International Real Estate Securities Fact Sheet & Commentary

Quarter Ending December 31, 2019

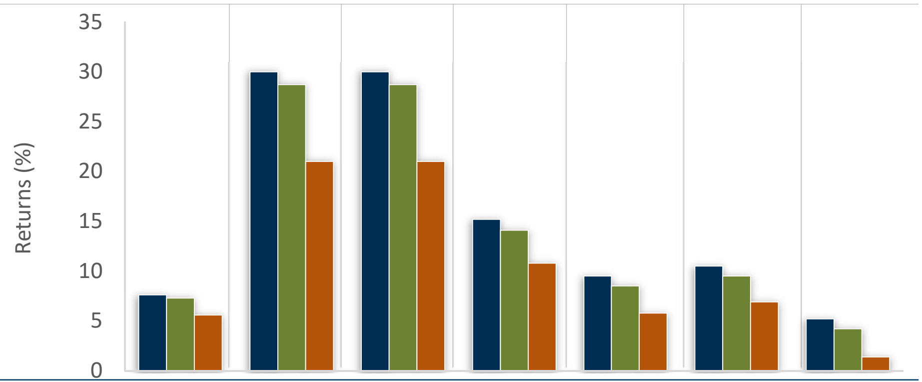
DUFF & PHELPS INVESTMENT MANAGEMENT CO.

A VIRTUS INVESTMENT PARTNER

PORTFOLIO STRATEGY

- Holdings — 30-50 securities
- Single Security Limit — < 500 bps of relative exposure
- Historical Turnover — < 50%
- Cash — Typically fully invested
- Benchmark — FTSE EPRA Nareit Developed ex U.S. Index (net)

PERFORMANCE[1]



	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Composite Gross Return	7.6%	30.0%	30.0%	15.2%	9.5%	10.5%	5.2%
Composite Net Return	7.3%	28.7%	28.7%	14.1%	8.5%	9.5%	4.2%
FTSE EPRA Nareit Dev ex U.S. Index (net)	5.6%	21.0%	21.0%	10.8%	5.8%	6.9%	1.4%

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
Multiple (P/E), 2020 est.	19.2x	18.8x
Earnings Growth Rate, 5-year est.	8.3%	4.4%
Dividend Yield	3.8%	3.9%
Dividend Growth, 5-year est.	5.6%	4.2%
Median Market Cap (bn)	$3.8	$2.9

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

TOP TEN HOLDINGS[3]

	Portfolio(%)[2]
Mitsubishi Estate Co Ltd.	6.7
Vonovia SE	4.8
Granite Real Estate Investment	3.9
Link Reit	3.5
Unite Group Plc	3.4
Kungsleden AB	3.3
Merlin Properties Socimi SA	3.3
Unibail-Rodamco-Westfield	3.2
Invesco Office J-Reit Inc.	3.0
Swire Properties Ltd.	3.0

RISK/RETURN (10 Year)

	Composite	Benchmark
Alpha	3.9%	0.0%
Total Return Beta	0.9	1.0
Sharpe Ratio	0.7	0.4
Standard Deviation	14.6%	14.9%
Information Ratio	0.9	-
Tracking Error	4.3	-

Source: eVestment.

CONTACT INFORMATION

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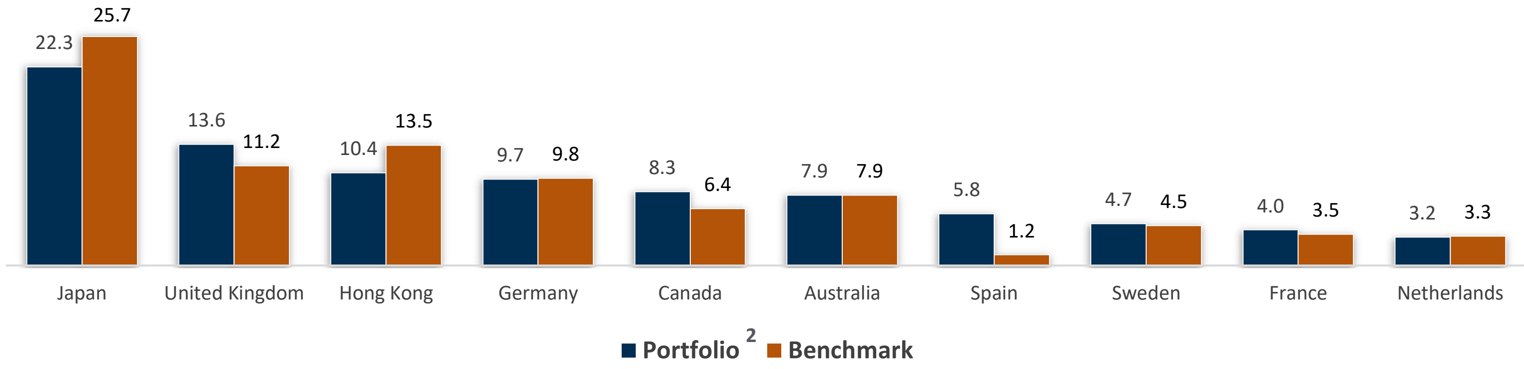
[1]Composite Inception Date: 10/31/2007. Time periods over one year are annualized. Please see the GIPS Compliant Presentation for more information.
[2]Portfolio information is based on a representative institutional account excluding cash. Holdings are subject to change.
[3]It should not be assumed 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 Ten Country Weights vs. Benchmark (%)[2]



