

MEMORANDUM

TO: Members of the Investment Committee, CalPERS
FROM: Meketa Investment Group
DATE: June 15, 2026
RE: Annual Program Review, inclusive of Quarterly Real Estate Performance Review
 as of March 31, 2026

In our role as the Board Real Estate Consultant, Meketa Investment Group (Meketa) conducted an annual program review, inclusive of the quarterly performance review, of the Real Estate Portfolio (the Portfolio) based on data provided in Wilshire's California Public Employees' Retirement System (CalPERS) Real Assets Performance Analysis Review for the period ended March 31, 2026, and selected CalPERS reports.¹ This memorandum provides the Portfolio performance data and information on key policy parameters, along with summary market commentary.

Performance²

Portfolio-Level Returns

CalPERS (the System) assigns the goals of diversification from public securities, current income, and inflation protection to its Real Assets portfolios, of which real estate comprises 68.8%. The Portfolio's diversification is serving the System as different property sectors experience varying demand and supply dynamics. Similarly, CalPERS' focus on the highest quality locations and materials that attract credit-worthy tenants provides defensive characteristics. Across real estate markets, no property type or geographic region necessarily outperforms over the long-term, so diversification is critical.

CalPERS' Real Estate Portfolio returns exceeded the benchmark for all time periods presented. While total returns are stabilizing, and the income return is generating reliable, positive cash flow to the System, fulfilling the role of the asset class in the broader CalPERS portfolio, we anticipate near-term performance to continue to be challenging.

Measured by a percentage of Loan to Value (LTV), CalPERS has historically used more leverage than the benchmark (34.5% versus the benchmark of 26.8%). When property values are rising, this accelerates returns. When values decline, this detracts from performance. Measured by the 2.5x multiple of Net Operating Income to debt service, (coverage ratio, or DSCR), and the strength of the tenancies, this is nevertheless deemed to be a prudent level of debt. Both LTV and DSCR are well within policy guidelines of <50% and >1.5x, respectively.

¹ Real Assets Program Allocation, Characteristics, and Leverage Reports (pdf) and Datasheets (Excel), Period Ending December 31, 2025, and Real Assets Quarterly Performance Report, Partnership Financial Statements as of December 31, 2025.

² Per Wilshire's CalPERS Real Assets Performance Analysis Review for the period ended March 31, 2026 reported with a 1-quarter lag, so effectively as of December 31, 2025.



Net Returns March 31, 2026	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Real Estate Returns	5.7	-2.8	2.8	4.0
Real Estate Policy Benchmark ¹	2.9	-4.2	2.5	3.9
Over (under) Performance	2.8	1.4	0.3	0.1

Prior to 2022, institutional real estate benefitted from more than a decade of low interest rates and economic growth tailwinds. However, since early 2022, lower economic growth and higher interest rates have caused a re-pricing of the entire real estate sector, which has resulted in eleven quarters of depreciation in CalPERS' private real estate benchmark. Industry participants believe that prices have reached an inflection point, and the benchmark has reported a slightly positive total return for the past six quarters. However, the appreciation return has fluctuated between being slightly positive to slightly negative over the same six quarter time period with the appreciation return being a negative 0.1% for the current quarter. Meketa continues to expect some near-term volatility in valuations, due to economic uncertainty and the forward trajectory of interest rates, inflation, and other economic indicators.

Performance Attribution

Rising interest rates and COVID market dislocations have created a very challenging return environment since 2022. The cumulative quarterly returns between September 2022 and the current quarter are weighing heavily on all time periods presented, although the one-year return is slowly showing signs of improvement. Despite the relative and absolute total returns being lower than what one would normally anticipate, all returns presented exceeded the benchmark on an absolute basis. The one-year return was mainly attributable to the income component as the appreciation component of return continues to stabilize and be slightly positive. Despite the three-, five-, and ten-year returns exceeding the benchmark by 140, 30, and 10 basis points, respectively, absolute returns continue to be challenging due to the cumulative impact of rising interest rates. It should be noted that while returns for CalPERS' office portfolio trail the benchmark for the three-, five-, and ten-year time periods, CalPERS' office allocation is below that of the benchmark, which is beneficial to overall relative returns. In addition, while the overweight to retail, and malls in particular, is a drag on the longer dated five- and ten-year returns, total retail returns have improved in recent quarters. Overall, the portfolio continues to generate consistent income with which CalPERS can pay its beneficiaries, and the income return exceeded that of the benchmark for all time periods presented.

For the one-year period, the portfolio posted a 5.7% net return, consisting of 3.9% current income and appreciation of 1.8%. The total net return exceeded the benchmark by 280 basis points, due primarily to the strength of the overall office, multifamily, and data center portfolios, which represent a combined 40.5% of total net asset portfolio value. Of particular note is the outperformance of the office portfolio, generating a 14.0% one-year return. While the overall office market continues to be very challenged,

¹ CalPERS Real Estate Policy Benchmark, with historical composition as follows: As of July 1, 2018 is the MSCI/PREA US ACOE Quarterly Property Fund Index (Unfrozen), Net of Fees. From July 1, 2011 through June 30, 2018, the Policy Benchmark was the NCREIF Fund Index Open-End Diversified Core Equity, Net of Fees. The Policy Benchmark results are shown on a blended basis during the relevant trailing periods.



writedowns across CalPERS' office portfolio have decreased in recent quarters and some market rent growth has returned along with leasing activity. The majority of the office portfolio is comprised of assets which are located in or near the central business district of large gateway markets. As construction starts and deliveries of new office assets are at historic lows, the competitive supply is contracting. This situation is continuing to favor well located and amenitized assets over lower quality, suburban, and/or commodity office assets. However, it is anticipated that in order to continue to attract tenants, the amount of capital required to update or maintain these assets is expected to grow. Therefore, shorter term performance should be viewed cautiously. The multifamily and data center portfolios outperformed the benchmark by approximately 510 and 180 basis points, respectively. The total core portfolio also outperformed the benchmark by 260 basis points for the one-year time period. It should be noted that the life science portfolio, representing 1.9% of overall net asset value, has struggled, posting negative returns of 14.4% and 23.0% for the one-, and three-year periods, respectively. Cuts to government research funding associated with the National Institutes of Health have caused material near-term headwinds for the life science sector. The longer-term outlook is more positive, but in the interim, the impacted assets are being closely monitored.

