

## ANREV / INREV Funds of Funds Study **2020**

Research

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 vehicles 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 industry.

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# Contents

|                   |   |
|-------------------|---|
| Executive summary | 4 |
|-------------------|---|

## Sections

|                                |    |
|--------------------------------|----|
| 1. Introduction                | 6  |
| 2. Funds of funds landscape    | 8  |
| 3. The funds of funds universe | 12 |
| 4. Funds of funds performance  | 22 |

## Appendices

|                       |    |
|-----------------------|----|
| 1. Summary statistics | 30 |
| 2. Definitions        | 32 |
| 3. Participants       | 34 |



# Executive summary

- > Funds of funds assets under management rose to a minimum of €33.6 billion globally
- > As a group funds of funds delivered positive net average returns of 5.6% in 2019
- > Funds of funds with a global strategy further enhanced their market dominance

## Fewer investors favour a regional strategy

Funds of funds remain an important vehicle within the non-listed real estate universe although the share of investors that invest in funds of funds with a regional strategy continued to decrease<sup>1</sup>. Nonetheless, of those investors that have exposure to funds of funds, 9.5% plan to increase their allocations in Europe over the coming two years compared to 5.7% in last year's edition.

## Capital raised falls back, record high AUM

Funds of funds continued attracting capital. In 2019, €2.7 billion of new equity was raised for investment into funds of funds globally which is lower compared to the €7.9 billion and €8.1 billion raised as reported in the 2018 and 2019 surveys<sup>2</sup>. On the other hand this year's new capital is in line with the equity raised between 2014 – 2017.

Including the new capital raised, AUM of funds of funds globally amounted to a record high level of at least €33.6 billion at the end of 2019<sup>3</sup>.

## Core style funds dominate the universe in size

The [Funds of Funds Vehicles Universe](#) covers 51 vehicles representing €18.0 billion of NAV. In terms of investment style, funds of funds with a value added profile lead the universe in numbers with 23 vehicles, while there are 18 core and 10 opportunity style funds of funds.

However, by size core style funds of funds dominate the universe with an 87.5% share of the total NAV for funds of funds globally. Subsequently it follows that on average core funds of funds are larger in size than their value added or opportunity peers.

## Increased appetite for global strategies

Funds of funds with a global strategy comprise the largest share of vehicles in the universe, by both number of vehicles and size. Global strategy vehicles make up 49.0% of the 51 vehicles in the universe and represent 89.2% of total NAV.

Vehicles with a European strategy (11 out of 51) follow next while those targeting Asia Pacific represent 8 of the 51 vehicles in the universe. Included in the universe is 1 funds of funds targeting investments in North America.

## Diverging performances across the board

In 2019, funds of funds achieved an average NAV weighted net total return of 5.6% compared to 6.6% over 2018.

Whether broken down by style, structure or size, funds of funds delivered average positive returns to their investors. However, core vehicles underperformed non-core while open end vehicles underperformed their closed end peers.

Across vintages, funds of funds with their first closing between 2008-2018 on average outperformed their peers from 2001-2007 for the eighth time over a period of 10 years.

Furthermore, funds of funds with global strategies delivered an average return of 6.8%, slightly higher compared to the 6.7% over 2018. By contrast the performance of funds of funds targeting Europe or Asia Pacific deteriorated delivering average net returns of -0.4% and -2.2% respectively.

'Average returns of funds of funds slowed down to 5.6% over 2019, compared to 6.6% over 2018'

<sup>1</sup> [ANREV / INREV / PREA Investment Intentions Survey 2020](#)

<sup>2</sup> [ANREV / INREV / NCREIF Capital Raising Survey 2020](#)

<sup>3</sup> [ANREV / INREV / NCREIF Fund Manager Survey 2020](#)



# Introduction

The ANREV / INREV Funds of Funds Study provides an overview of the funds of funds industry globally, including insights by target region, by style and structure and other associated characteristics. It also provides analysis of the performance of funds of funds.

The study was launched in 2012 and since 2015 it has an international scope being conducted in conjunction with ANREV in Asia Pacific.

This year's study includes 51 funds of funds managed by 23 managers from the funds of funds universe. Collectively these vehicles represent a total Net Asset Value (NAV) of €18.0 billion.

Performance data for 2019 was provided for by 29 funds of funds managed by 10 managers. With NAV of €8.8 billion, this sample represents 43.6% of the total NAV of the funds of funds in the Universe.

The performance analysis is based on an unfrozen sample, therefore historical data may change with future updates.

Aggregate performance results are presented only when there is a minimum of three funds of funds managed by three different managers. All returns are calculated by INREV. Performance figures are stated in local currency.

The results of this study are based on data provided directly to ANREV and INREV from managers. ANREV and INREV do not use publicly available information, and both members and non-members can provide data for the study.

ANREV and INREV would like to thank all participants for contributing to the Funds of Funds Study 2020.

## Use

The results of the Funds of Funds Study may be used for research and information purposes only.

They may not be used for the following:

- To determine the value of a fund
- To determine the value of a financial instrument
- To determine the amount payable under a financial instrument
- To determine the amount payable under a financial contract
- To calculate performance fees
- To define the allocation of a portfolio

It is important to note that the sample size and its composition varies year by year. As such, historical comparison should be treated with caution.



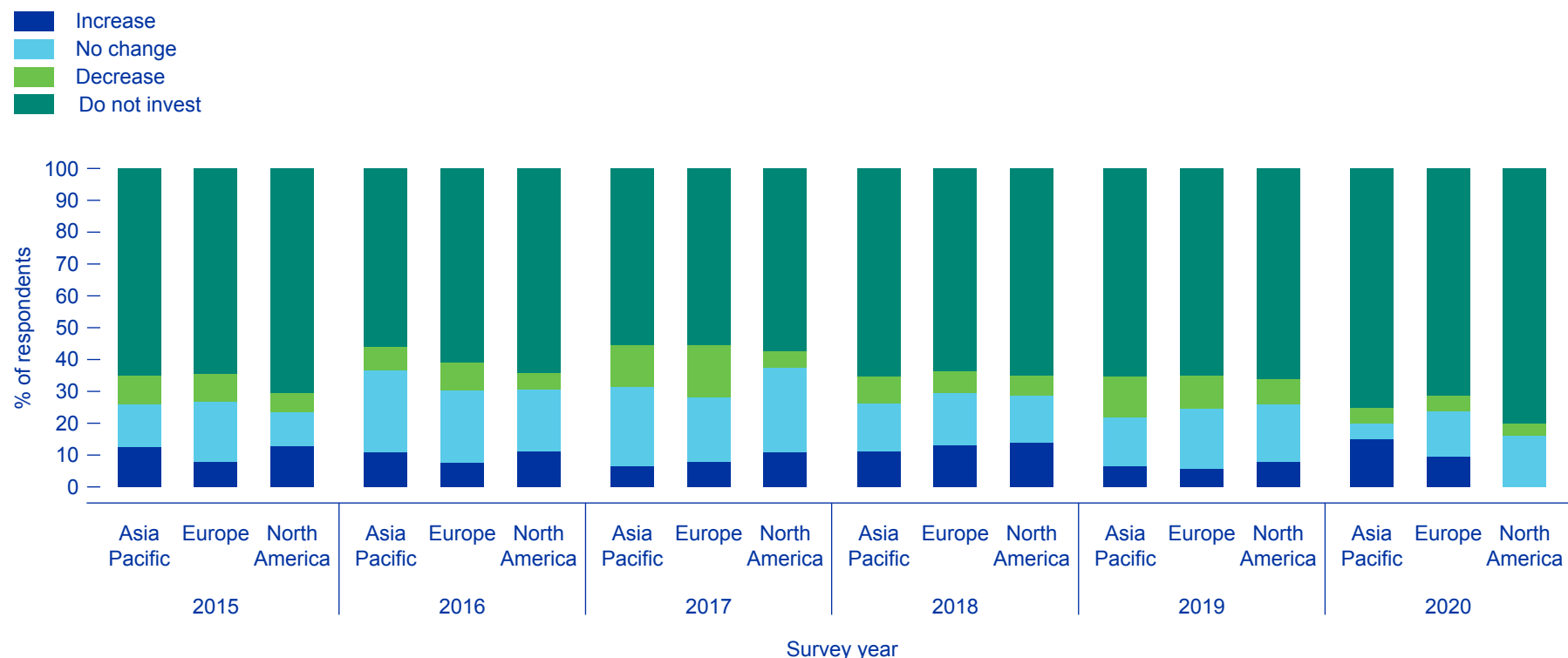
# Allocations to funds of funds

Non-listed real estate funds of funds have their own role to fulfill in the non-listed real estate spectrum. Fund of funds managers employ a diverse investment approach, not only investing into funds but also into joint ventures, club deals and separate accounts. As such, these, in other words, funds of vehicles, offer investors significant sector and regional diversification options. Therefore funds of funds have become excellent conduits for diversified non-listed estate investment strategies.

