

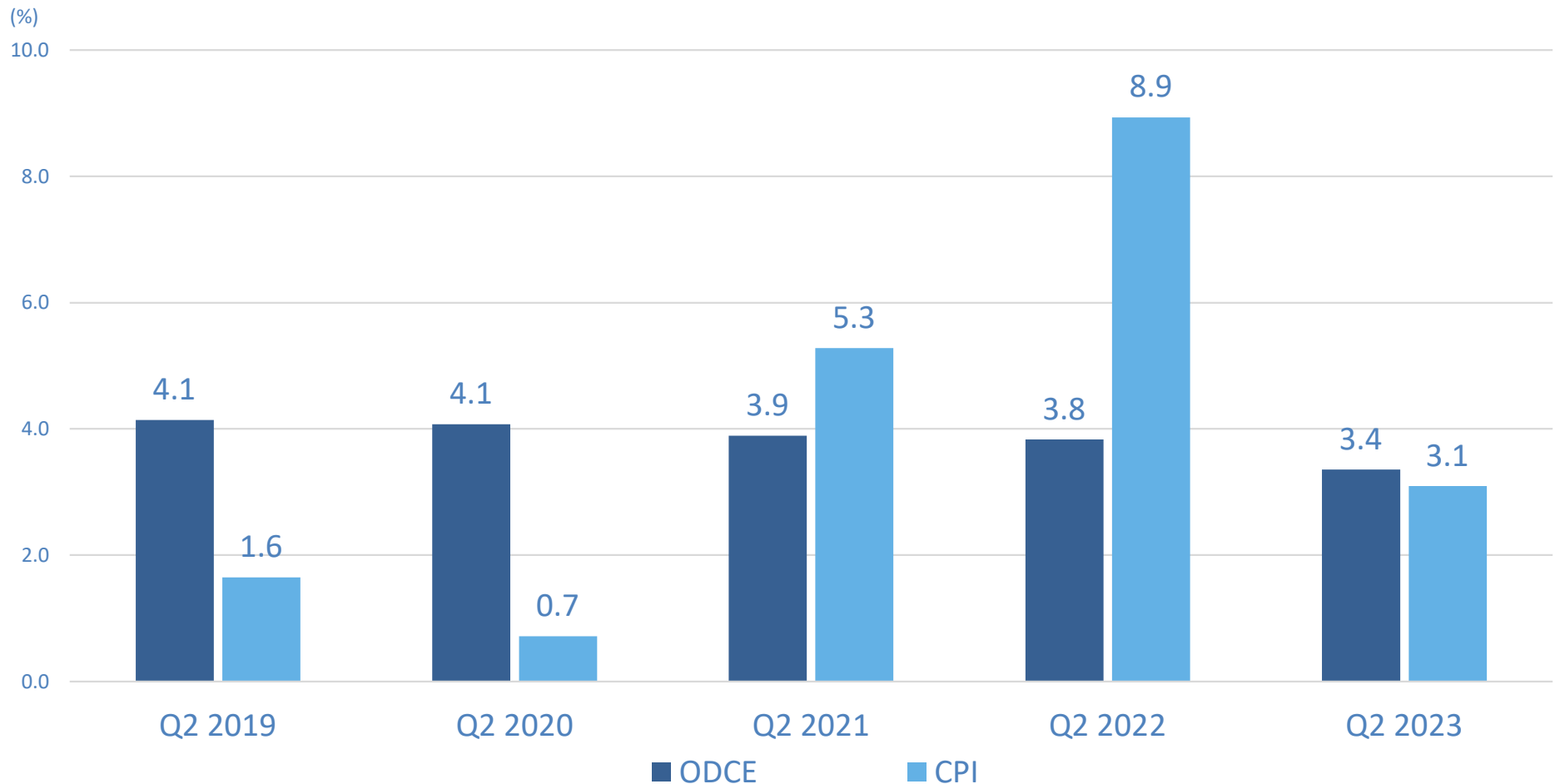


# Private Real Estate Panel Discussion

*Florida Public Pension Trustees Association*

# Private Real Estate Income Has Outpaced Inflation Over Time

Trailing 1-Year ODCE Annual Gross Income Returns vs. Annual CPI



Source: NCREIF (National Council of Real Estate Investment Fiduciaries) and the U.S. Census Bureau. Data as of 6/30/2023.

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# Private Real Estate Performance

We believe including private real estate in otherwise well diversified portfolios has many benefits.

benefits.