The market continues to produce a remarkable dispersion of returns across property types and locations, with clear winners and losers from a space demand perspective. Even among core holdings, where we would expect to see less volatility in performance, there was a range of returns. Office, which represents 9.6% of the core portfolio, generated a one-year return of 13.3%. At the other end of the spectrum was the retail portfolio which represents 19.4% of the core portfolio and generated a one-year return of 3.6%. Both of the preceding portfolios have struggled the past few years, due primarily to COVID and pandemic related impacts, along with e-commerce growth and evolving shopping preferences, especially within the mall space.

Office buildings, which represent 9.6% of the core portfolio, generated a 13.3% one-year return. While the one-year return was very strong this quarter, the returns for the three-, five-, and ten-year time periods are still negative. It should also be noted that on an unlevered basis, the core office portfolio outperformed its peer set for the one-, three-, and five-year time periods. The post pandemic return to office has been strong in some gateway cities such as New York City and San Francisco in comparison to other markets. In addition, some technology and artificial intelligence companies in particular are expanding their office footprints. While CalPERS' underweight to office relative to the benchmark continues to be a positive, and the return for the current quarter within CalPERS' portfolio and the benchmark was positive again this quarter, the overall sector is very challenged and shorter term performance should be viewed cautiously.

Mall retail property investments, to which CalPERS has had a material overweight compared to the benchmark, and which account for 9.6% of the core portfolio, posted a total return of 1.5% for the one-year time period. The mall retail property type in general has evolved over the past ten years in response to a decrease in foot traffic and an increase in online shopping. However, more retailers are implementing an omnichannel retailing model which integrates the customer experience across online, mobile applications, and physical stores. Creating a seamless experience across channels with the added benefit of customers being able to pick up and/or return items purchased via another channel to a physical store is benefitting mall owners. Even digital native stores are now interested in a physical store location close to their customers. Mall owners have also increased the different types of retail concepts



and experiences being added to properties in order to drive more foot traffic, although this has also increased renovation costs. Since inception, these investments have produced a 4.4% total net return.

The other portion of CalPERS' retail holdings, grocery-anchored shopping centers, which amount to 9.9% of the core portfolio, generated a return of 5.8% for the one-year time period. The portfolio also generated positive returns across the three-, five-, and ten-year time periods in addition to a since inception return of 6.9%. Shorter average lease terms, relative to big box retailers, and little new development have given owners of grocery anchored shopping centers the ability to more proactively push rents, especially given historically low vacancy within the sector.

Multifamily and industrial returns have moderated from highs attained in 2021 and the first half of 2022. Multifamily buildings, which represent 22.3% of the core portfolio, generated a 7.1% one-year return. Industrial buildings, which represent 34.1% of the core portfolio, generated a 4.4% one-year return. While industrial returns in particular have decreased in recent quarters, the returns for the longer dated five- and ten-year time periods are very strong at 9.8% and 11.6%, respectively. While both sectors are experiencing varying amounts of slowing rental rate growth, industrial properties with longer leases at below market rents are getting penalized for the lost potential revenue (the "loss to lease").

Longer-term performance for these property types is expected to be stronger, as both benefit from resilient demand drivers and moderating new supply. Industrial buildings continue to benefit from greater e-commerce volume and onshoring of manufacturing, while multifamily properties benefit from the shortage and lack of affordability of single-family homes.

CalPERS' data center portfolio, representing 7.2% of the core portfolio, generated a return of 4.8% for the one-year time period. The portfolio also generated positive returns across the three-, five-, and ten-year time periods in addition to a since inception return of 9.0%. Data center buildings are benefiting from increased cloud computing, technological device usage, and artificial intelligence spending.

As of this reporting period, the core risk portfolio, comprised of completed, leased and cash flowing assets, and representing 87.6% of the Real Estate Portfolio, produced longer-term returns of 3.5% for the five-year period, and exceeded the Real Estate Policy benchmark returns by 100 basis points. The ten-year return of 4.7% exceeded the 3.9% benchmark return by 80 basis points. The majority of core properties are held directly in lower cost separate accounts (as opposed to investing in open -end commingled pools).

Net Returns As of March 31, 2026 ¹	NAV (\$B)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Core	48.4	5.5	-2.7	3.5	4.7
Value Add	5.0	4.5	-7.1	-2.9	1.4
Opportunistic	1.1	1.7	-7.2	-2.5	-0.7
Real Estate Policy Benchmark	--	2.9	-4.2	2.5	3.9

¹ Private Investment data are one quarter lagged, so effectively as of December 31, 2025.



Key Policy Parameters

The Real Estate Portfolio is compliant with all key parameters related to diversification and other limits applicable at the Portfolio level, as demonstrated in the following table.

