Alternatives Research
Real Estate

July 2022

U.S. REAL ESTATE STRATEGIC OUTLOOK

Mid-Year 2022

IN A NUTSHELL

_ Rising interest rates and economic uncertainty have cast a pall over financial markets.

_ While real estate is not immune to these forces, it can benefit, in our view, from its ability to hedge inflation.

_ We believe that the current macro environment calls for an investment strategy centered on Defensive Growth: downside protection with the ability to capture inflationary rents.

Recent Performance[1]

Despite surging interest rates and slumping financial markets, real estate displayed positive momentum in the first quarter of 2022. Fundamentals were robust: Vacancies dropped to an all-time low (since 1988), fueling double-digit Net Operating Income (NOI) growth.[2] Trading activity was liquid: Transactions of $171 billion were the highest first quarter total since at least 2001.[3] Finally, investment performance was buoyant: The fund-level Open-End Diversified Core Equity (ODCE) real estate index delivered the strongest trailing four-quarter total returns (28.5%) in its history (since 1978), while the asset-level NCREIF Property Index (NPI) achieved its greatest returns (21.9%) since 1980.[4]

There were some hints of deceleration. On a sequential basis, ODCE and NPI total returns slipped to 7.4% and 5.3%, respectively, from 8% and 6.2% in the final quarter of 2021.[5] NOI growth of 10.5% (year-over-year) was also down from 12.4% the previous quarter.[6] Nevertheless, the first quarter of 2022 was an exceptionally strong start to the year.

In the ensuing months, real estate practitioners have reported signs of softness, including slimmer bidding pools and rising cap rates. Listed REITs have sold off (down 20.3% year-to-date through June)[7] alongside the broader stock market.

[1] This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are not a reliable indicator of future performance. Forecasts are based on assumptions, estimates, opinions, and hypothetical models that may prove to be incorrect. Investments come with risk. The value of an investment can fall as well as rise and your capital may be at risk. You might not get back the amount originally invested at any point in time. Source: DWS International GmbH.

[2] NCREIF. As of March 2022.

[3] Real Capital Analytics. As of March 2022.

[4] NCREIF. As of March 2022.

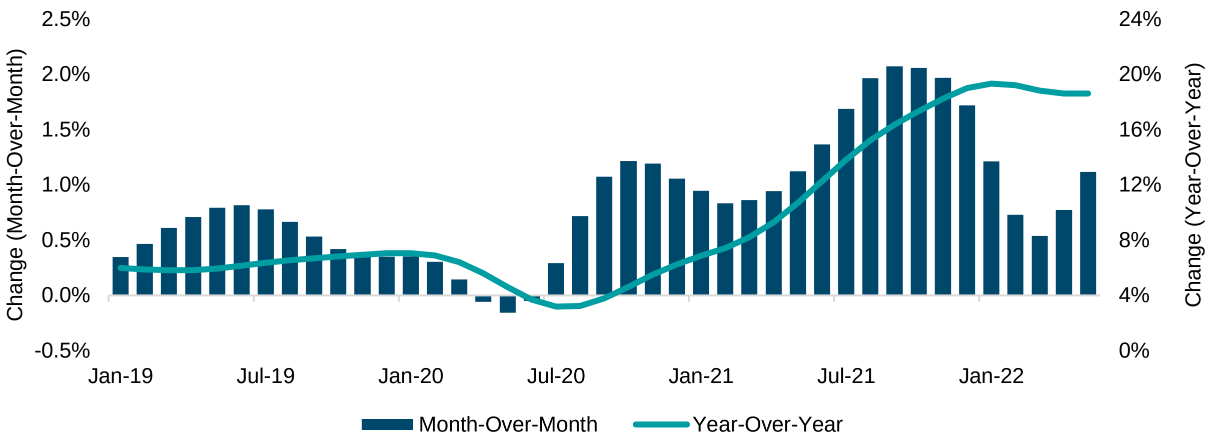
[5] NCREIF. As of March 2022.

[6] NCREIF. As of March 2022.

[7] MSCI U.S. REIT Gross Total Return Index. As of June 2022.

However, REITs have slumped before without a corresponding pullback in the private market (e.g., in 1998/99, 2015 and 2018). Indeed, RCA's repeat-sales price index — which captured the effects of COVID in its earliest days — accelerated through May (see Exhibit 1).[8]

EXHIBIT 1: RCA COMMERCIAL PROPERTY PRICE INDEX



Sources: RCA. As of May 2022.

[8] RCA CPPI. As of May 2022.

1 / Real Estate Outlook

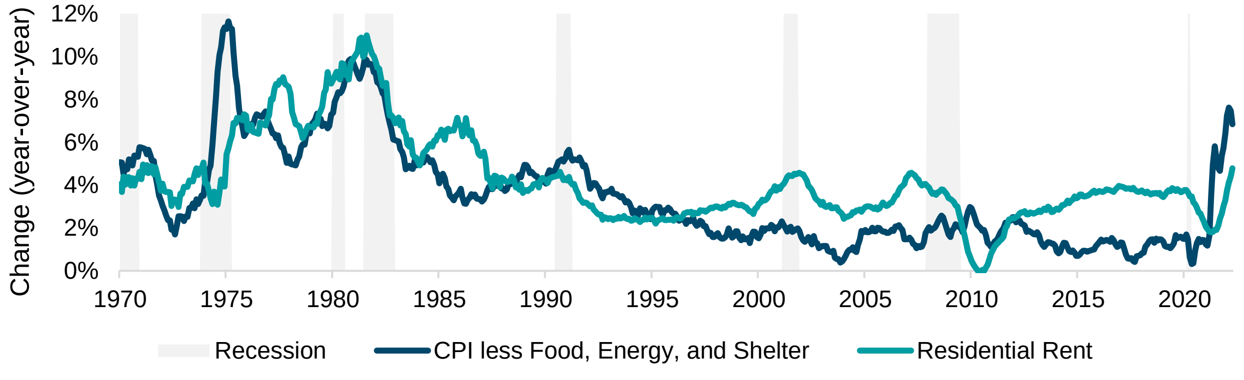
The macro environment has rapidly shifted in 2022. GDP contracted in the first quarter.[9] The Federal Reserve hiked its policy rate by a cumulative 150 basis points from March through June and signaled more increases to come.[10] Since the beginning of the year, 10-year Treasury yields increased 170 bps to 3.2% in June.[11] Consumer prices jumped 8.6% (year-over-year) in May, the most in 40 years, debunking any lingering claims that inflation was "transitory".[12]

Headline inflation could abate in the second half of 2022 if supply-chain and commodity pressures stabilize or reverse. Yet, with wages and service prices increasing 5%-6% annually, "core" inflation (excluding food and energy) appears broadly entrenched.[13] Financial markets currently anticipate that 10-year Treasury yields will remain near current levels over the next year; however, bond yields could move higher should core inflation prove more persistent than expected.

We estimate that U.S. consumers hold more than $2 trillion of surplus pandemic-era savings with which to sustain spending, and economic growth generally, through this year and maybe next.[14] However, economic conditions could deteriorate thereafter if consumers, having depleted their pent-up savings, begin to cut back on interest-rate-sensitive expenditures (e.g., housing and autos). The yield curve (long-term interest rates less short-term rates), which has inverted 1-2 years before each of the last nine downturns since the early-1960s, is not yet flashing red.[15] However, Fed rate hikes could invert the curve early next year, setting the stage for recession in 2024.

Rising interest rates and a potential recession are hazardous for many investments, including real estate. Levered investors might struggle to cover debt service and secure loans if cap rate spreads to interest rates narrow. Weakness in stock and bond markets could spill over to real estate via the "denominator effect" — multi-asset investors rebalancing portfolios out of real estate to restore target allocations. From a tactical perspective, yield-seeking investors might pivot to fixed income as bond yields rise. Real estate leasing could also retrench amid job losses and dwindling profits. Indeed, recessions have been the proximate cause of every broad-based decline in real estate prices since the early 1960s.

EXHIBIT 2: INFLATION AND RESIDENTIAL RENTS



Source: Bureau of Labor Statistics. As of June 2022.

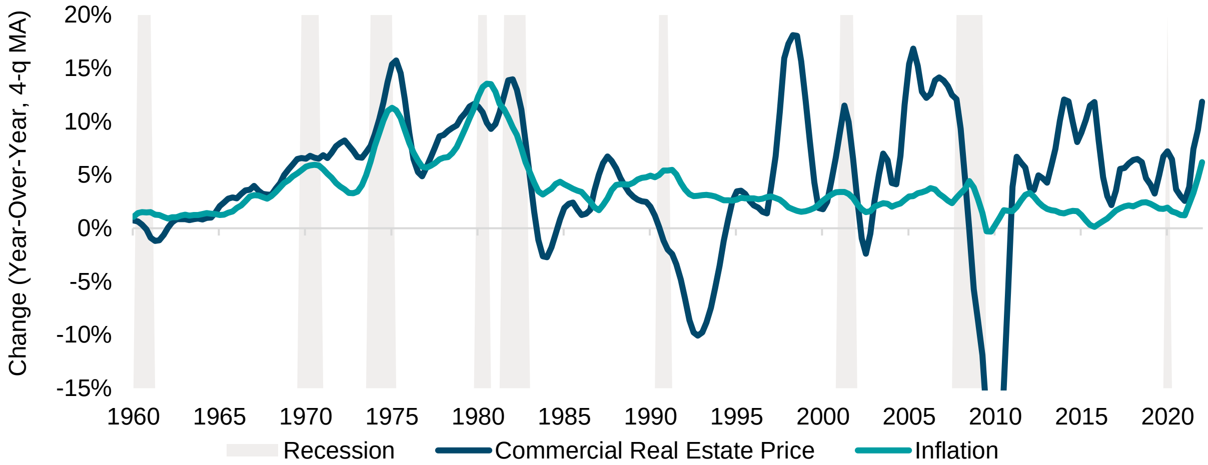
However, it is important not to divorce these economic challenges from the inflationary context. Systemic inflation, characterized by a wage-price spiral, supports real estate in several ways: First, it puts upward pressure on rents, by

[9] Bureau of Economic Analysis. As of June 2022.
[10] Federal Reserve. As of June 2022.
[11] Federal Reserve. As of June 2022.
[12] Bureau of Labor Statistics. As of May 2022.
[13] Bureau of Economic Analysis (services inflation); Atlanta Federal Reserve (wages). As of May 2022.
[14] DWS. As of June 2022.
[15] Federal Reserve (yield curve); National Bureau of Economic Research (recessions). As of June 2022.

augmenting tenants' spending power and curbing new construction (see Exhibit 2).[16] Second, it lifts replacement costs, to which values of existing buildings typically converge over time (building costs increased 15% year-over-year in June).[17] Third, rising rents support expected future cash flow, helping to suppress cap rates in the face of rising interest rates.

