

CONSILIA CAPITAL



Real Estate Securities Funds Monthly

Period End: January 2015

| CONTENTS | Page |
|---|------|
| Summary | 2 |
| January 2015 Performance | 3 |
| 5 Year Performance | 4 |
| Focus: Decomposition of Real Estate Returns | 5 |
| Global Real Estate Funds | 9 |
| Global REIT Funds | 10 |
| US Real Estate Funds | 11 |
| European Real Estate Funds | 12 |
| Asian Real Estate Funds | 13 |
| Japanese Real Estate Funds | 14 |
| Global Infrastructure & Real Assets Funds | 15 |

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January 2015

Summary

This month we have divided the report into the following sections:

1) A summary of January performance by fund mandate and size (p3)

| Mandate | January return US\$% |
|----------------------------|----------------------|
| European real estate | 5.03 |
| Global REIT | 4.79 |
| US Real estate | 4.57 |
| Global Real Estate | 2.66 |
| Asian Real estate | 2.15 |
| Japan Real Estate | 1.20 |
| Global Infrastructure Fund | -1.03 |
| Real Assets Fund | -1.03 |

2) A summary of 5 year performance (p4)

| Mandate | 5 yr return US\$% |
|----------------------------|-------------------|
| US Real estate | 127.02 |
| Japan Real Estate | 95.08 |
| Global REIT | 86.90 |
| Global Real Estate | 77.15 |
| Global Infrastructure Fund | 63.98 |
| European real estate | 53.44 |
| Asian Real estate | 53.20 |
| Real Assets Fund | 15.95 |

3) Focus: Decomposition of Real Estate Returns (ps 5-8)

Given the recent sharp changes in the traditional correlations between global REIT markets and other asset classes (away from global equities and towards global bond returns) this month we examine two papers which deal with the issue of decomposing real estate and REIT returns.

Firstly we look at a recent paper by CBRE (ps.5-6) which examines the returns of global cities to determine the extent to which they are correlated, with obvious implications for the efficiency of international diversification. They found that the cities mostly strongly influenced by global factors were Dublin, Madrid, and Paris, whilst the cities which were least affected were Tokyo, along with resource-driven cities such as Houston and Dallas, and Johannesburg and Cape Town. They also consider the impact of regional correlations.

Secondly, we look at an academic paper recently published by EPRA (ps7-8), which proposes a structural asset pricing model to decompose the return premia of listed real estate, direct real estate and common stocks. This study shows that the expected listed real estate risk premium can be dissected into 36% stock market risk, 40% real estate risk and 24% business cycle risk

4) Detailed performance statistics by region (ps 9-15) for January 2015

For each mandate we show: the dispersion of returns by Fund AUM, popular benchmark returns and volatility, average, maximum and minimum fund returns, the best performing funds by size, for each mandate. For consistency, all returns are rebased in US\$.

Finally, it is important to note that there are no recommendations or investment advice contained in this publication, and that it is not intended for retail investors. This report represents only a very small summary of the outputs of our database, and the bespoke research and advisory service work we undertake for clients. For further details of our work please contact us.

Real Estate Securities Funds Monthly

January 2015 performance summary

Firstly we show how each region and asset class has performed during the month, with the range of maximum and minimum outcomes. (Figure 1). Secondly, we look at the differences in performance of each mandate classified by size of Fund (Figure 2).

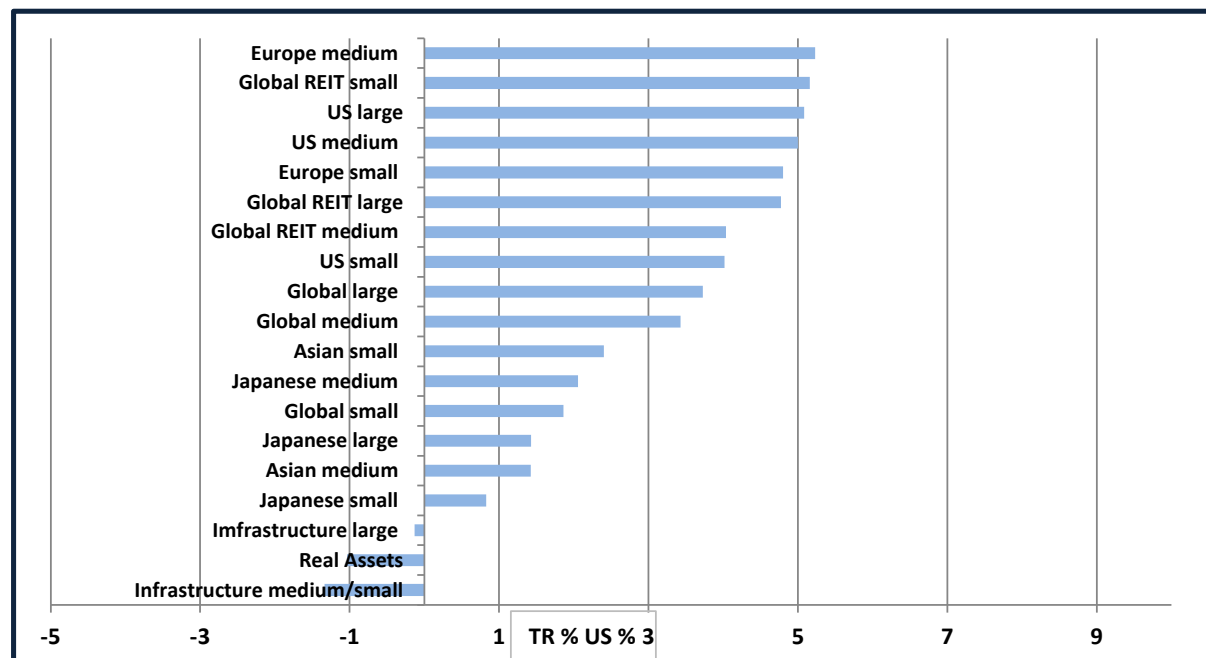
Figure 1 Fund performance January 2015

| Funds | Average (%) | Max (%) | Min (%) |
|----------------------------|-------------|---------|---------|
| European real estate | 5.03 | 13.21 | -7.47 |
| Global REIT | 4.79 | 11.29 | -2.12 |
| US Real estate | 4.57 | 21.17 | -18.99 |
| Global Real Estate | 2.66 | 13.98 | -7.50 |
| Asian Real estate | 2.15 | 8.75 | -3.52 |
| Japan Real Estate | 1.20 | 4.51 | -4.47 |
| Global Infrastructure Fund | -1.03 | 5.99 | -6.70 |
| Real Assets Fund | -1.03 | 1.30 | -4.07 |