Source: Bloomberg Finance L.P.

Market Review

International equities markets finished the year on a strong note, benefitting from the U.S. and China Phase One trade accord and a positive outcome in the UK elections. With an 8.2% quarterly total return for the MSCI EAFE Index, expressed in U.S. dollars, international equities made up for a softer start to the year. Conversely, international real estate equities delivered a 5.6% total return for the quarter, as measured by the FTSE EPRA Nareit Developed ex US Index ("the Benchmark"), expressed in U.S. dollars. For the full year, international real estate equities posted a very healthy 21.0% total return.

As global equities markets rallied, global interest rates also moved higher on the back of the news and improved sentiment in global economic growth. The U.S. dollar declined by 3.0% in the quarter, as measured by the U.S. Dollar Spot Index, which benefited international equity returns. 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, possibly serving 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.

Taking a closer look at the performance of the individual countries that are represented within the Benchmark, the top five performing countries on a total return basis measured in U.S. dollars were the UK, Austria, Italy, France, and Sweden. The UK delivered robust performance during the period with a total return of over 20%, on a U.S. dollar basis. The outcome of the UK elections was undoubtedly the primary driver of this performance and benefited both local market returns and drove a sharp rally in the British pound relative to the U.S. dollar.

The five bottom performing countries were Israel, Ireland, Japan, Canada, and New Zealand. Several of the underperforming markets during the period were negatively impacted by a rotational drag from winners or a shift to a more "risk-on" environment, as market sentiment and global interest rates lifted. The underperformance of Ireland, however, was more company-specific. One of the two companies represented in the Benchmark declined on news highlighting discussions of further residential rent control regulation. We would note the supply of housing remains low relative to demand and, whether it is Dublin or other markets such as Berlin, elected officials should focus on easing supply restrictions to increase the availability of housing.

Portfolio Review

Overall, our international real estate securities strategy outperformed the Benchmark in the fourth quarter. Country allocation and security selection both contributed positively to performance.

Portfolio Review cont.

From a country allocation perspective, our strongest contributor was the UK. We have been overweight in the UK and benefited from this positioning during a strong performance period for the country. Our second largest allocation benefit was from our underweight exposure to Japan, which was a bottom-performing country during the period.

At the security level, our overweight position in Workspace Group, a UK office REIT, was the largest positive contributor. Shares of the company performed strongly during the quarter, driven by positive earnings results and improved sentiment for UK real estate and the British pound following the positive election outcome. The next largest positive contributor was our overweight exposure to Mitsui Fudosan Logistics, a Japanese industrial REIT, which delivered a positive return for the period versus the negative return for Japan overall. Shares of the company continue to benefit from the healthy fundamental environment for industrial/logistics in the Tokyo region. Rounding out the top five positive security selection contributors were our overweight of Granite REIT, a Canadian industrial REIT; our overweight of Invesco Office J-REIT, a Japanese Office REIT; and our overweight of Catena AB, a Swedish industrial REIT.[4]

From a country allocation perspective, our overweight exposure to Ireland was the largest detractor from performance. Ireland's underperformance was driven by the decline in the shares of Irish Residential Properties, as the market reacted negatively to the potential for a residential rent freeze to be enacted in Dublin, similar to what has occurred in Berlin. The second largest country allocation detractor was our lack of exposure to Switzerland, which outperformed during the period. The increase in the Swiss franc relative to the U.S. dollar during the period was a contributing factor in this performance.