Considering its features, funds of funds may particularly appeal to smaller and medium-sized investors. Nonetheless, among the respondents of the [ANREV / INREV / PREA Investment Intentions Survey 2020](#) that plan to invest in Europe in the coming two years, the share of investors that do not invest in funds of funds has increased for the fourth consecutive year from 55.3% in 2017 to 71.4% in 2020. This trend is in line with the other regions where less investors seem to have exposure to funds of funds.

On the other hand, the share of investors targeting Europe and expecting to increase their current allocation in funds of funds over the next two years amounted to 9.5% compared to 5.7% in 2019. The percentage of investors expecting to decrease their allocation to funds of funds declined from 10.4% in the 2019 survey to 4.8% this year, the lowest level since the start of the time series in 2015, while 14.3% expect to maintain their current allocation to funds of funds targeting Europe.

**Figure 1: Expected changes in investors' real estate funds of funds allocations**



Source: ANREV / INREV / PREA Investment Intentions Survey 2020



# Capital raised for funds of funds

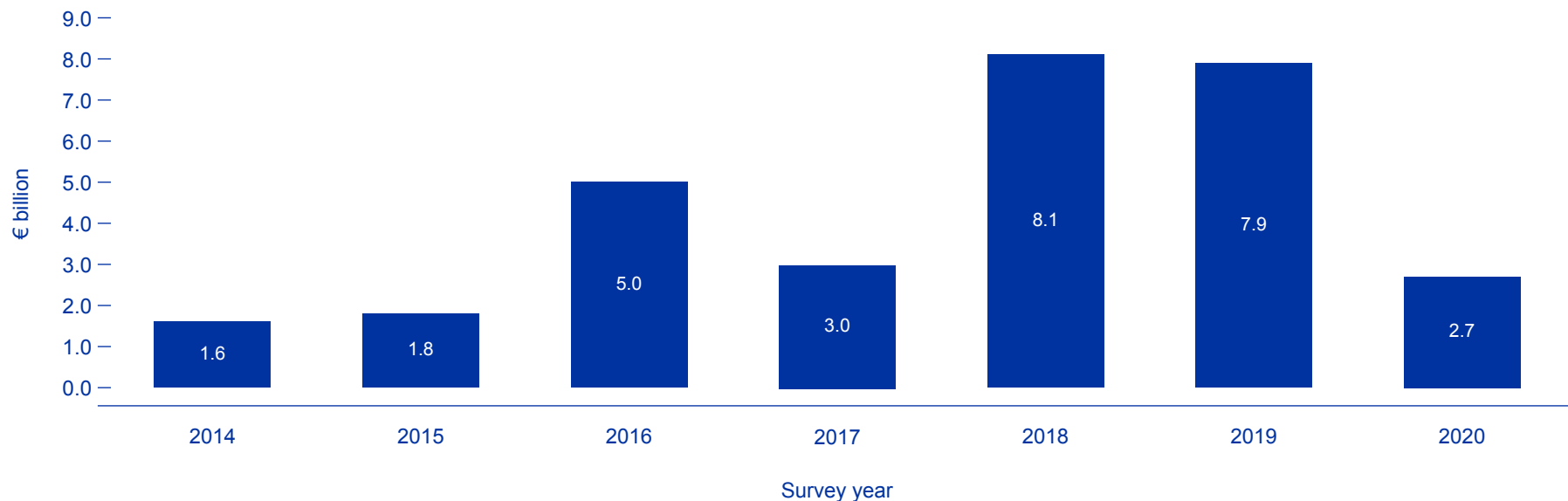
In 2019 funds of funds continued to attract capital from institutional investors although it was the least popular type of vehicle for accessing the real estate market, based on total capital raised. According to the [ANREV / INREV / NCRIF Capital Raising Survey 2020](#), the industry raised a record high total of €196.4 billion of fresh equity for non-listed real estate in 2019. From this amount €2.7 billion, or 1.4% of the total, was destined to funds of funds.

Compared to the 2018 and 2019 surveys the €2.7 billion capital raised is a notable decline to levels seen during 2014 – 2017.

Similarly to previous years, global fund of funds accounted for the largest share of the capital raised. Of the total €2.7 billion, global strategy funds raised €1.8 billion of new equity, while European fund of funds received an inflow of €0.8 billion. Funds of funds targeting North America raised the remaining €0.1 billion as those targeting Asia Pacific barely raised any capital.

**‘Global funds of funds attracted €1.8 billion of new equity in 2019’**

**Figure 2: Capital raised for real estate funds of funds globally**



# Funds of funds assets under management

Despite a decline in the reported capital raised, funds of funds globally further increased their total value of assets under management. According to the [ANREV / INREV / NCREIF Fund Manager Survey 2020](#) 108 funds of funds represented a record high level of €33.6 billion AUM at the end of 2019.

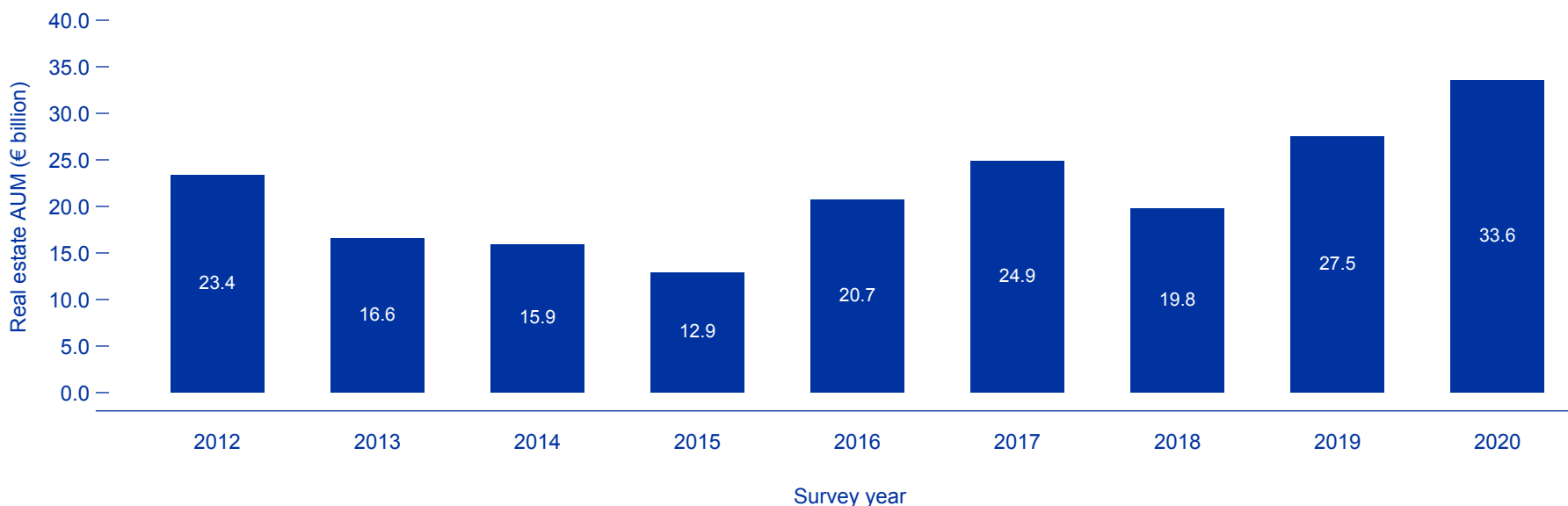
In number of vehicles those with European strategies dominate the landscape (45 or 41.7% of the total) followed by global strategies (36 or 33.3%). The remaining funds of funds target Asia Pacific (16 or 14.8%) or North America (10 or 9.3%).

However, based on AUM global strategies represent the largest share (€15.8 billion or 47.2%) followed by European strategies (€9.9 or 29.6%), North American strategies (€4.5 billion or 13.4%) and Asia Pacific strategies (€3.2 billion or 9.6%).

On average, vehicles with North American strategies are largest in size (€446.9 million) followed by global strategies (€438.0 million). Vehicles targeting Europe (€219.7 million) and Asia Pacific (€201.0 million) are, on average, smaller.

**'Funds of funds AUM reached a record €33.6 billion globally at the end of 2019'**

**Figure 3: Funds of funds assets under management**





# Funds of funds by style

The analysis in this section is based on the [Funds of Funds Vehicles Universe](#), which comprises 51 funds of funds and collectively represent €18.0 billion of NAV. Of those 51 funds of funds 10 indicated that they prefer not to be listed on the universe which, consequently, displays details for 41 funds of funds.

In terms of investment style, value added funds of funds outnumber core and opportunity funds of funds in the universe. Of the 51 funds of funds 23 are value added in style, while the remaining 28 are split between 18 core and 10 opportunity style funds of funds.