Source: Consilia Capital, Bloomberg

- European funds were the best performers in the month (Japanese in December and November), and again Global REIT funds outperformed Global Real Estate funds.

Figure 2 January 2015 performance by mandate and fund size



Source: Consilia Capital, Bloomberg

5 year performance summary

Firstly we show how each region and asset class has performed over the 5 years to January 2015, with the range of maximum and minimum outcomes (Figure 3). Secondly, we look at the differences in performance of each mandate classified by size of Fund (Figure 4).

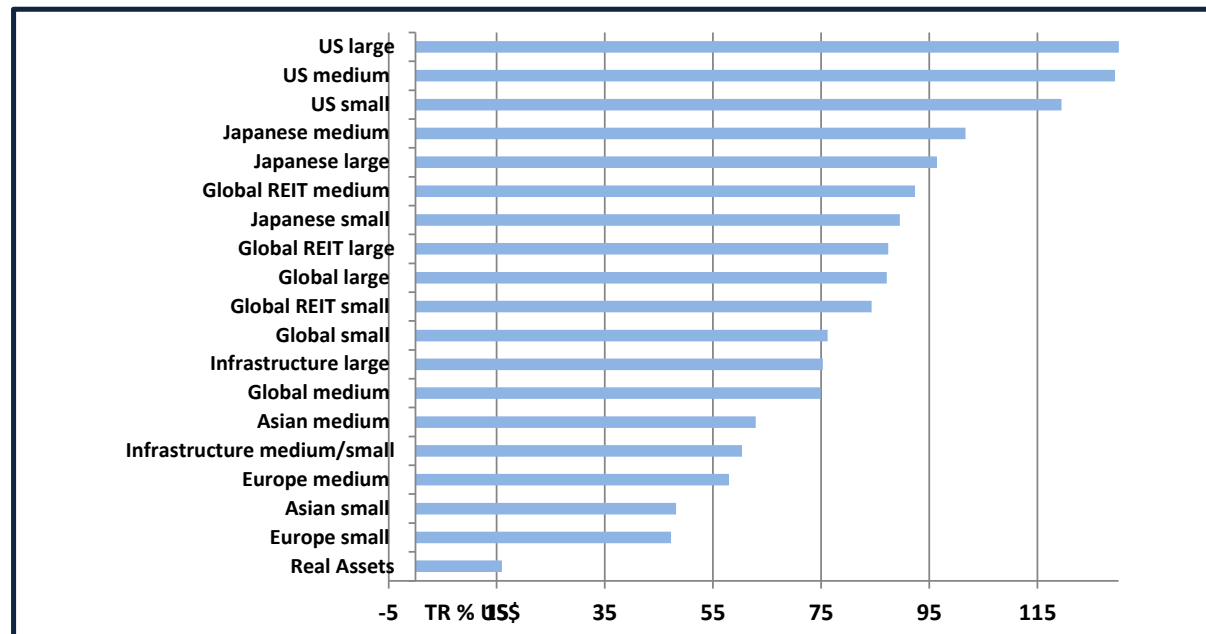
Figure 3 Fund performance 5 years

| Funds | Average (%) | Max (%) | Min (%) |
|----------------------------|-------------|---------|---------|
| US Real estate | 127.02 | 589.78 | -98.57 |
| Japan Real Estate | 95.08 | 120.54 | 47.01 |
| Global REIT | 86.90 | 129.68 | 39.24 |
| Global Real Estate | 77.15 | 242.25 | -69.51 |
| Global Infrastructure Fund | 63.98 | 120.22 | -4.25 |
| European real estate | 53.44 | 133.89 | -44.16 |
| Asian Real estate | 53.20 | 107.13 | -11.42 |
| Real Assets Fund | 15.95 | 39.37 | -8.52 |

Source: Consilia Capital, Bloomberg

- On average Global Real Estate Funds outperformed Infrastructure and Real assets funds, due to the performance of the US REITs (Funds).

Figure 4 5 year performance by mandate and fund size



Source: Consilia Capital, Bloomberg

Focus Articles: Decomposition of Real Estate Returns

Given the recent sharp changes in the traditional correlations between global REIT markets and other asset classes (away from global equities and towards global bond returns) this month we examine two papers which deal with the topic of decomposing real estate and REIT returns.

Firstly we look at a recent paper by CBRE which examines the returns of global cities to determine the extent to which they are correlated. Intuitively, given the increasing global nature of capital flows, and, looking at 5 year raw real estate returns of say London and New York, or indeed the returns of listed specialists such as Derwent London and SL Green we would expect to see some correlation between the major global city clusters. This paper provides valuable insight into the exact nature of these city correlations and the variances between different cities and clusters.

Secondly, we look at an academic paper recently published by EPRA, which proposes a structural asset pricing model to decompose the return premia of listed real estate, direct real estate and common stocks.

The Common Factor in Global Real Estate Returns –Implications for Investment Strategy

Authors: Dr Richard Barkham and Kemi David, CBRE Research

Rationale for the study:

The rise in the value of the U.S. dollar relative to other currencies will have many consequences, one of which will be an increase in the international buying power of U.S. institutions. The authors argue that one could expect American investors to begin increasing weightings towards overseas real estate assets. This study of the correlation structure of global real estate returns has some implications for such an investment strategy.

