Marketing Material*

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2020 U.S. ELECTIONS: IMPACT ON REAL ESTATE

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1 / Key Points

_ People generally overestimate the impact of federal elections on real estate.

_ On Election Day, we see two differentiated outcomes: a Democratic Sweep and everything else. We expect a Democratic Sweep to result in the most notable policy changes. Under a Divided Government or a Republican Sweep, we largely anticipate a continuation of the status quo.

_ Policy changes resulting from the 2020 elections may impact certain property sectors or markets, but are unlikely to significantly impact real estate overall.

_ For real estate investors, cyclical considerations, such as the pace of the economic recovery, and secular trends (e.g. e-commerce) will have the greatest impact. Real estate investors should also consider the impacts of state and local elections where issues such as real estate taxes and rent regulation are on the ballot.

2 / 2020 U.S. Elections

Over the past few months, candidates have detailed a wide range of proposals to change tax code, government spending, immigration, and other policies. While some proposals can be implemented via executive orders and agency personnel appointments, many significant proposals require legislative changes, which are likely to prove challenging unless one party controls both chambers of Congress.

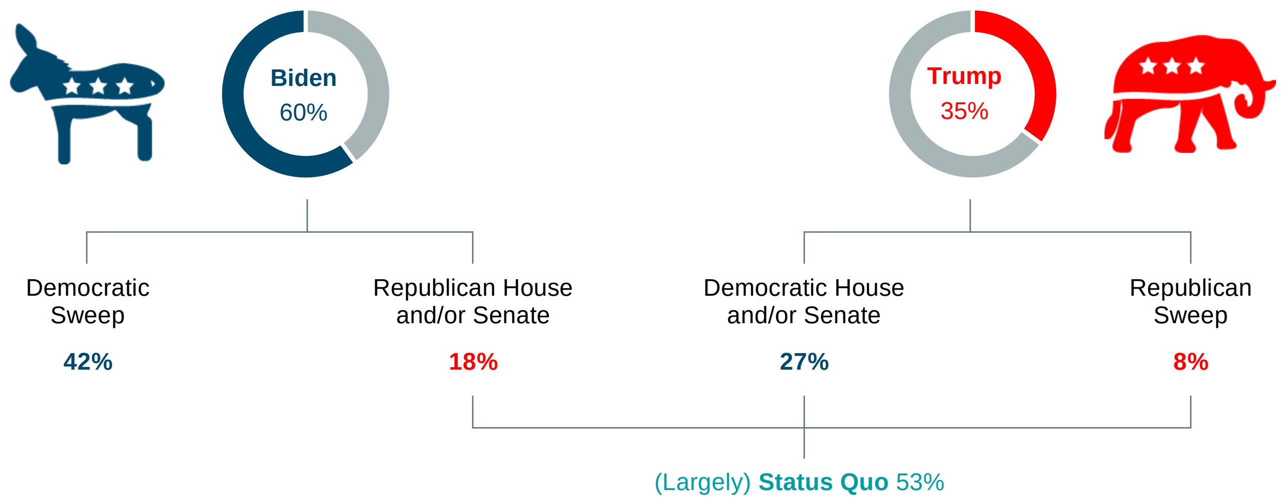
On Election Day, we see the following outcomes:

_ **Democratic Sweep:** Joe Biden wins the presidency and Democrats win the Senate as well as retain control of the House. This scenario is likely to result in the most significant policy changes.

_ **Divided Government:** This set of outcomes is epitomized by various combinations of control split between the executive and legislative branches. The prospect of such an outcome is likely to be neutral for real estate markets.

_ **Republican Sweep:** President Trump wins re-election and Republicans win the House of Representatives while retaining control of the Senate. For markets, this might mean tax cuts are back on the agenda and deregulation could continue unimpeded. This outcome might also mean further trade tensions. Largely, this outcome would maintain the status quo.

U.S. ELECTION-OUTCOME PROBABILITIES (DWS EXPECTATIONS)



Note: Probabilities for Biden and Trump add up to 95%, the remaining 5% mainly account for the small chance that one of the candidates becomes sick.
Source: DWS CIO View Special: U.S. Elections 2020. As of September 2020. 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.

In our assessment of key proposals and the likelihood of their implementation, we see the most significant policy changes resulting from a Democratic Sweep. Conversely, under the scenarios of a Divided Government or a Republican Sweep we anticipate real estate to largely operate under the status quo. In summary, on Election Day we see two differentiated outcomes: a Democratic Sweep and everything else.

Below, we highlight key Democratic policy proposals which we believe could offer potential impact on U.S. real estate:

SCENARIO: DEMOCRATIC SWEEP

Proposed Policy Changes[1]

Tax Code: Under a Democratic Sweep, we anticipate potentially higher taxes on companies and high-income earners. Changes to tax code will likely target social security, individual rates and capital gains. A reversal of the cap on state and local tax (SALT) deductions is also plausible.

