Alternatives by FRANKLIN TEMPLETON®

CLARION PARTNERS

Clarion Partners Real Estate Income Fund

Explore another dimension of investing through Private Real Estate

September 2025

Important disclosure information

Past performance is no guarantee of future results. All investments involve risk, including loss of principal. **The Fund is subject to a high degree of risk**; specific risk considerations are listed below.

Concentration Risk
An investment should be considered long-term within a multi-asset portfolio and should not be viewed individually as a complete investment program.

Liquidity Risks:
The Fund should be viewed as a long-term investment, as it is inherently illiquid and suitable only for investors who can bear the risks associated with the limited liquidity of the Fund. Limited liquidity is provided to shareholders only through the Fund's quarterly repurchase offers for no more than 5% of the Fund's shares outstanding at net asset value. There is no guarantee these repurchases will occur as scheduled, or at all. Shareholders may not be able to sell their shares in the Fund at all or at a favorable price.

Real Estate Investment Risks:
The Fund's investments are highly concentrated in real estate investments, and therefore will be subject to the risks typically associated with real estate, including but not limited to fluctuations in lease occupancy rates and operating expenses, variations in rental schedules, which in turn may be adversely affected by local, state, national or international economic conditions. Such conditions may be impacted by the supply and demand for real estate properties, zoning laws, rent control laws, real property taxes, the availability and costs of financing, and environmental laws.

Furthermore, investments in real estate are also impacted by market disruptions caused by regional concerns, political upheaval, sovereign debt crises, and uninsured losses (generally from catastrophic events such as earthquakes, floods and wars). Investments in real estate related securities, such as asset-backed or mortgage-backed securities are subject to prepayment and extension risks.

Private Market Investments Risks:
An investment in the Fund is suitable only for investors who can bear the risks associated with private market investments (such as private credit and private equity) with potential limited liquidity. Shares will not be listed on a public exchange, and no secondary market is expected to develop.

Private equity investments involve a high degree of risk and is suitable only for investors who can afford to risk the loss of all or substantially all of such investment. Private equity investments may hold illiquid investments and its performance may be volatile.

Fund Distributions:
The Fund expects to ordinarily pay distributions from its net investment income, if any, on a monthly basis; however, the Fund cannot guarantee that it will make distributions and the amount of distributions that the Fund may pay, if any, is uncertain. The Fund may pay distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital, or offering proceeds.

Leverage Risk:
The Fund and/or its subsidiaries employ **leverage**, which increases the volatility of investment returns and subjects the Fund to magnified losses if an underlying fund's investments decline in value.

Derivatives Risk:
The Fund may use **derivatives**, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance.

Fixed Income (Bond Investing) Risks:
Fixed income securities involve interest rate, credit, inflation and reinvestment risks. As interest rates rise, the value of fixed income securities fall. High-yield bonds possess greater price volatility, illiquidity and possibility of default.

Getting to know
Clarion Partners Real Estate Income Fund

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The opportunity: Clarion Partners Real Estate Income Fund

Institutional-quality investment management for individual investors

8.50%
Since Inception return

97.6%
Portfolio Occupancy

7.03%
September 2025 monthly distribution rate[1]

Clarion Partners Real Estate Income Fund (the “Fund” or “CPREX”) seeks to offer:

- Balance of strong current income with growth through appreciation
  - Well-leased properties with durable cash flow
  - Capitalization matters: the Fund makes strategic use of leverage
- Macro themes are driving trends and guiding our investment targets
  - Themes: Demographics, Innovation, Shifting Globalization, Housing and Resiliency
  - Targets: Industrial Warehouse, Residential, Necessity Retail and other Extended Sectors
  - Extended Sectors, which include Healthcare, Housing and Distribution, expand beyond the traditional four property types and are driven by the same themes

As of September 30, 2025. The Fund’s inception date is September 2019. All data shown above is for Share Class I.

1. Distribution Rate is calculated by annualizing the most recent distribution amount paid, divided by the closing market price or NAV as of the date indicated. The Distribution Rate calculation includes return of capital, and excludes special distributions. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of fund performance. CPREX intends to make distributions necessary to maintain its qualification as a real estate investment trust. However, there is no assurance that we will pay distributions in any particular amount, if at all. Any distributions we make will be at the discretion of our board of directors. CPREX may pay distributions from sources other than cash flow from operations, including without limitations, the sale of assets, borrowings, return of capital or offering proceeds. This statement is not an indication of the tax treatment of any CPREX distributions. Stockholders will be informed of the tax characteristics of any distributions after the close of CPREX’s fiscal year. For the 2024 tax year, 57% of CPREX’s distributions were classified as Return of Capital (“ROC”), while 43% were treated as taxable income. As of September 30, 2025, the Class I net distribution rate is 7.03%, the Class D net distribution rate is 6.80%, the Class S net distribution rate is 6.28% and the Class T net distribution rate is 6.32%.

2. Please see page 34 of this presentation for a full list of fees and expenses.

Institutional-quality: An institutional-grade, or institutional-quality property generally refers to a property of sufficient size and stature to merit attention from large national or international investors.

Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. For performance data including the effects of sales charges, Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance shown excluding sales charges would have been lower, if the applicable sales charge been reflected. Had fees not been waived in various periods performance would have been lower. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please visit www.franklintempleton.com. or contact your Franklin Templeton representative. Different minimums may apply to clients of certain service agents. See the Fund’s prospectus for additional information.

A simple and innovative solution designed with the investor in mind

Fee alignment[1]

No incentive fee; excess returns go to investors consistent with institutional core funds

1.25%

Flat fee

Leverage

Lower leverage historically delivered strong performance with less risk

0.0%

Leverage[2]

11.4%

Combined Fund Leverage (including unconsolidated subsidiaries)[2]

Valuation policy

Each property valued monthly by an independent third-party appraiser

100%

of portfolio

Transparency

Daily value and ticker provides clarity to investors

CPREX

I-Shares Ticker

1. Please see page 34 of this presentation for a full list of fees and expenses.

2. As of September 30, 2025. The Fund generally utilizes debt financing consisting of property level borrowings (mortgages on the Fund's properties held in consolidated and non-consolidated subsidiaries) and Fund level borrowing (non-mortgage debt). Total Assets includes the effect of such borrowings employed by the Fund and its consolidated and non-consolidated subsidiaries, if any; Net Assets do not include borrowings. Leverage Ratio refers only to borrowings made by the Fund and its consolidated subsidiaries. Combined Fund Leverage refers to borrowings made by the Fund and its consolidated and non-consolidated subsidiaries. The Fund may employ leverage in the form of loans, preferred stock, reverse repurchase agreements and/or other instruments. **When the Fund engages in transactions that have a leveraging effect on the Fund's portfolio, the value of the Fund will be more volatile and other risks will tend to be compounded.** Property level borrowings will be incurred by special purpose vehicles held by the Fund or by joint ventures entered into by one of the Fund's special purpose vehicles and secured by real estate owned by such special purpose vehicles or joint ventures. If a special purpose vehicle or joint venture were to default on a loan, the lender's recourse would be to the mortgaged property and the lender would typically not have a claim to other assets of the Fund or its subsidiaries. As a result, the Fund will not treat such borrowings as senior securities (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")) for purposes of complying with the 1940 Act's limitations on leverage unless the special purpose vehicle or joint venture holding such debt is a wholly-owned subsidiary of the Fund or the financial statements of the special purpose vehicle or joint venture holding such debt will be consolidated in the Fund's financial statements in accordance with Regulation S-X and other accounting rules (a "non-consolidating subsidiary"). There are no limits under the 1940 Act on the amount of leverage a special purpose vehicle or joint venture may incur.

The Opportunity: Clarion Partners Real Estate Income Fund

Access to Clarion Partners' experience and expertise

Value

Clarion Partners' singular focus allows us to identify potential opportunities that others may overlook.

$73.6 billion

Assets under management

Execution

Pure-play real estate platform; it's all we do and all we've ever done.

43 years

Private real estate investment manager

Vision

We don't merely acquire value. We create it.

1,430+ properties

Across 82 Global markets

> "Real estate is all Clarion Partners does, and all it has ever done. This singular focus has enabled Clarion Partners to build one of the most tenured, knowledgeable and passionate teams in the business"

— Dave Gilbert, CEO, Clarion Partners

As of June 30, 2025.

Clarion Partners Real Estate Income Fund compared to other offerings

		Clarion Partners Real Estate Income Fund[1]	Non-Traded REITs
Access	Direct Exposure to Real Estate Portfolio	✓	✓
	Broad Investor Suitability[2]	✓	
Simplicity	Electronic Ticketing	✓	
	Limited Leverage[3]	✓	
	1940-Act Registered Fund[4]	✓	
Transparency	Daily Valuation[5]	✓	
	No Incentive Fee	✓	
	No Dual Fee Layers[6]	✓	✓

1. The Fund is a closed-end tender offer fund.
2. Suitability limitations imposed by state regulators with respect to non-traded REITs.
3. The 1940 Act limits fund leverage to 33 1/3% of total assets. The Fund may enter into investment management techniques that have similar effects as leverage, but which are not subject to the 33 1/3% limitation. Please see the prospectus for more information.
4. Registered under the Investment Company Act of 1940.
5. A majority of non-traded REITs disseminate a monthly NAV.
6. No additional underlying manager fees.

Please refer to the important disclosures at the end of this presentation.

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About Franklin Templeton and Clarion Partners

About Alternatives by Franklin Templeton

Global strength, investment specialization, one relationship

$1.6T[1]

Total firm AUM

Size, scale and distribution capability of Franklin Templeton with a diversified and resilient organization

$258B[1]

Alternatives AUM

Growing and dedicated alternatives platform that extends beyond traditional investment offerings

Access to a deep bench of **specialist alternative managers** and strategies through one **relationship** with a singular focus of helping advisors build better **investment outcomes** for their clients

Alternatives by FRANKLIN TEMPLETON®

Real Estate | Private Equity | Private Credit | Hedged Strategies | Venture Capital | Digital Assets

[1] Source: Franklin Templeton. Preliminary month-end assets under management as of June 30, 2025. Numbers might not round to totals due to rounding and other assets. AUM category classifications are subject to change without any notice.

About Clarion Partners

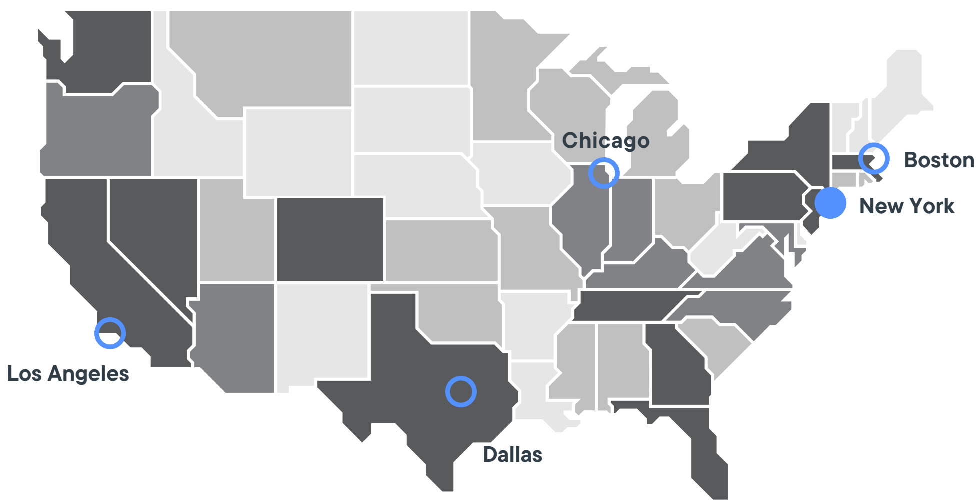
A global platform with local execution

11
Offices

359
Employees

18%
Clarion Partners' employee ownership

United States



Headquarters
Regional

AUM Statewide
$1,500 million+
$500 million–1,500 million+
<$500 million

Europe

A Specialist Investment Manager of Franklin Templeton Alternatives, with a total of $258B AUM

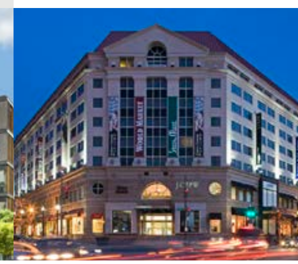
Personnel information as of July 15, 2025, AUM information as of June 30, 2025. Geographic information represents GRE; compared to Firm-level GAV. Please see the important disclosures at the end of this presentation.

About Clarion Partners

Deep experience and relationships across sectors drives investment strategy

	Industrial Warehouse	Apartments	Extended Sectors[1]	Retail	Office	Other[2]
Value	$45B	$12B	$5B	$5B	$4B	$1B
Properties	986	151	78	94	55	75
Markets	49	33	35	29	20	40



As of June 30, 2025. Dollar values are GRE.
[1]Extended Sectors include age restricted multifamily, manufactured housing, student housing, single family rental, life sciences, medical office, self storage, and industrial land, parking, and truck terminals.
[2]Other includes hospitality, land, and subsectors not included in any of the other categories listed above.
This represents Clarion Partners firm level data and categorization. Past Performance is no guarantee of future results. Please see the important disclosures at the end of this presentation.

Our collaborative investment process

Disciplined investment process

Top-down Themes drive Model Portfolio

Portfolio Strategy

Investment Sourcing and Review

Underwriting and Due Diligence

Final Decision

Portfolio Management

High-potential investment

Please see to the important disclosures at the end of this presentation.

3 Why private real estate now?

Why private real estate now?

