Historical return pattern of US REITS following periods of deeper valuation discounts

December 2023

- US REITS have on average traded close to net asset value (NAV), from a valuation perspective, over the last 32 years.
- Historically, investing in the US REIT market when share prices are at deeper discounts to NAV has produced attractive returns in the following 12 month, 24 month and 36 month periods thereafter.
- As of December 2023, the US REIT market is trading at a 6.1% premium to NAV, versus the historical average of a 1.9% premium to NAV.

Returns Following Periods With Price/NAV Discounts Between -10% and -20%

12 month returns have averaged **7.86%**

24 month cumulative returns have averaged **25.30%**

36 month cumulative returns have averaged **43.12%**

Returns Following Periods With Price/NAV Discounts of -20% or Below

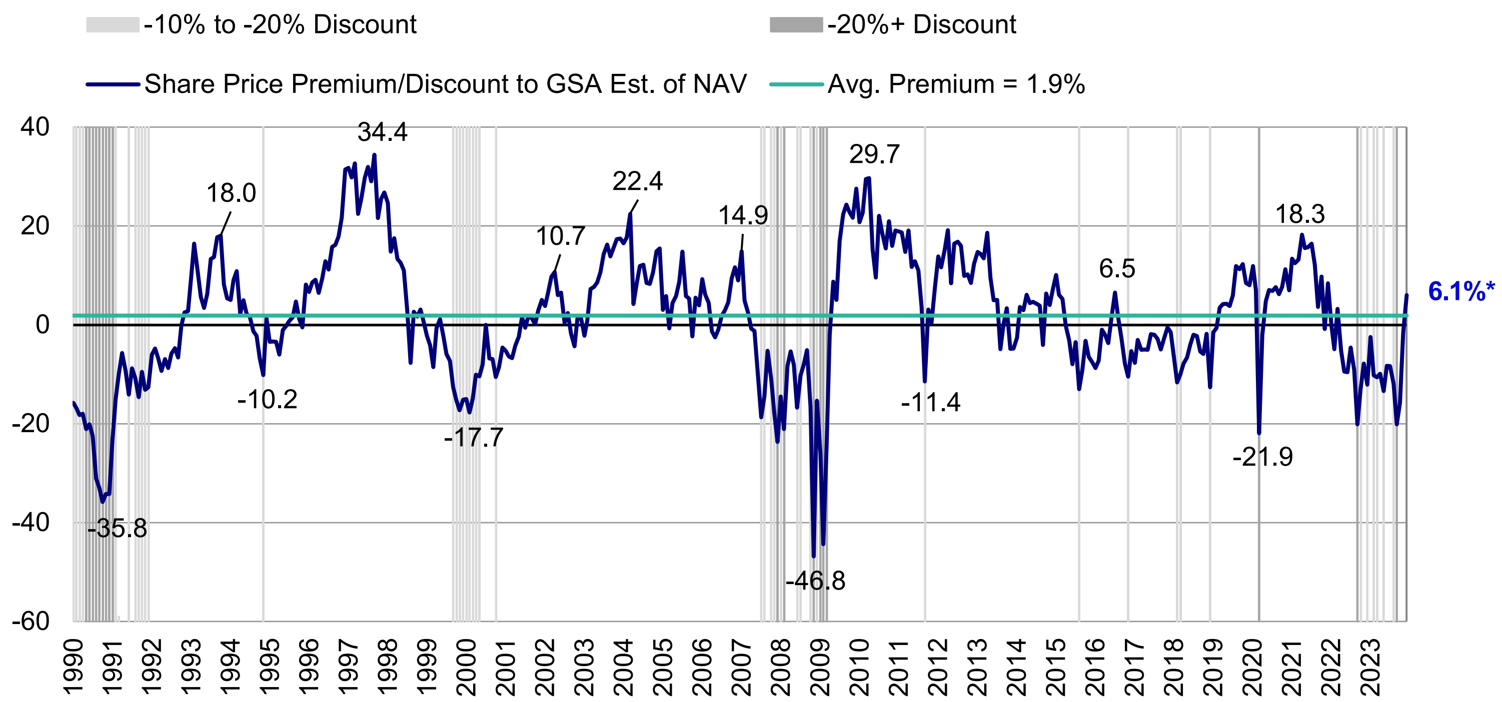
12 month returns have averaged **29.12%**

24 month cumulative returns have averaged **62.45%**

36 month cumulative returns have averaged **90.05%**

Past performance is not a guarantee of future results. An investment cannot be made into an index. US REITs represented by FTSE NAREIT All Equity REITs Index, an unmanaged index considered representative of US REITs. Average cumulative returns are calculated using each sub-sector within the FTSE Nareit All Equity REITs Index, time periods were identified where the sector discount was either between -10% to -20% or -20% and below. Using the actual 12, 24- and 36-month returns following the discount, the overall return was then calculated using a simple average where the threshold was met. Source: FTSE and Bloomberg as of December 31, 2023.

Historical Price/NAV Valuation of US REIT Market



*Note: GSA estimate of NAV at 1 January 2024 assumes a cap rate of 6.1%

Source: Used by permission of Green Street Advisors (GSA) Real Estate Securities Monthly. For illustrative purposes only. Weighted average (weighted by NAV shares outstanding) of all US-listed companies in Green Street's coverage universe, excluding Hotels and those without a published opinion. Equally-weighted average prior to Jan '93. The share price premium/discount reflects the degree to which the underlying properties represented in the index traded above or below their net asset values. **Past performance is not a guarantee of future results**

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The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Property and land can be difficult to sell, so investors may not be able to sell such investments when they want to. The value of property is generally a matter of an independent valuer's opinion and may not be realized.
Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.
Generally, real estate assets are illiquid in nature. Although certain kinds of investments are expected to generate current income, the return of capital and the realization of gains, if any, from an investment will often occur upon the partial or complete disposition of such investment.
Investing in real estate typically involves a moderate to high degree of risk. The possibility of partial or total loss of capital will exist.
REITs are pooled investment vehicles that trade like stocks and invest substantially all of their assets in real estate and may qualify for special tax considerations. REITs are subject to risks inherent in the direct ownership of real estate. A company's failure to qualify as a REIT under federal tax law may have adverse consequences to the REIT's shareholders. REITs may have expenses, including advisory and administration, and REIT shareholders will incur a proportionate share of the underlying expenses.

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Data as of December 2023, unless otherwise stated.
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