



INVESTMENT GROUP

San Jose Federated City Employees' Retirement System

Fouth Quarter 2020

Private Markets Program
PUBLIC

San Jose Federated City Employees' Retirement System Private Markets Program

Program Snapshot | As of December 31, 2020

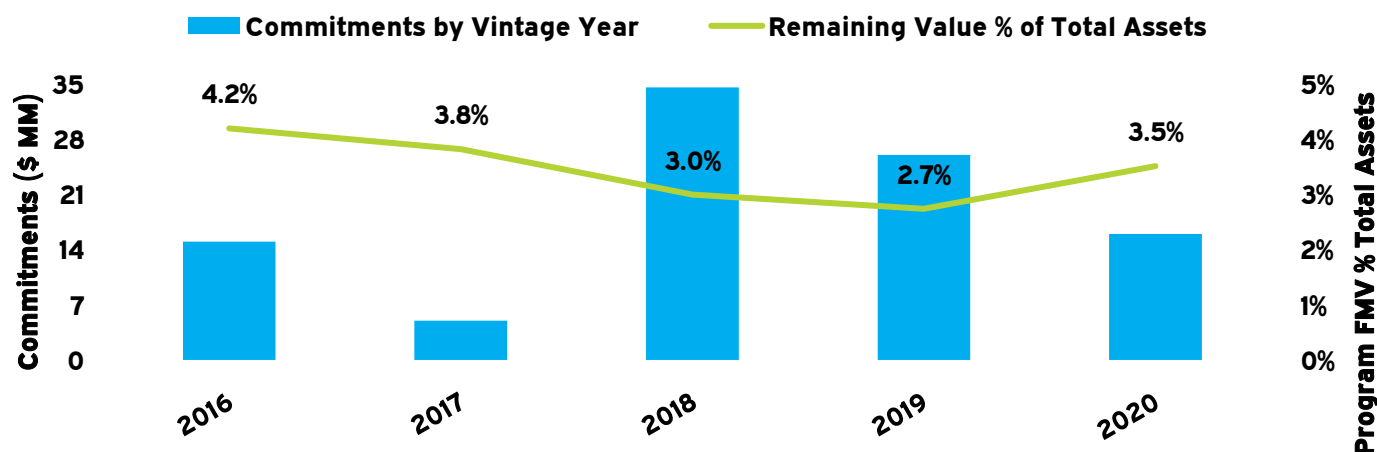
Snapshot

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	196.4	41.2	1.50	7.6	6.5
NB Fund of One	2017	261.8	14.5	127.0	2.3	179.4	1.43	24.8	17.5
Private Debt	2010	246.6	29.8	253.5	194.2	93.7	1.14	4.4	7.2
Real Estate	2007	207.6	35.6	191.5	153.5	84.9	1.25	6.0	7.1
Real Assets	2016	46.4	10.5	36.4	5.0	34.9	1.10	5.2	4.5
Total		936.7	90.4	770.2	551.4	426.4	1.27	7.0	NA

Introduction

As of December 31, 2020, 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 \$93.7 million at December 31, 2020, 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)	253.5
Distributed (\$ MM)	194.2
Remaining Value (\$ MM)	93.7

Performance Since Inception

	Program	Peer Universe
DPI	0.77x	0.59x
TVPI	1.14x	1.30x
IRR	4.4%	9.3%

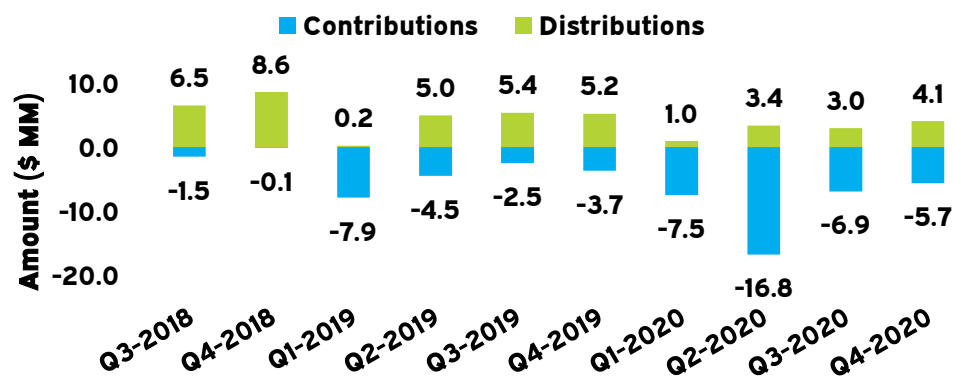
Commitments

Commitments This Quarter

Fund	Region	Amount (MM)
HPS Special Sits.	Global: Developed	8.00

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
Cross Ocean ESS III	2019	Western Europe	2.17
HPS Special Sits.	2019	Global: Developed	2.08
Crestline Fund II	2020	North America	1.10

Largest Distributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
Cross Ocean ESS II	2016	Western Europe	1.56
Medley II	2010	North America	1.03
Crestline Co-Invest	2018	North America	0.85

By Vintage

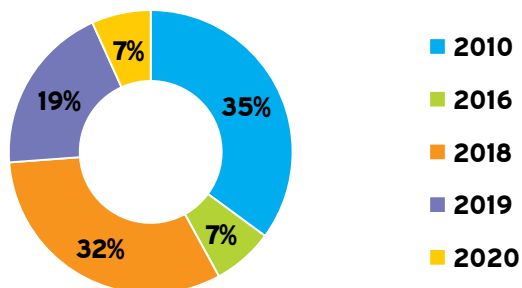
Group	Number	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	Exposure (\$ MM)	DPI (X)	TVPI (X)	IRR (%)	Peer IRR (%)
2010	3	150.0	183.4	0.0	174.3	32.9	32.9	0.95	1.13	3.6	10.5
2016	1	15.0	12.0	3.4	7.9	6.5	9.9	0.66	1.20	7.1	8.8
2017	1	5.0	5.0	0.0	6.1	0.0	0.0	1.22	1.22	12.9	10.2
2018	3	34.6	30.6	6.3	5.0	29.8	36.1	0.16	1.14	14.8	11.5
2019	2	26.0	16.6	10.1	0.8	18.2	28.3	0.05	1.15	NM	NM
2020	2	16.0	5.9	10.1	0.0	6.3	16.4	0.00	1.07	NM	NM
Total	12	246.6	253.5	29.8	194.2	93.7	123.6	0.77	1.14	4.4	9.3

Fund Performance: Sorted By Vintage And Strategy

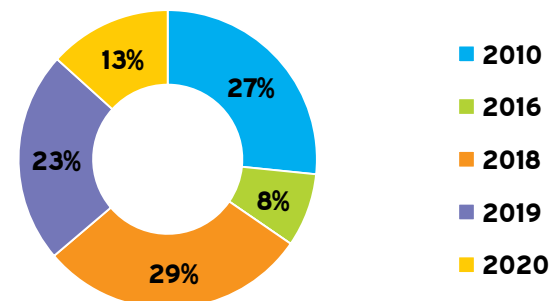
By Investment	Vintage	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
GSO Direct Lending	2010	50.0	43.4	0.0	45.0	4.4	1.14	1.41	4.6	10.5
Medley II	2010	50.0	51.7	0.0	47.0	11.1	1.12	1.41	2.4	10.5
White Oak DL	2010	50.0	88.3	0.0	82.3	17.4	1.13	1.41	4.4	10.5
Cross Ocean ESS II	2016	15.0	12.0	3.4	7.9	6.5	1.20	1.18	7.1	8.8
ArrowMark Sep Acct	2017	5.0	5.0	0.0	6.1	0.0	1.22	1.18	12.9	10.2
Arbour Lane II	2018	8.0	7.8	2.5	2.1	6.7	1.12	1.18	25.6	11.5
Crestline Co-Invest	2018	1.6	1.6	0.0	0.9	1.1	1.23	1.18	12.8	11.5
Octagon CLO III	2018	25.0	21.3	3.8	2.1	22.1	1.14	1.18	13.3	11.5
Cross Ocean ESS III	2019	18.0	14.5	4.2	0.8	15.9	1.15	1.13	NM	NM
HPS Special Sits.	2019	8.0	2.1	5.9	0.0	2.3	1.13	1.13	NM	NM
Crestline Fund II	2020	8.0	1.1	6.9	0.0	1.0	0.95	1.03	NM	NM
Eagle Point Income	2020	8.0	4.8	3.2	0.0	5.3	1.10	1.03	NM	NM
Total		246.6	253.5	29.8	194.2	93.7	1.14	1.30	4.4	9.3

By Vintage

Percent of FMV

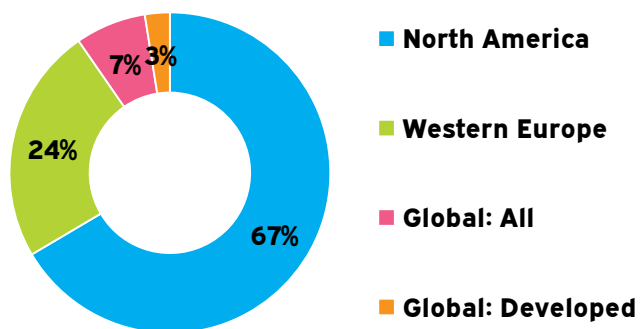


Percent of Exposure

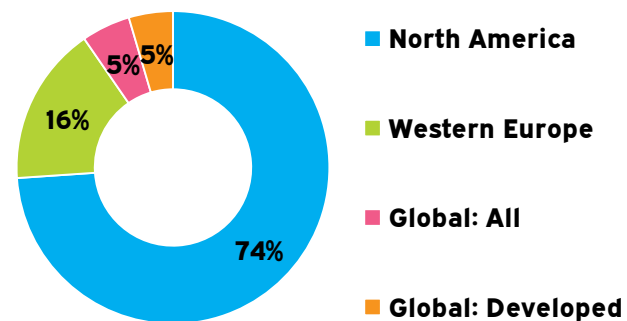


By Geographic Focus

Percent of FMV

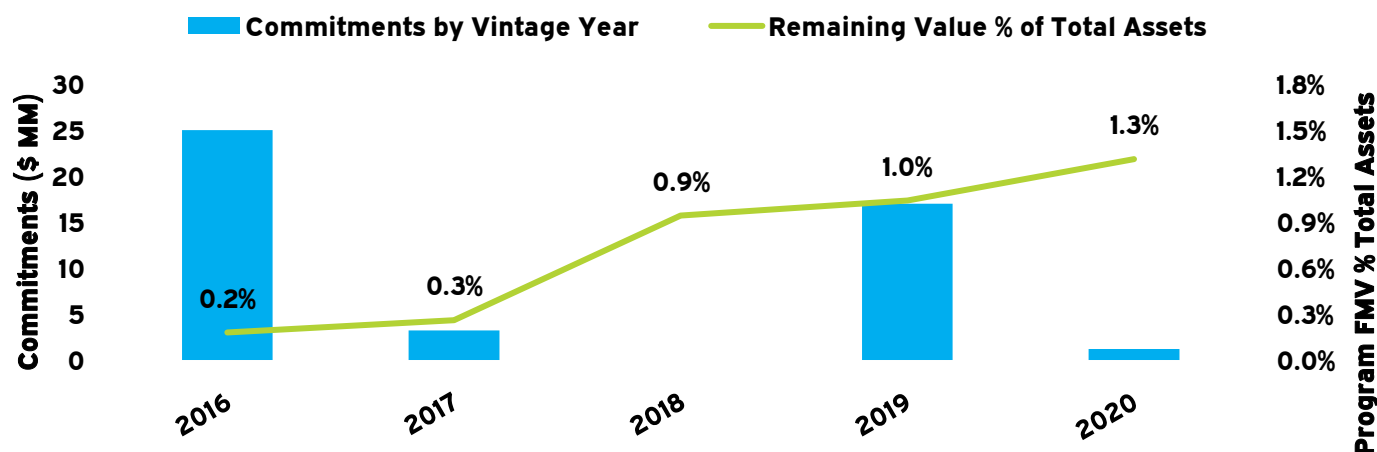


Percent of Exposure



Introduction

As of December 31, 2020, the System had committed \$46.4 million to six real assets funds and one co-investment. The total reported fair value of real assets investments was \$34.9 million at December 31, 2020, which equates to 1.3% of the overall Retirement System, versus a 3.0% policy target.



