

# CONSILIA CAPITAL



## Real Estate Securities Funds Monitor

Period End: September 2013

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October 2013

# Real Estate Securities Funds Monitor

## Summary

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

### **1) A summary of September performance by fund mandate and size (p3 )**

A positive month for all mandates, with Japanese funds (+15.8%) leading the charge, Asian funds at +6.5%, and European Funds at 6.2%. US Funds (+3.1%) and Real Assets (+3.2%) had the smallest gains.

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

Looking at the returns YTD it is again the Japanese funds (+22.3%) that stand out, particularly in contrast to the rest of Asia (+0.99%), and the US (+1.39%). Europe is now performing on a relative basis (+7.12%) as is Global Infrastructure (+8.56%). Global real estate is just positive (+1.12%) and Real Assets are the only category in negative territory (-0.94%).

### **3) Fund flows – an initial analysis (p.5)**

We try to answer a number of questions in this study, with the following conclusions:

- **Has there been an inflow or outflow of money into dedicated securities funds so far this year, and if so how much?** We estimate that there has been a net inflow into the funds that we cover of US\$3.5bn in the first nine months of this year.
- **Which regions and sectors have benefitted most and which least?** Japanese funds have been the most significant beneficiary, with net inflows of US\$3.9bn. This was followed by Global Real estate (US\$2.8bn) and Global Infrastructure (US\$2.3bn). The most significant net outflows have been for US Funds (US\$4.2bn) and Global REIT mandates (US\$2.0bn)
- **Are fund flows correlated to performance?** A more detailed study is required for an accurate answer, but it is worth noting that the most significant performer (Japan) had the most significant net inflows, whilst switching activity appears to have led to very different fund flows for the US and Global mandates, despite inevitably similar performance results.
- **Is the direction of flows common across the majority of funds in that region?** Our evidence suggests that there is commonality, and that the larger funds have the most consistent patterns of flows. 90% of our large Japanese funds had positive inflows, and 73% of our large Global REIT funds had net outflows.
- **How closely are fund flows related to the performance and flows of the underlying listed sector?** Intuitively, and anecdotally, there is a link between fund inflows and a subsequent increase in equity issuance. However, this was not particularly evident in the first nine months of 2013, with the exception of Japan. The US REIT market continued to grow via both primary and secondary equity market issuance, despite outflows to the dedicated funds sector.

### **4) Alternative risk measures – maximum drawdown (p.10)**

We show the updated figures for the sector over a 5 year period, using maximum drawdown as our risk measure.

### **5) Detailed performance statistics by region (p14-20)**

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. As always, 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.*

# Real Estate Securities Funds Monitor

## September 2013 performance summary

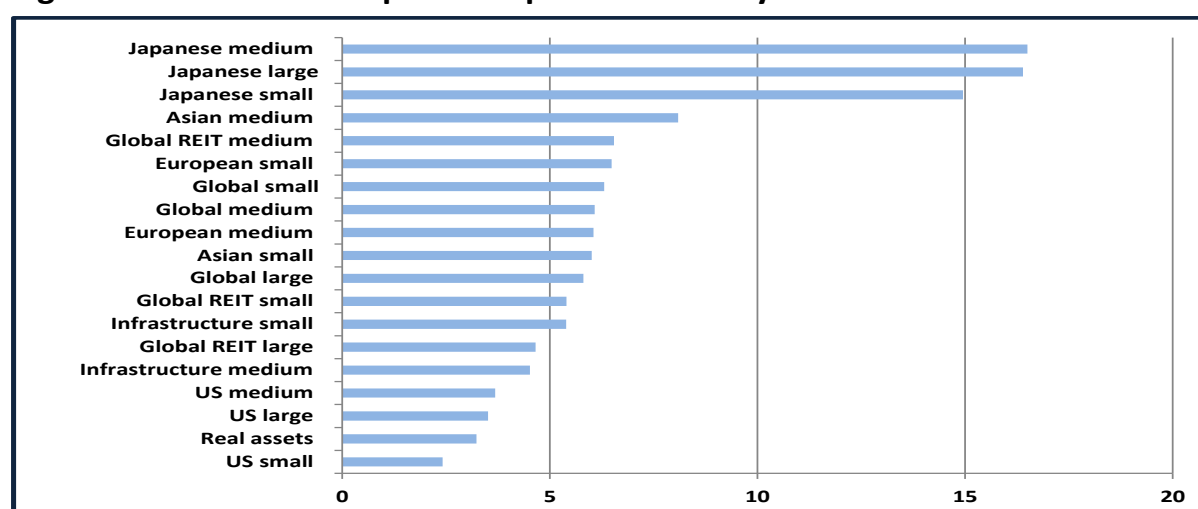
Firstly we show how each region has performed relative to the benchmarks and other listed real estate markets (Figure 1). Secondly, the differences in performance of each mandate classified by size of Fund (Figure 2) and thirdly we are interested in seeing the performance of global listed real estate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

