PCCP Equity VIII
Portfolio Office Exposure – FAQ
June 2023

PCCP Equity VIII is 32% committed to office with 25% of future proceeds expected from this asset class. Given the volatility of this asset class, we are writing to you to give you further visibility into our exposure, assets and strategy. We have returned half of your capital, but we still own 10 office buildings, 2 of which we have written down entirely, the effect of which has already been reflected in our Q1 2023 forecasts.

Uncertain tenant, investor and lender demand combined with the rapid rise in short-term interest rates have led to office illiquidity. More so than any specific asset performance, the office market's illiquidity has increased the variability of outcomes. In light of these concerns, this FAQ on the PCCP Equity VIII (the "Fund") office portfolio shares our view of these risks as of today.

What you should know:

- **We have returned 49% of your capital. There is meaningful remaining exposure to office in the Fund.**
- **We believe our first quarter office underwriting is sober.**
- **We have conservative asset leverage in the Fund (54.9% LTV). Our office assets are leveraged at 69% LTV.**
- **We stress tested Fund projected returns by reducing office gross asset values at exit by 25% and 50%. These results in a 3.2% (25% impairment) and 5.0% (50% impairment) forecasted reduction in the net IRR of the Fund.**
- **We have liquidity to manage the potential downside exposure in the Fund. We will only invest additional capital in situations where there is value to protect.**

A further overview of the office exposure in PCCP Equity VIII follows. If you have any questions, please feel free to reach out to Bryan Thornton (bthornton@pccpllc.com), Michael Hoyt (mhoyt@pccpllc.com), or investorreporting@pccpllc.com.

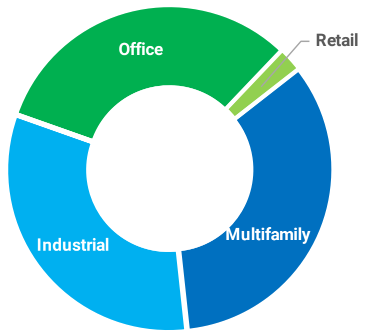
Thank you for your continued support,

PCCP

1. What is the current office exposure in the Fund?

- **Ten office investments total 32% of the remaining outstanding committed capital and 25% of the expected future distributions** based on our 1st Quarter 2023 underwriting. The current diversification of the office investments with other asset classes in the Fund is detailed below.

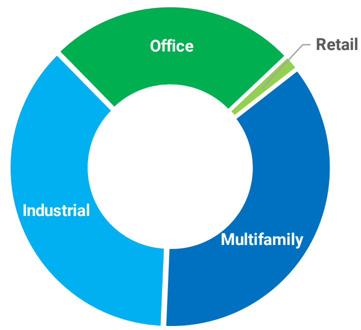
PROPERTY TYPE ALLOCATION
Outstanding Commitment



	PROPERTY TYPE	COMMITMENT(1)		%	#
	Multifamily	$	304.2	33.8%	10
	Industrial		288.7	32.1%	10
	Office		284.9	31.7%	10
	Retail		21.0	2.3%	1
	TOTAL	**$**	**898.9**	**100%**	**31**

(1) USD in millions

PROPERTY TYPE ALLOCATION
Projected Future Distributions



	PROPERTY TYPE	Future Distributions (1)		%	#
	Multifamily	$	508.8	36.2%	10
	Industrial		519.0	37.0%	10
	Office		355.3	25.3%	10
	Retail		21.0	1.5%	1
	TOTAL	**$**	**1,404.2**	**100%**	**31**

(1) USD in millions

- **Average occupancy is 70% with an average vintage of 2001**.

Equity VIII	CITY	STATE	VINTAGE	SF	OCCUPANCY	TOTAL COMMITMENT ($'000)
135 W 29th	New York	New York	1911	83,354	55%	$18,484
Cascade Yard	Bellevue	Washington	1984	287,616	97%	33,639
Park Point	Milpitas	California	2001	471,877	77%	26,982
Resource Square	Orlando	Florida	2003	245,111	84%	17,427
SeaTac Office Center	Seattle	Washington	1980	548,706	88%	33,293
Southlake HQ	Southlake	Texas	2001	200,478	5%	34,349
Valley Tech Centre	San Jose	California	2000	465,691	81%	66,452
Amberglen Business Center	Hillsboro	Oregon	2000	578,808	61%	37,189
5901 Century	Los Angeles	California	1968	306,243	65%	19,025
Cumberland Center II	Atlanta	Georgia	1989	421,487	48%	23,221
Total/Avg			2001	3,609,371	70%	$310,060

- **We currently value these office assets at $817 million of gross asset value and $206 million of net asset value** applicable to the Fund's ownership position (the net asset value excludes the financing on the investment and our operating partners' ownership).
- **These values have decreased 10.5% (gross asset value) and 31.3% (net asset value) Year over Year and these decreases have already been reflected in published Q1 2023 forecasted IRRs.**

- **We believe these values are defensible.** The table below details our underwritten valuation metrics compared to the PWC investor survey recommended office cap rate and discount rates and the publicly reported underwritten rates for office from Blackstone's "BREIT" and Starwood's "SREIT" for Q1 2023.

