MWRA EMPLOYEES' RETIREMENT BOARD MEETING

AGENDA

Thursday, September 29, 2022 10:00 a.m.
MWRA, 2 Griffin Way
Chelsea, MA 02150

Item 1 10:00 a.m. Meeting called to order

OLD BUSINESS

Item 2 Standing Committee Reports

- i. By-Laws Committee: Member Kevin McKenna
- ii. Human Resources Committee: Member Thomas J. Durkin, Member Frank Zecha
- iii. Special Committee, Stipend: Chair James M. Fleming, Member Kevin McKenna
- iv. Job Review Committee: Member James M. Fleming, Member Thomas J. Durkin

NEW BUSINESS

Item 3 Approval of August 25, 2022 Minutes – VOTE

Item 4 Approval of Warrants – VOTE

- a) Warrant 8-2022B
- b) Warrant 9-2022
- c) Warrant 9-2022A – payroll

Item 5 Approval of Monthly Transfers 9-2022 – VOTE

Item 6 Acknowledgement of retirement applications under G.L. c 32 §5 – VOTE

a)	Stephen Doherty	DOR 8/23/2022
b)	Paul Kirk	DOR 8/27/2022
c)	Daniel Thompson	DOR 9/3/2022
d)	Louis Collins	DOR 9/10/2022
e)	Patrick Kelley	DOR 9/10/2022
f)	Cheryl King	DOR 9/10/2022
g)	David O'Connell	DOR 9/10/2022

Item 7 Approval of buyback of 2 years and 7 months creditable service for Seth Gonyea's prior Town of Clinton employment (1985-1988) – VOTE

Item 8 Annual Review of the Executive Session Minutes – VOTE

Item 9 Manager Due Diligence Presentations

- 10:30 a.m. a) Park Square
- 10:50 a.m. b) Stepstone
- 11:10 a.m. c) Morgan Stanley
- 11:30 a.m. d) Constitution Capital

Item 10 NEPC

- a) Flash Report as of 8/31/22
- b) S&P 500 Passive Index Strategy RFP – VOTE
- c) Equity Structure Review

Item 11	Legal Shift Differential Agreement re. Regular Compensation

...FOR YOUR INFORMATION and REVIEW ....

Item 99-1	PERAC MEMO #23/2022 – Vacation Buybacks as Regular Compensation
Item 99-2	PERAC MEMO #24/2022 – Mandatory Retirement Board Member Training – 4th Quarter 2022
Item 99-3	PERAC MEMO #25/2022 – Tobacco Company List
Item 99-4	S & P Global Ratings
Item 99-5	PERAC Pension News
Item 99-6	Notice of Complaint Filed Against PTG
Item 99-7	New Financial Reporting Requirements for Governments Proposed in U.S. Senate
Item 99-8	HarbourVest Partners Personnel Update
Item 99-9	Direct Deposit Change Requirements
Item 99-10	Update: Retirement Office Access

The Board reserves the right to consider items on the agenda out of order. The listing of items is those reasonably anticipated by the Chair to be discussed received at least forty-eight (48) hours prior to the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law. Items identified for discussion in Executive Session may be conducted in open session, in addition to, or in lieu of discussion in Executive Session.

Date of next scheduled Retirement Board meeting is Thursday, October 27, 2022, 10:00 a.m., Chelsea

MWRA EMPLOYEES' RETIREMENT BOARD MEETING
AUGUST 25, 2022

A meeting of the MWRA Employees' Retirement Board was conducted in-person on Thursday, August 25, 2022. Remote access was provided to the public via Zoom, with call-in information provided on the official Meeting Notice posted to www.mwraretirement.com and the MA Secretary of State's website. Participating in the in-person meeting were Board members James Fleming, Thomas Durkin, Kevin McKenna, Andrew Pappastergion, and staff members Carolyn Russo, Julie McManus, and Danielle DiRuzza. Mr. Zecha participated via remote access due to a scheduling conflict. Representatives from NEPC, Sebastian Grzejka and Kiley Fisher, Board Counsel, as well as members of the public attended. Mr. Fleming called the meeting to order at 10:01 a.m.

1) Call the meeting to order-roll call of members: Mr. Fleming, Mr. McKenna, Mr. Pappastergion, and Mr. Durkin present, and Mr. Zecha present via remote access.

2) Standing Committee Reports
   i. By-Laws Committee: No report
   ii. Human Resources Committee: No report
   iii. Special Committee, Stipend: No report
   iv. Job Review Committee: No report

3) Approval of Minutes – VOTE

   a) July 28, 2022 Regular Session Minutes

   Mr. McKenna requested that on page 1929 under item #8 that "per year" be replaced with "year to date."

   On a motion made by Mr. Pappastergion and seconded by Mr. Durkin:
   VOTED
   to approve the Regular Session minutes of the July 28, 2022 meeting as submitted by the Executive Director, with the amendment to page 1929. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

   b) July 28, 2022 Executive Session Minutes

   On a motion made by Mr. Pappastergion and seconded by Mr. Durkin:
   VOTED
   to approve the Executive Session minutes of the July 28, 2022 meeting as submitted by the Executive Director. 5-0, roll call with Mr. Durkin voting

yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes and Mr. Fleming voting yes.

4) Approval of Warrants – VOTE

a) Warrant 8-2022
b) Warrant 8-2022A

On an omnibus motion made by Mr. McKenna and seconded by Mr. Pappastergion:
VOTED
to approve Warrants 08-2022 and 08-2022A. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes Mr. Zecha voting yes, and Mr. Fleming voting yes.

c) Warrant 8-2022B – Payroll

Mr. McKenna moved to approve on the condition that the Retirement Coordinator forward the warrant to the members of the Board upon completion. Through the Chair, the Executive Director stated that with the Board's permission she would like to add bills to the payroll warrant which were received after the A/P Warrant was completed, including an invoice for custody services and a few others.

On a motion made by Mr. McKenna and seconded by Mr. Durkin:
VOTED
to approve Warrant 08-2022B. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes and Mr. Fleming voting yes.

The Chair requested that the Retirement Coordinator read his name first in the roll call votes for items number five through eight.

5) Approval of Monthly Transfers 8-2022 – VOTE

On a motion by Mr. McKenna and seconded by Mr. Pappastergion:
VOTED
to approve the monthly transfers as presented and as recommended by NEPC. 5-0, roll call with Mr. Fleming voting yes, Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, and Mr. Zecha voting yes.

6) Acknowledgement of retirement applications under G.L. c 32 §5 – VOTE

a)	Charles Blodget	DOR 7/22/2022
b)	George Norregaard	DOR 7/23/2022
c)	Anthony Balzano	DOR 7/30/2022

d)	Paul DiLuca	DOR 8/3/2022
e)	Paul Burridge	DOR 8/6/2022
f)	Raisa Goldin	DOR 8/6/2022
g)	Paul Halas	DOR 8/12/2022
h)	Thomas Doherty	DOR 8/13/2022

On an omnibus motion made by Mr. McKenna and seconded by Mr. Pappastergion:
VOTED
to acknowledge the eight s. 5 retirements as detailed above. 5-0, roll call with Mr. Fleming voting yes, Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, and Mr. Zecha voting yes.

7) Approval of 12(2)(d) Survivor Allowance for Brian McMahon spouse of Maria McMahon DOD 6/29/2022, 57 years of age with 12 years and 5 months creditable service – VOTE

On a motion by Mr. McKenna and seconded by Mr. Durkin:
VOTED
to approve a survivor benefit payable under s.12(2)(d) to Brian McMahon, spouse of Maria McMahon, who died 6/29/2022. 5-0, roll call with Mr. Fleming voting yes, Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, and Mr. Zecha voting yes.

Since the meeting was running a bit ahead of schedule, Mr. Zecha requested that Item #11(b) be taken out of order.

On a motion by Mr. Zecha and seconded by Mr. McKenna:
VOTED
to take Item 11(b) out of order. 5-0, roll call with Mr. Fleming voting yes, Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, and Mr. Zecha voting yes.

The Board discussed whether the Board may require a retiree to go on Direct Deposit. The Executive Director stated that was the reason the matter was scheduled for discussion during the legal presentation, because Board Counsel drafted a policy for the Board's discussion and will be prepared to address it.

On a motion by Mr. Zecha and seconded by Mr. McKenna:
VOTED
to table Item 11(b) until the legal presentation. 5-0, roll call with Mr. Fleming voting yes, Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, and Mr. Zecha voting yes.

8) Manager Due Diligence Presentations

The following managers underwent an annual investment manager review pursuant to 840 CMR 16.07. The managers presented performance and investment reports detailing the manager's activities, which the Board reviewed.

a) Hamilton Lane
b) Axiom
c) ABS
d) HarbourVest

Tim D'Arcy and Ryan Cooney joined the meeting representing Hamilton Lane. Mr. Grzejka advised the presenters that that there are members of the public and/or media on the call, and to avoid discussion of any materials which may be considered proprietary. Mr. Fleming requested that the presenters take 15 minutes to update the Board on philosophy, personnel, and performance. Mr. D'Arcy reported that there have been no changes in philosophy at the firm. Hamilton Lane has been operating in the secondary space in private markets for over thirty years and now has 6 Massachusetts public fund clients. Clients commit roughly $37bn annually, providing Hamilton Lane access to exclusive deals. They are seeing an increase demand in the secondary market, with $3.1bn committed to Fund V. Mr. D'Arcy directed the Board to page 6 in the presentation. $5.5m of the System's $9m commitment has been called, $800,000 has been distributed and the NAV is $7.2m (i.e., $8m value on $5.5m called). Fund V has a net IRR of 56.5% and 1.5X multiple. Mr. Cooney explained that secondary indicates that Hamilton Lane will purchase existing private equity funds, targeting 4-6 year-old funds that are starting to return distributions. The public markets have been volatile, but the fund has only 4-5% exposure, with the remainder in private markets. There are roughly 3,700 underlying companies, so it is not concentrated. Hamilton Lane does not expect further investments in the fund, and expects a call of 5-10% of the commitments before year end. Mr. Fleming thanked Hamilton Lane for the performance. Mr. Grzejka asked whether Hamilton Lane is seeing continued deal flow. Mr. D'Arcy stated that with interest rates rising, there seems to be more need-based selling to increase liquidity, with Hamilton Lane then able to purchase funds at a discount. For example, in June 2020 Hamilton Lane purchased two funds from a foundation during Covid, when donations were down and the foundation had to sell. Mr. Fleming thanked the presenters and Hamilton Lane signed off the call at 10:40 a.m.

At 10:42 a.m., Don Elefson and Megan Strater joined the meeting on behalf of Axiom. Mr. Fleming asked the presenters to update the Board as to the firm's philosophy, personnel, and performance. Ms. Strater reported that there has been no change to philosophy of the Emerging Markets strategy, and that the firm remains 100% employee-owned. There have been no major changes to the management team. There firm currently has $14.2bn AUM, with $6bn in the EM strategy. Mr. Elefson reported that there have been continued headwinds resulting in underperformance. Value has been in favor, but there is a shift toward growth. If inflation persists, interest rates are likely to rise, commodities investment will increase, and the cost of loans will increase. Brazil, China and Taiwan make up about 56% of EM exposure. If inflation goes down, growth is likely to benefit. Inflation has been impacted by demographics (declining birth rates, higher average age, lower spending), too much national debt outstanding, de-globalization, and disruptions to tech. Axiom has no exposure to Alibaba due to the severe regulatory environment in China. Baidu was added last quarter, and the fund also holds HDFC. Mr. McKenna asked about Axiom's exposure to Russia, and its impact. Mr. Elefson reported that the fund sold all Russian securities in the early stages of the war, and divested within a quarter. Russia will likely not be back economically for at least two years due to sanction activity. Mr. McKenna asked about the timeframe, if the divestiture took, for example, a week, or two weeks. Mr. Elefson responded that it was done within three days. Mr. McKenna asked what proportion of the portfolio it represented, and Mr. Elefson responded 5-5 ½%. Mr. Elefson noted that there is a small residual piece remaining in the portfolio. Mr. Durkin asked, given that 50% of the portfolio is in China and Taiwan, whether Axiom is concerned about the tensions between the two. Mr. Elefson stated that it is an issue Axiom is paying close attention to, but that they do not invest in State-owned banks, because they are the first to be sanctioned in the event of escalated hostilities. Mr. Fleming noted that the fund is down 26% year-to-date, and asked whether there is a chance of moving in another direction. Mr. Elefson pointed out that the shift from growth to value caused much of the loss, but markets are now shifting back. The fund is positioned to have better returns particularly if inflation remains a factor. He believes we have hit the bottom, and noted that he has personal assets invested in the fund alongside the investors. Mr. Elefson and Ms. Strater signed off the call at 10:57 a.m.

Mr. Fran Peters joined the call on behalf of Harbourvest at 10:59 a.m. Mr. Grzejka advised Mr. Peters that there are members of the public and/or media on the call, and to avoid discussion of any materials which may be considered proprietary. Mr. Fleming asked Mr. Peters to review personnel, philosophy, and performance for the Board. Mr. Peters began by stating that Harbourvest currently has $98.4bn AUM. The firm invests in global private markets, private equity, private credit, real assets, and direct co-investment. There have been no significant personnel changes other than additions to the investment and operations teams. Mr. Peters directed the Board to page 7 for Dover X's performance. MWRAERS committed $9m. $5.5m has been called through July of 2022, with $1m in distributions. The remaining NAV is $5.5m with a 1.7X multiple and 88.8% IRR. The IRR is extraordinary, and is expected to moderate. The Co-investment fund is in its beginning stages and none of the $8m committed has yet been called. Harbourvest has over 35 years of experience, has a stable team, and is a very active player in the secondary markets. Page 10 shows performance for all of the Dover funds. The Co-investment fund's strategy is outlined on page 12. The fund has a global presence and a small to mid focus in solutions-oriented opportunities. Mr. Fleming thanked Mr. Peters for the presentation and the performance. Mr. Peters signed off the call at 11:11 a.m.

Mr. Fleming asked Mr. Grzejka why the secondaries are doing so well while everything else does so poorly. Mr. Grzejka agreed that the secondaries and co-investments are doing very well, and that J.F. Lehman is as well. Because the secondaries come in after the funds are established, there is no J Curve exposure, i.e., there are none of the fees that are general assessed early on. Mr. Durkin noted that we give up some of the benefit of the J Curve as well, but lower the risk as well. Mr. Grzejka noted that each vintage year has a different opportunity set, with higher risk generally leading to higher reward. J. F. Lehman goes in, reorganizes, and grows underlying companies, increasing returns. Mr. McKenna asked who has greater buying power, Hamilton Lane or Harbourvest. Mr. Grzejka stated that they are both “playing in the same ballpark” but have different deal focus.

At 11:17 a.m., ABS joined the call represented by Guilherme Valle, Nick Dutter and Tom Kelley. Mr. Fleming asked that the presenters review personnel, philosophy and performance for the Board. Mr. Kelley reported that one of the founding partners had stepped down from his committees, but is still active in management. Mike Halper was promoted. The firm has 21 investment professionals with $6.5bn AUM. ABS EM has $1.6bn in assets, and uses a three-pillar approach to selection-quantitative, qualitative, and operational due diligence. Mr. Dutter noted that 22 of ABS’ investors are NEPC clients, and half are pensions. The fund takes a quality multi-manager approach. Mr. Valle stated that the fear of inflation in developed markets has had a negative effect globally. EM should be in a better position moving forward, and he believes the sell-off has been overdone. Quarter 1 was down, Q2 was neutral, and Q3 is expected to show positive returns. There have been no changes to staff, managers, or country exposure. Mr. McKenna asked about exposure to Russia and exit from it. Mr. Valle responded that they currently have no exposure in the fund, but had 3.6% at the beginning of the year, which was somewhat higher than the benchmark’s exposure. The position was reduced in February and marked to zero. Any new inflows will go into a new share class excluding Russia. Mr. Durkin asked whether ABS has concerns about the tensions between China and Taiwan. Mr. Valle stated that the fund tends to follow the benchmark, with a small relative underweight, as shown on page 18. ABS uses local managers that pick stocks which outperform their countries. Mr. Fleming thanked the presenters and ABS signed off the call at 11:31 a.m.

The Board determined each manager continues to operate in a manner represented when retained and outlined in the agreement between the Board and the manager.

10) NEPC
   a) Flash Report as of 7/31/22

   b) Rebalance Recommendation – VOTE
   c) Portfolio and Performance Overview
   d) Coho Team Departure – Watch Status Recommended

Mr. Grzejka reported that Large Cap has underperformed, and EM has been very volatile. There has been no reprieve from macro events such as inflation, rising interest rates, increased uncertainty, and a slowing economy in China. There has been a bounce-back in July, with the fund up 3.7% for the month. Mr. McKenna asked what part of the 3.7% was the appropriation inflow. Mr. Grzejka responded that part of it was due to the receipt, but the fund went from $630 in June to $663 in July, so there was a large investment gain as well. Growth outperformed value for the month with Polen up 11.2%, but they are still trailing the benchmark. Baillie Gifford outperformed the benchmark for the month but is still down steeply YTD. Fixed Income has experienced a pull-back on the rate side, with all managers reporting positive performance for the month but remaining negative YTD. Garcia Hamilton is providing some downside protection beating their benchmark. Loomis Sayles is more closely correlated to equities and growth-oriented assets, and is still struggling. High Yield has experienced a recent pull-back, but the Loomis Sayles Fixed Income product has performed very well for the System over the long term.

Mr. Fleming stepped out at 11:40 a.m. Mr. Grzejka continued that UBS has had a good year, up 2.6% YTD. In the private equity portfolio, PRIM has reported returns for the month of July, but other managers have not.

NEPC recommends putting some cash to work, rebalancing $8m to equities and core fixed income, areas which have experienced sell-offs, but have growth prospects. The rebalance recommendations are as follows:

Cash	($8,000,000)
Rhumbline S&P	$4,000,000
Axiom	$1,000,000
ABS	$1,000,000
Lord Abbett	$2,000,000

Mr. Pappastergion asked what will happen if we fail to meet the 6.9% assumption for the year. Mr. Grzejka stated that the underperformance will be amortized over five years, and should be mitigated somewhat by prior years of strongly positive performance. Mr. Zecha noted that asset smoothing will help to stabilize the appropriation, but not if there are two down years in a row, because the System is under 100 months to the scheduled full-funding date. Mr. Durkin stated he hopes to address that under new business.

Mr. Grzejka reported that Nimrit Kang, Partner, Portfolio Manager, and Director of Research has left Coho, causing NEPC to classify Coho as “on watch” until the impact on the team becomes more evident. Mr. McKenna asked if we would be doing an RFP. Mr. Grzejka stated he would address that in a minute, but that as a stand-alone event, the departure does not yet warrant it.

Mr. Grzejka went back to the rebalance recommendations. Mr. Zecha made a motion to adopt the rebalance recommendations. Mr. McKenna asked why Polen, Baillie Gifford, Axiom and ABS are underweight to target. Mr. Grezjka stated that there are still headwinds for growth-oriented managers and NEPC is comfortable being underweight at this time. Mr. Durkin seconded Mr. Zecha’s motion to adopt the rebalance recommendations.

> On a motion made by Mr. Zecha and seconded by Mr. Durkin:
> **VOTED**
> to adopt the rebalance recommendations of NEPC for the month of August. 4-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, and Mr. Zecha voting yes.

Mr. Fleming returned to the meeting at 11:52 a.m. Mr. Grzejka addressed the portfolio and performance review. He stated that NEPC will be examining the implementation of the asset allocation whether the pairings are correct, and whether absolute and relative performance are in line with expectations. Is the strategy appropriate to the System’s goals? Is the objective of the plan to reduce downside risk and volatility at this point? NEPC has mitigated risk well over the long term, and balancing areas likely will drive performance strategically. Mr. McKenna reminded Mr. Grzejka that the Board in February voted to adopt the asset allocation with a 6.5% long-term expectation, and asked whether that was done for the current year. Mr. Grzejka responded that it was not, it is a 5 to 10-year long term expectation, and that the 30-year expectation is 7.6%. Mr. Durkin asked whether NEPC’s number usually tracks with Segal Marco’s and Mr. Grzejka answered that it usually does. NEPC does look at whether the asset allocation supports the return expectation. Mr. Durkin asked whether the Board should dial back risk given the long-term expectations, and Mr. Grzejka responded that we must be mindful of fluctuations, for example we could lower PE exposure to lower risk, but it would not necessarily be beneficial to the System to make that adjustment now. In the future we should analyze ways to reduce risk, and as we approach full-funding, determine whether bond exposure would be sufficient to meet return expectations over time. Mr. Durkin asked what the portfolio will look like in full-funding. Mr. Grzejka stated that the portfolio may return 2% on 10-30 year bonds, low return and low long-term risk. It may be appropriate to employ US Treasuries. We will want to discuss that over the next few years. Mr. Durkin stated that he had been to a conference where Leominster was in attendance. The city is 100% funded, and dropped their assumption to

5.75%, and Mr. Durkin questioned what their portfolio looks like. Mr. Grzejka stated that we may need to reduce overall equity exposure.

Over the last one-year period, private equity has helped returns with both distributions and absolute returns. Coho, Loomis Sayles Small Cap and UBS have all contributed over the past year, as has the cash position. Equity exposure was definitely a drag on the portfolio, and active management hurt as well. Growth should be turning around. In 2012 after the global financial crisis the markets were roaring, and never looked back until Covid hit in 2020. The portfolio went from $325m to $663 over the next decade. Mr. Grzejka referred the Board to p.7 of the Performance Review, which shows that over the trailing 20 years, the portfolio falls in the top 7%, with PRIT coming in the top 7.5%. In six of the last ten years the portfolio has outperformed its goals, and its peers. There has been some underperformance over the last year that has detracted from returns. It may take some time to recoup, and we may need to look at a change in approach. Mr. Grzejka stated the System has done well vs. its peers, but posed the question what about locally. On the whole, the System's performance has mimicked PRIT's over the long term with some periods of underperformance resulting in a long-term delta of about 50bps. Mr. Grzejka asked hypothetically whether we are rebalancing enough and at the right times. The System rebalances on average six times per year. In periods of volatility, the Board should consider interim meetings, but otherwise the rebalancing plan has worked well. Maintaining a growth value balance has been important, but right now there is a slight value tilt to the portfolio. NEPC expects to review the Loomis Sayles/Boston Partners pairing in Small Cap next month, followed by the Polen/Coho pairing in Large Cap because all are approaching the seven year maximum, requiring an RFP. The question becomes whether the Board wants to remain concentrated within Large Cap. Meeting schedules, getting responses, reviewing, selecting finalists, interviewing and selecting, plus the required depth of research hamper the Board from moving quickly, but we can move RFP's up in the cycle if necessary. NEPC stated that they could speed up the process by selecting finalists to present to the Board. PRIT may be a viable option for Core Private Equity when the annual allocation is small, which requires no RFP process. Mr. Zecha noted that in the case of ABS the System lost a significant amount of alpha due to delays, and suggested shortening the RFP response window. Mr. Fleming asked what the allocation to PRIT's PE portfolio is currently, and Mr. Grzejka responded that it is about 2.5% of the System's portfolio. Mr. Fleming asked whether by using it as core the allocation will be increasing, and Mr. Grzejka responded that it would not increase dramatically, probably 20-30 bps per year as prior PE vintages sell off. Mr. McKenna noted that Private Equity is where the System's performed the best, and PRIT's PE portfolio has done well, but Hamilton Lane and Harbourvest seem to be doing even better. Mr. Grzejka stated that with $10m to commit this year, NEPC recommends one manager, and that the Board not undergo the RFP process for a relatively small amount. Mr. McKenna stated that in US and Non-US we are losing less but in up markets are not keeping up and asked why not index the allocations. Mr. Grzejka acknowledged that it was a good question, and said the Board needs to consider whether the time investment in active vs. passive management is benefitting the System over time. Active management does tend to produce better results in volatile markets. The S&P is up about 14% over ten years, the only real difference is fees. Attorney Gibson remarked that it is the Board's prerogative not to conduct interviews. Mr. Grzejka reiterated that he only recommended PRIT because there is only a $10m commitment for the year. No changes are recommended in the Hedge Fund portfolio at this time. In Real Estate there was a more recent RFP adding Terracap and TA funds, so there are no changes recommended at this time. In NEPC's view, the matters of Public Equity and Private Equity RFP's, and how to streamline the process need to be reviewed in the near term. Page 14 of the Performance Review document shows the schedule for required RFPs. Mr. Zecha stated that he wants to look at Large Cap Growth and Value, and Fixed Income. Mr. Grzejka asked which is priority. Mr. McKenna added that the Board needs to look at whether to pare down the positions as well. In response to Mr. Grzejka, Mr. Zecha noted that the Large and Small Cap are up against RFP requirements. Mr. Grzejka stated that next month they will review Large Cap. If the Board decides active management has not been beneficial, the allocation may be indexed, and no RFP is needed. Mr. Zecha asked if the Board wants an interim meeting in order to speed up the process. Mr. Durkin asked if PRIT is 100% indexed in Large Cap, and Mr. Grzejka stated that they are, although there are periods when active management pays off. An assessment needs to be made whether these benefits offset the additional costs. The Large Cap markets are very efficient, but active management does add some value over time. Mr. Grzejka noted that it is easier to find alpha from active management on the Small Cap side. Mr. Grzejka completed his presentation at 12:41 p.m.

Mr. McKenna stated that Mr. Grzejka had done a good job on the presentation and a thorough review. Mr. Fleming and Mr. Durkin concurred.

Mr. Fleming asked that Attorney Gibson begin the legal presentation.

11) Legal
  a) Shift Differential Agreement re. Regular Compensation
  b) Update 91A David Jackson – has filed for an extension
  c) Mandatory Direct Deposit

Attorney Gibson stated that PERAC had not yet issued an opinion on whether the Shift Differential, which is specifically payable for a period of only six months, is regular compensation. Under normal circumstances, a shift differential would be, but when it is characterized as temporary, it may not be. PERAC asked for additional information from the Executive Director as to how many people would receive it, and whether they were close to retirement. Attorney Gibson asked the Executive Director how many would be retiring. Mr. McKenna stated that NAGE had just sent a response to the Executive Director's inquiry this morning.

Attorney Gibson noted that the prior email listed 69 employees, but asked how many of those are going to retire. Mr. McKenna asked how the shift differential could be counted previously, but not in this case. Attorney Gibson asked whether that was conveyed to PERAC. Mr. McKenna stated that we just received the response, and asked if it is later determined to be regular compensation whether the employees may buy back the time. Attorney Gibson explained that there is no additional time to buy back, because these employees are already full-time, but they would be required to repay any amounts due. PERAC is very leery about issuing regular compensation decisions since O'Leary.

> On a motion made by Mr. Pappastergion and seconded by Mr. Durkin:
> **VOTED**
> to table the matter of the temporary shift differential pending receipt of PERAC's formal opinion. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

Retiree David Jackson has requested a filing extension from the IRS, which in turn gives him temporary reprieve from PERAC's 91A reporting requirement for 2021. Mr. Fleming asked whether the Board will need to reassess after Mr. Jackson files, and Attorney Gibson stated it will.

Attorney Gibson stated that he had drafted a policy regarding outstanding retiree payments for the Board's adoption, based upon the one drafted previously by the Executive Director and approved by the Board in regard to ACH transactions. Mr. Durkin asked whether the Board has the right to demand banking information from retirees. Attorney Gibson responded that in 2009 13(1) was amended permitting retirement Boards to require direct deposit from retirees. The final section states that the provision is effective for retirees after 7/1/2009, which PERAC interprets to mean employees who retire after that date, but Attorney Gibson would question that interpretation. The Social Security Administration now requires it for all benefit recipients, it is safer, faster, and there's less opportunity for fraud. Attorney Gibson argues that it should be mandatory, mail may not always be reliable, and retirees' safety should override PERAC's concerns. The Policy as written is applied only to retirees with checks outstanding more than sixty days, so in that respect it is still voluntary. Mr. McKenna asked what will happen if we pay the retiree, they don't cash the checks, then they fail to provide an account. Attorney Gibson stated payments will be withheld until we get one. Attorney Gibson asked for the Executive Director's input, and the Executive Director responded that it would be a relief given that a retiree currently has seventeen outstanding payments, including a replacement check for six of those payments which has also been outstanding for six months. Mr. McKenna noted that we currently have fewer than ten retirees who are still getting checks, and asked whether we should send notice to all retirees. Attorney Gibson stated that it should be sent to those who are still receiving checks, in order to provide some notice. He expects some will resist, and may express concern due to hardship. Mr. Durkin asked if ultimately the payments may end up with the State Treasurer's Unclaimed Property Division. Attorney McDonough stated that the Commonwealth does have a specific unpaid check fund. Attorney Gibson stated that he believes there is a difference between unclaimed property and the unpaid check fund, but he will look into it.

On a motion made by Mr. Pappastergion and seconded by Mr. Zecha:
VOTED
to remove the matter of a Mandatory Direct Deposit Policy from the table. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes and Mr. Fleming voting yes.

On a motion made by Mr. Zecha and seconded by Mr. Pappastergion:
VOTED
to approve the Mandatory Direct Deposit Policy as drafted by Board Counsel. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes and Mr. Fleming voting yes.

Mr. Fleming asked Attorney Gibson about the temporary 5% COLA. Attorney Gibson responded that there is not yet a law to allow local option adoption. Teachers and State Retirees will receive it, but it is not a done deal for local retirees. Mr. Fleming asked if it is passed allowing local option, may the MWRAERB vote to grant if they've already voted a COLA for the current fiscal year, and Attorney Gibson stated the Board may, but that the legislative body must be notified, and it must be approved during FY23. The Board would then pay the difference between what was already granted and the higher rate. The legislature is no longer in session, but could reconvene in informal session. Mr. McKenna asked why now, and asked if it is because inflation is so high, why it was not applicable to all systems. Attorney Gibson responded that it is in part due to inflation, but is also due to an acknowledgment that the investment gains over the past few years should be shared with retirees. Mr. McKenna stated that this year we are losing money. Mr. Fleming asked if the 5% is ultimately passed, what happens to the COLA that was already paid. Counsel responded that the Board would then pay the difference between what was already granted and the higher rate. Mr. Fleming asked whether the prior vote inhibits the subsequent vote in any way, and Attorney Gibson stated it would not.

Counsel stated that the Retirement Coordinator had uploaded to PROSPER the Board's response to PERAC's remand on Burke, but has not yet received a response. The clarification requests in regard to Sean Scott were submitted and are in process.

Regarding *Vernava*, the legislature has passed a law which spares retirees prior to 7/1/2022 from reductions in benefits due to the SJC's decision. Board will still be required to review all active members, return contributions, and in some cases remove creditable service. C. 195 of the Acts of 2022 passed, stating sell-backs of vacation are not regular compensation. Counsel is awaiting PERAC memos on both issues.

The MACRS fall conference is the first week of October. Attorney Gibson will be moderating the Legal Panel on Tuesday October 5. Attorney Gibson and Attorney McDonough signed off at 1:19 p.m.

Mr. Durkin asked if the Board would speak to Segal to evaluate the funding schedule, because it escalates to $25m in 2030. Mr. Durkin stated that the Board may extend the funding schedule past 2030, and that extending beyond 2030 "may not be the worst thing" for the System. Mr. McKenna responded that after the 2008 crisis the Authority paid in additional money to stabilize the appropriation and that approach would be very helpful now. Mr. Durkin responded that was before the OPEB trust. Mr. McKenna credited as brilliant the Authority's commitment to prop up the System then, since it allowed for less expensive borrowing for MWRA's capital projects. Mr. Durkin responded that it doesn't affect the bond rating all that much, the System has had losses, and approved a higher COLA, now the funding schedule is increasing in a compressed amount of time. Mr. Pappastergion asked what are our options. Mr. McKenna stated that he wants to pay it off, that the Board loses tools and flexibility if it extends past 2030. Mr. McKenna stated if the legislature changes some of the restrictions, fine, but extending past 2030 now would be the Board tying its own hands. Mr. Fleming stated the Board could look at the information. Mr. Zecha stated that he would be happy to host an interim meeting via Zoom, to include Segal, John Boorack, Actuary from PERAC, and the Board. Mr. Durkin stated he would send a request to the Executive Director asking Segal for options and recommendations regarding the schedule compression issue.

On a motion by Mr. Pappastergion and seconded by Mr. Durkin:
VOTED
to adjourn the August 25, 2022 meeting of the MWRA Employees' Retirement Board. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes and Mr. Fleming voting yes. The meeting was adjourned at 1:27 p.m.

The following communications were distributed to the Board for their review:
PERAC MEMO #21/2022 – *Vernava II* – Important Update
PERAC MEMO #22/2022 – Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors

The Board reserves the right to consider items on the agenda out of order. The listing of items is those reasonably anticipated by the Chair to be discussed received at least forty-eight (48) hours prior to the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law. Items identified for discussion in Executive Session may be conducted in open session, in addition to, or in lieu of discussion in Executive Session.

Date of next scheduled Retirement Board meeting is Thursday September 29, 2022, 10:00 a.m., Chelsea

James M. Fleming, Elected member

Thomas Durkin, Appointed Member

Kevin McKenna, Elected Member

Andrew Pappastergion, Ex-Officio Member

Frank Zecha, Fifth Member

NEPC, LLC

Firm: **Park Square Capital, LLP**

Strategy/Product: **Credit Opportunities III (USD)**

Client: **MWRA**

NEPC Manager Due Diligence Questionnaire - Update

Instructions
In support of our upcoming meeting we ask that you please complete this due diligence questionnaire. Please provide your responses in the form of brief descriptions, lists or tables added directly to this Word document.

Thank you for taking the time to complete this questionnaire. Please note that all materials submitted in relation to MWRA Retirement System may be subject to disclosure consistent with Massachusetts Public Record laws.

Firm/Organization

1. Have there been any changes in ownership or management in the past year?
   Yes, In January 2022, Park Square Capital announced a sale of a non-voting, passive minority stake to Bonaccord Capital ("Bonaccord"). Given the passive nature of the investment by Bonaccord, there are no changes to investment or business decision making processes as a result of the transaction. There are no current or pending plans for further ownership changes.

2. List firm AUM, net flows and accounts gained/lost for the past 5 years.
   As of 30 June 2021, Park Square had an AUM of $12.1bn, of which $4.7bn was in our junior debt strategy, $3.5bn in our large-size senior debt strategy, and $3.9bn in our mid-market direct lending strategy. These strategies are comprised of various closed-ended funds with terms of 6-10 years. Our LP base has evolved over the past 5 years as these funds have been raised and wound down as is due course with closed-ended structures. In addition, we have a number of evergreen managed accounts that invest alongside our senior-focused funds.

3. Have there been any new or discontinued products in the past year?
   No, there have not been any new or discontinued products in the past year.

4. Are any products capacity constrained?
   None of our products are capacity constrained.

5. Describe any current or pending regulatory, compliance or litigation issues and the expected business impact.
   There are no regulatory, compliance or litigation issues impacting Park Square.

6. Describe your diversity, equity and inclusion efforts with regard to the firm and its employees.
   Park Square believes in the importance of a diverse and inclusive workplace and is a signatory of the ILPA Diversity in Action Initiative. Park Square reports GP-level diversity statistics to LPs upon request. In addition, hiring and promotion statistics are reviewed at least annually by the Head of Human Resources and shared with the Executive Committee.

   The firm has a long-held internal diversity, inclusion and equal opportunities policy that is accessible via the staff handbook, available to all staff and publishes a statement regarding DEI strategy on its website.

   Park Square largely focuses its recruitment efforts on hiring talented graduates across the business. This approach was implemented as the recruitment of experienced candidates led to a reduced level of diversity in the candidate pool. The switch to direct recruitment from universities has proven to be a substantial opportunity to attract more diverse candidates, which has been reflected in recent recruitment statistics. In addition, Park Square runs a private debt investing webinar, marketed to female undergraduates in order to raise understanding and broaden their knowledge of careers in investing. This webinar happens annually each summer and is led by the investment team.

   Finally, Park Square also runs an undergraduate placement programme where undergraduates without extensive financial services experience, spend a year working at Park Square.

Portfolio Management Team

1. Have there been any changes in the portfolio management team in the past year?
   There have not been any changes in the portfolio management team.

2. Are there any expected changes to the team in the future (planned additions or departures)?
   There are no planned additions or departures in the portfolio management team.

Process

1. Have there been significant changes in any of the areas below in the past year?
   - Identification of investment ideas
   - Process for exploring and vetting ideas
   - Portfolio trading practices including buy/sell rules
   - Approach to portfolio monitoring and risk management

There have been no significant changes to any of the above areas over the past year.

Philosophy

1. Describe recent changes in investment philosophy, if any.
   There have been no changes to the investment philosophy since the inception of the Fund.

Portfolio

If not included in your meeting presentation, provide portfolio holdings, sector exposure, geographic exposure and common characteristics (yield, duration, market cap, P/E, etc.).
Please refer to pg. 6 of the attached presentation.

1. List strategy AUM, net flows and accounts gained/lost for the past 5 years. The Credit Opportunities program totals $3.5bn of AUM across a series of commingled funds and SMAs. Credit Opps III (USD) is a closed-ended fund that had $830m of equity commitments at final close in June 2018. The fund also employs term leverage (~1:1) that takes total investable capital to $1.56bn.

2. Describe investor concentration for the strategy and note the percent of AUM attributable to the top five investors.
   The LP base of Credit Opps III (USD) is well-diversified across commitment size, geography and type.

Performance / Market Outlook

1. If not included in your meeting presentation, provide trailing returns as of the most recent quarter-end and calendar year returns for the past 10 years, both relative to benchmark.
   Please refer to pg. 7 of the presentation materials.

2. Briefly discuss recent performance trends and identify environments in which the strategy is likely to be in or out of favor.
   Credit Opps III (USD)'s investment strategy employs a "cauldron" approach which consists of four components: 1) anchor commitments to large-sized companies, 2) direct loans to larger mid-market companies, 3) hung syndications and secondary purchases and 4) junior debt. The Fund can invest opportunistically across the various buckets depending on where we identify the most attractive risk/return (though no more than 25% of the portfolio can be in junior debt). We believe this approach positions the fund to succeed in any market condition, as it can be active

in the primary market across both larger, more liquid syndicated loans as well as smaller, more liquid direct loans, but can also take advantage of dislocation when the opportunity presents itself. Furthermore, the Fund's focus on defensive sectors and on larger companies, with stable and predictable cash flows, is an important part of the strategy as we believe these businesses are well placed to weather the macro-economic conditions likely to be faced in the context of turbulent credit markets.

We are very pleased with the investment pace and performance of the Fund to date, having built a robust and diversified portfolio as illustrated on pg. 6 of the presentation.

3. Describe your market outlook and how strategy positioning is impacted by your views.

   As the markets adjust to a rising rate environment, higher inflation, heightened geopolitical tensions and a global economic slowdown, we have seen considerable market volatility, with the S&P 500 down 14.1% year to date and the iTraxx Crossover surging to a peak of 626.2bps on 14 July 2022 (31 December 2021: 241.7bps). The syndicated loan market has come under significant pressure, with the average bid for the Credit Suisse Western Europe LLI ("WELLI") and the United States LLI ("USLLI") reaching a low of 90.0 and 91.5, respectively on 6 July 2022. Park Square, which has substantial capital markets experience and extensive portfolio company insights developed over 17 years of investing experience, is well placed to take advantage of these market dynamics and has selectively deployed $1.5 billion year to date into high quality and well-known names in both primary and secondary investments.

   As a result of the dislocation in the syndicated loan and bond markets, it is estimated that European and US banks are holding c.$80 billion of "hung transactions" and could be forced to sell at deep discounts to de-risk their balance sheets. With the banks curtailing new underwriting as they focus on clearing this backlog of financings, and a slowdown in M&A activity as pricing adjusts, European primary issuance for Q2 2022 was well below recent levels with sponsor-backed leverage loan volumes at €6.3 billion (Q2 2021: €33.8 billion). Against this backdrop, private equity sponsors are increasingly turning to private credit to provide a solution that would ordinarily have been a target for the syndicated markets. These private solutions, while more expensive, provide certainty of execution and pricing, and a greater ability to amend terms as companies evolve.

   With record amounts of private equity dry powder and ongoing refinancing requirements, coupled with a recovering M&A market, there is a sizeable opportunity for providers of private credit to support the financing needs of their client base and further gain market share from banks. With European private credit currently a buyer's market, we have seen improved pricing to reflect the rising base rates and market volatility, a reduction in leverage on new issuance to accommodate the increased cost of debt and tightened loan documentation. In the current market environment of longer-term inflationary pressures and full equity valuations, we believe that private credit, with its floating interest rate, priority in the capital structure and sizeable equity cushions, offers a compelling risk-adjusted return, particularly versus many other asset classes.

4. Could you please include a slide in your presentation that sows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.
   Please refer to pg. 10 of the presentation materials.

Park Square Capital

Presentation to MWRA Retirement System

28 September 2022

Private Debt Investor
AWARDS 2020
Senior lender of the year, Europe

Private Debt Investor
AWARDS 2020
Global sponsored deal of the year

Private Equity International
AWARDS 2020
Lender of the Year in EMEA

Not for redistribution.

Executive Summary

- Park Square Credit Opportunities is a $3.5bn business investing in:
  - Anchor loans to Large-sized companies
  - Opportunistic secondary positions
  - Direct loans to larger middle market companies
  - Higher yielding debt
- MWRA has a $3 million position in Credit Opps III (USD)
- The portfolio is well positioned for wind-down following the end of the reinvestment period in June 2022
- We are very pleased with the overall quality of the portfolio and the diversification by company, sector and geography
- The underlying assets are mainly floating rate and are benefiting from the higher interest rate environment
- The portfolio continues to outperform the benchmark leveraged loan indices by more than 300 bps p.a.
- Credit Opps III is performing well with a net IRR of 7.9%, is fully invested and generating a steady cash yield

Park Square At A Glance

Leading independent credit provider in Europe and US - $12.1bn AUM[1]

Park Square has been a leading investor focused solely on private debt markets since 2004, having invested $20.7bn across 200 companies

Outstanding team with deep credit culture

Over 110[2] staff across 7 offices, including 38[2] investment professionals and a cohesive senior team, Investment Committee have worked together for more than a decade

Strong, cycle-tested track record with minimal loss rate

Bias towards high-quality credits combined with deep restructuring experience. Firmwide annualized loss rate of <0.1%[3], tested through the GFC

Strong origination network

Powerful cross-platform synergies and long-standing relationships with leading private equity firms, management teams, banks and advisors

"High-touch" investment approach, focus on high-quality borrowers in defensive sectors

Park Square targets stable and predictable companies in defensive sectors with investments going through a rigorous, PE style due diligence process

Proven opportunistic strategy investing across market cycles

Strong track record investing across primary and secondary markets since 2004. Established ability to capitalize on market dislocation

Notes: (1) AUM based on current investable capital for funds in the investment period and Q2 2022 fair value for funds post investment period. Includes co-investment vehicles. FX as at commitment date. (2) As at July 2022 (3) Loss rates as at 31 March 2022 and are based on total invested of $20.7bn ($11.8bn in senior, $8bn in junior and $0.9bn in equity; includes co-investment vehicles) over 17.2 years in junior and 14.9 years in senior.

Credit Opportunities

Credit Opps III
(USD) Update

Fund Update

COPS III (USD) Fund Statistics

- COPS III (USD) is well diversified across 54 investments
- W.A. EBITDA of $233.8 million
- W.A. enterprise value of $3.8 billion

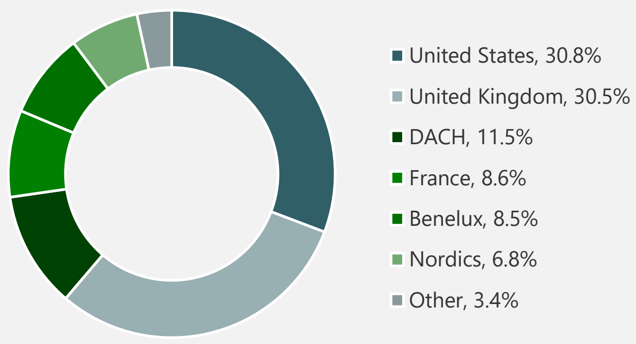
MWRA Position

- Commitment amount $3,000,000
- First Distribution: November 2018
- First Capital call: February 2018
- MWRA equity commitment is 90% drawn

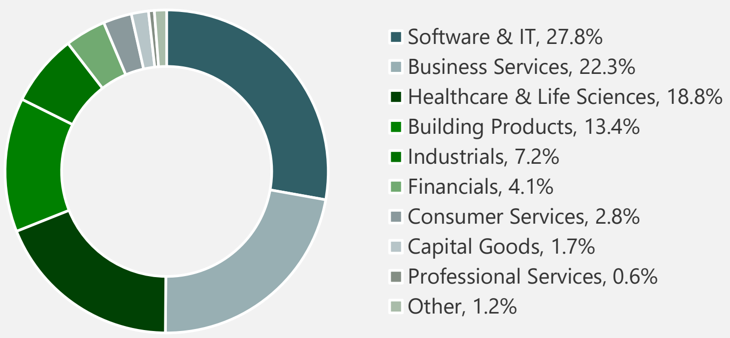
Commitment amount	3,000,000
Capital Contribution	(2,700,021)
Distribution	487,465
Undrawn Capital Commitment	501,321
NAV (current value)	2,826,631
Net profit since inception	614,075

Credit Opportunities III (USD)

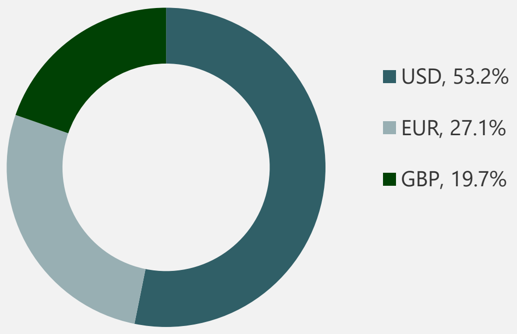
Portfolio by Country



Portfolio by Sector



Portfolio by Currency

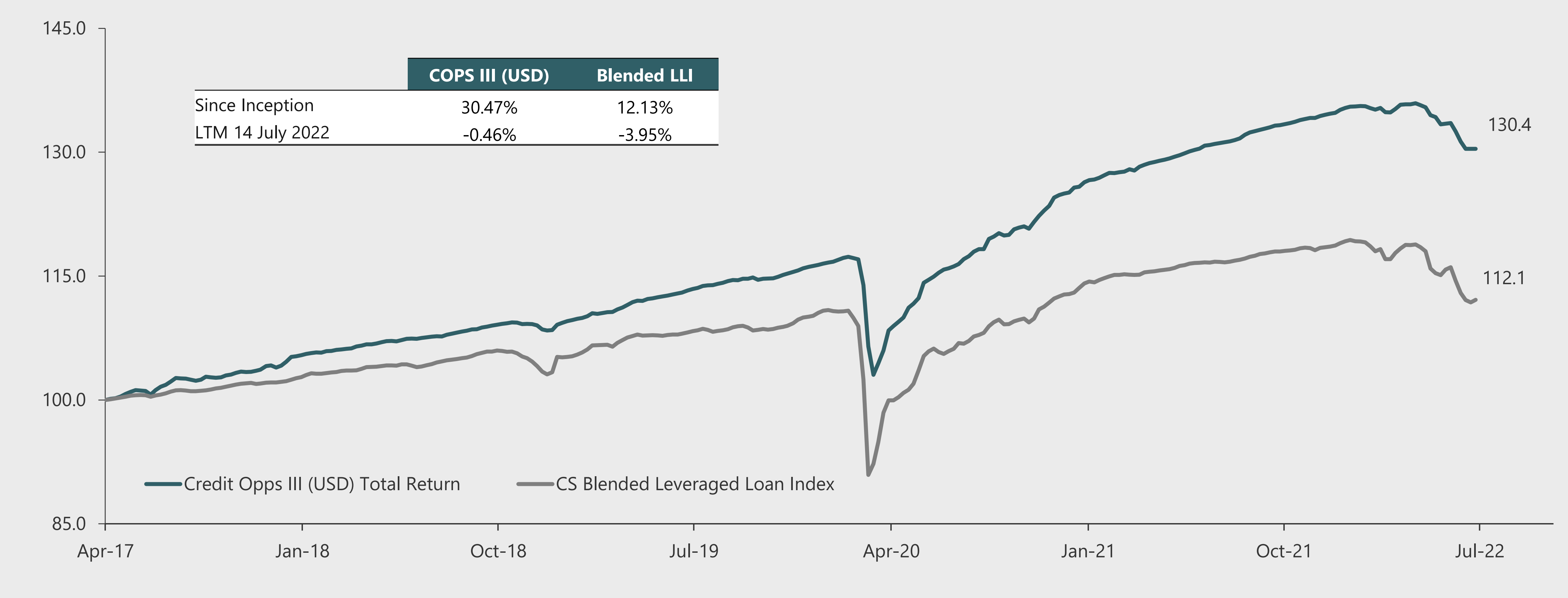


Past performance is not a guarantee of future results. Portfolio Statistics as at 30 June 2022.

Credit Opportunities III (USD)

Outperforming the CS Indices

	COPS III (USD)	Blended LLI
Since Inception	30.47%	12.13%
LTM 14 July 2022	-0.46%	-3.95%



Past performance is not a guarantee of future results. Total return as of 14 July 2022.

Appendix

APPENDIX

01

MWRA Commitment Overview

Massachusetts Water Resources Authority (MWRA) Employees Retirement System

Total Commitment: 3,000,000

Ending Unfunded Commitment: 501,321

Date of cash flow	Capital Contributions	True-up Interest	Distributions	Net asset value (NAV)	Cash flows and NAV
	$	$	$	$	$
27/02/2018	(431,406)	-	-	-	(431,406)
13/07/2018	(345)	345	-	-	-
05/11/2018	(361,350)	-	-	-	(361,350)
08/11/2018	-	-	14,346	-	14,346
01/02/2019	-	-	21,515	-	21,515
04/03/2019	(361,350)	-	-	-	(361,350)
16/05/2019	-	-	17,929	-	17,929
01/07/2019	(198,742)	-	-	-	(198,742)
29/07/2019	-	-	25,818	-	25,818
30/08/2019	(325,227)	-	-	-	(325,227)
03/10/2019	(289,080)	-	-	-	(289,080)
04/11/2019	-	-	26,893	-	26,893
05/02/2020	-	-	32,272	-	32,272
25/03/2020	(289,080)	-	-	-	(289,080)
13/07/2020	(180,675)	-	-	-	(180,675)
03/08/2020	-	-	25,100	-	25,100
30/09/2020	(74,220)	-	-	-	(74,220)
16/11/2020	-	-	35,856	-	35,856
05/02/2021	-	-	39,083	-	39,083
17/05/2021	-	-	69,340	-	69,340
05/08/2021	-	-	36,937	-	36,937
03/11/2021	-	-	45,185	-	45,185
09/02/2022	(1,629)	-	58,975	-	57,346
04/03/2022	(186,917)	-	-	-	(186,917)
18/05/2022	-	-	38,216	-	38,216
30/06/2022	-	-	-	2,826,631	2,826,631
Total	**(2,700,021)**	**345**	**487,465**	**2,826,631**	

Notes: Cash flow schedule table for the quarter ended 30 June 2021

Endnotes

1. Past performance is not a guarantee, projection or prediction and is not necessarily indicative of future results. Target IRR included herein are based on estimates and assumptions that Park Square believes are reasonable based on the information available as of the date on which this information was prepared, and they were presented solely to provide insight into the Fund's investment objectives, as well as its anticipated risk and reward characteristics. Such estimates and assumptions include, without limitation, that the Fund's performance will be comparable to that of the Prior Funds, and are nevertheless subject to change and may not ultimately be correct or relevant to the Park Square's strategy or investment decisions. Target IRR amounts presented herein are not predictions, projections or guarantees of future performance. There can be no assurance that targeted investments will be realized or that the Fund will be successful in finding investment opportunities that meet the target return parameters, and the actual IRR, MOC and other similar information will depend on, among other factors, future operating results of portfolio companies, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the estimates and assumptions on which the target IRR, MOC and similar information are based. All target IRR amounts are included on a net basis, and reflect the allocation of any fees, carried interest, taxes and other allocable expenses
2. Actual realised returns on unrealised and partially realised investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in the performance data contained herein are based. There can be no assurance that Park Square will be able to carry out its business plans with respect to these investments. Accordingly, actual realized returns on such investments may differ materially from the returns indicated herein. Unless specifically stated otherwise, all performance data are stated as at the indicated date and gross of taxes, management fees, carried interest, transaction expenses and other expenses (including expenses associated with subscription-line financing).

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The representative in Switzerland for Park Square Capital European Loan Partners II, SCSp is FundRock Switzerland SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland. The paying agent in Switzerland is Banque Cantonale de Genève, 17 Quai de l'Ile, CH-1207 Geneva, Switzerland. The Prospectus, the Articles of Association and annual/report financial statement can be obtained free of charge from the representative in Switzerland.

With regards to the Shares offered in Switzerland, the place of performance is the registered office of the representative and the place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.

The representative in Switzerland for the Credit Opportunities IV funds and Direct Loan Partners is FundRock Switzerland SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland. The paying agent in Switzerland is Banque Cantonale de Genève, 17 Quai de l'Ile, CH-1207 Geneva, Switzerland. The prospectus, the articles of association and the annual report/financial statement can be obtained free of charge from the representative in Switzerland. The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Shares distributed in and from Switzerland.

The Sub-Fund has appointed Acolin Fund Services AG, Geneva Branch, 6 Cours de Rive, 1204 Geneva, Switzerland, as its Swiss Representative. Banque Cantonale de Genève, 17 Quai de l'Ile, CH-1208 Geneva, Switzerland is the Swiss Paying Agent. In Switzerland, Units in the Sub-Fund shall be distributed exclusively to qualified investors. This Supplement, the General Part of the Issuing Document, the Limited Partnership Agreement, and audited financial statements can be obtained free of charge from the Representative. The place of performance with respect to Units distributed in or from Switzerland is the registered office of the Representative.

Park Square Capital

September 2022

Private Debt Investor AWARDS 2020
Senior lender of the year, Europe

Private Debt Investor AWARDS 2020
Global sponsored deal of the year

Private Equity International AWARDS 2020
Lender of the Year in EMEA

Firm: Real Estate Global Partnership Fund II, LP (fka MFIRE Global II)
Strategy/Product: Real Estate Fund of Funds
Client: MWRA

NEPC Manager Due Diligence Questionnaire - Update

Instructions

In support of our upcoming meeting we ask that you please complete this due diligence questionnaire. Please provide your responses in the form of brief descriptions, lists or tables added directly to this Word document.

Thank you for taking the time to complete this questionnaire. Please note that your response will be part of the NEPC Research Database.

Firm/Organization

1. Have there been any changes in ownership or management in the past year?

   Yes, StepStone Group Inc. listed and began trading on the Nasdaq Global Select Market under the trading symbol STEP on September 16, 2020; and in March 2021, the Firm conducted its first follow-on secondary offering of additional shares. As of June 1, 2021, StepStone partners and employees collectively held an approximate 47.9% economic interest in STEP. The Class B Committee members control approximately 72.1% of the combined voting power of our common stock via the Stockholders Agreement.

   In September 2021, StepStone Group acquired Greenspring Associates, a venture capital platform. At the close of the transaction, StepStone issued 12,686,756 shares of the Class A common stock of StepStone Group Inc. and 3,071,519 new Class C units of StepStone Group LP to the sellers.

   StepStone Real Estate ("SRE") is co-owned and co-controlled by SRE employees and StepStone. Certain SRE Partners cumulatively owns 50% of the business and the remainder is owned by StepStone, each on a fully diluted basis. SRE has undergone no major changes in ownership/management in the past year, and will remained privately held, with no meaningful changes to its business or investment practices.

2. List firm AUM, net flows and accounts gained/lost for the past 5 years.

   AUM/AUA

   - **StepStone: $137B AUM / $452B AUA**
   - **SRE: $10B AUM / $157B AUA**

   Client Gain/Loss

   - **Gain**

- **In the past 5 years, StepStone has gained 100+ clients, with ~$90B of AUM/AUA. These clients include public/private pension funds, insurance companies, sovereign wealth funds, endowments, family offices, financial institutions and superannuation funds.**
- **In the past 5 years, SRE has gained 35+ clients, with ~$70B of AUM/AUA. These clients include public/private pension funds, insurance companies, sovereign wealth funds, endowments, family offices, financial institutions and superannuation funds.**

- **Loss**
  - **In the past 5 years, StepStone has lost 19 clients.**
  - **In the past 5 years, SRE has lost 10 clients.**

3. Have there been any new or discontinued products in the past year?

   No products have been discontinued in the past year.

   In 2022, SRE is launching StepStone Real Estate Partners V ("SREP V"), the fifth in a series of funds focused on providing liquidity to real estate vehicles and their investors through special situations secondaries including recapitalizations. SREP V is targeting US$2 billion in capital commitments.

4. Are any products capacity constrained? **No**

5. Describe any current or pending regulatory, compliance or litigation issues and the expected business impact. **No issues**

Portfolio Management Team

1. Have there been any changes in the portfolio management team in the past year? **No**

2. Are there any expected changes to the team in the future (planned additions or departures)? **No**

Process

1. Have there been significant changes in any of the areas below in the past year?
   - Identification of investment ideas **No Changes**
   - Process for exploring and vetting ideas **No Changes**
   - Portfolio trading practices including buy/sell rules **No Changes**
   - Approach to portfolio monitoring and risk management **No Changes**

Philosophy

1. Describe recent changes in investment philosophy, if any. **No Changes**

Portfolio

1. If not included in your meeting presentation, provide portfolio holdings, sector exposure, geographic exposure and common characteristics (yield, duration, market cap, P/E, etc.).

   See attached Schedule of investments "SOI", see diversification tables in presentation

2. List strategy AUM, net flows and accounts gained/lost for the past 5 years.

   Global Partnership Fund II's investment value as of 4Q18 is $43.5 million. There have been no clients gained or lost. (It is a closed-end fund-of-funds structure).

3. Describe investor concentration for the strategy and note the percent of AUM attributable to the top five investors.

   Top 5 investors in RE Global II equals 88.8%

Performance / Market Outlook

1. If not included in your meeting presentation, provide trailing returns as of the most recent quarter-end and calendar year returns for the past 10 years, both relative to benchmark.

   The IRR summary in the presentation summarizes most of this. A 10-year history can be provided but not in time for this presentation.

2. Briefly discuss recent performance trends and identify environments in which the strategy is likely to be in or out of favor.

   The goal of the vehicles was to provide global diversity to investors by investing in diverse value-add/opportunistic structures worldwide. The fund is experiencing solid performance in most of its underlying investments in North America, Europe, and Asia. The Fund's Latin American investments have struggled due to political and economic instability in the region which has caused construction delays, a slowdown in sales, and a lack of consumer confidence which has led to additional cancellations of sales contracts in the for-sale housing strategy. Additionally, this region suffered from significant currency depreciation.

3. Describe your market outlook and how strategy positioning is impacted by your views.

   While real estate fundamentals have remained strong, there is increasing concern that we are nearing the end of the real estate market cycle. Therefore, we are focused on more defensive strategies that include a high current income component, including debt. Also, we are looking at other niche strategies that are more resilient during downturns and less correlated with market cycles such as self-storage and senior housing. With that said, the Fund's investment period is over, so the underlying managers are primarily managing the existing investments for stabilization and eventual sale.

4. Could you please include a slide in your presentation that shows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.

Please see attached report

STEPSTONE
inside private markets

Real Estate Global Partnership Fund II

September 2022 | CONFIDENTIAL

Presentation to MWRA Employees' Retirement System

Disclosure

This document is meant only to provide a broad overview for discussion purposes. All information provided here is subject to change. This document is for informational purposes only and does not constitute an offer to sell, a solicitation to buy, or a recommendation for any security, or as an offer to provide advisory or other services by StepStone Group LP, StepStone Group Real Assets LP, StepStone Group Real Estate LP, StepStone Conversus LLC, Swiss Capital Alternative Investments AG and StepStone Group Europe Alternative Investments Limited or their subsidiaries or affiliates (collectively, "StepStone") in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. The information contained in this document should not be construed as financial or investment advice on any subject matter. StepStone expressly disclaims all liability in respect to actions taken based on any or all of the information in this document. This document is confidential and solely for the use of StepStone and the existing and potential clients of StepStone to whom it has been delivered, where permitted. By accepting delivery of this presentation, each recipient undertakes not to reproduce or distribute this presentation in whole or in part, nor to disclose any of its contents (except to its professional advisors), without the prior written consent of StepStone. While some information used in the presentation has been obtained from various published and unpublished sources considered to be reliable, StepStone does not guarantee its accuracy or completeness and accepts no liability for any direct or consequential losses arising from its use. Thus, all such information is subject to independent verification by prospective investors.

On September 20, 2021, StepStone Group Inc. acquired Greenspring Associates, Inc. ("Greenspring"). Upon the completion of this acquisition, the management agreement of each Greenspring vehicle was assigned to StepStone Group LP

The presentation is being made based on the understanding that each recipient has sufficient knowledge and experience to evaluate the merits and risks of investing in private market products. All expressions of opinion are intended solely as general market commentary and do not constitute investment advice or a guarantee of returns. All expressions of opinion are as of the date of this document, are subject to change without notice and may differ from views held by other businesses of StepStone.

All valuations are based on current values calculated in accordance with StepStone's Valuation Policies and may include both realized and unrealized investments. Due to the inherent uncertainty of valuation, the stated value may differ significantly from the value that would have been used had a ready market existed for all of the portfolio investments, and the difference could be material. The long-term value of these investments may be lesser or greater than the valuations provided.

StepStone Group LP, its affiliates and employees are not in the business of providing tax, legal or accounting advice. Any tax-related statements contained in these materials are provided for illustration purposes only and cannot be relied upon for the purpose of avoiding tax penalties. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Prospective investors should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any investments. Each prospective investor is urged to discuss any prospective investment with its legal, tax and regulatory advisors in order to make an independent determination of the suitability and consequences of such an investment.

An investment involves a number of risks and there are conflicts of interest.

Each of StepStone Group LP, StepStone Group Real Assets LP, StepStone Group Real Estate LP and StepStone Conversus LLC is an investment adviser registered with the Securities and Exchange Commission ("SEC"). StepStone Group Europe LLP is authorized and regulated by the Financial Conduct Authority, firm reference number 551580. StepStone Group Europe Alternative Investments Limited ("SGEAIL") is an SEC Registered Investment Advisor and an Alternative Investment Fund Manager authorized by the Central Bank of Ireland and Swiss Capital Alternative Investments AG ("SCAI") is an SEC Exempt Reporting Adviser and is licensed in Switzerland as an Asset Manager for Collective Investment Schemes by the Swiss Financial Markets Authority FINMA. Such registrations do not imply a certain level of skill or training and no inference to the contrary should be made.

In relation to Switzerland only, this document may qualify as "advertising" in terms of Art. 68 of the Swiss Financial Services Act (FinSA). To the extent that financial instruments mentioned herein are offered to investors by SCAI, the prospectus/offering document and key information document (if applicable) of such financial instrument(s) can be obtained free of charge from SCAI or from the GP or investment manager of the relevant collective investment scheme(s). Further information about SCAI is available in the SCAI Information Booklet which is available from SCAI free of charge.

All data is as of March 31, 2022 unless otherwise noted.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ACTUAL PERFORMANCE MAY VARY.

Account Summary

MWRA ACCOUNT AS OF 1Q2022

Name of Partner: **MWRA Employees' Retirement System**
Commitment: $ 2,000,000

	Current Quarter	Year to Date	Inception to Date
Beginning Capital Account	$ 555,803	$ 555,803	$
Capital Contributions			1,310,000
Distributions			(1,241,675)
Net contributions/(distributions)			68,325
Net investment gain/(loss) before management fee	(807)	(807)	(66,685)
Management fee	(1,835)	(1,835)	(154,926)
Net realized gain/(loss) on investments	51,283	51,283	880,974
Net change in unrealized appreciation/(depreciation) on investments	(42,303)	(42,303)	(153,498)
General Partner's carry allocation			
Net change in partner's capital resulting from operations	6,338	6,338	505,865
Syndication costs			(12,049)
Capital Account at 03/31/2022[1]	$ 562,141	$ 562,141	$ 562,141

[1]Balance may not sum due to rounding.
Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve its objectives or avoid substantial losses.

TIME WEIGHTED RETURNS

	Quarter	Year to Date	1 Year	TVPI[(1)(2)]
RE Global Fund II (Gross)	1.5%	1.5%	5.5%	1.6x
NCREIF Property Index[(3)]	*5.3%*	*5.3%*	*21.9%*	*n/a*
RE Global Fund II (Net)	1.2%	1.2%	4.3%	1.4x

INTERNAL RATE OF RETURN (IRR)[(2)]

	Thru 1Q 2022
RE Global Fund II (Gross)[(4)]	8.7%
RE Global Fund II (Net of Fees)[(5)]	6.7%
RE Global Fund II (Net of Fees & Allocated Carry)	6.7%

[(1)] "TVPI" refers to the ratio of Total Value to Invested.
[(2)] IRR and TVPI for certain vehicles may have been impacted by Stepstone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.
[(3)] The referenced indices/benchmarks are shown for general market comparisons and are not meant to represent any particular fund. An investor cannot directly invest in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented.
[(4)] GPF Gross calculation represents performance of underlying funds without any impact of the fund of fund fees/expenses.
[(5)] GPF Fund of Funds Net calculation represents the performance of the fund of funds net of all fees and expenses.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve its objectives or avoid substantial losses.

