

March 2023

Real Assets

US CRE MARKET INSIGHTS

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Beyond borders

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BIG PICTURE UPDATE

The timing of our quarterly updates on US commercial real estate (CRE) coincides with the release of quarterly total returns for the NCREIF National Property Index and its detail for property sectors and metro areas. The body of this report reflects NCREIF results for the fourth quarter of 2022 and the macroeconomic data associated with that time period. In the introductory section below, we offer some insights into more recent data that might foreshadow US CRE performance in more recent months.

Is a Soft Landing Really Possible?

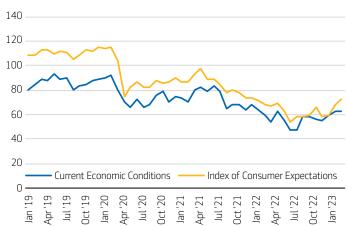
Economic developments unfolding over the first few weeks of 2023 offer some hope that a 2023 soft landing for the US macroeconomy is at least possible. Moderating inflation and a muted February fed funds increase contribute to this hope in a major way. Specifically, the January "super-core" Consumer Price Index (CPI) for all items excluding food, energy and shelter increased at a very moderate 0.2% rate while the traditional "core" rose 0.4%. The difference reflects the continuing strong contribution of shelter costs which are distorted through the imputed rental value of owner-occupied homes. That component contributes a substantial 26% to the CPI calculation.¹

Recognizing the easing in inflation while noting that it is still above the 2% target, the US Federal Reserve (Fed) tightened the fed funds rate by 25 basis points in February. This action represents moderation from the five prior rate increases of 50 or 75 basis points each. It also contributes to hope that the Fed will tread carefully in the months ahead to avoid tightening too much.

Higher interest rates are permeating through the economy as seen most vividly in the collapse of existing home sales (down roughly one-third in December versus a year ago) and new home sales (down 27%).^{2,3} Retail sales of electronics and appliances which are correlated with home sales have suffered over the year as well. But, at the same time, consumers continued to enjoy restaurants and bars with sales up 25.2% over the twelve months ending January versus the Covid-depressed year before.⁴ More recently, the recovery in consumers' appetite to go out, helped to fuel the surprising 517,000 jump in employment in January. 19% of that increase occurred in food services and drinking places which have not yet returned to pre-Covid employment levels.⁵

Can consumers keep it up in 2023? Rising wages offer a bit of optimism. Hourly wages in January were 4.4% above year ago levels representing a marked improvement compared with annual wage gains that peaked at 3.6% during the decade following the Global Financial Crisis.⁵ Unfortunately, inflation overwhelmed wage gains requiring that consumers dip into savings and devote larger portions of their income to food and energy. Nonetheless, consumer spending managed a 2.2% real growth rate in the fourth quarter of 2022 and the saving rate actually inched up.⁶ Consumers may also have some room for additional debt; debt service for mortgage and consumer credit remains below 10% of disposable personal income in line with its pre-Covid level.⁷ Finally, consumer sentiment as measured in the University of Michigan survey appears to have bottomed out in June with both current conditions and expectations up month-to-month since then.⁸

Consumer Sentiment



Source: University of Michigan. Surveys of Consumers as of January 27, 2023.

Financial markets have mellowed as well. The 10-year Treasury yield is holding below the 4+% peak posted in October and corporate bond credit spreads have been tightening. While forecasters are apt to ignore month-tomonth changes as too volatile to be meaningful, some are becoming more hopeful. The February edition of the Blue Chip Economic Indicators reported that forecasters are assigning a 58% probability to a 2023 recession; that is down from a 65% probability in January. In addition, the consensus forecast for 2023 GDP growth increased to 0.7% in February from 0.5% in January while the 2024 forecast held steady at 1.2%. 10

Fundamental performance of US CRE is responding to a shift in the interest rate environment that was enacted one year ago when the Fed moved into tightening mode. Property pricing extracted by Green Street from forward-looking REIT data as well as from backward looking transaction data shows an average decline of 16.5% from the March 2022 peak through the end of 2022 for the major property sectors. With the NCREIF capital appreciation index showing only a -4.8% decline over the second half of 2022, further adjustment in private market prices are most certainly in the offing for 2023. 12

