

IMPACT OF COVID-19 ON VALUATIONS Q1 2020

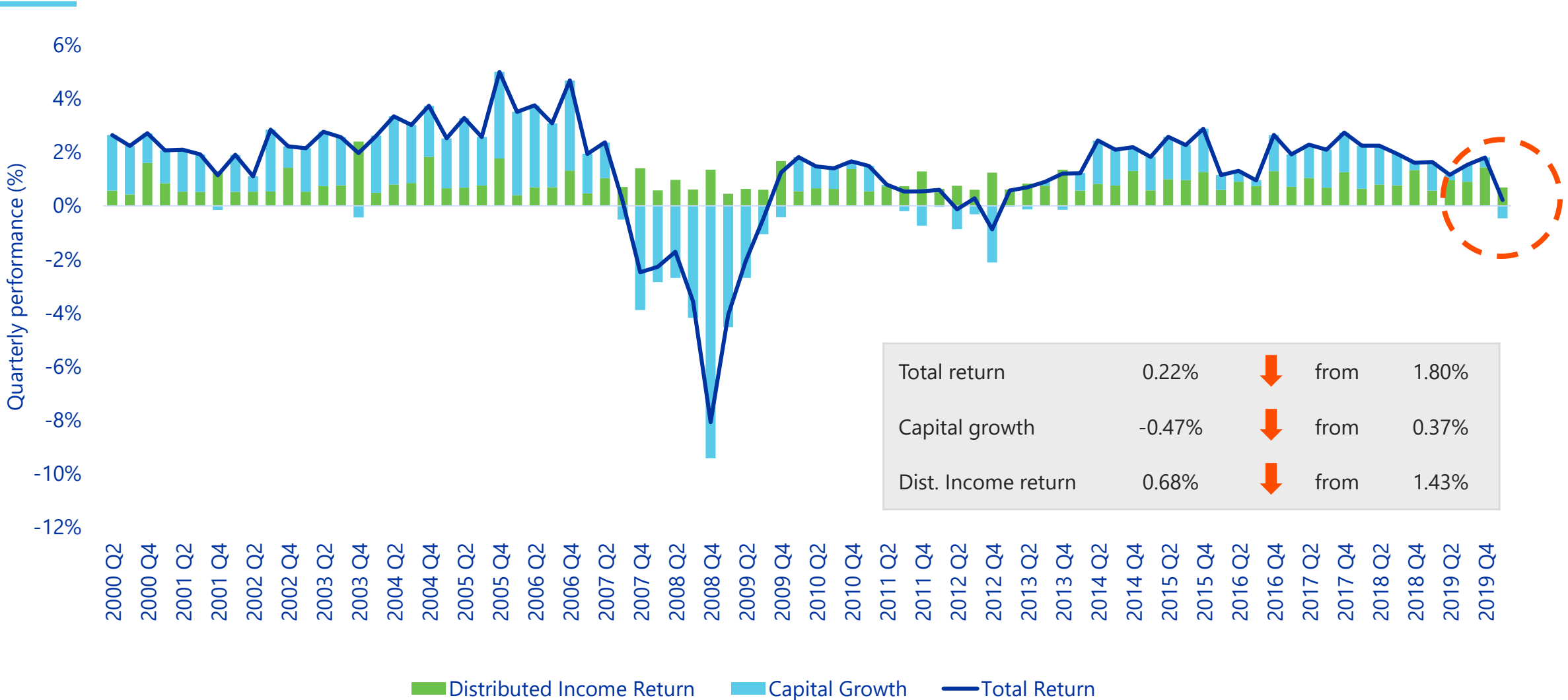
Results of the COVID-19 questionnaire



INREV Research and Market Information
June 2020

Update – June 2020

A marked slowdown in fund performance



Total return	0.22%	↓	from	1.80%
Capital growth	-0.47%	↓	from	0.37%
Dist. Income return	0.68%	↓	from	1.43%

Source: INREV Quarterly Index Q1 2020

Early signs of the impact of COVID-19

Material uncertainty clause applied to over 60% of funds that completed the additional questions*

About 75% indicated that the clause was issued for 75% - 100% of their portfolio

The majority of multi sector funds indicated that the clause was applied across all sectors

Almost one out of ten open end** funds decided to suspend unit subscriptions, redemptions, or the issuance of a dealing NAV