**Figure 1 Regional real estate performance September 2013**

Asia		Average	Max	Minimum
Funds	Asian Funds	6.48	15.81	-5.36
	Japanese Funds	15.81	20.60	8.27
Benchmark	EPRA NAREIT Asia Total Rtrn Index USD	8.25		
Europe		Average	Max	Minimum
Funds	European Funds	6.20	8.26	-0.61
Benchmark	FTSE EPRA/NAREIT Dev'd Europe Index	7.51		
US		Average	Max	Minimum
Funds	US Funds	3.09	9.37	-11.46
Benchmark	Dow Jones US Select REIT Index	3.19		

Source: Consilia Capital, Bloomberg

**Figure 2 September performance by mandate and fund size**



Source: Consilia Capital, Bloomberg

**Figure 3 Global Asset Class performance September 2013**

Global		Average	Max	Minimum
Funds	Global Funds	6.15	16.94	-0.30
Benchmark	FTSE EPRA/NAREIT Developed Index	5.76		
Global REITs		Average	Max	Minimum
Funds	Global REIT Funds	5.73	12.90	1.96
Benchmark	S&P Global REIT Index	5.29		
Infrastructure		Average	Max	Minimum
Funds	Global Infrastructure Funds	4.99	9.46	-5.17
Benchmark	D Jones Brookfield Global Infra Tot Rtn	4.13		
Funds	Real Assets Funds	3.23	6.52	-0.88

Source: Consilia Capital, Bloomberg

# Real Estate Securities Funds Monitor

## YTD 2013 performance summary

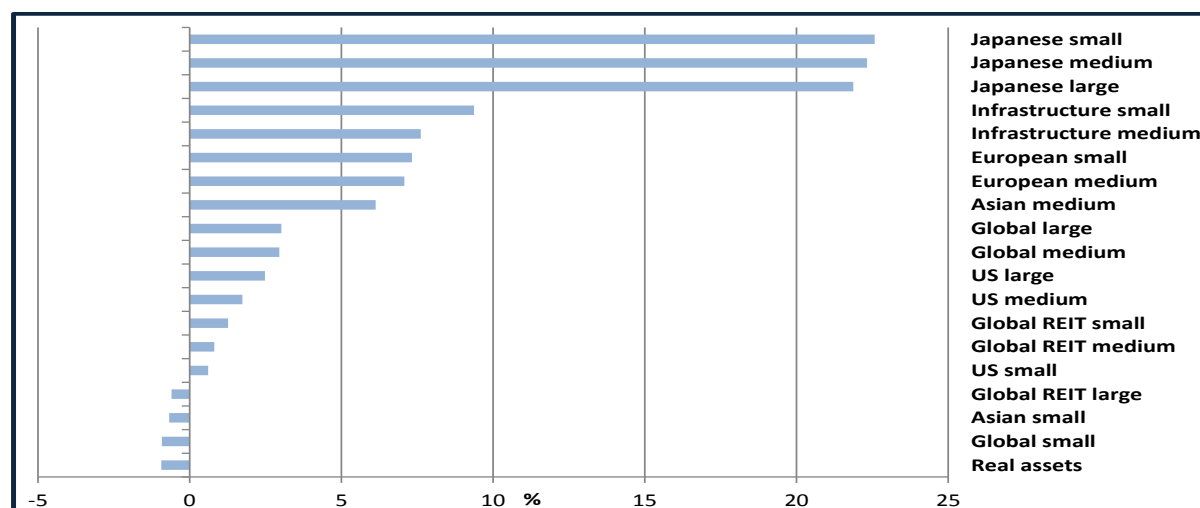
As with the monthly figures, we firstly show how each region has performed relative to the benchmarks and other listed real estate markets (Figure 4). Secondly, the differences in performance of each region classified by size of Fund (Figure 5) and thirdly the performance of global listed real estate 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
Asian Funds	0.99	21.22	-21.89
Japanese Funds	22.32	37.10	-11.00
EPRA NAREIT Asia Total Rtrn Index USD	7.42		
Europe	Average	Max	Minimum
European Funds	7.12	24.00	-9.17
FTSE EPRA/NAREIT Dev'd Europe Index	9.15		
US	Average	Max	Minimum
US Funds	1.39	18.41	-20.82
Dow Jones US Select REIT Index	2.33		

