

INREV Index Guide

INREV

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1. INTRODUCTION

1.1 THE INREV INDEX

The INREV Index measures annual and quarterly net asset value (NAV) based performance for non-listed real estate funds with returns published on a quarterly and annual basis. These returns, which are net of all fees and other costs, represent the aggregate investor return.

The objective of the INREV Index is to provide a historical measurement of non-listed real estate funds performance and to increase the understanding of, and lend credibility to, these funds as an institutional investment asset class.

The INREV Index is compiled, calculated and published by INREV.

1.2. History of the INREV Index

2005 – First Index release

First Index launches in cooperation with IPD, covering the performance of non-listed real estate funds between 2001 and 2004. Institutional and retail funds are included in the Index. The first release includes 87 funds, 73 institutional and 14 retail funds.

2006 – Excel publication

Introduced an Excel sheet including sub-indices by sector and country. The Index includes 113 institutional funds.

2007 – Increasing number of sub-indices

Sub-indices by gearing and vintage launched. The Excel sheet also includes a contributors list of funds for the first time. There were 204 institutional funds participating.

2008 – Launch of style indices

First style indices launched comprising core, value added and opportunity funds. The Index includes 219 institutional funds.

2009 – Production of Index in-house

The INREV Management Board decides to manage the INREV Index in-house, which is done in line with some other major changes. The calculation method changes to reflect day-weighted capital flows, only institutional funds are included, opportunity funds are excluded and local currency returns are calculated. Ernst & Young is appointed to review all the calculations made by INREV. The total number of institutional funds participating in the Index grows to 224.

2010 – Going online, the launch of the online input tool and analysis system

The Excel questionnaire and sheet are replaced by online tools. An input tool is created for fund managers to deliver data to INREV in a user friendly way. An analysis system online allows member to create sub-indices and compare the indices with their own fund performance. The total number of funds participating grows to 258 funds.

2011 – Quarterly Index, freezing of the INREV Annual Index and the ANREV Index

Launch of the quarterly Index, covering around 80% of funds. The Annual Index is frozen and the number of funds participating grows to 269. ANREV launches the first Index on Asian non-listed real estate funds in cooperation with INREV.

2012 – Global Index initiative announced, publication speed increased

Publication speed for the quarterly Index increases from 10 to eight weeks following the quarter end. Coverage of the quarterly Index increases to 90% of the funds in the Annual index. INREV, NCREIF and ANREV announces the Global fund index initiative.

2013 – Update of the online tools

Online tools are updated to become much more user-friendly. Members can also analyse the quarterly Index using the online tool. The number of funds participating in the Annual index further increases to 294 funds despite the low number of new funds launched. The Global Fund Index Consultation release is launched.

2014 – INREV Index passes 300 funds milestone

The INREV Index passes the 300 funds milestone. INREV Index Guide is launched together with additional functionalities of the INREV Index Analysis Tool.

1.3. Construction of the INREV Index

The goal of INREV in 2004 was to produce a suite of high-quality, NAV-based indices to measure the performance of European indirect non-listed real estate vehicles at the country, sector, pan-European and all-funds level.

Quarterly and annual fund indices

INREV produces two indices: the INREV Quarterly Index and the INREV Annual Fund Index. Not all funds included in the Quarterly Index are included in the Annual Index as some funds do not have quarterly data available. This means that the composition of participating funds differs between the two indices. In addition, the calculation method differs between the two indices, of which more information can be found in chapter 3. Information for the Annual Index has a history going back to 2001 while, for the quarterly index, this goes back to 2010.

Availability for non-INREV members

In addition to the All Funds Index, there are 22 sub-indices that are publicly available based on manager-defined style, fund structure, target country, target regional strategy and target sector. These are outlined in Figure 1 of Appendix 1. These results are published in a PDF format and can be downloaded on the INREV website (www.inrev.org). Alternatively results can be downloaded on Bloomberg (ticker: INRV)

Availability for INREV members

INREV members can also benefit from the INREV Online Analysis Tool which provides them with the opportunity to replicate the published indices but also to create and analyse tailor-made indices with respect to their needs. INREV fund manager members that provide information to INREV Index can also compare their own fund performance with a created sub-index in the tool. More details for the INREV Online Analysis Tool can be found in Appendix 2.

Style indices

The INREV Index covers core and value add funds. An opportunity fund index is under construction. Style indices are currently manager-defined. An INREV style classification is launched in 2012 and the performance measurement and benchmarking committee continues to explore how to implement this in the INREV Index.

Calculated values

For both the INREV Annual Index and the INREV Quarterly Index publications, INREV calculates the following values:

- Total return (%)
- Capital growth (%)
- Income return (%)
- Number of funds
- Leverage (%)
- Composition by style: number of funds / composition by structure
- Country allocation: gross asset value (GAV) € billion / sector allocation

For the INREV Annual Index, INREV also publishes:

- 3 year annualised yearly return
- 5 year annualised yearly return
- Since inception annualised yearly return

For the INREV Quarterly Index INREV also publishes:

- 1 year rolling return
- 1 year calendar year return
- 3 year annualised rolling return

Currency

The Index results are available in six currencies: local currency, Euro, US Dollar, British Sterling, Japanese Yen and Australian Dollar. INREV uses OANDA (www.oanda.com) for currency conversions. More information about the calculation of currency indices can be found in chapter 3.

Frozen and unfrozen index

The INREV Annual Index is a frozen index, which means that historical data cannot be amended. Inclusion of new funds is possible but cannot include any historical data.

The INREV Quarterly Index is an unfrozen index and the data changes on a quarterly basis. Fund managers can add new vehicles and include historical performance. There is no target date set to freeze the INREV Quarterly Index.

2. MANAGEMENT OF THE INREV INDEX / GOVERNANCE

The INREV Index is compiled, calculated and published by INREV. It is produced by the Research Department of INREV and overseen by the INREV Performance Measurement and Benchmarking Committee. This committee advises on improvements and future strategic decisions.

To avoid any errors all calculations made by INREV for the INREV Annual Index are reviewed by EY. It recalculates all published figures and confirms the calculations done by INREV. INREV is working towards validating the Quarterly Index as well in the short term.

The data for the INREV Index is received directly from fund managers. INREV reviews the provided data and if there is a doubt in its accuracy, this is checked and confirmed with the fund manager. Additionally, by providing the data through the INREV Data Input Tool, all fund managers have access to their reported fund performance to INREV after sending it for approval.

As the INREV Quarterly Index is unfrozen, INREV performs sensitivity analysis checks with the historical index data so that it is in line with what has been communicated in the previous release. Any major differences are communicated.

Fund data is only accessible by the INREV Research Department and is never shared with members on an individual fund level. Additionally, when a research project is based on the INREV Index, it is always performed on an anonymous basis.