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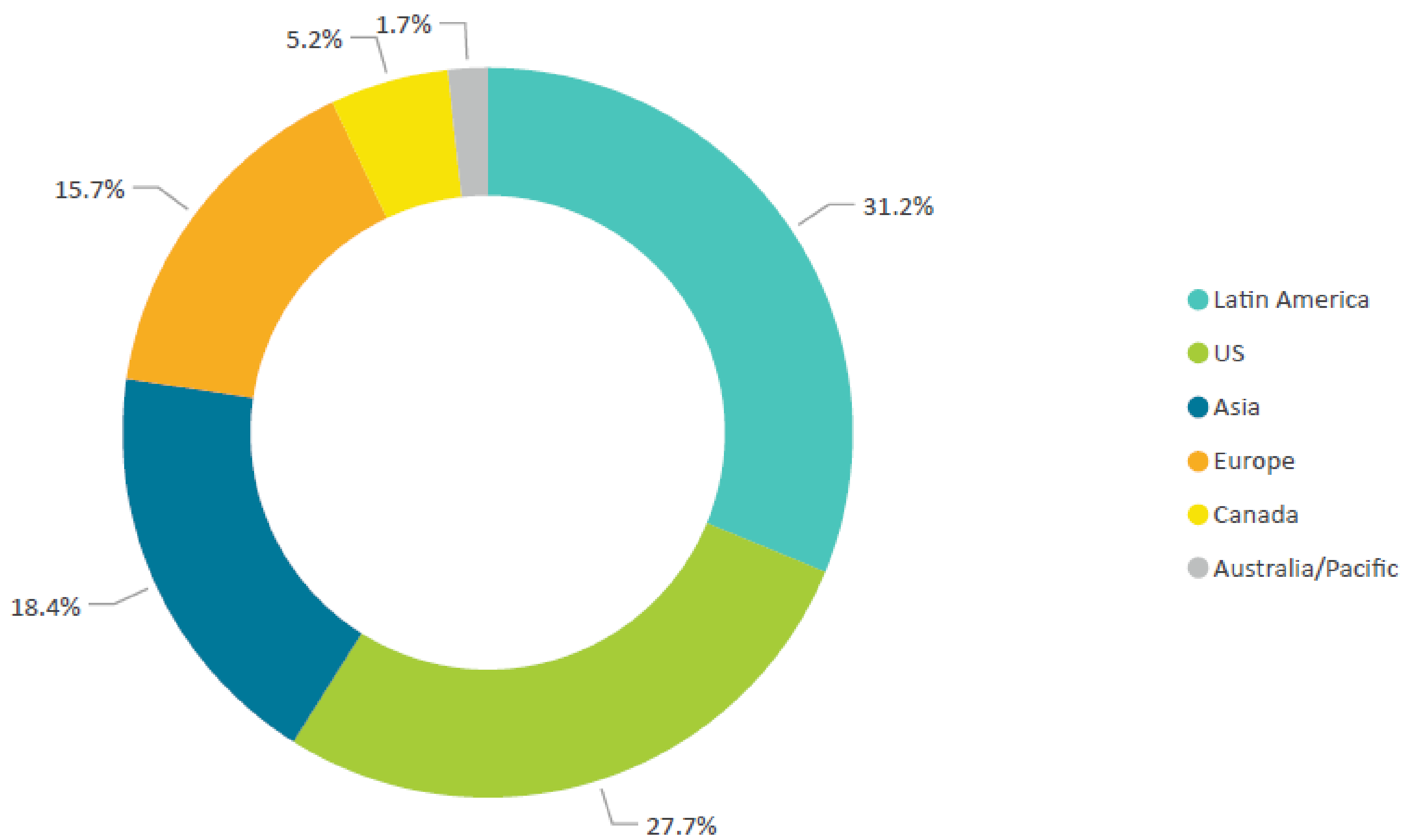
UNDERLYING MANAGER PERFORMANCE AS OF 1Q2022

Activity	Activity				Performance		
	Commitment	Contributions as of 3/31/2022	Distributions as of 3/31/2022	Value as of 3/31/2022	DPI	TVPI	Net IRR
Sterling Value Add Partners	6,160,000	6,357,155	(4,800,549)	4,997,842	.76x	1.54x	11.8%
Woodbourne Canada Partners II*	5,463,758	7,695,549	(9,086,089)	1,010,631	1.18x	1.31x	7.7%
Hemisferio Sul Investimentos Fund IV	5,600,000	5,537,325	(439,460)	691,380	0.08x	0.20x	-24.2%
Bayview Opportunity Fund IIIb**	5,600,000	6,961,908	(9,204,861)	-	1.32x	1.32x	9.8%
Madison Realty Capital Sullivan Debt	5,600,000	8,239,593	(11,658,482)	261,069	1.41x	1.45x	12.7%
Fortress Japan Opportunity Fund II(Yen)*	4,950,568	6,339,273	(9,705,704)	791,538	1.53x	1.66x	18.3%
Lubert-Adler Real Estate Fund V**	629,229	629,229	(1,090,634)	-	1.73x	1.73x	14.2%
Lubert-Adler Real Estate Fund VI**	4,039,518	3,933,732	(6,724,070)	-	1.71x	1.71x	27.6%
Lubert-Adler Real Estate Fund VI-A**	1,543,475	1,453,318	(2,770,817)	-	1.91x	1.91x	33.2%
Terranum Capital Latin America REF I	5,600,000	6,645,725	(3,571,396)	1,423,185	0.54x	0.75x	-6.9%
Kittyhawk Capital Partners II*	5,931,120	5,311,870	(5,311,413)	1,107,737	1.00x	1.21x	5.8%
FPA Apartment Opportunity Fund IV	5,600,000	5,364,705	(9,471,083)	46,796	1.77x	1.77x	30.3%
Tristan European Property Investors Special Opp III*	5,767,582	6,344,935	(5,693,364)	1,870,518	0.90x	1.19x	5.7%
Blackstone Real Estate Partners Asia	6,900,000	7,384,791	(8,171,575)	3,149,843	1.11x	1.53x	12.7%
JEN Fund IV**	6,900,000	5,679,324	(7,859,187)	-	1.38x	1.38x	13.6%
JER Europe Fund III	1,407,949	1,425,577	(1,889,746)	16,857	1.33x	1.34x	23.0%
Limetree China Car Parks	6,500,000	6,429,917	(8,436,260)	287,632	1.31x	1.36x	6.2%
Alsis Mexico Housing Opportunities	4,730,753	5,000,000	(1,504,498)	3,904,023	0.30x	1.08x	1.5%
Total	**$88,923,953**	**$96,733,927**	**$(107,389,191)**	**$19,559,051**	**1.11x**	**1.31x**	**8.7%**

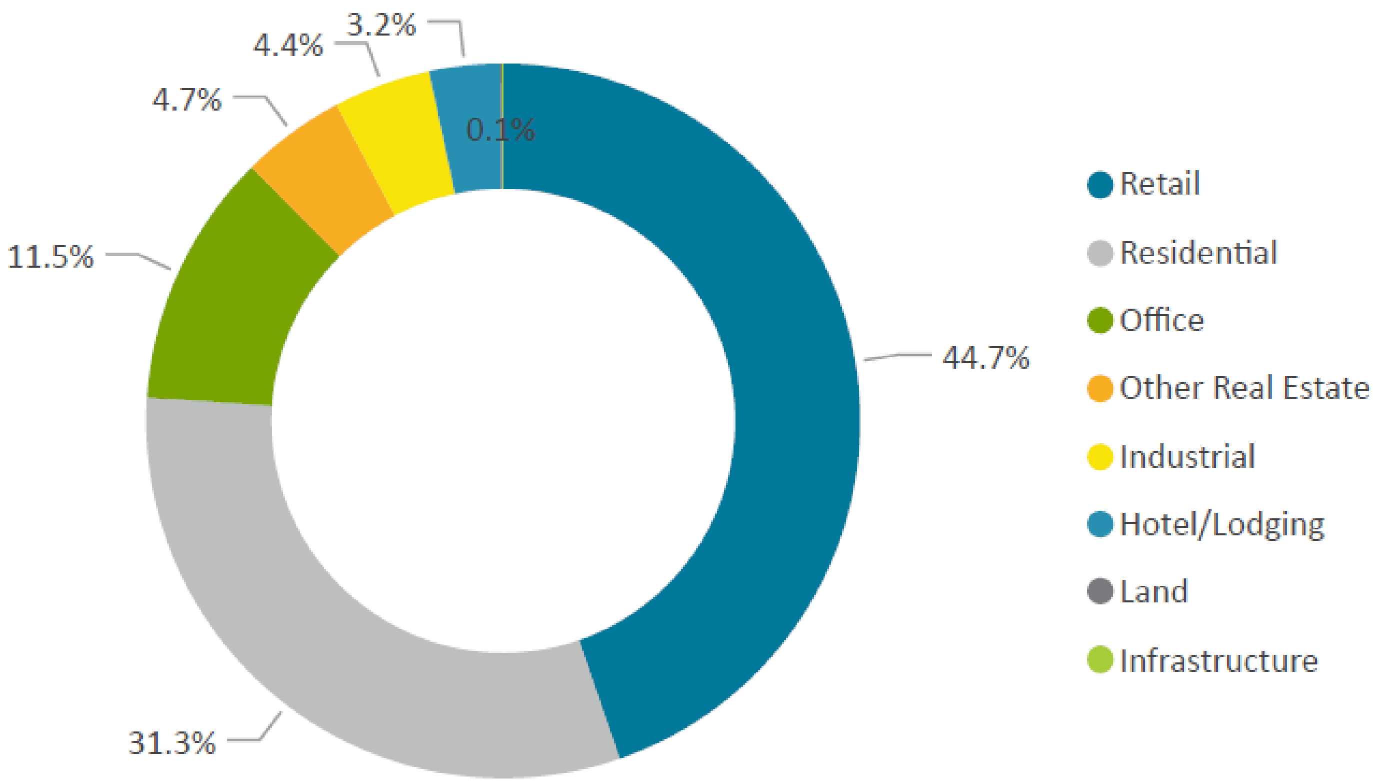
*Commitment is non-USD; currently translated at the period end FX Rate.
**Liquidated investments are included on the schedule to show the inception to date performance of Real Estate Global Partnership Fund II.
(1)IRR and TVPI for certain vehicles may have been impacted by Stepstone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.
Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve its objectives or avoid substantial losses.

Geographic Diversification



All data is as of March 2022 unless otherwise noted.

Property Type Diversification



All data is as of March 2022 unless otherwise noted.

Risks and Other Considerations

Risks Associated with Investments. Identifying attractive investment opportunities and the right underlying fund managers is difficult and involves a high degree of uncertainty. There is no assurance that the investments will be profitable and there is a substantial risk that losses and expenses will exceed income and gains.

Restrictions on Transfer and Withdrawal; Illiquidity of Interests; Interests Not Registered. The investment is highly illiquid and subject to transfer restrictions and should only be acquired by an investor able to commit its funds for a significant period of time and to bear the risk inherent in such investment, with no certainty of return. Interests in the investment have not been and will not be registered under the laws of any jurisdiction. Investment has not been recommended by any securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of this document.

Limited Diversification of Investments. The investment opportunity does not have fixed guidelines for diversification and may make a limited number of investments.

Reliance on Third Parties. StepStone will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents and failure by any of these third parties to perform their duties could have a material adverse effect on the investment.

Reliance on Managers. The investment will be highly dependent on the capabilities of the managers.

Risk Associated with Portfolio Companies. The environment in which the investors directly or indirectly invests will sometimes involve a high degree of business and financial risk. StepStone generally will not seek control over the management of the portfolio companies in which investments are made, and the success of each investment generally will depend on the ability and success of the management of the portfolio company.

Uncertainty Due to Public Health Crisis. A public health crisis, such as the recent outbreak of the COVID-19 global pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can, in turn, negatively impact StepStone and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, have the ability to adversely impact the businesses of StepStone's investments. In addition, such disruptions can negatively impact the ability of StepStone's personnel to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of COVID-19 has contributed to, and could continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect StepStone's ability to raise funds, find financing or identify potential purchasers of its investments, all of which could have material and adverse impact on StepStone's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to StepStone's performance.

Taxation. An investment involves numerous tax risks. Please consult with your independent tax advisor.

Conflicts of Interest. Conflicts of interest may arise between StepStone and investors. Certain potential conflicts of interest are described below; however, they are by no means exhaustive. There can be no assurance that any particular conflict of interest will be resolved in favor of an investor.

Allocation of Investment Opportunities. StepStone currently makes investments, and in the future will make investments, for separate accounts having overlapping investment objectives. In making investments for separate accounts, these accounts may be in competition for investment opportunities.

Existing Relationships. StepStone and its principals have long-term relationships with many private equity managers. StepStone clients may seek to invest in the pooled investment vehicles and/or the portfolio companies managed by those managers.

Carried Interest. In those instances where StepStone and/or the underlying portfolio fund managers receive carried interest over and above their basic management fees, receipt of carried interest could create an incentive for StepStone and the portfolio fund managers to make investments that are riskier or more speculative than would otherwise be the case. StepStone does not receive any carried interest with respect to advice provided to, or investments made on behalf, of its advisory clients.

Other Activities. Employees of StepStone are not required to devote all of their time to the investment and may spend a substantial portion of their time on matters other than the investment.

Material, Non-Public Information. From time to time, StepStone may come into possession of material, non-public information that would limit their ability to buy and sell investments.

Morgan Stanley

NEPC
on behalf of MWRA Retirement System

Prime Property Fund, LLC ®

Manager Due Diligence Questionnaire - Update

As of June 30, 2022

Important Notices

General. The information contained herein refers to research, but does not constitute an equity research report and is not from Morgan Stanley Equity Research. Unless otherwise indicated, the views expressed are those of the research and strategy team of Morgan Stanley Real Estate Investing ("MSREI") and may differ from those of Morgan Stanley Equity Research and other Morgan Stanley affiliates (including others within MSREI). These views may also differ from investment strategies implemented by MSREI now or in the future. The information (including facts, opinions, estimates or projections) contained herein is based on financial, economic, market and other conditions prevailing as of the date hereof. As such, it remains subject to change at any time. By providing such information, MSREI assumes no obligation to provide any update or supplement to such information following the date hereof. Although reasonable care has been taken to ensure that the information (including facts, opinions, estimates or projections) contained herein is accurate, complete and fair, no warranty, express or implied, is made as to the accuracy, completeness or fairness of such information. Certain economic and market information contained herein may have been obtained from third parties sources. While MSREI believes that such sources are reliable, neither MSREI nor any other Morgan Stanley affiliate has independently verified such information or assumes any responsibility or liability for the accuracy, completeness or fairness of such information or any omission of information.

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Past Performance. Past performance is not indicative of future results. Any projected or target returns contained herein are being provided for informational purposes only. Investments in real estate may result in the loss of principal. There can be no assurance that any projected or target returns, or any returns at all, will be achieved.

Forward-Looking Statements. These materials contain projections and other forward-looking statements. Any statements that are not historical facts are forward-looking statements that involve risks and are inherently uncertain. Sentences or phrases that use such words as "believe," "anticipate," "plan," "may," "hope," "can," "will," "expect," "should," "goal," "objective," "projected" and similar expressions also identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Projections and other forward-looking statements, including statements regarding MSREI's assessment of the market, are by their nature uncertain insofar as actual realized returns or other projected results can change quickly based on, among other things, unexpected market movements, changes in interest rates, legislative or regulatory developments, errors in strategy execution, acts of God and other asset-level developments. There can be no assurance that projections and other forward-looking information will not change based on subsequent developments and without further notice, and no assurance can be given as to outcome. You should not to place undue reliance on forward-looking statements, including forecasts and projections, and statements regarding the assessment of the market, which speak only as of the date referenced herein.

Targeted Purpose and Audience. These materials have been prepared for a specific purpose and a specific target audience. These materials have been designed for use on a one-on-one basis; if you are not the intended recipient and/or plan on using these materials for other than the intended purpose, then these disclosures may not be adequate for your purposes. These materials do not purport to be all-inclusive or to contain all the information necessary to make an investigation or decision regarding MSREI, the Fund or the Adviser. Please discuss any questions you may have with an appropriate MSREI representative.

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Limitations on Use; Distribution of These Materials in Certain Jurisdictions. Offers and sales of interests in any fund referred to herein may not be registered under the laws of any jurisdiction. The distribution of these materials (or any Offering Memorandum to which they refer) in certain jurisdictions may be restricted by law and persons into whose possession these materials or any such Offering Memorandum come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction.

Investment Risk. Investments in private funds are speculative and include a high degree of risk. Investors could lose their entire investment. Private funds are highly illiquid, and are only suitable for long-term investors willing to forgo liquidity and put capital at risk for an indefinite period of time. Private funds often engage in speculative investment practices that may increase the risk of investment loss. Private funds may involve complex tax structures and there may be delays in distributing important tax information. Private funds typically have significantly higher fees and expenses than other investment vehicles. Investing in private funds is not for everyone as it entails risks that are different from those of more traditional investments. Anyone considering an investment in a private fund should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) characteristic of such investments.

COVID-19. We have considered the continued impact of COVID-19 in our assumptions utilized to estimate the fair value of PRIME's investments. The extent and duration of the impact to the financial performance of investments will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be easily predicted. Additionally, the impact could disproportionally affect certain investments based on their geographic region and property type. If the financial performance of investments is impacted because of these or any other related factors for an extended period, PRIME's investment results and the valuation of PRIME's investments may be adversely affected.

Consultation of Advisors. These materials do not constitute legal, tax, financial or other advice. The legal, tax and other consequences of any proposed transaction may differ for each recipient as a result of, among other things, the particular financial situation of, and the laws and regulations applicable to, each recipient. You should consult your own legal counsel, accountants and other advisors regarding the information contained herein and the transactions described hereby.

Availability of Adviser's Form ADV. Morgan Stanley Real Estate Advisor, Inc., the Adviser to the Fund, and various other Morgan Stanley affiliates that are registered with the U.S. Securities & Exchange Commission ("SEC") have filed with the SEC, and are required to update periodically, Form ADV. Form ADV Part 2A and 2B contain essential information about a given investment advisory firm, including information about firm management, clients, fee arrangements and the handling of conflicts of interest, and the SEC requires that it be sent to all prospective clients who might enter into an advisory agreement prior to execution. Upon request, the Adviser will furnish a copy of its Form ADV without charge to you. Please contact Morgan Stanley Real Estate Investor Services at (212) 761-7160 or email msreinvestor@seic.com for a copy.

SFDR. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any losses in MSREI funds will be borne solely by investors in MSREI funds and not by Morgan Stanley and its affiliates. Therefore, Morgan Stanley's losses in MSREI funds will be limited to losses attributable to the ownership interests in MSREI funds held by Morgan Stanley and its affiliates in their capacity as investors in MSREI funds. Interests in MSREI funds are not insured by the FDIC and are not deposits, obligations of, or endorsed or guaranteed in any way, by Morgan Stanley. Investors should read the applicable Offering Memorandum (if available) before investing in MSREI fund. Morgan Stanley is the sponsor of MSREI funds for purposes of the Section 619 of the Dodd-Frank Act ("The Volcker Rule"). A description of the role and services of Morgan Stanley is provided in the Memorandum.

For more information contact: Megan Golder c/o Morgan Stanley, 1585 Broadway, New York, NY, 10036, (212)761-3795.

Executive Summary

Success at Morgan Stanley is defined by the ability to offer clients meaningful, long-term value. The numerous business affiliations and partnerships afforded through Morgan Stanley Real Estate Investing and our local market presence provide clients with a network of on-the-ground resources in key markets across the globe. This network and our ability to close a variety of transactions quickly and efficiently afford us access to many of the best opportunities available in the marketplace.

Investments are managed across the risk/return spectrum in the Americas, Europe and Asia. Each investment vehicle is led by veteran portfolio managers who are supported by Morgan Stanley's capable investment staff.

Morgan Stanley Real Estate Investing ("MSREI") is committed to providing management stability and continuity. We leverage our proven investment expertise to produce superior returns and to provide excellent client service. Our industry leading competitive advantages include:

- Excellent research capabilities that are fully integrated throughout the decision-making process
- Superior access to deal flow
- Local, focused knowledge accessed through acquisition and asset management professionals located in 17 dedicated real estate offices globally
- Proven sell discipline evidenced by successful execution of disposition strategies
- A dedicated capital markets team with the ability to internally execute a variety of financing strategies

Prime Property Fund ®

The following response presents Prime Property Fund, LLC ("PRIME" or the "Fund"), a core commingled investment fund, for your consideration. PRIME is a Delaware limited liability company that has elected to be treated as a real estate investment trust for U.S. federal income tax purposes. Pursuant to its conversion to a limited liability company, PRIME became the successor in interest to an open-end institutional real estate investment fund organized in 1973 as a statutory insurance company separate account. Now in its 49th year of operation, PRIME seeks to deliver strong, income-driven returns by investing in high quality, well leased and strategically located U.S. properties.

PRIME delivered a total return gross of fees of 3.4% in the second quarter of 2022. For the twelve months ended June 30, 2022, PRIME delivered a total return gross of fees of 29.3% compared to a return by the NCREIF Fund Index—Open-End Diversified Core Equity ("NFI-ODCE") benchmark of 29.5%. PRIME outperformed the NFI-ODCE over the near, intermediate, and long term as of June 30, 2022.

The summaries here are not intended to replace the need for a review of the latest Offering Memorandum, as supplemented, including the various risk factors set forth therein, as well as the Fund's Operating Agreement and the Subscription Booklet, which will be sent at the request of serious qualified prospects and which must be executed prior to investment. Please refer to those documents for further information on investing in PRIME.

If you have any questions or concerns, please do not hesitate to contact us at any time.

Scott A. Brown
Head of Prime Property Fund®
Prime Property Fund, LLC
212-761-3907
Scott.Brown@morganstanley.com

Questionnaire

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

Morgan Stanley Real Estate Advisor, Inc. ("MSREA") serves as the Investment Adviser to Prime Property Fund, LLC ("PRIME" or the "Fund"). MSREA is a part of Morgan Stanley Real Estate Investing ("MSREI"), the private real estate investing arm of Morgan Stanley Investment Management ("MSIM"), which is part of Morgan Stanley.

Information provided in response to this Questionnaire reflects policies and procedures of the MSREA, MSREI, MSIM and/or Morgan Stanley, depending on which is most relevant.

Firm: Morgan Stanley Real Estate Investing
Strategy/Product: Prime Property Fund, LLC
Client: MWRA Employees' Retirement System (Account #2003)

Please note that all materials submitted in relation to MWRA Retirement System may be subject to disclosure consistent with Massachusetts Public Record laws.

Firm/Organization

1. Have there been any changes in ownership or management in the past year?

MSREA is a wholly-owned subsidiary of Morgan Stanley.

MSREA is functionally located within Morgan Stanley Real Estate Investing, itself a part of Morgan Stanley's Investment Management business.

The ultimate parent of MSIM is Morgan Stanley, a New York Stock Exchange quoted company whose shares trade under the ticker symbol "MS". As a publicly traded company, Morgan Stanley shares are widely held by both institutional and individual owners and ownership is subject to change.

Please see the chart below for the ten largest stockholders of Morgan Stanley as of June 30, 2022.

As of June 30, 2022, Morgan Stanley's Ten Largest Common Stock Shareholders Were:

Name	%
Mitsubishi UFJ Financial Group, Inc.	22.0%
State Street Global Advisors	7.2%
The Vanguard Group, Inc.	7.0%
BlackRock	5.5%
Wellington Management Company, LLP	2.6%
J.P. Morgan	2.5%
FMR, LLC	2.0%
Capital Research Global Investors	2.0%
Bank of America	1.4%
Geode Capital Management, L.L.C.	1.4%

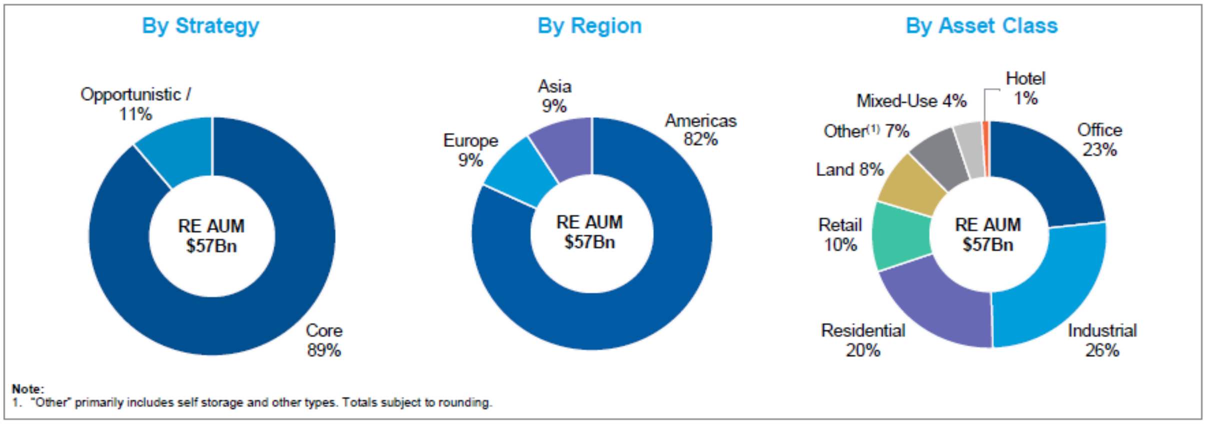
Share ownership is based on the most recent publicly available data as of June 30, 2022, in each company's 2Q22 13-F SEC filing. Holdings include the sum of the affiliated companies. Source: Nasdaq IR Insights.

2. List firm AUM, net flows and accounts gained/lost for the past 5 years.

Morgan Stanley Real Estate Investing's ("MSREI's") range of experience encompasses a broad array of asset classes, geographic regions and investment strategies across all phases of the real estate cycle. MSREI manages core and opportunistic strategies on behalf of its clients and had approximately $57 billion of global real estate assets under management ("RE AUM")[(1)] as of June 30, 2022.

The chart below provides further detail on MSREI's global RE AUM[(1)]:

As of June 30, 2022



Note:
(1) As of June 30, 2022. Real Estate Assets Under Management (RE AUM), which represents gross fair market value of the real estate assets managed by Morgan Stanley Real Estate Investing on behalf of the Firm and its clients, presented at direct ownership interest. RE AUM for certain minority interests represents Morgan Stanley's equity investment in the entity.

For further details, please see ***Appendix A – Item 1 - Section II. – "MSREI Overview – MSREI's Scope and Scale" of the Confidential Offering Memorandum dated June 2021.***

3. Have there been any new or discontinued products in the past year?

As a global real estate investment manager, MSREI will continue to focus on providing regional core fund investment offerings along with global opportunistic strategies on behalf of its investors.

Within the PRIME regional core fund series, there are currently three open-end funds. Prime Property Fund (U.S.) is the flagship U.S. core commingled real estate fund, PRIME Asia is a pan-Asian core commingled real estate fund, and PRIME Europe is a pan-European core commingled real estate fund.

We continue to see MSREI's core platform (including funds such as Prime Property Fund in the U.S., Prime Property Fund Asia and Prime Property Fund Europe) and its global opportunistic platform (including North Haven Real Estate Fund VII Global, North Haven Real Estate Fund VIII Global and North Haven Real Estate Fund IX Global) as key areas where we will be focused in this next part of the cycle. Within the NHREF series, MSREI held the final closing for North Haven Real Estate Fund X Global ("G10") in August 2021. Morgan Stanley remains aligned with and fully committed to the real estate investing business and views real estate as an important differentiator for the firm and an important service to our clients.

4. *Are any products capacity constrained?*

No, the core commingled funds offered by MSREI are open-end vehicles and it is anticipated that they will continue to offer shares, with no fixed capacity.

5. *Describe any current or pending regulatory, compliance or litigation issues and the expected business impact.*

Morgan Stanley is involved, from time to time, in investigations and proceedings by governmental and/or regulatory agencies or self-regulatory organizations, certain of which may result in adverse judgments, fines or penalties. The number of these investigations and proceedings has increased in recent years with regard to many financial services institutions, including Morgan Stanley. It is the Firm's general practice not to disclose information regarding governmental investigations, regulatory examinations, or administrative proceedings until any such investigation, examination or proceeding is concluded. At that time, the Firm will disclose material information regarding such matters on its Form 10-K and 10-Q for the relevant period.

As a public company, Morgan Stanley files periodic reports with the Securities and Exchange Commission as required by the Securities Exchange Act of 1934, which include current descriptions of all material litigation and material administrative proceedings and investigations, if any, by federal or state regulatory agencies concerning Morgan Stanley. Please refer to the "Legal Proceedings" section of the Firm's SEC filings describing certain developments in certain legal proceedings. Morgan Stanley's SEC filings may be accessed at:

https://www.morganstanley.com/about-us-ir/sec_filings.html

As stated in these reports, Morgan Stanley believes that the outcome of such litigation, inquiries or proceedings will not have a material adverse effect on its consolidated financial condition. To the best of our knowledge, information and belief, we are not aware of any threatened or pending litigation, investigations or proceedings concerning the Adviser, which could reasonably be expected to have a material adverse effect on its ability to act as investment adviser with respect to the Fund. Further, the Adviser is not aware of any arbitration, litigation or dispute with investors over the past five years that has any material effect on (i) the Adviser's ability to act as an investment adviser and (ii) the relevant funds' abilities to conduct businesses.

The Adviser is not a named defendant in any litigation that would have a material impact on its ability to act as an investment adviser for PRIME.

170 Broadway
The Fund owns a 73% interest in a high street retail asset located at 170 Broadway in joint venture with Crown Acquisitions (see p. 154 for additional information about the asset). 170 Broadway is a single tenant asset, currently leased by The Gap, Inc. ("Gap") until February 28, 2030. The current annual rent is approximately $4.9 million and escalates to approximately $6.4 million in the final year of the lease term. The asset is currently valued at $70.3 million at 100% ownership, down from its peak valuation of $96.6 million in the third quarter of 2018.

Beginning in April 2020, Gap stopped paying any rent amounts owed under the lease. On July 2, 2020, Gap filed a lawsuit in New York state court against 170 Retail Owner, LLC (the "Landlord") seeking, among other things, rescission of the lease and a declaration that the lease is unenforceable as a result of the COVID-19 pandemic and the related government-mandated shutdowns. On June 29, 2021, the Appellate Division of the Supreme Court of the State of New York overturned a trial court ruling and, among other things, required Gap to pay all rents owed from August 1, 2020 to current. Gap has paid all back rent owed and is currently paying rent, however, the litigation continues with respect to other amounts owed as a result of Gap's failure to pay rent for over 12 months as well as other obligations under the lease. The mortgage loan on this asset is now current and no longer in default.

Full resolution of this matter is unlikely to occur in the near term, however, given the current status of the case, it is not reasonably likely to have a material impact on the Fund.

AMLI Disclosure

In 2017, Baron Real Property Holdings LLC and TSquare Apts LLC ("Plaintiffs"), filed a complaint in Texas state court against AMLI/BPMT Towne Square Partnership, AMLI Residential Properties, L.P., AMLI Residential Partners LLC, and AMLI Management Company, Inc. (the "AMLI Defendants") related to the 2012 sale of the property formerly known as AMLI Towne Square in Houston, Texas, to Plaintiffs. The claims relate to alleged failure to comply with the terms of the contract during the Plaintiffs' diligence prior to close and alleged concealment of the property condition.

After a jury trial of the matter, the jury returned a unanimous verdict in favor of the AMLI Defendants, denying all claims by Plaintiffs and awarding AMLI the majority of its legal fees.

On May 31, 2022, Plaintiffs filed a notice of appeal of the trial court's final judgment.

Full resolution of this matter is unlikely to occur in the near term, however, given the current status of the case, it is not reasonably likely to have a material impact on the Fund.

Please see ***Appendix A – Item 2 for the Supplement to the Confidential Offering Memorandum dated September 2022 – 'Supplement Item A - Recent Developments'*** and ***Appendix A – Item 4 - MSREA Form ADV including Parts 2A and 2B*** for additional information on material outstanding litigation or investigations impacting Morgan Stanley Real Estate Investing.

6. Describe your diversity, equity and inclusion efforts with regard to the firm and its employees.

Morgan Stanley's and Morgan Stanley Investment Management's (MSIM's) ability to provide first-class advisory and client services rests on the talent of our employees, who each bring the benefit of diverse experiences and perspectives. We deliver the best of our Firm by promoting a culture of inclusion and belonging where dedicated professionals collaborate and produce breakthrough thinking. Our diversity and inclusion strategy is built on four key pillars: Accountability, Representation, Advancement, and Culture.

We know that the diversity of our employees is one of Morgan Stanley's greatest strengths. We need the broadest possible knowledge of the global markets in which we operate; that means our workforce must include the most skilled and creative individuals who represent a broad cross-section of our global community. Morgan Stanley's spirit of inclusion brings together and values dedicated professionals with diverse backgrounds, talents, perspectives, cultural identities and experiences, leveraging their differences to help our firm achieve its full potential.

Our efforts have led to changes in the composition of our leadership team including more diverse representation on the Firm's Operating and Management Committees as well as more women and people of color advancing to senior roles. We have also seen greater diversity at the junior levels due to our sustained campus recruiting efforts.

The Firm's diversity efforts are led by our Chairman and CEO James P. Gorman and supported across the organization by a dedicated team led by Morgan Stanley's Global Head of Diversity and Inclusion, Susan Reid, whose centralized group ensures consistent best practices across our initiatives. In addition, each division across the Firm has a dedicated Diversity and Inclusion team that partners with members of the Diversity Council and senior management to help drive our representation and inclusivity efforts.

Driving awareness of, and accountability for, diversity and inclusion efforts among managers is key to making progress against our Diversity and Inclusion goals. The firm's leadership has set the tone by communicating our strategy and setting the example for creating a culture of inclusion and belonging. We also conduct Annual Diversity Reviews to actively monitor representation, as well as the impact of promotions, hires and attrition on our talent pipeline. By sharing this diversity information with business leaders, we aim to drive a top-down dialogue that embeds accountability into the organization.

Hiring and supporting the careers of underrepresented groups is of commercial interest to our firm. To build a diverse talent pipeline, we use global, targeted recruitment and development programs to hire, retain and promote women and multicultural talent. We also actively set representation goals for each of our divisions.

We understand that it is important to invest in our employees' ongoing development. We offer a range of organizational, educational, professional development and networking programs to support our employees' career development and enhance their skills.

Creating a sense of inclusion and belonging is key not only to improve diverse representation across our company, but also to help ensure stronger work and results from all employees. We encourage employees to invest in getting to know colleagues who don't share their background, to seek input from a diverse group of individuals, and to embrace opportunities to publicly recognize colleagues, especially those who are underrepresented at the firm.

For more information on Morgan Stanley's Diversity and Inclusion initiatives and supplier diversity, and to see a list of awards and recognition for our commitment to diversity, please visit our website at:

http://www.morganstanley.com/about-us/diversity.

Portfolio Management Team

1. ***Have there been any changes in the portfolio management team in the past year?***

   There have been no additions nor departures from PRIME's Portfolio Management team in the past year.

2. ***Are there any expected changes to the team in the future (planned additions or departures)?***

   MSREI is sufficiently staffed at both the platform and PRIME team level at the current time. MSREI senior management evaluates on an ongoing basis appropriate staffing in light of assets under management and various business considerations, and will add staff where appropriate. Our long-term goal is to achieve consistent, sustainable growth, subject to our primary objective of providing superior performance and service to our clients. We do not have staffing size limitations in place. However, we regard the needs of existing clients to be paramount and monitor our assets under management on an ongoing basis to ensure our ability to continue to successfully implement our investment process on behalf of our existing clients.

Candice W. Todd, Managing Director of Morgan Stanley, Global CFO of MSREI and CFO of PRIME, will be retiring in February 2023. Ms. Todd has been a part of PRIME's portfolio management team since 2001 and is also a member of the Investment Committee. This upcoming change also presented the opportunity to appropriately recognize the contributions and importance of other portfolio team members. In addition to his role as Deputy Portfolio Manager, Josh Myerberg is also now the Chief Investment Officer of PRIME; Bennett Weaver is now the Chief Operating Officer of PRIME; and Cheyenne Sparrow is now the Assistant Portfolio Manager of PRIME.

Process

1. ***Have there been significant changes in any of the areas below in the past year?***

- ***Identification of investment ideas***

  No significant changes have been made within the past year.

- ***Process for exploring and vetting ideas***

  No significant changes have been made within the past year.

- ***Portfolio trading practices including buy/sell rules***

  No significant changes have been made within the past year.

- ***Approach to portfolio monitoring and risk management***

  No significant changes have been made within the past year.

Philosophy

1. ***Describe recent changes in investment philosophy, if any.***

Please refer to ***Question 1*** under ***Process***, above.

Portfolio

1. ***If not included in your meeting presentation, provide portfolio holdings, sector exposure, geographic exposure and common characteristics (yield, duration, market cap, P/E, etc.).***

Please refer to ***Appendix B*** for PRIME's 2Q22 Master Presentation.

2. List strategy AUM, net flows and accounts gained/lost for the past 5 years.

Please refer to the chart below.

Prime Property Fund, LLC				
AUM	Accounts Gained[(1)(2)]		Accounts Lost [(1)(3)]	
	# of Accounts	Assets in Millions	# of Accounts	Assets in Millions
As of 6/30/22	15	$1,560.6	6	$796.3
2021	40	$3,427.7	43	$1,316.0
2020	29	$2,116.5	7	$1,528.2
2019	43	$2,857.0	13	$653.4
2018	53	$2,304.6	16	$537.7
2017	63	$1,966.8	10	$631.7

Notes:

(1) Includes the investor's proportionate share of net investment income, net of management fees.

(2) "Gained" only represents new investors and transferees, and does not reflect additional contributions received from existing investors.

(3) "Lost" only represents those investors that fully redeemed or transferred their positions, and does not reflect any partial redemptions.

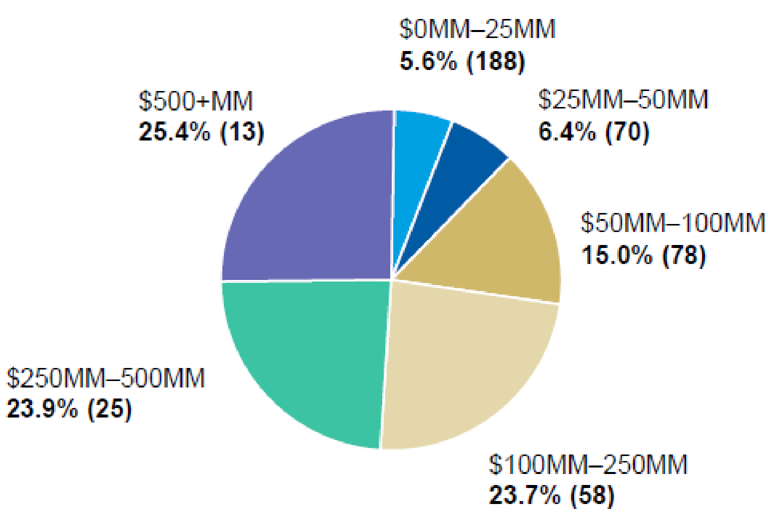
3. Describe investor concentration for the strategy and note the percent of AUM attributable to the top five investors.

Prime Property Fund, LLC

Number of Investors – Meaured by Size

As of June 30, 2022

$38.0B Net Asset Value



Prime Property Fund, LLC
Five Largest Clients
As of June 30, 2022

Name	Assets ($MM)	By Percent
U.S. Public Pension Plan A	1,244.4	3.27%
U.S. Public Pension Plan B	1,211.3	3.18%
U.S. Corporate Pension Plan A	1,185.4	3.12%
Foreign Investors	887.2	2.33%
U.S. Public Pension Plan C	816.1	2.15%

Performance / Market Outlook

1. ***If not included in your meeting presentation, provide trailing returns as of the most recent quarter-end and calendar year returns for the past 10 years, both relative to benchmark.***

Please refer to ***Appendix B*** for PRIME's 2Q22 Master Presentation as well as ***Appendix C*** for PRIME's historical returns relative to the ODCE benchmark.

2. ***Briefly discuss recent performance trends and identify environments in which the strategy is likely to be in or out of favor.***

We believe PRIME is well constructed and positioned to continuously deliver strong performance through the varying parts of a market cycle. PRIME is comprised of high-quality holdings with thoughtful market and submarket selections primarily within major gateway markets. PRIME's historical returns demonstrate strong performance over the intermediate and long-term and across varying market cycles. The Fund continues to be careful in managing risk with low overall leverage compared to its peer group, strong current lease status, well managed lease rollover exposure and it currently is at a relative low point with respect to value-add exposure. Furthermore, we believe our added diversification, meaningful weighting to industrial and housing, and underweight positions to office and retail positions the Fund favorably as we progress through the current cycle.

The U.S. macro environment is challenged with persistent inflation, higher interest rates and increased capital market volatility. Despite these macro headwinds, to date property market fundamentals generally remain favorable, except for office, resulting in higher rents given supportive conditions. Increasing income growth is helping to offset the pressures from interest rates and capital markets as cap rates expand. As is typical in a more turbulent period, we are seeing a flight to quality and repricing of risk. We anticipate more dispersion in cap rates than has been evident over the past few years. Pro-active write-downs have already occurred, particularly in out of favor sectors such as Office and Retail.

3. ***Describe your market outlook and how strategy positioning is impacted by your views.***

The macroenvironment is expected to remain challenging due to high inflation, rising interest rates and increased capital markets volatility. Higher interest rates is putting upward pressure on real estate yields, which so far has been offset by strong fundamentals, particularly in high quality industrial and residential sectors in core markets. Vacancy rates remain near record lows (with the exception of office) and new supply is also likely to be lower than expected due to higher construction costs and less available financing. This should help cushion fundamentals during this period of economic weakness, given potentially lower occupational demand resulting from more cautious and discerning tenants. The Fund believes that industrial, residential and alternative sectors (healthcare, student housing and self-storage) will continue to outperform given secular tailwinds offsetting cyclical weakness. There will likely continue to be a flight to quality, supporting prime locations and high quality assets. Within industrial, the Fund will continue to focus on port markets and large distribution hubs that are more insulated from new supply and within residential, the Fund will continue to focus on high population growth markets. The Fund will remain selective in the office and retail sectors, and continue to pursue opportunities in niche/alternative sectors such as healthcare, self-storage and other sectors benefiting from structural tailwinds.

4. ***Could you please include a slide in your presentation that sows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.***

Account Summary		
Initial Contribution	8/31/1995	**$1,000,000.00**
Follow-on Contributions	9/30/2012	**1,000,000.00**
	6/30/2019	**5,000,000.00**
	9/30/2019	**5,000,000.00**
Reinvested Dividends		
	9/30/2004	26,667.73
	12/31/2004	28,171.14
	3/31/2005	29,711.49
	6/30/2005	28,975.96
	9/30/2005	29,397.81
	12/31/2005	29,728.66
	3/31/2006	30,043.52
	6/30/2006	30,352.40
	9/30/2006	30,656.34
	12/31/2006	63,308.16
	3/31/2007	31,555.29
	6/30/2007	34,537.95
	9/30/2007	34,864.08
	12/31/2007	37,187.27
	3/31/2008	38,308.10
	6/30/2008	39,447.35
	9/30/2008	38,564.40
	12/31/2008	39,209.11
	3/31/2009	18,111.33
	6/30/2009	15,576.59
	9/30/2009	13,541.98
	12/31/2009	12,281.13
	3/31/2010	12,074.99
	6/30/2010	23,998.85
	9/30/2010	24,499.17
	12/31/2010	26,373.60
	3/31/2011	27,733.00
	6/30/2011	28,839.38
	9/30/2011	29,400.49
	12/31/2011	31,387.51
	3/31/2012	32,268.32
	6/30/2012	32,872.94
	9/30/2012	33,777.22
	12/31/2012	43,699.88
	3/31/2013	46,030.20

	6/30/2013	47,251.21
	9/30/2013	49,651.92
	12/31/2013	51,704.39
	3/31/2014	52,998.24
	6/30/2014	54,714.16
	9/30/2014	56,459.72
	12/31/2014	58,641.01
	3/31/2015	61,270.82
	6/30/2015	63,118.45
	9/30/2015	65,410.93
	12/31/2015	68,168.00
	3/31/2016	70,118.85
	6/30/2016	71,239.14
	9/30/2016	73,246.37
	12/31/2016	74,846.89
	3/31/2017	76,470.17
	6/30/2017	78,119.88
	9/30/2017	79,793.88
	12/31/2017	81,492.39
	3/31/2018	83,216.74
	6/30/2018	84,967.92
	9/30/2018	86,273.64
	12/31/2018	88,071.97
	3/31/2019	89,898.26
	6/30/2019	90,782.69
	9/30/2019	141,962.94
	12/31/2019	193,480.43
	3/31/2020	196,414.02
	6/30/2020	197,316.19
	9/30/2020	194,044.93
	12/31/2020	195,960.00
	3/31/2021	198,959.91
	6/30/2021	201,992.65
	9/30/2021	208,330.63
	12/31/2021	220,253.40
	3/31/2022	241,239.82
	6/30/2022	258,136.36
Total Reinvested Dividends		**5,279,172.26**
Gain/Loss		**9,711,250.59**
Current Account Value		**$26,990,422.85**

Performance Notes

Past performance is not indicative of future results. There can be no assurance that the Fund will achieve comparable, or any, returns. Losses, including a total loss of invested amounts, can result from investment in the Fund.

Unless otherwise noted, performance returns for the Fund contained herein:

- Are annualized (*i.e.*, for periods of one year or greater, the performance returns represent average annual returns). Returns for periods less than one year are unannualized.
- Are time-weighted returns calculated using a "modified Dietz method." In the absence of daily portfolio valuations, the modified Dietz method weights individual cash flows by the amount of time that those cash flows are held by (or absent from) the portfolio. The Adviser believes the modified Dietz method is a more appropriate way to measure the return on a portfolio than a simple geometric return method because the modified Dietz method identifies and accounts for the timing of all random cash flows while a simple geometric return does not.

  The modified Dietz method formula for calculating a time weighted return is as follows:

  - $Rp = \frac{EFV - BFV - CF}{BFV + WCF}$

  – Rp = Return for the measurement period
  – EFV = Ending fair value of the investment
  – BFV = Beginning fair value of the investment
  – CF = Net cash flows for the period (add if net distribution)
  – WCF = Sum of weighted cash flows for the period

- Are presented before (*i.e.*, gross of) investment advisory fees—specifically, they do not reflect a deduction for asset management fees. Actual returns to an investor would be lower.
- Are presented on a levered basis.
- Are presented based on finalized interim unaudited financial results (or, if available, finalized audited financial statements) available as of the stated time in the return presentation. Such results as of the end of the applicable fiscal year are generally audited by a reputable outside firm within 90 days of the Fund's fiscal year end.
- Include interest income from short-term investments.
- Include income which is based on accrual accounting.
- Include increases or decreases in net asset value arising from the Fund's marking of its debt to market in accordance with Accounting Standards Codification 825-10-25.

The Fund's annual total returns for calendar years 1974-2021 are as follows:

YEAR	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Gross	10.18%	7.64%	10.20%	11.27%	14.05%	14.92%	12.58%	17.25%	8.70%	18.13%
Net	9.15%	6.54%	9.05%	10.44%	13.27%	14.08%	11.59%	16.30%	7.34%	17.52%

YEAR	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Gross	14.10%	9.74%	8.44%	9.40%	8.51%	9.60%	0.36%	(7.24%)	(3.52%)	2.12%
Net	13.11%	8.63%	7.30%	8.25%	7.38%	8.46%	(0.70%)	(8.23%)	(4.57%)	1.06%

YEAR	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Gross	6.73%	(0.38%)	10.61%	14.34%	18.75%	13.40%	13.27%	3.54%	5.27%	11.04%
Net	5.68%	(1.36%)	9.54%	13.23%	17.59%	12.26%	12.20%	2.59%	4.30%	10.02%

YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross	18.53%	20.70%	18.47%	16.53%	(3.69%)	(32.61%)	16.23%	17.72%	13.16%	17.54%
Net	17.56%	19.81%	17.03%	15.23%	(4.75%)	(33.22%)	15.09%	16.28%	11.68%	16.15%

YEAR	2014	2015	2016	2017	2018	2019	2020	2021
Gross	15.46%	15.84%	10.42%	9.88%	9.05%	7.38%	2.10%	22.91%
Net	14.11%	14.50%	9.20%	8.75%	7.95%	6.16%	1.25%	21.46%

The Fund's inception date was August 20, 1973. Performance information for the Fund for the period in which it was advised by Lend Lease Real Estate Investments, Inc. or its predecessors (the period prior to December 2003) is included because it has been concluded that, given the substantial overlap of personnel and other factors, reporting such information would be helpful. On June 30, 2004, the Fund became the successor in interest of an open-end institutional real estate fund organized in 1973 as a statutory insurance company separate account (known as "Separate Account No. 8 – Prime Property Fund") sponsored and maintained by The Equitable Life Assurance Society of the United States.

The sum of the income return and appreciation return components may not equal the gross return because of the time weighting (*i.e.*, chain linking) of component monthly returns and/or quarterly returns.

Income return may or may not approximate distributed income to the investor, depending on the cash distribution policy or elections made by the investor.

As stated above, performance returns for the Fund contained herein are reported on an annualized, not cumulative, return basis. The cumulative, compounded effect of advisory fees on total returns can be significant. For example, assuming an 8% annual return to a portfolio, earned evenly over the period in question, and an annual advisory fee on equity equal to 1.15%, the total after-fee return to the client would nominally be 6.85%. Over one-, three-, five- and ten-year periods, however, cumulative actual returns would be 8.24% (gross) and 7.03% (net) for one year; 26.82% (gross) and 22.60% (net) for three years; 48.59% (gross) and 40.44% (net) for five years; and 120.80% (gross) and 97.23% (net) for ten years.

<u>Comparable Indices and Benchmarks</u>

General

For purposes of evaluating the Fund's performance, the information contained herein includes certain comparisons to certain real estate and non-real estate indices and benchmarks. It is not possible to invest directly into an index or benchmark. Certain factors and the limited data available for such indices and benchmarks may make direct comparisons difficult, and such indices and benchmarks may have characteristics that are not be fully applicable to the Fund and may be more or less volatile than the Fund. For example, indices (or particular funds contained therein) may have dissimilar asset concentrations, appraisal standards or policies on the reinvestment of dividends or other proceeds when compared to the Fund.

Characteristics of certain indices and benchmarks commonly used in comparisons with the Fund are described below; however, the descriptions are not exhaustive. Thorough familiarity with the characteristics for each index and benchmark is advisable before one can fully understand such comparisons.

NCREIF Fund Index – Open-End Diversified Core Equity

The NCREIF Fund Index – Open-End Diversified Core Equity ("NFI-ODCE") is a fund-level, capitalization-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (*i.e.*, returns reflect each fund's actual asset ownership positions and financing strategy). NFI-ODCE performance information is presented gross of fees. NFI-ODCE information is available beginning in the first quarter of 1978, inclusive.

MSCI/PREA U.S. ACOE Quarterly Property Fund Index ("MSCI Index")

The MSCI/PREA U.S. ACOE Quarterly Property Fund Index ("MSCI Index") is time-weighted return index peer group benchmark used by PRIME and includes all investments owned by the peer group including real estate, cash and other investments (mezzanine loans receivable, notes receivable, forward commitments, etc.). The MSCI Index is gross of fees and excludes the impact of leverage.

NCREIF Property Index

The NCREIF Property Index ("NPI") is a property-level, time-weighted return index and includes property investments at 100% ownership and does not account for leverage (*i.e.*, returns do not reflect each fund's actual asset ownership position (if not 100%) or financing strategy). NPI performance information is presented gross of fees.

The Fund has a core-oriented investment strategy, while the NPI includes investments with a non-core orientation. The NPI performance returns exclude development, agricultural and other non-income producing properties. Also, the NCREIF Property Index is a broader index and includes assets with enhanced or more opportunistic-type strategies. The Fund's exposure to these types of assets is limited to 15% of gross assets, and the Fund's exposure to these types of assets was 6.7% of gross assets as of June 30, 2022.

Other Indices

Comparisons to the performance returns of other indices (*e.g.*, NAREIT Equity REIT Index, S&P 500, Barclays Capital U.S. Government/Credit Bond Index) are subject to similar considerations concerning component product mixes, weighting, etc. In particular, when comparing the performance of asset classes, readers should keep in mind that there are differences that make direct comparisons difficult. For example, due to the appraisal methods for valuing real estate, there may be inherent issues when comparing real estate to other asset classes; stocks are more volatile than bonds; and U.S. government bonds and fixed income investments are guaranteed by the issuer as to the timely payment of principal and interest and pay a fixed rate of interest.

Discussion Materials

Morgan Stanley Real Estate Investing
Prime Property Fund

As of June 30, 2022

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ERISA plan investment committee or plan sponsor only:
Morgan Stanley believes that you, as a fiduciary of the Plan, hold or have under management or control total assets of at least $50,000,000 and are capable of evaluating investment risk independently, both in general and with regard to particular transactions and investment strategies.

Important Notices

General. The information contained herein refers to research, but does not constitute an equity research report and is not from Morgan Stanley Equity Research. Unless otherwise indicated, the views expressed are those of the research and strategy team of Morgan Stanley Real Estate Investing ("MSREI") and may differ from those of Morgan Stanley Equity Research and other Morgan Stanley affiliates (including others within MSREI). These views may also differ from investment strategies implemented by MSREI now or in the future. The information (including facts, opinions, estimates or projections) contained herein is based on financial, economic, market and other conditions prevailing as of the date hereof. As such, it remains subject to change at any time. By providing such information, MSREI assumes no obligation to provide any update or supplement to such information following the date hereof. Although reasonable care has been taken to ensure that the information (including facts, opinions, estimates or projections) contained herein is accurate, complete and fair, no warranty, express or implied, is made as to the accuracy, completeness or fairness of such information. Certain economic and market information contained herein may have been obtained from third parties sources. While MSREI believes that such sources are reliable, neither MSREI nor any other Morgan Stanley affiliate has independently verified such information or assumes any responsibility or liability for the accuracy, completeness or fairness of such information or any omission of information.

Confidentiality. The information contained herein is highly confidential. By accepting these materials, you agree that such materials (including any data, analysis, conclusions or other information contained herein and all oral information, if any, provided by MSREI in connection herewith) may not be photocopied, reproduced or otherwise shared or distributed to any other persons, in whole or in part, without the prior consent of MSREI. Notwithstanding the foregoing, such materials and information may be provided to (a) your legal, tax, financial and other advisors who agree to maintain these materials in confidence and (b) a government official to the extent necessary to comply with a judicial or governmental order. Notwithstanding the foregoing, prospective investors and their employees, representatives and/or advisors may disclose to any person, without limitation, the U.S. federal income tax treatment of the transactions and relationships contemplated herein and copies of related tax opinions or other materials concerning the tax structure thereof.

Past Performance. Past performance is not indicative of future results. Any projected or target returns contained herein are being provided for informational purposes only. Investments in real estate may result in the loss of principal. There can be no assurance that any projected or target returns, or any returns at all, will be achieved.

Not Investment Advice. The materials have been prepared solely for information purposes and do not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The materials contained herein have not been based on a consideration of any individual client circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

Forward-Looking Statements. These materials contain projections and other forward-looking statements. Any statements that are not historical facts are forward-looking statements that involve risks and are inherently uncertain. Sentences or phrases that use such words as "believe," "anticipate," "plan," "may," "hope," "can," "will," "expect," "should," "goal," "objective," "projected" and similar expressions also identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Projections and other forward-looking statements, including statements regarding MSREI's assessment of the market, are by their nature uncertain insofar as actual realized returns or other projected results can change quickly based on, among other things, unexpected market movements, changes in interest rates, legislative or regulatory developments, errors in strategy execution, acts of God and other asset-level developments. There can be no assurance that projections and other forward-looking information will not change based on subsequent developments and without further notice, and no assurance can be given as to outcome. You should not place undue reliance on forward-looking statements, including forecasts and projections, and statements regarding the assessment of the market, which speak only as of the date referenced herein.

Targeted Purpose and Audience. These materials have been prepared for a specific purpose and a specific target audience. These materials have been designed for use on a one-on-one basis; if you are not the intended recipient and/or plan on using these materials for other than the intended purpose, then these disclosures may not be adequate for your purposes. These materials do not purport to be all-inclusive or to contain all the information necessary to make an investigation or decision regarding MSREI, the Fund or the Adviser. Please discuss any questions you may have with an appropriate MSREI representative.

Not an Offer; Qualified by Offering Memorandum. These materials and the information, which is not impartial, contained herein have been prepared solely for informational and educational purposes and do not constitute an offer, or a solicitation of an offer, to buy or sell any security, instrument or other interest in any current or future fund or investment vehicle, whether sponsored by MSREI or any other Morgan Stanley affiliate or otherwise. Any such offer or solicitation shall be made only pursuant to a final confidential private placement memorandum (the "Offering Memorandum") for such fund or investment vehicle, which will describe other important information about the sponsor and such fund or investment vehicle. In deciding whether to invest in a fund or investment vehicle, prospective investors should carefully review the Offering Memorandum for such fund or investment vehicle, including the sections regarding the risks and conflicts of interest associated with such an investment and the material terms of the relevant constituent documents. Prospective investors should rely solely on the Offering Memorandum in making an investment decision, and should not rely on any other materials, including these materials, or any oral information, if any, provided by MSREI in connection therewith.

Important Notices (Cont'd)

Limitations on Use; Distribution of These Materials in Certain Jurisdictions. Offers and sales of interests in any fund referred to herein may not be registered under the laws of any jurisdiction. The distribution of these materials (or any Offering Memorandum to which they refer) in certain jurisdictions may be restricted by law and persons into whose possession these materials or any such Offering Memorandum come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction.

Investment Risk. Investments in private funds are speculative and include a high degree of risk. Investors could lose their entire investment. Private funds are highly illiquid, and are only suitable for long-term investors willing to forgo liquidity and put capital at risk for an indefinite period of time. Private funds often engage in speculative investment practices that may increase the risk of investment loss. Private funds may involve complex tax structures and there may be delays in distributing important tax information. Private funds typically have significantly higher fees and expenses than other investment vehicles. Investing in private funds is not for everyone as it entails risks that are different from those of more traditional investments. Anyone considering an investment in a private fund should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) characteristic of such investments.

COVID-19. We have considered the continued impact of COVID-19 in our assumptions utilized to estimate the fair value of PRIME's investments. The extent and duration of the impact to the financial performance of investments will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be easily predicted. Additionally, the impact could disproportionally affect certain investments based on their geographic region and property type. If the financial performance of investments is impacted because of these or any other related factors for an extended period, PRIME's investment results and the valuation of PRIME's investments may be adversely affected.

Consultation of Advisors. These materials do not constitute legal, tax, financial or other advice. The legal, tax and other consequences of any proposed transaction may differ for each recipient as a result of, among other things, the particular financial situation of, and the laws and regulations applicable to, each recipient. You should consult your own legal counsel, accountants and other advisors regarding the information contained herein and the transactions described hereby.

Availability of Adviser's Form ADV. Morgan Stanley Real Estate Advisor, Inc., the Adviser to the Fund, and various other Morgan Stanley affiliates that are registered with the U.S. Securities & Exchange Commission ("SEC") have filed with the SEC, and are required to update periodically, Form ADV. Form ADV Part 2A and 2B contain essential information about a given investment advisory firm, including information about firm management, clients, fee arrangements and the handling of conflicts of interest, and the SEC requires that it be sent to all prospective clients who might enter into an advisory agreement prior to execution. Upon request, the Adviser will furnish a copy of its Form ADV without charge to you. Please contact Morgan Stanley Real Estate Investor Services at (212) 761-7160 or email msreinvestor@morganstanley.com for a copy.

SFDR. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any losses in MSREI funds will be borne solely by investors in MSREI funds and not by Morgan Stanley and its affiliates. Therefore, Morgan Stanley's losses in MSREI funds will be limited to losses attributable to the ownership interests in MSREI funds held by Morgan Stanley and its affiliates in their capacity as investors in MSREI funds. Interests in MSREI funds are not insured by the FDIC and are not deposits, obligations of, or endorsed or guaranteed in any way, by Morgan Stanley. Investors should read the applicable Offering Memorandum (if available) before investing in MSREI fund. Morgan Stanley is the sponsor of MSREI funds for purposes of the Section 619 of the Dodd-Frank Act ("The Volcker Rule"). A description of the role and services of Morgan Stanley is provided in the Memorandum.

Distribution in the European Economic Area. The Fund may not have been approved, notified or registered in accordance with the Alternative Investment Fund Managers Directive (Directive(2011/61/EU) (the "AIFMD") for marketing to professional investors in certain member states of the EEA (each an "EEA Member State"). In such cases, approval may be sought or such notification or registration may be made in the future. Alternatively, the Fund may not be relying on such registration for marketing, and these materials may have been transmitted to an investor in an EEA Member State at such investor's own initiative.

For more information contact: Scott Brown, c/o Morgan Stanley, 1585 Broadway, 37th Floor, New York, NY 10036.

Risk Considerations

There are significant risk factors associated with an investment in PRIME. An investment in PRIME will involve significant risks due to, among other things, the nature of the Fund's investments and potential conflicts of interest. There can be no assurance that PRIME will realize its rate of return objectives or return any investor capital. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity). The value of an investment in the Fund may fluctuate. Past results do not guarantee future performance.