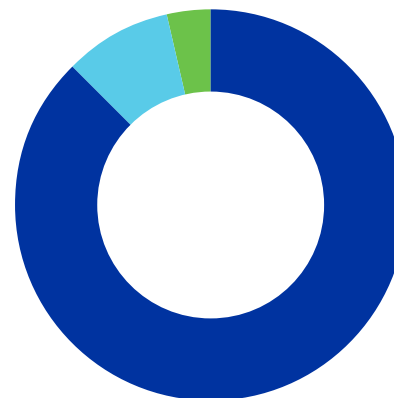
By size the picture is different. Core vehicles represent the largest share of total NAV (87.5%), while opportunity funds of funds account for the lowest portion, representing just 3.4%. Value added funds of funds make up the remaining 9.1%.

From this it follows that core funds of funds are, on average, larger in size compared with their value added or opportunity peers.

**Figure 4: Funds of funds by style**



By number of funds of funds



By NAV (€ billion)

# Funds of funds by style and structure

Of the 51 funds of funds included in the universe, 31 (or 60.8%) have a closed end structure and the remaining 20 (or 39.2%) have an open end structure.

By NAV the €18.0 billion is divided as follows: €16.2 billion (or 90.1%) is allocated to open end structures and the outstanding €1.8 billion (or 9.9%) to closed end vehicles.

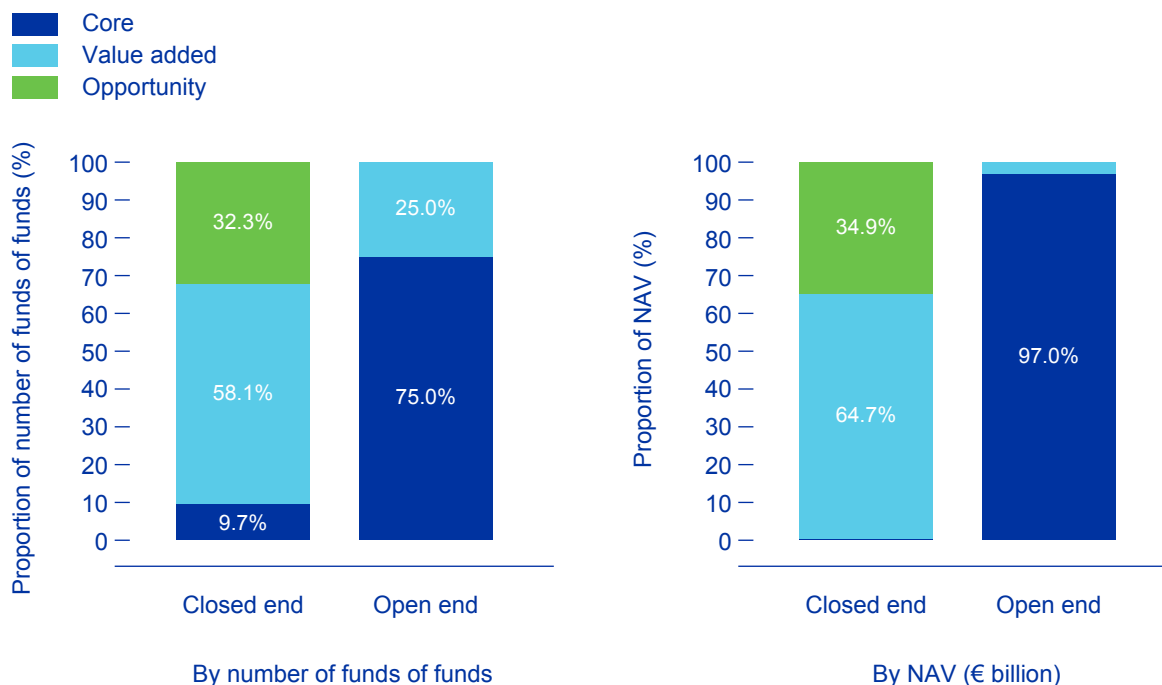
For open end structures core strategy funds of funds are the most popular investment style in both numbers and size, representing 75% of the 20 open end vehicles and 97.0% of total NAV.

The remaining 5 open vehicles are value added in style which are smaller on average than their core peers. The [Funds of Funds Vehicles Universe](#) does not include opportunity funds with an open end structure.

By contrast, closed end vehicles represent a broader mix of styles but are largely dominated by value added and opportunity strategies. Of the 31 closed end vehicles 18 follow value added and 10 opportunity strategies while 3 are core in style.

By size, closed end vehicles are dominated by value added strategies representing 64.7% of the NAV while opportunity vehicles account for 34.9%.

**Figure 5: Funds of funds by style and structure**



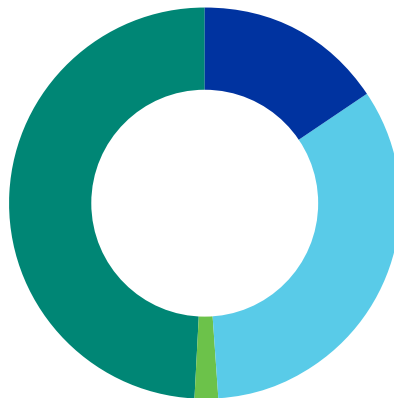
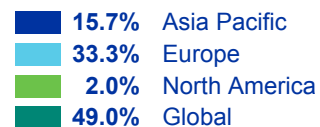
# Funds of funds by target region

When considering their targeted region, funds of funds with a global strategy make up the largest share of the universe, representing 49.0% of the 51 vehicles in total. Those with a European investment strategy represent 33.3% of the universe (17 out of 51) while funds of funds targeting Asia Pacific account for 15.7% (8 out of 51). The universe includes 1 fund of funds targeting the North American region.

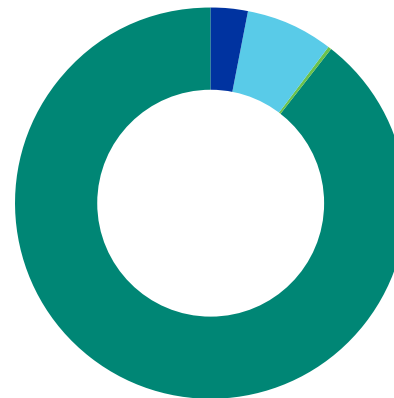
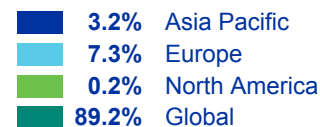
In terms of size, vehicles with a global strategy dominate the universe representing 89.2% of total NAV. European funds of funds are distant second accounting for 7.3% of the total NAV while those targeting Asia Pacific represents 3.2% of total NAV. The single fund of funds that targets North American represents 0.2% of the total NAV.

This comparison highlights that the average size of global strategy vehicles in the [Funds of Funds Vehicles Universe](#) is larger than the average size of vehicles with a single region strategy.

**Figure 6: Funds of funds by target region**



By number of funds of funds



By NAV (€ billion)

# Funds of funds by target region and style

Combining target regional strategies with style, an interesting picture emerges.

Funds of funds that target Asia Pacific overall seem to follow a riskier strategy with the lion share (87.5%, or 7 out of 8) labelled as value add style and the remaining single vehicle as opportunity style.

European funds of funds also tilt towards value added strategies (10 out of 17 or

58.8%) although the remaining vehicles (7 out of 17 or 41.2%) are labelled as core investment style.

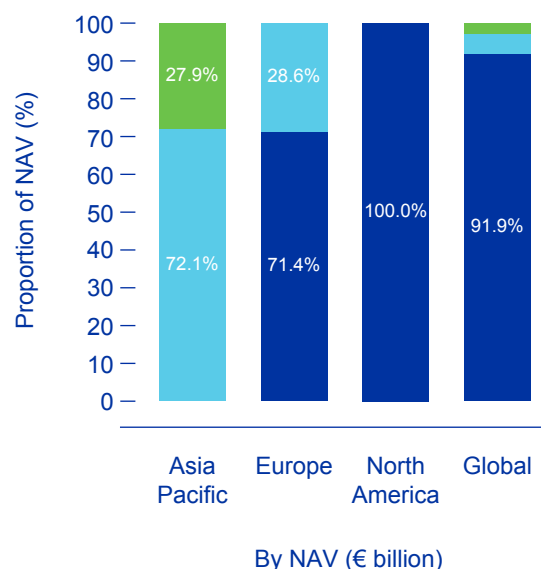
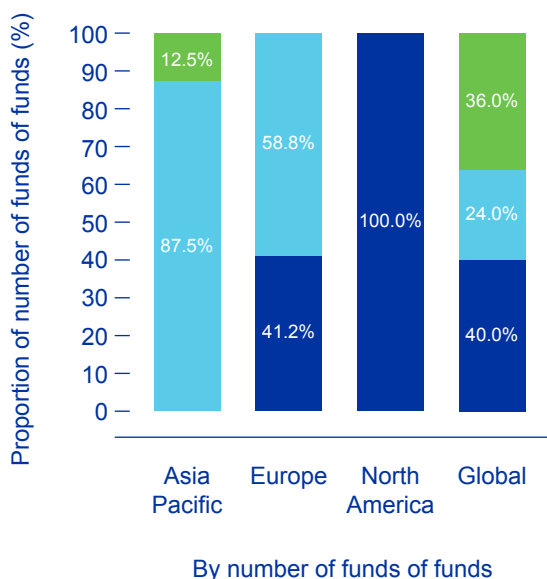
On the other hand, global strategy funds of funds show the most diversified distribution among investment styles with core vehicles representing 40%, or 10 out of 25 followed by opportunity (36%, 9 out of 25) and value added (24.0%, 6 out of 25).

