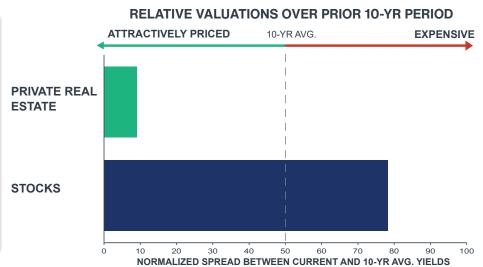


Clarion Calls: Private Real Estate Appears Undervalued

Private Real Estate Seems Attractively Priced Relative to Stocks

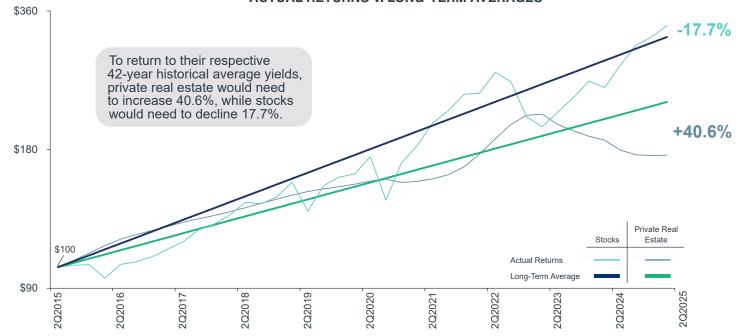
What You Need to Know

- Private real estate values appear to be stabilizing with signs of a new cycle forming.
- ✓ Based on yield equivalents, stocks are expensive relative to their 10-year average, while private real estate pricing is compelling.
- ✓ A peak to trough decline of ~19% offers a potentially interesting entry point into the private real estate sector.1



Source: St. Louis Fed, Moody's Analytics, GSA, NAREIT, Clarion Partners Global Research, as of 2Q 2025 Valuation metrics: Direct PRE: cap rates, S&P 500: P/E Ratio. The asset classes are associated with different levels of volatility, liquidity and other risks

ACTUAL RETURNS V. LONG-TERM AVERAGES



The above is a growth comparison of a \$100 investment in stocks and private real estate using actual performance over the past decade versus an equivalent \$100 investment using the 42-year historical long-term average performance for each.

Source: NCREIF, NAREIT, Bloomberg, 2Q 2025. Note: Private Real Estate = NFI-ODCE, Stocks = S&P 500. Performance is shown on a gross basis. Inclusion of fees would reduce returns. Future yields and pricing may be different from historical averages.

NCREIF (as of 2Q 2025); Clarion Partners Global Research, as of September 2025. A peak-to-trough analysis is a strategy used to identify market tops and bottom.

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