Sample:

Their data is a sample of 26 cities from the MSCI IPD cities database, and they use the MSCI world index of total returns as a proxy for the global property market. They argue that whilst the approach is a bit rough and ready in statistical terms, it is instructive.

Hypothesis:

Their hypothesis is that, due to globalisation, a strong common factor is driving returns across world cities. However, variability in factors such as lease conventions, planning restrictions, natural geography, phase of development and industrial structure means the extent to which individual cities are affected by the global 'common factor' varies quite strongly.

Methodology:

They regressed the annual total return of each city in their sample on the market proxy, over the period 2000-2013. The R-squared values, representing the proportion of variance explained for each city, are displayed in Table 1 overleaf. They have corrected for heteroscedasticity.

Results:

The average R-squared value is 0.48, showing that the global factor is an important driver of returns across the whole sample. The cities for which the proportion of variance explained is less than 0.4 are relatively few.

Real Estate Securities Funds Monthly

Table 1 Correlations: Global Cities' total Returns

| Cities R-squared 0.50 or above | | Cities R-squared below 0.50 | |
|--------------------------------|-----------|-----------------------------|-----------|
| City | R-squared | City | R-squared |
| Dublin | 0.83 | Melbourne | 0.45 |
| Madrid | 0.75 | Oslo | 0.4 |
| Paris | 0.74 | Dusseldorf | 0.39 |
| Barcelona | 0.69 | San Francisco | 0.39 |
| Stockholm | 0.67 | Frankfurt | 0.38 |
| Wellington | 0.61 | Dallas | 0.36 |
| Rotterdam | 0.60 | Munich | 0.34 |
| Copenhagen | 0.58 | Berlin | 0.32 |
| New York | 0.58 | Cape Town | 0.28 |
| Manchester | 0.57 | Johannesburg | 0.27 |
| Amsterdam | 0.56 | Houston | 0.13 |
| Los Angeles | 0.55 | Tokyo | 0.09 |
| London | 0.51 | | |
| Lisbon | 0.5 | | |
| Sydney | 0.5 | | |

Analysis and Interpretation:

It is interesting to see that, over the past 14 years, the resource-driven cities of Houston, Dallas, Johannesburg and Cape Town have been amongst the least affected by general economic trends. We can also see that German cities such as Munich and Berlin, alongside Tokyo, have been somewhat independent of the property market movements over the past decade or so. The economies of Japan and Germany are often linked, in economic terms, due to the importance of exports in their respective economies. It may be that some of their contra-cyclical performance over the period is linked to trends in China's economic growth, which has been somewhat independent of world growth since before the crisis. It might also be due to the stability of their respective banking sectors. Of course, these results, and the time period for which the authors have data, suggest that they might be picking up the rather specific impact of the Great Financial Crisis. Many of the cities that have been most strongly influenced by overall market movements—such as Dublin, Madrid, Barcelona, Rotterdam and New York—were indeed hit very hard by the financial crisis. London, as befits the ultimate world city, is very close to the sample average.

Regional vs Global correlations:

The authors then examine the residuals from each of the equations to identify common factors that are not global, but do affect—or in some senses define—clusters of cities, or 'peer groups'. Not surprisingly, perhaps, they find that after the global factor is removed there is a high degree of regional correlation. U.S. cities are highly associated with other U.S. cities, and the same can be said of European cities. Within region, location does not seem to affect the strength of this secondary correlation. Northern European cities are highly correlated with those in the south, for instance. This suggests a very strong motivation for U.S. institutions to own European real estate and vice versa. Interestingly, there are a number of cities that seem to escape this 'secondary' association. London is very weakly correlated with Europe or the U.S., as is Tokyo. This may go some way toward explaining why these two cities have such large and liquid real estate investment markets. The other set of cities that are correlated with each other but not with European or U.S. cities are the Nordics. The secondary correlation of the South African cities is with Australia.

Conclusions

Echoing the comments we made at the beginning of this piece, the authors re-iterate that investors should be wary of time-varying correlations. However they believe that these results show there are still great gains in portfolio efficiency to be made from international diversification, particularly for the acquisition of European City assets by U.S. investors, armed with the buying power of a strong dollar.

Are REITs real estate or stocks? Dissecting REIT returns in an asset pricing model

Authors:

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Rationale for the study

Investors who are interested in obtaining real estate exposure in their stock- and bond-dominated portfolios often try to achieve this by investing in publicly traded REITs. But it is questionable as to which extent they really invest in the underlying real estate market by using this vehicle. In other words: Are REITs real estate or stocks? The authors think that investors need a deeper understanding of the basic link between the different markets and influencing risk factors in order to know whether they are investing in real estate risk or stock market risk when buying REIT shares. The authors' believe that their asset pricing model is able to quantitatively show to which extent REIT returns can be explained by a combination of the pure stock market risk, pure real estate market risk and business cycle risk. This result helps investors to reallocate their multi-asset portfolios to their actual desired exposure to the different risk factors.

Data

They believe there is surprisingly little work that tries to connect these findings in a theoretically rooted asset pricing framework, which is why they introduce a structural asset pricing model which allows them to study the linkages between common stocks, listed real estate and direct real estate in an innovative way. To calibrate their theoretical asset pricing model, they use the data of price and income returns for all three series: (1) stocks, (2) listed and (3) direct real estate in the US between 1984 and 2011. To describe the properties of the stock market, they rely on the Russell 3000 Index. By using such a broad market index, they consider possible growth or market capitalisation effects in stock returns. Data for the direct real estate market are gathered from the NCREIF NTBI Total Return Index. This index is best qualified to be consistent with the investment universe of the listed real estate market. For the listed real estate market, they use data from the FTSE NAREIT Equity REIT Index.