Key Portfolio Parameter	Policy Range/Limit	NAV 3/31/26 Exposure ¹
Risk Classification	(%)	(%) ¹
Core	75-100	87.6
Non-Core	0-25	12.4
Geographic Region	(%)	(%) ²
United States	75-100	94.1
International Developed	0-25	3.9
International Emerging	0-15	2.0
International Frontier	0-5	0.0
Manager Exposure³	(%)	(%)
Largest Partner Relationship	20 max	10.0
Investments with No External Manager	20 max	11.8
Leverage⁴		
Loan to Value	50% max	34.5%
Debt Service Coverage Ratio	1.5x min	2.5x

Implementation

The Real Estate Portfolio had a market value of \$54.3 billion at the end of the current reporting period, representing 68.8% of the Real Assets program and 9.1% of the total portfolio. Including Forestland and Infrastructure, the Real Assets program currently comprises 13.2% of the total portfolio against a long-term target allocation of 15.0%, within the policy range of 8% to 18%. CalPERS has a very small exposure to overseas properties, and almost no exposure to the hospitality industry in its private real estate holdings.

The CalPERS business model for real estate emphasizes control, transparency, alignment and governance. CalPERS' market advantages are its size, scale and ability to hold assets for longer periods.

¹ Real Assets Quarterly Performance Report as of December 31, 2025 and Real Assets 2025.12.31 Characteristics Report (PDF), based on asset-level risk.

² Real Assets Quarterly Performance Report as of December 31, 2025 and Real Assets 2025.12.31 Characteristics Report (PDF), based on asset-level geography.

³ CalPERS Real Assets Portfolio Allocation Report (Excel), Period Ending December 31, 2025: calculated based on manager- and account-level NAV. Percent calculated using relevant NAV plus total unfunded commitments for relationships/investments and same for the Real Assets Program (\$99.7 billion).

⁴ CalPERS Real Assets Portfolio Leverage Report (pdf), Quarter Ending December 31, 2025.



The implementation of this business model is primarily through direct investing with separately managed accounts, in which CalPERS has effectively complete control. Cancellable separate accounts are created with expert, aligned fiduciary managers/partners. These relationships are overseen by Staff with the benefit of independent consultants' prudent person opinions and monitored on behalf of the Trustees by the Board Consultant. This provides a replicable, scalable model that can grow as the Total Fund size grows and invest within the strategic ranges based on market conditions and alternative investments available to the Total Fund. The Fund also uses closed end commingled funds to generate higher returns and to access differentiated strategies and management teams.

CalPERS continues to be an industry leader in creating and embracing Responsible Contractor Policies and ESG best practices at its properties. Additionally, during the last five years, the Staff has made progress harmonizing several of the private asset classes under the Real Assets Unit. This has improved continuity of research, decision-making, risk mitigation and reporting, as well as providing increased knowledge across INVO. This is consistent with a System wide, Total Fund approach rather than a collection of independent asset "silos."

Real Estate Portfolio Structure

The Portfolio invests via a number of different managers and investment vehicles, currently relying primarily on separate accounts and commingled funds.

Partners	Partnerships	Investments	Countries
23	50	1,393	19+

Investment Vehicle Type	Count	% of NAV	% of NAV + Unfunded
Commingled Funds	13	6.8	8.9
Direct Investments	1	19.9	18.1
Fund Co-Investments	5	1.0	2.2
Separate Accounts	31	72.3	70.8
Total	50	100.0%	100.0%

Real Assets Program Staffing Update

The Real Assets Program is led by its Managing Investment Director (MID), along with three Investment Directors, who together oversee approximately 37 other Staff positions, as of May 1, 2026.

As the level of activity in infrastructure has increased over the last several years, and infrastructure investment has begun to scale in a meaningful way, Real Assets' staff have begun to specialize in either real estate or infrastructure activities. Additionally, whereas there used to be a separation of new investment underwriting from ongoing portfolio management, most team members currently work across all phases of the investment program, including sourcing and diligencing new investments, as well as managing existing investments and manager relationships.



The Program is recruiting an Investment Officer (IO) II and an Analyst, both specifically for real estate. Staffing movements among professionals supporting the Real Estate Portfolio over the prior fiscal year are as follows: one Assistant Investment Manager (AIM) promoted to Investment Manager (IM), one IM retired, one IO III retired, one IO II departed, one IO I promoted to an IO II, and one IO I hired.

Overall, we have observed the Real Assets team as stable, engaged, and collaboratively working together in a rigorous investment sourcing, diligencing, decision-making, and post-commitment and post-acquisition management process. Their rigor and focus has been important to increasing the infrastructure portfolio's scale and diversification in addition to increasing real estate's non-core investments in a thoughtful, strategic, and prudent manner.

Conclusion

CalPERS' continued discipline, long-term investment horizon in this illiquid asset class, and focus on the role of the asset class should continue to serve the needs of the System. Adhering to the Strategic Plan, particularly in times of market uncertainty and disruption, will ensure the real estate program continues to scale in an appropriate manner and contribute to achieving CalPERS' investment objectives.

Please do not hesitate to contact us if you have questions or require additional information.