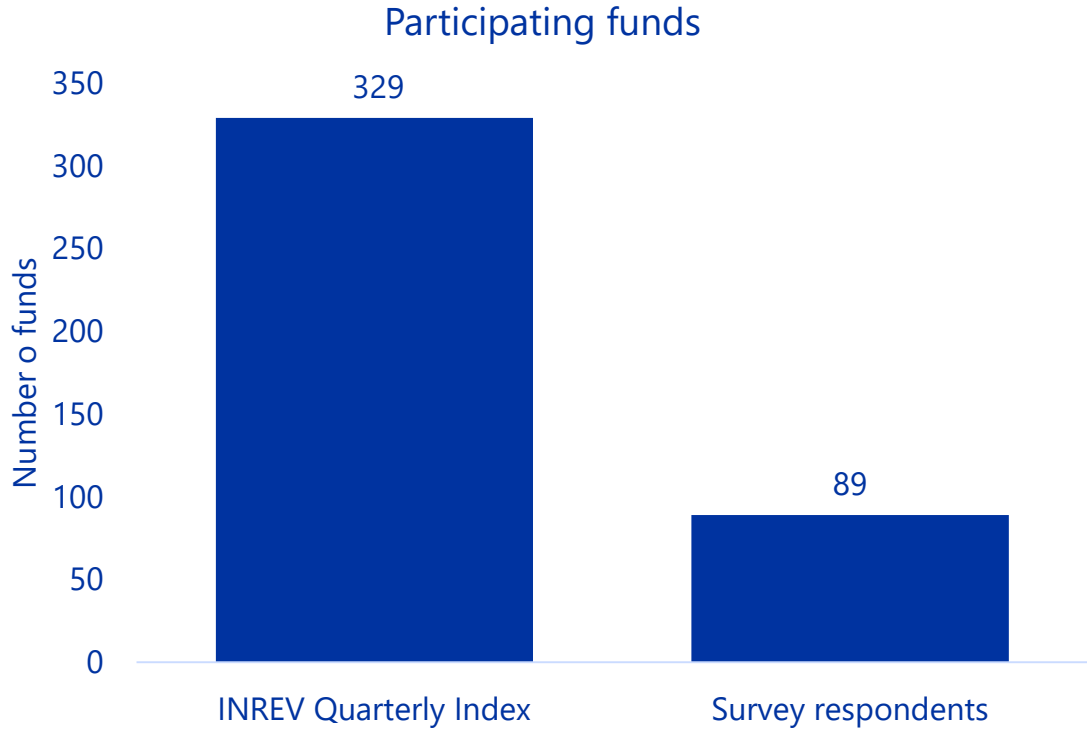
Over 90% of the funds didn't change dividend distribution policy in response to COVID-19

Mainly funds that collect rent with one quarter or one month in advance received over 75% of Q1 rents. Diverse estimates for Q2 rent collection

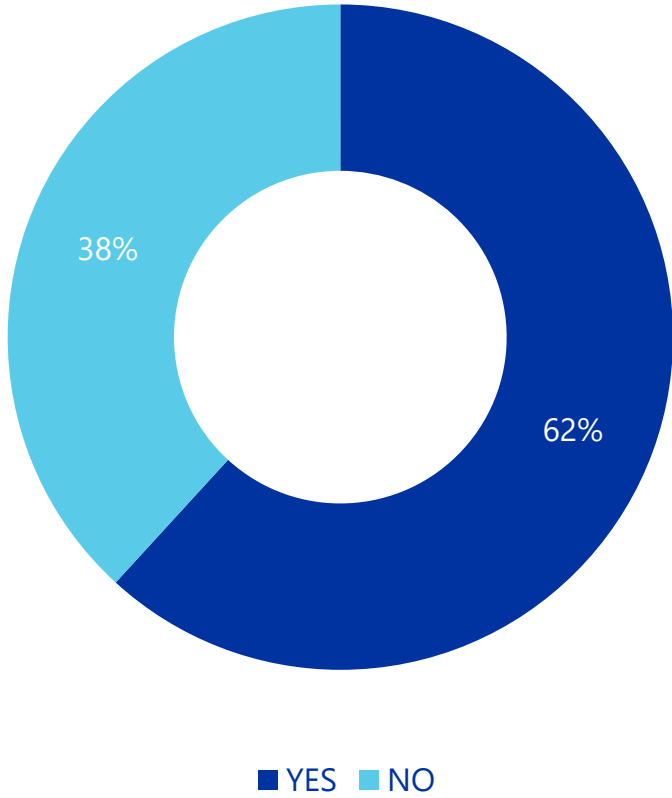
(*) 89 respondents for "Impact of COVID-19 on Valuations Survey Q1 2020"

