

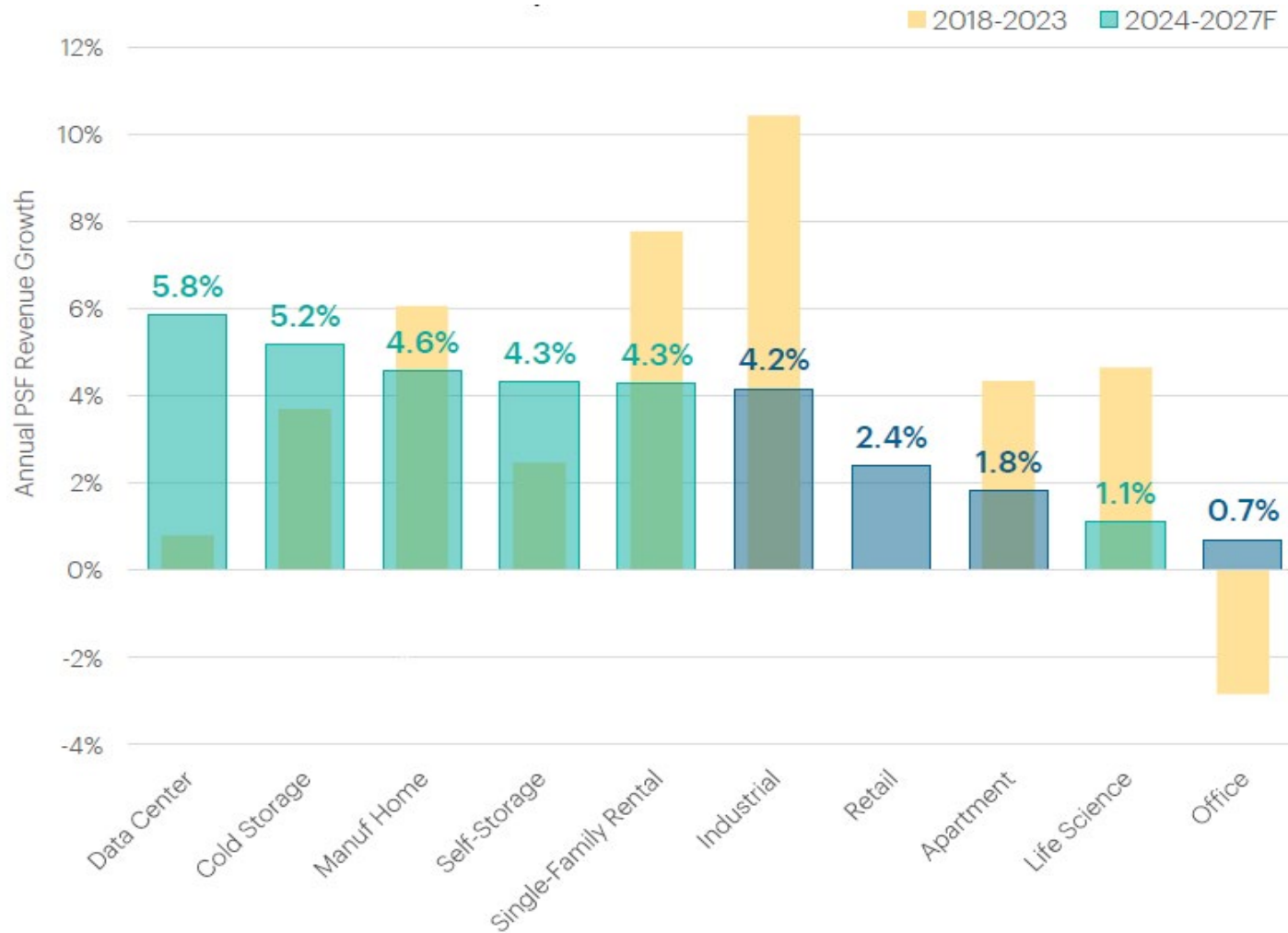
BCI Global Investment Conference

May 2024



GREEN STREET'S RENTAL GROWTH BY SECTOR

HISTORICAL vs FORECAST, AS OF JANUARY 2024



Green Street's revenue forecast across all sectors suggests growth will be **strongest** in **data centers, cold storage, manufactured housing and single-family rentals**.

