

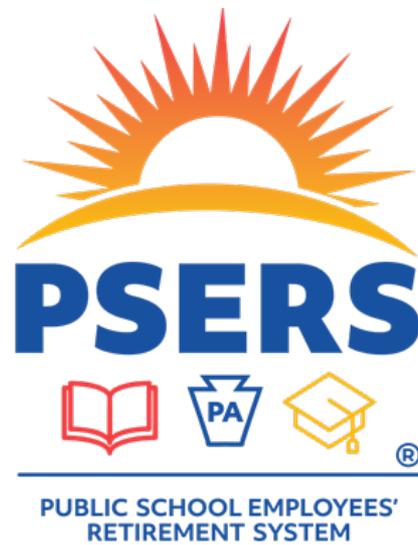
PSERS Resolution 2026-16

Re: DRA Growth and Income Fund XII, LLC

March 19, 2026

RESOLVED, that the Public School Employee' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and commits an amount not to exceed \$150 million, plus reasonable and normal investment expenses, in DRA Growth and Income Fund XII, LLC and/or related investment vehicles in accordance with the recommendation of Jarrett Richards, 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.



DRA Growth and Income Fund XII, LLC Private Real Estate Recommendation

Jarrett Richards
Senior Portfolio Manager

Tyler Howell
Investment Professional

Today's Presentation

DRA Growth and Income Fund XII, LLC (“DRA XII” or the “Fund”)

Main Presentation

1. Recommendation Overview
 - *PSERS IO and Aksia recommend committing up to \$150M to DRA Growth and Income Fund XII, LLC.*
2. Strategy & Expertise
 - *Focused value-add investors across property types in the United States.*
3. Investment Considerations
 - *Investment expected to face certain risks consistent with Private Real Estate investments, and IOP believe that DRA has identified appropriate mitigants to those risks.*
4. Investment Highlights
 - *Consistent historical outperformance and complementary fit with PSERS' Private Real Estate portfolio.*

Appendix

- Investment Committee Disclosure

1. Recommendation Overview

PSERS IO and Aksia recommend committing \$150 million to DRA Growth and Income Fund XII, LLC

Firm Name	DRA Advisors
Investment Professionals / Employees	100 total employees / 76 investment professionals
Fund Name	DRA Growth and Income Fund XII, LLC
Strategy Invested Capital ¹	\$11.1B
Target Return	12-15% Net IRR / 1.5-1.7x Net MoC
Target Fund Size / Hard Cap	\$2.25B / Negotiating Hard Cap / USD
Recommended Commitment	\$150M
GP Commitment	Lesser of 1% of total committed capital or \$25M
Fund Structure	Closed-End
PSERS Existing Relationship	Yes
Notable Investment Committee Disclosures ²	None

2. DRA Strategy & Expertise

Experienced value-add manager investing across property types in US markets

- 1. Market Opportunity:** After a decade of broad thematic trends (compressing interest rates and undersupply) supporting the success of residential and industrial investments, today's market opportunity is more nuanced. There are opportunities today in each property type, but it requires a bottom-up and market-specific lens to uncover well-located, undervalued assets with current cashflow and appreciation upside.
- 2. Strategy:** Fund XII will capitalize on inefficiencies in real estate markets by acquiring high-quality assets that can be enhanced through DRA's value-add playbook, including: (i) physical improvements to make properties more marketable and operationally efficient, (ii) execution of leasing and operational plans to increase revenues and minimize expenses, (iii) focus on downside risks through proactive asset management, (iv) utilization of moderate leverage to enhance returns and optimize capital structures, and (v) opportunistic sales as market conditions warrant
- 3. Portfolio Fit:** A commitment to DRA Fund XII supports several goals of the Private Real Estate portfolio, not only serving as a complement to existing sector specialists but also achieving exposure to a strategy that is unavailable in public markets.

