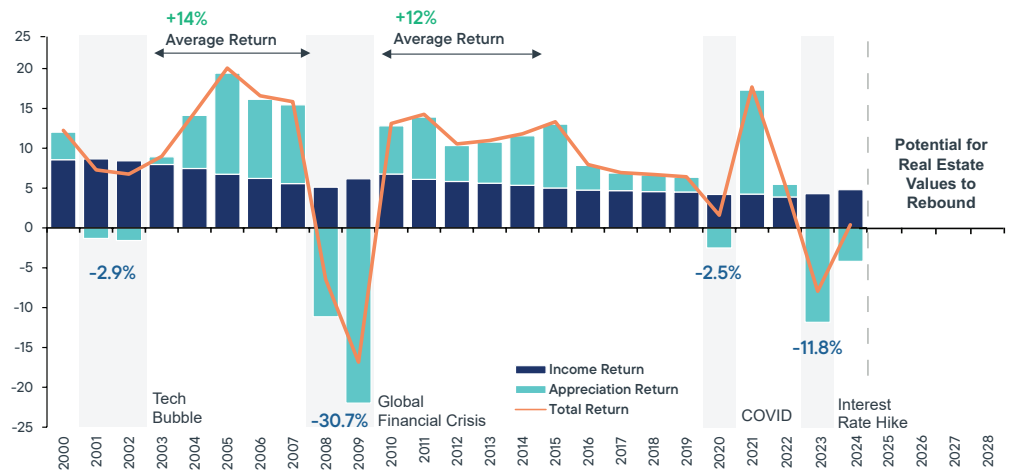


Clarion Calls: Signals Point to a New Private Real Estate Cycle

What You Need To Know

- ✓ Private real estate returns have historically been attractive after periods of re-pricing.
- ✓ Demand fundamentals are strong and supply remains low, allowing for rent growth to recover.
- ✓ Historically, values have rebounded towards replacement cost when these dynamics exist.

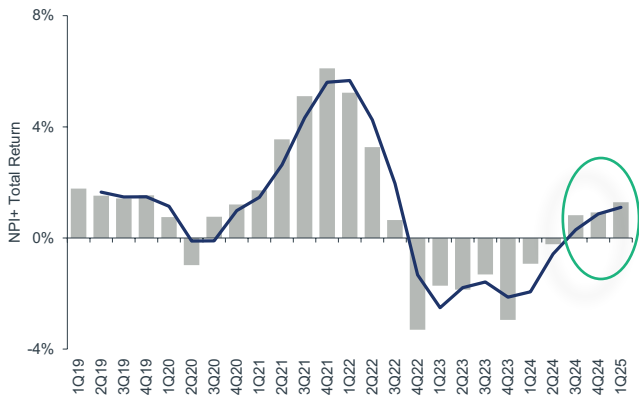
NCREIF Property Index (NPI) Total Return by Calendar Year



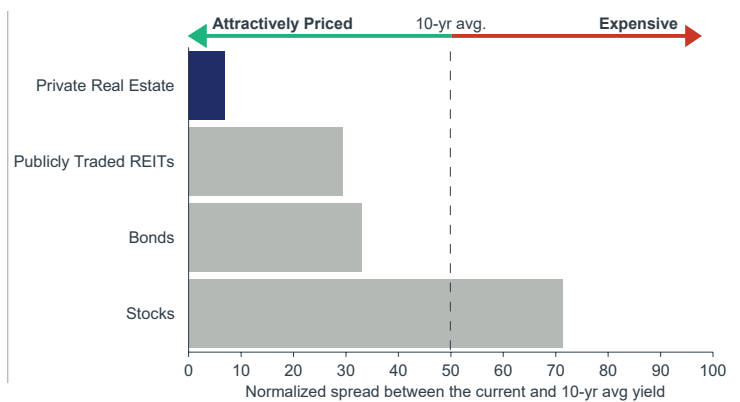
Source: NCREIF, Clarion Partners Global Research, 4Q24. Returns provided are USD.

Private Real Estate Continues to Improve and Seems Attractively Priced

Private Real Estate Quarterly Total Returns



Relative Valuations Over Prior 10-yr Period



After almost two years of values adjusting to a higher interest rate environment, private real estate has had three quarters of positive returns signaling a potential inflection point.

Based on yield equivalents, private real estate pricing is compelling when compared to other asset classes.

Source: St. Louis Fed, Moody's Analytics, GSA, NAREIT, Clarion Partners Global Research, as of 1Q25. Private Real Estate = GreenStreet Nominal cap rate, Bonds = ICE BofA US High Yield Index Semi-Annual Yield to Worst, Percent, Quarterly, Not seasonally adjusted, Public REITs = NAREIT All Equity REIT Cap rate Note: Valuation metrics: Corporate and high-yield bonds: yield-to-worst, direct CRE: cap rates, REITs: implied cap rate, stocks = S&P500: P/E Ratio. The asset classes are associated with different levels of volatility, liquidity and other risks. The 1Q25 estimate for the REIT implied cap rate was calculated using the quarterly change in the Green Street market wtd. implied cap rate. NCREIF, Clarion Partners Global Research as of May 2025. Data above reflect total returns for NPI+ unlevered. Expanded NPI (NPI+) includes all NPI properties and all qualified alternative assets. Alternative assets include storage, senior housing, data centers, parking and others. Returns provided are USD.

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