Unlocking the potential of private real estate

Portfolio diversification in a time when the traditional stock/bond portfolio appears volatile

Attractive historical returns

Over the past 10 years real estate has lowered risk and increased risk adjusted returns when added to a stock/bond portfolio.[1]

Low volatility and correlation

Private Real Estate performance has provided more stable returns than publicly traded REITs, and higher average income than stocks, bonds and publicly traded REITs.[2]

Inflation hedge

Real estate has historically performed well in periods of inflation. Properties have shown strong rent growth during these times.[3]

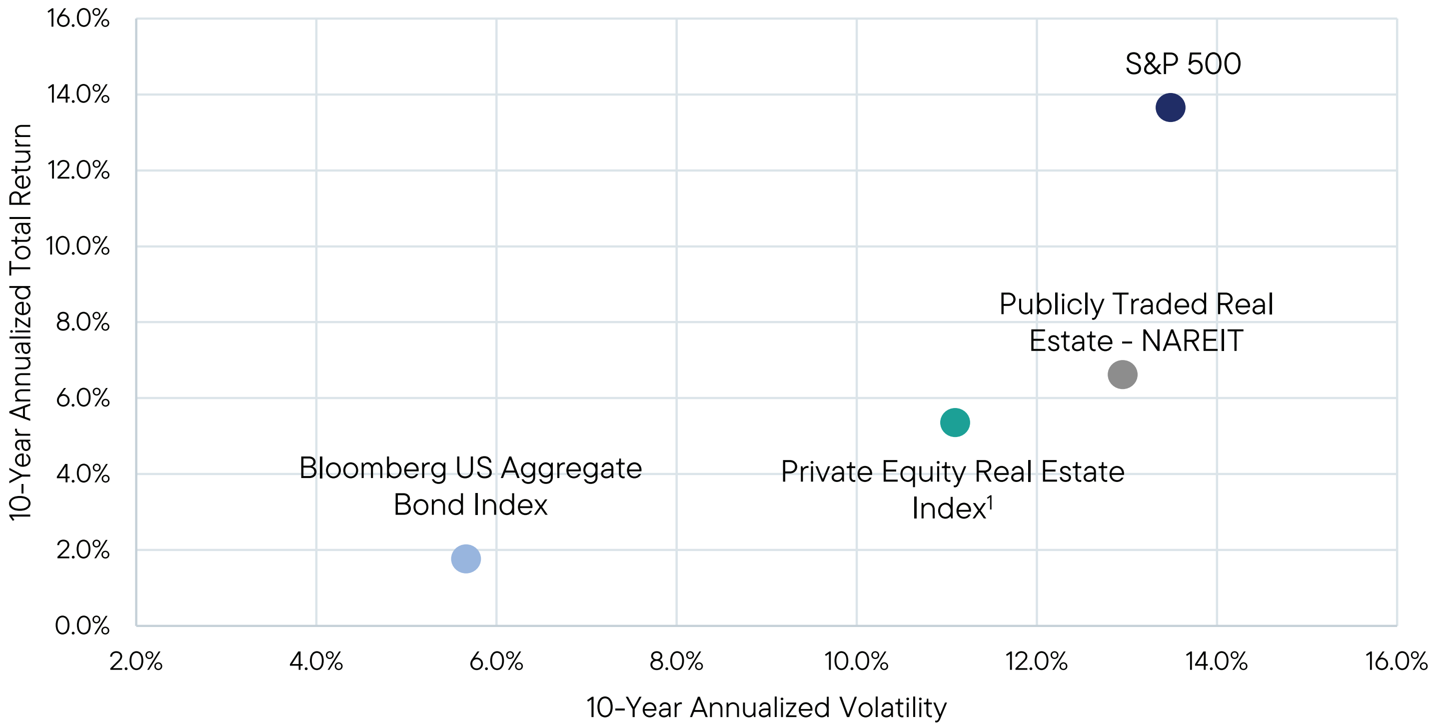
1. Please refer to page 17 of this presentation for further details. 10-year historical observations are as of 2Q25.
2. Morningstar Direct as of June 2025, Please refer to page 19 & 21 of this presentation for further details. 25-year historical observations are as of 2Q25.
3. Please refer to page 20 of this presentation for further details. 25-year historical observations are as of 2Q25.

Why private real estate now?

Private real estate has provided stability within a mixed asset portfolio

Over the past 10 years private real estate has offered lower volatility and low correlations to stocks, bonds, and publicly-traded REITs

10-Year total return and volatility



Source: Clarion Partners Global Research, NCREIF, Bloomberg, REIT.com, 2Q25.
[1]Private Equity Real Estate = NFI-ODCE.
An investment in private real estate is generally less liquid than an investment in stocks, bonds, and public REITs.

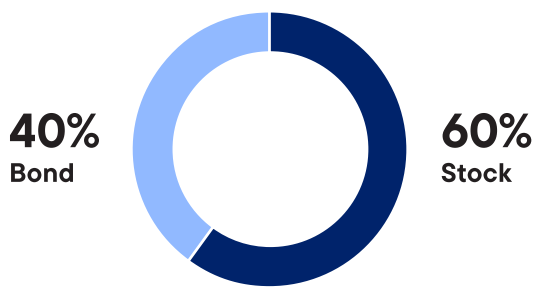
Why private real estate now?

Adding 10% private real estate has historically improved risk adjusted returns by ~16%

Hypothetical 10-year portfolio return with and without private equity real estate

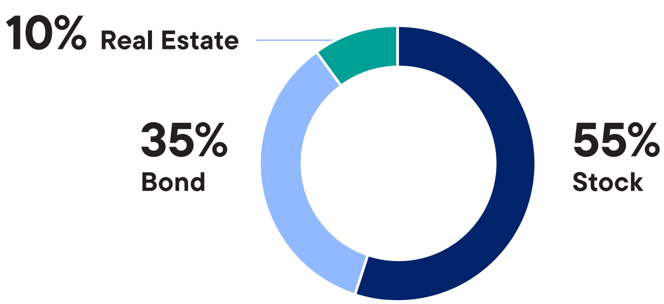
Without Real Estate

Return Per Unit Risk	1.08
Return	9.08%
Risk	8.42%



With 10% Real Estate

Return Per Unit Risk	1.26
Return	8.91%
Risk	7.04%



Source: Clarion Partners Global Research, NCREIF, Bloomberg, REIT.com, 2Q2025.

Note: Private Equity Real Estate Index = NFI-ODCE is used as a performance benchmark for core real estate (stabilized institutional quality assets). S&P 500 is one of the best presentations of the U.S. stock market. Bloomberg US Aggregate Bond Index is used to represent investment-grade bonds being traded in the United States.

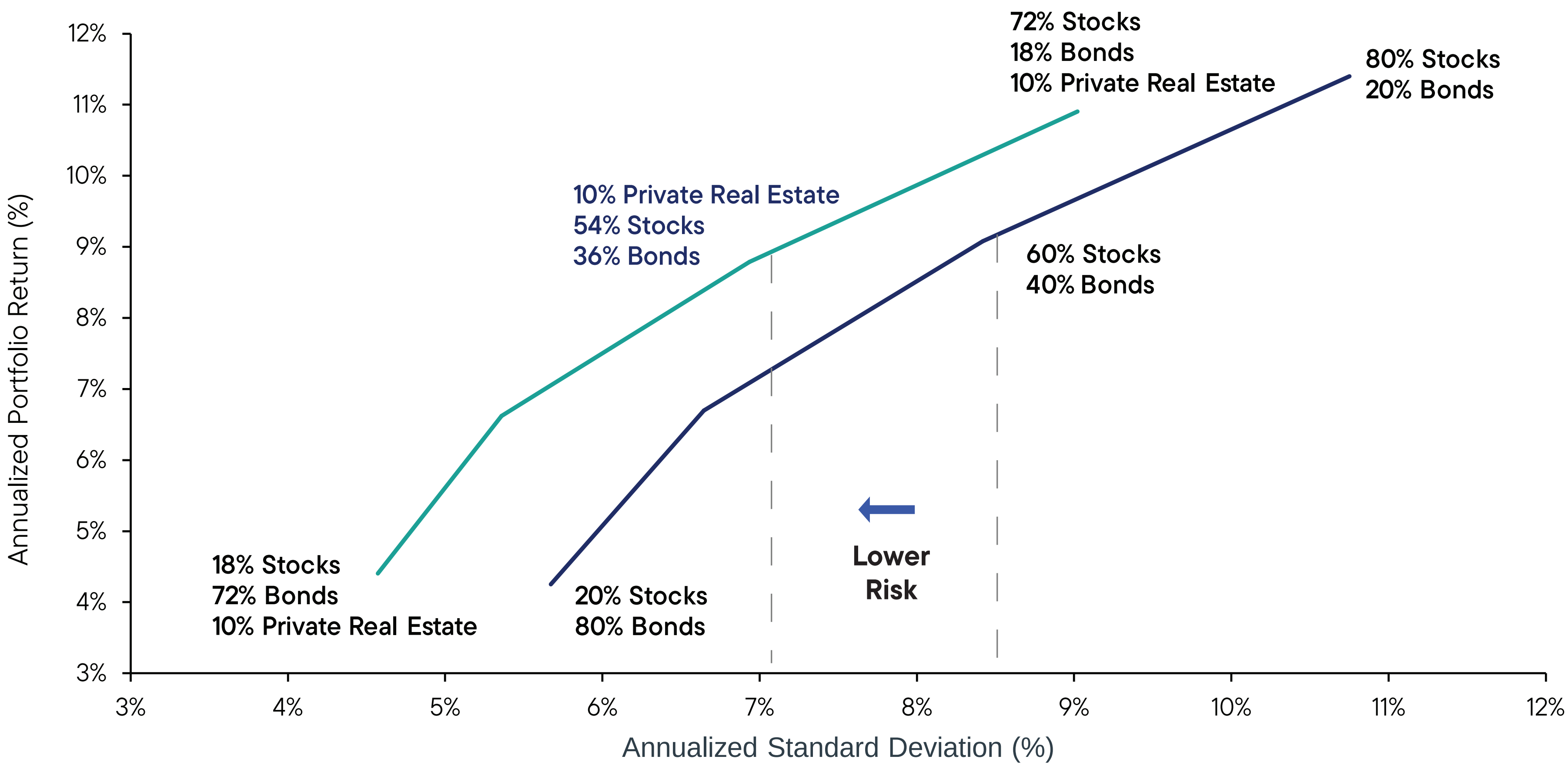
Risk is measured using standard deviation of annual total returns. Past performance is not indicative of future results, and a risk of loss exists. Index returns do not include managements fees or related fees.

Please refer to the important disclosures at the end of this presentation.

Why private real estate now?

Adding private real estate to a portfolio has historically lowered risk

10-Year Historical Returns as of 2Q 2025



Source: Clarion Partners Global Research, NCREIF, REIT.com, S&P, Bloomberg, 2Q2025.

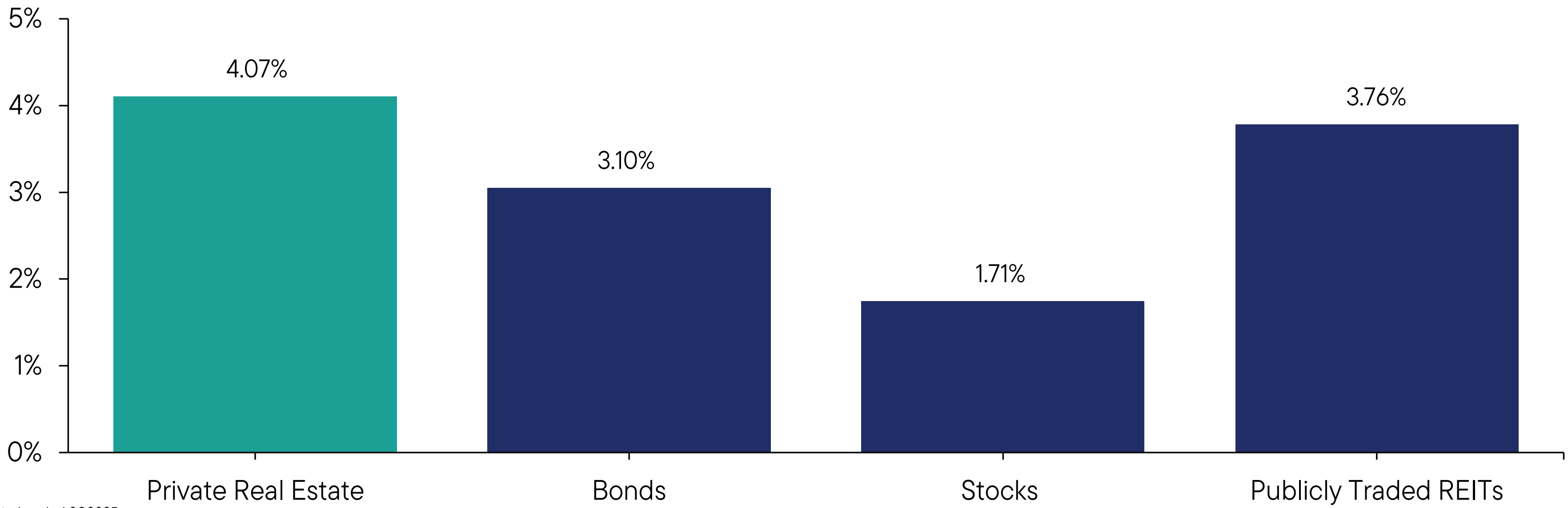
Note: Private Equity Real Estate Index = NFI-ODCE is used as a performance benchmark for core real estate (stabilized institutional quality assets). S&P 500 is one of the best presentations of the U.S. stock market. Bloomberg US Aggregate Bond Index is used to represent investment-grade bonds being traded in the United States.

Risk is measured using standard deviation of annual total returns. Past performance is not indicative of future results, and a risk of loss exists. Index returns do not include managements fees or related fees.

Please refer to the important disclosures at the end of this presentation.

Private real estate can provide strong current income vs. other investment vehicles

10-Year Average



For 10-year period ended 2Q2025.

Source: Clarion Partners Global Research, NCREIF, REIT.com, S&P, Bloomberg, 2Q2025. Please note: 10-year yield average is based on historical trailing 12-month observations for dividend yield for stocks and publicly traded REITs, yield-to-worst for bonds and 12-month income for private real estate. Private Equity Real Estate Index = NFI-ODCE, which is used as a performance benchmark for core real estate (stabilized institutional-quality assets), Bonds = Bloomberg US Aggregate Bond Index, Stocks = S&P 500, and Public REITs = NAREIT All REITs.