Program Status

No. of Investments	7
Committed (\$ MM)	46.4
Contributed (\$ MM)	36.4
Distributed (\$ MM)	5.0
Remaining Value (\$ MM)	34.9

Performance Since Inception

	Program	Peer Universe
DPI	0.14x	0.15x
TVPI	1.10x	1.16x
IRR	5.2%	7.2%

Commitments

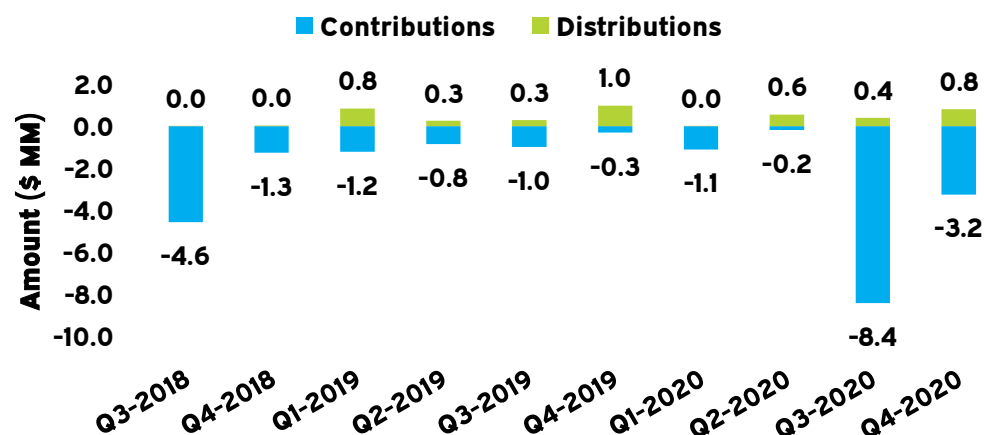
Commitments This Quarter

Fund	Strategy	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)
Orion Mine III	2019	Global: All	1.65
Lime Rock New Energy	2019	Global: Developed	0.91
Kimmeridge Energy V	2019	North America	0.54

Largest Distributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
GIP III	2016	Global: Developed	0.81
Lime Rock VIII	2017	North America	0.00
Energy Co-Invest	2020	North America	0.00

By Vintage

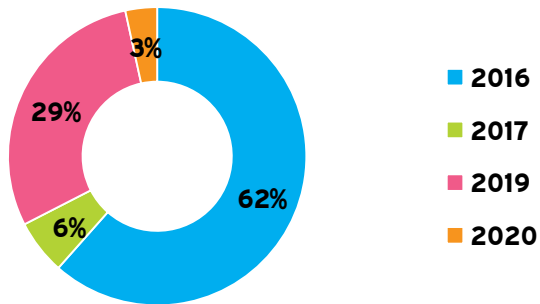
Group	Number	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	Exposure (\$ MM)	DPI (X)	TVPI (X)	IRR (%)	Peer IRR (%)
2016	1	25.0	22.5	2.9	4.8	21.5	24.4	0.21	1.17	6.4	7.2
2017	1	3.2	2.6	0.7	0.0	2.1	2.8	0.01	0.81	-11.5	7.7
2019	4	17.0	10.1	6.9	0.1	10.2	17.1	0.01	1.02	NM	NM
2020	1	1.2	1.2	0.0	0.0	1.2	1.2	0.00	1.00	NM	NM
Total	7	46.4	36.4	10.5	5.0	34.9	45.5	0.14	1.10	5.2	7.2

Fund Performance: Sorted By Vintage And Strategy

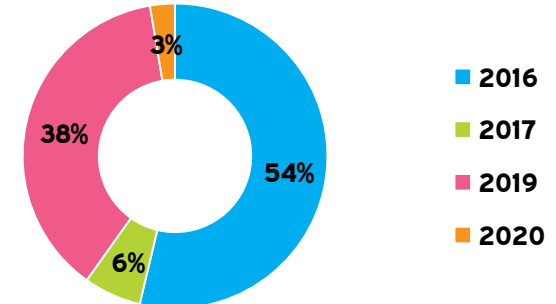
By Investment	Vintage	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
GIP III	2016	25.0	22.5	2.9	4.8	21.5	1.17	1.19	6.4	7.2
Lime Rock VIII	2017	3.2	2.6	0.7	0.0	2.1	0.81	1.14	-11.5	7.7
Kimmeridge Energy V	2019	3.8	3.0	0.8	0.1	3.0	1.03	1.09	NM	NM
Orion Mine III	2019	5.0	3.3	1.7	0.0	3.7	1.12	1.09	NM	NM
GIP IV	2019	3.2	0.1	3.1	0.0	NM	NM	NM	NM	NM
Lime Rock New Energy	2019	5.0	3.7	1.3	0.0	3.5	0.96	1.09	NM	NM
Energy Co-Invest	2020	1.2	1.2	0.0	0.0	1.2	1.00	NM	NM	NM
Total		46.4	36.4	10.5	5.0	34.9	1.10	1.16	5.2	7.2

By Vintage

Percent of FMV

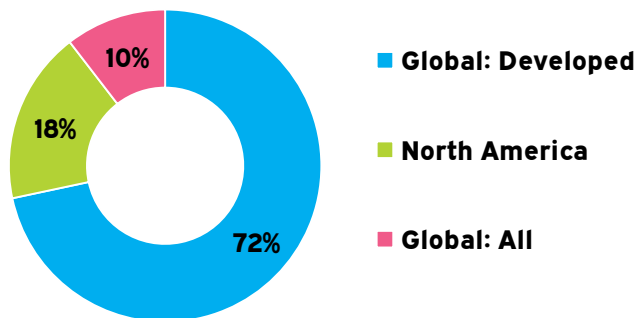


Percent of Exposure

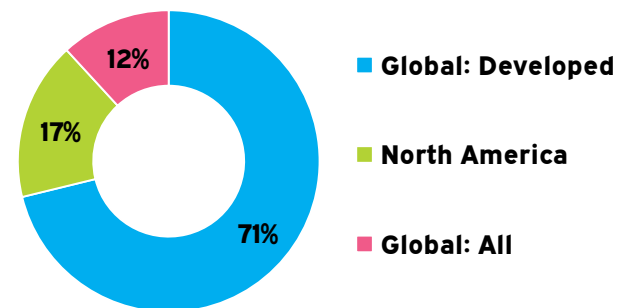


By Geographic Focus

Percent of FMV

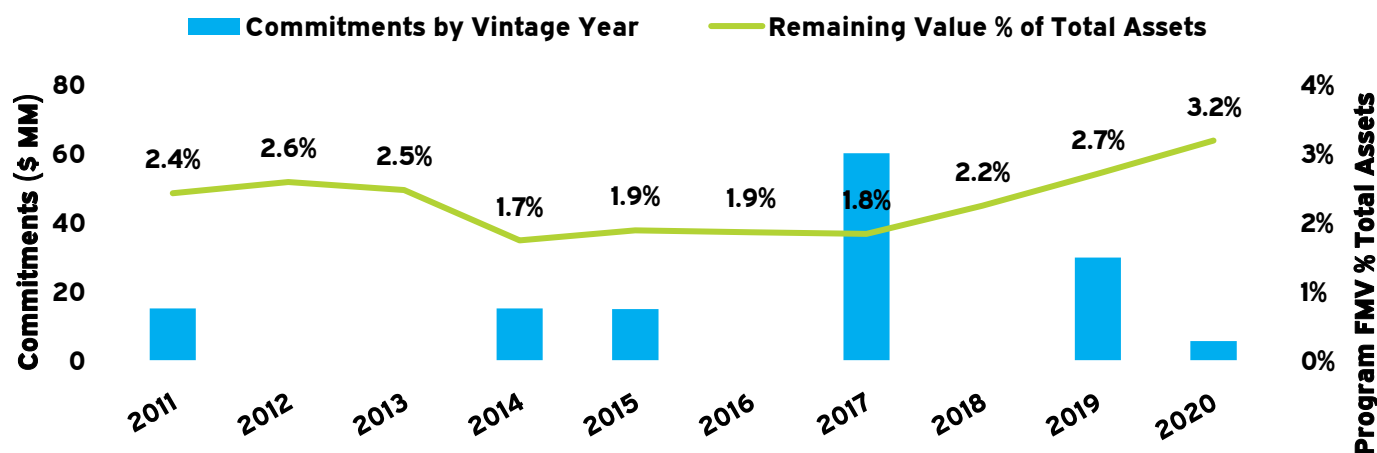


Percent of Exposure



Introduction

As of December 31, 2020, the Retirement System had committed a total of \$207.6 million to 14 closed-end real estate funds. The Real Estate Program's reported fair value of real estate investments was \$84.9 million at December 31, 2020, which equates to 3.2% of the overall Retirement System, versus a 3.0% policy target.



Program Status

No. of Investments	14
Committed (\$ MM)	207.6
Contributed (\$ MM)	191.5
Distributed (\$ MM)	153.5
Remaining Value (\$ MM)	84.9

Performance Since Inception

	Program	Peer Universe
DPI	0.80x	0.86x
TVPI	1.25x	1.27x
IRR	6.0%	5.9%

Commitments

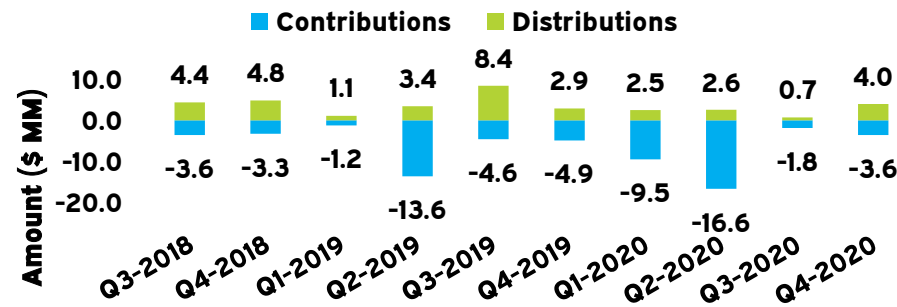
Commitments This Quarter

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)
Exeter V	2020	North America	1.38
EPISO 5	2019	Western Europe	0.83
GEM VI	2017	North America	0.60

Largest Distributions This Quarter

Fund	Vintage	Region	Amount (\$MM)
DRA VII	2011	North America	1.47
DRA IX	2017	North America	1.00
GEM VI	2017	North America	0.67

By Vintage

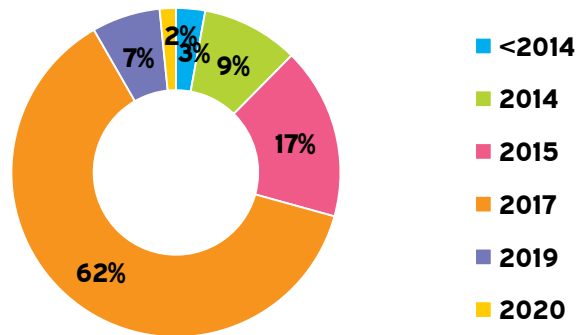
Group	Number	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	Exposure (\$ MM)	DPI (X)	TVPI (X)	IRR (%)	Peer IRR (%)
2005	1	20.0	30.5	0.0	40.3	0.0	0.0	1.32	1.32	5.3	0.4
2006	1	20.0	18.2	0.0	8.8	0.0	1.8	0.48	0.48	-10.9	0.2
2007	2	27.6	28.4	0.0	40.7	0.4	0.4	1.43	1.45	8.8	3.2
2011	1	15.0	16.4	0.0	34.2	2.0	2.0	2.09	2.21	21.4	11.9
2014	1	15.0	18.2	0.0	14.1	8.1	8.1	0.77	1.22	7.1	9.8
2015	1	14.8	13.3	1.5	3.4	14.3	15.8	0.25	1.33	11.5	10.3
2017	3	60.0	58.8	6.3	11.6	53.0	59.2	0.20	1.10	7.5	9.3
2019	3	29.8	6.3	23.7	0.5	5.7	29.4	0.08	0.98	NM	NM
2020	1	5.5	1.4	4.1	0.0	1.3	5.5	0.00	0.98	NM	NM
Total	14	207.6	191.5	35.6	153.5	84.9	122.2	0.80	1.25	6.0	5.9