These risk factors include the following:

- Conflicts of interests between the Fund, its investors, the Adviser and other affiliates of Morgan Stanley
- Tax considerations and regulatory matters
- Lack of liquidity of investments
- No or restricted transferability of, or market for, interests in the Fund
- Competition
- Leverage
- Market risk; minority investments in companies
- Interest rate risks
- Risks of real estate investments, which may include the following: dependency on specialized management skills, lack of diversification, fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures or operating expenses; and other economic, political or regulatory occurrences affecting the real estate industry

See Tab E - Risk Considerations for additional risk factors in connection with making an investment in PRIME

SECTION 1

Morgan Stanley – MSREI Overview

Morgan Stanley – A Leading Global Financial Services Firm

Morgan Stanley serves clients worldwide providing a wide range of investment banking, securities, investment management and wealth management services

MSIM

40+
YEARS OF HISTORY

24
COUNTRIES

1,200+
INVESTMENT PROFESSIONALS

$1.4Tn
TOTAL MSIM CLIENT AUM [1]

Morgan Stanley
James Gorman
Chairman and Chief Executive Officer

Investment Management (MSIM)

Global investment manager delivering innovative investment solutions across public and private markets

Institutional Securities Group

Global leader in investment banking: consistently ranked among the top firms in M&A, equity underwriting and debt financings

Wealth Management (MSWM)

Recognized as one of the industry's premier global wealth management firms

Note
1. As of June 30, 2022. Assets under management (AUM) includes all discretionary and non-discretionary assets of Morgan Stanley Investment Management (MSIM) and all advisory affiliates. MSIM Fund of Fund assets represent assets under management and assets under supervision. MSIM direct private investing assets represents the basis on which the firm earns management fees, not the market value of the assets owned

MSIM's Real Assets Platform

Scope and Scale – $62Bn in Total AUM

MORGAN STANLEY INVESTMENT MANAGEMENT
Dan Simkowitz

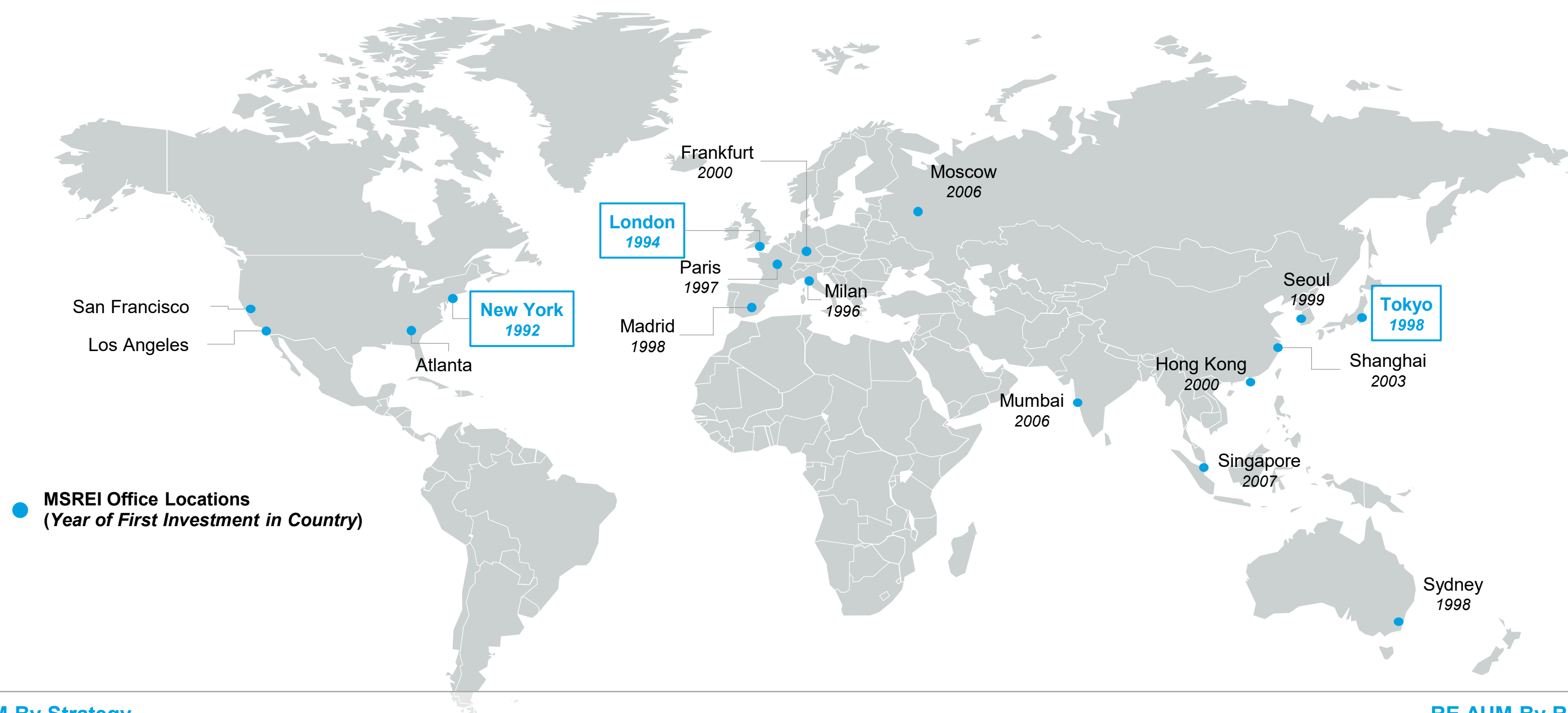
REAL ASSETS
John Klopp

		PRIVATE REAL ASSETS CREDIT		
PRIVATE REAL ESTATE Lauren Hochfelder & Brian Niles	**PRIVATE INFRASTRUCTURE** Markus Hottenrott	**MESA WEST CAPITAL (U.S.)** Jeff Friedman & Mark Zytko	**SECURED PRIVATE CREDIT (EUROPE)** Claus Vinge Skrumsager	**GLOBAL LISTED REAL ASSETS** Laurel Durkay
AUM: $46Bn	**AUM: $6Bn**	**AUM: $4Bn**	**AUM: $2Bn**	**AUM: $5Bn**
Global Opportunistic/Value-Add and Regional Core real estate	Global Value-Add infrastructure	Private commercial real estate debt origination	Senior secured private debt origination	Publicly traded real estate and infrastructure securities
200+ Professionals	~60 Professionals	~35 Professionals	7 Professionals	~25 Professionals
17 Global Offices	8 Global Offices	4 U.S. Offices	1 Europe Office	4 Global Offices
Average Senior Tenure 29 years	Average Senior Tenure 29 years	Average Senior Tenure 24 years	Average Senior Tenure 21 years	Average Senior Tenure 23 years

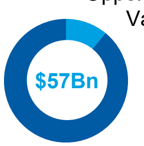
Notes
AUM figures within each business line may not sum to total AUM due to rounding. Data as of June 30, 2022. Direct private investing assets represents the basis on which the firm earns management fees, not the market value of the assets owned. Number of professionals excludes Firm and Morgan Stanley Investment Management professionals who support Real Assets. Average tenure reflects the average years of industry experience of the senior management teams

MSREI Global Reach

- Morgan Stanley Real Estate Investing ("MSREI") is the global private real estate investment management arm of Morgan Stanley
- 200+ professionals in 17 offices across 13 countries plus decades of experience investing internationally
- As of June 30, 2022, MSREI manages $57Bn of global real estate on behalf of its clients[1]

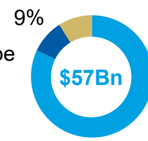


RE AUM By Strategy



STRATEGIES				
	Regional Core	Prime Property Fund (U.S.)	Prime Property Fund Europe	Prime Property Fund Asia
	Global Opportunistic / Value-Add	North Haven Real Estate Funds		

RE AUM By Region



Note

1. As of June 30, 2022. Real estate assets under management ("RE AUM") represents gross fair market value of the real estate assets managed by MSREI on behalf of the Firm and its clients, presented at direct ownership interest. RE AUM for certain minority interests represents the respective fund's equity investment in the entity. Global equity assets under management (fee generating accounts) as of June 30, 2022 was $46Bn (unaudited). Totals subject to rounding

PRIME Family of Core Open-End Funds

As of June 30, 2022

- The PRIME brand exemplifies quality and consistency of approach in managing and servicing investor interests over the long-term
- The PRIME Funds replicate best practices, governance and operations while delivering first-class reporting, transparency and risk management

MSREI offers three open-end core real estate strategies that share consistent investment approaches and best practices across different geographies

PRIME	PRIME Asia	PRIME Europe
• Established in 1973 • PRIME is one of the largest diversified open-end funds in the U.S. with a proven track record of outperformance • Focuses on Class A multifamily communities, warehouse distribution holdings, high quality office assets, storage facilities, student housing residences and top tier super regional malls in targeted primary markets within the U.S. • Gross Asset Value of $45.4B across 536 investments • Target leverage 15%-25%	• Established in 2015 • PRIME Asia seeks to take advantage of the growing economic relevance and long-term growth potential of the Asian markets • Focuses on institutional grade real estate diversified by property type and location primarily across six major Asian markets • Gross Asset Value of $3.6B across 68 investments • Target leverage 25%-35%	• Established in 2019 • PRIME Europe seeks to offer scale, diversification, liquidity and superior risk-adjusted returns by assembling an institutional-grade real estate portfolio in targeted markets across Europe • Focuses on Core Western Europe and targets sectors with positive fundamental outlooks • Gross Asset Value of €1.2B across 29 investments • Target leverage 25%-35%

SECTION 2

Executive Summary

Premier Assets(1)

801 17th Street, Washington, DC

AMLI Marina Del Rey, Marina Del Rey, CA

200 Cambridgepark Drive, Cambridge, MA

The Hub – University of Arizona, Tucson, AZ

586 Gulf Avenue, Staten Island, NY

AMLI Riverfront Green, Denver, CO

Hialeah Northeast, Miami, FL

5800 Bristol Parkway, Culver City, CA

Fashion Valley Mall, San Diego, CA

3 Sorbello Road, Pedricktown, NJ

Note
1. Premier Assets serve as examples only of investments that are consistent with the investment strategy of PRIME. They were not selected on the basis of their performance. These examples are not intended to be complete or representative of all of the real estate investments made by PRIME.

Prime Property Fund

PRIME, in its 49th year of operation, is a core, fully-specified, open-end commingled real estate investment fund diversified by property type and location designed to provide a stable, income-driven rate of return over the long term with potential for growth of income and appreciation of value

Management

Long-tenured portfolio management team providing consistency of approach

MSREI's Largest Fund (97% of Gross RE AUM in the U.S.) (1)

Strategy

Consistent research supported investment strategies

Well diversified

Thoughtfully allocated

Portfolio

High quality portfolio resilient through cycles

The largest fund in the NFI-ODCE benchmark(2)

Performance

Attractive, durable income yield

Above average income growth and appreciation

Proven track record of outperformance over NFI- ODCE (3)

Notes

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

1. Gross real estate assets represents the gross fair market value of the real estate assets managed by MSREI on behalf of the firm and its clients, presented at direct ownership interest. Gross real estate assets for certain minority interests represents MSREI's equity investment in the entity. Ownership interest, as of March 31, 2022.
2. Based on Net Asset Value as of June 30, 2022.
3. Based on gross returns as of June 30, 2022. Please see page 48 for PRIME's before and after fee performance compared to the NFI-ODCE.

Current Market Environment

Positive Attributes for Core Real Estate Today

- Fundamentals generally strong with record low vacancy rates in preferred sectors and markets
- Favorable income growth anticipated to continue given spread between current contract and today's market rent
- Inflation lifting construction costs, limiting new supply and supporting current fundamentals
- Inflation hedging characteristics, durable income, and low leverage are attractive relative to many other investment alternatives

Market Concerns

- Interest rates have quickly risen and impacted today's cost of capital
- Deterioration in equity and other markets have resulted in many investors being over-allocated to private real estate, lowering market liquidity
- Cap rates are expanding, offsetting gains from increasing income
  – Expansion varies across property types, markets, and asset quality
- Recessionary pressures could impair income growth over the near term

PRIME's Key Advantages

- Favorable sector allocations should reduce risk and continue to generate strong growth
- PRIME's scale, diversification and quality should be relatively more resilient to softening macro-economic conditions
- PRIME has a well-managed liquidity position supported by low leverage, ample capacity on the line of credit, cash on hand, and incoming capital commitments
- Risk-profile is low given high leased status, employment of much lower leverage than the peer group, and below average current value-add activity
- Pro-active write-downs have already occurred, particularly in out of favor sectors such as Office and Retail

Fund Profile

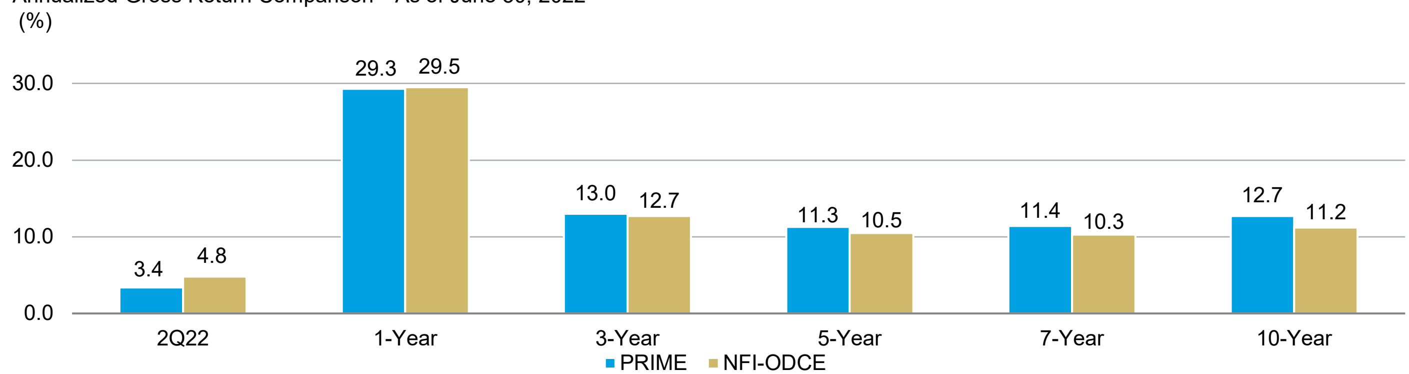
As of June 30, 2022

Gross Real Estate Assets[1] ($B)	45.4
Net Asset Value ($B)	38.0
Consolidated Leverage (%)	18.0
Number of Assets	536
Investors	432
Leased[2] (%)	95.0
Trailing 12-Month Dividend (%)	4.0
Return Since Inception[3] (%)	9.4
Incoming Queue ($M)	348
Redemption Queue ($M)	440

- As of June 30, 2022, the annualized outperformance / (underperformance) of PRIME, on a gross return basis, relative to the NFI-ODCE[4][5]
  - 1-Year (19) bps
  - 3-Year 33 bps
  - 5-Year 80 bps
  - 7-Year 104 bps
  - 10-Year 158 bps

PRIME Leveraged Total vs. NCREIF Fund Index—Open-End Diversified Core Equity ("NFI-ODCE") Total[4][5]

Annualized Gross Return Comparison—As of June 30, 2022



Notes

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

1. Gross real estate assets represent the market value of PRIME real estate investments, including PRIME's share of joint venture assets, before debt.
2. Leased status is value weighted (i.e., calculated using the asset values gross of debt) and adjusted for ownership share.
3. Returns are presented before (i.e., gross of) investment advisory fees—specifically they do not reflect a deduction for asset management fees. Annual net returns are provided in the Performance Notes. PRIME's net return for 2Q22 is 3.0% and since inception is 8.3%.
4. The NCREIF Fund Index—Open-End Diversified Core Equity ("NFI-ODCE") is a fund-level, capitalization-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (i.e., returns reflect each fund's actual asset ownership positions and financing strategy). NFI-ODCE performance information is presented gross of fees.
5. See the Performance Notes for important information about the characteristics of the NFI-ODCE and other comparative indices in relation to PRIME and other factors relevant to such comparisons. See page 48 for PRIME's net returns for the periods presented.

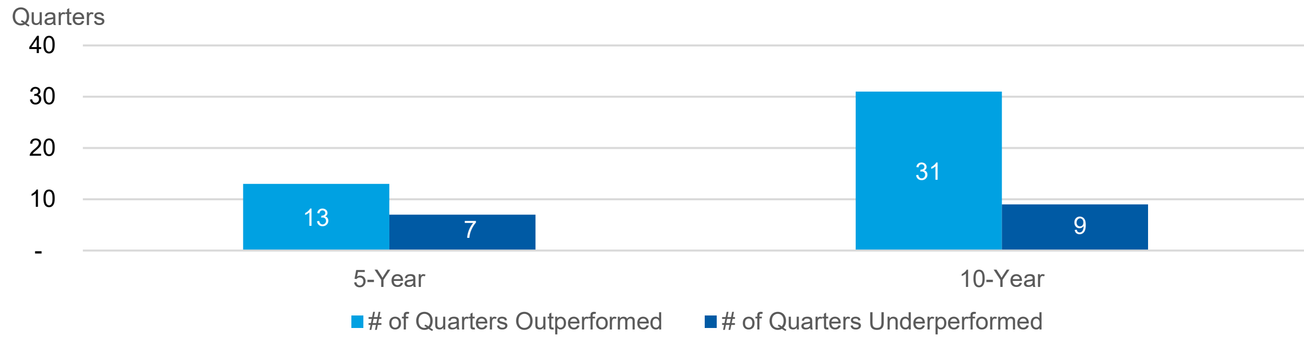
PRIME Performance vs. NFI-ODCE

As of June 30, 2022

- Average underperformance over five and ten years was 41 bps and 34 bps, respectively
  Average outperformance over the past five and ten years was 51 bps and 57 bps, respectively

# of Quarters of Outperformance and Underperformance of PRIME vs. NFI-ODCE

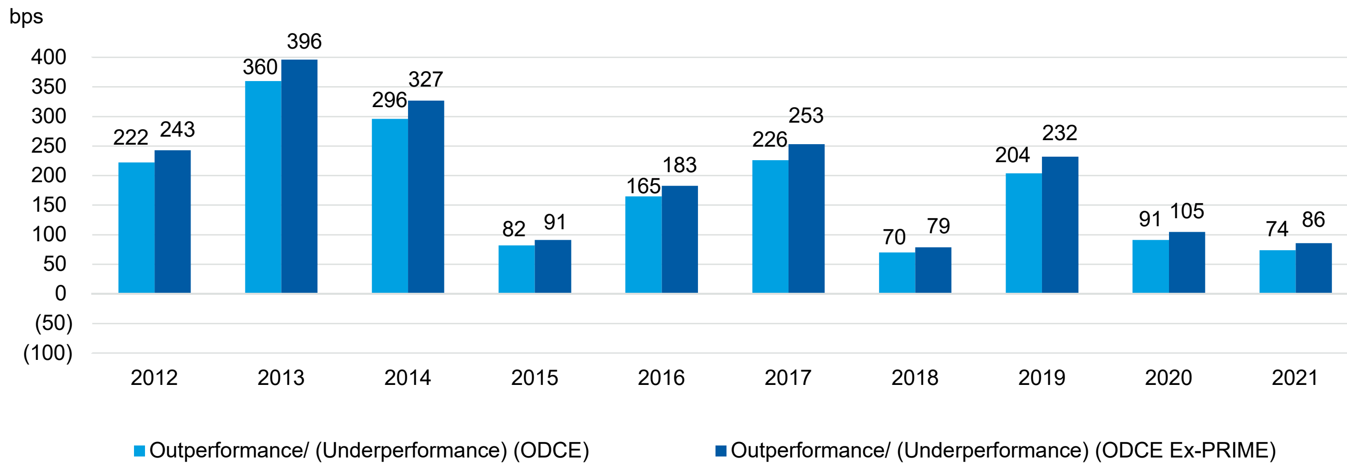
Quarterly Comparison, as of June 30, 2022



- PRIME's annualized total gross return on average over the last ten years has exceeded the NFI-ODCE by 179 bps[(1)]
  - Excluding the impact of PRIME in the NFI-ODCE, PRIME's annualized total gross return on average over the last ten years has exceeded the NFI-ODCE by 200 bps[(1)]
- PRIME has outperformed each of the last ten calendar years

PRIME vs. NFI-ODCE & PRIME vs. NFI-ODCE Ex-PRIME Performance Comparison [(2)]

Annual Gross Return Comparison, Calendar Year 2012-2021



Notes

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

1. Simple average provided
2. NFI-ODCE Ex-PRIME quarterly returns are calculated by removing PRIME's total appreciation and gross income, and weighted average equity from the NFI-ODCE's return numerator and denominator, respectively, and recalculating the return. NFI-ODCE Ex-PRIME calendar year returns are calculated by geometrically linking the quarterly returns. This calculation has been prepared by the Adviser strictly for illustrative purposes.

PRIME Resources

As of June 30, 2022 (1)(2)

- The officers within the portfolio management team have an average tenure with the platform of over 21 years

Board of Directors

Field Griffith (I)
John Rice (I)
Lynne Sagalyn (I)
Lauren Hochfelder (7)

I = Independent

MSREI Investment Committee

Toru Bando
Andrew Bauman
Scott Brown
Tony Charles
Peter Harned
John Klopp
Brian Niles
Toby Norris
Lauren Hochfelder
Candice Todd
Kev Zoryan

PRIME Portfolio Management

Scott Brown
Head of PRIME
Yrs./Ten. = 33/29 (3)(4)

Candice W. Todd
Chief Financial Officer
Yrs./Ten. = 33/28 (3)(4)

Josh Myerberg
Chief Investment Officer
Yrs./Ten. = 19/16 (3)

Bennett A. Weaver
Chief Operating Officer
Yrs./Ten. = 24/17 (3)(4)

Cheyenne Sparrow
Assistant Portfolio Manager
Yrs./Ten. = 12/12 (3)

Megan Golder
Head of Investor Coverage
Yrs./Ten. = 16/14 (3)

Cole Ferguson-Cogdill
Executive Director
Yrs./Ten. = 20/9 (3)

Lidia Novak
Investor Services
Yrs./Ten. = 31/49 (3)(4)

Legal

Braden Wilhelm
Fund Counsel

Portfolio Operations / Anayltics | Risk/ Insurance(5) | Asset Management | Research | Investor Relations | Acquisitions | Fund Accounting & Analytics (6)

Notes

1. This chart and the data provided herein with respect to professionals that are assigned to work on matters related to PRIME are subject to change from time to time based on MSREI senior management's sole discretion regarding the needs of the MSREI business.
2. Resources are shared across all MSREI clients.
3. Yrs./Ten. = Years of real estate experience/Tenure at Morgan Stanley.
4. Includes years employed by Lend Lease Real Estate and its predecessor, Equitable Real Estate, prior to the acquisition of certain portions of Lend Lease Real Estate's advisory business by Morgan Stanley Real Estate Investing.
5. Risk Management is a shared resource across the MSIM platform. As of 1 January 2018, the MSREI Insurance Group has been outsourced. Acrisure LLC hired the four team members and entered into a long-term agreement with Morgan Stanley to provide insurance services. Under this agreement, the former MS employees will dedicate substantially all of their time to the Morgan Stanley Private Funds.
6. Fund accounting and analytics are provided by State Street Bank and Trust Company personnel; 15 professionals currently are assigned to provide fund control and analytics services relating to PRIME as of June 30, 2022.
7. In connection with other organizational announcements, Lauren Hochfelder assumed the role of Affiliated Director of PRIME as of June 30, 2022. Please see the Supplement to the Confidential Offering Memorandum dated June 30, 2022 for more information.

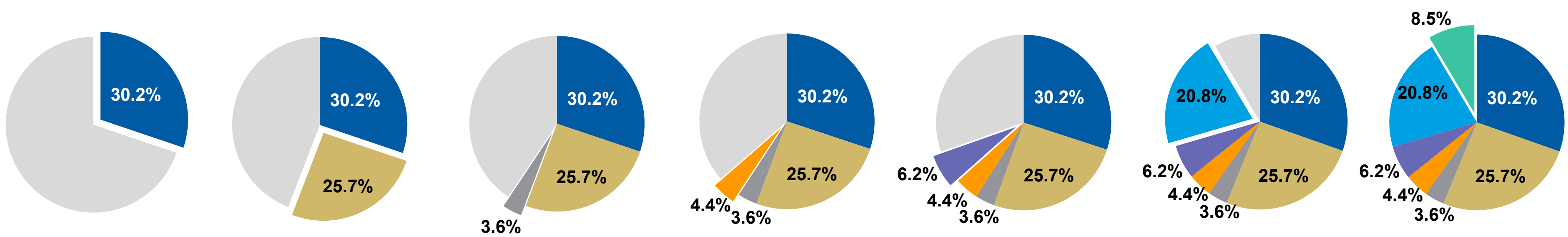
SECTION 3

Portfolio Overview

PRIME Portfolio Construction

As of June 30, 2022

Industrial	Apartment	Student Housing	Self Storage	Healthcare	Office	Retail
• 205 assets	• 88 assets	• 40 assets	• 88 assets	• 44 assets	• 34 assets	• 23 assets
• 59.8M sq. ft.	• 26,564 units	• 16,108 beds	• 4.6M sq. ft.	• 5.8M sq. ft.	• 12.8M sq. ft.	• 7.4M sq. ft.
• $13.7B of GAV	• $11.7B of GAV	• $1.6B of GAV	• $2.0B of GAV	• $2.8B of GAV	• $9.4B of GAV	• $3.8B of GAV
• Large, well-diversified portfolio clustered within key trade-oriented distribution markets	• High quality, Class A, branded portfolio focused on markets with strong population and employment growth	• Diversified exposure across 30 different universities with 62% of beds located at Power 5 schools	• Newer generation, high-quality, branded portfolio generally concentrated in dense, infill submarkets	• Targeted medical office buildings on-campus or adjacent to credit health systems and life-science holdings in select biotech nodes	• Large cap, well-leased, Class A holdings concentrated in major “24-hour” cities and locations	• Unique retail properties that have strategic value to tenants



Note
1. Not depicted above is the less than 1% of GAV allocated to “Other”. For PRIME, Other includes land held for potential development and two hotels. For NFI-ODCE, Other includes hotel and other assets.

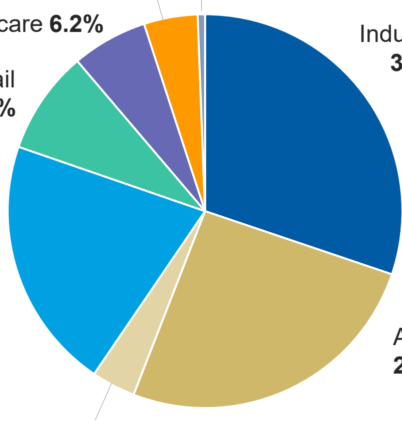
Sector Diversification

As of June 30, 2022

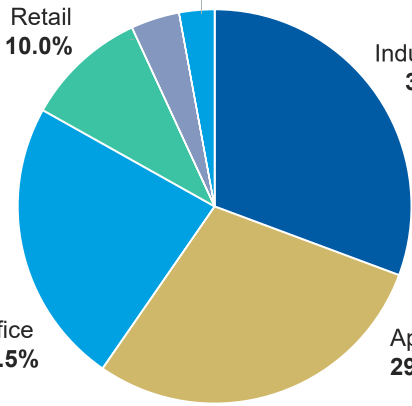
- Broad property type diversification can reduce overall portfolio volatility
- PRIME's near-term sector diversification targets are[2]

– Industrial	20%–30%
– Apartment	20%–30%
– Office	20%–30%
– Retail	5%–15%
– Healthcare	5%–10%
– Student Housing	5%–10%
– Self Storage	0%–5%

PRIME Diversification – Property Sector[1]



NFI-ODCE Diversification – Property Sector[1]



Notes

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns. Diversification does not eliminate the risk of future loss.

1. NFI-ODCE diversification data is presented on a gross asset value basis. The Fund's property sector targets, as set forth in its investment guidelines, are set on a gross asset value basis.
2. These are targets only. The Fund's investment guidelines include no specific limitations or requirements with regard to property type or geographic diversification. The Adviser retains discretion to vary from these targets when it deems it appropriate. There can be no assurance that these targets will be met at any time.
3. For PRIME, other includes land held for potential development and two hotels.

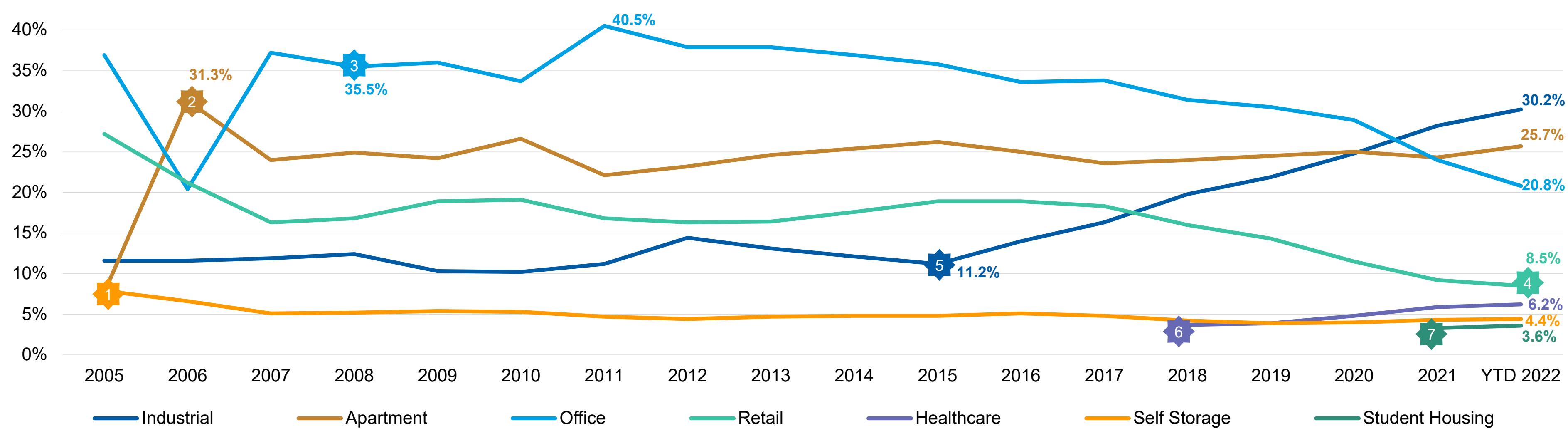
PRIME's Historical Allocations and Tactical Strategies

As of June 30, 2022

Timely and Thoughtful Portfolio Construction Over the Long-Term

1. Early in recognizing the institutional acceptance of self storage as a niche asset class with the Safeguard acquisition in 2005
2. Dramatically shifted our residential allocation from 7.7% in 2005 to 31.3% with the privatization of AMLI in 2006
3. Underweight to the ODCE index in office as we entered the GFC, moved to an overweight during the early recovery and back to an underweight today at 20.8%(1)
4. Consistently been underweighted to the NFI-ODCE's allocation to retail over the past ten years with an 8.5% retail allocation today(2)
5. Nearly doubled our industrial allocation from 11.2% in 2015 to 21.9% in 2019 with a further increase to 30.2% today
6. First fund in the ODCE index to establish a healthcare allocation in 2018 after our initial acquisition in the sector in 2015
7. Added student housing as new targeted sector for PRIME in 2021 with a 3.6% allocation today

PRIME Sector Allocations



Notes

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns. Diversification does not eliminate the risk of future loss.

1. NFI-ODCE office allocation for 2Q22 was 23.5%. Prior to 2012, NFI-ODCE only disclosed net of debt property allocations. NFI-ODCE net allocations for 4Q08 and 4Q11 were 37.5% and 38.7%, respectively. PRIME net allocations for 4Q08 and 4Q11 were 33.2% and 40.5%.
2. NFI-ODCE retail allocation as of 2Q22 was 10.0%.

Highlighted Investments[1]

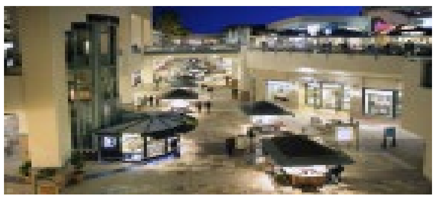
As of June 30, 2022

One Post Office Square, Boston, MA

- 100% Ownership
- Leased % - N/A[2]

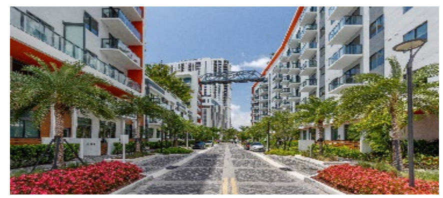
AMLI Marina del Rey, Marina del Rey, CA

- 95% Ownership
- 96% Leased



Fashion Valley Mall, San Diego, CA

- 50% Ownership
- 94% Leased



AMLI concentration in Midtown Miami, Miami, FL [4]

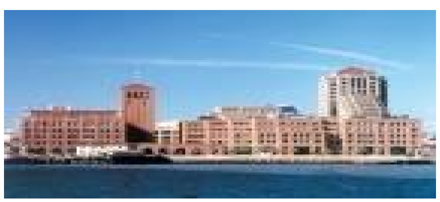
- 96% Ownership
- 98% Leased

Staten Island Industrial, Staten Island, NY

- 100% Ownership
- 100% Leased[3]

Cambridgepark Drive, West Cambridge, MA

- 100% Ownership
- 86% Leased[5]



Hills Plaza, San Francisco, CA

- 100% Ownership
- 95% Leased

Dadeland Mall, Miami, FL

- 50% Ownership
- 90% Leased

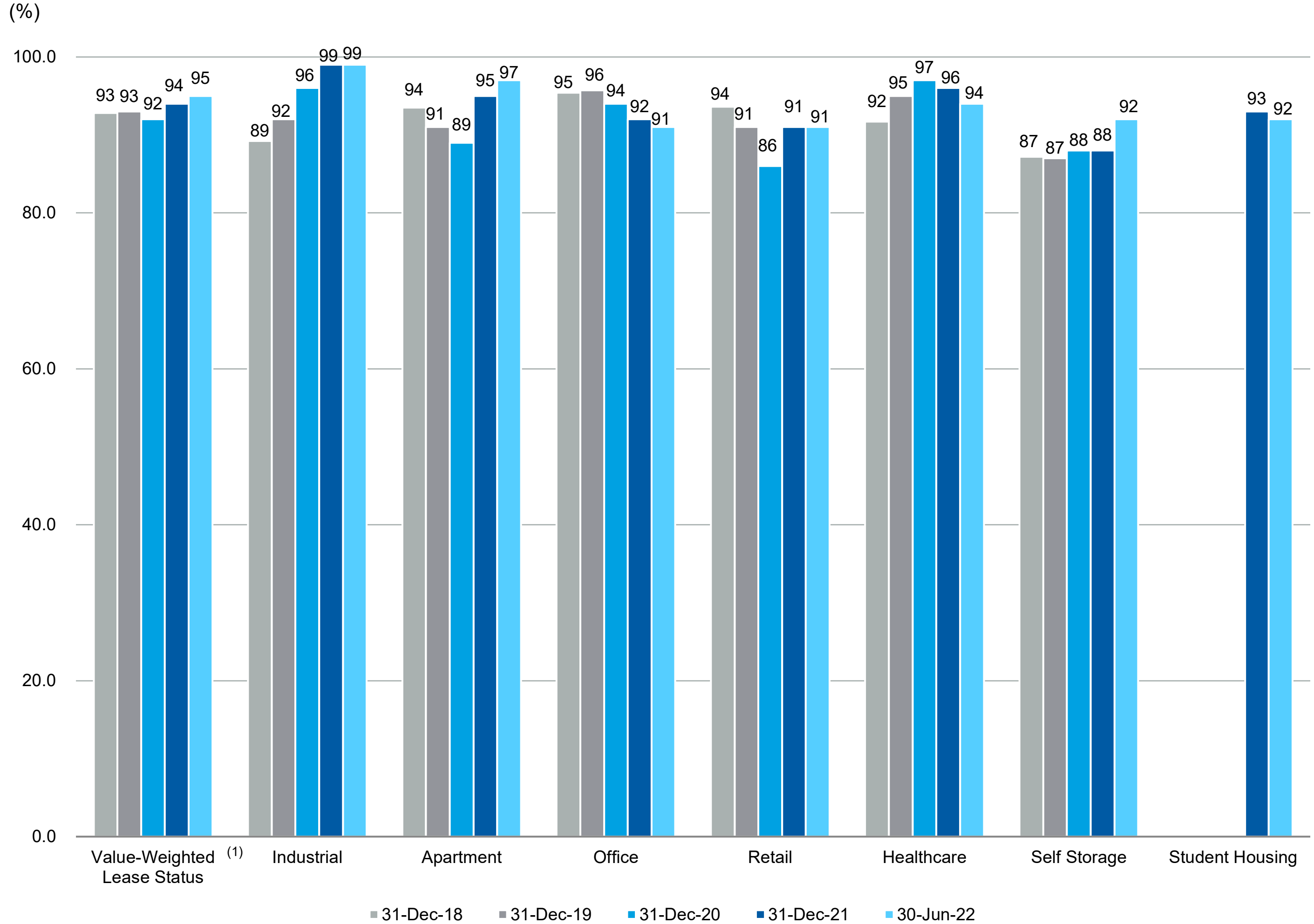
Notes
1. Highlighted Investments serve as examples only and are not intended to be representative of all investments made by PRIME.
2. Office asset is currently under redevelopment. Asset is excluded from all Occupancy and Leased Area percentages.
3. Represents the leased percentage for 526, 546, 566 and 586 Gulf Avenue, Staten Island, NY.
4. Includes three neighboring AMLI assets: Midtown Miami, Midtown 29, and M7 land for the development. Leased percentage represents the weighted average of AMLI Midtown Miami and AMLI Midtown 29
5. Represents the average leased percentage across 200, 150, 100 and 125 Cambridgepark Drive, West Cambridge, MA.

Lease Status

As of June 30, 2022

- The apartment lease status excluding five assets in initial lease up is 98.4%
- The self storage lease status excluding three assets in initial lease up is 93.1%
- Overall market occupancy rates (2)
  - Office 87.7%
  - Apartment 94.9%
  - Industrial 96.1%
  - Retail 91.8%
  - Healthcare (3) 92.7%
  - Self Storage (4) 94.8%

Portfolio Lease Status



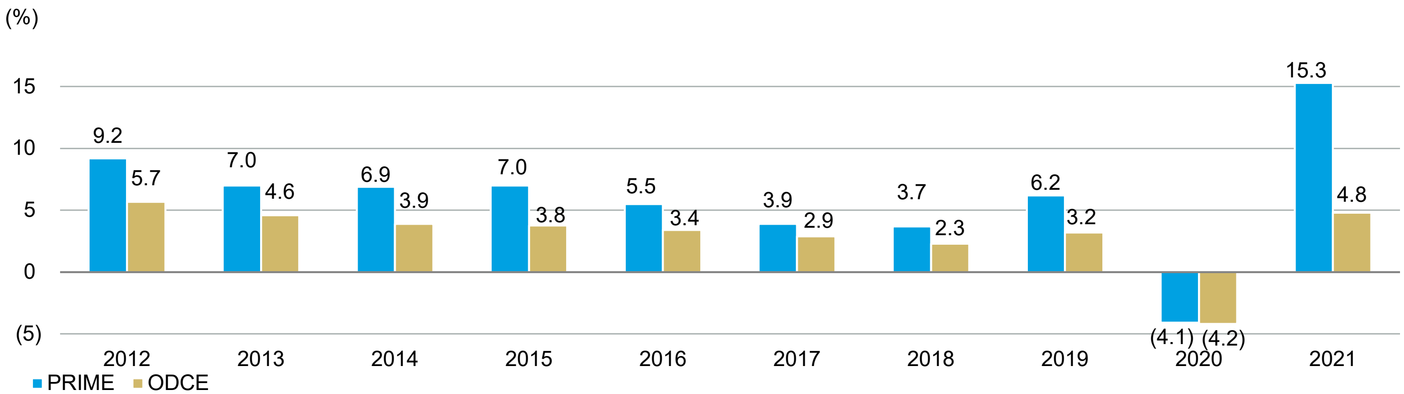
Notes
1. Lease Status is value weighted (i.e., calculated using the asset values gross of debt) and adjusted for ownership share.
2. National average reflects the Fund's sector weightings to national lease status percentages as of Q2 2022. CoStar as of August 2022 for each sector (unless otherwise noted)
3. Green Street Advisors, as of August 2022. Weighted average peer REIT occupancy for medical office held by Ventas, Welltower, Healthcare Trust of America, Healthcare Realty Trust, Healthpeak, and Welltower; and life science occupancy held by Alexandria Real Estate Equities.
4. Source: Green Street Advisors, weighted average for Public Storage, Extra Space, CubeSmart, National Storage and Life Storage, as of August 2022.

Comparable Property Level Net Operating Income(1)

As of June 30, 2022

- PRIME's five and ten-year same-store average Comparable Property Level Net Operating Income growth is 5.0% and 6.1% versus the ODCE at 1.8% and 3.0%, respectively(1)

PRIME vs. ODCE Net Operating Income Growth



Source: NCREIF, data as of 4Q 2021

- Comparable Property Level Net Operating Income growth for the six months ended June 30, 2022 was 12.0%(2)

PRIME Net Operating Income(3)

Same-Store Analysis – For the six months ended June 30,

	Comparable Property Net Operating Income ($ in MM)		
	2022	**2021**	**Inc / (Dec) 06/30/2022(4)**
Industrial	$192.6	$168.8	14.1%
Apartment	165.9	124.1	33.7%
Office	195.1	204.1	(4.4)%
Retail	81.6	70.2	16.2%
Healthcare	49.7	51.7	(3.9)%
Self Storage	37.7	30.3	24.4%
Other	(1.7)	(5.6)	69.6%
Total Property Level Net Operating Income(3)	**$720.9**	**$643.6**	**12.0%**

Notes

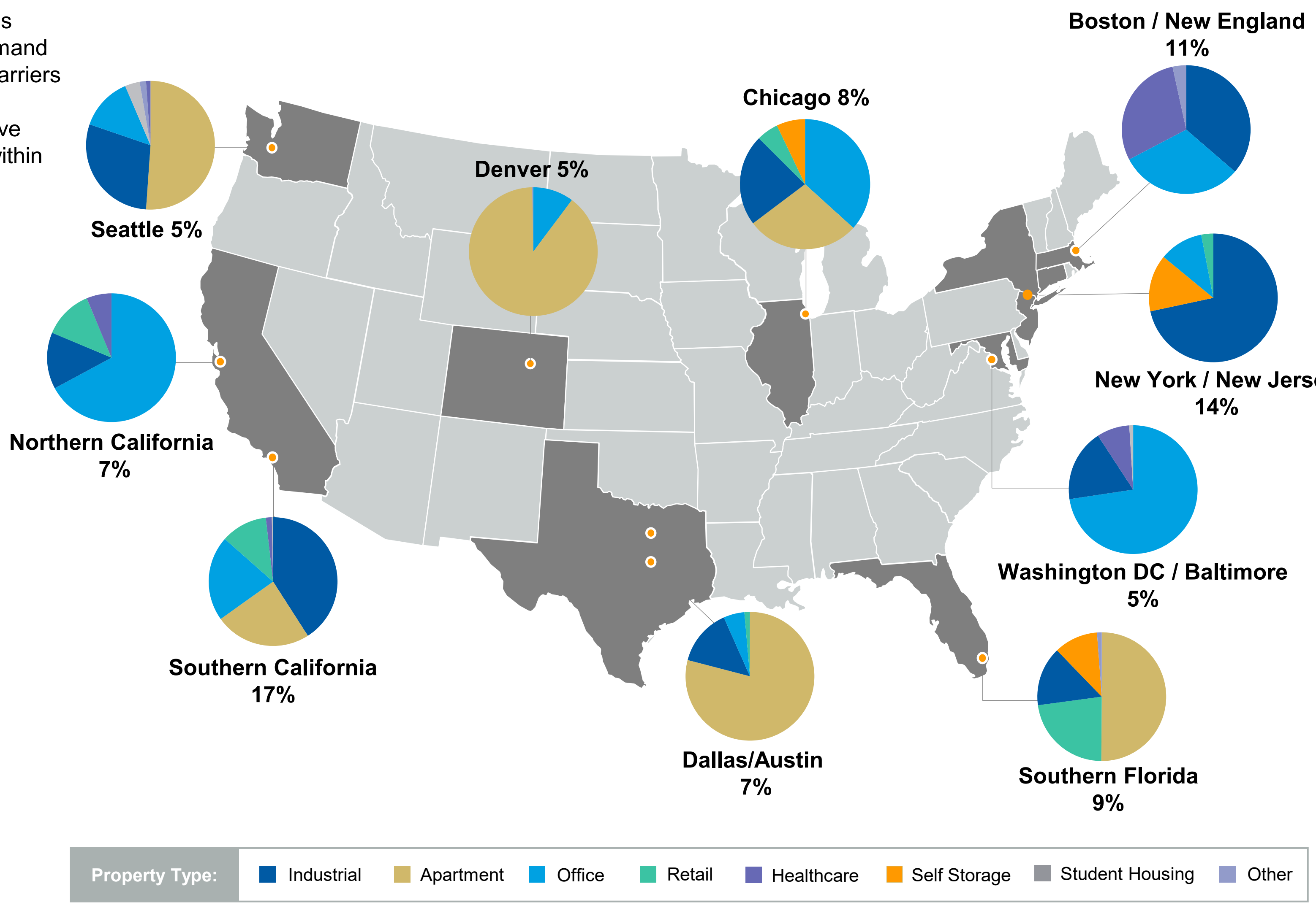
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

1. Simple average based on calendar years 2012 through 2021.
2. Comparable total net operating income growth, including operating companies, for the twelve months ended June 30, 2022, was 11.1%.
3. When comparing asset classes, keep in mind that each has differences. Due to the appraisal methods for valuing real estate, there may be inherent issues when comparing real estate to other asset classes.
4. To provide a more meaningful basis for comparison, net operating income includes income before debt service and, for a given calendar month, includes only income generated by real estate investments held by the Fund for at least 13 months prior to the end of that month and excludes net operating income from AMLI operating company $(9.6)M for the six months ended June 30, 2022 and $(3.5)M for the six months ended June 30, 2021 and Safeguard Self Storage operating company $(0.5)M for the six months ended June 30, 2022 and $(0.5)M for the six months ended June 30, 2021.

Top PRIME Markets

As of June 30, 2022

- Primary market focus given diversified demand drivers and higher barriers to new supply with strategic and selective exposure targeted within each market



Representative Industrial Assets[(1)]

20333 S Normandie Avenue, Los Angeles, CA

Turnpike Distribution Center, Medley, FL

10201 NW 112th Street, Miami, FL

3 Montgomery Way, Robbinsville, NJ

Airport West Distribution Center, Atlanta, GA

3 South Middlesex Avenue, Monroe, NJ

2201 E. Carson Street, Carson, CA

4501 West Valley Highway East, Sumner, WA

10501 Seymour Avenue, Franklin Park, IL

Note
1. Representative Industrial Assets serve as examples only of investments that are consistent with the investment strategy of PRIME. They were not selected on the basis of their performance. These examples are not intended to be complete or representative of all of the real estate investments made by PRIME.

PRIME Industrial

As of June 30, 2022

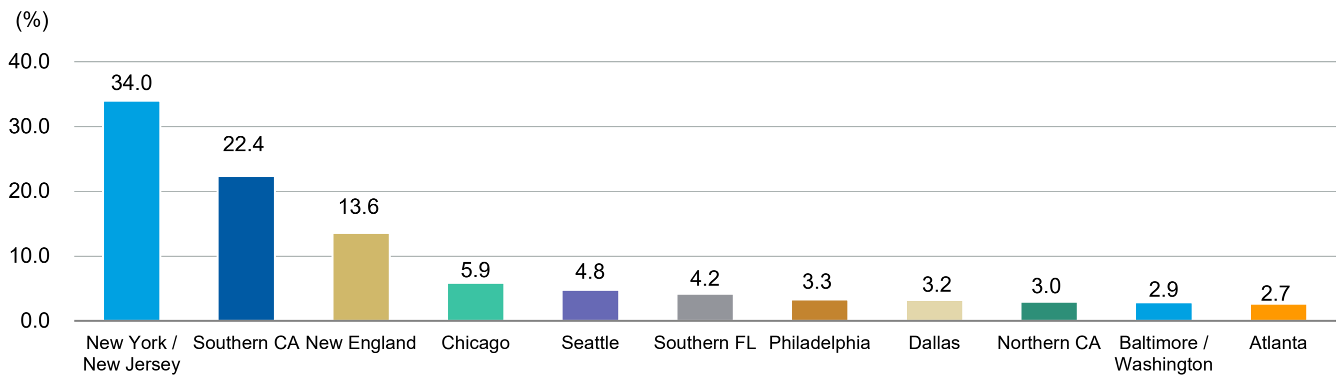
Key Metrics	
Assets:	**205**
Square Feet:	**59.8 Million**
Allocation:	**30.2%**
Leased:	**98.9%**
2022 NOI Growth [1]:	**14.1%**

- 80% of assets are located within a one-hour drive to the center of gravity (optimal population location) in each major metro

Strategy – To focus on clustering holdings in key trade-oriented distribution markets

- PRIME has more than doubled its industrial allocation from 11% in 2015 to 22% in 2019 with a further increase to 30% today, while maintaining a disciplined focus on targeted industrial markets
  - PRIME's industrial portfolio has experienced average annual NOI Growth of 10.9% over 2018-2021
  - Market rents across PRIME's industrial portfolio have increased over 30% from 2018 to 2021
- Primary distribution markets have achieved higher rent growth vs secondary markets over the past ten years
  - MSREI believes outperformance will likely continue due to depth of demand and greater supply constraints

PRIME Market Concentrations[2]



Notes
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns and the characteristics of the MSCI Index.
1. To provide a more meaningful basis for comparison, net operating income includes income before debt service and, for a given calendar month, includes only income generated by real estate investments held by the Fund for at least 13 months prior to the end of that month.
2. Source: CoStar, MSREI Strategy, data as of January 2022
3. Appraised value at ownership basis.

Representative Apartment Assets

AMLI River North, Chicago, IL

AMLI Quadrangle, Dallas, TX

AMLI Park Broadway, Long Beach, CA

AMLI Arc, Seattle, WA

AMLI Lex on Orange, Glendale, CA

AMLI on Aldrich, Austin, TX

AMLI RidgeGate, Lone Tree, CO

AMLI Joya, Miami, FL

AMLI 3464, Atlanta, GA

Note

1. Representative Apartment Assets serve as examples only of investments that are consistent with the investment strategy of PRIME. They were not selected on the basis of their performance. These examples are not intended to be complete or representative of all of the real estate investments made by PRIME.

PRIME Apartment

As of June 30, 2022

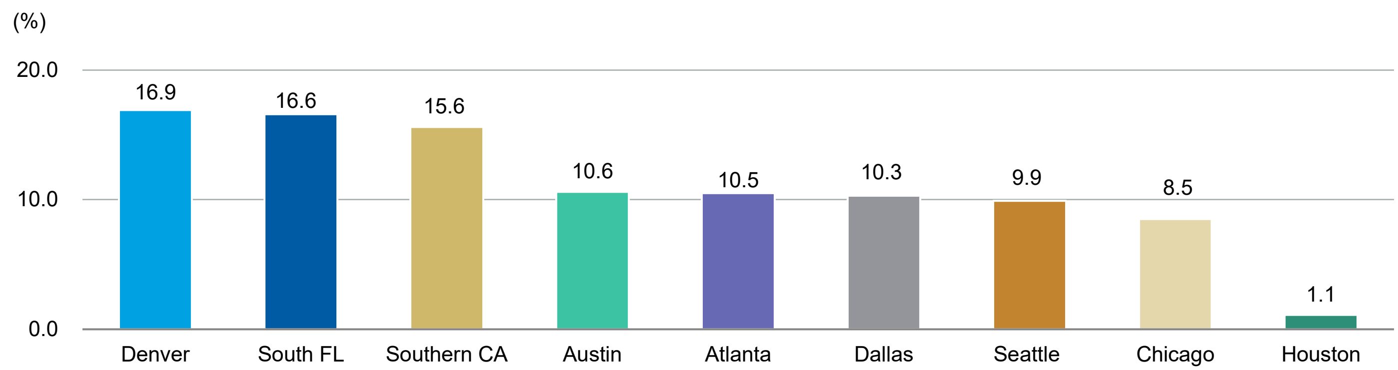
Key Metrics	
Assets:	**88**
Units:	**26,564**
Allocation:	**25.7%**
Leased (1)**:**	**97.0% / 98.4%**
2022 NOI Growth (2)**:**	**33.7%**

- Market rents increased 19.8% over calendar year 2021
- The portfolio loss to lease was 12.5%

Strategy – To focus on markets with strong population and employment growth as well as supply-constrained infill submarkets

- AMLI, wholly-owned and controlled by PRIME, has been a key differentiator in driving efficiency and value creation across our apartment portfolio
  - Developed increasingly important brand recognition through targeted market concentration combined with on-line presence
  - Heavily invested in technology allowing for revenue maximization and cost controls
  - Established culture of providing outstanding service and management to its customers
- AMLI's development platform provides the opportunity for PRIME to create new product in select markets built with long-term ownership in mind

PRIME Market Concentrations[3]



Notes
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.
1. As of June 30, 2022, the leased status including assets in lease up was 97.0% and excluding assets in lease up was 98.4%.
2. To provide a more meaningful basis for comparison, net operating income includes income before debt service and, for a given calendar month, includes only income generated by real estate investments held by the Fund for at least 13 months prior to the end of that month and excludes net operating income from AMLI operating company $(9.6)M for the six months ended June 30, 2022 and $(3.5)M for the six months ended June 30, 2021.
3. Appraised value at ownership basis.

Representative Office Assets

100 Congress Avenue, Austin, TX

One Post Office Square, Boston, MA

1601 Wewatta, Denver, CO

Wilshire Beverly Center, Beverly Hills, CA

Rowes Wharf, Boston, MA

Hills Plaza, San Francisco, CA

Note
1. Representative Office Assets serve as examples only of investments that are consistent with the investment strategy of PRIME. They were not selected on the basis of their performance. These examples are not intended to be complete or representative of all of the real estate investments made by PRIME.

PRIME Office

As of June 30, 2022

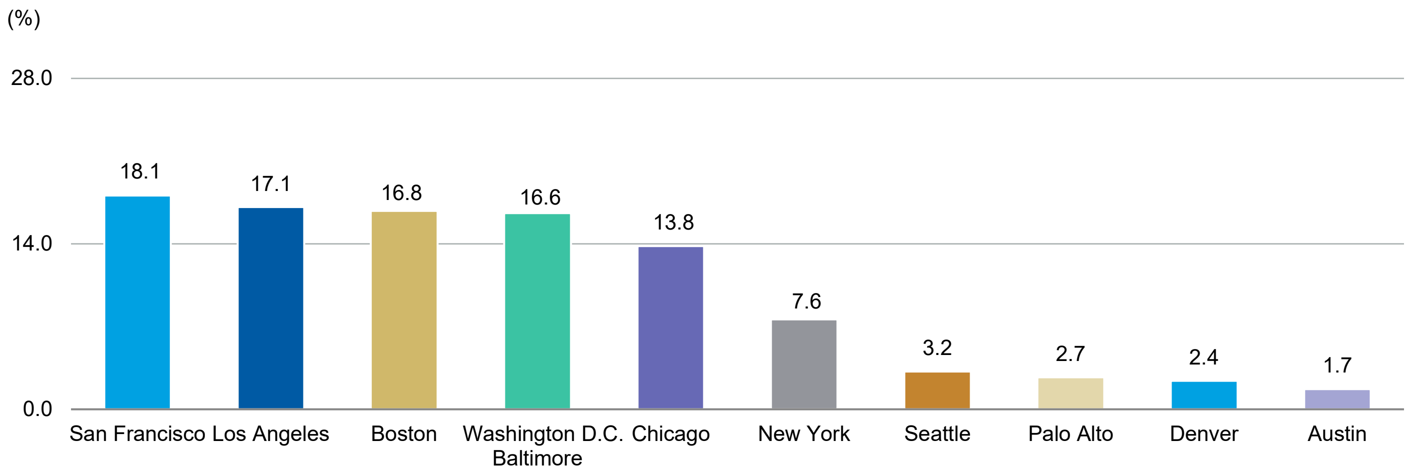
Key Metrics	
Assets:	34
Square Feet:	12.8 Million
Allocation:	20.8%
Leased:	90.6%
2022 NOI Growth [1]:	(4.4)%

- Major office tenants include CNA Financial, Deloitte, Ernst & Young, Google, Kaiser, Parsons Engineering, and Skadden, Arps, Slate, Meagher & Flom
- PRIME's office portfolio is currently valued, on average, 8% below its peak values from year-end 2018, inclusive of capital expenditures[3]

Strategy – To target large, high-quality assets that are more resilient to market cycles and generally attract better credit-quality tenants committing to longer-term leases

- Concentrated in major “24-hour” cities and locations
- Focus on investments that can mitigate historically high volatility of office properties
- Average office asset value at ownership share of $277.4M
- Weighted average remaining lease term of over five years
- MSREI expects performance gap to widen between high quality, modern product in higher growth markets versus older, commodity assets

PRIME Market Concentrations[2]



Notes

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

1. To provide a more meaningful basis for comparison, net operating income includes income before debt service and, for a given calendar month, includes only income generated by real estate investments held by the Fund for at least 13 months prior to the end of that month.
2. Appraised value at ownership basis.
3. Calculated at PRIME’s ownership as of June 30, 2022. Excludes assets that have been converted to life-science, assets currently in development and redevelopment, assets acquired and disposed of since December 31, 2018, and the impact of any ownership percentage changes.

Representative Retail Assets[(1)]

Fashion Valley Mall, San Diego, CA

Christiana Mall, Newark, DE

Dadeland Mall, Miami, FL

Wynn Shops, Las Vegas, NV

100 Stockton Street, San Francisco, CA

103 Prince Street, New York, NY

Note
1. Representative Retail Assets serve as examples only of investments that are consistent with the investment strategy of PRIME. They were not selected on the basis of their performance. These examples are not intended to be complete or representative of all of the real estate investments made by PRIME.

PRIME Retail

As of June 30, 2022

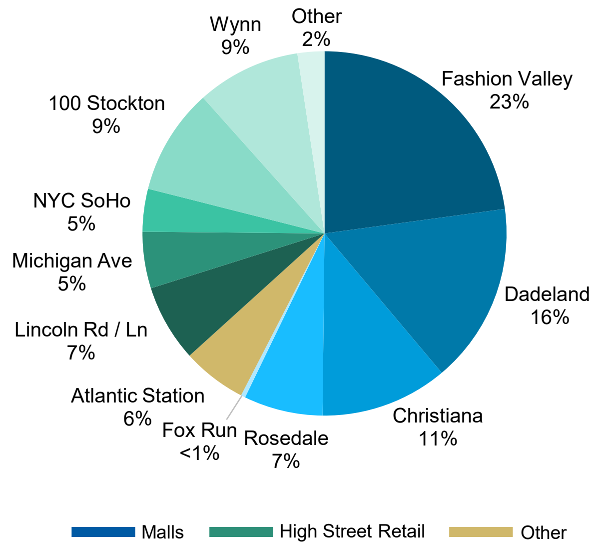
Key Metrics	
Assets:	**23**
Square Feet:	**7.4 Million**
Allocation:	**8.5%**
Leased:	**91.1%**
2022 NOI Growth (1):	**16.2%**

- The retail portfolio is currently valued on average nearly 23% below near-term peak valuations inclusive of capital expenditures
- PRIME's top four malls comprise 57% of the retail allocation
- At PRIME's top four malls, trailing twelve-month sales are up, on average, 35% compared to second quarter 2021, approaching or exceeding pre-COVID levels from fourth quarter of 2019

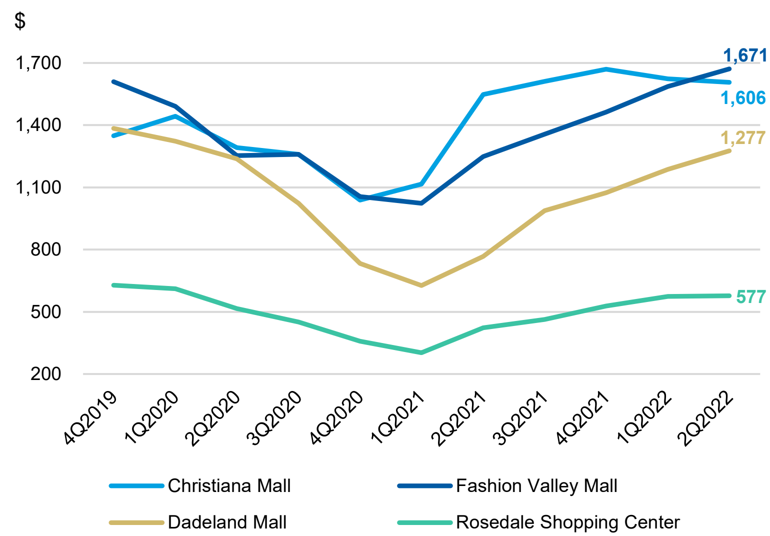
Strategy – To focus on irreplaceable retail assets that have strategic value to tenants while understanding the need of an evolving customer experience

- PRIME has consistently been underweighted to the NFI-ODCE's allocation to retail over the past ten years
- Higher quality, well-located holdings will likely continue to outperform as retailers re-orient locations and footprints

PRIME Retail Profile



PRIME Historical TTM Sales(2)



Notes
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

1. To provide a more meaningful basis for comparison, net operating income includes income before debt service and, for a given calendar month, includes only income generated by real estate investments held by the Fund for at least 13 months prior to the end of that month.
2. Represents sales for in-line tenants less than 11,000 square feet.

Representative Healthcare Assets[1]

502 Madison Oak Drive, San Antonio, TX 78528

828 Winter Street, Waltham, MA

150 Cambridgepark Drive, Cambridge, MA

7000 Marina Boulevard, Brisbane, CA

1720 El Camino, Burlingame, CA

601 7th Street South, St. Petersburg, FL 33701

Note
1. Representative Healthcare Assets serve as examples only of investments that are consistent with the investment strategy of PRIME. They were not selected on the basis of their performance. These examples are not intended to be complete or representative of all of the real estate investments made by PRIME.

PRIME Healthcare

As of June 30, 2022

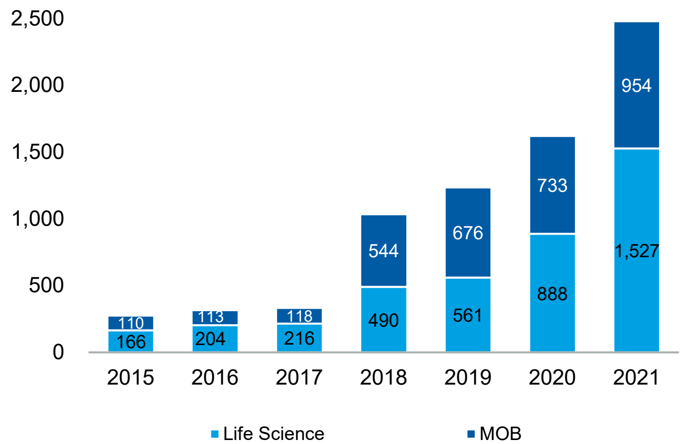
Key Metrics	
Assets:	**44**
Square Feet:	**5.8 Million**
Allocation:	**6.2%**
Leased:	**94.2%**
2022 NOI Growth[(1)]:	**(3.9)%**

- After making its first investments in 2015, PRIME established a healthcare allocation in September 2018
- At 2Q22, the $2.6Bn portfolio is comprised of 64% life science holdings and 36% medical office properties

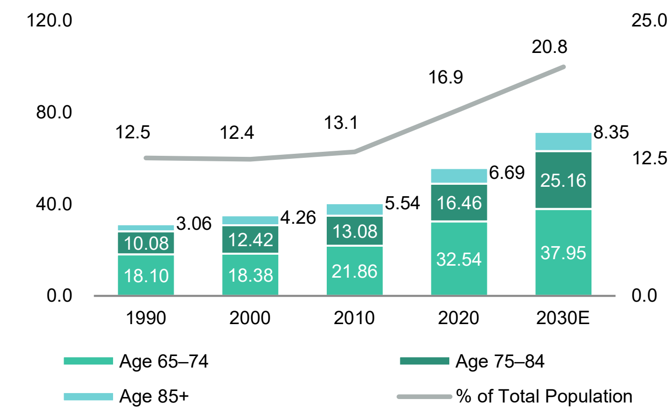
Strategy – To own assets directly advantaged from demand tailwinds of an aging population and increased trend in healthcare spending

- The age 65+ cohort requires the highest need for health services and is projected to grow at 2.5% vs 0.4% for the rest of the population over 2020 - 2030
- We believe the sector has defensive attributes given non-cyclical demand and limitations on speculative supply
- Targeted holdings will be medical office properties that are on-campus or campus-adjacent to credit health systems and life-science buildings in a select number of the U.S. biotech nodes
- PRIME currently owns 35 medical office properties across the U.S. and nine life science buildings in the Boston, San Francisco, and Washington D.C. areas

Historical Exposure



Population Growth: 65+ Cohort to Grow by 17MM People Over Next 10 Years



Source: U.S. Census Bureau, Moody's Analytics, MSREI Strategy, as of April 2022

Notes
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.
1. To provide a more meaningful basis for comparison, net operating income includes income before debt service and, for a given calendar month, includes only income generated by real estate investments held by the Fund for at least 13 months prior to the end of that month.

Representative Self Storage Assets[1]

Hialeah Northeast, Miami, FL

Coconut Creek, Coconut Creek, FL

615 5TH Avenue, Larchmont, NY

Ebbetts Field, Brooklyn, NY

Lansdowne, Upper Darby, PA

Hawthorne, Hawthorne, NJ

Note
1. Representative Self Storage Assets serve as examples only of investments that are consistent with the investment strategy of PRIME. They were not selected on the basis of their performance. These examples are not intended to be complete or representative of all of the real estate investments made by PRIME.

PRIME Self Storage

As of June 30, 2022

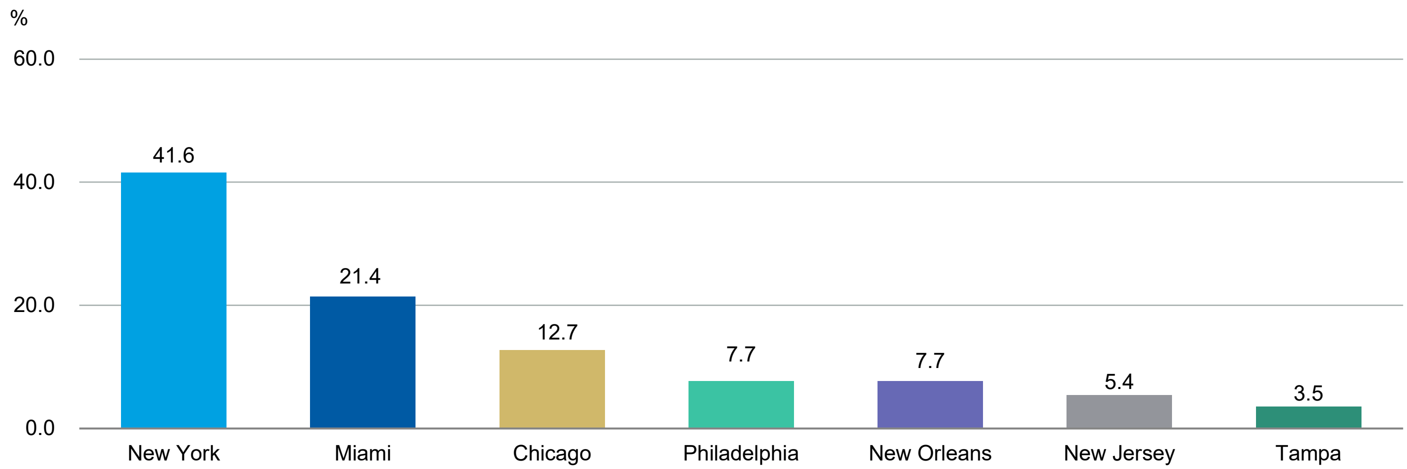
Key Metrics	
Assets:	**88**
Square Feet:	**4.6 Million**
Allocation:	**4.4%**
Leased (1):	**91.8% / 93.1%**
2022 NOI Growth (2):	**24.4%**

- Early in recognizing the institutional acceptance of self storage as a niche asset class with the Safeguard acquisition in 2005
- Gross asset value of the portfolio is $1,987 million

Strategy – To concentrate holdings in infill sub-markets with limited supply and strong demographics and grow primarily through selective development

- Safeguard, wholly-owned and controlled by PRIME, is a proven operator of self storage assets
- All assets are managed under the Safeguard brand with strong concentrations in greater New York, South Florida and Chicago
- Target high density locations with below-average space per capita metrics
- Safeguard is currently constructing seven new facilities with total budgeted construction costs of approximately $143.4M ($62.1M funded to date)

Safeguard Market Concentrations (3)



Notes
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

1. As of June 30, 2022, the leased status including assets in lease up was 91.8% and excluding assets in lease up was 93.1%.
2. To provide a more meaningful basis for comparison, net operating income includes income before debt service and, for a given calendar month, includes only income generated by real estate investments held by the Fund for at least 13 months prior to the end of that month and excludes net operating income from and Safeguard Self Storage operating company $(0.5)M for the six months ended June 30, 2022 and $(0.5)M for the six months ended June 30, 2021.
3. Appraised value at ownership basis.