By size, funds of funds targeting Europe and North America are dominated by core style whereas for Asia Pacific value added style vehicles dominate the overall NAV.

The share of core strategies for global strategy funds of funds reaches as high as 91.9%, while for European fund of funds it is 71.4% of NAV.

**Figure 7: Funds of funds by target region and style**

■ Core  
■ Value added  
■ Opportunity



# Target IRRs

The chart below shows the average IRR only for those funds of funds with a closed end structure. In general core funds of funds have the lowest target net internal rates of returns (IRR) on average, compared with other investment styles.

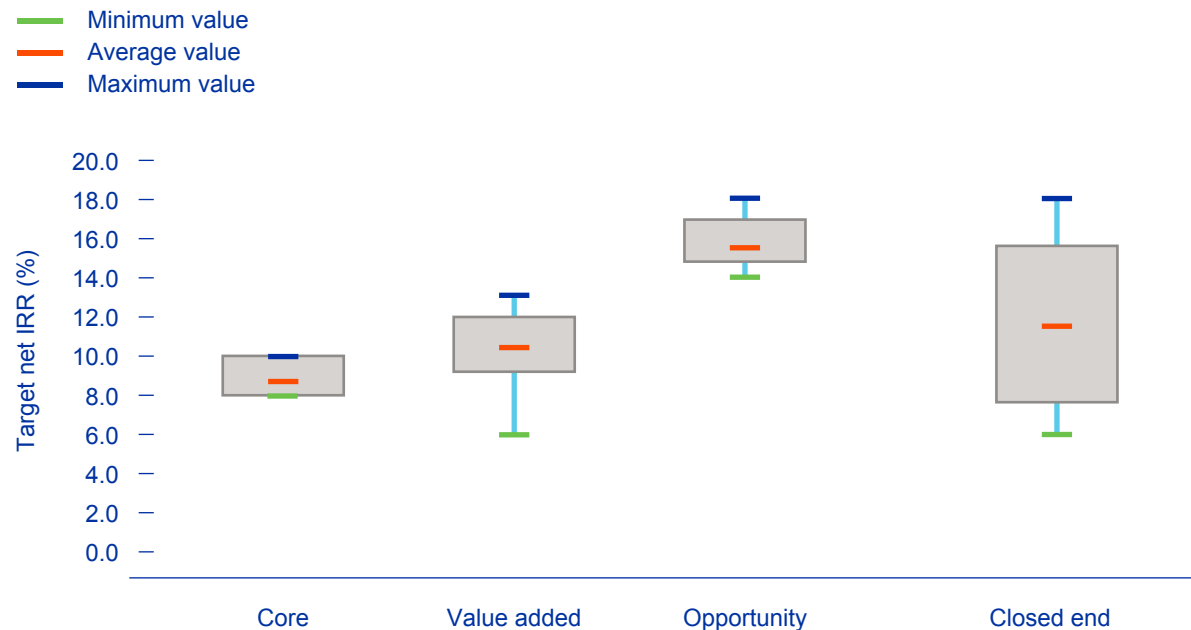
Core vehicles, on average, are targeting an IRR of 8.7% which is lower than the 10.4% for value added and 15.4% for opportunistic.

The spread between the lowest and highest target IRRs also varies depending on vehicle style. Core funds of funds show the narrowest range between the highest and lowest IRRs (2.0%) while value added and opportunity styles have a wider range of 7.0% and 4.0% respectively.

For all 27 closed end funds the equally weighted average target IRR was 11.5%.

'Value added show the largest spread between target IRRs among all styles'

**Figure 8: Target net IRR**



Note: the sample is comprised of 27 closed end vehicles.  
The box represents the interquartile range.



# Target blended gearing

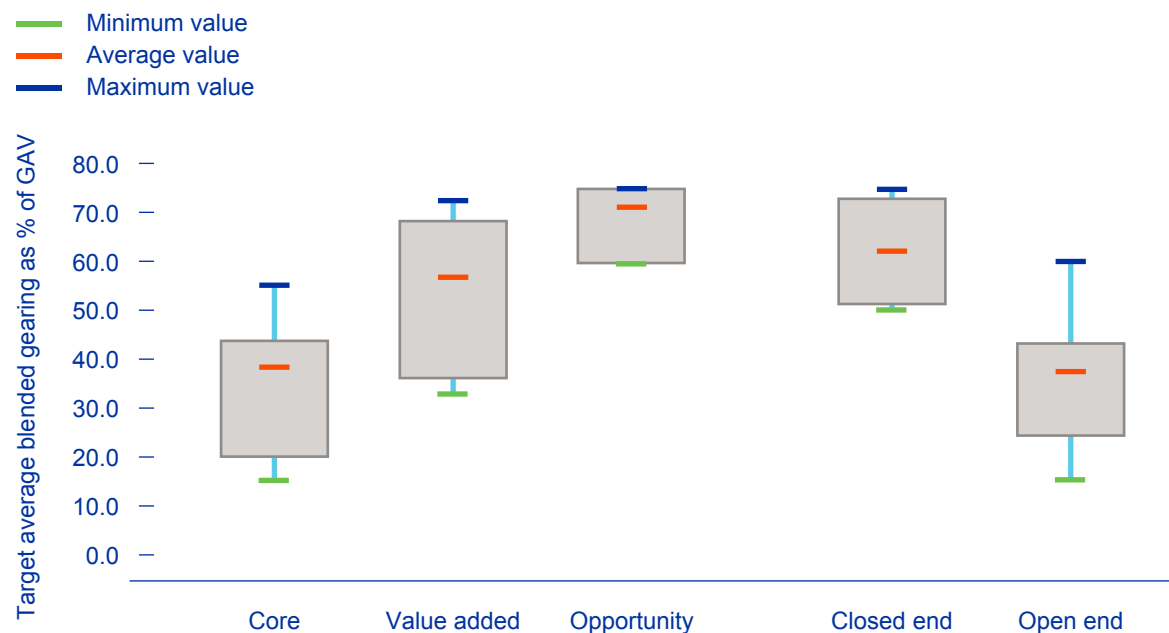
This section provides insights into the target average blended gearing levels for funds of funds. As a group, funds of funds aim for blended gearing levels from 15.0% to 75.0% of GAV with the average being 53.1%.

Opportunity vehicles have the highest average blended gearing target of 71.3% of GAV and at the same time the smallest interquartile range (15.0%), which is the difference between the upper and lower quartile.

Core funds of funds exhibit the lowest level of blended gearing, with an average of 38.3%, but the second largest interquartile range (23.6%) between a lower quartile value of 20.0% and upper quartile value of 43.6%. Value added funds of funds show the largest interquartile range with a difference between the upper and lower quartile of 32.4%.

Structure wise, open end funds of funds have a lower target for the blended gearing than closed end vehicles. The average blended gearing for open end vehicles is 37.1% of GAV, with a minimum of 15.0% and a maximum of 60.0%. Closed end vehicles have an average target of 61.9% of GAV with a minimum of 50.0% and maximum of 75.0% target blended gearing.

