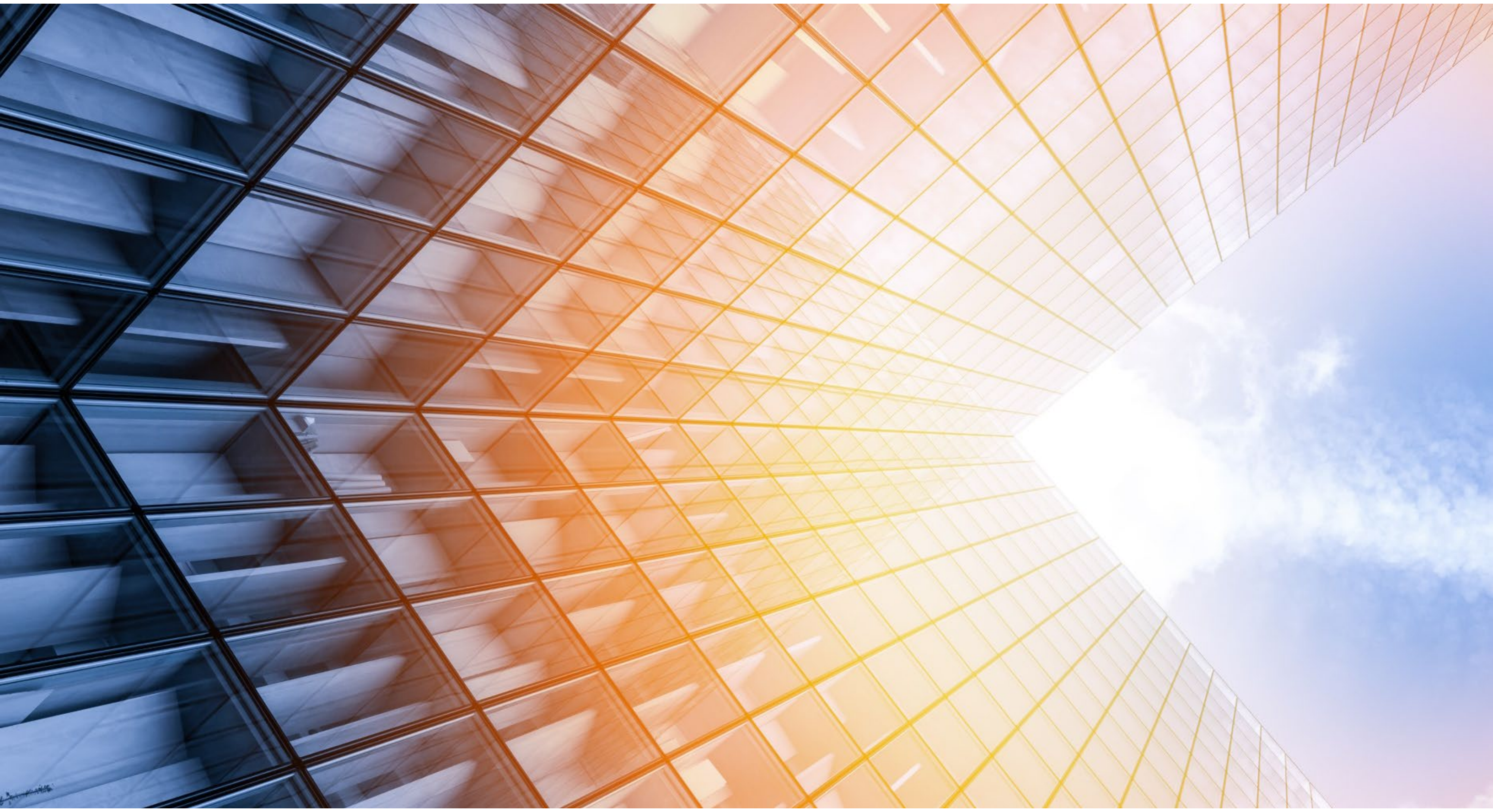
Summary Report

CenterSquare
REAL ASSET INVESTMENT LEADERSHIP

Q1 | 2023



The REIT Cap Rate Perspective

Credit Crunch Consequences

Any statement of opinion constitutes only current opinions of CenterSquare and its employees, which are subject to change and which CenterSquare does not undertake to update.