3. INCLUSION CRITERIA

3.1 eligibility

- Core and value add funds
A separate index will be set up for opportunity funds.
- Inclusion is limited to funds for which the manager and/or shareholders intend to offer, already offer, or have offered access to property investments to third parties. The fund should be professionally managed.
- The indices include real estate funds accessible to institutional investors. Funds which also have retail investors should target at least a 50% institutional holding in order to be included in the Index.
- Only funds that do not have a stock market listing or have a stock market listing for technical purposes are eligible for inclusion in the Indices.
- Funds are eligible for inclusion if sufficient data to calculate an annual NAV return and other relevant data has been provided by the fund manager. This comprises the GAV, NAV, gearing, possible capital flows (equity calls, redemptions and distributions) as well as the country sector allocation.
- INREV only accepts information which comes directly from the fund manager and not from public sources. Therefore, the inclusion of a fund in the INREV Index is subject to approval of the fund manager.
- Only funds that have allocated a minimum of 90% of GAV to European real estate investments are eligible for inclusion in the in the INREV Index. This is independent of the domicile of the vehicle.
- The fund should target or have at least three investors in the fund. This is to exclude single mandates with one investor as well as joint ventures, which is defined as a fund owned by two investors. Club deals which have at least three investors can be included in the INREV Index.
- The fund should report figures based on the calendar year. For the INREV Annual Index, the fund needs to provide figures as of 31/12. For the INREV Quarterly Index figures need to be provided for 31/3, 30/6, 30/9 and 31/12.
- Funds of funds are excluded from the INREV Index as they are not funds which invest directly into real estate.
- The fund should target to invest at least 75% of the invested capital into real estate assets.
- The fund should be active for the full year in order to be included in the INREV Annual Index. For the INREV Quarterly Index a fund needs to be active for the full quarter in order to be included.

3.2 General remarks

A fund does not need to be managed by a fund manager that is INREV member to be part of the INREV Index.

Preferably, managers should provide an INREV NAV and it should be consistent across quarters. Preferably, managers should provide an INREV NAV, and its should be consistent across the quarters. More information on INREV NAV can be found in the INREV Guidelines, which are available on the website.

For distributed capital reported on quarterly basis, INREV is requesting the distributions “as paid” – actual capital outflow from the fund to the investor. If a fund manager is only able to provide distributions “as declared”, this is also accepted.

New funds that are added to the INREV Index are required to provide their most up-to-date data and, where possible, to provide full history of performance data for use in the Quarterly Index.

Missing quarters/years are not permitted in the INREV Index. For example, if a fund provided data for 2010, not for 2011 and then for 2012, the fund can no longer participate in the Annual Index because it is frozen. If a fund in the Quarterly Index provided data for Q1 2012, not for Q2 2012, and then for Q3 2012 and Q4 2012, the fund first needs to provide the data for Q2 2012 in order to be included in the quarterly index.

INREV requests funds to provide data until it terminates.

4. Calculation methodology

4.1 MODIFIED DIETZ METHOD

INREV uses the Modified Dietz Method to calculate a quarterly and an annual return for each fund using data provided by the fund manager. This method calculates a NAV based return adjusted for the average invested capital for the period. The initial NAVs are adjusted by weighting all external cash flows based on the length of time this capital is held by the fund using the actual dates of these cash flows.

The total return is split into capital growth and income return components.

$$TR_t = \frac{NAV_t - NAV_{(t-1)} - \text{contributions} + \text{redemptions} + \text{distributions}}{NAV_{(t-1)} + TWC - TWR - TWD}$$

$$CG_t = \frac{NAV_t - NAV_{(t-1)} - \text{contributions} + \text{redemptions}}{NAV_{(t-1)} + TWC - TWR - TWD}$$

$$IR_t = \frac{\text{distributions}}{NAV_{(t-1)} + TWC - TWR - TWD}$$

TR_t = Total return for the measurement period

CG_t = Capital growth for the measurement period

IR_t = Income return for the measurement period

NAV_t = The NAV of a fund is its GAV less all liabilities based on the chosen valuation principles.

Contributions / Capital Calls = Any capital paid from the investor(s) into the fund (capital call)

Redemptions / Capital returned (from sales proceeds) = Redemption is the return of an investor's equity holdings

Distributions / Dividend payment = Dividends paid from the fund to its shareholder(s).

TWC = Time weighted (daily) contributions

TWR = Time weighted (daily) redemptions

TWD = Time weighted (daily) distributions

The same formula above is used for the Annual and Quarterly Index calculations.

4.2 Annual Index CALCULATIONS

4.2.1 INREV Annual Index yearly returns for individual funds

EXAMPLE

INREV FUND 1, year 2011, reporting in GBP

Table 1: NAV data provided to INREV

Year	Quarter	NAV (GBP)
2009	4	150,000,000
2010	1	175,000,000
2010	2	235,000,000
2010	3	236,000,000
2010	4	271,000,000
2011	1	275,000,000
2011	2	266,000,000
2011	3	293,000,000
2011	4	290,000,000
2012	1	295,000,000
2012	2	325,000,000
2012	3	326,000,000
2012	4	320,000,000

Table 2: Capital flows data provided to INREV

	Value (GBP)	Date	Day in the year	Day in the quarter	Year / Quarter
Capital call 1	26,000,000	11-2-2010	42	42	2010 / Q1
Capital call 2	39,000,000	7-5-2010	127	37	2010 / Q2
Capital call 3	25,000,000	7-5-2010	127	37	2010 / Q2
Capital call 4	35,000,000	26-11-2010	330	57	2010 / Q4
Capital call 5	25,000,000	22-9-2011	265	84	2011 / Q3
Capital call 6	23,000,000	30-5-2012	151	60	2012 / Q2
Redemption	2,000,000	31-1-2012	31	31	2012 / Q1
Distribution 1	6,000,000	27-5-2010	147	57	2010 / Q2
Distribution 2	6,000,000	2-11-2010	306	33	2010 / Q4
Distribution 3	7,000,000	27-5-2011	147	57	2011 / Q2
Distribution 4	7,000,000	8-11-2011	312	39	2011 / Q4
Distribution 5	7,000,000	28-5-2012	149	58	2012 / Q2
Distribution 6	8,000,000	6-11-2012	311	37	2012 / Q4

Based on the Modified Dietz Method formulas for FUND 1, INREV calculates the annual total return, capital growth and income return for 2011 in the reporting currency which is GBP:

$$TR = \frac{290,000,000 - 271,000,000 - 25,000,000 + 7,000,000 + 7,000,000}{271,000,000 + \left(25,000,000 * \frac{365 - 265}{365} \right) - \left(7,000,000 * \frac{365 - 147}{365} \right) - \left(7,000,000 * \frac{365 - 312}{365} \right)}$$

$$CG = \frac{290,000,000 - 271,000,000 - 25,000,000}{271,000,000 + \left(25,000,000 * \frac{365 - 265}{365} \right) - \left(7,000,000 * \frac{365 - 147}{365} \right) - \left(7,000,000 * \frac{365 - 312}{365} \right)}$$

$$IR = \frac{7,000,000 + 7,000,000}{271,000,000 + \left(25,000,000 * \frac{365 - 265}{365} \right) - \left(7,000,000 * \frac{365 - 147}{365} \right) - \left(7,000,000 * \frac{365 - 312}{365} \right)}$$

After performing the calculations:

- TR = 2.93%
- CG = -2.20%
- IR = 5.13%

4.2.2 Multiple year returns

For the INREV Annual Index, INREV publishes 3 year annualised yearly returns, 5 year annualised yearly returns and the return since inception.

