

San Jose Federated City Employees' Retirement System

First Quarter 2021

Private Markets Program
PUBLIC

San Jose Federated City Employees' Retirement System Private Markets Program

Program Snapshot | As of March 31, 2021

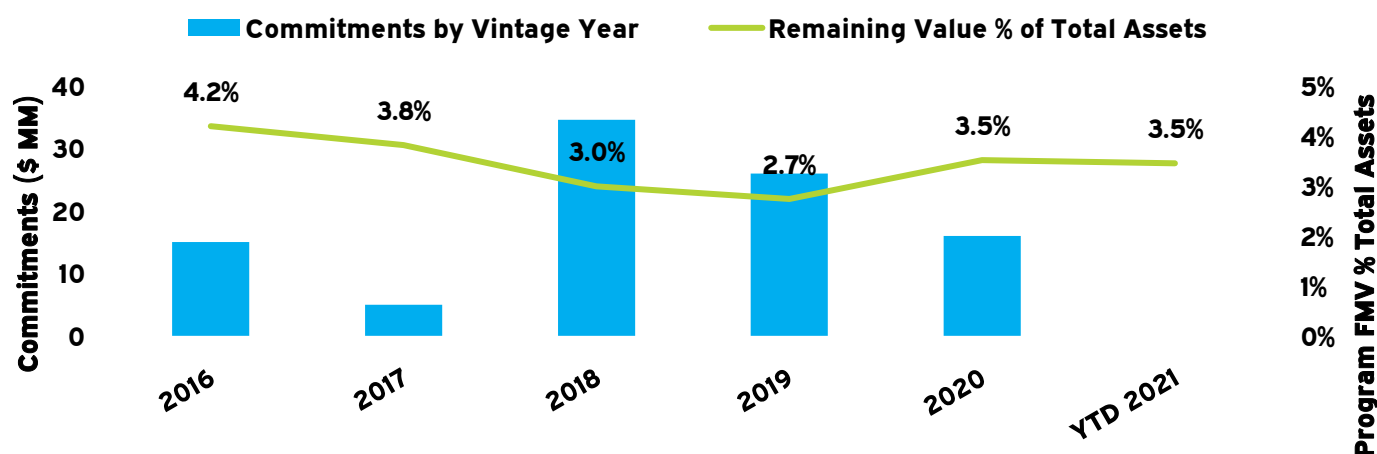
Snapshot

By Account

Account Type	Inception Year	Committed (\$ MM)	Unfunded (\$ MM)	Contributed (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	IRR (%)	PME IRR (%)
Legacy Private Equity	2005	174.3	0.0	158.9	199.0	42.8	1.52	7.8	6.6
NB Fund of One	2017	261.8	14.5	133.3	2.3	215.6	1.63	31.2	17.9
Private Debt	2010	246.6	25.8	260.6	210.0	92.9	1.16	5.1	6.9
Real Estate	2007	213.1	40.6	193.8	154.6	89.6	1.26	6.2	7.7
Real Assets	2016	48.3	9.6	39.3	5.8	39.6	1.16	7.7	7.2
Total		944.1	90.5	785.9	571.6	480.5	1.34	8.0	NA

Introduction

As of March 31, 2021, the San Jose Federated City Employees' Retirement System had committed \$246.6 million to 10 private debt partnerships and two co-investments. The reported fair value of the aggregate Private Debt Program was \$92.9 million at March 31, 2021, which equates to 3.5% of the overall Retirement System, versus a 3.0% policy target.



Program Status

No. of Investments	12
Committed (\$ MM)	246.6
Contributed (\$ MM)	260.6
Distributed (\$ MM)	210.0
Remaining Value (\$ MM)	92.9

Performance Since Inception

	Program	Peer Universe
DPI	0.81x	0.60x
TVPI	1.16x	1.34x
IRR	5.1%	9.9%

Commitments

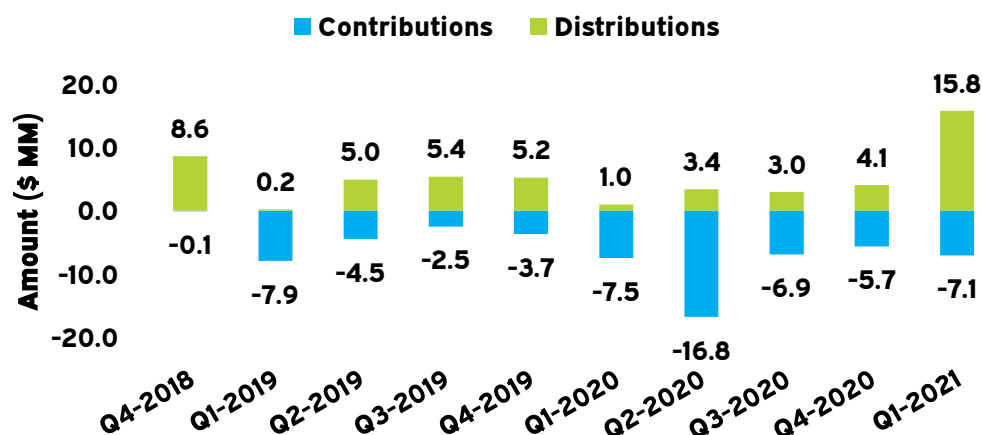
Commitments This Quarter

Fund	Region	Amount (MM)
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None to report.

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
Arbour Lane II	2018	Global: All	5.17
Crestline Fund II	2020	North America	1.91

Largest Distributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
Octagon CLO III	2018	North America	8.81
Arbour Lane II	2018	Global: All	3.90
Medley II	2010	North America	1.64

By Vintage

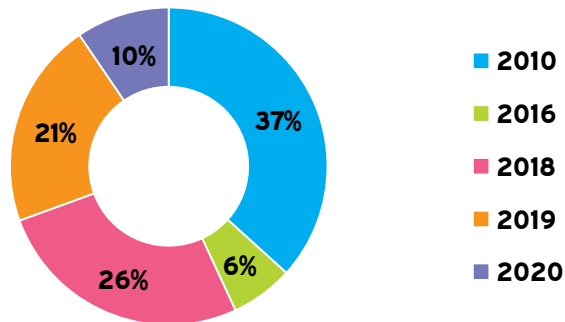
Group	Number	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	Exposure (\$ MM)	DPI (X)	TVPI (X)	IRR (%)	Peer IRR (%)
2010	3	150.0	183.4	0.0	175.9	34.1	34.1	0.96	1.15	3.9	10.5
2016	1	15.0	12.0	3.4	9.1	5.9	9.3	0.75	1.25	8.2	9.0
2017	1	5.0	5.0	0.0	6.1	0.0	0.0	1.22	1.22	12.9	10.3
2018	3	34.6	35.8	3.8	17.7	24.5	28.3	0.50	1.18	18.3	11.5
2019	2	26.0	16.6	10.5	1.2	19.6	30.0	0.07	1.25	NM	NM
2020	2	16.0	7.8	8.2	0.0	8.8	17.0	0.00	1.13	NM	NM
Total	12	246.6	260.6	25.8	210.0	92.9	118.7	0.81	1.16	5.1	9.9

Fund Performance: Sorted By Vintage And Strategy

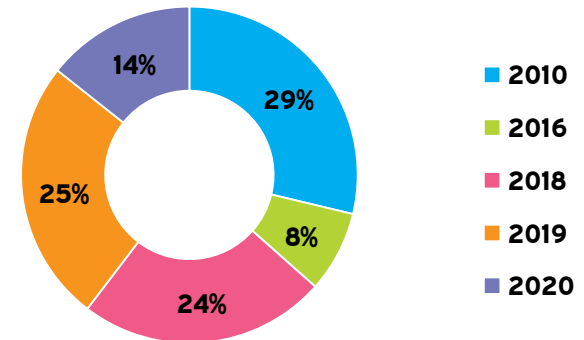
By Investment	Vintage	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
GSO Direct Lending	2010	50.0	43.4	0.0	45.0	4.0	1.13	1.41	4.3	10.5
Medley II	2010	50.0	51.7	0.0	48.6	10.2	1.14	1.41	2.6	10.5
White Oak DL	2010	50.0	88.3	0.0	82.3	20.0	1.16	1.41	5.1	10.5
Cross Ocean ESS II	2016	15.0	12.0	3.4	9.1	5.9	1.25	1.20	8.2	9.0
ArrowMark Sep Acct	2017	5.0	5.0	0.0	6.1	0.0	1.22	1.21	12.9	10.3
Arbour Lane II	2018	8.0	13.0	0.0	6.0	8.6	1.12	1.20	29.6	11.5
Crestline Co-Inv. I	2018	1.6	1.6	0.0	0.9	1.0	1.21	1.20	11.1	11.5
Octagon CLO III	2018	25.0	21.3	3.8	10.9	14.9	1.21	1.20	17.0	11.5
Cross Ocean ESS III	2019	18.0	14.5	4.2	0.8	17.6	1.27	1.17	NM	NM
HPS Special Sits.	2019	8.0	2.1	6.3	0.4	2.0	1.13	1.17	NM	NM
Crestline Fund II	2020	8.0	3.0	5.0	0.0	3.0	1.00	1.09	NM	NM
Eagle Point Income	2020	8.0	4.8	3.2	0.0	5.8	1.21	1.09	NM	NM
Total		246.6	260.6	25.8	210.0	92.9	1.16	1.34	5.1	9.9

By Vintage

Percent of FMV

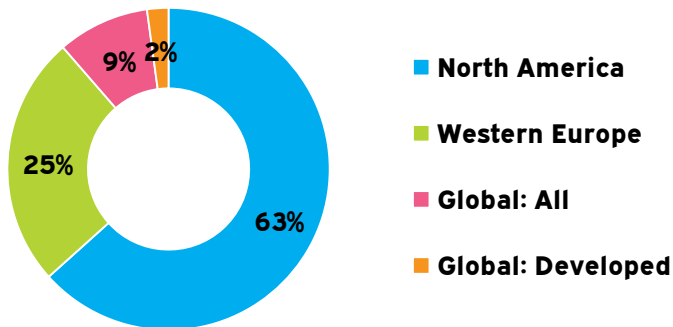


Percent of Exposure

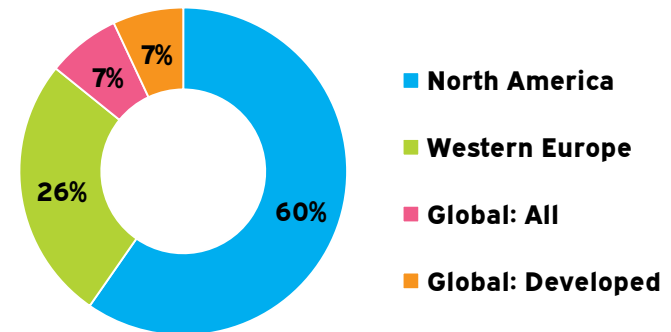


By Geographic Focus

Percent of FMV

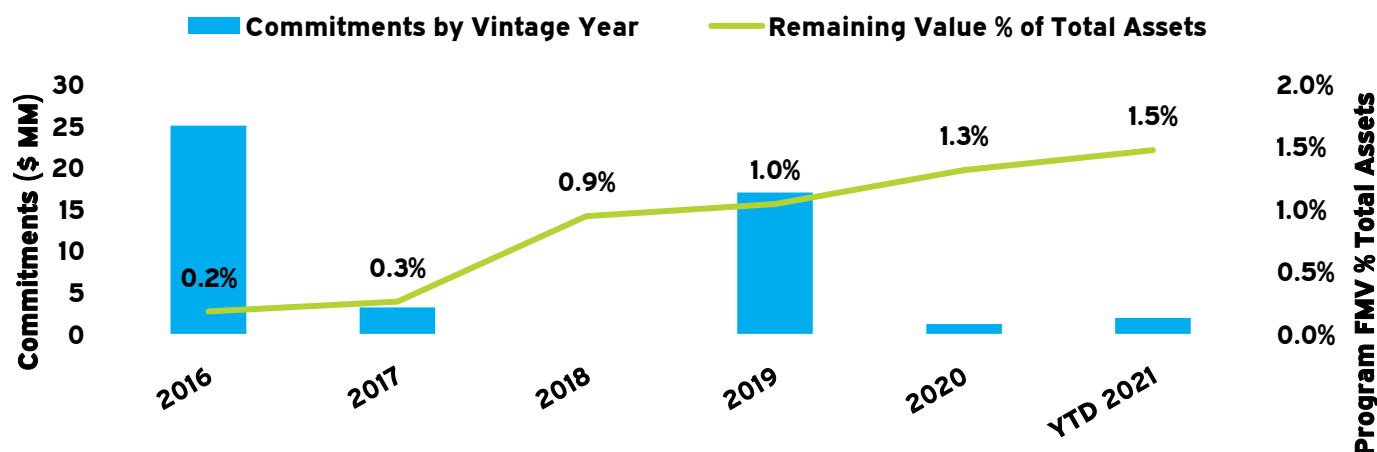


Percent of Exposure



Introduction

As of March 31, 2021, the Retirement System had committed \$48.3 million to six real assets funds and two co-investments. The total reported fair value of real assets investments was \$39.6 million at March 31, 2021, which equates to 1.5% of the overall Retirement System, versus a 3.0% policy target.