Representative Student Housing Assets(1)

District Flats – University of Missouri, Columbia MO

The Hub – University of Arizona, Tucson, AZ

The Lux – University of Wisconsin, Madison, WI

Catalyst – Florida State University, Tallahassee, FL

412 Lofts – University of Minnesota, Minneapolis, MN

Aspen – Georgia State University, Atlanta, GA

Skybox – University of Oregon, Eugene, OR

The Deacon – University of Cincinnati, Cincinnati, OH

Lothlorien – University of Washington, Seattle, WA

Note

1. Representative Student Housing Assets serve as examples only of investments that are consistent with the investment strategy of PRIME. They were not selected on the basis of their performance. These examples are not intended to be complete or representative of all of the real estate investments made by PRIME.

PRIME Student Housing

As of June 30, 2022

Key Metrics	
Assets:	**40**
Beds:	**16,108**
Allocation:	**3.6%**
Leased:	**91.5%**

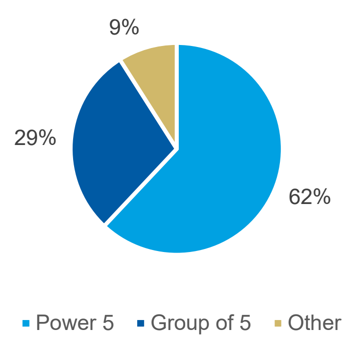
- The properties will be operated under GSA's global brand Yugo that seeks to offer differentiated living experiences that are environmentally and socially conscious, emotionally supportive and safe

Strategy – To take advantage of supportive secular trends, growing institutional interest in the asset class and the current attractive yield spread to conventional apartments

- PRIME has partnered with Global Student Accommodations ("GSA") in an 85/15 joint venture on a 40 property, 16,108 bed student housing portfolio across 32 different universities at a gross value of $1,910Bn ($119K per bed)
- GSA is a global investor in and operator of student housing with $5.4B in AUM and active in nine countries with assets in 65 of the world's leading educational cities
- PRIME and GSA intend to scale the venture over the next several years with a target of increasing PRIME's allocation to student housing to 5-10%
- The acquisition strategically allows PRIME to obtain instant scale and diversified exposure to Student Housing with an exclusive partner that has deep sector expertise
  - Geographically, the portfolio footprint spans the country: 6,227 (39%) beds are in the Southeast and Mideast, 4,453 (28%) beds are in the Midwest, 2,744 (17%) beds are in the West and Southwest, 2,474 (15%) beds are in the Pacific Northwest and 210 (1%) beds are in the Northeast
  - The portfolio's university mix represents an attractive, diversified group of large, growing universities. The weighted-average historical 5-year enrollment growth of the portfolio's schools is 1.1% p.a..[3]

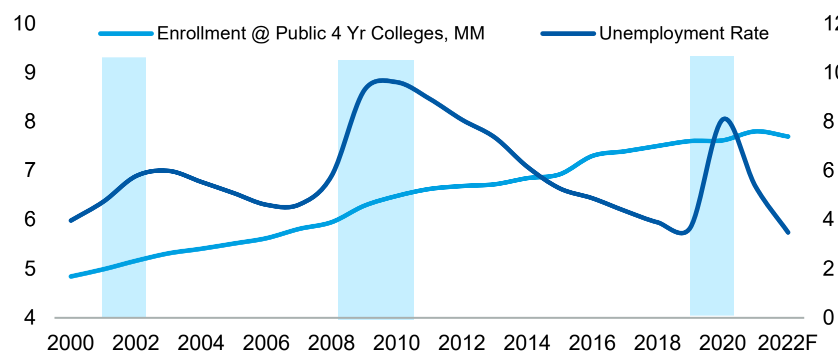
Portfolio University Mix[1][2]

Percentage of Beds



Recession Resistant Asset Class

Undergraduate College Enrollment (MM) vs Unemployment Rate (%)



Source: US Census Bureau, Moody's Analytics, National Center for Education Statistics, MSREI Strategy, as of April 2022

Notes
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

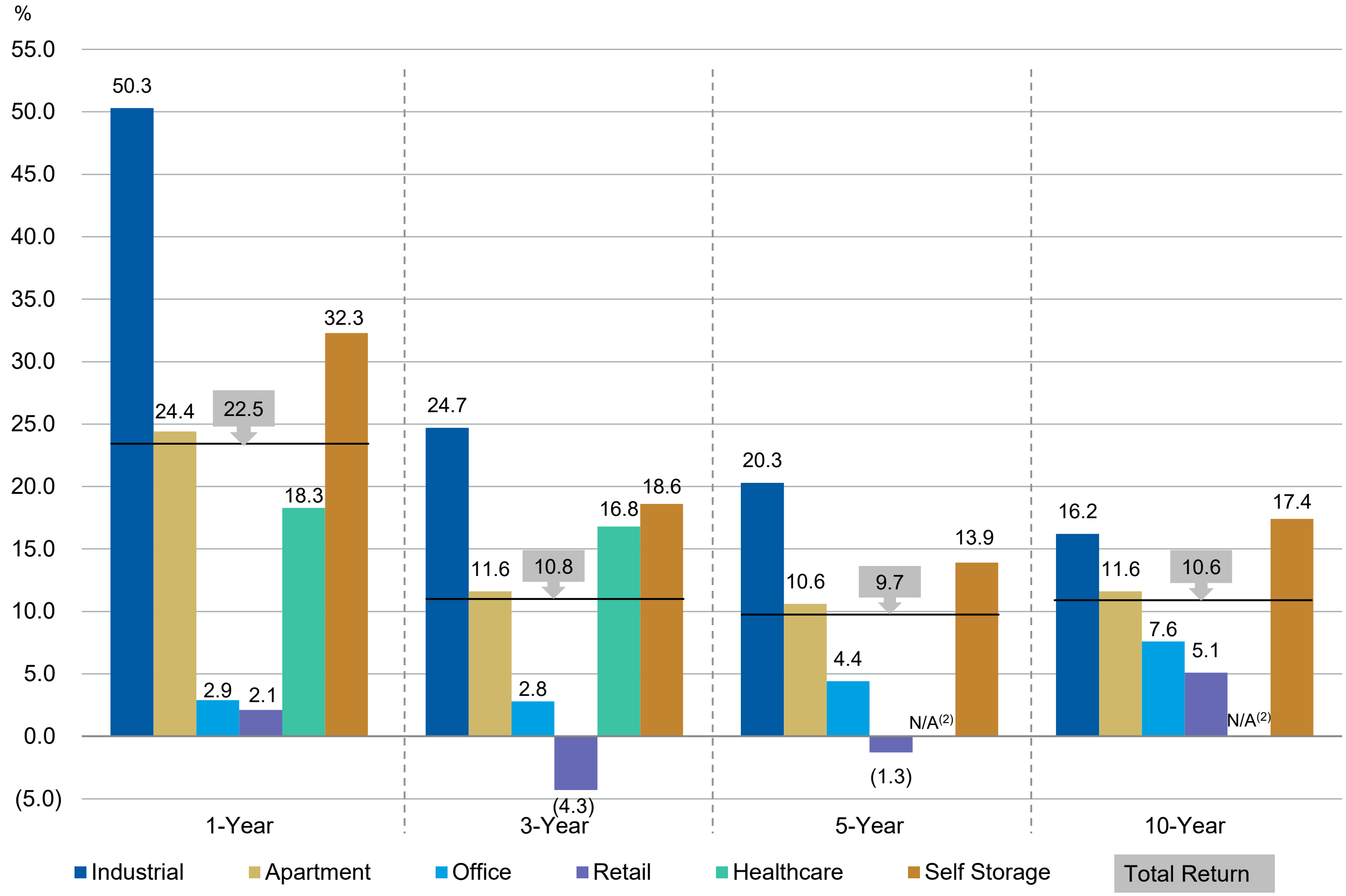
1. Power 5 schools are universities that compete athletically in the ACC, Big Ten, Big 12, Pac-12, or SEC conferences. These are the largest athletic conferences in the country.
2. Group of 5 schools are universities that compete athletically in the American Athletic Conference, Conference USA, Mid-American Conference, Mountain West Conference, and Sun Belt Conference.
3. U.S. historical 5-year total enrollment growth is -0.6% p.a. over the five years to Fall 2019 and -1.0% p.a. over the five years to Fall 2020. Weighted average historical 5-year includes 2015 to 2020.

Sector Attribution Analysis

As of June 30, 2022

- The industrial, apartment, and self storage sectors have been positive contributors to PRIME's returns while office and retail have been detractors

PRIME Unlevered Returns by Sector[1][2]



Notes
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.

1. Unleveraged returns are presented before (i.e., gross of) investment advisory fees—specifically, they do not reflect a deduction for asset management fees. See page 48 for PRIME's net returns for the periods presented herein.
2. PRIME established a healthcare allocation in September 2018.

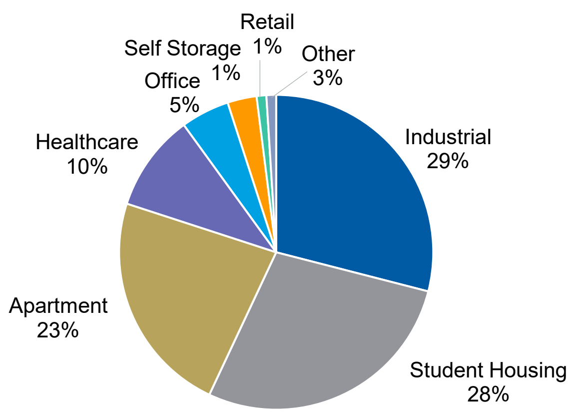
PRIME Acquisitions and Dispositions (1)(2)

As of June 30, 2022

- Over the past two years, PRIME has acquired $4.1B. Based on purchase price at ownership, 29% of the total acquisition volume was in the industrial sector, 28% in student housing, 23% in apartment, 10% in healthcare, 5% in office and 1% in self-storage
- Dispositions over the last five years have had an average sales price of 2.9% above the most recent appraised value. 2021 dispositions had an average premium of 5.2%
- As of 2Q22, the MSCI Index continues to note that acquisitions have been accretive to PRIME's return over a 3-, 5-, 7- and 10-year period

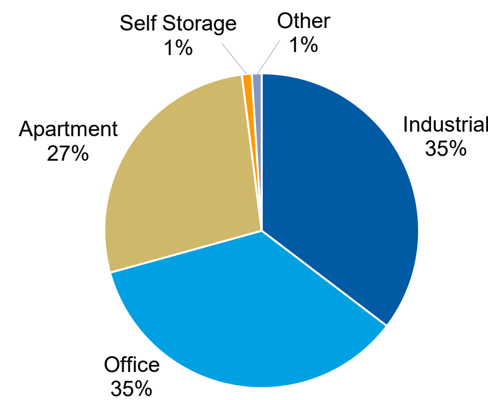
Acquisition Activity By Sector

Trailing 24 Months



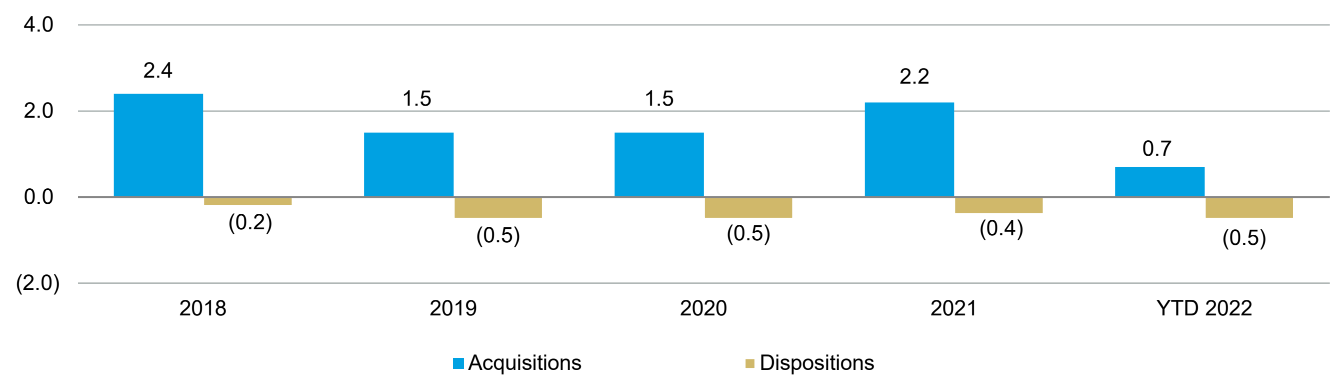
Disposition Activity By Sector

Trailing 24 Months



Transaction Activity

$Bn



Notes
Past performance is not indicative of future results.
1. The amounts do not include development other than the initial acquisition of land.
2. Based on PRIME's share of purchase price/sales price at ownership.

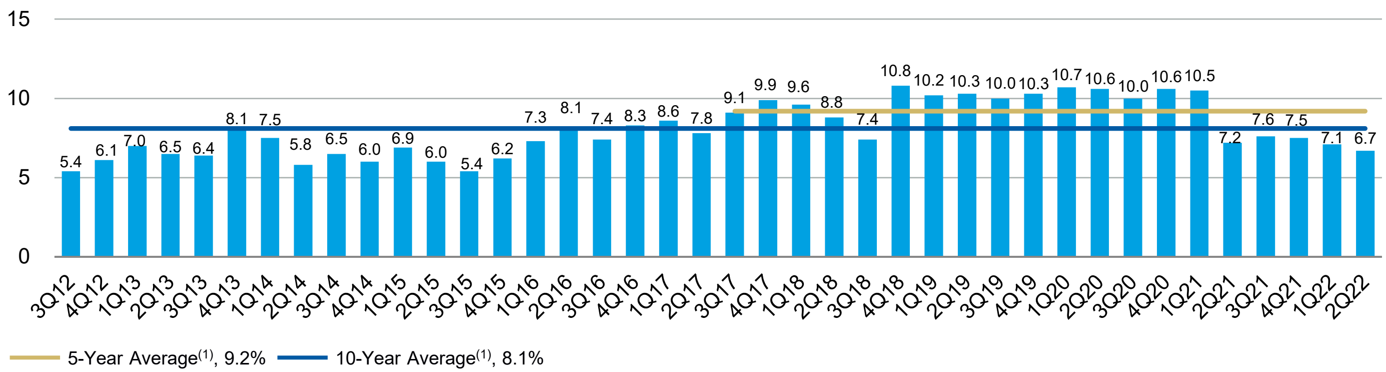
PRIME Value Add

As of June 30, 2022

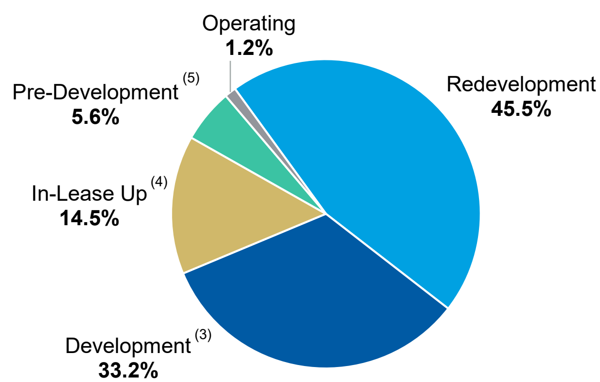
- PRIME's Investment Guidelines allow a portion of the Fund's assets (generally less than 15% of gross assets) to be invested in properties with reasonable asset enhancement opportunities

Value Add

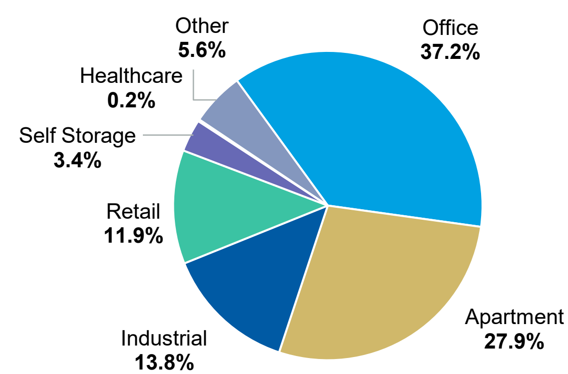
As % of Gross Asset Value



Value Add by Type (2)



Value Add by Sector (2)



Notes
1. Simple average provided.
2. Appraised value at ownership basis.
3. Development is defined as assets that are under construction.
4. In Lease-Up is defined as assets that have not achieved 70% leased status and have not received final certificate of occupancy (CO).
5. Pre-Development is defined as assets that are land held for future development.
6. Other primarily includes land held for potential development and a hotel development.

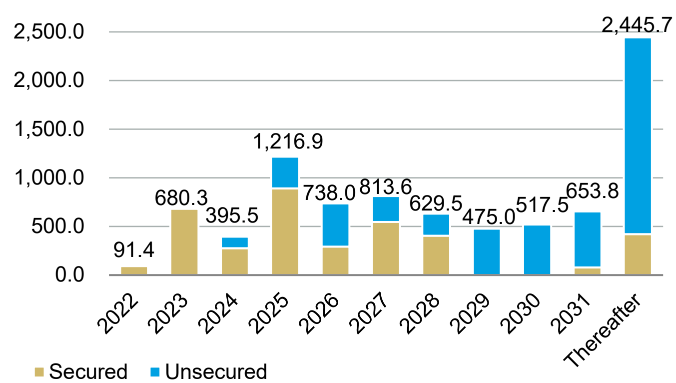
Debt Profile

As of June 30, 2022

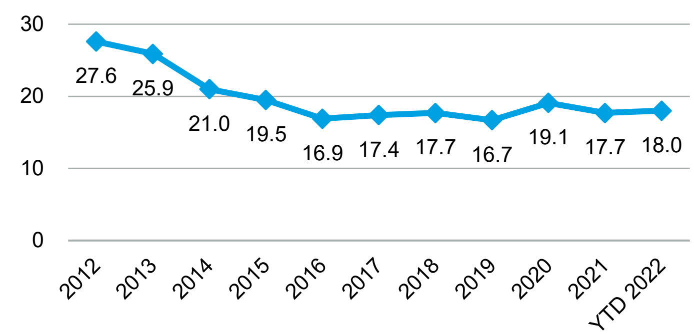
- PRIME's target range for leverage is 15%–25%
- PRIME's debt strategy of maintaining a mix of secured and unsecured financing allows the Fund to effectively and actively manage the portfolio as well as tap into a more diverse set of lending sources
- The Fund has no outstanding forward commitments

Leverage (1) (%)	18.0
Fund Rating (Standard & Poor's) (2)	A
Weighted Average Cost of Debt (%)	3.6
Weighted Average Debt Remaining Term	7.0 years
Unsecured Debt (%)	57.5
Fixed Rate Debt (%)	82.4
Cash to Net Assets (%)	2.8

Debt Maturity Schedule (1)(3)



Historical Annual Leverage (4)



Notes
1. Includes all wholly-owned debt and PRIME's proportionate share of joint venture debt.
2. In June 2021, S&P revised the outlook for PRIME from Stable to Negative citing an increased Debt to EBITDA multiple and elevated credit-protection metrics relative to pre-COVID-19 levels.
3. Maturity schedule reflects wholly owned and joint venture debt at ownership share. Excludes the Fund's $750 million line of credit and the $10 million AMLI line of credit, both of which had a zero outstanding balance as of June 30, 2022. Information is as of June 30, 2022 and is subject to change at any time.
4. Financing, on a portfolio-wide basis, will be targeted at 15% to 25% on a consolidated basis (i.e., counting, for these purposes, off-balance sheet leverage used by joint ventures, on a pro rata basis to the Fund). In no event, however, will the Fund's consolidated leverage exceed 50% of the gross value of the Fund's assets at the time the debt is incurred, unless the Board determines otherwise.

Morgan Stanley and MSIM's Commitment to Sustainability

2009	2013	2015	2017	2018	2019	2020	2021
Established **Global Sustainable Finance Group**	Launched the **Institute for Sustainable Investing**	Issued our inaugural **green bond**	Appointed first **Chief Sustainability Officer** at a Wall Street firm	Committed to mobilizing $250Bn toward **low-carbon solutions** by 2030	Launched the **Plastic Waste Resolution** to divert **50Mn metric tons** of plastic waste from landfill by 2030	Committed to reaching **net-zero financed emissions by 2050**	Committed to mobilizing **$1Tn** in **sustainable financing** by 2030

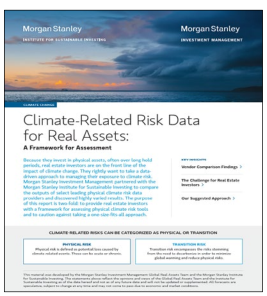
Morgan Stanley Institute for Sustainable Investing

Founded and chaired by Morgan Stanley CEO & Chairman, **James Gorman**, and guided by a prominent **Advisory Board** of industry experts and academics

Twelve years of **capacity building** through the Kellogg-Morgan Stanley Sustainable Investing Challenge and 9 years of the Morgan Stanley Sustainable Investing Fellowship

Regular publications and events on sustainable investing trends and themes

Assessing Climate-Related Risk Data for Real Assets



Firmwide Sustainability

Committed to **net-zero financed emissions** by 2050 and **carbon-neutral operations** by 2022

Joined the Steering Committee of the **Partnership for Carbon Accounting Financials** and the **Net-Zero Banking Alliance**

Set goals to increase the number of **women officers** globally **by 25%**, and **Black and Hispanic officers** in the U.S. **by 50%** (1)

Active membership and/or partnership with numerous **sustainable finance and business initiatives, including:**

SASB · TCFD · PCAF · PRI · GIIN · UN environment programme finance initiative · Global Plastic Action Partnership · Ceres · BSR

MSIM Sustainable Investing Overview

Integration & Innovation

MSIM is committed to considering and incorporating material ESG issues when evaluating investment opportunities across both public and private markets

$60Bn+ sustainable fund assets under management across MSIM and Calvert investment strategies (2)

670+ company engagements in 2021 covering sustainability issues ranging from decarbonization and climate risk to diverse and inclusive business practices

Industry Collaboration

MSIM actively participates in industry networks to promote sustainable investing:

GRESB · One Planet Summit Asset Managers Initiative · Council of Institutional Investors · CFA Institute

MSIM Sustainability Governance

A collaborative structure to integrate sustainability e.g., via the MSIM Sustainability Council and Sustainability Core Teams

Notes
All data points as of December 31, 2021, 2021 Morgan Stanley Sustainability Report.
1. Officers includes Managing Directors, Executive Directors and Vice Presidents.
2. The AUM figures referenced here relate to our 'Sustainable Core' and 'Sustainable Objective and Impact' AUM (as defined on page 37 of 2021 Morgan Stanley Sustainability Report) of Legacy MSIM strategies plus total Calvert Research and Management AUM.

PRIME Sustainability

As of June 30, 2022

- PRIME has implemented **a comprehensive sustainability strategy**, aimed at monitoring resources consumed by its real estate assets, thereby creating the potential for the Fund to reduce its carbon footprint in a financially responsible way.
- MSIM has been a signatory to the **United Nations Principles for Responsible Investment (UN PRI)** since 2013.
- The aspiration of achieving net-zero and interim steps toward that aspiration are non-binding and subject to change at any time at the discretion of the Adviser. There is no guarantee that the Fund will achieve this aim.

Achievements

- **GRESB score of 83** in 2021, a two-point increase from the prior year
  - **4 Green Star rating**
  - **32-point improvement since 2014**
- PRIME received an **A in UN PRI** survey Property module for the third year in a row
  - Overall, in 2020, MSIM achieved a straight A scorecard
- The Adviser previously sought to reduce same-store energy use and Scope 1 and 2 greenhouse gas emissions by 8% by 2022 from a 2017 base year for its directly managed portfolio [1]
  - **As of year-end 2020**, energy and GHG consumption were reduced by **20% and 17%** respectively since 2017 [2]

Certifications

- **33.7% of PRIME's assets are LEED certified** [3]
- **Weighted average LEED certification of Gold** [3]

Office

- **78.2%** of the Fund's office portfolio is LEED certified [3]
- 18 assets representing **63%** of the Fund's office portfolio were eligible for **ENERGY STAR** certification [3]
- 15 buildings representing **65%** of the Fund's office portfolio have achieved the third-party verified **WELL Health-Safety Rating**

Apartment

- **48 LEED** certified assets with an additional nine assets pursuing certification
- **42** AMLI assets have an **ENERGY STAR** certification, with a weighted average ENERGY STAR score of 92 [3]
- AMLI recognized as the **ENERGY STAR Partner of the Year** in 2022 by the U.S. EPA for the 4th consecutive year

Targets

- The Fund aspires to achieve **net-zero emissions by 2050** in line with global efforts to limit warming to 1.5°C above pre-industrial levels: subject to the limitations of existing technologies and regulations [4][5]
- As part of the net-zero aspiration, the Adviser currently anticipates working to reduce same store Scope 1 and 2 GHGe by **30% by 2030** (against a 2019 base year) [5]
  - The Adviser anticipates that this aspiration would include:
    - Seeking to **reduce energy use by 15%** by 2030 (Base: 2019)
    - Having **20% of overall buildings seek to install on-site solar** by 2030 (Base: 2019) – currently over 11% of existing buildings have solar enabled
- AMLI requires all new developments attempt a minimum of **LEED Silver** certification or higher

Notes

1. Assets within PRIME's operational control. Where tenants are in control of their own meter and pay utility bills directly, those emissions are considered scope 3 and were not included in PRIME's scope 1 and 2 GHGe reduction targets.
2. Note that COVID-19 impacted data from 2020 given effect on building population and usage.
3. Based on gross asset value, at ownership.
4. Implementation of efforts to achieve this goal remains subject to the Adviser's duties to the Fund, including the Adviser's obligation to endeavor to maximize the return on investment for the Fund.
5. Same store definition includes assets that are within PRIME's operational control, owned and stabilized as of January 1, 2019. Divestments will be removed from the baseline and future reporting years. Includes all assets where PRIME has operational control. Where tenants are in control of their own meter and pay utility bills directly, those emissions are considered scope 3 and are not relevant to PRIME's 2030 scope 1 and 2 GHGe reduction aspiration. Newly acquired assets will be incorporated into the energy and GHGe plan boundary upon availability of 24 full months of data from date of acquisition. New developments are excluded from GHGe reduction aspirations.

SECTION 4

Performance & Capital Flows

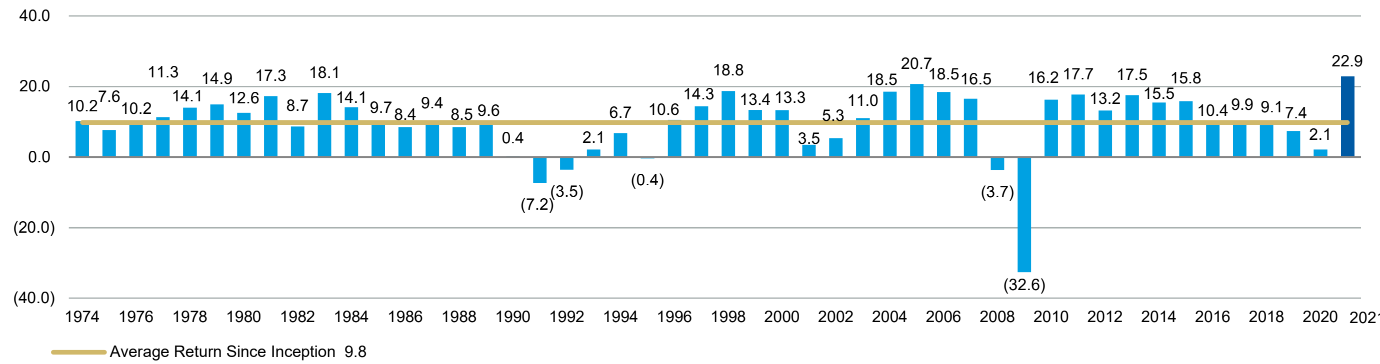
PRIME Performance Since Inception

As of December 31, 2021

- PRIME's total gross return since inception is 9.3% [(1)]
- PRIME's annual gross return has exceeded 8% in 35 of 48 calendar years

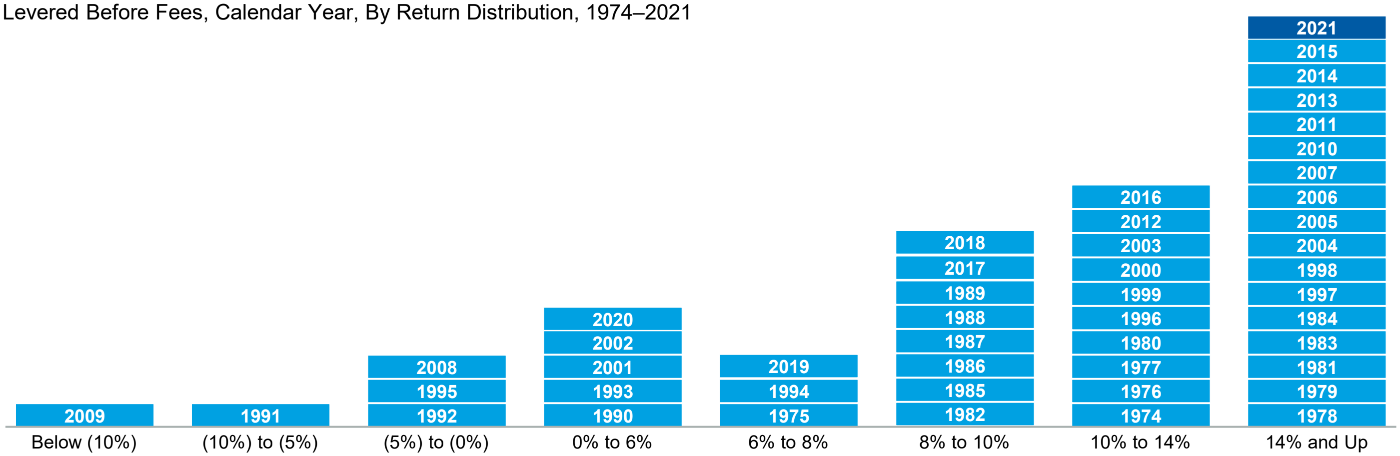
Total Annual Gross Returns [(1)]

Levered Before Fees, By Calendar Year, 1974–2021 (%)



Annual Gross Return Distribution [(1)]

Levered Before Fees, Calendar Year, By Return Distribution, 1974–2021



Notes

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns

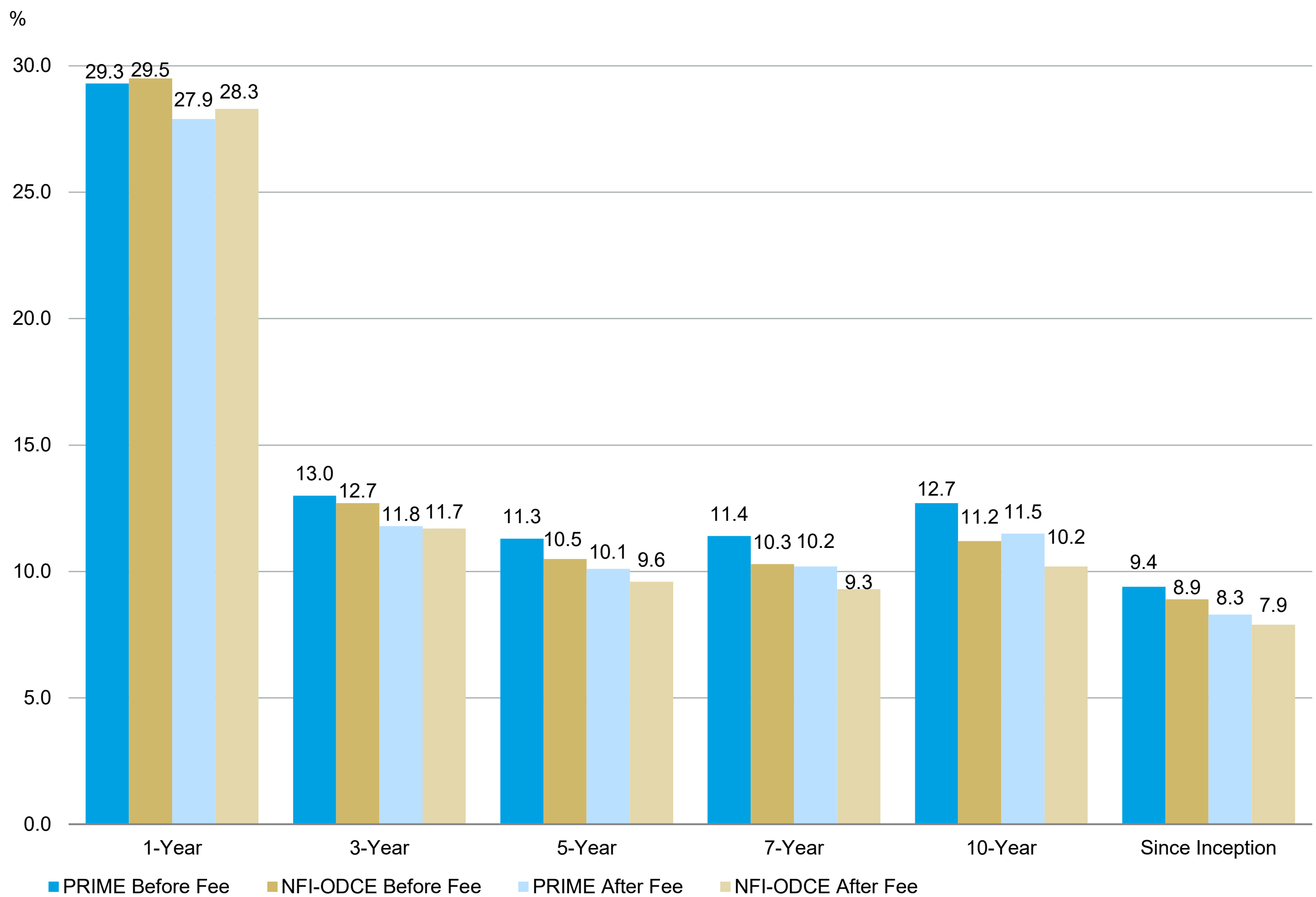
1. Returns are presented before (i.e., gross of) investment advisory fees—specifically, they do not reflect a deduction for asset management fees. Annual net returns are provided in the Performance Notes. PRIME's total net return since inception is 8.2% as of December 31, 2021.

PRIME Before and After Fee Performance vs. NFI-ODCE

As of June 30, 2022

- PRIME's fee for each of the last five calendar years has been
  - 2021 119 bps
  - 2020 84 bps
  - 2019 115 bps
  - 2018 103 bps
  - 2017 103 bps
- PRIME's fee structure is detailed on page 59 (Tab A)
- The difference between Before Fee and After Fee returns does not total the fee charged in terms of basis points on NAV given the compounding impact of the chain linking of returns

PRIME vs. NFI-ODCE Total Returns [1]



Notes

Past performance is not indicative of future results. See the Performance Notes for important information about performance returns and the characteristics of the NFI-ODCE Benchmark

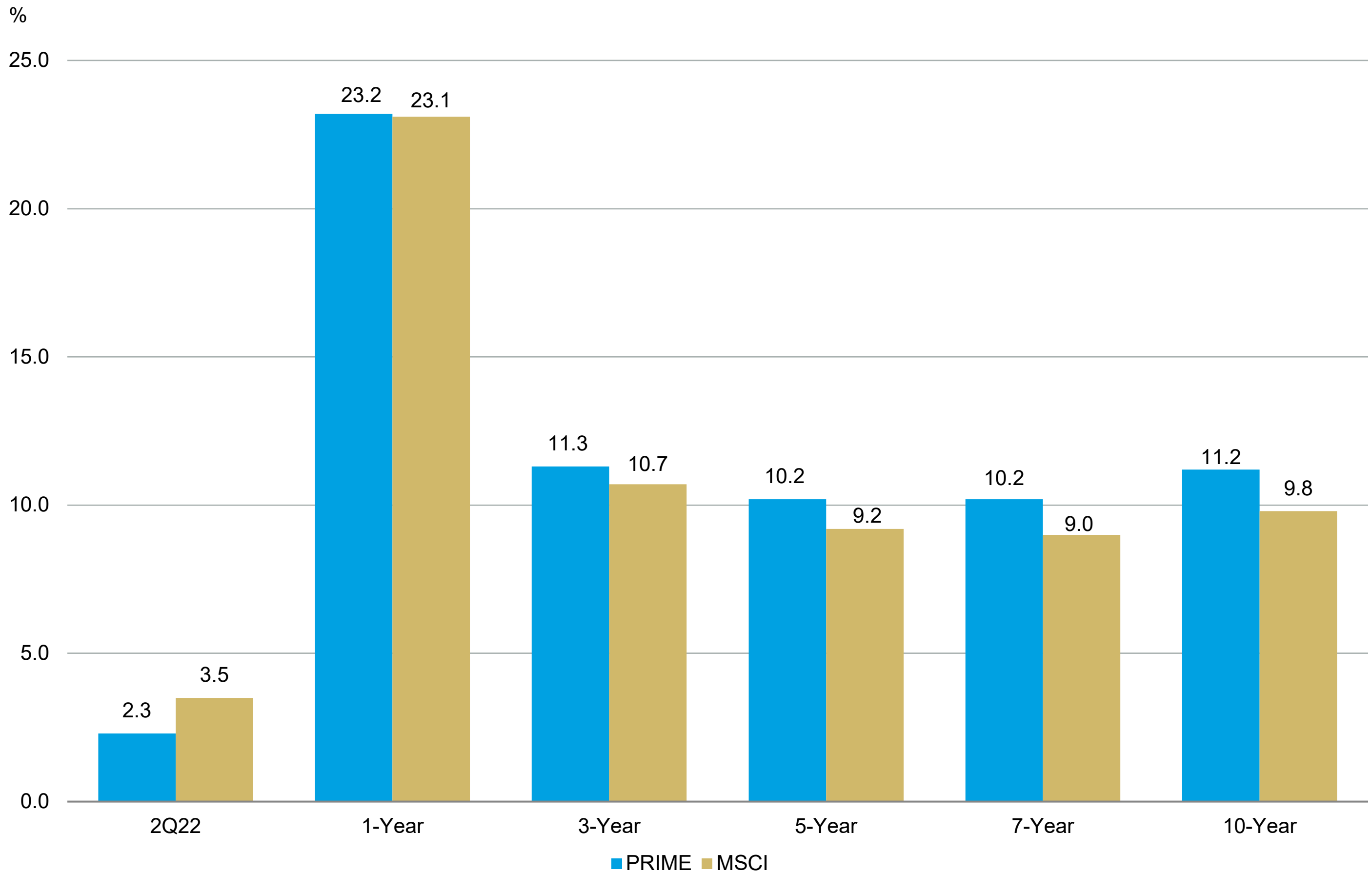
1. The Fund's inception was August 20, 1973; however, to provide a more meaningful basis for comparison, returns for the Fund and the NFI-ODCE are shown for the period starting in the first quarter of 1978, inclusive, which represents all available return information for the NFI-ODCE since its inception.

Unleveraged Returns

As of June 30, 2022

- The MSCI/PREA U.S. ACOE Quarterly Property Fund Index ("MSCI Index") is a non-published peer group consisting of 22 U.S.-based core open-end private equity real estate funds. The MSCI Index includes 22 of the 26 funds in the NFI-ODCE

PRIME vs. MSCI/PREA U.S. ACOE Quarterly Property Fund Index[(1)(2)(3)]



Notes:
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns and the characteristics of the MSCI Index.
1. Returns are presented before (i.e., gross of) investment advisory fees—specifically, they do not reflect a deduction for asset management fees. See page 50 for PRIME's net returns for the periods presented herein. PRIME's returns reflect unleveraged property-level returns as calculated by MSCI and exclude portfolio-level expenses and any impact of joint venture investment structure (e.g., promotes, incentive fees, etc.).
2. See the Performance Notes for important information about the characteristics of the MSCI Index and other comparative indices in relation to PRIME and other factors relevant to such comparisons.
3. PRIME's returns reflect unleveraged property-level returns as calculated by MSCI and exclude portfolio-level expenses and any impact of joint venture investment structure (e.g., promotes, incentive fees, etc.).

Valuation

- PRIME works closely with the Fund's independent appraisers to ensure they have the most current property and capital market information possible

PRIME has a rigorous and thorough appraisal process

- **Every asset independently appraised quarterly**
- Nationally recognized appraisal firm is engaged to manage the process with the third-party appraisal firms that provide appraisals
- Individual appraisal assignments are rotated every three years
- Third-party appraisal firms are engaged by PRIME's independently controlled Board of Directors
- All valuation recommendations are formally reviewed by the Adviser's internal valuation committee

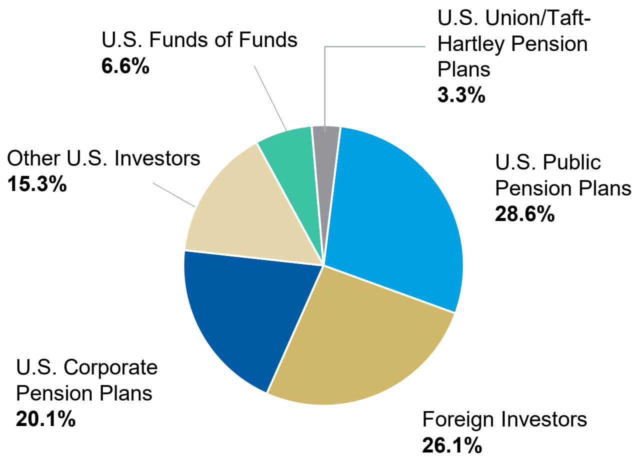
Investor Profile

As of June 30, 2022

- Ownership structure allows for a more diversified capital base

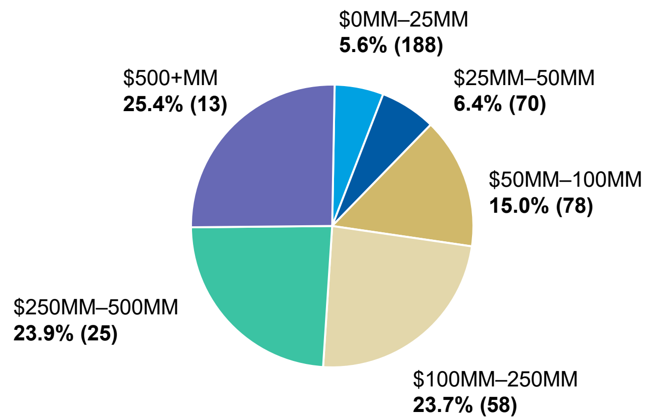
Investor Type—Measured in $

$38.0B Net Asset Value



Number of Investors—Measured by Size

$38.0B Net Asset Value

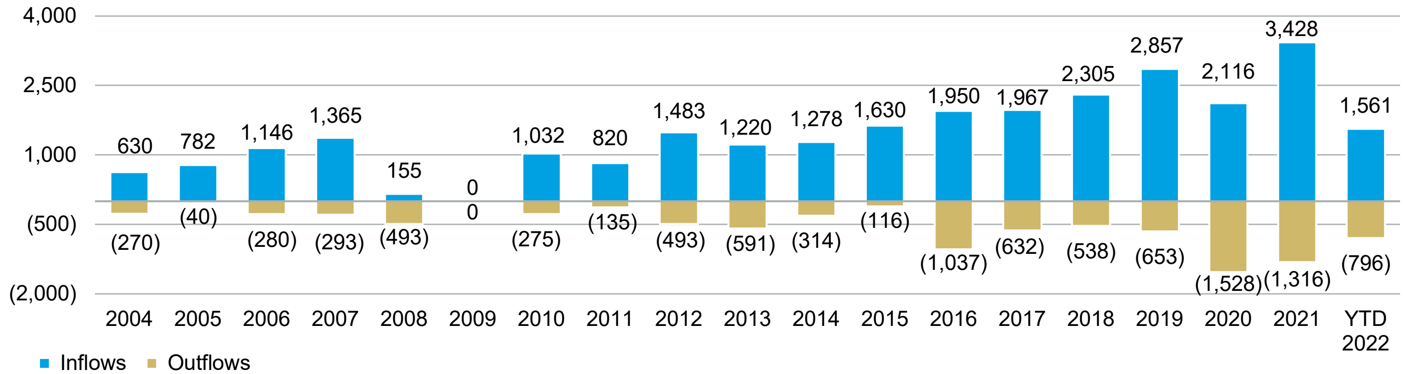


PRIME Client Flows

As of June 30, 2022

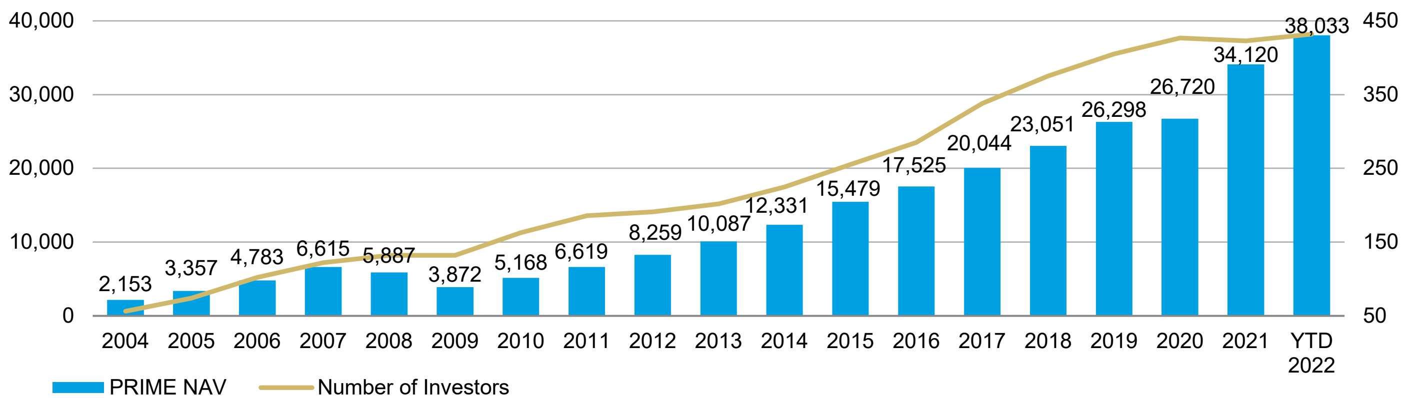
- As of June 30, 2022, PRIME has an incoming investment queue of $348M and a redemption queue of $440M
- PRIME has averaged $2.5B of client inflows over the past five calendar years

Inflows and Outflows [1]



- The number of investors in PRIME has doubled since 2014

NAV and Number of Investors



Notes
1. Excludes dividends paid and reinvested. PRIME had a redemption queue from September 2008 to September 2010 and from June 2020 to December 2020. A new redemption queue was instituted on June 30, 2022.

Summary & Differentiating Attributes

Broad Investment Platform

- PRIME is MSREI's only active U.S. core investment mandate and comprises over 97% of AUM in the U.S.(1)
- Being part of a global, leading financial services Firm provides access to information, expertise, and deal flow

Strong Relative Track Record

- Outperformed benchmark each of the last ten calendar years and through market cycles
- Research supported investing strategies within each sector has driven the outperformance
- Established best practices in place to manage to an attractive risk-adjusted return

High-quality Portfolio

- Difficult to replicate and more resilient through market cycle
- Well-diversified, tactically weighted, and strategically constructed by sector and geography

Operational Expertise

- AMLI and Safeguard provides expertise and experience within the apartment and self storage sectors

Experienced and Dedicated Team

- Seasoned professionals providing a thoughtful and consistent approach to investing
- Interests aligned with shareholders

Notes
Past performance is not indicative of future results. See the Performance Notes for important information about performance returns.
1. Gross real estate assets represents the gross fair market value of the real estate assets managed by MSREI on behalf of the firm and its clients, presented at direct ownership interest. Gross real estate assets for certain minority interests represents MSREI's equity investment in the entity. Ownership interest, as of March 31, 2022.

Performance Notes

Past performance is not indicative of future results. There can be no assurance that the Fund will achieve comparable, or any, returns. Losses, including a total loss of invested amounts, can result from investment in the Fund.

Unless otherwise noted, performance returns for the Fund contained herein:

- Are annualized (i.e., for periods of one year or greater, the performance returns represent average annual returns). Returns for periods less than one year are unannualized.
- Are time-weighted returns calculated using a "modified Dietz method." In the absence of daily portfolio valuations, the modified Dietz method weights individual cash flows by the amount of time that those cash flows are held by (or absent from) the portfolio. The Adviser believes the modified Dietz method is a more appropriate way to measure the return on a portfolio than a simple geometric return method because the modified Dietz method identifies and accounts for the timing of all random cash flows while a simple geometric return does not.
- The modified Dietz method formula for calculating a time weighted return is as follows:
  - $Rp = \frac{EFV - BFV - CF}{BFV + WCF}$
  - Rp = Return for the measurement period
  - EFV = Ending fair value of the investment
  - BFV = Beginning fair value of the investment
  - CF = Net cash flows for the period (add if net distribution)
  - WCF = Sum of weighted cash flows for the period
- Are presented before (i.e., gross of) investment advisory fees—specifically, they do not reflect a deduction for asset management fees. Actual returns to an investor would be lower.
- Are presented on a levered basis.
- Are presented based on finalized interim unaudited financial results (or, if available, finalized audited financial statements) available as of the stated time in the return presentation. Such results as of the end of the applicable fiscal year are generally audited by a reputable outside firm within 90 days of the Fund's fiscal year end.
- Include interest income from short-term investments.
- Include income which is based on accrual accounting.
- Include increases or decreases in net asset value arising from the Fund's marking of its debt to market in accordance with Accounting Standards Codification 825-10-25

Performance Notes (Cont'd)

The Fund's annual total returns for calendar years 1974-2021 are as follows:

YEAR	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Gross	10.18%	7.64%	10.20%	11.27%	14.05%	14.92%	12.58%	17.25%	8.70%	18.13%
Net	9.15%	6.54%	9.05%	10.44%	13.27%	14.08%	11.59%	16.30%	7.34%	17.52%

YEAR	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Gross	14.10%	9.74%	8.44%	9.40%	8.51%	9.60%	0.36%	(7.24%)	(3.52%)	2.12%
Net	13.11%	8.63%	7.30%	8.25%	7.38%	8.46%	(0.70%)	(8.23%)	(4.57%)	1.06%

YEAR	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Gross	6.73%	(0.38%)	10.61%	14.34%	18.75%	13.40%	13.27%	3.54%	5.27%	11.04%
Net	5.68%	(1.36%)	9.54%	13.23%	17.59%	12.26%	12.20%	2.59%	4.30%	10.02%

YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross	18.53%	20.70%	18.47%	16.53%	(3.69%)	(32.61%)	16.23%	17.72%	13.16%	17.54%
Net	17.56%	19.81%	17.03%	15.23%	(4.75%)	(33.22%)	15.09%	16.28%	11.68%	16.15%

YEAR	2014	2015	2016	2017	2018	2019	2020	2021
Gross	15.46%	15.84%	10.42%	9.88%	9.05%	7.38%	2.10%	22.91%
Net	14.11%	14.50%	9.20%	8.75%	7.95%	6.16%	1.25%	21.46%

The Fund's inception date was August 20, 1973. Performance information for the Fund for the period in which it was advised by Lend Lease Real Estate Investments, Inc. or its predecessors (the period prior to December 2003) is included because it has been concluded that, given the substantial overlap of personnel and other factors, reporting such information would be helpful. On June 30, 2004, the Fund became the successor in interest of an open-end institutional real estate fund organized in 1973 as a statutory insurance company separate account (known as "Separate Account No. 8 – Prime Property Fund") sponsored and maintained by The Equitable Life Assurance Society of the United States.

Performance Notes (Cont'd)

The sum of the income return and appreciation return components may not equal the gross return because of the time weighting (i.e., chain linking) of component monthly returns and/or quarterly returns.

Income return may or may not approximate distributed income to the investor, depending on the cash distribution policy or elections made by the investor.

As stated above, performance returns for the Fund contained herein are reported on an annualized, not cumulative, return basis. The cumulative, compounded effect of advisory fees on total returns can be significant. For example, assuming an 8% annual return to a portfolio, earned evenly over the period in question, and an annual advisory fee on equity equal to 1.15%, the total after-fee return to the client would nominally be 6.85%. Over one-, three-, five- and ten-year periods, however, cumulative actual returns would be 8.24% (gross) and 7.03% (net) for one year; 26.82% (gross) and 22.60% (net) for three years; 48.59% (gross) and 40.44% (net) for five years; and 120.80% (gross) and 97.23% (net) for ten years.

Comparable Indices and Benchmarks – Generally

For purposes of evaluating the Fund's performance, the information contained herein includes certain comparisons to certain real estate and non-real estate indices and benchmarks. It is not possible to invest directly into an index or benchmark. Certain factors and the limited data available for such indices and benchmarks may make direct comparisons difficult, and such indices and benchmarks may have characteristics that are not be fully applicable to the Fund and may be more or less volatile than the Fund. For example, indices (or particular funds contained therein) may have dissimilar asset concentrations, appraisal standards or policies on the reinvestment of dividends or other proceeds when compared to the Fund.

Characteristics of certain indices and benchmarks commonly used in comparisons with the Fund are described below; however, the descriptions are not exhaustive. Thorough familiarity with the characteristics for each index and benchmark is advisable before one can fully understand such comparisons.

NCREIF Fund Index – Open-End Diversified Core Equity

The NCREIF Fund Index – Open-End Diversified Core Equity ("NFI-ODCE") is a fund-level, capitalization-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (i.e., returns reflect each fund's actual asset ownership positions and financing strategy). NFI-ODCE performance information is presented gross of fees. NFI-ODCE information is available beginning in the first quarter of 1978, inclusive.

Performance Notes (Cont'd)

The MSCI/PREA U.S. ACOE Quarterly Property Fund Index ("MSCI Index")

The MSCI/PREA U.S. ACOE Quarterly Property Fund Index ("MSCI Index") is time-weighted return index peer group benchmark used by PRIME and includes all investments owned by the peer group including real estate, cash and other investments (mezzanine loans receivable, notes receivable, forward commitments, etc.). The MSCI Index is gross of fees and excludes the impact of leverage.

NCREIF Property Index

The NCREIF Property Index ("NPI") is a property-level, time-weighted return index and includes property investments at 100% ownership and does not account for leverage (i.e., returns do not reflect each fund's actual asset ownership position (if not 100%) or financing strategy). NPI performance information is presented gross of fees.

The Fund has a core-oriented investment strategy, while the NPI includes investments with a non-core orientation. The NPI performance returns exclude development, agricultural and other non-income producing properties. Also, the NCREIF Property Index is a broader index and includes assets with enhanced or more opportunistic-type strategies. The Fund's exposure to these types of assets is limited to 15% of gross assets, and the Fund's exposure to these types of assets was 6.7% of gross assets as of June 30, 2022.

Other Indices

Comparisons to the performance returns of other indices (e.g., NAREIT Equity REIT Index, S&P 500, Barclays Capital U.S. Government/Credit Bond Index) are subject to similar considerations concerning component product mixes, weighting, etc. In particular, when comparing the performance of asset classes, readers should keep in mind that there are differences that make direct comparisons difficult. For example, due to the appraisal methods for valuing real estate, there may be inherent issues when comparing real estate to other asset classes; stocks are more volatile than bonds; and U.S. government bonds and fixed income investments are guaranteed by the issuer as to the timely payment of principal and interest and pay a fixed rate of interest.

SECTION 5

Additional Information

PRIME Fee Structure

- Fee structure intended to create strong alignment of Adviser's interest with investors by compensating Adviser for NOI growth
  - 2021 Fees 119 bps
  - 2020 Fees 84 bps
  - 2019 Fees 115 bps
  - 2018 Fees 103 bps
  - 2017 Fees 103 bps

Asset Management Fee: 84 basis points per annum of the NAV (as of the beginning of each calendar quarter) payable quarterly in arrears.

Incentive Fee: Incentive Fee for each calendar year is capped at 35 basis points per annum. Accrues on a monthly basis over a calendar year. Monthly accrual will equal the product of X*Y*Z*1/12, where:

- X = 5.0%;
- Y = NAV (as of the beginning of that month); and
- Z = "Comparable Property NOI Growth" for that month (expressed as a percentage) (1)

Incentive Fee is payable at or promptly after the end of each calendar year and equal to the aggregate amount of the Incentive Fee (including any negative amounts) accrued for each month of the calendar year.