To calculate the annualised yearly returns, INREV uses the following formula:

$$\{[(1+R1)*(1+R2)*(1+R3)*...*(1+Rt)]^{(1/t)} - 1$$

(t=1,2,3, ..., t) = annual return

EXAMPLE

The annualised 3 year return for Fund 1 will be:

- Total return 2010 = 3.75%
- Total return 2011 = 2.93%
- Total return 2012 = 8.10%

$$3yr = \{[(1+0.0375)*(1+0.0293)*(1+0.081)]^{(1/3)} - 1 = 4.90\%$$

The compounded three year return is:

$$3yr = ((1+0.0375)*(1+0.0293)*(1+0.081)) - 1 = 15.44\%$$

4.2.3 INREV Annual Index aggregated results

To calculate the INREV Index and aggregate the individual performances of all funds, we produce four separate values for each fund and then sum them up:

- Numerator capital growth
- Numerator income return
- Numerator total return
- Denominator

The formula for the INREV Annual Index calculation is:

$$\text{INREV Index Total Return}_t = \frac{\text{Sum of Numerators Total Return}_t}{\text{Sum Denominators}_t}$$

$$\text{INREV Index Capital Growth}_t = \frac{\text{Sum of Numerators Capital Growth}_t}{\text{Sum Denominators}_t}$$

$$\text{INREV Index Income Return}_t = \frac{\text{Sum of Numerators Income Return}_t}{\text{Sum Denominators}_t}$$

Numerator Total Return_t = NAV_t – NAV_(t-1) – contributions + redemptions + distributions

Numerator Capital Growth_t = NAV_t – NAV_(t-1) – contributions + redemptions

Numerator Income Return_t = distributions

Denominator_t = NAV_(t-1) + TWC – TWR – TWD

EXAMPLE

Table 3: Fund 1:

Year	Quarter	Numerator total return	Numerator capital growth	Numerator income return	Denominator total return
2010	4	8,000,000	-4,000,000	12,000,000	213,542,465.8
2011	4	8,000,000*	-6,000,000	14,000,000	272,652,054.8**
2012	4	24,000,000	9,000,000	15,000,000	296,327,868.9

*290,000,000 – 271,000,000 – 25,000,000 + 7,000,000 + 7,000,000

**271,000,000 + $\left(25,000,000 * \frac{365 - 265}{365} \right) - \left(7,000,000 * \frac{365 - 147}{365} \right) - \left(7,000,000 * \frac{365 - 312}{365} \right)$

Table 4 Fund 2 (created only for this example)

Year	Quarter	Numerator total return	Numerator capital growth	Numerator income return	Denominator total return
2010	4	21,000,000	-5,000,000	26,000,000	450,000,000
2011	4	23,000,000	-8,000,000	31,000,000	560,000,000
2012	4	55,000,000	20,000,000	35,000,000	610,000,000

Table 5: INREV Fund 1 + INREV Fund 2

Year	Quarter	Sum numerator total return	Sum numerator capital growth	Sum numerator income return	Sum denominator total return
2010	4	29,000,000	-9,000,000	38,000,000	663,542,466
2011	4	31,000,000	-14,000,000	45,000,000	832,652,055
2012	4	79,000,000	29,000,000	50,000,000	906,327,869

This results in the following returns calculated on aggregated basis:

Table 6: INREV Annual Index returns for Fund 1 and Fund 2

Year Returns	2010	2011	2012
INREV Index total return (%)	4.37*	3.72	8.72
INREV Index capital growth (%)	-1.36	-1.68	3.20
INREV Index income return (%)	5.73	5.40	5.52

* $\frac{29000000}{663542466} = 4.37\%$

4.2.4 INREV Annual Index construction

The returns are used to calculate the INREV Index.

For this purposes of this example, it is assumed that the INREV Annual Index started in 2009 and therefore starts at 100 in year 2009.

Table 7: INREV Annual Index calculation:

INREV Index	2009	2010	2011	2012
INREV Index (Total return)	100.00	104.37*	108.26	117.69
INREV Index (Capital growth)	100.00	98.64	96.99	100.09
INREV Index (Income return)	100.00	105.73	111.44	117.59

* $100 \times (1 + 0.0437) = 104.37$

4.3 Quarterly Index Calculation

4.3.1 INREV Quarterly Index quarterly returns for individual funds

Fund 1 is also used in the INREV Quarterly Index calculation example. In the next analysis the returns are calculated for Quarter 4 2011. The Modified Dietz Method is adjusted for the quarter.

$$TR = \frac{290,000,000 - 293,000,000 + 7,000,000}{293,000,000 - \left(7,000,000 * \frac{92 - 39}{92}\right)}$$

$$CG = \frac{290,000,000 - 293,000,000}{293,000,000 - \left(7,000,000 * \frac{92 - 39}{92}\right)}$$

$$IR = \frac{7,000,000}{293,000,000 - \left(7,000,000 * \frac{92 - 39}{92}\right)}$$

After performing the calculation:

- TR = 1.38%
- CG = -1.04%
- IR = 2.42%

4.3.2 Multiple quarter returns

Four quarters rolling return/yearly return

For the four quarters rolling/yearly return, INREV uses the following modification of the formula above:

$$(1+R1)*(1+R2)*(1+R3)*(1+R4) - 1$$

(t=1,2,3,4) = quarterly return

EXAMPLE

Four quarters rolling/yearly return:

If Total Return:

- Quarter 1 = 1.48%
- Quarter 2 = -0.73%,
- Quarter 3 = 0.75%
- Quarter 4 = 1.38%:

$$[(1+0.0148)*(1-0.0073)*(1+0.0075)*(1+0.0138)] - 1 = 2.89\%$$

Three year annualised return

*For the 3 year annualised return INREV uses the following modification of the formula above:

$$((1+R1)*(1+R2)*(1+R3)*(1+R4)*(1+R5)*(1+R6)*(1+R7)*(1+R8)*(1+R9)*(1+R10)*(1+R11)*(1+R12))^{(1/3)} - 1$$

(t=1,2,3, ...,12) = quarterly return

For example if :