Fund Performance: Sorted By Vintage And Strategy

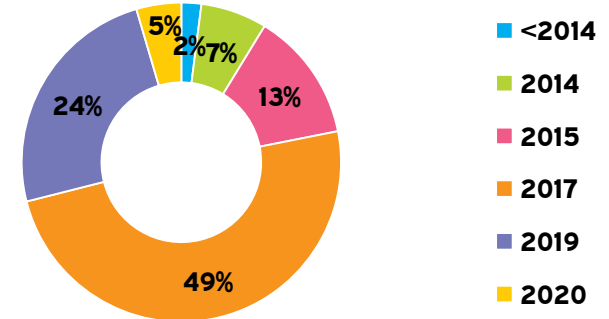
By Investment	Vintage	Committed (\$ MM)	Contributed (\$ MM)	Unfunded (\$ MM)	Distributed (\$ MM)	Remaining Value (\$ MM)	TVPI (X)	Peer TVPI (X)	IRR (%)	Peer IRR (%)
DRA V	2005	20.0	30.5	0.0	40.3	0.0	1.32	1.02	5.3	0.4
GEAM Value Add	2006	20.0	18.2	0.0	8.8	0.0	0.48	1.01	-10.9	0.2
DRA VI	2007	9.7	10.6	0.0	17.0	0.4	1.66	1.19	10.6	3.2
Fidelity RE III	2007	17.9	17.9	0.0	23.7	0.0	1.33	1.19	7.3	3.2
DRA VII	2011	15.0	16.4	0.0	34.2	2.0	2.21	1.47	21.4	11.9
DRA VIII	2014	15.0	18.2	0.0	14.1	8.1	1.22	1.34	7.1	9.8
EPISO 4	2015	14.8	13.3	1.5	3.4	14.3	1.33	1.34	11.5	10.3
Torchlight VI	2017	30.0	33.2	0.0	3.0	30.8	1.02	1.16	2.0	9.3
GEM VI	2017	10.0	5.1	5.0	1.3	4.2	1.08	1.16	7.4	9.3
DRA IX	2017	20.0	20.6	1.3	7.3	18.0	1.23	1.16	11.7	9.3
Rockpoint VI	2019	6.5	1.1	5.4	0.1	1.0	1.00	1.01	NM	NM
DRA X	2019	10.0	1.9	8.3	0.4	1.7	1.10	1.01	NM	NM
EPISO 5	2019	13.3	3.3	9.9	0.0	3.0	0.91	1.01	NM	NM
Exeter V	2020	5.5	1.4	4.1	0.0	1.3	0.98	0.98	NM	NM
Total		207.6	191.5	35.6	153.5	84.9	1.25	1.27	6.0	5.9

By Vintage

Percent of FMV

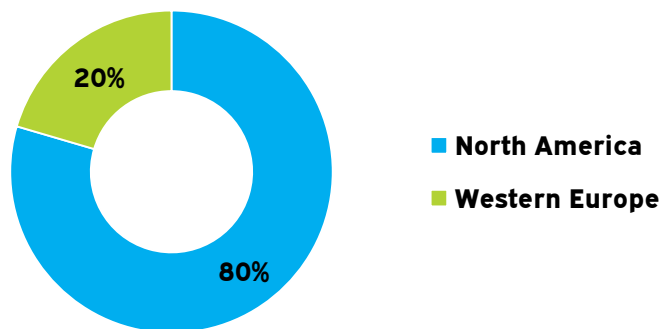


Percent of Exposure

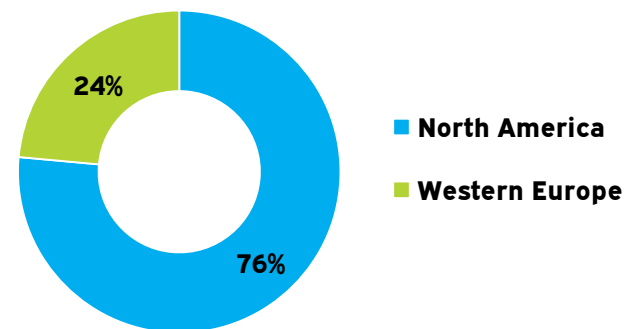


By Geographic Focus

Percent of FMV



Percent of Exposure

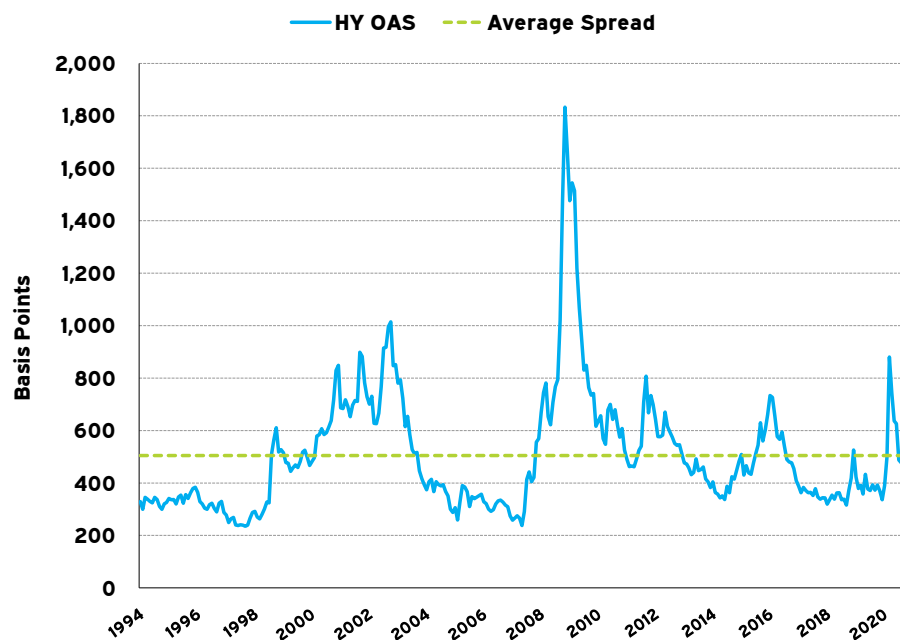


Private Debt

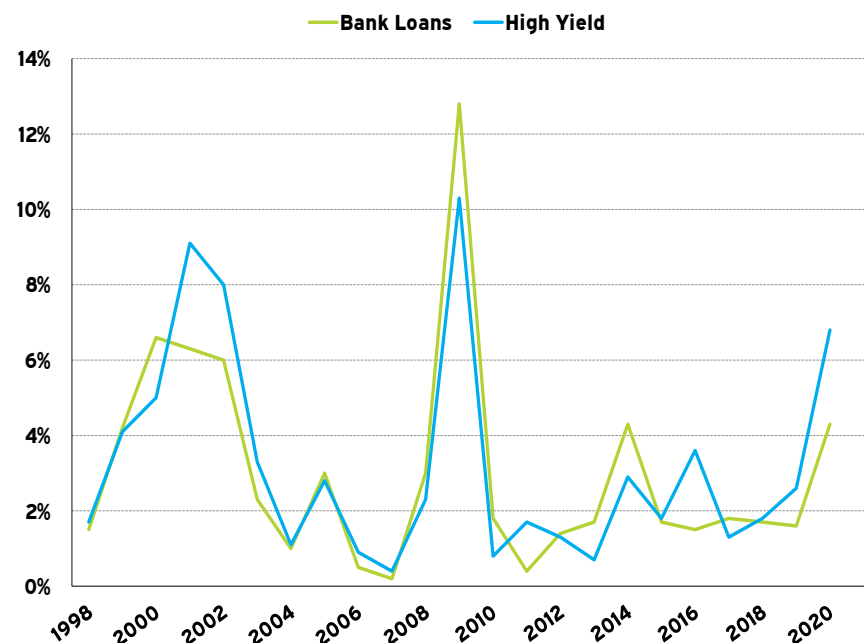
Credit markets continued to rally in the fourth quarter, led by the lowest rated, most speculative assets across high yield, bank loans and structured products. High yield spreads finished the year at 360 basis points, which was the lowest month-end level during 2020 and nearly at the pre-pandemic spread lows of 2019. Capital markets remained open during the quarter which led to a flurry of new debt issuance and refinancing. Many distressed and special situations private debt strategies benefited from this as borrowers were able to refinance existing debt or issue new debt at lower interest rates. High yield bonds continue to touch new historic yield lows as the market yield-to-worst finished the year at 4.2%.

Default activity was muted in the fourth quarter with just \$15 billion in US high yield and bank loan defaults, compared to \$74 billion and \$16 billion in the second and third quarters, respectively. While default rates (which are measured over the trailing 12-month period) remain elevated they are driven by the second quarter activity, so barring any major changes in default activity during the first two quarters of 2021, the default rate will likely fall sharply to pre-COVID levels in 2021.

US Corporate High Yield Spread¹



US Corporate Default Rate²



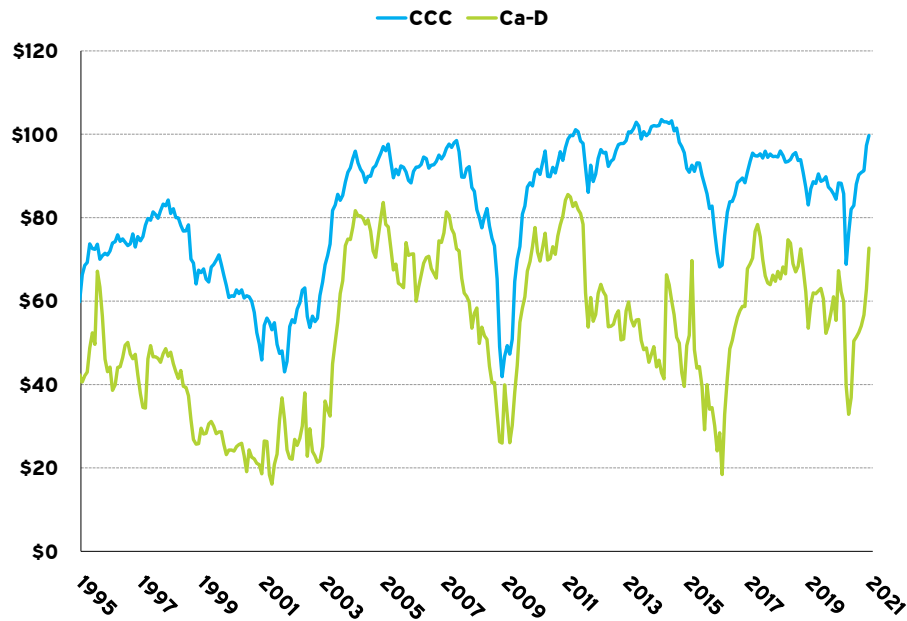
¹ Source: Barclays Capital

² Source: JP Morgan

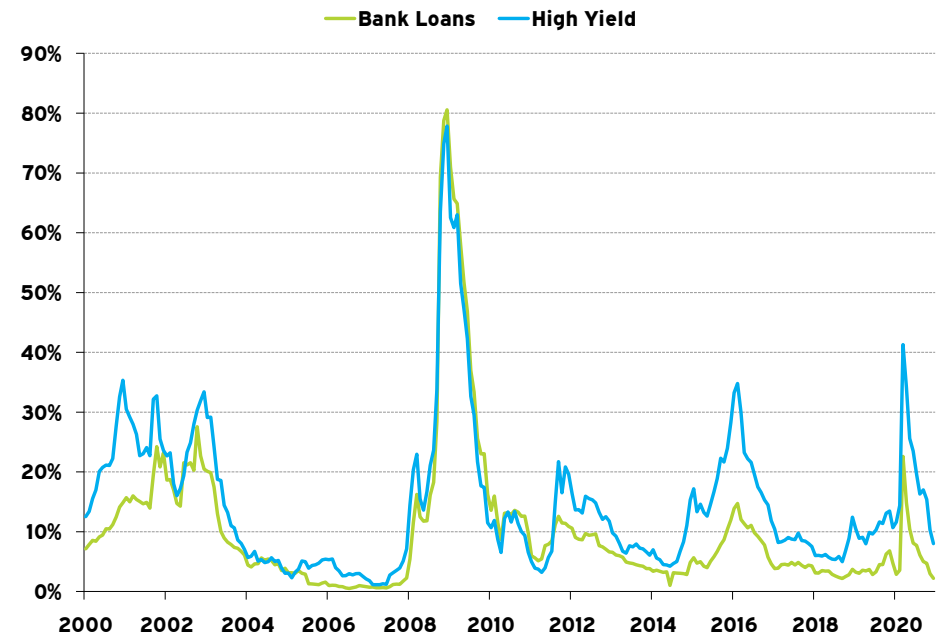
Distressed & Opportunistic Debt

The credit market rally has driven up prices of lower rated debt such that CCC-rated bonds are now priced near par and approaching historic price highs. The bank loan distressed ratio has fallen back down to very benign levels, though the high yield distressed ratio is still marginally above pre-pandemic levels. Most distressed and opportunistic investment opportunities continue to be in industries directly impacted by the COVID-19 pandemic such as travel, lodging, and certain consumer segments. These opportunities are manifesting through corporate bonds and loans issued by companies, as well as in securitizations of portfolios that hold these underlying loans.