Methodology

With a principal component analysis they can show that there are three major different sources of priced risk in both real estate assets and common stocks: (1) business cycle risk (or market-wide risk), (2) stock market specific risk and (3) real estate market specific risk. The return dynamics of all three asset classes are explained by combinations of these three risk factors. By means of their model, they quantitatively account for the stochastic properties of the three assets and they are able to investigate economic linkages between the stock market and the real estate market. Their asset pricing model allows them to solve for the return generating process of all three assets and to compare the stochastic properties of simulated data with those of empirical data. For a better understanding of the potential linkages between the stock market and the real estate market, they apply two different model specifications, so that they can control for the potential influence from the stock market on the listed real estate market. The first model specification allows for stock market spillovers to listed real estate whereas the second model specification does not include such spillovers.

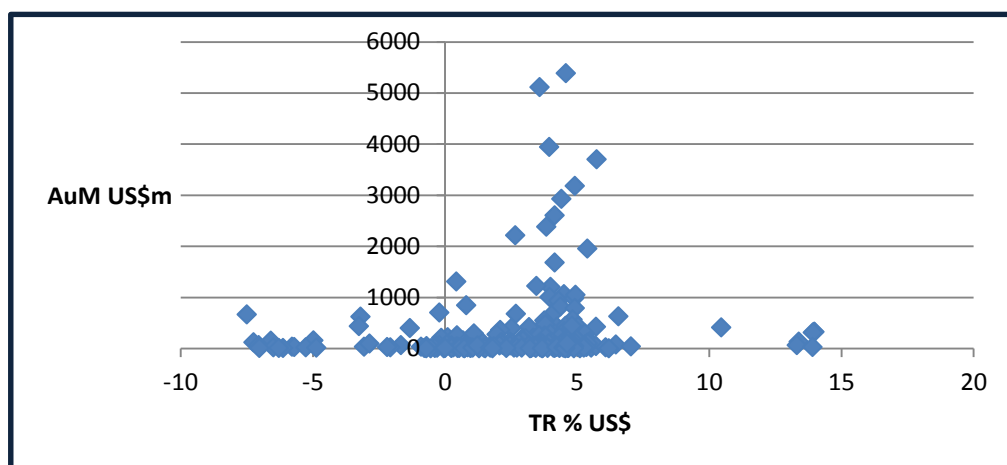
Results

First, they calibrate the model to match the empirical data of common stocks, listed real estate and direct real estate. They find that the model with stock market spillovers is closer to observed empirical characteristics of listed real estate than the model without spillovers is. In more detail, the former matches the empirical average returns of all three assets very well, and the standard deviations and first-order autocorrelation reasonably well. The correlation between common stocks and listed real estate is similar to the empirical data. However, the correlation between stocks and direct real estate is lower, and the correlation between listed and direct real estate is larger than in the empirical data. Second, they analyse the dissection of the expected risk premia of all three asset classes. In the model specification with spillovers, the expected listed real estate premium can be dissected into 36% stock market risk, 40% real estate risk and 24% business cycle risk. Simply put, stock market spillovers cause about one third of the listed real estate premium and consequently induce a correlation between common stocks and listed real estate which is twice as high as that for direct real estate. Despite this substantial stock market spillover, the correlation between listed and direct real estate remains high in the model and illustrates the surrogate potential of listed real estate vehicles for the direct real estate market.

Conclusion

With their straightforward and intuitive asset pricing model, they can mimic several important empirical properties of common stocks, listed real estate and direct real estate. A specification which includes a medium-sized spillover channel from common stocks to listed real estate shows that the expected listed real estate risk premium can be dissected into 36% stock market risk, 40% real estate risk and 24% business cycle risk. Using these quantitative results, their model can help to allocate multi-asset portfolios with publicly traded REITs in order to replicate the exact exposure of the underlying direct real estate market.

Global Funds Performance January 2015



By Fund size

| Fund | Average | Maximum | Minimum |
|---------------|---------|---------|---------|
| Global large | 3.73 | 5.74 | -0.21 |
| Global medium | 3.43 | 13.98 | -7.50 |
| Global small | 1.86 | 13.90 | -7.05 |
| All Funds | 2.66 | 13.98 | -7.50 |

Best Performing Funds

Global Large Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|--|---------------|--------------|--------------|-----------|---------------|
| DFA Global Real Estate Securities | 5.74 | 2.04 | 10.33 | 3,697 | Fund of Funds |
| SPDR Dow Jones Global Real Estate ETF | 5.38 | 1.92 | 10.43 | 1,947 | ETF |
| iShares Developed Markets Property Yield | 4.91 | 2.78 | 9.65 | 3,177 | ETF |
| Deutsche Global Real Estate Securities | 4.88 | 1.83 | 9.77 | 978 | Open-End |
| Voya Global Real Estate Fund | 4.58 | 1.67 | 9.93 | 5,378 | Open-End |

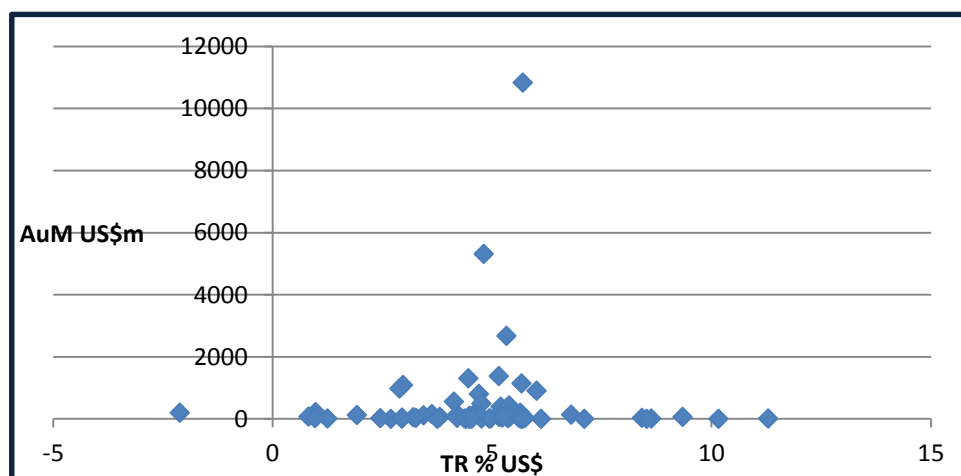
Global Medium Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|--|---------------|--------------|--------------|-----------|----------|
| UBS CH Global Real Estate Securities Pas | 13.98 | 2.40 | 9.71 | 322 | Open-End |
| IAM-Immo Securities Fund | 10.45 | 4.46 | 8.34 | 404 | FCP |
| ING Global Real Estate Fund | 5.71 | 2.90 | 11.94 | 420 | Open-End |
| Dimensional Funds - Global Real Estate | 5.53 | 2.28 | 10.58 | 11 | Open-End |
| Investors Global Real Estate Fund | 5.48 | 2.09 | 10.45 | 136 | Open-End |