Program Status

No. of Investments	8
Committed (\$ MM)	48.3
Contributed (\$ MM)	39.3
Distributed (\$ MM)	5.8
Remaining Value (\$ MM)	39.6

Performance Since Inception

	Program	Peer Universe
DPI	0.15x	0.13x
TVPI	1.16x	1.19x
IRR	7.7%	8.7%

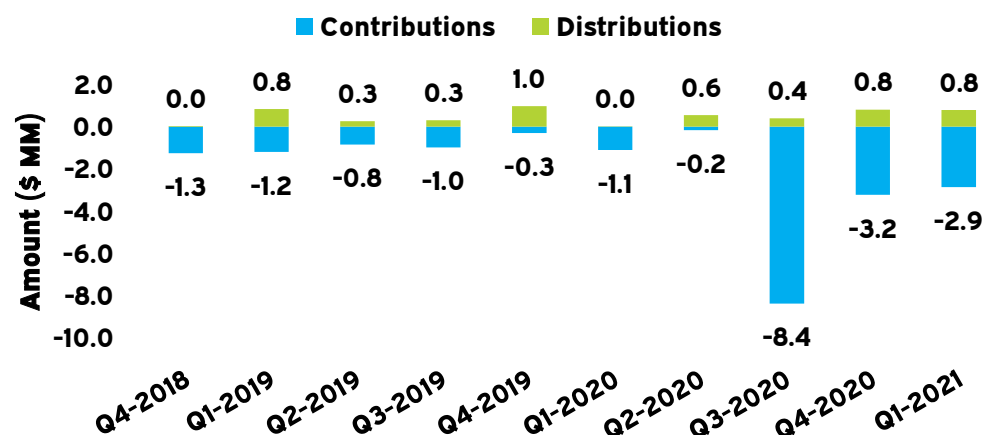
Commitments

Commitments This Quarter

Fund	Region	Amount (MM)
Crestline Co-Inv. II	North America	1.90

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
Crestline Co-Inv. II	2021	North America	1.90
GIP III	2016	Global: Developed	0.56
Kimmeridge Energy V	2019	North America	0.39

Largest Distributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
GIP III	2016	Global: Developed	0.51
Kimmeridge Energy V	2019	North America	0.21
Lime Rock VIII	2017	North America	0.04

By Vintage

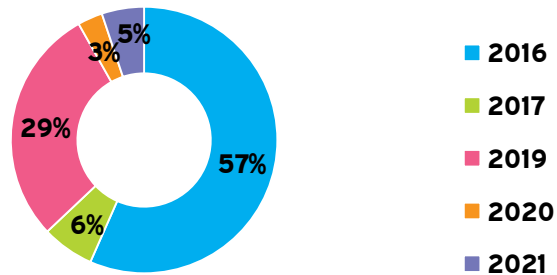
Group	Number	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	Exposure (\$ MM)	DPI (X)	TVPI (X)	IRR (%)	Peer IRR (%)
2016	1	25.0	23.1	2.4	5.3	22.4	24.8	0.23	1.20	7.1	8.8
2017	1	3.2	2.6	0.7	0.1	2.5	3.2	0.03	0.99	-0.5	8.1
2019	4	17.0	10.5	6.5	0.4	11.4	17.9	0.04	1.13	NM	NM
2020	1	1.2	1.2	0.0	0.0	1.2	1.2	0.00	1.00	NM	NM
2021	1	1.9	1.9	0.0	0.0	2.0	2.0	0.00	1.07	NM	NM
Total	8	48.3	39.3	9.6	5.8	39.6	49.2	0.15	1.16	7.7	8.7

Fund Performance: Sorted By Vintage And Strategy

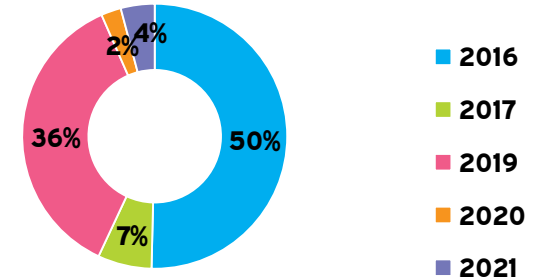
By Investment	Vintage	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
GIP III	2016	25.0	23.1	2.4	5.3	22.4	1.20	1.19	7.1	8.8
Lime Rock VIII	2017	3.2	2.6	0.7	0.1	2.5	0.99	1.19	-0.5	8.1
Kimmeridge Energy V	2019	3.8	3.4	0.4	0.3	4.4	1.38	1.13	NM	NM
Orion Mine III	2019	5.0	3.0	2.0	0.0	3.3	1.10	1.13	NM	NM
GIP IV	2019	3.2	0.3	2.9	0.0	0.2	0.63	1.13	NM	NM
Lime Rock New Energy	2019	5.0	3.8	1.2	0.0	3.6	0.96	1.13	NM	NM
Energy Co-Invest	2020	1.2	1.2	0.0	0.0	1.2	1.00	0.99	NM	NM
Crestline Co-Inv. II	2021	1.9	1.9	0.0	0.0	2.0	1.07	NA	NM	NM
Total		48.3	39.3	9.6	5.8	39.6	1.16	1.19	7.7	8.7

By Vintage

Percent of FMV

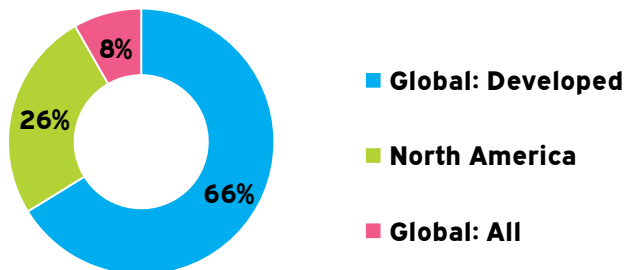


Percent of Exposure

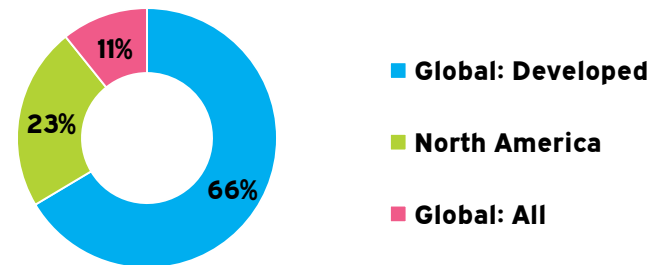


By Geographic Focus

Percent of FMV

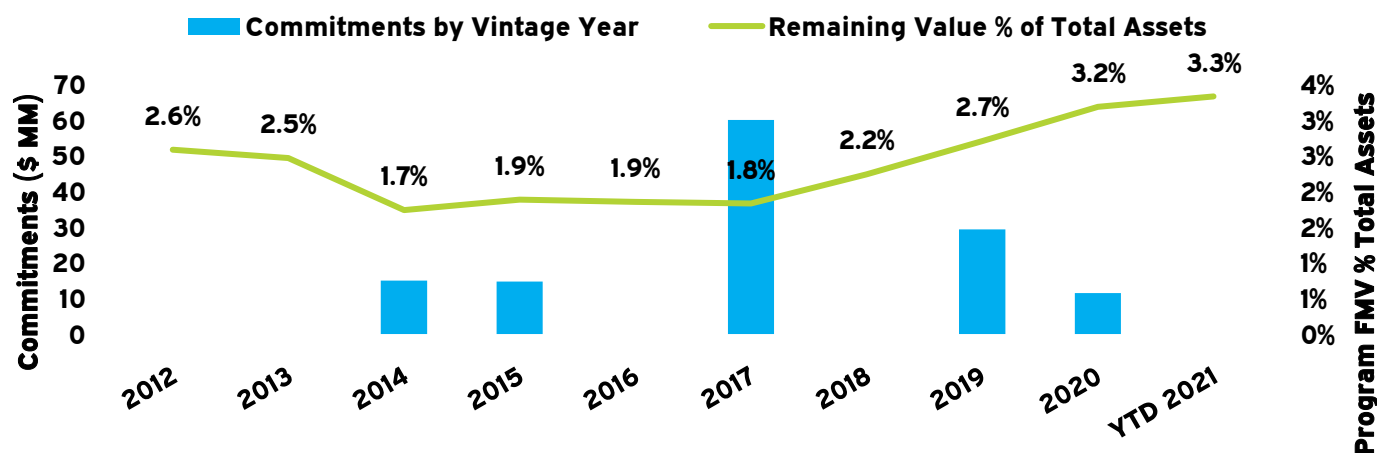


Percent of Exposure



Introduction

As of March 31, 2021, the Retirement System had committed a total of \$213.1 million to 15 closed-end real estate funds. The Real Estate Program's reported fair value of real estate investments was \$89.6 million at March 31, 2021, which equates to 3.3% of the overall Retirement System, versus a 3.0% policy target.



Program Status

No. of Investments	15
Committed (\$ MM)	213.1
Contributed (\$ MM)	193.8
Distributed (\$ MM)	154.6
Remaining Value (\$ MM)	89.6

Performance Since Inception

	Program	Peer Universe
DPI	0.80x	0.87x
TVPI	1.26x	1.28x
IRR	6.2%	6.0%

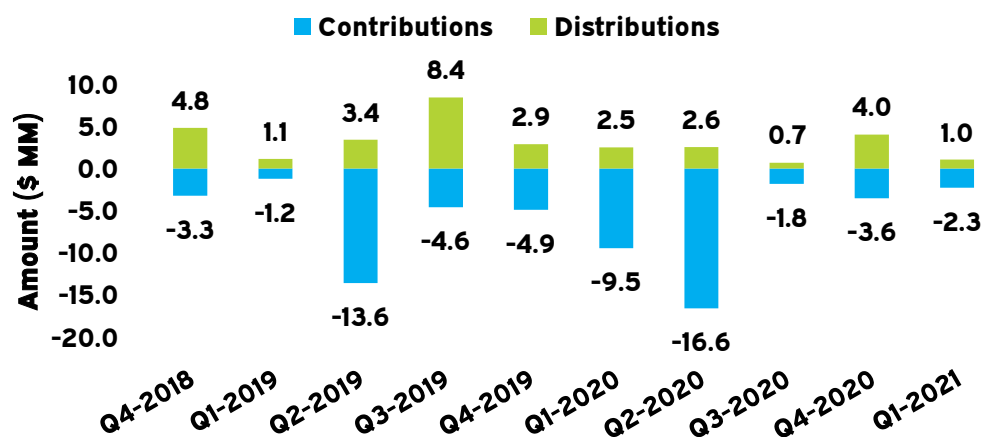
Commitments

Commitments This Quarter

Fund	Region	Amount (MM)
Torchlight Debt VII	North America	6.00

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
GEM VI	2017	North America	0.70
Torchlight Debt VII	2020	North America	0.60
DRA X	2019	North America	0.55

Largest Distributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
DRA IX	2017	North America	0.45
EPISO 4	2015	Western Europe	0.30
DRA VII	2011	North America	0.20

