PERFORMANCE BY STRATEGY (CONTINUED)

Investments		Commitments		Contributions & Distributions		Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Paid In Capital	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	IRR
<b>Value-Add/Opportunistic (Continued)</b>											
BPG Investment Partnership IX, L.P.	2012	\$25,000,000	\$696,591	\$24,417,362	\$40,378,316	\$0	\$40,378,316	\$15,960,954	1.65	1.65	14.99%
BPG Investment Partnership VI, L.P.	2002	\$24,543,712	\$0	\$24,543,712	\$44,921,380	\$8,320	\$44,929,700	\$20,385,988	1.83	1.83	13.51%
BPG Investment Partnership VII, L.P.	2005	\$25,000,000	\$0	\$24,985,519	\$18,270,069	\$4,608,134	\$22,878,203	-\$2,107,316	0.73	0.92	-0.66%
C-III Recovery Fund III, L.P.	2017	\$100,000,000	\$2,860,947	\$96,799,611	\$11,576,844						
LEM Multifamily Fund VI, L.P.	2022	\$75,000,000	\$25,875,000	\$49,125,000	\$1,585,598	\$37,478,940	\$39,064,538	-\$10,060,462	0.03	0.80	-11.21%
Lubert-Adler Real Estate Fund VII, L.P.	2014	\$25,000,000	\$625,000	\$24,375,000	\$15,311,744	\$6,921,780	\$22,233,524	-\$2,141,476	0.63	0.91	-1.55%
Mesirow Financial Real Estate Value Fund III, L.P.	2018	\$25,647,559	\$1,598,294	\$24,260,920	\$12,900,615	\$27,474,494	\$40,375,109	\$16,114,189	0.53	1.66	9.63%
Rockpoint Real Estate Fund III, L.P.	2007	\$50,632,887	\$4,241,165	\$50,675,144	\$68,151,141	\$841,320	\$68,992,461	\$18,317,317	1.34	1.36	13.34%
Rockpoint Real Estate Fund V, L.P.	2015	\$50,000,000	\$7,108,485	\$48,420,505	\$25,396,310	\$17,186,009	\$42,582,319	-\$5,838,186	0.52	0.88	-2.86%
Rubicon First Ascent Sidecar	2021	\$20,000,000	\$3,905,445	\$16,094,555	\$0	\$15,103,853	\$15,103,853	-\$990,702	0.00	0.94	-2.62%
Rubicon First Ascent, L.P.	2021	\$30,000,000	\$5,107,613	\$24,892,387	\$0	\$24,000,449	\$24,000,449	-\$891,938	0.00	0.96	-1.93%
Scout Fund II-A, L.P.	2016	\$30,000,000	\$0	\$30,000,000	\$3,678,245	\$13,738,659	\$17,416,904	-\$12,583,096	0.12	0.58	-6.88%
Senior Housing Partners V, L.P.	2015	\$45,727,881	\$4,590,192	\$41,137,690	\$11,924,419	\$35,697,721	\$47,622,140	\$6,484,451	0.29	1.16	2.00%
Senior Housing Partners VI, L.P.	2019	\$100,000,000	\$12,939,604	\$86,966,355	\$0	\$80,671,308	\$80,671,308	-\$6,295,047	0.00	0.93	-2.10%
SRE Opportunity Fund III Select, L.P.	2018	\$50,000,000	\$20,242,500	\$30,131,948	\$24,921,503						
SRE Opportunity Fund III, L.P.	2018	\$50,000,000	\$5,186,439	\$50,528,386	\$19,363,561						
Starwood Global Opportunity Fund VII-A, L.P.	2006	\$35,000,000	\$0	\$35,000,000	\$27,413,405						
Starwood Global Opportunity Fund VIII, L.P.	2009	\$50,000,000	\$4,643,719	\$45,356,484	\$74,032,760						
ValStone Opportunity Fund V, LLC	2014	\$14,663,402	\$0	\$14,663,777	\$10,164,834	\$11,257,918	\$21,422,752	\$6,758,975	0.69	1.46	5.17%
Westbrook Real Estate Fund VI, L.P.	2006	\$35,000,000	\$0	\$38,550,099	\$38,837,150	\$146,220	\$38,983,370	\$433,271	1.01	1.01	0.23%
Westbrook Real Estate Fund VII, L.P.	2007	\$50,000,000	\$0	\$56,376,719	\$57,803,025	\$3,527,349	\$61,330,374	\$4,953,655	1.03	1.09	1.37%
Westbrook Real Estate Fund VIII, L.P.	2009	\$50,000,000	\$0	\$54,366,448	\$64,268,749	\$3,247,463	\$67,516,212	\$13,149,764	1.18	1.24	8.34%
<b>Total Value-Add/Opportunistic</b>		<b>\$1,799,700,959</b>	<b>\$303,600,751</b>	<b>\$1,532,137,475</b>	<b>\$1,150,523,059</b>	<b>\$801,809,249</b>	<b>\$1,952,332,308</b>	<b>\$420,194,834</b>	<b>0.75</b>	<b>1.27</b>	<b>6.22%</b>
<b>Total</b>		<b>\$4,818,926,858</b>	<b>\$321,339,346</b>	<b>\$4,551,833,166</b>	<b>\$4,100,470,697</b>				<b>0.90</b>		<b>5.38%</b>