Apartment performance will be challenged by the inflow of new construction in 2023 even as 2022 supply additions remain only partially digested. New supply remains concentrated in each market's highest rent segments which are required to cover land and construction costs. Affordability



BIG PICTURE UPDATE

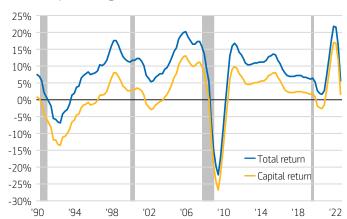
limits and slower economic growth will continue to prolong lease-up. At the same time, elevated mortgage rates and inflated home prices will continue to trap renters especially those with affordability limits. Investors will face ongoing uncertainty trying to evaluate forward-looking cash flows as landlords offer rent concessions to fill vacant units. Investor competition for scarcer affordable properties will continue to be fierce.

Industrial property performance will likely slow in 2023 compared to the extremely strong results for last year. New supply is expected to total 3.3% of national stock with most still unleased. But few metros appear challenged to digest the deliveries. ¹³ Rent growth is diminishing and will continue to do so as the slowing macroeconomy weakens flows of goods. Long term prospects are bolstered by recent federal legislation boosting spending on infrastructure, semi-conductor production, re-shoring of manufacturing, and clean energy.

The office sector will remain hobbled in 2023 as expiring leases require tenants to decide how much space they really need in a post-Covid world plus delivery of a substantial pipeline of new construction. With sub-lease space pushing the national availability rate to just over 16% and high-quality space availability to almost 23%, tenants are clearly focusing on downsizing. Weaker economic growth and higher interest rates are curtailing 2023 growth prospects even further. Maturing debt further complicates sector performance as owners and lenders negotiate viability of marginal office properties recognizing that newer better-quality properties are proving more attractive to tenants. A brighter note concerns the pullback in planned construction as the market recognizes demand side realities.

The retail sector is on solid footing for 2023 after the Covid pandemic cleaned out some of the weakest retailers and least competitive space. In addition, ecommerce growth has calmed down after the Covid explosion in online shopping. New supply for 2023 of retail space is very modest and a positive for the sector in the face of the expected weakening in economic growth. Strip centers with dominant grocers and local services continue to be the most attractive opportunities especially as inflation has been pushing consumer spending toward necessities. Metros that have enjoyed strong population inflows will continue to have opportunity for new strip centers. The mall segment of retail continues to favor the highest quality most innovative centers.

NCREIF property index Year-over-year change (1990 – 4Q 2022)



Source: NCREIF Property Index Detail Report as of December 31, 2022. **Shaded areas** indicate US recessions

PROPERTY SECTOR OUTLOOK

Property sector outlook	Top 50 metros*						
	Under Construction as % of Inventory	4Q 22 Vacancy Rate**	4Q 21 Vacancy Rate**	4Q 22 YoY Rent Growth**	4Q 21 YoY Rent Growth**	Aegon AM Sector Outlook	
Apartment	5.63%	6.75%	5.04%	3.53%	13.04%	Cautious	
Industrial	3.78%	3.81%	3.97%	11.03%	9.58%	Cautious	
Office	1.60%	11.14%	10.67%	2.06%	2.37%	Most Cautious	
Retail	0.59%	4.24%	4.67%	4.53%	3.72%	Cautious	

^{*}Top 50 by Metro Areas by Population; CoStar Realty Information Inc., Aegon Real Assets US; as of 4Q 2022.

