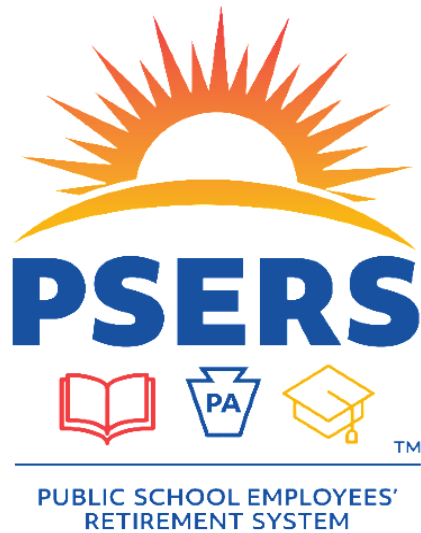


PSERB Resolution 2025-89
Re: LEM Multifamily Fund VII, L.P.
December 12, 2025

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and commits an amount not to exceed \$100 million, plus reasonable and normal investment expenses, in LEM Multifamily Fund VII, L.P. and/or related investment vehicles in accordance with the recommendation of Melissa Quackenbush, Senior Portfolio Manager, and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.



LEM Multifamily Fund VII, L.P. Private Real Estate Recommendation

Melissa Quackenbush
Senior Portfolio Manager

Tyler Howell
Investment Professional

November 2025

Today's Presentation

LEM Multifamily Fund VII, L.P. ("LEM" or the "Fund")

Main Presentation

1. Asset Class Considerations
 - *Recommendation is consistent with PSERS' Strategic Asset Allocation (SAA) and current year commitment planning.*
2. Recommendation Overview
 - *PSERS IO and Aksia recommend committing up to \$100M to LEM Multifamily Fund VII, L.P.*
3. Strategy & Expertise
 - *Experienced multifamily specialist investing in Class B "workforce" housing in infill locations of large U.S. markets.*
4. Investment Considerations
 - *Investment expected to face certain risks consistent with Private Real Estate investments, and IOP believe that LEM has identified appropriate mitigants to those risks.*
5. Investment Highlights
 - *Consistent historical performance and complementary fit with PSERS' private real estate portfolio.*

Appendix

- Investment Committee Disclosure
- Private Real Estate Dashboard

1. Asset Class Considerations

Recommendation is consistent with PSERS Strategic Asset Allocation (SAA) and most recent pacing analysis

PSERS SAA and Pacing

1. PSERS SAA has established long-term targets of 6.0% to Private Real Estate.
2. The current overweight is due to slower-than-projected distributions in 2023 - 2025 YTD as well as an October 2024 reduction in the Private Real Estate target in the SAA (7% to 6%).
3. PSERS' and Aksia's pacing analysis suggests \$600M – \$800M of annual commitments to reach the target exposure to Private Real Estate. Actual commitments in 2025 will be below this range, reflecting the outsized unfunded commitment.
4. The pacing analysis is revisited frequently based on the actual performance of the Private Real Estate allocation and the broader PSERS portfolio.

| SAA Allocation | |
|---|---------------------|
| Private Real Estate Target | 6.0% |
| Private Real Estate Actual | 7.4% ¹ |
| Pacing Budget for 2025 | |
| Pacing Budget Range | \$300M – 600M |
| Primary Investments | |
| 2025 YTD Commitment | \$176M |
| Today's Recommendations | \$250M ³ |
| Co-Investments | |
| 2025 YTD Commitment | \$20M |
| Total Primary and Co-Investments | \$446M |
| Remaining Budget ² | \$4M |
| Est. Remaining Primary Fund Recommendations | \$0M |
| Expected to be in Target Budget Range for 2025? | Yes |

1. Private Real Estate Actual taken from Verus 2024 Q2 – Total Fund Report

2. Remaining to the mid-point of the pacing budget

3. Includes Private RE proposed commitments to: LEM Multifamily Fund VII, L.P. for \$100M and Cabot Industrial Value Fund VIII, L.P. for \$150M

2. Recommendation Overview

PSERS IO and Aksia recommend committing \$100 million to LEM Multifamily Fund VII, L.P.

| | |
|---|--|
| Firm Name | LEM Capital |
| Investment Professionals / Employees | 18 total employees / 13 investment professionals |
| Fund Name | LEM Multifamily Fund VII, L.P |
| Strategy Invested Capital ¹ | ~\$661M |
| Target Return | 12-15% Net IRR / 1.5-1.7x Net MoC |
| Target Fund Size / Hard Cap | \$500M / \$700M / USD |
| Recommended Commitment (Up To) | \$100M |
| GP Commitment | Lesser of 2% of total committed capital or \$10M |
| Fund Structure | Closed-End |
| PSERS Existing Relationship | Yes |
| Notable Investment Committee Disclosures ² | None |

3. LEM Capital Strategy & Expertise

Experienced multifamily specialist investing in Class B “workforce” housing in infill locations of large U.S. markets.