		Quarterly Performance Data 6/98 – 6/23 (101 quarters)			
		PRIVATE REAL ESTATE	PUBLIC REAL ESTATE	ADDITIONAL ASSET CLASSES	
		NFI-ODCE Index	NAREIT Equity REITs Index	S&P 500 Index	Bloomberg Barclays US Agg Bond Index
<b>Compared to other asset classes represented in the chart, private real estate:</b>	Number of Negative Quarters	10	31	30	26
	% Quarters Negative	9.9%	30.7%	29.7%	25.7%
	Largest Quarterly Drawdown	-13.7%	-38.8%	-21.9%	-5.9%
	Number of Negative Quarters When Stocks Negative	3	18	N/A	8
<i>Has had lower, and fewer, drawdowns relative to public real estate and the S&amp;P 500;</i>	Number of Negative Quarters When Stocks <-3%	3	14	N/A	4
	% Time Negative When Stocks Negative	10%	47%	N/A	13%
	% Time Negative When Stocks <-3%	10%	60%	N/A	27%
	Avg Quarterly Return When Stocks Negative	1.7%	-5.4%	-8.2%	1.4%
	Avg. Quarterly Return When Stocks <-3%	1.1%	-8.3%	-10.9%	1.6%
<i>Has held up relatively well during negative U.S. stock markets, and has typically been resilient and affected only by very deep recessions.</i>					

The NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE) is a fund-level, time weighted return index reporting the performance results of various open-end commingled funds pursuing a core private real estate investment strategy and qualifying for inclusion in the NFI-ODCE based upon certain pre-defined index policy inclusion characteristics. The FTSE Nareit Equity REITs index contains all Equity REITs not designated as Timber REITs or Infrastructure REITs. The S&P 500 Index is a commonly used U.S. stock index of 500 large capitalization stocks. The Bloomberg Barclays US Aggregate Bond Index is a broadly diversified index that includes U.S. Treasuries, agencies, corporates and mortgage-backed securities. All of these indices are uninvestable, unmanaged, presented on a total return basis and assume the reinvestment of dividends.

Past performance is no indication of future results. All investments have the risk of loss.

# Private Real Estate Performance

Quarterly Performance Data 6/98 – 6/23 (101 quarters)				
	PRIVATE REAL ESTATE	PUBLIC REAL ESTATE	ADDITIONAL ASSET CLASSES	
Total Return (Annualized if > 1 year)	NFI-ODCE Index	NAREIT Equity REITs Index	S&P 500 Index	Bloomberg Barclays US Agg Bond Index
<b>Compared to other asset classes represented in the chart, private real estate:</b>  <i>Has provided equity-like returns over longer time periods;</i>	1 Year	-10.0%	12.8%	-0.5%
	3 Years	8.0%	12.4%	-3.8%
	5 Years	6.5%	11.0%	0.9%
	10 Years	8.7%	12.2%	1.6%
	20 Years	7.8%	9.7%	3.0%
	From Q2 1998	8.2%	7.3%	3.9%
Annualized Standard Deviation of Total Returns	NFI-ODCE Index	NAREIT Equity REITs Index	S&P 500 Index	Bloomberg Barclays US Agg Bond Index
<b>With significantly less volatility (as measured by Standard Deviation) than public real estate and the S&amp;P 500; and</b>	5 Years	6.5%	20.1%	5.5%
	10 Years	4.8%	15.0%	4.4%
	20 Years	7.1%	15.7%	4.0%
	From Q2 1998	6.4%	17.0%	4.0%
Correlation to Private Real Estate	NFI-ODCE Index	NAREIT Equity REITs Index	S&P 500 Index	Bloomberg Barclays US Agg Bond Index
<b>Has provided significant diversification benefits owing to its historically low (near zero) correlations with other asset classes represented in the chart.</b>	5 Years	1.00	-0.22	-0.45
	10 Years	1.00	-0.21	-0.39
	20 Years	1.00	0.07	-0.24
	From Q2 1998	1.00	0.06	-0.20

