

Action: That the Nebraska Investment Council (the Council) make a \$57 million commitment to Almanac Realty Securities IX, L.P. which is to be allocated to the following plans: \$50 million to the Defined Benefit and Cash Balance Benefit Plans, \$1 million to the General Endowments, \$1 million to the Health Care Endowment, and \$5 million to the Omaha School Employees' Retirement System. Approval is subject to completion of a legal review and satisfactory agreement of terms.

Background

Almanac Realty Securities IX, L.P. is a closed-end fund which focuses on providing growth capital to private and public real estate operating companies and companies that have significant real estate assets. The investment strategy for Fund IX is similar to the strategy used in prior funds. Historically, income return has accounted for half of the overall return in the Almanac fund series. The investment period for Fund IX will be four years from the final close with an unlevered 12% net return.

The Council's real estate pacing model calls for a total of \$120 million commitment to non-core strategies in 2022. This includes allocations to the DB/CBB Plans, OSERS, the General Endowments and the Health Care Endowment.

Overview of Current Funds

In 2008, the Council approved the first investment with Almanac in Fund V for \$25 million. Follow-up investments in the DB/CBB Plans include Funds VII and VIII. The OSERS real estate portfolio also includes investments in Funds VI and VII.

DB/CBB	Commitment	Net IRR	Equity Multiple	Current MV	Capital Returned
Almanac V (2008)	\$25 M	11.9%	1.5x	\$ 0 M	\$38.3 M
Almanac VII (2015)	\$40 M	13.0%	1.4x	\$21.7 M	\$28.0 M
Almanac VIII (2018)	\$40 M	9.0%	1.1x	\$13.0 M	\$ 0.8 M

OSERS	Commitment	Net IRR	Equity Multiple	Current MV	Capital Returned
Almanac VI (2012)	\$25 M	9.2%	1.3x	\$ 3.3 M	\$19.1 M
Almanac VII (2015)	\$30 M	13.0%	1.4x	\$16.3 M	\$23.2 M

As of 9/30/21 – AON RE Performance Report

Meeting Materials

- AON – Memo & Almanac IX Investment Summary
- Almanac Realty Investors – Almanac IX Presentation