Source: Heitman

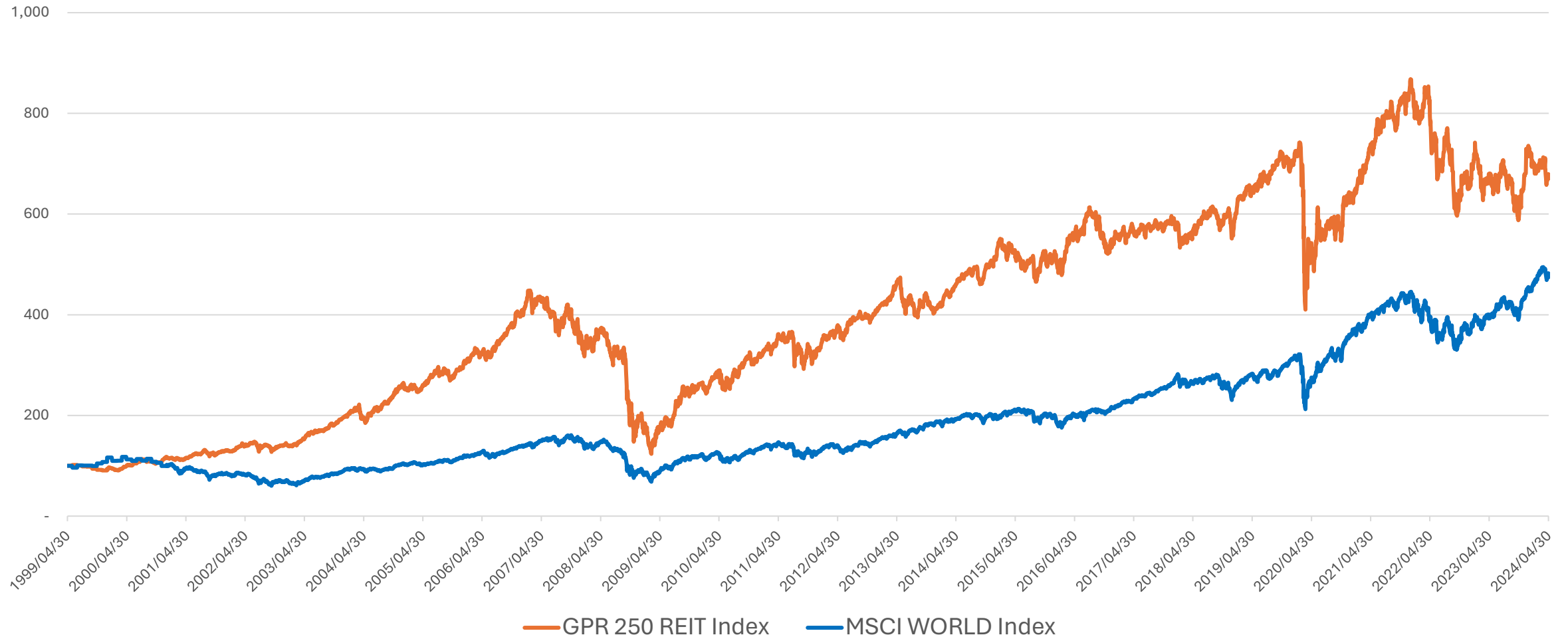
REVENUE GROWTH FORECAST

	<u>Sectorial Projected Growth</u> <u>2024-2027</u>	<u>REIT Consensus Growth</u> <u>2024</u>	<u>Variance</u>	<u>Divergence</u>
DATA CENTRES				
Equinix (EQIX)	5.80%	8.17%	2.37%	
Digital Realty (DLR)	5.80%	2.37%	-3.43%	5.80%
SELF STORAGE				
Cubesmart (Cube)	4.30%	9.98%	5.68%	
Public Storage (PSA)	4.30%	4.08%	-0.22%	5.90%
INDUSTRIAL				
Prologis (PLD)	4.20%	11.86%	7.66%	
Rexford Industrial Realty (REXR)	4.20%	12.66%	8.46%	
Terreno Realty (TRNO)	4.20%	13.99%	9.79%	