Note
1. "Comparable Property NOI Growth" for a given calendar month is the growth, expressed as a percentage, of (i) the aggregate income after operating expenses have been deducted, but before deducting income taxes, financing expenses, fund expenses and capital expenditures (the "NOI") generated by Included Investments that month, over (ii) the aggregate NOI generated by the same Included Investments during the same calendar month in the preceding year. For these purposes, "Included Investments" means each real estate asset held directly or indirectly by the Fund for at least 13 months prior to the end of that month (for the avoidance of doubt, including any real estate for which there was any expansion, redevelopment or similar change during the prior 13 months); provided that if any such real estate asset is a development asset (i.e., either undeveloped land or a previously developed real estate asset that is subject to a development or redevelopment project where the budgeted costs of such project exceed 50% of the value of such asset immediately prior to undertaking such project), such real estate asset will only be considered held once its development has been completed (i.e., a certificate of occupancy or equivalent document has been obtained); and provided further that "Included Investments" shall not include AMLI Operating Company, Safeguard Operating Company or any other future Investment deemed to be an operating company

Executive Summary

Macro Environment

- Challenging macro environment – higher inflation, higher interest rates, squeezed incomes
- Fed tightening monetary policy has led to higher interest rates across the curve
- Increased capital markets volatility across all asset classes

Real Estate Markets and Fundamentals

- Overall industrial and residential fundamentals remain strong, office and retail challenged
- Supply: Low vacancy rates especially for Grade A stock; higher construction costs support existing values
- Demand: Overall occupational demand more cautious and discerning
- Capital markets: Less competitive capital markets environment favors investors with dry powder

Conclusions

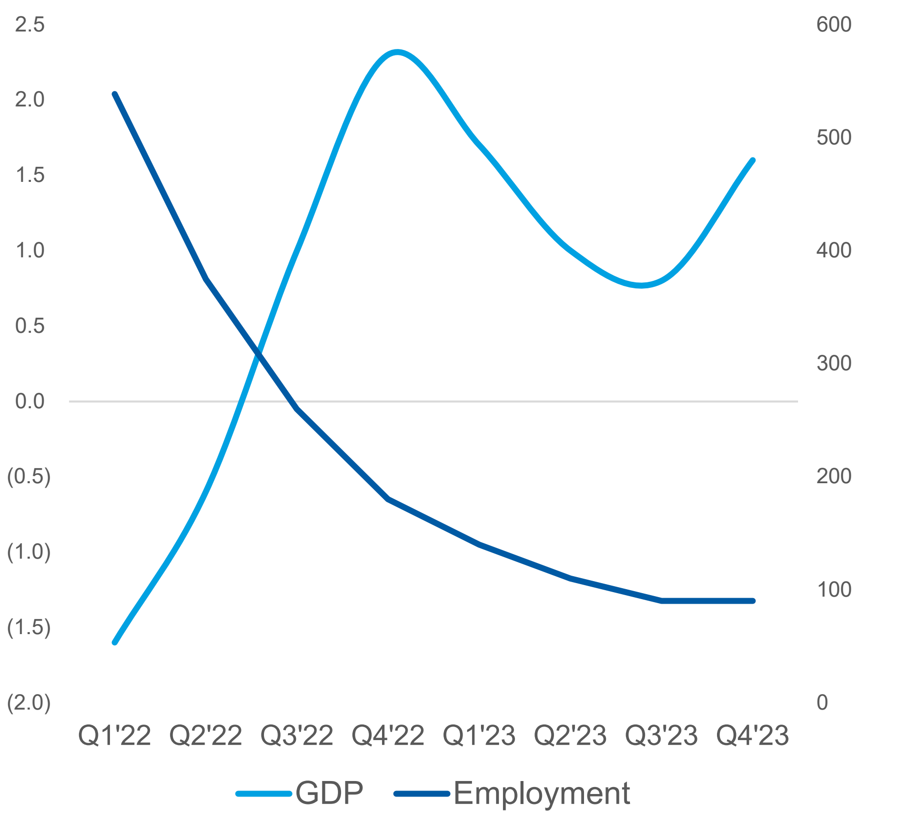
- Flight to quality, supporting prime locations and high-quality assets
- Greater divergence between “winners” and losers” requires more selective investment approach
- Driver of returns will shift from yield compression to an ability to drive NOI growth
- Industrial and residential likely to continue to outperform given secular tailwinds offsetting cyclical weakness

Macro Economic Environment Challenging

Recession Risks Elevated

Moderating Economic Growth

GDP YoY, % — Monthly Employment Growth



Source: Bureau of Economic Analysis, Morgan Stanley Research, MSREI Strategy, data as of August 2022

Macro Metrics Remain Relatively Positive but Momentum Shifting

	Signal	Momentum	Comment
Labor Market	●	↓	• Employment strong • Unemployment claims low but rising
Consumer	●	↓	• Negative real wages • Real spending still positive as households draw down savings
Housing	●	↓	• New home sales, permits, and starts declining sharply • Home prices slowing; existing inventories tight
Manufacturing	●	↓	• Industrial production increasing at slower pace
Financial Markets	●	↓	• Equity markets down • Credit spreads wider

Source: MSREI Strategy, data as of July 2022

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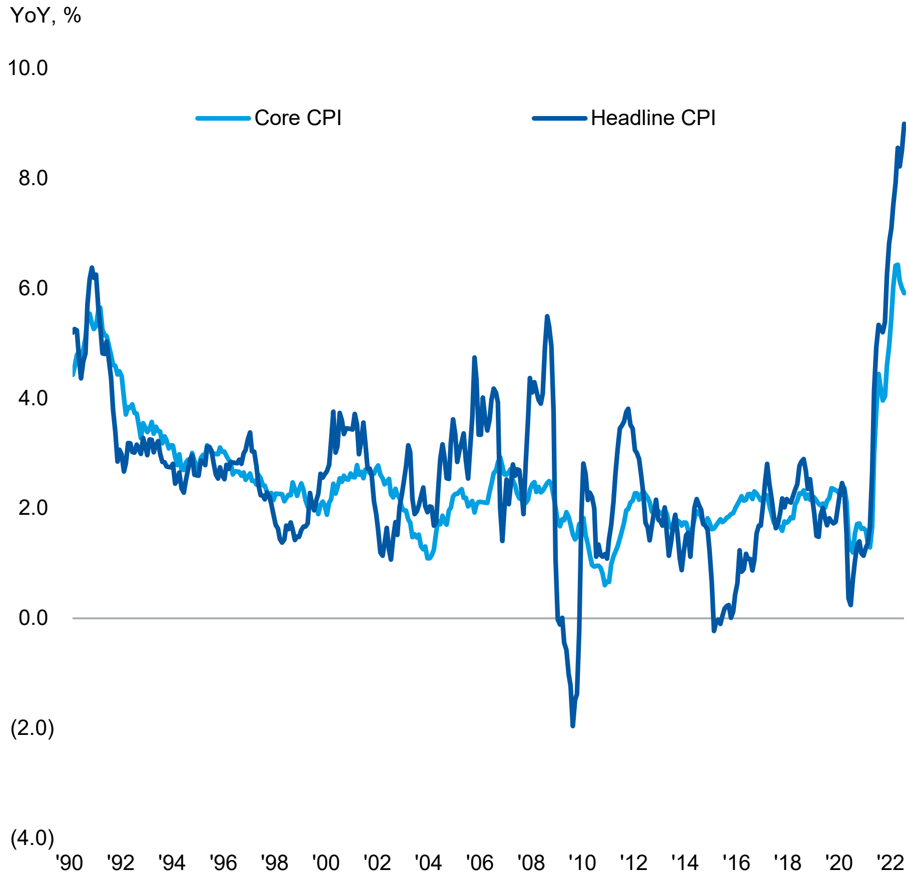
Elevated Inflation Persisting = Higher Interest Rates

Potential Fed Pivot in Late 2023/24 May Result in Lower Financing Costs in Medium Term

Inflation At Levels Not Seen Since the 1980s



Source: Bureau of Labor Statistics, MSREI Strategy, data as July 2022

Interest Rates Expected to Peak in 4Q 2022

Source: Morgan Stanley Research, MSREI Strategy, data as of August 2022

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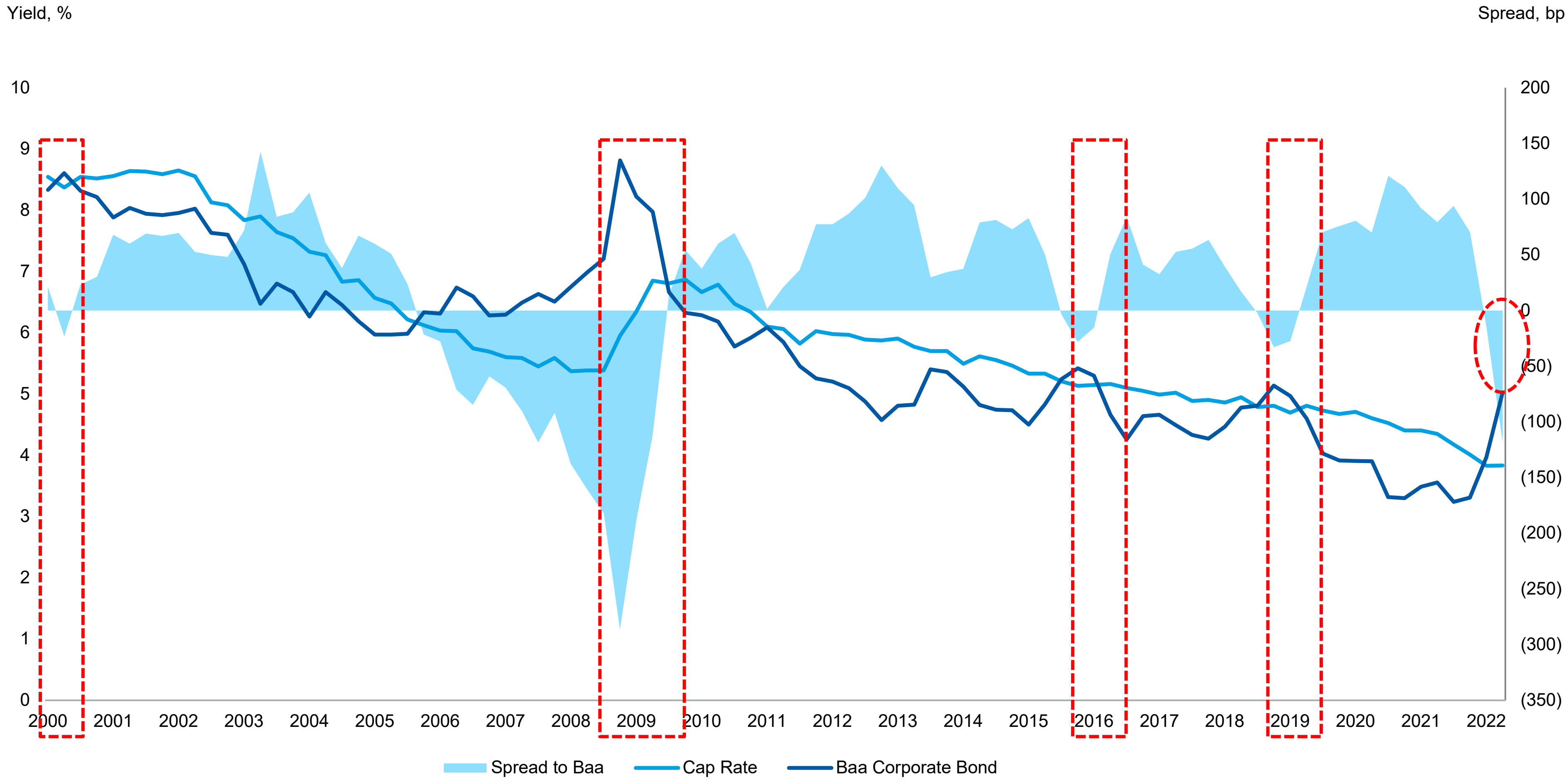
Cap Rate Spreads have Compressed due to Higher Borrowing Costs

Capital Markets Have Typically Snapped Back Quickly After Periods of Disruption

Real Estate Relative Pricing Suggests Upward Pressure on Cap Rates



Source: Moody's, NCREIF, MSREI Strategy, data as of July 2022

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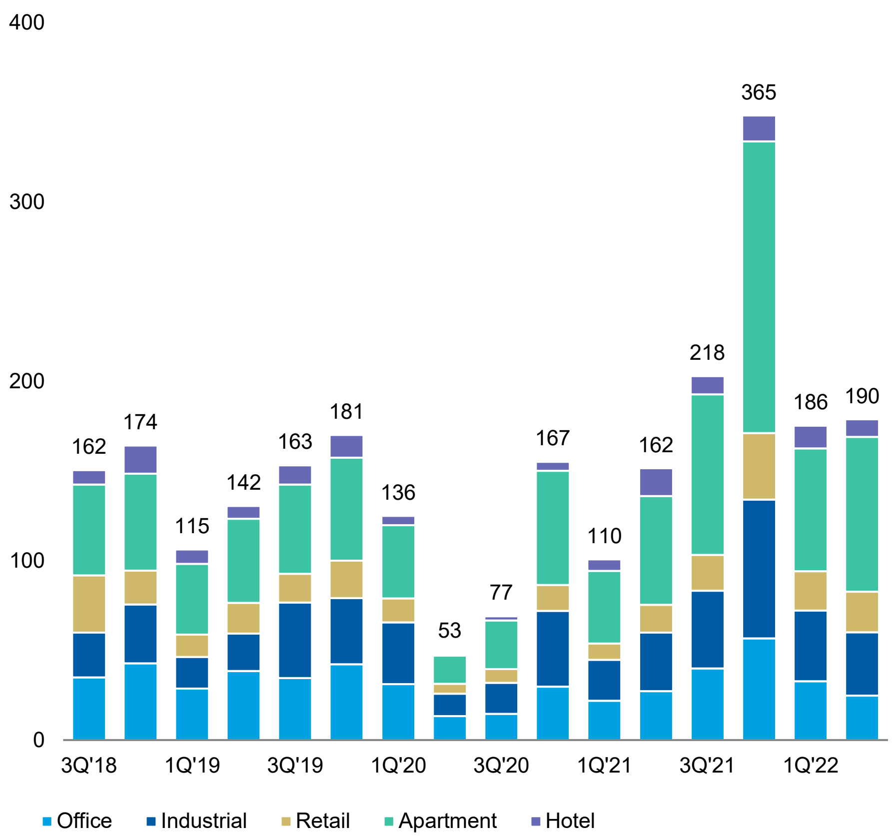
Capital Markets Beginning to Slow

Limited Competitive Environment Offers Opportunities for Investors With Capital

Transaction Activity Has Slowed in 2022

Quarterly Transaction Volume by Property Type, USD Bn

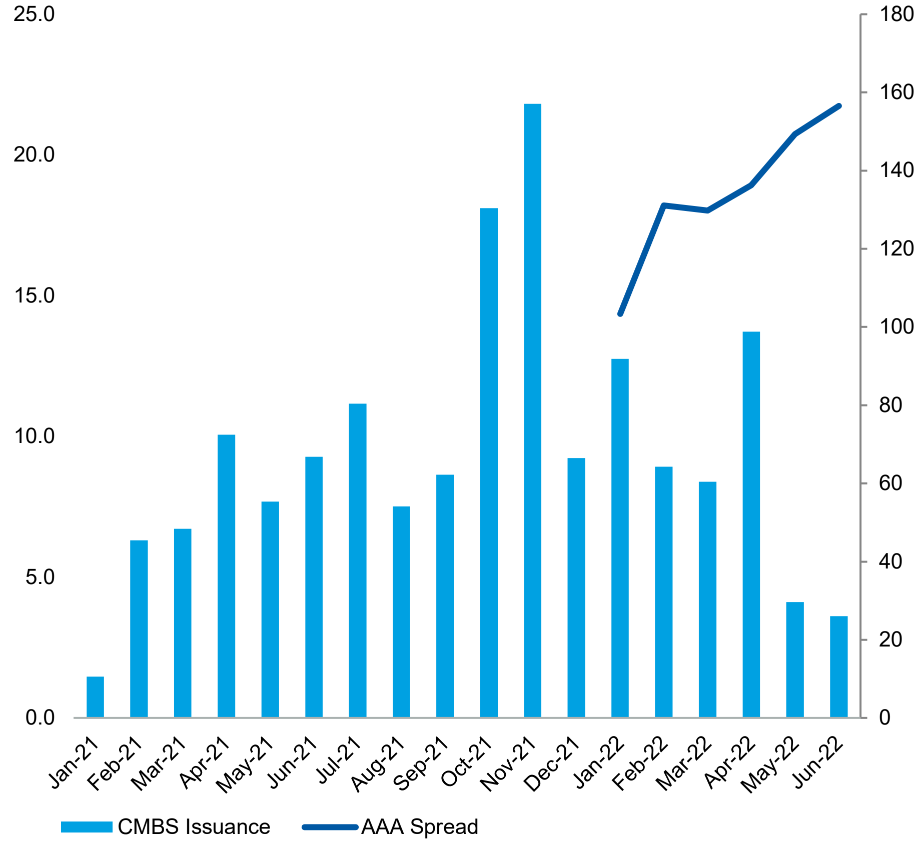


Source: Real Capital Analytics, MSREI Strategy, data as of July 2022

CMBS Market Closing

CMBS Issuance, USD Bn

AAA CMBS Spread to 10-Year UST



Source: Commercial Mortgage Alert, MSREI Strategy, data as of July 2022

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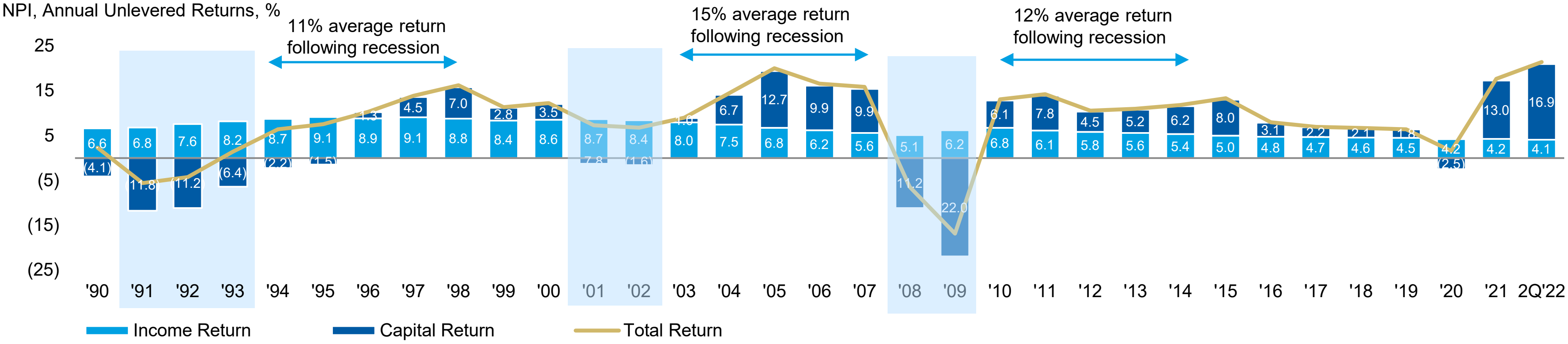
Despite Softer Macro Backdrop, Real Estate Returns Above Trend

Driven by Industrial and Multifamily Performance

Private Real Estate Performance Accelerated in 1Q but Expected to Moderate due to Rising Cap Rates

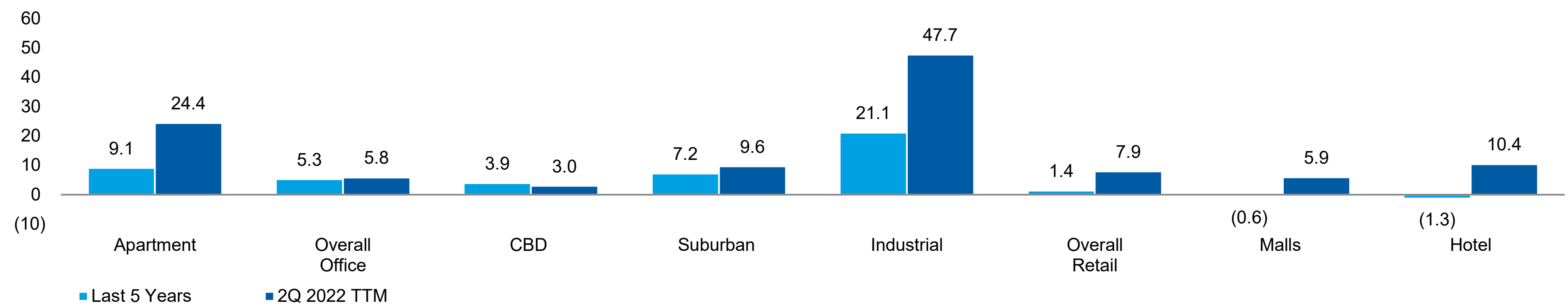
NPI, Annual Unlevered Returns, %



Source: NCREIF, MSREI Strategy, data through July 2022

Industrial Returns 2x All Other Sectors

Annualized Performance by Property Type, %



Source: NCREIF, MSREI Strategy, data as of July 2022

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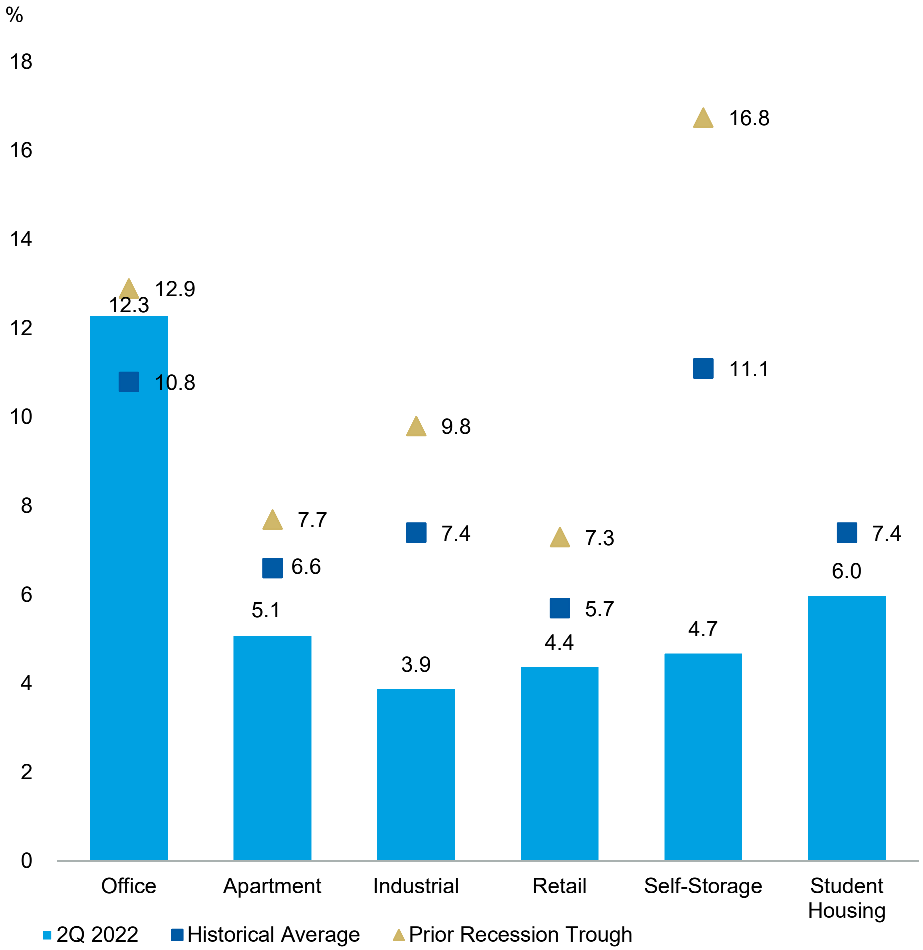
Supported by Robust Real Estate Fundamentals

Particularly for Higher Quality Properties in Prime Locations

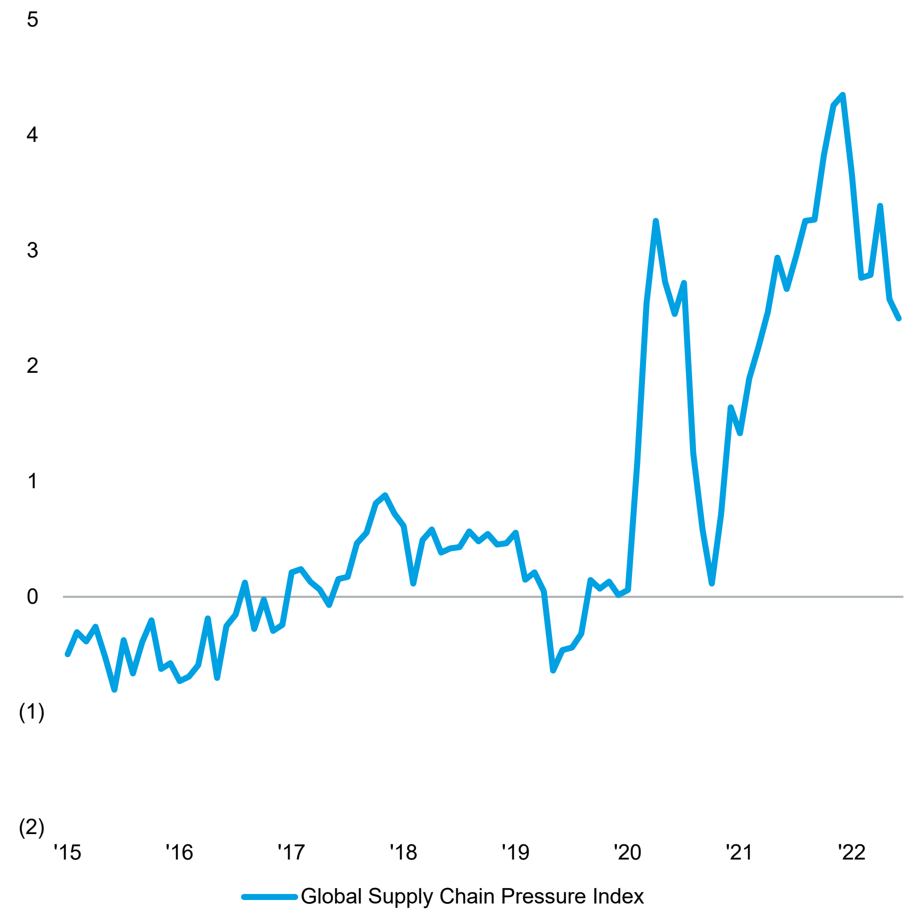
Vacancy Rates Well Below Historical Average, Except Office



Source: CoStar, Greenstreet, Real Page, MSREI Strategy, data as of July 2022. Student Housing data from 2013-2021

Supply Chain Issues Continue to Push up Construction Costs

Global Supply Chain Pressure Index, Standard Deviations



Source: Federal Reserve Bank of New York, data as of July 2022

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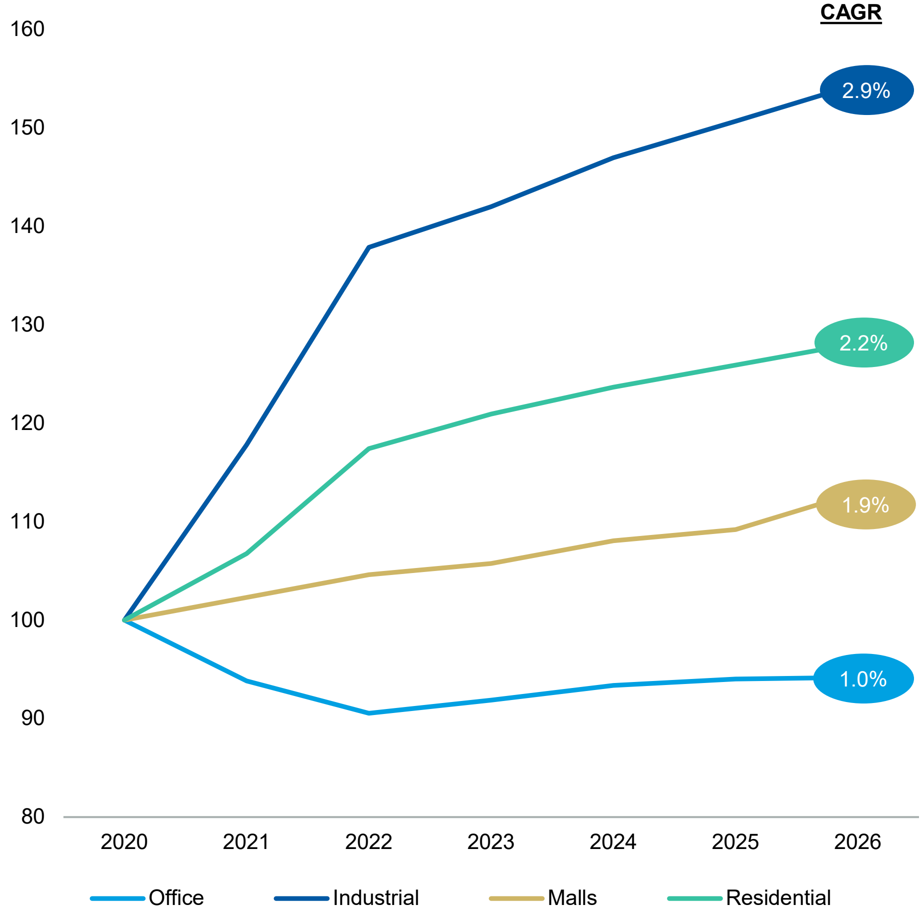
More Bifurcation Expected with Quality Assets more Resilient

Particularly for Higher Quality Properties in Prime Locations

Rent Growth Forecasts Favor Industrial and Residential

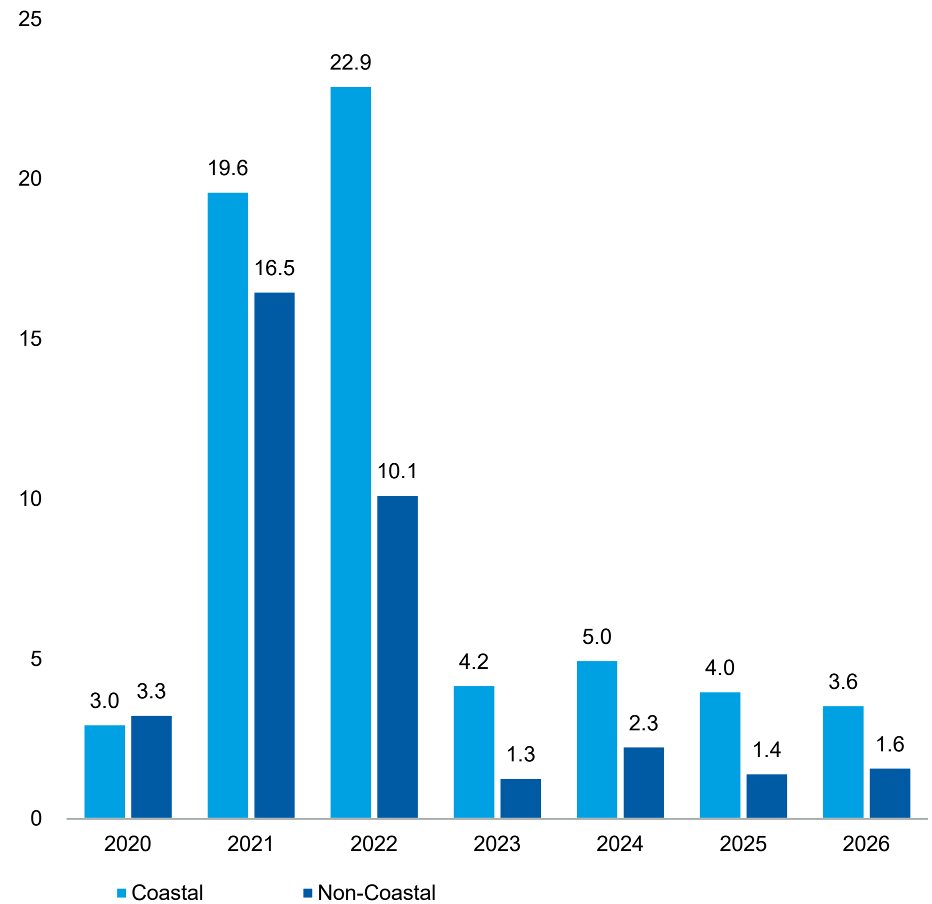
Index, 2020 = 100



Source: Green Street Advisors, MSREI Strategy, data as of July 2022

Coastal Industrial Markets Expected to Outperform

Market RevPAF, YoY %



Source: Green Street Advisors, MSREI Strategy, data as of July 2022

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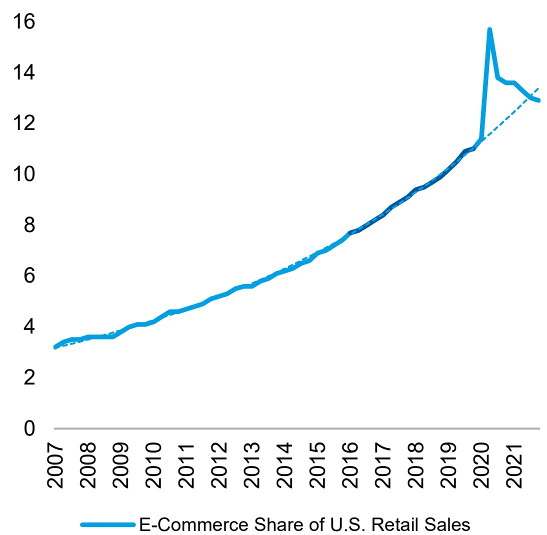
Industrial Sector Trends

INDUSTRIAL SECTOR FUNDAMENTALS

- Shift from globalization and "just-in-time" to localization and "just-in-case" should support incremental demand
- Tenants more discerning due to weakening economic outlook, supporting prime locations and submarkets
- Spread between primary and secondary markets expected to widen
- Rising construction costs will increase replacement cost could mitigate supply risk and support strong fundamentals

E-Commerce Penetration Normalizing

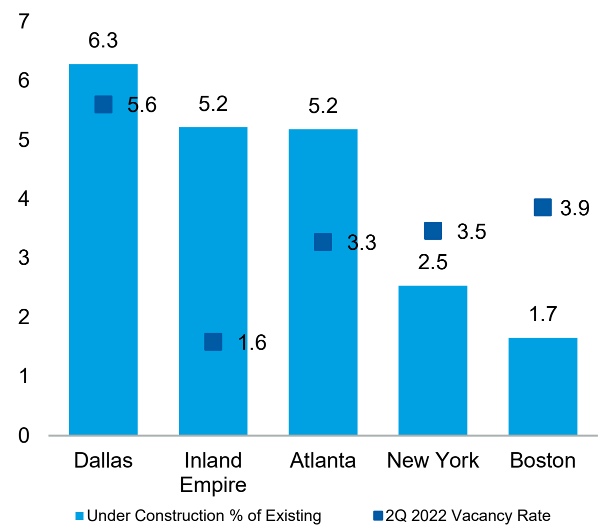
Online Share of U.S. Retail Sales, %



Source: Fed. Reserve Bank of St. Louis, Bureau of Commerce

Higher Supply Offset by Low Vacancy Rates

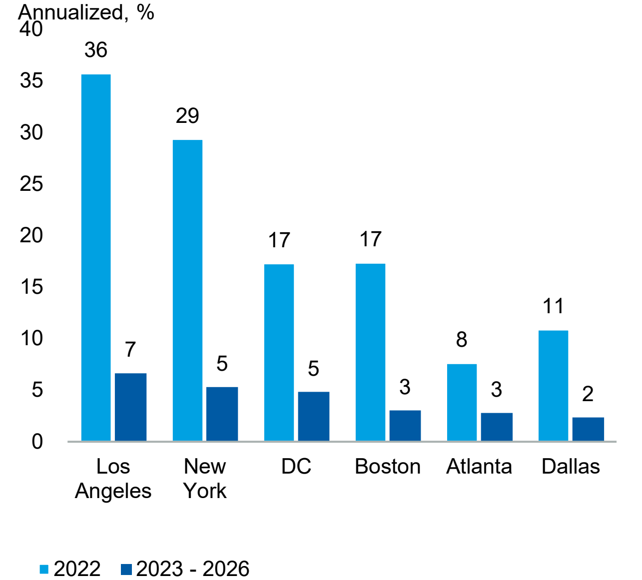
%



Source: CoStar, MSREI Strategy, data as of July 2022

Supporting Strong Rent Growth

Annualized, %



Source: Green Street Advisors, MSREI Strategy, data as of July 2022

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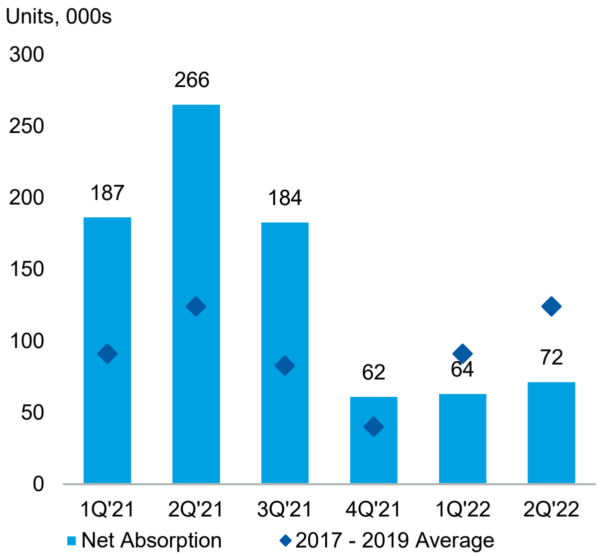
Residential Sector Trends

RESIDENTIAL SECTOR FUNDAMENTALS

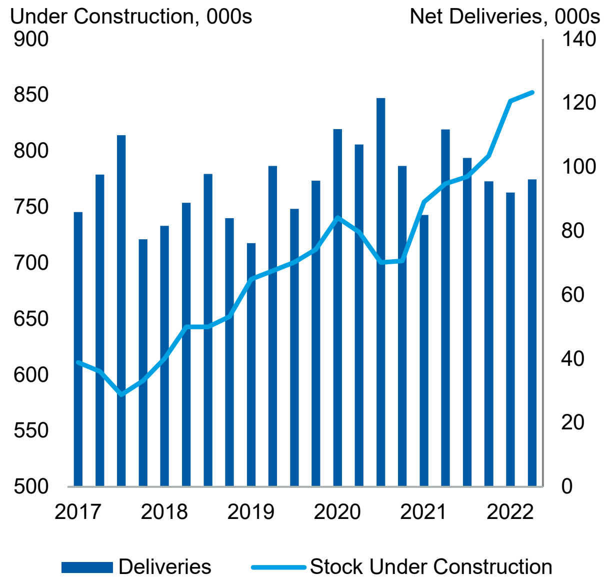
- Stretched for-sale affordability and strong wage growth continues to support renter demand in growth markets
- Higher food and energy prices may squeeze consumer incomes, disproportionate impact to lower income renters
- Rising construction costs and higher financing costs should mitigate new supply risk and support fundamentals
- Supply and regulation remain key risks to rental growth

Net Absorption Slowing



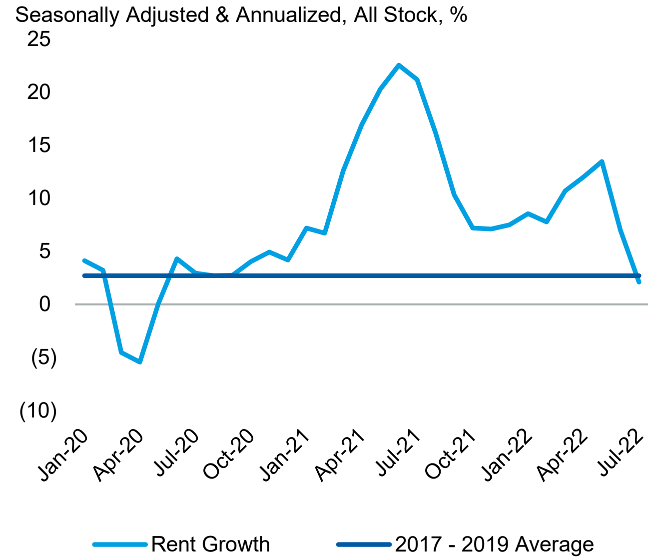
Source: CoStar, MSREI Strategy, data as of July 2022

Backlogs Limiting New Deliveries



Source: Census Bureau, MSREI Strategy, data as of July 2022

Monthly Rent Growth Reverting back to Trend



Source: CoStar, MSREI Strategy, data as of July 2022

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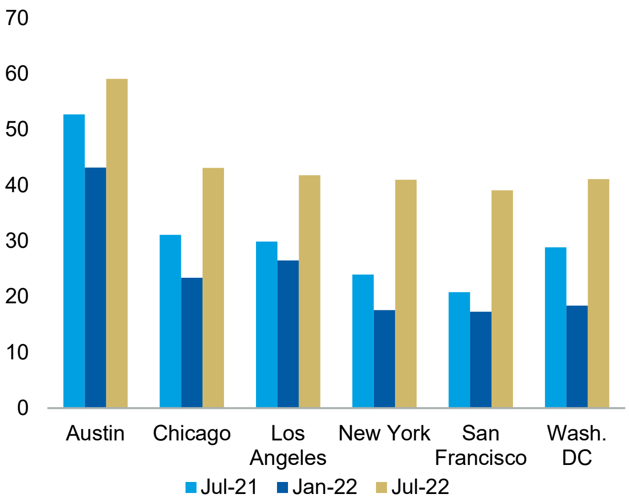
Office Sector Fundamentals

OFFICE SECTOR FUNDAMENTALS

- Uncertainty over WFH continues and lower demand expected from the economic slowdown
- ESG and obsolescence risk may lead to higher capex, particularly for older vintage assets
- Significant bifurcation by market and asset quality
- Emerging “core” markets are taking an increasing share of absorption (due to corporate relocations/expansions) and investment activity

Return to Office Remains Challenging

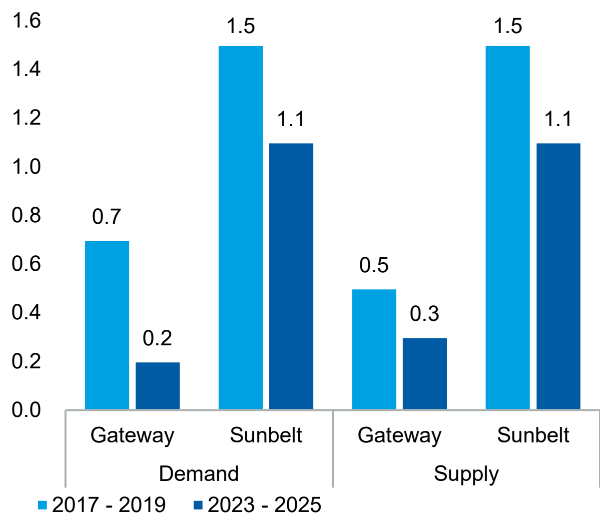
Overall Office Utilization Rate, %



Source: Kastle Systems, MSREI Strategy, data as of July 2022

Lower Demand Cushioned by Low Supply

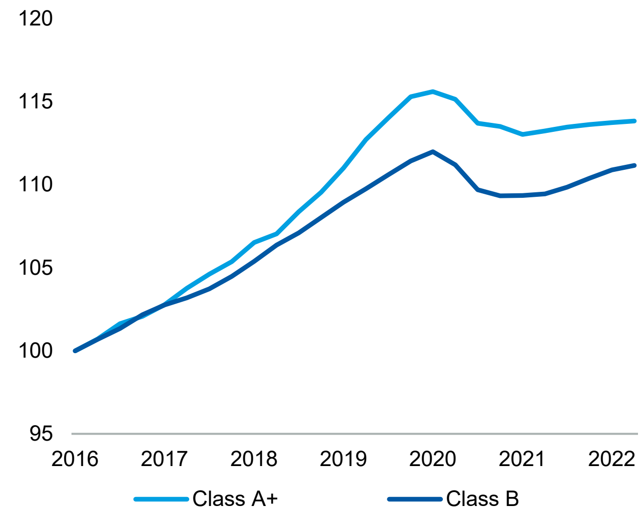
Annualized Growth, %



Source: CoStar, MSREI Strategy, data as of July 2022

Highest Quality Offices Outperforming

Rent Index, 1Q 2016 = 100



Source: CoStar, MSREI Strategy, data as of July 2022

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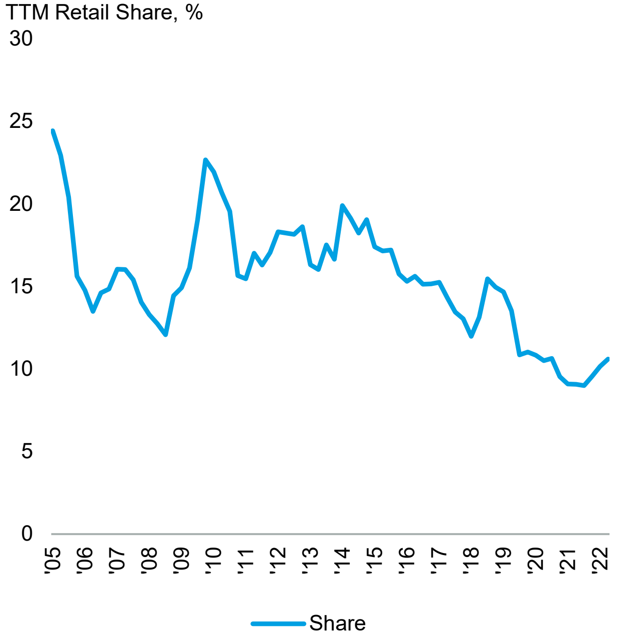
Retail Sector Trends

RETAIL SECTOR FUNDAMENTALS

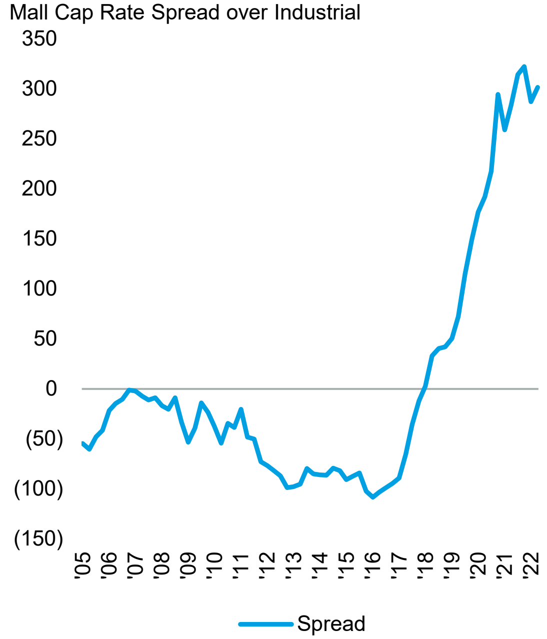
- Strong leasing activity despite health concerns, particularly for Class A malls. Traffic in line with pre-Covid levels
- Squeezed consumer incomes may impact retail sales
- Retail has the highest yield of the main property sectors
- More bifurcation as retailers re-orient locations and footprints to drive more efficiencies

Retail Declining Share of Overall Transactions



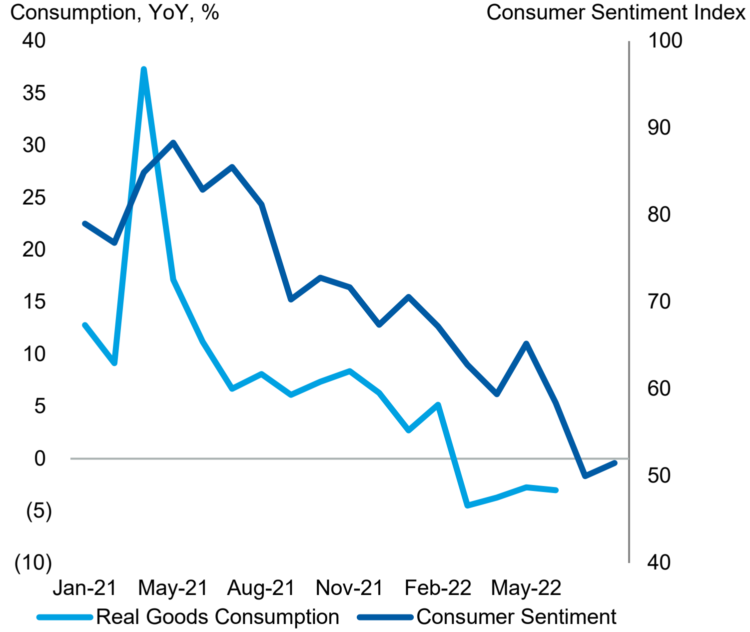
Source: Real Capital Analytics, MSREI Strategy, data as of July 2022

Less Capital = Wider Cap Rate Spreads



Source: Green Street Advisors, MSREI Strategy, data as of July 2022

Declining Sentiment may Challenge Retail Sales



Source: Bureau of Economic Analysis, University of Michigan, MSREI Strategy, as of July 2022

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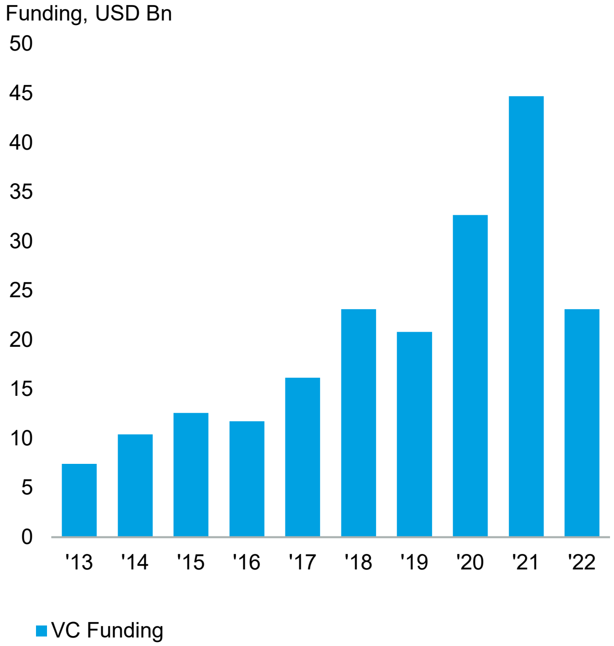
Niche Sector Trends

Overall increase in investor interest and allocations to niche sectors.

NICHE SECTOR FUNDAMENTALS

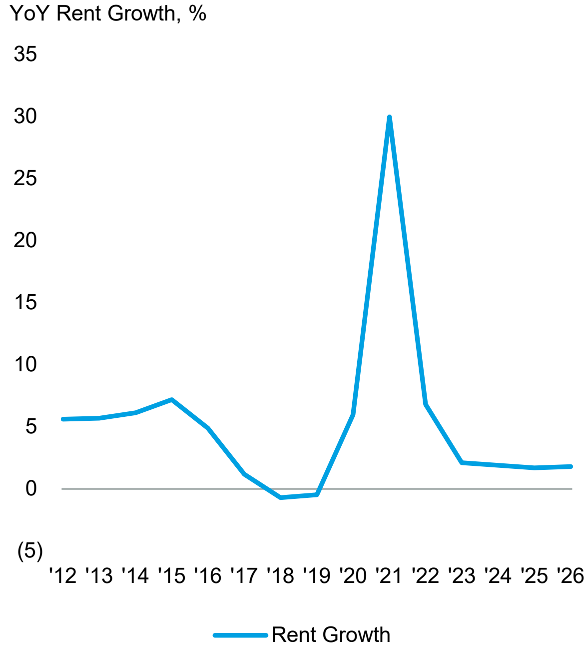
- Life science fundamentals remain strong, although pullback in VC funding and new supply pose challenges to rent growth
- Student housing offers an attractive yield spread to multifamily, stable and countercyclical demand that has rebounded to 2019 levels in major markets and reduced supply levels versus pre-COVID trends.
- Self-storage fundamentals have been very strong due to increased housing demand and above average business demand

Life Science Venture Capital Funding Slowing



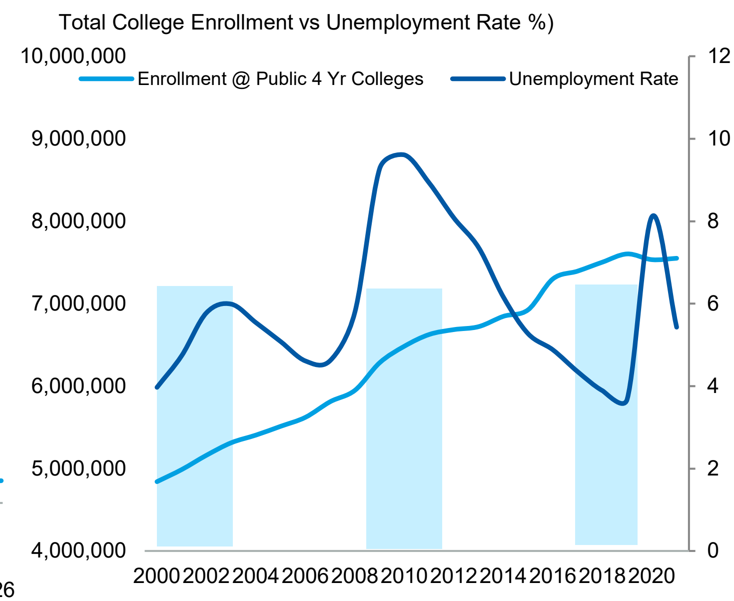
Source: Real Capital Analytics, MSREI Strategy, data as of July 2022

Self Storage Fundamentals



Source: Green Street Advisors, MSREI Strategy, data as of July 2022

Student Housing Recession Resistant Asset Class



Source: US Census Bureau, Oxford Economics, Yardi, MSREI Strategy as at January 2022

Notes:
Readers should be aware that forward-looking statements, and statements regarding MSREI's assessment of the market are by their nature inherently uncertain insofar as actual realized returns or other projected results can change quickly based on, among other things, unexpected market movements, changes in interest rates, legislative or regulatory developments, acts of God, and other developments. The opinions expressed herein are those of the MSREI team as of the date of the presentation and are subject to change at any time due to changes in market or economic conditions

Governance

- Morgan Stanley Real Estate Advisor, Inc. is the investment adviser (the "Adviser") to PRIME
- PRIME's board of directors meets each quarter to review the investment performance of the Fund and monitor the Adviser's performance of its management responsibilities

PRIME Investment Adviser—Morgan Stanley Real Estate Advisor, Inc.

PRIME Board of Directors

Independent Directors

Field Griffith	John Rice	Lynne Sagalyn
Former Director of Real Estate Investments of Virginia Retirement System	CEO of Management Leadership for Tomorrow (MLT)	Former Director of the MBA Real Estate Program and Founding Director of the Paul Milstein Center for Real Estate

Affiliated Director

Lauren Hochfelder
Co-Chief Executive Officer of Morgan Stanley Real Estate Investing and Head of MSREI Americas

Key Duties of Directors

- Review quarterly investment performance of PRIME
- Monitor overall performance of the Adviser
- Remove/replace Adviser
- Review/approve investment guidelines and dividend policy
- Approve incurrence of any debt causing consolidated debt to exceed 50% of gross value of assets
- Engage/change independent appraisers and auditors
- Review/approve asset valuation policy
- Resolve certain conflicts of interest; approve certain affiliated transactions (Independent Directors)

STRICTLY PRIVATE AND CONFIDENTIAL – NOT FOR REPRODUCTION

Key Executives

Scott A. Brown

Global Head of Prime

Scott Brown is a Managing Director of Morgan Stanley, Head of Prime Property Fund in the U.S. and Global Head of Prime. With over 32 years of real estate experience, he is responsible for the portfolio construction and performance of PRIME as well as the direction and execution of the Fund's strategy. He also serves as a member on various investment committees across the platform. Scott began working with PRIME in 1993 as part of Equitable Real Estate and then Lend Lease while becoming fully dedicated to PRIME in 2002. He transitioned to Morgan Stanley in 2003 and took a leadership position in PRIME in 2007. He is a member of the Pension Real Estate Association and Urban Land Institute. He received an MBA from Indiana University and a BS in Finance from the University of Illinois.

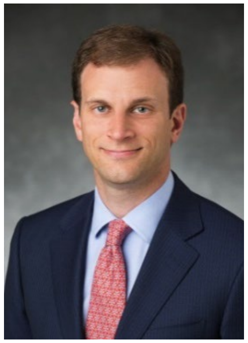
Candice W. Todd

Chief Financial Officer of Morgan Stanley Real Estate Investing and Prime Property Fund, LLC

Candice Todd is a Managing Director of Morgan Stanley, Global Chief Financial Officer for MSREI and Chief Financial Officer of Prime Property Fund in the U.S. Candice is responsible for managing finance, reporting, portfolio management, risk and legal / regulatory activities across both the North Haven Real Estate and PRIME series of core funds. She is responsible for PRIME's capital structure and REIT compliance and also serves on the fund's Investment Committee. Prior to joining Morgan Stanley in November 2003, Candice worked for Lend Lease (predecessor The Yarmouth Group) since 1994 and has 32 years of real estate experience. She previously worked for Prentiss Properties Limited overseeing systems and reporting related to Resolution Trust Corporation contracts. Candice started her career at Price Waterhouse working primarily on real estate clients. In June 2017, she was appointed to the Global Standards Steering Committee, a committee sponsored by ANREV, INREV, PREA and NCREIF to establish global reporting standards wherever practical. Candice was appointed to the Board of NCREIF in November 2014. She has served as the Co-Chairperson of the Accounting Committee at NCREIF and was a REIS Council member. Candice received a Master of Accountancy, and a BS in Human Resources from the University of Alabama.

Key Executives (Cont'd)

Josh Myerberg
Chief Investment Officer



Josh Myerberg is a Managing Director of Morgan Stanley and Chief Investment Officer for Prime Property Fund. Prior to joining the Prime executive team, he was responsible for sourcing, underwriting and executing transactions on the West Coast on behalf of Morgan Stanley's real estate funds. During his tenure at Morgan Stanley, Josh has been involved in the acquisition and asset management of a wide range of assets, property types and investment structures for PRIME. Josh joined Morgan Stanley in 2006 after previously working for Banc of America Securities' Real Estate Investment Banking group and First Union Securities. Josh is on the Board of NAREIM and an active member of ULI. Josh received his MBA from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill and a BA in economics from Washington & Lee University.

Bennett A. Weaver
Chief Operating Officer

Bennett Weaver is a Managing Director of Morgan Stanley and the Chief Operating Officer of Prime Property Fund. Prior to joining Morgan Stanley in July 2004, Bennett worked for Lend Lease and has over 24 years of real estate experience. He departed Morgan Stanley in February 2012 in the lift out of the portfolio accounting & finance team to State Street and rejoined Morgan Stanley in October 2013. Bennett began his career in assurance services at Ernst & Young focusing primarily on real estate clients. Bennett is a Certified Public Accountant. He is an active member of the Accounting Committee at NCREIF. Bennett received an MBA from the University of Georgia, and a BS in Accounting from Oglethorpe University.

Key Executives (Cont'd)

Cheyenne Sparrow

Assistant Portfolio Manager

Cheyenne is an Executive Director in Morgan Stanley's Real Estate Investing and a portfolio manager for Prime Property Fund. During her time at Morgan Stanley, Cheyenne has worked on the U.S. debt capital markets team, responsible for structuring the capital stack and securing financing on behalf of MSREI funds and individual transactions. She also worked on the Morgan Stanley's acquisition and integration of Mesa West Capital, a third-party real estate credit platform. Among various other strategic initiatives, she has been involved in fund management, capital raising, fund restructuring, and other platform management projects. Prior to joining Morgan Stanley in 2010, Cheyenne worked in the Portfolio Analytics Group at BlackRock, focusing on Institutional Multi-Sector Fixed Income accounts as well as BlackRock's Fixed Income Retail Mutual Funds. Cheyenne received a BSE with distinction from The Wharton School at the University of Pennsylvania.

Megan Golder

Head of Investor Coverage

Megan Golder is an Executive Director in Morgan Stanley Real Estate Investing. She joined Morgan Stanley in 2007 and is Head of Investor Coverage for Prime Property Fund. In this role, Megan is responsible for client and consultant relationships as well as fund marketing. Megan previously spent three years at Ernst & Young, LLP within the Assurance Advisory Business Services group working primarily on real estate clients. Megan is a member of the Pension Real Estate Association. Megan received a Masters of Accountancy and a BBA in Accounting from the University of Georgia.

Key Executives (Cont'd)

John R. Klopp
Head of Global Real Assets, Morgan Stanley Investment Management

John R. Klopp is a Managing Director of Morgan Stanley, Head of Global Real Assets and a member of the management committee at Morgan Stanley Investment Management. John joined Morgan Stanley in 2010 and served as Co-Chief Executive Officer, Co-Chief Investment Officer and Head of the Americas for MSREI until early 2016. He has 43 years of investing experience. Prior to joining Morgan Stanley, John was the Chief Executive Officer of Capital Trust, Inc., a publicly traded real estate finance and investment management company that he co-founded. From 1989 to 1997, John was the founder and Managing Partner of Victor Capital Group, L.P. John had previously served as Managing Director and Co-Head of Chemical Realty Corporation, the real estate merchant banking arm of Chemical Bank. John serves as the Chair of Columbia Business School's Real Estate Advisory Committee and is an active member of various real estate organizations including the Pension Real Estate Association. He received a B.A. in Economics from Tufts University and an M.B.A in Finance and Real Estate from The Wharton School of the University of Pennsylvania.

Lauren Hochfelder
Co-Chief Executive Officer of MSREI and Head of MSREI Americas

Lauren Hochfelder is a Managing Director of Morgan Stanley, Co-Chief Executive Officer of Morgan Stanley Real Estate Investing ("MSREI") and Head of MSREI Americas. Prior to her role as Co-Chief Executive Officer of MSREI, Lauren served as Deputy Chief Investment Officer of MSREI from 2019 until early 2022, and was named Head of MSREI Americas in 2016. Lauren joined MSREI in 2000 and has been focused on investing on behalf of MSREI's global value-add / opportunistic and regional core funds since then. She has 22 years of investing experience. Lauren graduated magna cum laude and with distinction from Yale University with a B.A. in Ethics, Politics & Economics.

Key Executives (Cont’d)

Brian Niles

Co-Chief Executive Officer of MSREI, Co-Head of NHREF and Head of MSREI Europe

Brian Niles is a Managing Director of Morgan Stanley, Co-Chief Executive Officer of MSREI, Co-Head of North Haven Real Estate Funds (“NHREF”) and Head of MSREI Europe. Brian joined Morgan Stanley in 2006 and was named Head of MSREI Europe in 2011, Co-Head of NHREF in 2019 and Co-Chief Executive Officer of MSREI in 2022. Brian has been an active real estate investing professional for 25 years across multiple geographies and asset classes. Prior to joining Morgan Stanley in 2006, Brian spent nine years with Goldman Sachs working primarily in the Real Estate Principal Investment Area. Brian received a BSc from Cornell University.

Tony Charles

Head of Global Research and Strategy

Tony Charles is a Managing Director and Global Head of Research and Strategy for Morgan Stanley Real Estate Investing. Tony works with the global investment teams to integrate market research into investment decisions and strategy. He is responsible for conducting research on the global real estate markets to identify new products and investment opportunities designed to meet clients' investment goals. With his research team, he develops quarterly global macroeconomic, property sector, and capital markets updates. He serves on fund investment and valuation committees. Prior to joining Morgan Stanley, Tony ran the Research and Strategy function for GE Capital’s real estate business and was senior strategy manager in the financial services practice at Accenture. Tony received a Bachelor of Commerce from the University of Melbourne and a Graduate Diploma in Applied Finance from the Securities Institute of Australia.

Key Executives (Cont'd)

Claiborne Johnston

Head of North America Real Assets Client Coverage

Claiborne Johnston is a Managing Director of Morgan Stanley and Head of North America Real Assets client coverage responsible for real estate, private infrastructure and listed real asset securities. Claiborne has over 20 years of experience with Morgan Stanley Real Assets. Claiborne began his career with Morgan Stanley focused on private equity capital markets, investment banking and investment management activities including the coverage of global capital sources for the firm's investment banking and investment management services. Claiborne also had global responsibility for the supervision and coordination of the firm's real estate activities with Wealth Management. Prior to re-joining the firm in 2016, Claiborne spent four years with Invesco Real Estate. Claiborne received an MBA from Columbia University and BA from James Madison University. He currently is involved in a number of industry groups such as INREV, AFIRE, ULI, PREA and the institute for Fiduciary Education.

Gareth Dittmer

Head of Europe Real Assets Client Coverage

Gareth serves as a Managing Director for Morgan Stanley Real Estate Investing (MSREI) based in London. He has more than 22 years of institutional private markets experience across a range of global and regional real estate investing strategies, risk profiles and fund structures. In his current role, he oversees the capital markets activities across Europe and is involved with key institutional investor relationships, fund formation and capital raising. Prior to joining Morgan Stanley in 2012, Gareth served as a European Director in a leading London based private equity real estate fund manager. Gareth is an active member of the European Association for Investors in Non-Listed Real Estate Vehicles (INREV), the Asian association for Investors in Non-listed Real Estate Vehicles (ANREV) and the US association for international real estate investors (AFIRE).

Risk Considerations

There are significant risk factors associated with an investment in PRIME. An investment in PRIME will involve significant risks due to, among other things, the nature of the Fund's investments and potential conflicts of interest. There can be no assurance that the Fund will realize its rate of return objectives or return any investor capital. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity). The value of an investment in a fund may fluctuate. Past results do not guarantee future performance. These risk factors include the following:

- Financial Reform Legislation: In July, 2010 (the "Enactment Date"), President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, one provision of which will eventually prohibit bank holding companies and their affiliates, subject to certain exceptions (including an exemption for certain funds to which Morgan Stanley has committed no more than 3% of the capital), from investing in or sponsoring private equity funds following passage of a transition period. While the Adviser will endeavor to minimize the impact of such legislation on the Fund and the assets held by the Fund, investors may be adversely affected by the legislation and the supporting rules and regulations that have yet to be created.
- Bank Holding Company: Morgan Stanley became both a bank holding company and a financial holding company under the U.S. Bank Holding Company Act of 1956, as amended (the "BHCA"). As such, Morgan Stanley is subject on a worldwide basis to regulation (including capital adequacy regulations), examination and supervision by the U.S. Board of Governors of the Federal Reserve System (the "Federal Reserve"). Because it is an indirect subsidiary of Morgan Stanley, the Adviser of the Fund is subject to the BHCA.
- There can be no assurance that PRIME's return objectives will be realized or that there will be any return of capital.
- Investors should carefully review and evaluate the more detailed description of risk factors and conflicts of interest in the Offering Memorandum.
- General economic factors and many other conditions affecting performance (including interest rates, capital flows and employment levels) are beyond PRIME's control.
- Shareholders have no assurance of liquidity. Real estate is relatively illiquid, and redemption queues can develop. PRIME has fully satisfied the redemption queue at the end of the third quarter 2010. There is no guarantee that PRIME will have sufficient cash to fund redemptions, and PRIME is under no obligation to make cash available through sale of assets, borrowings, or otherwise. Also, the right to transfer shares in PRIME is subject to restrictions.
- Earthquakes, floods, other natural disasters, terrorism, war, etc., could cause significant damage to PRIME's properties and may not be adequately insurable.
- PRIME must comply with complex legal and tax rules (particularly, but not limited to, maintaining qualification as a tax advantaged REIT and as an ERISA-exempt "operating company"). There can be no assurance that it will be successful or that ensuring such compliance may not be economically disadvantageous at times. Failure to comply would have a material adverse impact on returns realized by PRIME's shareholders. For example, if PRIME fails to qualify or remain qualified as a REIT, PRIME's dividends will not be deductible by it, and its income will be subject to taxation at regular corporate rates.

Risk Considerations (Cont'd)

- To the extent PRIME makes loans, it has special risks as lender (e.g., lender liability, usury, partner fiduciary issues for partner loans, etc.).
- The Adviser has various conflicts of interest, including that it and its affiliates represent other advisory and/or investment banking clients; they may provide services to PRIME or represent counterparties in transactions with PRIME, subject in some but not all cases to the need for board approval. These conflicts could adversely impact performance.
- PRIME has significant assets in joint ventures, which can keep PRIME from implementing decisions in its sole judgment, and can increase the risk of disputes and litigation with the joint venture partner.
- PRIME relies heavily on its Adviser, which can choose to vary materially from the stated investment guidelines and allocation targets. Shareholders have only limited voting rights, with no control over daily investment decisions.
- Tenant financial condition deterioration could impact performance.
- Mortgage debts and other leverage incurred by PRIME can exacerbate certain risks and, upon default, result in loss of property and cross-defaults.
- Competition for desirable real estate assets is intense.
- Unstabilized properties, if acquired, carry extra risk, as does development of properties. Underwriting of acquisitions and other transactions can be an imprecise process. Litigation can also result from property level transactions or events.
- Real estate valuations are inherently uncertain given the uniqueness of real property, the need to project rental income with such projections being inherently unreliable, and the absence of frequent trading. Real property can be subject to property and transfer taxes. The Fund makes no assurances regarding the price at which an asset may be sold and cautions investors that sales may occur at prices materially lower or higher than the latest appraised value for such asset.
- Owners/operators of real property can be subjected to significant environmental liabilities over extended periods, which may not be insurable.
- The Adviser of PRIME may face challenges as it oversees the management of AMLI and Safeguard and their businesses in conjunction with PRIME's existing investments.
- The rental growth rates in markets where PRIME currently owns many of its apartment assets have historically lagged the rental growth rates of other major U.S. markets.
- There is no guarantee that the PRIME management team, the management team of its operating companies, PRIME's property mangers, joint venture partners or other partners in PRIME's operations will remain in place.
- Additional risk factors and conflicts of interest are set forth in PRIME's Offering Memorandum.

MWRA Employees' Retirement System Cash Flows

As of June 30, 2022

PRIME-2003

Beg Mkt Val Date	Beg Mkt Val	Cumulative Contributions	Cumulative Reinvest Div	Cumulative Redemp.	Cumulative Investment Management Fees	Cumulative Incentive Fees	Cumulative Invest Income	Cumulative ChglnPrincipal	Cumulative Cap Appr Depr	Cumulative Dividends	End Mkt Val Date	End MktVal	Investor Shares Outstanding	Ownership %
31-Aug-95	0.00	12,000,000.00	5,279,172.26	0.00	-1,284,098.88	-365,702.97	6,621,396.78	82,915.91	9,935,912.01	-5,279,172.26	30-Jun-22	26,990,422.85	1,138.118	0.071%

Important Notices

General. The information contained herein refers to research, but does not constitute an equity research report and is not from Morgan Stanley Equity Research. Unless otherwise indicated, the views expressed are those of the research and strategy team of Morgan Stanley Real Estate Investing ("MSREI") and may differ from those of Morgan Stanley Equity Research and other Morgan Stanley affiliates (including others within MSREI). These views may also differ from investment strategies implemented by MSREI now or in the future. The information (including facts, opinions, estimates or projections) contained herein is based on financial, economic, market and other conditions prevailing as of the date hereof. As such, it remains subject to change at any time. By providing such information, MSREI assumes no obligation to provide any update or supplement to such information following the date hereof. Although reasonable care has been taken to ensure that the information (including facts, opinions, estimates or projections) contained herein is accurate, complete and fair, no warranty, express or implied, is made as to the accuracy, completeness or fairness of such information. Certain economic and market information contained herein may have been obtained from third parties sources. While MSREI believes that such sources are reliable, neither MSREI nor any other Morgan Stanley affiliate has independently verified such information or assumes any responsibility or liability for the accuracy, completeness or fairness of such information or any omission of information.

Confidentiality. The information contained herein is highly confidential. By accepting these materials, you agree that such materials (including any data, analysis, conclusions or other information contained herein and all oral information, if any, provided by MSREI in connection herewith) may not be photocopied, reproduced or otherwise shared or distributed to any other persons, in whole or in part, without the prior consent of MSREI. Notwithstanding the foregoing, such materials and information may be provided to (a) your legal, tax, financial and other advisors who agree to maintain these materials in confidence and (b) a government official to the extent necessary to comply with a judicial or governmental order. Notwithstanding the foregoing, prospective investors and their employees, representatives and/or advisors may disclose to any person, without limitation, the U.S. federal income tax treatment of the transactions and relationships contemplated herein and copies of related tax opinions or other materials concerning the tax structure thereof.

Past Performance. Past performance is not indicative of future results. Any projected or target returns contained herein are being provided for informational purposes only. Investments in real estate may result in the loss of principal. There can be no assurance that any projected or target returns, or any returns at all, will be achieved.

Forward-Looking Statements. These materials contain projections and other forward-looking statements. Any statements that are not historical facts are forward-looking statements that involve risks and are inherently uncertain. Sentences or phrases that use such words as "believe," "anticipate," "plan," "may," "hope," "can," "will," "expect," "should," "goal," "objective," "projected" and similar expressions also identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Projections and other forward-looking statements, including statements regarding MSREI's assessment of the market, are by their nature uncertain insofar as actual realized returns or other projected results can change quickly based on, among other things, unexpected market movements, changes in interest rates, legislative or regulatory developments, errors in strategy execution, acts of God and other asset-level developments. There can be no assurance that projections and other forward-looking information will not change based on subsequent developments and without further notice, and no assurance can be given as to outcome. You should not to place undue reliance on forward-looking statements, including forecasts and projections, and statements regarding the assessment of the market, which speak only as of the date referenced herein.

Targeted Purpose and Audience. These materials have been prepared for a specific purpose and a specific target audience. These materials have been designed for use on a one-on-one basis; if you are not the intended recipient and/or plan on using these materials for other than the intended purpose, then these disclosures may not be adequate for your purposes. These materials do not purport to be all-inclusive or to contain all the information necessary to make an investigation or decision regarding MSREI, the Fund or the Adviser. Please discuss any questions you may have with an appropriate MSREI representative.