By Vintage

Group	Number	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	Exposure (\$ MM)	DPI (X)	TVPI (X)	IRR (%)	Peer IRR (%)
2005	1	20.0	30.5	0.0	40.3	0.0	0.0	1.32	1.32	5.3	0.4
2006	1	20.0	18.2	1.8	8.8	0.0	1.8	0.48	0.48	-10.9	0.2
2007	2	27.6	28.4	0.0	40.8	0.4	0.4	1.43	1.45	8.8	3.2
2011	1	15.0	16.4	0.0	34.4	2.1	2.1	2.10	2.22	21.4	11.9
2014	1	15.0	18.2	0.0	14.1	8.7	8.7	0.77	1.25	7.7	9.6
2015	1	14.7	13.3	1.4	3.7	14.1	15.5	0.27	1.33	10.8	9.9
2017	3	60.0	59.6	5.5	12.1	55.7	61.2	0.20	1.14	9.0	10.1
2019	3	29.3	7.2	22.3	0.5	6.6	28.9	0.08	0.99	-2.0	2.2
2020	2	11.5	2.0	9.5	0.0	2.1	11.7	0.00	1.09	NM	NM
Total	15	213.1	193.8	40.6	154.6	89.6	130.2	0.80	1.26	6.2	6.0

Fund Performance: Sorted By Vintage And Strategy

By Investment	Vintage	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
DRA V	2005	20.0	30.5	0.0	40.3	0.0	1.32	1.02	5.3	0.4
GEAM Value Add	2006	20.0	18.2	1.8	8.8	0.0	0.48	1.01	-10.9	0.2
DRA VI	2007	9.7	10.6	0.0	17.1	0.4	1.66	1.18	10.6	3.2
Fidelity RE III	2007	17.9	17.9	0.0	23.7	0.0	1.33	1.18	7.3	3.2
DRA VII	2011	15.0	16.4	0.0	34.4	2.1	2.22	1.47	21.4	11.9
DRA VIII	2014	15.0	18.2	0.0	14.1	8.7	1.25	1.34	7.7	9.6
EPISO 4	2015	14.7	13.3	1.4	3.7	14.1	1.33	1.33	10.8	9.9
Torchlight VI	2017	30.0	33.2	0.0	3.0	31.5	1.04	1.20	3.3	10.1
GEM VI	2017	10.0	5.8	4.3	1.3	5.2	1.12	1.20	11.2	10.1
DRA IX	2017	20.0	20.7	1.2	7.8	19.0	1.29	1.20	13.4	10.1
Rockpoint VI	2019	6.5	1.1	5.4	0.1	1.0	1.04	1.03	NM	NM
DRA X	2019	10.0	2.5	7.8	0.5	2.2	1.11	1.03	NM	NM
EPISO 5	2019	12.8	3.7	9.1	0.0	3.3	0.89	1.03	-16.4	2.2
Torchlight Debt VII	2020	6.0	0.6	5.4	0.0	0.6	1.01	0.97	NM	NM
Exeter V	2020	5.5	1.4	4.1	0.0	1.5	1.12	0.97	NM	NM
Total		213.1	193.8	40.6	154.6	89.6	1.26	1.28	6.2	6.0

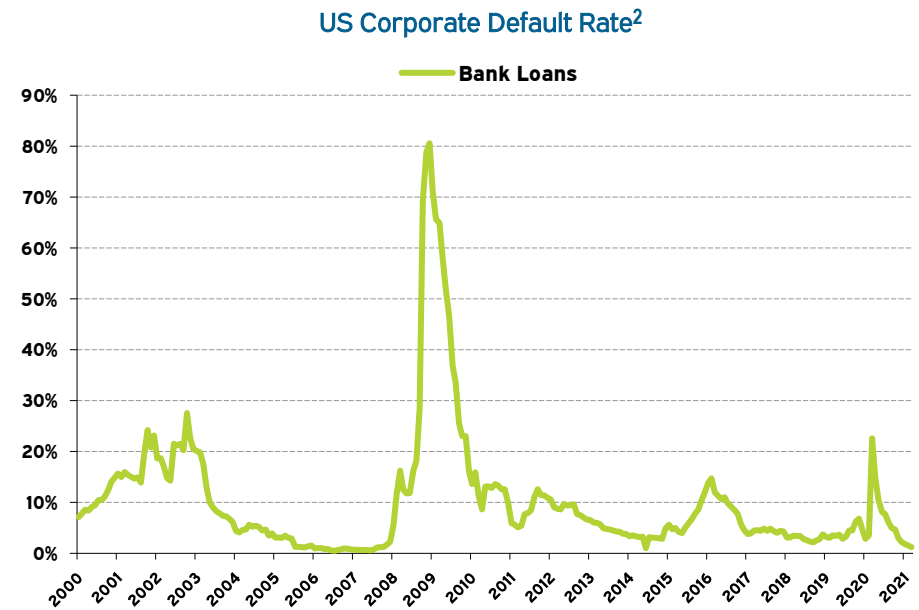
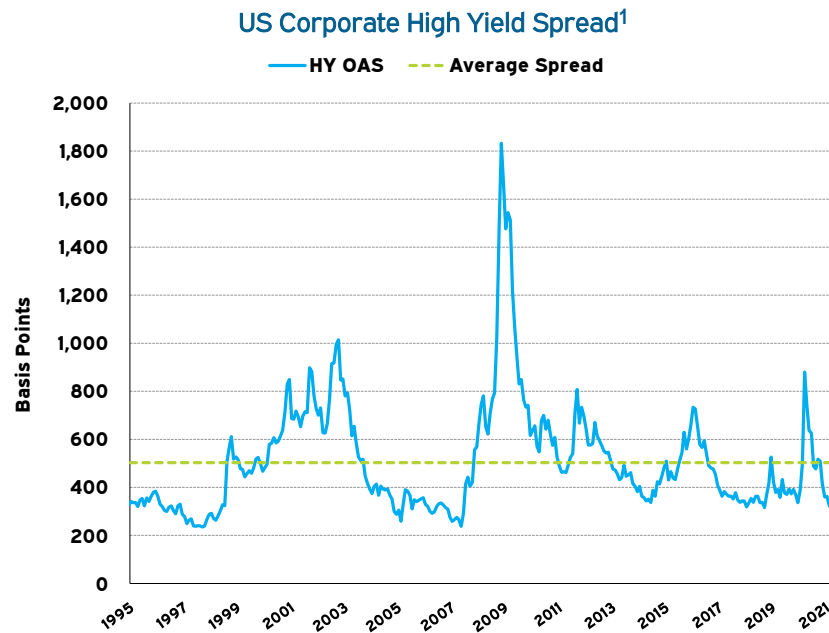
By Vintage



By Geographic Focus



Private Debt



Credit markets continued to rally in the first quarter. High yield spreads finished the quarter at 310 basis points, significantly tighter than the wide levels of approximately 880 basis points one year prior. High yield bonds continue to touch new historic yield lows as the market yield-to-worst finished the quarter at 4.3%.

Default activity remained muted in the first quarter.

¹ Source: Barclays Capital

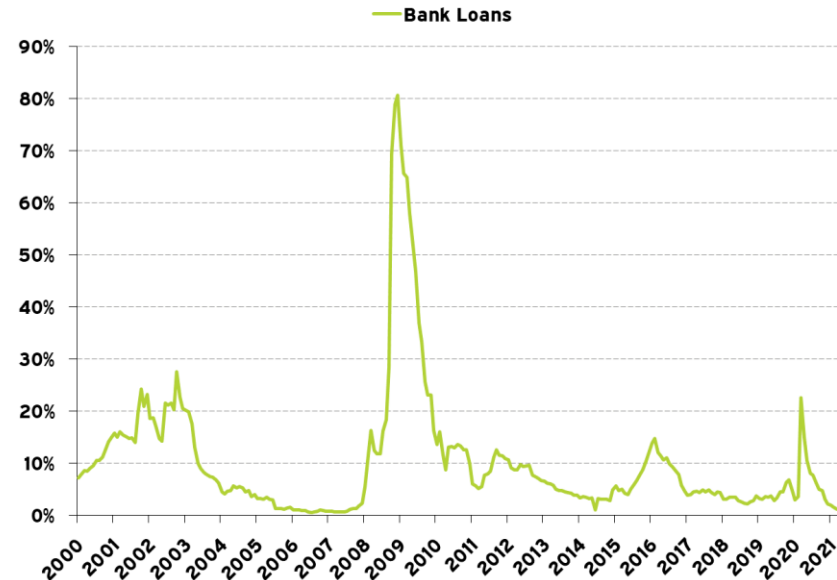
² Source: JP Morgan

Distressed & Opportunistic Debt

Lower Rated Debt Yield¹



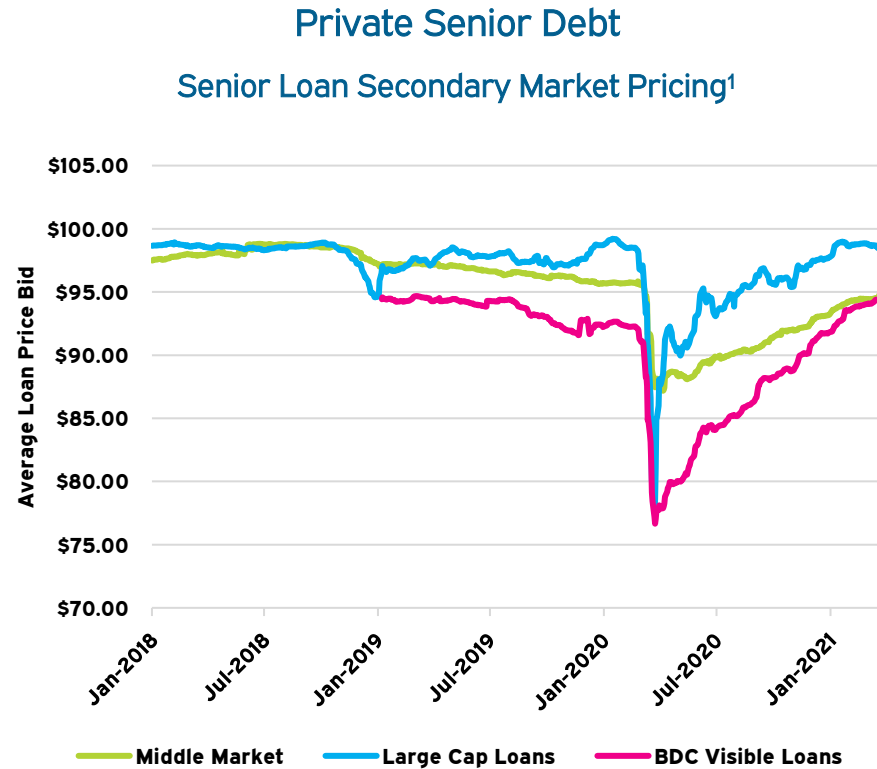
Distressed Ratio²



The yields on lower rated debt continued to trend downward and remain near historical low levels. The distressed ratio remains near historic lows. Most stressed and opportunistic investment opportunities continue to be in industries directly impacted by the COVID-19 pandemic such as travel, lodging, and certain consumer segments.

¹ Source: St. Louis FRED data.

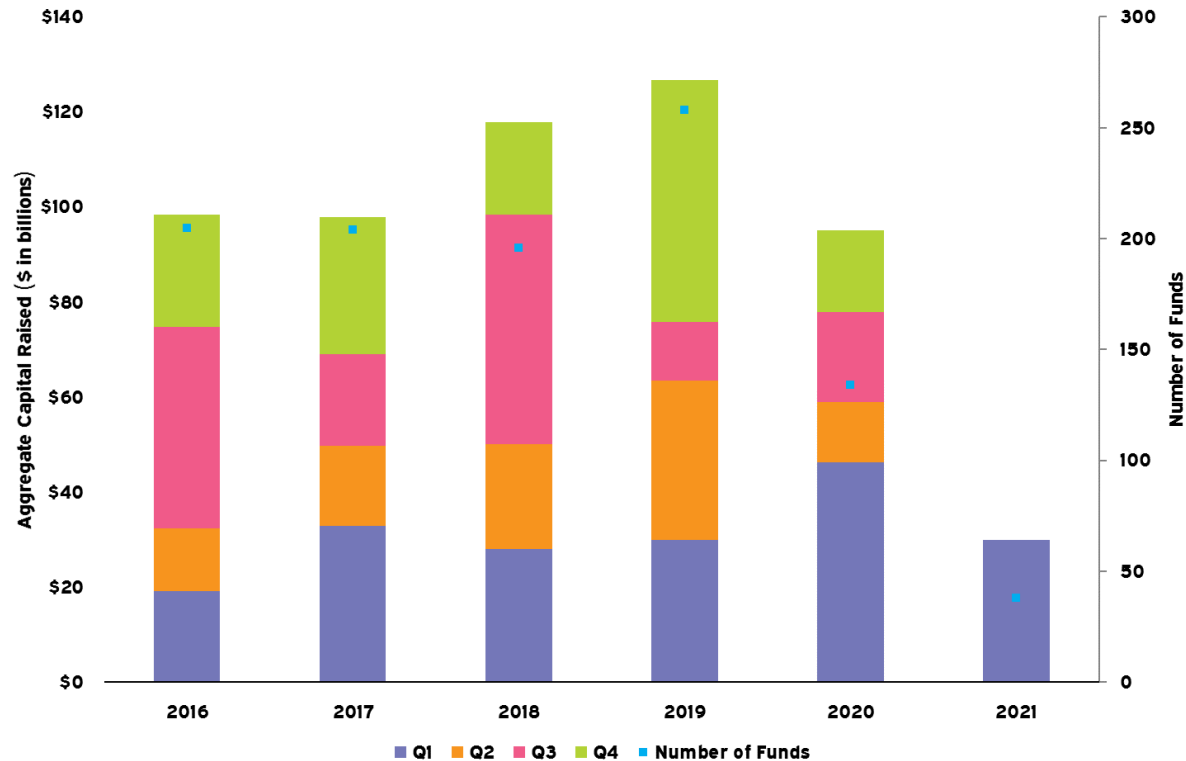
² Source: Bank Loans trading below \$80, Credit Suisse; High Yield trading at spread of more than 1,000bps, Deutsche Bank.