(**) Open end funds sample includes multi and single country funds

A quarter of the INREV Quarterly Index responded the survey



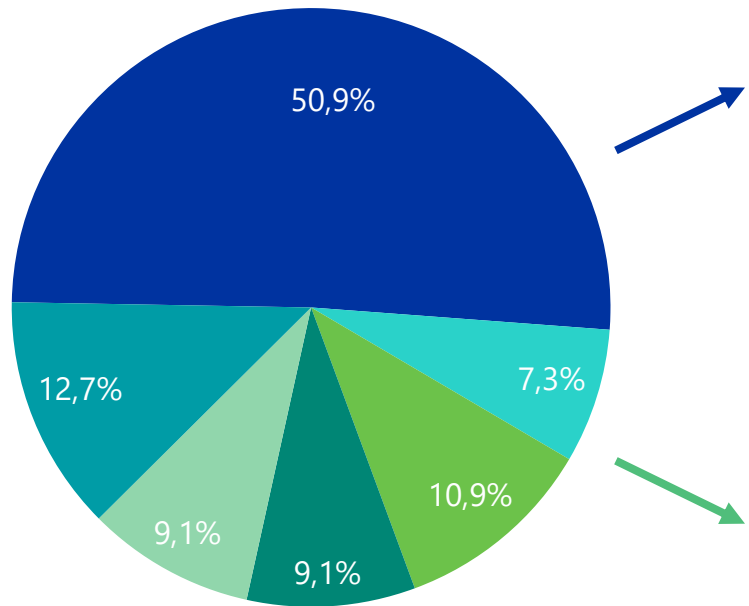
Material Uncertainty Clause claimed



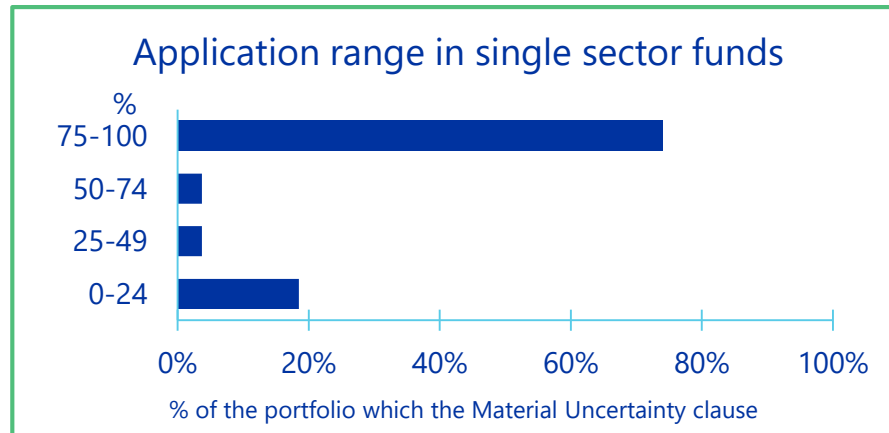
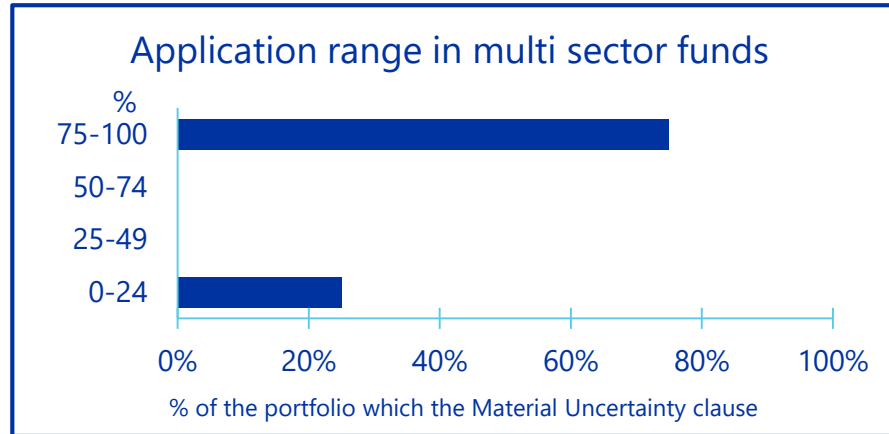
Contributions are still coming from different funds. The questionnaire will be extended to Funds of funds and Debt funds.

