New Jersey Division of Investment

Relationship Structure

November 2024

Townsend Group
Cleveland • San Francisco • London • Hong Kong

Separate Account Framework

Roles, responsibilities, and structure

Strategy and Investment Guidelines	Investment sourcing and execution governed by a Strategic Plan that can be updated as necessary • NJDOI: Authority to make changes to the Strategic Plan to meet investment needs – Changes may include adjustments to target sectors, regions, risk profile, leverage, etc. • Townsend: Collaborate with NJDOI on the Strategic Plan and executing opportunities that meet the Strategic Plan
Investment Diligence	Townsend will lead investment sourcing and diligence through its dedicated team of professionals and Townsend's standard due diligence process – Townsend will discuss the opportunities with NJDOI and address questions and comments
Investment Approval	Townsend and NJDOI will set up a mutually agreeable process – Townsend will furnish detail underwriting information about each opportunity as part of the process and NJDOI will have an Opt-In right with respect to each investment – lead time and format of information provided may be different for fund vs non-fund investments
Asset Management	Townsend will have discretion over any asset management items related to the underlying investment opportunities and will provide regular asset management and performance updates
Reporting and Administration	Townsend will produce all performance reporting reasonably requested by NJDOI – Townsend can also engage audit and tax as necessary to produce market standard accounting and tax records
Investment Legal Review	Townsend can lead legal review or allow NJDOI to perform their own internal review of investment legal documents and structure – economies of scale from Townsend review can often save an average of $20,000 per legal review (for commingled fund investments)
Investment Operational Due Diligence	Townsend can lead operational due diligence or allow NJDOI to perform their own internal review of the investment sponsor's structure and operational capabilities
Client Interaction	Dedicated portfolio management team assigned to the relationship – NJDOI helps define interactions

Source:: Townsend Group. Fund terms abbreviated for clarity. There can be no assurance that the Fund will achieve comparable results, that underwritten returns, diversification, or asset allocations will be met or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective. Investing involves risk, including possible loss of principal. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein. Townsend's views are as of this date of this publication and may be changed or modified at any time without notice. Please refer to the Disclosures at the end of this Presentation.

Separate Account Framework

Differences in a Separate Account vs. a Fund of One structure

	Separate Account	Fund of One
Cash Flow Processing	Townsend reviews and directs NJDOI (higher volume for NJDOI)	Townsend processes underlying cash flows and calls or distributes capital as needed (lower volume for NJDOI)
Liaise with Custodial Bank	Townsend assists in accordance with existing NJDOI process (higher volume for NJDOI)	Townsend assists in accordance with existing NJDOI process (lower volume for NJDOI)
Bank Accounts Required	NJDOI and custodial bank maintain bank accounts	Townsend maintains bank accounts and can coordinate with custodial bank as needed
Investment Legal and Structuring	Townsend via third-party considering specific requirements for NJDOI or NJDOI can select	Townsend via third-party considering specific requirements of NJDOI
Audit and Tax	Townsend provides necessary documents from underlying investments to support NJDOI's audit and tax processes	Townsend completes and delivers annual audited financial statements and tax reporting for the vehicle in accordance with regulatory requirements

Source: Townsend Group. Fund terms abbreviated for clarity. There can be no assurance that the Fund will achieve comparable results, that underwritten returns, diversification, or asset allocations will be met or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective. Investing involves risk, including possible loss of principal. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein. Townsend's views are as of this date of this publication and may be changed or modified at any time without notice. Please refer to the Disclosures at the end of this Presentation.

Disclosure of Risk Factors

Speculative Nature A fundamental premise of private equity investing is the acceptance of illiquidity and a higher degree of risk in expecting higher returns. An investment in the Fund involves a substantial degree of risk, and the purchase of Interests should be considered only by investors able to bear the risk of loss of all or a substantial portion of their investment. No guarantee or representation is made that the investment objective of the Fund will be achieved.

Leverage The Portfolio Investments in which the Fund may invest may utilize highly leveraged capital structures on many investments in order to enhance returns. Although the use of leverage is common in real estate investing, and may both enhance returns and increase the number of investments in the Portfolio, it also exposes the investments to a high level of financial risk, including the risk of volatility in cash flow and default risk in the event that revenues do not meet expectations due to economic downturns, changes in supply and demand conditions, and the condition of the properties. In some cases, leverage will increase exposure to interest rate risk due to floating rate structures.

Loss of Investment An investor could lose some or all of her or his investment.

Lack of Diversification Use of a single advisor applying generally similar trading programs could mean lack of diversification and, consequently, higher risk.

Illiquidity; Lack of Transferability of Interests The Interests are highly illiquid. A Limited Partner may not sell, assign, transfer, pledge, or otherwise dispose of any of its Interests without the prior consent of the General Partner at its sole discretion. The Interests will also be subject to restrictions on assignments, transfers, and resales imposed under federal and state securities and tax laws. There is currently no public market for the Interests and it is unlikely that one will develop. Accordingly, the Interests constitute illiquid investments and should be considered only by investors able to bear the risk of their investment in the Interests for an indefinite period of time.