Credit Crunch Consequences

For more than a year now, we have been following the rapidly shifting debt markets in terms of the price and availability of credit, while navigating the corresponding impact on real estate valuations. As the story continues to unfold, we are facing greater uncertainties which are causing market inertia and creating a vicious cycle of instability. The dramatic and swift increases in debt costs and the volatility of the capital markets have compelled many historically active credit providers (i.e. leveraged lenders, CMBS lenders, commercial banks) to retrench in the second half of 2022 and remain on the sidelines in the first quarter of 2023. Senior lenders, where they are willing to transact, have cut their loan proceeds due to debt service coverage ratio (DSCR) constraints that have been exacerbated by rapidly increasing interest rates. The latest developments across the global financial system following the collapse of Silicon Valley Bank and other distressed institutions have made lenders more cautious, further impacting the cost and availability of debt.

For real estate investors, this credit crunch has slowed transactions to a near halt, resulting in a further delay of price discovery in a private market that had just begun to correct at the end of 2022. In absence of any activity that would inform private market pricing, we continue to rely on the trajectory of the public REIT market as a harbinger to help ascertain a reasonable outlook for the rest of the year.

> We find ourselves in a familiar situation where the private markets have been incredibly slow to react and the public markets have overreacted despite being directionally correct.

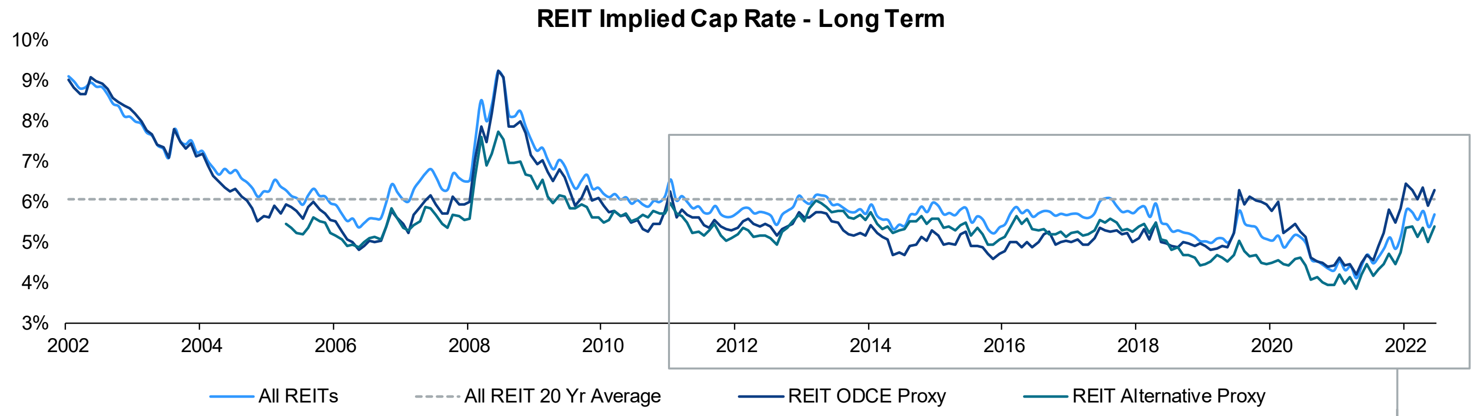
In 2022, the public markets rapidly priced in the impact of rising rates; this year, they are appropriately reacting to slowing growth. Tighter lending standards are expected to put additional downward pressure on the economy and growth. Given this backdrop and our REIT roadmap, we see the most aggressive downward repricing in the private market occurring in areas with elevated risk including office and business-oriented hotels. Also, in the context of slowing growth, concerns of oversupply are elevating risk in areas such as residential REITs with high concentration in sunbelt markets with significant construction pipelines. However, here we believe the public market reaction is slightly overdone due in part to the paused lending market which has turned off financing for new development, a dynamic which should buoy fundamentals across sectors. The positive impact will be more immediate (i.e., 2024) for property types like industrial or self-storage, with shorter construction timelines.