These dynamics are reminiscent of the 1970s and early-1980s, a period marked by war (Vietnam), energy crises (in 1973 and 1979), rampant inflation, soaring interest rates, and economic volatility. Commercial real estate prices increased 8% annually from 1970-1984, roughly double the average of the past 35 years (see Exhibit 3).[18] After shrugging off three recessions (in 1970, 1974, and 1980), real estate finally capitulated after the Federal Reserve hiked short-term rates to 20% in 1981, but only modestly (3.5%).[19] Home prices did not fall throughout this time on a national basis, despite 30-year mortgage interest rates rising above 18%.[20] In 1980, cap rates on U.S. property averaged 7%-8% even as 10-year Treasury yields pierced 15%, as investors paid a premium for real estate's inflation-sensitive cash flows and capital values.[21]

EXHIBIT 3: COMMERCIAL REAL ESTATE PRICES AND INFLATION



Sources: BLS (Inflation), Federal Reserve (real estate prices); NBER (recessions). As of March 2022.

Over the long-run, real estate has typically settled somewhere between stocks and bonds on the risk-return spectrum. Yet from 1973-1982, when inflation averaged 9% annually, real estate total returns (about 17% annually) outperformed those of stocks (7%) and bonds (5%) by wide margins.[22] While there is no guarantee that history will repeat itself, this experience underscores the diversifying role that real estate can play within a multi-asset portfolio, especially under inflationary conditions.

[16] Bureau of Labor Statistics. As of June 2022.
[17] ENR Building Cost Index. As of June 2022.
[18] Federal Reserve. As of June 2022.
[19] Federal Reserve. As of June 2022.
[20] National Association of Realtors. As of June 2022.
[21] NCREIF (cap rates); Federal Reserve (10-year Treasury yields). As of June 2022.
[22] Ibbotson SBBI (stocks, bonds, inflation); Federal Reserve and DWS estimates (real estate). As of June 2022.

2 / Investment Strategy

We believe that the macro environment has important implications for investment strategy. Specifically, it argues for a strategy of Defensive Growth: Defensive, to protect against the vagaries of a volatile economy; Growth, to capture inflation and mitigate the challenge from rising interest rates.

From a sector perspective, Defensive Growth justifies a focus on industrial and residential properties, in our view. Both sectors enjoy structural tailwinds that could sustain demand even if economic growth falters: e-commerce and efforts to strengthen supply chains in the case of Industrial; Millennials starting new households in the case of Residential. The latter is also habitually defensive, as people usually find ways to stay in their homes if they lose their jobs, using savings or government and family assistance. Moreover, one-year lease terms improve owners' ability to capture inflationary rent growth. Conversely, office property is historically pro-cyclical, and remote working might only worsen its prospects in a downturn. Finally, assets occupied on long-term leases, while providing some downside protection, might suffer from minimal cash-flow growth over the medium term.

From a market perspective, Defensive Growth similarly points to geographies that draw structural support independent of the national economy. In our view, this includes the Sun Belt and Mountain West, areas that are seeing an influx of people, including Millennial families, retired Boomers, and remote or satellite-office workers, pursuing lower costs and a better quality of life. While many of these markets carry few land and regulatory barriers to new development, high labor and materials costs may help to mitigate risks of oversupply.

Industrial (Strong Overweight): NOI growth accelerated to an all-time high (since 1983) of 11.7% (year-over-year) as vacancies dipped below 2%, also a record (since 1988).[23] The outlook for warehouses remains bright, in our view. A post-COVID normalization of spending patterns from online goods to in-person services may dampen absorption. Yet several growth drivers remain intact: Despite stores reopening, online sales continue to expand, up 6.6% year-over-year in the first quarter of 2022.[24] Moreover, we estimate that restoring depleted inventories to pre-COVID levels could generate one billion square feet of warehouse demand (equivalent to about three years of average absorption). Finally, we believe that efforts to strengthen supply-chain resilience may motivate companies to hold additional inventories, necessitating more warehouse space. While the construction pipeline is active (about 480 million square feet underway), it still falls well short of estimated capacity needs, implying that rent increases could remain robust for the foreseeable future.[25] Some of this growth has already been priced into valuations, and therefore we do not expect the past year's extraordinary investment returns to be repeated. However, we continue to believe that the sector will handily outperform the broader index.

Residential (Overweight): Vacancies dropped to a historic low of 2.3%, allowing owners to push rents up 15.5% (year-over-year).[26] In our view, residential demand may moderate post-COVID as Americans reallocate spending from goods and housing to recreation and other services, but burgeoning Millennial household formation should provide enduring support. Moreover, rising mortgage rates, coupled with elevated home prices, may skew more demand toward rental properties. Finally, a dearth of construction since the Global Financial Crisis (GFC) has created a structural housing deficit: Rental vacancy rates (across both single- and multifamily units) are at their lowest level since 1984.[27] Finally, thanks to their shorter (typically one-year) lease terms, residential properties have historically responded well to inflation. Accordingly, we believe that the sector will remain a strong performer, particularly suburban assets in expanding areas of the country.

Retail (Market Weight): Total returns underperformed the NPI in the first quarter of 2022, but there were glimmers of hope for a sector that has been under pressure for several years, first from e-commerce and later from COVID store closures. Retail was the only major sector that saw returns pick up on a sequential basis in the first quarter. Moreover, although malls languished, neighborhood and community (N&C) centers performed much better. The segment's net absorption reached its

[23] NCREIF. As of March 2022.
[24] Census Bureau. As of March 2022.
[25] CBRE-EA. As of March 2022.
[26] CBRE-EA. As of March 2022.
[27] Census Bureau. As of March 2022.

highest first-quarter total and its vacancies fell to their lowest levels in at least 17 years.[28] Given that N&C centers are largely service-oriented, they are more insulated than malls from e-commerce threats, and to the extent that they dispense goods (e.g., groceries), they can help to fulfill online orders (i.e., delivery or pickup from store). Since they are typically located in or near residential areas, they may capture more sales as people move to suburbs and spend more of their workweek at home. Years of underperformance have also largely curtailed new construction and kept yields at comparatively attractive levels.

Office (Strong Underweight): Although a rising real-estate tide lifted office returns in the first quarter of 2022, the sector's relative underperformance intensified.[29] Net absorption flatlined after a fleeting rebound at the end of last year, pushing vacancies back to GFC-highs.[30] Soft fundamentals were reflected in NOIs, which fell (year-over-year) for the first time in a decade.[31] In our view, offices will retain an important role as centers of collaboration, training, innovation, and business development. Companies may also de-densify their workspace to provide a healthier working environment. Yet even a relatively small shift toward hybrid working could weigh on office absorption as tenants run out their existing leases (averaging approximately six years). We do not believe that office values are poised to crash; however, they may stagnate for several years. Exceptions include medical and life science space, whose occupants generally have less flexibility to work remotely, and which benefits from an expanding health care industry. More generally, some Sun Belt markets may buck the trend, as expanding employment soaks up slack created by the work-from-home shift.

[28] CBRE-EA. As of March 2022.
[29] NCREIF. As of March 2022.
[30] CBRE-EA. As of March 2022.
[31] NCREIF. As of March 2022.

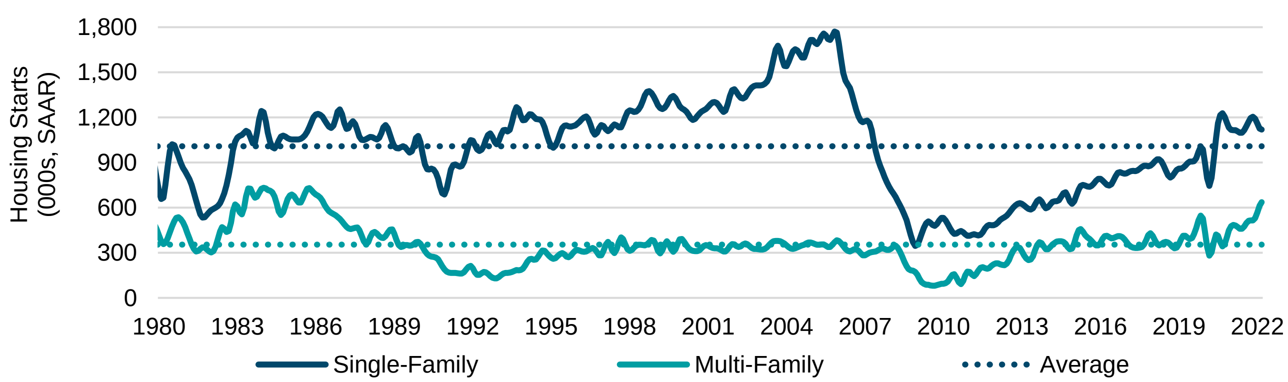
3 / Apartment Outlook and Strategy

3.1 Current Conditions

Strong household formation and barriers to homeownership continue to drive strong rental demand and rent growth for the apartment sector in 2022. Coming off a banner year in 2021, apartment demand has showed no signs of slowing down in 2022. In the first quarter of 2022, the sector saw its best first quarter for demand in over 20 years, with leasing performance unusually strong during the winter months. As a result, the vacancy rate for DWS's 31 Investable Markets ("Investable Markets", "Investable Universe")[32], declined to a record low of 2.3%. This is particularly impressive given how new supply continues to be delivered at historically high levels. Also, demand remains robust across all Investable Markets, even the gateway markets that have still not reached pre-COVID employment levels and continue losing population to low-cost markets.