Not an Offer; Qualified by Offering Memorandum. These materials and the information, which is not impartial, contained herein have been prepared solely for informational and educational purposes and do not constitute an offer, or a solicitation of an offer, to buy or sell any security, instrument or other interest in any current or future fund or investment vehicle, whether sponsored by MSREI or any other Morgan Stanley affiliate or otherwise. Any such offer or solicitation shall be made only pursuant to a final confidential private placement memorandum (the "Offering Memorandum") for such fund or investment vehicle, which will describe other important information about the sponsor and such fund or investment vehicle. In deciding whether to invest in a fund or investment vehicle, prospective investors should carefully review the Offering Memorandum for such fund or investment vehicle, including the sections regarding the risks and conflicts of interest associated with such an investment and the material terms of the relevant constituent documents. Prospective investors should rely solely on the Offering Memorandum in making an investment decision, and should not rely on any other materials, including these materials, or any oral information, if any, provided by MSREI in connection therewith.

Limitations on Use; Distribution of These Materials in Certain Jurisdictions. Offers and sales of interests in any fund referred to herein may not be registered under the laws of any jurisdiction. The distribution of these materials (or any Offering Memorandum to which they refer) in certain jurisdictions may be restricted by law and persons into whose possession these materials or any such Offering Memorandum come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction.

Investment Risk. Investments in private funds are speculative and include a high degree of risk. Investors could lose their entire investment. Private funds are highly illiquid, and are only suitable for long-term investors willing to forgo liquidity and put capital at risk for an indefinite period of time. Private funds often engage in speculative investment practices that may increase the risk of investment loss. Private funds may involve complex tax structures and there may be delays in distributing important tax information. Private funds typically have significantly higher fees and expenses than other investment vehicles. Investing in private funds is not for everyone as it entails risks that are different from those of more traditional investments. Anyone considering an investment in a private fund should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) characteristic of such investments.

COVID-19. We have considered the continued impact of COVID-19 in our assumptions utilized to estimate the fair value of PRIME's investments. The extent and duration of the impact to the financial performance of investments will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be easily predicted. Additionally, the impact could disproportionally affect certain investments based on their geographic region and property type. If the financial performance of investments is impacted because of these or any other related factors for an extended period, PRIME's investment results and the valuation of PRIME's investments may be adversely affected.

Consultation of Advisors. These materials do not constitute legal, tax, financial or other advice. The legal, tax and other consequences of any proposed transaction may differ for each recipient as a result of, among other things, the particular financial situation of, and the laws and regulations applicable to, each recipient. You should consult your own legal counsel, accountants and other advisors regarding the information contained herein and the transactions described hereby.

Availability of Adviser's Form ADV. Morgan Stanley Real Estate Advisor, Inc., the Adviser to the Fund, and various other Morgan Stanley affiliates that are registered with the U.S. Securities & Exchange Commission ("SEC") have filed with the SEC, and are required to update periodically, Form ADV. Form ADV Part 2A and 2B contain essential information about a given investment advisory firm, including information about firm management, clients, fee arrangements and the handling of conflicts of interest, and the SEC requires that it be sent to all prospective clients who might enter into an advisory agreement prior to execution. Upon request, the Adviser will furnish a copy of its Form ADV without charge to you. Please contact Morgan Stanley Real Estate Investor Services at (212) 761-7160 or email msreinvestor@seic.com for a copy.

SFDR. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any losses in MSREI funds will be borne solely by investors in MSREI funds and not by Morgan Stanley and its affiliates. Therefore, Morgan Stanley's losses in MSREI funds will be limited to losses attributable to the ownership interests in MSREI funds held by Morgan Stanley and its affiliates in their capacity as investors in MSREI funds. Interests in MSREI funds are not insured by the FDIC and are not deposits, obligations of, or endorsed or guaranteed in any way, by Morgan Stanley. Investors should read the applicable Offering Memorandum (if available) before investing in MSREI fund. Morgan Stanley is the sponsor of MSREI funds for purposes of the Section 619 of the Dodd-Frank Act ("The Volcker Rule"). A description of the role and services of Morgan Stanley is provided in the Memorandum.

For more information contact: Megan Golder c/o Morgan Stanley, 1585 Broadway, New York, NY, 10036, (212)761-3795.

Executive Summary

Success at Morgan Stanley is defined by the ability to offer clients meaningful, long-term value. The numerous business affiliations and partnerships afforded through Morgan Stanley Real Estate Investing and our local market presence provide clients with a network of on-the-ground resources in key markets across the globe. This network and our ability to close a variety of transactions quickly and efficiently afford us access to many of the best opportunities available in the marketplace.

Investments are managed across the risk/return spectrum in the Americas, Europe and Asia. Each investment vehicle is led by veteran portfolio managers who are supported by Morgan Stanley's capable investment staff.

Morgan Stanley Real Estate Investing ("MSREI") is committed to providing management stability and continuity. We leverage our proven investment expertise to produce superior returns and to provide excellent client service. Our industry leading competitive advantages include:

- Excellent research capabilities that are fully integrated throughout the decision-making process
- Superior access to deal flow
- Local, focused knowledge accessed through acquisition and asset management professionals located in 17 dedicated real estate offices globally
- Proven sell discipline evidenced by successful execution of disposition strategies
- A dedicated capital markets team with the ability to internally execute a variety of financing strategies

Prime Property Fund ®

The following response presents Prime Property Fund, LLC ("PRIME" or the "Fund"), a core commingled investment fund, for your consideration. PRIME is a Delaware limited liability company that has elected to be treated as a real estate investment trust for U.S. federal income tax purposes. Pursuant to its conversion to a limited liability company, PRIME became the successor in interest to an open-end institutional real estate investment fund organized in 1973 as a statutory insurance company separate account. Now in its 49th year of operation, PRIME seeks to deliver strong, income-driven returns by investing in high quality, well leased and strategically located U.S. properties.

PRIME delivered a total return gross of fees of 3.4% in the second quarter of 2022. For the twelve months ended June 30, 2022, PRIME delivered a total return gross of fees of 29.3% compared to a return by the NCREIF Fund Index—Open-End Diversified Core Equity ("NFI-ODCE") benchmark of 29.5%. PRIME outperformed the NFI-ODCE over the near, intermediate, and long term as of June 30, 2022.

The summaries here are not intended to replace the need for a review of the latest Offering Memorandum, as supplemented, including the various risk factors set forth therein, as well as the Fund's Operating Agreement and the Subscription Booklet, which will be sent at the request of serious qualified prospects and which must be executed prior to investment. Please refer to those documents for further information on investing in PRIME.

If you have any questions or concerns, please do not hesitate to contact us at any time.

Scott A. Brown
Head of Prime Property Fund®
Prime Property Fund, LLC
212-761-3907
Scott.Brown@morganstanley.com

Prime Property Fund & NFI-ODCE
Historical Performance

PRIME

Quarter	Gross Income Return (1) (2)	Gross Appreciation Return (1) (2)	Gross Total Return (1) (2)	Net Income Return (2) (3)
30-Jun-22	0.85%	2.57%	3.44%	0.46%
31-Mar-22	0.88%	6.44%	7.35%	0.54%
31-Dec-21	0.91%	8.85%	9.82%	0.70%
30-Sep-21	0.99%	5.02%	6.04%	0.77%
30-Jun-21	0.97%	2.29%	3.28%	0.48%
31-Mar-21	0.96%	1.23%	2.20%	0.67%
31-Dec-20	0.90%	0.77%	1.67%	0.69%
30-Sep-20	0.85%	0.42%	1.28%	0.64%
30-Jun-20	0.76%	(2.49)%	(1.74)%	0.65%
31-Mar-20	0.87%	0.04%	0.92%	0.56%
31-Dec-19	0.93%	0.85%	1.79%	0.67%
30-Sep-19	0.96%	0.75%	1.72%	0.65%
30-Jun-19	0.97%	1.13%	2.11%	0.68%
31-Mar-19	0.94%	0.62%	1.57%	0.64%
31-Dec-18	0.95%	1.28%	2.24%	0.68%
30-Sep-18	0.96%	1.25%	2.22%	0.70%
30-Jun-18	0.97%	1.07%	2.04%	0.72%
31-Mar-18	0.94%	1.31%	2.26%	0.69%
31-Dec-17	1.01%	1.31%	2.33%	0.76%
30-Sep-17	1.01%	1.46%	2.48%	0.76%
30-Jun-17	1.05%	1.46%	2.51%	0.76%
31-Mar-17	1.00%	1.20%	2.21%	0.73%
31-Dec-16	1.08%	1.59%	2.68%	0.80%
30-Sep-16	1.13%	1.40%	2.54%	0.86%
30-Jun-16	1.06%	1.57%	2.64%	0.80%
31-Mar-16	1.01%	1.16%	2.17%	0.70%
31-Dec-15	1.10%	2.24%	3.37%	0.80%
30-Sep-15	1.12%	2.77%	3.91%	0.79%
30-Jun-15	1.11%	3.36%	4.50%	0.83%
31-Mar-15	1.00%	2.20%	3.21%	0.73%
31-Dec-14	1.11%	3.38%	4.52%	0.83%
30-Sep-14	1.13%	2.83%	3.98%	0.84%
30-Jun-14	1.17%	2.10%	3.29%	0.82%
31-Mar-14	1.08%	1.76%	2.86%	0.81%
31-Dec-13	1.16%	2.41%	3.60%	0.95%
30-Sep-13	1.28%	2.96%	4.26%	0.94%
30-Jun-13	1.26%	4.50%	5.80%	0.94%
31-Mar-13	1.17%	1.68%	2.86%	0.82%
31-Dec-12	1.55%	1.49%	3.06%	1.18%
30-Sep-12	1.32%	2.16%	3.51%	0.99%
30-Jun-12	1.28%	1.74%	3.04%	0.98%
31-Mar-12	1.33%	1.61%	2.95%	1.00%

31-Dec-11	1.54%	1.74%	3.30%	1.18%
30-Sep-11	1.27%	4.29%	5.60%	0.91%
30-Jun-11	1.26%	2.46%	3.74%	0.97%
31-Mar-11	1.13%	2.86%	4.02%	0.91%
31-Dec-10	1.32%	3.74%	5.10%	0.98%
30-Sep-10	1.35%	3.92%	5.31%	1.13%
30-Jun-10	1.35%	1.94%	3.31%	1.13%
31-Mar-10	1.40%	0.24%	1.64%	1.17%
31-Dec-09	1.26%	(3.08)%	(1.85)%	1.04%
30-Sep-09	1.13%	(9.46)%	(8.41)%	0.96%
30-Jun-09	1.21%	(13.96)%	(12.87)%	0.98%
31-Mar-09	1.03%	(14.89)%	(13.96)%	0.76%
31-Dec-08	1.02%	(7.22)%	(6.24)%	0.78%
30-Sep-08	1.04%	(0.84)%	0.20%	0.73%
30-Jun-08	1.01%	(1.72)%	(0.72)%	0.69%
31-Mar-08	0.92%	2.33%	3.26%	0.68%
31-Dec-07	1.15%	1.02%	2.18%	0.91%
30-Sep-07	1.00%	1.09%	2.10%	0.67%
30-Jun-07	0.96%	5.14%	6.13%	0.70%
31-Mar-07	1.09%	4.12%	5.24%	0.79%
31-Dec-06	1.64%	3.09%	4.77%	1.11%
30-Sep-06	0.98%	3.44%	4.46%	0.66%
30-Jun-06	1.34%	2.48%	3.84%	1.16%
31-Mar-06	1.15%	3.07%	4.24%	0.96%
31-Dec-05	1.39%	6.07%	7.52%	1.20%
30-Sep-05	1.45%	3.53%	5.02%	1.27%
30-Jun-05	1.68%	1.95%	3.65%	1.49%
31-Mar-05	1.49%	1.63%	3.14%	1.30%
31-Dec-04	1.97%	3.79%	5.81%	1.78%
30-Sep-04	1.89%	2.15%	4.07%	1.70%
30-Jun-04	2.18%	1.94%	4.15%	1.94%
31-Mar-04	1.94%	1.40%	3.35%	1.70%
31-Dec-03	8.24%	2.60%	11.04%	7.25%
31-Dec-02	9.11%	(3.55)%	5.27%	8.11%
31-Dec-01	8.77%	(4.84)%	3.54%	7.77%
31-Dec-00	8.46%	4.47%	13.27%	7.40%
31-Dec-99	9.20%	3.87%	13.40%	8.20%
31-Dec-98	9.25%	8.77%	18.75%	8.18%
31-Dec-97	9.14%	4.80%	14.34%	8.07%
31-Dec-96	9.63%	0.90%	10.61%	8.56%
31-Dec-95	8.64%	(8.37)%	(0.38)%	7.58%
31-Dec-94	8.10%	(1.27)%	6.73%	7.03%
31-Dec-93	7.72%	(5.23)%	2.12%	6.60%
31-Dec-92	7.29%	(10.14)%	(3.52)%	6.14%
31-Dec-91	7.08%	(13.46)%	(7.24)%	5.95%
31-Dec-90	6.87%	(6.13)%	0.36%	5.75%
31-Dec-89	7.10%	2.35%	9.60%	5.98%
31-Dec-88	6.73%	1.67%	8.51%	5.62%
31-Dec-87	6.98%	2.28%	9.40%	5.86%
31-Dec-86	6.98%	1.38%	8.44%	5.85%
31-Dec-85	7.08%	2.50%	9.74%	5.99%

31-Dec-84	7.54%	6.14%	14.10%	6.60%
31-Dec-83	7.71%	9.75%	18.13%	6.74%
31-Dec-82	8.73%	(0.03)%	8.70%	7.73%
31-Dec-81	8.97%	7.67%	17.25%	8.08%
31-Dec-80	8.58%	3.71%	12.58%	7.62%
31-Dec-79	9.40%	5.09%	14.92%	8.58%
31-Dec-78	9.34%	4.33%	14.05%	8.58%
31-Dec-77	9.05%	2.06%	11.27%	8.24%
31-Dec-76	8.73%	1.37%	10.20%	7.59%
31-Dec-75	9.77%	(1.95)%	7.64%	8.65%
31-Dec-74	10.23%	(0.03)%	10.18%	9.20%

Notes:

(1) Returns are presented leveraged and gross of fees.

(2)The sum of income and appreciation returns may not equal total return due to rounding and/or the registered investment advisor, Morgan Stanley Real Estate Advisor, Inc. (MSREA) is required to reta MSREA has determined that quarterly returns may be provided starting March 31, 2004 with annual r million reflected in the appreciation component of the Fund's returns, as of January 1, 2008, resulting Fund's marking of its debt to market following January 1, 2008 in accordance with ASC 825-10-25

(3) Returns are presented leveraged and net of fees.

(4) The NCREIF Fund Index – Open-End Diversified Core Equity ("NFI-ODCE") is a fund-level, capita reflect each fund's actual asset ownership positions and financing strategy). NFI-ODCE performance PRIME preferred benchmark for Fund level returns is the NFI-ODCE.

		ODCE [4]					
Net Appreciation Return [2] [3]	Net Total Return [2][3]	Quarter	Gross Income Return	Gross Appreciation Return	Gross Total Return	Net Income Return	
2.57%	3.04%	30-Jun-22	0.87%	3.90%	4.77%	0.64%	
6.44%	7.01%	31-Mar-22	0.93%	6.44%	7.37%	0.70%	
8.85%	9.59%	31-Dec-21	0.97%	6.99%	7.97%	0.75%	
5.02%	5.82%	30-Sep-21	1.01%	5.61%	6.63%	0.80%	
2.29%	2.78%	30-Jun-21	0.99%	2.94%	3.93%	0.74%	
1.23%	1.90%	31-Mar-21	0.98%	1.12%	2.11%	0.76%	
0.77%	1.46%	31-Dec-20	0.92%	0.38%	1.30%	0.71%	
0.42%	1.06%	30-Sep-20	0.95%	(0.46)%	0.48%	0.74%	
(2.49)%	(1.85)%	30-Jun-20	0.91%	(2.46)%	(1.56)%	0.71%	
0.04%	0.61%	31-Mar-20	1.02%	(0.04)%	0.98%	0.80%	
0.85%	1.53%	31-Dec-19	1.04%	0.47%	1.51%	0.81%	
0.75%	1.41%	30-Sep-19	1.05%	0.26%	1.31%	0.82%	
1.13%	1.82%	30-Jun-19	1.01%	(0.01)%	1.00%	0.78%	
0.62%	1.27%	31-Mar-19	1.02%	0.40%	1.42%	0.82%	
1.28%	1.97%	31-Dec-18	1.01%	0.74%	1.76%	0.79%	
1.25%	1.95%	30-Sep-18	1.04%	1.05%	2.09%	0.82%	
1.07%	1.81%	30-Jun-18	1.05%	1.00%	2.05%	0.82%	
1.31%	1.99%	31-Mar-18	1.04%	1.16%	2.20%	0.82%	
1.31%	2.08%	31-Dec-17	1.06%	1.01%	2.07%	0.84%	
1.46%	2.23%	30-Sep-17	1.07%	0.79%	1.87%	0.85%	
1.46%	2.23%	30-Jun-17	1.08%	0.61%	1.70%	0.86%	
1.20%	1.94%	31-Mar-17	1.07%	0.71%	1.77%	0.84%	
1.59%	2.40%	31-Dec-16	1.07%	1.04%	2.11%	0.84%	
1.40%	2.27%	30-Sep-16	1.12%	0.94%	2.07%	0.89%	
1.57%	2.37%	30-Jun-16	1.12%	1.01%	2.13%	0.89%	
1.16%	1.87%	31-Mar-16	1.11%	1.07%	2.18%	0.88%	
2.24%	3.06%	31-Dec-15	1.14%	2.20%	3.34%	0.90%	
2.77%	3.58%	30-Sep-15	1.17%	2.51%	3.68%	0.93%	
3.36%	4.21%	30-Jun-15	1.19%	2.62%	3.82%	0.95%	
2.19%	2.92%	31-Mar-15	1.18%	2.20%	3.39%	0.95%	
3.38%	4.23%	31-Dec-14	1.21%	2.04%	3.26%	0.98%	
2.83%	3.69%	30-Sep-14	1.23%	2.00%	3.24%	1.00%	
2.10%	2.93%	30-Jun-14	1.25%	1.67%	2.93%	1.01%	
1.76%	2.58%	31-Mar-14	1.24%	1.28%	2.52%	1.00%	
2.41%	3.38%	31-Dec-13	1.25%	1.91%	3.17%	1.02%	
2.96%	3.92%	30-Sep-13	1.31%	2.25%	3.56%	1.10%	
4.50%	5.47%	30-Jun-13	1.30%	2.55%	3.86%	1.04%	
1.68%	2.51%	31-Mar-13	1.28%	1.40%	2.68%	1.04%	
1.49%	2.68%	31-Dec-12	1.31%	1.03%	2.35%	1.07%	
2.16%	3.17%	30-Sep-12	1.31%	1.45%	2.77%	1.08%	
1.74%	2.73%	30-Jun-12	1.34%	1.23%	2.58%	1.09%	
1.61%	2.62%	31-Mar-12	1.34%	1.48%	2.82%	1.06%	

1.74%	2.93%		31-Dec-11	1.32%	1.64%	2.97%	1.07%
4.29%	5.23%		30-Sep-11	1.31%	2.20%	3.52%	1.10%
2.46%	3.44%		30-Jun-11	1.37%	3.23%	4.62%	1.14%
2.86%	3.79%		31-Mar-11	1.37%	2.63%	4.01%	1.15%
3.74%	4.76%		31-Dec-10	1.50%	3.48%	4.99%	1.21%
3.92%	5.08%		30-Sep-10	1.57%	3.86%	5.45%	1.34%
1.94%	3.09%		30-Jun-10	1.72%	2.60%	4.32%	1.48%
0.24%	1.42%		31-Mar-10	1.70%	(0.95)%	0.75%	1.46%
(3.08)%	(2.07)%		31-Dec-09	1.61%	(5.07)%	(3.48)%	1.33%
(9.46)%	(8.57)%		30-Sep-09	1.58%	(8.86)%	(7.32)%	1.37%
(13.96)%	(13.07)%		30-Jun-09	1.53%	(10.53)%	(9.03)%	1.32%
(14.89)%	(14.20)%		31-Mar-09	1.27%	(14.91)%	(13.69)%	1.06%
(7.22)%	(6.46)%		31-Dec-08	1.16%	(12.07)%	(10.94)%	1.06%
(0.84)%	(0.11)%		30-Sep-08	1.18%	(1.81)%	(0.63)%	0.96%
(1.72)%	(1.04)%		30-Jun-08	1.21%	(0.89)%	0.32%	0.92%
2.33%	3.02%		31-Mar-08	1.18%	0.20%	1.37%	0.96%
1.02%	1.94%		31-Dec-07	1.25%	0.86%	2.11%	1.04%
1.09%	1.76%		30-Sep-07	1.24%	2.75%	4.00%	0.92%
5.14%	5.86%		30-Jun-07	1.30%	3.74%	5.07%	1.06%
4.12%	4.94%		31-Mar-07	1.33%	2.59%	3.93%	1.11%
3.09%	4.22%		31-Dec-06	1.40%	2.68%	4.09%	1.19%
3.44%	4.12%		30-Sep-06	1.37%	2.17%	3.54%	1.08%
2.48%	3.65%		30-Jun-06	1.45%	2.52%	3.98%	1.18%
3.07%	4.05%		31-Mar-06	1.48%	2.31%	3.80%	1.32%
6.15%	7.40%		31-Dec-05	1.52%	3.57%	5.11%	1.20%
3.45%	4.75%		30-Sep-05	1.58%	3.46%	5.05%	1.29%
1.95%	3.46%		30-Jun-05	1.67%	3.52%	5.21%	1.44%
1.62%	2.94%		31-Mar-05	1.64%	2.85%	4.50%	1.41%
3.79%	5.62%		31-Dec-04	1.67%	1.93%	3.61%	1.47%
2.15%	3.88%		30-Sep-04	1.64%	1.61%	3.26%	1.35%
1.94%	3.91%		30-Jun-04	1.89%	1.37%	3.28%	1.66%
1.40%	3.12%		31-Mar-04	1.73%	0.60%	2.33%	1.49%
2.60%	10.02%		31-Dec-03	7.32%	1.84%	9.28%	6.34%
(3.55)%	4.30%		31-Dec-02	8.16%	(2.46)%	5.54%	7.17%
(4.84)%	2.59%		31-Dec-01	8.51%	(2.69)%	5.64%	7.48%
4.49%	12.20%		31-Dec-00	8.60%	5.32%	14.28%	7.54%
3.77%	12.26%		31-Dec-99	8.71%	4.16%	13.17%	7.64%
8.76%	17.59%		31-Dec-98	8.90%	7.01%	16.42%	7.82%
4.80%	13.23%		31-Dec-97	9.13%	5.56%	15.11%	8.01%
0.90%	9.54%		31-Dec-96	9.41%	2.13%	11.71%	8.25%
(8.37)%	(1.36)%		31-Dec-95	9.08%	(1.81)%	7.11%	7.95%
(1.27)%	5.68%		31-Dec-94	8.56%	(2.28)%	6.14%	7.47%
(5.23)%	1.06%		31-Dec-93	8.09%	(7.09)%	0.55%	7.01%
(10.14)%	(4.57)%		31-Dec-92	7.51%	(12.27)%	(5.49)%	6.48%
(13.44)%	(8.23)%		31-Dec-91	6.91%	(12.45)%	(6.24)%	5.89%
(6.13)%	(0.70)%		31-Dec-90	6.62%	(4.94)%	1.41%	5.57%
2.35%	8.46%		31-Dec-89	6.80%	(0.10)%	6.71%	5.68%
1.68%	7.38%		31-Dec-88	6.66%	0.63%	7.32%	5.52%
2.28%	8.25%		31-Dec-87	7.07%	(0.32)%	6.74%	5.92%
1.38%	7.30%		31-Dec-86	7.17%	(0.42)%	6.73%	6.02%
2.50%	8.63%		31-Dec-85	7.42%	1.84%	9.36%	6.28%

6.14%	13.11%
10.15%	17.52%
(0.37)%	7.34%
7.67%	16.30%
3.71%	11.59%
5.09%	14.08%
4.33%	13.27%
2.05%	10.44%
1.37%	9.05%
(1.96)%	6.54%
(0.04)%	9.15%

31-Dec-84	8.03%	5.31%	13.68%	6.91%
31-Dec-83	8.24%	4.69%	13.24%	7.11%
31-Dec-82	8.41%	(0.90)%	7.45%	7.29%
31-Dec-81	9.07%	7.40%	17.00%	7.97%
31-Dec-80	9.08%	8.40%	18.05%	7.92%
31-Dec-79	9.56%	10.34%	20.64%	8.41%
31-Dec-78	9.64%	7.48%	17.67%	8.47%
31-Dec-77	N/A	N/A	N/A	N/A
31-Dec-76	N/A	N/A	N/A	N/A
31-Dec-75	N/A	N/A	N/A	N/A
31-Dec-74	N/A	N/A	N/A	N/A

compounding of individual component returns to each other. These returns include the Fund's proportional share o
in backup information supporting its quarterly and annual returns used in marketing Prime Property Fund. After a re
returns being provided for periods prior to that. Leveraged returns include a one-time cumulative increase in net asse
from the Fund's adoption of ASC 825-10-25 on such date and any subsequent increases or decreases in net asset

alization-weighted, time-weighted return index and includes property investments at ownership share, cash balances
information is presented gross of fees. NFI-ODCE information is available beginning in the first quarter of 1978, incl

Net Appreciation Return	Net Total Return
3.90%	4.54%
6.44%	7.14%
6.89%	7.66%
5.61%	6.41%
2.94%	3.68%
1.12%	1.89%
0.39%	1.10%
(0.46)%	0.27%
(2.46)%	(1.75)%
(0.04)%	0.75%
0.46%	1.27%
0.26%	1.08%
(0.01)%	0.77%
0.41%	1.20%
0.73%	1.52%
1.05%	1.87%
1.00%	1.81%
1.16%	1.97%
1.01%	1.85%
0.79%	1.64%
0.61%	1.47%
0.71%	1.54%
1.04%	1.88%
0.94%	1.83%
1.01%	1.91%
1.07%	1.95%
2.20%	3.11%
2.51%	3.43%
2.62%	3.58%
2.20%	3.15%
2.04%	3.02%
2.00%	3.00%
1.67%	2.69%
1.28%	2.29%
1.91%	2.94%
2.25%	3.35%
2.55%	3.60%
1.39%	2.44%
1.03%	2.08%
1.45%	2.53%
1.23%	2.29%
1.48%	2.55%

1.64%	2.71%
2.20%	3.31%
3.23%	4.39%
2.63%	3.79%
3.48%	4.70%
3.86%	5.22%
2.60%	4.09%
(0.95)%	0.51%
(5.07)%	(3.70)%
(8.86)%	(7.52)%
(10.53)%	(9.24)%
(14.91)%	(13.89)%
(12.07)%	(11.04)%
(1.53)%	(0.85)%
(0.89)%	0.09%
0.20%	1.15%
0.86%	1.90%
2.75%	3.68%
3.74%	4.82%
2.59%	3.71%
2.68%	3.88%
2.17%	3.25%
2.52%	3.71%
2.31%	3.63%
3.58%	4.80%
3.45%	4.75%
3.52%	4.97%
2.85%	4.27%
1.93%	3.40%
1.61%	2.97%
1.37%	3.04%
0.60%	2.09%
1.84%	8.28%
(2.46)%	4.57%
(2.69)%	4.64%
5.33%	13.19%
4.15%	12.05%
7.01%	15.29%
5.56%	13.94%
2.13%	10.53%
(1.81)%	6.01%
(2.28)%	5.07%
(7.09)%	(0.47)%
(12.27)%	(6.43)%
(12.45)%	(7.15)%
(4.94)%	0.40%
(0.10)%	5.59%
0.63%	6.17%
(0.32)%	5.59%
(0.42)%	5.59%
1.84%	8.21%

5.31%	12.51%
4.79%	12.18%
(0.98)%	6.25%
7.40%	15.83%
8.40%	16.82%
10.34%	19.41%
7.48%	16.44%
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

f joint venture debt. As a
view of its retained records,
ets of approximately $143.2
t value arising from the

and leverage (i.e., returns
lusive. For these reasons the

Prime Property Fund & NFI-ODCE
Gross and Net Annual Returns for Period 2004-2020

	PRIME Gross [1][2][3]			PRIME Net [1][2][3]		
Year Ended	Income	Appreciation	Total	Income	Appreciation	Total
2021	3.88%	18.37%	22.91%	2.65%	18.37%	21.46%
2020	3.43%	(1.29)%	2.10%	2.57%	(1.29)%	1.25%
2019	3.86%	3.40%	7.38%	2.67%	3.40%	6.16%
2018	3.88%	5.00%	9.05%	2.83%	5.00%	7.95%
2017	4.12%	5.54%	9.88%	3.05%	5.54%	8.75%
2016	4.35%	5.83%	10.42%	3.20%	5.83%	9.20%
2015	4.40%	11.00%	15.84%	3.18%	11.00%	14.50%
2014	4.57%	10.45%	15.46%	3.34%	10.44%	14.11%
2013	4.96%	12.04%	17.54%	3.70%	12.04%	16.15%
2012	5.60%	7.18%	13.16%	4.21%	7.18%	11.68%
2011	5.32%	11.83%	17.72%	4.03%	11.83%	16.28%
2010	5.53%	10.18%	16.23%	4.48%	10.18%	15.09%
2009	4.71%	(35.74)%	(32.61)%	3.79%	(35.74)%	(33.22)%
2008	4.06%	(7.48)%	(3.69)%	2.92%	(7.48)%	(4.75)%
2007	4.27%	11.80%	16.53%	3.10%	11.80%	15.23%
2006	5.23%	12.64%	18.47%	3.94%	12.63%	17.03%
2005	6.15%	13.77%	20.70%	5.37%	13.76%	19.81%
2004	8.22%	9.59%	18.53%	7.33%	9.59%	17.56%

	NFI-ODCE Gross [4]			NFI-ODCE Net [4]		
Year Ended	Income	Appreciation	Total	Income	Appreciation	Total
2021	4.01%	17.62%	22.17%	3.09%	17.51%	21.02%
2020	3.85%	(2.59)%	1.19%	2.99%	(2.58)%	0.34%
2019	4.18%	1.12%	5.34%	3.27%	1.12%	4.39%
2018	4.21%	4.00%	8.30%	3.29%	3.99%	7.36%
2017	4.35%	3.15%	7.60%	3.42%	3.15%	6.66%
2016	4.50%	4.12%	8.77%	3.55%	4.12%	7.79%
2015	4.76%	9.88%	15.02%	3.79%	9.88%	13.95%
2014	5.03%	7.17%	12.50%	4.05%	7.17%	11.46%
2013	5.24%	8.35%	13.94%	4.27%	8.34%	12.90%
2012	5.41%	5.29%	10.94%	4.37%	5.29%	9.79%
2011	5.49%	10.05%	15.99%	4.53%	10.05%	14.96%
2010	6.64%	9.23%	16.36%	5.61%	9.23%	15.26%
2009	6.12%	(34.13)%	(29.76)%	5.18%	(34.13)%	(30.40)%
2008	4.81%	(14.26)%	(10.01)%	3.96%	(14.01)%	(10.70)%
2007	5.22%	10.30%	15.97%	4.18%	10.30%	14.84%
2006	5.81%	10.04%	16.32%	4.85%	10.03%	15.27%
2005	6.56%	14.09%	21.39%	5.45%	14.09%	20.15%
2004	7.12%	5.62%	13.06%	6.11%	5.62%	12.00%

[1] Returns are presented leveraged

[2] The sum of income and appreciation returns may not equal total return due to rounding and/or the compounding of individual component returns to each other

[3] Leveraged returns include a one-time cumulative increase in net assets of approximately $143.2 million reflected in the appreciation component of the Fund's returns, as of January 1, 2008, resulting from the Fund's adoption of ASC 825-10-25 on such date and any subsequent increases of decreases in net asset value arising from the Fund's marking of its debt to market following January 1, 2008 in accordance with ASC 825-10-25

[4] The NCREIF Fund Index – Open-End Diversified Core Equity ("NFI-ODCE") is a fund-level, capitalization-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (i.e., returns reflect each fund's actual asset ownership positions and financing strategy). NFI-ODCE performance information is presented gross of fees. NFI-ODCE information is available beginning in the first quarter of 1978, inclusive. For these reasons the PRIME preferred benchmark for Fund level returns is the NFI-ODCE.

Performance Notes

Past performance is not indicative of future results. There can be no assurance that the Fund will achieve comparable, or any, returns. Losses, including a total loss of invested amounts, can result from investment in the Fund.

Unless otherwise noted, performance returns for the Fund contained herein:

- Are annualized (*i.e.*, for periods of one year or greater, the performance returns represent average annual returns). Returns for periods less than one year are unannualized.
- Are time-weighted returns calculated using a "modified Dietz method." In the absence of daily portfolio valuations, the modified Dietz method weights individual cash flows by the amount of time that those cash flows are held by (or absent from) the portfolio. The Adviser believes the modified Dietz method is a more appropriate way to measure the return on a portfolio than a simple geometric return method because the modified Dietz method identifies and accounts for the timing of all random cash flows while a simple geometric return does not.

  The modified Dietz method formula for calculating a time weighted return is as follows:
  - $Rp = \frac{EFV - BFV - CF}{BFV + WCF}$

  – Rp = Return for the measurement period
  – EFV = Ending fair value of the investment
  – BFV = Beginning fair value of the investment
  – CF = Net cash flows for the period (add if net distribution)
  – WCF = Sum of weighted cash flows for the period
- Are presented before (*i.e.*, gross of) investment advisory fees—specifically, they do not reflect a deduction for asset management fees. Actual returns to an investor would be lower.
- Are presented on a levered basis.
- Are presented based on finalized interim unaudited financial results (or, if available, finalized audited financial statements) available as of the stated time in the return presentation. Such results as of the end of the applicable fiscal year are generally audited by a reputable outside firm within 90 days of the Fund's fiscal year end.
- Include interest income from short-term investments.
- Include income which is based on accrual accounting.
- Include increases or decreases in net asset value arising from the Fund's marking of its debt to market in accordance with Accounting Standards Codification 825-10-25.

The Fund's annual total returns for calendar years 1974-2021 are as follows:

YEAR	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Gross	10.18%	7.64%	10.20%	11.27%	14.05%	14.92%	12.58%	17.25%	8.70%	18.13%
Net	9.15%	6.54%	9.05%	10.44%	13.27%	14.08%	11.59%	16.30%	7.34%	17.52%
YEAR	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Gross	14.10%	9.74%	8.44%	9.40%	8.51%	9.60%	0.36%	(7.24%)	(3.52%)	2.12%
Net	13.11%	8.63%	7.30%	8.25%	7.38%	8.46%	(0.70%)	(8.23%)	(4.57%)	1.06%
YEAR	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Gross	6.73%	(0.38%)	10.61%	14.34%	18.75%	13.40%	13.27%	3.54%	5.27%	11.04%
Net	5.68%	(1.36%)	9.54%	13.23%	17.59%	12.26%	12.20%	2.59%	4.30%	10.02%
YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross	18.53%	20.70%	18.47%	16.53%	(3.69%)	(32.61%)	16.23%	17.72%	13.16%	17.54%
Net	17.56%	19.81%	17.03%	15.23%	(4.75%)	(33.22%)	15.09%	16.28%	11.68%	16.15%
YEAR	2014	2015	2016	2017	2018	2019	2020	2021		
Gross	15.46%	15.84%	10.42%	9.88%	9.05%	7.38%	2.10%	22.91%		
Net	14.11%	14.50%	9.20%	8.75%	7.95%	6.16%	1.25%	21.46%		

The Fund's inception date was August 20, 1973. Performance information for the Fund for the period in which it was advised by Lend Lease Real Estate Investments, Inc. or its predecessors (the period prior to December 2003) is included because it has been concluded that, given the substantial overlap of personnel and other factors, reporting such information would be helpful. On June 30, 2004, the Fund became the successor in interest of an open-end institutional real estate fund organized in 1973 as a statutory insurance company separate account (known as "Separate Account No. 8 – Prime Property Fund") sponsored and maintained by The Equitable Life Assurance Society of the United States.

The sum of the income return and appreciation return components may not equal the gross return because of the time weighting (*i.e.*, chain linking) of component monthly returns and/or quarterly returns.

Income return may or may not approximate distributed income to the investor, depending on the cash distribution policy or elections made by the investor.

As stated above, performance returns for the Fund contained herein are reported on an annualized, not cumulative, return basis. The cumulative, compounded effect of advisory fees on total returns can be significant. For example, assuming an 8% annual return to a portfolio, earned evenly over the period in question, and an annual advisory fee on equity equal to 1.15%, the total after-fee return to the client would nominally be 6.85%. Over one-, three-, five- and ten-year periods, however, cumulative actual returns would be 8.24% (gross) and 7.03% (net) for one year; 26.82% (gross) and 22.60% (net) for three years; 48.59% (gross) and 40.44% (net) for five years; and 120.80% (gross) and 97.23% (net) for ten years.

Comparable Indices and Benchmarks

General
For purposes of evaluating the Fund's performance, the information contained herein includes certain comparisons to certain real estate and non-real estate indices and benchmarks. It is not possible to invest directly into an index or benchmark. Certain factors and the limited data available for such indices and benchmarks may make direct comparisons difficult, and such indices and benchmarks may have characteristics that are not be fully applicable to the Fund and may be more or less volatile than the Fund. For example, indices (or particular funds contained therein) may have dissimilar asset concentrations, appraisal standards or policies on the reinvestment of dividends or other proceeds when compared to the Fund.

Characteristics of certain indices and benchmarks commonly used in comparisons with the Fund are described below; however, the descriptions are not exhaustive. Thorough familiarity with the characteristics for each index and benchmark is advisable before one can fully understand such comparisons.

NCREIF Fund Index – Open-End Diversified Core Equity
The NCREIF Fund Index – Open-End Diversified Core Equity ("NFI-ODCE") is a fund-level, capitalization-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (*i.e.*, returns reflect each fund's actual asset ownership positions and financing strategy). NFI-ODCE performance information is presented gross of fees. NFI-ODCE information is available beginning in the first quarter of 1978, inclusive.

MSCI/PREA U.S. ACOE Quarterly Property Fund Index ("MSCI Index")
The MSCI/PREA U.S. ACOE Quarterly Property Fund Index ("MSCI Index") is time-weighted return index peer group benchmark used by PRIME and includes all investments owned by the peer group including real estate, cash and other investments (mezzanine loans receivable, notes receivable, forward commitments, etc.). The MSCI Index is gross of fees and excludes the impact of leverage.

NCREIF Property Index
The NCREIF Property Index ("NPI") is a property-level, time-weighted return index and includes property investments at 100% ownership and does not account for leverage (*i.e.*, returns do not reflect each fund's actual asset ownership position (if not 100%) or financing strategy). NPI performance information is presented gross of fees.

The Fund has a core-oriented investment strategy, while the NPI includes investments with a non-core orientation. The NPI performance returns exclude development, agricultural and other non-income producing properties. Also, the NCREIF Property Index is a broader index and includes assets with enhanced or more opportunistic-type strategies. The Fund's exposure to these types of assets is limited to 15% of gross assets, and the Fund's exposure to these types of assets was 6.7% of gross assets as of June 30, 2022.

Other Indices
Comparisons to the performance returns of other indices (*e.g.*, NAREIT Equity REIT Index, S&P 500, Barclays Capital U.S. Government/Credit Bond Index) are subject to similar considerations concerning component product mixes, weighting, etc. In particular, when comparing the performance of asset classes, readers should keep in mind that there are differences that make direct comparisons difficult. For example, due to the appraisal methods for valuing real estate, there may be inherent issues when comparing real estate to other asset classes; stocks are more volatile than bonds; and U.S. government bonds and fixed income investments are guaranteed by the issuer as to the timely payment of principal and interest and pay a fixed rate of interest.

NEPC, LLC

Firm: Constitution Capital Partners, LLC

Strategy/Product:

Ironsides Opportunities Fund and Ironsides Co-Investment Fund VI

Client: MWRA Retirement System

<u>NEPC Manager Due Diligence Questionnaire - Update</u>

Instructions

In support of our upcoming meeting we ask that you please complete this due diligence questionnaire. Please provide your responses in the form of brief descriptions, lists or tables added directly to this Word document.

Thank you for taking the time to complete this questionnaire. Please note that all materials submitted in relation to MWRA Retirement System may be subject to disclosure consistent with Massachusetts Public Record laws.

Firm/Organization

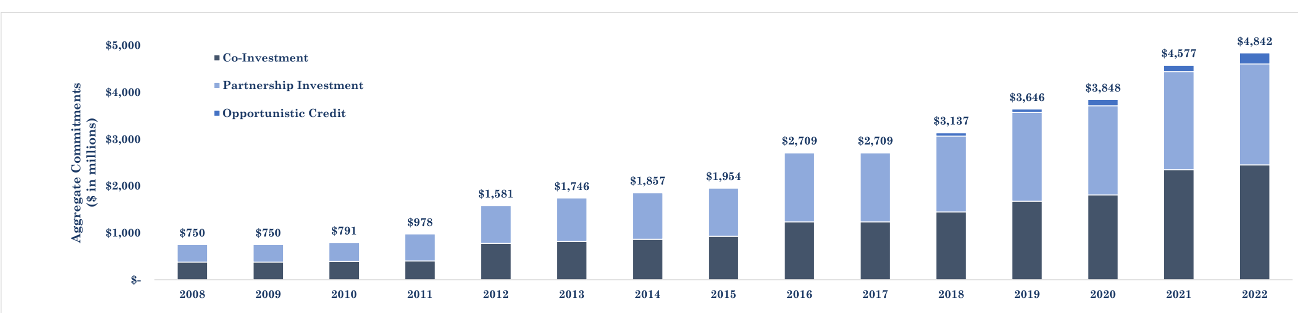
1. Have there been any changes in ownership or management in the past year?

   There have been no changes in Constitution Capital Partner's ("CCP") ownership in the past year.

2. List firm AUM, net flows and accounts gained/lost for the past 5 years.

   CCP's AUM as of the end of September 2022 is $4.8 billion. As of September 2022, CCP has over 670 LP's.

   CCP manages closed-end vehicles and as such does not offer redemptions. CCP tracks net inflows to its funds, which are equal to its AUM.



3. Have there been any new or discontinued products in the past year?

   <u>**New Products:**</u>
   Ironsides Opportunities Fund II ("IOF II"): **Consistent with the strategy executed by IOF I since its launch in 2017 to take advantage of credit-related opportunities in middle market companies in North America, IOF II seeks to make opportunistic credit-related investments in secured loans (including first-lien, second-lien and unitranche loans), unsecured debt (including mezzanine investments), and related equity securities.**

   IOF II recently held its first close on July 1, 2022, and has a $300 million target. To date, IOF II has closed on over $102.7 million of commitments. IOF II has already completed four attractive investments in its initial months.

   If MWRA or NEPC would be interested in learning more about IOF II, please let us know.

   <u>**Discontinued Products:**</u>
   None.

4. Are any products capacity constrained?

   No.

5. Describe any current or pending regulatory, compliance or litigation issues and the expected business impact.

   None.

6. Describe your diversity, equity and inclusion efforts with regard to the firm and its employees.

   CCP strives to create a collaborative, inclusive, and team-focused culture that harnesses accountability and alignment. These attributes are integral to CCP's culture as the Firm continues to thoughtfully scale the organization while properly satisfying the requirements of a sophisticated limited partner base and deliver attractive returns to investors. In addition, CCP prides itself on a culture of introspection and continuous improvement, believing that there is always room to improve and grow. As such, CCP has prioritized developing its diversity, equity, and inclusion efforts internally and externally.

   <u>**Internal Development**</u>
   CCP recognizes the importance of a diverse workplace environment. Different perspectives and backgrounds allow the Firm to leverage the vast skill sets of its

employees to provide favorable outcomes for our investors. As such, CCP formally adopted an ESG committee and diversity policy in 2020, committed to prioritizing diversity, equity, and inclusion efforts across the Firm. As an example of CCP's commitment to diversity, CCP's percentage of diverse employees across the Firm has increased from 26% in 2017 to 40% as of September 2022.

In addition, CCP's employees are expected to treat fellow employees, clients, third parties and other stakeholders with the utmost respect and dignity at all times. CCP strives to create and foster a supportive and understanding environment in which all individuals realize their maximum potential regardless of their differences. This culture focuses on teamwork and employee participation, represented by all groups and employee perspectives.

External Development:
As CCP has continued to scale and grow, the Firm made a conscious decision to recruit employees directly from undergraduate institutions in the fall of 2020, something that the Firm had not done previously. Historically, CCP relied on staffing companies and word of mouth to recruit more experienced candidates.

A significant amount of time and resources were expended during this undergraduate recruitment effort beginning in the summer of 2020 and have continued through our most recent 2022 recruiting cycle. These recruiting efforts heavily focused on women and minority candidates and illustrate the Firm's continued focus in this area. CCP has made a conscious effort to recruit both on and off campus at Historically Black Colleges and Universities.

Portfolio Management Team

1. Have there been any changes in the portfolio management team in the past year?

CCP is continuing to add investment team resources which are shared across the Partnership, Co-Investment, and Credit investment teams.

The biographies of each of these professionals are provided below:

Erin Ospeck | Analyst
Ms. Ospeck is responsible for screening, evaluating, negotiating, and monitoring private equity and credit investments. She joined Constitution Capital in July 2022. Ms. Ospeck earned her undergraduate and graduate degree from the University of Notre Dame with a major in Business Administration and Finance, respectively.

Matt Eichten | Analyst
Mr. Eichten is responsible for screening, evaluating, negotiating, and monitoring private equity and credit investments. He joined Constitution Capital on a full-time basis in July 2022 after having worked with Constitution Capital during the summer

of 2021. Mr. Eichten earned his undergraduate degree from the University of Notre Dame with a major in Finance.

Kelvin Romano | Analyst
Mr. Romano is responsible for screening, evaluating, negotiating, and monitoring private equity and credit investments. He joined Constitution Capital in July 2022. Mr. Romano earned his undergraduate degree from Boston College with a major in Computer Science and Economics, with a minor in Finance.

There continues to be no senior level portfolio management team turnover.

2. Are there any expected changes to the team in the future (planned additions or departures)?

   As the CCP platform continues to expand its investment activities, we expect to continue to add resources to the investment team. We do not have any planned departures.

Process

1. Have there been significant changes in any of the areas below in the past year?
   - Identification of investment ideas
   - Process for exploring and vetting ideas
   - Portfolio trading practices including buy/sell rules
   - Approach to portfolio monitoring and risk management

   No.

Philosophy

1. Describe recent changes in investment philosophy, if any.

   There have been no recent changes to the Fund's investment philosophy.

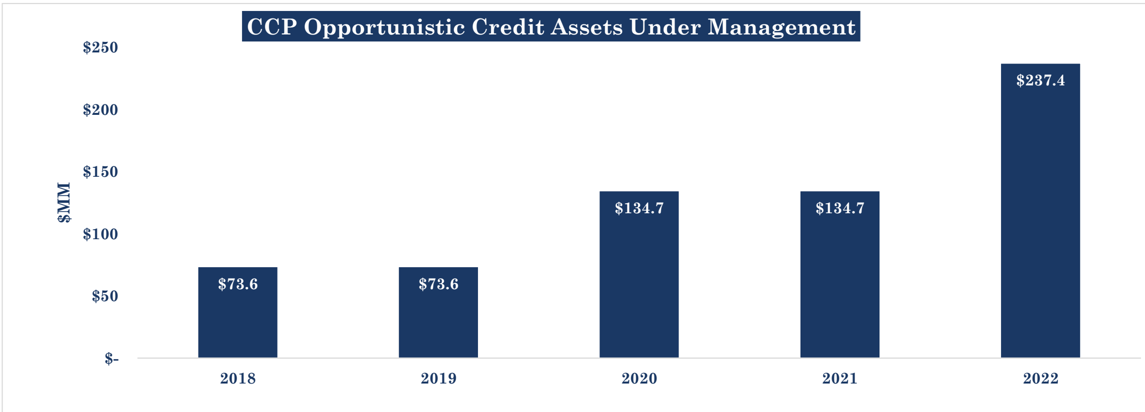
Portfolio

1. If not included in your meeting presentation, provide portfolio holdings, sector exposure, geographic exposure and common characteristics (yield, duration, market cap, P/E, etc.).

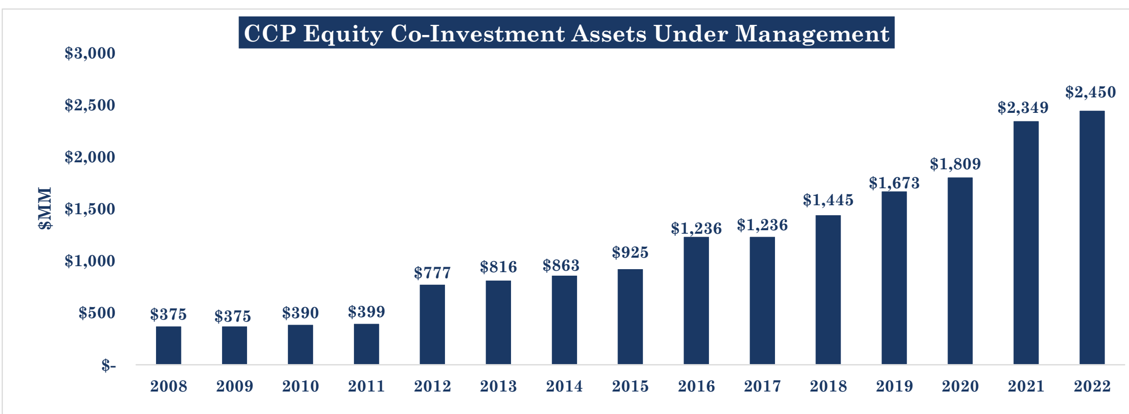
   Portfolio holdings and common characteristics are included in our meeting presentation (Page 9 and 13).

2. List strategy AUM, net flows and accounts gained/lost for the past 5 years.

CCP's Opportunistic Credit Strategy AUM as of September 2022 was $237.4 million. See the chart below for CCP's Opportunistic Credit AUM growth since the strategy's inception.



CCP's Equity Co-Investment Strategy AUM as of September 2022 was $2.5 billion. See the chart below for CCP's Equity Co-Investment AUM growth since the strategy's inception.



CCP manages closed-end vehicles and as such does not offer redemptions. CCP tracks net inflows to its funds, which are equal to its AUM.

3. Describe investor concentration for the strategy and note the percent of AUM attributable to the top five investors.

The investor concentration for CCP's opportunistic credit strategy includes Public Pensions (46.0%), Foundation & Endowments (12.9%), Family Offices / High Net Worth individuals (38.8%), Corporate Pension Plans (1.3%), and Taft Hartley (1.0%).

Strategy AUM as of the end of September 2022 was $237.4 million.

CCP's Opportunistic credit strategy has 111 LPs, of which the top five investors represent approximately 44% of committed capital. Please see the table below for more detail.

Description	**Commitment Amount**
Foundation/Endowment	$23 million
Family Office	$22.5 million
Public Pension	$20 million
Public Pension	$20 million
Public Pension	$20 million

The investor concentration for CCP's equity co-investment strategy includes Public Pensions (13.8%), Foundation & Endowments (6.9%), Family Offices / High Net Worth individuals (19.5%), Corporate Pension Plans (4.1%), Taft Hartley (19.0%), Private Pension (30.7%), and Other (6.0%). Strategy AUM as of the end of September 2022 was $2.5 billion.

CCP's Equity Co-Investment strategy has ~615 LPs, of which the top five investors represent approximately 47% of committed capital. Please see the table below for more detail.

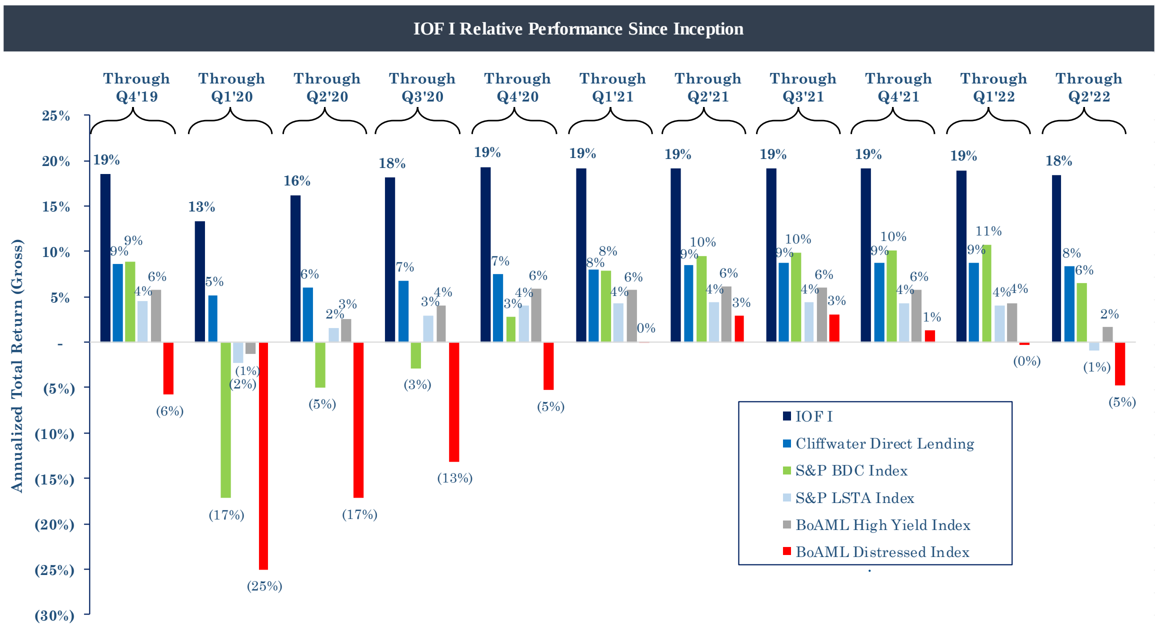
Description	**Commitment Amount**
Private Pension Fund	$750 million
Taft Hartley	$210 million
Secondary	$100 million
Public Pension	$49 million
Taft Hartley	$34.5 million

Performance / Market Outlook

4. If not included in your meeting presentation, provide trailing returns as of the most recent quarter-end and calendar year returns for the past 10 years, both relative to benchmark.

Will be included in our meeting presentation. Also shown below:

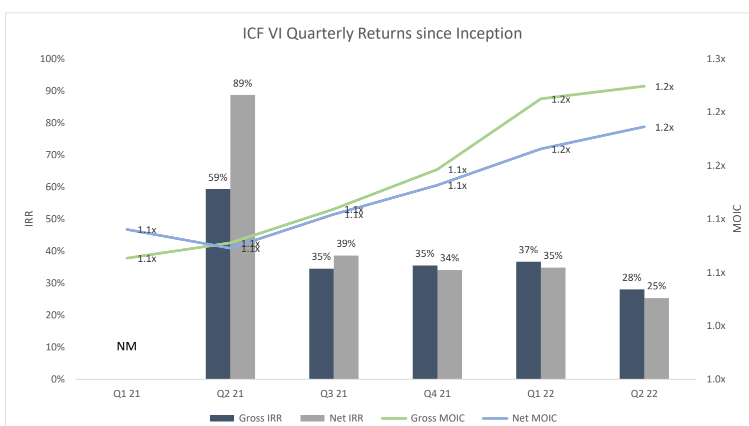
Opportunistic Credit



Note: All returns are gross of any applicable fees and reflect reinvestment of interest payments, dividends and realizations. IOF I Net IRRs as of Q4'19, Q1'20, Q2'20, Q3'20, Q4'20, Q1'21, Q2'21, Q3'21, Q4'21, Q1'22 and Q2'22 were 15.3%, 9.4%, 12.1%, 14.1%, 15.3%, 15.3%, 15.2%, 15.1%, 15.0%, 14.9% and 14.5%, respectively.
Sources: Bloomberg (for ICE BofA Indices, S&P, and Cliffwater Indices), CCP data.

Equity Co-Investment (ICF VI – MWRA Investment)

Ironsides Co-Investment Fund VI is a 2021 vintage and thus a relatively new fund. As such, CCP does not believe benchmarking for such a young fund is meaningful. Below are the quarterly returns since inception.



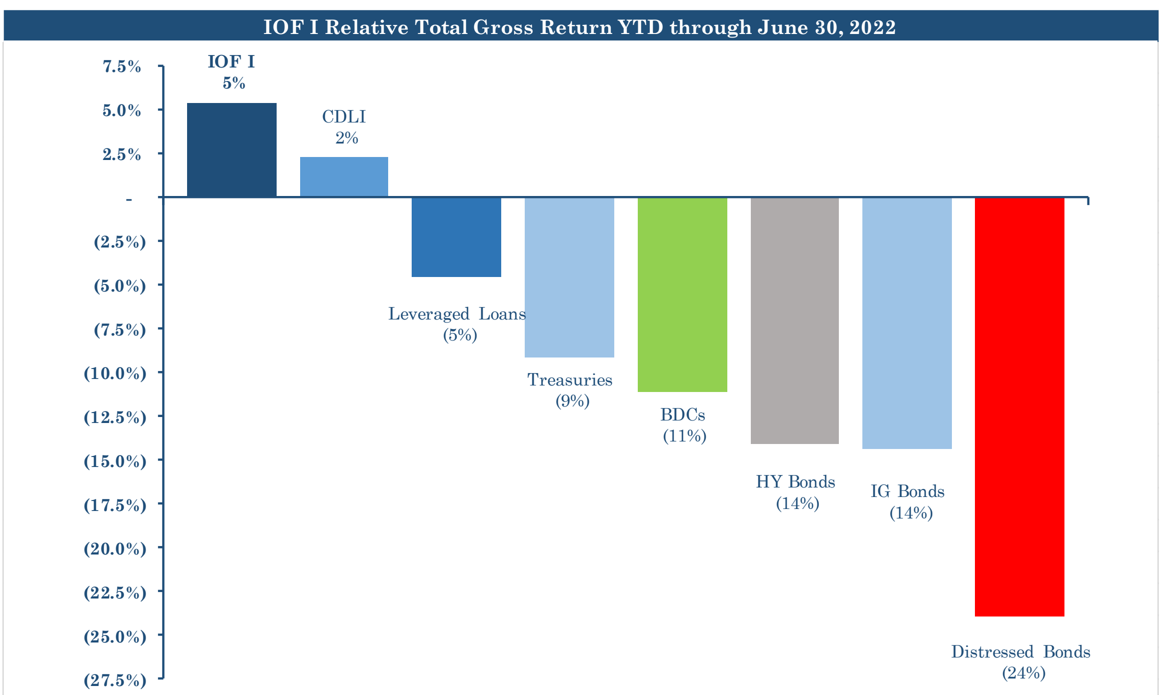
1. Briefly discuss recent performance trends and identify environments in which the strategy is likely to be in or out of favor.

Opportunistic Credit

CCP continues to be pleased with IOF I's performance to date, including with its performance during a very challenging period thus far in 2022. IOF I's net IRR as of June 30, 2022, was 14.5% (above our target of 12 - 14% net).

As shown above, IOF I has significantly outperformed relevant loan, direct lending, high yield and distressed indexes since inception (indexes referenced: Cliffwater Direct Lending Index, S&P BDC Index, S&P LSTA Index, BoAML High Yield Index, BoAML Distressed Index); each of these are presented on a gross-of-fees basis. CCP's annualized total gross return since inception stood at 18% as of June 30, 2022, versus 8% for the Cliffwater Direct Lending Index and 6% for the S&P BDC Index for the comparable period, and (1)% to 5% annualized for various other U.S. corporate debt indices.

As it relates to recent performance trends, on a year-to-date basis through June 30, 2022, IOF I has generated a 5% total return, which exceeds the Cliffwater Direct Lending Index at 3%, and substantially-exceeded other fixed income benchmarks, as shown below:



As previously outlined to MWRA / NEPC in 2017, the cornerstone of the strategy is our ability to invest opportunistically and throughout the credit cycle in North

American middle market credit, including in one of the most-volatile markets in recent history, including the dislocation from the COVID-19 pandemic, and record-setting challenges to date in 2022.

<u>Equity Co-Investment (ICF VI – MWRA Investment)</u>

As discussed in the previous section, ICF VI is a 2021 vintage and thus young fund. The fund is very early in its life, but off to strong start. As of June 30, 2022, ICF VI had a gross IRR of 28.0% and a gross MOIC of 1.2x (25% Net IRR and 1.2x Net MOIC).

As of June 30, 2022, the fund had 27 investments, two of which are partially realized. The fund's investments took place from 2021 to 2022 with additional investments expected in 2023. CCP believes that the overall performance for this fund is tracking on to slightly above plan. As of June 30, 2022, 17 of the investments were written above cost with zero write-downs. As the fund continues to mature, the deal teams will continue to focus on value creation initiatives for the underlying investments.

2. Describe your market outlook and how strategy positioning is impacted by your views.

<u>Opportunistic Credit</u>

As indicated by the sharp declines above experienced in the first half of 2022, and continuing most recently in September 2022, the current credit market environment is marked by turbulence, meaningful increases in base interest rates, and macroeconomic uncertainty.

As for the impact on the strategy positioning of IOF I, it is fully-invested, and expects limited ongoing additional investments as needed in support of its remaining portfolio companies. IOF I has already realized $66.0 million in value (versus $95.5 million invested), and has fully-realized its investments in 11 our of 19 portfolio companies. The remaining IOF I portfolio has performed well, with all companies continuing to pay their originally-agreed principal and interest payments. The underlying companies are in sectors which are more-insulated from an economic recession, including food, pet products, sports, and three top-performing companies with strong technology platforms in healthcare, business services, and finance verticals.

As for IOF II, as an opportunistic credit fund which is in the process of building out its portfolio, this market environment is very attractive for new investments. IOF II has already benefitted from a wide variety of investment opportunities offering better return profiles at better credit metrics than the averages for IOF I. In its initial investments, IOF II has also been able to make investments in larger companies that IOF I (with weighted-average revenues and Adj. EBITDA that are 2.0x and 2.5x larger, respectively, than the same weighted-average metrics for IOF I). CCP therefore believes it has been able to achieve, and will continue to achieve, its

targeted returns through its strategy of investing opportunistically throughout the economic credit cycle.

In short, as strong as the investment performance of IOF I has been, the market environment for IOF II is even more attractive for the differentiated, opportunistic strategy followed by CCP in both direct lending and secondary credit opportunities.

Equity Co-Investment

ICF VI will continue to focus on investing in high quality, middle market companies principally organized in North America. The Firm focuses on middle market companies because it believes that these companies have the potential to generate strong risk adjusted returns over the long run. CCP believes North American middle market equity co-investments are likely to present attractive opportunities for robust investment returns in the long run. Because middle marketing companies comprise most of all US companies, according to the US Census Bureau, CCP believes the middle market space is less efficient than the mega-cap space, offering more reasonable valuations, more appropriate leverage levels, and higher return expectations.

In CCP's experience, the benefits of investing in the middle market space include:

- **Large Opportunity Set in the Middle Market Space. There are approximately 350,000 middle market firms in the U.S. which make up about a third of the national GDP, according to Harvard Business Review in 2021. The large number of middle market firms which make up a significant portion of the economy presents a fragmented market attractive for buyout investing. As a result, CCP believes that funds focused on the middle market are able to source investments from a broader investment opportunity set, which enables the funds to exercise a high level of selectivity.**
- **Lower Purchase Prices as a Multiple of EBITDA. Pitchbook reports that, for Q1 2022, middle market purchase price multiples paid were on average 26% less than the overall US PE market. CCP believes that this enhances a middle market buyout fund's ability to complete buyout opportunities at relatively attractive valuations. Lower purchase price multiples generally lead to lower leverage for these transactions. Both these factors contribute to stronger risk adjusted returns.**
- **Potential for Multiple Expansion. Increasing sales, improving margins, enhancing management and improving operations of companies within the middle market space can increase the universe of potential strategic and financial buyers and can lead to higher valuation multiples at exit relative to the purchase price multiple.**
- **Responsiveness to Operational Improvements. Companies within the middle market space often do not have access to the best managerial resources. Fund managers can provide operational and strategic guidance, along with managerial assistance in the areas of marketing, corporate finance, risk**

management, human resources, director recruiting and other general business matters. CCP believes that middle market buyout funds can add significant value to the portfolio companies through these activities.

3. Could you please include a slide in your presentation that shows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.

Please refer below for this information, which is also included in the presentation.

Firm: Constitution Capital Partners
Strategy/Product: Ironsides Opportunities Fund I
Client: MWRA

4. Could you please include a slide in your presentation that shows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.