Government Spending: Based on their statements, Democratic fiscal policy will boost spending on health care, education, social security, and infrastructure. Also, expect near-term federal COVID relief for states and cities.

Immigration: Based on his statement, a Biden presidency will likely loosen restrictions on legal immigration.

Environmental: Biden has proposed subsidies for clean energy and introduced the possibility of carbon reduction mandates.

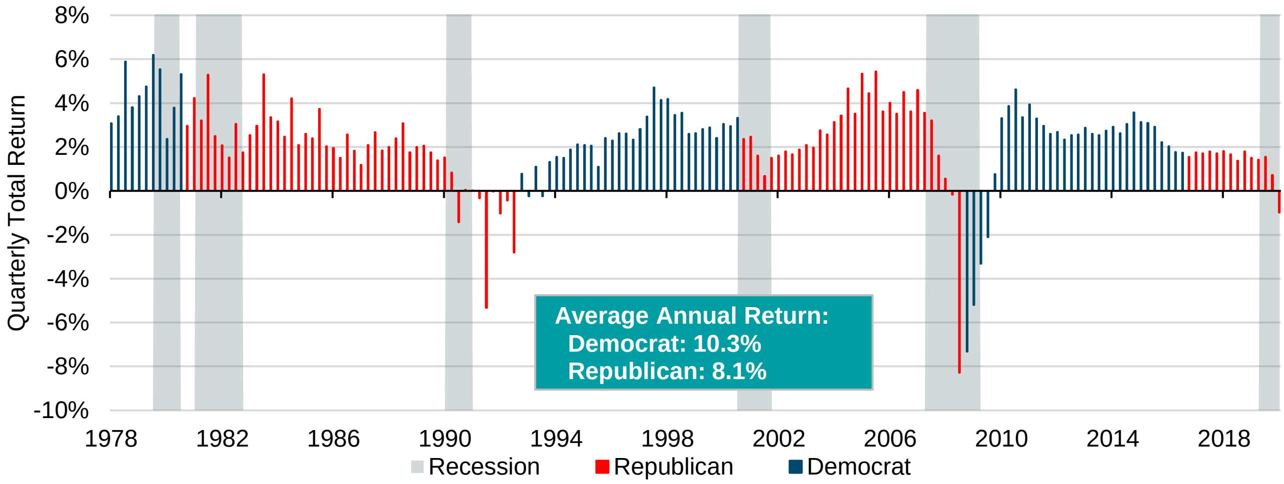
[1] JoeBiden.com as of September 2020.

3 / Potential Impact on Real Estate

People generally overestimate the impact of presidential elections on real estate. The U.S. economy is the key demand driver for real estate. To this point, policy changes resulting from elections must be transformative in order to overhaul the economy, uproot economic trends, alter construction pipelines or dictate tenant decisions.

When looking at historical NCREIF returns, real estate has performed well under Republican and Democratic administrations.[2] This is consistent with the notion that property fundamentals and valuations are driven by cyclical trends and interest rates, not by the perceived positive or negative policy changes resulting from a presidential election.

NCREIF PROPERTY INDEX (NPI) QUARTERLY TOTAL RETURNS BY POLITICAL PARTY (1978 – 2020)



Source: NCREIF and RREEF Management LLC. As of June 2020.

[2] NCREIF as of June 2020.

Nevertheless, if implemented, the policy proposals outlined under a Democratic Sweep scenario could impact real estate in the following ways:

General Real Estate Demand:

- Fiscal stimulus in the form of deficit-financed spending could support stronger growth near-term.
- Higher taxes could weigh on economic growth (including job creation and consumer spending) over the medium term.
- Increased immigration might support population and job growth.

Overall, the net impact on real estate demand likely positive near-term; uncertain medium-term.

Gateway Cities[3]:

- Federal fiscal support as part of a COVID relief package could alleviate near-term budget pressures.
- Reversal of caps on SALT deductions supports high cost/tax coastal cities (e.g. New York).
- Elevated levels of immigration could aid major metros as immigrants disproportionately gravitate to these cultural centers. Increased immigration may offset domestic migration trends south.

Overall, New York and Chicago are still expected to struggle, but these measures should help at the margin.

Investment Returns:

- Potentially higher capex burdens stemming from environmental regulations.
- Tax code changes (e.g. capital gains and 1031 exchange) may negatively impact taxable real estate investors, potentially dampening near-term liquidity and pricing at the margin.

Overall, impact on real estate returns is likely marginal.

In conclusion, policy changes resulting from the 2020 elections may impact certain sectors or markets, but are unlikely to significantly impact real estate overall. For real estate investors, cyclical considerations, such as the pace of the economic recovery, and secular trends (e.g. e-commerce) will have the greatest impact. Investors should also consider state and local elections where ballot issues (e.g. real estate taxes and rent regulation) can directly impact real estate fundamentals and operations.

[3] San Francisco, Los Angeles, Chicago, Boston, New York, and Washington D.C.

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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.