

EUROPE PROPERTY PERFORMANCE MONITOR

First Quarter 2021

IN A NUTSHELL

- _ The MSCI Pan-European Quarterly Property Fund Index (PEPFI) recorded quarterly fund-level total returns above 2% for a second successive three-month period, bringing year-on-year returns to 5.1%.
- _ Annual asset-level returns in Sweden were the strongest for eight years, while Germany and the Netherlands also continued to perform well. However, the largest swing came in the United Kingdom, which saw annual asset-level returns move from -5.9% at the end of 2020 to +4.7% in the first quarter of this year.
- _ Retail was once again an underperformer, with large shopping centres seeing the strongest quarterly decline, although there was still a strong disparity in performance between asset types within the sector. Overall, industrial property remained the standout performer, with annual asset-level returns of 13.8%.

Private Real Estate Performance

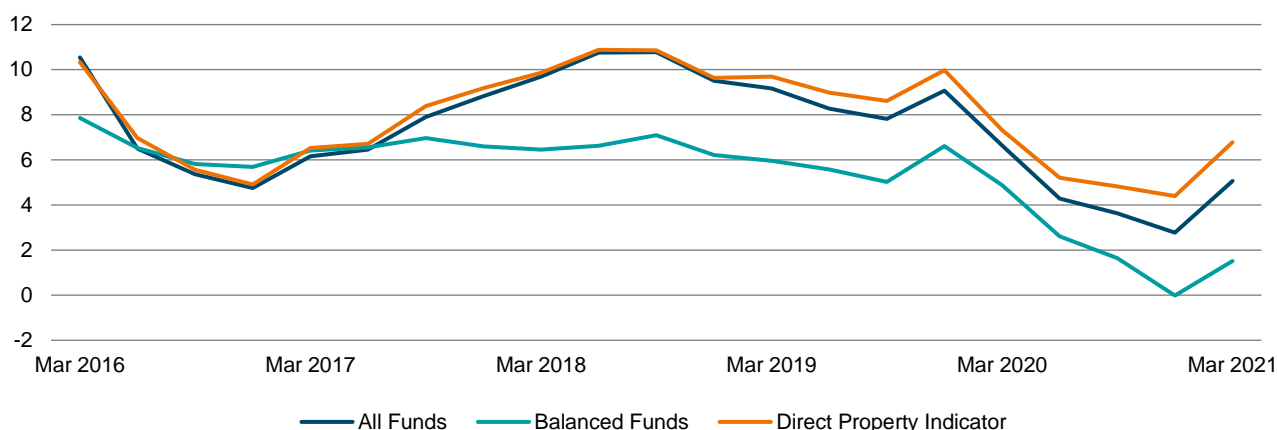
- _ Having seen its weakest performance for eight years in 2020, the MSCI Pan-European Quarterly Property Fund Index recorded a marked improvement in the first quarter of 2021. Quarterly returns were above the ten-year average for the second quarter in a row, while year-on-year returns increased to 5.1%. However, the Balanced Funds subset continued to lag behind with annual returns of just 1.5%.
- _ Industrial remained comfortably the best performing sector as values appreciated by more than 3% during the first three months of the year, leading to a quarterly asset-level total return of 4.3%. Retail values declined for the tenth consecutive quarter, bringing the total fall to 13.4%. Meanwhile, hotels began to recover some lost ground, although values are still almost 12% lower than before the pandemic.
- _ In a multi asset context, equities outperformed once again during the first quarter, but real estate remained comfortably ahead of bonds.

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. There may be references in this document which do not yet reflect the DWS Brand.

Please note certain information in this presentation constitutes forward-looking statements. Due to various risks, uncertainties and assumptions made in our analysis, actual events or results or the actual performance of the markets covered by this presentation report may differ materially from those described. The information herein reflects our current views only, is subject to change, and is not intended to be promissory or relied upon by the reader. There can be no certainty that events will turn out as we have opined herein.