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
Global Funds	1.12	16.04	-39.94
FTSE EPRA/NAREIT Developed Index	4.90		
Global REITs	Average	Max	Minimum
Global REIT Funds	0.75	16.54	-12.82
S&P Global REIT Index	3.67		
Infrastructure	Average	Max	Minimum
Global Infrastructure Funds	8.56	22.26	-8.46
D Jones Brookfield Global Infra Tot Rtn	9.34		
Real Assets Funds	-0.94	5.64	-7.05

Source: Consilia Capital, Bloomberg

## Fund Flows: An Initial Overview

### Background to and reasons for this study

One of the most common requests we have is for data on the flows of money into and out of real estate securities. This article seeks to provide an initial framework for our ongoing work in this area. We can separate funds flow analysis into two separate but related areas. Firstly changes in demand by generalists for listed real estate companies. This impacts primarily the equity fund raising capability of the companies. Secondly the flow of funds into and out of dedicated real estate securities funds. In this article we will be dealing primarily with the latter category, and also including data on infrastructure and real asset funds.

### The importance of fund flows

There are a number of reasons for trying to identify the direction and quantum of fund flows. Flows are one of the key determinants of both valuation and performance of the listed sector, and an understanding of current fund flows is critical to both asset allocation strategy and product development.

### Methodology

**Sample:** The approach we have adopted is to use our database of funds, which separates funds by mandate and AuM. For this study we decided to limit the sample by imposing a cut-off point of US\$100m AuM at the end of September. This reduced the number of funds down from >800 to a more manageable 290.

**Funds Flow calculation:** We have tried to separate the inflow / outflow to the funds by multiplying the performance in the period (measured as total return denominated in US\$) by AuM at the beginning of the period to produce an estimate of the AuM at the end of period end assuming no flows. We have then compared this to the actual AuM (measured in US\$) over the period. We have taken the difference to be the net flow over the period. The data we have taken for AuM is from Bloomberg.

**Limitations:** As always there are some limitations. In this study they can be specified as the following:

- 1) Funds do not always update their AuM figures supplied to Bloomberg each month. Therefore a sharp change in a Fund's AuM may relate to more than the period that we are considering in this study. If AuM changes are not reported to Bloomberg then they will not be included in our figures.
- 2) Our database only looks at dedicated funds. Therefore fund flows to separate account mandates will not be included.
- 3) With a sample of c. 300 there will be some bias towards the larger fund flows.
- 4) We are only attempting to capture net flows rather than isolate inflows and outflows. Therefore the net figures may disguise significant inflows and outflows at different times over the period.
- 5) By imposing a minimum AuM of US\$ at September we may not have captured all the inflows and outflows.

Despite these potential limitations we believe that the study should prove a useful guide as to the direction and quantum of flows to funds so far this year, and we will be updating these figures on a more regular basis going forward.

### Specific Objectives of this Study

In particular we are seeking to answer the following questions:

- Has there been an inflow or outflow of money into dedicated securities funds so far this year, and if so how much?
- Which regions and sectors have benefitted most and which least?
- Are fund flows correlated to performance?
- Is the direction of flows common across the majority of funds in that region?
- How closely are fund flows related to the performance and flows of the underlying listed sector?

# Real Estate Securities Funds Monitor

## Results

Figure 7 below shows the initial results using the methodology we have outlined. We have taken all the Funds in our database with an AuM of over US\$100m as at end September, and grouped them by regional mandate. Starting with their aggregate AuM at the beginning of the year, we then multiply by the average total return of the sample for the 9 months YTD to produce an expected AuM at the end of September (assuming no inflows or outflows). We then compare this with the actual AuM to provide an estimate of the impact of firstly performance and then the residual fund flows on AuM over the period. Overall we can see that this first screen suggests that there was a positive inflow of funds to dedicated securities funds over the period, with Japanese and Global Real Estate Funds benefitting the most, along with Infrastructure, and Global REIT and US mandates suffering outflows.