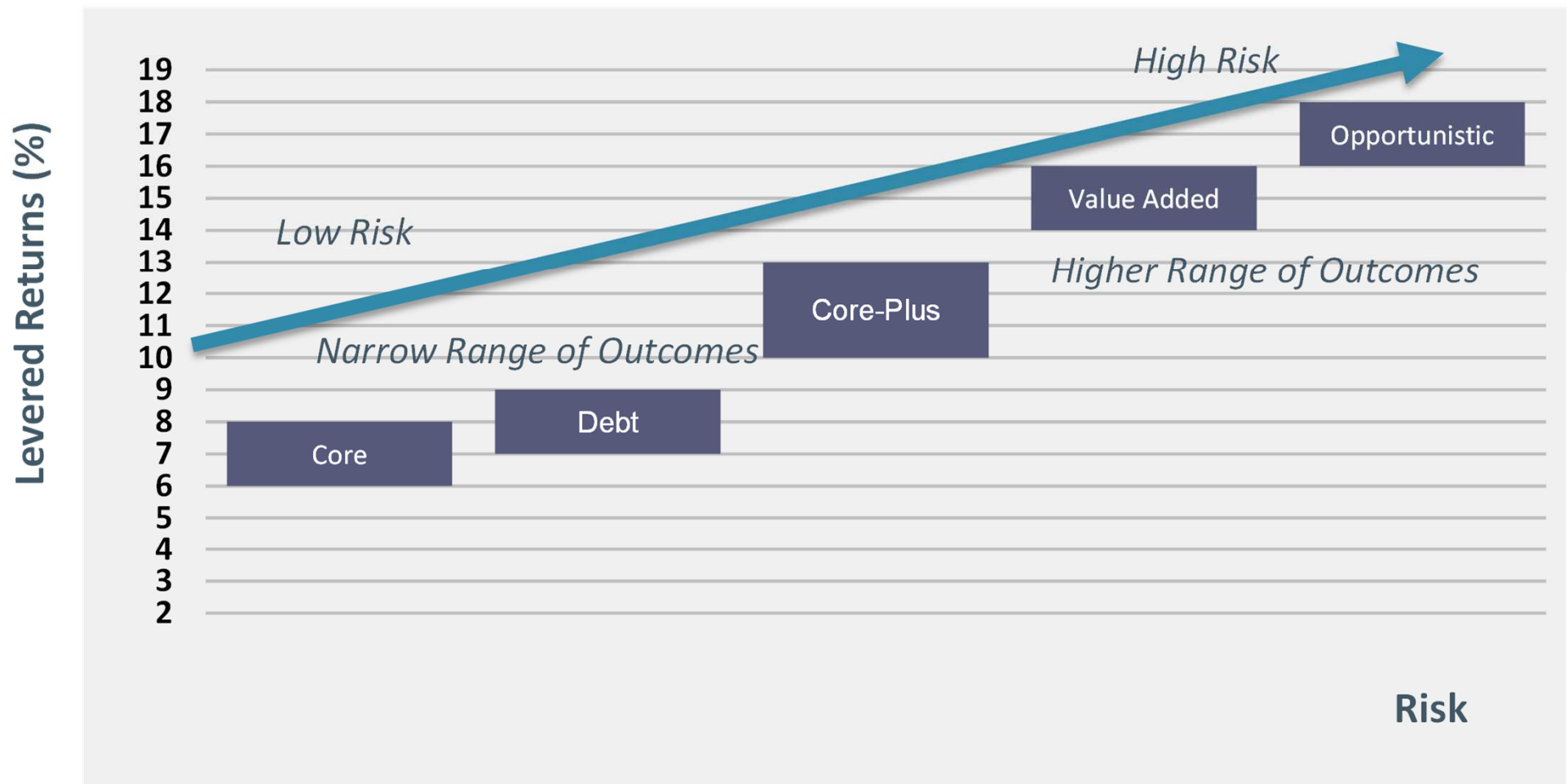
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# What Risks Do Real Estate Investors Evaluate?



# Real Estate Strategies and Risk Assignments



For illustrative purposes only, ranges shown are approximate and based on current market conditions which are subject to change. It is not known whether these return objectives will be realized.

# Industrial Vacancy and Rent Growth

## Top 6 Markets with the Lowest Vacancy Rate Q2 2023

Orange County	2.5%
Milwaukee	2.7%
Miami	2.8%
Northern New Jersey	3.0%
Las Vegas	3.1%
Minneapolis	3.1%

## Top 6 Markets with the Highest Vacancy Rate Q2 2023

Dallas-Fort Worth	7.2%
Indianapolis	6.6%
San Jose	6.2%
Denver	6.2%
Baltimore	6.1%
Houston	6.1%

## Top 6 Markets with the Highest Y-o-Y Rent Growth Q2 2023

Orlando	17.1%
Charlotte	15.9%
Phoenix	15.1%
Miami	14.6%
Salt Lake City	13.9%
Tampa	13.8%

## Top 6 Markets with the Lowest Y-o-Y Rent Growth Q2 2023

Pittsburgh	-1.7%
San Jose	2.0%
San Francisco	3.3%
Houston	4.2%
Detroit	5.0%
Denver	5.2%

Source: CoStar, as of 6/30/2023.

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# Multifamily Vacancy and Rent Growth

## Top 6 Markets with the Lowest Vacancy Rate Q2 2023

New York	2.5%
San Diego	3.6%
Milwaukee	3.8%
Orange County	4.2%
Northern New Jersey	4.6%
Los Angeles	4.8%

## Top 6 Markets with the Highest Vacancy Rate Q2 2023

San Antonio	11.0%
Nashville	10.8%
Atlanta	10.7%
Austin	10.0%
Houston	10.0%
Phoenix	9.8%

## Top 6 Markets with the Highest Y-o-Y Rent Growth Q2 2023

Cincinnati	4.2%
Northern New Jersey	3.9%
Columbus	3.8%
Chicago	3.5%
Kansas City	3.5%
Saint Louis	3.5%

## Top 6 Markets with the Lowest Y-o-Y Rent Growth Q2 2023

Las Vegas	-3.2%
Austin	-3.2%
Phoenix	-2.7%
Atlanta	-2.0%
Raleigh-Durham	-1.8%
Orlando	-1.4%

Source: CoStar, as of 6/30/2023.

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