Real Estate Investment Risks: Risks of investing in real estate investments include but are not limited to fluctuations in lease occupancy rates and operating expenses, variations in rental schedules, which in turn may be adversely affected by local, state, national or international economic conditions. Such conditions may be impacted by the supply and demand for real estate properties, zoning laws, rent control laws, real property taxes, the availability and costs of financing, and environmental laws. Furthermore, investments in real estate are also impacted by market disruptions caused by regional concerns, political upheaval, sovereign debt crises, and uninsured losses (generally from catastrophic events such as earthquakes, floods and wars). Investments in real estate related securities, such as asset-backed or mortgage-backed securities are subject to prepayment and extension risks.

Private Real Estate Investments Risks: Private real estate bears the same risks are real estate in general , but additionally is suitable only for investors who can bear the risks associated with private market investments (such as private credit and private equity) with potential limited liquidity. Shares will not be listed on a public exchange, and no secondary market is expected to develop.

Income from Real Estate Investments (public or private): Depends on the type of real estate investment made. Income in real estate equity is typically derived from lease payments from tenants. Income from investments in real estate debt is similar to fixed income, with the issuers creditworthiness considered in their likelihood to make payments. Income from investing in pools backed by commercial or residential mortgages are dependent on the holders of the underlying mortgages making their payments as scheduled. All real estate investments could potentially include return of capital if, for example, a property is sold or a bond is refinanced prior to maturity. Likewise, pools backed by mortgages can include return of capital since payments on the underlying mortgages typically include a portion of repayment attributed to a holder's principal balance. The amount of capital returned can increase if mortgage holders prepay principal on their loan.

Equity Securities Investment Risks: Equity securities are traded on exchanges with prices available daily and liquidity readily provided by market makers. Such securities are also subject to price fluctuation, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Loss of principal is possible with such investments. **Equity Income** is mainly derived from stock dividends, which are not necessarily contractual as with fixed income securities or loans and could be suspended at any time. The amount of dividend paid is also dependent on the underlying health of the company and cash available to make dividend payments. Such payments do not include a return of capital.

Fixed income Security Investment Risks: Bond prices generally move in the opposite direction of interest rates. As the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. High yield bonds are subject to greater price volatility, illiquidity, and possibility of default. **Income from bonds** is derived from a fixed amount of income in the form of interest payments at regular intervals which do not include a return of capital.

Past performance is no guarantee of future results. Indexes are unmanaged, and not available for direct investment. Index returns do not include fees or sales charges. This information is provided for illustrative purposes only and does not reflect the performance of an actual investment. Diversification does not assure a profit or protect against market loss. All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. Distributions may consist of a return of capital.

Please refer to the important disclosures at the end of this presentation.

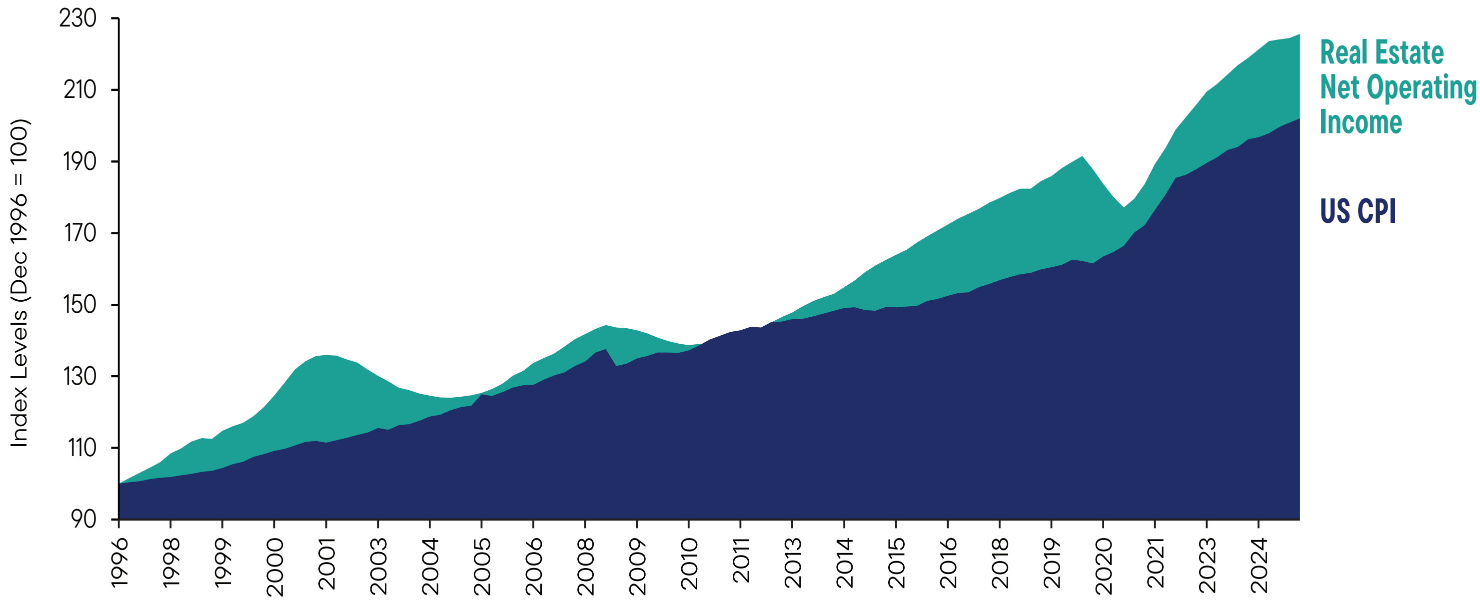
Why private real estate now?

Private real estate has performed well in periods of inflation

Inflation has historically led to rent increases which in turn generates higher cash flows.

25-Year Historical Real Estate Income and Inflation

Indexed, 1996=100



Source: Clarion Partners Global Research, NCREIF, BLS, Moody's Analytics, 2Q2025

Note: Real Estate Income Index is based on NPI Quarter-over-Quarter Same-Store NOI growth; Consumer Price Index is CPI All Items seasonally adjusted.

Why private real estate now?

Private real estate has been less volatile than publicly-traded REITs

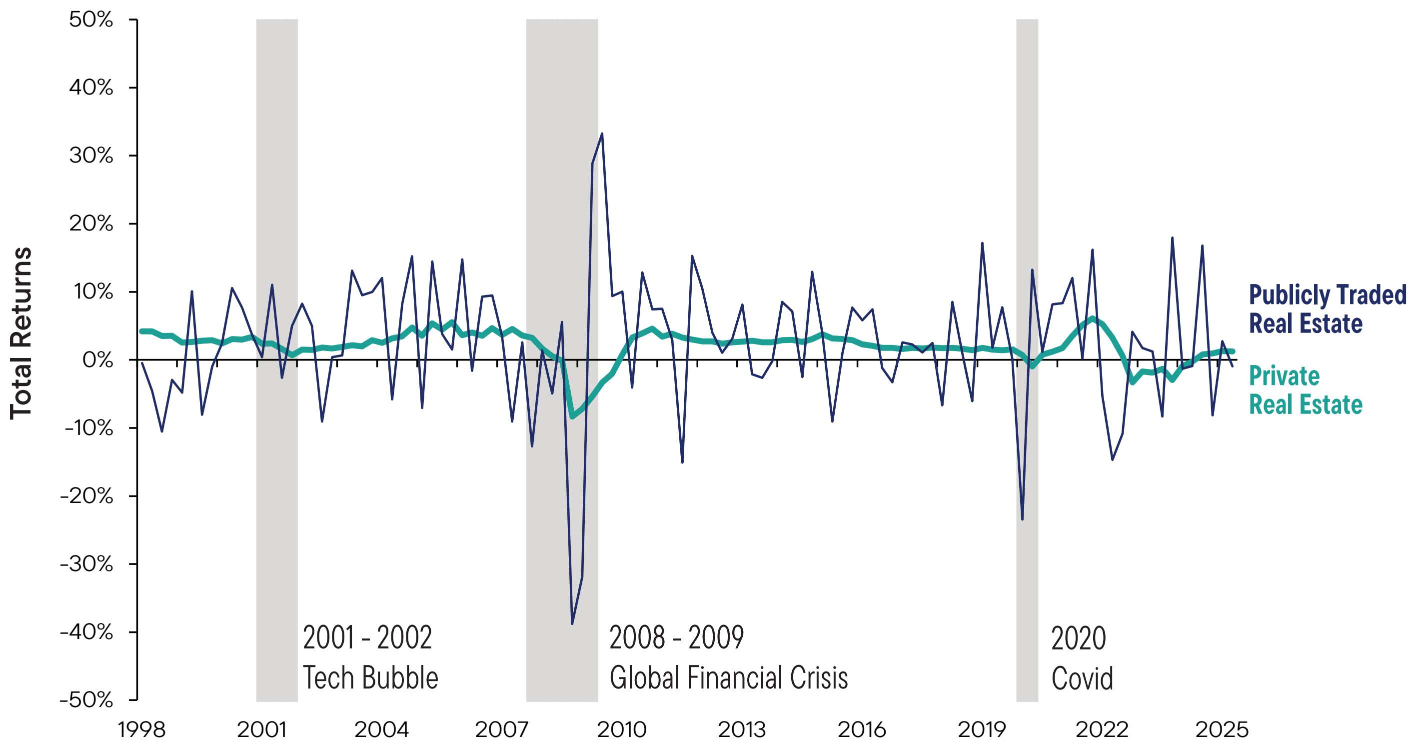
Private real estate is typically valued through a third-party appraisal process and always trades at the net asset value of the underlying properties.

Publicly-traded REITs are valued based on market sentiment, which can be volatile.

Private Real Estate has only had eight quarters of negative returns since 2014.

Despite the valuation process and removal of market sentiment, private real estate, like all assets, still fluctuates in value.

Private Real Estate vs. Publicly-Traded REITs over the last 25-Years



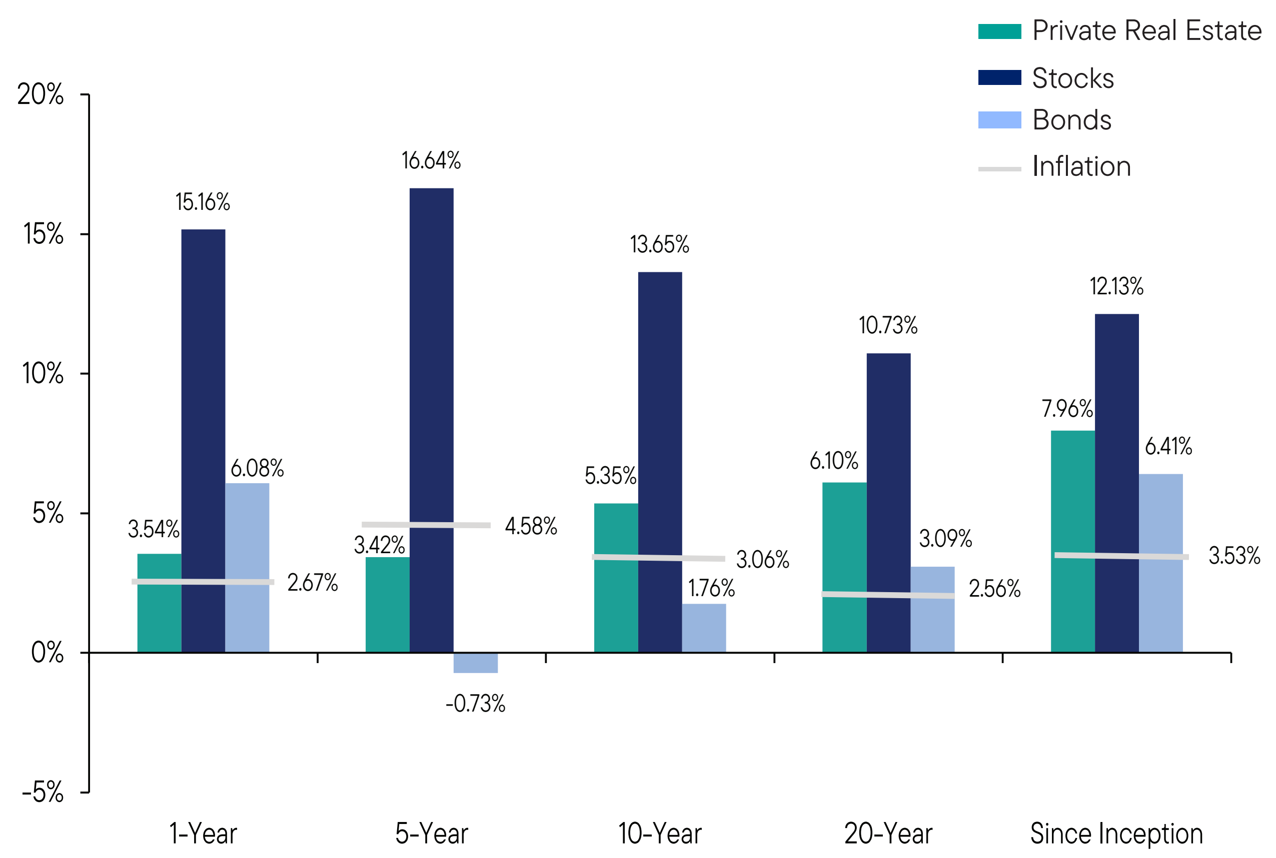
Source: Clarion Partners Global Research, NCREIF, S&P, Bloomberg, 2Q2025.
Private Real Estate = Expanded NPI. Expanded NPI includes all NPI properties and all qualified alternative assets. Alternative assets include storage, senior housing, others (including data centers and parking).
Publicly Traded Real Estate = NAREIT All Equity REIT Index. Publicly traded REITs are generally more liquid than private real estate.
There is no guarantee that the final value of any private real estate investment when it is sold will be greater than either the initial purchase price or any valuation assigned to it over the lifetime of the investment

Why private real estate now?