At the security level, our overweight exposure to Nippon Prologis REIT, a Japanese industrial REIT, was the largest negative contributor to security selection. Shares of the company did not underperform for any company-specific reason but were affected by the pullback of many JREIT stocks during the period. Our lack of exposure to Sun Hung Kai Properties, a Hong Kong diversified real estate company, was the second largest detractor to security selection. Shares of Sun Hung Kai and other Hong Kong real estate developers bounced during the period following the announcement of a Phase One U.S./China trade deal. Rounding out our top five detractors were our overweight position in Kenedix Residential, a Japanese apartment REIT; our lack of exposure to Hulic, a Japanese diversified real estate company; and our overweight to Link REIT, a Hong Kong retail REIT.[5]

Investment Outlook

Looking ahead, 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: Workspace Group +25 bps; Mitsui Fudosan Logistics +19 bps; Granite REIT +18 bps; Invesco Office J-REIT +18 bps; and Catena AB +17 bps.
[5]Top five detractors' relative contribution: Nippon Prologis REIT -12 bps; Sun Hung Kai Properties -11 bps; Kenedix Residential -10 bps; Hulic -9 bps; and Link REIT -8 bps.

Investment Outlook

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 no guarantee of future results. *Returns are calculated in U.S. dollars and include the reinvestment of dividends and other earnings. 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 FTSE EPRA Nareit Developed ex U.S. Index (net) is a free-float market capitalization index measuring developed market international real estate securities engaged in the ownership, disposal and development of income-producing real estate that meet minimum size, liquidity and revenue criteria.

The MSCI EAFE Index (Europe, Australasia, Far East) (net) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

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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	-4.66	-5.61	-6.41	11.11	10.92	≤5	n.a.	40.2	9.0
2017	23.33	22.10	20.03	11.84	11.23	≤5	n.a.	26.6	10.2
2016	1.74	0.85	1.30	12.62	12.10	≤5	n.a.	30.1	10.3
2015	1.19	0.33	-3.76	12.40	12.66	≤5	n.a.	40.2	9.2
2014	12.60	11.65	2.84	12.86	14.48	≤5	n.a.	40.2	10.8
2013	2.99	2.07	5.79	16.67	18.15	≤5	n.a.	41.0	9.2
2012	35.95	34.76	38.01	19.45	20.18	≤5	n.a.	40.6	8.9
2011	-9.35	-10.17	-15.64	24.20	25.47	≤5	n.a.	20.2	8.6
2010	20.45	19.39	15.63	28.16	30.34	≤5	n.a.	26.4	7.2
2009	40.67	39.44	43.97			≤5	n.a.	29.9	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 International Real Estate Securities Composite includes all fully discretionary accounts that focus their investments in international real estate equity securities. The inception date of the Composite is October 31, 2007 and the Composite was created on January 1, 2008. The Composite contains less than 5 portfolios.

From September 1, 2014 to June 30, 2016, Composite policy required the creation of a temporary account for a single client initiated inflow or outflow of cash or securities expected to exceed 10% at the time of notification of beginning period assets (a "significant cash flow"). Effective July 1, 2016, Composite policy does not, and prior to September 1, 2014 did not, include the use of temporary accounts or define significant cash flows.

3. Benchmark –The Composite Benchmark is the FTSE EPRA Nareit Developed ex U.S. Index (net), a free-float market capitalization index measuring developed market international real estate securities engaged in the ownership, disposal and development of income-producing real estate, which meet minimum size, liquidity and revenue criteria. Prior to September 1, 2017, the Benchmark was the FTSE EPRA Nareit Developed Rental Index (net), a subset of the new Benchmark. The former Benchmark focused on companies classified as Rental and excluded companies classified as Non-Rental. The change in Benchmark was made given the widespread use of the new Benchmark in the marketplace. There has been no change in the Composite strategy, which continues to focus primarily on rental companies. Exchange rates used for the Benchmark are WM/Reuters Closing Spot Rates™ collected at 16:00 hours London time; prior to October 1, 2016, the Composite used WM/Reuters Closing Spot Rates™ collected at 16:00 hours New York time and since October 1, 2016 the Composite uses WM/Reuters Closing Spot Rates™ collected at 16:00 hours London time. Prior to 2012, the Composite utilized a systematic fair value methodology triggered by significant events (such as significant movements in U.S. markets following international markets' closings). The Benchmark does not utilize a systematic fair value methodology, and effective 2012, the Composite does not utilize such a methodology. The withholding tax rates used in the calculation of the Benchmark are those applied to dividends received by a Luxembourg based UCIT fund; the withholding tax rates used in the calculation of the Composite are those applied to dividends received by account domicile.

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. Composite dispersion is not presented for periods with 5 or fewer portfolios. 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 and is not presented for performance periods of less than 36 months.

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 institutional separate International Real Estate Securities accounts is: .85% on assets up to $10 million, .80% on the next $15 million, .75% on the next $25 million, and .65% 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. Previously, net composite returns were calculated by subtracting the highest separate account investment management fee (.90% through 2013 and .85% thereafter) 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.