Uncertainty of Valuation Most Portfolio Investments value their assets using a "fair value" methodology dictated by their organizational documents, and the valuation methods used by various Portfolio Investments will vary. The values of investments as determined under these methods do not necessarily reflect the price at which the investments can currently be sold in an arm's length transaction. Thus, measuring the performance of a Portfolio Investment prior to the full realization of its portfolio involves substantial uncertainty. This can both limit the ability of the Limited Partners to gauge the Fund's ongoing performance, and the ability of Townsend (or an affiliate) to evaluate the past performance of the sponsors of prospective Portfolio Investments.

Volatility The Fund's performance may be volatile.

Hedging Futures, options, and/or other derivative contracts and/or instruments may be used provided that such investments or contracts are entered into in order to hedge actual or prospective investments, positions or exposures in currency holdings of the client, including for hedging purposes of its interest rate and currency exchange exposure. The costs of hedging transactions will be an expense of the client. It may not be possible to hedge against a currency movement at an attractive price, for example where such movement is widely anticipated. As a result of the client's hedging policy, Townsend may, nevertheless, be required to enter into such transactions on behalf of the client. These instruments may end up causing the client to make a lower performance than in the absence of such instruments, in case the covered investment has eventually increased in value due to the covered risk. It may occur that the client is obliged to unwind its derivatives position at a loss, whereas the underlying covered assets have not yet been disposed of, thus not generating yet the symmetrical gain. The client may also be exposed to the risk of a counterparty defaulting under a derivative contract and therefore exposed to risk of losses in the event of the bankruptcy of a derivative counterparty. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over-the-counter derivatives may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

Foreign Investments Townsend clients may invest in RE Funds or other products which invest in real estate assets outside the United States. With any investment in a foreign country, there exist certain risks typically not associated with investing in U.S. assets. Such risks include, among other things, fluctuation in currency exchange rates, trade balances and imbalances and related economic policies and the risk of adverse political or social developments, including nationalization, expropriation of assets, confiscatory taxation, and economic or political instability or war.

Management Fees and Expenses The Fund will bear management fees and expenses (including fees and expenses of Townsend (or an affiliate) and the General Partner) directly, and will also indirectly share in the management fees and expenses of the Portfolio Investments in its portfolio. Such fees and expenses are expected to reduce the returns to investors. The investment return on the Portfolio Investments in which the Fund invests therefore must be sufficient to offset both levels of fees and expenses before Fund investors can receive a positive investment return.

Real Estate Investments The Fund may invest in Portfolio Investments which invest directly in real estate, as well as in companies or other entities engaged in various real estate-related businesses. As a result, the Fund's investments in portfolio investments are subject to various risks associated with real estate investing, including but not limited to: (i) adverse changes in national or international economic conditions, including changes in interest rates; (ii) adverse local real estate market conditions; (iii) the financial condition of tenants, buyers, and sellers of properties; (iv) the promulgation and enforcement of governmental regulations relating to land use and zoning restrictions, environmental protection, and occupational safety; (v) the unavailability of mortgage funds that may render the sale of a property difficult; (vi) changes in real estate tax rates and other operating expenses; (vii) changes in demand for certain property types; (viii) environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems as to which inadequate reserves had been established; (ix) uninsurable losses; (x) quality of maintenance, insurance, and management services; (xi) competition based on rental rates; (xii) terrorism, strike, political or military uprising, acts of God, and natural disasters; and (xiii) other factors beyond the control of the Fund or its Portfolio Investments. Investments by Portfolio Investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property) could also create risks of successor liability.

Disclosures

This presentation (the “Presentation”) is being furnished on a confidential basis to a limited number of sophisticated individuals meeting the definition of a Qualified Purchaser under the Investment Advisors Act of 1940 for informational and discussion purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any security.

This document has been prepared solely for informational purposes and is not to be construed as investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of preparation, Townsend Group makes no representation that it is accurate or complete. Some information contained herein has been obtained from third-party sources that are believed to be reliable. Townsend Group makes no representations as to the accuracy or the completeness of such information and has no obligation to revise or update any statement herein for any reason. Any opinions are subject to change without notice and may differ or be contrary to opinions expressed by other divisions of Townsend Group as a result of using different assumptions and criteria. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

Statements contained in this Presentation that are not historical facts and are based on current expectations, estimates, projections, opinions and beliefs of the general partner of the Fund and upon materials provided by underlying investment funds, which are not independently verified by the general partner. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Additionally, this Presentation contains “forward-looking statements.” Actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

Material market or economic conditions may have had an effect on the results portrayed.

Neither Townsend nor any of its affiliates have made any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained herein (including but not limited to information obtained from third parties unrelated to them), and they expressly disclaim any responsibility or liability therefore. Neither Townsend nor any of its affiliates have any responsibility to update any of the information provided in this summary document. The products mentioned in this document may not be eligible for sale in some states or countries, nor suitable for all types of investors; their value and the income they produce may fluctuate and/or be adversely affected by exchange rates, interest rates, or other factors. Prospective investors in the Fund should inform themselves as to the legal requirements and tax consequences of an investment in the Fund within the countries of their citizenship, residence, domicile and place of business.