Private real estate has performed well over multiple time periods

Private real estate returns historically sat in between stocks and bonds.

Annualized total returns and inflation (as of 2Q 2025)



Source: NCREIF, Bureau of Labor Statistics, Bloomberg, Clarion Partners Investment Research, 2Q 2025. Since inception = Q1 1978.
Note: Private Equity Real Estate Index = NFI-ODCE is used as a performance benchmark for core real estate (stabilized institutional quality assets). Stocks = S&P 500 is one of the best presentations of the U.S. stock market. Bonds = Bloomberg US Aggregate Bond Index is used to represent investment-grade bonds being traded in the United States.
Note: ODCE returns were based on 2Q 2025, which is preliminary. Inflation is calculated using the Non-Seasonal Adjusted Consumer Price Index For All Urban Consumers (CPI-U). Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

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Why Clarion Partners Real Estate Income Fund now?

Why Clarion Partners Real Estate Income Fund now?

Institutional-quality private real estate for individual investors

Income-focused investing with long-term value creation

Seeks steady income from high quality well leased buildings and private debt investments

Long-term growth potential from high conviction private real estate equity investments

Diversified real estate portfolio with strategic overweighting

Asset across regions, sectors and investment type to mitigate risk

Research-driven, currently overweight to residential and industrial warehouse

Simple, innovative solution designed with the investor in mind

Low investment minimums ($2,500)

Tax advantaged REIT structure with 1099 reporting

Daily valuation and investment through a ticker with limited quarterly tender up to five percent[1]

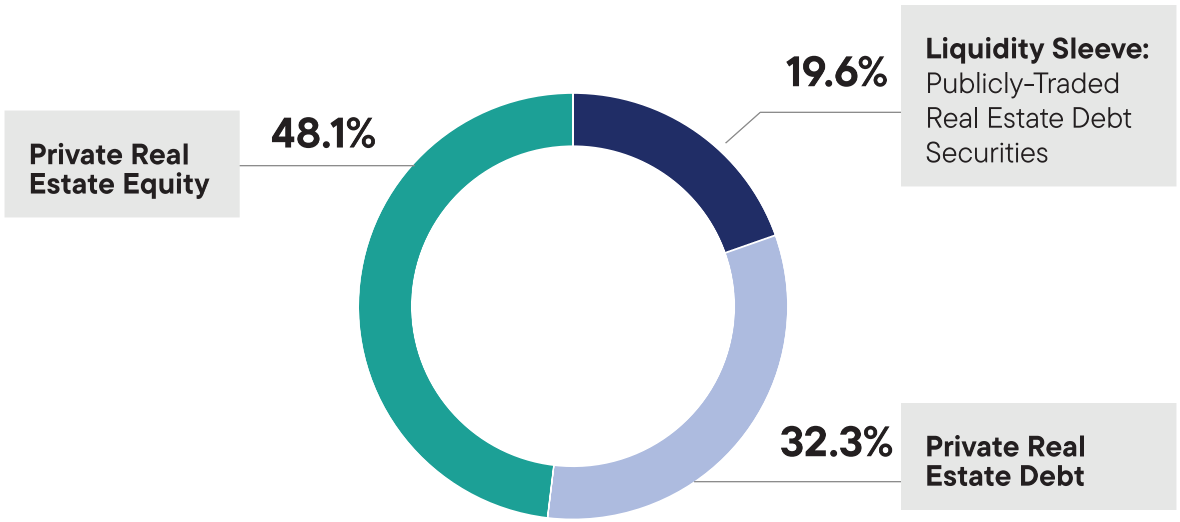
A low, all-inclusive fee structure with no performance fee

1. There is no guarantee these repurchases will occur as scheduled, or at all.
For the definition of institutional quality, see definitions at the end of this presentation.
1940 Act limits fund leverage to 33 1/3% of total assets. The Fund may enter into investment management techniques that have similar effects as leverage, but which are not subject to the 33 1/3% limitation. Please see the prospectus for more information.

Why Clarion Partners Real Estate Income Fund now?

A diversified portfolio built for performance

As of September 30, 2025	
Inception Date	September 2019
Total Assets[1]	$1.26 bn
Net Assets[1]	$1.12 bn
Leverage Ratio	0.0%
Combined Fund Leverage (Including Unconsolidated Subsidiaries)	11.4%
Occupancy	97.6%
Number of Investments	34



1. The difference between total assets and net assets, if any, is due primarily to the Fund's use of borrowings and other liabilities; net assets do not include borrowings. The Fund may employ leverage in the form of loans, preferred stock, reverse repurchase agreements and/or other instruments. When the Fund engages in transactions that have a leveraging effect on the Fund's portfolio, the value of the Fund will be more volatile all other risks will tend to be compounded.

Macro themes driving CPREX's real estate sector selection

Demographics | Innovation | Shifting Globalization | Housing | Resiliency

Residential

- Millennials & Gen Z driving differentiated housing demand / next gen cities
- Retiring boomers driving age-targeted housing
- Historic low affordability pushing households to renting

Industrial Warehouse

- E-commerce growth = additional warehouse demand
- Higher earning wave of Millennials / Gen Z are driving consumption
- Shifting trade patterns leading to nearshoring and onshoring of manufacturing

Extended Sectors

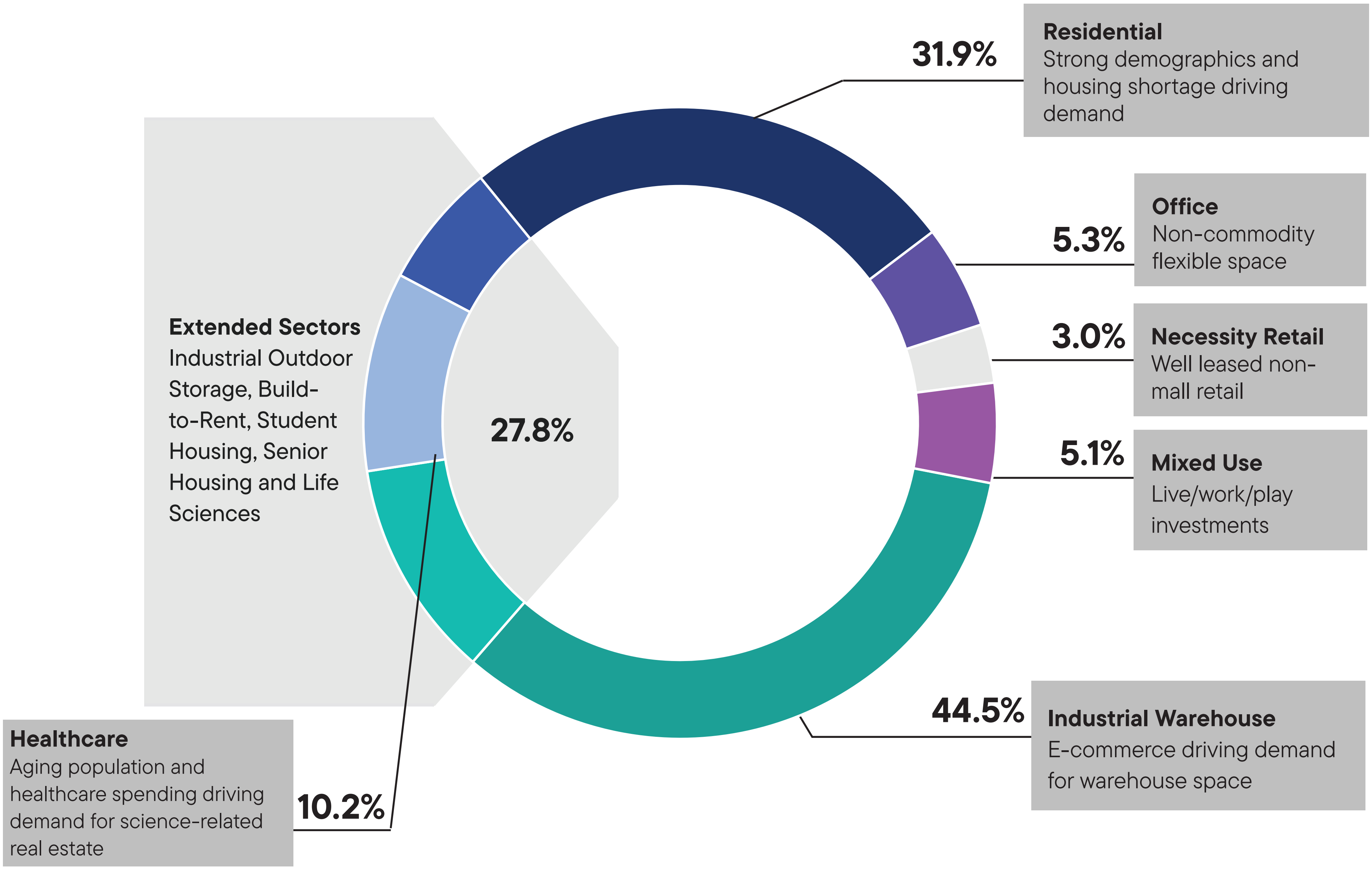
- Distribution: Industrial Outdoor Storage (IOS)
- Housing: Build-to-Rent (BTR) and Student Housing
- Healthcare: Senior Housing and Life Science

Necessity Retail

- Millennials / Gen Z entering prime earning and spending years
- Resiliency of grocery & non-mall formats
- Technological advancements in omnichannel retail driving demand near consumers

Source: RealPage, CBRE-EA, Clarion Partners Investment Research, 2Q 2025. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

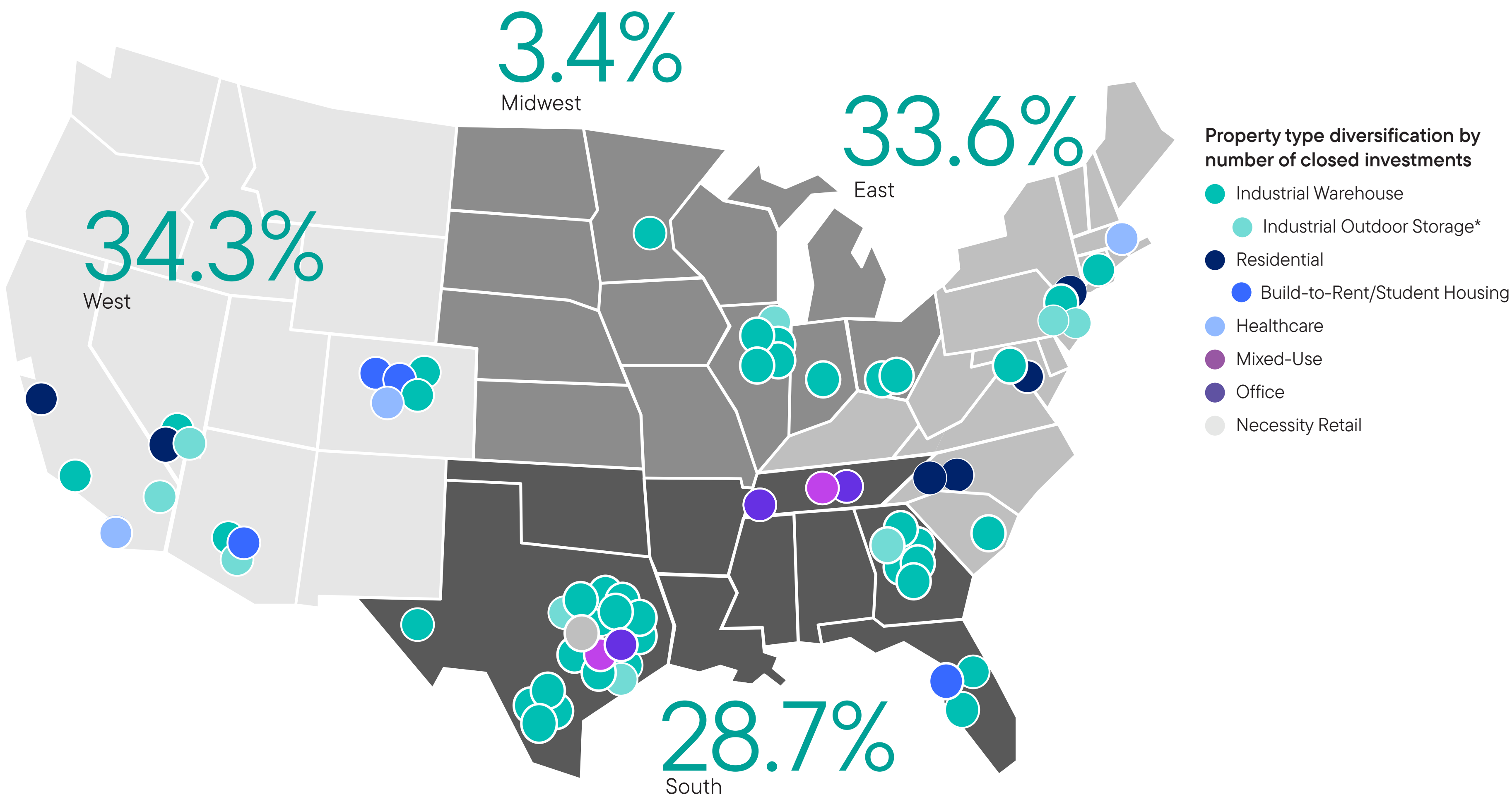
Currently focused on sectors the Fund believes have strong growth potential driven by macro themes



As of September 30, 2025. Please see the important disclosures at the end of this presentation.

Why Clarion Partners Real Estate Income Fund now?

