Minutes of the PRIM Real Estate and Timberland Committee Remote Meeting
Wednesday, May 6, 2026

Committee members attending:

- Jill Hatton, CRE, Chair
- Treasurer Deborah Goldberg
- Robert Gifford
- Jack Lutz, Ph.D.
- William McCall, CRE
- Garlan Morse, Jr., CRE
- Carly Rose

Committee members not attending:

- Lydia Chesnick, Esq.
- Peter O'Connell

The PRIM Real Estate and Timberland Committee meeting was called to order at 9:32 a.m. Jill Hatton, acting as Chair, announced that the meeting was being held in accordance with Massachusetts General Laws Chapter 30A, section 20, as amended by Chapter 2 of the Acts of 2025, which permits remote participation by all Committee members via the use of adequate alternative means, such as audio or video conferencing, to ensure public access to the deliberations of the Committee. All members of the Committee who participated did so remotely via audio/video conferencing or telephone, and public access to the Committee's deliberations was provided by telephone. All documents referenced during the meeting were available for viewing on PRIM's website (www.mapension.com). At the start of the meeting, the names of the members who were participating remotely were announced.

I. Approval of the Minutes (Voting Item)

The PRIM Real Estate and Timberland Committee approved (unanimously) by roll call vote the minutes of its February 11, 2026, meeting.

II. Executive Director / Chief Investment Officer Report

Michael G. Trotsky, CFA, Executive Director, and Chief Investment Officer, made comments to the Committee, including:

Mr. Trotsky began by informing the Committee that the required Board self-assessment process results coincide with the current cycle, and that feedback given by many Board members included the desire to streamline meetings to increase efficiency. To address this feedback, he stated his intention to keep his remarks efficient and encouraged others to do the same.

Mr. Trotsky then congratulated Helen Huang, Senior Investment Officer and Director of Growth and Venture Capital on the Private Equity team, on her Alpha Edge recognition as one of the "Most Influential Women in Private Markets" by Institutional Investor. He explained that the Alpha Edge program recognizes those "whose conviction, judgment, and impact set the standard for the industry."

Mr. Trotsky concluded his organizational update by informing committee members that Maria Garrahan, Senior Investment Officer and Director of Research, had decided not to return to PRIM following her family leave. Mr. Trotsky expressed deep gratitude to Ms. Garrahan and spoke about her success at PRIM over the years, and wished her continued success in her future endeavors.

PRIT Fund Performance Summary

Mr. Trotsky began by highlighting that the global markets experienced one of the most geopolitically volatile quarters in recent memory and was pleased that the PRIT Fund had been resilient through it all. He added that through a series of truly historic market dislocations — including the Iran war, the unprecedented oil supply shock, and significant rotations across equity markets the PRIT Fund has performed well. In the first quarter of the calendar year, markets were up through February, but March was especially challenging. While global equities declined sharply in March, PRIM is very pleased to report that the PRIT Fund's careful diversification again helped cushion the impact. With a balance of $122.1 billion at the end of March, the PRIT Fund was down less than one percent, -0.8% in the quarter, significantly outperforming the markets and a 60/40 mix of stocks and bonds. Mr. Trotsky pointed out that this is another example of the PRIT Fund performing well in both up markets and down markets. This past quarter, Global Equities and Hedge Funds were the weakest asset classes, while Private Equity, Real Estate, and Timberland were the strongest. Noteworthy is that in April, after the announcement of a ceasefire in Iran, there was a complete reversal with the S&P 500 and the Nasdaq each achieving new record levels, more than overcoming the March quarter sell-off. The S&P 500 was up 10.5% in April after falling 5% in March. Mr. Trotsky expressed hope that the markets would continue to show strength.

Mr. Trotsky continued, the longer-term results of the PRIT Fund remain strong, despite recent volatility. For the 12-month period ending in March, the PRIT Fund gained 11.5% net of fees, an investment gain of $12.6 billion. And over the 12-month period, Global Equities, Private Equity, and Value-Added Fixed Income were the strongest asset classes, while interest-sensitive asset classes such as Core Fixed Income and Real Estate were the weakest.

