

Client

First Quarter 2025 Report

JULY 2025

INVESTMENT GUIDELINES

Return:	NFI-ODCE net of fees
Style Sector:	Minimum 50% Strategic Maximum 50% Tactical
Property Type:	Maximum 40% to a property type
Location:	Maximum 35% Ex-US
Investment:	Maximum 20% to a Strategic investment Maximum 10% to a Tactical investment
Manager:	Maximum 40% to a manager
Leverage:	Maximum 50% Strategic Maximum 75% Tactical

PORTFOLIO STATISTICS

Target Allocation (Funded NAV):	\$1,283 million
Capital Committed¹:	\$1,510 million
Active¹:	72
Total Funded:	\$2,840 million
Total Returned:	\$3,156 million
Market Value (NAV):	\$1,115 million
Unfunded Commitments:	\$214 million

NET RETURNS (TOWNSEND INITIATED)²

1Q25 Time-Weighted ("TW"):	0.9%
1 Year TW:	2.6%
3 Year TW:	(2.6)%
5 Year TW:	5.6%
Inception to Date ("ITD") IRR:	9.5%
ITD Equity Multiple:	1.5x

PORTFOLIO MANAGEMENT TEAM

Anthony Frammartino	CEO
Tony Pietro	Senior Managing Director
Joe Davenport	Senior Principal
Christian Nye	Principal

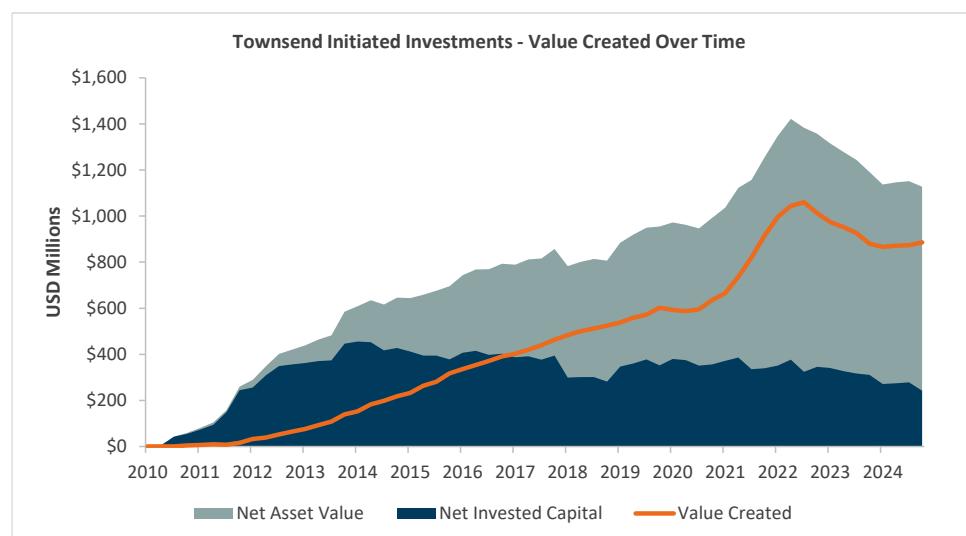
PORTFOLIO PROFILE

Client retained The Townsend Group (“Townsend”) as investment manager to invest and manage its real estate portfolio (“Portfolio” or “Program”) in 1997. Townsend was awarded discretion over the Program beginning in 2009. Client has allocated 10% of its total plan assets to real estate with an allowable range of 5-20%. The Portfolio seeks to generate long term net nominal returns in excess of the net National Council of Real Estate Fiduciaries (“NCREIF”) Open End Diversified Core Equity (“ODCE”) Index.

The primary objective of real estate investing for Client is to seek superior risk adjusted returns. Secondarily, real estate investments have had low to negative correlation with stock and bond returns, thus potentially reducing the volatility of the return of the total plan. Moreover, real estate investments, like some other real assets, have historically been a hedge against inflation.