Table 8: Example

Quarter	Return (%)
Q1 2010	-0.61
Q2 2010	0.95
Q3 2010	0.43
Q4 2010	2.44
Q1 2011	1.48
Q2 2011	-0.73
Q3 2011	0.75
Q4 2011	1.38
Q1 2012	2.42
Q2 2012	4.66
Q3 2012	0.31
Q4 2012	0.62

$$(((1-0.0061)*(1+0.0095)*(1+0.0043)*(1+0.0244)*(1+0.0148)*(1-0.0073)*(1+0.0075)*(1+0.0138)*(1+0.0242)*(1+0.0466)*(1+0.0031)*(1+0.0062))^{(1/3)})-1=4.74\%$$

Three year compounded return

$$(1-0.0061)*(1+0.0095)*(1+0.0043)*(1+0.0244)*(1+0.0148)*(1-0.0073)*(1+0.0075)*(1+0.0138)*(1+0.0242)*(1+0.0466)*(1+0.0031)*(1+0.0062)-1=14.91\%$$

4.3.3 INREV Quarterly Index construction This

section follows the same logic as 3.2.3 above.

Table 9: Fund 1:

Year	Quarter	Numerator total return	Numerator capital growth	Numerator income return	Denominator total return
2010	1	-1,000,000	-1,000,000	0	163,866,666.7
2010	2	2,000,000	-4,000,000	6,000,000	210,736,263.7
2010	3	1,000,000	1,000,000	0	235,000,000
2010	4	6,000,000	0	6,000,000	245,467,391.3
2011	1	4,000,000	4,000,000	0	271,000,000
2011	2	-2,000,000	-9,000,000	7,000,000	272,384,615.4
2011	3	2,000,000	2,000,000	0	268,173,913
2011	4	4,000,000	-3,000,000	7,000,000	288,967,391.3
2012	1	7,000,000	7,000,000	0	288,681,318.7
2012	2	14,000,000	7,000,000	7,000,000	300,296,703.3
2012	3	1,000,000	1,000,000	0	325,000,000
2012	4	2,000,000	-6,000,000	8,000,000	321,217,391.3

Table 10: Fund 3 (created only for this example):

Year	Quarter	Numerator total return (quarterly)	Numerator capital growth (quarterly)	Numerator income return (quarterly)	Denominator total return (quarterly)
2010	1	-2,200,000	-2,200,000	0	294,960,000
2010	2	4,400,000	-6,400,000	10,800,000	379,325,274.7
2010	3	2,200,000	2,200,000	0	423,000,000
2010	4	13,200,000	2,400,000	10,800,000	441,841,304.3
2011	1	8,800,000	8,800,000	0	487,800,000
2011	2	-4,400,000	-17,000,000	12,600,000	490,292,307.7
2011	3	4,400,000	4,400,000	0	482,713,043.5
2011	4	8,800,000	-3,800,000	12,600,000	520,141,304.3
2012	1	15,400,000	15,400,000	0	519,626,373.6
2012	2	30,800,000	18,200,000	12,600,000	540,534,065.9
2012	3	2,200,000	2,200,000	0	585,000,000
2012	4	4,400,000	-10,000,000	14,400,000	578,191,304.3

Table 11: Fund 1 + Fund 3 :

Year	Quarter	Sum numerator total return (quarterly)	Sum numerator capital growth (quarterly)	Sum numerator income return (quarterly)	Sum denominator total return (quarterly)
2010	1	-3,200,000	-3,200,000	0	458,826,666.7
2010	2	6,400,000	-10,400,000	16,800,000	590,061,538.5
2010	3	3,200,000	-3,200,000	0	658,000,000
2010	4	19,200,000	2,400,000	16,800,000	687,308,695.7
2011	1	12,800,000	12,800,000	0	758,800,000
2011	2	-6,400,000	-26,000,000	19,600,000	762,676,923.1
2011	3	6,400,000	6,400,000	0	750,886,95.5
2011	4	12,800,000	-6,800,000	19,600,000	809,108,695.7
2012	1	22,400,000	22,400,000	0	808,307,692.3
2012	2	44,800,000	25,200,000	19,600,000	840,830,769.2
2012	3	3,200,000	3,200,000	0	910,000,000
2012	4	6,400,000	-16,000,000	22,400,000	899,408,695.7

This results in the following returns calculated on aggregated basis:

Table 12: Aggregated results

Year	2010	2010	2010	2010	2011	2011	2011	2011	2012	2012	2012	2012
Quarter	1	2	3	4	1	2	3	4	1	2	3	4
Total return (%)	-0.70*	1.08	0.49	2.79	1.69	-0.84	0.85	1.58	2.77	5.33	0.35	0.71
Capital growth (%)	-0.70	-1.76	-0.49	0.35	1.69	-3.41	0.85	-0.84	2.77	3.00	0.35	-1.78
Income return (%)	0.00	2.85	0.00	2.44	0.00	2.57	0.00	2.42	0.00	2.33	0.00	2.49

$$* \frac{-3200000}{458826666.7} = 0.70\%$$

Table 13: Index

Year	2009	2010	2010	2010	2010	2011	2011	2011	2011	2012	2012	2012	2012
Quarter	4	1	2	3	4	1	2	3	4	1	2	3	4
Total return (quarterly)	100.00	99.30*	100.38	100.87	103.69	105.43	104.55	105.44	107.11	110.08	115.94	116.35	117.18
Capital growth (quarterly)	100.00	99.30	97.55	97.08	97.42	99.06	95.68	96.50	95.69	98.34	101.29	101.64	103.45
Income return (quarterly)	100.00	100.00	102.85	102.85	105.36	105.36	108.07	108.07	110.69	110.69	113.27	113.27	116.09

$$*100*(1+(-0.007)) = 99.30$$

4.4 Additional Calculations for the INREV Index

4.4.1 Weighted average gearing calculation

The following formula sets out how weighted average gearing is calculated.

$$\text{Weighted Average Gearing (\%)} = \frac{\text{Sum of Total Loan}}{\text{Sum of the GAV}} * 100$$

$$\text{Total Loan} = \text{Gearing (\%)} * \text{GAV}$$

4.4.2 Quartiles calculation

The quartiles of the return figures are calculated using the Excel formula for quartiles:

$$\text{Lower Quartile} = \text{QUARTILE}(\text{array};1)$$

$$\text{Median} = \text{QUARTILE}(\text{array};2)$$

$$\text{Upper Quartile} = \text{QUARTILE}(\text{array};3)$$

4.4.3 Distribution yield:

The distribution yield is calculated by dividing the sum of all distributions for a certain period (year or quarter) by the end of the period NAV (end of the year or the quarter).

$$\text{Distribution Yield} = \frac{\sum \text{Distributions}}{\text{End of year/quarter NAV}_t}$$

Country allocation / sector allocation

INREV collects the country and sector allocations on a quarterly basis through the INREV Data Input Tool. For all funds, INREV calculates and publishes their country/sector allocation. The INREV Index publication always contains the latest quarterly data on an aggregated basis.