Secondary market pricing of middle market and large cap loans remained largely unchanged during the quarter, while BDCs continued to recover. The middle market loans trading at a discount tend to be those in industries that have struggled most as a result of the COVID-19 pandemic. It is also important to note that the Refinitiv/LPC universe is only a subset of the overall private middle market loan universe.

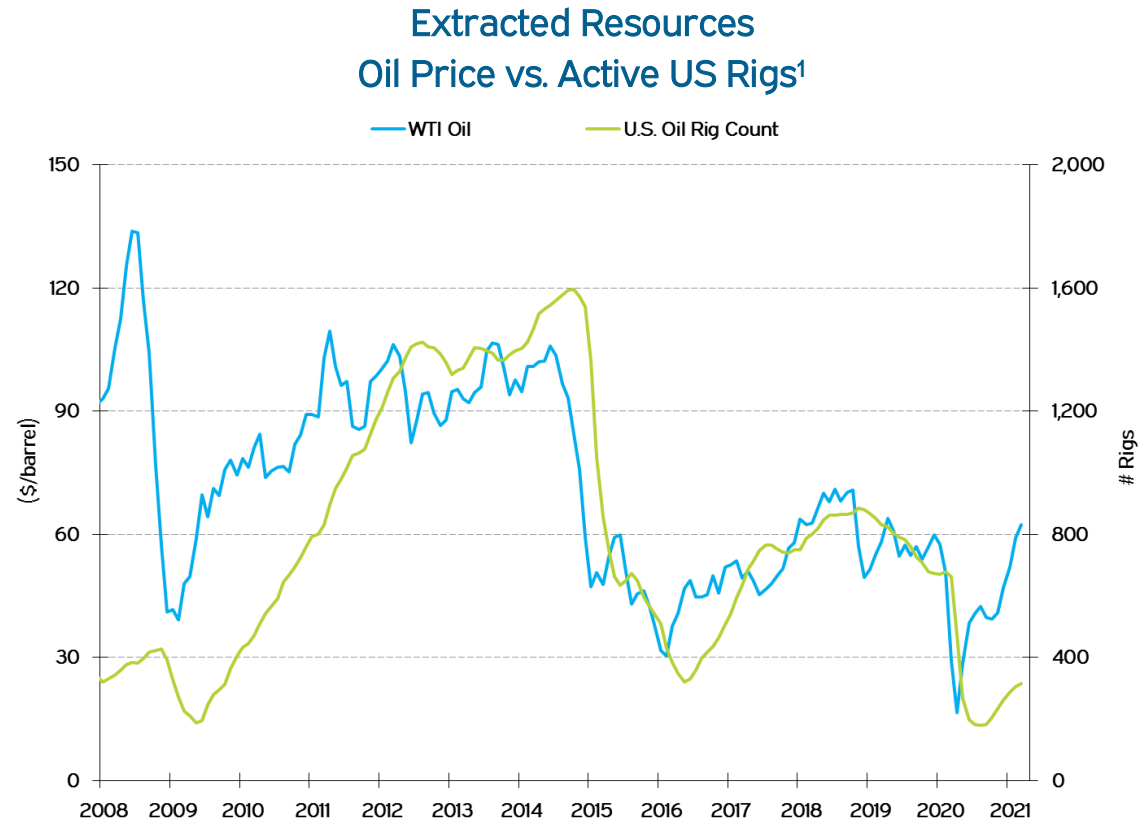
¹ Source: Refinitiv LPC.

Global Quarterly Unlisted Natural Resource Fundraising¹



Fundraising during the first quarter of 2021 was more robust than prior quarters following the global pandemic. During the quarter, approximately \$30 billion was raised across 38 funds with the average fund size raised averaging approximately \$0.8 billion of commitments. As of March 31, 2021, Preqin reported a total of 373 unlisted natural resources funds with a combined fundraising target of approximately \$201 billion. The majority of natural resources managers fundraising during the first quarter were focused on North America, accounting for over half of cumulative targeted capitalization in the market.

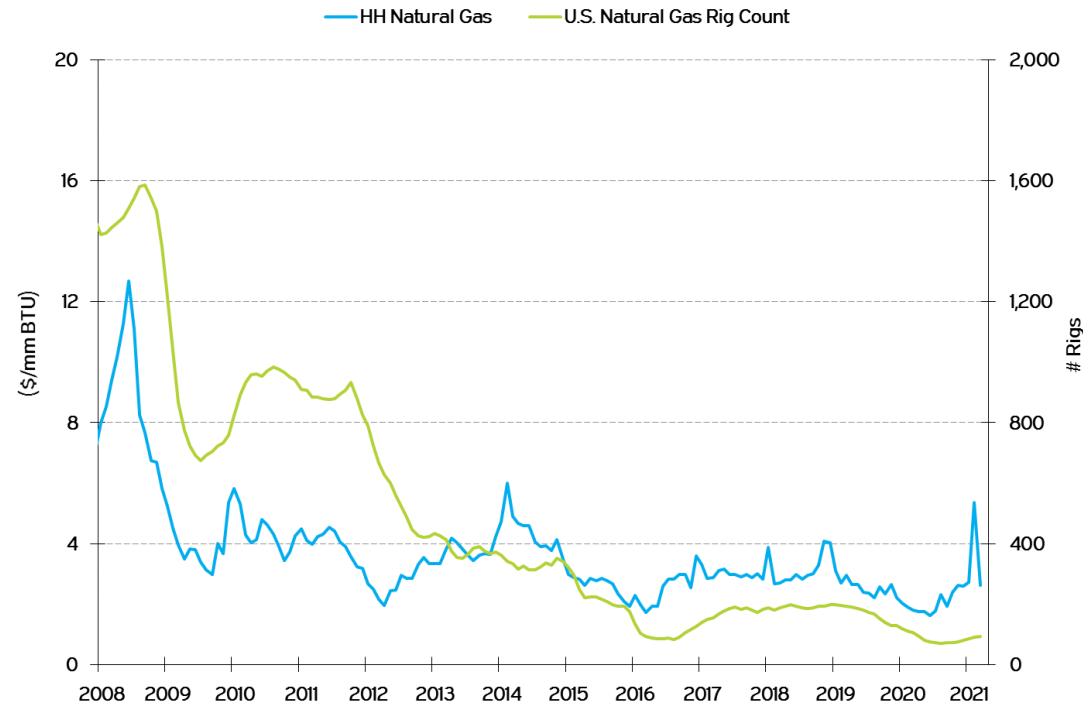
¹ Source: Preqin Private Capital Fundraising Update, Q1 2021.



Oil prices ended the quarter at \$62 per barrel representing a 33% increase from the prior quarter and a 113% increase from one year prior. The increase was aided by modest increases in demand and constrained production in the U.S. Also during the quarter, the Suez Canal, a major shipping channel for goods and energy in the Middle East, was blocked for almost a week as a result of a stuck cargo ship. During the quarter, the active U.S. oil rig count increased by 55 to 315. International oil, as represented by Brent prices, increased by 30% to \$65 per barrel. U.S. gasoline prices for regular blend increased by 26% to \$3.00 per gallon during the quarter.

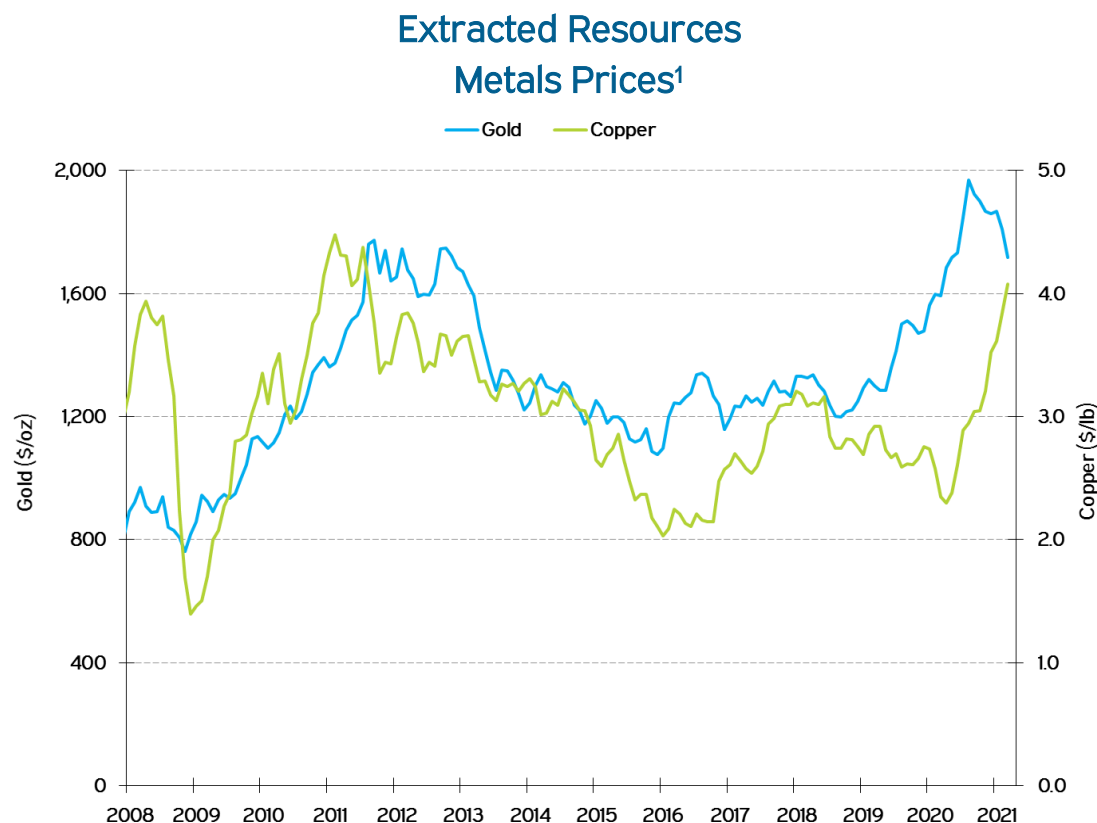
¹ Source: EIA and Baker Hughes.

Extracted Resources¹ Natural Gas Price vs. Active US Rigs



A significant weather event caused a freeze in Texas that caused several power generating facilities to go offline, including wind and natural gas, just as electrical demand surged to warm homes. As a result, the ERCOT power grid temporarily failed, and natural gas spot prices spiked. Henry Hub gas prices ended February at \$5.35/MM BTU but subsequently fell to \$2.62 by the end of the quarter. Relative to one year prior, natural gas prices are up 46%. During the quarter, the U.S. natural gas rig count increased by 12 to 92. Total U.S. natural gas production averaged almost 97 billion cubic feet per day, a slight decrease relative to the prior two quarters.