^{**}Equal Weighted Average

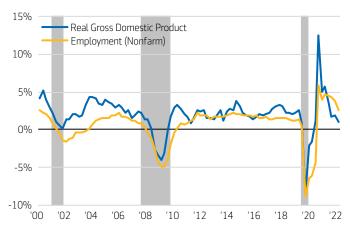


ECONOMIC OUTLOOK

Economic outlook

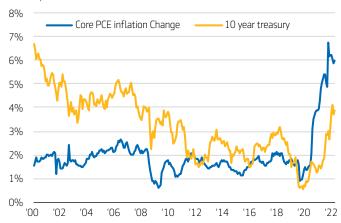
- The federal funds rate ended 2022 with another 50 basis point hike to 4.25% 4.50% as the Fed tightened for the seventh consecutive time from near zero. Inflation as measured by the CPI moderated for the fourth quarter, but Fed officials stressed that more evidence of progress is needed to be confident that inflation will continue on a downward trend. As a result, the latest FOMC projections in December of 2022 showed the majority of Fed officials project further tightening to a fed funds rate above 5.0%, and all officials projected no rate cuts for 2023.¹⁴
- Despite tightening monetary policy, the labor market remained strong
 with unemployment remaining near historically low levels heading into
 2023. Job openings and wage growth remained elevated. However, recent
 data and a wave of tech and finance sector layoffs suggest that the labor
 market might be starting to lose momentum.
- The full effect of higher interest rates will have a long and variable lag in
 working through the economy. The fear is that by the time inflation shows
 signs of abetting and the labor market begins to cool enough for the Fed
 to pull back, the economy may be well on its way to a recession. As a
 result, 58% of Blue Chip Economic Indicators forecasters now expect a
 recession, although most think it will be mild.¹⁰

Real GDP and employment growth (year-over-year %)



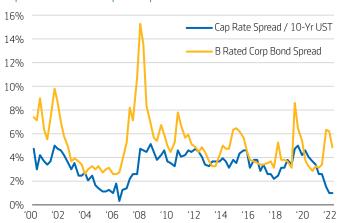
Sources: US Bureau of Labor Statistics, February 3, 2023. Bureau of Economic Analysis, January 26, 2023. Employment figures reflect private and government nonfarm jobs. Shaded areas indicate US recessions.

Core personal consumption expenditures (PCE) inflation and 10-year Treasury



Sources: US Bureau of Economic Analysis, as of December 31, 2022 and US Department of Treasury, as of December 31, 2022.

Corporate bond and cap rate spread*



Sources: Aegon Real Assets US. Bloomberg - US Corporate B Rated Bond OAS, as of December 31, 2022. NCREIF Transaction Cap Rates, as of December 31, 2022. Federal Reserve — 10-year UST, as of December 31, 2022. *Average cap rate less 10-year UST. Past performance is not indicative of future results.

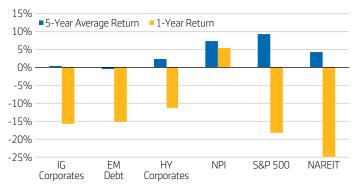


REAL ESTATE EQUITY

Real estate equity

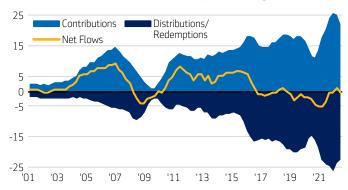
- The trailing one-year return for the NCREIF National Property Index (NPI), a measure of unleveraged returns, was 5.5% in the fourth quarter of 2022 compared to 17.7% a year ago. Capital appreciation was reported as 1.6%, with income return at 3.9%.¹²
- Industrial property performance continued to outpace other sectors with a 14.5% total return for the year ending 4Q 2022. At the other end of the spectrum, office property returns totaled negative 3.4% for the past four quarters.¹²
- Within property sectors, subtypes continue to show broad dispersion in performance. The range is particularly wide in the retail and industrial sectors where there is a 9.8% difference in one-year total return between community retail centers and regional malls, and a 14.1% difference in one-year total return between R&D and industrial properties classified under other.¹²
- The NCREIF Fund Index for Open-ended Diversified Core Equity (NFI-ODCE) returned 7.5% gross of fees and inclusive of leverage during the year ending in 4Q 2022 with a negative 5.0% return in the fourth quarter separately. Low fourth quarter return was driven by decline in property values of 5.8%. Over the last 10 years, the NFI-ODCE averaged a 9.5% annual return. ODCE's diversified core properties typically reflect lower risk CRE with relatively low leverage.¹²
- During the fourth quarter of 2022, NFI-ODCE investor's distributions and redemptions exceeded contribution by 34.0%. Net flows turned negative again after turning positive for the third quarter of 2022. Net flows for the year 2022 also ended negative although the decline was mild.¹²

Return comparison



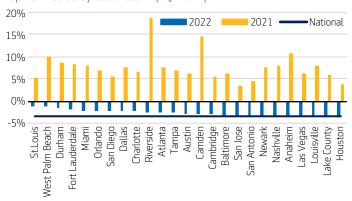
Sources: Corporate Bonds and EM Debt - Bloomberg, December 31, 2022. NAREIT, December 31, 2022. NCREIF, December 31, 2022. S&P Dow Jones Indices, December 31, 2022. Past performance is not indicative of future results.

