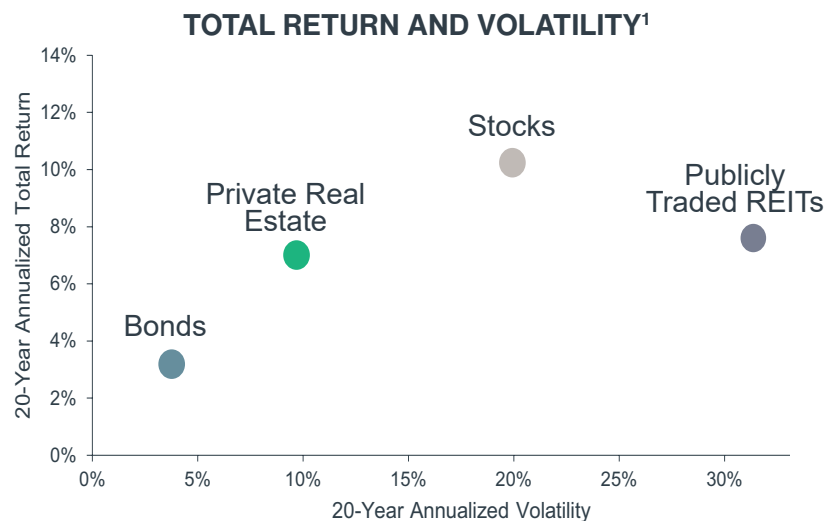


Clarion Calls: Anchor Your Assets With Private Real Estate

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 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.

Past performance is not indicative of future results. This material does not constitute investment advice, nor does it constitute an offer in any product or strategy offered by Clarion Partners LLC and should not be viewed as a current or past recommendation to buy or sell any securities. Any specific investment referenced may or may not be held in a Clarion Partners client account. It should not be assumed that any investment, in any property or other asset, was or will be profitable. Investment in real estate involves significant risk, including the risk of loss. Investors should consider their investment objectives, and it is strongly suggested that the reader seek his or her own independent advice in relation to any investment, financial, legal, tax, accounting or regulatory risks and evaluate their own risk tolerance before investing. There can be no assurance that market conditions will perform according to any forecast.