1. **Market Opportunity**: The opportunity is driven by persistent demand tailwinds of Class B workforce housing, serving the broadest renter base in the U.S. and exhibiting high resilience across market cycles.
2. **Strategy**: LEM partners with local operators to source existing properties in infill locations of large U.S. markets. Assets offer functional utility, sometimes requiring varying degrees of renovation to maintain long-term relevance.
3. **Portfolio Fit**: A commitment to LEM Fund VII supports several goals for the Private Real Estate portfolio which include building a complementary, diversified residential portfolio, investing in opportunities unavailable in public markets, and partnering with a focused, residential manager.

4. Investment Considerations

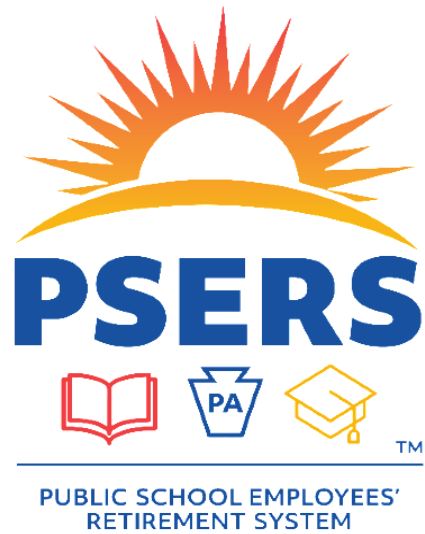
The risks for LEM Capital are consistent with Private Real Estate strategies

| Risk | Detail | Mitigating Factors |
|---------------------------------|--|---|
| Reliance on Operating Partners | Utilizing a network of operating partners introduces risks with respect to alignment, control and oversight. | <i>LEM pursues a rigorous vetting process where Staff believe adequate alignment is achieved between the Firm and its operating partners.</i> |
| Performance of Predecessor Fund | 2021 Vintage Year funds faced several macroeconomic headwinds which may ultimately weigh on outcomes; the fund's final returns may fall short of original target returns despite the manager's disciplined approach to the most recent market dislocation. | <i>It is still relatively early in the in the predecessor fund's life and the manager has responded to the macroeconomic headwinds in a prudent and timely manner and defensively positioned the portfolio by taking action to preserve occupancy, manage expenses, and retain dry powder to deploy into a recalibrated market.</i> |
| Management Transition | LEM co-founders have begun to contemplate an eventual retirement from the Firm. | <i>The co-founders have been intentional in avoiding an abrupt leadership shift by establishing a formal succession pathway well in advance.</i> |

5. Investment Highlights

LEM Capital's specialized expertise matches today's market opportunity

| Highlight | Detail |
|---|---|
| Multifamily specialist with a proven track record | Since 2011, the Firm has exclusively invested in value-add multifamily assets with local operating partners in select markets across the United States. |
| Persistent demand for Class B housing | The United States continues to experience strong secular demand for Class B workforce housing, underpinned by widening affordability gaps in the for-sale and rental market. |
| Established national operating partner network | LEM's established operating partner allows the Firm to efficiently enter and exit markets without the fixed costs associated with having to maintain local offices and teams. |



Appendix

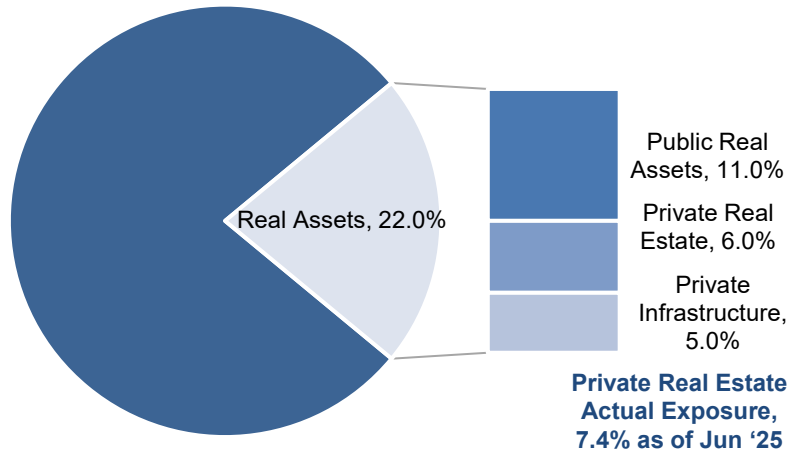
Investment Committee Disclosure

| Disclosure | Response |
|--|--|
| Relationship with Aksia | Other than PSERS, Aksia does not have any other clients that invest with LEM. As of November 3, 2025, there are no other Aksia clients considering a commitment to LEM Multifamily Fund VII. |
| Introduction Source | Existing Relationship |
| Compliance with Placement Agent Policy | As confirmed by PSERS' Office of Chief Counsel on November 12, 2025, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy. |
| PA Political Contributions | No reportable political contributions |
| PA Presence | None |
| Potential Conflicts | PSERS is not aware of any actual or potential conflicts of interest that would be created by PSERS' investment in the Fund. |
| Litigation Disclosure | None reported |
| Has the Firm reimbursed and/or paid for PSERS IOP travel in the past two calendar years? | Yes, LEM reimbursed PSERS for LPAC-related travel expenses for funds whose investment contracts were entered into prior to July 2021. |
| Certification of Diligence Costs | IOP certifies that PSERS paid all travel costs, if any, and was not reimbursed for the travel costs related to due diligence of the fund. |

Private Real Estate Portfolio

Allocation

Target Allocation to Real Assets
in Long-Term Strategic Asset Allocation



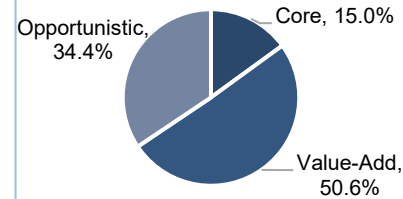
Source: Verus 2025 Q2 – Total Fund Report (Q1 2025 Private Markets data given 1Q Lag).

