



Quarter Ending March 31, 2023

### 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.

### PERFORMANCE <sup>1</sup>



	QTD	YTD	1 Year	3 Years	5 Years	10 Years
<b>Composite Gross Return</b>	2.0%	2.0%	-21.3%	9.4%	5.2%	6.6%
<b>Composite Net Return</b>	1.8%	1.8%	-21.9%	8.0%	4.1%	5.6%
<b>FTSE EPRA Nareit Dev Index (Net)</b>	0.8%	0.8%	-21.4%	6.6%	0.9%	2.5%

### PORTFOLIO STRATEGY

Holdings	Typically 50-70 securities
Single Position Limit	Greater of 5% of the portfolio or 5% over benchmark
Cash Target	Less than 5%
Benchmark	FTSE EPRA Nareit Developed Index (net)

### PORTFOLIO CHARACTERISTICS

	Portfolio <sup>2</sup>	Benchmark
Multiple (P/E), 2023 est.	17.6x	16.4x
Earnings Growth Rate, 2023 est.	4.2%	2.4%
Dividend Yield	4.0%	4.8%
Dividend Growth, 5-year est.	6.0%	5.0%
Median Market Cap (bn)	\$9.9	\$2.1

Sources: FTSE, Bloomberg Finance L.P., Duff & Phelps.

### TOP TEN HOLDINGS<sup>3</sup>

	Portfolio(%) <sup>2</sup>
Prologis Inc.	9.5
Equinix Inc.	5.7
Welltower Inc.	4.2
Sun Communities Inc.	4.0
Mitsubishi Estate Co Ltd	3.5
Vici Properties Inc.	3.1
CubeSmart	2.9
Realty Income Corp	2.8
Public Storage	2.8
Mid-America Apartment Comm	2.7

### RISK/RETURN (10 YEARS)

	Composite	Benchmark
Alpha	4.0%	-
Total Return Beta	1.0	1.0
Sharpe Ratio	0.4	0.1
Standard Deviation	16.4%	16.3%
Information Ratio	1.6	-
Tracking Error	2.5	-

Calculated using gross performance returns.

### CONTACT INFORMATION

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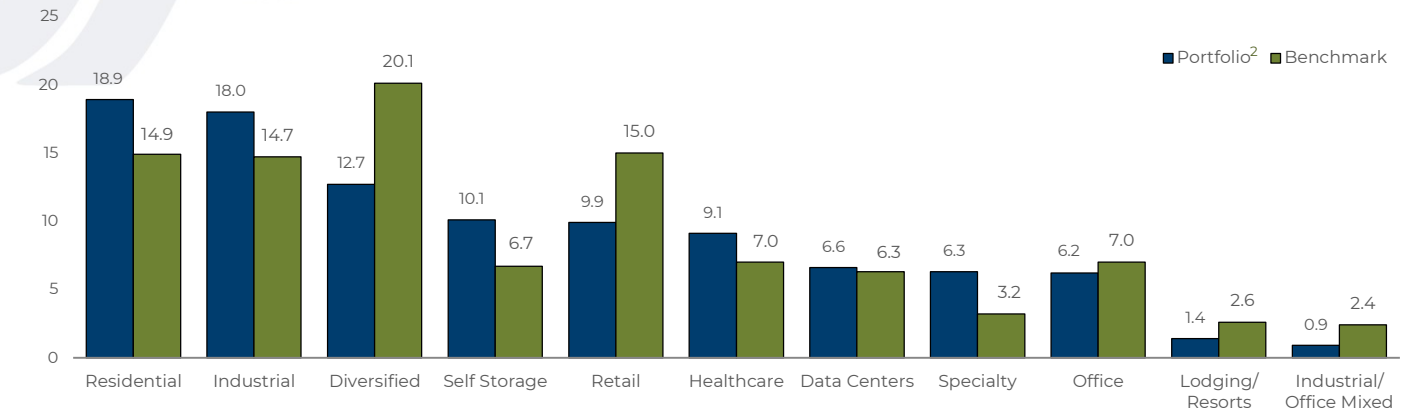
<sup>1</sup> Composite returns are expressed in U.S. dollars and include the reinvestment of dividends and other earnings. Periods over one year are annualized. Indices are not available for direct investment and index returns do not reflect the deduction of any fees. Gross composite returns are net of trading costs but do not reflect the deduction of investment advisory fees, custodial charges, or other expenses. Net composite returns are calculated by subtracting the highest separate account investment management fee (including performance fees, if applicable) in effect for the period. Past performance is not indicative of future results. Please see the GIPS Composite Report on the final page for more information.

