

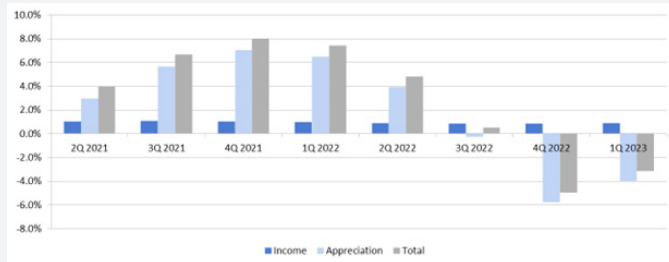
# ODCE

## INVESTOR CONTRIBUTIONS TO CORE REAL ESTATE FUNDS EXPERIENCE THE LARGEST DECLINE SINCE THE GREAT RECESSION, AMID DECLINING VALUES.

The National Council of Real Estate Investment Fiduciaries (NCREIF) released first quarter 2023 results for the NCREIF Fund Index – Open end Diversified Core Equity (NFI-ODCE). The NFI-ODCE consists of 26 funds totaling \$332.2 billion of gross real estate assets and \$274.7 billion of net real estate assets.

NFI-ODCE total return gross of fees for first quarter 2023 was -3.17%, up from -4.97% in the previous quarter, and down from 7.37% a year ago in first quarter 2022. The income return was 0.84%, just above 0.80% in the previous quarter, and down from 0.93% in first quarter 2022. The appreciation return was -4.00% for the quarter, above the previous quarter's -5.76%, and down from 2022 first quarter's 6.44%. The since inception average quarterly income and appreciation returns are 1.67% and 0.45%, respectively.

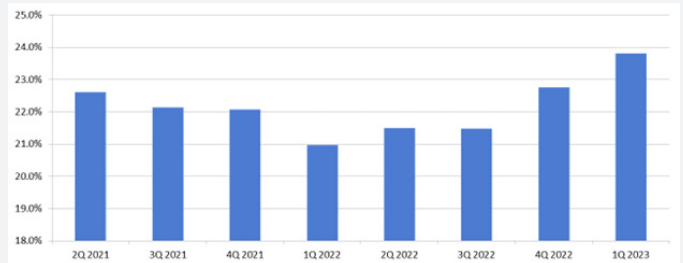
### Quarterly NFI-ODCE Gross Total Return Trends



For the one-year ended March 31, 2023, the NFI-ODCE total return gross of fees was -3.09% comprised of 3.35% income and a -6.27% appreciation return.

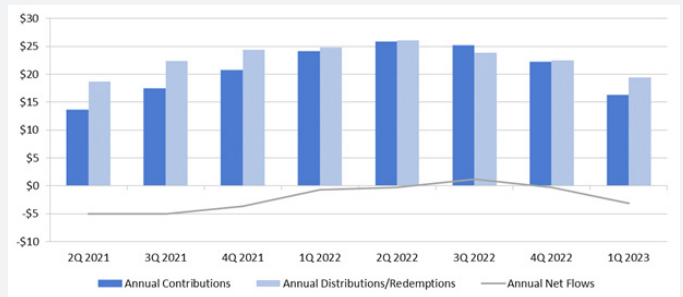
NFI-ODCE returns measure fund-level performance and therefore can reflect leverage and other investments beyond properties, including cash balances. Leverage is conservative among these funds given their core strategies, ranging from 15% to 34% over the quarterly series history beginning in 2000. NFI-ODCE leverage is above the 21.9% average since 2000, registering 23.8% as of current quarter-end, up from 22.7% the previous quarter.

### NFI-ODCE Leverage Trends (% of total assets)



Quarterly investor net cash flows (investor contributions less distributions and redemptions) were negative \$2.0 billion compared to last quarter's negative \$1.1 billion, and first quarter 2022's positive \$879 million. Quarter over quarter, contributions dropped 52.7%, the largest since the Great Recession. For the one-year ended March 31, 2023, contributions were \$16.3 billion, and distributions and redemptions were \$19.4 billion, resulting in an annual investor net cash flow of negative \$3.1 billion.

### NFI-ODCE Investor Cash Flow Trends (4Q Rolling Total, Billions)



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