EXAMPLE

Table 14: Fund 1 – multicounty/sector fund:

Year	Quarter	Sector	Country	% share	GAV Fund	GAV Allocation
2013	2	Office	Finland	6.2	524,227,000	32,502,074
2013	2	Retail	Finland	5.7	524,227,000	29,880,939
2013	2	Industrial / Logistics	Finland	8.5	524,227,000	44,559,295
2013	2	Office	France	12.2	524,227,000	63,955,694
2013	2	Retail	France	15.5	524,227,000	81,255,185
2013	2	Industrial / Logistics	France	1	524,227,000	5,242,270
2013	2	Retail	Belgium	11.1	524,227,000	58,189,197
2013	2	Office	Germany	4.2	524,227,000	22,017,534
2013	2	Retail	Germany	11.3	524,227,000	59,237,651
2013	2	Industrial / Logistics	Netherlands	6.8	524,227,000	35,647,436
2013	2	Retail	Netherlands	17.5	524,227,000	91,739,725

Table 15: Country Allocation

Country	GAV per Country	% share
Finland*	106,942,308	20.40%
France	150,453,149	28.70%
Belgium	58,189,197	11.10%
Germany	81,255,185	15.50%
Netherlands	127,387,161	24.30%
Total GAV	524,227,000	

* $\frac{106942308}{524227000} = 20.40\%$

Table 16: Sector Allocation

Sector	GAV per Sector	% share
Office*	118,475,302	22.60%
Retail	320,302,697	61.10%
Industrial / Logistics	85,449,001	16.30%
Total GAV	524,227,000	

* $\frac{118475302}{524227000} = 22.60\%$

5. Currency

Fund managers can deliver their fund information to INREV in their reporting currency. INREV Index returns are then reported in local currency, Euro, Sterling, US Dollar, Japanese Yen and Australian Dollar. Foreign exchange rates are daily rates used with permission from OANDA, which is a company which offers forex trading and exchange rates services.

5.1 INDICES IN EUR, GBP, JPY, AUD AND USD

For the USD, EUR, JPY, GBP and AUD Index, the returns are calculated in the same manner. The calculation is always performed with the currency conversion rate of the day of the NAV or capital flow.

EXAMPLE

For this example the annual fund return of Fund 1 is calculated in USD. The fund reports in GBP to INREV.

Table 17: Conversion NAV Data for 2011 for Fund 1

Year	Quarter	NAV (GBP)	Date	GBP/USD currency rate	Converted NAV in USD
2010	4	271,000,000	31-12-2010	1.54710*	419,264,100
2011	4	290,000,000	31-12-2011	1.54560**	448,224,000

*Currency conversion rate at 31-12-2010, **Currency conversion rate at 31-12-2011

Table 18: Conversion Capital Flows data 2011 for Fund 1

	Value (GBP)	Date	Day in the year	Day in the quarter	GBP/USD Currency Rate	Converted Value in USD
Capital call 5	25,000,000	22-9-2011	265	84	1.56710*	39,177,500
Distribution 3	7,000,000	27-5-2011	147	57	1.63250	11,427,500
Distribution 4	7,000,000	8-11-2011	312	39	1.6030	11,221,000

*Currency conversion rate at 22-09-2011

As shown in chapter 3.2.1, the performance of this fund in its GBP reporting currency is

- TR = 2.93%
- CG = -2.20%
- IR = 5.13%

Based on the converted figures, INREV calculates the annual total return, capital growth and income return for 2011 in USD as follows:

$$TR = \frac{448,224,000 - 419,264,100 - 39,177,500 + 11,427,500 + 11,221,000}{419,264,100 + \left(39,177,500 * \frac{365-265}{365}\right) - \left(11,427,500 * \frac{365-147}{365}\right) - \left(11,221,000 * \frac{365-312}{365}\right)}$$

$$CR = \frac{448,224,000 - 419,264,100 - 39,177,500}{419,264,100 + \left(39,177,500 * \frac{365-265}{365}\right) - \left(11,427,500 * \frac{365-147}{365}\right) - \left(11,221,000 * \frac{365-312}{365}\right)}$$

$$IR = \frac{11,427,500 + 11,221,000}{419,264,100 + \left(39,177,500 * \frac{365-265}{365}\right) - \left(11,427,500 * \frac{365-147}{365}\right) - \left(11,221,000 * \frac{365-312}{365}\right)}$$

After performing the calculations in USD:

- TR = 2.95%
- CG = -2.42%
- IR = 5.37%.

In contrast to the reported currency return, the USD return is affected by currency fluctuations. When converting all funds into USD, the numerators and denominators can be used to calculate a USD Index.

The same logic applies for the Quarterly index currency conversions.

5.2 Local Currency index

For the local currency, everything is converted into one base currency, which is EUR, in order to be able to weight the Index. The NAV and capital flows are converted into EUR using the currency conversion rate at the first date of the year effectively eliminating any currency movements over the year. For the Quarterly Index everything is converted into EUR using the first date of the quarter.

EXAMPLE

Table 19: Conversion NAV Data for 2011 for Fund 1

Year	Quarter	NAV (GBP)	Date	GBP/EUR currency rate on 1 Jan 2011	Converted NAV in local currency (first day of the year)
2010	4	271,000,000	31-12-2010	1.16220	314,956,200
2011	4	290,000,000	31-12-2011	1.16220	337,038,000

Table 20: Conversion Capital Flows data 2011 for INREV Fund 1

	Value (GBP)	Date	Day in the year	Day in the quarter	Currency rate as of 1 Jan 2011	Converted value in local currency
Capital Call 5	25,000,000	22-9-2011	265	84	1.16220	29,055,000
Distribution 3	7,000,000	27-5-2011	147	57	1.16220	8,135,400
Distribution 4	7,000,000	8-11-2011	312	39	1.16220	8,135,400

Based on the Modified Dietz Method formulas for FUND 1, INREV calculates the annual total return, capital growth and income return for 2011 for the local currency index:

$$TR = \frac{337,038,000 - 314,956,200 - 29,055,000 + 8,135,400 + 8,135,400}{314,956,200 + \left(29,055,000 * \frac{365 - 265}{365}\right) - \left(8,135,400 * \frac{365 - 147}{365}\right) - \left(8,135,400 * \frac{365 - 312}{365}\right)}$$

$$CG = \frac{337,038,000 - 314,956,200 - 29,055,000}{314,956,200 + \left(29,055,000 * \frac{365 - 265}{365}\right) - \left(8,135,400 * \frac{365 - 147}{365}\right) - \left(8,135,400 * \frac{365 - 312}{365}\right)}$$

$$IR = \frac{8,135,400 + 8,135,400}{314,956,200 + \left(29,055,000 * \frac{365 - 265}{365}\right) - \left(8,135,400 * \frac{365 - 147}{365}\right) - \left(8,135,400 * \frac{365 - 312}{365}\right)}$$

Performing the calculations in local currency gives the following results:

- TR = 2.93%
- CG = -2.20%
- IR = 5.13%

This methodology results in a local currency return where the numerator and denominators are weighted into Euro. This method allows INREV to combine funds with a different currency rate into one index where the currency fluctuations are filtered out of the results*.