	Cap Rate	Discount Rate
135 W 29th	9.0%	10.5%
5901 Century	8.5%	10.0%
Amberglen Business Center	7.0%	8.8%
Cascade Yard	7.0%	8.5%
Cumberland Center II	7.5%	10.0%
Park Point	6.0%	7.3%
Resource Square	7.5%	10.5%
SeaTac Office Center	8.3%	8.8%
Southlake HQ	7.5%	10.8%
Valley Tech Centre	6.5%	9.5%
Average	**7.5%**	**9.5%**

	Cap Rate	Discount Rate
135 W 29th	9.0%	10.5%
5901 Century	8.5%	10.0%
Amberglen Business Center	7.0%	8.8%
Cascade Yard	7.0%	8.5%
Cumberland Center II	7.5%	10.0%
Park Point	6.0%	7.3%
Resource Square	7.5%	10.5%
SeaTac Office Center	8.3%	8.8%
Southlake HQ	7.5%	10.8%
Valley Tech Centre	6.5%	9.5%
Average	**7.5%**	**9.5%**

Cap Rate	PCCP	PwC	BREIT	SREIT
	7.48%	7.02%	5.40%	6.10%
Spread (bps)		*46*	*208*	*138*

Discount Rate	PCCP	PwC	BREIT	SREIT
	9.45%	8.43%	6.80%	7.60%
Spread (bps)		*102*	*265*	*185*

- **The LTV of the office positions in the portfolio is 69.1%** which includes 135 W 29th Street, an investment which we are holding with no leverage. Excluding 135 W 29th the LTV of the levered assets is just under 69.8%.

All values in $ 000's	OUTSTANDING LOAN BALANCE	MATURITY DATE	EXTENSION OPTIONS	GROSS ASSET VALUE	LTV
Cumberland Center II	59,589	May-23		$46,081	129% (1)
SeaTac Office Center	66,603	Jul-23	1, 12 mo.	91,669	73%
5901 Century	27,536	Oct-23	1, 12 mo.	27,123	102% (1)
Cascade Yard	80,137	Mar-24	2, 12 mo.	118,079	68%
Valley Tech Centre	123,861	May-25	2, 12 mo.	212,335	58%
Park Point	96,665	Jun-25	2, 12 mo.	173,402	56%
Southlake HQ	15,808	Dec-25		15,217	104% (1)
Resource Square	32,362	Jan-27		49,519	65%
Amberglen Business Center	62,689	Feb-27		76,290	82%
135 W 29th - No Loan				7,364	0%
Total	$565,249			$817,079	69.1 %

(1) All loans are non-recourse. Our exposure is capped at our invested equity only.

- Our office assets are primarily multi-tenant assets with a mix of short-term leases with terms generally between 3 and 7 years.
- We have **limited near-term rollover** with a collective 19% of the total office tenancy reaching its lease maturity in the next two years.

Deal Name	Current Vacancy	Roll: 0 - 1 Years	Roll: 1 - 2 Years	Roll: 2 - 3 Years	Roll: 3 - 4 Years	Roll: 4 - 5 Years	Roll: 5 - 6 Years	> 6 Year Roll
135 W 29th	45%	21%	12%	15%	5%	3%	-	-
5901 Century	37%	21%	13%	10%	6%	4%	4%	5%
Amberglen Business Center	37%	12%	8%	15%	16%	3%	7%	2%
Cascade Yard	4%	19%	8%	14%	7%	4%	7%	37%
Cumberland Center II	51%	-	6%	2%	25%	-	-	15%
Park Point	24%	-	-	-	-	-	-	76%
Resource Square	16%	17%	12%	37%	8%	11%	-	-
SeaTac Office Center	10%	2%	15%	26%	1%	11%	1%	34%
Southlake HQ	96%	0%	-	-	-	2%	-	2%
Valley Tech Centre	19%	6%	5%	4%	6%	-	12%	48%
Total	*30%*	*8%*	*8%*	*12%*	*8%*	*4%*	*4%*	*27%*

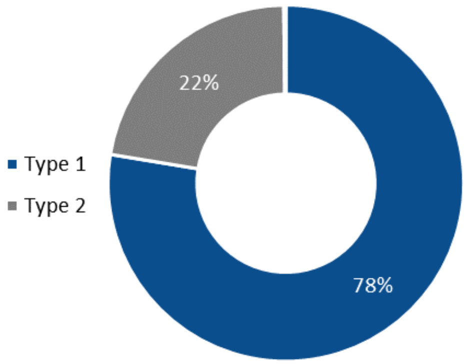
2. How do we view our office exposure

- We rank the riskiness of our assets into Type 1 through 3 below.
  - Type 1 assets are those with stable asset level performance with no current or near-term debt concerns at the asset level.
  - Type 2 assets have ongoing performance concerns, are in the process of modification discussion with our lender or have expected near-term loan modification needs.
  - Type 3 assets are those that the equity value has been written off in full.