Global Small

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|--|---------------|--------------|--------------|-----------|----------|
| UBS AST Immobilien Global Indexiert hed | 13.90 | 2.29 | 9.63 | 22 | SICAV |
| JPM Global Property Income Fund | 7.04 | 2.21 | 9.23 | 21 | Open-End |
| PruLink Global Property Securities Fund | 6.47 | 2.66 | 10.10 | 33 | Open-End |
| Aston/Harrison Street Real Estate Fund | 6.07 | 1.84 | 10.44 | 75 | Open-End |
| Meiji Yasuda Strategic REIT Fund Forecas | 5.72 | 3.31 | 5.66 | 14 | Open-End |

Global REIT Funds Performance January 2015



By Fund size

| Fund | Average | Maximum | Minimum |
|--------------------|---------|---------|---------|
| Global REIT large | 4.77 | 6.02 | 2.90 |
| Global REIT medium | 4.04 | 6.80 | -2.12 |
| Global REIT small | 5.16 | 11.29 | 0.97 |
| All Funds | 4.79 | 11.29 | -2.12 |

Best Performing Funds

Global REIT Large Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|--------------------------------|---------------|--------------|--------------|-----------|---------------|
| Okasan World REIT Selection | 6.02 | 4.22 | 13.25 | 900 | Fund of Funds |
| Nikko LaSalle Global REIT Fund | 5.70 | 4.13 | 12.10 | 10,828 | Fund of Funds |
| Nikko AMP Global REIT Fund | 5.68 | 4.04 | 12.12 | 1,137 | Fund of Funds |
| DIAM World REIT Index Fund | 5.33 | 4.02 | 12.00 | 2,670 | Fund of Funds |
| Daiwa Global REIT Open Fund | 5.15 | 3.72 | 12.91 | 1,373 | Fund of Funds |

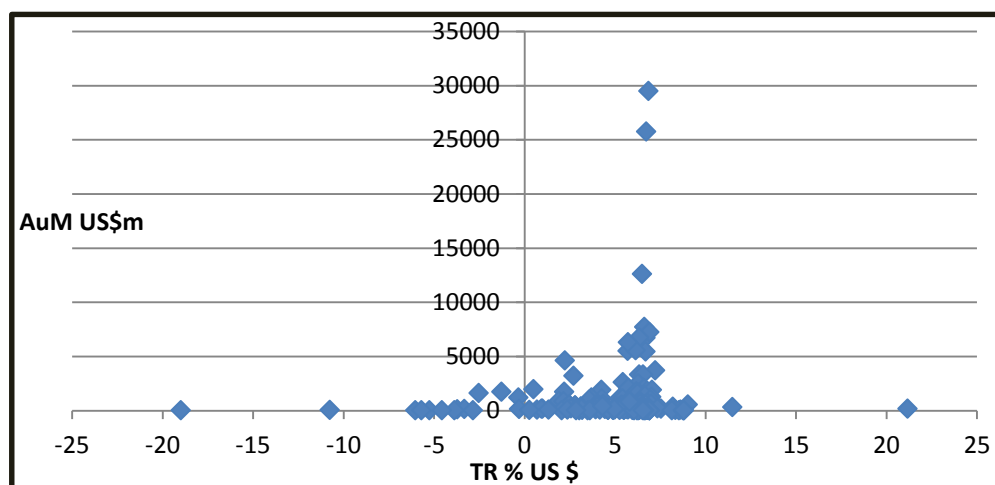
Global REIT Medium Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|---|---------------|--------------|--------------|-----------|---------------|
| PowerShares KBW Premium Yield Equity | 6.80 | 1.72 | 10.68 | 133 | ETF |
| SMTAM SMT Global REIT Index Open | 5.66 | 4.02 | 12.82 | 112 | Fund of Funds |
| Daiwa Fund Wrap International REIT Sele | 5.45 | 4.01 | 12.96 | 321 | Open-End |
| Sompo Japan Global REIT Fund | 5.39 | 4.16 | 11.52 | 430 | Open-End |
| Nomura World REIT Fund | 5.20 | 3.87 | 10.68 | 385 | Fund of Funds |

Global REIT Small Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|----------------------------|---------------|--------------|--------------|-----------|---------------|
| IFM - Prefimmo REIT Fund | 11.29 | n/a | n/a | 13 | Open-End |
| BNY Mellon Global REIT | 10.16 | 3.10 | 18.91 | 1 | Open-End |
| Nomura World REIT | 9.35 | 3.55 | 18.03 | 59 | Open-End |
| Nikko AMP Global REIT Fund | 8.63 | 2.70 | 8.80 | 9 | Fund of Funds |
| Nomura World REIT Fund | 8.53 | 3.07 | 8.87 | 3 | Fund of Funds |