**With this methodology currency fluctuations for multi-country funds investing into countries with different currencies are not filtered out of the returns if the fund did not hedge the currency exposure on a fund level.*

6. Indices in development

INREV is constantly working towards fulfilling the needs of the industry. Therefore, in the future the following additional indices will be released:

- INREV Internal Rate of Return Index
- INREV Opportunity Fund Index
- Global Funds Index in collaboration with ANREV and NCREIF. The consultation index was launched in 2013.
- Fund of Funds Index

7. THE INREV INDEX PUBLICATIONS

The INREV Annual Index is published in April each year. It contains the All Funds Index and also 22 sub-indices as described in Figure 1. The publication contains the full 12-year return history of the Index and explains calculation methodology, rules of inclusion, INREV Index Analysis Tool and also includes a list of contributors that agreed to have their names/fund names published. The data for the INREV Annual Index is collected until the end of March each year and INREV requests audited figures to be provided.

INREV publishes the INREV Quarterly Index eight weeks after each quarter end. This document also contains the All Funds Index and the 22 sub-indices shown on Figure 1. The publication contains the full return history of the Index and explains calculation methodology, rules of inclusion, INREV Index Analysis Tool and also includes a list of contributors that agreed to have their names/fund names published. Four weeks after the quarter end, INREV reminds fund managers to provide their quarterly data via the INREV Data Input Tool (see Appendix 3). Fund managers have three weeks to do this and INREV takes one week to check the figures and approve them for the Index. Additional time is given to provide the Q4 figures as these are included in the INREV Annual Index and INREV requests final audited numbers.

The following table provides the dates for the INREV Index:

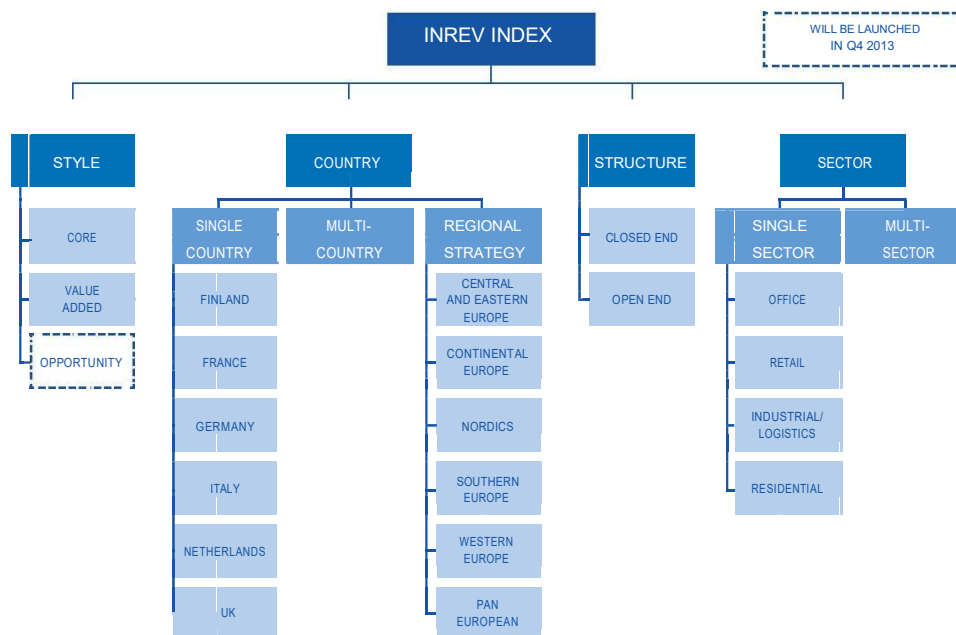
Table 21: Index publications

Index	Collection Period	Publication Date
INREV Quarterly Index Q4 2013	27 January 2014 – 12 February 2014	26 February 2014
Updated INREV Quarterly Index Q4 2013	27 January 2014 – 12 February 2014	23 April 2014
INREV Annual Index 2013	27 February 2014 – 27 March 2014	23 April 2014
INREV Quarterly Index Q1 2014	28 April 2014 – 14 May 2014	28 May 2014
INREV Quarterly Index Q2 2014	28 July 2014 – 13 August 2014	27 August 2014
INREV Quarterly Index Q3 2014	27 October 2014 – 12 November 2014	26 November 2014

Appendices

APPENDIX 1 – Indices produced by INREV

In total, INREV produces 22 indices.



1. Style

INREV Index comprises of core and value add funds. These styles are manager-defined.

2. Country and Regional STRATEGY

- These sub-indices are created based on the target strategy and not on the actual country strategy.
- The Continental European Funds Index comprises all funds except those single country funds investing in the UK.
- The Nordic, Central and Eastern European, Southern European and Western European fund indices include funds with a multi-country and single country strategy investing in a specific region.
- The Pan European Funds Index includes multi-country funds which do not have a specific Western European, Central and Eastern European, Southern European or Nordic strategy.
- The multi-country and multi-sector indices include those funds which have a strategy to invest in more than one country/sector.
- A single country fund is a fund that has an investment strategy concentrated in one country.

3. Sector-based subindices

The sector strategy is based on the target sector strategy not on actual sector allocations
Available Indices: Office Fund Index, Retail Funds Index, Industrial / Logistics Fund Index, Residential Fund Index

4. Vehicle structure based Indices

INREV differentiates between open end and close end vehicles.

APPENDIX 2

INREV Index Analysis Tool

The INREV Index Analysis Tool is available on the INREV website under Industry Data. The tool, which gives members the opportunity for further online data analysis, offers a flexible top-down performance measure for the property funds sector and helps investors and fund managers to compare performance of their funds with others with specific criteria.

The Tool allows users to specify the characteristics to create sub-indices including by structure, vintage, gearing, size and style. For example, one sub-index could be funds with a launch year between 2005 and 2007, a gearing level between 30% and 60% and a size of between H250 million and H500 million gross asset value (GAV). This can be done for both the INREV Quarterly and Annual Index.

Users receive detailed performance data that includes total returns, capital growth, income return, target and actual country/sector allocations, number of funds, total net asset value (NAV), annual distribution yield, average total gearing and multiple period returns. Results are available in local currency, euro, sterling, yen, US dollar and Australia dollar.

INREV members can download the results in a PDF or Excel format. The PDF file contains headline performance results while the Excel file also has detailed data on the composition of the sample such as actual allocations and composition by style and structure.