Contributions[1]

Date		Amount
9/27/2018	$	705,882.35
1/31/2019		288,209.33
4/26/2019		237,315.17
8/23/2019		579,299.15
11/21/2019		527,281.56
2/28/2020[2]		99,734.77
4/22/2020		239,709.59
7/30/2020		50,006.92
9/30/2020		282,085.92
1/21/2021		152,583.53
4/16/2021		179,193.09
6/24/2021		20,160.43
10/28/2021		87,829.25
1/14/2022		48,969.05
4/14/2022		1,067.15
Total	**$**	**3,499,327.26**

Distributions

Date		Amount
1/31/2019	$	16,162.99
4/26/2019		33,580.03
8/23/2019		127,112.23
11/21/2019		527,281.56
2/28/2020[2]		(88,395.69)
4/22/2020		239,709.59
7/30/2020		50,006.92
10/13/2020		98,895.66
1/21/2021		152,583.53
4/16/2021		237,702.08
6/24/2021		196,194.60
10/28/2021		195,787.07
1/14/2022		260,488.26
4/14/2022		133,872.61
Total	**$**	**2,180,981.44**

Partners Capital Account (based on 06/30/22 valuations)

		Amount
Contributions[1]	$	3,499,327.26
Distributions		(2,180,981.44)
Gain/(Loss)		948,154.20
Net Asset Value	**$**	**2,266,500.02**

(1) Amounts are gross of any subsequent close interest paid or received.
(2) Amount includes equalizations of capital accounts as a result of the closing held on January 31, 2020.

Net IRR to MWRA

Date	Actual Cash Flows [3, 4]	Actual Cash Flows [4, 5]
9/27/2018	(705,882.35)	(705,882.35)
1/31/2019	(268,747.93)	(268,747.93)
4/26/2019	(203,735.14)	(203,735.14)
8/23/2019	(452,186.92)	(452,186.92)
11/21/2019	-	-
2/28/2020	(173,599.46)	(173,599.46)
4/22/2020	-	-
7/30/2020	-	-
9/30/2020	(282,085.92)	(282,085.92)
10/13/2020	98,895.66	98,895.66
1/21/2021	-	-
4/16/2021	58,508.99	58,508.99
6/24/2021	176,034.17	176,034.17
10/28/2021	107,957.82	107,957.82
1/14/2022	211,519.21	211,519.21
4/14/2022	132,805.46	132,805.46
NAV at 06/30/2022	**$2,266,500.02**	**$ 2,266,500.02**
Offset Fees at 06/30/2022	**$ 7,648.71**	
Net IRR	**14.2%**	**14.1%**

(3) Includes MWRA's share of net offset fees as of June 30, 2022.
(4) Based on actual cash flows to/from MWRA including MWRA's share of subsequent close interest
(5) Excludes MWRA's share of net offset fees as of June 30, 2022.

Firm: Constitution Capital Partners
Strategy/Product: Ironsides Co-Investment Fund VI, L.P.
Client: MWRA

4. Could you please include a slide in your presentation that shows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.

Contributions[1]

Date		Amount
2/3/2022	$	9,760,476.08
3/25/2022[2]		788,730.82
Total	**$**	**10,549,206.90**

Distributions

Date		Amount
2/3/2022	$	89,992.90
3/25/2022[2]		(6,204.03)
Total	**$**	**83,788.87**

Partners Capital Account (based on 06/30/22 valuations)

		Amount
Contributions[1]	$	10,549,206.90
Distributions		(83,788.87)
Gain/(Loss)		1,901,674.93
Net Asset Value	**$**	**12,367,092.96**

(1) Amounts are gross of any subsequent close interest paid or received.
(2) Amount includes equalizations of capital accounts as a result of the closing held on February 1, 2022.

Net IRR to MWRA

Date		Actual Cash Flows [1]
2/3/2022		(10,006,109.26)
3/25/2022		(764,903.02)
NAV at 06/30/2022	**$**	**12,367,092.96**
Net IRR		**42.11%**

(1) Based on actual cash flows to/from MWRA including MWRA's share of subsec

CONSTITUTION Capital Partners

MWRA Portfolio Update

September 2022

Boston London New York

Agenda

Constitution Capital Partners ("Constitution" or the "Firm") Update

Massachusetts Water Resources Authority ("MWRA") Portfolio Review

1. Ironsides Co-Investment Fund VI
2. Ironsides Opportunities Fund I

Constitution Capital Partners Overview

Constitution Capital Partners ("Constitution") is a leading North American middle market alternative asset manager with three distinct but complementary investment groups

CONSTITUTION CAPITAL PARTNERS

PRIVATE EQUITY		PRIVATE CREDIT
Partnership Investments	***Equity Co-Investments***	***Opportunistic Credit Investments***

Founded:	AUM:	Employees:	Offices:
2008	*$4.8 billion*	*50*	*Boston, New York & London*

Note: Constitution Capital Partners (UK) Limited is an appointed representative of Langham Hall Fund Management LLP, an entity which is authorized and regulated by the Financial Conduct Authority of the UK.
(1) Data as of August 2022.

Evolution of Constitution Capital Partners

Constitution has continually expanded its strategies, assets under management, and platform.

2008

- Constitution is founded. Team focuses on middle market partnerships and direct investments.
- Constitution raises $750 million from Universities Superannuation Scheme ("USS"), UK pension plan

2012

- Constitution raises Ironsides II, $231 million
- Constitution raises an additional $600 million from USS

2015

- Constitution raises Ironsides III, $373 million(1)

2016

- Constitution raises Ironsides IV, $755 million(1)

2017

- Constitution builds out opportunistic credit team based in New York City

2020

- Constitution raises Ironsides V and Ironsides Opp. Fund, $1.1 billion(1)
- Constitution raises Ironsides Opp. Annex Fund, $50.5 million

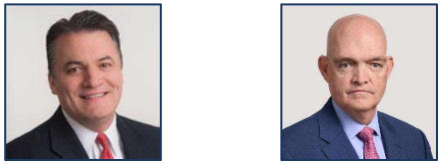
2021+

- Constitution launches Ironsides VI with a $1.3 billion target

(1) Includes segregated mandates.

Experienced Team of Professionals

Managing Partners



Daniel Cahill* ** | John Guinee* **

33 years the senior team has worked together

0 turnover in the Partner Group

All teams represented in the Investment Committee meetings

Partners completed **260+** investments

Marketing / IR | Private Equity Team | Credit Team (NYC)

Marketing / IR: Peter Melanson, Fraser Booth, Curtis Williams, Tim Asselin, Joe Furey, Katherine Sacharuk

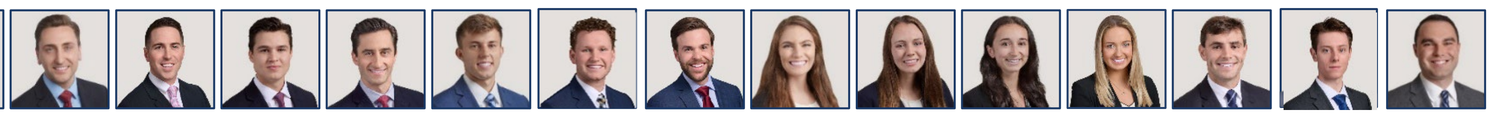
Private Equity Team: Robert Hatch*, Vicente Ramos*, Alex Tatum*, Bill Richardson*

Credit Team (NYC): Daniel Clare**, Steven Shekane**, Josiah Kwok

Finance / Operations Leadership

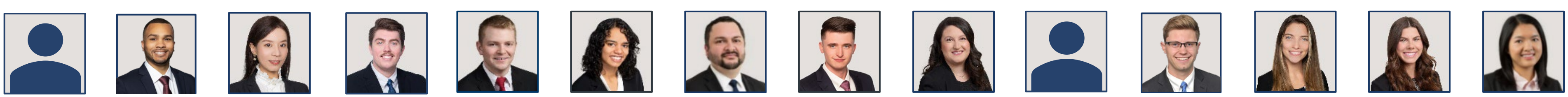
Stanley Czyz, YooMee Kim, George You, EJ Paquette

Investment Team



Matt Bourdeau, Matt Carlman, Nikko Dominaitis, Eric Donovan, Alex Dziadosz, Matt Eichten, Chris Faucher, Isabella Hisky, Lauren Iglar, Samantha Martin, Erin Ospeck, Charles Prince, Kelvin Romano, Chris Volpe

Finance / Operations



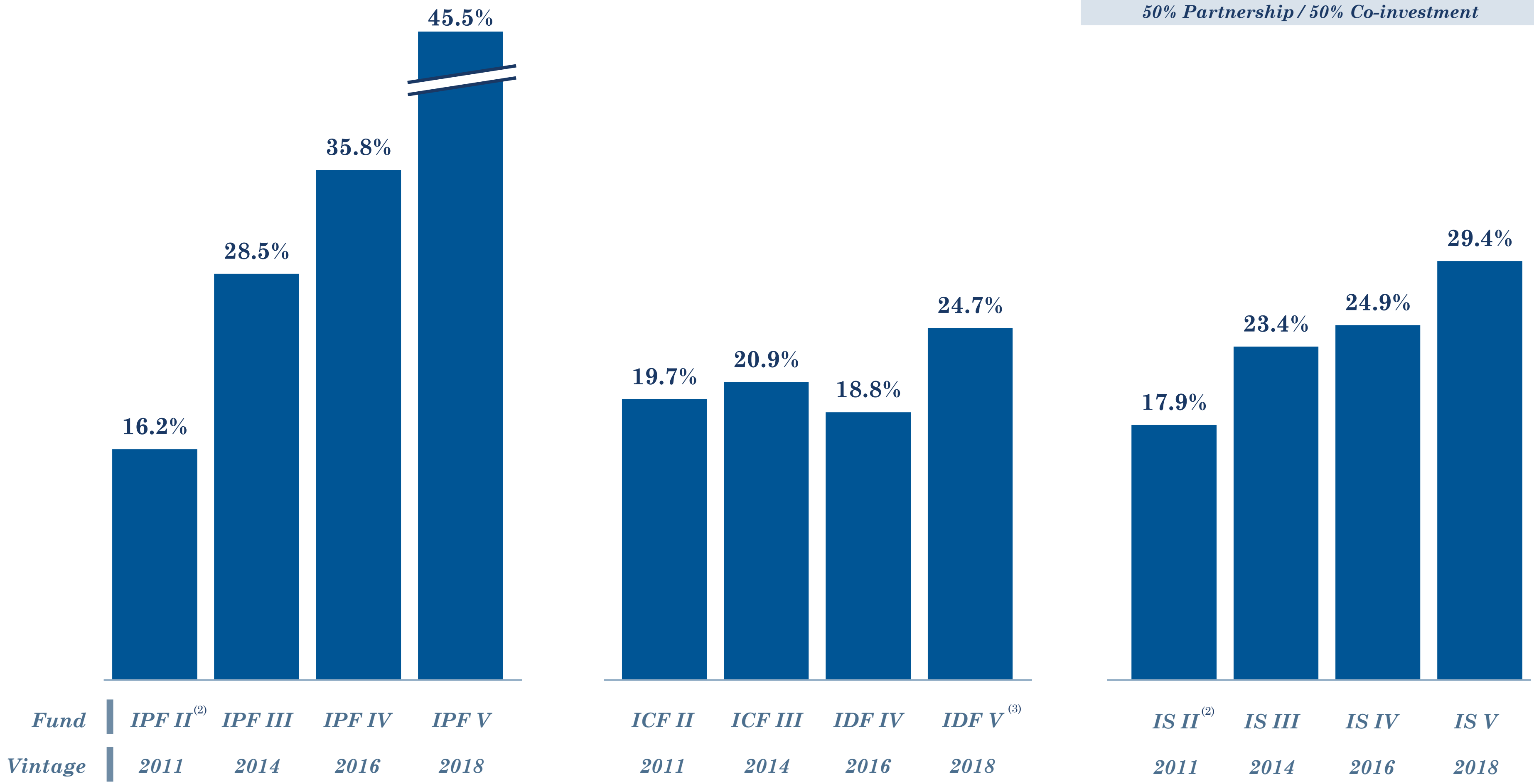
Deven Bhandari[1], Kadeem Chen, Wei Chen, Brendan Churns, Ryan Cromarty, Kayla Franceschi, Jeffrey Garro, Steven Helbig, Kristen Manozzi, Nora Miller[1], Brendan Mulhearn, Elizabeth Randall, Amanda Rosenberger, Qiufeng Wu

*Denotes Investment Committee Member for Ironsides Partnership Fund VI and Ironsides Co-Investment Fund VI
**Denotes Investment Committee Member for Ironsides Opportunities Fund II
[1] To join the team in September 2022

Ironsides Private Equity Fund Performance

Constitution continues to generate strong and stable net performance across its investment vehicles

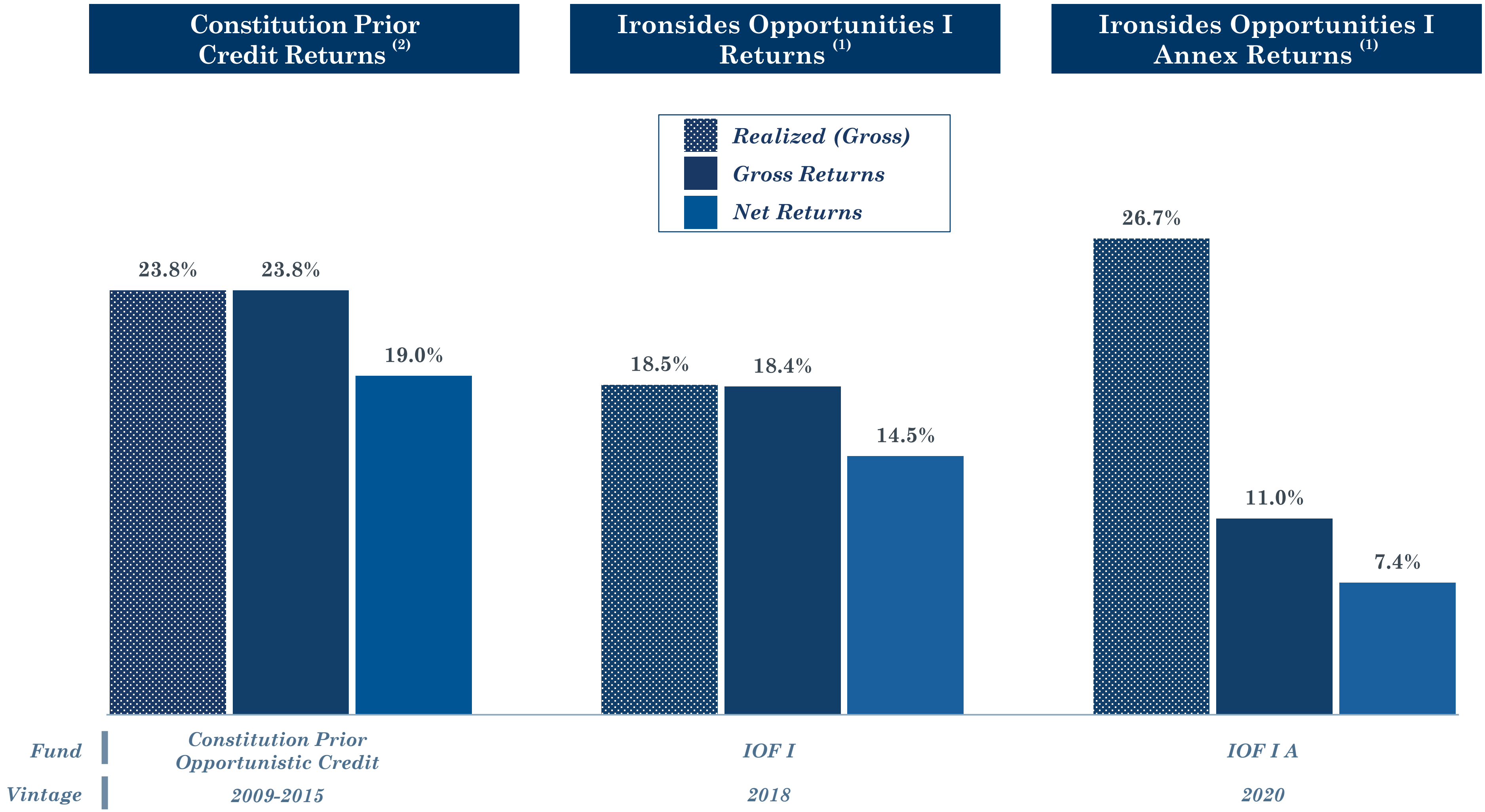
Ironsides Partnership Net Returns (1)	Ironsides Co-Investment Net Returns (1)	Ironsides Model Private Equity Fund Net Returns (1)
		50% Partnership / 50% Co-investment



(1) Ironsides Co-Investment Fund ("ICF" or "IDF") performance as of June 30, 2022. Ironsides Partnership ("IPF") and Ironsides Model Private Equity Fund ("IS") performance as of March 31, 2022. Funds utilize a line of credit to bridge capital calls which may amplify net IRR. Investments subject to loss. Actual results may differ materially from those presented. Past performance is no guarantee of future results or indicator of future results. Hypothetical blended model returns are for illustrative purposes only highlighting the potential return profile for an investor that committed equal amounts to the respective partnership and co-investment vehicles. Applies to data above for Ironsides II, III, IV, and V. (2) IPF II and IS II pro forma returns include adjustment to remove energy exposure from underlying fund portfolios. As of March 31, 2022, IPF II generated an unadjusted net IRR of 11.7%, and IS II generated an unadjusted net IRR of 15.5%. (3) Includes interests held through Parallel Fund, Ironsides Direct Investment Fund V - Parallel A, L.P. Net IRR of 32.5% for Ironsides Direct Investment Fund V – Parallel A, L.P as of June 30, 2022.

Ironsides Opportunities Fund Performance

IOF continues to generate strong gross and net returns



(1) Opportunities Fund I, Opportunities Fund I Annex and Constitution Prior Opportunistic Credit performance as of June 30, 2022. Funds utilize a line of credit to bridge capital calls which may amplify net IRR. Investments subject to loss. Actual results may differ materially from those presented. Past performance is no guarantee of future results or indicator of future results. (2) Constitution Prior Opportunistic Credit Investments represent three opportunistic Credit Investments, amounting to $14.4 million, which were invested out of Constitution co-investment funds. The returns for Constitution Prior Opportunistic Credit Investments were determined assuming a synthetic fund and a day one IRR methodology. Net returns assume a 1.5% management fee on invested capital, 15% carried interest, and a three-year investment period. The consolidated returns reflected herein represent investments that were not made in the context of a single fund and were not part of a single investment program with coordinated investment objectives, guidelines and restrictions. The consolidated returns do not reflect results of any individual investor or any fund and instead, represents a blended composite of these credit transactions made by the Constitution Team. The net returns are for illustrative purposes only and are hypothetical in nature and do not represent the actual net returns of any individual investor or any fund. Accordingly, there can be no assurance similar returns can be realized and actual results may be materially lower than those reflected herein.

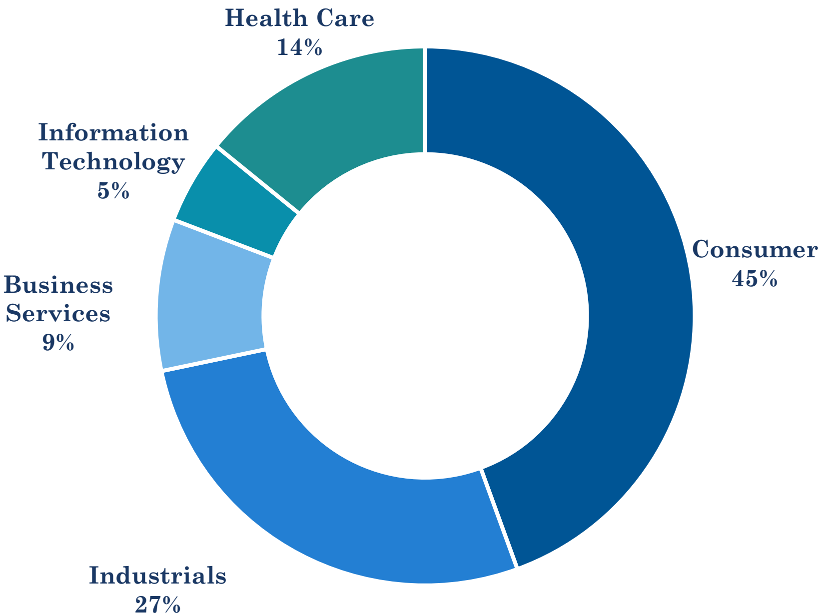
Ironsides Co-Investment Fund VI

Ironsides Co-Investment Fund VI Snapshot

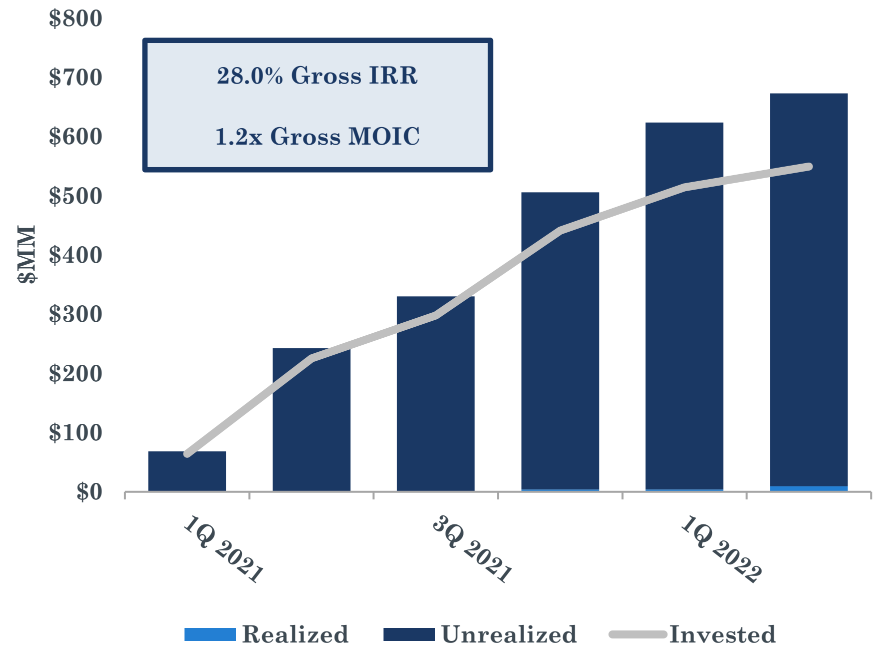
Ironsides Co-Investment Fund VI has committed $551 million to 27 platforms as of June 30, 2022

- ICF VI has impressive performance metrics; 28.0% gross IRR and 1.2x gross MOIC
- Since June 30, 2022, ICF VI has invested in 3 platforms for a total of $60 million committed
- ICF VI has 3 platforms under diligence, totaling $50 million in pending commitments

Sector Diversification(1)



Cash Flow Chart(1,2)



Note: Investments are subject to loss. Actual results may differ materially from those presented. Past performance is no guarantee or indicator of future results.
(1) Ironsides Co-Investment Fund VI portfolio diversification as June 30, 2022. (2) Investment Performance as of June 30, 2022. Net returns as of June 30, 2022 of 25.3% Net IRR and 1.2x Net MOIC. Funds utilize a line of credit to bridge capital calls, which may amplify net IRR.

Ironsides Co-Investment Fund VI

Ironsides Co-Investment Fund VI, L.P.											
Investment Name	Entry Date	Committed Capital	Invested Capital	Realized Value	Unrealized Value	Total Value	Gross IRR	Gross MOIC	Net IRR	Net MOIC
Partially Realized Investments										
Vertellus	*May-21*	$ 10.0	$ 10.0	$ 4.8	$ 24.1	$ 28.9	162.0%	2.9x		
Woodstream	*May-21*	12.0	12.0	3.6	18.0	21.6	80.0%	1.8x		
Total Partially Realized Investments		**$ 22.0**	**$ 22.0**	**$ 8.4**	**$ 42.1**	**$ 50.5**	**120.0%**	**2.3x**		
Unrealized Investments										
Arcadia Consumer Healthcare	*Dec-21*	$ 15.0	$ 15.0	$ -	$ 18.8	$ 18.8	49.2%	1.3x		
Astound Commerce	*Apr-21*	20.0	18.4	-	21.6	21.6	15.0%	1.2x		
Atheneum	*Aug-21*	30.0	30.0	-	32.2	32.2	8.1%	1.1x		
Captain D's	*May-22*	20.0	20.0	-	20.0	20.0	0.0%	1.0x		
Dr. Praeger's	*May-21*	12.5	12.5	-	12.5	12.5	0.0%	1.0x		
dscout	*Dec-21*	10.0	10.0	-	10.4	10.4	8.1%	1.0x		
Friday Health Plans	*Oct-21*	20.0	20.0	-	21.3	21.3	10.1%	1.1x		
good2grow	*Nov-21*	40.0	40.0	-	55.2	55.2	73.9%	1.4x		
Hydrow	*Jan-22*	20.0	20.0	-	25.0	25.0	68.0%	1.3x		
INW Group	*Mar-21*	47.5	47.5	-	47.5	47.5	0.0%	1.0x		
KNS Brands	*Nov-21*	30.0	30.0	-	40.0	40.0	57.3%	1.3x		
Market Performance Group	*May-21*	10.0	10.0	0.9	22.6	23.5	117.2%	2.3x		
Nivel	*May-21*	50.0	50.0	-	50.0	50.0	0.0%	1.0x		
PetHonesty	*Aug-21*	10.0	10.0	-	10.0	10.0	0.0%	1.0x		
ProAmpac	*Mar-21*	10.0	10.0	-	12.3	12.3	17.3%	1.2x		
Probo Medical	*Mar-22*	13.0	13.0	-	13.0	13.0	0.0%	1.0x		
Rancho Family Medical Group	*Feb-21*	10.0	10.0	-	12.5	12.5	18.1%	1.3x		
Remedy Health	*Nov-21*	13.3	13.3	-	13.3	13.3	0.0%	1.0x		
Schellman	*Dec-21*	10.0	10.0	-	11.5	11.5	27.6%	1.2x		
Sila	*Jun-21*	30.0	30.0	-	51.6	51.6	71.4%	1.7x		
Smart Care	*Mar-22*	20.0	20.0	-	24.3	24.3	86.9%	1.2x		
SpendMend	*Mar-22*	20.0	20.0	-	21.3	21.3	20.8%	1.1x		
Stratus	*Jul-21*	32.5	32.5	-	32.5	32.5	0.0%	1.0x		
Truck Hero	*Feb-21*	20.0	20.0	-	26.6	26.6	23.4%	1.3x		
Vertical Supply Group	*Apr-22*	15.0	15.0	-	15.0	15.0	0.0%	1.0x		
Total Unrealized Investments		**$ 528.8**	**$ 527.2**	**$ 0.9**	**$ 621.0**	**$ 621.9**	**22.7%**	**1.2x**		
Total Fund Investments		**$ 550.8**	**$ 549.2**	**$ 9.3**	**$ 663.1**	**$ 672.4**	**28.0%**	**1.2x**	**25.3%**	**1.2x**

Note: Investments subject to loss. Actual results may differ materially from those presented. Past results are no guarantee of future performance.

(1) Investment Performance as of June 30, 2022 and presented in USD in millions, unless noted otherwise. Funds utilize a line of credit to bridge capital calls, which may amplify net IRR.

Ironsides Co-Investment Fund VI – Cap Account

Capital Account Statement

CONSTITUTION
Capital Partners

Partner Name:	MWRA Employees' Retirement System			
Fund:	Ironsides Co-Investment Fund VI, L.P.	**Total Fund:**	$	580,222,500
Period End:	June 30, 2022	**% of Total Fund:**		2.068%
Currency:	USD	**% of LP Commitment:**		2.090%

Summary of Capital Commitments

Capital Commitment	**$ 12,000,000.00**
Less: Cumulative contributions	(10,549,206.90)
Plus: Recallable distributions	83,788.87
Unfunded Capital Commitment	**$ 1,534,581.97**

Partner's Capital Account Activity in accordance with GAAP

	Quarter to Date	Year to Date	Inception to Date
Beginning Capital	**$ 12,160,067.13**	**$ 1,031,263.85**	**$ -**
Contributions/(Distributions)			
Contributions	-	10,549,206.90	10,549,206.90
Distributions	-	(83,788.87)	(83,788.87)
Net Contributions/(Distributions)	**-**	**10,465,418.03**	**10,465,418.03**
Syndication Costs	-	**463.51**	**(6,279.88)**
Income/(Loss) Allocation			
Management fees (net)	(30,000.00)	(60,000.00)	(168,666.67)
Professional fees and other expenses	(7,308.80)	(22,250.46)	(96,594.64)
Portfolio income/(loss)	108,911.36	107,512.05	127,809.90
Realized gain/(loss)	-	-	-
Unrealized gain/(loss)	171,957.26	998,287.96	2,380,995.96
Total Income/(Loss)	**243,559.82**	**1,023,549.55**	**2,243,544.55**
Carried Interest	**(36,533.99)**	**(153,601.98)**	**(335,589.74)**
Ending Capital	**$ 12,367,092.96**	**$ 12,367,092.96**	**$ 12,367,092.96**

Contributions and Distributions as stated above include all amounts due and payable as of period end.

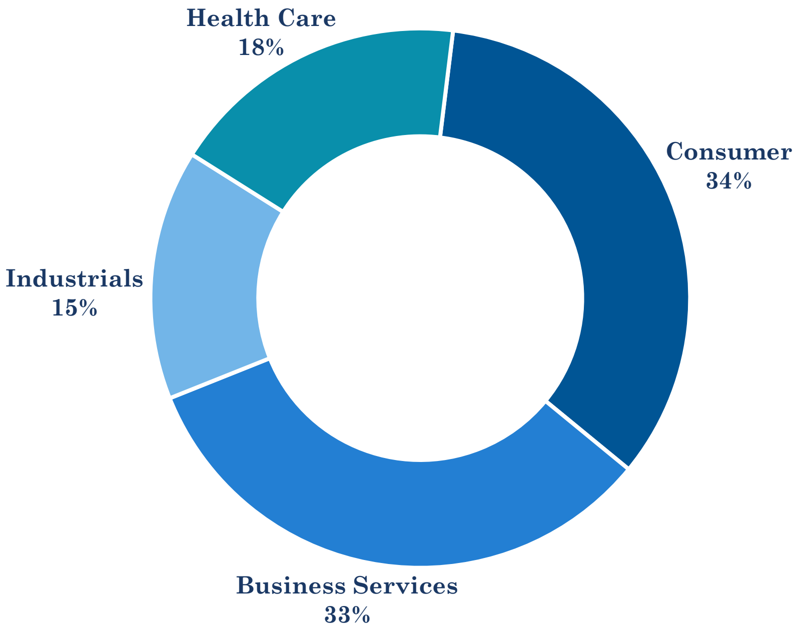
Ironsides Opportunities Fund I

Ironsides Opportunities Fund I Snapshot

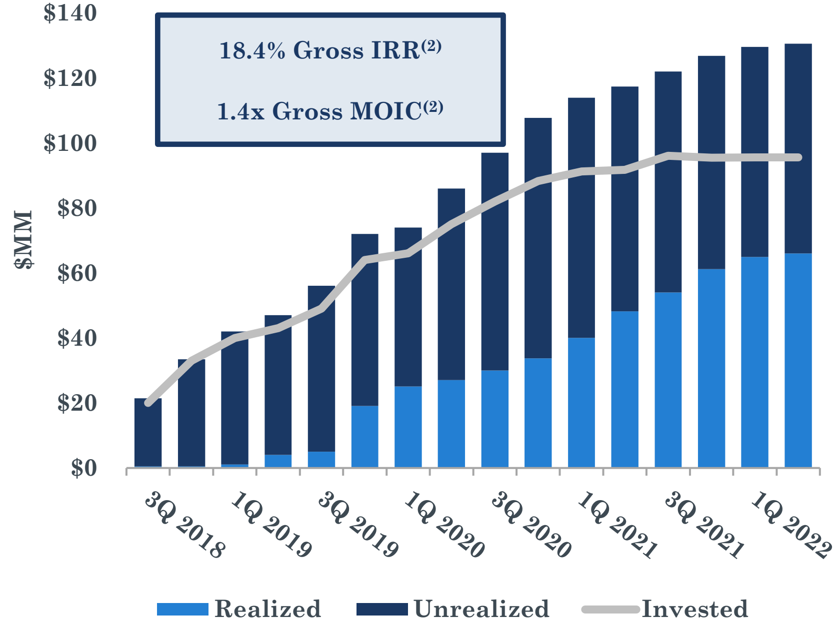
Ironsides Opportunities Fund I has committed $114.7 million to 19 investments and is fully invested as of June 30, 2022

- 12 of 19 investments realized or partially realized; 18.5% gross IRR and 1.3x gross MOIC
- Investments completed with 13 sponsors, diversified across the capital structure
- The fund is focused on creating value and planning future exits

Sector Diversification[(1)]



Cash Flow Chart[(2)]



Note: Investments are subject to loss. Actual results may differ materially from those presented. Past performance is no guarantee or indicator of future results.
(1) Ironsides Opportunities Fund I portfolio diversification as of June 30, 2022.
(2) Investment Performance as of June 30, 2022; net returns of 14.5% Net IRR and 1.3x Net MOIC. Funds utilize a line of credit to bridge capital calls, which may amplify net IRR.

Ironsides Opportunities Fund I

IRONSIDES OPPORTUNITIES FUND, L.P.

Investment	Entry Date	Committed Capital	Invested Capital	Realized Value	Unrealized Value	Total Value	Gross IRR	Gross MOIC	Net IRR	Net MOIC
Realized & Partially Realized Investments:										
Aegis Sciences Corporation	*Apr 2020*	$ 2,450	$ 2,450	$ 3,221	$ -	$ 3,221	26.1%	1.3x		
Confie Seguros	*Mar 2020*	3,242	3,242	4,095	-	4,095	48.7%	1.3x		
Dentalcorp Health Services	*Jun 2020*	3,570	3,570	4,184	-	4,184	52.2%	1.2x		
Edward Don & Company	*Apr 2020*	710	710	973	-	973	33.7%	1.4x		
FastSigns(1)	*Aug 2019*	5,000	2,500	3,049	-	3,049	13.6%	1.2x		
Highline Aftermarket	*Aug 2019*	1,660	1,660	2,126	-	2,126	22.8%	1.3x		
K-Mac Enterprises	*Mar 2020*	2,958	2,958	4,104	-	4,104	74.1%	1.4x		
KLDiscovery	*Mar 2019*	3,550	3,550	4,092	-	4,092	51.5%	1.2x		
Kleinfelder	*Dec 2018*	12,125	12,125	10,686	6,254	16,940	12.9%	1.4x		
Leaf Home Solutions(1)	*Sept 2020*	5,833	2,917	3,608	-	3,608	20.7%	1.2x		
Pathway Vet Alliance	*Feb 2019*	5,000	5,000	5,693	-	5,693	14.0%	1.1x		
RailWorks	*Sep 2018*	10,000	10,000	11,860	-	11,860	17.8%	1.2x		
Total Realized & Partially Realized Investments		**$ 56,098**	**$ 50,682**	**$ 57,691**	**$ 6,254**	**$ 63,945**	**18.5%**	**1.3x**		
Unrealized Investments:										
AML RightSource - Equity	*Sept 2020*	$ 2,000	$ 2,000	$ -	$ 4,247	$ 4,247	61.8%	2.1x		
AML RightSource - Loan(1)	*Sept 2020*	6,941	3,470	1,064	3,116	4,180	16.4%	1.2x		
CoAdvantage - Equity	*Sept 2019*	2,000	2,000	-	4,684	4,684	36.0%	2.3x		
CoAdvantage - Loan	*Nov 2019*	1,940	1,940	538	2,021	2,559	12.6%	1.3x		
GSM Outdoors - Loan	*Nov 2020*	4,000	4,000	737	4,040	4,777	12.7%	1.2x		
GSM Outdoors - Equity	*Nov 2020*	500	500	-	1,184	1,184	70.3%	2.4x		
Impact Fitness(1)(2)	*Jun 2019*	8,000	2,562	1,287	1,785	3,072	8.2%	1.2x		
Raymundos Food Group	*Sep 2018*	10,457	10,457	209	17,540	17,749	15.4%	1.7x		
Targeted Petcare - Equity	*Dec 2019*	2,000	2,000	-	3,007	3,007	17.4%	1.5x		
Targeted Petcare - Loan	*Nov 2019*	10,000	10,000	2,699	10,443	13,142	12.7%	1.3x		
Xifin - Equity	*Feb 2020*	1,524	1,524	528	2,915	3,443	60.8%	2.3x		
Xifin - Loan(1)	*Feb 2020*	9,277	4,372	1,200	4,067	5,267	15.8%	1.2x		
Total Unrealized Investments		**$ 58,639**	**$ 44,825**	**$ 8,262**	**$ 59,049**	**$ 67,311**	**18.4%**	**1.5x**		
Total Fund Investments		**$ 114,737**	**$ 95,507**	**$ 65,953**	**$ 65,303**	**$ 131,256**	**18.4%**	**1.4x**	**14.5%**	**1.3x**

Note: Investment Performance as of June 30, 2022 and presented in USD in thousands. Fund utilizes a line of credit to bridge capital calls which may amplify net IRR. Investments subject to loss. Actual results may differ materially from those presented. Past performance is no guarantee of future results. Net returns include Excess Offset Fees as of June 30, 2022.

(1) Except for Committed Capital, excludes the asset level credit facility

(2) Includes $2.3 million of Committed Capital that was subsequently terminated in Q3 2020 as part of an amendment to the credit agreement

Ironsides Opportunities Fund I – Cap Account

Capital Account Statement

CONSTITUTION
Capital Partners

Partner Name:	MWRA Employees' Retirement System			
Fund:	Ironsides Opportunities Fund, L.P.	**Total Fund:**	$	84,150,000
Period End:	June 30, 2022	**% of Total Fund:**		3.565%
Currency:	USD	**% of LP Commitment:**		3.687%

Summary of Capital Commitments

Capital Commitment	**$ 3,000,000.00**
Less: Cumulative contributions	(3,499,327.26)
Plus: Recallable distributions	1,955,819.75
Unfunded Capital Commitment	**$ 1,456,492.49**

Partner's Capital Account Activity in accordance with GAAP

	Quarter to Date	Year to Date	Inception to Date
Beginning Capital	**$ 2,350,252.09**	**$ 2,479,576.48**	**$ -**
Contributions/(Distributions)			
Contributions	1,067.15	50,036.20	3,499,327.26
Distributions	(133,872.61)	(394,360.87)	(2,180,981.44)
Net Contributions/(Distributions)	**(132,805.46)**	**(344,324.67)**	**1,318,345.82**
Syndication Costs	-	-	**(421.13)**
Income/(Loss) Allocation			
Management fees (net)	-	-	-
Professional fees and other expenses	(5,129.99)	(10,115.74)	(135,115.68)
Portfolio income/(loss)	56,108.15	112,627.24	883,144.95
Realized gain/(loss)	-	2,016.49	91,999.12
Unrealized gain/(loss)	6,731.71	49,881.67	275,868.27
Total Income/(Loss)	**57,709.87**	**154,409.66**	**1,115,896.66**
Carried Interest	**(8,656.48)**	**(23,161.45)**	**(167,321.33)**
Ending Capital	**$ 2,266,500.02**	**$ 2,266,500.02**	**$ 2,266,500.02**

Contributions and Distributions as stated above include all amounts due and payable as of period end.

Confidentiality & Investment Performance Disclosure

The Limited Partnership interests in Ironsides Partnership Fund VI, L.P. (the "Fund of Funds"), Ironsides Co-Investment Fund VI, L.P. (the "Co-investment Fund"), and Ironsides Opportunities Fund II, L.P. (the "Opportunities Fund" and, together with the Fund of Funds and Co-investment Fund, the "Funds") offered hereby have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), by the securities regulatory authority of any U.S. state, or by any similar authority of any other country or jurisdiction, and neither the SEC nor any such authority will do so. The Limited Partnership interests in the Funds (the "Interests") will not be registered under the Securities Act of 1933, as amended (the "Act") or the securities laws of any other country or jurisdiction. There will be no public market for the Interests. The offering and sale of the Interests will be exempt from registration in the U.S. pursuant to Regulation D promulgated under the Act. Each purchaser will be required to represent that it is acquiring the interest purchased by it for investment and not with a view to resale or distribution. Each purchaser must be prepared to bear the economic risk of the investment for an indefinite period because the Interests (1) cannot be sold unless it is subsequently registered under the Act or an exemption from such registration is available and (2) may be transferred or assigned only with the consent of the general partner of the Funds, as described in the Agreement of Limited Partnership of the Funds (the "Partnership Agreement").

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Certain information contained herein constitutes "forward looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy.

Prior to purchasing any Interests in a Fund, prospective purchasers must obtain the subscription agreement (the "Subscription Agreement") and the form of the Limited Partnership Agreement for such Fund, which together contain important information, forms of agreements and other documents relating to the Fund and the offering of Interests. Each investor will be required to represent in its Subscription Agreement that it is not relying upon such Fund, General Partner or Constitution Capital Partners for investment or tax advice and that the investor has relied only on its own tax, legal or other advisors in purchasing Interests.

To ensure compliance with requirements imposed by the Internal Revenue Service, we inform you that any U.S. tax advice contained herein (i) is written in connection with the promotion or marketing by Ironsides Partnership Fund VI, L.P., Ironsides Co-Investment Fund VI, L.P., Ironsides Opportunities Fund II, L.P., and Constitution Capital Partners LLC of the offering and the transactions described herein, and (ii) is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties. You should seek advice based on your particular circumstances from an independent tax advisor.

Confidentiality & Investment Performance Disclosure

Constitution investment performance disclosed in this presentation is limited and may not reflect the performance in different economic and market cycles. There can be no assurance that similar performance will be experienced. Net of fees performance results reflect the deduction of all expenses actually paid including management fees. Gross of fees performance does not represent actual performance net of management fees or other expenses. Performance results do not reflect the deduction of advisory fees, carried interest allocations and other expenses. A client's return would be reduced by advisory fees, carried interest allocations and other expenses. The investment adviser's fees, and carried interest terms are described in Part 2A of the adviser's Form ADV. Because fees are deducted regularly, the compounding effect will be to increase the impact of the fee deduction on gross performance by a greater percentage than that of the annual fee charged. For example, if an account is charged a 1% management fee per year and has a gross performance of 12% during that same period, the compounding effect of the quarterly fee will result in an actual return of approximately 10.9%.

Past performance is no guarantee of future results. Investments subject to loss. Actual results may differ materially from those presented.

Historical funds, whereby the returns are presented in this document, utilize a line of credit to bridge capital calls which may amplify net IRR. For Ironsides Opportunities Fund I, net performance inclusive of Excess Offset Fees as of June 30, 2022. Deals completed post June 30, 2022 are presented at cost.

MONTHLY PERFORMANCE REPORT

MWRA EMPLOYEES' RETIREMENT SYSTEM

AUGUST 31, 2022

GOALS & OBJECTIVES

Investment Return Objective

"Its primary goal is to provide promised benefits to participants and beneficiaries of the MWRA Employees' Retirement system. Plan assets should be equal to or greater than the present value of the projected benefit obligations ("fully funded"). When Plan assets are less than the present value of projected benefit obligations, a schedule will be established and a plan will be in place to meet a fully funded status. When achieving return objectives required to fully fund the system, the Board is intent on controlling risk. Consistency of returns and risk of loss are primary considerations. The Board has also determined that the annual performance of plan assets should not vary substantially from returns achieved by other public pension funds with similar goals and objectives."

Return Expectations

The investment growth should be maintained in such a manner that the minimum nominal rate of return does not cause a negative real rate of return over a full market cycle:

- **Time Horizon:** Return assumptions will be based on a ten-year time horizon with a detailed review and analysis to be made at least annually to monitor allocations and assumptions. Should a manager deviate from proscribed mandate or expected risk and return profile by a consequential degree, that manager may be reevaluated at any time.
- **Liquidity Needs:** Presently contributions exceed plan withdrawals to provide benefits, payouts, and/or plan expenses. Portfolio liquidity will be managed based on the cash flow needs of the System.
- **Regulatory Considerations**: Assets of this Fund shall be invested in a manner consistent with the fiduciary standards established under Code of Massachusetts Regulations 840 ("840 CMR"). The Board shall also use as precedent the Employee Retirement Income Security Act (ERISA).

EXECUTIVE SUMMARY

	Market Value ($)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Composite	**647,991,824**	**-2.2**	**-10.9**	**-8.4**	**6.4**	**6.0**	**7.1**
Allocation Index		*-1.8*	*-9.4*	*-6.4*	*7.3*	*6.6*	*7.3*
Policy Index		*-2.0*	*-9.9*	*-6.8*	*7.9*	*7.1*	*7.6*

20 Years As of August 31, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Composite	**7.5**	**8.3**	**0.8**	**1.1**
Allocation Index	*6.9*	*7.8*	*0.7*	*1.1*
Policy Index	*7.4*	*8.4*	*0.7*	*1.1*

Performance

- The Composite had a return of -2.2% (net) for the month, trailing the Allocation Index (-1.8%) and the Policy Index (-2.0%).
- Equities came under pressure in August as central banks around the globe reiterated their commitment to tighter monetary policies amid persisting inflationary pressures despite softening growth. In the U.S., the S&P 500 Index fell 4.1%, pulling year-to-date returns to -16.1%. Value stocks outperformed on a relative basis: the Russell 1000 Value Index fell 3%, while the Russell 1000 Growth Index declined 4.7%. Outside the U.S., the MSCI EAFE Index fell -4.7% while the MSCI Emerging Markets Index was the bright spot amongst equities with a gain of 0.4% during the month. The portfolio's Domestic Equity composite fell -3.7% (net) and the Non-US Equity composite was down -4.2% (net).
- In fixed income, developed market bond yields faced upward pressure amid the more hawkish stance from central banks. In the U.S., the yield curve flattened with the 10- and 30-year yields rising 49 and 26 basis points, respectively. The Fixed Income composite was down -2.1% (net) for the month while the Bloomberg Agg and Bloomberg US HY returned -2.8%and -2.3% respectively.
- This brings the total plan return for the trailing one-year period to –8.4% (net), while the Allocation Index and Policy Index returned -6.4% and -6.8% respectively.

Returns for 20 years Risk/Return and Statistics Summary are gross of fees.
Since inception return is 8.3% gross of fees. Prior to 1999, performance history does not capture separate net and gross returns.

TOTAL FUND PERFORMANCE DETAIL (NET)

	Allocation			Performance (%)							
	Market Value ($)	% of Portfolio	Policy(%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Composite	**647,991,824**	**100.0**	**100.0**	**-2.2**	**-10.9**	**-8.4**	**6.4**	**6.0**	**7.1**	**6.7**	**Jan-86**
Allocation Index				*-1.8*	*-9.4*	*-6.4*	*7.3*	*6.6*	*7.3*		
Policy Index				*-2.0*	*-9.9*	*-6.8*	*7.9*	*7.1*	*7.6*		
Total Balanced	**4,919,335**	**0.8**	**0.0**	**-2.8**	**-9.4**	**-4.2**	**8.1**	**5.2**	**5.0**	**4.8**	**Dec-10**
PRIT Core Fund	4,919,335	0.8		-2.8	-10.4	-5.3	8.5	7.6	8.5	6.9	Apr-99
60% S&P 500 / 40% Bloomberg Aggregate				*-3.6*	*-13.8*	*-11.1*	*6.8*	*7.5*	*8.5*	*6.1*	
Total Domestic Equity	**189,610,753**	**29.3**	**31.0**	**-3.7**	**-17.6**	**-14.9**	**10.3**	**11.0**	**12.0**	**7.3**	**May-99**
Russell 3000 Index				*-3.7*	*-16.9*	*-13.3*	*11.9*	*11.3*	*12.8*	*7.0*	
Large Cap	**145,977,088**	**22.5**	**24.0**	**-3.7**	**-17.9**	**-14.7**	**10.9**	**11.9**	**12.4**	**12.4**	**Dec-10**
Rhumbline Advisors S&P 500 Index Fund	57,582,901	8.9	10.0	-4.1	-16.1	-11.2	12.3	11.8	13.0	8.8	Apr-97
S&P 500 Index				*-4.1*	*-16.1*	*-11.2*	*12.4*	*11.8*	*13.1*	*8.7*	
Coho Relative Value Equity	47,372,824	7.3	7.0	-1.8	-7.0	-0.8	11.1	10.9		10.7	Mar-16
Russell 1000 Value Index				*-3.0*	*-9.8*	*-6.2*	*8.9*	*7.9*	*10.5*	*10.3*	
Polen Focused Growth	41,021,363	6.3	7.0	-5.4	-30.6	-31.4	7.8	12.7		13.3	Feb-16
Russell 1000 Growth Index				*-4.7*	*-23.2*	*-19.1*	*14.5*	*14.8*	*15.1*	*16.2*	
Small Cap	**43,633,664**	**6.7**	**7.0**	**-3.4**	**-16.6**	**-15.6**	**8.3**	**8.7**	**11.0**	**11.0**	**Dec-10**
Boston Partners Small Cap Value	22,586,307	3.5	3.5	-3.9	-9.9	-9.0	9.3	6.7	9.4	10.2	Feb-97
Russell 2000 Value Index				*-3.2*	*-12.2*	*-10.2*	*10.4*	*6.6*	*9.5*	*8.7*	
Loomis Sayles Small Cap Growth	21,047,357	3.2	3.5	-2.8	-23.2	-22.0	6.6	10.0	12.1	6.5	Jan-97
Russell 2000 Growth Index				*-0.9*	*-22.3*	*-25.3*	*5.9*	*6.7*	*10.2*	*6.6*	
Total Non-US Equity	**98,447,870**	**15.2**	**19.0**	**-4.2**	**-23.2**	**-26.6**	**0.1**	**0.1**	**4.0**	**3.6**	**Mar-99**
International Equity	**64,697,001**	**10.0**	**12.0**	**-6.1**	**-23.0**	**-26.2**	**1.1**	**1.4**	**4.8**	**3.0**	**Sep-05**
SEG Baxter Street	27,877,382	4.3	5.0	-6.6	-22.9	-26.8	-0.4	2.5		5.5	May-16
MSCI AC World ex USA (Net)				*-3.2*	*-18.3*	*-19.5*	*2.9*	*1.7*	*4.5*	*4.5*	
Schroder International Alpha Trust Class 1	24,175,445	3.7	4.0	-5.8	-23.3	-23.4	5.8	4.0	6.3	5.4	Mar-12
MSCI AC World ex USA (Net)				*-3.2*	*-18.3*	*-19.5*	*2.9*	*1.7*	*4.5*	*3.7*	
Baillie Gifford International Growth Fund Class K	12,644,174	2.0	3.0	-5.5	-33.9	-41.7				-15.5	Oct-20
MSCI AC World ex USA (Net)				*-3.2*	*-18.3*	*-19.5*	*2.9*	*1.7*	*4.5*	*1.6*	
Emerging Markets Equity	**33,750,869**	**5.2**	**7.0**	**-0.3**	**-23.7**	**-27.7**				**-20.1**	**Mar-21**
Axiom Emerging Markets Trust Class 2	15,888,020	2.5	7.0	-1.1	-27.0	-31.2				-22.6	Mar-21
MSCI Emerging Markets (Net)				*0.4*	*-17.5*	*-21.8*	*2.7*	*0.6*	*2.9*	*-15.6*	
ABS Emerging Markets MA Fund	17,862,849	2.8		0.4	-20.5					-18.8	Dec-21
MSCI Emerging Markets (Net)				*0.4*	*-17.5*	*-21.8*	*2.7*	*0.6*	*2.9*	*-15.9*	

Since inception return is 8.3% gross of fees. Prior to 1999, performance history does not capture separate net and gross returns.
In November 2019, Loomis sayles and Schroders transitioned from a mutual fund to a CIT structure. Performance prior to the transition to the CIT investment vehicle is linked to mutual fun performance history.
PRIT Core Funded and ABS Emerging Markets MA Fund are preliminary as of 08/2022 and is subject to change once finalized.

TOTAL FUND PERFORMANCE DETAIL (NET)

	Allocation			Performance (%)							
	Market Value ($)	% of Portfolio	Policy(%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fixed Income	**134,525,411**	**20.8**	**20.0**	**-2.1**	**-9.0**	**-9.3**	**0.3**	**1.8**	**3.0**	**5.8**	**Mar-99**
Garcia Hamilton Fixed Income Aggregate	35,637,836	5.5	6.0	-3.1	-8.4	-9.2	-1.4			1.1	Apr-18
Blmbg. U.S. Aggregate Index				*-2.8*	*-10.8*	*-11.5*	*-2.0*	*0.5*	*1.4*	*0.9*	
Lord Abbett Core Fixed Income	34,282,983	5.3	4.0	-2.5	-10.7	-11.3	-1.5			1.2	Apr-18
Blmbg. U.S. Aggregate Index				*-2.8*	*-10.8*	*-11.5*	*-2.0*	*0.5*	*1.4*	*0.9*	
Loomis Sayles Multisector Full Discretion Trust	50,630,496	7.8	8.0	-2.0	-10.9	-11.5	1.1	2.2	3.8	6.9	Mar-99
Blmbg. U.S. Aggregate Index				*-2.8*	*-10.8*	*-11.5*	*-2.0*	*0.5*	*1.4*	*4.0*	
Blmbg. U.S. Corp: High Yield Index				*-2.3*	*-11.2*	*-10.6*	*1.0*	*2.6*	*4.5*	*6.1*	
Octagon Senior Secured Credit Cayman Fund Ltd. - Class L Acc, Series 1	13,920,495	2.1	2.0	1.3	-2.4	-1.3	2.6			2.4	Aug-19
Credit Suisse Leveraged Loan				*1.5*	*-1.2*	*0.2*	*3.0*	*3.5*	*4.0*	*2.8*	
Invesco Mortgage Recovery Loans Feeder Fund	53,601	0.0		0.0	-0.3	-0.7	-1.9	2.3	5.6	10.3	Apr-10
Blmbg. U.S. Aggregate Index				*-2.8*	*-10.8*	*-11.5*	*-2.0*	*0.5*	*1.4*	*2.4*	
Total Hedge Fund	**42,035,316**	**6.5**	**6.0**	**0.4**	**-2.9**	**-1.1**	**4.8**	**4.0**	**4.1**	**3.4**	**Oct-06**
PRIM Portfolio Completion Strategies	15,080,072	2.3		0.2	-1.7	-0.8	3.3	3.6	4.6	3.8	Oct-06
Corbin Pinehurst Partners	12,609,197	1.9		0.4	-10.7	-9.2	4.8			4.7	Nov-18
HFRI Fund of Funds Composite Index				*0.7*	*-5.2*	*-4.6*	*4.6*	*3.6*	*3.7*	*4.5*	
UBS Neutral Alpha Strategies	13,612,111	2.1		0.7	3.1	6.4	7.3			6.4	Nov-18
HFRI Fund of Funds Composite Index				*0.7*	*-5.2*	*-4.6*	*4.6*	*3.6*	*3.7*	*4.5*	
Entrust Peru Wind Down	733,937	0.1		-0.1	-1.5	-0.9	-2.2			-3.2	Dec-17
HFRI Fund of Funds Composite Index				*0.7*	*-5.2*	*-4.6*	*4.6*	*3.6*	*3.7*	*3.4*	
Other	**18,122,952**	**2.8**	**0.0**	**0.1**	**0.2**	**0.2**	**0.6**	**1.2**	**0.7**	**0.6**	**Dec-10**
Cash Account	18,122,952	2.8		0.1	0.2	0.2	0.6	1.2	0.7	1.7	Feb-00
90 Day U.S. Treasury Bill				*0.2*	*0.4*	*0.4*	*0.6*	*1.1*	*0.6*	*1.6*	

Importantly, all returns in this report, including those of the private markets managers, are based on a time weighted return calculation and not based on IRRs, which can result in return differences.
Corbin Pinehurst Partners, UBS Neutral Alpha Strategies, Entrust Peru Wind Down are preliminary as of 08/2022 and are subject to change once finalized.

TOTAL FUND PERFORMANCE DETAIL (NET)

	Allocation			Performance (%)							
	Market Value ($)	% of Portfolio	Policy(%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Real Estate	**73,124,210**	**11.3**	**12.0**	**0.0**	**10.7**	**29.9**	**13.6**	**11.3**	**12.1**	**8.6**	**Apr-99**
NCREIF Property Index				*0.0*	*8.7*	*21.5*	*10.2*	*8.9*	*9.7*	*9.0*	
Morgan Stanley Prime Property ($2.8m commitment in '95)	26,990,423	4.2		0.0	10.3	27.9	11.8	10.1	11.6	9.0	Sep-95
TA Realty Core Property Fund, LP ($15m commitment in '19)	28,255,277	4.4		0.0	13.7	36.8	17.5			16.0	Jun-19
Invesco Mortgage Recovery II ($3M commitment in '15)	942,943	0.1		0.0	-3.8	-0.9	-19.4	-5.9		-1.7	Oct-15
Landmark VI ($2m commitment in '11)	45,198	0.0		0.0	-12.6	3.1	-8.6	-7.5	1.6	2.7	Jul-11
Landmark VIII ($4m commitment in '17)	1,954,627	0.3		0.0	14.9	47.9	19.0			20.2	Nov-17
StepStone Real Estate Fund II ($2m commitment in '11)	472,141	0.1		0.0	1.1	0.6	-2.8	-0.1	4.8	2.4	May-12
Cerberus Institutional Real Estate Partners III ($1.5m commitment in '12)	516,079	0.1		0.0	-14.3	29.2	19.6	15.1		14.6	May-13
TA Realty Fund X LP ($3.5m commitment in '12)	3,478	0.0		0.0	5.7	6.1	0.5	7.3		8.1	May-13
TerraCap Partners III, LP ($2.6m commitment in '15)	1,583,492	0.2		0.0	5.6	6.6	5.2	6.0		9.4	Jul-15
TerraCap Partners IV, LP ($4m commitment in '17)	3,597,159	0.6		0.0	2.1	14.5	12.8			10.7	Nov-17
TerraCap Partners V, LP ($8m commitment in '22)	8,763,392	1.4		0.0						3.6	Jun-22
Total Private Equity and Debt	**87,205,977**	**13.5**	**12.0**	**-0.7**	**3.7**	**18.0**	**19.4**	**16.7**	**15.5**	**10.5**	**Apr-99**
C|A US All PE				*0.0*	*0.8*	*12.7*	*21.5*	*18.6*	*16.0*	*13.5*	
NASDAQ W/O Income				*-4.6*	*-24.5*	*-22.6*	*14.1*	*12.9*	*14.4*	*6.9*	
PRIM Vintage Year 2008 ($3m commitment in '08)	821,070	0.1		-3.7	1.8	22.2	16.6	17.2	19.3	10.2	Jun-08
PRIM Vintage Year 2009 ($1m commitment in '09)	102,057	0.0		-3.6	-11.8	16.4	41.3	33.6	26.9	14.7	Nov-09
PRIM Vintage Year 2010 ($1m commitment in '10)	498,075	0.1		-3.9	-37.7	-4.8	22.6	21.9	20.3	11.9	Jun-10
PRIM Vintage Year 2011 ($1.5m commitment in '11)	896,111	0.1		-5.8	-3.2	29.3	32.8	27.2	22.2	10.4	May-11
PRIM Vintage Year 2012 ($1m commitment in '12)	473,799	0.1		-15.8	-27.9	-20.4	15.6	14.9	13.4	-9.8	Jun-12
PRIM Vintage Year 2014 ($2m commitment in '14)	2,326,428	0.4		-0.9	2.1	30.2	29.3	27.7		9.3	Jun-14
PRIM Vintage Year 2017 ($2m commitment in '17)	2,540,824	0.4		-3.3	2.9	28.0	27.7	18.5		17.0	May-17
PRIM Vintage Year 2020 ($5m commitment in '20)	3,350,177	0.5		-3.9	6.0	19.9				19.6	Mar-20
PRIM Vintage Year 2021 ($5m commitment in '21)	2,457,412	0.4		-4.5	-1.6	4.5				1.1	Dec-20
PRIM Vintage Year 2022 ($7.5m commitment in '22)	539,098	0.1		-1.3						-4.1	Apr-22
Alcentra European DLF ($5m commitment in '14)	195,385	0.0		0.0	8.2	77.5	24.4	14.5		12.3	Jan-15
Ascent Fund IV-B ($1m commitment in '16)	45,225	0.0		0.0	-14.7	-15.0	-27.6	-20.3		-15.6	Jul-16
Ascent Fund V ($2m commitment in '08)	1,539,356	0.2		0.0	-7.8	-7.5	1.3	-0.6	6.2	4.5	Oct-08
Ascent VI ($3m commitment in '15)	3,482,574	0.5		0.0	3.5	13.7	2.6	5.6		2.6	Dec-15
CVI Credit Value Fund IV A LP ($6m commitment in '17)	5,754,763	0.9		0.0	2.7	7.7	6.5			6.1	Dec-17
Invesco Fund VI ($5m commitment in '13)	1,662,256	0.3		0.0	-6.9	27.7	39.5	29.3		21.7	Jul-13

Importantly, all returns in this report, including those of the private markets managers, are based on a time weighted return calculation and not based on IRRs, which can result in return differences.

TOTAL FUND PERFORMANCE DETAIL (NET)

	Allocation			Performance (%)							
	Market Value ($)	% of Portfolio	Policy(%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Kayne Energy Fund VII ($5m commitment in '15)	3,388,589	0.5		0.0	60.7	81.2	-17.1	-9.3		-2.1	Jan-16
Foundry 2007 ($3m commitment in '07)	515,307	0.1		0.0	-3.5	3.0	19.2	4.8	12.6	20.3	Dec-07
Foundry 2010 ($3m commitment in '10)	6,051,790	0.9		0.0	0.6	63.2	31.1	27.6	17.1	14.9	Feb-11
Foundry 2010 Annex ($0.4m commitment in '15)	1,114,610	0.2		0.0	0.0	200.2	84.5	73.0		44.5	Sep-15
Pinebridge PEP V ($6m commitment in '07)	520,534	0.1		0.0	-0.1	0.8	9.2	5.7	9.4	8.7	Dec-10
Pinebridge (AIG) PEP V Asia ($6m commitment in '07)	40,070	0.0		0.0	0.0	-5.7	-11.0			-11.4	Oct-18
Pinebridge (AIG) PEP V Co-Investment ($6m commitment in '07)	89,273	0.0		0.0	0.0	22.2	18.4			6.4	Oct-18
Pinebridge (AIG) PEP V Europe ($6m commitment in '07)	21,535	0.0		0.0	-2.2	-5.4	222.5			154.8	Oct-18
Pinebridge (AIG) PEP V Large Market US Buyout ($6m commitment in '07)	91,895	0.0		0.0	0.0	-2.3	19.6			12.3	Oct-18
Pinebridge (AIG) PEP V Preferred Participation Fund ($6m commitment in '07)	106,747	0.0		0.0	0.0	0.3	7.8			3.4	Oct-18
Pinebridge (AIG) PEP V Secondary ($6m commitment in '07)	33,880	0.0		0.0	0.0	2.4	-4.7	-5.4		-4.8	Jan-17
Pinebridge (AIG) PEP V Small-Mid Market US Buyout ($6m commitment in '07)	92,082	0.0		0.0	0.0	1.9	19.3			18.1	Oct-18
Pinebridge (AIG) PEP V US Venture ($6m commitment in '07)	45,052	0.0		0.0	0.0	-0.3	-3.0			-3.3	Oct-18
Landmark XV ($3m commitment in '13)	773,750	0.1		0.0	0.4	9.0	14.6	13.2		13.5	Nov-13
JFL Equity Investors IV, L.P. ($6m commitment in '16)	1,634,445	0.3		0.0	4.1	22.8	45.8	45.4		38.6	Jan-17
Private Advisors Small Co. Coinvestment Fund, LP ($4m commitment in '17)	4,726,439	0.7		0.0	1.2	11.2	24.3	22.5		20.8	Feb-17
Park Square Credit Opportunities III ($3m commitment in ’17)	2,767,479	0.4		0.0	1.5	6.2	7.7			6.6	Feb-18
Ironsides Constitution Opportunities ($3m commitment in '18)	2,236,091	0.3		0.0	-0.1	6.7	11.9			11.4	Oct-18
HarbourVest Dover Street X ($9m commitment in '20)	7,050,761	1.1		0.0	8.2	40.9				78.5	Jun-20
Hamilton Lane Secondary Fund V LP ($9m commitment in '20)	7,266,909	1.1		0.0	1.7	23.8				39.8	Jul-20
Constitution Ironsides Co-Investment Fund VI ($12m commitment in '21)	13,788,863	2.1		0.0	4.9					4.9	Nov-21
HarbourVest Co-Investment Fund VI ($8m commitment in '21)	1,165,382	0.2		0.0							Jan-22
JFL Equity Investors V, L.P. ($9m commitment in '20)	7,520,418	1.2		0.0	9.0	16.7				0.3	Sep-20

Private Equity and Debt Funds are as of 6/30/22 and adjusted for cash flows, with the exception of PRIM funds which are as of 8/31/22.
Importantly, all returns in this report, including those of the private markets managers, are based on a time weighted return calculation and not based on IRRs, which can result in return differences.