NFI-ODCE investor cash flow trends (four quarter rolling total, \$Bn)†



†The Open End Diversified Core Equity (ODCE) fund is a capitalization-weighted index based on each fund's Net Invested Capital, which is defined as Beginning Market Value Net Assets (BMV), adjusted for Weighted Cash Flows (WCF) during the period. Annual rates (Appreciation + Income). Source: NCREIF. As of December 31, 2022.

Top 25 metros by total return (4Q 2022)[‡]



Source: NPI – NCREIF as of December 31, 2022. ‡Limited to NCREIF markets with greater than 40 properties. Past performance is not indicative of future results.

Trailing four quarter return by sub property type (%)							
	4Q 22	4Q 21	Trend				
NPI	5.5%	17.7%	-12.2%				
All Apartment	7.1%	19.9%	-12.8%				
Garden	11.0%	28.9%	-17.9%				
Highrise	5.0%	15.6%	-10.5%				
Lowrise	6.7%	21.1%	-14.4%				
All Office	-3.4%	6.1%	-9.5%				
CBD	-5.7%	3.3%	-9.0%				
Suburban	-0.4%	10.0%	-10.4%				
All Industrial	14.5%	43.3%	-28.8%				
R&D	5.8%	30.6%	-24.8%				
Flex	15.2%	43.1%	-27.9%				
Warehouse	14.5%	43.5%	-29.0%				
Other	20.2%	40.3%	-20.2%				
All Retail	2.7%	4.2%	-1.5%				
Community	7.7%	6.6%	1.0%				
Neighborhood	5.1%	8.5%	-3.4%				
Power Center	6.5%	6.5%	0.0%				
Regional	-2.1%	-0.2%	-1.9%				
Super Regional	0.5%	2.7%	-2.2%				

Source: NCREIF Property Index Detail Report. As of December 31, 2022. Trend is the year-over-year change of sub property type trailing four quarter return. Past performance is not indicative of future results.

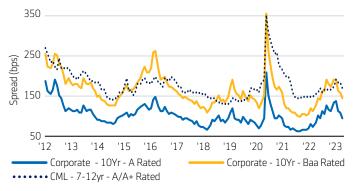


CAPITAL MARKETS

Capital markets

- The higher cost of debt and concerns over a looming recession constrained transactions for CRE. Property transactions for 2022 were front-loaded, with a steep decline beginning in the third quarter and continuing through year end 2022. Transactions were down 62% in the fourth quarter of 2022 from the same period in 2021, and down 25% compared to the third quarter.¹⁵
- Interactions with market participants suggest that acquisition and refinance activity slowed further but bid-ask spreads have tightened slightly. Life companies continue to have a strong appetite for commercial mortgages in 2023, particularly for apartments and industrial properties, which have maintained solid fundamentals. However, life companies are increasingly falling below their allocation targets as transactions slow down. Borrowers are asking for more flexible terms such as full-term interest-only, fixed rates, and shorter terms in order to compensate for the higher interest rates. Despite the highly competitive environment for limited lending prospects, underwriting standards remain highly disciplined.
- The 10-year US Treasury yield peaked at 4.2% and retreated to end the year around 3.7% as the Fed continues to tighten until more progress on inflation is evident.⁹ At the same time, spreads for commercial mortgages rose by 10 bps in the fourth quarter of 2022 but are compressing into first quarter of 2023. Financial markets are showing signs of weaker confidence in prospects for a soft landing with the yield curve inversion deepening through the fourth quarter. Reflecting these developments, as of the end of February 2023, the majority of life company loan transactions are executing with a gross coupon of 5.15% to 5.60%, with higher quality pricing close to 5.15%.