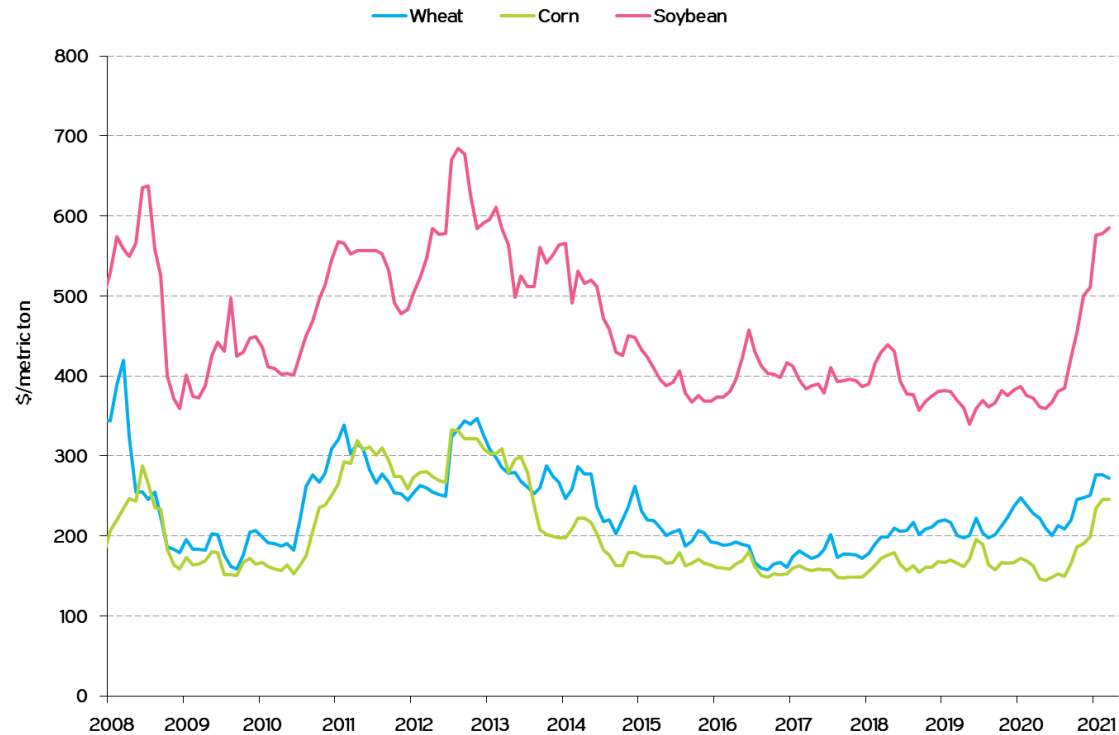
¹ Source: EIA and Baker Hughes.



Electric vehicles and the emphasis on energy transition and renewable energy contributed to a stronger mining sector, in general. Certain metals and minerals used in renewable energy projects and electric vehicles are expected to be beneficiaries of increased demand longer term. Gold prices ended the quarter at approximately \$1,718 per ounce representing a quarterly decrease of 8% and an 8% increase from one year prior. Copper prices ended the quarter at \$4.08 per pound representing a 16% increase for the quarter and a 73% increase from one year prior.

¹ Source: World Bank.

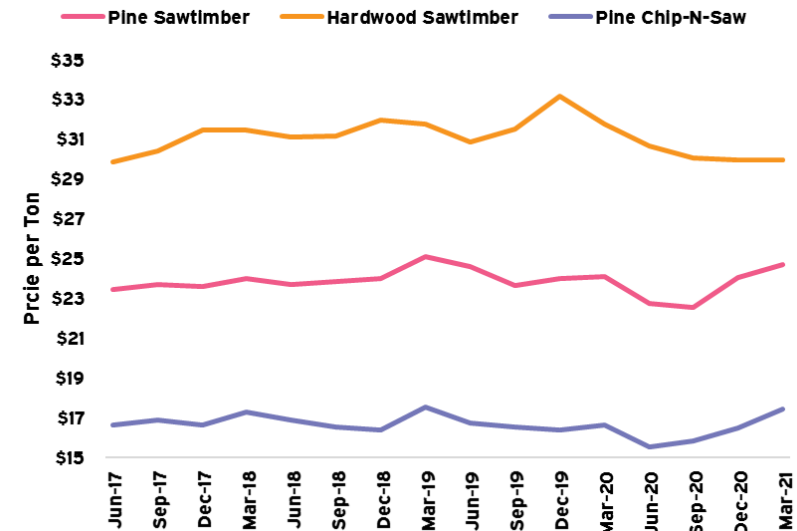
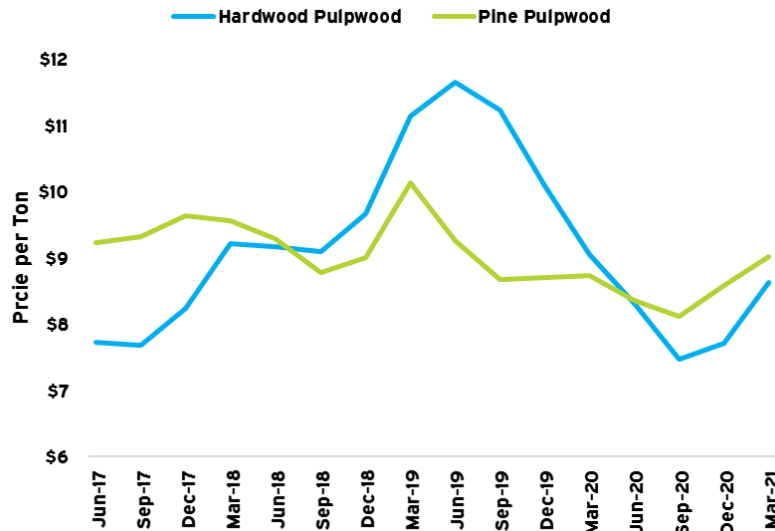
Harvested Resources Wheat, Corn, & Soybean¹



Following several natural disasters that occurred in prior quarters across the U.S., grain prices began to strengthen at the end of 2020 and into the first quarter of 2021. During the quarter, wheat, corn, and soybean prices increased by 9%, 23%, and 15%, respectively. Relative to one year prior, the grains were up by 19%, 51%, and 57%, respectively. The NCREIF Farmland index increased by 0.9% during the quarter primarily driven by income returns of 0.8%.

¹ Source: World Bank.

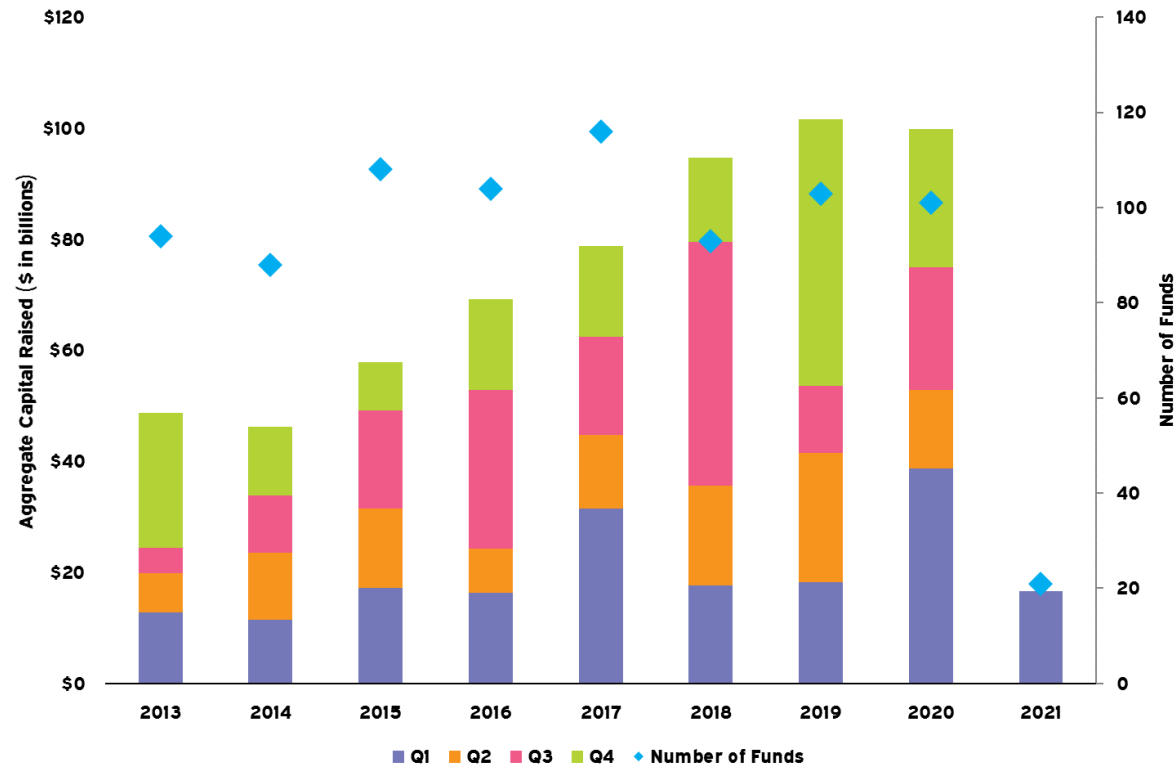
Harvested Resources US South Timber Prices¹



Significant increases in demand from new home construction and remodeling activity helped boost prices for cut wood products such as lumber and panels. However, limited mill capacity and an oversupply of logs in the U.S. South did not translate into increased prices for sawlogs. U.S. South average timber prices for sawtimber and chip-n-saw have remained fairly consistent over the past several years, while pulpwood experienced more volatility. Hardwood pulpwood experienced a quarterly increase of 11.9% but was down 4.6% for the trailing one year period. Pine pulpwood increased 5.1% during the first quarter and generated a 3.3% increase over the past year. Pine sawtimber prices were relatively stable increasing by 2.7% and 2.5% during the quarter and one year period, respectively. The quarterly NCREIF Timberland index increase of 0.8% was driven by income returns of 0.9%.

¹ Source: Bloomberg and TimberMart South.

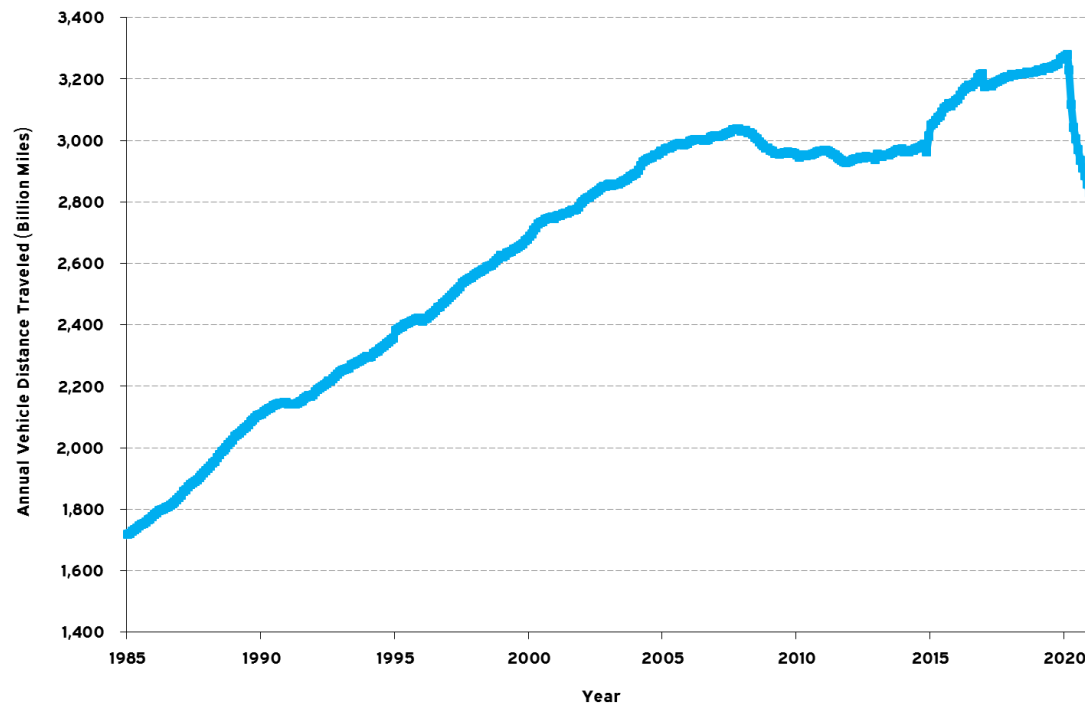
Global Quarterly Unlisted Infrastructure Fundraising¹



Capital raised in the first quarter of 2021 was less than the fourth quarter of 2020 and half of the capital raised in the first quarter 2019. The average fund raised so far in 2021 is \$790 million, which is less than the 2020 average of \$920 million. As of March 31, 2021, a total of 286 unlisted infrastructure funds were in market, according to Preqin, with a combined fundraising target of approximately \$235 billion.