**Figure 9: Target average blended gearing**



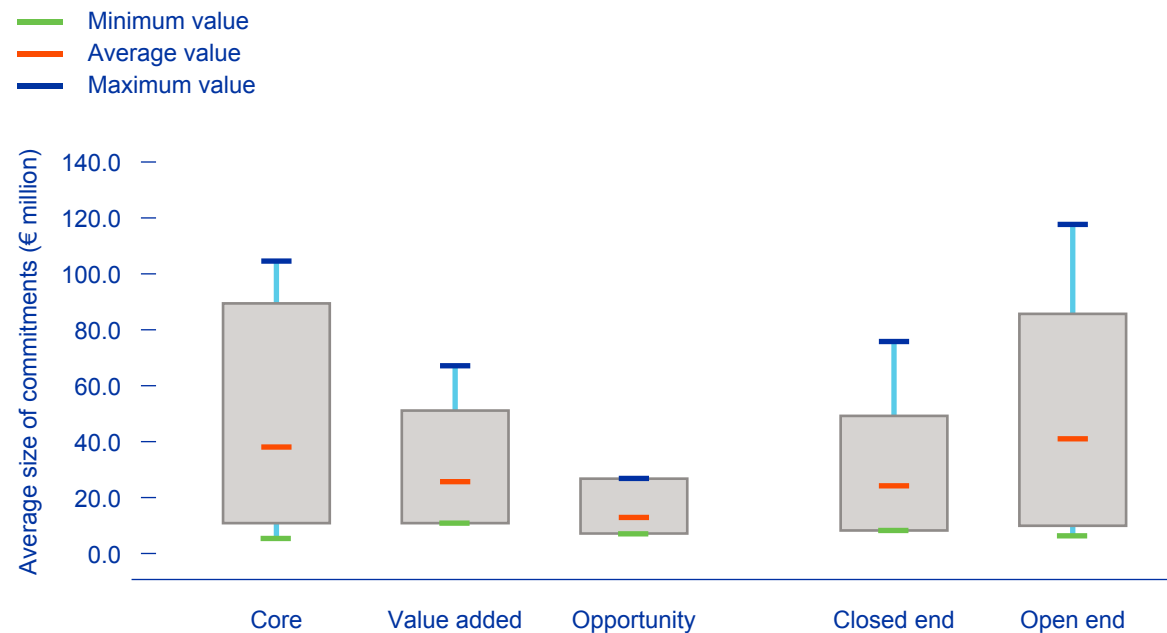
Note: the sample is comprised of 31 vehicles.  
The box represents the interquartile range.

# Average size of commitments

The average size of capital commitments for core funds of funds exceeds that of value added and opportunity vehicles. Core funds of funds, on average, attract €38.3 million of commitments, while the average size of commitments for value added and opportunity funds of funds is €25.6 million and €12.5 million, respectively.

Average commitments received by open end funds of funds are, normally, larger than their closed end peers. On average open end vehicles call in €36.3 million of equity, while closed end funds of funds call in €21.6 million.

**Figure 10: Average size of commitments**



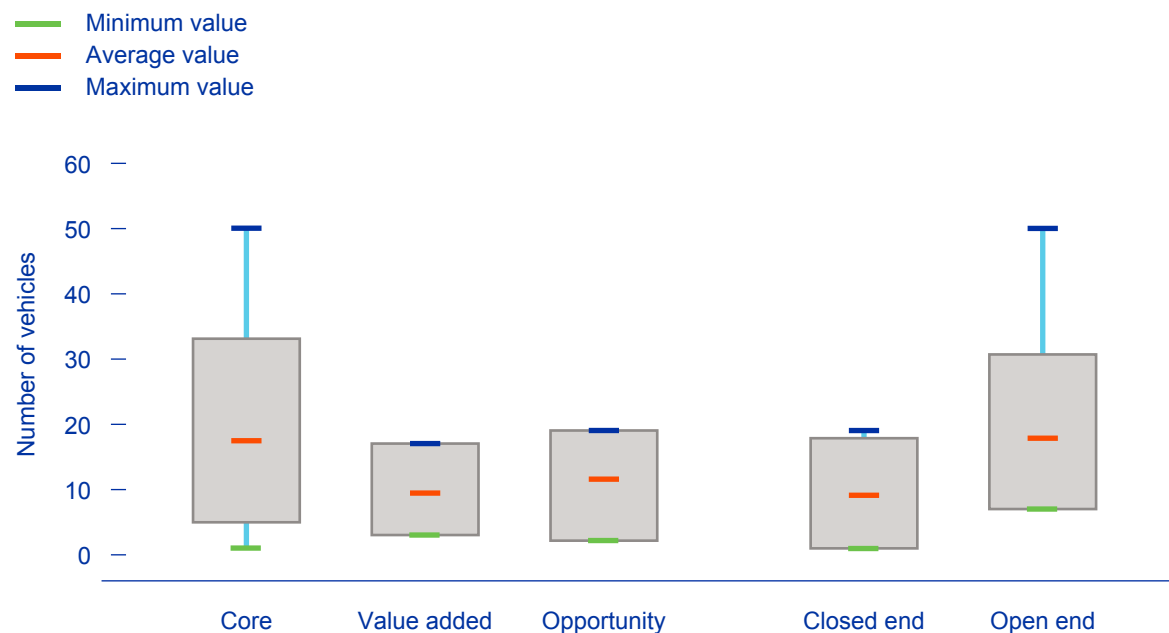
Note: the sample is comprised of 22 vehicles.  
The box represents the interquartile range.

# Number of vehicles invested in

As a group, funds of funds invest into 14 different vehicles on average. However, there are clear differences when analysed by style. The average number of vehicles invested in for core style funds of funds is 18 compared with 9 for value added and 12 for opportunity style funds of funds.

The range between closed end and open end funds of funds is even wider. Closed end vehicles tend to allocate capital to 9 different vehicles on average while open end funds of funds target 18 vehicles on average.

**Figure 11: Number of vehicles invested in**



Note: the sample is comprised of 22 vehicles.  
The box represents the interquartile range.

# Number of managers invested in

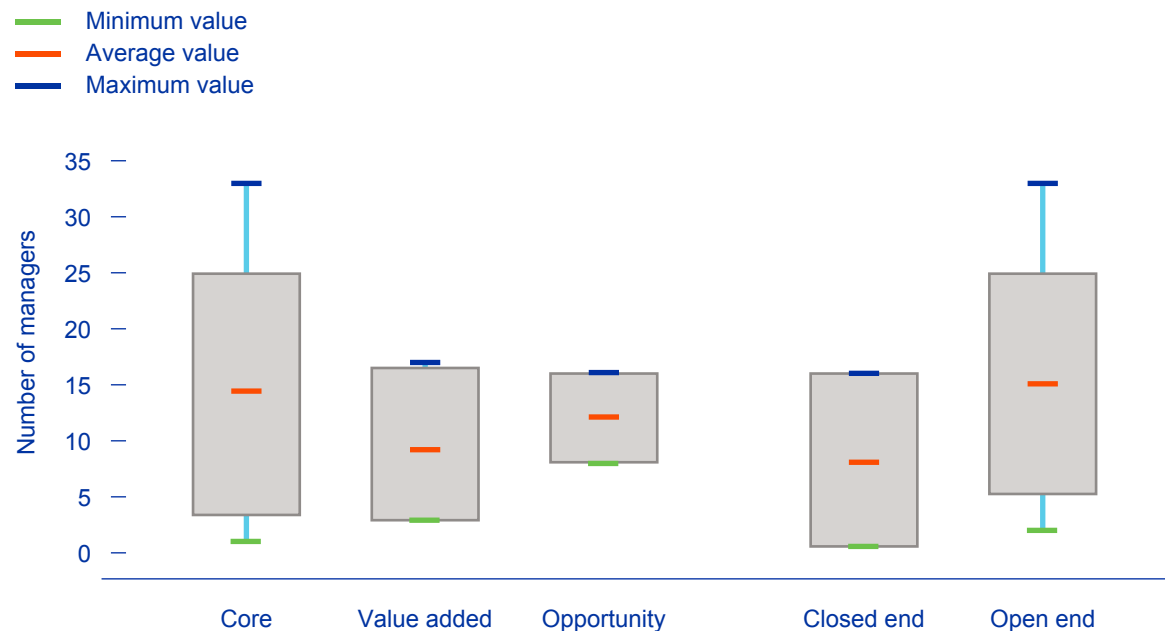
As expected, core style funds of funds prefer to invest in more managers than their non-core peers. On average, core style funds of funds invest in 14 managers with a minimum of 1 and a maximum of 33. Value added style funds of funds on average select 9 managers with a minimum of 3 and the maximum of 17.

Opportunity style funds of funds have a more homogeneous distribution: the average number of managers invested in is 12, with the minimum of 8 and the maximum of 16 vehicles managers.

By structure, closed end funds allocate their capital to a narrower group of managers. The average number of managers that closed end funds of funds invest in is 8, with the minimum of 1 and a maximum of 16.

Open end funds of funds invest, on average, into a larger number of managers with the average of 15, minimum of 2 and maximum of 33.

**Figure 12: Number of managers invested in**



Note: the sample is comprised of 18 vehicles.  
The box represents the interquartile range.



# Aggregate annual performance of funds of funds

The following section is based on cash flow data included in the [INREV Data Platform](#) from which the performance of funds of funds is calculated.

At the end of 2019 there were 29 funds of funds out of the 51 funds of funds included in the universe which provided their performance data.

Collectively these funds of funds represent a total NAV of €8.8 billion. Summary statistics of these vehicles can be found in Appendix 1.

The performance analysis is based on an unfrozen sample, therefore historical data may change with future updates.

Last year returns of funds of funds further slowed down compared to the 2018 returns as reported in 2019. As a group, funds of funds returned 5.6% on average to their investors over 2019.