Material Uncertainty clause impact across all sectors

Single sector vs Multi sector funds (*)



- Multi sector funds
- Office funds
- Retail funds
- Industrial funds
- Residential funds
- Other sectors funds (**)

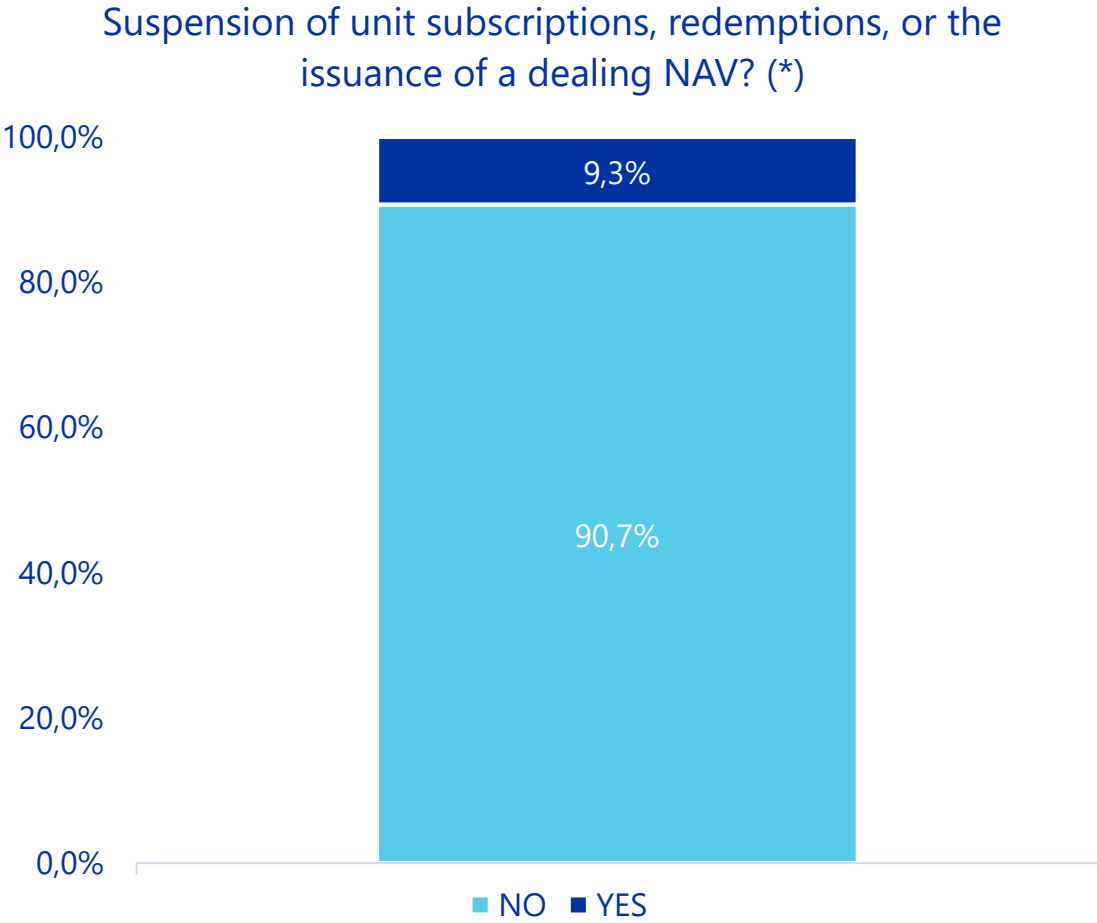


74.5% of the total respondents (55) indicated that the Material Uncertainty clause impacted over 75% of GAV of properties, for single and multi sector funds

(*) 55 respondents

(**) Other sectors includes Development Residential, Leisure, Hotel and Health Care