**Figure 7 Initial calculations for fund flows**

Fund Mandate	Jan AuM US\$m	Ave YTD TR %	Expected Sep AuM \$m	Actual Sep AuM \$m	Actual Ch. AuM \$m	Ch due to Performance \$m	Ch due to Fund Flows
Asian Real estate	3,134	3.35	3,239	3,086	-48	105	-153
European Real estate	10,029	6.56	10,687	11,017	988	658	330
Global Infrastructure Fund	10,407	8.60	11,302	13,602	3,195	895	2,300
Global Real Estate	54,177	2.98	55,791	58,519	4,342	1,614	2,728
Global REIT	29,968	0.73	30,188	27,925	-2,043	220	-2,263
Japanese Real Estate	10,269	21.94	12,522	16,370	6,100	2,253	3,847
Real Assets Fund	3,011	-1.34	2,970	3,411	400	-40	440
US Real estate	125,398	1.81	127,662	124,027	-1,371	2,264	-3,635
<b>Total</b>	<b>246,393</b>		<b>254,360</b>	<b>257,955</b>	<b>11,562</b>	<b>7,968</b>	<b>3,595</b>

Source: Consilia Capital, Bloomberg

However, we need to perform a couple of cross-checks and adjustments to these initial findings before we can assume they are reasonable estimates. Firstly we need to compare the unweighted average YTD returns of our small sample with the unweighted average of the total sample in our database and then that of the relevant market cap. weighted EPRA Indices to ensure that they are broadly representative. The table below shows the comparison. With the exception of Asia they are broadly consistent. However, the Asian market has been volatile over the period, there are a number of peculiarities (such as large developers which do not meet standard real estate Index inclusion criteria), and there is a wide discrepancy of performance between developers and REITs so a range of return outcomes for this mandate is not unexpected and our small sample returns seem consistent and reasonable estimates for the calculations.

**Figure 8 Comparison of returns YTD**

Fund Mandate	Small Sample Ave YTD TR % US\$	Full Sample Ave YTD TR % US\$	EPRA Index YTD TR % US\$
Asian (ex Japan) Real estate	3.35	0.99	-4.17
European Real estate	6.56	7.12	9.72
Global Infrastructure	8.60	8.56	n/a
Global Real Estate	2.98	1.12	3.37
Global REIT	0.73	0.75	3.09
Japanese Real Estate	21.94	22.32	31.44
Real Assets Fund	-1.34	-0.94	n/a
US Real estate	1.81	1.39	3.18

Source: Consilia Capital, Bloomberg

# Real Estate Securities Funds Monitor

The final check we need to undertake is to compare the figures in table 7 where we have applied a total return figure to an aggregate AuM figure with the results from all 290 individual fund calculations. As can be seen in Figure 9 there are differences again in quantum but not direction. We will use the aggregate of all the individual Fund AuMs shown below for our final results as these figures will capture more accurately individual flows to funds.

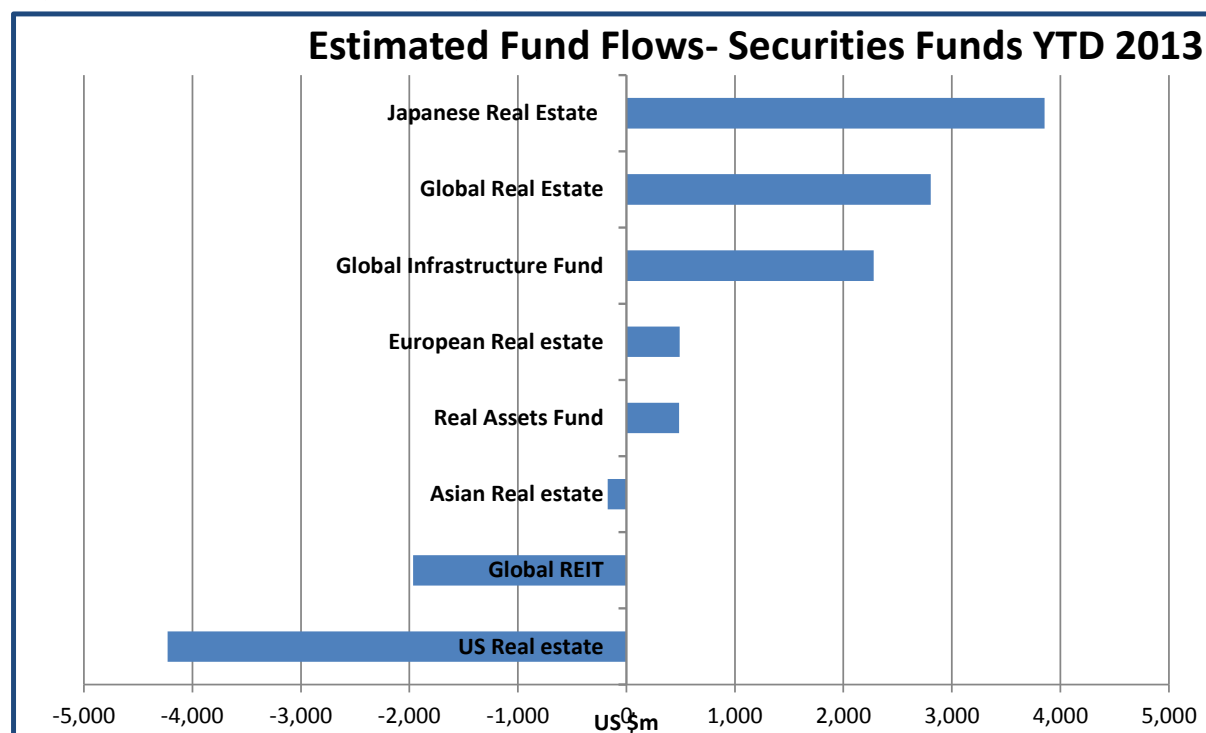
**Figure 9 Comparison of fund flows estimates**