In line with the existing Index confidentiality rules, any peer group created must include at least three funds from at least three different fund managers.

COMPARE YOUR OWN FUNDS WITH YOUR CHOSEN PEER GROUP

Fund managers that submit data to the INREV Index are also able to compare their own fund performance with the tailor made indices created in the INREV Index Analysis Tool.

The comparison includes information on the fund itself and on the specified peer group. For the fund, this includes the total return, capital growth, income return, total NAV, total GAV, gearing and distribution yield. The same results are published in the peer group including the number of funds and the quartile results of total return.

This sheet also includes a graph with the performance of the fund and the peer group performance, as well as the number of funds in the peer group.

The comparison document can also be printed or exported to PDF and Excel.

To access the online INREV Index Analysis Tool, login to the INREV website (www.inrev.org) and go to Industry Data > Index > INREV Index Analysis Tool.

APPENDIX 3

INREV DATA INPUT TOOL

INREV Data Input Tool is the online platform that INREV uses for data collection since December 2012. INREV collects fund level data that is classified in two categories: static/general data and quarterly data. Static data is collected when a new fund is added to the system. This information does not need to be updated each quarter. The quarterly data section is information that needs to be contributed on a regular basis.

Please, see below a list of the data points that INREV requests from the funds that would like to participate in the INREV Index.

1. Static/General data.

This section outlines the data fields under the static/general category of the system.

General vehicle information

- a. Vehicle name
- b. Manager company
- c. Manager company address and contact details
- d. Investor relations name and contact details
- e. Vehicle manager name and contact details

Reporting information

- a. Vehicle domicile
- b. Legal vehicle structure
- c. Reporting currency
- d. Accounting standard
- e. Financial reporting frequency
- f. Frequency of external property valuations
- g. Valuation approach applied to properties
- h. INREV NAV reporting to investors?
- i. NAV calculation method

Governance information

- a. Name of vehicle auditor
- b. Is there a non-executive body?
- c. Number of independents

Vehicle strategy

- a. Vehicle type
- b. Manager defined style
- c. Closed end / open end structure
- d. Finite / infinite structure
- e. Target Internal Rate of Return (IRR)
- f. Basis for IRR calculation
- g. Performance benchmark
- h. Target distribution yield

- i. Target gearing level
- j. Target investors
- k. Target number of investors
- l. Target proportion of institutional holdings
- m. Target regional strategy
- n. Multi county / single country strategy
- o. Multi sector / single sector strategy
- p. Year of first closing
- q. Fixed extension period in place
- r. Manager's active role in secondary trading
- s. Target equity
- t. Target gross asset value (GAV)
- u. Maximum loan to value (LTV) ratio
- v. Target return derived from income
- w. Target percentage from non-income producing investments
- x. Target percentage from (re)development exposure

2. Quarterly Data

This section outlines all the data fields under the quarterly data category of the system.

Quarterly results - only the most recent quarterly data is shown in the Vehicle Universe.

- a. Gross asset value (GAV)
- b. Net asset value (NAV)
- c. Gearing as a % of GAV
- d. Are figures audited by an external auditor?
- e. Are figures based on external valuations?
- f. Number of institutional investors
- g. Number of properties in portfolio
- h. Total equity committed
- i. Total equity invested

Industry and sector allocations (only the most recent quarter is shown in the Vehicle Universe) a. Allocations by country and sector

Capital calls - this data is not made publicly available but is used in an aggregated form for the INREV Index

- a. Have you registered any capital calls this quarter?
- b. Date and value of any capital calls in this quarter

Redemptions - this data is not made publicly available but is used in an aggregated form for the INREV Index

- a. Have you registered any redemptions this quarter?
- b. Date and value of any redemptions in this quarter

Distributions - this data is not made publicly available but is used in an aggregated form for the INREV Index

- a. Have you registered any distributions this year?
- b. Date and value of any distributions this quarter?

Capital raising information - this data is not made publicly available but is used in an aggregated form for capital raising analysis

- a. Was the vehicle raising capital / open to investments in the quarter?
- b. In which closing period was this vehicle during the quarter?
- c. Did this vehicle raise new capital this quarter? (if question a is answered Yes)
- d. Total equity raised during the quarter (if question c is answered Yes)
- e. Investor type and country of origin

Secondary trading information - this data is not made publicly available but is used in an aggregated form for secondary trading analysis

- a. Have any units or shares been traded on the secondary market this quarter?
- b. What % of equity in the fund has been transferred on the secondary market during the quarter?
(if question a is answered Yes)
- c. Who facilitated the secondary market transactions?

Appendix 4

Definitions

Accounting standards	Indicates the accounting standard used to fill in the data for the underlying vehicle. <i>Example</i> <i>e.g., Luxembourg GAAP, IFRS, US GAAP</i>
Capital call	Capital call is any capital paid from investors(s) into the Vehicle.
Currency of reporting	The currency in which all monetary data reported is denominated.
Distribution	dividends (profit distribution) paid from the vehicle to its shareholder(s). All the distributions net of accrued performance fee.
Distribution yield	distribution yield is the amount of income (or shareholder loan interest payments) the vehicle distributes to investors on a rolling 12 month basis as a percentage of the end-of-year/quarter NAV over the same period.
Equity capital raised	Equity capital raised refers to the total committed capital a vehicle manager can draw down from all investors with a specified notice as outlined in the constituent vehicle documents.
External audit	A periodic examination of the books of account and records of an entity carried out by an independent third party (the auditor), to ensure that they have been properly maintained, are accurate and comply with established concepts, principles, accounting standards, legal requirements and give a true and fair view of the financial state of the entity.
External valuation	External valuation is the valuation of an asset by a valuer who together with any associates has no material links with their client and meets the specific requirements of independence that are applied by regulation or by law with some clients and in certain states.
Financial reporting frequency	Frequency at which this vehicle publishes its financial results.
Finite/Infinite Structure	<i>Finite vehicle</i> Finite vehicle is a vehicle with predefined termination date. <i>Infinite vehicle</i> Infinite vehicle is vehicle without a predefined termination date.
Fixed extension period set	Agreed on in the vehicle documentation.
Gearing as a % of GAV	Third party debt used within a vehicle.