Lower Rated Debt Pricing¹



Distressed Ratio²



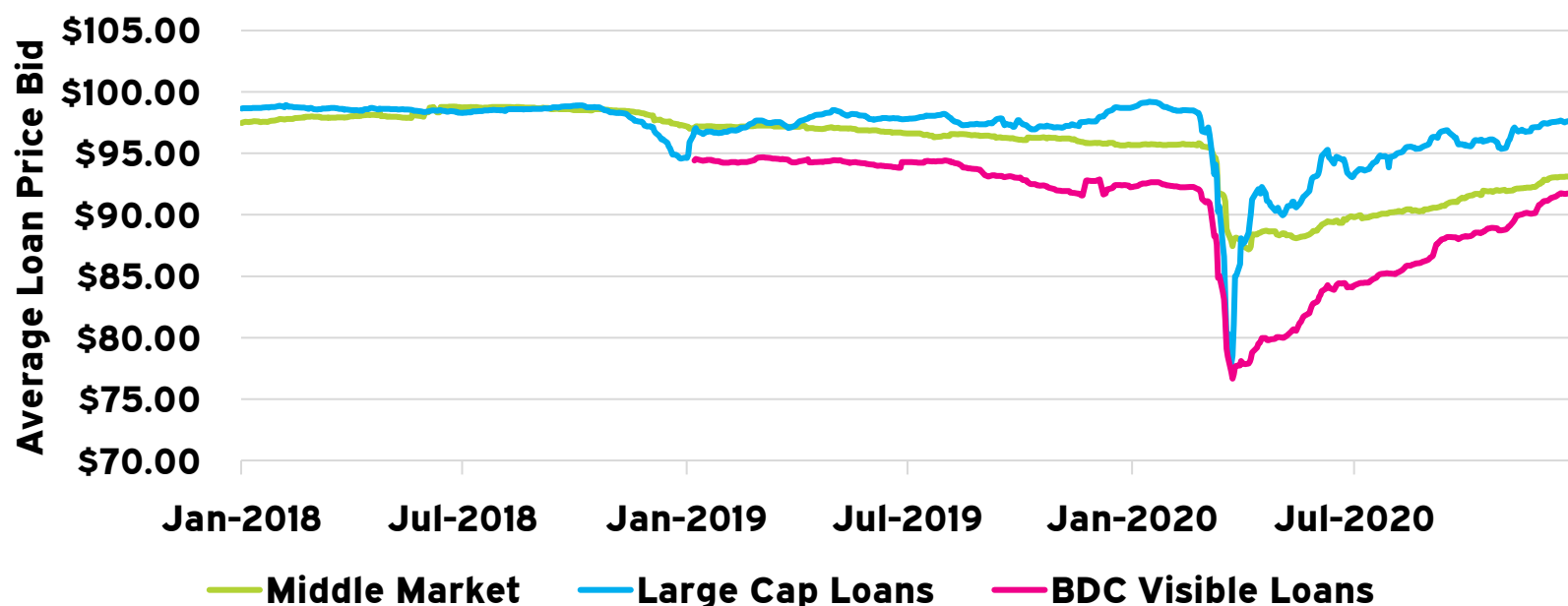
¹ Source: Barclays Capital

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

Private Senior & Subordinated Debt

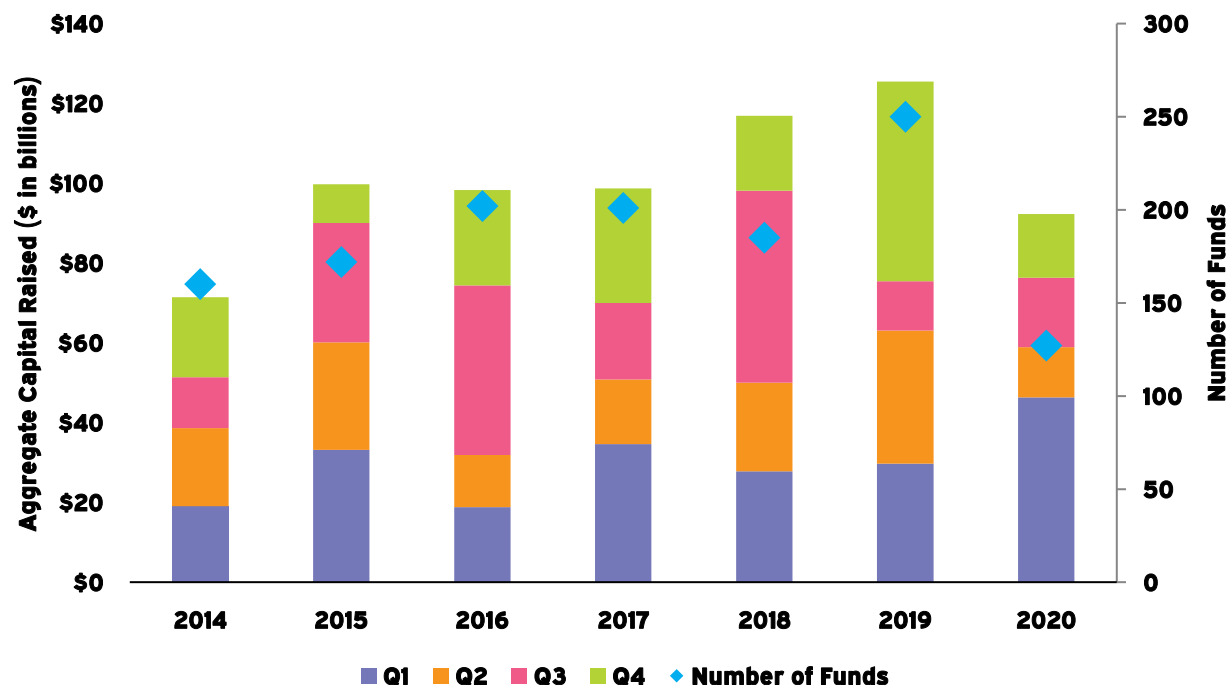
Middle market loan new issuance increased in the fourth quarter, however overall volumes for the year of \$170 billion were 25% lower than 2019 as a result of the slowdown in new loans in the second quarter. Secondary market pricing of middle market loans increased during the quarter more than prices in the large cap loan market, and now middle market loans are trading at their lowest discount to the larger market since inception of the BDC Visible index in 2019. 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, and likely subject to significant selection bias. Subordinated debt, which is defined as second lien and mezzanine, experienced an increase in issuance in the fourth quarter returning to pre-COVID levels.

Senior Loan Secondary Market Pricing¹



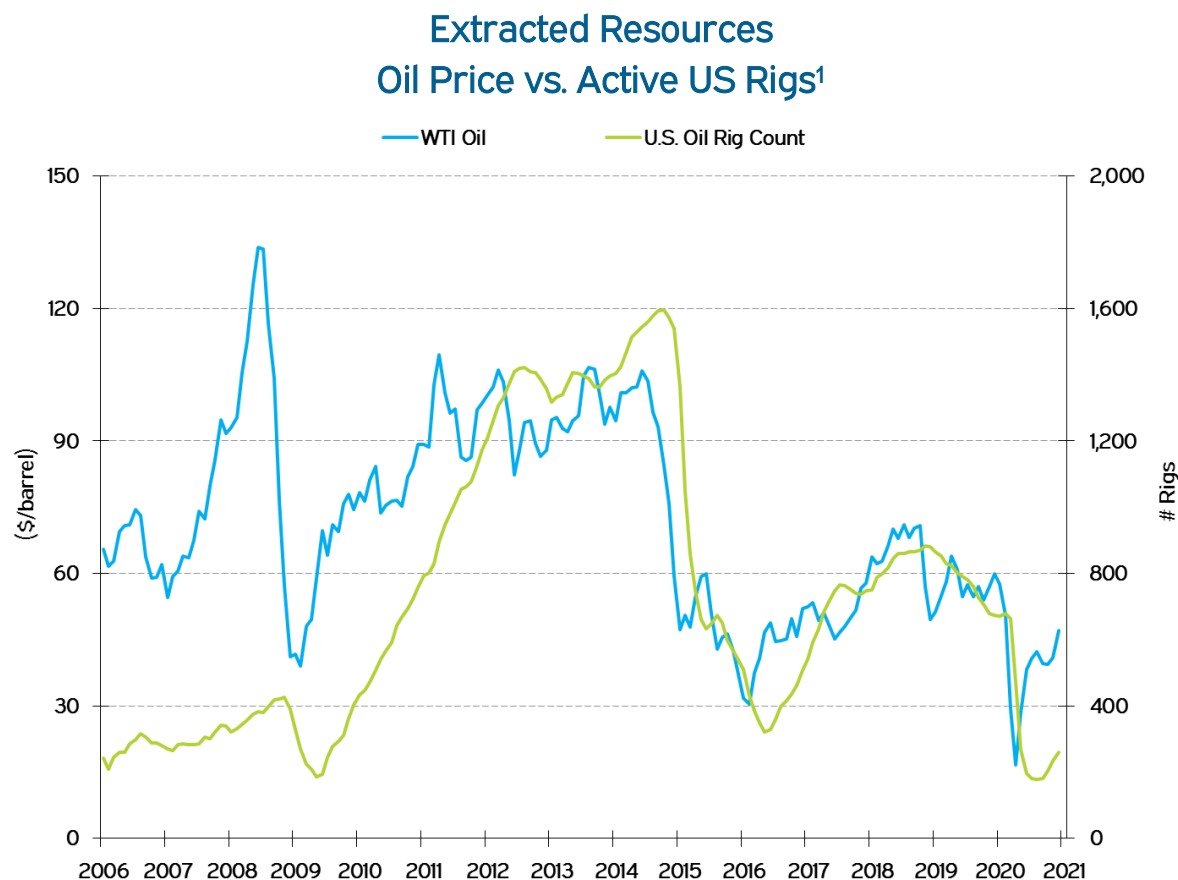
¹ Source: Refinitiv LPC

Global Quarterly Unlisted Natural Resource Fundraising¹



Fundraising during the fourth quarter was slightly down from the prior quarter and continued the trend of smaller funds being raised over 2019. During the fourth quarter, approximately \$16.0 billion was raised across 35 funds with the average fund size raised averaging just under \$0.5 billion of commitments. As of December 31, 2020, Preqin reported a total of 383 unlisted natural resources funds with a combined fundraising target of approximately \$202 billion. The majority of natural resources managers fundraising during the third quarter were focused on North America, accounting for over half of cumulative targeted capitalization in the market.

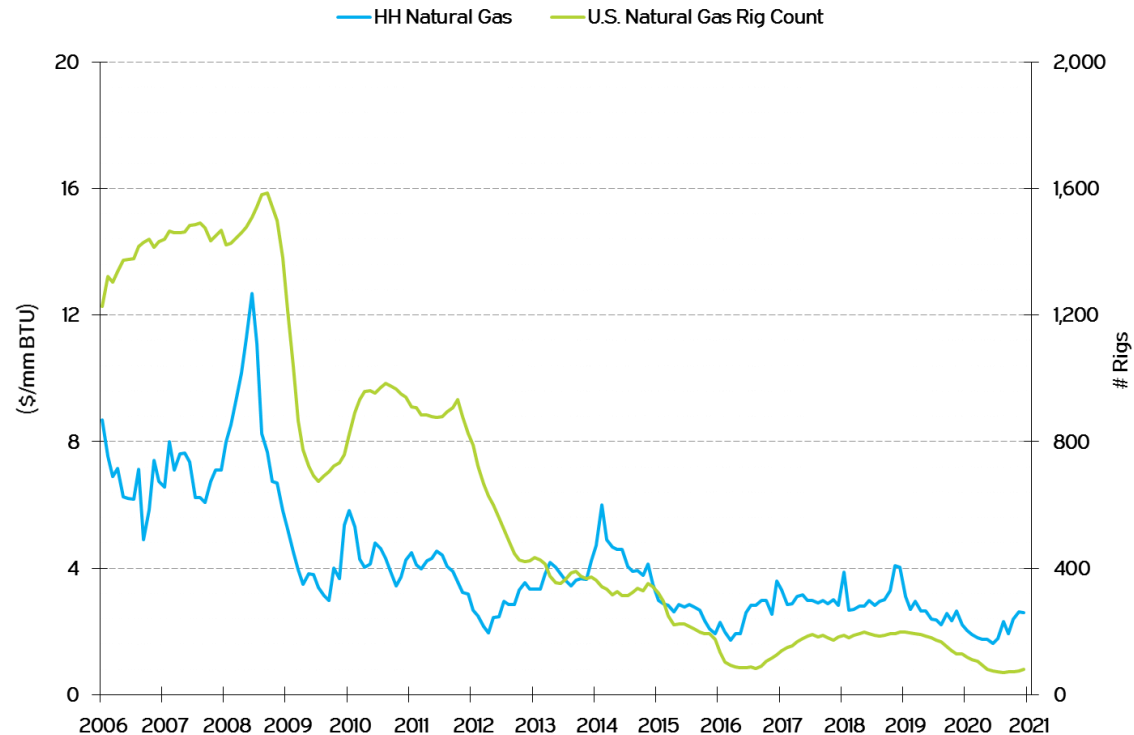
¹ Source: Preqin Private Capital Fundraising Update, Q4 2020.