Source: Refinitiv & Heitman

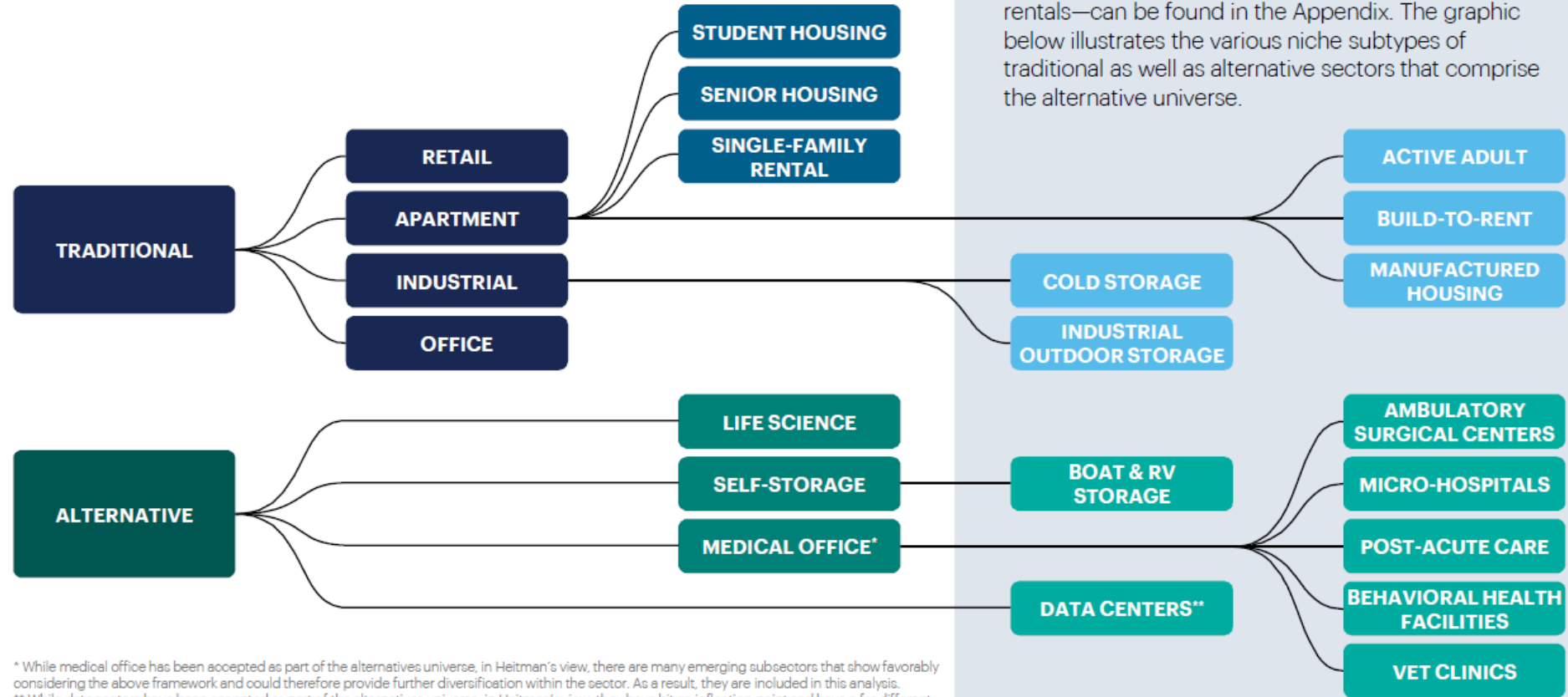
REITS VS EQUITIES

25 YEARS – AS AT 30/04/2024



Source: Refinitiv

EMERGING SECTORS



What follows is an evaluation of the sectors and subtypes that are emerging as part of the next frontier of the alternatives universe. Comparable analysis of the more familiar alternatives—self-storage, student housing, senior housing, and single-family rentals—can be found in the Appendix. The graphic below illustrates the various niche subtypes of traditional as well as alternative sectors that comprise the alternative universe.