¹ Source: Preqin 2021 Global Infrastructure Report.

Moving 12-month Total on All US Roads¹

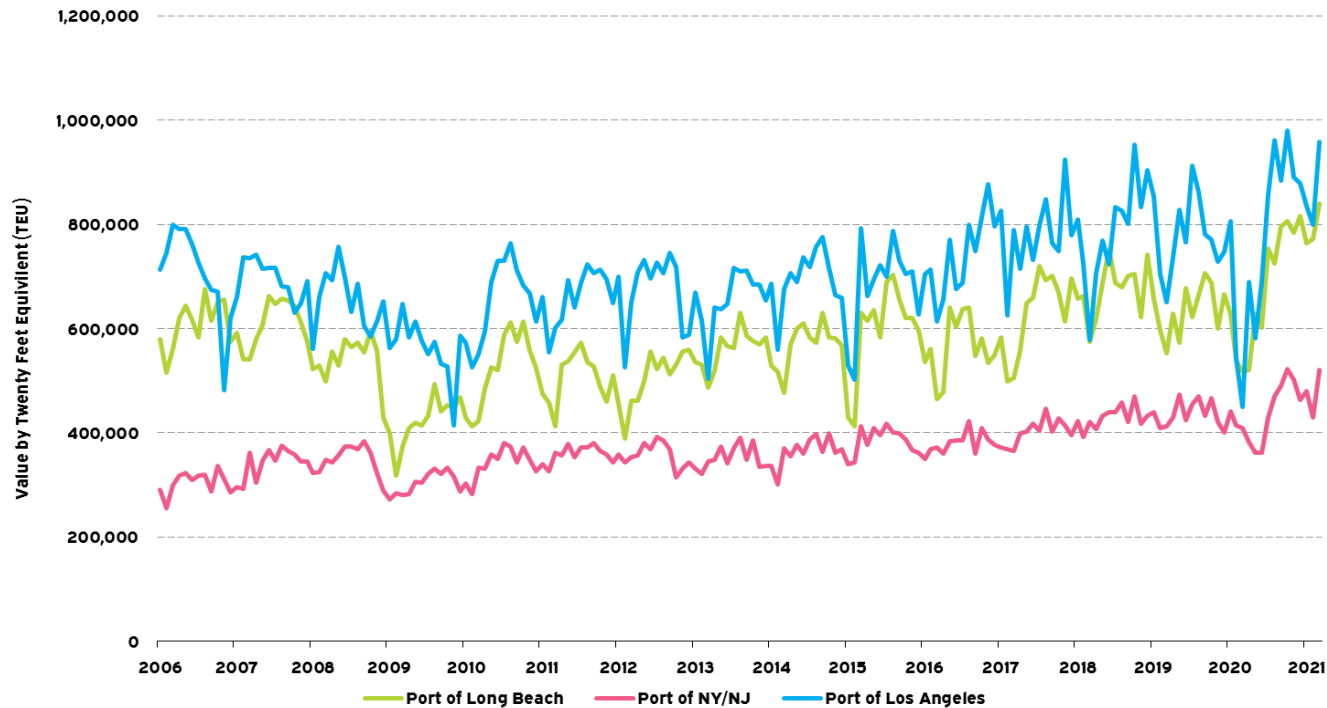


The first quarter was far below pace for travel on US roads, with a total of approximately 690 billion miles. This represented a decrease of 2% over the same period in 2020. That said, the travel data is trending back to higher values, indicating a natural return to travel as COVID-19 restrictions continue to loosen.

Up to this point in 2021, the average US price of a gallon of gas went down to a monthly average of \$2.64 per gallon, with a peak of \$2.90. This compares to \$2.26 and \$2.64 seen in 2019, respectively.

¹ Source: US Department of Transportation, Federal Highway Administration: Office of Highway Policy Information.

US Port Activity – Container Trade in TEUs¹

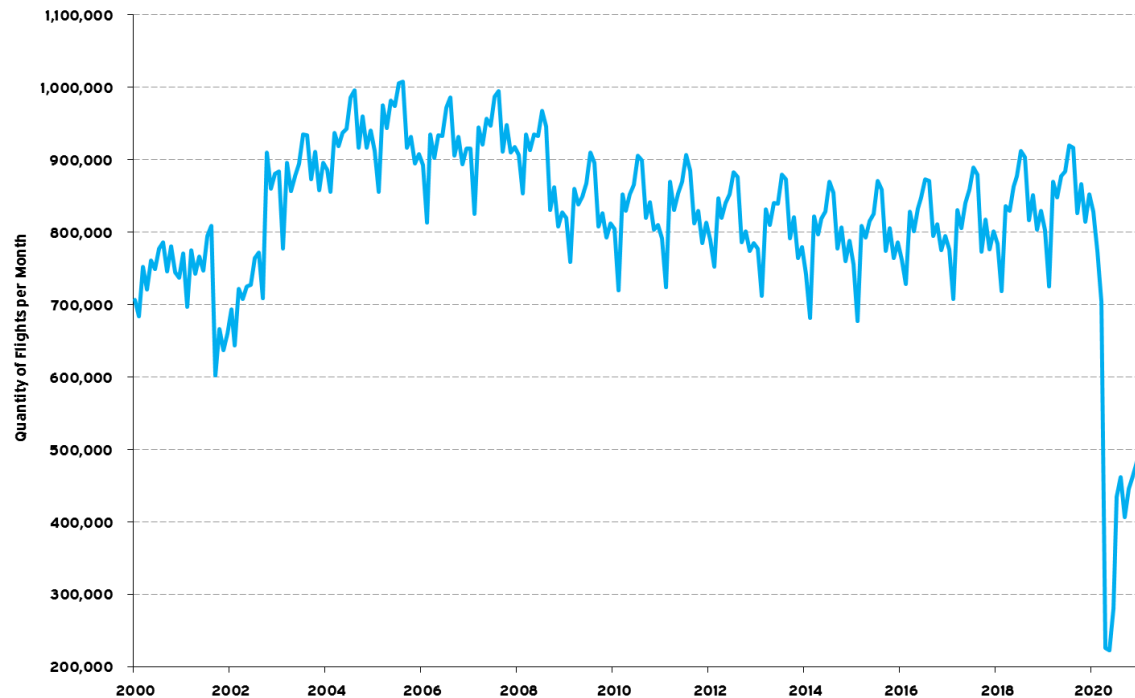


The chart presents the top three US ports by container volume, as measured by twenty-foot equivalent units (TEU). Activity at the three ports provides a high-level representation of the volume at US ports more broadly.

During the first quarter of 2021, volumes at the three ports increased by 1.7 million units relative to the same period in 2020. On a year-over-year basis, the combined port volumes increased by 2.5 million TEU, or 11.8%, over the prior 12-month period. The Port of Long Beach recorded an increase of 17.3% (1.3 million TEU), the Port of NY/NJ reported an increase of 3.3% (0.2 million TEU) and the Port of Los Angeles recorded an increase of 12.1% (1.1 million TEU) over the prior 12 months.

¹ Source: www.polb.com, www.panynj.gov, and www.portoflosangeles.org.

Total US Domestic and International Flights¹

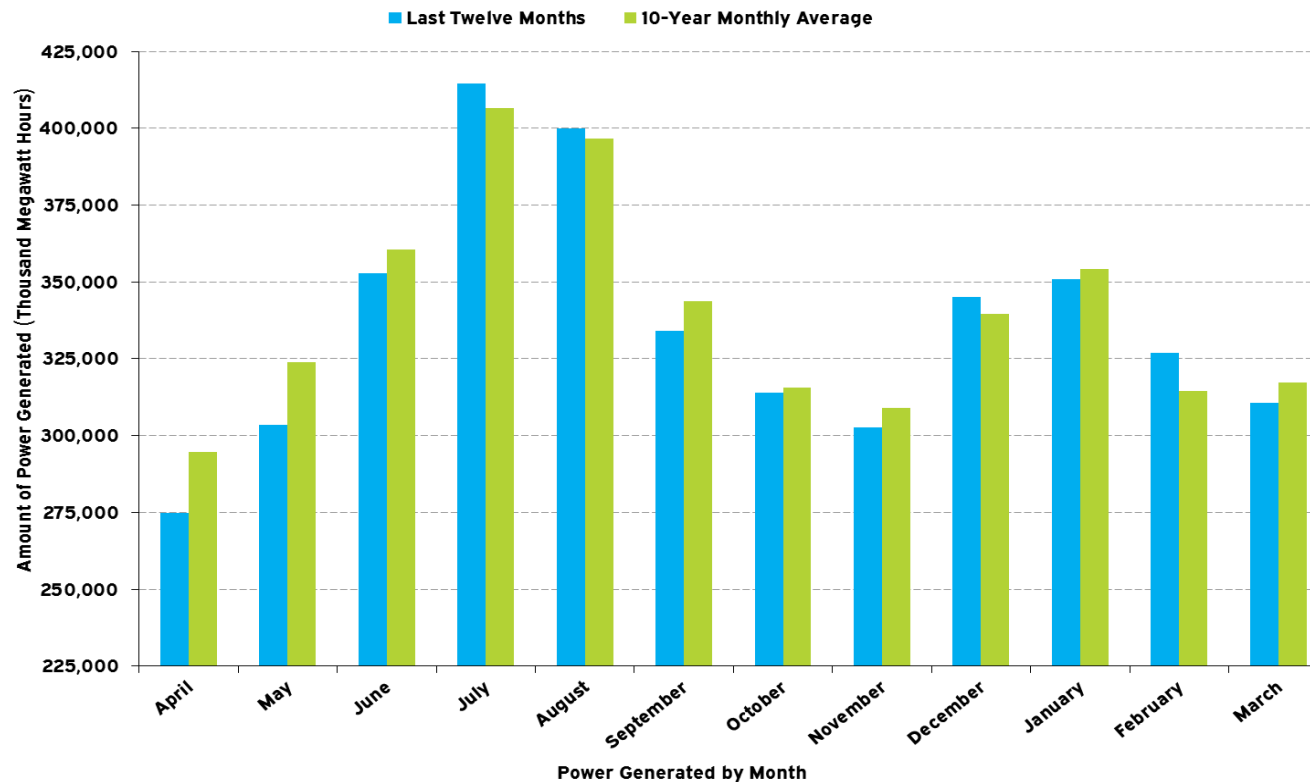


The chart above presents all US domestic and international flights, excluding foreign point-to-point flights by month. Air traffic is cyclical with peaks in the summer months and troughs in the winter months.

There were 0.9 million fewer flights during the first quarter of 2021, representing a 38% decrease compared to the same period in 2020. Air traffic activity decreased by 52% over the 12-month period ended March 31, 2021 over the previous period. In addition to the number of flights during the first quarter decreasing year-over-year, the total number of passengers travelling on US and international airlines decreased by 70% from 2020 to 2021 with the lowest level of international travelers since 2003.

¹ Source: Bureau of Transportation Statistics: Flights, All US, and Foreign Carriers.