Oil prices ended the year at \$47 per barrel representing a 19% increase during the fourth quarter. The quarterly increase was aided by modest increases in demand and less production in the U.S. During 2020, the U.S. produced approximately 11.3 million barrels of oil per day (“boepd”), relative to 12.2 million boepd in 2019. During the fourth quarter, the active U.S. oil rig count increased by 79 to 260. International oil, as represented by Brent prices, increased by 22% to \$50 per barrel. U.S. gasoline prices for regular blend increased by 1% to \$2.39 during the quarter.

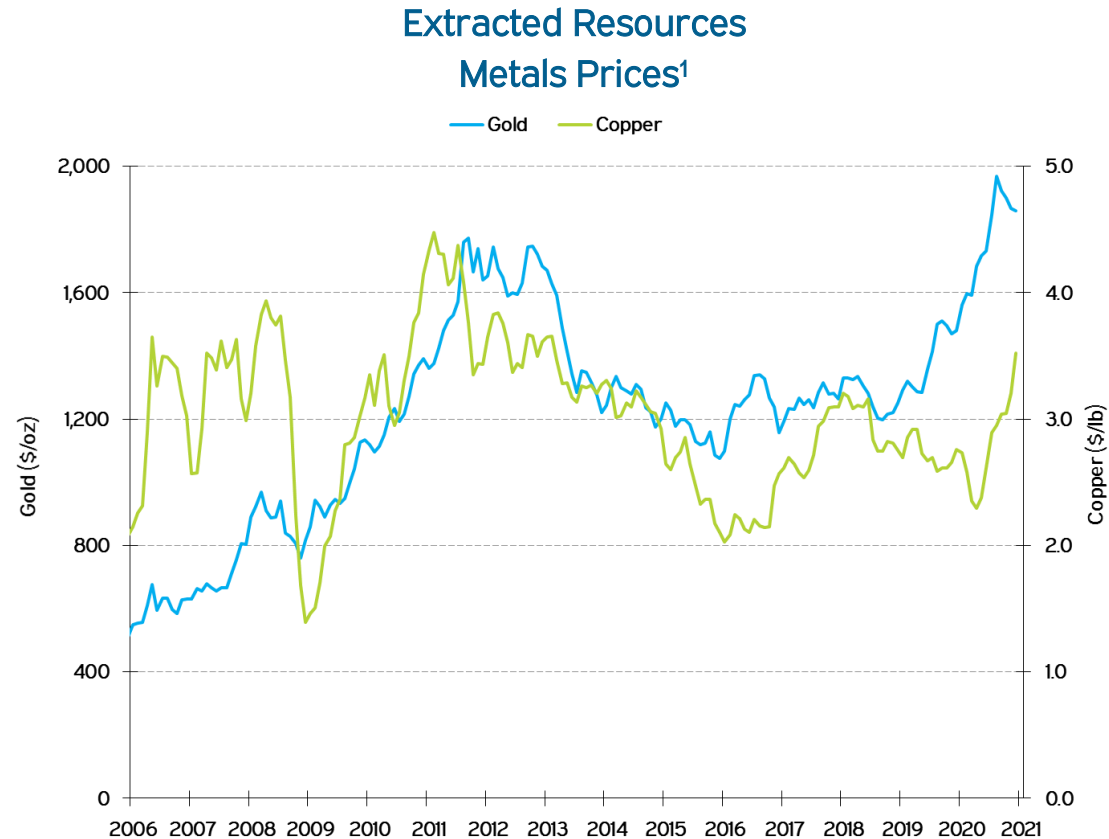
¹ Source: EIA and Baker Hughes.

Extracted Resources¹ Natural Gas Price vs. Active US Rigs



Henry Hub natural gas spot prices ended the quarter at approximately \$2.59/MM BTU, representing a 35% increase relative to the prior quarter and a 17% increase from one year prior. During the quarter, the U.S. natural gas rig count increased by 12 to 92. Total U.S. natural gas production averaged almost 101 billion cubic feet per day ("bcf/d"), a slight increase relative to the prior two quarters.

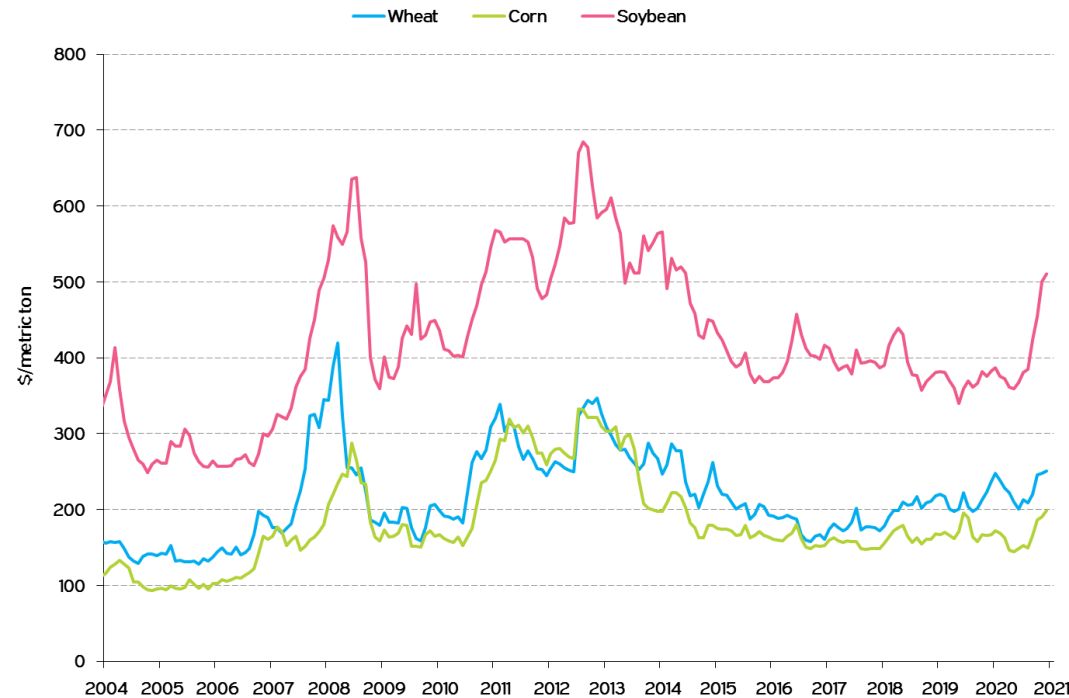
¹ Source: EIA and Baker Hughes.



During the fourth quarter, the U.S. government highlighted the need to increase domestic production of certain critical metals and minerals to ensure adequate supplies for industries dependent on these materials, such as defense, infrastructure, batteries, and electronics. Gold prices ended the year at \$1,858 per ounce representing a quarterly decrease of 3% and a 26% increase from one year prior. Copper prices were approximately \$3.52 per pound at year-end representing a 16% quarterly increase and a 28% increase from the prior year.

¹ Source: World Bank

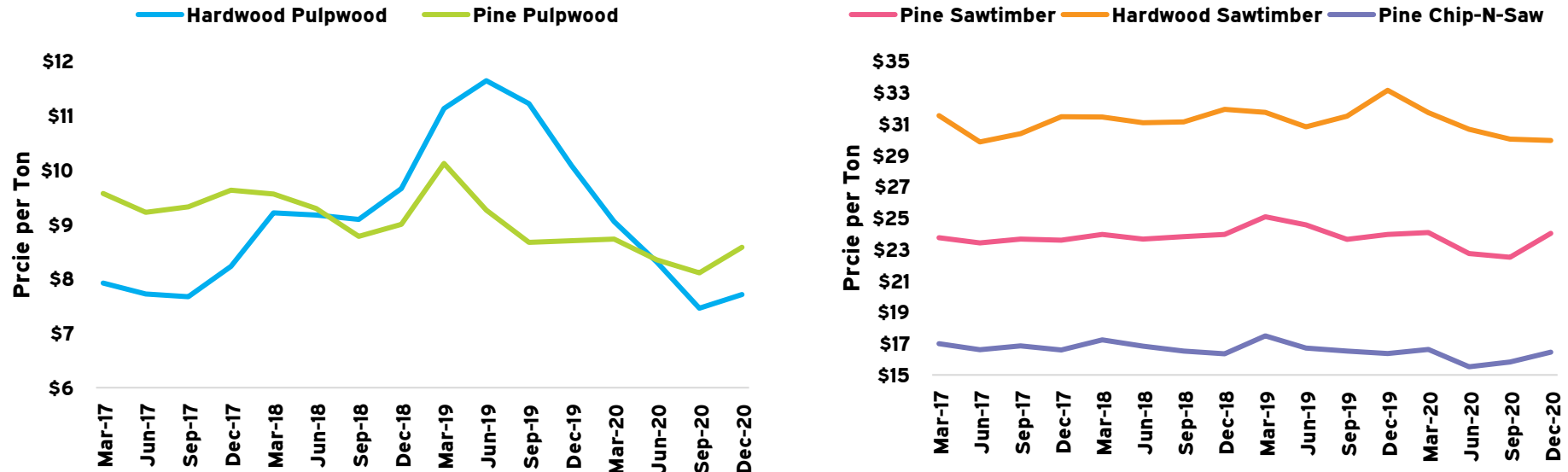
Harvested Resources Wheat, Corn, & Soybean¹



Following several natural disasters that occurred in prior quarters across the U.S., grain prices increased during the fourth quarter. During the quarter, wheat, corn, and soybean prices increased by 14%, 20%, and 21%, respectively. Relative to one year prior, the grains were up by 6%, 19%, and 33%, respectively. The NCREIF Farmland index increased by 1.6% during the quarter primarily driven by income returns of 1.5%.

¹ Source: World Bank

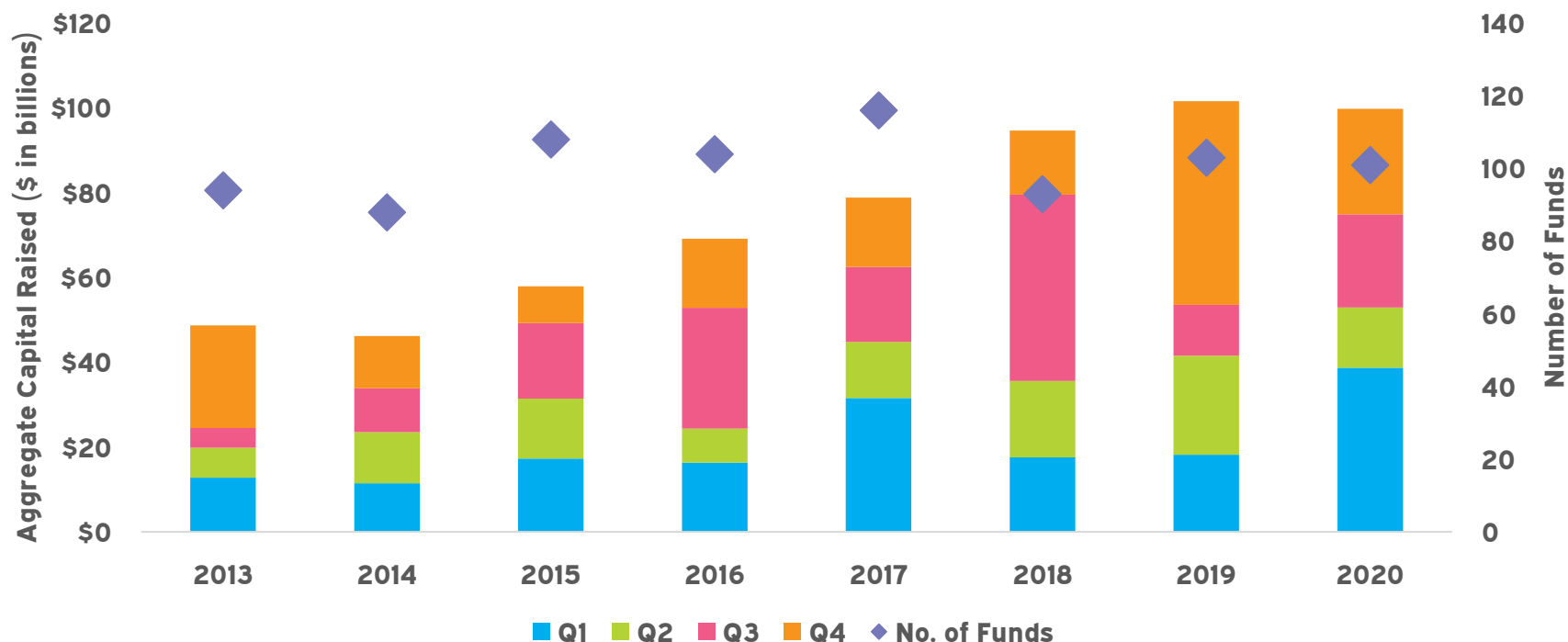
Harvested Resources US South Timber Prices¹