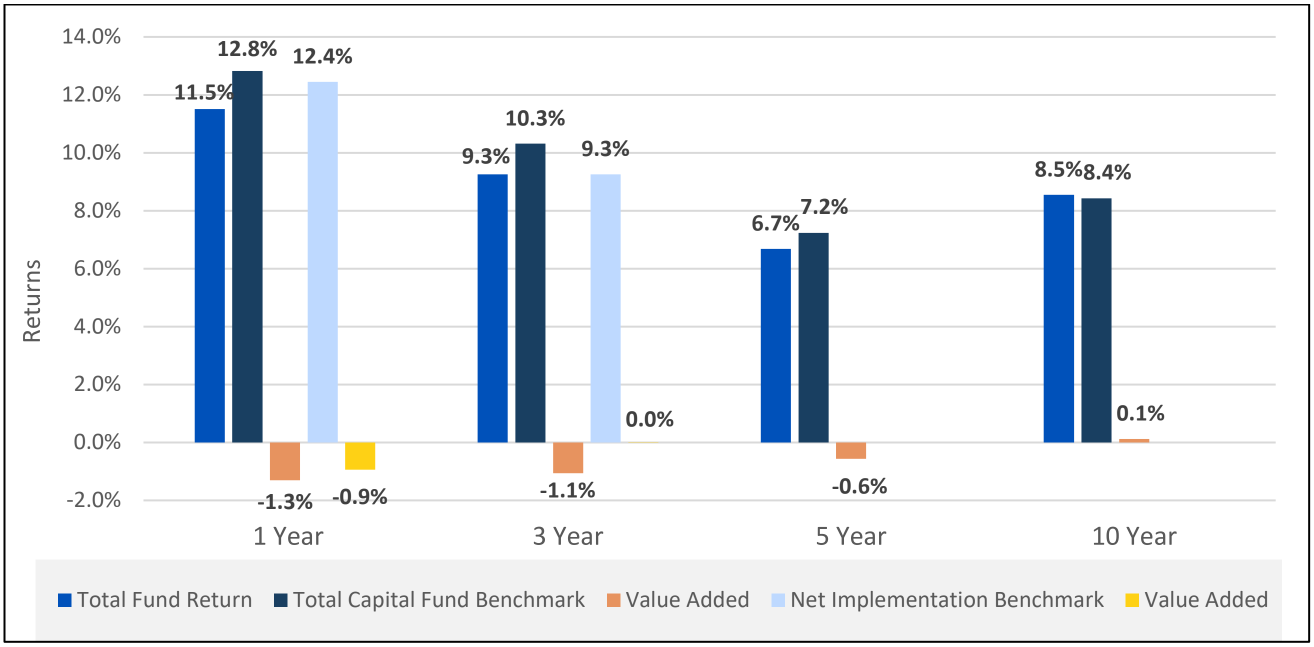
Mr. Trotsky reminded the Committee that at the end of last year, he described US equities as being in a three-year "Super Streak" with a three-year annualized return of nearly 23%, meaning the market had nearly doubled in just three years. He attributed this streak primarily to the AI Surge, where a small group of "Mega-cap" tech stocks posted unprecedented growth. He identified the Magnificent 7 stocks: Nvidia, Google, Amazon, Apple, Meta, Tesla, and Microsoft. Mr. Trotsky noted that these three-year Super Streak markets most often exhibit a "Mean Reversion" the following year. Mr. Trotsky referred to this as the markets "taking a breather." He then pointed out that in the first quarter of the calendar year 2026, markets definitely took a short breather.

Mr. Trotsky then highlighted the PRIT Fund's carefully designed, diversified portfolio. The Fund's portfolio has components that will perform well in any investment environment, and PRIM remains pleased and confident about the resiliency of the PRIT Fund and its performance over all time periods and throughout several different market environments – in both up markets like the preceding three years and in down markets, like in the first quarter of 2026.

Mr. Trotsky briefly referenced the PRIT Fund's performance presentation, including the following slides:

Total PRIT Fund Returns

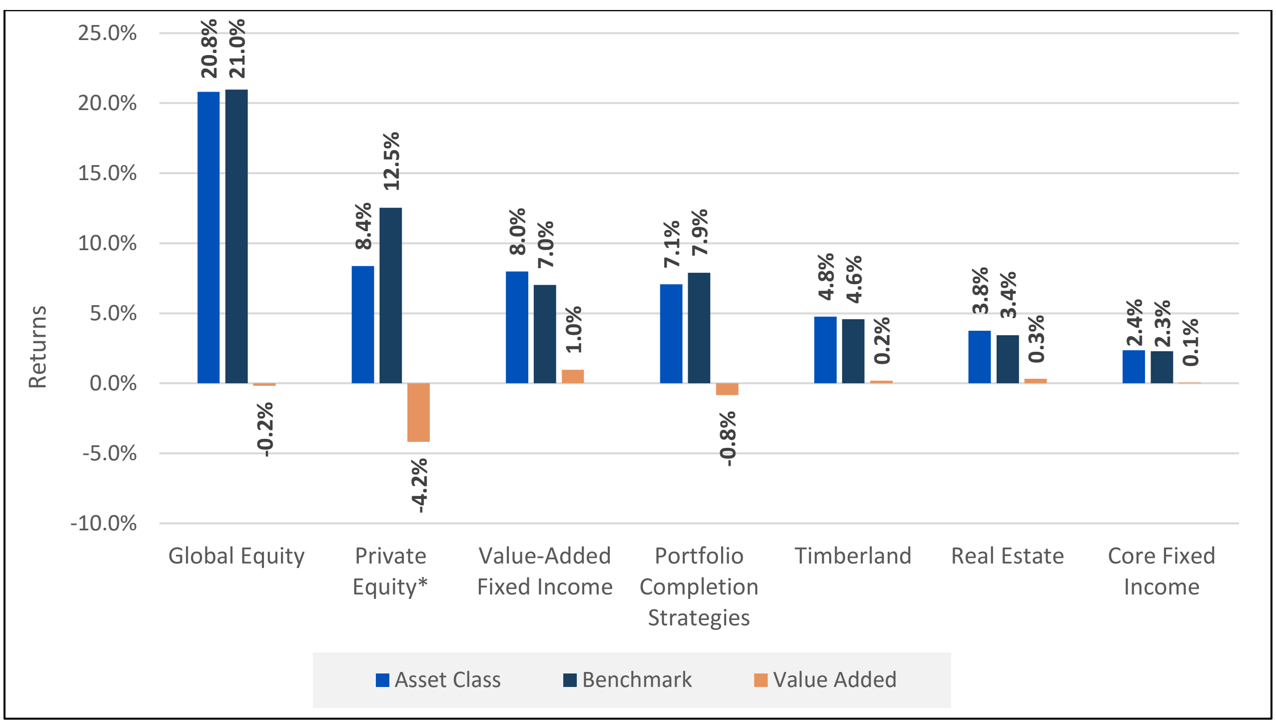
Annualized Returns as of March 31, 2026 (Net of Fees)



Source: BNY. Total Capital Fund Benchmark includes private equity benchmark. Net Implementation Benchmark includes short-term PE benchmark.

PRIT Asset Class Performance Summary

One Year ended March 31, 2026 (Net of Fees)



Source: BNY. Totals may not add due to rounding. *Benchmark is State Street Index.

PRIT Fund Annualized Returns by Asset Class

March 31, 2026 (Net of Fees)

1 Year	3 Year	5 Year	10 Year
GLOBAL EQUITY 20.8%	GLOBAL EQUITY 16.1%	PRIVATE EQUITY 11.0%	PRIVATE EQUITY 15.7%
PRIVATE EQUITY 8.4%	VALUE-ADDED FIXED INCOME 9.2%	GLOBAL EQUITY 9.1%	GLOBAL EQUITY 11.3%
VALUE-ADDED FIXED INCOME 8.0%	PORTFOLIO COMPLETION STRATEGIES 8.9%	TIMBER 7.5%	VALUE-ADDED FIXED INCOME 6.2%
PORTFOLIO COMPLETION STRATEGIES 7.1%	PRIVATE EQUITY 7.6%	VALUE-ADDED FIXED INCOME 6.5%	TIMBER 5.7%
TIMBER 4.8%	TIMBER 6.3%	PORTFOLIO COMPLETION STRATEGIES 5.9%	REAL ESTATE 5.5%
REAL ESTATE 3.8%	CORE FIXED INCOME 1.6%	REAL ESTATE 4.5%	PORTFOLIO COMPLETION STRATEGIES 5.4%
CORE FIXED INCOME 2.4%	REAL ESTATE (1.2%)	CORE FIXED INCOME (1.1%)	CORE FIXED INCOME 1.3%

Source: BNY.