Gross asset value	Gross asset value (GAV). The Gross asset value of a vehicle is the gross property value plus the value of any further assets at market value as per the chosen valuation principles.
Independents	Non-executive officers may be truly independent officers, in cases where they are wholly independent of the investors whom they represent, or may be investor representatives, in cases where they are appointed by specific investors to fulfil the non-executive officer role.
INREV NAV	For the guidelines on INREV NAV reference is made to par.2.3.2 and 3.7.2 of the INREV Guidelines.
Institutional investors	Institutional Investors are financial institutions such as a mutual fund, insurance company, pension fund or high net worth individuals that purchases securities in large quantities. Also high net worth individuals are included under institutional investors.
Internal valuation/ External valuation	<p>Internal valuation is a valuation carried out by a valuer who is in the employ of either the entity that owns the assets or the accounting firm responsible for preparing the entity's financial records and / or reports. An Internal Valuer is generally capable of meeting all the requirements of independence and professional objectivity required under the IVSC Code of Conduct, but for reasons of public presentation and regulation may not always be acceptable to fill the role of an external independent valuer.</p> <p>External valuation is the valuation of an asset by a valuer who together with any associates has no material links with their client and meets the specific requirements of independence that are applied by regulation or by law with some clients and in certain states.</p>
IRR	<p>IRR is the annual rate of return based on the present value of a capital investment over a holding period expressed as a percentage of the investment.</p> <p><i>Gross IRR</i> Gross IRR is the absolute IRR of the property portfolio before any vehicle level fees and taxes are deducted.</p> <p><i>Net IRR</i> Net IRR is the absolute leveraged IRR of the property portfolio after all vehicle level fees and taxes are deducted.</p>
Legal vehicle structure	<p>The legal structure used by this vehicle.</p> <p><i>Example</i> e.g., CIF, SICAR, FCP, SICAV, SCA</p>
Length of extension period	<p>Number of years by which the vehicle managers can extend the life of the vehicle according to vehicle documentation.</p> <p><i>Example</i> e.g., 1year + 1year = 2 years; 1 year + 1 year+ 1year = 3years</p>

Loan to value	loan to value is the consolidated total external leverage at the vehicle level as a percentage of the gross asset value of the vehicle.
Manager defined style	Vehicle manager self-declared style.
Multi Country / Single Country	<i>Multi country</i> Multi country vehicle strategy is to invest in more than one country. <i>Single country</i> Single country vehicle strategy is to invest in only one country.
Multi Sector / Single Sector	<i>Multi sector</i> Multi sector vehicles' strategy is to invest in 2 or more sectors. <i>Single sector</i> Single sector vehicles' strategy is to invest in only one sector.
Name of vehicle auditor	Name of company that audited the figures that are presented in this database.
NAV calculation method	Calculation method used to calculate vehicle's NAV. INREV supports the use of the INREV NAV in the INREV database and INREV Index.
Net Asset Value of the Vehicle (NAV)	Net asset value (NAV). The Net asset value of a vehicle is its GAV less all liabilities as per the chosen valuation principles.
Non-Executive Body	e.g., advisory, supervisory or investment board or committee.
Performance benchmark	The benchmark used to benchmark the performance of this vehicle. The benchmark can be either an absolute or relative benchmark. <i>Example</i> <i>e.g., INREV Index, IPD index, absolute benchmark</i>
Planned termination year	The year when this vehicles is planned to terminate. Excluding any extension periods.
Provision to extend termination date	Provision to extend vehicles termination date beyond planned termination date.
Redemption	Redemption is the return of an investor's equity holdings.
Retail Investors	Retail investors are individual investors who buy and sell securities for their personal account, and not for another company or organization.
Secondary trade	A secondary trade is where an existing investor transfers units or shares in an open or closed ended vehicle to another investor (either an investor already in the vehicle or a new investor) at an agreed price and on specified terms, without there occurring a new issue or redemption.
Secondary trading support	A manager that actively facilitates secondary trading provides existing and potential investors with tools/platforms to trade units/shares.

Target equity	Target equity to be raised from investors.
Target number of investors	Target number of institutional investors that this vehicle plans to attract capital from.
Target percentage (re)development exposure	The percentage of overall vehicle target Gross Asset Value (GAV) at any point in the life of the vehicle. Development exposure includes any development or redevelopment activities but excludes refurbishment.
Target proportion of institutional holdings	Percentage of shares held by institutional investors.
Target region	Target region within a continent where this vehicle plans to invest in.
Target regional strategy	Principal continental region where this vehicle invests in.
Target return derived from income	Percentage of target return derived from rental income that a vehicle is able to payout on an annual basis. This criteria is only applicable for a core vehicle.
Target percentage of non-income producing investments	The target percentage of investments in non-income producing investments with the aim to generate future income after (re)development, refurbishment or re-letting activities.
Target sector	Primary target sector where this vehicle plans to invest in.
Total Equity Committed	A commitment to a vehicle is the total agreed capital a vehicle manager can drawdown from an investor, during the commitment period, with a specified notice as out-lined in the constituent vehicle documentation.
Valuation approach	Valuation approach used to value properties in this vehicle at reporting dates.
Vehicle domicile	Country where this vehicle is constituted.
Vehicle Structure	<ul style="list-style-type: none"> • Closed end vehicle A vehicle is closed end where: a formal limit is placed upon the maximum amount of capital which may be accepted into the vehicle without existing investors' consent; it has a finite life; there is limited liquidity, but investors wishing to purchase a stake in the vehicle may buy units from existing investors (once the vehicle is closed); and redemption of units at the investors' choice can otherwise only occur at end of the life of the vehicle, and / or at interim periods of over 12 months notice. • Open end vehicle A vehicle is open end where: no formal limit is placed upon the maximum amount of capital which may be invested into the vehicle ; trading takes place either through the vehicle on an issue / redemption basis or through a matched bargain basis; and the issue / redemption of units is subject to, inter alia, conditions as to price, notice period, number of units and payment period.

Vehicle Type

- Non-listed property fund

A non-listed property fund is a structure where the capital of at least three investors is pooled to undertake a pre-defined strategy of investing into real estate assets.

- Joint venture

Single asset joint venture: This arrangement sees an investor team up with a fund manager to make an investment, usually into a single asset or a limited number of pre-defined properties. OR

- Joint venture investment programme

This approach is an agreement for one investor to work with a fund manager to buy a series of assets, likely within a narrowly defined strategy such as a single country or even single sector within a single country. OR

- Joint venture fund:

The term joint venture is also used for a non-listed property fund with a small number of investors, so is a variation of a joint venture investment programme but with more than one investor.

- Club deal

A non-listed real estate fund where a number of investors commit capital to a fund which, managed externally by a fund manager, executes a pre-defined real estate investment strategy.

- Separate mandate/multi manager

Separate mandate or multi manager involves a fund manager managing a capital commitment from one investor which is allowed to a series of funds within a defined strategy.

Example: e.g., non-listed property fund, joint venture, club deal, separate mandate/multi-manager

Year of first closing

The first closing is a year specified by a vehicle manager whereby the vehicle is launched, the initial subscription is completed and the commitment period will commence.

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INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. Our aim is to improve the accessibility of non-listed real estate funds for institutional investors by promoting greater transparency, accessibility, professionalism and standards of best practice.

As a pan European body, INREV represents an excellent platform for the sharing and dissemination of knowledge on the non-listed real estate funds market.

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