The Fund continues to concentrate its investments in next-gen markets with compelling demographic and employment drivers



*Some investment portfolios may include more than one property

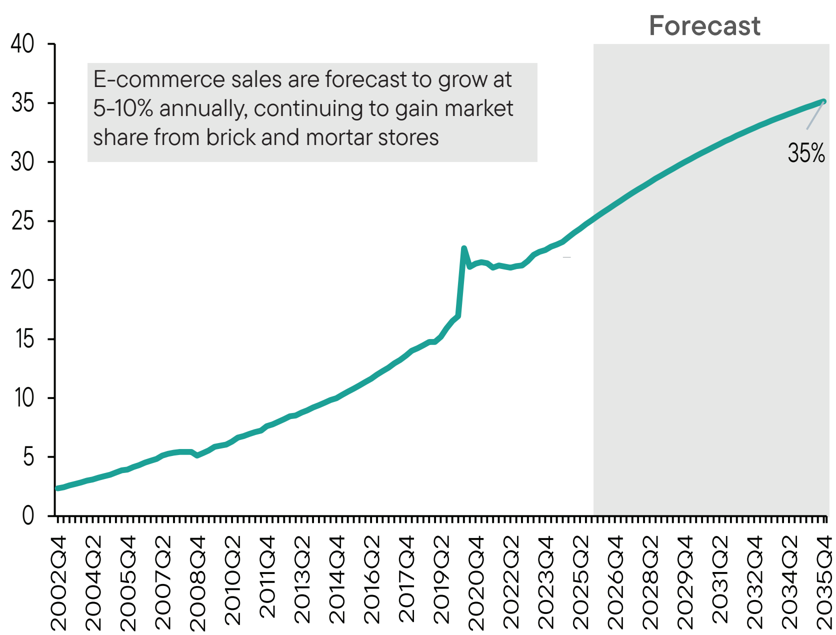
As of September 30, 2025. Please see the important disclosures at the end of this presentation.

Industrial Warehouse: Fundamentals Remain Strong

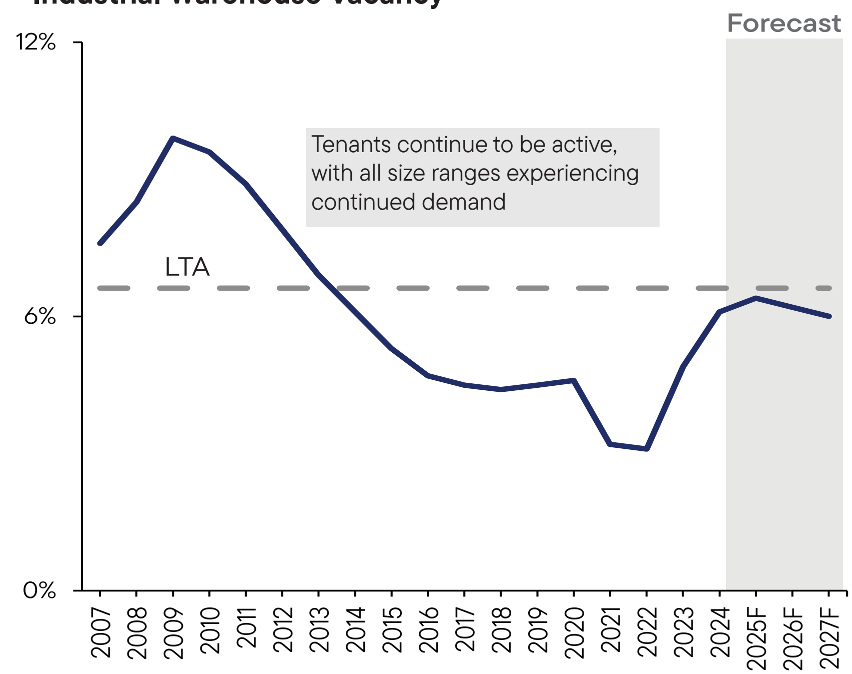
Macro Theme Drivers

Demographics
• Millennials/Gen Z enter prime spending years
Innovation
• E-commerce growth continues expanding warehouse demand
Shifting Globalization
• Increased demand based on changing trade patterns • Onshore manufacturing driving demand

Share of E-commerce as % of core retail sales



Industrial Warehouse Vacancy



Source: Moody's Analytics, CBRE-EA, Clarion Partners Investment Research, May 2025.

Note: E-commerce growth forecast was from CBRE as of 4Q 2024. Industrial warehouse vacancy forecast was provided by Clarion Partners Investment Research as of May 2025. Forecasts have certain inherent limitations and are based on complex calculations and formulas that contain substantial subjectivity and should not be relied upon as being indicative of future performance. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

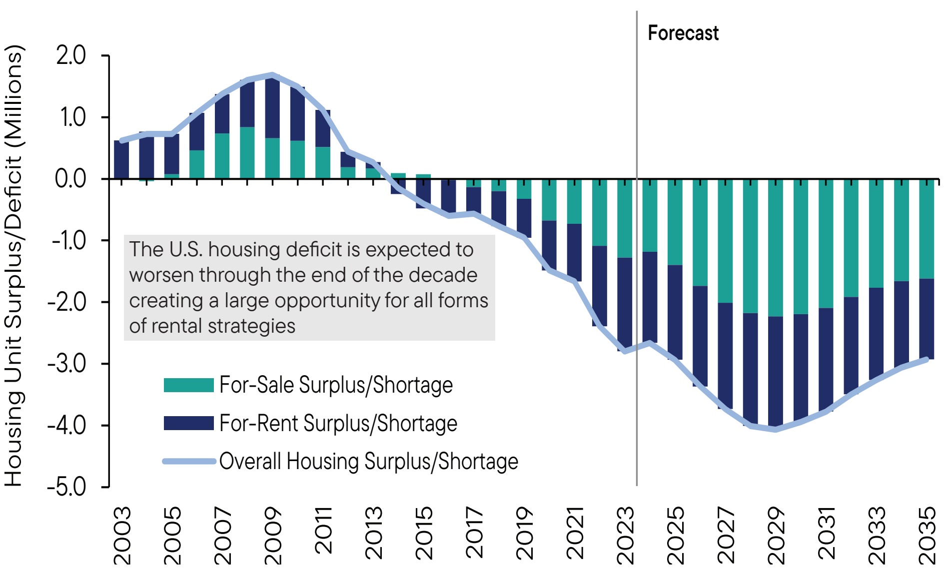
Why Clarion Partners Real Estate Income Fund now?

Residential: Bright long-term outlook for rental housing despite near-term supply and demand changes

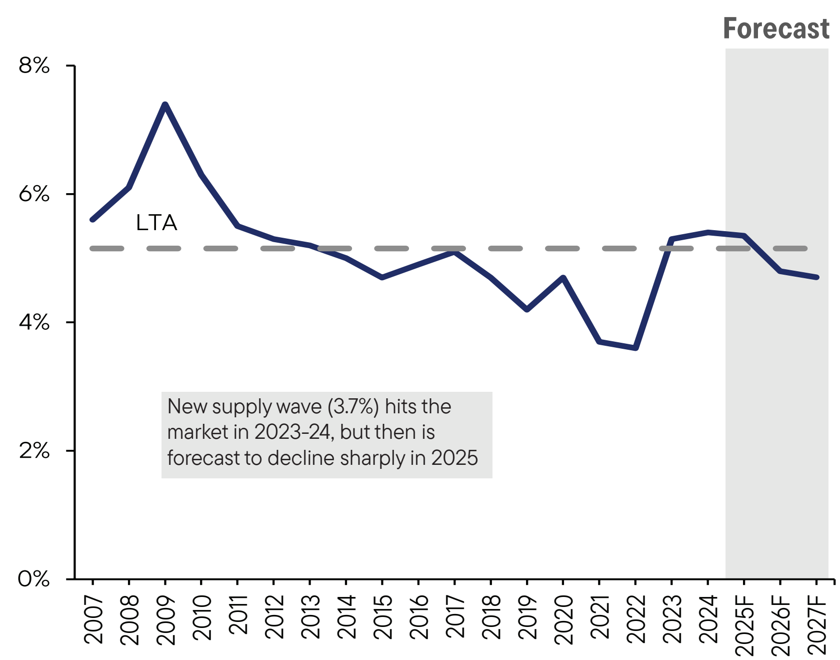
Macro Theme Drivers

Demographics
• Increased demand for next gen rental housing
• Retiring boomers driving age-specific housing
Housing
• Focus on relative affordability between income and rent levels
• Demand workforce housing in growth markets

Residential surplus / shortage



Residential Vacancy



Source: RealPage, CBRE-EA, Moody's Analytics, CBRE-EA, Clarion Partners Investment Research, April 2025.

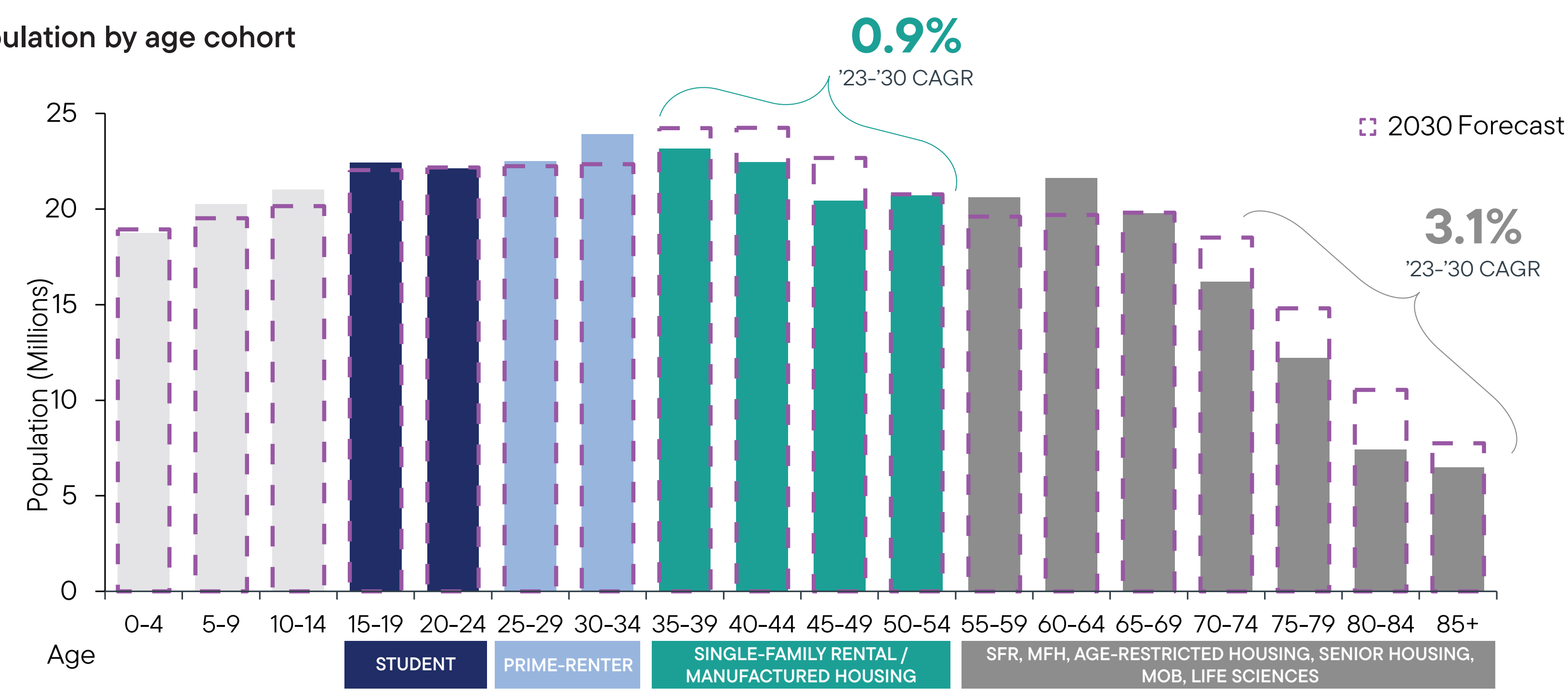
Note: Vacancy rates are average of four quarters within each year. Forecast was provided by Clarion Partners Investment Research as of May 2025. Forecasts have certain inherent limitations and are based on complex calculations and formulas that contain substantial subjectivity and should not be relied upon as being indicative of future performance. Past performance is not indicative of future results. Please refer to the important disclosures at the end of this presentation.

Extended Sectors: Secular tailwinds expected to drive strong and stable performance

Macro Theme Drivers

Demographics
• Aging boomer generation, millennial and gen z cohort entering prime renter age
Innovation
• Demand for innovative drug and therapies research, evolving logistics and distribution methods
Housing
• Housing shortage and affordability challenges, low supply of senior housing

U.S. population by age cohort



Source: U.S. Census Bureau, Moody's Analytics, Clarion Partners Global Research, as of December 2024. Forecast provided by Clarion Partners Global Research as of December 2024..

Note: Forecasts have certain inherent limitations and are based on complex calculations and formulas that contain substantial subjectivity and should not be relied upon as being indicative of future performance. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Why Clarion Partners Real Estate Income Fund now?