US South average timber prices have remained fairly consistent over the past several years for sawtimber and chip-n-saw, while pulpwood has experienced more volatility. Hardwood pulpwood experienced the largest decline for the year at 24% but did see an increase in the fourth quarter of 3%. Pine pulpwood also increased by 6% during the fourth quarter to recover much of first three quarters of 2020 decreases. Pine sawtimber prices increased by 7% during the quarter, while hardwood sawtimber was flat. Despite the increase in demand, and high prices, for finished products such as lumber and panels, limited mill capacity and an oversupply of logs in the U.S. South has depressed hardwood sawtimber prices. The quarterly NCREIF Timberland index increase of 0.6% was driven by income returns of 0.8%.

¹ Source: Bloomberg and TimberMart South

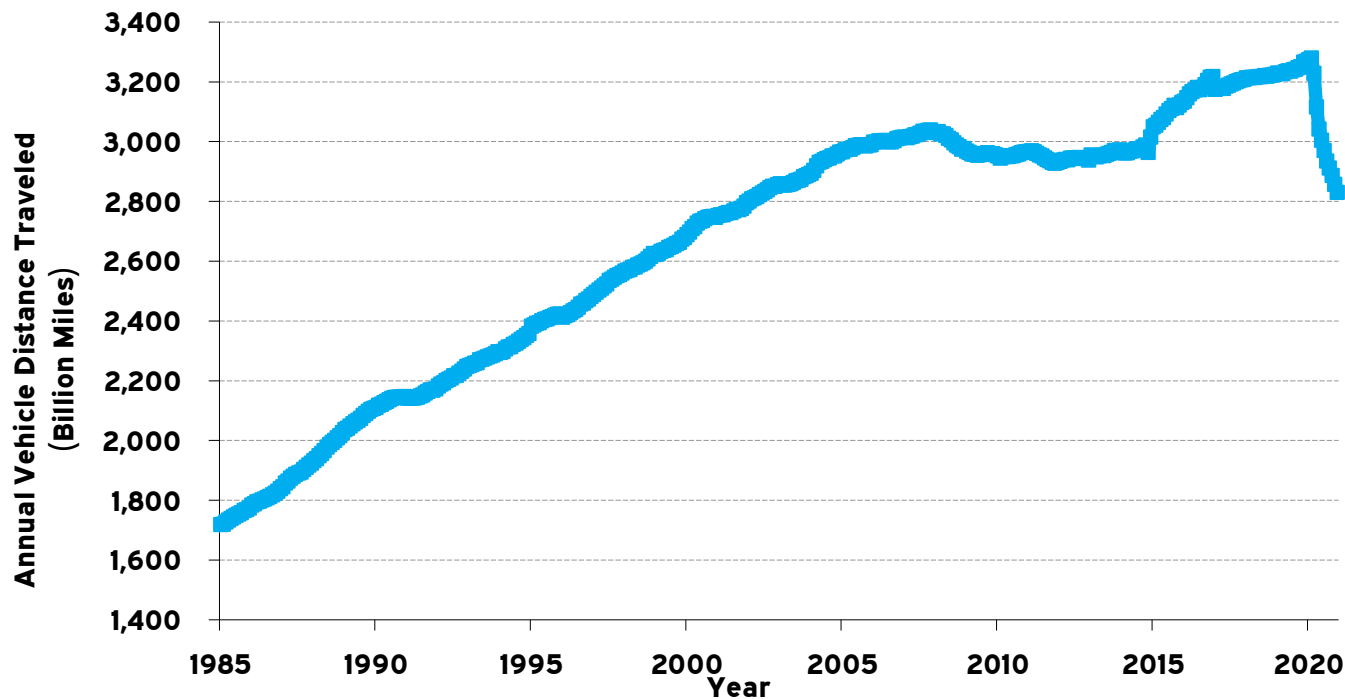
Global Quarterly Unlisted Infrastructure Fundraising¹



Capital raised in the fourth quarter of 2020 was slightly more than the third quarter and half of the funds raised in the fourth quarter 2019. During 2002, the average fund raised was \$1 billion, which was greater than the 2019 average of \$830 million. As of December 31, 2020, a total of 263 unlisted infrastructure funds were in market, according to Preqin, with a combined fundraising target of approximately \$205 billion

¹ Source: Preqin 2021 Global Infrastructure Report.

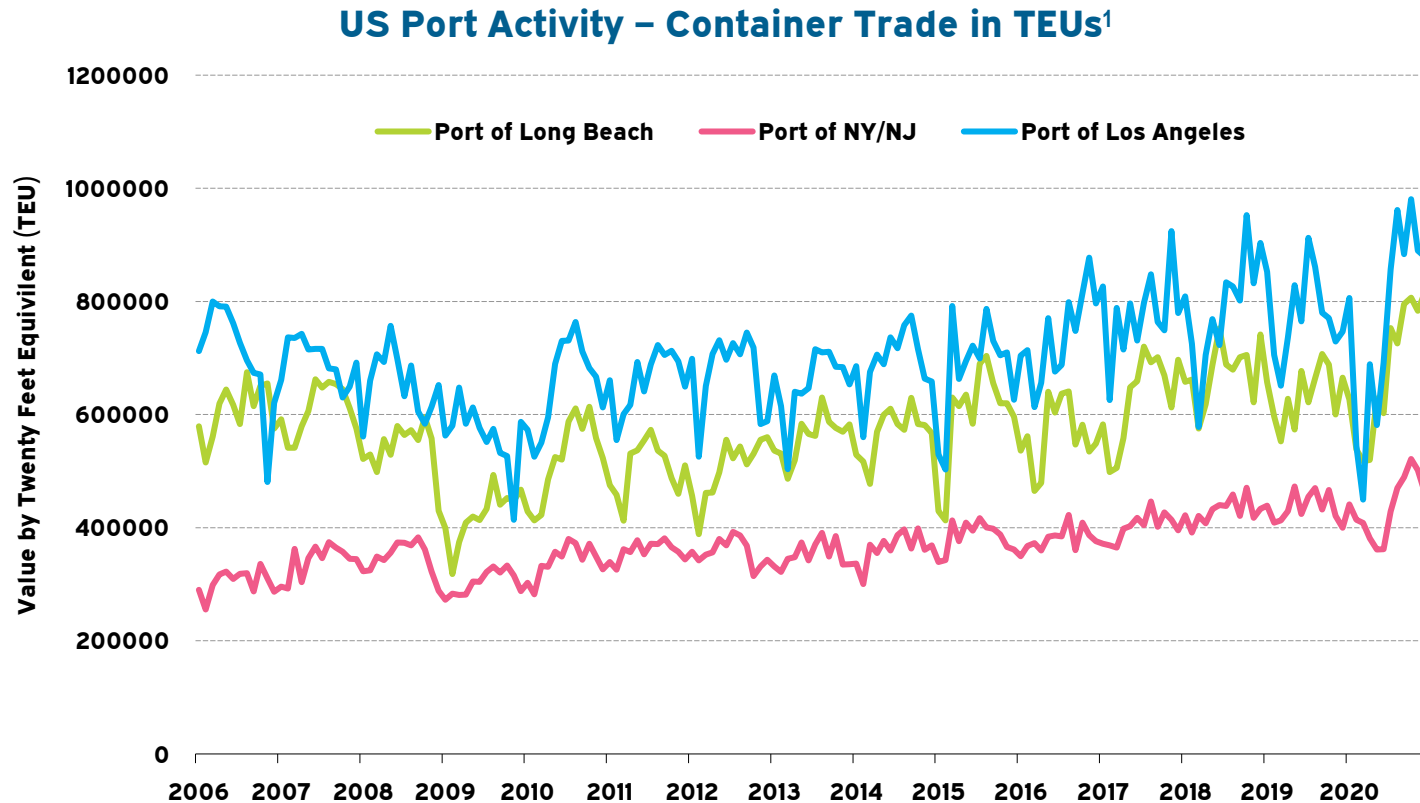
Moving 12-month Total on All US Roads¹



The fourth quarter was far below pace for travel on US roads totaling approximately 734.7 billion miles. This represented a decrease of 10.3% over the same period in 2019.

Up to this point in 2020, the average U.S. price of a gallon of gas went down to a monthly average of \$2.26 per gallon, with a peak of \$2.64. This compared to \$2.69 and \$2.95 seen in 2019.

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

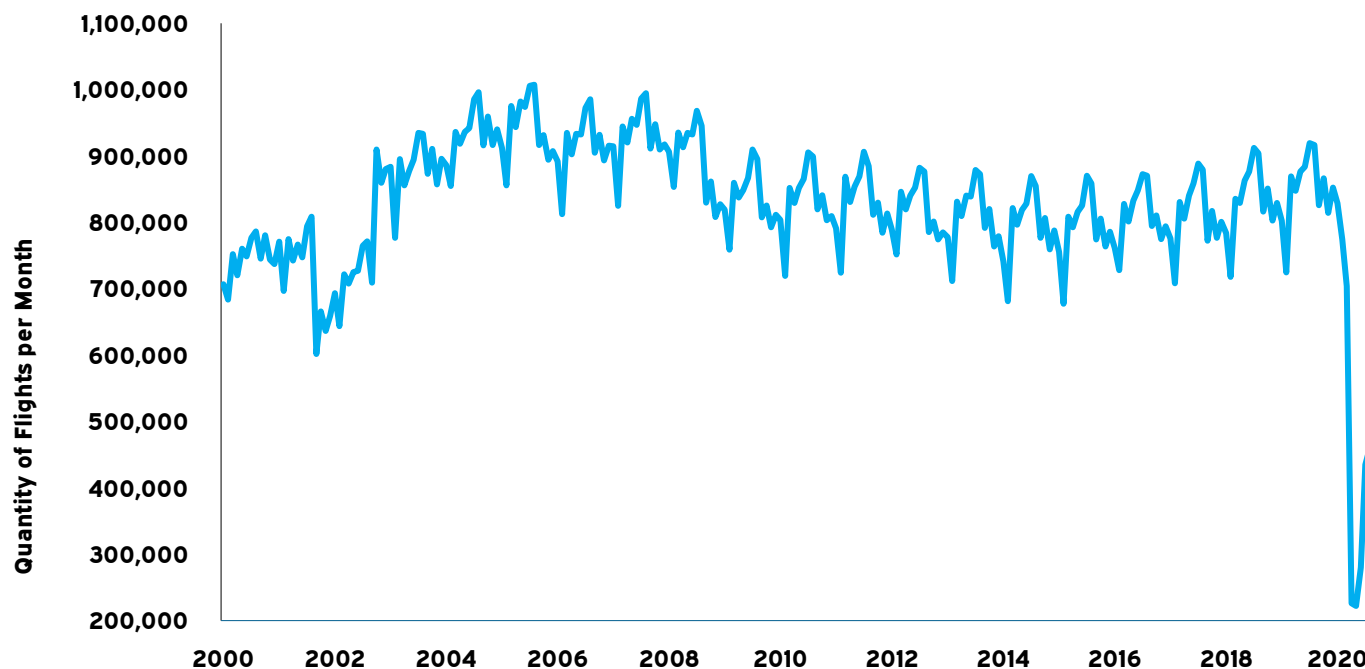


The chart represents the top three US ports by container volume, as measured by twenty-foot equivalent units (TEU). Activity at the three ports provides a high-level representation of the volume of imports received into the US more broadly.