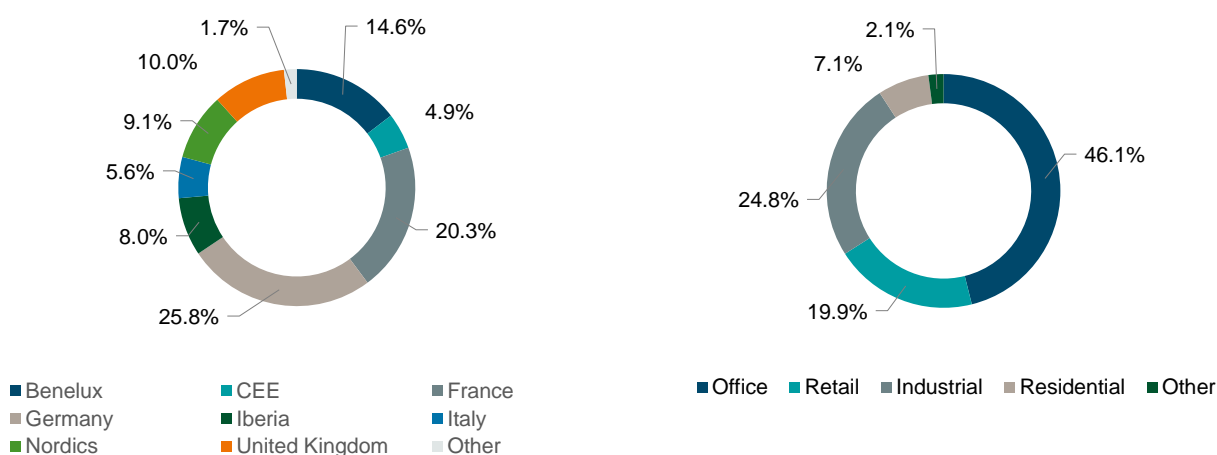
In EMEA for Professional Clients (MiFID Directive 2014/65/EU Annex II) only; no distribution to private/retail customers. In Switzerland for Qualified Investors (art. 10 Para. 3 of the Swiss Federal Collective Investment Schemes Act (CISA)). In APAC for institutional investors only. Australia and New Zealand: For Wholesale Investors only. In the Americas for Institutional Client and Registered Rep use only; not for public viewing or distribution. For Qualified Clients (Israeli Regulation of Investment Advice, Investment Marketing and Portfolio Management Law 5755-1995). Outside the U.S. for Institutional investors only. *For investors in Bermuda: This is not an offering of securities or interests in any product. Such securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda.

EUROPEAN PRIVATE REAL ESTATE TOTAL RETURNS (% Y-O-Y)



Source: MSCI, as of 31 March, 2021. Past performance is not indicative of future returns. It is not possible to invest directly in an index.

BALANCED FUNDS INDEX ASSET ALLOCATION (% OF GAV)



Source: MSCI. As of 31 March 2021.

RECENT PERFORMANCE TRENDS

	Quarterly		Annual	
	2021 Q1	2020 Q4	2021 Q1	2020 Q4
Private Real Estate - Fund Level	2.2%	2.3%	5.1%	2.8%
Private Real Estate - Asset Level	2.5%	2.7%	6.8%	4.4%
Equities	8.6%	11.7%	39.1%	-2.2%
Bonds	-1.9%	1.0%	3.0%	4.0%
Listed Real Estate	-0.4%	12.1%	21.0%	-9.8%
Euro Area 10-Year Govt. Bond ¹	0.0%	-0.2%	0.0%	-0.2%
Euro Area 12-Month LIBOR ¹	-0.5%	-0.5%	-0.5%	-0.5%
EU CPI	0.9%	0.0%	1.4%	0.2%

Sources: MSCI, Macrobond, Markit iBoxx. As of 31 March 2021. Private real estate: MSCI Pan-European Quarterly Property Fund Index; Equities: STOXX All Europe Total Market; Bonds: iBoxx € Overall; Listed Real Estate: FTSE EPRA/NAREIT Europe. Past performance is not indicative of future returns.

¹ Figures represent annual yield

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 Investment GmbH

MSCI Pan-European Quarterly Property Fund Index (PEPFI) Performance by Sector and Region

- On a quarterly basis, the strongest asset-level performance was found in the United Kingdom, with a total return of 5.4%. In annual terms, Sweden topped the table by some margin, while Germany and the Netherlands were again among the best performing countries.
- The residential and office sectors continued to post steady positive annual total returns as values edged higher. Retail continued to struggle, although significant disparities persist within the sector, with shopping centre values falling further but other retail formats posting positive quarterly returns.
- At the pan-European level, annual asset-level income returns moved in further, reaching a new historical low of just 4.01%. Meanwhile, annual capital value growth jumped to 2.7%, with quarterly trends generally positive for most regions and sectors.
- The index composition continues to shift, as retail's share has now dropped below 14% for the first time, having stood at more than 25% just three years ago. Most of the sector's lost share has been taken up by residential and industrial, both of which have seen a significant number of new properties added to the index, as well as strong value growth.