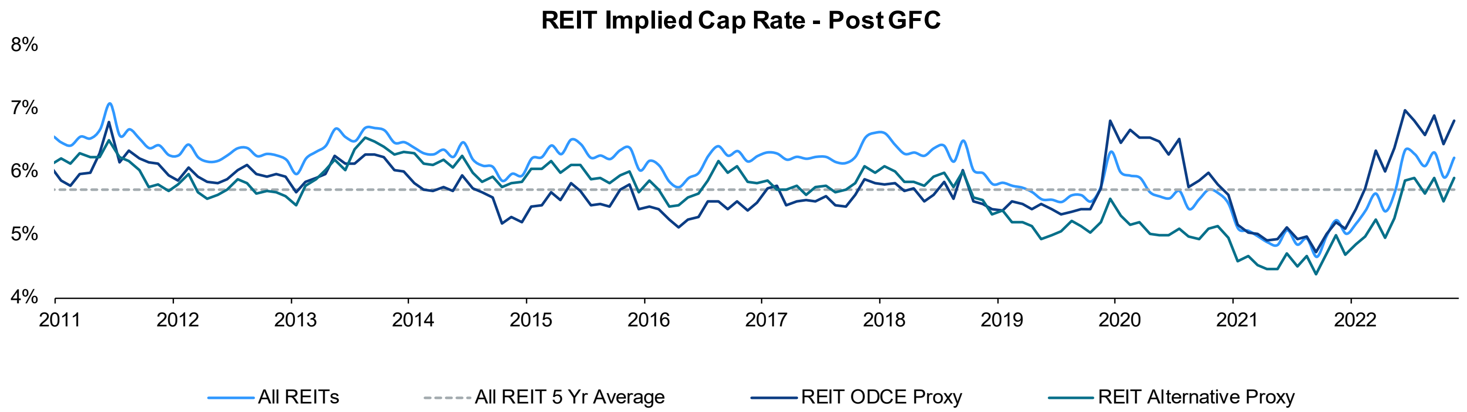
We find ourselves in a familiar situation where the private markets have been incredibly slow to react and the public markets have overreacted despite being directionally correct. Our expectation remains for real estate values to settle down 5-10% on average from their peak levels as detailed in our 2023 REIT Outlook: Poised to Perform, which would point to a positive turn for REIT performance and a negative one for private real estate returns as valuations meet somewhere in the middle. As a side note, we also expect today's credit crunch to result in REITs experiencing a meaningfully more competitive cost of capital versus private market players given their unsecured borrowing capacity, well-structured balance sheets, and access to liquidity through the public markets.

The above factors give weight to a reversal of fortunes for both REITs (positive) and the private markets (negative) as we move into and through a recession. However, the timing of this shift remains at the mercy of an economy in limbo as policy makers seek to make sense of these unprecedented times.

See important disclosures at the end of this presentation.

The Data





Sector	REIT Implied Cap Rate	3 Mo. Change (bps)	12 Mo. Change (bps)	5 Yr Avg Implied Cap Rate	Private Market Cap Rate	REIT vs. Private Market Valuation Gap
Apartment	5.76%	31	182	4.75%	4.93%	(14.4%)
Industrial	3.82%	(18)	63	3.98%	4.20%	10.0%
Office	7.83%	43	221	6.04%	6.10%	(22.2%)
Retail	6.94%	14	86	6.61%	7.20%	3.8%
Hotel	7.23%	33	192	6.47%	6.31%	(12.7%)
REIT ODCE Proxy	**6.30%**	**22**	**160**	**5.26%**	**5.54%**	**(12.1%)**
Life Sci	5.81%	35	148	4.55%	4.80%	(17.4%)
Healthcare	6.69%	26	92	6.04%	6.21%	(7.3%)
Single Family Rentals	5.47%	30	114	4.62%	4.64%	(15.1%)
Manufactured Housing / RVs	4.58%	2	85	3.86%	4.81%	4.9%
Towers	4.96%	44	73	4.22%	4.61%	(7.1%)
Data Centers	5.29%	14	51	5.02%	5.53%	4.6%
Self Storage	5.44%	2	136	5.94%	4.97%	(8.6%)
REIT Alternative Proxy	**5.39%**	**25**	**90**	**4.73%**	**5.14%**	**(4.7%)**
All REITs	**5.72%**	**13**	**99**	**5.89%**	**5.44%**	**(4.8%)**

Source: CenterSquare Investment Management, REIT Company reports. “All REITs” refers to CenterSquare’s U.S. REIT coverage universe (defined on page 4). Data presented above is based on financials reported by companies within CenterSquare’s REIT coverage universe during March 2023. All periods presented are ending March 2023 (i.e. 3 month change represents the change from financials reported in December 2022 to March 2023). REIT Implied cap rates are generated by a proprietary calculation that divides a company’s reported net operating income (“NOI”) adjusted for non-recurring items by the value of its equity and debt less the value of non-income producing assets. See full disclosures on page 4 for more information on calculation methodologies and stock universe used. See important disclosures at the end of this presentation.

