CLARION PARTNERS
by Franklin Templeton

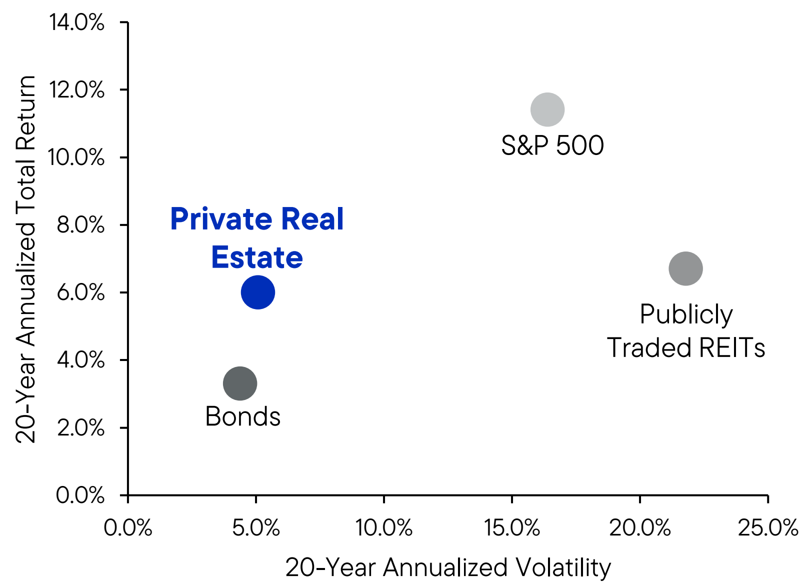
Clarion Calls:
Anchor your assets with private real estate

September 2026

Diversify beyond stocks and bonds

What you need to know

- ✓ Private real estate has the potential to improve returns and reduce risk through its historically 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?

- Adding private real estate to a 60/40 stock/bond portfolio can improve returns while also lowering risk.
- Private real estate has historically provided high current income and the potential for predictable, durable cash flow through long-term leases with built-in annual escalations, which can also provide a hedge against inflation during periods of rising rates.
- Private real estate values rely on a data-driven appraisal process, as opposed to 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.

Securities Industry and Financial Markets Association, CBRE, NAREIT, Clarion Partners Global Research, annual data and estimates as of Q2 2026.

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