<sup>2</sup> Portfolio information is based on a representative institutional account excluding cash. Holdings are subject to change.



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### PORTFOLIO SECTOR WEIGHTS VS. BENCHMARK(%)



Source: Bloomberg Finance L.P.

### MARKET REVIEW

Both the MSCI World Index and listed global real estate, as measured by the FTSE EPRA NAREIT Developed Index, started the year off strongly through early February. On February 3, much stronger-than-expected U.S. payrolls renewed fears of a higher-for-longer Federal Reserve interest rate policy, which reversed the 2023 equity recovery underway. Higher inflation data contributed further to the pullback in February in both equities and bonds. Soon after the beginning of March, equities came under additional pressure from the collapse of Silicon Valley Bank and Signature Bank, and from a last-minute rescue of Credit Suisse by the Swiss National Bank and UBS. Broader market equities recovered into month-end while listed real estate continued to give back some of its year-to-date positive returns. By quarter-end, the U.S. dollar ended slightly lower against most major currencies, with the exception of the Japanese yen.

For the quarter, positive listed global real estate performance was led by Singapore, Canada, and France in U.S. dollar terms. Nine countries in total delivered positive returns. Negative returns were driven by Germany, Finland, and Israel. 13 countries delivered negative returns.

Most property sectors performed well, with defensive and tech-oriented sectors leading the way and cyclical-oriented property sectors falling behind. As such, self storage, industrial, and data centers were the top performing property sectors. On the other end, office was the worst performing property sector, followed by retail and diversified.

To recap our view on earnings, fourth quarter deliveries were solid, and we believe management teams guided conservatively for 2023, setting an opportunity to beat and raise in the second half of the year provided the economy does not incur a hard landing.

### PORTFOLIO REVIEW

The Duff & Phelps Global Real Estate Securities strategy outperformed the benchmark during the quarter, with allocation and selection both contributing to outperformance.

On the basis of total attribution by country, the United States was the largest contributor, driven by security selection, and was followed by Canada and Australia, which also benefited from security selection. Conversely, Japan was the largest detractor, driven entirely by stock selection, followed by Singapore and Ireland, primarily due to allocation.



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### PORTFOLIO REVIEW CONT.

From a country allocation perspective, our underweights to Germany and Japan were our top contributors to relative performance, while our overweights to Ireland and Singapore were the largest detractors.

On the basis of total attribution by property sector, industrial was the largest contributor, driven by allocation and security selection, followed by self storage, on allocation. Conversely, the diversified and specialty sectors were the largest detractors due to security selection.

At the security selection level, in looking at our country attribution, our largest contributors were CubeSmart and Granite Real Estate Investment. At the security selection level, in looking at our country attribution, our largest detractors were Cousins Properties and Douglas Emmett. While our office sector underweight was a positive contributor to property sector allocation and our office selection also provided a benefit to property sector allocation, Cousins and Douglas Emmett were our largest detractors on a country attribution basis.

### INVESTMENT OUTLOOK

Our outlook remains positive for listed real estate, marked by overall solid fundamentals and attractive valuations. The potential for a hard landing and further stress in the global banking system remain key risks to stability across the equity markets. We expect this will challenge the central banks and keep volatility elevated through the year. In our view, listed real estate has shown an ability to outperform when central banks are pursuing a more reasonable path of increasing interest rates, in terms of both magnitude and frequency. Moreover, the abundance of private capital on the sidelines and the discounted pricing available via listed real estate, which we see as more attractive than private real estate, is a tailwind.