US Funds Performance January 2015



By Fund size

| Fund | Average | Maximum | Minimum |
|-----------|---------|---------|---------|
| US large | 5.08 | 7.22 | -2.52 |
| US medium | 5.00 | 11.48 | -3.71 |
| US small | 4.02 | 21.17 | -18.99 |
| All Funds | 4.58 | 21.17 | -18.99 |

Best Performing Funds

US Large Funds

| Fund | Jan 2015 TR % | Sharpe Ratio | Volatility% | AUM US\$ | Type |
|--------------------------------------|---------------|--------------|-------------|----------|---------------|
| iShares Cohen & Steers REIT ETF | 7.22 | 2.34 | 11.11 | 3,680 | ETF |
| American Century Real Estate Fund | 7.04 | 2.37 | 10.67 | 1,887 | Open-End |
| Goldman Sachs US REIT Fund B Course | 7.01 | 3.91 | 13.40 | 1,257 | Fund of Funds |
| DFA Real Estate Securities Portfolio | 6.89 | 2.23 | 10.86 | 7,232 | Open-End |
| Vanguard REIT ETF | 6.85 | 2.23 | 10.67 | 29,487 | ETF |

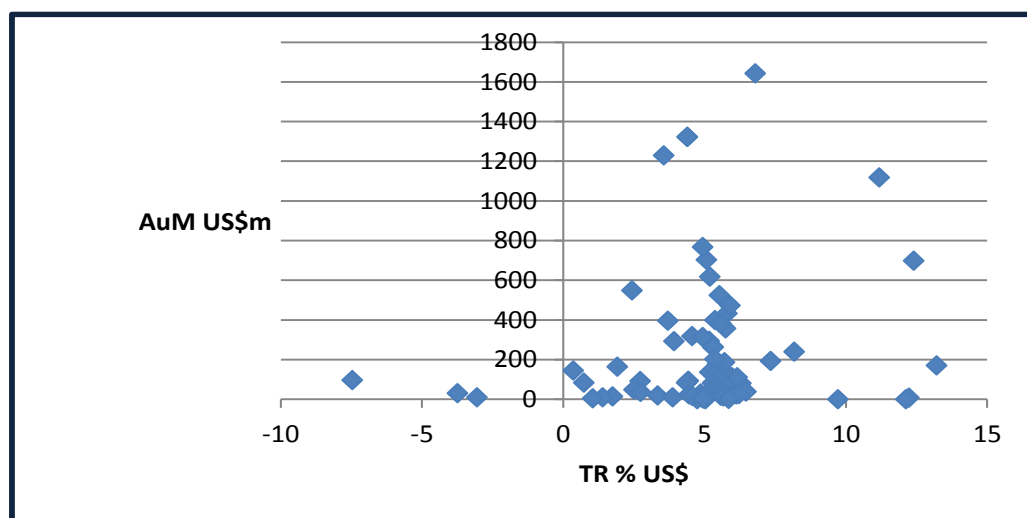
US Medium Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|--|---------------|--------------|--------------|-----------|---------------|
| ProShares Ultra Real Estate | 11.48 | 2.15 | 19.42 | 306 | ETF |
| Goldman Sachs US REIT Fund | 9.02 | 2.26 | 10.41 | 542 | Fund of Funds |
| iShares Residential Real Estate Capped E | 8.19 | 2.10 | 11.63 | 341 | ETF |
| RMR Real Estate Income Fund | 7.54 | 2.55 | 9.84 | 144 | Closed-End |
| LMP Real Estate Income Fund Inc | 7.34 | 2.98 | 10.57 | 170 | Closed-End |

US Small Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|---|---------------|--------------|--------------|-----------|---------------|
| Direxion Daily Real Estate Bull 3x Shares | 21.17 | 2.18 | 32.14 | 157 | ETF |
| Nissay/AEW US REIT Open A Hedged | 8.81 | 2.70 | 10.33 | 7 | Fund of Funds |
| PineBridge US REIT Income Fund A Course | 8.75 | 2.63 | 10.67 | 3 | Fund of Funds |
| Fidelity US REIT Fund A - Hedged | 8.62 | 2.65 | 10.27 | 61 | Fund of Funds |
| Daiwa US REIT Open - Monthly Settlement | 8.53 | 2.81 | 10.34 | 18 | Fund of Funds |

European Funds Performance January 2015



By Fund size

| Fund | Average | Maximum | Minimum |
|---------------|---------|---------|---------|
| Europe medium | 5.23 | 13.21 | -7.47 |
| Europe small | 4.80 | 12.23 | -3.74 |
| All Funds | 5.03 | 13.21 | -7.47 |

Best Performing Funds

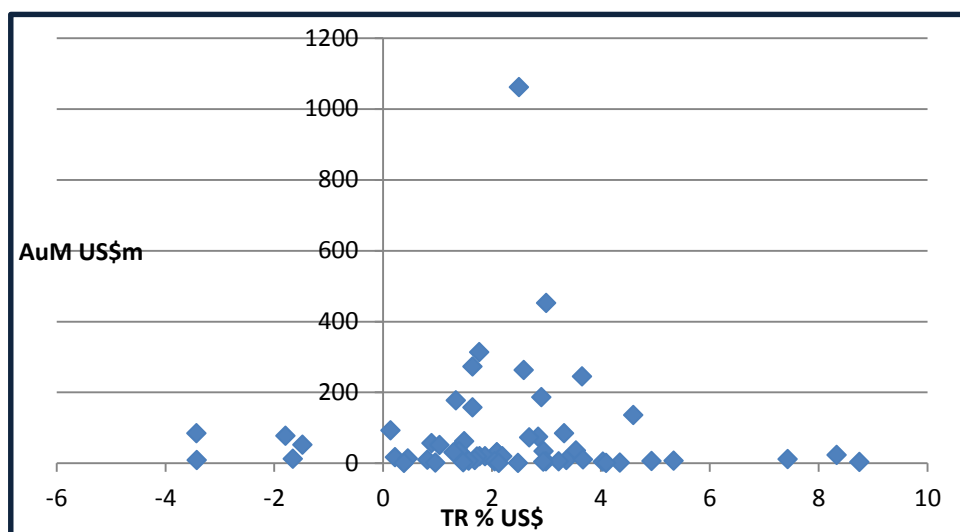
European Medium Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|---|---------------|--------------|--------------|-----------|------------|
| Mi-Fonds CH - SwissImmo | 13.21 | 2.65 | 6.69 | 170 | Open-End |
| UBS CH Institutional Fund - Swiss Real Es | 12.41 | 2.86 | 7.92 | 698 | Open-End |
| Credit Suisse Real Estate Fund Property P | 11.19 | 1.28 | 12.20 | 1,117 | Closed-End |
| Kempen European Property Fundamental | 8.18 | 2.03 | 12.93 | 240 | Open-End |
| SSgA Europe Ex UK Index Real Estate Fund | 7.34 | 2.19 | 13.36 | 193 | SICAV |