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

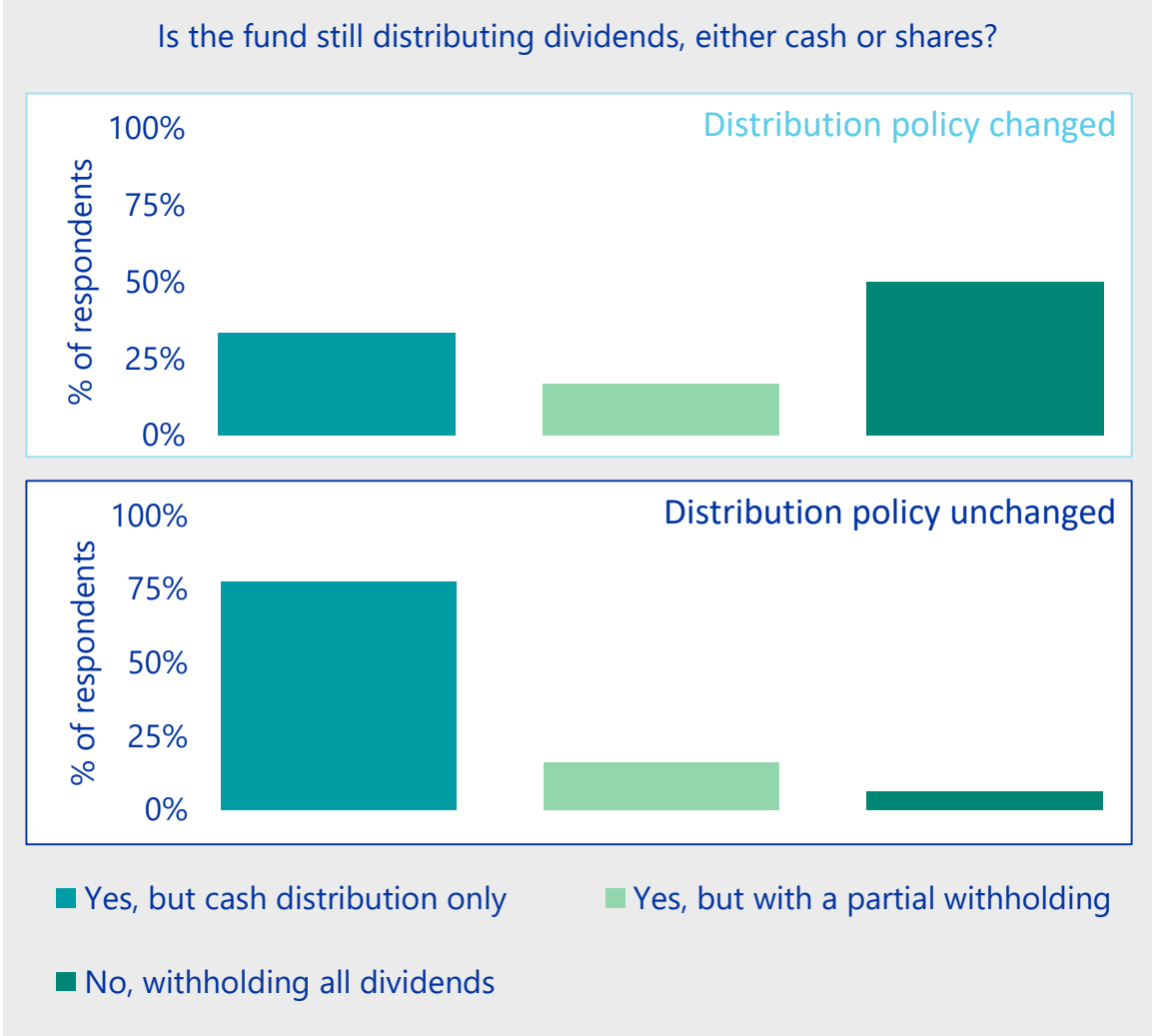
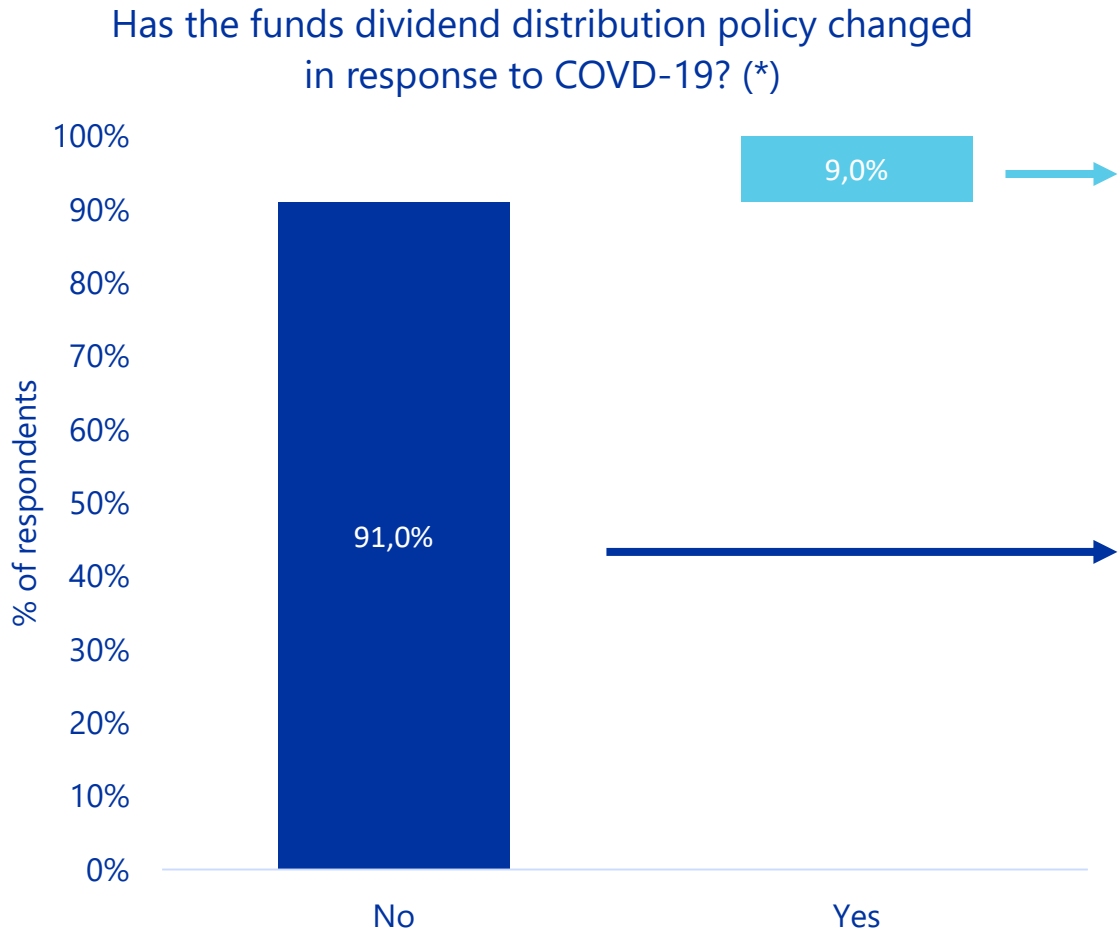