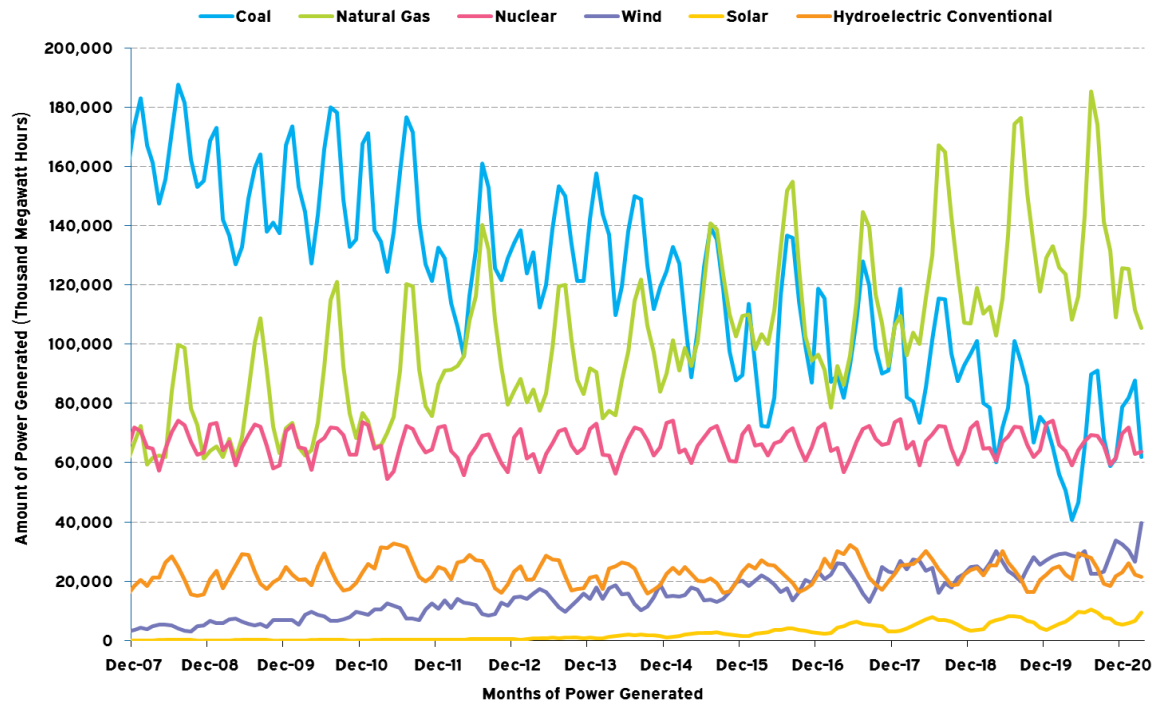
Total US Power Generation¹



The graph above presents the total net generation for the past 12 months compared to the 10-year average for each month. Over the past year, power generation was below the 10-year average in eight out of 12 months. Net energy generation in the US decreased by 2.8% during the first quarter, compared to the same period in 2020. For the 12-month period ended March 31, 2021, net energy generation decreased by 1.3% over the previous 12 months.

¹ Source: US Energy Information Administration: Electric Power Monthly, March 2021.

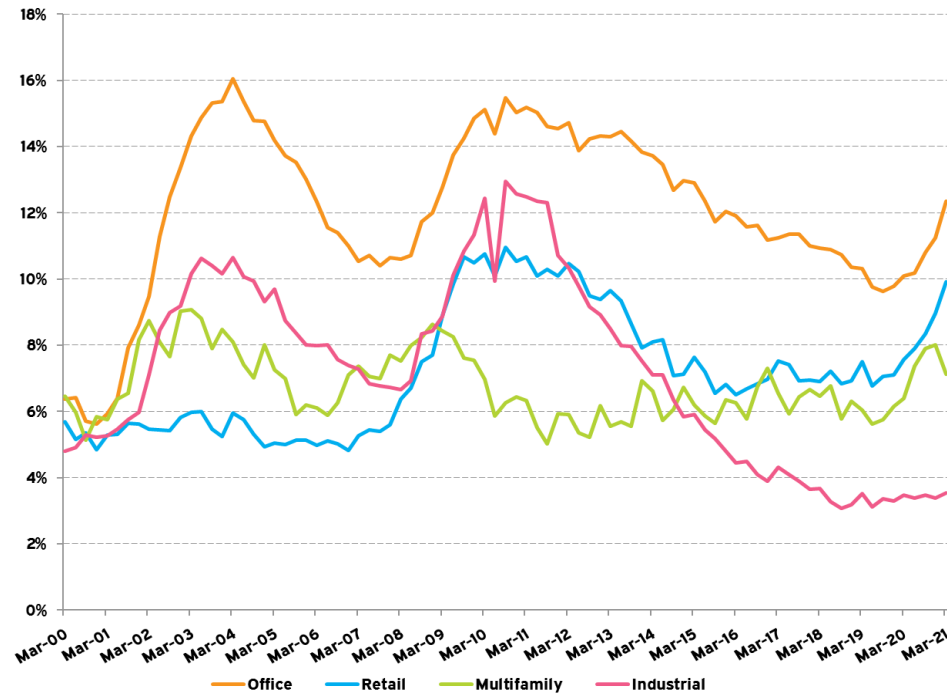
US Power Generation by Source¹



Three power generation sources in the US—coal, wind, and solar—increased 35%, 11%, 31%, respectively, in the first quarter of 2021 (versus the same period in the previous year). Generation from natural gas, nuclear, and hydroelectric conventional dropped by 11%, 3%, and 3%, respectively, during the same period. Wind and utility-scale solar continue to make up a small portion of total net energy generation in the US, accounting for only 10% and 2% of energy generation in the first quarter, respectively, while coal, natural gas, and nuclear accounted for 23%, 35%, and 20%, respectively. However, the growth of wind and solar as sources of energy generation continues to increase at a faster rate than coal and natural gas, especially over the last couple of years.

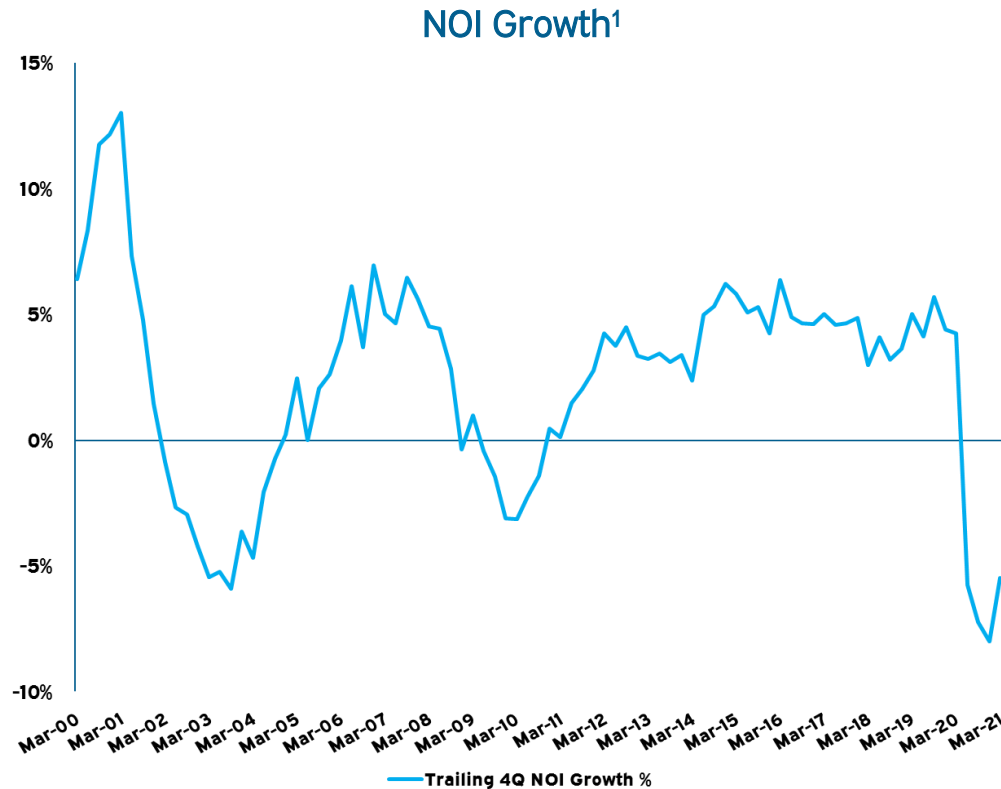
¹ Source: US Energy Information Administration: Electric Power Monthly, March 2021.

Real Estate Fundamentals Vacancy by Property Type¹



In the first quarter of 2021, vacancy rates increased for all property types except multifamily. Multifamily vacancies decreased by 89 basis points in the first quarter after reaching 8.0% in the fourth quarter of 2020. Industrial vacancies appeared to have bottomed just above 3.0% and is currently tracking at 3.5%. Office and retail have seen sharp increases in vacancy due to the COVID-19 pandemic. All property types had vacancies that increased over the trailing twelve months. Compared to one year ago, vacancy rates in multifamily increased 72 basis points, office increased 226 basis points, industrial increased 5 basis points, and retail increased 235 basis points. Overall, the vacancy rate across all properties increased 95 basis points from Q1 2020.

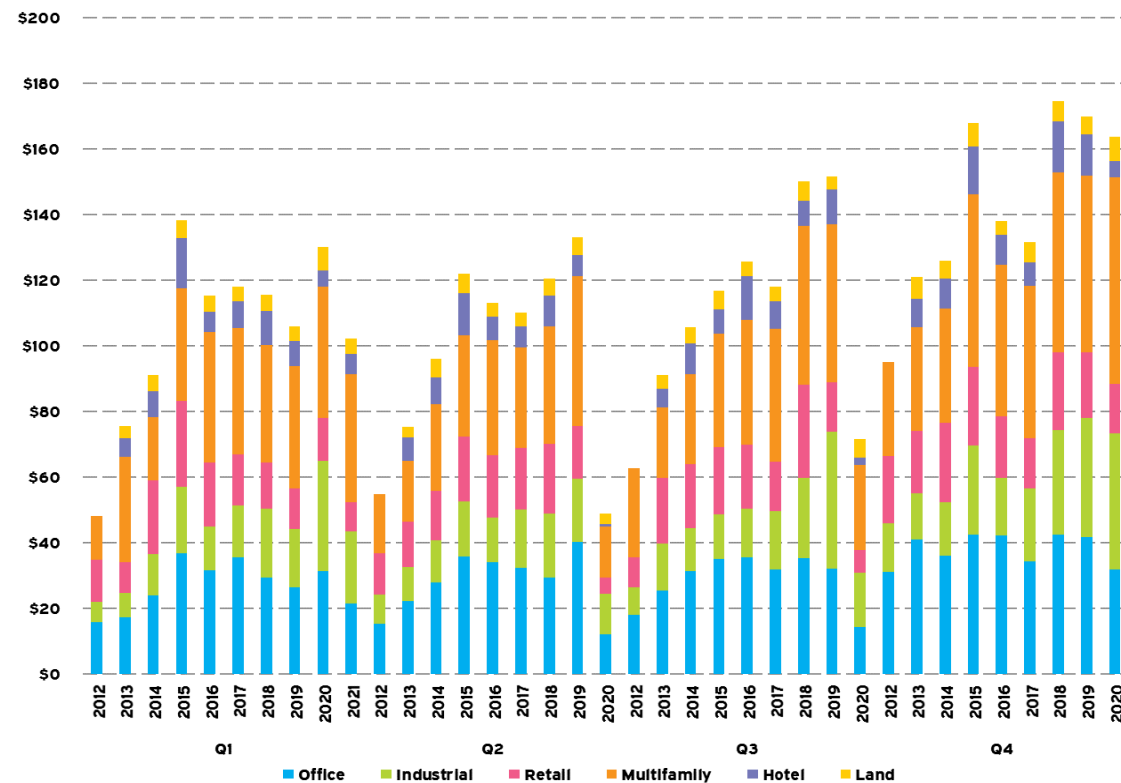
¹ Source: NCREIF.



The trailing twelve-month rate of NOI growth increased slightly in Q1 2021 to -5.5%. The ongoing COVID-19 pandemic has negatively impacted commercial property operations as operating expenses have not declined in response to the shutdown when compared to revenues, particularly for retail and urban multifamily properties. Industrial NOI growth has remained relatively flat, currently trending at 6.8% for the trailing year ending Q1 2021 (down 149 basis points from a year ago). Office NOI growth trended up to 2.9% year-over-year, and Apartment NOI (a sector with “gross” rents, compared to “net” rents in other property types experienced negative NOI growth at 14.0% year-over-year. Retail NOI growth has improved slightly from the previous three quarters, now at -17.2% year-over-year.