Historical spreads (Corporate A, Baa & CML) (Jan 2012–Jan 2023)



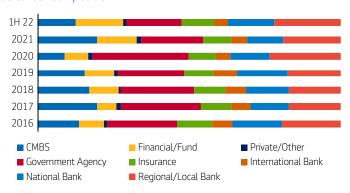
Sources: Corporate Bonds — Bloomberg Barclays. Aegon Real Assets US Commercial Mortgage Mark-to-Market Matrix - A/A+ Internal rating using Proprietary CML pricing matrix, developed and maintained by Aegon Real Assets US as of January 31, 2023. Past performance is not indicative of future results.

Commercial mortgage commitments (Life companies — trailing four quarters, quarter-over-quarter change)



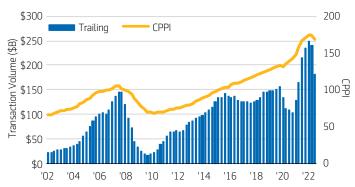
Source: American Council of Life Insurers (ACLI). September 30, 2022

US lender composition



Sources: Real Capital Analytics – US Capital Trends Report, June 30, 2022.

CRE transaction volume and commercial property price index Trailing four quarter — all property types



Sources: Aegon Real Assets US. Real Capital Analytics. As of December 31, 2022.

Transaction volume by property type							
	4Q 22	4Q 21	YoY changes				
All Office	\$19.6 B	\$56.1 B	-65.1%				
CBD	\$5 B	\$18.2 B	-72.4%				
Suburban	\$14.5 B	\$37.9 B	-61.6%				
All Industrial	\$33.2 B	\$78.3 B	-57.6%				
Flex	\$4.6 B	\$13.3 B	-65.4%				
Warehouse	\$28.6 B	\$64.9 B	-56.0%				
All Apartment	\$50.4 B	\$163 B	-69.1%				
Garden	\$31.7 B	\$107.9 B	-70.6%				
Mid/Highrise	\$18.6 B	\$55.1 B	-66.2%				
All Retail	\$16.2 B	\$37.7 B	-56.9%				
Strip Center	\$11 B	\$20.8 B	-47.0%				
Mall & Other	\$5.2 B	\$16.8 B	-69.2%				

Source: Real Capital Analytics. As of December 31, 2022.

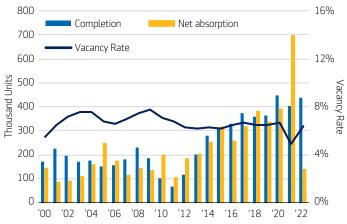


SECTOR OVERVIEW - APARTMENTS

Apartments

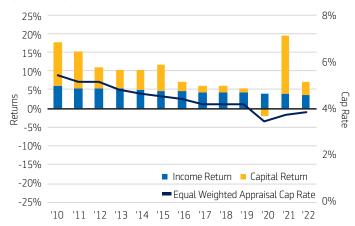
- National apartment vacancy ticked up again in the fourth quarter of 2022 to a 6.4% rate from the historically low 4.9% in 2021. Apartment asking rent advanced 3.7% year-over-year as it continues to normalize from the historic high of 11.3% seen in the first quarter of 2022.¹³
- Vacancy rates in 92% of the top 50 most populous metros increased in the fourth quarter. Rent growth continued to be strong with 80% of the top 50 showing more than 2% year-over-year increases.¹³
- The NPI apartment sector produced a 7.1% unlevered total return for the most recent four quarters ending 4Q 2022, composed of 3.7% income return and 3.3% capital return. Garden-style apartments have been the best performing subtype over the last year with unlevered returns of 11.0% compared to 29.0% from a year ago.¹²
- Apartment equal-weighted appraisal cap rates during the fourth quarter ended at 3.8%, slightly higher than the level seen in 2021.¹²
- Apartment transaction volume of \$50.4 billion in the fourth quarter was 69.1% below the level a year ago.¹⁵
- Apartment performance will be challenged by the inflow of new
 construction in 2023 even as 2022 supply additions remain only partially
 digested. New supply remains concentrated in each market's highest
 rent segments which are required to cover land and construction costs.
 Affordability limits and slower economic growth will continue to prolong
 lease-up. At the same time, elevated mortgage rates and inflated home
 prices will continue to trap renters especially those with affordability limits.
 Investors will face ongoing uncertainty trying to evaluate forward-looking
 cash flows as landlords offer rent concessions to fill vacant units. Investor
 competition for scarcer affordable properties will continue to be fierce.