9.3%
of the respondents suspended unit subscriptions or redemptions, or issuance of a dealing NAV. This was totally driven by an internal decision

Only one fund also didn't allow redemption queue

(*) 43 respondents (Open End funds)

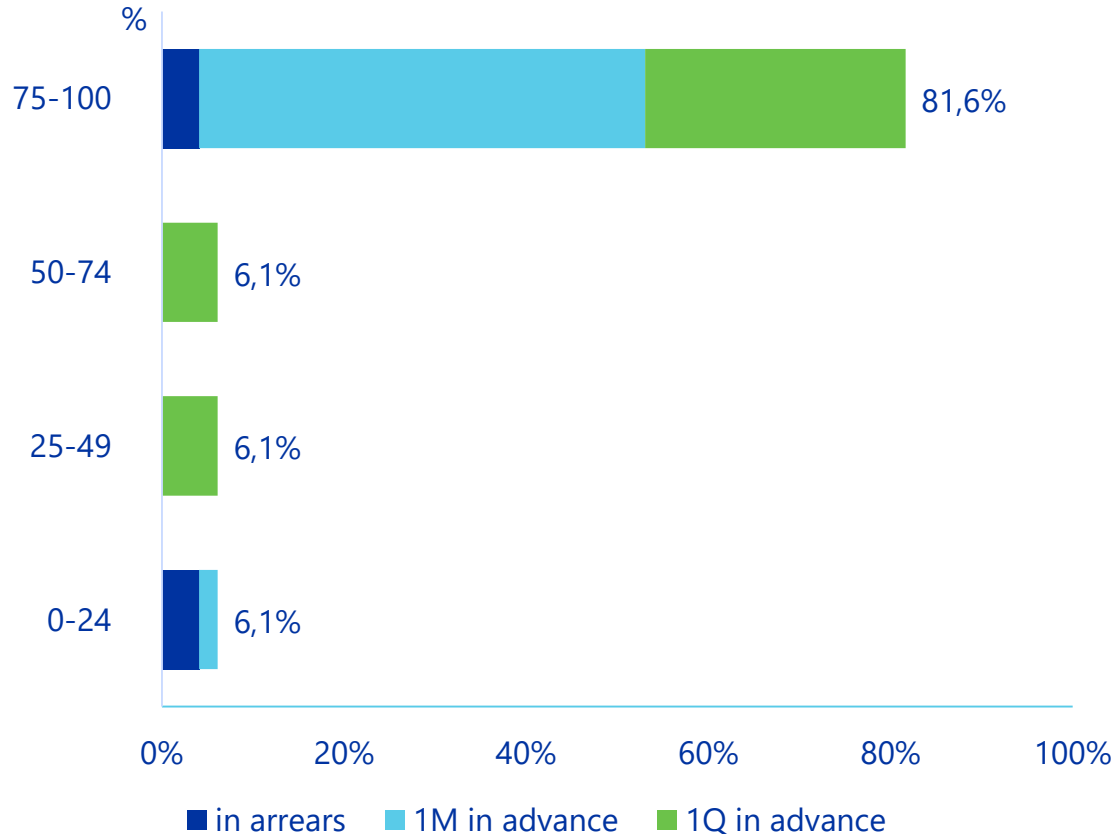
COVID-19 didn't affect the dividend distribution policy



