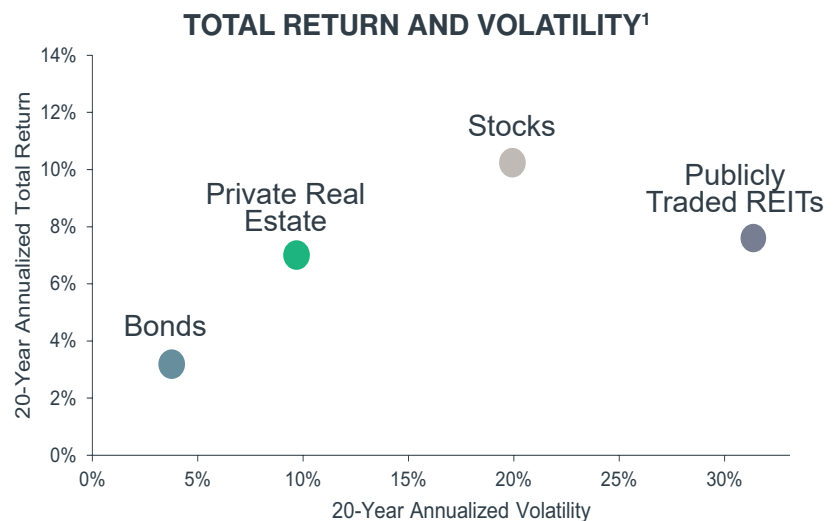


Clarion Calls: Anchor Your Assets With Private Real Estate

Private Real Estate Has Provided Stability Within A Mixed Asset Portfolio

What You Need To Know

- ✓ Private real estate has the potential to improve returns and reduce risk through its low volatility and low correlation to stocks and bonds
- ✓ Unlike publicly traded REITs, private real estate investments are not subject to public market swings
- ✓ Private real estate can generate steady income and serve as an inflation hedge, due to long leases and built-in rent increases



How Resilient is Private Real Estate in Uncertain Times?

- Historically, private real estate has provided stability during uncertainty. For example, the NPI-index generated an average total return of 8.7% during the 2000-2002 dot-com bust and 0.1% during the Great Financial Crises of 2008 - 2011, outperforming the S&P 500 (-14.6% and -1.6%, respectively).
- Private real estate has also been less volatile than the broader equity market across economic cycles, with a standard deviation for historical total returns from 2000 to 2024 of 8.5% versus 18.3% for the S&P 500.
- Adding private real estate to a 60/40 stock/bond portfolio can improve returns while also potentially lowering risk.
- Private real estate has historically provided high current income to a portfolio, serving as a hedge against inflation during times of rising rates.
- Real estate offers the potential to create predictable and durable income streams as cash flow is tied to long-term leases with built-in annual escalations.
- Private real estate values rely on a data-driven appraisal process vs publicly traded REITs which are heavily influenced by market sentiment and behave most similarly to small-cap stocks.

Consider Private Real Estate as a Strategic Long-Term Component of any Portfolio.

Source: Clarion Partners Global Research, NCREIF, Bloomberg, REIT.com, 1Q 2025

¹ Private Equity Real Estate Index = 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), Bonds = Bloomberg US Aggregate Bond Index, Stocks = S&P 500, and Public REITs = NAREIT All REITs. Private Real estate is generally less liquid than bonds, stocks and public REITs.

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