IMPACT OF COVID-19 ON VALUATIONS Q1 2020

Results of the COVID-19 questionnaire

INREV Research and Market Information
June 2020

Update – June 2020
A marked slowdown in fund performance

Quarterly performance (%)

Total return 0.22% from 1.80%
Capital growth -0.47% from 0.37%
Dist. Income return 0.68% from 1.43%

Source: INREV Quarterly Index Q1 2020
Early signs of the impact of COVID-19

Material uncertainty clause applied to over 60% of funds that completed the additional questions*

About 75% indicated that the clause was issued for 75% - 100% of their portfolio

The majority of multi sector funds indicated that the clause was applied across all sectors

Almost one out of ten open end** funds decided to suspend unit subscriptions, redemptions, or the issuance of a dealing NAV

Over 90% of the funds didn’t change dividend distribution policy in response to COVID-19

Mainly funds that collect rent with one quarter or one month in advance received over 75% of Q1 rents. Diverse estimates for Q2 rent collection

(*) 89 respondents for “Impact of COVID-19 on Valuations Survey Q1 2020”
(**) Open end funds sample includes multi and single country funds
A quarter of the INREV Quarterly Index responded the survey

Contributions are still coming from different funds. The questionnaire will be extended to Funds of funds and Debt funds.
Material Uncertainty clause impact across all sectors

74.5% of the total respondents (55) indicated that the Material Uncertainty clause impacted over 75% of GAV of properties, for single and multi sector funds.

(*): 55 respondents
(**): Other sectors includes Development Residential, Leisure, Hotel and Health Care
To suspend or not to suspend that is the question…

Suspension of unit subscriptions, redemptions, or the issuance of a dealing NAV? (*)

- 9.3% of the respondents suspended unit subscriptions or redemptions, or issuance of a dealing NAV. This was totally driven by an internal decision.
- Only one fund also didn’t allow redemption queue.

(*) 43 respondents (Open End funds)
COVID-19 didn’t affect the dividend distribution policy

Has the fund’s dividend distribution policy changed in response to COVID-19? (*)

- No: 91.0% of respondents
- Yes: 9.0% of respondents

Is the fund still distributing dividends, either cash or shares?

- Distribution policy changed:
  - Yes, but cash distribution only: 75% of respondents
  - Yes, but with a partial withholding: 25% of respondents
  - No, withholding all dividends: 0% of respondents

- Distribution policy unchanged:
  - Yes, but cash distribution only: 0% of respondents
  - Yes, but with a partial withholding: 0% of respondents
  - No, withholding all dividends: 100% of respondents

(*) 67 respondents
Rent received versus rent expected

Rent collected in Q1 (*)

<table>
<thead>
<tr>
<th>Range</th>
<th>In arrears</th>
<th>1M in advance</th>
<th>1Q in advance</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>75-100</td>
<td></td>
<td></td>
<td></td>
<td>81.6%</td>
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<tr>
<td>50-74</td>
<td>6.1%</td>
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<tr>
<td>25-49</td>
<td>6.1%</td>
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<tr>
<td>0-24</td>
<td>6.1%</td>
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</table>

Rent expected in Q2 (**) (**) 50 respondents

<table>
<thead>
<tr>
<th>Range</th>
<th>In arrears</th>
<th>1M in advance</th>
<th>1Q in advance</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>75-100</td>
<td></td>
<td></td>
<td></td>
<td>38.0%</td>
</tr>
<tr>
<td>50-74</td>
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<td></td>
<td>16.0%</td>
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<tr>
<td>25-49</td>
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<td></td>
<td>8.0%</td>
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<td>0-24</td>
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<td>4.0%</td>
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(*) 49 respondents

(No estimate 34.0%)
**Bonus chart. Has the NOI been impacted in any way? (*)**

The answer “Other” allowed to add some comments, some of the funds indicated that:

- Negotiations with tenants still ongoing
- Combination of rent deferrals, late payments, rent frees mainly in relation to particular sector tenants
- Too early to assess the impact although we naturally expect the retail sector to be impacted the most

(*) 53 respondents
None of the respondent answered “Increase in rent fees”