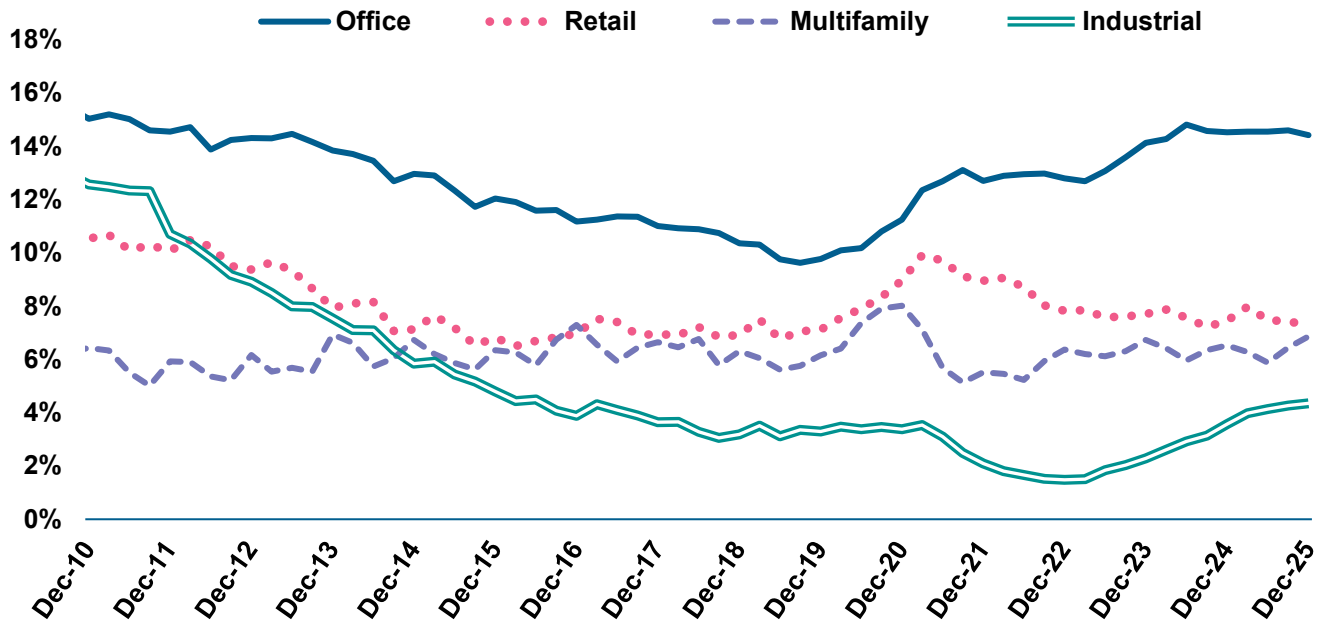
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Attachment

Real Estate Market Views – Q4 2025

Vacancy by Property Type¹



In the fourth quarter of 2025, the aggregate vacancy rate across all property types remained relatively stagnant around 6.7%.

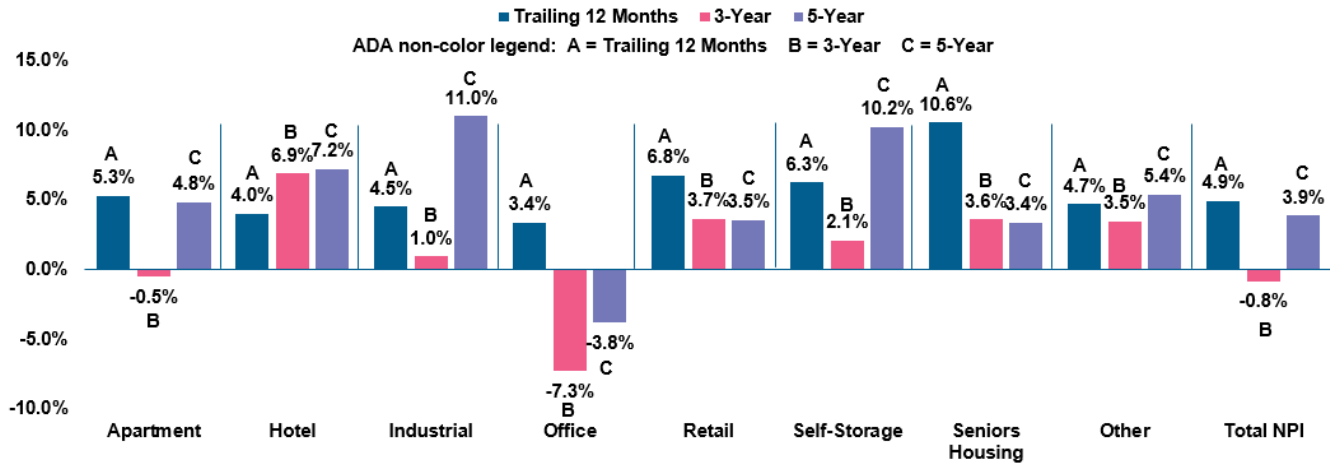
Rising vacancies are largely driven by the office and industrial sectors, which have seen the most consistent increases in recent years. Office vacancies have continued climbing since COVID and are now at their highest level since the early 2010s, despite a recent plateau. Industrial vacancies, meanwhile, have ticked up after hitting record lows in 2022, as tenant demand normalizes and new supply continues to deliver.

The multifamily sector has similarly been affected by oversupply issues; however, vacancies have remained relatively stagnant year-over-year. Over the long term, multifamily real estate demonstrates the most stable vacancy trends across the four main property types, largely rooted in the necessity of housing and a growing population that continues to drive strong fundamentals in the sector.

¹ Source: NCREIF.



NPI Returns by Property Type¹



As of Q4 2025, the NCREIF Property Index (NPI) generated a 4.9% trailing 12-month return, supported by strong sector performance generally.

Office remains the only sector with pronounced negative property-level returns over the 3-year and 5-year period, although apartments also posted a slight negative return over the 3-year horizon, largely due to elevated supply during that timeframe.

Over the past year, seniors housing has delivered standout returns compared to other sectors, driven by steady demand and limited new supply, bolstered by underlying demographic trends.

Over the longer term, the industrial and self-storage sectors are clear outperformers. The post-pandemic e-commerce boom and lifestyle shifts (relocation, need for home office, etc.) contributed to both sectors' success, respectively.