All apartment product types are benefitting from this environment, but modern Class-A product, particularly in the suburbs across the Sun Belt and Mountain West, is the clear leader. Demographic trends, lifestyle preferences, and barriers to homeownership were already providing tailwinds for suburban rental demand prior to the pandemic, and those dynamics have only become more pronounced. Suburban markets continue to see a favorable supply-demand imbalance for both multi-family and single-family housing, one that is only being exacerbated by zoning restrictions, NIMBYism, supply chain disruptions, rising construction costs, and rising mortgage rates. Ageing Millennials continue to move to the suburbs to raise young families, driving the need for larger, modern living spaces and highly rated schools — and now, given work-from-home trends, space for a home office as well. While homeownership remains the goal for Millennials, the more affordable option right now is clearly rental housing, both garden-style and build-for-rent communities. Limited construction of single-family homes (see Exhibit 4) since the Global Financial Crisis has resulted in continued home price appreciation, and the pandemic has only accelerated that trend.[33] Strong demand has pushed home prices 21.0% higher year-over-year and driven inventories for existing homes to record lows.[34] Even as single-family housing starts remain above their historical average, supply chain issues, as well as skilled labor shortages, are increasing construction costs and delaying delivery of these homes.[35]

EXHIBIT 4: U.S. HOUSING START TRENDS FOR SINGLE- AND MULTI-FAMILY PRODUCT TYPES



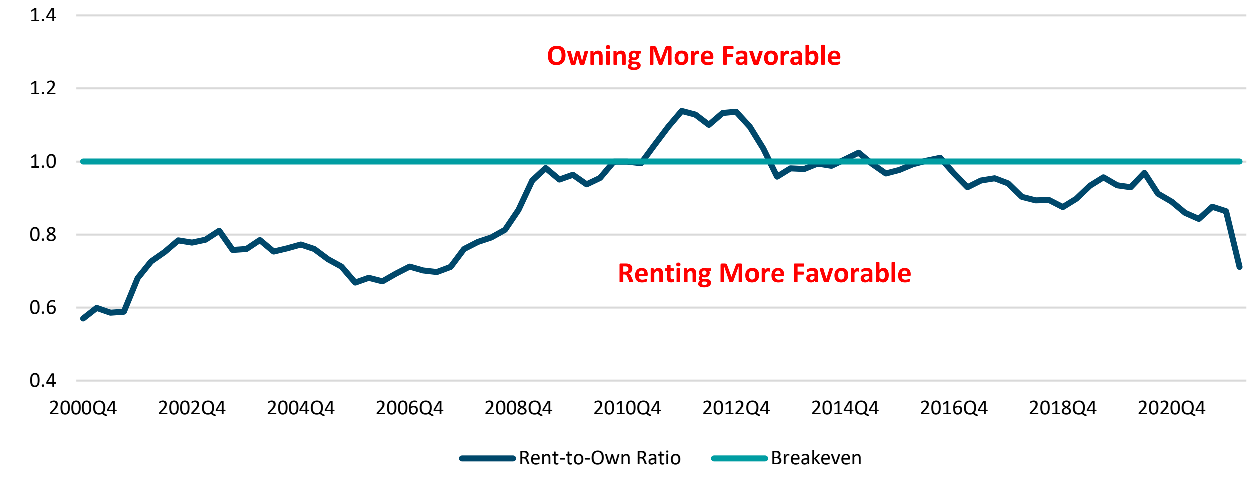
Sources: Moody's Analytics and DWS. As of June 2022. Past performance is not indicative of future results.

Median household income growth has also significantly lagged median home price appreciation in most markets over the past ten years (see Exhibit 5). As a result, many first-time homebuyers do not have enough savings for a down payment while also paying down student debt. Combine that with rising mortgage rates that now sit well north of 5.0% (30-year fixed),

[32] CBRE. As of March 2022.
[33] U.S. Census Bureau and National Association of Realtors. As of May 2022.
[34] U.S. Census Bureau and National Association of Realtors. As of May 2022.
[35] National Association of Realtors. As of May 2022.

and the result is an affordability gap that continues to widen in favor of renting and support long-term rental demand in the suburbs.

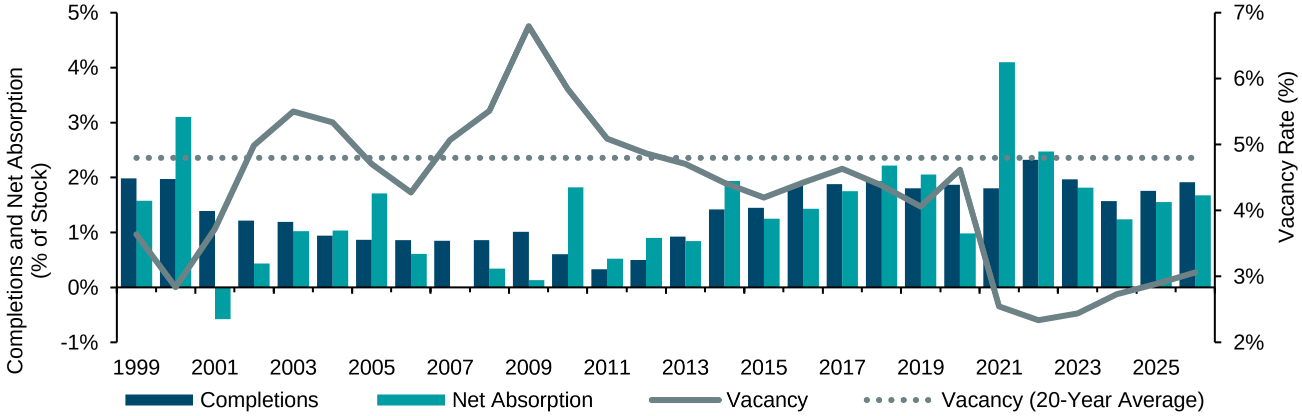
EXHIBIT 5: RENT-TO-HOMEOWNERSHIP COST RATIO (2000 – Q1 2022)



Source: Moody's Analytics, Yardi Matrix, and DWS. As of June 2022. Past performance is not indicative of future results.

While record demand continues to absorb new supply, a significant number of units are still scheduled for delivery over the next 12 to 24 months across the Investable Universe. However, supply chain issues, as well as skilled labor shortages, are increasing construction costs and delaying delivery of these projects. A more gradual pace of deliveries is therefore expected over the near term. Going forward, rising debt costs and a backlog of project zoning approvals should only exacerbate project delays and could lead to some projects being shelved altogether. The sector's vacancy rate is therefore expected to remain very low in the near term (see Exhibit 6).[36] Once supply chain disruption has been reduced, apartment construction is expected to bounce back strongly to meet sustained demand, which should push vacancy modestly higher. Supply should also receive a boost from the growth of the single-family rental sector, specifically build-for-rent communities, as well as from more office/mall conversions.

EXHIBIT 6: APARTMENT NET ABSORPTION AND COMPLETIONS AS A PERCENT OF INVENTORY AND VACANCY RATE (1999 – 2026)*



*DWS's 31 Apartment Investable Markets
Source: CBRE-EA (history) and DWS (forecast). As of June 2022.
Note: F = forecast. Past performance is not indicative of future results. No assurance can be given that any forecast or target will be achieved.

[36] DWS: Apartment Investable Markets include 31 major metros in the U.S.

Market rent growth has continued at a remarkable pace, at 15.2% year-over-year through April 2022[37]. Rent growth is expected to remain strong in 2022, albeit with a modest deceleration from 2021's supercharged levels, driven by several positive factors. The first factor is rising inflation. Higher inflation is reflected in higher rents, particularly in residential, where short-term leases should act as an effective inflation hedge, allowing owners to mark rents to market more quickly relative to other property types. Inflation is also sharpening residents' focus on non-discretionary expenses like housing, with the work-from-home trend strengthening demand for larger, modern living spaces. This has resulted in a shift in consumption preferences, with residents allocating a higher portion of their incomes to meet those housing preferences, and thus supporting higher rents. However, putting inflation aside, strong residential rent growth is also being buoyed by rising incomes, historically high occupancy, record savings levels, continued household formation, and new deliveries being delayed by supply chain disruptions. Weighted-average market rent growth for the Investable Universe is expected to be 4.3% annually through 2026.

Debt and equity capital for residential investment remains abundant. Institutional investors continue to rotate out of less-favored real estate sectors to increase their exposure to the residential sector's strong fundamentals and, now in the current rising rate environment, short-term leases that can better hedge inflation.

Annual NCREIF Property Index (NPI) total returns for the apartment sector equaled 24.1% (trailing four quarters) in the first quarter of 2022 – roughly nine times higher than one year ago.[38] Fueled by strong economic and demographic drivers, Sun Belt and Mountain West markets remain the clear leaders. Among apartment property subtypes, garden-style assets were once again the top performers, realizing an annualized total return of 33.4%. High-rise property performance improved dramatically, yet continued to lag well behind, returning 19.5%. Also, through the first quarter of 2022, garden-style and mid-rise assets continued their run of outperforming high-rise assets on an annualized total return basis, with streaks of 36 and 46 consecutive quarters, respectively; this outperformance is consistent across all historical time series as well.

3.2 Outlook and Strategy

With the economy open and the job market greatly improved, the sector continues to see strong performance, proving it is well-positioned to benefit from all the sector's in-place demand drivers and better navigate current inflationary pressures. Expected performance within the Investable Universe should be bifurcated between gateway and regional markets, and even further between urban and suburban submarkets. Investors will likely continue to outperform the benchmark by targeting affluent, inner-ring suburbs of Sun Belt and Mountain West markets that have limited housing supply, strong population growth, and diversified economies; this includes markets like Austin, Raleigh, and Denver. The factors driving economic growth in these metros, including continued in-migration, a highly educated workforce, and low living/business costs, are expected to continue. Conversely, while the gateway markets have recovered quicker than expected, they still face an abundance of new supply and weak job/population growth. Investors should continue to be very selective in these gateway markets, focusing on tech-driven metros like Boston and Washington, DC (particularly Northern Virginia).