During the fourth quarter of 2020, volumes at the three ports decreased by 1,154,445 units relative to the same period in 2019. On a year-over-year basis, the combined port volumes increased by 367,362 TEU, or 1.65%, over the prior 12-month period. The Port of Long Beach recorded an increase of 6.31% (481,285 TEU), the Port of NY/NJ reported an increase of 0.20% (10,311 TEU) and the Port of Los Angeles recorded a decrease of 1.33% (124,234 TEU) from the prior 12 months.

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

Total US Domestic and International Flights¹

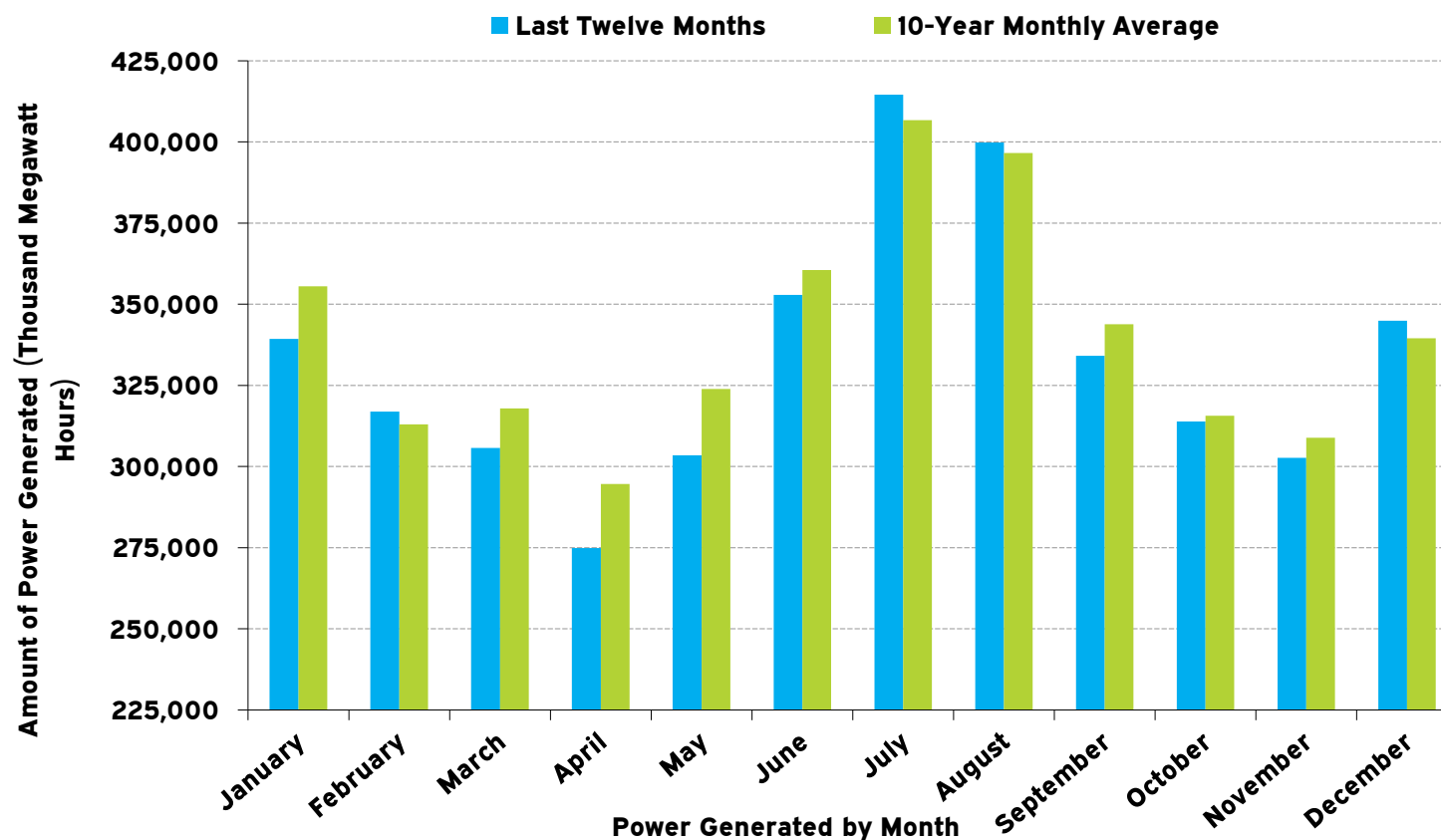


The chart above represents all US domestic and international flights, excluding foreign point-to-point flights by month. Air traffic is cyclical with peaks in the summer months and declines in the winter months.

There were 1.1 million fewer flights during the fourth quarter of 2020, representing a 45% decrease compared to the same period in 2019. Air traffic activity decreased by 44% over the 12 month period ended December 31, 2020 over the previous period. In addition to the number of flights during the fourth quarter decreasing year-over-year, the total number of passengers travelling on US and international airlines decreased by 62% from 2019 to 2020 with the lowest international travelers since 2003..

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

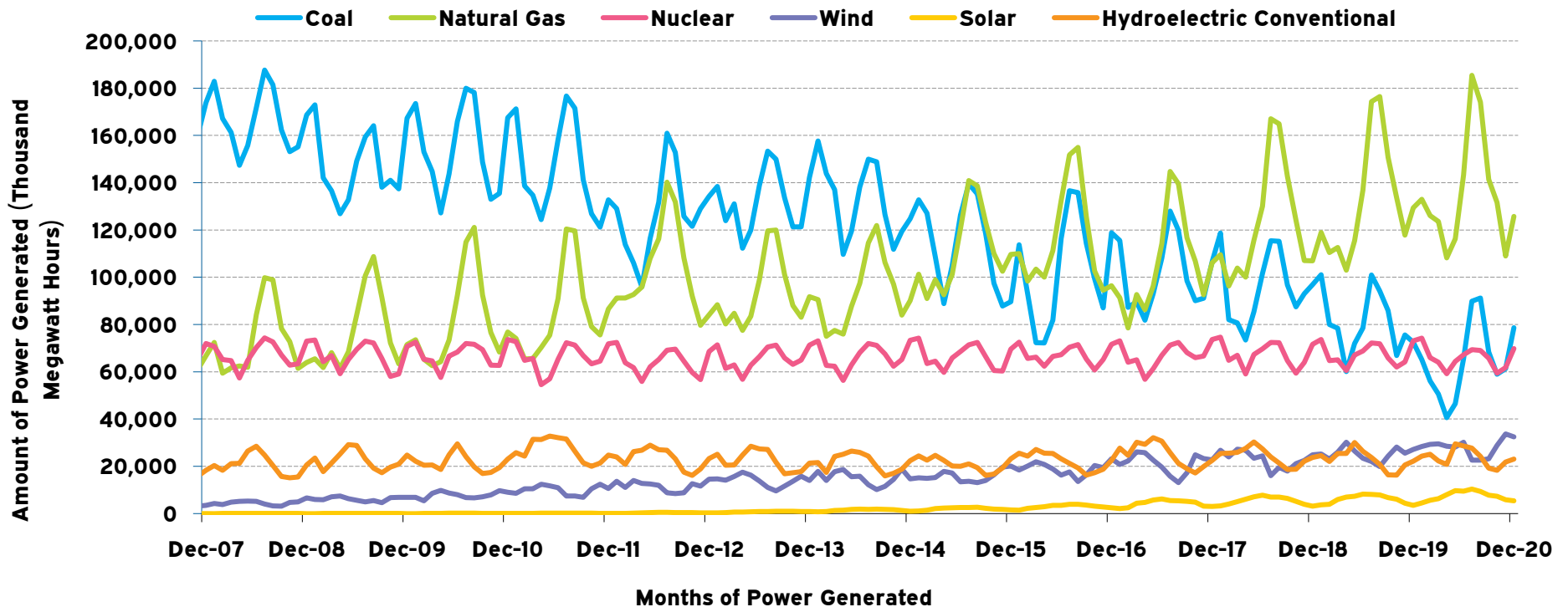
Total US Power Generation¹



The graph above represents 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 9 out of the 12 months. Net energy generation in the US decreased by 1.5% during the fourth quarter, compared to the same period in 2019. For the 12-month period ended December 31, 2020, net energy generation decreased by 2.8% over the previous 12 months.

¹ Source: US Energy Information Administration: Electric Power Monthly, December 2020.

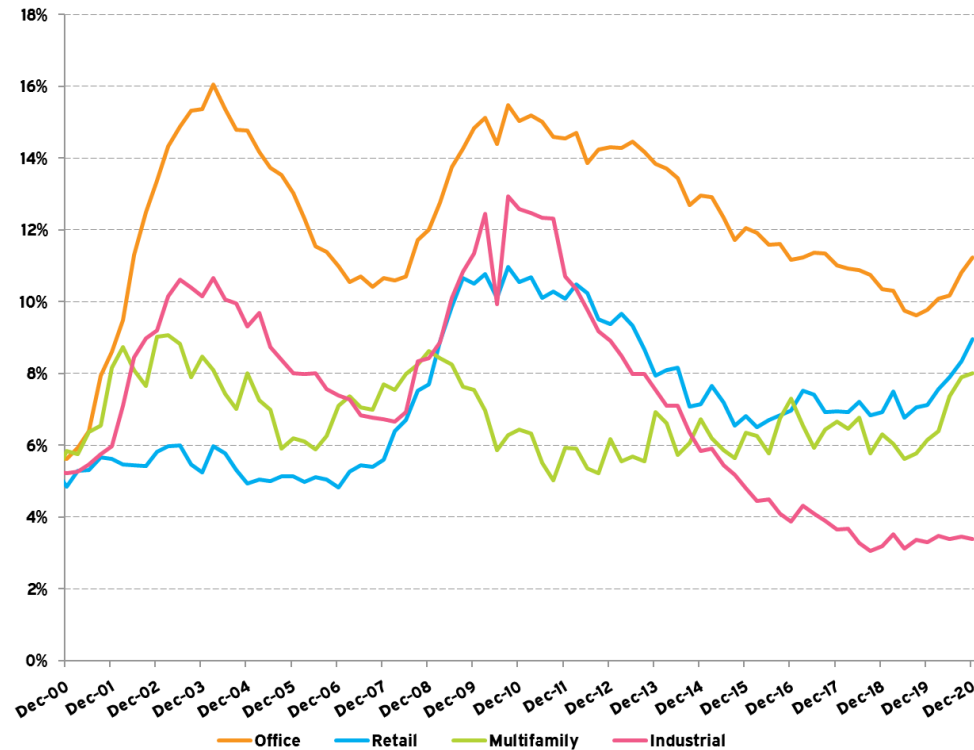
US Power Generation by Source¹



As power generation sources in the US, hydroelectric conventional, wind, and solar increased 7%, 18%, 33% respectively in the fourth quarter of 2020 (versus the same period in the previous year). Generation from coal, nuclear, and natural gas dropped by 8%, 4%, and 4%, 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 fourth quarter, while coal, natural gas, and nuclear accounted for 21%, 38%, 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.

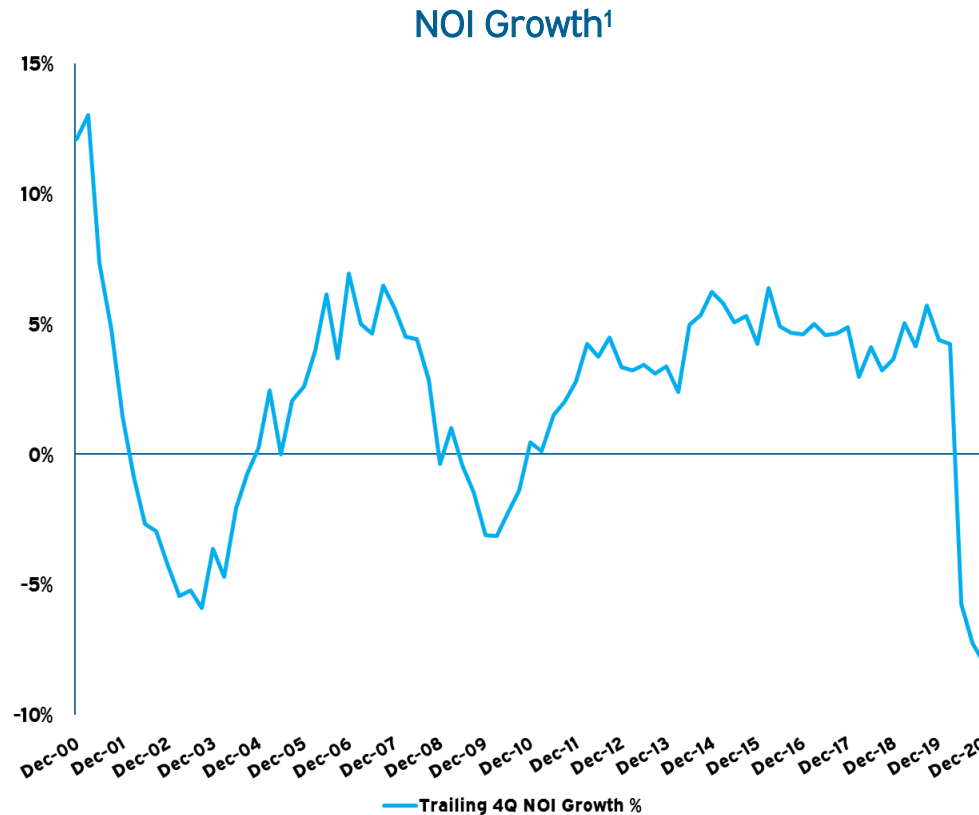
¹ Source: US Energy Information Administration: Electric Power Monthly, December 2020.