¹ Source: NCREIF.



Transaction Volume (\$B)^{1,2}

Year	Industrial	Multifamily	Office	Retail	Hotel	Land	Data Center
2015	78.0	152.7	149.8	90.0	50.3	24.1	2.5
2016	59.4	159.1	143.3	76.6	35.8	18.0	2.1
2017	73.6	156.2	133.7	64.8	30.3	19.0	15.2
2018	97.0	174.6	136.2	87.6	43.1	22.4	4.9
2019	114.9	184.9	140.2	63.9	37.3	19.3	2.9
2020	103.8	144.2	89.5	40.4	12.7	23.6	7.9
2021	173.6	346.8	143.8	80.4	46.0	31.0	14.8
2022	148.8	293.6	115.7	83.2	46.6	29.5	26.0
2023	90.2	119.6	52.1	58.0	26.6	20.8	6.9
2024	104.6	149.0	64.0	55.7	24.3	20.9	7.2
2025 YTD	81.4	121.6	60.0	53.7	20.1	24.1	3.6

Commercial real estate transaction volumes declined sharply in 2023 amid rising interest rates and economic uncertainty but began a measured recovery by late 2024, despite remaining well-below the 10-year average from 2015-2024. Aggregate transaction volume in 2025 is also trending significantly below historical norms.

Private real estate transaction volume for properties valued over \$2.5 million accelerated in October 2025 to \$364 billion YTD, representing a monthly increase of over \$31 billion, or 9%, from the total volume at the end of Q3 2025. Multifamily and industrial continue to drive most of the transaction activity.

Importantly, real estate transactions often take 60-90 days from agreement to when they close, creating a modest lag effect in the transaction data presented above.

¹ Source: PREA, as of December 31, 2025.

² PREA Compendium of Statistics is pending an update through year-end. The most-up-to-date information available provides data through October 2025 for transaction volume.



Dry Powder for Real Estate Closed-End Funds^{1,2}

Year	Value Added	Opportunistic	Core	Debt	Core-Plus	Fund of Funds	Secondaries	Distressed
2015	51.1	64.4	10.5	27.9	8.0	4.2	7.4	2.9
2016	54.2	65.9	12.5	38.2	9.0	3.7	9.4	5.5
2017	60.9	73.9	15.4	46.9	9.6	3.4	9.6	5.9
2018	71.7	76.4	14.7	59.1	9.1	3.7	12.8	4.9
2019	84.1	106.8	19.3	60.4	10.6	4.6	12.3	2.9
2020	93.5	102.9	20.6	65.3	15.0	5.1	16.6	2.7
2021	114.6	116.0	19.8	72.9	17.1	7.1	14.8	8.3
2022	141.4	139.2	22.1	64.9	18.9	7.1	15.5	6.3
2023	132.0	126.7	23.2	60.1	14.8	5.8	20.1	4.6
2024	109.0	112.3	27.5	54.9	10.1	4.5	17.7	3.1
2025	96.6	102.5	34.4	58.0	7.8	4.3	19.5	2.9

Dry powder, or committed but uncalled capital, for real estate closed-end funds in North America has generally trended upwards over time, reaching peak levels in 2022 as an influx of capital flowed to the asset class due to strong performance.

Post-COVID, the overhang of dry powder was initially exacerbated by market uncertainty and a marked slowdown in transactions, which eventually dissipated. The low-interest rate environment and pent-up demand reignited fundraising activities, further increasing dry powder in 2021 and 2022.

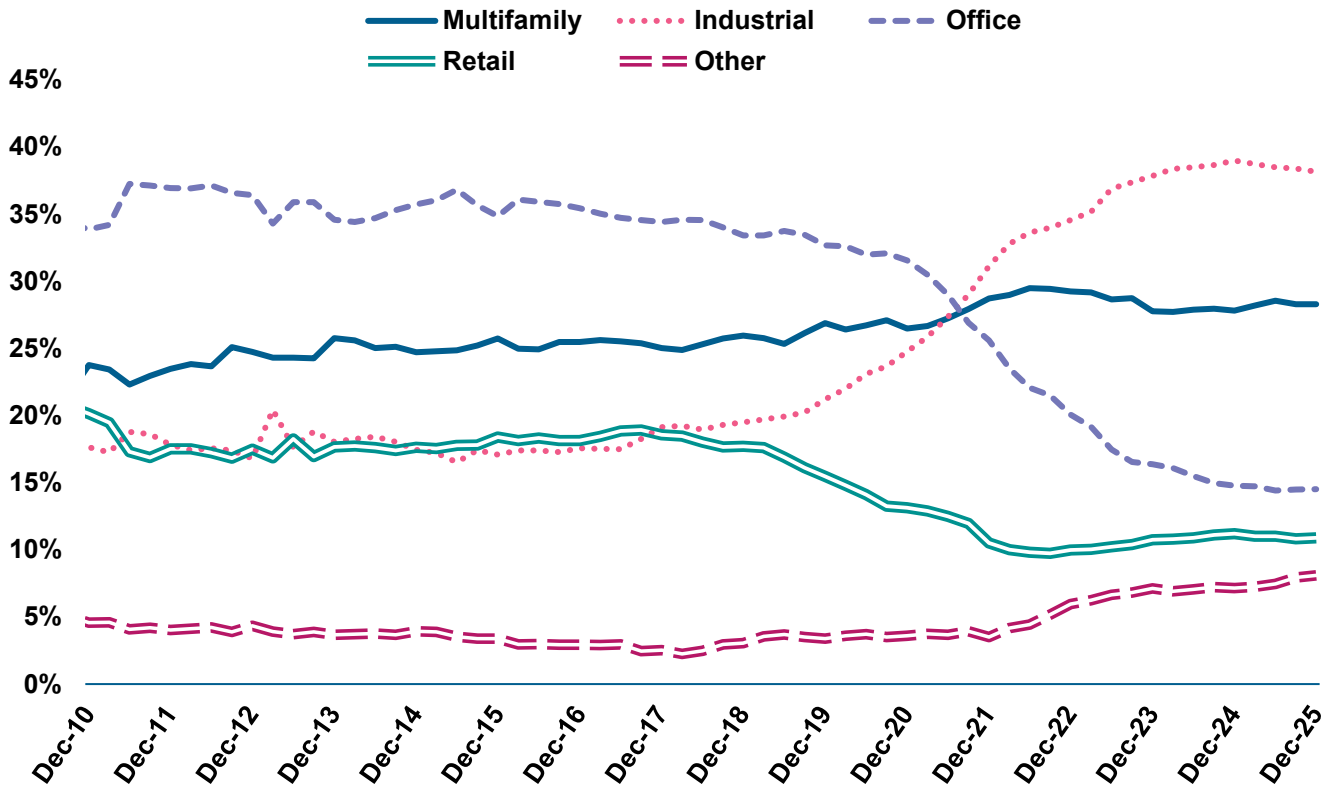
In recent years, the amount of real estate capital to deploy within North America has declined as fundraising has slowed amidst the higher rate environment, the subsequent valuation declines, the slower pace of deployment (delaying the launch of many new closed-end funds), and poor fundraising environment overall.