Market and Economic Summary

Mr. Trotsky mentioned that in the U.S., the economy continued to expand, with GDP growing at a 2.0% annualized pace in the first quarter of 2026, recovering from 0.5% in the prior quarter but coming in just below expectations. Government spending rebounded strongly as federal operations resumed following the shutdown, and private domestic investment rose sharply, supported by meaningful increases in business spending on equipment and structures, particularly in AI-related areas. Consumer spending moderated to 1.6% in the first quarter, but remained positive. Inflation accelerated, with headline CPI rising to 3.3% year-over-year in March, driven largely by energy prices tied to the Iran conflict. The unemployment rate decreased to 4.3%, with weekly jobless claims falling to their lowest level since 1969, despite highly publicized layoffs. The Federal Reserve held rates steady at its April meeting, though the decision featured notable dissent, underscoring rising uncertainty around the economic outlook and the effects of geopolitical tensions.

Market volatility has edged upward, reflecting ongoing conflict in the Middle East, elevated energy prices, unusual dissent within the Federal Open Market Committee (FOMC), and questions about the sustainability of AI-driven corporate spending. Crude oil (WTI) prices have surged nearly 90% year-to-date to around $110 per barrel, with markets pricing in persistent geopolitical risk. Manufacturing conditions stabilized, with the ISM Manufacturing PMI rising to 52.7 in March and remaining flat in April. A reading above 50 indicates expansion and is generally viewed as a sign of economic health. Retail sales were stronger than expected, and housing data was mixed. Consumer sentiment, however, remained exceptionally weak, reaching the lowest reading on record as households absorbed the economic impacts of the conflict in Iran and higher energy prices.

Elsewhere, China's GDP grew 5.0% year-over-year in the first quarter, accelerating from the fourth quarter and exceeding expectations. The unemployment rate rose slightly to 5.4%, and inflation cooled to 1.0% year-over-year. The People's Bank of China kept its key lending rates unchanged for an 11th straight month. Retail sales softened, rising 1.7%, while the manufacturing sector showed firmer momentum.

Mr. Trotsky added that in the Eurozone, the economy expanded 0.8% year-over-year in the first quarter of 2026, slowing from 1.3% in the prior quarter as energy price shocks weighed on households. The unemployment rate edged down to 6.2%, and inflation accelerated to 3.0%. The European Central Bank held rates steady in April, noting intensifying upside risks to inflation and downside risks to growth. Retail sales softened modestly, while the Manufacturing PMI increased to 52.2, the strongest reading since 2022, supported by rising export demand, thought to be driven by preemptive stockpiling amid supply-chain concerns.

Mr. Trotsky concluded his remarks by stating that in Japan, the economy continued to recover, with fourth-quarter GDP revised up to 1.3% annualized, rebounding from a contraction in the third quarter. Domestic demand remained the primary driver of the improvement. The unemployment rate ticked up to 2.7%, and inflation rose to 1.5% year over year in March. The Bank of Japan held rates steady at 0.75%, though the vote included several dissents favoring a hike. Retail sales posted a solid rebound, and the manufacturing PMI reached 54.9, marking the fastest expansion since early 2022, supported by strong output growth and rising export demand.

III. Performance Review and Market Summary

Mr. Schlitzer provided a performance and market update, referencing pages in Appendix D, and noted that additional detail was available in the agenda materials.

Real Estate

Mr. Schlitzer began his remarks on the market environment by noting that while recent geopolitical events could affect results and decision-making at some point, no material impact had been observed to date, and that the range of potential outcomes remained too broad to be meaningful at this time. He referenced the private market index (ODCE), which returned 1.0% in the first quarter and 3.1% for the trailing year, and the U.S. REIT market, which returned 4.8% in the first quarter and was up 13.3% year-to-date through the prior Monday. Mr. Schlitzer explained that this strong public market performance reflects a market rotation, with particular strength in sectors such as data centers, healthcare and senior housing, and self-storage, which are less prominent in the private market benchmark and in PRIM's private portfolio.

Turning to conditions on the ground, Mr. Schlitzer noted that oversupply persists in parts of the multifamily and industrial sectors, though overall rent trends remain positive, particularly in supply-constrained coastal apartment markets and select Southern industrial markets. California remains more challenged due to oversupply, though conditions are improving. He added that long-term Treasury rates have drifted upward in 2026 but have not moved materially, with spreads generally unchanged, and that swap rates have also drifted up amid a less clear inflation outlook. He noted that PRIM's accretive borrowing was executed in December, ahead of this move.