The central themes shaping our apartment strategy include:

Still Sunny in the Suburbs: Suburban rental demand should continue to benefit in the near term from ongoing migration out of the urban core, demographic tailwinds, evolving lifestyle preferences, and barriers to homeownership; pre-existing trends that only accelerated because of COVID. The development of more urbanized suburbs and the ability to work from home should support rental demand over the long term as well, and lead to outperformance. In terms of asset selection, investors should focus on modern, well-amenitized garden-style and mid-rise apartments, as well as build-for-rent communities. These properties should be located near jobs, well-rated schools, and neighborhood amenities. Also, given demographic trends and the strong demand for more space, investors should target larger floor plans and an abundance of open and outdoor amenity space.

Student Housing Remains Resilient: At Tier 1/Power 5 universities, demand is expected to remain strong for modern, purpose-built properties that are walkable to campus and have bed-bath parity. As was the case pre-COVID, as well as

[37] Yardi Matrix. As of April 2022.
[38] NCREIF. As of March 2022.

throughout the pandemic, modern product that is walkable to campus continued to see the highest occupancy levels this past school year, as well as the strongest pre-leasing velocity and rent growth for the upcoming school year.[39]

Urban Core in Better Shape, but Headwinds Remain: High-rise properties have seen improved performance over the past year. However, large supply pipelines, ongoing migration to the suburbs, work-from-home trends, and an increasingly high cost of living continues to drive relative underperformance. Long term though, performance in the urban core is expected to stabilize as supply comes more into balance with demand and the impact of hybrid working becomes better understood. Gen Z is also expected to backfill Millennials as they graduate college and seek out a live-work-play lifestyle.

Value-Add Strategies Carry Significant Risk: Class-A property rents continue to widen their spread over Class-B rents, being supported by resident incomes rising more on a relative basis. Class-B renters, however, are historically more price sensitive. Given the highly inflationary environment currently, landlords may not be able to generate sufficient rent premiums to justify the renovations, and those renovations are only getting more expensive as construction and debt costs continue to rise.

Despite Rising Costs, Housing Shortage Signals Need for Development: Given the strength of the sector's long-term demand drivers, and a current vacancy rate that points to an ongoing shortage of rental housing, institutional investors are flooding the sector with capital. Even as construction and debt costs increase, and project timelines expand, ground-up development continues to maintain an attractive yield premium, in our view, of 50 to 100 basis points over core cap rates.

[39] Yardi Matrix. As of May 2022.

4 / Industrial Outlook and Strategy

4.1 Current Conditions

In our view, industrial market fundamentals and their related economic supports are strong. Despite economic and financial market uncertainties that have arisen this year, the industrial market appears on track to be a strong outperformer in 2022 and beyond. Record high demand in 2021 shifted market momentum in a positive way – relieving some uncertainty that had built in 2020 – to meaningfully stronger positive trends, particularly in the second half of 2021. Net absorption of 483 million square feet outpaced construction deliveries of 286 million square feet, pushing the U.S. vacancy rate down to a record low 3% at year-end 2021.[40] Total availability (which includes some pre-marketed space) ended the year at 4.9% (also a record low).[41] The pace of absorption in the first quarter 2022 remained healthy at 79 million square feet, albeit well off the pace from 2021, but supply chain constraints also tempered the pace of construction deliveries, about 74 million square feet during the quarter.[42] Vacancy rates held steady at record or near-record lows for the U.S. overall and broadly across our target market universe.

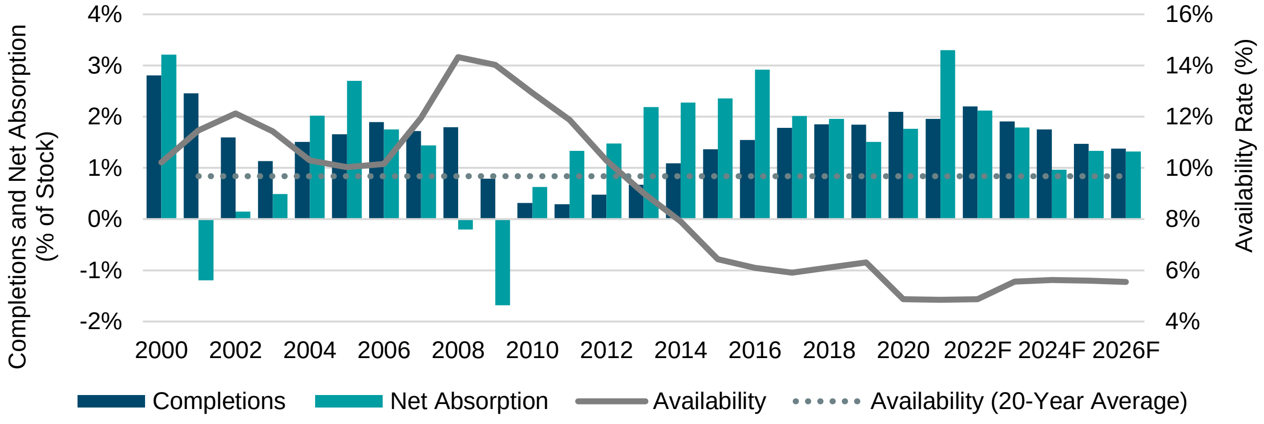
We believe that persistently tight market conditions during the past year have left few options for existing occupants or new market entrants, giving landlords and developers strong pricing power. Market rent growth across our 32-market investable universe averaged about 8% in 2021 on CBRE-EA's data, but there was great variation across markets, and with vacancy rates ranging between 0.5% in Los Angeles to less than 2.9% in 18 of our targeted markets, spot market rents for available spaces could be more than 20% higher than one year ago.[43] Anecdotal information from brokers and leases signed in the development pipeline indicate very strong upward pressure on rents, particularly in the West and Northeast regions. Cumulative rent growth of the past five years totaled nearly 30% on average, but it may be double that in many markets. This level of growth is consistent with robust NOI growth, which we believe will remain strong in coming years.

Developers and investors have responded to the surge in demand and rents, but supply chain disruptions, tight labor conditions, and constrained land supplies in the major population centers have served to limit and delay construction deliveries. We estimate in the first quarter of 2022 there was about 565 million square feet of industrial space under construction slated to complete this year and next. Assuming some additional starts get underway as the year progresses, we believe this pipeline would expand the industrial base by about 2% per year through 2023. This level of new supply is slightly higher than in the past two growth cycles but seems well-aligned with potential demand.[44]

In our view, strong demand will persist during this growth cycle. On the plus side, pent-up consumer demand, continued supply chain reconfiguration (e-commerce and rapid fulfillment) and economic growth (albeit moderating) will outweigh a consumer shift to services and the dampening effect of inflation on consumption in the near term. Low levels of available space and delayed construction deliveries may also serve to reduce demand and vacancy volatility. The long-term secular shift to e-commerce and rapid fulfillment is expected to necessitate a continued roll-out of logistics capacity across a greater number of markets, helping maintain healthy fundamentals across our investable universe of markets.

[40] CBRE-EA. As of March 2022.
[41] CBRE-EA. As of March 2022.
[42] CBRE-EA. As of March 2022.
[43] CBRE-EA, DWS and Prologis. As of March 2022.
[44] CBRE-EA. As of March 2022.

EXHIBIT 7: INDUSTRIAL NET ABSORPTION AND COMPLETIONS AS A PERCENT OF INVENTORY AND AVAILABILITY RATE (2000 – 2026) *



* Total for U.S. Sum of Industrial Markets (CBRE-EA)
Source: CBRE-EA (History) and DWS (Forecast). As of March 2022.
Note: F = forecast. Past performance is not indicative of future results. No assurance can be given that any forecast or target will be achieved.

Investment sales volume of industrial properties reached $175.7 billion, with approximately 11,700 properties changing hands (both record highs). Investment volume in first quarter 2022 totaled 36.1 billion, similar to the average of the first three quarters of 2021.[45] Recent transaction and appraisal data reflect persistent cap rate compression in the past year. The NCREIF value-weighted current value cap rate fell to 3% in first quarter 2022, 107 basis points lower than first quarter 2021.[46] Total returns for the industrial sector posted 11% in the first quarter and a 51.9% in the trailing four quarters.[47] NOI growth was estimated at 11.7%, 400 basis points higher than the five-year average.[48]

Only a small minority of markets posted total returns above the U.S. average, but they represent a 44% weight in the industrial sector of NPI; they include Los Angeles, Orange County, Riverside and San Diego in Southern California, Las Vegas and Reno in Nevada, and New York/New Jersey, Trenton Harrisburg and Philadelphia in the Northeast.[49] Sharp cap rate compression, paired with recent increases to U.S. interest rates, could set the stage for moderating appreciation returns in coming quarters, but strong rent and NOI growth trends, as well as intense investor interest, should continue to support strong relative performance for the industrial property sector.