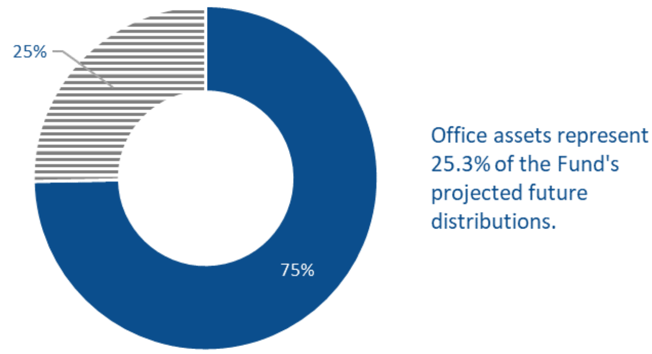
	OCCUPANCY	TOTAL COMMITMENT ($'000)	UNDERWRITTEN FUTURE DISTRIBUTIONS	NOTES
Type 1: Stable Asset Performance Outlook with Reasonable Debt and No Expected Loan Modification				
135 W 29th	55%	$18,484	$18,523	Asset is unleveraged
Cascade Yard	97%	33,639	35,270	March 2024 loan maturity could require modest paydown
Park Point	77%	26,982	48,134	Building is leased on long term leases with term on the loan
Resource Square	84%	17,427	26,164	Fixed rate loan through January 2027
Southlake HQ	5%	34,349	10,455	Capital has been substantially repaid through sale of the first building
Valley Tech Centre	81%	66,452	137,104	Loan has term through mid-2025 and continued life science leasing interest
Type 2: Asset performance concerns and/or loan modification expected				
SeaTac Office Center	88%	33,293	54,439	modification discussions underway with the lender
Amberglen Business Center	61%	37,189	24,532	modification recently completed. Asset performance continues to lag expectations
Type 3: No remaining equity value expected				
5901 Century	65%	19,025	660	Expected deed-in-lieu
Cumberland Center II	48%	23,221	0	Expected deed-in-lieu
Total/Avg	70%	$310,060	$355,282	

- We expect no meaningful future distributions from the Type 3 assets. The Type 2 assets account for 22% of the total office distributions.
- Of all of the remaining distributions in the Fund the office component counts for 25.3% of the total.

Equity VIII Office Future Distributions by Internal Risk Rating



Equity VIII Fund Level Future Distributions



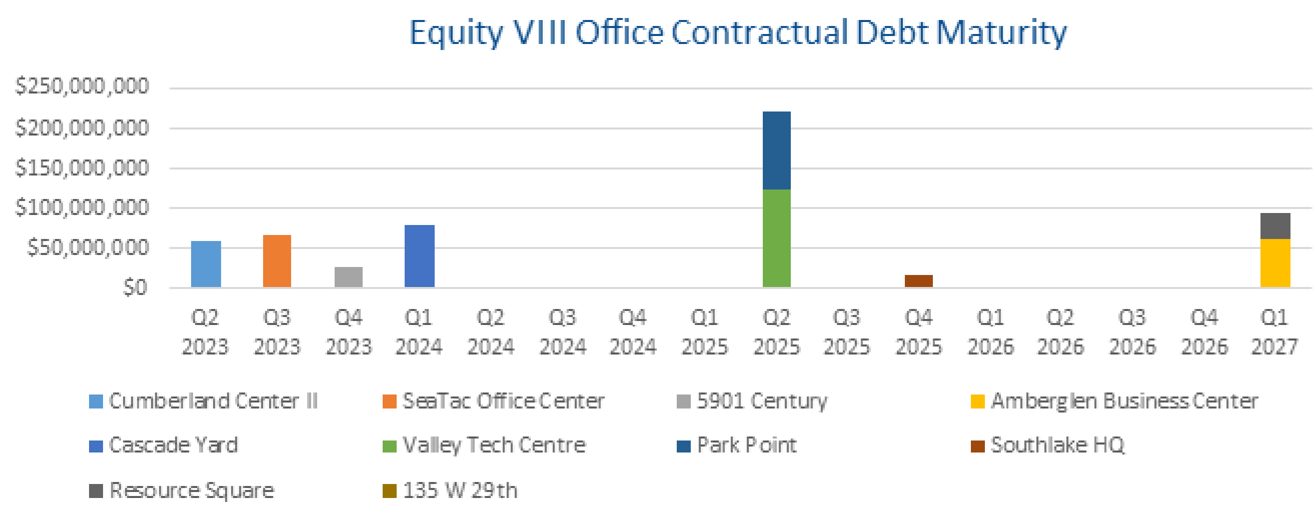
3. Does the Fund have enough liquidity to handle maturing loans?