Mr. Schlitzer stated that, broadly, risk premiums embedded in cap rates remain inadequate; however, assets are generally trading below replacement cost, and as the supply picture improves, staff is more confident in the outlook for rent growth across the market and the portfolio. He concluded the market discussion by noting that the portfolio is now one quarter into this year's operating plans, presented at the prior meeting.

Mr. Schlitzer then reviewed PRIM's real estate portfolio performance. Real Estate represents 8.9% of the PRIT Fund, with no significant change to the allocation, and remains well within range. Total Real Estate returned 3.8% net for the year, 32 basis points above benchmark. Public Real Estate (REITs) ended the year at 13.7% of the portfolio, returning 7.9% net, 104 basis points above benchmark, a period that coincided with the hiring of two new managers and the U.S. conversion. Mr. Schlitzer noted that both the new managers and the strategy performed well in their first year, and that the $300 million borrowed in December was invested in the REIT market rather than distributed, producing a strong return ahead of the long-term deployment of that capital.

Private Real Estate ended the year at 85% of the real estate portfolio, returning 3.2% net, 25 basis points above benchmark. Mr. Schlitzer explained that Levered Core, representing 95% of the private portfolio, returned 4.0%, 110 basis points above the ODCE Index, with retail and self-storage leading the market on a sector basis. Outperformance was driven primarily by asset-specific factors across most major sectors, including office, as well as specialty sectors such as self-storage, while return dispersion was most notable at the geographic level, depending on where individual MSAs sit in their supply cycles. He noted that managers closed five transactions during the quarter — three acquisitions and two sales — and that activity in the separate accounts reflects net repositioning with an eye toward long-term net growth of the accounts.

Mr. Schlitzer concluded the real estate discussion by noting that Non-Core, representing 4.6% of private real estate, detracted from performance, returning -10.1% for the year. He stated that the drivers were unchanged from prior discussions: Higher leverage office, life science, and apartment strategies with more complex business plans and development exposure, have been more challenged.

Timberland

Mr. Schlitzer transitioned to the timberland market environment, noting that the U.S. timberland index returned 1.1% for the quarter and 4.9% for the year, with the Southern region returning 6.6%, outperforming the Pacific Northwest at 2.4%. He noted that housing starts increased to 1.5 million in March, typically viewed as a positive level by log sellers, and that tariffs on lumber imports to the U.S. — notably duties of approximately 45% on Canadian imports — have reduced lumber import volumes. Lumber prices increased in the first quarter, he explained, partly reflecting these tariff dynamics and partly seasonal demand ahead of the spring building season.

Mr. Schlitzer added that net log prices are experiencing margin pressure from higher fuel costs, though he did not expect this to affect harvest volumes, noting uncertainty as to how long the pressure would persist. He stated that structural headwinds continue, including elevated mortgage rates, costs rising faster than prices, and uncertainty around tariffs and labor. On a more positive note, he observed that the Chinese housing market appears to be bottoming in terms of home prices, though this has not yet translated into new construction activity. Mr. Schlitzer also noted that staff had recently traveled to Australia and New Zealand and reported a favorable on-the-ground assessment of the portfolio's investments there.

Turning to PRIM's timberland portfolio, Mr. Schlitzer reported that Timberland represents 2.6% of the PRIT Fund, well within range, with no transactions so far this year. Total Timberland returned 4.8% net, 19 basis points above benchmark, for the one-year period. He explained that a key return driver was strong performance in the Australia/New Zealand portfolio, primarily attributable to FX conversion, though local-currency returns were also positive, while Asian demand trends continue to weigh on three- and five-year performance in the New Zealand and certain Pacific Northwest holdings. Mr. Schlitzer concluded by noting that the Southern region also outperformed domestically, continuing to benefit from population growth and associated development as well as additional production capacity coming online, adding that construction is slowing in Southern markets — a benefit to the apartment portfolio, but a trend being monitored for its potential impact on the timberland portfolio.

The PRIM Real Estate and Timberland Committee meeting adjourned at 10:23 a.m.

List of documents and exhibits used during the meeting:

- *Minutes of the PRIM Real Estate and Timberland Committee Meeting of February 11, 2026*
- *PRIT Fund Performance Presentation (March 31, 2026)*
- *PRIT Fund Performance Report (March 31, 2026)*
- *Real Estate and Timberland Performance Charts*