PORTFOLIO UPDATE & RECENT INVESTMENT ACTIVITY

Since Townsend was awarded discretion over the Program in 2009, \$2.0 billion has been committed or approved for commitment to 97 individual investment positions. Collectively, these investments have generated a 9.5% net IRR and 1.5x net equity multiple, creating over \$895 million of value through March 31, 2025. The following chart depicts value creation over time, comparing cumulative net invested capital to NAV.



During the period from December 31, 2024 to March 31, 2025, Townsend initiated investments generated an 0.9% total net return.

¹ Active Investments include those currently reporting to the Townsend database and are included within the attached detailed Performance Flash Report. Committed Capital excludes separate accounts.

² Does not include any investments Client already had in place at the time Townsend was awarded discretion over the Program beginning in 2009. Includes both realized and unrealized investments.

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US private real estate returns, as measured by the NFI-ODCE Index, were positive in the first quarter of 2025, driven by the income return. The NFI-ODCE total return gross of fees was 1.06% during the quarter, in line with the 1.16% return in the fourth quarter of 2024. Outstanding redemption queues for the NFI-ODCE declined to \$26 billion in the fourth quarter (13% of the index), with manager payouts in the range of 5-15%. The Strategic Portfolio has undergone continuous rebalancing over time. This occurred most recently in December 2024 and included new commitments, a redemption recission, and additional redemptions to further align property type exposures with Townsend's market views, improve the projected return outlook, and create proceeds for recycling into higher conviction investments. The following table represents a summary of Client's current Strategic Portfolio redemption activity.

Investment	Redemption Requests	Redemptions Received	Outstanding Redemptions
Prime Property Fund	\$12,327,851	\$12,327,851	\$0
JP Morgan Strategic Property Fund ²	\$48,208,723	\$11,764,416	\$43,558,723
Jamestown Premier Property Fund ²	\$24,484,172	\$0	\$24,484,172
Lion Industrial Trust - 2007	\$95,000,000	\$65,696,731	\$29,303,269
Smart Markets Fund, LP	\$10,000,000	\$10,000,000	\$0
Berkshire Multifamily Income Realty Fund	\$10,000,000	\$3,317,589	\$6,682,411
Brookfield Premier Real Estate Partners	\$40,000,000	\$20,268,329	\$19,731,671
Kayne Anderson Core Real Estate Fund	\$5,000,000	\$5,000,000	\$0
MetLife Core Property Fund	\$30,000,000	\$20,430,833	\$9,569,167
Manulife U.S. Core Real Estate Fund	\$25,000,000	\$21,031,893	\$3,968,107
Cortland Partners Growth and Income Fund	\$5,000,000	\$487,500	\$4,512,500
Greystar Growth and Income Fund ²	\$9,458,293	\$0	\$9,458,293
Dream U.S. Industrial Fund	\$10,000,000	\$6,982,353	\$3,017,647
Lion Properties Fund ²	\$14,872,790	\$2,894,741	\$13,574,706
Total		\$180,202,236	\$167,860,666

¹As of July 7, 2025

²Full redemption - amount is 1Q25 NAV (latest) and changes quarter to quarter

In 2025, \$150-200 million is anticipated for new investments, plus a similar amount to be recycled from projected Strategic Portfolio redemptions. Most of the new investment for 2025 is expected to take the form of Strategic and Special Situations investments, and to a lesser extent Tactical investments. Over time, exposure to Tactical and Special Situations is expected to increase from its current level of 43% while maintaining compliance with the Portfolio's style sector compliance criteria (maximum 50% Tactical).

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In May 2025, a \$15 million commitment was approved to Project Maple Leaf, an opportunity to capitalize participating preferred equity at a protected basis for a fully pre-leased data center redevelopment in the Toronto MSA. The existing 315k square foot data center and warehouse facility benefits from existing infrastructure and an expedited path to deliver the power capacity. The preferred equity will be utilized to capitalize the cost of constructing three new data halls and is structured to sweep all cash flow until achieving a 20% preferred return and then receive 20% of all residual cash flow thereafter. The investment is projected to achieve a stabilized yield on cost of 12.0% (excluding accrual) and have a cost basis of ~\$11MM per MW, which is highly competitive with ground up hyperscale developments. The investment is projected to generate an after tax 19.2% IRR and a 1.5x equity multiple over approximately a three-year period.