Stock selection remains key in the current market, as active managers can capitalize on the disconnect between property fundamentals and stock prices. We believe the Duff & Phelps Global Real Estate Strategy is well suited to capitalize on these opportunities due to our focus on high-quality owner-operators of enduring commercial real estate.

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



**GEOFFREY DYBAS, CFA**  
Senior Portfolio Manager  
and Head of Real Estate



**FRANK HAGGERTY, CFA**  
Senior Portfolio Manager

<sup>3</sup> 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.



# GLOBAL REAL ESTATE SECURITIES FACT SHEET & COMMENTARY

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**PAST PERFORMANCE IS NOT INDICATIVE 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 Benchmark is the FTSE EPRA Nareit Developed Index (net), a free-float market capitalization index measuring developed market global real estate securities engaged in the ownership, trading and development of income-producing real estate that meet minimum size, liquidity and revenue criteria.*

*The ICE U.S. Dollar Index (DXY) measures the value of the U.S. dollar against a weighted basket of currencies used by U.S. trading partners.*

**Duff & Phelps Investment Management Co., Stone Harbor Investment Partners (UK), LLP, Virtus Global Partners Pte. Ltd., Virtus Investment Partners International Ltd., and VP Distributors, LLC are indirect subsidiaries of Virtus Investment Partners, Inc.**



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### GIPS COMPOSITE REPORT

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				
2022	-26.18	-26.73	-25.09	22.79	22.86	6	n.a.	2,266.4	12.0
2021	32.74	31.74	26.09	18.81	19.75	≤5	n.a.	1,861.3	12.2
2020	-1.28	-3.51	-9.04	18.29	19.46	≤5	n.a.	1,135.9	10.6
2019	31.09	30.04	21.91	9.72	9.75	≤5	n.a.	1,280.7	11.2
2018	-3.67	-4.43	-5.63	11.21	10.82	≤5	n.a.	173.3	9.0
2017	14.29	13.38	10.36	11.41	10.90	≤5	n.a.	208.8	10.2
2016	5.37	4.54	4.06	12.86	12.21	≤5	n.a.	182.6	10.3
2015	3.07	2.25	-0.79	12.46	12.29	≤5	n.a.	94.4	9.2
2014	24.44	23.47	15.02	12.22	12.49	≤5	n.a.	66.4	10.8
2013	2.57	1.75	3.67	15.79	16.45	≤5	n.a.	43.0	9.2

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, 2021. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**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 Global Real Estate Securities Composite includes all fully discretionary accounts that focus their investments in global real estate equity securities. Material risks, in addition to market risk or potential strategy underperformance, include sector concentration risks and risk factors specific to global real estate securities. The inception date of the Composite is March 31, 2009 and the Composite was created on March 31, 2009.

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 Index (net), a free-float market capitalization index measuring developed market global real estate securities engaged in the ownership, trading and development of income-producing real estate, which meet minimum size, liquidity and revenue criteria. Prior to September 1, 2017, the Composite Benchmark was the FTSE EPRA Nareit Developed Rental Index (net), a sub-set 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 to the Composite strategy, which continues to focus primarily on rental companies. 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. Composite dispersion is not presented for periods with 5 or fewer portfolios in the Composite for a full year. The 3-year annualized ex-post standard deviation measures the variability of gross Composite returns and the Benchmark returns over the preceding 36-month time period.

**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 Global Real Estate Securities accounts is: 0.75% on assets up to \$25 million, 0.70% on the next \$25 million, and 0.60% 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 \$25 million. Net composite returns are calculated by subtracting the highest separate account investment management fee (including performance fees, if applicable) in effect for the period. Index returns do not reflect the deduction of any fees.

**6. Additional Information** – A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy. Duff & Phelps's policies for valuing investments, calculating performance and preparing GIPS reports are available upon request.

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