



The real alternative to alternatives

Looking for an investment opportunity that provides competitive returns with a strong income component? **Look no further than under your feet.**

Investment in farmland:

- is an excellent portfolio diversifier
- has historically provided a strong hedge against inflation
- has been resilient in times of financial stress
- benefits from favorable long-term demographics to drive demand

With USD 2.5 billion in assets—comprising over 283,000 acres in 16 key agricultural states—we are one of the largest managers of US farmland and offer over 40 years of investment experience.

Have you considered adding farmland as part of your real estate portfolio or as a complement to your alternatives portfolio?

Find out more at: ubs.com/realestate-us

Contact our team for more information:

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Mixed signals seen across the macroeconomic landscape continue to complicate the deliberations of central bankers and, by extension, those of institutional investors. Inflation is a case in point. After declining further toward the Federal Reserve's 2% target in 2023, this key metric has remained stuck around 3% in the early months of 2024. Consequently, observers once expecting the Fed to cut rates in the first half of this year are now pricing in the possibility that such a move will happen later or even that a rate increase could come first if sustained price increases take hold.

Reacting to strong corporate earnings and perhaps holding out hope for accommodative central bank activity, investors sent most public equities indices upward in 1Q2024, with both the S&P 500 and Nasdaq rising by about 10%. Uneven recent performance in real estate indices has reflected conditions specific to this sector. The FTSE Nareit US Real Estate All REITs Index fell by around 1% in the first quarter, as did the NCREIF Property Index Expanded. We are all hyperaware of the financing challenges that have come with higher rates and declines in bank lending. We are similarly attuned to the cyclical and secular forces that have favored some property types over others, while allowing for the possibility of overcorrection and resulting investment opportunities in some pockets of the property universe.

Conversing with our industry peers is critical to understanding what is happening in the market. PREA's meetings, online resources, and other media contribute to this essential dialogue. Several examples from the opening months of 2024 come to mind. These include the well-received Spring Conference in Nashville, during which the capital markets, asset allocation, and policy considerations were among the topics of discussion. [PREA webinars](#) are another helpful way to stay up-to-date. Recent webinars have included conversations among industry leaders about incorporating social factors in real estate investment, advancing diversity in the industry, and distress investing. Looking forward, the [PREA Institute](#), to be held June 4–5 at New York University, will feature expert voices (including a Nobel laureate) on such timely subjects as financial stability, climate risk, artificial intelligence, infrastructure finance, and housing affordability.

As I step into the role of PREA Chair, I would like to salute my immediate predecessor, Manny Casanga, and all who came before him for their phenomenal contributions to the Association's success. The board and its chair work closely with the PREA staff, especially its president. Many of you have read or heard about the planned retirement, next year, of longtime President Gail Haynes. You all know how strongly Gail identifies with PREA's educational mission and how instrumental she has been in pursuing it, tirelessly and effectively. There is much to celebrate in her extraordinary leadership, and I know we will take the opportunity to recognize her in the months to come. In the meantime, I am glad that the succession plan, to unfold over the course of 2024 and 2025, affords me the opportunity to work with Gail during my tenure. I am grateful for the opportunity to serve this distinguished organization and to collaborate with Gail, my board colleagues, and all PREA members to ensure that a vibrant exchange of ideas and insights remains a hallmark of the PREA experience.

Regards,

Anar Chudgar

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