4.2 Outlook and Strategy

Some potential headwinds to space demand have developed in 2022, including decelerating economic ctivity and moderating internet retail sales growth, but we are still bullish about the foundation of support for the industrial sector. While inventories have risen, the inventory-to-sales ratio remains well below historical norms (1.29 in April vs. 1.40 pre-Covid).[50] Retailers are seeking to pull new stock in early, well ahead the back-to-school and holiday shopping seasons. This is reflected in the strong import levels that have persisted through the Spring months. The National Retail Federation projects U.S. imports will be 7.5% higher in June 2022 compared to 2021, the third highest on record.[51]

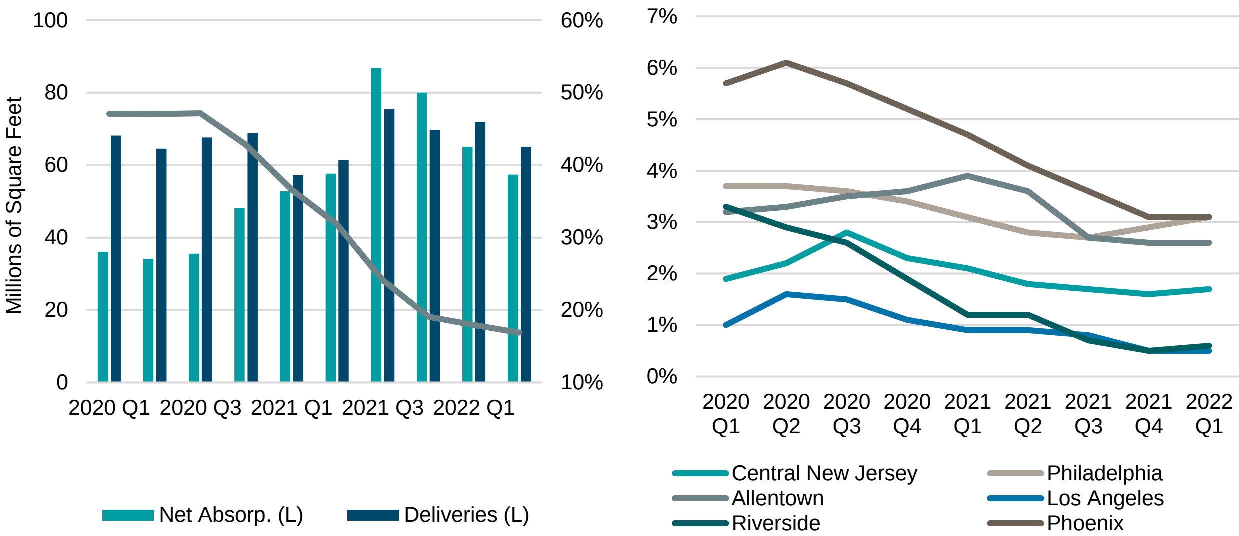
While we expect that demand will moderate compared to the record setting levels of 2021, our near-term outlook reflects still healthy absorption and persistently low vacancy rates across our investable markets. We believe that while the new

[45] Real Capital Analytics. As of March 2022.
[46] NCREIF. As of March 2022.
[47] NCREIF. As of March 2022.
[48] NCREIF. As of March 2022.
[49] NCREIF. As of March 2022.
[50] US Census Bureau and Moody's. As of April 2022.
[51] Journal of Commerce and National Retail Federation. As of June 2022.

supply pipeline is large, it is not a threat to current market balance, as it is somewhat tempered in the near term due to supply chain disruptions. Rising development costs should also support higher rent levels and rent growth, as a large portion of total functional available space currently lies within the development pipeline. [52]

Our baseline outlook for the industrial sector calls for absorption and construction deliveries to remain in balance, averaging about 325 million square feet per year in 2022 and 2023. [53] This will result in stable and low vacancy rates and continued upward pressure on market rents, with annual growth ranging from 6% to 10% across markets and averaging about 8% per year through 2023. Our view of balanced market conditions in 2022 is supported by still strong leasing within the development pipeline (chart below - left). Interim survey data indicates that quarterly deliveries have been well leased, with 122 million square feet absorbed within the 137 million square feet delivered year-to-date.[54] The vacancy trends of the primary West and East Coast markets are little changed in the past few quarters. Strong pre-leasing bodes well for future absorption across our target markets.

EXHIBIT 8: DEVELOPMENT IN TOP 32 MARKETS (LEFT) AND SELECTED METRO VACANCY RATE TRENDS (RIGHT)



Sources: CoStar, CBRE-EA. As of June 2022.

The central themes that are shaping our industrial investment strategy:

Strong relative performance: Better than expected recent rent and occupancy movements, plus our projections, should enable industrial landlords to continue to benefit from strong mark-to-market opportunities in their rent rolls. This potential NOI boost is the strongest among the NPI subsectors and should help fuel strong relative returns.

Rolling out logistics capacity in more markets: Sustained demand momentum across strong local markets and in emerging regional logistic hubs has served to relieve supply constraints in the large coastal population centers and supports our current market selections in the Mountain West, Northeast and Southeast regions. Recent market rent growth and the success of leasing in the development pipeline also supports maintaining an active build-to-core strategy.

[52] DWS and CBRE-EA. As of June 2022.
[53] DWS, CoStar and CBRE-EA. As of June 2022.
[54] DWS and CoStar. As of June 2022.

Large population centers underserved by modern logistics: We maintain strong convictions for the prospects of large coastal metropolitan areas on the west coast as well as those that serve the large Northeast region, supported by the need for greater logistics capacity. South Florida has been a late recovery market but has now become highly constrained.

Primary considerations for 2022 and ahead:

Location Discipline for Development/Build-to-core: Speculative development has been well-received throughout this cycle across nearly all markets. A build-to-core strategy within our investable universe should enhance returns potential, but a maturing growth cycle adds an element of risk planning beyond 2023. We contend that fundamentals performance will be superior in locations that are closer to resident consumers, businesses and workers within the traditional boundaries of markets. Avoid locations where demand depth is less proven and locations more substitutable.

Functional Warehouses: We believe that functional, well-located warehouse properties in our target markets will continue to be able to take advantage of favorable market conditions, rewarding landlords for taking near-term leasing risk. We also believe that industrial landlords will be able to harvest the accrued value of functional logistics properties over the longer term. These properties will maintain their strategic values over time, due to rising constraints and the relative importance of local logistics to our economy and evolving consumer behaviors.

Food-Related/Cold Storage: This segment continues to exhibit strength, as the cold logistics supply chain evolves. We think that food-related assets can offer compelling long-term prospects as a function of future growth and the need to replace older, obsolete facilities. We believe demand for refrigerated food facilities will benefit from traditional grocery stores, as well as rising direct-to-consumer food delivery initiatives. We prefer markets that are food import/export corridors and also have large downstream demand from businesses and consumers.

R&D/Flex/Light Industrial: We have few recommended targets for higher finish industrial properties, limited to about six major markets that have large technology and life science industries. Functional and well-located light industrial facilities should perform well in highly constrained markets and can also serve as covered land plays in high value locations. However, history has shown that there can be significant fundamentals and capital markets downside risk for higher-finish industrial assets in a downcycle.

5 / Office Outlook and Strategy

5.1 Current Conditions

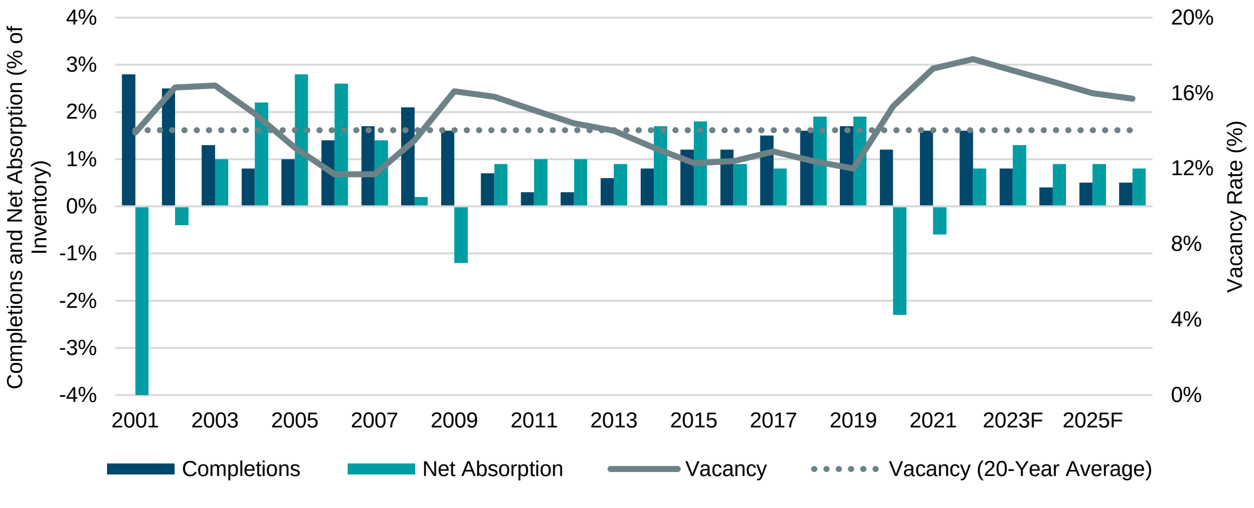
The U.S. office market is stabilizing. Sector total returns were resilient in the first quarter of 2022 (6.8% on a trailing four-quarter basis).[55] The U.S. economy added 6.5 million jobs in the 12 months to May 2022 (roughly three times the pace of an average year), of which 1.6 million were in office-using industries.[56] Most office markets have returned to pre-pandemic employment levels.[57]

Concerns over elevated inflation coupled with a prolonged Russia-Ukraine conflict and steep declines in financial assets are hindering the near-term economic outlook, however. This has prompted hikes in the Fed Funds rate and decreases in GDP growth forecasts for 2022. Moreover, with U.S. IPO volumes down 91% in 1Q 2022 from a year earlier[58], many tech and finance firms are announcing hiring freezes and possible layoffs.

While uncertainty persists and the sector has a long way to full recovery, market dynamics are improving. Tenants are firming their long-term utilization plans and leasing activity is consistently increasing. Strong tenant confidence over space needs is pushing average lease terms above eight years. In 1Q 2022, leases of 10 years or longer were a majority of all activity for the first time since the onset of the pandemic.[59]

Though the national vacancy rate remains above historical averages, the velocity of increase is slowing. Sublease space is contracting, down 1.0% since the end of 2021 and 7.6% from its peak in the second quarter of 2021.[60] As firms evaluate their post-COVID real estate needs, sublease space will likely remain a cost-competitive, short-term option until there is greater clarity on business and economic direction.

EXHIBIT 9: OFFICE NET ABSORPTION AND COMPLETIONS AS A % OF INVENTORY AND VACANCY RATE (2001 – 2026)



Source: CBRE-EA (history) and DWS (forecast). As of July 2022.
Note: Note: F = forecast. Aggregate of DWS's investable universe of markets. Past performance is not indicative of future results. No assurance can be given that any forecast or target will be achieved.

