

## Manager Recommendation Memo

July 17, 2023

Board of Trustees  
Commonwealth of Pennsylvania, Public School Employees' Retirement System ("PSERS")  
5 North Fifth Street  
Harrisburg, PA 17101

Re: TCI Real Estate Partners Fund IV LP

Dear Trustees:

Aksia LLC ("Aksia"), having been duly authorized by the Board of PSERS, has evaluated and hereby recommends, in line with PSERS' Investment Policy Statement, Objectives, and Guidelines, a commitment of up to \$200 million to TCI Real Estate Partners Fund IV LP ("TCI REP IV", "Fund IV", or the "Fund").

TCI Real Estate Partners ("TCI REP" or the "GP") is the general partner of Fund IV and an affiliate of The TCI Group ("TCI"), a global fundamental equity investor with nearly \$35 billion AUM in a single hedge fund: TCI Master Fund. TCI REP was created in 2014 to manage their first dedicated real estate debt fund, Real Estate Partners Fund I LP. TCI REP is currently seeking to raise up to \$3 billion for Fund IV, to pursue a similar strategy as previous funds.

TCI REP focuses on major market acquisition and construction lending and is one of the few private markets lenders that finances loans in the \$250 million to \$1 billion+ size range. The Fund's strategy is unlevered and TCI REP primarily structures deals as stretch senior whole loans.

Aksia's recommendation is based upon the following analytical factors and is made within the context of PSERS' investment guidelines:

- Due diligence of TCI REP IV's investment process, including a review of the sponsor, investment strategy, market positioning, investment personnel, and risk management;
  - Most recent on-site investment due diligence visits conducted February 21, 2023.
- Due diligence of TCI REP IV's operations, including a review of its organizational structure, service providers, regulatory and compliance, LPA and financial statement analysis;
  - Most recent on-site operational due diligence visit conducted December 8, 2022.
- Evaluation of TCI REP IV's strategy within the context of the current investment environment; and
- Appropriateness of TCI REP IV's strategy as a component of PSERS' portfolio.

This recommendation is given solely for the benefit of PSERS and cannot be relied upon by other investors considering an investment in the Fund, since their needs, objectives, and circumstances may not be identical to those of PSERS. In addition, please consult your tax, legal and/or regulatory advisors before allocating to any private investment fund.

Please feel free to contact us should you have any questions about this recommendation.

Respectfully,



Tim Nest  
Partner, Head of Private Credit



Simon Fludgate  
Partner, Head of Operational Due Diligence