In May 2025, a \$50 million commitment was approved to Blue Owl Real Estate Fund VII, a tactical fund that will acquire or provide build-to-suit (“BTS”) capital for single tenant, free-standing net lease properties that are mission-critical to the operations of IG credit corporate tenants. Assets are primarily acquired through sale-leaseback and subject to a minimum of an 11-year lease term and greater than a 7.0% cap rate. The manager’s primary value-add is proactive sourcing of sale-leaseback or other triple-net (“NNN”) opportunities at a yield-on-cost often well above prevailing core NNN cap rates, and the subsequent sale to buyers at those lower market cap rates. Net leased focused strategies are viewed as more bond-like due to fixed escalators on long term leases, that minimize the ability to capture market rent growth for extended periods and rely heavily on a single tenant’s credit. This was viewed negatively over the course of the post-GFC interest rate cycle where rates remained low until material increases in 2022/23, now remaining near 15-year highs. Pricing in the sector has adjusted accordingly and offers a potentially attractive entry point with lower odds of another precipitous increase. Townsend clients will benefit from aggregation to achieve fee breaks and, as a first close investors, will have no fee on committed capital. The \$6.5 billion fund will target a 12%-14% net IRR and 1.5x-1.7x net EM utilizing no more than 65% leverage over a 7-year fund life.

In total, the above investment activity is projected to increase total net return and favorably shift property sector exposures, while maintaining the Portfolio’s desired risk profile.

Client**PERFORMANCE REVIEW****First Quarter 2025 Report**

The Portfolio generated approximately \$8 million of income and \$5 million of appreciation during the quarter, which resulted in a total gross return of 1.2% (0.9% total net return). The NAV of the Portfolio decreased by \$13 million to \$1,115 million inclusive of approximately \$26 million in net distributions¹. Over the prior five years, Townsend initiated investments returned 5.7% net of all investment level fees, exceeding the benchmark by 365 basis points. Since inception, Townsend initiated investments have generated an IRR and equity multiple of 9.5% and 1.5x, net of all fees and expenses.

	Quarter	1 Year	3 Year	5 Year	Net IRR	Net Equity Multiple
Townsend Initiated Investments						
Income	0.7%	3.0%	3.0%	3.4%	-	-
Appreciation	0.5%	0.9%	-4.5%	3.8%	-	-
Total Gross	1.2%	3.9%	-1.6%	7.3%	-	-
Total Net	0.9%	2.6%	-2.6%	5.6%	9.5%	1.5x
Total Portfolio						
Total Net	0.9%	2.6%	-2.7%	5.7%	12.4%	1.5x
Benchmark						
Custom	0.9%	1.2%	-5.1%	2.0%	-	-

28 investments, including 2 open-end funds, 12 closed-end funds, a REIT account, and 13 Special Situations are fully or substantially liquidated. Collectively, these investments have returned a 15.0% net IRR and a 1.6x net equity multiple, creating over \$282 million of value through March 31, 2025.

The Strategic Portfolio comprised approximately 57% of the Portfolio's NAV at quarter end and produced a 0.9% total net return. The Strategic Portfolio produced approximately 73% of the income and 16% of the appreciation generated by the total Portfolio.

Jamestown Premier Property Fund, a core plus office and retail focused fund, was the best performing Strategic investment and produced a 4.1% net return. The fund's quarterly return was driven by development progress at One Time Square and lease execution at Waterfront Plaza. The fund continues to navigate a challenging environment for office assets.

Manulife U.S. Real Estate Fund, a diversified core plus fund, was the second best performing Strategic investment and produced a 2.8% net return. The fund's returns were primarily driven by lease-up of a recently completed industrial development and appreciation of the industrial outdoor storage portfolio.