[55] NCREIF, BLS. As of July 2022.
[56] Moody's Analytics, BLS. As of July 2022.
[57] Moody's Analytics, BLS. As of July 2022.
[58] Dealogic. As of July 2022.
[59] JLL. As of July 2022.
[60] JLL. As of July 2022.

New construction has slowed and is currently down 25% from this cycle's peak.[61] New York has by far the largest amount of ongoing construction, at 26.9 million square feet, followed by the San Francisco Bay Area with 9.1 million square feet and Washington D.C. with 8.5 million square feet.[62] Although the need for quality space may spur some anchor-led developments, new deliveries will likely surpass new starts for the foreseeable future given the sector's weak fundamentals and tighter financing conditions.

Flight to quality is affecting market performance: Divergence in absorption, vacancy and rents is widening between first- and second-generation product, with little sign of slowdown.[63] Asking rents remain stable, yet landlords are offering high concessions irrespective of building quality. The gap between asking and effective rents remains significant with tenant improvement allowances of $100 per square foot or more and 12 to 15 months of rent abatement available for 10-year lease terms.[64] Many tenants remain drawn to the discounted space in the sublet segment, which will likely continue to undermine landlords' ability to raise effective rents.

5.2 Outlook and Strategy

The effects of the pandemic are increasingly behind us, yet many uncertainties about the future of work and its impacts on the use of office space remain. Notably, a few trends have evolved and are increasingly coming into focus.

First, in-office attendance is improving and is at post-pandemic highs as many large employers are actively implementing return-to-work plans.[65] Second, city leaders are partnering with large employers to encourage return to work policies that will help reinvigorate central business districts and local businesses that have experienced hardship from delays in return to office.

Third, most employers acknowledge the challenges of an inconsistent return to the office given the widening gaps in maintaining corporate culture, onboarding, training, and talent retention. Tight labor market conditions and employees' desire for flexibility are fueling the unwillingness to return to the office. However, as business conditions become more competitive due to rising interest rates, slowing economic growth and changes in the labor market, business leaders will likely feel increased urgency in bringing their workforce together on a much more consistent basis.

Fourth, return to office does not mean five days a week for most employers. Companies are increasingly providing a flexibility benefit allowing employees to work remotely one to two days or more per week. Employees are invariably electing to be in the office Tuesday through Thursday and want more physical separation, their own dedicated workspaces and in-office amenities, all of which make it challenging for employers to reduce space, notwithstanding reduced occupancy for part of the week.[66]

Lastly, building and workspace quality remain increasingly important as employers favor newly built or recently renovated buildings that are well-amenitized and proximate to transportation. Therefore, U.S. office market performance will likely continue to remain bifurcated with high quality/well located space outperforming the least desirable office inventory.

In our view, overall office vacancy rates will likely remain elevated over the near term and fall gradually until return to office becomes broader based. Effective rent losses are expected to continue as long as vacancies continue to be elevated and competition from less expensive sublet space lingers.

The tech and life sciences sectors have been major contributors to office demand recently, but the industry is heading to a slowdown over the near-term. High-tech employment accounted for one of every four new office-using jobs, according to

[61] Colliers. As of July 2022.
[62] CBRE-EA. As of July 2022.
[63] JLL. As of July 2022.
[64] Colliers. As of July 2022.
[65] Kastle Systems. As of July 2022.
[66] Boston Properties. As of July 2022.

CBRE. As a result, tech industry leasing rebounded sharply in 2021, and accounted for 22% of total office leasing.[67] However, with the Fed focused on tempering inflation, financial valuations are being reassessed, particularly for high-growth tech companies with questionable profitability. So far in 2022, there has been a number of headlines surrounding layoffs in the tech and start-up world with some firms announcing a third or more in staff reductions. The mass layoffs and reduced office footprint comes as venture capital funding and stock prices slide from their previous all-time highs.

While we are monitoring the near-term volatility in the tech and life science industries, their long-term potential remains intact. The large biotech firms that have reached commercial stage are well capitalized with an estimated $500 billion of available cash available to be deployed.[68]

We continue to favor metros with an expanding tech and life science presence and strong job and population growth. Those include mature markets in the San Francisco Bay Area, Seattle, and Boston, as well as Sunbelt markets such as Austin, Charlotte, Nashville, Dallas and Atlanta. New York, Washington D.C. and Chicago are expected to produce weaker rent growth due to high vacancy levels, active new construction and weaker demand.

Going forward, we remain cautious and selective as it relates to office investments. Stable rent roll and limited tenant risk are recommended, as well as higher quality assets with credit leases and low near-term capital requirements. As we move beyond the pandemic, we believe that office space will adapt to new tenant preferences as it has done historically.

See Exhibit 10 for central themes that are shaping our office strategy.

EXHIBIT 10: DWS OFFICE STRATEGY

High-Quality/Flexible Office Product	• Best-quality and commute worthy office space. • Space that encourages collaboration, inspires, is well connected, has the right amenities and provide a sense of the company culture.
Dense Prime Suburban Office Nodes	• Locations in established ("inner-loop") suburbs with urban type amenities. • Ample transit connections, vibrant neighborhoods offering a wide range of amenities, adjacent to major employment centers, and near large concentrations of highly skilled workers (examples include: West LA, Bellevue in Seattle, Northwest in Austin, Watertown & Waltham in Boston, Northern Virginia in D.C., and suburbs of San Jose).
Knowledge-Based & Innovation Metros	• Life sciences and tech are long-term growth drivers for the sector. • Markets that boast global connectivity, a well-educated workforce, and an appeal to knowledge workers will outperform over the foreseeable future (examples include Boston, Seattle, San Diego, the Bay Area, and Austin).
Life Sciences and Medical Office	• Offer stability, diversification and strong performance to a traditional office portfolio. • Impressive demand for life sciences R&D expected to continue for decades. • The growing need for medical services at all ages and aging baby boomers expected to generate outsized demand for medical office.

Source: DWS. As of July 2022.

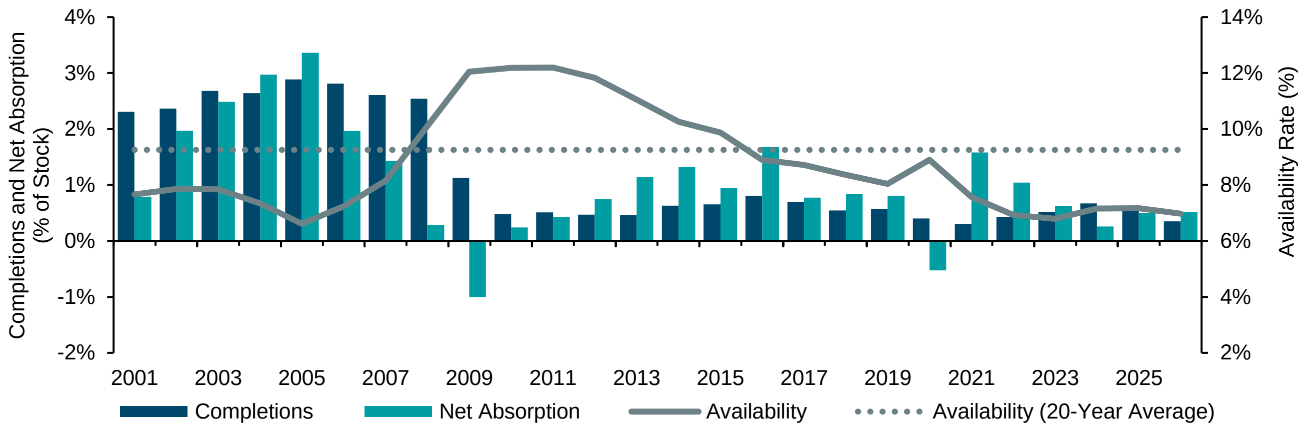
[67] CBRE. As of July 2022.
[68] Alexandria Real Estate. As of July 2022.

6 / Retail Outlook and Strategy

6.1 Current Conditions

Fundamentals for the retail property sector continued to strengthen into the first quarter of 2022. Robust demand from discount, grocery, food and beverage, and wellness tenants is pushing vacancies to historic lows. Net absorption trended positive over the last six consecutive quarters, and totaled approximately 35 million square feet (or 1.7% of total inventory) over the previous trailing four quarters. As a result, the availability rate declined 150 basis points year-over-year, falling to 7.2%. (The last time the market was this tight was in 2006.) The differentiator is the lack of new construction in conjunction with the rebalancing of retail tenants. Historic deliveries averaged less than 0.5% of total inventory annually since 2010.[69] With virtualy no new supply on the horizon, we expect healthy fundamentals to persist in the near term. Our market rent forecast for grocery-anchored centers over the next five years averages 2.9% annually.[70] Despite topline face rate growth, requests for capital, in the form of tenant improvements, landlord base building requirements, and concessions remain salient deal points.

EXHIBIT 11: RETAIL NET ABSORPTION AND COMPLETIONS AS % OF STOCK AND AVAILABILITY RATE (2000 – 2026)[1,2]

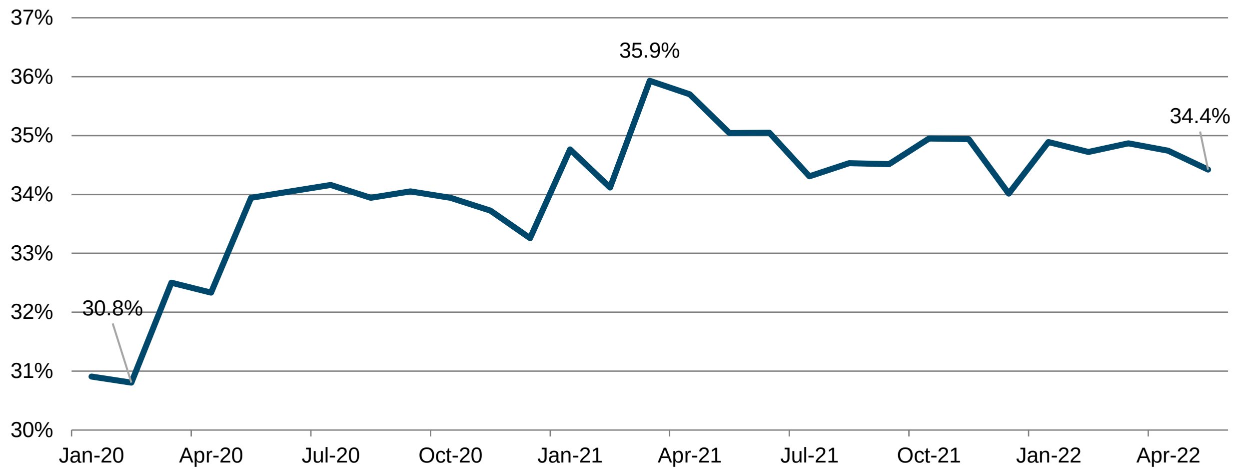


Source: CBRE-EA (history) and DWS (forecast). As of July 2022.
Note: Note: F = forecast. (1) Forecast for Neighborhood and Community centers. (2) Aggregate of DWS's Investable Universe of markets. There is no guarantee the forecasts shown will materialize. Past performance is not indicative of future results. No assurance can be given that any forecast or target will be achieved.