3. Investment Considerations

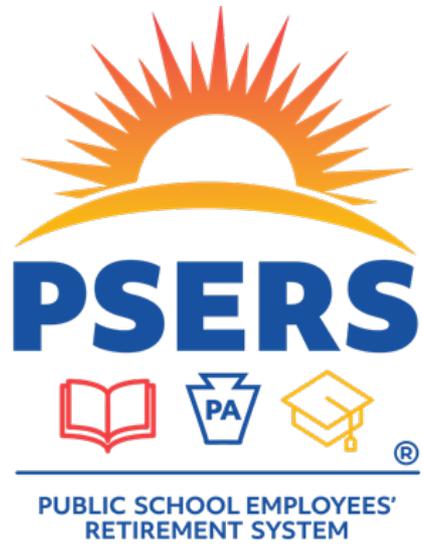
The risks for DRA are consistent with Private Real Estate strategies

Risk	Detail	Mitigating Factors
Reliance on Operating Partners	Utilizing a network of operating partners enhances sourcing and operating expertise but introduces risks with respect to alignment, control, and oversight.	<i>DRA maintains control of all investments while requiring meaningful operating partner equity investments, thereby creating alignment between operating partners and fund investors. The process to add a new operating partner is rigorous, and relationships are often cultivated for many years prior to the first investment.</i>
Current Spread Environment in Real Estate	Despite a reset in valuations (~20% write-down from 2022 peak), institutional real estate appears to be expensive relative to fixed income alternatives (US Treasuries, Baa corporate bonds).	<i>In an environment where rate/spread compression is unlikely to drive returns, DRA's operational expertise is required to produce the 12-15% target net IRR. An analysis of realized deals shows that DRA has generated much of its return from net income growth rather than cap rate compression.</i>
Exposure in Tier II Cities	The secondary markets are highlighted by lower competition, higher cap rates, and less liquidity of commercial assets. The inefficiency and discounted prices at entry must be considered when underwriting disposition proceeds at exit.	<i>DRA is underwriting potential acquisitions in these markets alongside long-time operators with localized market knowledge. With DRA's income focus, they can withstand periods of lower liquidity and generate favorable risk-adjusted returns.</i>

4. Investment Highlights

DRA's specialized expertise matches today's market opportunity

Highlight	Detail
Stable and focused team	DRA is a partner-owned, single-strategy, value-add real estate specialist. With limited turnover and well-planned succession, DRA remains focused on investing LP capital with significant alignment. This stability and focus has contributed to top quartile performance for six of the last eight DRA funds.
Differentiated Sector Selection Expertise	DRA's ability to comb through all property types to construct top-performing portfolios across fund vintages remains a key highlight that drives Staff's conviction in the manager.
Cash-flowing Assets with Operational Upside	Well-leased, cashflow-producing assets provide risk mitigation during market downturns along with the funds to re-invest into property improvements and distribute cash flow to investors. Current income is expected to comprise 60% of the net return.



Appendix

Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	As of October 31, 2025, two (2) current Aksia advisory clients have made total aggregate subscriptions and commitments of \$810.3 million across investments managed by DRA Advisors LLC. As of February 12, 2026 there are currently no other Aksia clients considering a commitment to DRA Growth and Income Fund XII.
Introduction Source	Existing Relationship.
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on February 13, 2025, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	No reportable political contributions.
PA Presence	DRA funds own 17 properties across Pennsylvania.
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, DRA 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.

February 18, 2026

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

Re: DRA Growth & Income Fund XII LLC

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 \$150 million in DRA Growth & Income Fund XII LLC ("the Fund" or "Fund XII").

DRA Advisors LLC ("DRA", or the "Firm") is a privately owned, SEC-registered real estate investment adviser headquartered in New York City. DRA was originally founded as a subsidiary of Dreyfus Corporation in 1986, and the partners took the firm private in 1994. The Firm employs an allocator model and is responsible for portfolio construction, investment selection, financing, asset management oversight, and disposition strategy.

DRA is raising the twelfth fund in its flagship value-add fund series targeting \$2.25 billion in commitments with no hard cap. Fund XII is expected to primarily invest in a diversified portfolio of U.S. real estate assets, with an emphasis on industrial, multifamily, retail, office, and other income-producing property types. The Fund is expected to pursue a value-add strategy focused on acquiring operating assets at discounts to replacement cost and implementing active asset management initiatives, including leasing and operational improvements, targeted capital expenditures, recapitalizations, and selective redevelopment.

Aksia's recommendation 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 February 2026
- 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 February 2026
- 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
Senior Advisor, Operational Due Diligence