Supply and demand fundamentals



Source: CoStar Reality Information Inc., annual data as of December 31, 2022. Current year returns reflect trailing 4-quarter average.

Apartment performance



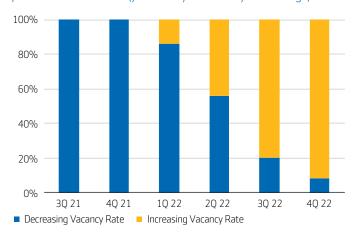
Source: NCREIF Property Index (unlevered) - Equal weighted appraisal cap rate as of year-end or most recent in current year, current year returns reflect trailing 4-quarter average, as of December 31, 2022. Past performance is not indicative of future results.

Apartment metropolitan statistical area (MSA) trends^{*} (year-over-year rent growth)



Source: CoStar Realty Information Inc.; Aegon Real Assets US as of December 31, 2022. *Based on a selection of 50 most populous markets.

Apartment MSA trends* (year-over-year vacancy rate change)



Source: CoStar Realty Information Inc.; Aegon Real Assets US as of December 31, 2022. *Based on a selection of 50 most populous markets.

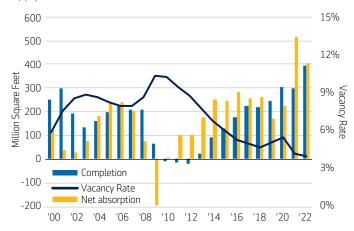


SECTOR OVERVIEW - INDUSTRIAL

Industrial

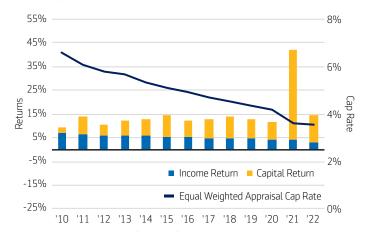
- The national industrial vacancy rate remained close to an historic low of 4.0% in the fourth quarter of 2022. Industrial rent advanced 11.2% year-over-year, slightly slower than the 12.0% year-over-year growth in 3Q 2022.¹³
- 22 out of the top 50 most populous metro areas saw industrial space vacancy rates increase. Rent growth continues to increase more than 2% in all of the top 50 metro areas.¹³
- The NPI industrial sector produced a 14.5% total return for the most recent four quarters, exceeding all other property types. Industrial property income return amounted to 3.2% while appreciation generated 11.1%.¹²
- Industrial cap rates associated with NPI appraisals averaged 3.6% on an equal-weighted basis, down slightly from levels seen in 2021.¹²
- Transaction volume for industrial properties totaled \$33.2 billion, down 57.6% for 4Q 2022 compared to a year ago.¹⁵
- Industrial property performance will likely slow in 2023 compared to the extremely strong results for last year. New supply is expected to total 3.3% of national stock with most still unleased. But few metros appear challenged to digest the deliveries.¹³ Rent growth is diminishing and will continue to do so as the slowing macroeconomy weakens flows of goods. Long-term prospects are bolstered by recent federal legislation boosting spending on infrastructure, semi-conductor production, re-shoring of manufacturing, and clean energy.

Supply and demand fundamentals



Source: CoStar Realty Information Inc., annual data as of December 31, 2022. Current year returns reflect trailing 4-quarter average.

Industrial performance



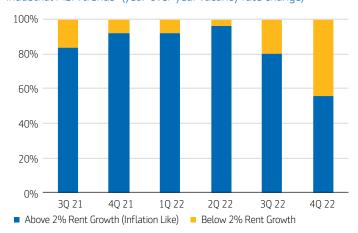
Source: NCREIF Property Index (unlevered) - Equal weighted appraisal cap rate as of year-end or most recent in current year, current year returns reflect trailing 4-quarter average, as of December 31, 2022. Past performance is not indicative of future results.