European Small Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|---|---------------|--------------|--------------|-----------|----------|
| UBS ETF CH-SXI Real Estate CHF | 12.23 | 3.50 | 7.59 | 8 | ETF |
| Deutsche Europe REIT Fund | 12.13 | n/a | n/a | 1 | Open-End |
| Amundi Europe REIT Fund High Interest C | 9.72 | n/a | n/a | 1 | Open-End |
| SSgA Europe Index Real Estate Fund | 6.48 | 2.32 | 14.86 | 39 | SICAV |
| Europe Real Estate Strategy Fund Annual | 6.16 | n/a | n/a | 111 | Open-End |

Asian Funds Performance January 2015



By Fund size

| Fund | Average | Maximum | Minimum |
|--------------|---------|---------|---------|
| Asian medium | 1.43 | 4.60 | -3.43 |
| Asian small | 2.40 | 8.75 | -3.52 |
| All Funds | 2.15 | 8.75 | -3.52 |

Best Performing Funds

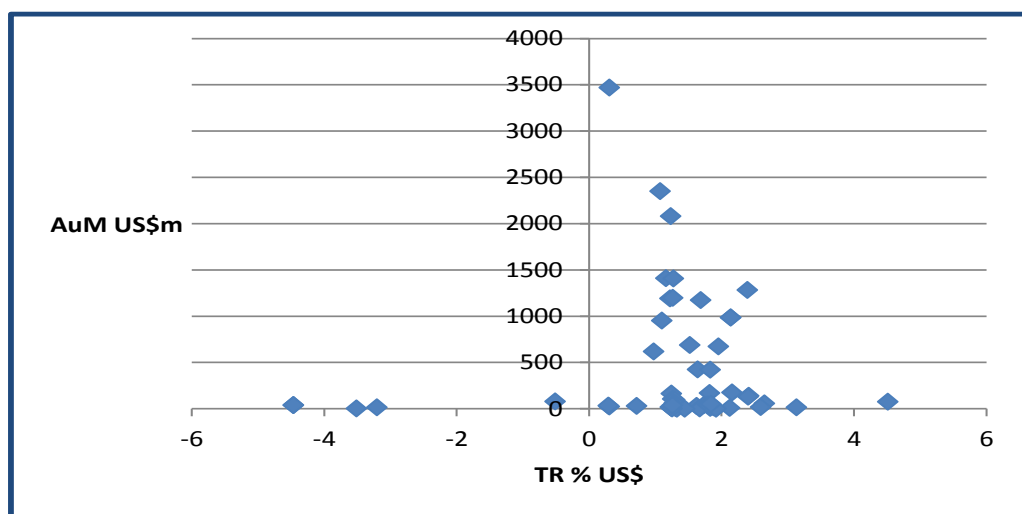
Asian Medium funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|---|---------------|--------------|--------------|-----------|----------|
| B&I Pan-Asian Total Return Real Estate S | 4.60 | 4.61 | 6.41 | 135 | Open-End |
| iShares Asia Property Yield UCITS ETF | 3.66 | 2.40 | 11.08 | 244 | ETF |
| SPDR Listed Property Fund | 3.00 | 2.33 | 12.51 | 452 | ETF |
| Schroder Asia Pacific Property Securities | 2.91 | 0.89 | 11.89 | 186 | SICAV |
| SMTAM Asia REIT Research Open | 2.85 | 3.38 | 10.15 | 74 | Open-End |

Asian Small funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|--|---------------|--------------|--------------|-----------|------------|
| Sumitomo Mitsui Asia High Yield REIT Fu | 8.75 | 2.80 | 16.49 | 2 | Open-End |
| Kotak India Equity Fund | 8.33 | 3.42 | 17.48 | 22 | Open-End |
| Lippo Select HK & Mainland Property ETF | 7.43 | 0.61 | 21.08 | 10 | ETF |
| Kokusai Asia Real Estate Related Stock O | 5.34 | 2.37 | 17.31 | 6 | Open-End |
| RHB-OSK Asian Real Estate Fund | 4.93 | 1.51 | 15.63 | 5 | Unit Trust |

Japanese Funds Performance January 2015



By Fund size

| Fund | Average | Maximum | Minimum |
|-----------------|---------|---------|---------|
| Japanese large | 1.43 | 2.39 | 0.31 |
| Japanese medium | 2.06 | 4.51 | 1.25 |
| Japanese small | 0.83 | 3.13 | -4.47 |
| All Funds | 1.20 | 4.51 | -4.47 |

Best Performing Funds

Japanese Large funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|---|---------------|--------------|--------------|-----------|---------------|
| DLIBJ DIAM J-REIT Open - Owners Income | 2.39 | 3.78 | 11.29 | 1,281 | Fund of Funds |
| NEXT FUNDS REIT Index ETF | 2.14 | 3.30 | 10.86 | 984 | ETF |
| Listed Index Fund J-REIT Tokyo Stock Exch | 1.95 | 3.26 | 10.72 | 672 | ETF |
| Mitsubishi UFJ J REIT Open - Quarterly Di | 1.69 | 3.18 | 11.99 | 1,172 | Fund of Funds |
| MHAM Mizuho J-REIT Fund | 1.52 | 3.22 | 12.19 | 686 | Fund of Funds |