¹ Source: NCREIF

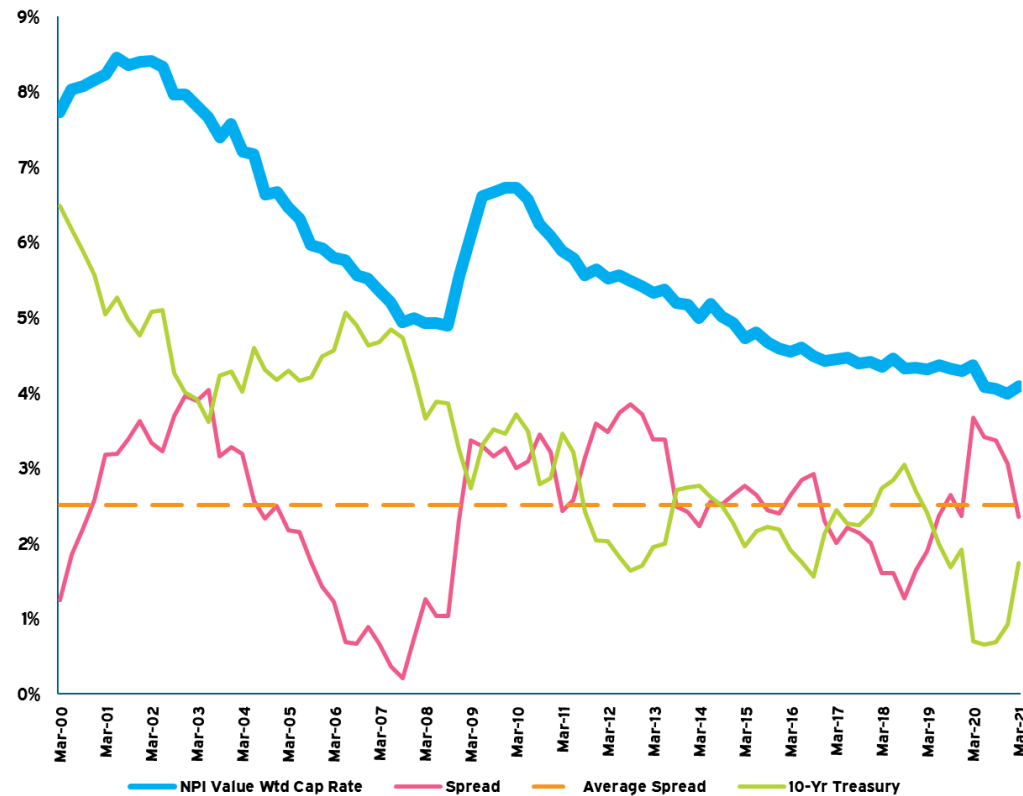
Transaction Volume (\$bn)¹



Private real estate transaction volume for properties valued over \$2.5 million for Q1 2021 was down considerably from Q1 2020 to \$102.3 billion. Compared to a year ago, hotel (+22.4%) saw an increase in transaction volume, while office (-32.2%), industrial (-34.1%), multifamily (-2.3%), retail (-31.6%), and land (-31.0%) experienced a decline in transaction volume. Multifamily and industrial properties made up the largest percentages of total transaction volume during the quarter, at 38% and 22%, respectively.

¹ Source: PREA

Real Estate Capital Markets Cap Rates vs. 10-Year Treasury¹



The NPI Value Weighted Cap Rate increased 10 basis points in Q1 2021 to 4.1%. The 10-year Treasury yield increased by 81 basis points in Q1 2021 from the previous quarter, but is still well below historical yields. The spread between cap rates and treasury yields (235 basis points) is now below the long-term average spread of 251 basis points.

¹ Source: NCREIF and US Department of the Treasury

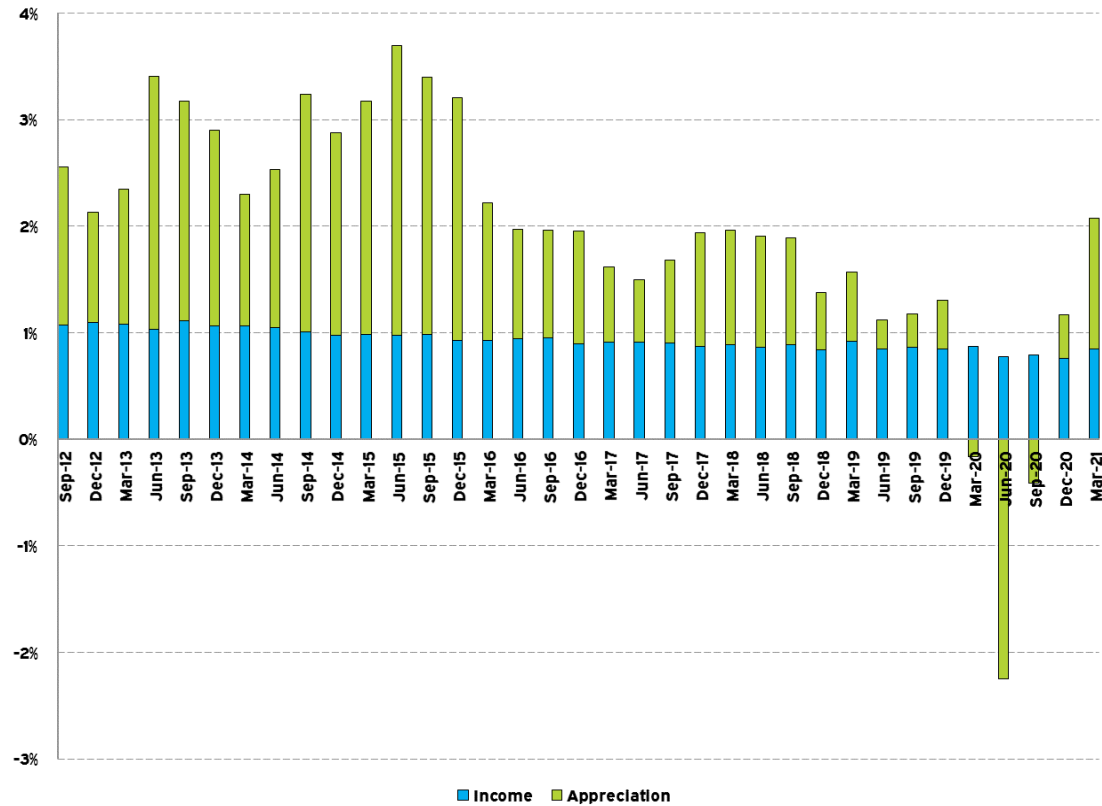
Trailing Period Returns¹

<i>As of March 31, 2021</i>	1 Year	3 Years	5 Years	10 Years
NFI-ODCE (EW, net)	2.1%	4.4%	5.6%	8.9%
NFI-ODCE (VW, net)	1.5	4.0	5.3	8.7
NCREIF Property Index	2.6	4.9	5.8	8.8
NAREIT Equity REIT Index	34.2	10.6	7.1	9.3

Private real estate indices were positive in Q1 2021 and continue to be positive over the 1-year, 3-year, 5-year, and 10-year time horizons. Public real estate performance in 2020 and into 2021 has been volatile, returning 8.3% in Q1 2021, after posting a negative return (-5.1%) over the course of 2020.

¹ Source: NCREIF

ODCE Return Components¹ (Equal Weight, Net)



The NFI-ODCE Equal Weight return for Q1 2021 was positive at 2.1%, posting the highest quarterly return since Q1 2016. The income component of the quarterly return increased slightly to 0.9%, and appreciation for the quarter was strong at 1.2%.

¹ Source: NCREIF

Committed	The original commitment amount made to a given fund. Some funds may be denominated in non-USD currencies, and such commitment amounts represent the sum of fund contributions translated to USD at their daily conversion rates plus the unfunded balance translated at the rate as of the date of this report.
Contributed	The amount of capital called by a fund manager against the commitment amount. Contributions may be used for new or follow-on investments, fees, and expenses, as outlined in each fund's limited partnership agreement. Some capital distributions from funds may reduce contributed capital balances. Some funds may be denominated in non-USD currencies, and such aggregate contributions represent the sum of each fund contribution translated to USD at its daily conversion rate.
Distributed	The amount of capital returned from a fund manager for returns of invested capital, profits, interest, and other investment related income. Some distributions may be subject to re-investment, as outlined in each fund's limited partnership agreement. Some funds may be denominated in non-USD currencies, and such aggregate distributions represent the sum of each fund distribution translated to USD at its daily conversion rate.
DPI	Acronym for "Distributed-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculation equals Distributed divided by Contributed. DPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.
Exposure	Represents the sum of the investor's Unfunded and Remaining Value.
IRR	Acronym for "Internal Rate of Return", which is a performance measurement for Private Market investments. IRRs are calculated by Meketa based on daily cash flows and Remaining Values as of the date of this report. IRRs for funds and groupings of funds are net of all fund fees and expenses as reported by fund managers to Meketa.
NCV	Acronym for "Net Change in Value", which is a performance measurement for Private Market investments. The performance calculation equals the appreciation or depreciation over a time period neutralized for the impact of cash flows that occurred during the time period.
NM	Acronym for "Not Meaningful", which indicates that a performance calculation is based on data over too short a timeframe to yet be meaningful or not yet possible due to inadequate data. Meketa begins reporting IRR calculations for investments once they have reached more than two years since first capital call. NM is also used within this report in uncommon cases where the manager has reported a negative Remaining Value for an investment.

Peer Universe

The performance for a set of comparable private market funds. The peer returns used in this report are provided by Thomson ONE, based on data from Cambridge Associates as of the date of this report. Program-level peer universe performance represents the pooled return for a set of funds of corresponding vintages and strategies across all regions globally. Fund-level peer performance represents the median return for a set of funds of the same vintage and the program's set of corresponding strategies across all regions globally. Data sets that include less than five funds display performance as "NM". Meketa utilizes the following Thomson ONE strategies for peer universes:

Infrastructure: Infrastructure

Natural Resources: Private Equity Energy, Upstream Energy & Royalties, and Timber

Private Debt: Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed

Private Equity (including Private Debt): Venture Capital, Growth Equity, Buyout, Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed

Private Equity (excluding Private Debt): Venture Capital, Growth Equity, and Buyout

Real Assets (excluding Real Estate): Infrastructure, Private Equity Energy, Upstream Energy & Royalties, and Timber

Real Assets (including Real Estate): Infrastructure, Private Equity Energy, Upstream Energy & Royalties, Timber, and Real Estate

Real Estate: Real Estate

Public Market Equivalent ("PME")

A calculation methodology that seeks to compare the performance of a portfolio of private market investments with public market indices. The figures presented in this report are based on the PME+ framework, which represents a net IRR value based on the actual timing and size of the private market program's daily cash flows and the daily appreciation or depreciation of an equivalent public market index. Meketa utilizes the following indices for private market program PME+ calculations:

Infrastructure: Dow Jones Brookfield Global Infrastructure Index

Natural Resources: S&P Global Natural Resources Index

Private Debt: Barclays Capital U.S. Corporate High Yield Bond Index

Private Equity: MSCI ACWI Investable Market Index

Real Assets (excluding Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index and S&P Global Natural Resources Index

	<p>Real Assets (including Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index, S&P Global Natural Resources Index, and Dow Jones U.S. Select Real Estate Securities Index</p> <p>Real Estate: Dow Jones U.S. Select Real Estate Securities Index</p>
<p>Remaining Value</p>	<p>The investor's value as reported by a fund manager on the investor's capital account statement. All investor values in this report are as of the date of this report, unless otherwise noted. Some funds may be denominated in non-USD currencies, and such remaining values represent the fund's local currency value translated to USD at the rate as of the date of this report.</p>
<p>TVPI</p>	<p>Acronym for "Total Value-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Remaining Value, then divided by Contributed. TVPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.</p>
<p>Unfunded</p>	<p>The remaining balance of capital that a fund manager has yet to call against a commitment amount. Meketa updates unfunded balances for funds to reflect all information provided by fund managers provided in their cash flow notices. Some funds may be denominated in non-USD currencies, and such unfunded balances represent the fund's local currency unfunded balance translated to USD at the rate as of the date of this report.</p>

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Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

If we manage your assets on a discretionary basis, please contact us if there are any changes in your financial situation or investment objectives, or if you want to impose any reasonable restrictions on our management of your account or reasonably modify existing restrictions.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material.

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In some cases Meketa Investment Group assists the client in handling capital calls or asset transfers among investment managers. In these cases we do not make any representations as to the managers' use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the client.

Because there is no readily accessible market for private markets assets (companies and partnerships), the values placed on private markets assets are calculated by General Partners using conservative and industry standard pricing procedures. Annually, an independent auditor reviews the pricing procedures employed by the General Partner of each partnership.

The values of companies and partnerships are audited at year-end, and are not audited at other quarter-end periods. While financial information may be audited, there is some discretion as to the method employed to price private companies and, therefore, private markets partnerships. At all times, Meketa Investment Group expects General Partners to utilize conservative and industry standard pricing procedures, and requires the General Partners to disclose those procedures in their reports. However, because of the inherent uncertainty of valuation, these estimated values may differ from the values that would be used if a ready market for the investments existed, and the differences could be significant.