¹ Source: Preqin. Data pulled as of March 2026. North America Funds. Dry Powder is defined as the capital called amount, subtracted from the fund's size/latest close size. If the capital called % metric is not reported for a given fund, a benchmark capital called % is used instead. For fundraising totals, Preqin only uses final close sizes and does not account for each close – calculations only count in the year of the final close.

² 2025 data represents available information through December 2025.



ODCE Property Type Allocation¹
(% of EW NAV)



The NFI-ODCE Equal Weight Index currently comprises 28% multifamily, 38% industrial, 15% office, 11% retail, and 8% in other property types, based on its net asset value (NAV) as of Q4 2025.

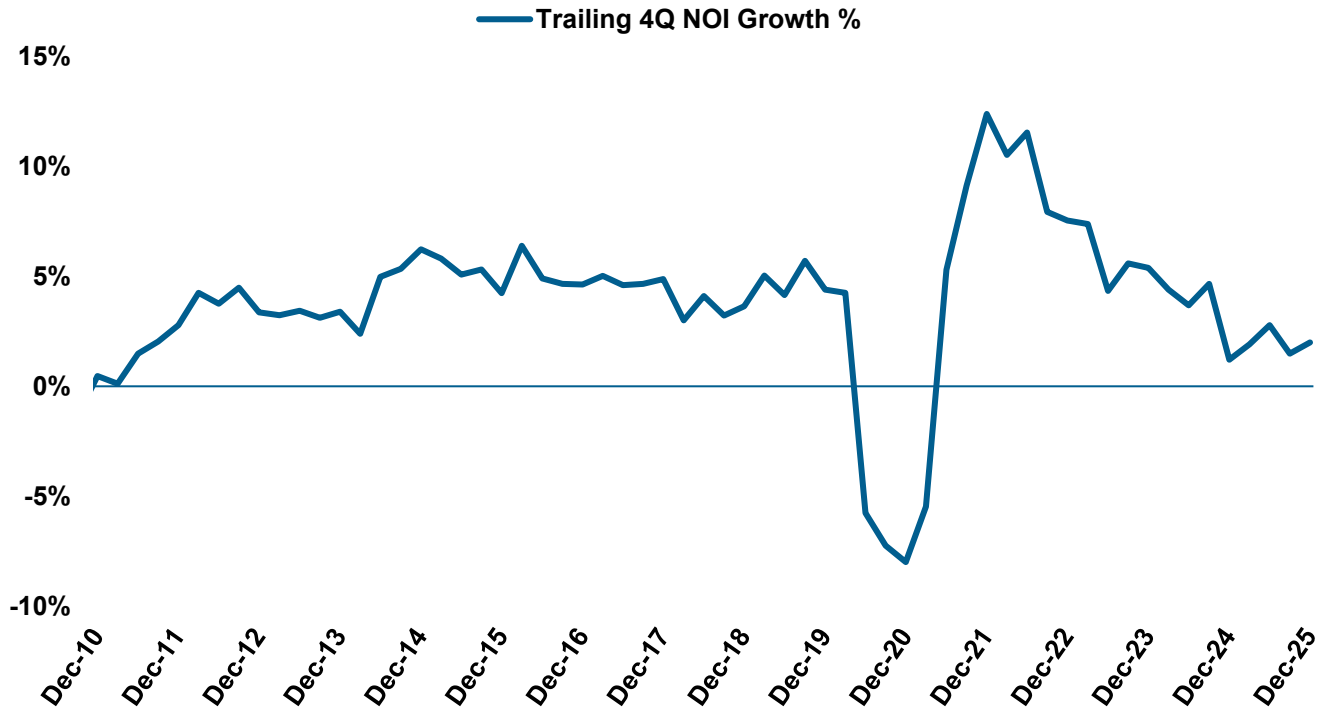
Capital flows and values began to favor the industrial sector starting around 2017, at the expense of office and retail properties. The onset of the pandemic in 2020 further accelerated the decline in office exposure which drastically dropped off in 2021 and 2022 and has continued its steady decline through present day. While retail similarly experienced an initial dip post-COVID, the sector has encountered a recent recovery given strong fundamentals, particularly in neighborhood and community centers.