RETURNS BY PROPERTY TYPE AND REGION

	Annual Returns							Standard Deviation		Descriptive Statistics										
	1 Year			3 yrs	5 yrs	10 yrs	All ²	10 yrs	All ²	Value (bn)	Number	Gearing (% GAV)								
	Total	Income	Capital																	
Fund-level Returns										GAV	Funds									
All Funds	5.1%	3.2%	1.8%	6.9%	7.3%	6.9%	5.1%	2.7%	5.5%	€52.4	16	22.1%								
Balanced Funds	1.5%	2.9%	-1.3%	4.1%	5.0%	4.3%	2.5%	1.7%	5.0%	€36.3	14	22.4%								
Asset-level Returns										CV	Properties									
Type	Office	4.7%	3.6%	1.1%	7.1%	7.8%	6.9%	6.1%	2.1%	2.8%	€16.0	160								
	Retail	-5.9%	3.8%	-9.4%	-1.3%	1.3%	3.5%	2.7%	2.5%	3.4%	€6.4	142								
	Industrial	13.8%	4.6%	8.8%	13.2%						€22.0	774								
	Residential	4.2%	2.0%	2.1%							€2.3	123								
Country	Belgium	7.4%	4.9%	2.5%	6.9%	7.4%	5.6%	5.2%	2.7%	2.9%	€0.7	26								
	Finland	-0.8%	3.9%	-4.6%	4.1%	4.3%					€0.7	31								
	France	5.0%	3.8%	1.1%	7.5%	8.7%	8.1%	6.9%	2.2%	3.3%	€8.9	182								
	Germany	10.0%	3.7%	6.1%	10.8%	11.1%	10.1%	6.9%	1.8%	3.2%	€12.0	241								
	Italy	2.4%	3.7%	-1.2%	5.4%	6.7%	5.0%	3.6%	3.0%	3.8%	€2.4	75								
	Netherlands	8.0%	4.0%	3.9%	11.2%	10.6%	7.9%	5.0%	2.4%	3.4%	€5.5	148								
	Poland	4.1%	5.2%	-1.0%	7.1%	6.3%	7.1%	7.1%	1.9%	1.9%	€2.2	91								
	Spain	2.4%	4.4%	-1.9%	5.1%	7.2%	6.2%	4.5%	4.5%	5.1%	€2.7	75								
	Sweden	17.7%	3.7%	13.6%	10.2%	8.1%	9.3%	7.4%	4.7%	7.5%	€2.4	52								
	UK	4.7%	4.0%	0.6%	2.6%	2.3%					€5.5	84								
All Property										6.8%	4.0%	2.7%	7.9%	8.0%	8.2%	6.9%	2.2%	3.2%	€47.3	1,221

Source: MSCI Pan-European Quarterly Property Fund Index. As of 31 March 2021. Past performance is not indicative of future returns.

² All Funds index returns start in 2004, equivalent to a 17 year calculation. Returns for Balanced Funds index and asset-level indices may start later than 2004.

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 Investment GmbH

Appendix

PERFORMANCE OVER THE PAST FIVE YEARS (% Y-o-Y)

	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021
Private Real Estate - Fund Level	6.2%	9.7%	9.2%	6.6%	5.1%
Private Real Estate - Asset Level	6.5%	9.9%	9.7%	7.3%	6.8%
Equities	17.4%	0.9%	5.2%	-13.4%	39.1%
Bonds	-0.7%	2.4%	2.2%	2.4%	3.0%
Listed Real Estate	-0.6%	8.1%	8.1%	-15.4%	21.0%
Euro Area 10-Year Govt. Bond ¹	1.3%	1.1%	0.8%	0.2%	0.0%
Euro Area 12-Month LIBOR ¹	-0.1%	-0.2%	-0.2%	-0.2%	-0.5%
EU CPI	1.7%	1.3%	1.5%	1.5%	1.4%

Sources: MSCI, Macrobond, Markit iBoxx. As of 31 March 2021. Private real estate: MSCI Pan-European Quarterly Property Fund Index; Equities: STOXX All Europe Total Market; Bonds: iBoxx € Overall; Listed Real Estate: FTSE EPRA/NAREIT Europe. Past performance is not indicative of future returns.

¹ Figures represent annual yield

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

Co-Head of Real Estate Research & Strategy

Simon Wallace

Co-Head of Real Estate Research & Strategy

Gianluca Minella

Head of Infrastructure Research

Americas

Brooks Wells

Head of Research, Americas

Liliana Diaconu, CFA

Office Research

Ross Adams

Industrial Research

Ryan DeFeo

Property Market Research

Ana Leon

Retail Research

Joseph Pecora, CFA

Apartment Research

Europe

Tom Francis

Property Market Research

Siena Golan

Property Market Research

Rosie Hunt

Property Market Research

Martin Lippmann

Property Market Research

Aizhan Meldebek

Infrastructure Research

Asia Pacific

Koichiro Obu

Head of Research & Strategy, Asia Pacific

Natasha Lee

Property Market Research

Seng-Hong Teng

Property Market Research

Hyunwoo Kim

Property Market Research

The authors



Simon Wallace
Co-Head of Real Estate Research & Strategy



Tom Francis
Property Market Research

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 Investment GmbH

IMPORTANT INFORMATION – APAC, EMEA, LATAM & 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.