FEE SCHEDULE

Account Name	Fee Schedule	Market Value ($)	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
PRIT Core Fund	0.5 % of Assets	4,919,335	0.8	24,105	0.5
Rhumbline Advisors S&P 500 Index Fund	0.1 % of Assets	57,582,901	8.9	28,791	0.0
Coho Relative Value Equity	0.5 % of First $75 M 0.4 % of Next $75 M 0.4 % Thereafter	47,372,824	7.3	236,864	0.5
Polen Focused Growth	0.7 % of Assets	41,021,363	6.3	266,639	0.7
Boston Partners Small Cap Value	1.0 % of Assets	22,586,307	3.5	225,863	1.0
Loomis Sayles Small Cap Growth	0.5 % of Assets Minimum Fee: $45,000	21,047,357	3.2	94,713	0.5
SEG Baxter Street	1.0 % of Assets	27,877,382	4.3	278,774	1.0
Schroder International Alpha Trust Class 1	0.6 % of Assets	24,175,445	3.7	132,965	0.6
Baillie Gifford International Growth Fund Class K	0.6 % of Assets	12,644,174	2.0	75,865	0.6
Axiom Emerging Markets Trust Class 2	0.7 % of Assets	15,888,020	2.5	115,983	0.7
ABS Emerging Markets MA Fund	0.8 % of Assets	17,862,849	2.8	133,971	0.8
Garcia Hamilton Fixed Income Aggregate		35,637,836	5.5	44,547	0.1
Lord Abbett Core Fixed Income	0.2 % of Assets	34,282,983	5.3	65,138	0.2
Loomis Sayles Multisector Full Discretion Trust	0.5 % of First $20 M 0.4 % of Next $20 M 0.3 % Thereafter	50,630,496	7.8	211,891	0.4
Octagon Senior Secured Credit Cayman Fund Ltd. - Class L Acc, Series 1	0.4 % of Assets	13,920,495	2.1	55,682	0.4
Invesco Mortgage Recovery Loans Feeder Fund		53,601	0.0		
PRIM Portfolio Completion Strategies		15,080,072	2.3		
Corbin Pinehurst Partners	0.9 % of Assets	12,609,197	1.9	107,178	0.8
UBS Neutral Alpha Strategies	0.9 % of Assets	13,612,111	2.1	122,509	0.9
Entrust Peru Wind Down	0.5 % of Assets	733,937	0.1	3,670	0.5
Cash Account		18,122,952	2.8		
Morgan Stanley Prime Property ($2.8m commitment in '95)		26,990,423	4.2		
TA Realty Core Property Fund, LP ($15m commitment in '19)		28,255,277	4.4		
Invesco Mortgage Recovery II ($3M commitment in '15)		942,943	0.1		
Landmark VI ($2m commitment in '11)		45,198	0.0		
Landmark VIII ($4m commitment in '17)		1,954,627	0.3		
StepStone Real Estate Fund II ($2m commitment in '11)		472,141	0.1		
Cerberus Institutional Real Estate Partners III ($1.5m commitment in '12)		516,079	0.1		
TA Realty Fund X LP ($3.5m commitment in '12)		3,478	0.0		

FEE SCHEDULE

Account Name	Fee Schedule	Market Value ($)	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
TerraCap Partners III, LP ($2.6m commitment in '15)		1,583,492	0.2		
TerraCap Partners IV, LP ($4m commitment in '17)		3,597,159	0.6		
TerraCap Partners V, LP ($8m commitment in '22)		8,763,392	1.4		
PRIM Vintage Year 2008 ($3m commitment in '08)		821,070	0.1		
PRIM Vintage Year 2009 ($1m commitment in '09)		102,057	0.0		
PRIM Vintage Year 2010 ($1m commitment in '10)		498,075	0.1		
PRIM Vintage Year 2011 ($1.5m commitment in '11)		896,111	0.1		
PRIM Vintage Year 2012 ($1m commitment in '12)		473,799	0.1		
PRIM Vintage Year 2014 ($2m commitment in '14)		2,326,428	0.4		
PRIM Vintage Year 2017 ($2m commitment in '17)		2,540,824	0.4		
PRIM Vintage Year 2020 ($5m commitment in '20)		3,350,177	0.5		
PRIM Vintage Year 2021 ($5m commitment in '21)		2,457,412	0.4		
PRIM Vintage Year 2022 ($7.5m commitment in '22)		539,098	0.1		
Alcentra European DLF ($5m commitment in '14)		195,385	0.0		
Ascent Fund IV-B ($1m commitment in '16)		45,225	0.0		
Ascent Fund V ($2m commitment in '08)		1,539,356	0.2		
Ascent VI ($3m commitment in '15)		3,482,574	0.5		
CVI Credit Value Fund IV A LP ($6m commitment in '17)		5,754,763	0.9		
Invesco Fund VI ($5m commitment in '13)		1,662,256	0.3		
Kayne Energy Fund VII ($5m commitment in '15)		3,388,589	0.5		
Foundry 2007 ($3m commitment in '07)		515,307	0.1		
Foundry 2010 ($3m commitment in '10)		6,051,790	0.9		
Foundry 2010 Annex ($0.4m commitment in '15)		1,114,610	0.2		
Pinebridge (AIG) PEP V Asia ($6m commitment in '07)		40,070	0.0		
Pinebridge (AIG) PEP V Co-Investment ($6m commitment in '07)		89,273	0.0		
Pinebridge (AIG) PEP V Europe ($6m commitment in '07)		21,535	0.0		
Pinebridge (AIG) PEP V Large Market US Buyout ($6m commitment in '07)		91,895	0.0		
Pinebridge (AIG) PEP V Preferred Participation Fund ($6m commitment in '07)		106,747	0.0		
Pinebridge (AIG) PEP V Secondary ($6m commitment in '07)		33,880	0.0		
Pinebridge (AIG) PEP V Small-Mid Market US Buyout ($6m commitment in '07)		92,082	0.0		
Pinebridge (AIG) PEP V US Venture ($6m commitment in '07)		45,052	0.0		
Landmark XV ($3m commitment in '13)		773,750	0.1		
JFL Equity Investors IV, L.P. ($6m commitment in '16)		1,634,445	0.3		
Private Advisors Small Co. Coinvestment Fund, LP ($4m commitment in '17)		4,726,439	0.7		

FEE SCHEDULE

Account Name	Fee Schedule	Market Value ($)	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Park Square Credit Opportunities III ($3m commitment in ’17)		2,767,479	0.4		
Ironsides Constitution Opportunities ($3m commitment in '18)		2,236,091	0.3		
HarbourVest Dover Street X ($9m commitment in '20)		7,050,761	1.1		
Hamilton Lane Secondary Fund V LP ($9m commitment in '20)		7,266,909	1.1		
Constitution Ironsides Co-Investment Fund VI ($12m commitment in '21)		13,788,863	2.1		
JFL Equity Investors V, L.P. ($9m commitment in '20)		7,520,418	1.2		
HarbourVest Co-Investment Fund VI ($8m commitment in '21)		1,165,382	0.2		
Investment Manager Fee		**647,991,824**	**100.0**	**2,225,148**	**0.3**

The estimated fee for private markets, inclusive of carried interest, is ~$3,541,145 annually, which brings the total expense ratio for privates to ~53 bps. This brings the total estimated expense ratio for MWRA to ~83 bps.

NOTES

1 - Results for periods longer than one year are annualized.

2 - Total Balances, Large Cap, Small Cap, and Other Composite performance starts 12/1/2010.

3 - Preliminary Total Composite net of fee since inception return is 6.7% for the current month.

4 - Preliminary Total Composite gross of fee since inception return is 8.3% for the current month.

5 - Targets, Allocation Index, and Policy Index have been updated to reflect new allocation of 02/01/2022.

6 - Policy Index changed from Nasdaq to Cambridge All PE to reflect as of 5/1/2012.

7 - Policy Index Consists of: 24% S&P 500, 7% Russell 2000, 12% MSCI ACWI IMI, 7% MSCI Emerging Markets, 12% Bloomberg US Aggregate TR, 8% Bloomberg US Universal TR, 6% HFRI Fund of Funds Composite Index, 12% NCREIF Property Index, 12% C|A US All PE.

8 - Allocation index consists of: Weighted index of underlying managers to their respective benchmark.

DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A "since inception" return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC's preferred data source is the plan's custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv

The MWRA Retirement System
S&P 500 Passive Index Strategy

The Massachusetts Water Resource Authority Retirement System (the "System") is accepting proposals from investment firms to manage a passive index mandate for the System's ~$650 million, defined benefit, pension fund. To be considered, candidates must be offering a passive S&P 500 Index strategy. The System may invest up to $60 million with the manager(s). In order to be considered, the candidates must meet the following criteria.

1. Candidates **must have familiarity with and agree to comply (in writing)** with Massachusetts G.L. Chapter 32 and Chapter 176 of the Acts of 2011. Additionally, candidates must have familiarity and agree to comply with the reporting and investment guidelines administered by PERAC. Guidelines can be found in the attached links.
   https://malegislature.gov/Laws/SessionLaws/Acts/2011/Chapter176
   https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIV/Chapter32
2. Candidates must read and agree to the attached side letter pertaining to mandatory contractual language, based on the guidelines above.
3. Candidates must be registered with the SEC or Massachusetts Secretary of State
4. Preference will be given to candidates who have at least $500 million in assets in the fund that is being suggested, however, this is subject to the Board's discretion
5. Preference will be given to Funds that have a live track record of at least three years, however, this is subject to the Board's discretion

By submitting a formal response to this RFP, the Manager acknowledges that the Investor, MWRA Employees' Retirement System, is bound by both Massachusetts Open Meeting Law as governed by Massachusetts General Laws Chapter 30A § 18-25 and 940 CMR 29.00, and the Massachusetts Public Records Law as governed by Massachusetts General Laws Chapter 66 and 950 CMR 32.00. Any document submitted by the Manager to the Investor or discussed in open session at a public meeting will be presumed to be a public record unless it otherwise qualifies under an exemption as specified in the statute.

If you are interested in participating in the search, please complete the attached form in Appendix I and update eVestment Alliance through 1Q 2021 at www.evestment.com.
In addition, please provide NEPC with the following information:

1. A cover letter indicating your firm's interest in the search. Please include the vehicle you are proposing for this search and the fee schedule you are proposing for this mandate, as well as confirmation regarding the attached side letter.

2. An email copy of all eVestment information at the firm and product level for the proposed strategy. Please clearly indicate the product type category in which you classify your product. All historical information surrounding investment market capitalization must be included.

3. Completion of the PERAC disclosure and verification forms (4), which are available on both the PERAC and NEPC website.

You may download the RFP and PERAC documents on NEPC's website (https://nepc.com/institutional/investment-managers/). All questions should be directed via email to the following contact (no phone calls please). **Proposals must be submitted to MWRASearch@nepc.com by 5:00 pm EDT, Monday October 17, 2022.** Proposals received after the deadline will not be considered.

MWRA Search
NEPC, LLC
MWRAsearch@nepc.com

EQUITY STRUCTURE REVIEW

MWRA RETIREMENT SYSTEM

SEPTEMBER 29, 2022

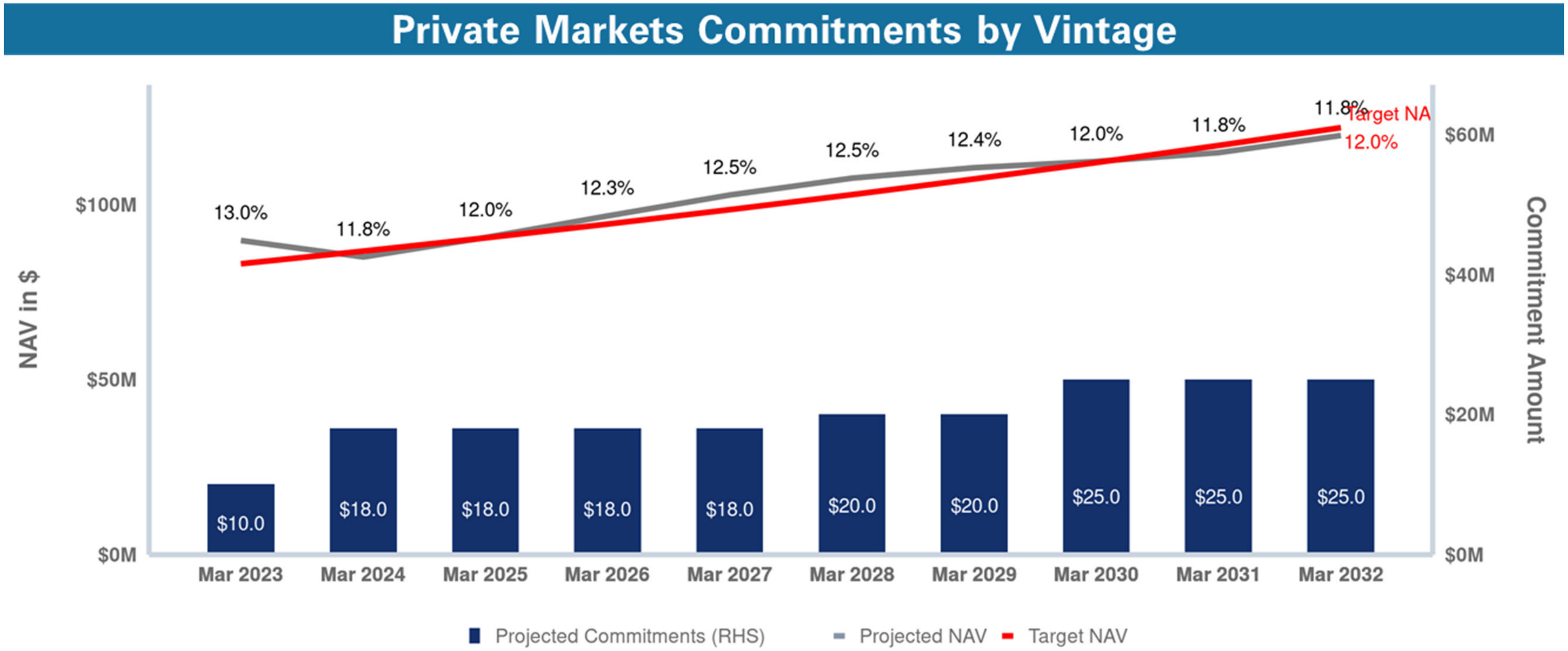
Sebastian Grzejka, CAIA, Principal
Kiley Fischer, Senior Analyst

EXECUTIVE SUMMARY

- **The purpose of todays presentation is to review the current structure and implementation of the US equity allocation**
  - The goal is to reaffirm the structure and consider next steps in the implementation of the exposure

- **Today, we want to focus on the following areas**
  - ***US Equity Implementation:***
    - We have provided a detailed quantitative analysis of the allocation
    - The goal is to reaffirm the existing approach, or consider adjusting the implementation that best meets the Systems goals
    - We have provided two options for consideration to enhance the exposure
  - ***Issue RFP for US Large Cap Index Exposure:***
    - We currently follow a five-to-seven-year cycle for asset class reviews
    - Today we recommend issuing an RFP for the S&P 500 index fund
    - We will issue the next RFP based on the results of the above discussion
  - ***Private Equity Recommendation:***
    - Based on the pacing analysis, we recommend committing ~$10M in 2022
      - This amount equates to one manager commitment
    - Given the current overallocation and relatively low commitment amount, we recommend committing up to ~$8 million to PRIM for 2022
    - The remaining amount can be utilized in 2023, increasing the flexibility for commitments next year

PRIVATE EQUITY RECOMMENDATION*



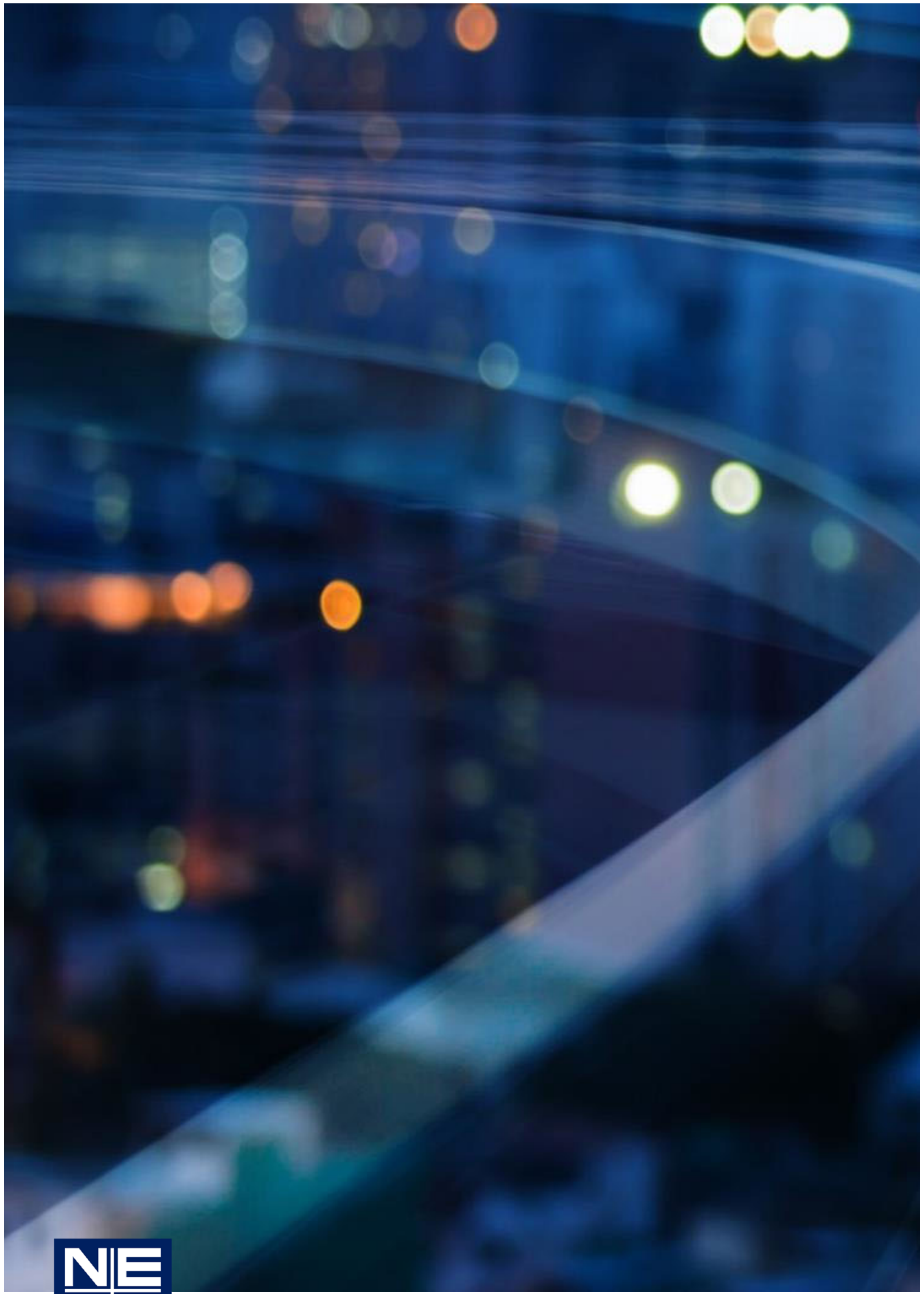
- **Based on NEPC's preliminary Private Markets Pacing, we are recommending a commitment of $10 Million for vintage year 2022**
  - Given the current exposure, private equity is overweight relative to targets

- **NEPC would recommend utilizing the PRIM private equity sleeve for 2022**
  - Therefore, *we would recommend committing up to ~$8 Million to PRIM*
  - The remaining commitment dollars can be used as part next years pacing

*Private Market values as of March 31, 2022. Portfolio value as of July 31, 2022

WORK PLAN BASED ON TIME SINCE LAST RFP

	2023	2024	2025	2026	2027
Small Cap Growth and Value	X				
Large Cap Growth and Value	X				
Passive Large Cap	X				
International Value		X			
Custodian		X			
Core Fixed Income			X		
Hedge Funds			X		
Yield Seeking Fixed Income				X	
Core Real Estate				X	
International Growth					X
Emerging Markets					X
Private Equity	←				→
Private Real Estate	←				→



US EQUITY STRUCTURE REVIEW

PORTFOLIO CONSTRUCTION SUMMARY

Fund	Current Domestic Equity	Mix 1 (LC Passive)	Mix 2 (Coho Option)	Mix 3 (Polen Option)	Benchmark	Analysis Start Date	Analysis End Date
Rhumbline S&P 500 Index	***32%***	77%	46%	46%	S&P 500	7/31/2007	6/30/2022
Coho Relative Value Equity	***23%***	---	31%	---	Russell 1000 Value	7/31/2007	6/30/2022
Polen Focus Growth	***23%***	---	---	31%	Russell 1000 Growth	7/31/2007	6/30/2022
Boston Partners Small Cap Value Equity	***11%***	11%	11%	11%	Russell 2000 Value	7/31/2007	6/30/2022
Loomis Sayles Small Cap Growth	***11%***	11%	11%	11%	Russell 2000 Growth	7/31/2007	6/30/2022
Total	***100%***	**100%**	**100%**	**100%**			

	Current Domestic Equity	Mix 1 (LC Passive)	Mix 2 (Coho Option)	Mix 3 (Polen Option)
Active Risk and Return				
Realized Alpha	***1.5%***	0.4%	1.5%	0.8%
Beta	***0.95***	0.99	0.95	0.97
Tracking Error	***2.0%***	0.8%	1.7%	2.0%
Diversification Ratio	***1.62***	1.35	1.45	1.39
Information Ratio	***0.75***	0.48	0.89	0.41
Style and Size Regression				
Style	***Neutral***	Neutral	Neutral	Growth
Size	***Large Cap***	Large Cap	Large Cap	Large Cap
Return Decomposition				
Upside Market Capture	***94.0%***	99.1%	95.4%	95.8%
Downside Market Capture	***89.4%***	98.3%	90.7%	93.8%
Upside Alpha	***0.2%***	0.1%	0.6%	-0.3%
Downside Alpha	***3.3%***	0.8%	2.7%	2.4%

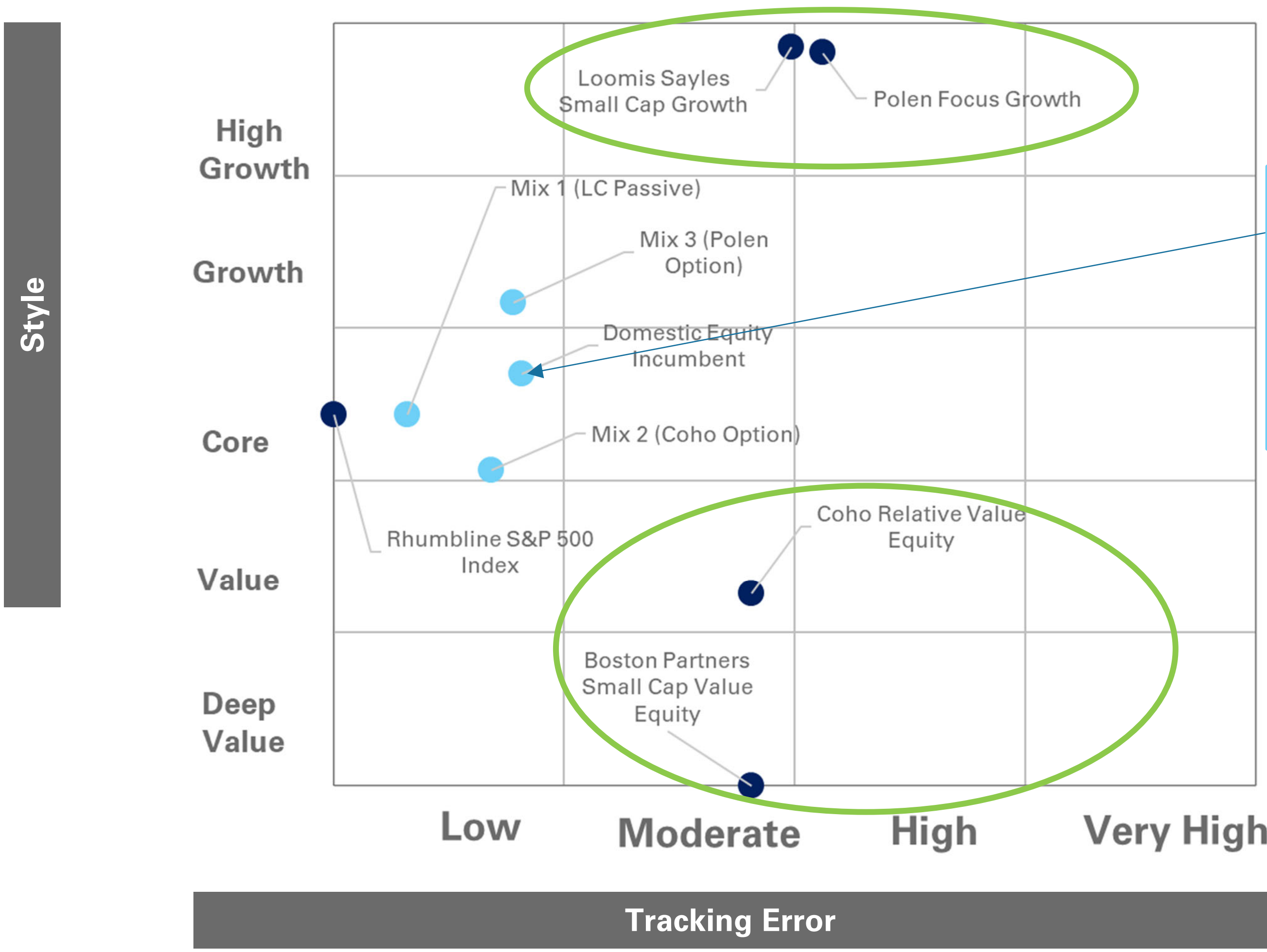
The current equity allocation was designed to provide balanced exposure and downside protection, which has been achieved.

In an all-passive large cap approach, the upside capture improves, however, the downside capture also increases, given limited protection from remaining active management.

In a “core”-”satellite” approach, there is potential to achieve balanced exposure, while also maintaining an attractive risk and return profile.

All Risk/Return statistics calculated through 06/30/22. Portfolio metrics calculated by combining fund statistics at specified weights.
Diversification Ratio defined as: ∑(Fund Active Risk * Fund Weight)/(Total Portfolio Active Risk). Higher numbers represent greater diversification.
Information Ratio defined as: Realized Alpha/Tracking Error

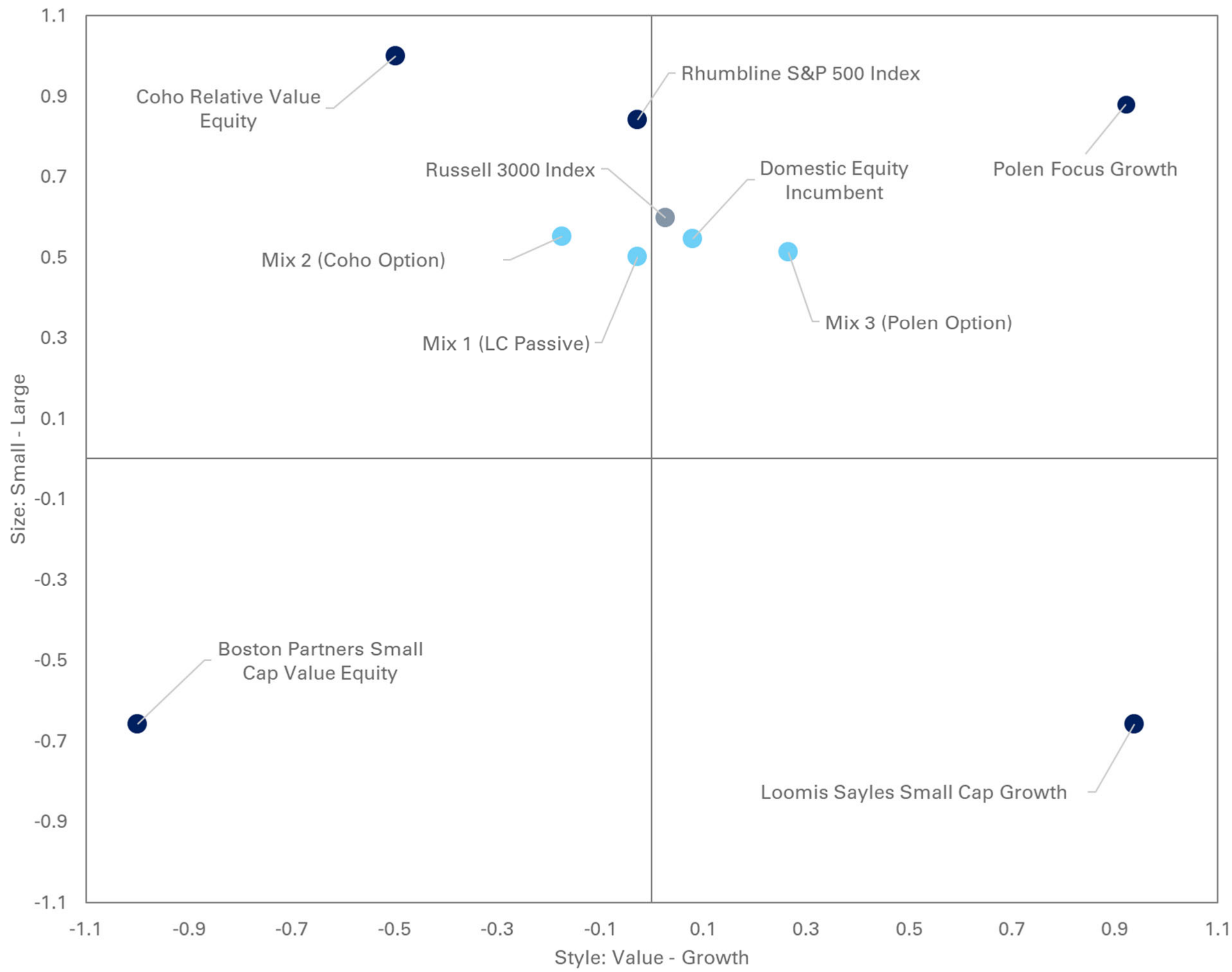
STYLE/TRACKING ERROR MATRIX



The structure was designed to balance both size and style. Overall, managers provide balance through style and size exposure.

Style Spectrum: Russell 6 Style Indices Style Exposures

STYLE EXPOSURES
STYLE & SIZE



Dark Blue: Manager

Light Blue: Portfolio

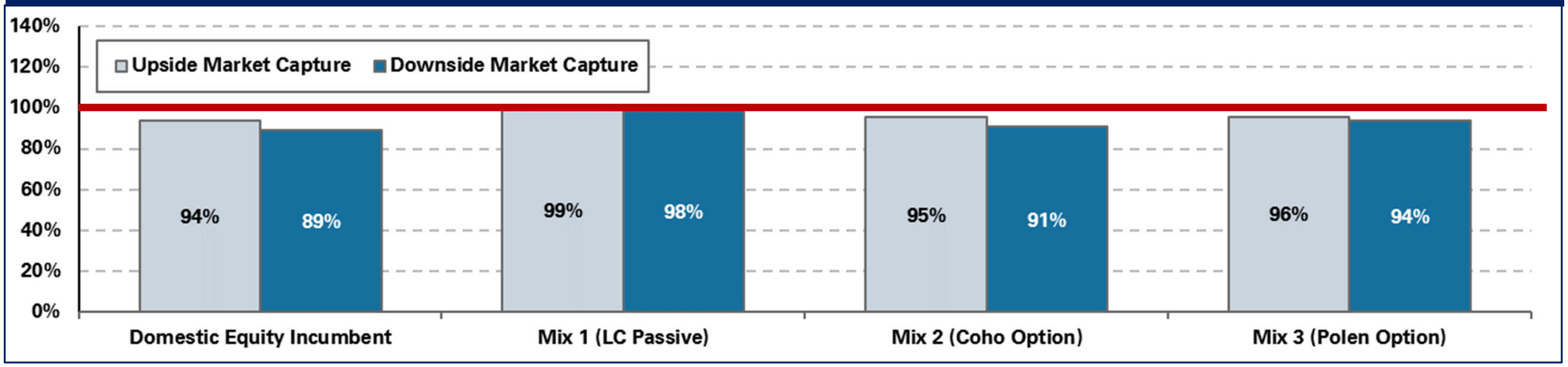
Grey: Benchmark

Style Spectrum: Russell 6 Style Indices Style Exposures

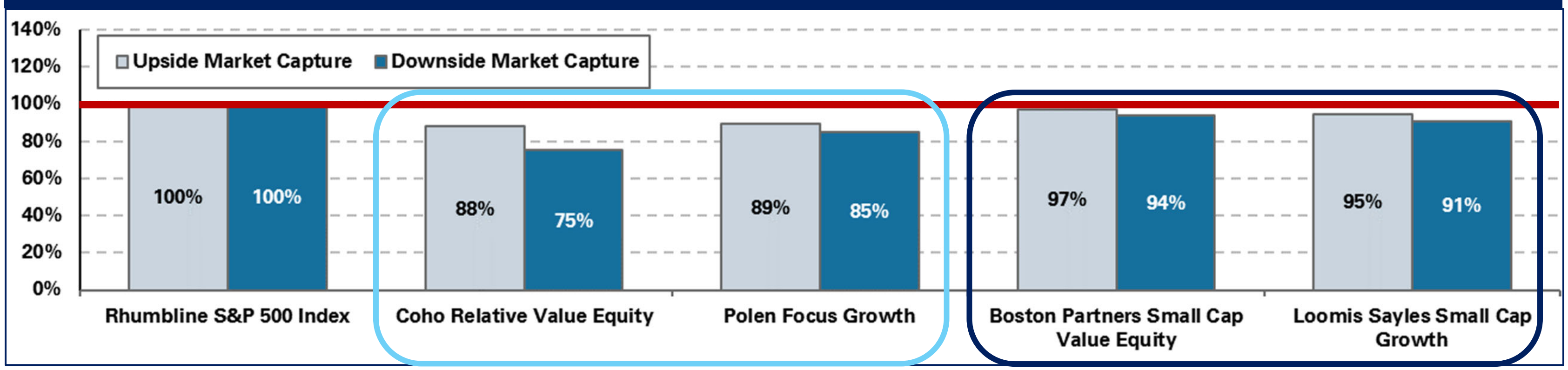
RETURN DECOMPOSITION

UPSIDE/DOWNSIDE CAPTURE

Upside/Downside Market Capture %



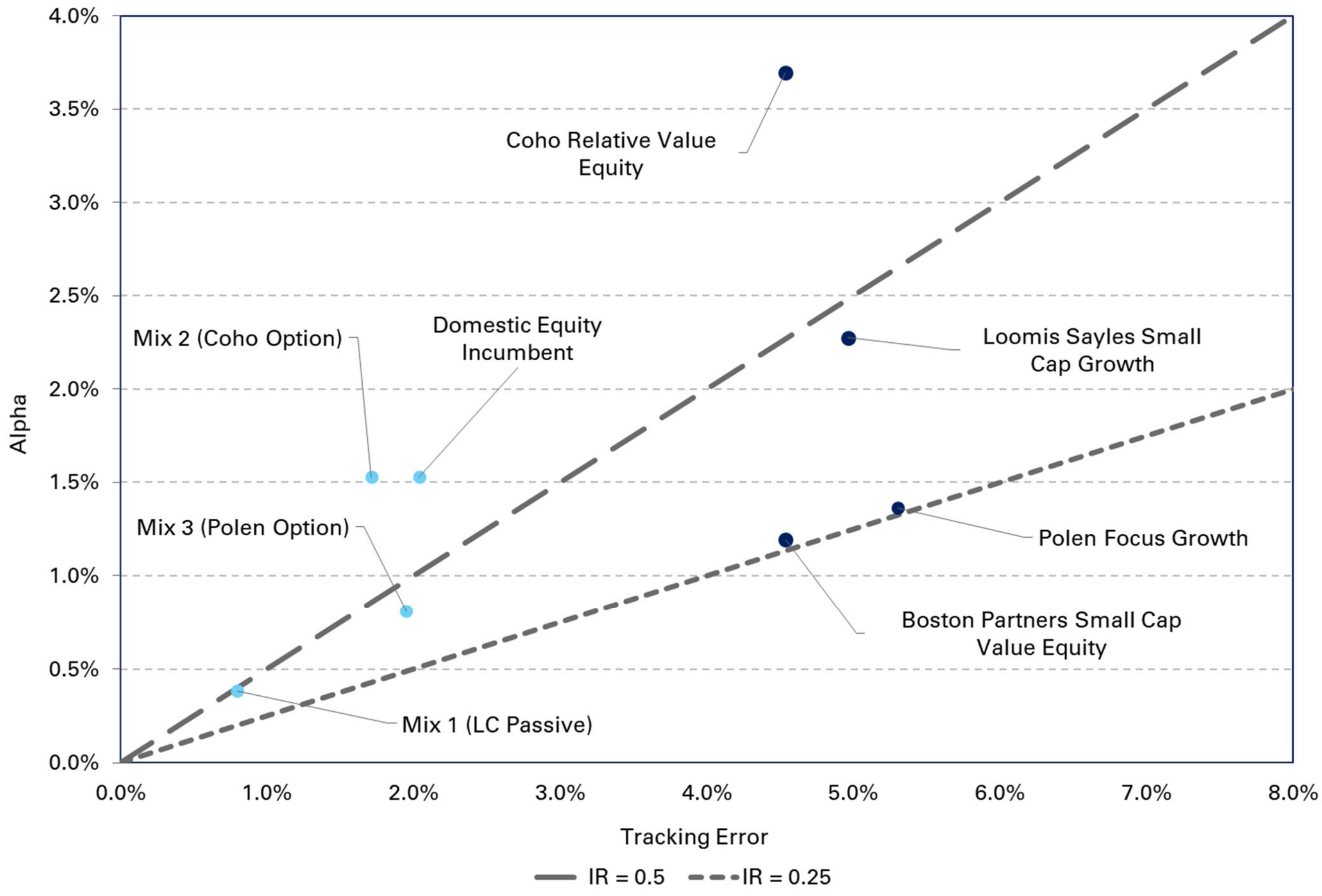
Upside/Downside Market Capture %



All Risk/Return statistics calculated through 06/30/22.
Benchmarks shown on page 2 (Portfolio construction summary)

ACTIVE RISK/RETURN

ALPHA, TRACKING ERROR, & INFORMATION RATIO



All Risk/Return statistics calculated through 06/30/22.

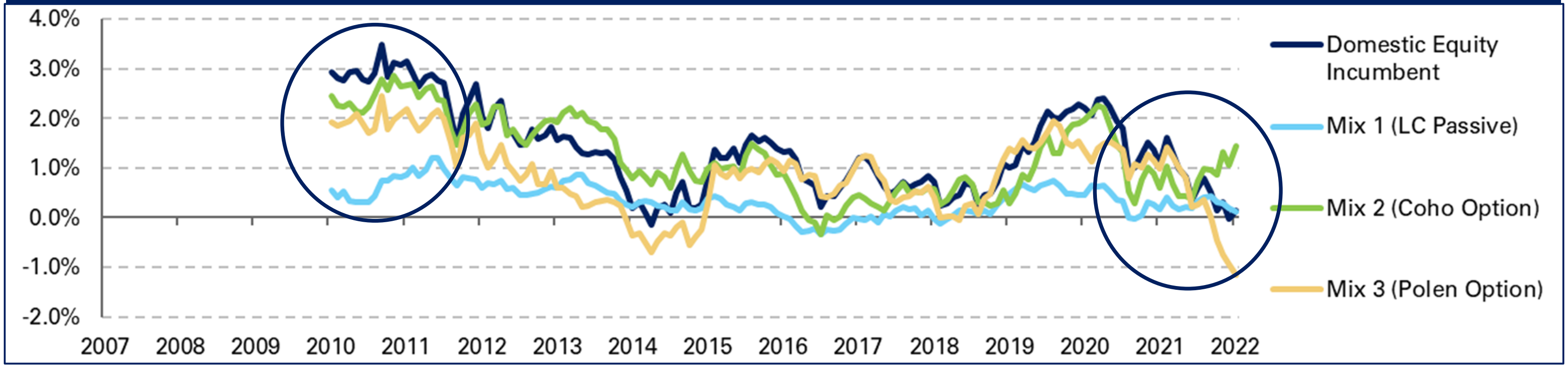
Benchmarks shown on page 2 (Portfolio construction summary)

Information Ratio defined as: Realized Alpha/Tracking Error

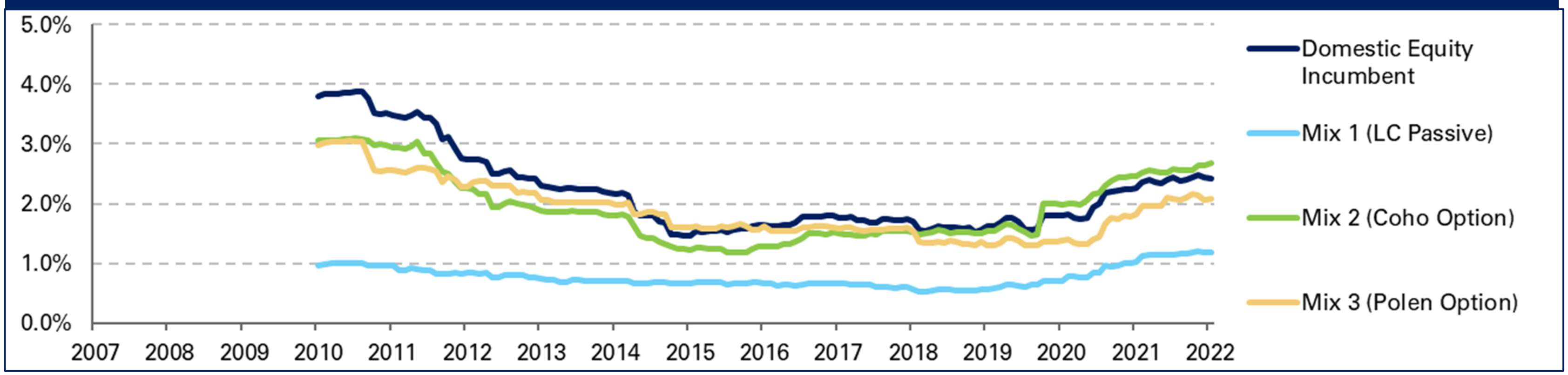
ACTIVE RISK/RETURN

ROLLING RISK/RETURN

Rolling Alpha (3 Yr.)



Rolling Tracking Error (3 Yr.)



All Risk/Return statistics calculated through 06/30/22.

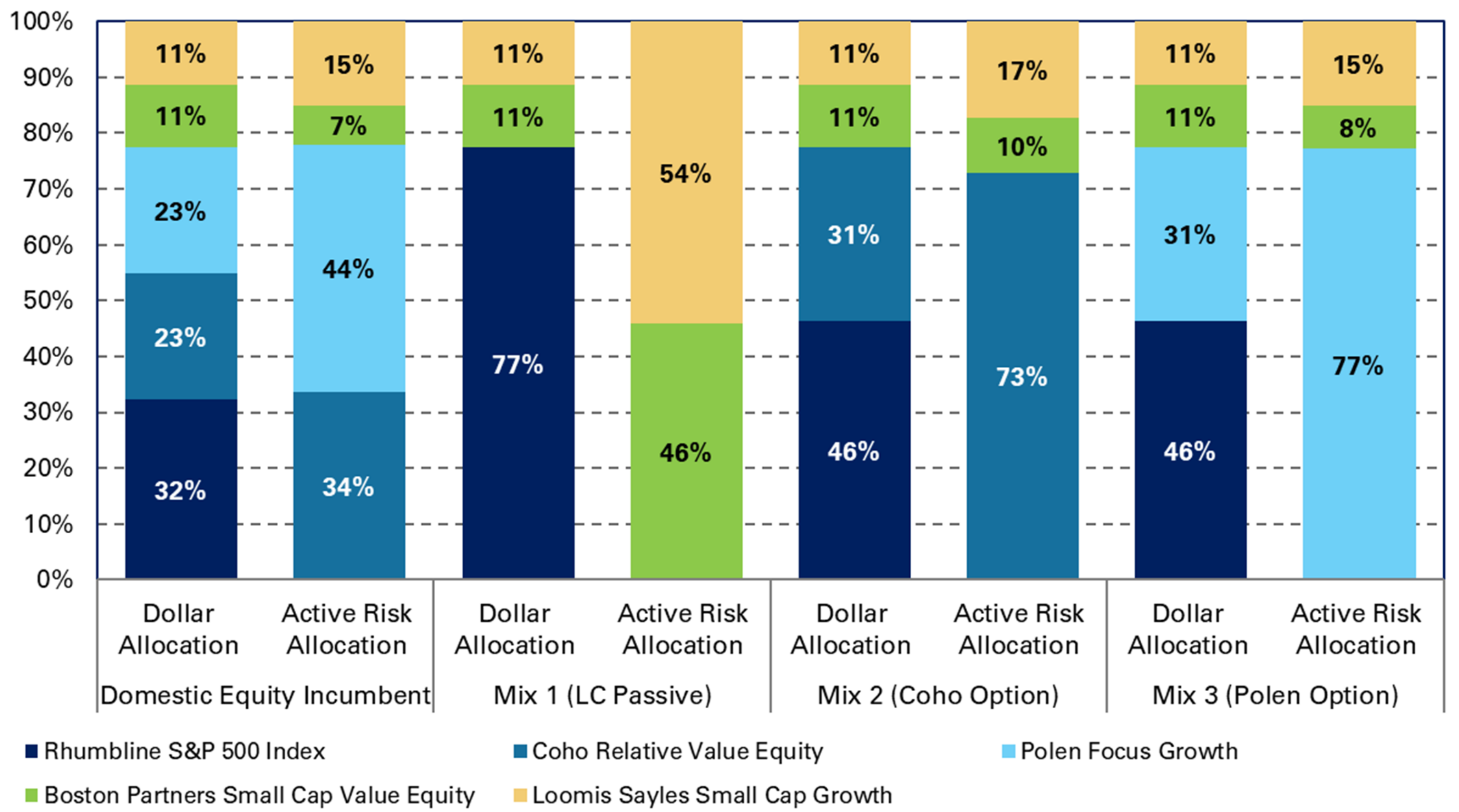
Benchmarks shown on page 2 (Portfolio construction summary)

Information Ratio defined as: Realized Alpha/Tracking Error

ACTIVE RISK/RETURN

ACTIVE RISK BUDGET

Active Risk Budget



All Risk/Return statistics calculated through 06/30/22.

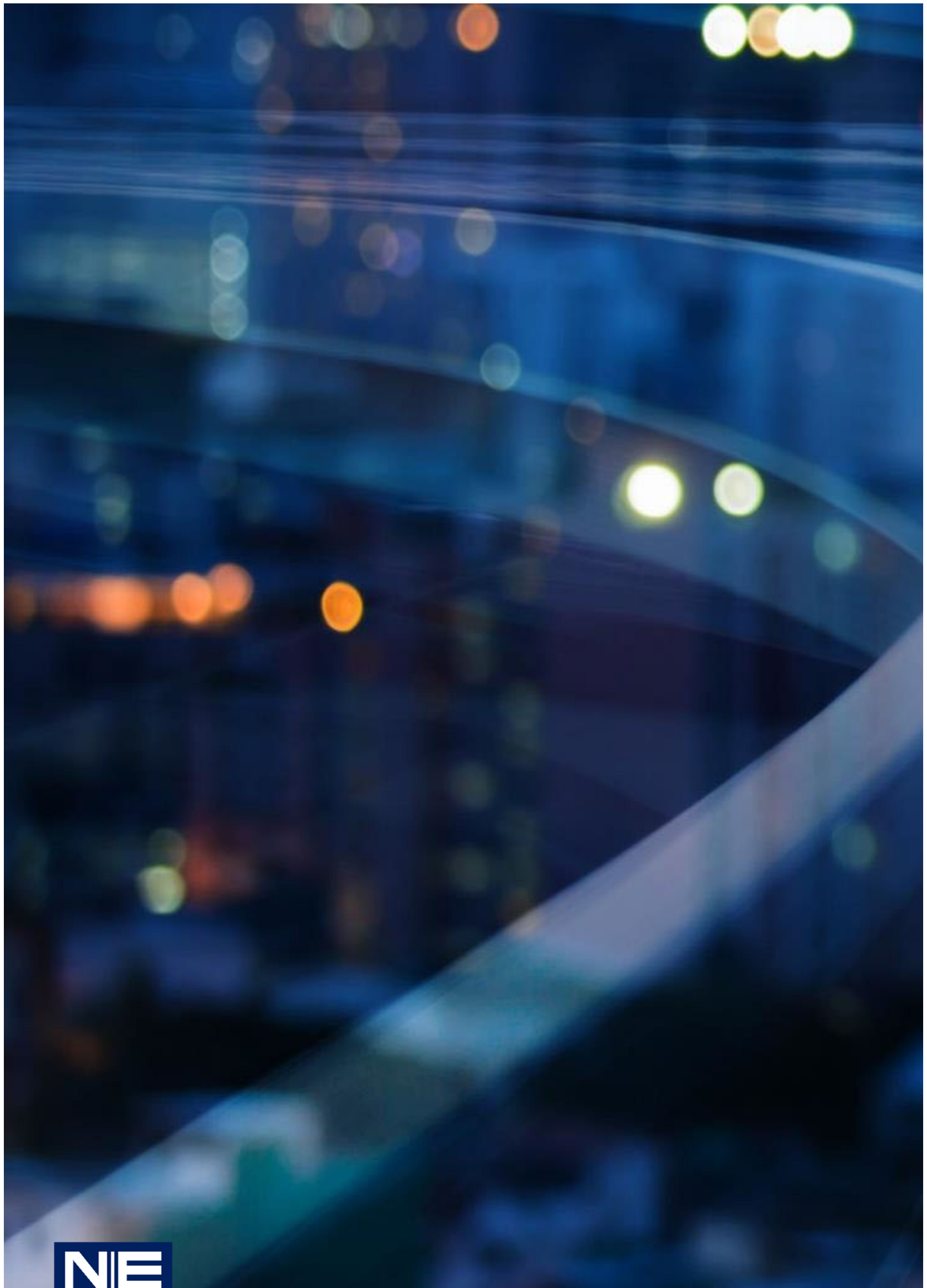
Benchmarks shown on page 2 (Portfolio construction summary)

CONCLUSION AND NEXT STEPS

- **The current equity allocation has been designed to provide a balanced and diversified approach, while also providing downside protection**
  - While this has been achieved over time, there have been periods where the performance of certain strategies has been outside of expectations
  - As a result, the Board has shown a desire to reassess the current approach and consider other implementation options for the allocation

- **Given these discussions, NEPC recommends one of two options for the allocation:**
  - ***Option One:*** Consider moving the large cap allocation fully passive
    - Given the efficiency of the large cap space, active management can be difficult
    - Moving to a fully passive approach reduces fees and reduces tracking error
    - This option allows the System to fine tune the risk profile using active small cap managers
  - ***Option Two:*** Move to a "Core"-"Satellite" approach
    - The "core" passive exposure would represent a larger share of the allocation
    - This would be complemented by one high conviction active "satellite" manager in large cap
    - The structure of this exposure would be ~ 70% passive and ~30% active
    - As in the first option, we would fine tune the risk profile of the active small cap managers

- **While both options result in a change, they maintain a balanced approach for the allocation**
  - In each, the Plan would see reduced fees and administration given the consolidation
  - As part of the restructure, NEPC will issue RFPs to help with the efficient implementation of the approved changes



APPENDIX

PORTFOLIO CONSTRUCTION DATA DISCLOSURES

ANALYSIS PERIOD AND SUMMARY STATISTICS

Displayed is a summary of the data we modeled.

	Rhumbline S&P 500 Index	Coho Relative Value Equity	Polen Focus Growth	Boston Partners Small Cap Value Equity	Loomis Sayles Small Cap Growth
Total Risk and Return					
Annualized Return (Since Inception)	8.5%	9.4%	11.5%	7.0%	8.8%
Annualized Standard Deviation	15.8%	13.3%	16.0%	21.2%	19.8%
Active Risk and Return					
Realized Alpha	0.0%	3.7%	1.4%	1.2%	2.3%
Beta	1.00	0.87	0.94	0.98	0.93
Tracking Error	0.0%	4.5%	5.3%	4.5%	5.0%
Information Ratio	---	0.81	0.26	0.26	0.46
Style and Size Regression					
Style	Neutral	Value	High Growth	Value	High Growth
Size	Large Cap	Large Cap	Large Cap	Small Cap	Small Cap
Return Decomposition					
Upside Market Capture	100.0%	88.0%	89.3%	97.4%	94.9%
Downside Market Capture	100.0%	75.3%	85.3%	94.2%	91.0%

All Risk/Return statistics calculated through 06/30/22.

Benchmarks shown on page 2 (Portfolio construction summary)

Information Ratio defined as: Realized Alpha/Tracking Error

PORTFOLIO CONSTRUCTION DATA DISCLOSURES

INVESTMENT MANAGER TRAILING RETURNS

Displayed is a summary of the data we modeled.

Fund	Analysis Start Date	Analysis End Date	Last 3 Months	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception (Analysis Start Date)
Rhumbline S&P 500 Index	7/31/2007	6/30/2022	-16.1%	-20.0%	-10.6%	10.6%	11.3%	11.1%	12.9%	8.5%
S&P 500			-16.1%	-20.0%	-10.6%	10.6%	11.3%	11.1%	13.0%	8.5%
Excess Return			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Coho Relative Value Equity	7/31/2007	6/30/2022	-8.1%	-9.0%	-1.8%	10.7%	9.7%	9.2%	11.5%	9.4%
Russell 1000 Value			-12.2%	-12.9%	-6.8%	6.9%	7.2%	7.7%	10.5%	6.1%
Excess Return			*4.1%*	*3.9%*	*5.0%*	*3.8%*	*2.5%*	*1.5%*	*1.0%*	*3.3%*
Polen Focus Growth	7/31/2007	6/30/2022	-23.9%	-34.2%	-29.1%	6.8%	12.3%	12.6%	13.8%	11.5%
Russell 1000 Growth			-20.9%	-28.1%	-18.8%	12.6%	14.3%	13.5%	14.8%	10.7%
Excess Return			*-3.0%*	*-6.2%*	*-10.3%*	*-5.8%*	*-2.0%*	*-0.9%*	*-1.0%*	*0.8%*
Boston Partners Small Cap Value Equity	7/31/2007	6/30/2022	-12.1%	-13.9%	-13.4%	7.0%	5.5%	6.2%	9.6%	7.0%
Russell 2000 Value			-15.3%	-17.3%	-16.3%	6.2%	4.9%	6.4%	9.1%	5.6%
Excess Return			*3.1%*	*3.5%*	*2.9%*	*0.8%*	*0.6%*	*-0.2%*	*0.5%*	*1.4%*
Loomis Sayles Small Cap Growth	7/31/2007	6/30/2022	-18.0%	-28.8%	-26.8%	3.2%	8.4%	7.4%	11.0%	8.8%
Russell 2000 Growth			-19.3%	-29.5%	-33.4%	1.4%	4.8%	5.0%	9.3%	6.8%
Excess Return			*1.3%*	*0.6%*	*6.6%*	*1.8%*	*3.6%*	*2.5%*	*1.7%*	*2.0%*
Russell 3000 Index	7/31/2007	6/30/2022	-16.7%	-21.1%	-13.9%	9.8%	10.6%	10.4%	12.6%	8.3%
Russell 3000			-16.7%	-21.1%	-13.9%	9.8%	10.6%	10.4%	12.6%	8.4%
Excess Return			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

All return statistics calculated net of fee through 06/30/22

EXCESS RETURNS

ALPHA CORRELATIONS

Alpha Correlations	Rhumbline S&P 500 Index	Coho Relative Value Equity	Polen Focus Growth	Boston Partners Small Cap Value Equity	Loomis Sayles Small Cap Growth
Rhumbline S&P 500 Index	**1.00**				
Coho Relative Value Equity	0.03	**1.00**			
Polen Focus Growth	0.00	0.19	**1.00**		
Boston Partners Small Cap Value Equity	0.01	0.00	0.00	**1.00**	
Loomis Sayles Small Cap Growth	0.00	0.20	**0.25**	0.10	**1.00**

Positive (>0.25)
Relatively Uncorrelated (-0.25 – 0.25)
Negative (<-0.25)

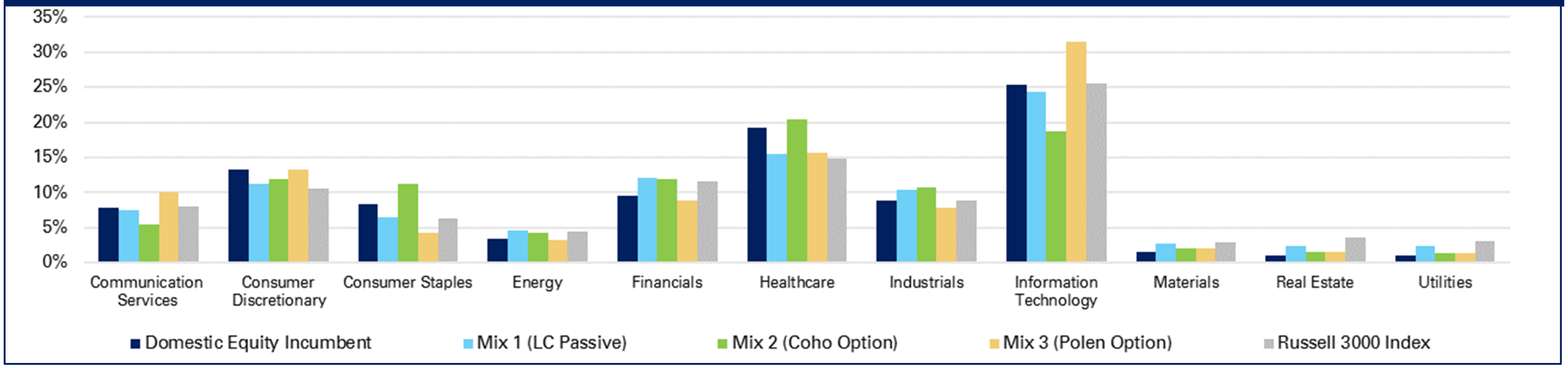
All Risk/Return statistics calculated through 06/30/22.

Benchmarks shown on page 2 (Portfolio construction summary)

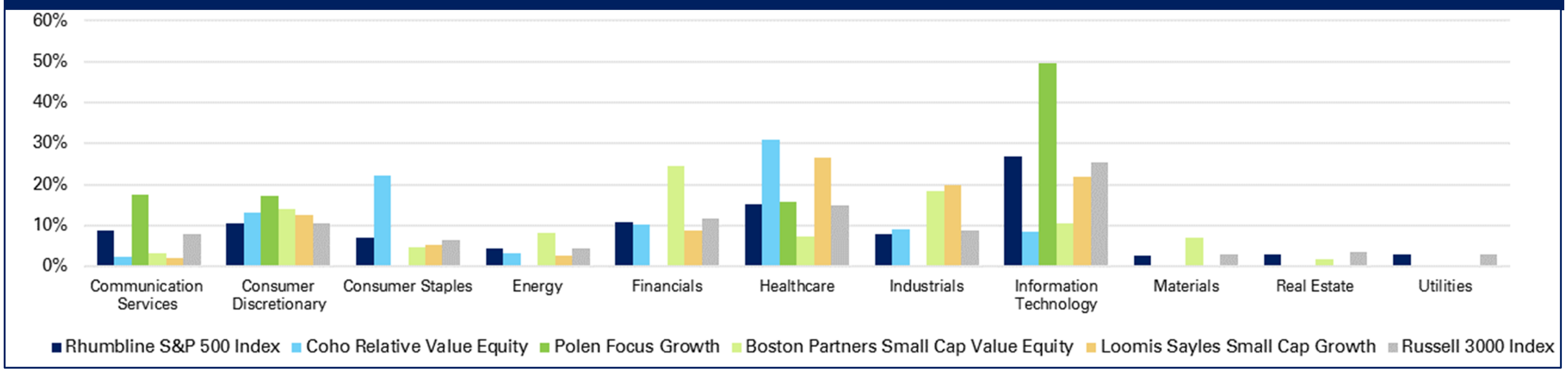
HOLDINGS-BASED ANALYSIS

EQUITY EXPOSURES | SECTOR

Sector Exposures



Sector Exposures



Allocations as of 06/30/2022

NEPC DYNAMIC ASSET ALLOCATION OUTLOOK

We encourage maintaining equity exposure below policy targets and **recommend adding value exposure to U.S. large-cap equities**

Despite a challenging environment for fixed income returns, we encourage maintaining **adequate portfolio liquidity with safe-haven exposure**

We remain **constructive on public infrastructure and natural resources** due to the potential for elevated inflation levels

ASSET CLASS	DYNAMIC TILT	COMMENTS
Public Equity	*Unfavorable*	Elevated inflation levels and expectations for tighter monetary policy suggest a more defensive risk asset posture. We encourage maintaining adequate portfolio liquidity levels given elevated economic regime uncertainty.
Public Credit	*Neutral*	
Public Real Assets	*Neutral*	
Safe-Haven Fixed Income	*Neutral*	

Shaded diagonal ratings reflect the asset class ratings for the previous month.

REDUCE | UNFAVORABLE | NEUTRAL | FAVORABLE | ADD

NEPC PUBLIC MARKET EQUITY OUTLOOK

We encourage maintaining equity exposure below policy targets and **recommend adding value exposure to U.S. large-cap equities**

The public market strategic view represents a neutral exposure to U.S. and an overweight to Emerging Markets relative to the MSCI ACWI IMI

Implementation Outlook: Target areas with high alpha potential, such as global equity strategies, to capture regional and industry shifts within the developed world

SUB-ASSET CLASS	DYNAMIC TILT	COMMENTS
U.S. Large-Cap	*Neutral*	Equity risk posturing remains defensive. Look to add value exposure to U.S. large-cap equity to mitigate the portfolio impact of inflation normalizing above market expectations.
U.S. Small-Cap	*Unfavorable*	
EAFE Large-Cap	*Unfavorable*	
EAFE Small-Cap	*Unfavorable*	
EM Large-Cap	*Unfavorable*	
EM Small-Cap	*Unfavorable*	

Shaded diagonal ratings reflect the asset class ratings for the previous month.

REDUCE | UNFAVORABLE | NEUTRAL | FAVORABLE | ADD

NEPC PUBLIC MARKET CREDIT OUTLOOK

The opportunity in higher quality credit has improved with higher yields broadly lifting expected returns and a more subdued risk asset outlook

The strategic view for return-seeking credit encourages a more diversified exposure with the use of high yield, levered loans, and emerging market debt

Implementation Outlook: We encourage adding high quality, short duration credit given higher yields and uncertainty surrounding growth and inflation

SUB-ASSET CLASS	DYNAMIC TILT	COMMENTS
U.S. IG Corporate	*Favorable*	The relative outlook for investment-grade corporate bonds is positive within the public credit space given higher yields and more subdued risk asset posturing.
U.S. High Yield	*Neutral*	
Structured Credit	*Neutral*	
Levered Loans	*Unfavorable*	
Emerging Market Debt	*Unfavorable*	

Shaded diagonal ratings reflect the asset class ratings for the previous month.

REDUCE	UNFAVORABLE	NEUTRAL	FAVORABLE	ADD

NEPC SAFE-HAVEN FIXED INCOME OUTLOOK

Real and nominal yields are likely to be volatile as the Fed transitions to a tighter policy environment amid persistent inflation pressures

The strategic safe-haven view reinforces the need for safe-haven fixed income to be a liquidity source for the portfolio in periods of market stress

Implementation of safe-haven exposure should reflect investor risk tolerance and sized to support portfolio downside protection needs

SUB-ASSET CLASS	DYNAMIC TILT	COMMENTS
U.S. Treasury	*Unfavorable*	Rate hike expectations may accelerate with continued inflation pressures. It remains vital to maintain minimum portfolio liquidity levels with the use of safe-haven fixed income exposure amidst elevated economic regime uncertainty.
U.S. TIPS	*Unfavorable*	
Municipal Bonds	*Unfavorable*	
Non-U.S. Govt. Bonds	*Reduce*	
Global IL Bonds	*Reduce*	
Cash	*Neutral*	

Shaded diagonal ratings reflect the asset class ratings for the previous month.

REDUCE | UNFAVORABLE | NEUTRAL | FAVORABLE | ADD

CORE ASSET CLASS RETURN ASSUMPTIONS

	Asset Class	06/30/22 10-Year Return	06/30/21 10-Year Return	Delta
	Cash	2.9%	1.2%	+1.7%
	U.S. Inflation	2.4%	2.3%	+0.1%
Equity	U.S. Large-Cap Equity	5.8%	4.9%	+0.9%
	Non-U.S. Developed Equity	6.4%	5.2%	+1.2%
	Emerging Market Equity	9.6%	7.4%	+2.2%
	Global Equity*	6.8%	5.6%	+1.2%
	Private Equity*	9.8%	8.9%	+0.9%
Fixed Income	U.S. Treasury Bond	3.2%	1.4%	+1.8%
	U.S. Aggregate Bond*	3.8%	1.9%	+1.9%
	U.S. TIPS	3.0%	1.5%	+1.5%
	U.S. High Yield Corporate Bond	6.9%	3.1%	+3.8%
	Private Debt*	8.0%	6.4%	+1.6%
Real Assets	Commodity Futures	3.4%	1.3%	+2.1%
	REIT	6.1%	4.7%	+1.4%
	Gold	4.4%	3.4%	+1.0%
	Real Estate - Core	4.4%	4.8%	-0.4%
	Private Real Assets - Infrastructure	6.1%	5.4%	+0.7%
Multi-Asset	60% S&P 500 & 40% U.S. Aggregate	5.3%	4.0%	+1.3%
	60% MSCI ACWI & 40% U.S. Agg.	6.0%	4.5%	+1.5%
	Hedge Fund*	6.0%	4.2%	+1.8%

*Calculated as a blend of other asset classes

NEPC DISCLOSURES

Past performance is no guarantee of future results.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.

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