Industrial MSA trends* (year-over-year rent growth)



Sources: CoStar Realty Information Inc.; Aegon Real Assets US as of December 31, 2022. *Based on a selection of 50 most populous markets.

Industrial MSA trends* (year-over-year vacancy rate change)



Sources: CoStar Realty Information Inc.; Aegon Real Assets US as of December 31, 2022. *Based on a selection of 50 most populous markets.

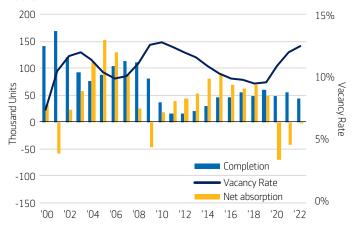


SECTOR OVERVIEW - OFFICE

Office

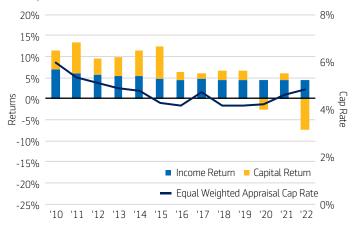
- Office vacancy rates increased in 13 of the top 50 largest metro areas, with 23 of them producing rent growth above 2% in the fourth quarter of 2022. The national office vacancy rate ticked up 49 basis points to 12.5%. Office rent advanced 1.2% year-over-year.¹³
- At the same time, the office sector had an unlevered total return of negative 3.4% for the past four quarters ending 4Q 2022. This total return performance is the lowest and the only negative performer of the four major property sectors. Income generated 4.3% return while capital depreciated 7.4%. Suburban properties returned negative 0.4% compared to central business district returns of negative 5.7%.¹²
- Office appraisal-based cap rates reported by NCREIF increased to 4.8% on an equal-weighted basis, up 21 basis points from 2021's level.¹²
- Transaction volume for office properties in the fourth quarter totaled \$19.6 billion, down 65.1% from the year prior.¹⁵
- The office sector will remain hobbled in 2023 as expiring leases require tenants to decide how much space they really need in a post-Covid world plus delivery of a substantial pipeline of new construction. With sub-lease space pushing the national availability rate to just over 16% and high-quality space availability to almost 23%, tenants are clearly focusing on downsizing.¹³ Weaker economic growth and higher interest rates are curtailing 2023 growth prospects even further. Maturing debt further complicates sector performance as owners and lenders negotiate viability of marginal office properties recognizing that newer better-quality properties are proving more attractive to tenants. A brighter note concerns the pullback in planned construction as the market recognizes demand side realities.

Supply and demand fundamentals



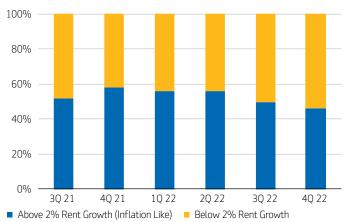
Source: CoStar Reality Information Inc., annual data as of December 31, 2022. Current year returns reflect trailing 4-quarter average.

Office performance



Source: NCREIF Property Index (unlevered) - Equal weighted appraisal cap rate as of year-end or most recent in current year, current year returns reflect trailing 4-quarter average, as of December 31, 2022. Past performance is not indicative of future results.

Office MSA trends* (year-over-year rent growth)



Sources: CoStar Realty Information Inc.; Aegon Real Assets US as of December 31, 2022. *Based on a selection of 50 most populous markets.

Office MSA trends* (year-over-year vacancy rate change)



Sources: CoStar Realty Information Inc.; Aegon Real Assets US as of December 31, 2022. *Based on a selection of 50 most populous markets.