‘On average, funds of funds delivered seven consecutive years of positive returns’

**Figure 13: Aggregate annual performance of funds of funds**



# Performance of funds of funds by quartile

An interesting picture emerges when assessing the distribution of the performance of individual funds of funds.

Historically the gap in total returns between the lower and upper quartile was at its widest in the period 2008 - 2013, reflecting the wide variety in performances among funds of funds, possibly linked to the GFC and subsequent euro crisis.

From 2014 onwards the gap in total returns between the lower and upper quartiles narrowed until 2017, implying a convergence in performance between funds of funds.

However, in 2018 and 2019 the gap in total returns between the lower and upper has increased again due to extreme negative returns related to some funds of funds being in the process of liquidation.

**Figure 14: Performance of funds of funds by quartile**



Note: The box represents the interquartile range

# Performance of funds of funds by style

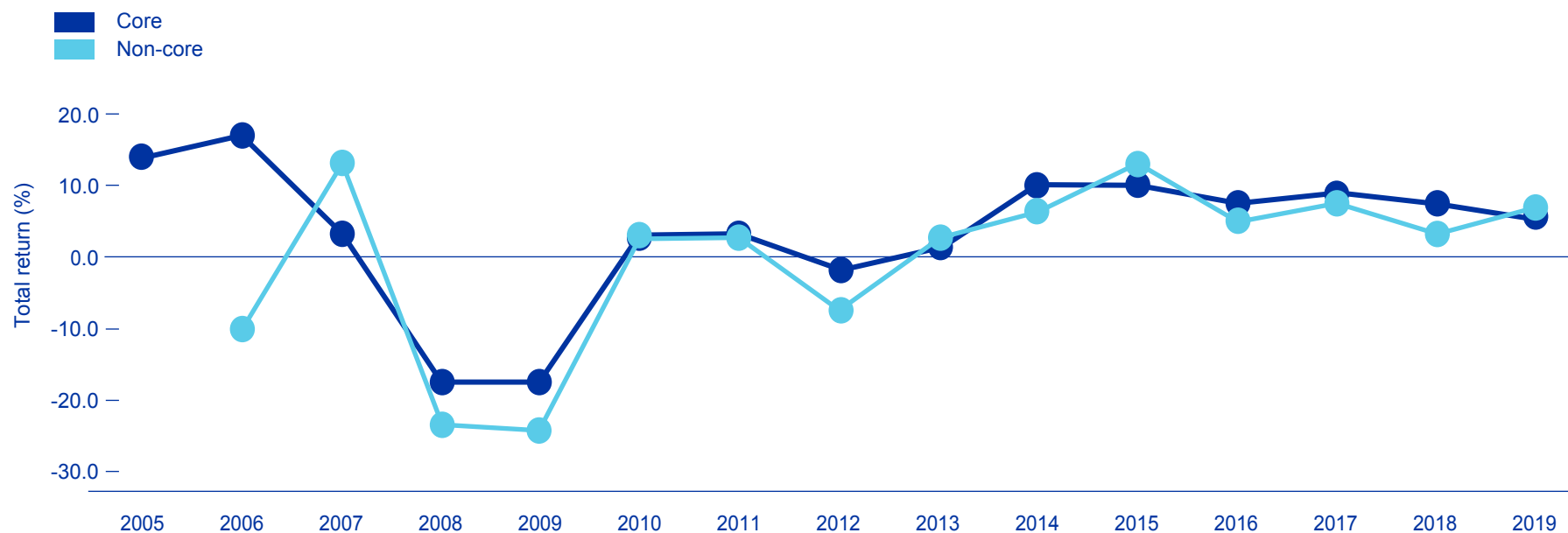
Due to the sample size value added and opportunity style vehicles were grouped together into a broader 'non-core' category for the analysis of performance by style.

All in all, the performances of core and non-core funds of funds appear to be strongly correlated in the past as they have tended to move in the same direction over time.

Over 2019, non core funds of funds (20 in the sample) outperformed core funds of funds (9) with respective total returns of 6.8% vs 5.3%.

The 6.8% total return for non core funds of funds over 2019 marked an increase compared to the 2.8% over 2018 whereas the performance of core style funds of funds slowed down to 5.3% vs 7.2% over 2018 and appear to be less volatile.

**Figure 15: Performance of funds of funds by style**





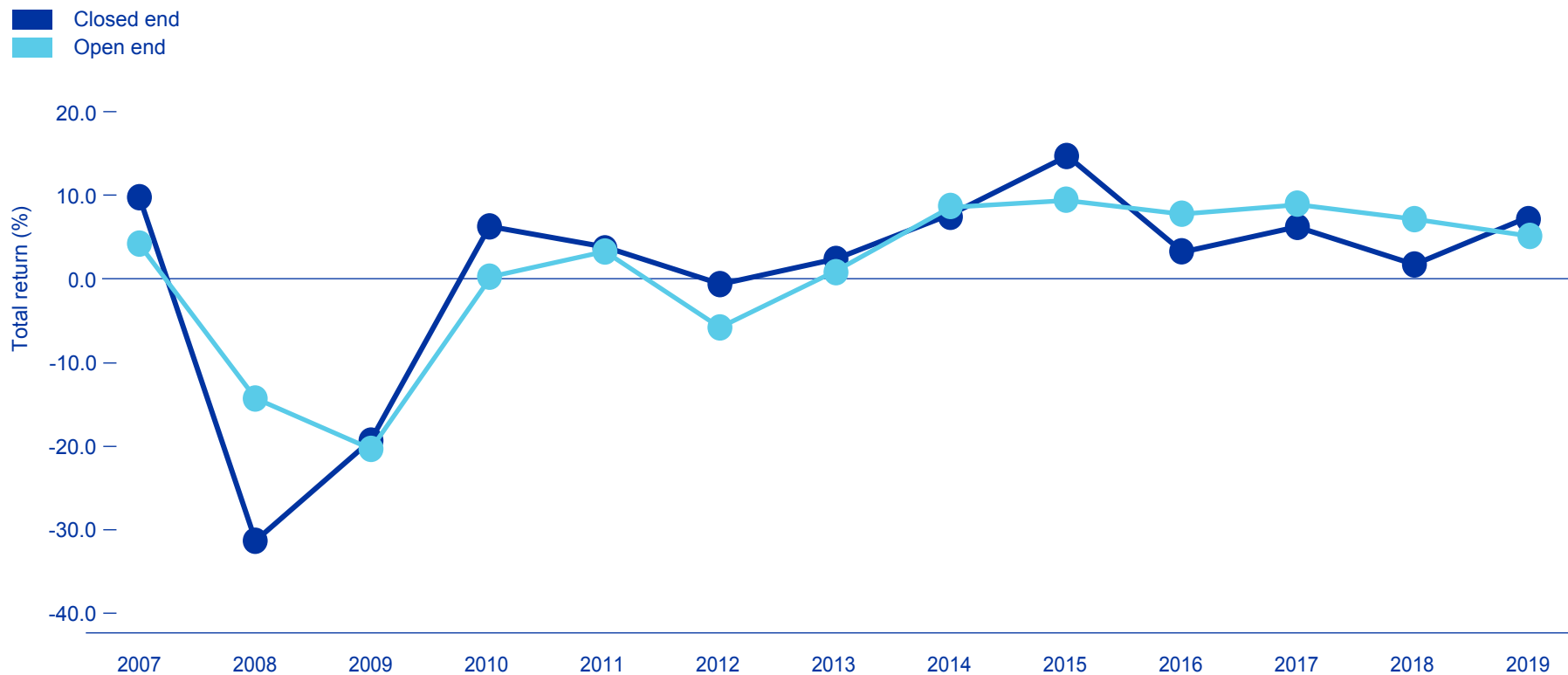
# Performance of funds of funds by structure

Looking at the performance of funds of funds by structure, closed end vehicles, on average, are outperforming open end structures for the first time since 2015 returning 7.3% compared with 5.3% for open end funds of funds.

Over time, closed end funds of funds have outperformed open end vehicles for 8 of the 13 years history, with the exceptions being 2008, 2014 and the period 2016 - 2018.

In 2019, closed end funds of funds delivered a total return of 7.3%, an increase compared to the 1.9% return over 2018 and outperforming open end vehicles which returned 5.3%, down from a 7.2% performance over 2018.

