Omaha School Employees' Retirement System (OSERS)
Core Real Estate Rebalance

September 2021
U.S. Core Real Estate Rebalance Scenarios

<table>
<thead>
<tr>
<th>Core Equity Funds</th>
<th>Current Core (1Q21)</th>
<th>TPF to Prime</th>
<th>SPF Redemption and Additional $15mm</th>
</tr>
</thead>
<tbody>
<tr>
<td>JP Morgan Strategic Property Fund</td>
<td>54.3%</td>
<td>54.3%</td>
<td></td>
</tr>
<tr>
<td>UBS Trumbull Property Fund</td>
<td>45.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime Property Fund</td>
<td></td>
<td>45.7%</td>
<td>29.8%</td>
</tr>
<tr>
<td>Lion Properties Fund</td>
<td></td>
<td></td>
<td>35.4%</td>
</tr>
<tr>
<td>PRISA</td>
<td></td>
<td></td>
<td>34.9%</td>
</tr>
</tbody>
</table>

- The “TPF to Prime” scenarios provides insight into a previously approved rebalance of the UBS Trumbull Property Fund’s proceeds to the Prime Property Fund

- The “SPF Redemption and Additional $15mm” scenario proposes a reallocation of the JP Morgan Strategic Property Fund’s proceeds to the Lion Properties Fund and an additional $15 million of new capital to PRISA
The proposed action should afford the OSERS core portfolio with one that looks similar to that of the DB/CBB

1. The redemption from the JP Morgan Strategic Property Fund to be reallocated to Lion Properties Fund
2. $15 million of new capital (per 2021 NIC Annual Investment Plan) to be allocated to PRISA
OSERS Real Estate Pacing Model

As of 3Q20, the real estate allocation for OSERS was 10.3%

$15 million in core real estate and $10 million in non-core real estate commitments is recommended for 2021

- The decreased amount from last year’s pacing analysis was a result of a decline in the assumption for growth of total plan assets
- The closed-end funds will roll off around 2022 and allow for new commitments to meet the 7.5% target policy allocation

Along with our $15 million core commitment recommendation approximately $15 million of UBS TPF redemption proceeds are expected to be redeployed to MS Prime Property Fund
Appendix
Reposition the portfolio to rebalance in accordance with the DB/CBB mix of core equity funds

- The first scenario represents the previously approved rebalance of the UBS Trumbull Property Fund proceeds to the Prime Property Fund, of which increases the portfolio’s 3yr net return
- The second scenario represents the proposed rebalance of the JP Morgan Strategic Property Fund proceeds to the Lion Properties Fund, and an additional $15 million of new capital to PRISA, of which further increases the portfolio’s 3yr net return

Remain cognizant of overall fee load for OSERS

- The addition of the aforementioned funds increase the overall core portfolio’s fee load, albeit within reason
  - Lion Properties Fund: 1.10% (no incentive fee)
  - Prime Property Fund: 1.19% (0.84% asset management fee plus 0.35% incentive fee)
  - PRISA: 1.00% (no incentive fee)

Source: The Townsend Group; Data as of 1Q21. Townsend’s views are as of this date of this publication and may be changed or modified at any time without further notice. Investing involves risk, including loss of principal. The above examples are for illustrative purposes only. This Presentation is not intended to constitute an offering of interests, which will be made solely by means of a Confidential Private Offering Memorandum and provided to qualified investors. Actual results and developments may differ materially from those expressed or implied herein. Past performance is not indicative of future results. NFI-ODCE Proxy Definition: NFI-ODCE Proxy data extracted from Townsend’s property database and used as a proxy for the NFI-ODCE index. Townsend’s property database contains data directly submitted to Townsend from fund managers within NCREIF’s NFI-ODCE index. The NFI-ODCE Proxy excludes one fund within the NFI-ODCE index that does not report data to Townsend’s property database. The excluded fund is <5% of the total NFI-ODCE index.
Portfolio Comparison: Aligning with Macro View

Townsend's Macro View:

Position the portfolio overweight to Industrial –

- Industrial has been the best performing sector over 1-, 3-, 5-, 7-, and 10-year periods, driven by strong fundamentals within the sector. The demand for e-commerce has driven industrial vacancy down and rent growth continues to be strong and investor demand for the space continues to drive increased valuations.

Position the portfolio underweight to Office and Retail –

- Uncertainty persists for Office properties as increased flexible work arrangements are forecasted to disrupt the correlation between office space demand and economic growth
- Retail was the lowest performing sector over the trailing twelve months. Regional malls and traditional high street retail have been negatively impacted by the wave of e-commerce, and NOI growth has slowed in the sector.

Source: The Townsend Group; Data as of 1Q21. Townsend’s views are as of this date of this publication and may be changed or modified at any time without further notice. Investing involves risk, including loss of principal. The above examples are for illustrative purposes only. This Presentation is not intended to constitute an offering of interests, which will be made solely by means of a Confidential Private Offering Memorandum and provided to qualified investors. Actual results and developments may differ materially from those expressed or implied herein. Past performance is not indicative of future results. NFI-ODCE Proxy Definition: NFI-ODCE Proxy is data extracted from Townsend’s property database and used as a proxy for the NFI-ODCE index. Townsend’s property database contains data directly submitted to Townsend from fund managers within NCREIF’s NFI-ODCE index. The NFI-ODCE Proxy excludes one fund within the NFI-ODCE index that does not report data to Townsend’s property database. The excluded fund is <5% of the total NFI-ODCE index.
Portfolio Comparison: Risk Profile

Portfolio Risk is in-line with the profile of NFI-ODCE
- Non-core exposure (development) for Lion Properties Fund and PRISA is above NFI-ODCE, but within reason and may be accretive in a period of economic expansion
- Leverage is reasonable for the Lion Properties Fund, the Prime Property Fund, and PRISA

Source: The Townsend Group; Data as of 1Q21. Townsend’s views are as of this date of this publication and may be changed or modified at any time without further notice. Investing involves risk, including loss of principal. The above examples are for illustrative purposes only. This Presentation is not intended to constitute an offering of interests, which will be made solely by means of a Confidential Private Offering Memorandum and provided to qualified investors. Actual results and developments may differ materially from those expressed or implied herein. Past performance is not indicative of future results. NFI-ODCE Proxy Definition: NFI-ODCE Proxy is data extracted from Townsend’s property database and used as a proxy for the NFI-ODCE index. Townsend’s property database contains data directly submitted to Townsend from fund managers within NCREIF’s NFI-ODCE index. The NFI-ODCE Proxy excludes one fund within the NFI-ODCE index that does not report data to Townsend’s property database. The excluded fund is <5% of the total NFI-ODCE index.
Disclosures
Disclosures

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

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

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

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

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

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

Townsend is a wholly owned, indirect subsidiary of Aon plc.