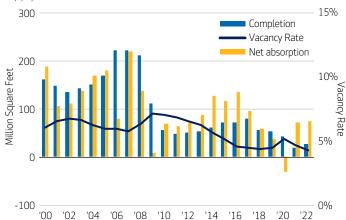


SECTOR OVERVIEW - RETAIL

Retail

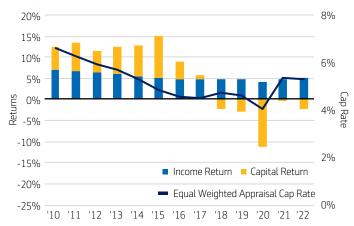
- The national retail vacancy rate decreased to 4.2% in the fourth quarter of 2022, down from 4.7% in 2021. Retail rent for the fourth quarter advanced 4.1% year-over-year.
- The majority of the top 50 most populous metro areas saw a decreasing vacancy rate, while 42 of the top 50 largest metro areas saw retail property rent growth outpacing 2% in the fourth quarter of 2022.¹³
- The retail sector delivered a 2.7% total return the past four quarters ending 4Q 2022. Income generated 5.0% return while capital depreciated 2.2%. Within subsectors, community center properties performed best at 7.7%, while regional mall properties performed the worst at negative 2.1%.¹²
- Transaction volume for retail properties in 4Q 2022 totaled \$16.2 billion, down 56.9% compared to last year.¹⁵
- The retail sector is on solid footing for 2023 after the Covid pandemic cleaned out some of the weakest retailers and least competitive space. In addition, ecommerce growth has calmed down after the Covid explosion in online shopping. New supply for 2023 of retail space is very modest and a positive for the sector in the face of the expected weakening in economic growth. Strip centers with dominant grocers and local services continue to be the most attractive opportunities especially as inflation has been pushing consumer spending toward necessities. Metros that have enjoyed strong population inflows will continue to have opportunity for new strip centers. The mall segment of retail continues to favor the highest quality most innovative centers.

Supply and demand fundamentals



Source: CoStar Reality Information Inc., annual data as of December 31, 2022. Current year returns reflect trailing 4-quarter average.

Retail performance



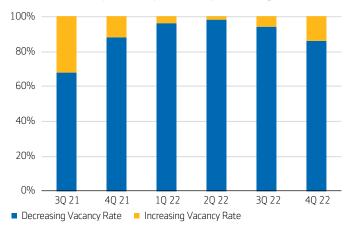
Source: NCREIF Property Index (unlevered) - Equal weighted appraisal cap rate as of year-end or most recent in current year, current year returns reflect trailing 4-quarter average, as of December 31, 2022. Past performance is not indicative of future results.

Retail MSA trends* (year-over-year rent growth)



Sources: CoStar Realty Information Inc.; Aegon Real Assets US as of December 31, 2022. *Based on a selection of 50 most populous markets.

Retail MSA trends* (year-over-year vacancy rate change)



Sources: CoStar Realty Information Inc.; Aegon Real Assets US as of December 31, 2022. *Based on a selection of 50 most populous markets.



US CRE MARKET INSIGHTS

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Aegon Asset Management's Applied Research Group utilizes primary and secondary research to monitor commercial real estate property fundamentals, capital markets, and macroeconomic conditions. Our platform applies both qualitative and quantitative techniques in its contribution to an investment outlook.

¹US Bureau of Labor Statistics. Consumer Price Index. February 14, 2023

²National Association of Realtors. Existing Home Sales. January 20, 2023

³US Census Bureau. U.S. Department of Housing and Urban Development. New Residential Sales. January 26, 2023

⁴US Census Bureau. Advance Monthly Sales for Retail and Food Services. February 15,

⁵US Bureau of Labor Statistics. Employment Situation. February 3, 2023

⁶US Bureau of Economic Analysis. Personal Income and Outlays. January 27, 2023 ⁷Board of Governors of the Federal Reserve System. Household Debt Service and Financial Obligations Ratios. December 22, 2022

8University of Michigan. Surveys of Consumers. January 27, 2023

⁹Board of Governors of the Federal Reserve System. February 15, 2023 ¹⁰Wolters Kluwer. Blue Chip Economic Indicators. February 10, 2023 ¹¹Green Street. February 15, 2023

¹²National Council of Real Estate Investment Fiduciaries. December 31, 2022

¹³CoStar Realty Information, Inc. December 31, 2022

¹⁴Board of Governors of the Federal Reserve System. December 14, 2022

¹⁵MSCI Real Capital Analytics. December 31, 2022

Disclosures

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