Other property types, including self-storage, healthcare, and senior housing, have continued to gain traction over the last several years as managers seek to re-allocate office dollars and diversify their portfolios beyond traditional multifamily and industrial. The Index’s single largest exposure within “Other” is currently self-storage, representing a 3.5% allocation as of Q4 2025.

¹ Source: NCREIF.



NOI Growth¹



Following the GFC, annual income growth rates were relatively steady, hovering in the 2% to 5% range leading up to the COVID pandemic.

NOI growth turned negative in early 2020, driven by dramatic declines in in-store shopping and a surge in remote office work. Many jurisdictions also established apartment eviction moratoriums, which led some renters to remain in place without making monthly payments.

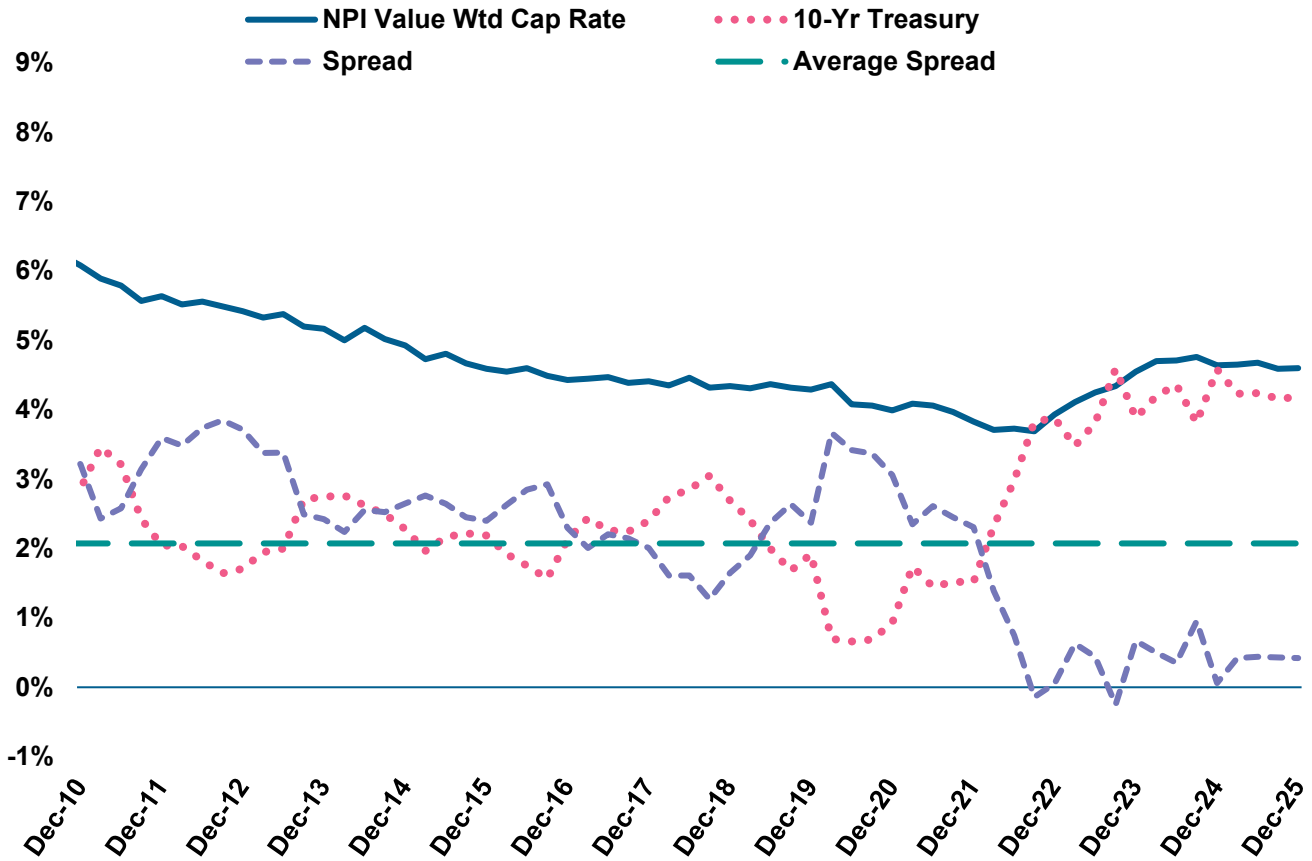
NOI Growth bounced back in 2021 as shoppers returned to stores, eviction moratoriums were lifted, and in-office mandates were reinstated, for most, to at least two or three days in the office per week. Over the past few years, NOI growth has steadily declined, driven by elevated interest rates and a resulting slowdown in rental income growth.

The overall trailing 12-month NOI growth rate accelerated in Q4 2025 to 2.0%, a 51 basis points increase from the prior quarter. Both multifamily and retail experienced an increase in their respective year-over-year NOI growth rates during the fourth quarter, while office and industrial experienced a slight decline. Office exhibits the only negative trailing 4Q growth rate at -5.4%.

¹ Source: NCREIF.