Data as of September 30, 2025. Performance metrics calculated by NEPC based on data provided by the investment managers. Note that, due to rounding, there may be slight differences between the summed figures, subtotals, totals, and amounts shown elsewhere in this presentation.





## **APPENDIX 2:** Real Estate Strategy Summaries



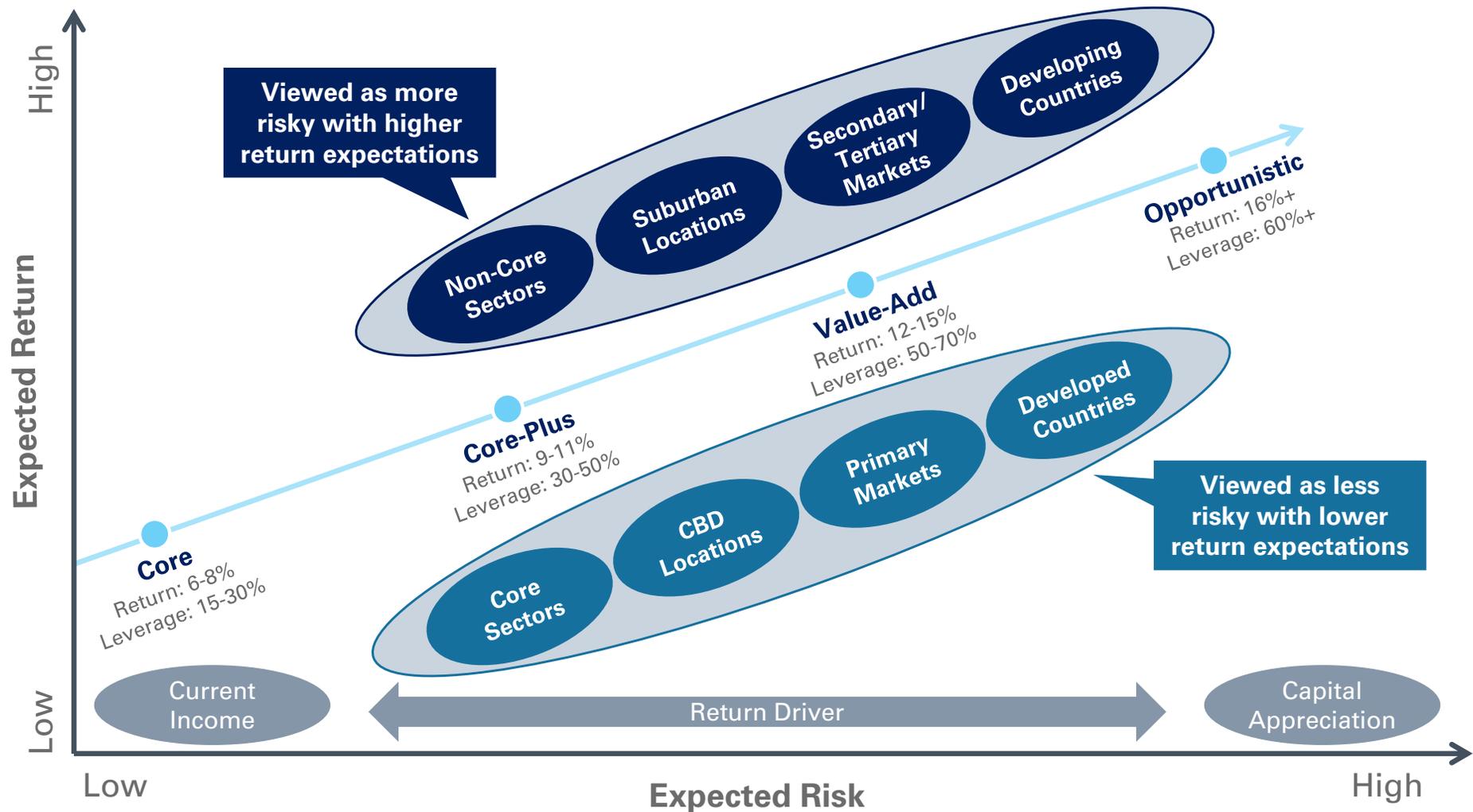
# SPECTRUM OF REAL ESTATE INVESTMENT STRATEGIES

	Real Estate Investment Style / Overview	Investment Strategy	Portfolio Role	Considerations
Core Strategies	<b>Core / Core-Plus</b> <ul style="list-style-type: none"> <li>Return driver: income</li> <li>Primary vehicle: open-end funds</li> <li>Historical avg. returns: 7-8% / 8%-10%</li> <li>Leverage: 15-40% / 40%-50%</li> <li>Hold period: long-term</li> </ul>	Stabilized income producing assets	<ul style="list-style-type: none"> <li>Current income</li> <li>Broad exposure to commercial real estate (asset class beta)</li> <li>Inflation protection</li> </ul>	<ul style="list-style-type: none"> <li>Vehicles are semi-liquid (entrance/exit queues)</li> <li>Limited alpha producing opportunities</li> </ul>
	<b>RE Securities</b> <ul style="list-style-type: none"> <li>Return driver: income</li> <li>Primary vehicle: REIT funds</li> <li>Historical avg. returns: 7-9%</li> <li>Leverage: 30-50%</li> <li>Hold period: long-term</li> </ul>	Stabilized income producing assets	<ul style="list-style-type: none"> <li>Current income (dividends)</li> <li>Long-term exposure to commercial real estate (beta)</li> <li>Long-term inflation protection</li> </ul>	<ul style="list-style-type: none"> <li>Volatility</li> <li>Equity correlation</li> </ul>
Non-Core Strategies	<b>Value-Add</b> <ul style="list-style-type: none"> <li>Return driver: income/appreciation</li> <li>Primary vehicle: varies</li> <li>Historical avg. returns: 8-10%</li> <li>Leverage: 40-70%</li> <li>Hold period: 3-5 years</li> </ul>	Properties requiring lease-up, repositioning, renovation or rehabilitation	<ul style="list-style-type: none"> <li>Provides part current income and capital appreciation</li> <li>Some inflation protection</li> </ul>	<ul style="list-style-type: none"> <li>Vehicles are semi-liquid or illiquid</li> <li>Vintage year is important</li> <li>Higher leverage vs. core</li> <li>Poor benchmarks</li> </ul>