CenterSquare REIT Cap Rate Perspective Methodology
CenterSquare REIT Implied Cap Rates are based on a proprietary calculation that divides a company's reporting net operating income ("NOI") adjusted for non-recurring items by the value of its equity and debt less the value of non-income producing assets. The figures above are based on 1Q23 earnings reported in March 2023.

The universe of stocks used to aggregate the data presented is based on CenterSquare's coverage universe of approximately 200 U.S. listed real estate companies. Sector cap rates are market cap weighted. Sectors and market classifications are defined by the following:

Apartment: REITs that own and manage multifamily residential rental properties; Industrial: REITs that own and manage industrial facilities (i.e. warehouses, distribution centers); Office – REITs that own and manage commercial office properties; Retail – REITs that own and manage retail properties (i.e. malls, shopping centers); Hotel – REITs that own and manage lodging properties; Healthcare – REITs that own properties used by healthcare service tenants (i.e. hospitals, medical office buildings); Gateway – REITs with portfolios primarily in the Boston, Chicago, LA, NYC, SF, and DC markets; Non-Gateway – REITs without a presence in the gateway markets.

The REIT ODCE Proxy is a universe of REIT stocks built to resemble the NCREIF Fund Index – Open End Diversified Core Equity (ODCE). The ODCE, short for NCREIF Fund Index - Open End Diversified Core Equity, is the first of the NCREIF Fund Database products and is an index of investment returns reporting on both a historical and current basis the results of 36 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The REIT ODCE Proxy is proprietary to CenterSquare and uses gateway/infill names in apartments, retail, industrial and office, and then weights them according to the ODCE index to create a proxy.

Private Market Cap Rates represent the cap rate achievable in the private market for the property portfolio owned by each company, and are based on estimates produced by CenterSquare's investment team informed by various market sources including broker estimates.

General Disclosures
Any statement of opinion constitutes only the current opinion of CenterSquare and its employees, which are subject to change and which CenterSquare does not undertake to update.

Material in this publication is for general information only and is not intended to provide specific investment advice or recommendations for any purchase or sale of any specific security or commodity. Due to, among other things, the volatile nature of the markets and the investment areas discussed herein, investments may only be suitable for certain investors. Parties should independently investigate any investment area or manager, and should consult with qualified investment, legal, and tax professionals before making any investment. Some information contained herein has been obtained from third party sources and has not been independently verified by CenterSquare Investment Management LLC ("CenterSquare"). CenterSquare makes no representations as to the accuracy or the completeness of any of the information herein. Accordingly, this material is not to be reproduced in whole or in part or used for any other purpose. Investment products (other than deposit products) referenced in this material are not insured by the FDIC (or any other state or federal agency), are not deposits of or guaranteed by CenterSquare, and are subject to investment risk, including the loss of principal amount invested.

For marketing purposes only. Any statements and opinions expressed are as at the date of publication, are subject to change as economic and market conditions dictate, and do not necessarily represent the views of CenterSquare or any of its affiliates. The information has been provided as a general market commentary only and does not constitute legal, tax, accounting, other professional counsel or investment advice, is not predictive of future performance, and should not be construed as an offer to sell or a solicitation to buy any security or make an offer where otherwise unlawful. The information has been provided without taking into account the investment objective, financial situation or needs of any particular person.

Any indication of past performance is not a guide to future performance. The value of investments can fall as well as rise, so investors may get back less than originally invested.

Because the investment strategies concentrate their assets in the real estate industry, an investment is closely linked to the performance of the real estate markets. Investing in the equity securities of real estate companies entails certain risks and uncertainties. These companies experience the risks of investing in real estate directly. Real estate is a cyclical business, highly sensitive to general and local economic developments and characterized by intense competition and periodic overbuilding. Real estate income and values may also be greatly affected by demographic trends, such as population shifts or changing tastes and values. Companies in the real estate industry may be adversely affected by environmental conditions. Government actions, such as tax increases, zoning law changes or environmental regulations, may also have a major impact on real estate. Changing interest rates and credit quality requirements will also affect the cash flow of real estate companies and their ability to meet capital needs.