Retail's robust post-COVID recovery overlapped with a favorable macroeconomic backdrop. Fiscal stimulus, strong employment and wage growth, a healthy savings cushion, and mounting confidence fueled consumer spending. We anticipated the release of pent-up demand for goods and "COVID-comforts" would propel retail demand at least into the first half of 2022. However, those effects are beginning to abate as spending habits shift back to pre-pandemic norms and consumers adapt to inflation and supply shortages. Shoppers are trading down to lower-cost store brands, buying fewer home goods, and spending more on apparel for socializing and a return to the office. We are beginning to see a great reset from COVID-related behaviors. We expect that spending on experiences such as dining, travel, fitness, and entertainment will increase further in the summer months.

[69] CBRE-EA. As of March 2022.
[70] DWS. As of June 2022.

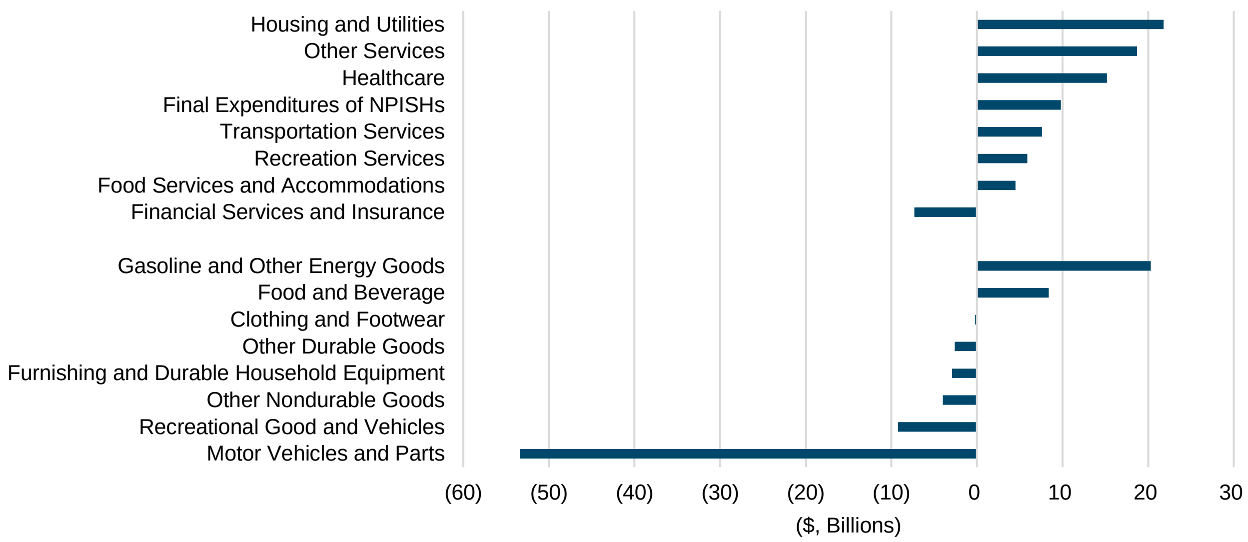
EXHIBIT 12: SPENDING ON GOODS AS A SHARE OF CONSUMER SPENDING (MONTH / MONTH, MAY 20221)



Source: U.S. Bureau of Economic Analysis, Personal Income and Outlays. Seasonally adjusted, annual rates. As of May 2022.

Recent data suggests consumers are being more cautious in the face of escalating inflation. With rising prices for necessities such as gas and food, household budgets are being squeezed. As a result, consumer spending decelerated to its slowest pace this year in May 2022 to 0.4% when adjusted for inflation.[71] While down from the height of the pandemic, U.S. consumers still have a hefty $2 trillion savings cushion left in accumulated surplus as of May 2022.[72] It is hard to say how long a saving drawdown could take given historically high prices.The savings rate edged up to 5.4% in May 2022 from 5.2% in April, a potential sign of caution heading into the back-to-school and holiday shopping seasons. [73] Consumers may need to dip further into their savings or credit reserves to fund future high priced purchases.

EXHIBIT 13: CHANGES IN CONSUMER SPENDING – SERVICES & GOODS (YEAR / YEAR, MAY 2022)



Source: U.S. Bureau of Economic Analysis, Personal Income and Outlays. Seasonally adjusted, annual rates. As of May 2022.

[71] United States Commerce Department. As of May 2022.
[72] Oxford Economics. As of May 2022.
[73] Oxford Economics. As of May 2022.

Near-term risks to the outlook include inflation, supply chain bottle necks, and an overhang of excess inventory — particularly in the apparel, furniture, home goods, and department store segments. However, the outlook for necessity-based retail remains solid. Over the forecast periord, we expect the results of retail's transformation in post-pandemic buying patterns to benefit neighborhood & community centers. Structural and demographic trends should continue to support spending if economic drivers remain supportive. Migration from cities to the suburbs, population growth in lower-cost markets, and more flexible workplace strategies should continue to sustain demand at suburban shopping centers.

6.2 Outlook and Strategy

Strengthening fundamentals and reinvigorated retailer health have led to improving pinvestment erformance. Retail (7.1%) overtook Office (6.8%) total returns in the first quarter of 2022 (trailing four quarters) for the first time in five years. Neighborhood (10.6%), community (11.2%), and Power (10.6%) centers outperformed while malls, which comprise about half the index, generated the weakest returns.[74] Retail as a sector has undergone transformative changes as it has adapted to e-commerce and changing consumer preferences. With a majority of the distress worked through the system, the sector is on a sustainable tradjectory. Open-air and grocery-anchored shopping centers have been the beneficiaries of renewed demand and are likely best positioned over the long term. At the same time, apparel and lifestyle-oriented centers will likely continue to feel secular pressures over time and will require substantial investment to remain relevant.

Our House View retail strategy remains largely intact, though the near-term outlook for fundamentals has improved. We continue to see a clear distinction in performance driven by geography, property subtype, and strength of the tenant line-up. During uncertain times, retail assets may be a solid income producing component of a portfolio. We maintain our recommendation to target grocery-anchored retail located in high growth regional markets.

The key themes that apprise our retail strategy include:

Target Necessity-based Retail: Our conviction around daily needs and grocery-anchored retail remains high as the drivers and fundamentals are poised to remain stable through the early years of the forecast. Grocery-anchored-retail will likely be more resilient and less impacted over the long-term when compared to other types of retail. Moreover, these daily needs shopping centers may benefit from increasing local consumption of goods and services.

Proceed with Caution: While we believe that power centers will evolve into last-mile distribution locations over time, we continue to recommend an underweight to the segment. Caution is warranted in the near-term due to the interest-rate sensitivity of long-term leases. There is also a risk that demand for electronics, furniture, appliances, and other household goods has been satiated (for now) during the COVID housing boom. Shifting consumer preferences are less threatening to neighborhood and community centers, which are more oriented to daily necessities (e.g., food) and services.

Avoid Malls and Transitional Assets: We expect e-commerce penetration will continue to grow in the apparel and commodity goods sector, which impacts malls, class B/C assets and high street retail the most. Some malls may thrive in the future as redeveloped mixed-use or entertainment-infused destinations, but the cost of managing the transition may detract from investment performance.

[74] NCREIF Property Index. As of March 2022.

Appendix 1: U.S. House Portfolio

The DWS House Portfolio represents our opinion of the allocation by property sector for core portfolios in the United States which we believe would outperform the NFI-ODCE. We develop the House Portfolio as an unlevered portfolio of properties without regard to tax consequences. The House Portfolio is formulated using both quantitative and qualitative modeling, integrated with our House View. The resulting weights, we believe, aid in providing long-term risk-adjusted outperformance to our portfolios versus the market as a whole and against relevant benchmarks and indices. The analysis focuses on the four major property sectors and excludes hotels. The following table summarizes our conclusions on weightings in comparison with the NFI-ODCE.

Sector	NPI Weights	ODCE Weights	House Portfolio	Active Bet (vs ODCE)	Range
Apartment	27%	29%	34%	+5%	29% - 39%
Industrial	30%	30%	40%	+10%	35% - 45%
Office	28%	25%	15%	(10%)	10% - 20%
Retail	15%	10%	10%	0%	5% - 15%
Other	0%	7%	1%	(6%)	0% - 6%

Note: NPI weights calculated as gross real estate value excluding ownership share. ODCE weights calculated as gross real estate value at ownership share. Sources: NCREIF and DWS. As of June 2022.

This information is intended for informational and educational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation. The opinions and forecasts expressed are those of the authors of this report as of the date of this report and may not actually come to pass. This information is subject to change at any time, based on market and other conditions and should not be construed as a recommendation of any specific security or investment strategy.

Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Appendix 2: Real Estate Target Markets

Investable Metros: We screened top U.S. metros, which represent 90% of the NCREIF Property Index, and identified the investment markets for each property sector that we believe have the best prospects during the market cycle or a portion of it. This metro selection is based on property market size, liquidity, growth characteristics, income, historical returns and other factors indicative of future performance. The list of these metros remains generally static, although some metros may be added or subtracted over time due to structural market changes.