Real Estate Fundamentals Vacancy by Property Type¹



In the fourth quarter of 2020, vacancy rates increased for all property types except industrial. Multifamily vacancies increased in 2020. Retail and office vacancies also increased over the trailing twelve months. Industrial vacancies appeared to have bottomed just above 3.0%, at all-time lows for the sector. Compared to one year ago, vacancy rates in multifamily increased 186 basis points, office increased 147 basis points, industrial increased 8 basis points, and retail increased 185 basis points. Overall, the vacancy rate across all properties increased 112 basis points from Q4 2019.

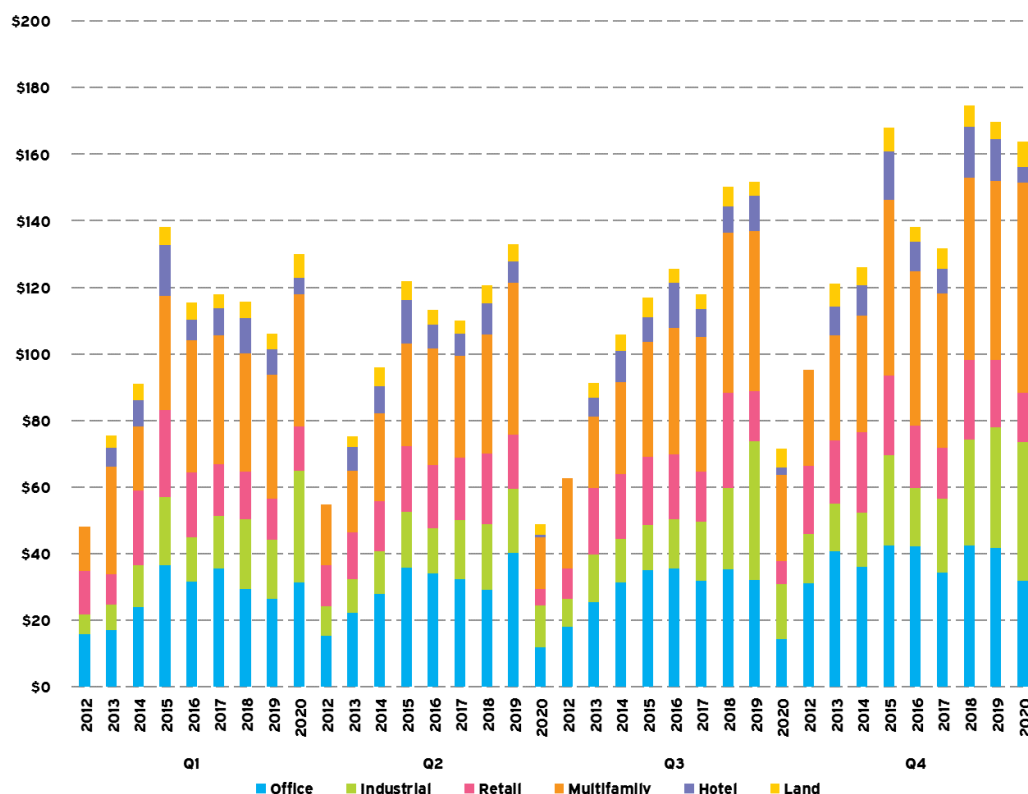
¹ Source: NCREIF



The trailing twelve-month rate of NOI continued to decrease, now down to -8.0% in the fourth quarter of 2020. The ongoing COVID-19 pandemic has disrupted commercial and multifamily property markets as operating expenses have not declined in response to the shutdown when compared to revenues. Industrial NOI has remained relatively flat, currently trending at 6.4% for the trailing year ending Q4 2020 (down 76 basis points from a year ago). Office NOI growth continued trending down to 1.0% year-over-year, and Apartment NOI (a sector with “gross” rents, compared to “net” rents in other property types) moved down significantly to -17.2%. Retail NOI growth improved slightly from the previous two quarters, now at -21.3% for the trailing four quarters.

¹ Source: NCREIF

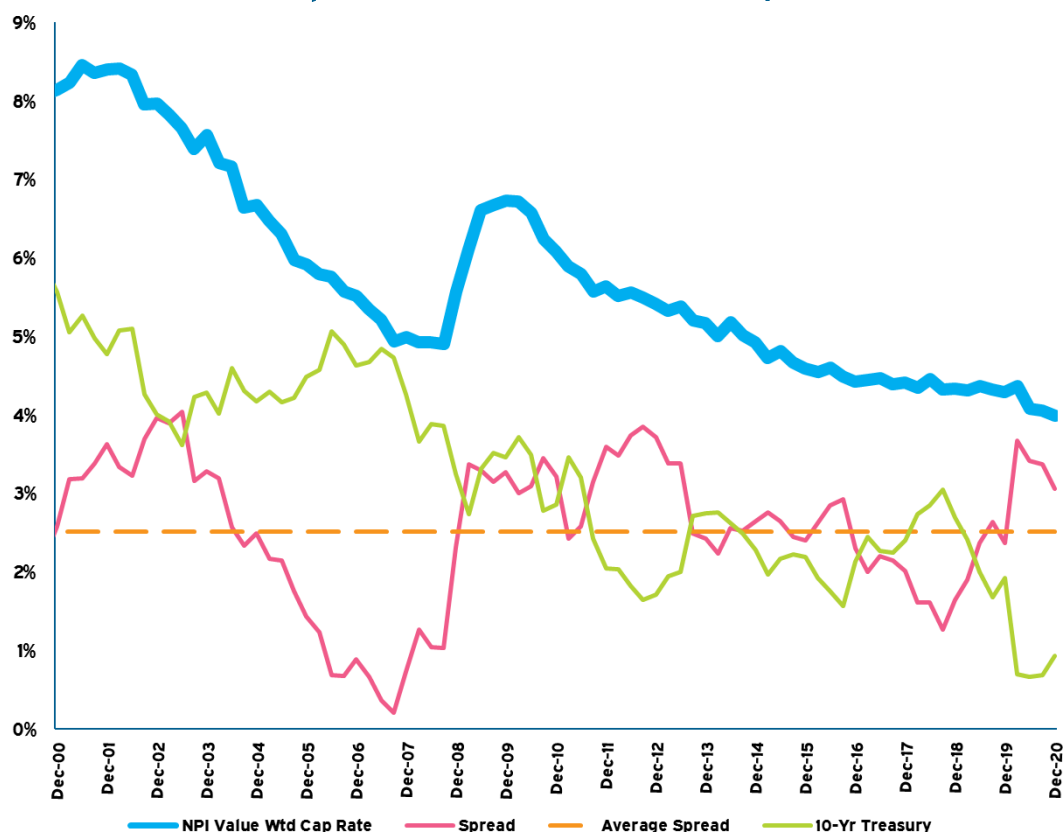
Transaction Volume (\$bn)¹



Private real estate transaction volume for properties valued over \$2.5 million for Q4 2020 was down only slightly from Q4 2019 to \$163.8 billion. Compared to a year ago, industrial (+14.6%) and multifamily (+17.1%) saw an increase in transaction volume, while office (-19.5%), retail (-25.7%), and hotel (-61.9%) experienced a decline in transaction volume. Multifamily and industrial properties made up the largest percentages of total transaction volume during the quarter, at 39% and 25%, respectively.

¹ Source: PREA

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



The NPI Value Weighted Cap Rate dropped below 4.0% in Q4 2020. The 10-year Treasury yield increased by 24 bps in Q4 2020 from the previous quarter, but is still well below historical yields. The spread between cap rates and treasury yields increased dramatically in Q1 2020 and now is 306 basis points in Q4 2020, which is 54 basis points above the long-term average spread.

¹ Source: NCREIF and US Department of the Treasury

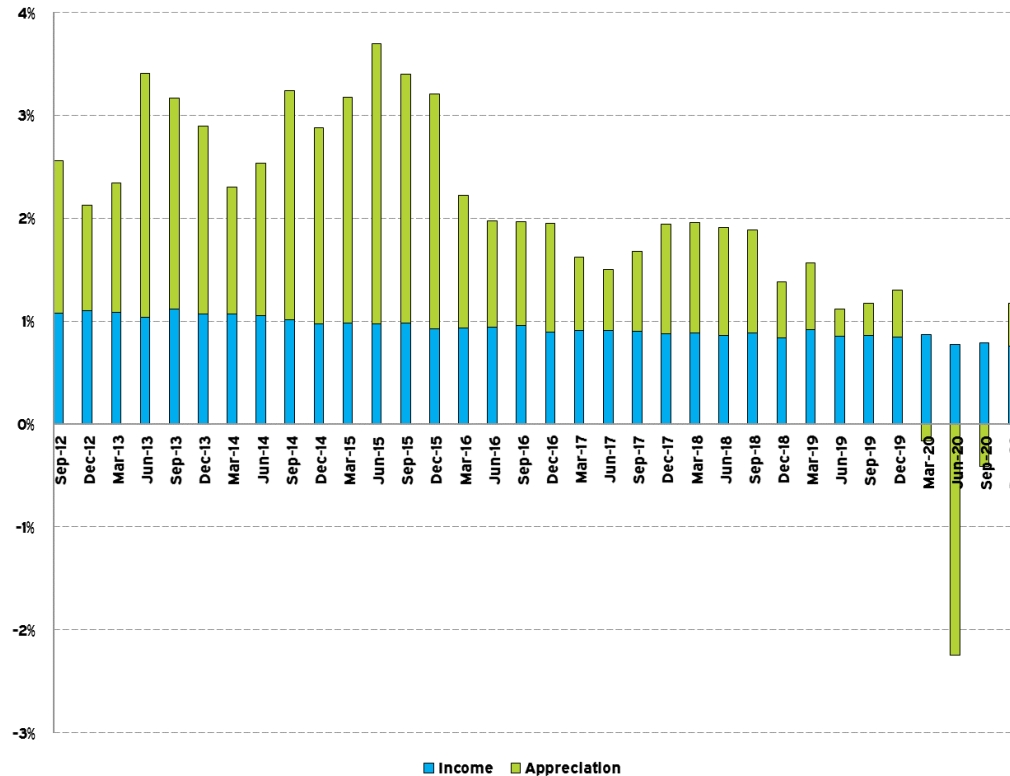
Trailing Period Returns¹

<i>As of September 30, 2020</i>	1 Year	3 Years	5 Years	10 Years
NFI-ODCE (EW, net)	0.8%	4.4%	5.7%	9.1%
NFI-ODCE (VW, net)	0.3	4.0	5.3	8.9
NCREIF Property Index	1.6	4.9	5.9	9.0
NAREIT Equity REIT Index	-5.1	5.3	6.6	9.2

Private real estate indices were positive in Q4 2020 and continue to be positive over the 1-year, 3-year, 5-year, and 10-year time horizons. Public real estate performance in 2020 has been volatile, posting an 8.2% return in Q4 2020, but negative over the course of 2020 at -5.1%.

¹ Source: NCREIF

ODCE Return Components¹ (Equal Weight, Net)



The NFI-ODCE Equal Weight return for Q4 2020 was positive at 1.2%, recovering slightly from the previous two quarters. The income component of the quarterly return remained steady at 0.8%, and appreciation for the quarter was back to positive at 0.4% after the two previous quarters saw negative appreciation return.

¹ Source: NCREIF

Below are details on specific terminology and calculation methodologies used throughout this report:

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.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions ("Forward Statements"). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the client will receive a return of the amount invested.

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.