





Alternatives Insights: Real Estate

A credit-oriented approach to real estate

Blue Owl's net lease real estate investment strategy takes a different approach from traditional real estate, one focused on creditworthiness of the underlying tenant, which **is purpose built for today's market environment**.

Illustrative Investment Characteristics

	Traditional Real Estate ¹	Blue Owl Net Lease	IG Fixed Income
<i>Primary investment objective</i>	Realize capital appreciation from active investment management and asset management	Generate current income and, to a lesser extent, capital appreciation	Generate current income
<i>Return composition</i> 			
<i>Cashflow</i>	Variable cash flows	Long-term contractual cash flows with escalators	Contractual cash flows
<i>Creditworthy underlying tenant/borrower</i>	Sometimes	Always ²	Always
<i>Sensitivity of cashflow to inflation</i>	Higher sensitivity	Lower sensitivity	Lower sensitivity
<i>Volatility of capital appreciation</i>	Higher volatility	Lower volatility	None
<i>Liquidity</i>	Less liquid	More liquid	Liquid
<i>Headline risks</i>	<ul style="list-style-type: none"> • New supply • Growing expenses • Asset selection • Geographic selection 	<ul style="list-style-type: none"> • Tenant credit 	<ul style="list-style-type: none"> • Bond credit

The graphic above seeks to examine for illustrative and educational purposes only similar characteristics of different types of investments solutions. This is not a comparison of like products but rather an illustration of different products with similar characteristics.

¹ Based on Blue Owl research on open-end core funds. The terms, investment targets and potential risks of each individual core fund offered by non-Blue Owl sponsors may vary and investors should independently evaluate the risks involved ² Investment grade companies must have "BBB-" rating or higher by S&P. Creditworthy refers to businesses that Blue Owl deems financially sound enough to justify an extension of credit or engage in a lease agreement. Tenants are creditworthy or investment grade at acquisition.

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