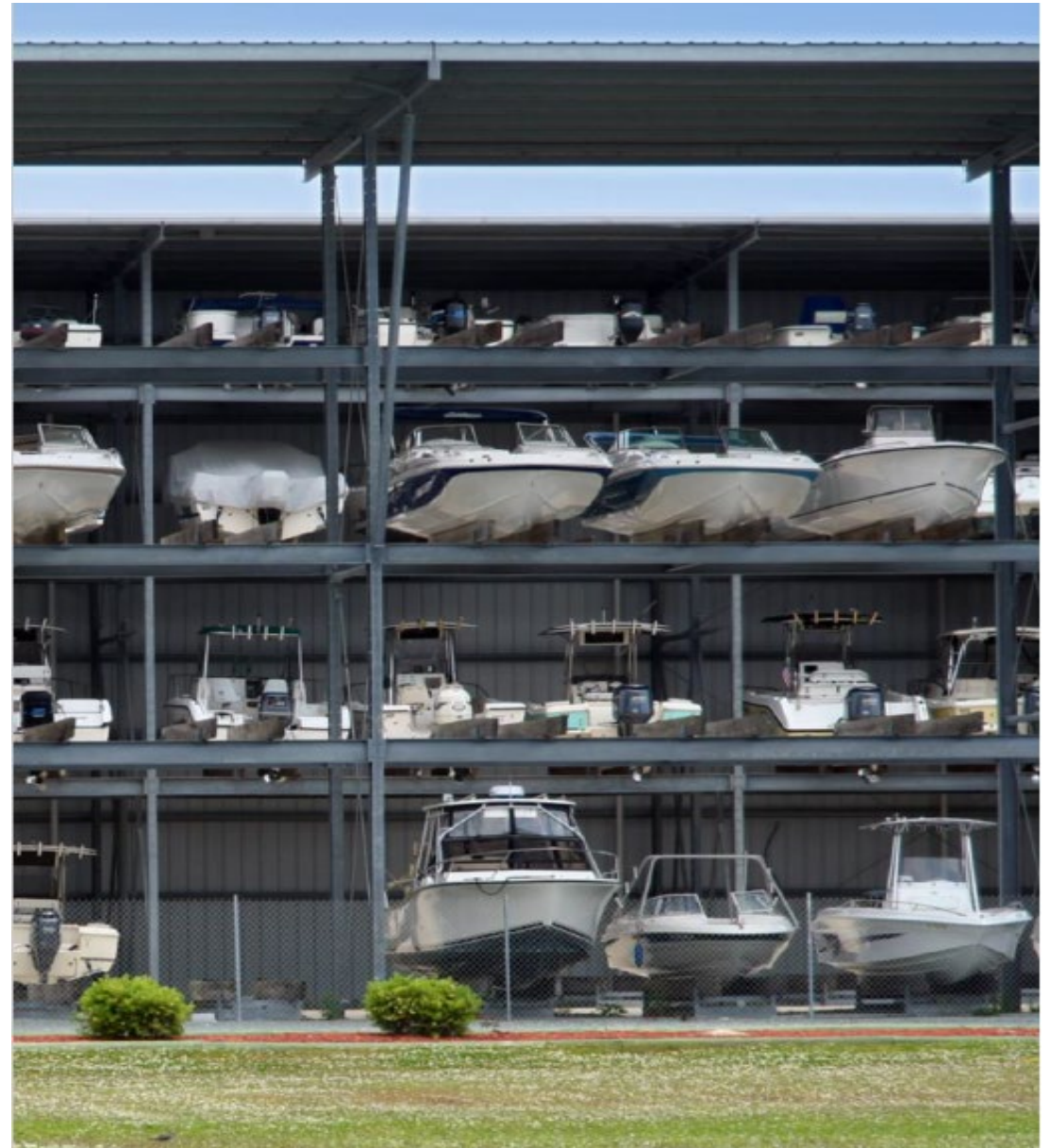
* While medical office has been accepted as part of the alternatives universe, in Heitman's view, there are many emerging subsectors that show favorably considering the above framework and could therefore provide further diversification within the sector. As a result, they are included in this analysis.
 ** While data centers have been accepted as part of the alternatives universe, in Heitman's view, they have hit an inflection point and have a far different outlook going forward than has been observed over the past cycle. As a result, they are included in this analysis.