Target Investable Metros: These are a subset of the universe of investable metros and include markets that we expect to outperform or market perform during the next three to five years.

INVESTABLE AND TARGET MARKETS

↑ Overweight ↓ Underweight ↔ Market Weight

Market	Apartments	Industrial	Office	Retail
Atlanta	↑	↔	↑	↑
Austin	↑	↑	↑	↑
Baltimore		↔		
Boston	↔	↔	↑	↔
Charlotte	↑	↔	↑	↑
Chicago	↓	↓	↓	↓
Dallas	↔	↔	↑	↔
Denver	↑	↔	↑	↑
Fort Lauderdale	↑	↔	↔	↑
Houston	↓	↓	↓	↔
Jacksonville	↑			↑
Las Vegas		↑		
Los Angeles	↓	↑	↓	↔
Miami	↔	↑	↔	↔
Minneapolis	↓			↓
Nashville	↑	↓	↑	↑
New York	↓	↑	↓	↓
Oakland / East Bay	↓	↔	↔	↔
Orange County	↔	↑	↓	↔
Orlando	↑	↔		↑
Philadelphia / Central PA	↓	↑		↓
Phoenix	↑	↑	↔	↑
Portland	↓	↔	↔	↔
Reno		↔		
Raleigh	↑			↑
Riverside	↑	↑		↔
Salt Lake City	↑	↑		
San Diego	↑	↔	↔	↔
San Francisco	↓	↔	↔	↓
San Jose	↔	↔	↑	↔
Seattle	↔	↔	↑	↑
Tampa	↑			↑
Washington DC	↔	↑	↓	↔
West Palm Beach	↑		↑	↑

Source: DWS. As of June 2022. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Appendix 3: Performance over the past 5 years (12-month periods)

	3/21-3/22	3/20-3/21	3/19-3/20	3/18-3/19	3/17-3/18
NCREIF Property Index (NPI)	21.9%	2.6%	5.3%	6.8%	7.1%
NPI-Apartment	24.1%	2.6%	5.1%	5.9%	6.4%
NPI-Industrial	51.9%	14.1%	12.9%	14.0%	13.5%
NPI-Office	6.8%	1.3%	6.2%	6.7%	6.6%
NPI-Retail	7.1%	-6.0%	-1.9%	3.2%	4.8%
NPI-Apartment: High-Rise	19.5%	0.3%	3.9%	4.6%	4.8%
NPI-Apartment: Low-Rise	25.3%	3.9%	5.9%	6.0%	7.0%
NPI-Apartment: Garden	33.4%	7.0%	7.5%	8.6%	9.3%
NPI-Office: CBD	3.7%	-0.2%	5.4%	6.1%	6.2%
NPI-Office: Suburban	10.9%	3.4%	7.4%	7.4%	7.2%
NPI-Retail: Malls	2.6%	-10.0%	-3.5%	1.7%	3.4%
NPI-Retail: Power	9.5%	-1.8%	-0.5%	4.1%	4.5%
NPI-Retail: Neighborhood & Community	10.6%	0.0%	2.9%	5.3%	6.4%
	6/30/2022	**6/30/2021**	**6/30/2020**	**6/30/2019**	**6/30/2018**
NASDAQ Composite Index	-24.0%	44.2%	25.6%	6.6%	22.3%
S&P 500 Index	-11.9%	38.6%	5.4%	8.2%	12.2%
MSCI US REIT Gross TR Index	-6.4%	38.1%	-12.9%	11.1%	3.6%

Sources: NCREIF, Bloomberg, NAREIT and DWS. As of June 2022.

This information is intended for informational and educational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation. The opinions and forecasts expressed are those of the authors of this report as of the date of this report and may not actually come to pass. This information is subject to change at any time, based on market and other conditions and should not be construed as a recommendation of any specific security or investment strategy.

Research & Strategy—Alternatives

OFFICE LOCATIONS:

Chicago
222 South Riverside Plaza
34th Floor
Chicago
IL 60606-1901
United States
Tel: +1 312 537 7000

Frankfurt
Mainzer Landstrasse 11-17
60329 Frankfurt am Main
Germany
Tel: +49 69 71909 0

London
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom
Tel: +44 20 754 58000

New York
875 Third Avenue
26th Floor
New York
NY 10022-6225
United States
Tel: +1 212 454 3414

San Francisco
101 California Street
24th Floor
San Francisco
CA 94111
United States
Tel: +1 415 781 3300

Singapore
One Raffles Quay
South Tower
20th Floor
Singapore 048583
Tel: +65 6538 7011

Tokyo
Sanno Park Tower
2-11-1 Nagata-cho
Chiyoda-Ku
18th Floor
Tokyo
Japan
Tel: +81 3 5156 6000

TEAM:

Global

Kevin White, CFA
Global Co-Head of Real Estate Research

Simon Wallace
Global Co-Head of Real Estate Research

Americas

Brooks Wells
Head of Research, Americas

Liliana Diaconu, CFA
Office Research

Ross Adams
Industrial Research

Joseph Pecora, CFA
Apartment Research

Ana Leon
Retail Research

Sharim Sohail
Property Market Research

Europe

Ruben Bos, CFA
Property Market Research

Tom Francis
Property Market Research

Siena Golan
Property Market Research

Rosie Hunt
Property Market Research

Carsten Lieser
Property Market Research

Martin Lippmann
Property Market Research

Asia Pacific

Koichiro Obu
Head of Real Estate Research, Asia Pacific

Natasha Lee
Property Market Research

Hyunwoo Kim
Property Market Research

Seng-Hong Teng
Property Market Research

The author

Kevin White, CFA
Global Co-Head of Real Estate Research

IMPORTANT INFORMATION

For North America:

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries, such as DWS Distributors, Inc., which offers investment products, or DWS Investment Management Americas, Inc. and RREEF America L.L.C., which offer advisory services.

This material was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. It is intended for informational purposes only. It does not constitute investment advice, a recommendation, an offer, solicitation, the basis for any contract to purchase or sell any security or other instrument, or for DWS or its affiliates to enter into or arrange any type of transaction as a consequence of any information contained herein. Neither DWS nor any of its affiliates gives any warranty as to the accuracy, reliability or completeness of information which is contained in this document. Except insofar as liability under any statute cannot be excluded, no member of the DWS, the Issuer or any office, employee or associate of them accepts any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage whether direct, indirect, consequential or otherwise suffered by the recipient of this document or any other person.

The views expressed in this document constitute DWS Group's judgment at the time of issue and are subject to change. This document is only for professional investors. This document was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. No further distribution is allowed without prior written consent of the Issuer.

Investments are subject to risk, including market fluctuations, regulatory change, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you might not get back the amount originally invested at any point in time.

An investment in real assets involves a high degree of risk, including possible loss of principal amount invested, and is suitable only for sophisticated investors who can bear such losses. The value of shares/ units and their derived income may fall or rise.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in US and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the fund and its investments.

For Investors in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein and any representation to the contrary is an offence. This document is intended for discussion purposes only and does not create any legally binding obligations on the part of DWS Group. Without limitation, this document does not constitute an offer, an invitation to offer or a recommendation to enter into any transaction. When making an investment decision, you should rely solely on the final documentation relating to the transaction you are considering, and not the document contained herein. DWS Group is not acting as your financial adviser or in any other fiduciary capacity with respect to any transaction presented to you. Any transaction(s) or products(s) mentioned herein may not be appropriate for all investors and before entering into any transaction you should take steps to ensure that you fully understand such transaction(s) and have made an independent assessment of the appropriateness of the transaction(s) in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment. If you decide to enter into a transaction with DWS Group, you do so in reliance on your own judgment. The information contained in this document is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates, and opinions contained in this document constitute our judgment as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. The distribution of this document and availability of these products and services in certain jurisdictions may be restricted by law. You may not distribute this document, in whole or in part, without our express written permission.

For EMEA, APAC & LATAM:

DWS is the brand name of DWS Group GmbH & Co. KGaA and its subsidiaries under which they do business. The DWS legal entities offering products or services are specified in the relevant documentation. DWS, through DWS Group GmbH & Co. KGaA, its affiliated companies and its officers and employees (collectively "DWS") are communicating this document in good faith and on the following basis.

This document is for information/discussion purposes only and does not constitute an offer, recommendation, or solicitation to conclude a transaction and should not be treated as investment advice.

This document is intended to be a marketing communication, not a financial analysis. Accordingly, it may not comply with legal obligations requiring the impartiality of financial analysis or prohibiting trading prior to the publication of a financial analysis.

This document contains forward looking statements. Forward looking statements include, but are not limited to assumptions, estimates, projections, opinions, models, and hypothetical performance analysis. No representation or warranty is made by DWS as to the reasonableness or completeness of such forward looking statements. Past performance is no guarantee of future results.

The information contained in this document is obtained from sources believed to be reliable. DWS does not guarantee the accuracy, completeness, or fairness of such information. All third-party data is copyrighted by and proprietary to the provider. DWS has no obligation to update, modify or amend this document or to otherwise notify the recipient in the event that any matter stated herein, or any opinion, projection, forecast, or estimate set forth herein, changes or subsequently becomes inaccurate.

Investments are subject to various risks. Detailed information on risks is contained in the relevant offering documents.

No liability for any error or omission is accepted by DWS. Opinions and estimates may be changed without notice and involve a number of assumptions which may not prove valid.

DWS does not give taxation or legal advice.

This document may not be reproduced or circulated without DWS's written authority.

This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country, or other jurisdiction, including the United States, where such distribution, publication, availability, or use would be contrary to law or regulation or which would subject DWS to any registration or licensing requirement within such jurisdiction not currently met within such jurisdiction. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions.

Issued in the UK by DWS Investments UK Limited which is authorised and regulated by the Financial Conduct Authority (Reference number 429806).

In Hong Kong, this document is issued by DWS Investments Hong Kong Limited and the content of this document has not been reviewed by the Securities and Futures Commission.

In Singapore, this document is issued by DWS Investments Singapore Limited and the content of this document has not been reviewed by the Monetary Authority of Singapore.