¹ Includes all quarterly contributions, distributions, withdrawals, and manager fees.

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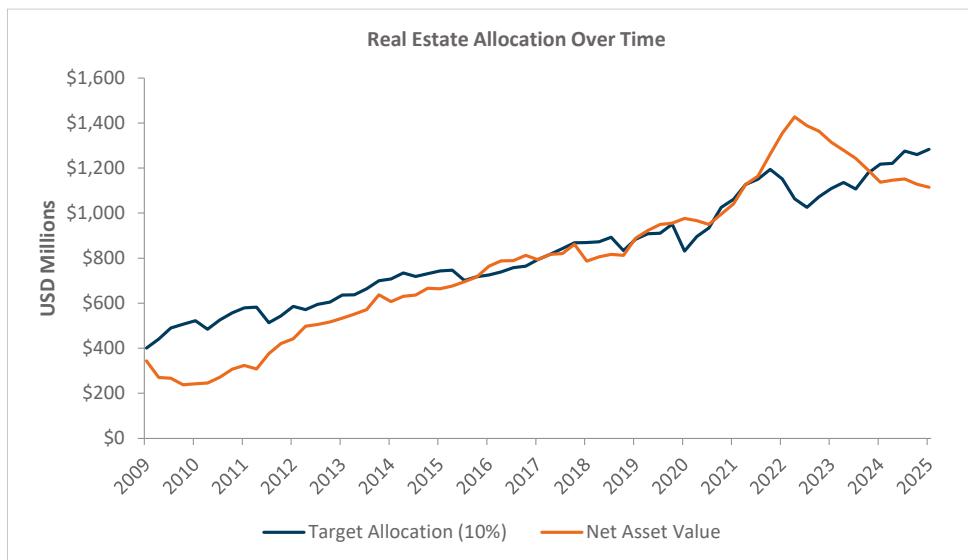
The Tactical Portfolio and Special Situations comprised approximately 43% of the Portfolio's NAV at quarter end and produced a 1.0% total net return. The Tactical Portfolio and Special Situations produced approximately 27% of the income and 84% of the appreciation generated by the total Portfolio.

TTG FRELD (GBP denominated) and Gramercy Property Europe IV (Euro denominated) were top performing special situations investments and produced a quarterly net returns of 5.3% and 5.3% in USD, respectively. In local currency, FRELD and Gramercy IV produced more modest net returns of 2.1% and 0.7%, respectively. Devaluation of the USD dollar supported these investments in Q1 2025.

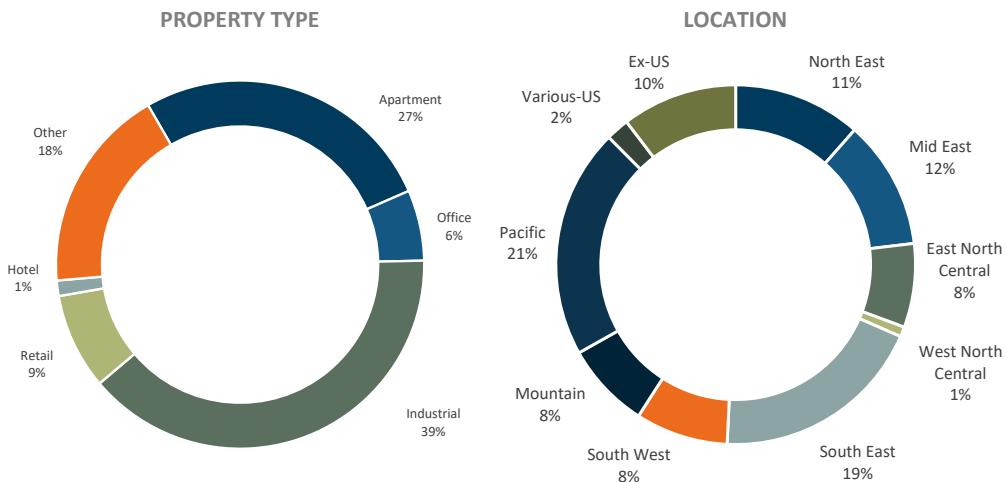
FJOF3 Residential Coinvestment Fund was another top performing special situations investment and produced a quarterly net return of 2.8%. In 2017, FJOF3 acquired an affordable housing portfolio in Japan. Through March 31, 2025, rents were 15% ahead of underwriting and occupancy increased 100 bps quarter-over-quarter. Strong rental rate increase have been driven by an interior renovation program that has upgraded 71,000 units and is progress ahead of schedule. As of March 31, 2025, FJOF3 Residential Coinvestment Fund's yield on cost is 21.9%.