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



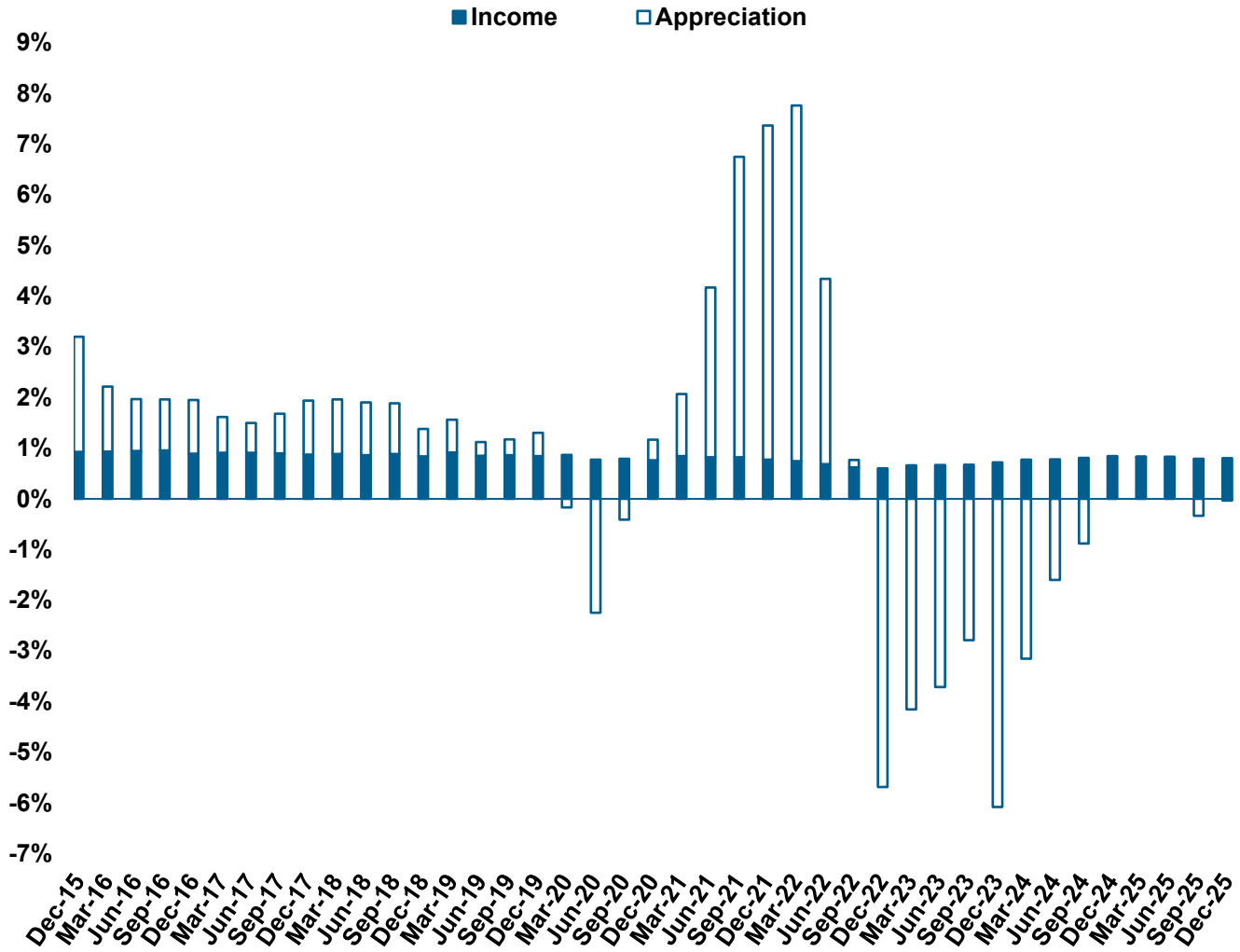
The NPI Value Weighted Cap Rate remained relatively unchanged over the fourth quarter at 4.60%, only increasing by a single basis point from Q3 2025.

The 10-year Treasury yield also remained relatively stable, rising by just two basis points in Q4 2025 to 4.18%. As both metrics saw little to no change, the cap rate spread as of Q4 2025 remained tight at 0.4%, well-below the historical average spread of 207 basis points over the last 15 years.

¹ Source: NCREIF and US Department of the Treasury.



ODCE Return Components¹ (Equal Weight, Net)



Quarterly income returns have remained remarkably consistent in the 0.75% to 1.00% range over the last ten years.

Appreciation returns demonstrate greater volatility over time, spiking in 2021 and early 2022, primarily driven by the availability of inexpensive debt.

Appreciation returns reversed in late 2022 through the third quarter of 2024 in response to rising rates, waning demand for office, and pockets of oversupply.

In the fourth quarter of 2025, the NFI-ODCE EW Index reported a positive net total return, however appreciation was slightly negative at -0.03% for the quarter driven by continued softness in property valuations. Income remained steady at 0.80% during Q4 2025.

¹ Source: NCREIF.



Trailing Period Returns¹

As of December 31, 2025	Quarter	1 Year	3 Years	5 Years	10 Years
NFI-ODCE (Equal Weight, net)	0.77	2.93	-4.52	2.67	4.16
NFI-ODCE (Value Weight, net)	0.70	2.92	-4.25	2.51	3.88
Expanded NCREIF Property Index	1.14	4.94	-0.84	3.90	4.94
NAREIT Equity REIT Index	-2.15	2.27	6.12	4.85	5.73

NFI-ODCE EW Index net returns were positive in the fourth quarter of 2025 and slightly up from previous quarter returns (0.46% in Q3 2025).

Over the longer term, all ODCE Index returns remain positive, narrowing the gap with public real estate performance over the 10-year horizon.

Public real estate returns are generally more volatile – both up and down – than private market returns. Private real estate returns usually time lag the public markets. The time lag in private real estate returns is due in part to valuations being heavily influenced by comparable sales appraisals. Institutional real estate is largely valued based on the sale price of similar properties. When transactions decrease significantly, appraisers have difficulty accurately estimating the values at which comparable properties would trade if listed for sale.

¹ Source: NCREIF.



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