Extended sectors are thematically driven with a focus on distribution, housing and healthcare

	Sector	Fundamentals	Projected NOI Growth
Distribution	Industrial Outdoor Storage	E-commerce, on-shoring, population shifts	↑
Housing	Build-To-Rent	Housing shortage	↑
	Student Housing	Gen Z population growth	→
Healthcare	Life Sciences	Rapidly changing medical advances, oversupply	→
	Senior Housing	Aging boomers, limited new construction	↑

Distribution[1]

- Favorable supply dynamics; difficult to find/entitle new sites in infill locations
- NNN lease[2] structures, lower capital requirements, and higher tenant renewal probability than traditional industrial
- Sites operated as trailer/container yard, materials storage, equipment maintenance and rentals, last mile distribution, and other logistics operations

Housing[3]

- Unaffordability of for-sale housing expected to result in more households remaining renters longer
- The peak of the Millennial cohort (mid-30s to low-40s) is entering the prime age range for BTR tenants
- Lower supply risk relative to traditional apartments and stickier tenancy

Healthcare[4]

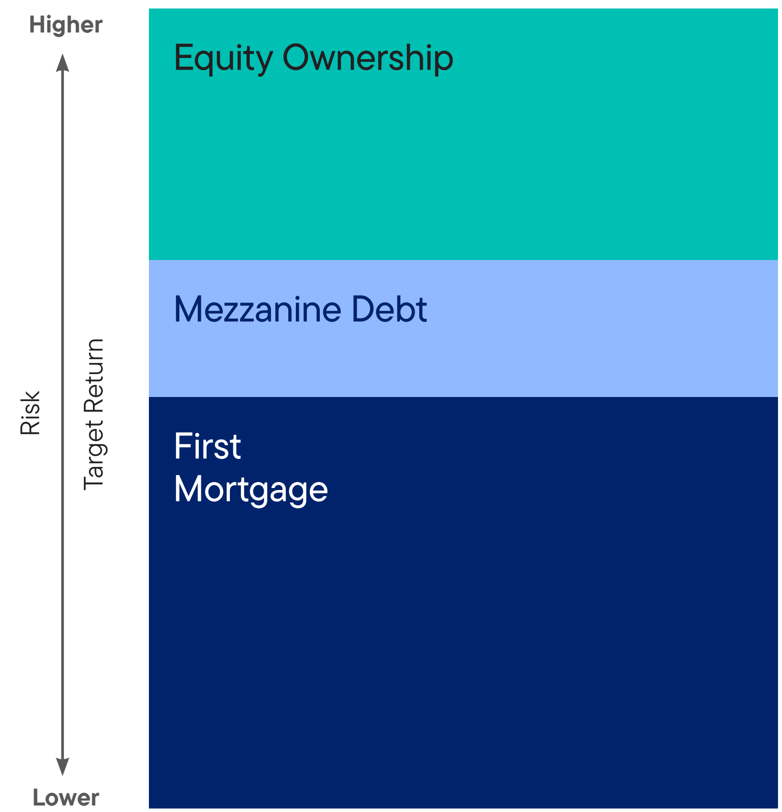
- Growth of wealthy 80+ demographic driving significant demand; home values have fueled wealth creation
- Construction starts at lowest level since 2009
- Strong supply/demand fundamentals fuel long term positive net absorption

[1] Source: Marcus & Millichap; Colliers; Clarion Partners Global Research, January 2025.
[2] NNN Lease = Triple Net Lease, which is when the tenant is responsible for operating expenses of the property
[3] Source: Green Street; Moody's Analytics; Clarion Partners Global Research, January 2025.
[4] Source: Moody's Analytics; NICMAP; Clarion Partners Global Research, January 2025.

Investments in well-structured private real estate debt may enhance portfolio returns

Potential advantages of real estate debt investments

- Potential for attractive risk adjusted returns
- Historically, majority of returns have come from current income
- Risk management tool: real estate debt seeks to provide a potential loss mitigant
- Ability to take control of property to manage outcome in default



For illustrative purposes only. The information here pertains to private real estate debt as an asset class, not CPREX. There can be no assurance that targeted returns will be achieved or that investors will receive a return of their capital. Please see important information at the end of this presentation regarding forecasts and projections.

Please refer to the important disclosures at the end of this presentation.

The Fund charges no performance fees

Clarion Partners Real Estate Income Fund Fees & Expenses

	Class I	Class D	Class S	Class T
Share Class Specific Fees				
Minimum Investment	$1,000,000	$2,500	$2,500	$2,500
Max Sales Load	None	None	None	Up to 3.00%
Dealer Manager Fee	None	None	None	0.50%
Distribution/Servicing Fees	None	0.25%	0.85%	0.85%
Management Fees and Other Expenses[1]				
Other Expenses Net of Waived Fees[2]	0.37%	0.50%	0.50%	0.41%
Performance Fees	None			
Advisory Fees	1.25%			

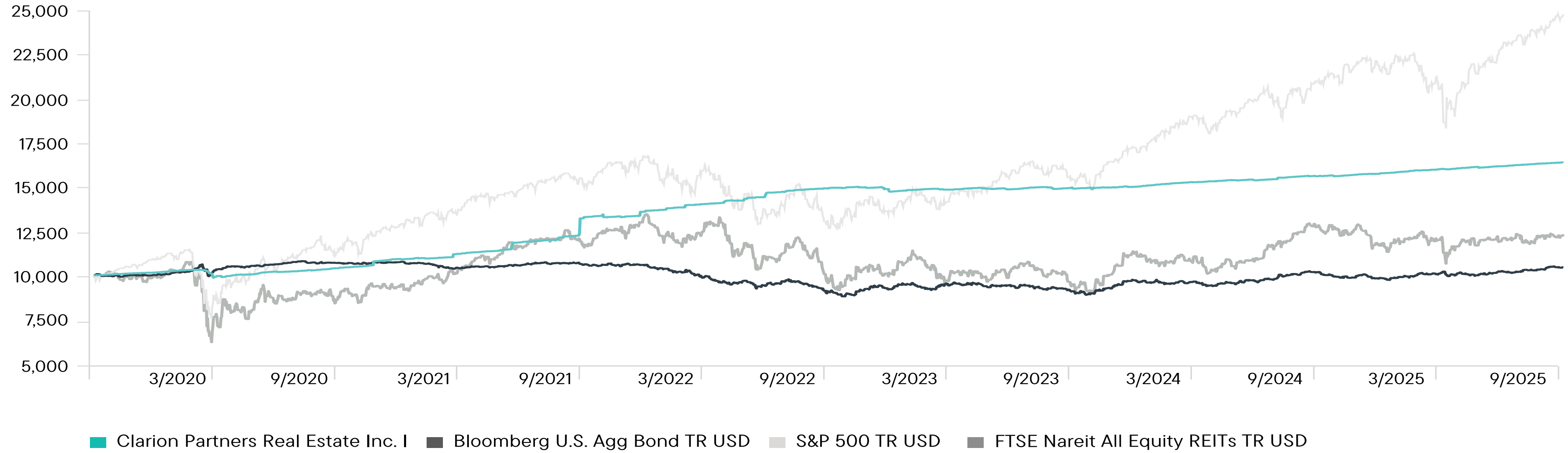
1. Other fees and expenses apply. Please see Fund prospectus for additional information.

2. "Other Expenses" are estimated based on Fund net assets of $803 million and anticipated expenses. Franklin Templeton Fund Adviser, LLC (FTFA) has agreed to waive fees and/or reimburse the Fund's expenses (including organizational and offering expenses, but excluding property management, acquisition, disposition expenses, any other expenses related to investments in real property, debt and real-estate related securities, expenses related to Borrowings or the issuance of Preferred Stock, interest, brokerage, tax and extraordinary expenses and acquired fund fees and expenses) to the extent necessary to ensure that the total annual Fund operating expenses (excluding Specified Expenses) attributable to Class I Shares, Class D Shares, Class S Shares, and Class T Shares will not exceed 1.75%, 2.00%, 2.60%, and 2.60%, respectively, of NAV, subject to recapture as described below. These arrangements cannot be terminated prior to December 31, 2024 without the Board's consent. FTFA is permitted to recapture amounts forgone or reimbursed within three years after the fiscal year in which FTFA earned the fee or incurred the expense if the total annual Fund operating expenses have fallen to a level below the limit described herein. In no case will FTFA recapture any amount that would result, on any particular business day of the Fund, in a relevant class's total annual operating expenses exceeding the applicable limits described above or any other lower limit then in effect.

Different minimums may apply to clients of certain service agents. See the Fund's prospectus for additional information.

Why Clarion Partners Real Estate Income Fund now?

Fund performance: 8.50% annualized return since inception



Fund Average Total Return (%)

As of September 30, 2025

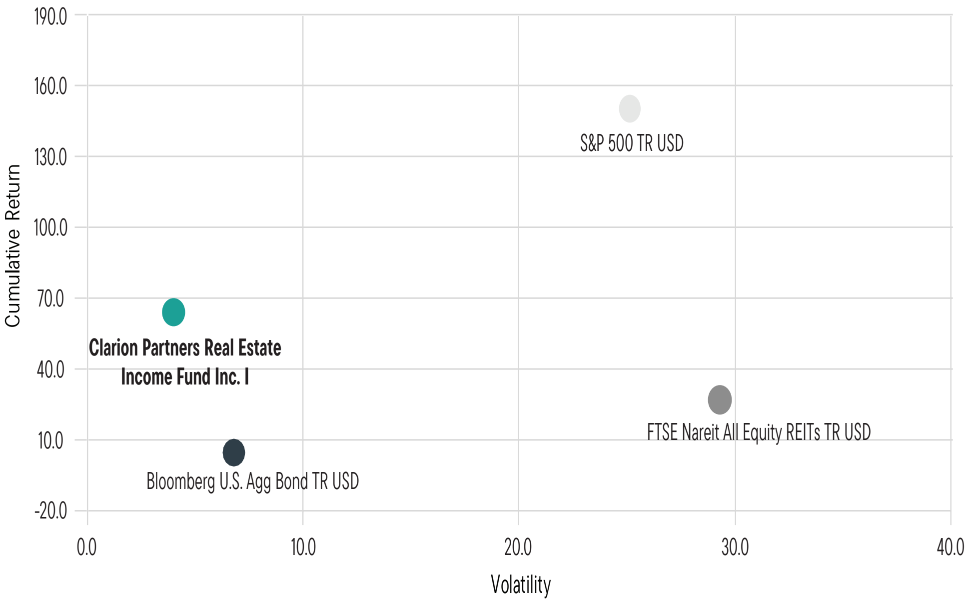
			Without Sale Charge					With Maximum Sales Charge				
	Inception Date	NAV	YTD	1-Yr	3-Yr	5-Yr	Since Inception	YTD	1-Yr	3-Yr	5-Yr	Since Inception
Class I	9/27/19	$11.43	3.72	4.81	3.07	9.36	8.50	3.72	4.81	3.07	9.36	8.50
Class D	9/27/19	$11.43	3.61	4.62	2.77	9.05	8.19	3.61	4.62	2.77	9.05	8.19
Class S[1]	9/27/19	$11.42	3.10	3.97	2.14	8.39	7.55	3.10	3.97	0.94	7.62	6.91
Class T	9/27/19	$11.42	3.24	4.10	2.17	8.43	7.59	(0.36)	0.49	0.97	7.66	6.96

Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. For performance data including the effects of sales charges, Class S shares reflect the deduction of a maximum front-end sales charge of 3.5%. Class T shares reflect the deduction of a maximum front-end sales charge of 3% and a dealer manager fee of 0.5%. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance shown excluding sales charges would have been lower, if the applicable sales charge been reflected. Had fees not been waived in various periods performance would have been lower. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please visit www.franklintempleton.com. Different minimums may apply to clients of certain service agents. See the Fund's prospectus for additional information.

1. Effective June 23, 2023, no sales load will be paid with respect to purchases of Class S Shares. However, investors could be required to pay brokerage commissions on purchases and sales of Class S Shares to their Selling Agents.
Source: Morningstar as of September 30, 2025. Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. For performance data including the effects of sales charges, Class S shares reflect the deduction of a maximum front-end sales charge of 3.5%. Class T shares reflect the deduction of a maximum front-end sales charge of 3% and a dealer manager fee of 0.5%. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance shown excluding sales charges would have been lower, if the applicable sales charge been reflected. Had fees not been waived in various periods performance would have been lower. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please visit www.franklintempleton.com, or contact your Franklin Templeton representative. Please see notes at the end of this presentation for more information.

Fund performance: since inception Sharpe ratio is 1.3x that of the S&P 500

Since Inception Risk-Reward
Time Period: 10/1/2019 to 9/30/2025
Calculation Benchmark: S&P 500 TR USD



Fund Calendar Year Returns	2020	2021	2022	2023	2024
Class I	7.22%	25.04%	7.83%	1.88%	5.08%
Class D	7.04%	24.46%	7.65%	1.48%	4.71%
Class S	6.36%	23.86%	6.97%	0.82%	4.16%
Class T	6.41%	23.97%	6.95%	0.90%	4.09%

Since Inception Performance
Time Period: 10/1/2019 to 9/30/2025
Calculation Benchmark: S&P 500 TR USD

	Cumulative Return	YTD	1-Yr	3-Yr	Since Inception	Sharpe Ratio	Alpha	Beta	Std Dev
Clarion Partners Real Estate Inc I	63.23	3.72	4.81	3.07	8.50	1.13	5.30	0.02	4.62
S&P 500 TR USD	146.76	14.83	17.60	24.94	16.25	0.81	0.00	1.00	17.18
FTSE Nareit All Equity REITs TR USD	23.03	4.51	-4.00	8.34	3.51	0.13	-10.82	0.97	19.71
Bloomberg US Agg Bond TR USD	4.61	6.13	2.88	4.93	0.75	-0.31	-4.35	0.18	6.00

Source: Morningstar as of September 30, 2025. **Performance shown represents past performance and is no guarantee of future results.** Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. For performance data including the effects of sales charges, Class S shares reflect the deduction of a maximum front-end sales charge of 3.5%. Class T shares reflect the deduction of a maximum front-end sales charge of 3% and a dealer manager fee of 0.5%. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance shown excluding sales charges would have been lower, if the applicable sales charge been reflected. Had fees not been waived in various periods performance would have been lower. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please visit www.franklintempleton.com, or contact your Franklin Templeton representative. Please see notes at the end of this presentation for more information.

Clarion Partners Real Estate Income Fund

Clarion Partners, 100% focused on real estate, with more than 40 years of successful investing, manages Clarion Partners Real Estate Income Fund.

Clarion Partners Real Estate Income Fund offers portfolio diversification with the potential for increased yields from targeted real estate sectors.

Real estate has historically delivered attractive risk-adjusted returns, with lower risk and volatility—outperforming inflation.[1]

CPREX Facts

Structure Daily	Valued closed-end 1940 act fund taxed as a REIT
Minimum Investment[2]	$2,500
Valuation	Daily
Investment	Daily
Liquidity	Quarterly Tender – 5% per quarter target
2024 Return of Capital	57%
Asset Management Fee	1.25% on NAV[2]

Share Class	Ticker Symbol	Distribution Rate[3]
I-Share	CPREX	7.03%
D-Share	CPRDX	6.80%
S-Share	CPRSX	6.28%
T-Share	CPRTX	6.32%

1. Please see page 18 of this presentation for more detailed information.

2. Please see page 34 of this presentation for full list of fees and expenses. Some share classes may have different minimum investments.