Investment in real estate may be or become nonperforming after acquisition for a wide variety of reasons. Non-performing real estate investment may require substantial workout negotiations and/or restructuring. Environmental liabilities may pose a risk such that the owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances released on, about, under, or in its property. Additionally, to the extent real estate investments are made in foreign countries, such countries may prove to be politically or economically unstable. Finally, exposure to fluctuations in currency exchange rates may affect the value of a real estate investment.

Investments in Real Estate are subject to various risks, including but not limited to the following:

- _ Adverse changes in economic conditions including changes in the financial conditions of tenants, buyer and sellers, changes in the availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses;
- _ Adverse changes in law and regulation including environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
- _ Environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established;
- _ Changes in the relative popularity of property types and locations;
- _ Risks and operating problems arising out of the presence of certain construction materials; and
- _ Currency / exchange rate risks where the investments are denominated in a currency other than the investor's home currency.

An investment in real estate 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, economic uncertainty, trade disputes, public health crises (including the recent pandemic spread of the novel coronavirus) and related geopolitical events could lead to increased market volatility, disruption to US and world economies and markets and may have significant adverse effects on the global real estate markets.

DWS is the brand name of DWS Group GmbH & Co. KGaA and its subsidiaries under which they operate their business activities. The respective legal entities offering products or services under the DWS brand are specified in the respective contracts, sales materials and other product information documents. 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 has been prepared without consideration of the investment needs, objectives or financial circumstances of any investor. Before making an investment decision, investors need to consider, with or without the assistance of an investment adviser, whether the investments and strategies described or provided by DWS Group, are appropriate, in light of their particular investment needs, objectives and financial circumstances. Furthermore, 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 giving investment advice.

The document was not produced, reviewed or edited by any research department within DWS and is not investment research. Therefore, laws and regulations relating to investment research do not apply to it. Any opinions expressed herein may differ from the opinions expressed by other legal entities of DWS or their departments including research departments.

The information contained in this document does not constitute a financial analysis but qualifies as marketing communication. This marketing communication is neither subject to all legal provisions ensuring the impartiality of financial analysis nor to any prohibition on trading prior to the publication of financial analyses.

This document contains forward looking statements. Forward looking statements include, but are not limited to assumptions, estimates, projections, opinions, models and hypothetical performance analysis. The forward looking statements expressed constitute the author's judgment as of the date of this document. Forward looking statements involve significant elements of subjective judgments and analyses and changes thereto and/or consideration of different or additional factors could have a material impact on the results indicated. Therefore, actual results may vary, perhaps materially, from the results contained herein. No representation or warranty is made by DWS as to the reasonableness or completeness of such forward looking statements or to any other financial information contained in this document. Past performance is not guarantee of future results.

We have gathered the information contained in this document from sources we believe to be reliable; but we do not guarantee the accuracy, completeness or fairness of such information. All third party data are 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, 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. Furthermore, substantial fluctuations of the value of any investment are possible even over short periods of time. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the offering documents. When making an investment decision, you should rely on the final documentation relating to any transaction.

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 or persons associated with it may (i) maintain a long or short position in securities referred to herein, or in related futures or options, and (ii) purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation.

DWS does not give taxation or legal advice. Prospective investors should seek advice from their own taxation agents and lawyers regarding the tax consequences on the purchase, ownership, disposal, redemption or transfer of the investments and strategies suggested by DWS. The relevant tax laws or regulations of the tax authorities may change at any time. DWS is not responsible for and has no obligation with respect to any tax implications on the investment suggested.

This document may not be reproduced or circulated without DWS written authority. The manner of circulation and distribution of this document may be restricted by law or regulation in certain countries, including the United States.

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 Investment GmbH

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.

© 2021 DWS International GmbH

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

© 2021 DWS Investments UK Limited

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.

© 2021 DWS Investments Hong Kong Limited

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.

© 2021 DWS Investments Singapore Limited

In Australia, this document is issued by DWS Investments Australia Limited (ABN: 52 074 599 401) (AFSL 499640) and the content of this document has not been reviewed by the Australian Securities Investment Commission.

© 2021 DWS Investments Australia Limited

For investors in Bermuda: This is not an offering of securities or interests in any product. Such securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

© 2021 DWS Group GmbH & Co. KGaA. All rights reserved. (6/21) 081837_2

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 Investment GmbH