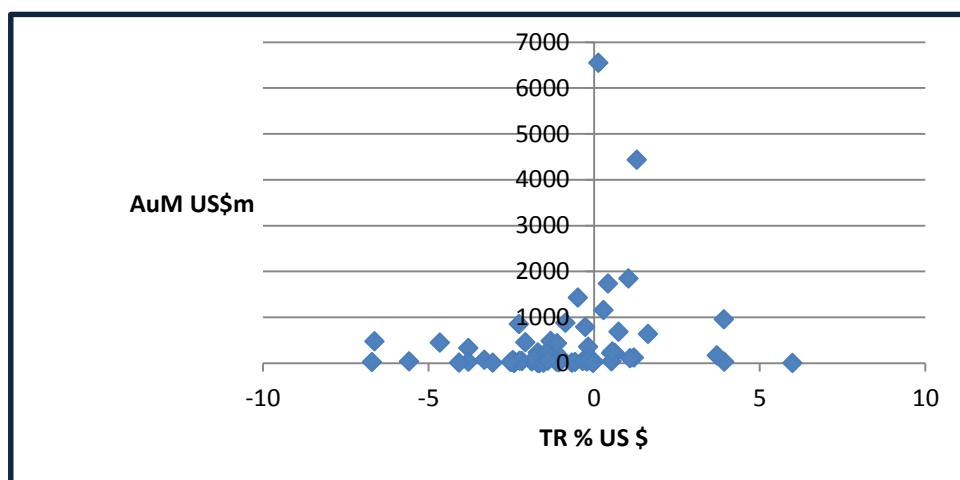
Japanese Medium funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|---|---------------|--------------|--------------|-----------|---------------|
| Mizuho JREIT Fund BRL Course | 4.51 | 3.51 | 18.09 | 75 | Open-End |
| DLIBJ DIAM J-REIT Open - 2 Month Course | 2.41 | 3.77 | 11.32 | 140 | Fund of Funds |
| DIAM Strategic J-REIT Fund | 2.16 | 4.00 | 11.50 | 174 | Open-End |
| Daiwa Fund Wrap J-REIT Select | 1.83 | 3.45 | 12.07 | 419 | Open-End |
| Nomura J-REIT Open | 1.82 | 3.42 | 11.90 | 168 | Fund of Funds |

Japanese Small funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|-----------------------------------|---------------|--------------|--------------|-----------|---------------|
| T&D J-REIT Fund Limited Open Type | 3.13 | n/a | n/a | 14 | Open-End |
| Tokio Marine J-REIT Fund | 2.65 | 2.73 | 10.03 | 56 | Open-End |
| Mizuho JREIT Fund JPY Course | 2.59 | 2.65 | 10.26 | 19 | Open-End |
| SMAM JREit Active Fund Wrap | 2.19 | n/a | n/a | n/a | Open-End |
| Daiwa J-REIT Fund | 2.12 | 3.50 | 12.05 | 9 | Fund of Funds |

Infrastructure/Real Asset Funds January 2015



By Fund size

| Fund | Average | Maximum | Minimum |
|-----------------------------|---------|---------|---------|
| Infrastructure large | -0.13 | 3.92 | -4.65 |
| Infrastructure medium/small | -1.34 | 5.99 | -6.70 |
| Real Assets | -1.03 | 1.30 | -4.07 |
| All Funds | -1.03 | 5.99 | -6.70 |

Best Performing Funds

Global Infrastructure Large

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|---|---------------|--------------|--------------|-----------|----------|
| Nomura Deutsche High Dividend Infrastr | 3.92 | 2.63 | 20.09 | 957 | Open-End |
| Partners Group Invest - Listed Infrastruct | 1.63 | 3.47 | 11.22 | 638 | SICAV |
| First State Investments ICVC - Global Liste | 1.04 | 3.02 | 10.00 | 1,848 | OEIC |
| Nuveen Global Infrastructure Fund | 0.74 | 1.81 | 10.06 | 686 | Open-End |
| Russell Global Infrastructure Fund | 0.42 | 1.34 | 10.24 | 1,735 | Open-End |

Global Infrastructure Medium/ Small

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|--|---------------|--------------|--------------|-----------|----------|
| Tata Growing Economies Infrastructure F | 5.99 | 1.74 | 12.49 | 3 | Open-End |
| Nomura Deutsche High Dividend Infrastr | 3.93 | 2.63 | 20.13 | 29 | Open-End |
| Shinko Global Infrastructure Equity Fund | 3.71 | 2.44 | 12.44 | 167 | Open-End |
| Credit Suisse Lux Infrastructure Equity Fu | 1.09 | 1.13 | 10.44 | 105 | Open-End |
| RARE Investment Funds PLC - RARE Infrast | 0.56 | 3.47 | 11.56 | 254 | Open-End |

Real Assets Funds

| Fund | Jan 2015 TR % | Sharpe ratio | Volatility % | AUM US\$m | Type |
|--------------------------------------|---------------|--------------|--------------|-----------|---------------|
| T Rowe Price Real Assets Fund Inc | 1.30 | 0.37 | 12.46 | 4,435 | Open-End |
| Prudential Real Assets Fund | 1.20 | 0.73 | 7.83 | 117 | Open-End |
| Cohen & Steers Real Assets Funds Inc | 0.63 | 0.14 | 7.67 | 217 | Open-End |
| Ofi MultiSelect - Lynx Real Assets | 0.00 | -0.83 | 7.65 | 33 | SICAV |
| MKB Real Estate Fund of Funds | -0.03 | n/a | n/a | 2 | Fund of Funds |

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