3. Distribution Rate is calculated by annualizing the most recent distribution amount paid, divided by the closing market price or NAV as of the date indicated. The Distribution Rate calculation includes return of capital, and excludes special distributions. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of fund performance. CPREX intends to make distributions necessary to maintain its qualification as a real estate investment trust. However, there is no assurance that we will pay distributions in any particular amount, if at all. Any distributions we make will be at the discretion of our board of directors. CPREX may pay distributions from sources other than cash flow from operations, including without limitations, the sale of assets, borrowings, return of capital or offering proceeds. This statement is not an indication of the tax treatment of any CPREX distributions. Stockholders will be informed of the tax characteristics of any distributions after the close of CPREX's fiscal year. For the 2024 tax year, 57% of CPREX's distributions were classified as Return of Capital ("ROC"), while 43% were treated as taxable income. As of September 30, 2025, the Class I net distribution rate is 7.03%, the Class D net distribution rate is 6.80%, the Class S net distribution rate is 6.28% and the Class T net distribution rate is 6.32%.

For more information about a distribution's composition refer to the Fund's distribution press release or, if applicable, the Section 19 notice located on our website.

Our team has deep experience across real estate sectors

Richard H. Schaupp
Managing Director, Portfolio Manager

Richard Schaupp is an equity owner and Managing Director and Head of Private Wealth Distribution with Clarion Partners. He leads the Portfolio Management teams for Clarion Partners Real Estate Income Fund (CPREX) and Clarion Ventures Qualified Opportunity Zone Partners (CV QOZP). As lead Portfolio Manager, Rick has overall responsibility for the management and portfolio strategy of these relationships. From 2005-2012, Rick was the assistant portfolio manager for the Clarion Ventures series and a separate account relationship. Rick has participated in the acquisition, asset management, and development management of over $6.0BN of real estate. He originally joined Clarion Partners in 2000 and began working in the real estate industry in 1995. Rick holds a Bachelor of Architecture from the University of Notre Dame and an M.B.A from Yale University.

Janis Mandarino
Senior Vice President, Portfolio Manager

Janis Mandarino is an equity owner and Senior Vice President at Clarion. She is a Portfolio Manager for the Clarion Partners Real Estate Income Fund (CPREX). Her primary responsibilites include portfolio construction and fund strategy, and overseeing their execution through acquisitions, dispositions, and financings. Prior to her current position, Janis was a member of the Firm's acquisitions team focused on investment opportunities in the Northeast, Midwest, and Texas. In addition to acquisitions, Janis' experience includes positions in portfolio management, asset management, and corporate finance. Janis joined Clarion Partners in 2006 and began working in the finance industry in 2000. She is a member of the Urban Land Institute (ULI). Janis holds a B.B.A from Emory University—Goizueta Business School.

Brian Watkins
Managing Director, Portfolio Manager

Brian Watkins, equity owner and Managing Director at Clarion, is a Portfolio Manager for the Clarion Partners Real Estate Income Fund (CPREX) with primary focus on acquisitions and asset management for the Fund. Prior to his current role, Brian served as Clarion's Head of Asset Management—U.S. and, before that, he led Clarion's national investment team as Head of Acquisitions. He began his career as an Asset Manager responsible for investments across various funds and separate account clients. Brian joined Clarion Partners in 1996 and began working in the real estate industry in 1993. He is a member of the Urban Land Institute and the International Council of Shopping Centers. Brian holds a B.S. in Biology and Psychology from Syracuse University and a M.S. in Investment and Finance from New York University.

Brent Jenkins
Managing Director, Portfolio Manager

Brent Jenkins, equity owner and Managing Director with Clarion Partners, is a Portfolio Manager for the Clarion Partners Real Estate Income Fund (CPREX). Brent's primary responsibilities include assisting with portfolio construction and performance, oversight of acquisitions, dispositions and asset management, and investor communications. Brent joined Clarion in 2023 with 30 years of experience in the real estate industry including over 20 years focused on real estate investment across a broad range of strategies. His background includes core aspects of portfolio management including subordinate debt and equity joint venture investment structuring as well as the purchase, sale, development, operations, and financing of commercial real estate across all major asset classes. As an active member of the Urban Land Institute (ULI), Brent sits on ULIs Residential Neighborhood Development Product Council. Brent holds a B.A. of Economics from UC San Diego and an M.B.A. from Rutgers University.

Portfolio Management team as of September 30, 2025.

5 Case Studies

Case studies

Industrial warehouse investment

Investment Type	Purchase Price	Square Footage	% Leased
Direct Equity	$25.3 mm	158,340 sf	100%

Demographics | Innovation | Shifting Globalization | Resiliency

Jedburg Logistics Park Building 2 - Summerville, SC

Trends

- **Demographics:** Millennial / Gen Z demographic is entering prime earning and spending years, increasing demand for industrial product in next generation cities which have diverse economies and positive college graduate in migration.
- **Innovation:** The growth of e-commerce is providing a tailwind for the industrial sector broadly.
- **Shifting Globalization:** Shifting trade patterns are leading to the Nearshoring and Onshoring of manufacturing, and increased investment into US manufacturing and R&D facilities.
- **Resiliency:** Health, economic, and regulatory risks require investing in assets and capital improvements positioned for the future.

Target

- State of the art industrial warehouse, custom built for a multinational e-commerce and technology company who selected the location because of its proximity to strong population growth and Class A building specifications.
- Strategic location provides convenient access to the major distribution thoroughfares of the Charleston metropolitan area including I-26 and I-95, the Port of Charleston, and the Charleston International Airport.
- Provides exposure to a diverse economy driven by the tourism industry, a large military presence, and automotive and aerospace manufacturing.

Source: Clarion Partners. As of September 30, 2025 this investment represents 2.3% of relative percentage of the holding of the entire portfolio (100%). Characteristics and holdings weightings are based on total portfolio, are subject to change at any time, and are provided for informational purposes only. Not to be construed as a recommendation to purchase or sell any security. There can be no assurance that any unrealized investment described herein will prove to be profitable. Please refer to the important disclosures at the end of this presentation.

Case studies

Residential investment

Investment Type	Purchase Price	Units	% Leased
Direct Equity	$45.0 mm	136	95%

Demographics | Housing | Resiliency

The Gates at Marina - Marina, CA

Trends

- **Demographics:** The workforce demographic is increasing the need for affordable housing, particularly in cities which have diverse economies. Cities with attractive qualities such as a favorable quality of life, warmer weather, and good job growth are also positioned to benefit.
- **Housing:** There is a significant US housing shortage on both the for-rent and for-sale housing sides, increasing demand for the residential sector broadly.
- **Resiliency:** Health, economic, and regulatory risks require investing in assets and capital improvements positioned for the future.

Target

- 136-unit garden-style apartment community located in Marina, CA, with the opportunity to execute a value-add program alongside an experienced joint venture partner who is local to the market.
- Strategically located less than a mile from CA Highway 1 which connects the Property to Monterey to the South and Santa Cruz to the North. The Property provides access to numerous retail and lifestyle amenities throughout the Peninsula including downtown shopping, restaurants, the Pacific Ocean, and Big Sur.
- Marina functions as a relatively affordable coastal suburb of Monterey Bay, a supply constrained area that offers an employment base spanning tourism, military, education, and healthcare.

Source: Clarion Partners. As of September 30, 2025 this investment represents 2.4% of relative percentage of the holding of the entire portfolio (100%). Characteristics and holdings weightings are based on total portfolio, are subject to change at any time, and are provided for informational purposes only. Not to be construed as a recommendation to purchase or sell any security. There can be no assurance that any unrealized investment described herein will prove to be profitable. Please refer to the important disclosures at the end of this presentation.

Case studies

Healthcare investment

Investment Type	Purchase Price	Square Footage	% Leased
Direct Equity	$45.9 mm	121,541 sf	100%

Demographics
Innovation
Resiliency

Fusion Life Science HQ— Carlsbad, CA

Trends

- **Demographics:** Overall, the population is aging driven by Boomers retiring and living longer, which is increasing demand for medical office and lab space / life science product broadly.
- **Innovation:** Health care technology growth is increasing demand for medical office and lab space / life science product in life science nodes with complementary healthcare demand and employment drivers.
- **Resiliency:** Health, economic, and regulatory risks require a defensive strategy to mitigate risks.

Target

- A newly renovated R&D facility located within San Diego's Carlsbad submarket, the third largest life science node in the US and a major regional hub for R&D, life science, and technology firms given the metro's deep talent pool and strong funding.
- Invested alongside an experienced joint venture partner with significant local market knowledge and R&D experience, with potential for future deal flow.

Source: Clarion Partners. As of September 30, 2025 this investment represents 1.4% of relative percentage of the holding of the entire portfolio (100%). Characteristics and holdings weightings are based on total portfolio, are subject to change at any time, and are provided for informational purposes only. Not to be construed as a recommendation to purchase or sell any security. There can be no assurance that any unrealized investment described herein will prove to be profitable. Please refer to the important disclosures at the end of this presentation.

Case studies

Debt investment

Investment Type	Property Type	Loan Amount	Units / Square Footage	% Leased
First Mortgage	Healthcare	$46.8 mm	116 / 121,090	92%

Demographics | Housing | Resiliency

The Pearl at Boulder Creek - Boulder, CO

Trends

- **Demographics:** Rapid growth of 80+ year old population is driving demand for the Senior Housing sector.
- **Housing:** There is a significant housing shortage within the Senior Housing sector, further exacerbated by supply growth that is at its lowest in more than a decade.
- **Resiliency:** Health, economic, and regulatory risks require investing in assets and capital improvements positioned for the future.

Target

- Class A, luxury Senior Housing community with 116 Assisted and Independent Living units.
- Boulder is a scenic retirement destination whose 75+ population cohort is expected to grow 6.3% annually over the next five years, with land constraints that will limit new supply.
- To maintain the asset's positioning in the market, half of the units have undergone renovation with the remaining half to continue in-process refurbishment using the loan proceeds.
- Experienced institutional sponsor with a strong record of investing in the Senior Housing sector throughout the United States.

Source: Clarion Partners. As of September 30, 2025 this investment represents 3.9% of relative percentage of the holding of the entire portfolio (100%). Characteristics and holdings weightings are based on total portfolio, are subject to change at any time, and are provided for informational purposes only. Not to be construed as a recommendation to purchase or sell any security. There can be no assurance that any unrealized investment described herein will prove to be profitable. Please refer to the important disclosures at the end of this presentation.

Appendix

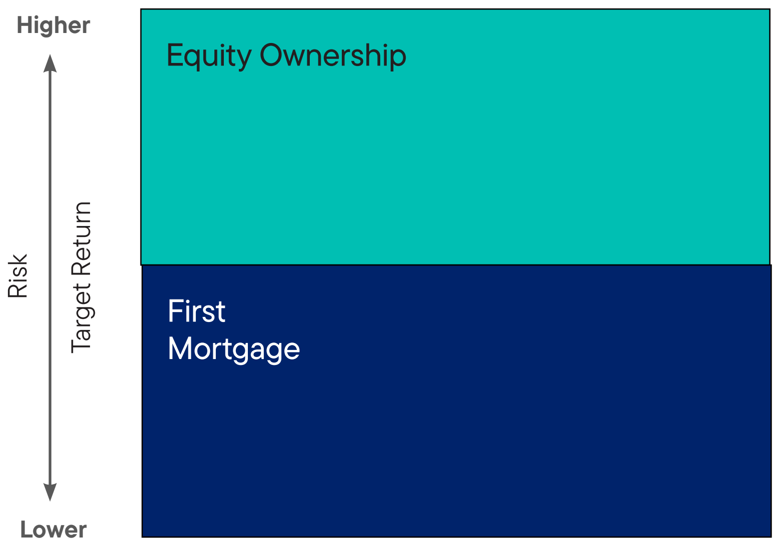
Flexible investment structures may maximize risk-adjusted returns

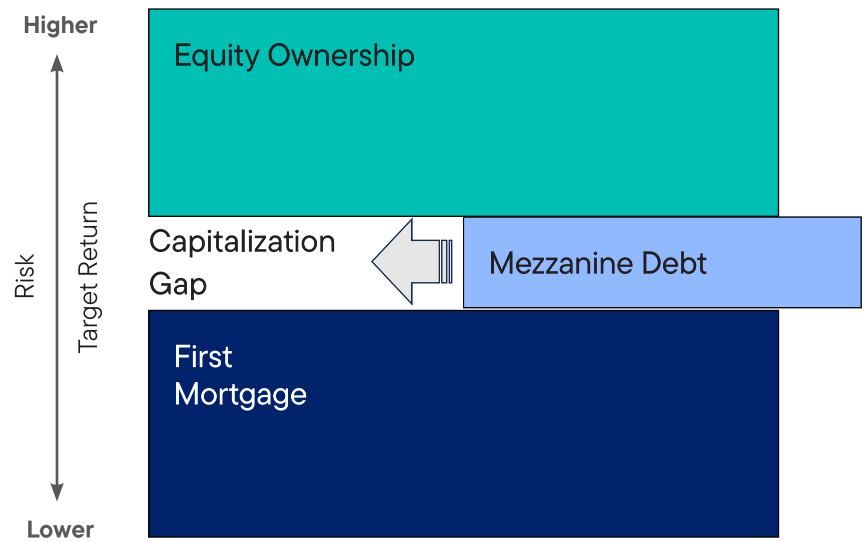
Equity investments

- Direct ownership of real estate properties
- Seek attractive total return with upside potential
- Seek durable income

Private real estate debt investments

- Potential for attractive risk adjusted returns
- Historically, majority of returns have been from current income
- Risk management: Real estate debt seeks to provide a potential loss mitigant
- Ability to take control of property to manage outcome in default





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Please refer to the important disclosures at the end of this presentation.