This communication is not an offer of securities for sale in the United States, Australia, Canada, Japan or any other jurisdiction where to do so would be unlawful. CenterSquare has not registered, and does not intend to register, any portion of the securities referred to herein in any of these jurisdictions and does not intend to conduct a public offering of securities in any of these jurisdictions. This communication is being distributed to, and is directed only at, persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply (such persons being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this communication or any of its contents. Any investment activity (including, but not limited to, any invitation, offer or agreement to subscribe, purchase or otherwise acquire securities) to which this communication relates will only be available to, and will only be engaged with, persons who fall within the target market. This communication is an advertisement and is not a prospectus for the purposes of Directive 2003/71/EC, as amended (such directive, the "Prospectus Directive") and/or Part IV of the Financial Services and Markets Act 2000.

Any communication of this document by a person who is not an authorized person (as defined in the Financial Services and Markets Act 2000 ("FSMA")) is directed only at the following persons in the United Kingdom, namely (i) persons falling within any of the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"), (ii) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order, (iii) persons falling within the categories of "certified high net worth individual" described in Article 48(2) of the Financial Promotion Order and "self-certified sophisticated investor" described in Article 50a(1) of the financial promotion order and (iv) any person to whom it may otherwise lawfully be made. Persons of any other description should not review, nor act upon, this document.

For the purposes of Article 19 of the Financial Promotion Order, this document is directed at persons having professional experience in matters relating to investments. Any investment or investment activity to which this document relates is available only to such persons. Persons who do not have professional experience in matters relating to investments (and in respect of whom another exemption is not available) should not rely on this document.

For the purposes of Article 49 of the Financial Promotion Order, this document is directed at persons meeting the respective minimum criteria specified in Article 49(2) of the Financial Promotion Order (for example, partnerships with net assets of not less than £5 million). Any investment or investment activity to which this document relates is available only to such persons. Persons who do not meet such minimum criteria (and in respect of whom another exemption is not available) should not rely on this document.

Canada Specific Disclosures
This document has been prepared solely for information purposes and is not an offering memorandum nor any other kind of an offer to buy or sell or a solicitation of an offer to buy or sell any security, instrument or investment product or to participate in any particular trading strategy. It is not intended and should not be taken as any form of advertising, recommendation, investment advice or invitation to trade. This information is confidential and for the use of the intended recipients only. The distribution of this document in Canada is restricted to recipients who are qualified "permitted clients" for purposes of NI31-103. This document may not be reproduced, redistributed or copied in whole or in part for any purpose without prior written consent.

Definition of Indices
FTSE Nareit All Equity REITs Index "FNER"
The FTSE Nareit All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

This benchmark is a broad-based index which is used for illustrative purposes only. The investment activities and performance of an actual portfolio may be considerably more volatile than these indices and may have material differences from the performance of any of this index.

A direct investment in an index is not possible.

FTSE Data disclosure: Source: FTSE International Limited ("FTSE") © FTSE 2023. FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Any statement of opinion constitutes only current opinions of CenterSquare and its employees, which are subject to change and which CenterSquare does not undertake to update.

About CenterSquare

Founded in 1987, CenterSquare Investment Management is an independent, employee-owned real asset manager focused on listed real estate, private real estate equity and private real estate debt investments. As a trusted fiduciary, our success is firmly rooted in aligning our interests with those of our clients, partners and employees. CenterSquare is headquartered in suburban Philadelphia, with offices in New York, Los Angeles, London and Singapore. With approximately $13 billion in assets under management (February 28, 2023), our firm and subsidiaries are proud to manage investments on behalf of some of the world's most well-known institutional and private investors.

For a copy of CenterSquare's full REIT Cap Rate Perspective report, or to learn more about our strategies, please contact:

CenterSquare Investment Management LLC

630 W. Germantown Pike, Suite 300, Plymouth Meeting, PA 19462
Phone: 610-834-9500 / Fax: 610-834-9505
contactus@centersquare.com
www.centersquare.com

Follow us on social media:

www.twitter.com/CtrSquare
www.linkedin.com/company/centersquare

CenterSquare
REAL ASSET INVESTMENT LEADERSHIP