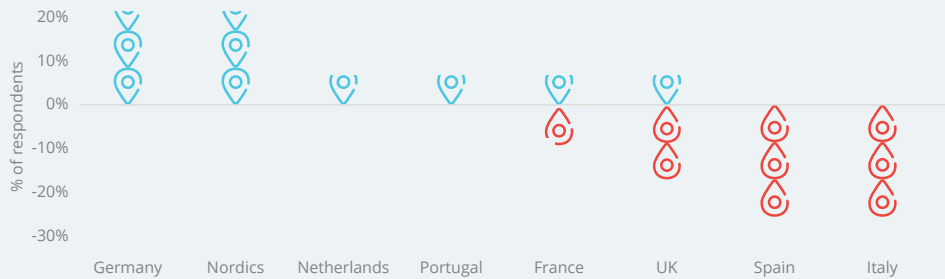


COVID-19 Sentiment and Valuations Survey Q2 2020

A monthly member sentiment survey first conducted in May 2020 to understand the impact on investment plans, operations and expected market performance

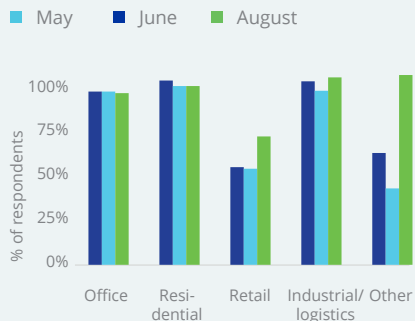
Sentiment towards the UK and Germany at opposite ends in May 2020

Intention to increase / decrease weighting

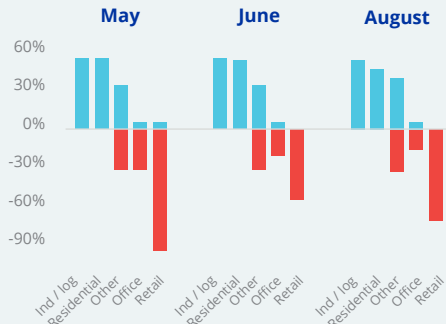


Strong rebound in rent received for other/alternative sectors in August

Rent received vs. rent expected

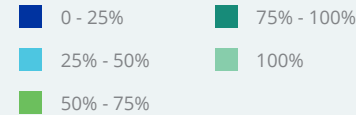


Intentions to change allocations

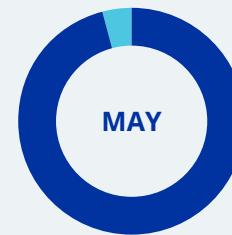


Weak fundamentals drive investor intentions to reduce retail exposure

Only a small part of the portfolios are subject to financial restructuring

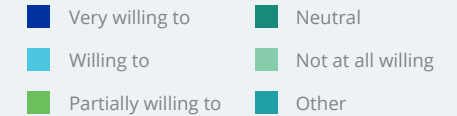


Percentage of your portfolio subject to financial restructuring

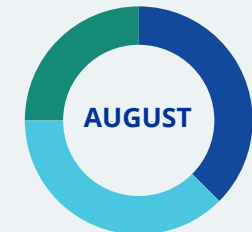
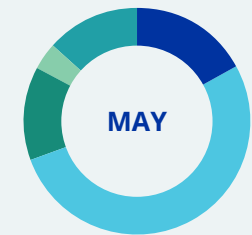


No significant financial restructuring in light of Corona

Landlord willingness to support tenants increased notably since May



Willingness to provide rent relief or abatement

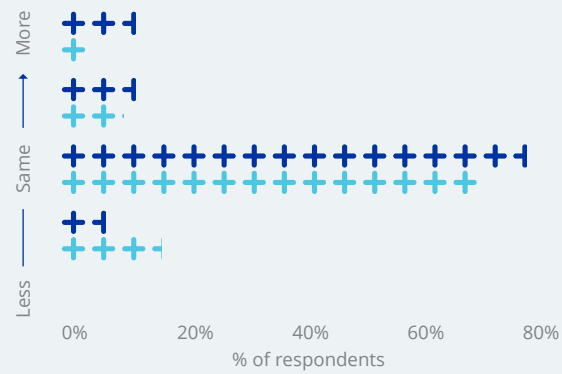


By August, all of the respondents were willing to provide some level of rent relief to their

After the initial shock markets are adjusting to a new reality

■ May ■ August

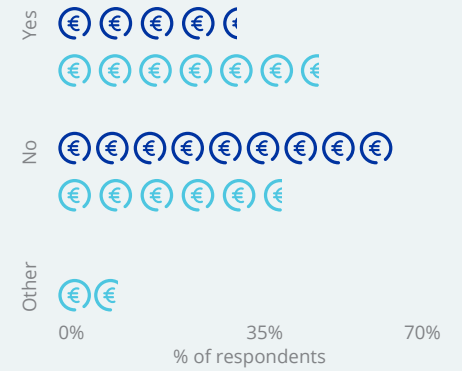
Confidence in Europe



Plans to invest in Europe



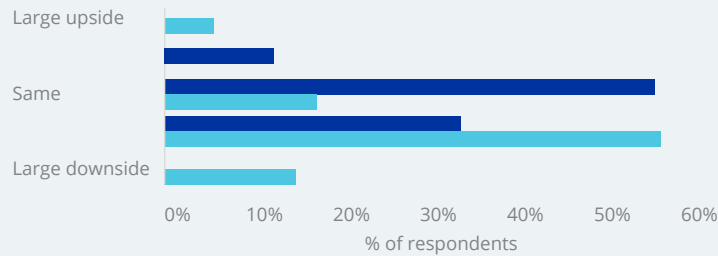
Change in investment plans



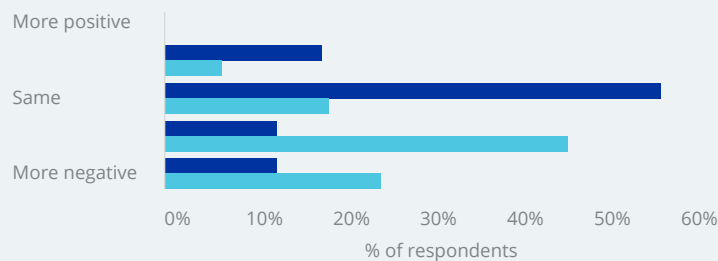
Perceptions of risk continue to adjust

■ May ■ August

Risk Assessment



Views on Real Estate Performance



May results are compared with pre-Covid situation. August results compared with June situation.

Shift to hybrid working routines

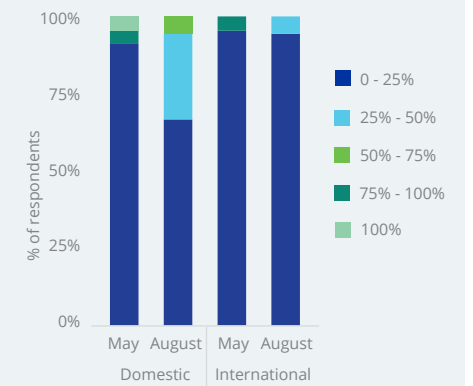
What percentage of your workforce is currently working from home?

■ May ■ June ■ August



August saw a sharp decline in fulltime working from home to **46%**, from **78%** in May

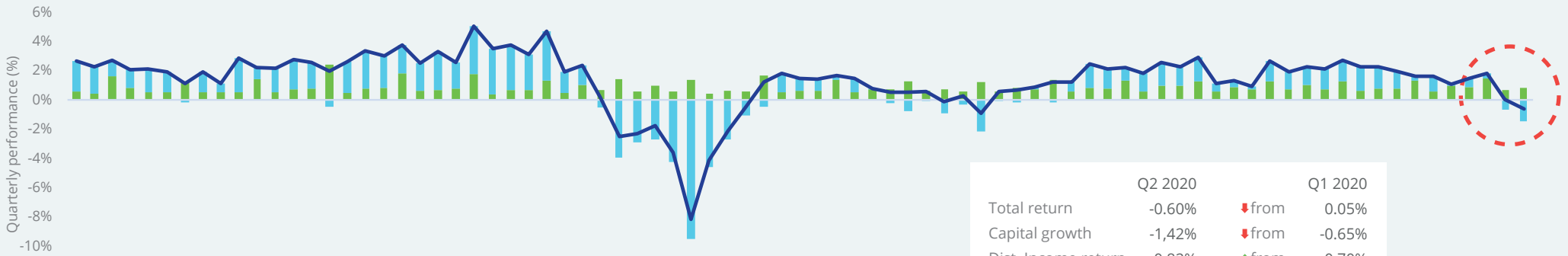
Industry continues to work around the travel ban



Sharp increase in domestic travel since May

A marked slowdown in fund performance

■ Total Return
■ Capital Growth
■ Distributed Income



	Q2 2020	from	Q1 2020
Total return	-0.60%	↓	0.05%
Capital growth	-1.42%	↓	-0.65%
Dist. Income return	0.82%	↑	0.70%

Q1 - Q4 from 2000 - Q2 2020

Source: INREV Quarterly Index Q2 2020



Impact of COVID-19 on Valuations Survey Q2 2020

177 Survey respondents



Material Uncertainty Clause claimed



The impact of COVID-19 continues to unfold

Material Uncertainty Clause



The clause applied to over 45% of funds that completed the additional questions*



About 65% 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 25% of the responding open end** funds decided to suspend unit subscriptions, redemptions, or the issuance of a dealing NAV

Almost **90%**

of the funds didn't change dividend distribution policy in response to COVID-19

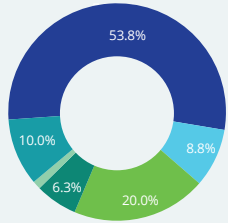
Mainly funds that collect rent with **one quarter** or **1 month in advance** received over 75% of Q2 rents. Improved expectations for Q3 rent collection

(*) 177 respondents for "Impact of COVID-19 on Valuations Survey Q2 2020" (**) Open end funds sample includes multi and single country funds

Material Uncertainty clause impact across all sectors

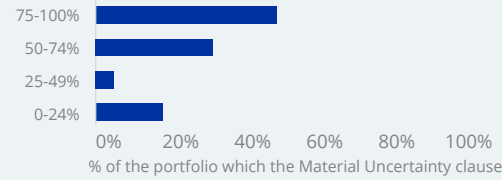
Single sector vs Multi sector funds

80 respondents

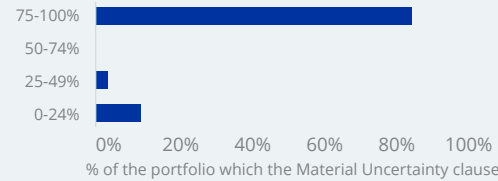


- Multi sector funds
- Office funds
- Retail funds
- Industrial funds
- Residential funds
- Other sector funds*

Application range in multi sector funds



Application range in single sector funds



65%

of the total respondents (52) indicated that the Material Uncertainty Clause impacted over 75% of GAV of properties, for single and multi sector funds

To suspend or not to suspend that is the question...

24%



of the respondents suspended unit subscriptions or redemptions, or issuance of a dealing NAV. This was mainly an internal decision.

96 respondents (Open End funds)

*Other sectors includes Student Housing, Leisure, Hotel and Health Care

COVID-19 had some affect the dividend distribution policy

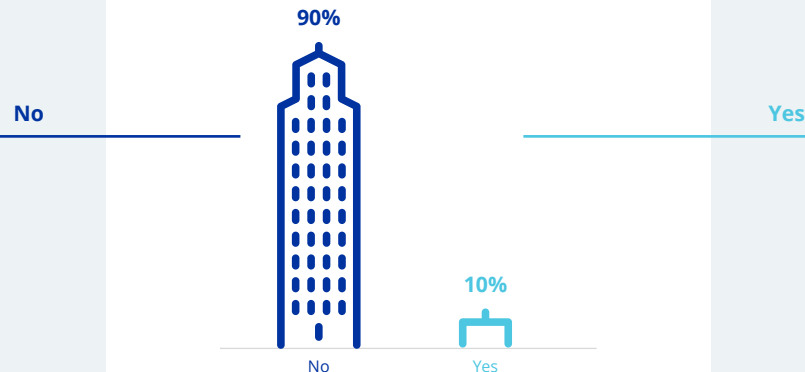
Is the fund still distributing dividends, either cash or shares?



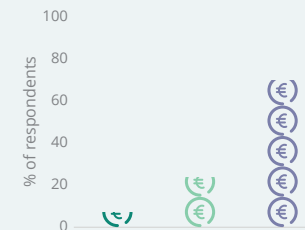
- Yes, but cash dist. only
- Yes, but with a partial withholding
- No, withholding all dividends

Has the funds dividend distribution policy changed in response to COVID-19?

127 respondents



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



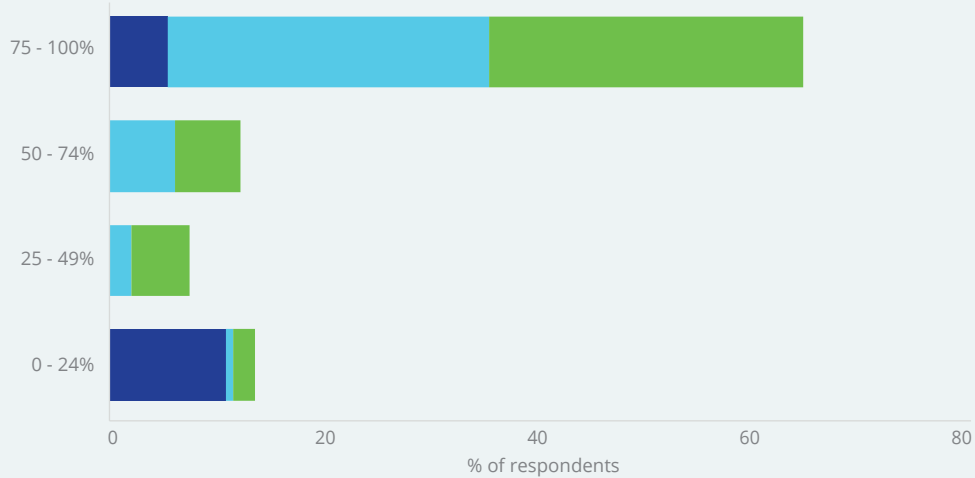
- Yes, but cash dist. only
- Yes, but with a partial withholding
- No, withholding all dividends

Rent received versus rent expected

■ in arrears ■ 1M in advance ■ 1Q in advance

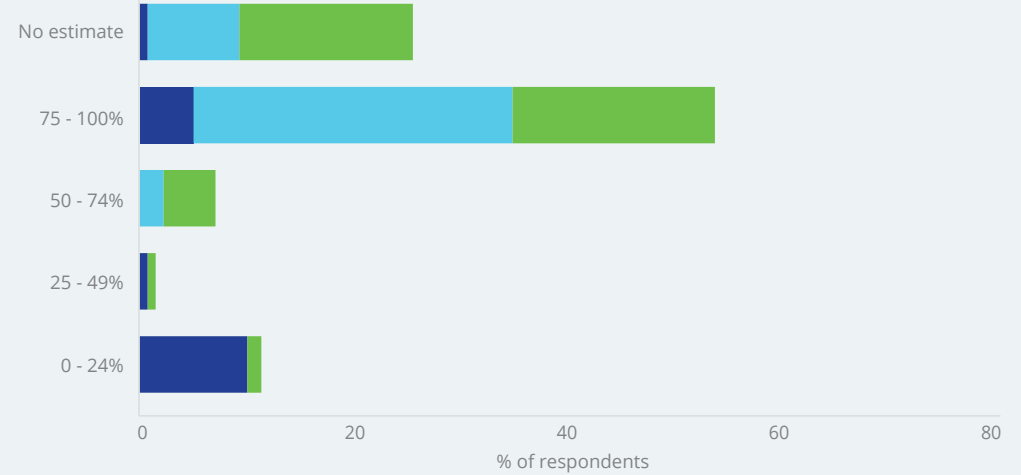
Rent collected in Q2

144 respondents



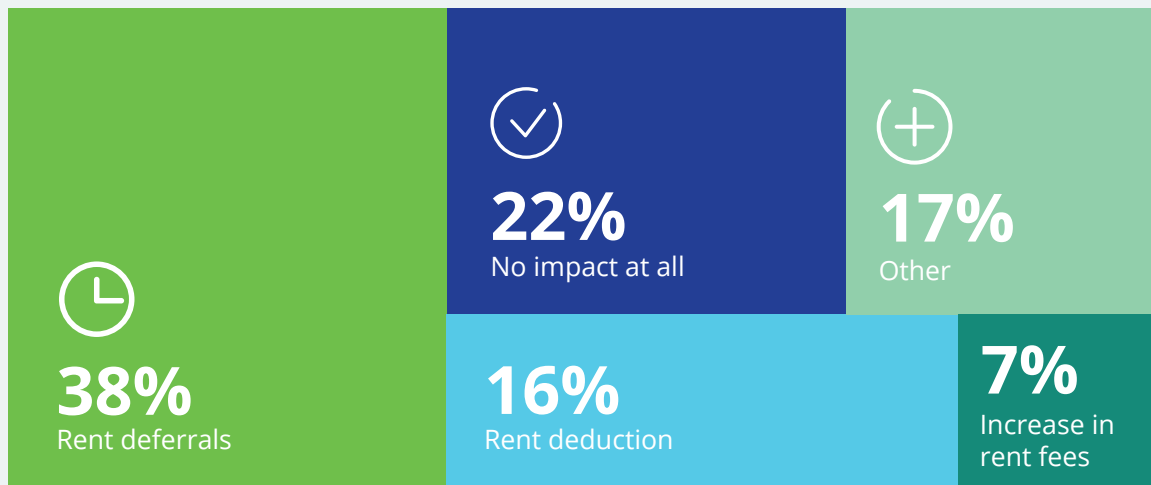
Rent expected in Q3

144 respondents



Has the NOI been impacted in any way?

137 respondents



The answer "Other" included the following responses:

- Negotiations with tenants still ongoing
- Combination of rent deferrals, late payments, rent frees mainly in relation to particular sector tenants
- Tenant protections, country specific government policies and restrictions also apply