**Figure 16: Performance of funds of funds by structure**



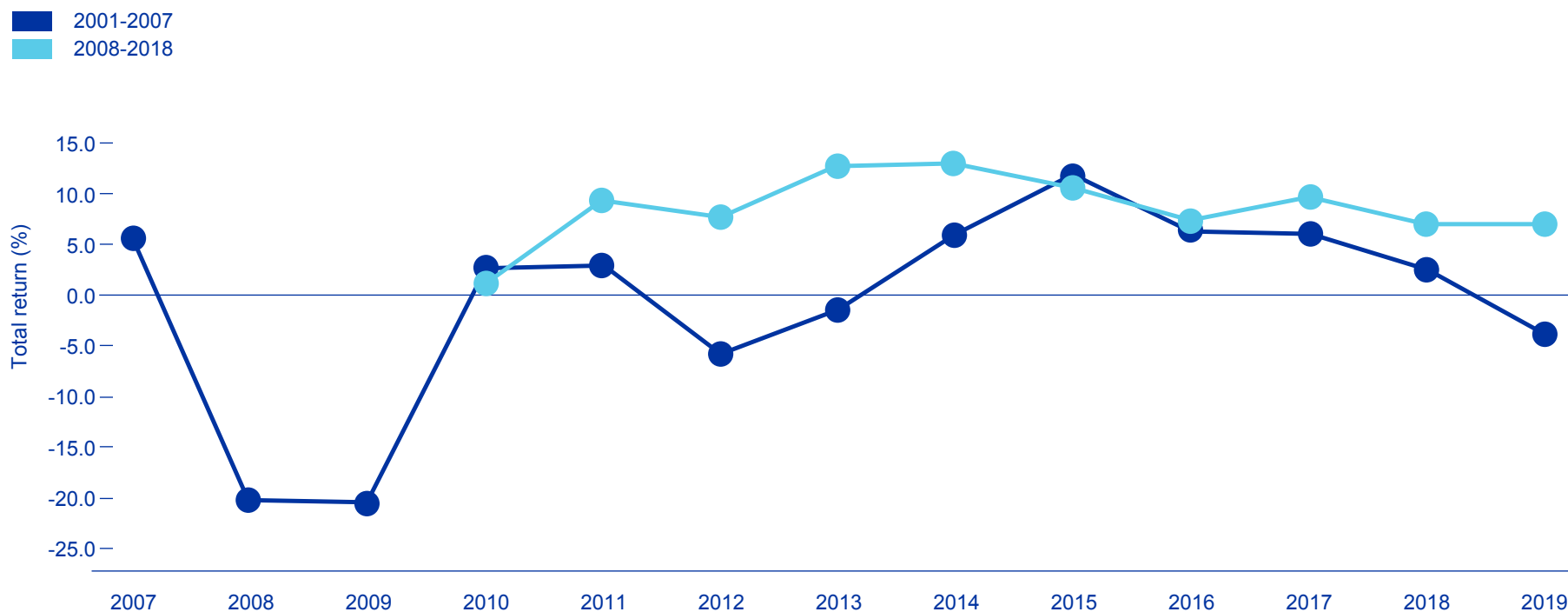
# Performance of funds of funds by vintage years

For the analysis by vintage year, the sample has been split into two broad categories: vehicles with a year of first close prior to 2008 and vehicles with a year of first close from 2008 onwards.

Younger vintage vehicles, those launched from 2008 onwards, have delivered stronger performance than their older vintage peers in general, apart from in 2015.

In 2019, younger vintages continued to outperform with a total return of 6.8% compared to -3.9% for older vintages.

**Figure 17: Performance of funds of funds by vintage year**



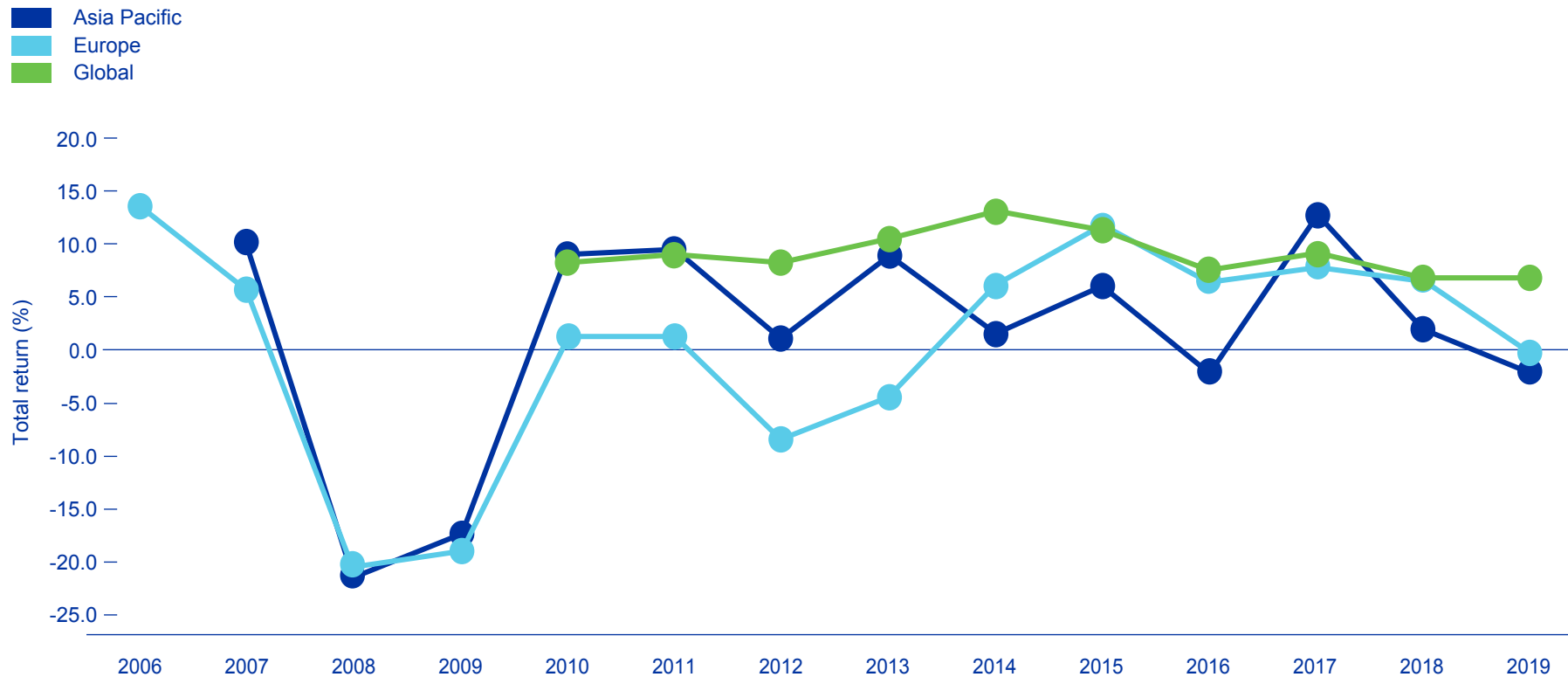
# Performance of funds of funds by target region

To assess the performance of funds of funds by target regional strategies, the sample was grouped into the following three categories, those targeting Asia Pacific, Europe and vehicles with a global mandate. The sample was too small to include vehicles with a North American strategy in the analysis.

Asia Pacific funds of funds shows the most volatile performance over the years whereas global funds of funds are showing the most stable performance over time.

In 2019 global funds of funds outperformed other regions with a total return of 6.8%. Funds of funds with a European or Asia Pacific strategy delivered negative returns of -0.4% and -2.2%, respectively.