Activity

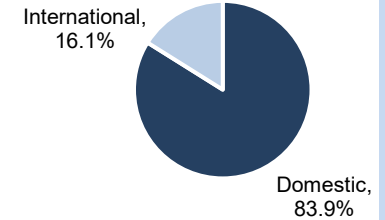
Recent Fund Commitments (\$M)

| 2024 | |
|---|--------|
| Carlyle Realty Partners X, L.P. | \$300M |
| WCP NewCold III, L.P. | \$150M |
| 2025 (As of Oct-25) | |
| Realterm Europe Logistics Fund II, SCSp | €75M |
| Graceada Partners Fund IV-QP LP | \$90M |

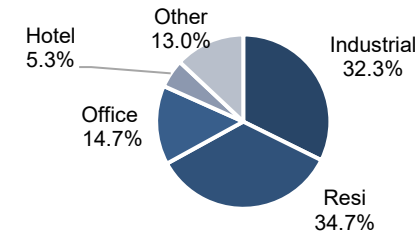
Strategy



Geography



Property Type



Source: Aksia as of March 31, 2025

Portfolio Performance

| | Time-Weighted Return | | | | | 10-Yr PME Analysis | |
|--------------------|----------------------|-------|-------|-------|-------|---------------------|---------------------------|
| | 1-Yr | 3-Yr | 5-Yr | 10-Yr | 15Y | KS-PME ¹ | Direct Alpha ² |
| Direct Investments | 2.8% | -2.1% | -2.6% | 0.4% | 4.7% | 0.9x | -2.0% |
| Fund Investments | 3.1% | -0.9% | 9.7% | 9.7% | 10.3% | 1.2x | 7.0% |
| Co-Investments | 2.8% | -1.1% | 1.5% | 7.9% | 12.0% | 1.1x | 2.7% |
| Total Portfolio | 3.1% | -1.1% | 8.6% | 8.9% | 10.5% | 1.2x | 6.3% |
| Benchmark | -1.2% | -4.3% | 4.4% | 6.1% | 8.3% | | |

Color-coding: **outperformance** or **underperformance** vs. benchmark.

¹ Benchmark: Total Portfolio Benchmark based on weights using various private indices (Burgiss for Value-Add and Opportunistic; NCREIF-ODCE for Core). Previous period benchmarks consisted of differing weights (Private vs. Public) and benchmarks (NCREIF/NTFI for Private and various public equity benchmarks for Public).

Source: MSCI/Burgiss and Aksia of as March 31, 2025

Diversification

Performance

October 29, 2025

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

Re: LEM Multifamily Fund VII LP

Aksia LLC ("Aksia"), having been duly authorized by Board of PSERS, has evaluated and hereby recommends, in line with PSERS' Investment Policy Statement, Objectives, and Guidelines, an amount not to exceed \$100 million in LEM Multifamily Fund VII LP ("Fund VII" or the "Fund").

LEM Capital, LP ("LEM" or the "Firm") was founded in 2002 by Jay J. Eisner, Herbert L. Miller, Jr., and Ira M. Lubert to primarily invest in multifamily assets. Since 2012, LEM has been focused on acquiring well-located, Class B multifamily assets where the Firm seeks to increase rents through physical renovations and management upgrades, with the goal of building portfolios with consistent current cash flow, equity upside, and strong downside protection for its investors.

Fund VII is expected to follow its predecessors' investment strategy of targeting investments in Class B multifamily properties across diversified growth markets, primarily in the South and West regions of the U.S. The Fund invests alongside a nationwide network of regional operating partners that provide local market knowledge, construction management expertise, and operational execution, with LEM maintaining asset management oversight and typically holding control provisions and structuring alignment mechanisms. The strategy is expected to emphasize purchasing assets below replacement cost and adding value through capital improvements and operational efficiencies, with the aim of creating institutional-quality assets and ultimately selling at a premium.

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

- Due diligence of the Fund's investment process, including a review of the sponsor, investment strategy, market positioning, investment personnel, and risk management;
 - Most recent investment due diligence review conducted October 2025
- Due diligence of the Fund's operations, including a review of its organizational structure, service providers, regulatory and compliance, and financial statement analysis;
 - Most recent operational due diligence review conducted October 2025
- Consideration of the Fund's strategy within the context of the current investment environment; and
- Consideration of the Fund'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,



Michael Brand
Managing Director, Co-Head of Real Assets



Simon Fludgate
Partner, Head of Operational Due Diligence