- At current asset values, $47.1 million would be required to remargin the office loan portfolio to 60% leverage. $80.4 million would be required if values are impaired another 10% from our current marks and $124.6 million if values were impaired 20%. We have sufficient liquidity and capital access to meet these requirements.
  - Please note that we anticipate no loan paydown for Cumberland Center II and 5901 Century as those assets are expected to be taken back by our lenders.

Loan Paydown Required ($'000s)			
	60% LTV - NO IMPAIRMENT	10% GAV IMPAIRMENT	20% GAV IMPAIRMENT
Cumberland Center II	-	-	-
SeaTac Office Center	$11,601	$17,101	$22,601
5901 Century	-	-	-
Amberglen Business Center	16,915	21,493	26,070
Cascade Yard	9,290	16,375	23,459
Valley Tech Centre	$0	9,200	21,940
Park Point	$0	3,028	13,432
Southlake HQ	6,677	7,590	8,503
Resource Square	2,651	5,622	8,593
135 W 29th			
Total	**$47,134**	**$80,409**	**$124,599**

4. What is the debt maturity schedule for the Fund and how does this impact liquidity needs?

- We have three loans maturing in 2023 with four others maturing in 2024 and 2025.
- **We expect to return two of the 2023 maturing assets back to the lender**. The third maturing loan in 2023, SeaTac Office Center, has contractual extension options and we are in discussion with the lender to exercise the 12-month extension.
- We believe we have sufficient resources to refinance these other loans with the fund liquidity from projected asset sales in our industrial and multifamily assets along with cash on hand and, if needed, uncontributed capital at the Fund.



5. What are the results from stress testing the Fund?

- **The impact of an additional 25% office valuation reduction is a 3.2% decrease in the net IRR and a 0.14x decrease in the net equity multiple,** assuming no change in underwriting in the remaining 21 non-office assets and no requirement to modify (remargin) or extend any loans.

- **At a 50% office valuation reduction, the result would be a 5.0% decrease in the net IRR and a 0.21x decrease in the net equity multiple.** A 50% reduction in gross asset value would result in a 100% loss of all residual value on the office investments.

	Q1 2023 Base Case Underwriting	Office Impairment (GAV)	
		-25%	-50%
Gross Projected IRR	18.8%	15.9%	13.3%
Gross Projected Multiple	1.79	1.61	1.47
Net Projected IRR	15.0%	11.8%	10.0%
Net Projected Multiple	1.53	1.39	1.32

6. Please provide a general overview of your valuation process

- PCCP performs a quarterly valuation of each asset based on a discounted cash flow valuation of the expected future cash flows. All investments are internally re-underwritten quarterly. Discount rates and cap rates are determined based on the asset's current position in its investment lifecycle and remaining risk associated with completing the business plan. We compare these discount rate and cap rate assumptions to third party market surveys and other publicly available data as further validation of our assumptions. PCCP's valuation committee meets to discuss valuations across the portfolio following the completion of the reunderwriting of these assets to approve the final valuations on a quarterly basis.

7. What keeps you up at night?

- **Rates, rates, rates…**
  - Continued rate increases will divert more net operating income to our lenders, reducing returns from cash flow. Market uncertainty resulting from rate increases will likely affect capitalization rates, which affect the value of all asset classes.
- **The timely and profitable resolution of the remaining positions in the Fund**
  - While the Fund matures in April 2026, we are mindful that the illiquidity in the office market will not be solved overnight. It is our goal to resolve the remaining assets in a timely manner while maximizing the value of your investment. But market choppiness will certainly affect timing of asset sales and values.
- **Potential additional capital needs**
  - This memorandum has focused primarily on our office investments, but the other investments in the Fund are not immune to the impacts of either rate increases or a general market recession. Although our focus is on office today, we are watching all asset classes closely as capitalization rates for every type of real estate have increased.

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Certain information contained herein constitutes “forward-looking statements,” which can be identified by use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “attempt,” “anticipate,” “project,” “estimate,” “intend,” “seek,” “target,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to the various risks and uncertainties, actual events or results in the actual performance of investments may differ materially from those reflected or contemplated in such forward-looking statements.

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Unless otherwise noted, all information contained herein is as of March 31, 2023.