**Figure 18: Performance of funds of funds by target region**



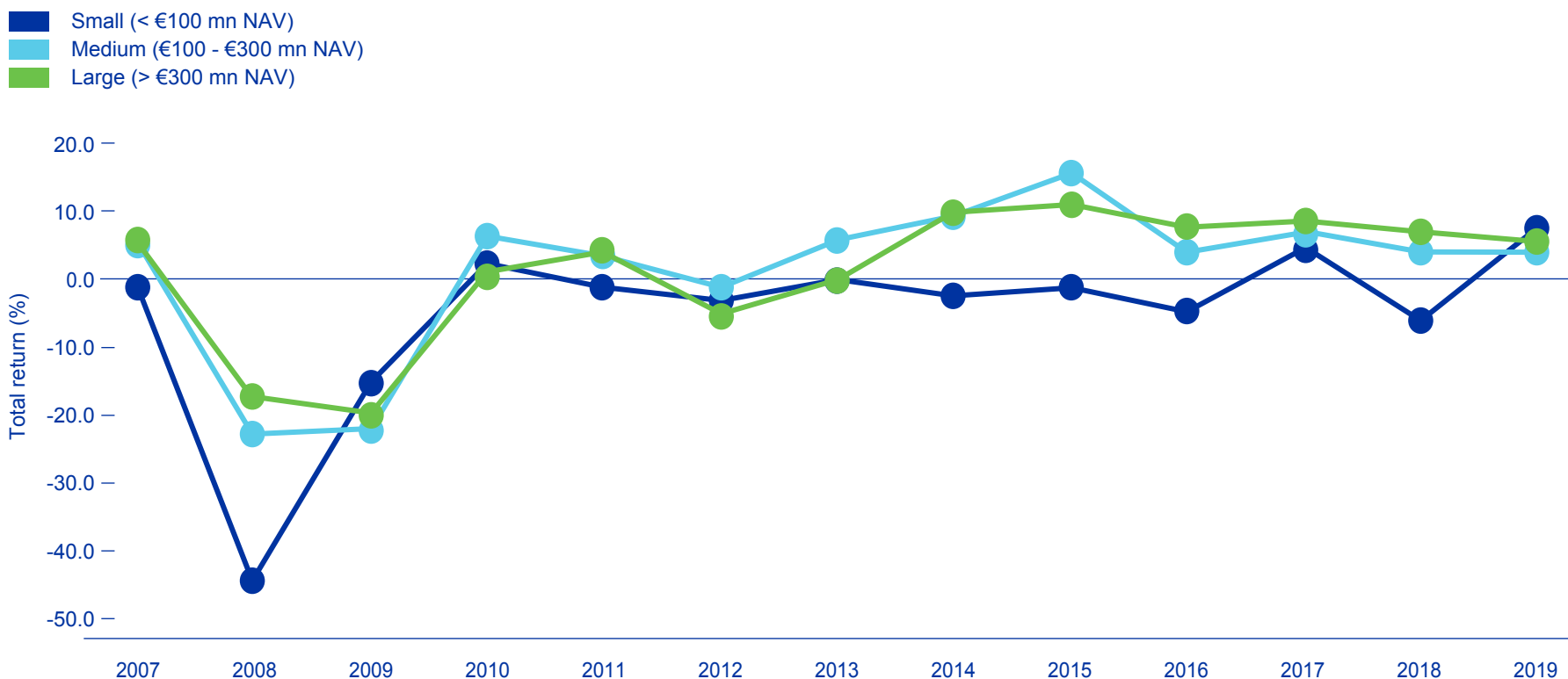
# Performance of funds of funds by size

This section displays the performance of funds of funds by size. Vehicles are divided into three categories based on the end 2019 NAV: small vehicles with NAV less than €100 million (US\$115 million); medium vehicles with NAV in the range of €100 - €300 million (US\$115 - 380 million); and large vehicles with NAV greater than €300 million (US\$380 million).

Vehicles of all sizes delivered positive returns in 2019. Small-sized vehicles whose historic returns were lagging those of bigger size funds delivered a total return of 7.6% outpacing other funds of funds sizes in 2019.

Medium-sized vehicles posted a 4.2% return and large-sized vehicles returned 5.8%.

**Figure 19: Performance of funds of funds by size**





# Summary statistics

| Number of fund of funds |                             | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| All funds of funds      |                             | 23   | 27   | 28   | 30   | 37   | 37   | 40   | 35   | 36   | 31   | 39   | 39   | 29   |
| By style                | Core                        | 10   | 11   | 11   | 12   | 15   | 15   | 15   | 11   | 10   | 10   | 14   | 14   | 9    |
|                         | Non-core                    | 13   | 16   | 17   | 18   | 22   | 22   | 25   | 24   | 26   | 21   | 25   | 25   | 20   |
| By target region        | Asia Pacific                | 4    | 6    | 7    | 7    | 9    | 9    | 10   | 8    | 10   | 7    | 8    | 6    | 6    |
|                         | Europe                      | 17   | 18   | 18   | 19   | 19   | 19   | 19   | 16   | 14   | 11   | 13   | 12   | 10   |
|                         | Global                      | 1    | 2    | 2    | 3    | 8    | 8    | 10   | 10   | 11   | 12   | 17   | 20   | 12   |
|                         | North America               | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
|                         |                             |      |      |      |      |      |      |      |      |      |      |      |      |      |
| By structure            | Closed end                  | 13   | 14   | 15   | 16   | 19   | 19   | 22   | 20   | 24   | 20   | 24   | 24   | 19   |
|                         | Open end                    | 10   | 13   | 13   | 14   | 18   | 18   | 18   | 15   | 12   | 11   | 15   | 15   | 10   |
| By Size                 | Small (< €100 mn NAV)       | 7    | 9    | 9    | 9    | 11   | 11   | 11   | 10   | 11   | 7    | 11   | 10   | 6    |
|                         | Medium (€100 - €300 mn NAV) | 7    | 8    | 9    | 11   | 13   | 13   | 16   | 14   | 14   | 12   | 15   | 16   | 13   |
|                         | Large (> €300 mn NAV)       | 9    | 10   | 10   | 10   | 13   | 13   | 13   | 11   | 11   | 12   | 13   | 13   | 10   |
| NAV (€ billion)         |                             | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| By style                |                             | 4.9  | 5.3  | 4.8  | 5.6  | 6.9  | 7.0  | 7.5  | 6.4  | 8.5  | 10.4 | 14.1 | 16.4 | 8.8  |
| By target region        | Core                        | 3.4  | 3.6  | 3.2  | 3.7  | 4.3  | 4.4  | 4.8  | 4.2  | 6.3  | 8.5  | 12.3 | 14.5 | 7.3  |
|                         | Non-core                    | 1.5  | 1.8  | 1.6  | 1.9  | 2.6  | 2.5  | 2.7  | 2.2  | 2.2  | 1.9  | 1.8  | 1.9  | 1.5  |
|                         | Asia Pacific                | 0.2  | 0.4  | 0.4  | 0.6  | 1.0  | 1.0  | 1.1  | 0.6  | 0.6  | 0.5  | 0.6  | 0.4  | 0.3  |
|                         | Europe                      | 4.3  | 4.3  | 3.8  | 4.3  | 4.7  | 4.3  | 3.9  | 2.6  | 2.9  | 2.0  | 2.2  | 1.0  | 0.9  |
|                         | Global                      |      |      |      | 0.5  | 1.0  | 1.3  | 2.1  | 3.0  | 4.7  | 7.7  | 11.3 | 15.0 | 7.7  |
|                         | North America               |      |      |      |      |      |      |      |      |      |      |      |      |      |
| By structure            | Closed end                  | 1.4  | 1.6  | 1.6  | 1.9  | 2.5  | 2.6  | 2.7  | 2.0  | 2.2  | 1.7  | 1.6  | 1.7  | 1.3  |
|                         | Open end                    | 3.5  | 3.7  | 3.2  | 3.7  | 4.4  | 4.4  | 4.8  | 4.4  | 6.3  | 8.7  | 12.5 | 14.7 | 7.5  |
| By Size                 | Small (< €100 mn NAV)       | 0.2  | 0.3  | 0.3  | 0.4  | 0.6  | 0.6  | 0.7  | 0.5  | 0.4  | 0.1  | 0.2  | 0.2  | 0.2  |
|                         | Medium (€100 - €300 mn NAV) | 0.7  | 0.9  | 0.8  | 1.2  | 1.7  | 1.7  | 1.9  | 1.6  | 1.6  | 1.5  | 1.8  | 2.0  | 1.4  |
|                         | Large (> €300 mn NAV)       | 4.0  | 4.2  | 3.6  | 4.1  | 4.7  | 4.6  | 4.9  | 4.4  | 6.6  | 8.8  | 12.1 | 14.2 | 7.2  |



# Definitions

## **Total real estate asset under management (AUM)**

Refers to market value of real estate-related assets with respect to which your company provides, on a global basis, oversight, investment management services and other advice (for third party capital and internal client capital), and which generally consist of real estate funds and real estate-related loans; securities portfolios; and investments in operating companies, joint ventures, separate accounts and funds of funds

## **Non-listed real estate vehicle**

Refers to a structure where investors' capital is pooled together and managed as a single entity with a common investment aim.

## **Non-listed direct real estate vehicle**

Refers to a vehicle investing directly into real estate.

## **Non-listed real estate fund/commingled fund/private REIT**

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

## **Separate account investing directly into real estate**

A vehicle with capital commitments from one investor allocated directly into assets rather than funds.

## **Separate account investing into indirect vehicles**

A vehicle with capital commitments from one investor allocated to a series of property funds within a defined strategy.

## **Joint venture and club deal**

Vehicles with capital commitments from two or a small number of investors (including co-investment) allocated to a redefined direct real estate strategy.

## **Fund of funds**

A real estate fund of funds is a collective investment vehicle that uses a strategy of holding a portfolio of investments in other real estate funds rather than investing directly into real estate.

## **Listed real estate fund**

A fund investing directly into real estate.

## **Real estate securities fund**

A fund investing into listed securities.

## **Non-listed debt products**

1) Mezzanine debt fund: fund which is supplying real estate borrowers with the layer of financing that sits between the senior debt and the equity in the capital structure.

2) Senior debt fund: fund which provides the borrowers with loans, which have first priority within the capital structure.

For more definitions visit the [Global Definitions Database](#).





# Participants

ANREV and INREV would like to thank the following list of managers for their contribution to the Funds of Funds Study 2020, and gave permission for their names to be published:

4IP Management AG

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DTZ Investment Management

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Lasalle Global Partner Solutions

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Lothbury Investment Management

Partners Group

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The Townsend Group

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