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Real Estate Securities Funds Monitor

Period End: November 2013

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December 2013

Summary

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

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

A negative month for all mandates except European (+0.26%), with both US and Japanese Funds down by over 4% on average. Global REIT funds (-4.5%) and Global Funds (-3.5%) suffered similarly, with Infrastructure (-1.5%) and Real Assets (-1.3%) faring marginally better.

2) A summary of YTD performance by fund mandate and size (p4)

The Japanese funds (+15.1%) are still ahead, but this has again diminished in absolute and relative terms, (they were + 22% at end Sept.) with Europe (+11.4%) maintaining its gains. US Funds, Global and Global REIT Funds are now all broadly flat (+/- 0.6 %) on the year. The most notable performer has been global infrastructure (+11.4%).

3) The diversification benefits of listed real estate : A review (p5)

This article was co-authored with Fraser Hughes of EPRA and first published in Professional Investor Magazine for the CFA Society of the UK in Autumn 2013.

Post the Global Financial Crisis, asset allocation strategies have started to change. There is now increased emphasis on liquidity, the quantum and security of the income component of total return, and inflation protection qualities. Given this background, it is not surprising that the role of real assets, with real estate constituting a major component, is gaining momentum. Asset allocation strategies seek to manage risk more explicitly as well as provide return, and to conserve capital in real terms. Real estate in particular is now seen as a *"cross-over"* asset with bond-like features and equity-type returns, with interest in the asset class reaching levels last seen in 2007. For this interest to be converted into allocation pension plans are demanding new forms of engagement, investment capabilities and interest alignment. One of the key questions that asset allocators ask is whether listed real estate can provide genuine diversification benefits or whether it is too closely correlated with equities. This paper seeks to address this issue, by reviewing the evidence from recent empirical studies as well as current and projected practical applications of listed real estate in a portfolio context.

4) *Detailed performance statistics by region (ps11-17)*

We show the dispersion of returns by Fund AuM, benchmark, average, maximum and minimum returns, and 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 will be no recommendations or investment advice 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.

November 2013 performance summary

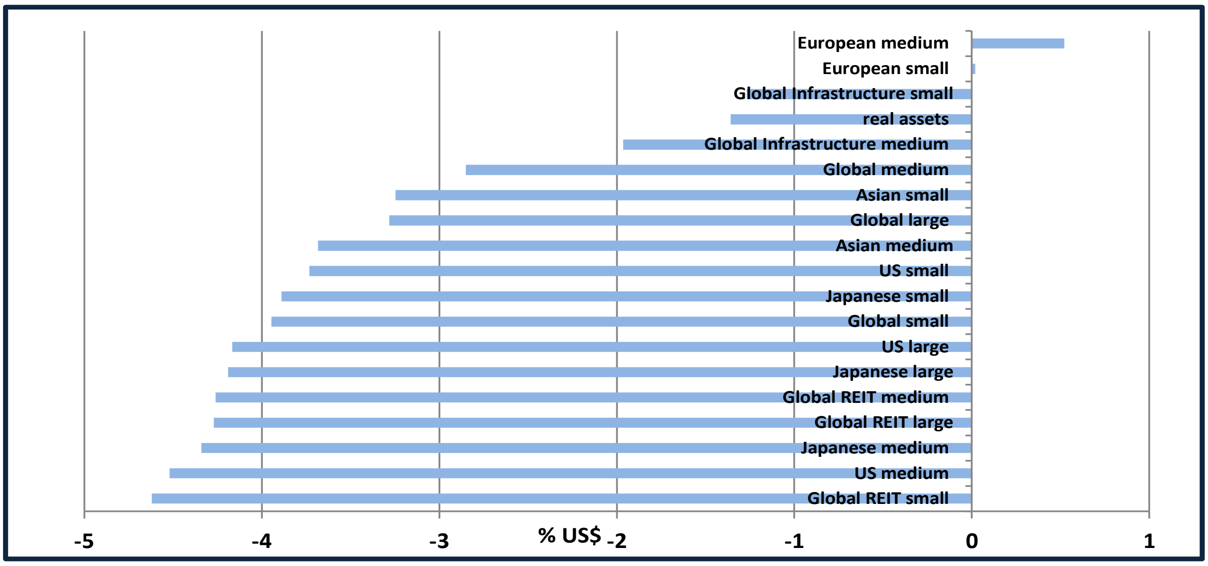
Firstly we show how each region has performed relative to the benchmarks and other listed real estate markets (Figure 1). Secondly, the differences in performance of each mandate classified by size of Fund (Figure 2) and thirdly we are interested in seeing the performance of global listed real estate as an asset class relative to competing asset classes such as Global Infrastructure and Real Assets (Figure 3).

Figure 1 Regional real estate performance November 2013

	Asia	Average	Max	Minimum
Funds	Asian Funds	-3.63	0.48	-7.45
	Japanese Funds	-4.06	-1.31	-6.66
Benchmark	EPRA NAREIT Asia Total Rtrn Index USD	-2.64		
	Europe	Average	Max	Minimum
Funds	European Funds	0.26	4.16	-2.45
Benchmark	FTSE EPRA/NAREIT Dev'd Europe Index	-0.06		
	US	Average	Max	Minimum
Funds	US Funds	-4.10	16.03	-15.68
Benchmark	Dow Jones US Select REIT Index	-5.49		

Source: Consilia Capital, Bloomberg

Figure 2 November performance by mandate and fund size



Source: Consilia Capital, Bloomberg

Figure 3 Global Asset Class performance November 2013

	Global	Average	Max	Minimum
Funds	Global Funds	-3.49	5.51	-16.81
Benchmark	FTSE EPRA/NAREIT Developed Index	-3.44		
	Global REITs	Average	Max	Minimum
Funds	Global REIT Funds	-4.46	-1.03	-8.81
Benchmark	S&P Global REIT Index	-4.33		
	Infrastructure	Average	Max	Minimum
Funds	Global Infrastructure Funds	-1.54	4.47	-6.04
Benchmark	D Jones Brookfield Global Infra Tot Rtn	-1.33		
Funds	Real Assets Funds	-1.36	2.51	-3.11