Client**First Quarter 2025 Report****COMMITMENT AND FUNDING STATUS**

The current target allocation to real estate is \$1,283 million, or approximately \$23 million more than the previous quarter. As of March 31, 2025, active investments had a NAV of \$1,115 million, or approximately 87% of the targeted allocation. Including unfunded commitments, exposure to real estate totaled \$1,310 million, or 10.2% of total plan assets. The chart below depicts the Program's NAV over time relative to the targeted 10% of total plan assets.

**DIVERSIFICATION**

Diversification presented below is based on the funded portfolio.



Client**COMPLIANCE****First Quarter 2025 Report**

Portfolio guidelines are intended to govern the size, risk, and performance of the real estate investments over time. All categories are currently in compliance.

Category	Requirement	Status
Return	NCREIF-ODCE net of fees	✓
Style Sector	Minimum 50% Strategic Maximum 50% Tactical	✓
Property Type	Maximum 40% to a property type	✓
Location	Maximum 35% Ex-US	✓
Investment	Maximum 20% to a Strategic investment Maximum 10% to a Tactical investment	✓
Manager	Maximum 40% to a manager	✓
Leverage	Maximum 50% Strategic Maximum 75% Tactical	✓

THE TOWNSEND GROUP

Townsend Holdings LLC (d/b/a The Townsend Group) is a leading provider of global investment management exclusively focused on real estate and real assets. The Townsend Group serves an institutional client base, providing custom investment solutions to help meet the needs and objectives of their unique investment programs. Headquartered in Cleveland, OH, the firm has offices in San Francisco, London and Hong Kong. Townsend provides advisory services to clients who have real estate/real asset allocations exceeding \$233.6 billion and assets under management of \$19.3 billion.¹

CONTACT INFORMATION

The Townsend Group
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Cleveland, OH 44113
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¹ As of September 30, 2024

Client**DISCLOSURE STATEMENTS****First Quarter 2025 Report****Performance:**

The performance information herein represents past performance and 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 directly¹ 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.

Forward Looking Statements: The information provided in this report contains estimates, return data, and valuations that are based upon assumptions and projections. Such estimates and assumptions involve judgments with respect to, among other things, future economic and competitive conditions; real estate market conditions; occupancy and rental rates; and the like, which may not be realized and are inherently subject to significant uncertainties and changes, all of which are difficult to predict and many of which are beyond the control of the General Partner and Townsend and the investment managers of the indirect fund investments. Accordingly, no assurance can be given that such projections will be realized, and actual conditions, operations and results may vary materially from those set forth herein. Limited Partners are cautioned that the predictions and other forward-looking statements reflected in this report involve risks and uncertainty, including without limitation, risks incident to investment in core real estate and to investment in "non-core" real estate funds. In light of the foregoing factors, actual returns and results are likely to differ substantially from the forward-looking statements contained in this report, and Limited Partners are cautioned not to place undue reliance on such forward-looking statements and projections. The words "estimate," "anticipate," "expect," "predict," "believe," and like expressions are intended to identify forward-looking statements.

Assets Under Management: As of December 31, 2024, Townsend had assets under management of approximately \$18.6 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 September 30, 2024 figures where available but may also include September 30, 2024 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 December 31, 2024, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding \$236.7 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.