	<b>Opportunistic</b> <ul style="list-style-type: none"> <li>Return driver: appreciation</li> <li>Primary vehicle: closed-end funds</li> <li>Historical avg. returns: 10-12%</li> <li>Leverage: 60%+</li> <li>Hold period: varies</li> </ul>	Distressed investments, recapitalizations, development, etc.	<ul style="list-style-type: none"> <li>Real estate alpha through capital appreciation with minimal current income</li> </ul>	<ul style="list-style-type: none"> <li>Vehicles are illiquid</li> <li>Vintage year is important</li> <li>High leverage</li> <li>Poor benchmarks</li> </ul>



# RELATIVE EXPECTED RISK RETURN PROFILE

## ILLUSTRATIVE RISK / RETURN PROFILE





# **APPENDIX 3:**

## Disclaimers & Disclosures



# DISCLAIMER

Past performance is no guarantee of future results.

The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information used to prepare this report was obtained directly from the investment managers or custodians, and market index data was provided by other external sources. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.



# ALTERNATIVE INVESTMENT DISCLOSURES

In addition, it is important that investors understand the following characteristics of non-traditional investment strategies including hedge funds, real estate and private equity:

1. Performance can be volatile and investors could lose all or a substantial portion of their investment
2. Leverage and other speculative practices may increase the risk of loss
3. Past performance may be revised due to the revaluation of investments
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value
6. These funds are not subject to the same regulatory requirements as registered investment vehicles
7. Managers may not be required to provide periodic pricing or valuation information to investors
8. These funds may have complex tax structures and delays in distributing important tax information
9. These funds often charge high fees
10. Investment agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy