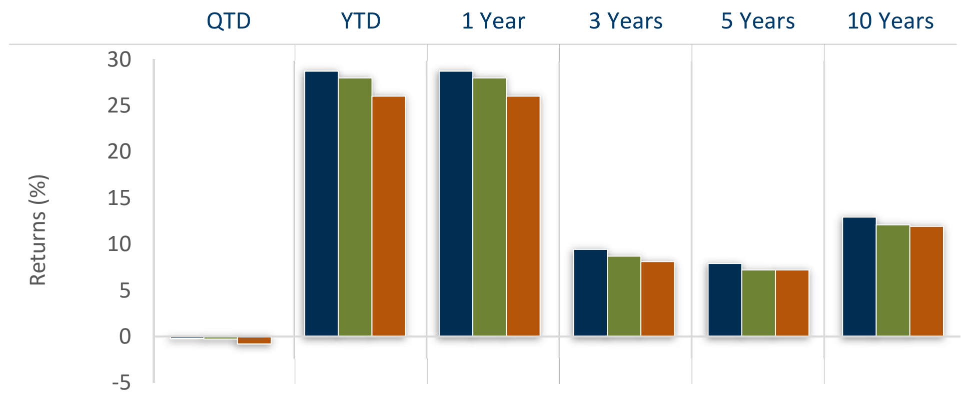
U.S. REIT
Fact Sheet & Commentary
Quarter Ending December 31, 2019

DUFF & PHELPS INVESTMENT MANAGEMENT CO.
A VIRTUS INVESTMENT PARTNER

PORTFOLIO STRATEGY

Holdings	25-45 securities
Sector Exposure	Greater of 2x benchmark holdings or 5% of total portfolio
Single Security Limit	Greater of 10% of portfolio or 2% over benchmark
Expected Turnover	< 50%
Cash	Typically fully invested
Benchmark	FTSE Nareit Equity REITs Index

PERFORMANCE[1]



	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Composite Gross Return	-0.2%	28.7%	28.7%	9.4%	7.9%	12.9%
Composite Net Return	-0.3%	28.0%	28.0%	8.7%	7.2%	12.1%
FTSE Nareit Equity REITs Index	-0.8%	26.0%	26.0%	8.1%	7.2%	11.9%

INVESTMENT PHILOSOPHY

- We believe our rigorous fundamentally driven investment process will produce superior performance over time.
- We focus on high quality owner/operators of real estate because our research shows they have offered durable cash flows and attractive risk-adjusted returns.
- The value of listed real estate securities is a compilation of not only the underlying asset values but also the value of management's ability to capitalize on opportunities.
- We believe successful real estate investing requires active management and patience to take advantage of multi-year value creation opportunities.
- Capping AUM at 1% of the investment universe preserves our trading flexibility, liquidity, and potential for repeatable results.

PORTFOLIO CHARACTERISTICS

	Portfolio[2]	Benchmark
FFO Multiple (P/E), 2020 est.	20.3x	19.4x
Earnings Growth Rate, 5-year est.	6.6%	5.7%
Dividend Yield	3.4%	4.0%
Dividend Growth, 5-year est.	5.8%	4.8%
Weighted Avg. Market Cap (bn)	$20.8	$19.6

Sources: FTSE, Bloomberg Finance LP, Duff & Phelps.

TOP TEN HOLDINGS[3]

	Portfolio(%)[2]
Equinix Inc.	6.6
Prologis Inc.	5.7
Avalonbay Communities Inc.	5.4
Healthpeak Properties Inc.	5.2
Alexandria Real Estate Equities	4.9
Equity Residential	4.8
Simon Property Group Inc.	4.4
Duke Realty Corp.	4.2
Sun Communities Inc.	4.2
Vici Properties Inc.	4.1

RISK/RETURN (10 YEARS)

	Composite	Benchmark
Alpha	0.9%	-
Total Return Beta	1.0	1.0
Sharpe Ratio	0.8	0.8
Standard Deviation	15.3%	15.2%
Information Ratio	0.6	-
Tracking Error	1.7	-

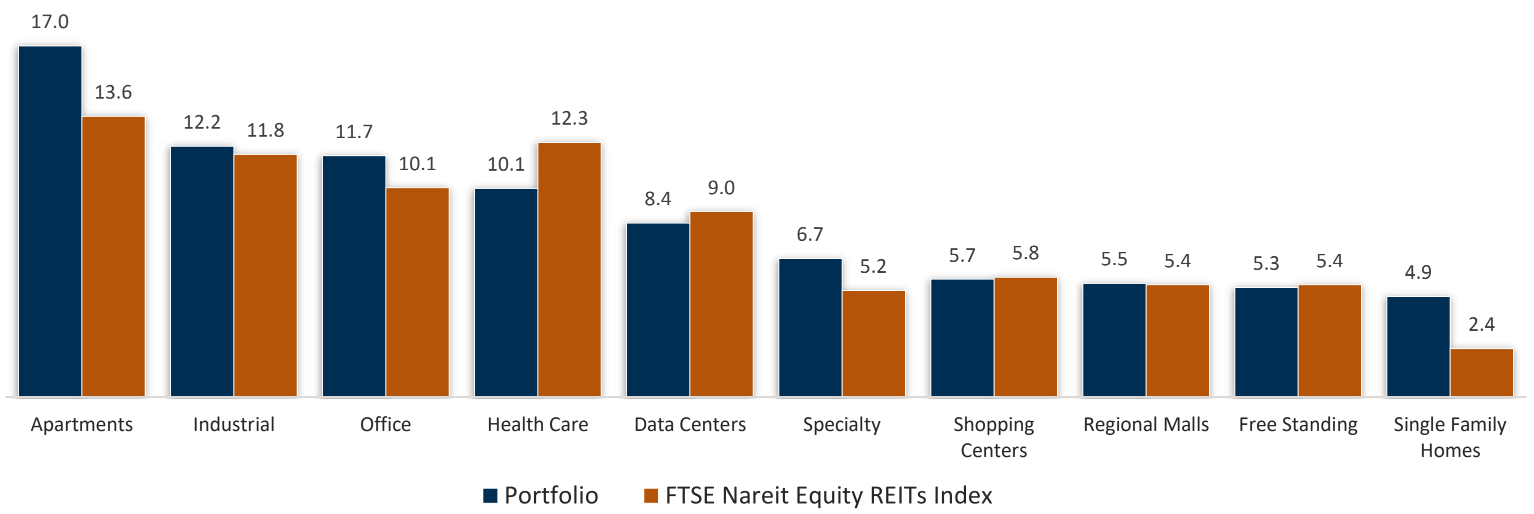
Source: eVestment

CONTACT INFORMATION

Sarah Honold
Consultant Relations
312-917-6548 | sarah.honold@dpimc.com
Robert Hiebert
Senior Relationship Manager
312-917-6560 | robert.hiebert@dpimc.com

[1]Inception date is January 1, 1995. Periods over one year are annualized. Please see the GIPS Compliant Presentation for more information.
[2]Portfolio information is based on a representative institutional account excluding cash. Holdings are subject to change.
[3]It should not be assumed that securities identified were or will be profitable. The top ten holdings list represents the largest percentage holdings at quarter end of a representative institutional account excluding cash and does not represent all of the securities held in client portfolios. The securities identified may no longer be held in client portfolios and the holdings of any particular client portfolio may vary. The list is provided for illustrative purposes and should not be considered a recommendation to purchase or sell a particular security. A complete list of holdings and transactions for the previous twelve months is available upon request.

Top 10 Portfolio Sector Weights vs. Benchmark(%)[2]



Source: Bloomberg Finance LP

Market Review

Following a strong third quarter return of 7.8%, the FTSE Nareit Equity REITs Index ("the Benchmark") declined in the fourth quarter on a relative basis to the S&P 500, returning -0.8%. For the year, U.S. REIT's total return performance benefited from solid contractual cash flows, operating results in excess of Wall Street's expectations, and a supportive private real estate bid, returning 26.0%.

As global equities markets rallied, global interest rates also moved higher on the back of the news and improved sentiment in global economic growth. Global central banks continued to support further global economic expansion and will likely be supported by fiscal policy in the year ahead.

As we enter a new decade, underlying global real estate operating fundamentals remain healthy across most regions and property sectors, serving as key building blocks to extend the current cycle. Overall, the current environment remains supportive for continued cash flow and dividend growth from global real estate companies in the coming year. Additionally, the relentless search for yield combined with the significant pool of raised capital by private real estate investment firms will continue to drive bids and support real estate valuations in the public and private markets.

The benchmark's top-performing property sectors during the quarter on a total return basis were Office, Specialty, Lodging, Industrial, and Manufactured Homes. These property sectors are a mixture of more cyclical sectors in Lodging and Office; secular growth from ecommerce in Industrial; and Specialty, where gaming REITs provided the greatest contribution. For the year, Manufactured Homes and Industrial were the two best-performing property sectors.

The five bottom-performing property sectors in the quarter were Self Storage, Health Care, Regional Malls, Apartments, and Data Centers. Concerns regarding the negative impact of new supply in Self Storage increased, weighing on performance. Later in the quarter, the move away from more defensive property sectors also weighed on Self Storage, just as it did on Health Care. In addition, Health Care was negatively impacted by Ventas' disappointing third quarter earnings delivery and outlook revision. Regional Malls continued to struggle with ongoing store closings across the retail landscape. The two worst performing sectors for the year were Regional Malls and Self Storage.

Portfolio Overview

Overall, our U.S. REIT strategy outperformed the Benchmark in the fourth quarter. Property sector allocation was the key driver of our outperformance.

The strongest relative contributors to performance in the quarter were Specialty and Free Standing. Specialty benefited from our security selection and our overweight property allocation. Free Standing benefited from security selection.

From a property sector allocation perspective, the largest relative positive contributors were our overweight allocations to Industrial and Office.

From a security perspective, three overweight positions were our largest positive contributors. Outperforming Health Care Trust of America, an owner of high quality, on-campus medical office buildings, was our largest positive contributor followed by Specialty gaming REIT Vici Properties, and grocer-anchored Shopping Center REIT Brixmor. Other top relative contributors included Healthpeak Properties and Spirit Realty Capital.[4]

The largest overall relative detractor to performance was Industrial due to selection, in particular from a reversal in Americold Realty Trust's positive contribution from the prior quarter, as well as not owning Liberty Property Trust, which announced it would sell to Prologis at an attractive offer. Regional Malls were the second largest detractor due to security selection, as our modest overweight to Taubman Centers' was adversely impacted when a tenant, Forever 21, announced it would be closing a significant number of its U.S. stores.

Our largest property sector allocation detractors were modest and due to an overweight allocation to Apartments and a very slight overweight allocation drag early in the quarter to Lodging.

At the security selection level, our aforementioned overweight to Americold was our largest detractor. It was followed by Taubman as noted, and CyrusOne, a U.S. data center REIT. During their third quarter conference call the company stated it was not actively seeking to sell itself, which negatively impacted the shares after a strong run into the end of the prior quarter on stories it would do so. Fortunately, we had reduced our position in the third quarter. Other bottom relative contributors included Ventas and Regency Centers.[5]

Investment Outlook

We expect continued variance in the global economic growth picture and regional real estate fundamentals. Regionally, we are looking to the U.S. and Ireland for economic growth leadership. We expect the variance in global growth trajectories to create opportunities for active managers such as ourselves, who are focused on high quality owner-operators of enduring real estate, with solid balance sheets and proven management teams. Overall, we expect cash flow and dividend growth for global real estate securities to continue to be solid in 2020. Key themes we are focusing on include:

- *Rents, not rates:* While the likelihood for upward pressure on interest rates has increased in some markets, rental rate growth – particularly for high quality real estate, will continue to support further cash flow and dividend growth.

- *New supply:* While pricing power remains in place in many regions and property sectors as demand exceeds supply, selective geographic markets and property sectors will be impacted by new development.

- *Balance sheet health:* Cash flow and dividend growth rates are converging across many global markets, but U.S. balance sheets are benefiting from more active pruning and remain better positioned with less leverage than most international markets.

- *M&A tailwind:* M&A activity continued in 2019, driven by healthy discounts-to-NAV in public real estate security markets, as well as large pools of private equity real estate capital looking to be put to work. We expect this to continue into 2020.

[4]Top five contributors' relative contribution: Health Care Trust of America +30 bps; Vici Properties +21 bps; Brixmor +18 bps; Healthpeak Properties +15 bps; Spirit Realty Capital +11 bps.
[5]Top five detractors' relative contribution: Americold Realty Trust -25 bps; Taubman Centers -22 bps; CyrusOne -21 bps; Ventas -18 bps; Regency Centers -17 bps.

Investment Outlook cont.

Our base case total return drivers for global real estate in 2020 include:

- An attractive estimated cash flow growth of 4-5%.
- Dividend yield of approximately 4%, with dividend growth expected to be in line with underlying cash flow growth.
- Healthy demand, increasing rents and manageable new supply driving cash flow and dividend growth.
- From a global perspective, real estate fundamentals remain more attractive for the industrial/logistics and data center property sectors with secular tailwinds from ecommerce and the cloud.

There are several potential upside catalysts to our base case. A key macro consideration would be greater than expected global economic growth, which would drive higher real estate occupancies and rents. Another upside factor would be rotation into real estate securities from bonds and broader equities, as investors embrace asset classes which provide diversification benefits alongside traditional allocations. And an increased potential for M&A and privatizations continues to exist, given the listed discounts to private real estate market prices, robust bids, and the ongoing appetite for high quality, core real estate among institutional investors.

We also note certain downside risks to our base case assumptions. A key risk would be ongoing waves of macro-political shocks, which could lead to broad based economic deceleration or a dislocation in global debt markets. Also, interest rates could increase at a faster pace and magnitude than a lift in net operating income growth and replacement costs could absorb. And an acceleration in the pace of new commercial real estate supply would also be a concern.

Overall, we believe the global real estate market cycle still has room for further growth against a backdrop of solid catalysts that underpin our base case.

As always, thank you for your continued support of our team and investment strategy.

GEOFFREY DYBAS, CFA
Senior Portfolio Manager

FRANK HAGGERTY, CFA
Portfolio Manager

Past performance is not indicative of future results. *Returns are expressed in U.S. dollars and include the reinvestment of dividends and other earnings. Composite returns are net of trading costs but do not reflect the deduction of investment advisory fees, custodial charges or other expenses. Indices are not available for direct investment and index returns do not reflect the deduction of any fees. This material has been prepared using sources of information generally believed to be reliable; however, its accuracy is not guaranteed. Opinions represented are subject to change and should not be considered investment advice or an offer of securities. Forward-looking statements are necessarily speculative in nature. It can be expected that some or all of the assumptions or beliefs underlying the forward-looking statements will not materialize or will vary significantly from actual results or outcomes.*

The securities identified were selected from all of the holdings of a representative institutional account for the period based on relative contribution to the account's return versus the Benchmark. An average holding weight was computed based on daily ending market values. The securities identified do not represent all of the securities purchased, sold or recommended for advisory clients and the securities identified may no longer be held in client accounts. The methodology used to calculate the contribution to return or a list showing every holding's contribution to the account's return for the period is available upon request. Results exclude the effect of trading costs, fees and intraday trading prices.

The Benchmark is the FTSE Nareit Equity REITs Index, a free-float market capitalization-weighted index measuring equity tax-qualified real estate investment trusts (REITs) not designated as timber or infrastructure REITs, which meet minimum size and liquidity criteria that are listed on the New York Stock Exchange, the American Stock Exchange or NASDAQ.

The S&P 500 Index is a free-float market capitalization-weighted index of 500 of the largest U.S. stocks and is generally representative of the performance of larger companies in the U.S.

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GIPS Compliant Presentation

Year-end (12/31)	Annual Composite Return (%)		Annual Benchmark Return (%)	3-Year Annualized Standard Deviation (%)		Number of Accounts	Asset-weighted Dispersion (%)	Composite Assets (US $M)	Firm Total Assets (US $B)
	Gross	Net		Composite	Benchmark				
2018	-5.32	-5.94	-4.62	13.35	13.38	10	0.1	1,274	9.0
2017	7.28	6.63	5.23	13.03	13.11	11	0.1	1,679	10.2
2016	8.00	7.22	8.52	14.92	14.80	10	0.2	1,814	10.3
2015	3.63	2.86	3.20	14.30	14.37	10	0.1	1,757	9.2
2014	33.08	32.11	30.14	13.27	13.08	10	0.0	2,088	10.8
2013	1.76	1.00	2.47	16.92	16.51	8	0.1	1,648	9.2
2012	18.12	17.25	18.06	18.37	18.00	11	0.1	1,716	8.9
2011	11.13	10.30	8.29	30.34	31.28	11	0.1	1,457	8.6
2010	29.37	28.43	27.96	37.65	39.20	13	0.1	1,427	7.2
2009	30.30	29.34	27.99	37.82	39.14	13	0.2	1,275	6.5

Duff & Phelps Investment Management Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Duff & Phelps Investment Management Co. has been independently verified for the periods January 1, 1993 through December 31, 2018. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

1. Organization – Duff & Phelps Investment Management Co. ("Duff & Phelps" or the "firm") is a registered investment adviser and a wholly owned subsidiary of Virtus Investment Partners. Duff & Phelps manages assets on behalf of institutional and retail separate accounts and open-end and closed-end funds. Registration of an investment adviser does not imply any level of skill or training.

2. Composite Description – The U.S. REIT Composite includes all fully discretionary accounts, excluding wrap/SMA accounts, managed by the firm with account market values greater than $1 million at the time of initial investment that focus their investments in U.S. real estate investment trust securities with the objective of producing excess returns above the FTSE Nareit Equity REITs Index over a full market cycle (i.e., three to seven year horizon). The inception date of the U.S. REIT Composite (formerly the Real Estate Investment Trust (REIT) Composite) was January 1, 1995 and the Composite was created on January 1, 2001. The Composite was redefined November 30, 2018 to exclude wrap/SMA accounts in order to distinguish it from other products. Prior to October 2013, the Composite did not reference its objective relative to the Benchmark. This reference was added to distinguish the Composite from other products; there was no change in the benchmark or the strategy.

Composite policy requires the temporary removal of any account incurring a significant cash flow. Effective July 1, 2016, a significant cash flow is defined as a client initiated inflow or outflow of cash or securities of 25% or more of beginning period assets. From April 1, 2014 through June 30, 2016, temporary accounts were utilized to remove the impact of significant cash flows of 10% or more. From August 1, 2009 through March 31, 2014, Composite policy required the temporary removal of any account incurring a significant cash flow of 10% or more. Prior to August 2009, accounts incurring significant cash flows of 10% or more were reviewed for discretion.

3. Benchmark – The Composite Benchmark is the FTSE Nareit Equity REITs Index, a free-float market capitalization-weighted index measuring equity tax-qualified real estate investment trusts (REITs) not designated as timber or infrastructure REITs, which meet minimum size and liquidity criteria and are traded on the New York Stock Exchange, the American Stock Exchange, and the NASDAQ National Market System.

4. Calculations - Returns are total, time-weighted rates of return expressed in U.S. dollars and include accrued income. The Composite and Benchmark results reflect the reinvestment of dividends and other earnings. Portfolios are valued on a trade date basis. Monthly performance is calculated by linking daily returns. The Composite return is an asset weighted average of the performance results of all the portfolios in the Composite based on beginning of month values. The annual dispersion is asset-weighted and measures the deviation of individual portfolio returns around the Composite returns for portfolios in the Composite for the entire year. The 3-year annualized ex-post standard deviation measures the variability of the Composite and the Benchmark returns over the preceding 36-month time period. The number of accounts as of December 31, 2016 was previously misstated as 7 and is now correctly shown as 10.

5. Performance and Fee Information – Investment performance returns are presented on both a gross of fee and net of fee basis. Gross composite returns are calculated net of trading costs, but do not reflect any deduction for investment advisory fees, custodial charges or other costs that a client might incur in connection with the management of an account. The firm's fee schedule for management of separate institutional REIT accounts is: .75% on assets up to $10 million, .65% on the next $15 million, .60 on the next $25 million, and .50% on amounts in excess of $50 million. Returns realized by clients will be reduced by these costs. Actual investment advisory fees incurred by clients may vary. Initial minimum account size for institutional accounts is $5 million. Effective October 1, 2016, net composite returns are calculated by subtracting actual separate account investment management fee rates from gross account returns based on month-end assets. Net account returns are reduced by performance fees when applicable and deducted from composite results on a cash basis. Previously, net composite returns were calculated by subtracting the highest separate account investment management fee in effect for the period. Index returns do not reflect the deduction of any fees.

6. Additional Information – Duff & Phelps's policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list of composite descriptions, are available upon request.

Past performance is not indicative of future results.