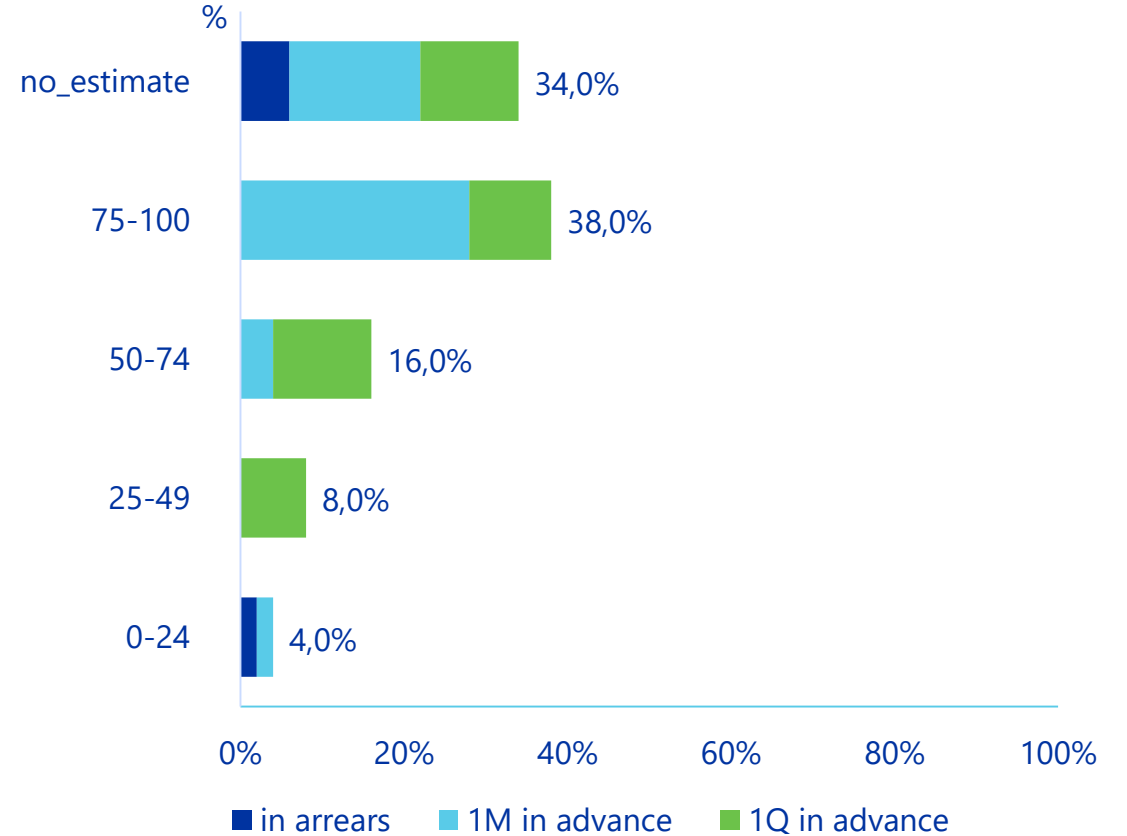
(*) 67 respondents

Rent received versus rent expected

Rent collected in Q1 (*)

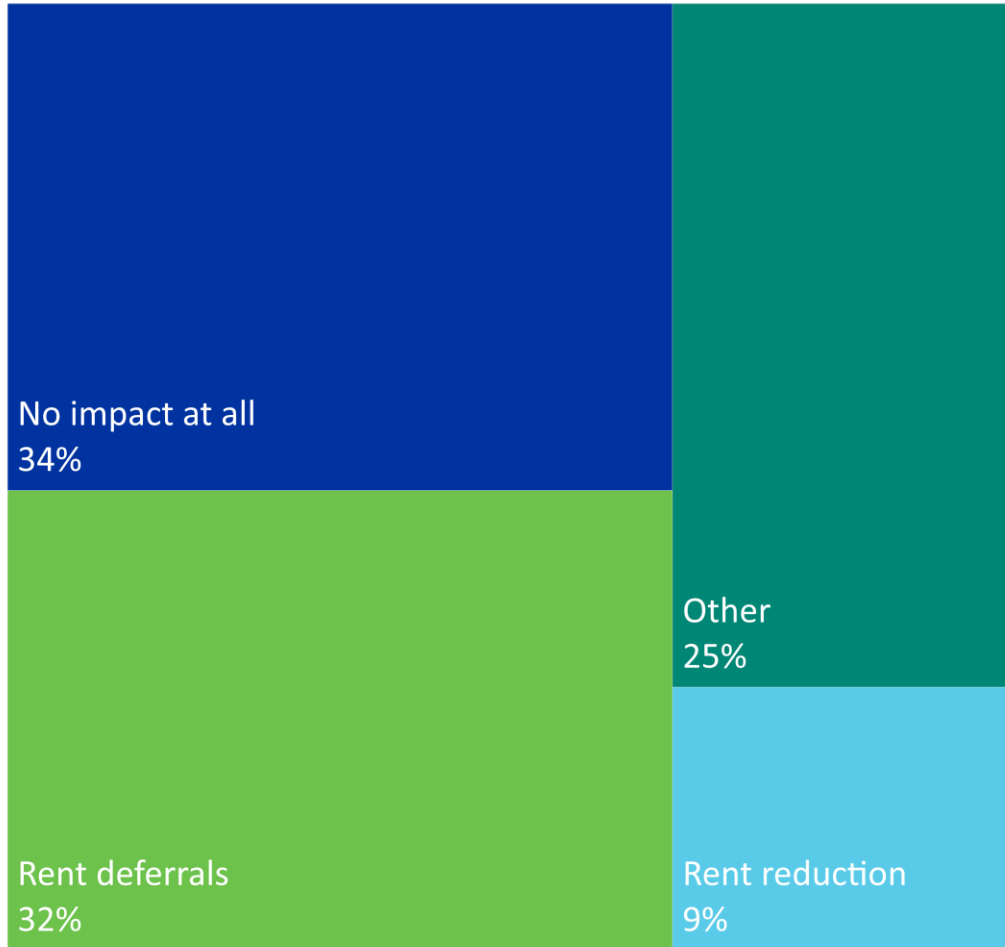


Rent expected in Q2 (**)



(*) 49 respondents
 (**) 50 respondents

Bonus chart. Has the NOI been impacted in any way? (*)



The answer "Other" allowed to add some comments, some of the funds indicated that:

- Negotiations with tenants still ongoing
- Combination of rent deferrals, late payments, rent frees mainly in relation to particular sector tenants
- Too early to assess the impact although we naturally expect the retail sector to be impacted the most

(*) 53 respondents

None of the respondent answered "Increase in rent fees"