Source: Heitman

BOAT/RV STORAGE

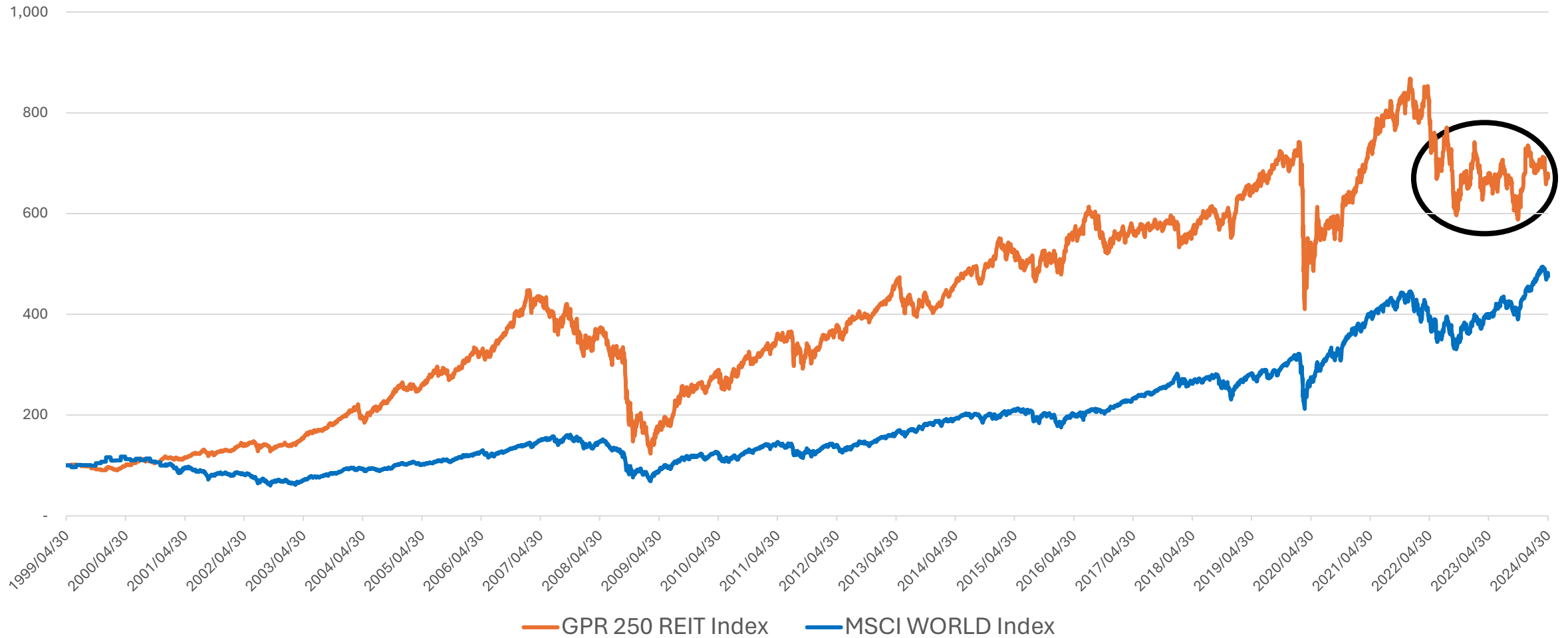


Source: Heitman



REITS VS EQUITIES

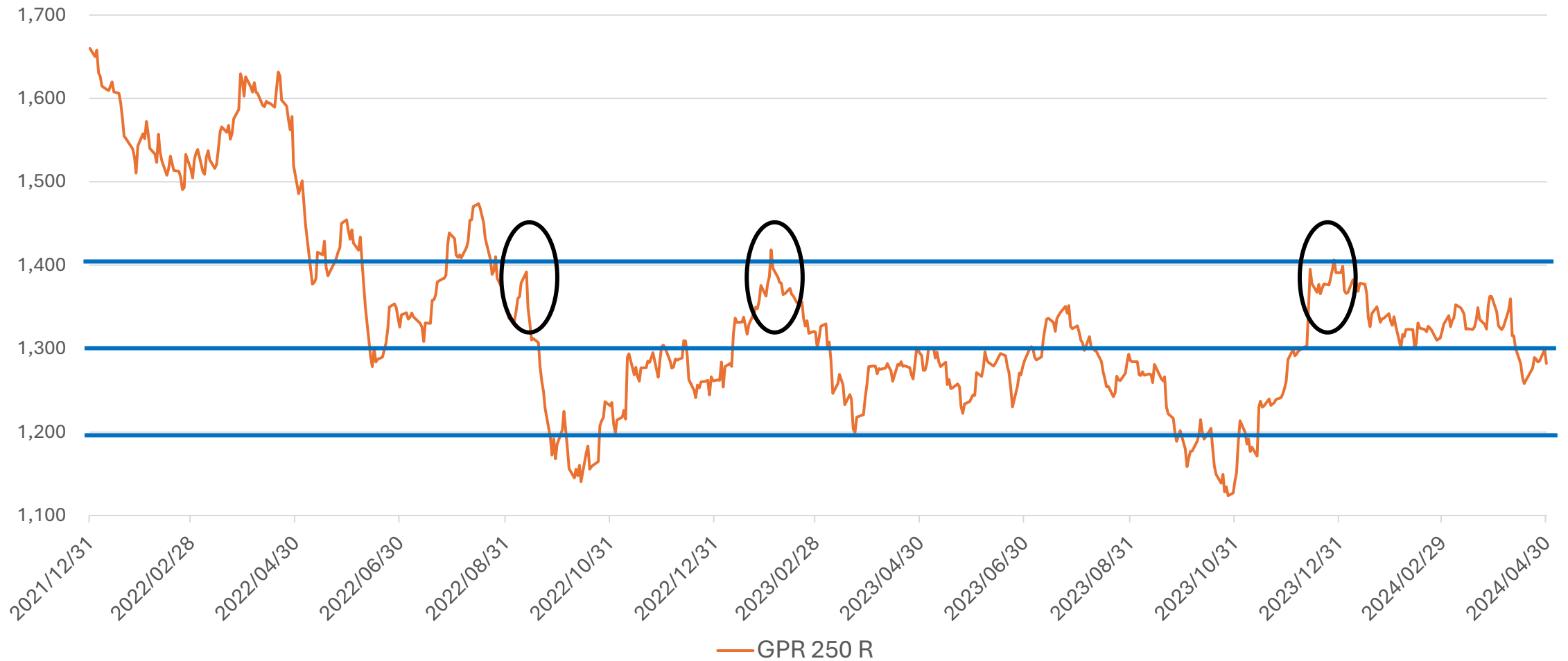
25 YEARS – AS AT 30/04/2024



Source: Refinitiv

GPR 250 R

AS AT 30/04/2024 - SINCE 01/01/2022



Source: Refinitiv

GPR 250 R VS US 10 YEAR

AS AT 30/04/2024 - SINCE 01/01/2022



--- US 10 YEAR TREASURY NOTE

--- GPR 250 R

Source: Bloomberg

GPR 250 R VS US 10 YEAR

AS AT 30 APRIL 2024 - SINCE 01/01/2021



--- US 10 YEAR TREASURY NOTE

--- GPR 250 R

Source: Bloomberg

REITS ARE UNDERVALUED

Valuations relative to the broader equity market are meaningfully below the historical median.

REITs are undervalued compared to equities

Earnings multiple spread

January 2005–December 2023



Source: Cohen and Steers

CONCLUSION

“Static asset allocations, or set-and-forget portfolios, are a reasonable starting point, but we don’t think they will deliver as in the past.”

Vivek Paul and Andreea Mitrasche, BlackRock Investment Institute analysts

CONCLUSION

“Most active investors fail to realise that they are part of the crowd themselves. They are trying to beat the crowd while being the crowd”

Naved Abdali, author of *Investing, Hopes, Hypes, & Heartbreaks*

THANK YOU

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