Appendix

Key definitions (1/2)

Class A Building	These properties represent the highest quality buildings in their market and area. They are generally newer properties built within the last 15 years with top amenities, high-income earning tenants and low vacancy rates. Class A buildings are well-located in the market and are typically professionally managed. Additionally, they typically demand the highest rent with little or no deferred maintenance issues.
Direct Equity Ownership	Direct ownership provides full participation in the performance of the property as well as control of the asset and the ability to direct the operations thus driving returns.
Distribution Yield	A measurement of cash flow paid by an exchange-traded fund (ETF), real estate investment trust, or another type of income-paying vehicle. Rather than calculating the yield based on an aggregate of distributions, the most recent distribution is annualized and divided by the net asset value (NAV) of the security at the time of the payment.
US Dollar $	A mark $ placed before a number to indicate that it stands for U.S. dollars.
Gross Asset Value (GAV)	Gross Asset Value ("GAV") is the Firm's consolidated wholly owned total assets and proportionate share of joint venture total assets.
Gross Real Estate (GRE)	In contrast to GAV, GRE excludes cash and other assets. For Periods on or after 12/31/2013, Assets under Management ("AUM") is Gross Asset Value ("GAV"). Prior to that date, AUM is Gross Real Estate Value ("GRE").
Joint Venture Investments	A Joint Venture ("JV") is a business arrangement in which two or more parties agree to pool their resources to accomplish a specific task. Each of the participants is responsible for profits, losses and costs associated with it. However, the venture is its own entity, separate from the participants' other business interests. They can take on any legal structure. Corporations, partnerships, limited liability companies (LLCs) and other business entities can all be used to form a JV.
Leverage	Leverage involves the use of loans, preferred shares or other financial instruments in an attempt to increase the yield, or return, of the portfolio. Leverage may result in greater volatility of the NAV and market price of common shares, and it increases a shareholder's risk of loss.
Marginal Tax Rate	The tax rate you pay on an additional dollar of income.
Mezzanine Debt	Mezzanine financing is a hybrid of debt and equity financing that is basically debt capital that gives the lender the rights to convert to an ownership or equity interest in the company if the loan is not paid back in time and in full.
Mixed Use Property Type	Comprised of real property with five or more residential units (including mixed-use, multifamily/office, multifamily/retail and student housing properties), office space, industrial space, retail space, hospitality space, self-storage space and/or pad sites for manufactured homes as to which no such property type represents a majority of the underwritten revenue.

Key definitions (2/2)

Mortgage-Backed Securities/ RMBS, MBS/CMBS	A mortgage-backed security (MBS) is a type of asset-backed security that is secured by a mortgage or collection of mortgages. Residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS) are forms of asset-backed securities, holding pools of residential or commercial mortgages (respectively) used as collateral for the securities. Agency mortgage-backed securities (MBS) are asset-backed securities secured by a mortgage or collection of mortgages issued by federal agencies like Fannie Mae, Freddie Mac and Ginnie Mae. Non-agency mortgage-backed securities (MBS) are those issued by private entities and not by federal agencies (Fannie Mae, Freddie Mac and Ginnie Mae); they are also called non-conforming loans. A Commercial Mortgage-Backed Securities (CMBS) is a type of mortgage-backed security that is secured by the loan on a commercial property.
Private Real Estate	Private equity real estate is an asset class composed of pooled private and public investments in the property markets.
Real Estate Investment Trust (REIT)	Real estate investment trust (REIT) is an investment in real estate or loans secured by real estate and issue shares in such investments, which can be illiquid.
Return Of Capital	A return of capital occurs when a fund pays out distributions that are greater than its taxable income.
Sharpe Ratio	Mathematical indication that excess returns over time may be the result of volatility and risk rather than investing skill
Standard Deviation	Standard deviation is a statistic used as a measure of the dispersion or variation in a distribution, or data set, from its mean, or average; it measures the volatility of an investment's return over a particular time period; the greater the number, the greater the volatility.
Structured Debt	Structured credit investments include collateralized bond obligations (CBOs), collateralized debt obligations (CDOs), syndicated loans and synthetic financial instruments. A CBO is understood to be of investment grade but is backed with the use of a pool of below-investment-grade bonds. CDOs are a kind of asset-backed security, holding a pool of collateralized debt, such as mortgages and auto loans, that may be subdivided into various tranches representing different levels of risk. A syndicated loan is a loan offered by a group of lenders (called a syndicate) who work together to provide funds for a single borrower. Synthetic financial instruments are artificially created investment vehicles or instruments intended to meet requirements not met by existing, conventional instruments. They are designed to reduce risk, increase diversification or offer a higher return. A synthetic floating rate instrument can be produced by combining a fixed-rate bond and an interest rate swap. Or an asset with the same risks and rewards as the underlying share can be created by the purchase of a call option and the simultaneous sale of a put option on the same share.
Mezzanine Debt	Loans that have a lower priority to collateral claims. Investors are generally compensated for the increased risk as compared to first mortgage loans.
Taxable Bond	A taxable bond is one where bondholders must pay tax due on interest earned.
Taxable Income	Taxable income is the portion of your gross income used to calculate how much tax you owe in a given tax year.
Underwriting	Underwriting is the mortgage lender's process of assessing the risk of lending money to you.

Index definitions

NCREIF Fund Index – Open End Diversified Core Equity Index (NFI-ODCE)	The NFI-ODCE Index includes open-end commingled funds pursuing a core investment strategy, primarily investing in private equity real estate. This is a quarterly, capitalization-weighted, gross-of-fee, time-weighted return index with an inception date of December 31, 1977.
Bloomberg US Aggregate Bond Index	The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).
Standard & Poor's 500 Index (S&P 500)	The S&P 500 Index is a capitalization-weighted index of 500 large U.S. stocks. The index is designed to capture the returns of many different sectors of the U.S. economy. The total return calculation includes the price-plus-gross cash dividend return.
Institutional Quality	While not a precisely defined term, an institutional-grade, or institutional-quality property generally refers to a property of sufficient size and stature to merit attention from large national or international investors.

Important information and disclosures

BEFORE INVESTING, CAREFULLY CONSIDER A FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. YOU CAN FIND THIS AND OTHER INFORMATION IN EACH PROSPECTUS, AND SUMMARY PROSPECTUS, IF AVAILABLE, AT WWW.FRANKLINTEMPLETON.COM OR CONTACT YOUR FRANKLIN TEMPLETON REPRESENTATIVE. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

This is not an offer to sell, or a solicitation of an offer to buy, securities. Investment in real estate and real estate derivatives entails significant risk and is suitable only for certain qualified investors as part of an overall diversified investment strategy and only for investors able to withstand a total loss of investment. References to indexes are hypothetical illustrations of aggregate returns and do not reflect the performance of any actual investment. Investors cannot invest in an index. Past performance is not indicative of future results and a risk of loss exists. Any investor's actual returns may vary significantly from any aggregate returns set forth in this presentation.

Forward looking statements rely on a number of economic and financial variables and are inherently speculative. Such statements are based on complex calculations and formulas that contain substantial subjectivity. There can be no assurance that market conditions will perform according to any forecast or that any fund or account will achieve its objectives. Investors are cautioned not to place undue reliance on any forward-looking statements. Clarion Partners does not assume any obligation to update any forward-looking statements as a result of new information. Such statements are believed to be accurate as of the date provided but are not guaranteed and are subject to change without notice. This material does not constitute investment advice and should not be viewed as a current or past recommendation to buy or sell any securities or to adopt any investment strategy. Clarion Partners does not provide tax or legal advice. Tax-related statements are based on Clarion Partners' understanding of the tax laws. Investors must seek the advice of their independent legal and tax counsel before investing. Certain information contained in this material may have been obtained or derived from independent sources believed to be reliable. Clarion Partners cannot guarantee the accuracy or completeness of such information and has not reviewed the assumptions on which such information is based.

Important disclosure relating to Clarion Partners property performance and comparisons to the NCREIF Property Index

Inception date is 10/1/1984. Clarion Partners' performance is calculated by blending the performance of assets from all client portfolios that meet the criteria for inclusion in the NCREIF Property Index ("NPI"). If the performance shown is for a subset of accounts of Clarion Partners, then all properties that would meet the criteria for inclusion in such subset in the NPI are included. Except with respect to subsets (e.g., industrial properties), qualifying properties include all Clarion Partners client-owned U.S. office, industrial, retail, residential and hospitality operating properties accounted for at market value, pursuant to the current valuation policy applicable to the respective client. New qualifying properties are included in the first full quarter in which they reach a minimum of 60% occupancy or, for newly acquired renovation or development assets, the earlier of 60% occupancy or 1 year after completion of the renovation or development. Once a property is included by Clarion Partners, it remains in the track record until it is disposed or converted to a property type which does not meet NPI inclusion criteria. With the exception of subsets outside of the hospitality sector, Clarion Partners includes the historical performance of 2 hotel investments managed by a Clarion Partners employee between 2002 and 2005 while working at Sarofim Realty Advisors and transferred to Clarion Partners in 2006 and 2007. The performance of Clarion Partners is hypothetical in that it does not track the aggregate performance of all assets held in Clarion Partners client accounts or of any individual account. No client has received the performance shown. Except as otherwise noted, Clarion Partners performance is shown unleveraged and gross of taxes, investment management fees, incentive fees, and, any fund expenses, if applicable. If such fees and expenses were deducted from the assets shown, performance would be substantially lower.

The NPI is a primary benchmark for the commercial real estate industry calculated and maintained by the National Council of Real Estate Investment Fiduciaries. The NPI is a total rate of return measure of the investment performance of a large pool of individual commercial properties that have been acquired in the private market for investment purposes. The NPI includes only U.S. office, industrial, retail, residential and hospitality operating properties owned in whole or in part by non-taxable institutional investors and accounted for at market value. The NPI is gross of investment management fees and is unleveraged. Information regarding NPI's methodology is available at http://www.reportingstandards.info/. Substantial differences exist between the methodology for calculating the NPI and the Clarion Partners performance data. Performance was achieved under certain economic conditions that may not be repeated. Past performance is not a guarantee of future results.

Additional index definitions

The NCREIF Total Return Property Index (NPI). The NPI quarterly, annual and annualized total returns consist of three components of return – income, capital and total. Total Return is computed by adding the Income Return and the Capital Value Return.

NPI Market Value Index (MVI). The NPI MVI is simply an equal-weighted average of quarterly changes in reported market value for the properties that are not undergoing a major capital expansion. MVI is designed to reflect how property values are changing over time and be an alternative to the NCREIF capital index.

NCREIF Appreciation Index. The NCREIF Appreciation Index is a quarterly, unleveraged composite appreciation return for private commercial real estate properties held for investment purposes only.

Important information and disclosures (continued)

NCREIF Industrial Sub-Index. The NCREIF Industrial Sub-Index is a quarterly, unleveraged composite total return for private industrial real estate properties held for investment purposes only.

Bloomberg Barclays US Aggregate Bond Index. The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

EURO STOXX 600. The STOXX Europe 600 or STOXX 600 is a stock index of European stocks designed by STOXX Ltd. This index has a fixed number of 600 components, among them large companies capitalized among 18 European countries, covering approximately 90% of the free-float market capitalization of the European stock market (not limited to the Eurozone).

FTSE NAREIT All Equity REIT Index. The FTSE NAREIT All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. Equity REITs. Constituents of the Index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

JLL Global RE Transparency Index. The JLL Global Real Estate Transparency Index is based on a combination of quantitative market data and information gathered through a survey of the global business network of JLL and LaSalle Investment Management across 109 markets.

Morgan Stanley EAFE Int'l Stock (MSCI EAFE) Index. The MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.

Morgan Stanley Emerging Markets (MSCI EM) Index. The MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries. With 845 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

NAREIT Equity REIT. NAREIT Equity REIT Index is an index designed to provide the most comprehensive assessment of overall industry performance and includes all tax-qualified real estate investment trusts (REITs) that are listed on the New York Stock Exchange, the NYSE AMEX Equities or the NASDAQ National Market List.

The FTSE NAREIT Equity REITs index contains all Equity REITs not designated as Timber REITs or Infrastructure REITs.

Investment Property Databank (IPD) Index. The IPD Index is a composite of investment returns on both a historical and current basis of its participating members, who must qualify as being open-end, core, diversified funds pursuing a core investment strategy and includes all investments owned by them including real estate, cash and other investments (mezzanine loans receivable, notes receivable, forward commitments, etc.). The IPD Index is capitalization- weighted and is reported gross of fees. Measurement is time-weighted. Unless otherwise noted, IPD Index returns are presented without leverage and before the deduction of portfolio level management fees and do not reflect the results of any actual investment portfolio. The index's history is unfrozen; therefore, any reconstitution would result in a revision to the index's historical data. For comparative purposes, IPD calculates LPF returns using the same methodology as the IPD Index. Further information is available online at http://www.ipd.com.

S&P 500 - Standard and Poor's 500 Index. The S&P 500 Index is a capitalization-weighted index of 500 large U.S. stocks. The index is designed to capture the returns of many different sectors of the U.S. economy. The total return calculation includes the price-plus-gross cash dividend return.

Standard deviation: Standard deviation is a statistic used as a measure of the dispersion or variation in a distribution, or data set, from its mean, or average; it measures the volatility of an investment's return over a particular time period; the greater the number, the greater the volatility.

Consumer Price Index. The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

NREI / Marcus & Millichap Investor sentiment survey. A joint industry sentiment survey run by National Real Estate Investor (NREI) and Marcus & Millichap, a firm specializing in commercial real estate investment sales, financing, research and advisory services, with offices across the United States and Canada. A quarterly report meant to gauge Commercial Real Estate investors confidence in the current US Real Estate market.

FTFA is the investment manager of the Fund. Clarion Partners is the investment sub-adviser.

Important Disclosures
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Important information and disclosures (continued)

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