There can be no assurance that any account will achieve results comparable to those presented. Past performance is not indicative of future results.

Select Townsend employees may have personal interest in this investment/fund or affiliates of this investment/fund. All Townsend employees are subject to an investment pre-clearance process for such investments under Townsend's Code of Ethics. To assess any conflict of interest/perceived conflict of interest and to avoid any opportunity of beneficial treatment, all employee investments that may create a conflict/or perceived conflict are monitored by Townsend Compliance and the Townsend Compliance Committee.

Disclosures and Definitions

General Disclosures

There can be no assurance that any account will achieve results comparable to those presented. Past performance is not indicative of future results. Investing involves risk, including possible loss of principal.

Returns reflect the equal-weighted returns calculated during the periods indicated. Note: If including Core, this is value-weighted. In addition, the valuations reflect various assumptions, including assumptions of actual unrealized value existing in such investments at the time of valuation. As a result of portfolio customization/blending and other factors, actual investments made for your account may differ substantially from the investments of portfolios comprising any indices or composites presented.

Due to the customized nature of Townsend's client portfolios, the performance stated may be considered "hypothetical" as it does not reflect the experience of individual client portfolios, but rather aggregate client positions in the stated investment strategy.

NON REGULATORY ASSETS UNDER MANAGEMENT

As of March 31, 2024, Townsend had assets under management of approximately $20.9 billion. When calculating assets under management, Townsend aggregates net asset values and unfunded commitments on a quarterly basis. Townsend relies on third parties to provide asset valuations, which typically takes in excess of 90 days after the quarter end. Therefore, assets under management have been calculated using March 31, 2024 figures where available but may also include December 31, 2023 figures. Assets under management are calculated quarterly and includes discretionary assets under management and non-discretionary client assets where the client's contractual arrangement provides the client with the ability to opt out of or into particular transactions, or provides other ancillary control rights over investment decision-making (a/k/a "quasi-discretionary"). Regulatory AUM is calculated annually and can be made available upon request.

ADVISED ASSETS

As of March 31, 2024, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding $237.9 billion. Advised assets includes real estate and real asset allocation as reported by our clients for whom Townsend provides multiple advisory services—including strategic and underwriting advice for the entire portfolio. Advised assets are based on totals reported by each client to Townsend or derived from publicly available information. Advised assets are calculated quarterly. Select clients report less frequently than quarterly in which case we roll forward prior quarter totals. The recent change in Advised Assets is due to a change in the reporting of certain special projects.

Global Non-core Special Situations Strategies employ a global non-core multi strategy approach with 90% or more of the investments invested in non primary fund investments such as secondaries, recapitalizations, joint ventures, platform investments, and co-investments. Strategies are diversified by geography, sector, property type, manager and vintage year.

Separate Accounts includes all Townsend active discretionary accounts which invest in a variety of investment styles and structures.

Disclosures and Definitions

Townsend Real Estate Capital Solutions Strategies

Townsend's Global Non-Core Special Situations Strategies employ a global non-core multi strategy approach with 90% or more of the investments invested in non primary fund investments such as secondaries, recapitalizations, joint ventures, platform investments, and co-investments. Strategies are diversified by geography, sector, property type, manager and vintage year.

Townsend Real Estate Capital Solutions Strategy (Value-Add)

- Townsend's 2007 vintage Townsend Real Estate Capital Solutions Strategy Program was comprised of one closed end single limited partner vehicle (Fund-of-One).
- Townsend's 2010-11 vintage Townsend Real Estate Capital Solutions Strategy Program was comprised of one closed end single limited partner vehicle (Fund-of-One) and one commingled fund (HNW Investor Fund).
- Townsend's 2012 vintage Townsend Real Estate Capital Solutions Strategy Program was comprised of one closed end single limited partner vehicle (Fund-of-One).
- Townsend's 2015 vintage Townsend Real Estate Capital Solutions Strategy Program was comprised of one closed end single limited partner vehicle (Fund-of-One) and one commingled fund.
- Townsend's 2018 vintage Townsend Real Estate Capital Solutions Strategy Program was comprised of one closed end single limited partner vehicle (Fund-of-One) and one commingled fund.

Note: Investment level net IRR's and equity multiples are reported. Net IRR is the net return earned by an investor over a particular time frame, including the performance of both realized and unrealized investments, at fair value. The Net IRR is based upon daily investor level cash flows, current quarter net asset value as hypothetical liquidation mark, and is after the deduction of fees. Investment performance data is reported to Townsend on a quarterly basis by the underlying investment manager. The value of unrealized investments is subject to change.

Net Investment Multiple: Based upon daily investor level cash flows. Calculated as ([Since Inception Distributions + Since Inception Withdrawals + Net Asset Value])/Paid in Capital).

Townsend Group's Investment Committee (IC) collaboratively makes all strategic investment decisions affecting Townsend's client portfolios.

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