Source: Consilia Capital, Bloomberg

YTD 2013 performance summary

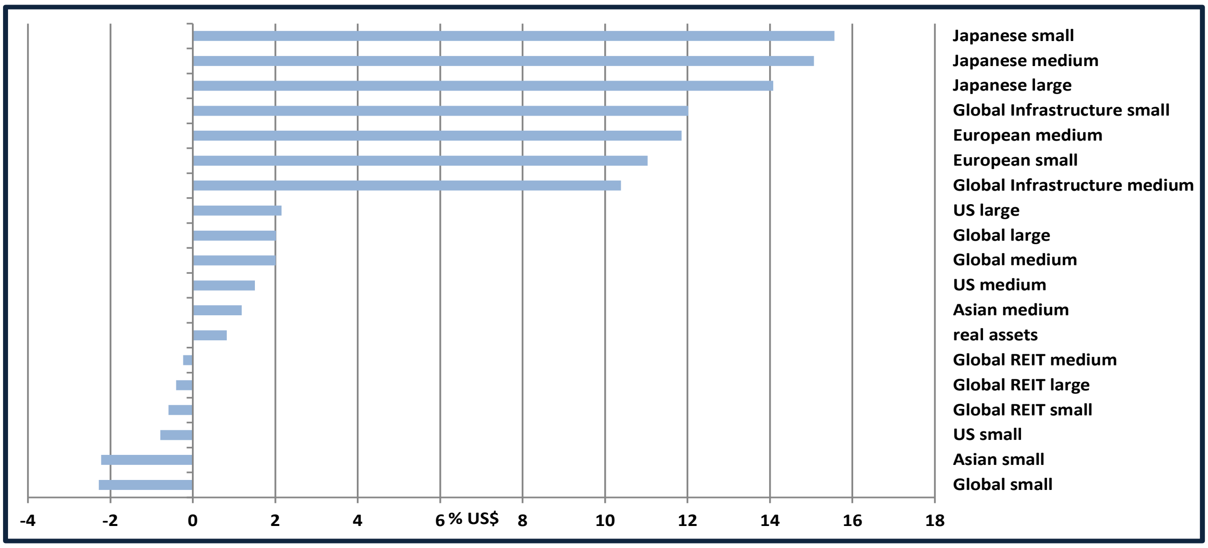
As with the monthly figures, we firstly show how each region has performed relative to the benchmarks and other listed real estate markets (Figure 4). Secondly, the differences in performance of each region classified by size of Fund (Figure 5) and thirdly the performance of global listed real estate as an asset class relative to competing asset classes such as Global Infrastructure and Real Assets (Figure 6).

Figure 4 Regional real estate performance YTD 2013

	Asia	Average	Max	Minimum
Funds	Asian Funds	-1.26	13.56	-15.68
	Japanese Funds	15.07	34.57	-14.94
Benchmark	EPRA NAREIT Asia Total Rtrn Index USD	4.81		
	Europe	Average	Max	Minimum
Funds	European Funds	11.43	35.58	-5.57
Benchmark	FTSE EPRA/NAREIT Dev'd Europe Index	14.21		
	US	Average	Max	Minimum
Funds	US Funds	0.60	31.08	-20.97
Benchmark	Dow Jones US Select REIT Index	0.65		

Source: Consilia Capital, Bloomberg

Figure 5 YTD 2013 performance by mandate and fund size



Source: Consilia Capital, Bloomberg

Figure 6 Global Asset Class performance YTD 2013

	Global	Average	Max	Minimum
Funds	Global Funds	-0.33	17.84	-53.40
Benchmark	FTSE EPRA/NAREIT Developed Index	4.18		
	Global REITs	Average	Max	Minimum
Funds	Global REIT Funds	-0.45	15.43	-16.21
Benchmark	S&P Global REIT Index	3.04		
	Infrastructure	Average	Max	Minimum
Funds	Global Infrastructure Funds	11.37	27.90	-4.59
Benchmark	D Jones Brookfield Global Infra Tot Rtn	12.26		
Funds	Real Assets Funds	0.82	8.75	-9.33

Source: Consilia Capital, Bloomberg

The Diversification Benefits of Listed Real Estate

This article was co-authored with Fraser Hughes of EPRA and first published in Professional Investor Magazine for the CFA Society of the UK in Autumn 2013

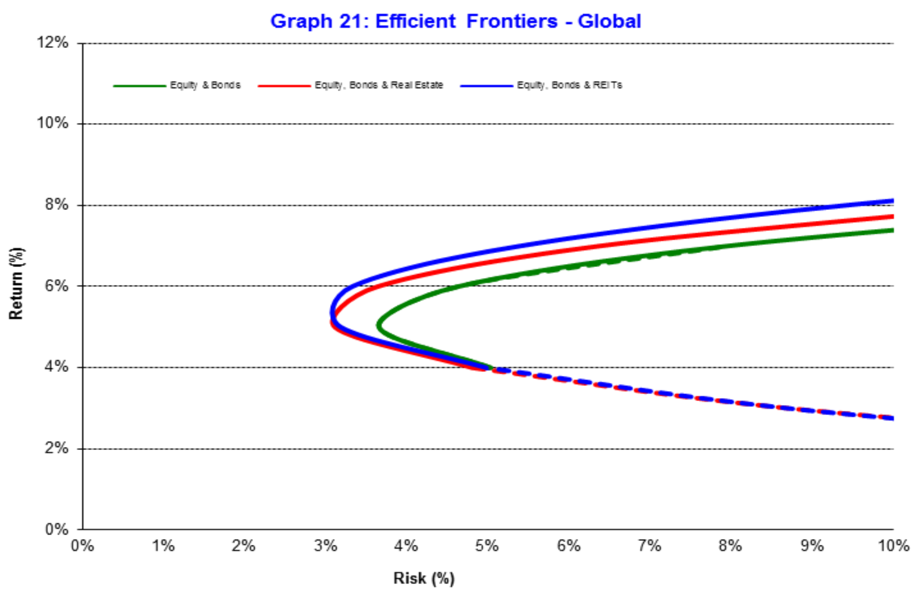
Background

Post the Global Financial Crisis, asset allocation strategies have started to change. There is now increased emphasis on liquidity, the quantum and security of the income component of total return, and inflation protection qualities. Given this background, it is not surprising that the role of real assets, with real estate constituting a major component, is gaining momentum. Asset allocation strategies seek to manage risk more explicitly as well as provide return, and to conserve capital in real terms. Real estate in particular is now seen as a *"cross-over"* asset with bond-like features and equity-type returns, with interest in the asset class reaching levels last seen in 2007. For this interest to be converted into allocation pension plans are demanding new forms of engagement, investment capabilities and interest alignment. One of the key questions that asset allocators ask is whether listed real estate can provide genuine diversification benefits or whether it is too closely correlated with equities. This paper seeks to address this issue, by reviewing the evidence from recent empirical studies as well as current and projected practical applications of listed real estate in a portfolio context.

The Diversification Issue

Achieving a fully diversified portfolio of local, regional or global direct real estate ranges from hugely expensive to unobtainable for the vast majority of investors. Only the world's largest pension and sovereign wealth funds have the total assets and capacity to build a meaningfully globally diversified direct portfolio. In fact, it is widely accepted that investors are unable to buy direct index returns that are used to construct optimal direct real estate allocations. Baum and Struempell (2006) suggest that an investor would need to hold 86 individual properties (at a conservative estimate) in order to reduce tracking error to 2% on an index of the direct London office market alone. Therefore in practice the inclusion of listed real companies and REITs is likely to contribute positively to a real estate and multi-asset portfolio as even direct holdings are unlikely to be 'optimal', as defined by direct indices such as IPD. Figure 7 shows the impact on risk and return of adding Real estate, and REITs to a multi asset portfolio. As can be seen adding REITs improves the portfolio risk-adjusted returns.

Figure 7 **Impact of including REITs in a multi-asset portfolio**



Source: EPRA

As suggested in Kennedy and Baum (2012), when a sub-optimal and poorly diversified direct real estate portfolio is used - as is typical in actual portfolios - the inclusion of listed real estate companies and REITs may have a positive impact on the performance of a portfolio. There is also evidence that the listed sector has been able to outperform the direct market after adjusting returns for leverage, sector composition and management fees. For example, Ling and Naranjo (2013) calculate that unlevered core REITs (adjusted for differences in leverage and property type) outperformed the direct market benchmark by 46 basis points over the period Q2 1994 to Q4 2010.

Academic literature reveals an implicit assumption that listed real estate can play a significant role as a separate asset class in portfolio construction, typically as an alternative or proxy to direct real estate. The focus on co-integration and lead-lag relationships follows from the hypothesis that listed real estate is the same asset as direct or unlisted, or may be superior to it.

There is a long history of large pension schemes such as APG Investments and PGGM, in the Netherlands, allocating via the listed real estate and REITs route to gain an effective diversification across sector or geography with relative ease and at low cost. While the listed transaction removes the associated in-house operational and on-going costs involved when investing in direct real estate, it can also be demonstrated by recent analyses that by allocating to both listed and direct real estate in a multi-asset portfolio the improved efficient frontier provides a further strong argument for a significant allocation to listed real estate.

Maran et al. (2012) reported that in terms of total returns performance the listed real estate sector as expected exhibits higher levels of volatility relative to direct investment. (Devaney, et al. (2012) examined direct transaction-based series and concluded that they are more volatile than their valuation-based counterparts and thus imply a smaller difference in volatility between direct real estate and the listed sector. Nonetheless listed real estate does exhibit superior levels of annualised returns *vis-à-vis* direct investment in a number of key global markets over the long-term, which has implications for the weightings allocation and role of direct and listed real estate within the confines of a multi-asset investment portfolio. The construction of a blended real estate investment portfolio comprising direct and listed real estate serves to demonstrate that whilst the respective investment medium are inherently different, they exhibit not just compatibility but complementarity within the confines of a real estate investment portfolio. Indeed in a modern investment environment governed by a renewed and insatiable appetite for transparency and liquidity listed real estate has the capacity to act as a 'liquidity buffer' for investors seeking real estate-premised performance attributes.

Correlation – with equities and direct real estate

Over longer holding periods, there is a strong body of academic evidence that suggests when listed and direct market returns are compared listed real estate performance exhibits stronger links with the direct market compared to stock markets. An early study by Gilberto (1990) illustrates that where returns for the listed sector and direct market were regressed against other financial assets to determine the drivers of performance, the residuals of the relative regression analysis displayed high levels of correlation. This would suggest there is a common real estate factor that is present in driving the returns of the listed and direct real estate sectors and, significantly, is not a factor in driving the returns of other financial assets.

There are significant volumes of literature exploring the long-term dynamics between the listed and direct real estate markets and they appear to confirm the existence of a common real estate factor driving returns. For instance, Oikarinen *et al* (2011) examined the long-run relationship between the US-based NAREIT and NCREIF indices during the period 1977 and 2008 and found evidence of co-integration between the two return series, whereas no co-integration effect was evident between the listed real estate and stock market returns. This confirms the findings of a study by Pagliari *et al* (2005) in which returns were adjusted for the impact of appraisal smoothing, leverage and differences in sector composition and no notable difference was found between the return means and variance of the NCREIF and NAREIT indices between 1993 and 2001.

While a considerable amount of research has been based on the US market, owing largely to the availability of data and relatively long time series, studies on the European listed markets have yielded evidence of the close long-term relationship between direct and listed real estate markets. For instance, Wang (2001) found evidence of co-integration between the UK listed and direct real estate markets and, in a broader international study, Yunus et al (2012) presented similar evidence of a long-run relationship and of Grainger causality between the listed and direct market returns in the UK, Dutch, Australian and US markets while additionally confirming the presence of price discovery in public markets and leads to the direct real estate market.

Westerheide (2006) studied the co-integration of REITs with stock markets, bonds and inflation on an international basis and found that there was no long-run relationship between movements in the REIT market with both stock market and bond returns, although there was evidence that REITs act as a weak hedge against inflation over longer periods.

Hoesli and Oikarinen (2012) account for sector exposure and leverage when comparing the returns of the listed and direct real estate markets in the US, UK and Australia, and found evidence of a long-term relationship (over three years or more) when employing the Johansen Trace test for co-integration in each market, except the US office sector and the Australian market. The authors present evidence indicating that both listed and direct real estate markets display a similar response to market 'shocks' and that the returns of the listed sector are neither driven by the stock nor the direct real estate market, with the listed sector leading direct real estate.

It must be noted however, there is evidence that the diversification benefits of listed real estate can be eroded in periods of extreme volatility with Chong et al (2009) and Niskanen and Falkenbach (2010) finding the correlation between REITs and other financial assets increased during periods of extreme market volatility – intuitively one would expect this.

In short, if REITs have the underlying return profile of real estate rather than the equity market, but offer the liquidity of equities, this has a hugely beneficial impact on risk/return characteristics and provides a strong argument for their inclusion in traditional multi-asset portfolios.

At a practical level, many of the prized prime assets across real estate sectors globally are owned and managed by listed real estate companies or REITs such as Westfield, Simon, Sun Hung Kai, Mitsui Fudosan and closer to home, Unibail-Rodamco, British Land and Land Securities. Allocation to such companies is an efficient method of gaining real estate exposure to cities or specialist sectors and access to top quality management teams within a transparent and accountable structure.

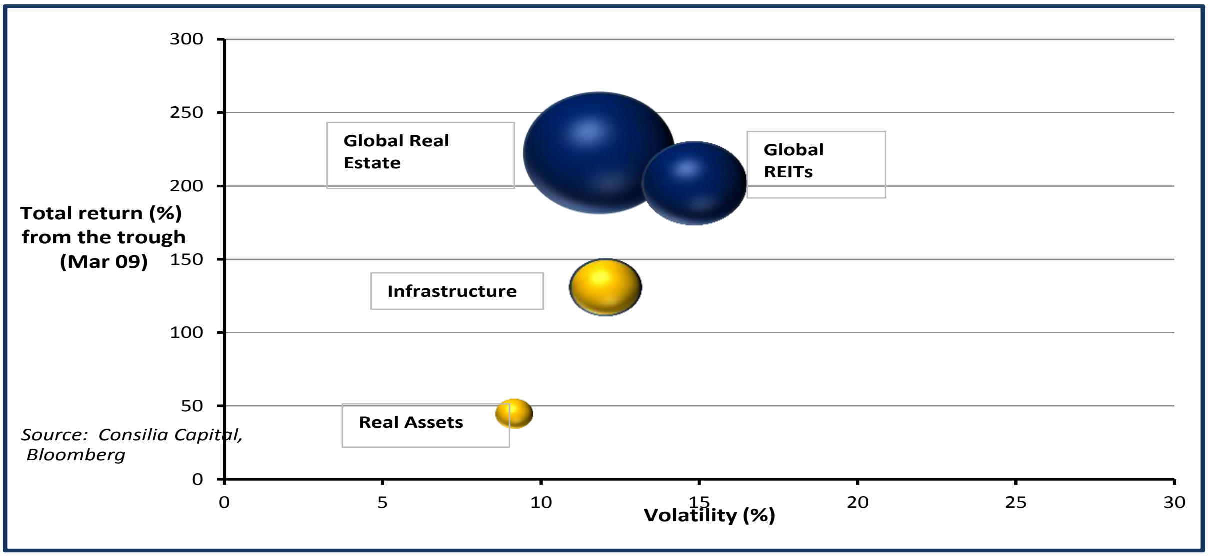
Real Estate Performance in perspective

Adonov et al (2012) studied the total costs and returns of real estate investment. The report found there were three major drivers and variables to real estate investment, being; scheme size, internal or external management and geography of scheme. Agency conflicts were reduced by using REITs instead of private fund and fund-of-funds investment vehicles where direct investment was not undertaken.

The increased liquidity represented by REITs was cited as a distinct advantage alongside reduced investment costs and the significantly reduced level of in-house operational costs for investment monitoring. Based on the study of some 880 pension funds it was concluded that, dependent on geography, schemes face a total charge of 76 basis points for investment in real estate, of which REITs was 41 basis points and direct real estate was 83 basis points. Among private real estate investments, limited partnerships and fund-of-funds demonstrated higher costs of 143 basis points and 183 basis points, respectively. In relation to average annual real estate investment returns of some 7.0% from 1990 to 2009, REITs were shown to return 10.9% and direct investment 6.7%. The conclusion of the report was that pension funds should consider all real estate investment options, including listed real estate and REITs.

In terms of performance relative to other real assets Figure 8 shows the performance at the fund level, of global real estate funds relative to infrastructure and real asset funds, from March 09 the trough of the market, to July 2013. As can be seen clearly real estate has generated significant outperformance in terms of returns, for not dissimilar levels of volatility.

Figure 8 **Risk and return for real asset categories**



Source: Consilia Capital, Bloomberg

Practical applications

In a recent study, Baum and Moss (2013) examined the main practical applications of listed real estate in asset allocation, and found them to be many, and varied. Using the table below as an illustration, they identified the following uses:

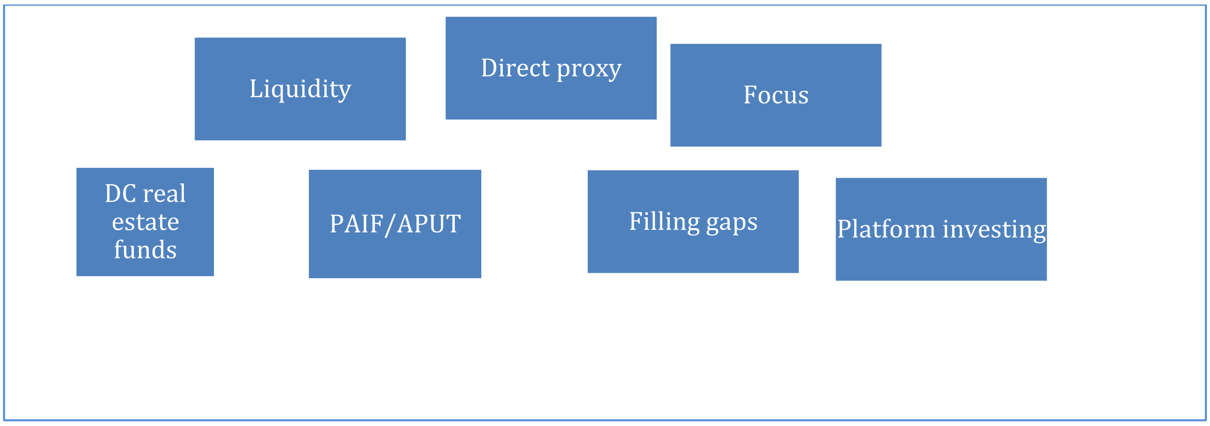
1) It can be used as a proxy for direct or private real estate.
   The China National Council for Social Security Funds recently awarded a listed real estate mandate to AMP and others, with the objective to use listed real estate to deliver a real estate exposure as part of the multi-asset portfolio. In the US this strategy has been extremely popular with US state pension funds, which have awarded domestic and global REIT mandates to fulfil their requirement for a real estate exposure. In Europe, as mentioned previously, PGGM and APG have both (at times) been keen proponents of using the listed sector as a way of delivering direct real estate returns. 2)
2) It can be used to add liquidity to a private real estate fund or portfolio (for defined contribution funds, unit-linked funds or PAIFs, for example).
   As an example, Dutch pension fund BPF Bow has increased its allocation to listed real estate as part of a plan to invest in both public and private real estate in a fully integrated way, and will be able to invest as much as 8% of its real estate capital in listed investments as part of a portfolio managed by a single, integrated team at asset manager Bouwinvest Real Estate Investment Management.
   The fully integrated listed strategy will enable Bouwinvest to take advantage of market cycles and arbitrage opportunities with the non-listed sector. Another main objective is to 'fill in holes' where Bouwinvest is unable to find the right non-listed product, whether this is a real estate fund, club deal or joint venture. A recent example of the execution of this strategy was an investment in five real estate investment trusts (REITs) to gain exposure to regional malls in the US, given that many of the best assets in the sector are held by listed REITs

3) It can be used when the best available asset manager happens to be a listed fund or company. This means that sometimes listed real estate will be used on its own, and sometimes it will be combined with other real estate formats.
   Most recently there has been a trend towards private equity houses using the listed sector for platform investing. In the current market, where there is often a focus on liquidity, companies such as Forum Partners help to provide restructuring capital and market expertise to small and mid-size real estate companies that are traditionally underserved by the capital markets. In return for providing

equity or mezzanine finance, equating to say 10-25% of the company's capital structure, they take a seat on the board and help the company to expand. They have successfully executed this strategy globally, with over 70 investments in 17 countries in Europe and Asia. Examples of their investments in Europe are New River Retail in the UK and Zueblin in Switzerland.

4) Listed real estate can be combined with other real estate assets to provide an enhanced, return with increased liquidity. The National Employment Savings Trust (NEST) is a good example of a blended real estate portfolio in action. NEST has made the strategic decision to invest 20% of total assets in real estate, the mix being 70% direct UK property and 30% global REITs, the latter to enhance diversification. Listed real estate is a key component of new Defined Contribution (DC) strategies in the UK. Auto-enrolment into DC schemes in the UK is now underway and one of the biggest challenges for the industry is the provision of a suitable real estate and real assets platform. We believe more DC schemes will follow the strategy employed by NEST.

Figure 9 **Applications of listed real estate**



Source: Consilia Capital, Baum &Moss 2013

Conclusions

In this paper we have sought to address the issue of, inter alia, the diversification benefits available from listed real estate by looking both at the empirical evidence and the practical portfolio applications. We discovered that there is a wide range of applications of listed real estate, both directly and through funds. It can be, and is, used as a proxy for the direct or private market by institutional investors. Because of the increased premium placed on liquidity by both regulators and investors and the more efficient pricing mechanisms available, listed real estate is used to provide exposure to real estate with daily pricing and liquidity and these benefits are increasingly important for defined contribution platforms. We also found that listed real estate is being used to fulfil an increasing number of investment objectives, both as a separate asset class and in conjunction with other assets such as unlisted real estate funds, direct property, and infrastructure/commodities. Listed and unlisted real estate funds can be combined to explore arbitrage opportunities, although this can be difficult to exercise in practice.

In a multi-asset portfolio the inclusion of listed real estate can provide both return enhancement and risk reduction to the portfolio, although recent evidence suggests that the diversification benefits may be reduced during periods of financial distress, with the correlation and sensitivity to movements in the stock market increasing. Investors have historically used listed real estate to achieve a number of outcomes, ranging from general exposure to the asset class to meeting specific return characteristics such as inflation hedging and tax-efficient income generation.

In conclusion, the reason for this popularity with both asset allocators and retail investors lies in the specific and definable investment characteristics which listed real estate can provide; greater liquidity than direct real estate but the returns that are linked to it, diversification within a multi-asset portfolio, an above-average and secure dividend stream, a form of protection against future inflation shocks, and a conservatively geared exposure to improving asset prices.

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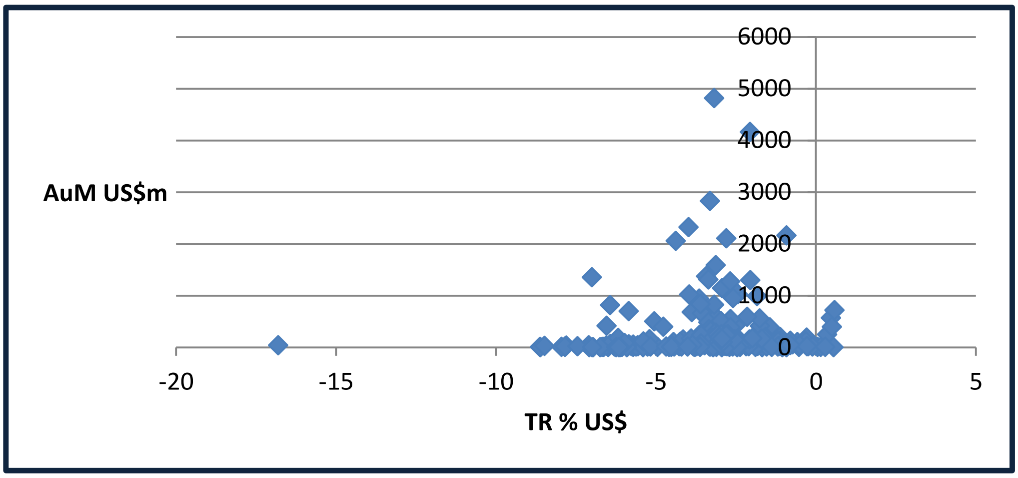
Global Funds Performance

November 2013



Popular Benchmark

Benchmark Index	Nov return %	Volatility %
FTSE EPRA/NAREIT Developed Index	-3.44	12.05

By Fund size

Fund	Average	Maximum	Minimum
Global large	-3.28	-0.91	-7.01
Global medium	-2.85	0.59	-6.54
Global small	-3.95	0.56	-16.81

Best Performing Funds

Global Large Funds > US $ 750m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Third Avenue Real Estate Value Fund	-0.91	2.18	8.99	2,158	Open-End
Morgan Stanley Global Property Fund	-1.84	0.72	13.54	989	SICAV
Schroder Global Property Securities Fund	-2.05	0.32	12.96	1,295	Unit Trust
SPDR Dow Jones International RE ETF	-2.06	0.55	15.07	4,158	ETF
Invesco Global Real Estate Income Fund	-2.44	0.28	7.73	1,026	Open-End

Global Medium Funds US $75m to US$750m Aum

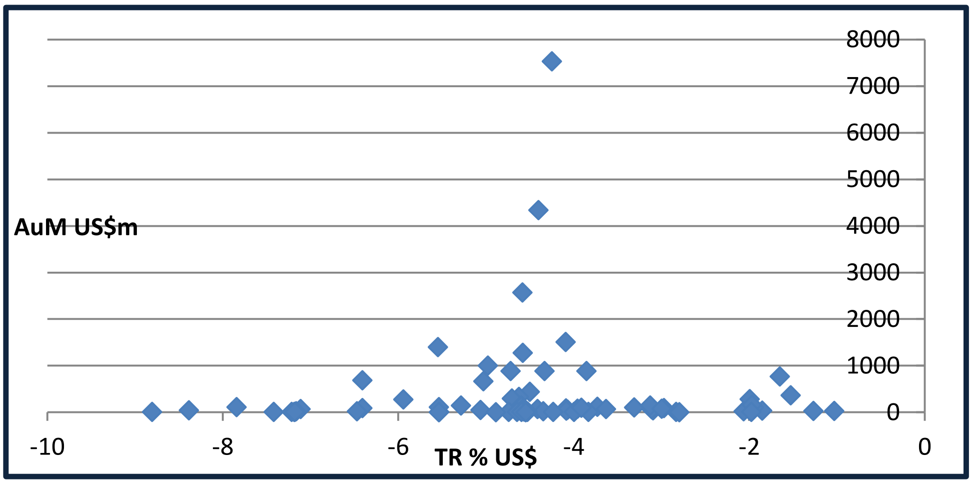
Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Standard Life Select Property Unit Trust	0.59	0.31	9.89	715	Unit Trust
IAM-Immo Securities Fund	0.50	-0.47	7.28	395	FCP
DWS Sachwerte	0.47	0.38	5.95	569	Open-End
Allianz Flexi Immo	-0.29	-5.38	1.15	185	Open-End
HSBC Open Global Property Fund	-0.31	1.01	13.81	112	Open-End

Global Small < US$ 75 Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
GinsGlobal Real Estate Index Fund	0.56	0.60	13.40	1	Open-End
BPH FIO - Equity Real Estate Subfund	0.06	n/a	n/a	4	Open-End
Kenanga Global Real Estate Fund	-0.10	0.71	9.13	11	Open-End
Ascend Global Fund	-0.24	-0.76	4.43	18	Open-End
Strategiefonds Sachwerte Global Def	-0.27	-0.08	1.56	21	Open-End

Global REIT Funds Performance

November 2013



Popular Benchmark

Benchmark Index	Nov return %	Volatility %
S&P Global REIT Index	-4.33	12.31

By Fund size

Fund	Average	Maximum	Minimum
Global REIT large	-4.27	-3.85	-5.55
Global REIT Medium	-4.26	-1.53	-7.84
Global REIT Small	-4.62	-1.27	-8.81

Best Performing Funds

Global REIT Large Funds > US750m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Cohen & Steers REIT and Preferred Inc	-3.85	0.02	19.32	883	Closed-End
Daiwa Global REIT Open Fund	-4.09	1.45	17.95	1,509	Fund of Funds
Nikko LaSalle Global REIT Fund	-4.25	1.49	18.44	7,528	Fund of Funds
Nomura Global REIT Open	-4.33	1.39	16.35	884	Fund of Funds
Kokusai World REIT Open -	-4.40	1.35	18.16	4,335	Fund of Funds

Global REIT Medium Funds US$75m to US$750m Aum

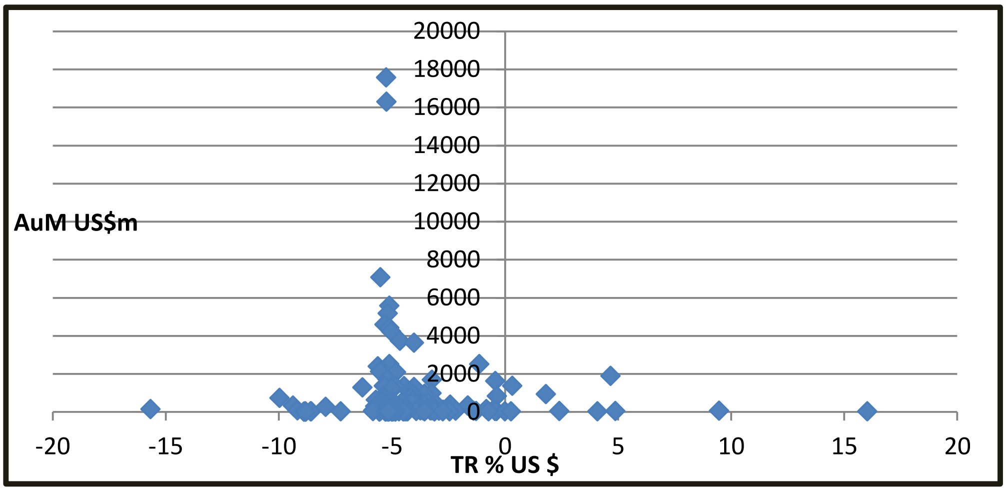
Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
LGT Select REITS	-1.53	0.75	11.99	365	Open-End
Standard Life Global REIT Focus Fund	-1.94	0.24	12.67	101	SICAV
Hana UBS Global REITs Fund of Funds	-1.97	0.85	11.21	154	Fund of Funds
Yuanta Polaris Global REITs Fund	-1.99	1.34	11.74	277	Unit Trust
Daiwa Developed Market REIT Alpha	-2.97	1.42	13.85	90	Open-End

Global REIT Small Funds <US$75m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
FSITC Global REITs Fund	-1.27	0.83	12.56	26	Unit Trust
Capital Global REIT Balanced Fund	-1.85	0.56	9.19	31	Unit Trust
Samsung Global REITs Real Estate	-1.97	0.64	11.03	3	Fund of Funds
UB Global REIT Fund	-2.06	0.85	10.16	21	Open-End
Samsung Global REITs Real Estate	-2.80	0.19	11.17	1	Fund of Funds

US Funds Performance

November 2013



Popular Benchmark

Benchmark Index	Nov return %	Volatility %
Dow Jones US Select REIT Index	-5.49	15.72

By Fund size

Fund	Average	Maximum	Minimum
US Large	-4.17	4.67	-6.29
US medium	-4.52	1.81	-15.68
US small	-3.73	16.03	-9.18

Best Performing Funds

US Large Funds - Over US $1bn Aum

Fund	Nov return %	Sharpe Ratio	Volatility%	AUM US$	Type
SPDR S&P Homebuilders ETF	4.67	1.39	22.00	1,876	ETF
Forward Select Income Fund	0.33	0.92	6.42	1,364	Open-End
CGM Realty Fund	-0.42	0.71	17.04	1,600	Open-End
Fidelity Real Estate Income Fund	-1.13	0.80	5.22	2,496	Open-End
TIAA-CREF Real Estate Securities Fund	-4.02	0.34	15.05	1,282	Open-End

US Medium Funds US$100bn to US$1bn Aum

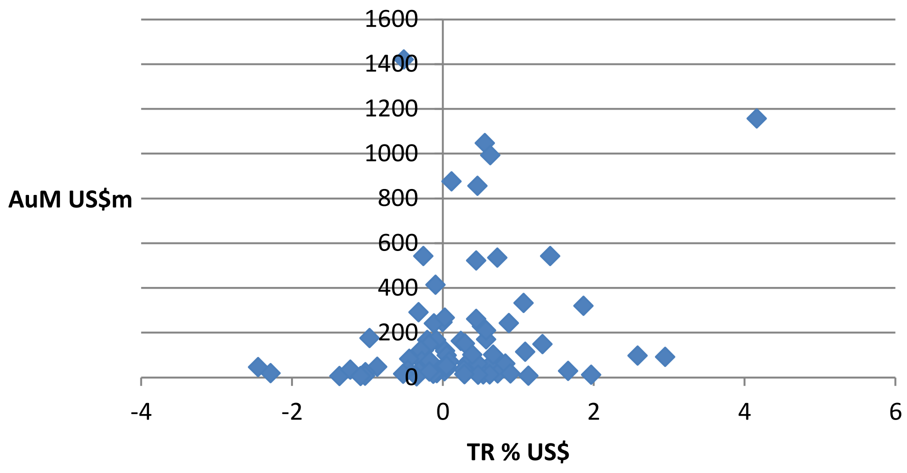
Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Baron Real Estate Fund	1.81	0.75	2.22	927	Open-End
Fidelity Series Real Estate Income Fund	-0.36	0.56	1.19	814	Open-End
Lazard US Realty Income Portfolio	-0.82	1.62	0.47	130	Open-End
REMS Real Estate Opportunity Fund	-1.64	0.33	1.36	315	Open-End
REMS Real Estate Income 50/50	-2.50	1.30	0.31	127	Open-End

US Small <Under US$100m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Direxion Daily Real Estate Bear 3x Shares	16.03	-0.51	51.16	17	ETF
ProShares UltraShort Real Estate	9.47	-0.39	32.73	55	ETF
ProShares Short Real Estate	4.88	-0.43	16.60	33	ETF
SPDR S&P Mortgage Finance ETF/US	4.08	2.55	15.30	8	ETF
Rakuten US REIT Triple Engine	0.27	0.94	29.46	7	Open-End

European Funds Performance

November 2013



Popular Benchmark

Benchmark Index	Nov return	Volatility %
FTSE EPRA/NAREIT Dev'd Europe Index	-0.06	12.37

By Fund size

Fund	Average	Maximum	Minimum
Europe medium	0.52	4.16	-0.97
Europe small	0.02	1.97	-2.45

Best Performing Funds

European Medium Funds > US$ 75m Aum

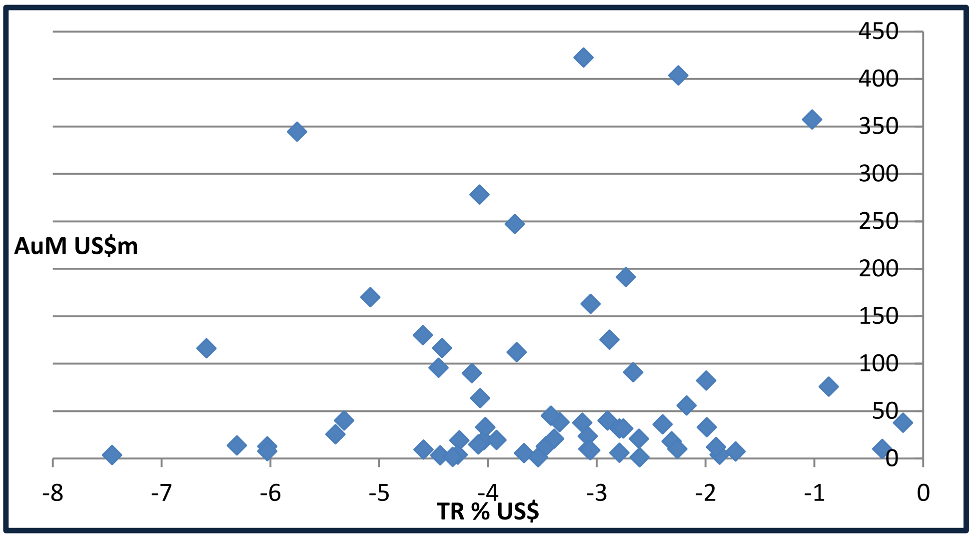
Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Credit Suisse Real Estate Fund	4.16	-0.19	13.12	1,157	Closed-End
F&C Property Growth & Income	2.95	0.81	7.36	91	Open-End
Premier Pan European Property Share	2.58	1.73	10.83	97	Open-End
Aberdeen Property Share Fund	1.86	1.93	12.30	320	OEIC
UBS CH Institutional Fund	1.42	-0.30	7.85	541	Open-End

European Small Funds <US$75m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Palatine Immobilier	1.97	2.25	8.13	12	FCP
BNP Paribas Property Securities Europe	1.66	1.16	12.58	29	Open-End
UBS ETF CH-SXI Real Estate	1.13	-0.75	7.11	7	ETF
Henderson - European Property Securitie	0.90	1.55	13.36	17	Unit Trust
Kempen Best Selection European Prop.	0.83	0.83	12.91	61	Open-End

Asian Funds Performance

November 2013



Popular Benchmarks

Benchmark Index	Nov return %	Volatility %
EPRA NAREIT Asia Total Rtrn Index USD	-2.64	16.18
TR GPR APREA COMPOSITE Index USD	-3.11	14.94

By Fund size

Fund	Average	Maximum	Minimum
Asian medium	-3.68	-1.02	-6.59
Asian small	-3.25	-0.19	-7.45

Best Performing Funds

Asian Medium funds >US$75m Aum

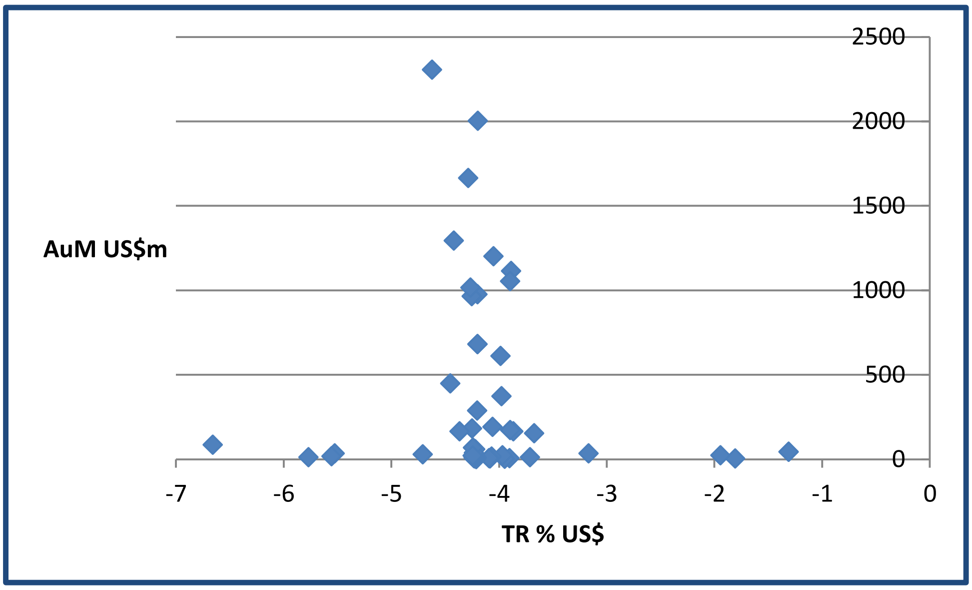
Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
MFL Property Fund	-1.02	1.43	7.03	357	Open-End
Parvest Real Estate Securities Pacific	-1.99	0.36	18.62	82	SICAV
Morgan Stanley Investment Funds -	-2.25	0.57	17.14	403	SICAV
Amadeus Asian Real Estate Securities Fur	-2.66	0.23	15.80	90	Open-End
Schroder Asia Pacific Property Securities	-2.73	0.29	14.84	191	SICAV

Asian Small funds < =US$75m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Guggenheim China Real Estate ETF	-0.19	-0.10	20.09	37	Open-End
Hang Seng Property Sector FlexiPower Fu	-0.37	0.01	17.82	10	Open-End
B&I Pacific Real Estate Securities Fund	-0.87	0.60	5.65	75	Open-End
RHB-OSK Asian Real Estate Fund	-1.72	0.19	14.83	7	Open-End
Celsius Asian Real Estate Income Fund	-1.87	-0.73	11.58	4	Open-End

Japanese Funds

November 2013 Performance



Popular Benchmarks

Benchmark Index	Nov return %	Volatility %
Tokyo Stock Exchange REIT Index	-4.22	26.03
TR/GPR/APREA Composite Japan Index	-2.31	29.61

By Fund size

Fund	Average	Maximum	Minimum
Japanese large	-4.19	-3.89	-4.62
Japanese medium	-4.34	-3.67	-6.66
Japanese small	-3.89	-1.31	-5.77

Best Performing Funds

Japanese Large funds > US$500m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
DLIBJ DIAM J-REIT Open	-3.89	1.17	24.74	1,114	Fund of Funds
Shinko Resona JREIT Active Open	-3.90	1.20	25.31	1,054	Open-End
MHAM Mizuho J-REIT Fund	-3.99	1.19	26.04	611	Fund of Funds
Mitsubishi UFJ J REIT Open	-4.05	1.22	26.05	1,201	Fund of Funds
Nissay J-REIT Fund - Monthly Dividend	-4.20	1.19	25.85	2,002	Fund of Funds

Japanese Medium funds<US$500m >US$75m Aum

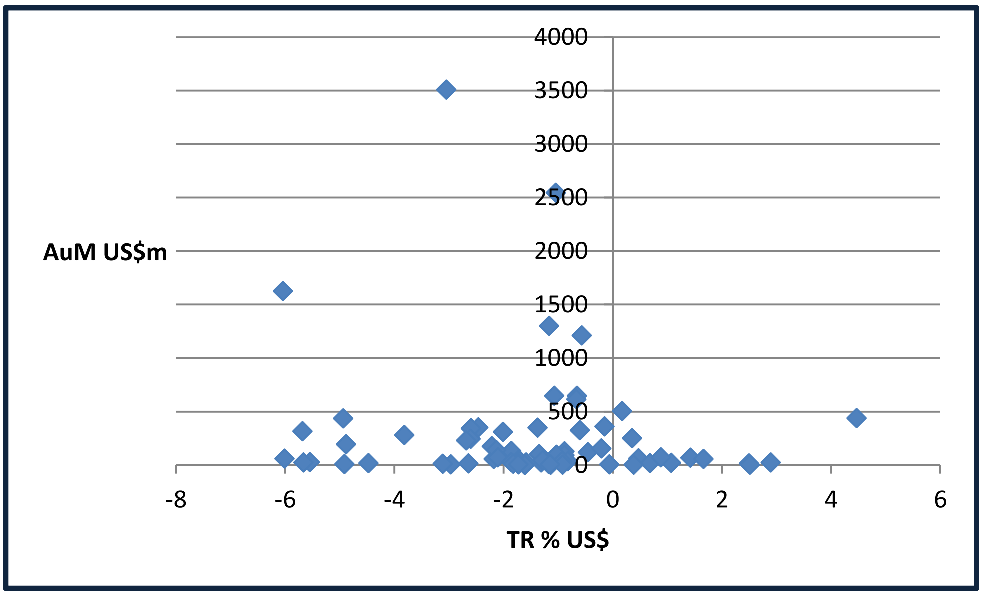
Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
DIAM Strategic J-REIT Fund	-3.67	1.25	23.64	153	Open-End
DLIBJ DIAM J-REIT Open	-3.87	1.18	24.76	165	Fund of Funds
DIAM DIAM J-REIT Active Fund	-3.90	1.18	24.78	173	Open-End
MHAM J-REIT Active	-3.98	1.19	26.27	372	Fund of Funds
Daiwa Fund Wrap J-REIT Select	-4.06	1.20	25.41	191	Open-End

Japanese Small funds < US$75m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Nomura NEXT FUNDS TOPIX-17 Real Estat	-1.31	1.94	42.64	44	ETF
Daiwa ETF TOPIX-17	-1.81	n/a	n/a	3	ETF
Mizuho JREIT Fund	-1.94	1.67	27.30	22	Open-End
Nomura NEXT FUNDS TOPIX-17 Cons	-3.17	2.40	22.35	34	ETF
Meiji Yasuda JREIT Strategy Fund	-3.71	1.41	22.60	11	Open-End

Infrastructure and Real Asset Funds

November 2013 Performance



Popular Benchmark

Benchmark Index	Nov return %	Volatility %
D Jones Brookfield Global Infra Tot Rtn	-1.33	10.08

By Fund size

Fund	Average	Maximum	Minimum
Global infrastructure medium	-1.96	4.47	-6.04
Global infrastructure small	-1.27	2.90	-6.01
Real assets	-1.36	2.51	-3.11

Best Performing Funds

Global Infrastructure Medium >US$150m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
First Trust Energy Infrastructure Fund	4.47	1.16	21.38	437	Closed-End
Partners Group Invest - Listed Infra.	0.18	1.18	8.71	504	SICAV
Brookfield Global Listed Infrastructure	-0.15	1.76	10.18	360	Open-End
Russell Global Infrastructure Fund	-0.57	1.37	9.96	1,212	Open-End
Lazard Global Listed Infrastructure	-0.60	2.66	8.94	325	Open-End

Global Infrastructure Small < US$150m Aum

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
BZ Fine Funds BZ Fine Infra	2.90	2.50	10.57	25	Open-End
Hua Nan Global Infrastructure Fund	2.50	1.04	12.63	13	Unit Trust
Investors Global Infrastructure Class	1.67	4.44	9.99	57	Open-End
Cathay Global Infrastructure Fund	1.42	1.54	10.59	68	Unit Trust
Prudential Global Infrastructure Fund	1.07	2.18	10.22	20	Open-End

Real Assets Funds

Fund	Nov return %	Sharpe ratio	Volatility %	AUM US$m	Type
Real Assets Investimento no Exterior FIC	2.51	0.20	16.43	1	Fund of Funds
L&T Global Real Assets Fund	0.68	1.82	11.54	16	Fund of Funds
Fidelity Funds - Global Real Asset Secs	0.36	1.25	10.49	249	Open-End
Argos Investment Fund - Real Assets	-0.06	0.73	9.73	6	Fund of Funds
Huntington Real Strategies Fund	-0.88	0.71	10.99	91	Open-End

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