Fund	Initial estimate	Detailed estimate	Difference
Mandate	Fund Flows US\$m	Fund Flows US\$m	US\$m
Asian Real estate	-153	-172	-19
European Real estate	330	492	162
Global Infrastructure Fund	2,300	2,279	-21
Global Real Estate	2,728	2,804	76
Global REIT	-2,263	-1,967	296
Japanese Real Estate	3,847	3,853	5
Real Assets Fund	440	486	46
US Real estate	-3,635	-4,228	-593
<b>Total</b>	<b>3,595</b>	<b>3,548</b>	<b>-47</b>

Source: Consilia Capital, Bloomberg

We are now in a position to show what we believe to be the fund flows for the first 3 Quarters of 2013, by mandate. This confirms our initial findings. There has been a positive flow to Japanese and Global mandates, out of Global REIT and US mandates. Infrastructure Funds have also seen an inflow, as have European funds.

**Figure 10 Fund flows by mandate YTD 2013**



Source: Consilia Capital, Bloomberg



# Real Estate Securities Funds Monitor

To understand fully the correlation and causality between flows and performance requires a separate, more granular study, with a series of monthly or quarterly data over a longer period. However, it is worth noting that the most significant regional performer in the period by far (Japan) attracted the most inflows. It is also worth noting that for obvious reasons (the dominance of the US in Global weightings) the US and Global mandates and indices had similar performance numbers, but that they experienced very different outcomes in terms of fund flows. A simple but possibly naïve assumption based on these flow numbers and anecdotal experience would be that some US and international investors switched out of US Funds into Global, Japanese and Infrastructure Funds, and similarly some Japanese based investors switched out of Global REIT Funds into Japanese Funds.

We now need to examine whether these aggregate flows are the result of flows to and from a small number of large funds, or the direction of flows is across all funds in the mandate. We have therefore divided the mandates into the size groupings we normally use in our monthly, and checked whether the individual fund flow was positive or negative. In order to interpret the results we have also shown how many funds are in the group. We have ranked the mandates in terms of the percentage of funds which had positive flows in the period. The results are shown below. As can be seen, all funds in the Real Assets category had inflows, but as there were only two in our study our sample is too small to be meaningful. We noted previously that Japanese and Global funds had the biggest inflows, and looking at the evidence below, it was the largest funds in these categories that showed the most consistent results. In other words 90% of all the large Japanese funds had positive inflows, as did 71% of large global funds. Evidence was similarly strong at the other end of the table, as 73% of the large Global REIT funds had outflows, and the majority of large and medium US funds also had outflows.

**Figure 11** Percentage of inflows/outflows by mandate

	Negative Fund Flows	Positive Fund Flows	No. of Funds
Real assets	0%	100%	2
Japanese large	10%	90%	10
Global large	29%	71%	24
Infrastructure medium	32%	68%	22
Japanese medium	33%	67%	12
Global REIT medium	44%	56%	16
Infrastructure small	50%	50%	4
European medium	53%	47%	32
Asian medium	54%	46%	13
Global medium	54%	46%	68
US large	55%	45%	29
US medium	62%	38%	47
Global REIT large	73%	27%	11

Source: Consilia Capital, Bloomberg

Finally we need to look at whether the flows for funds are consistent or leading/lagging those for companies. The evidence below suggests that there is certainly a disconnect between flows to companies and funds thus far in 2013. We have used the same methodology that we used for funds for the listed sector. In other words, beginning period market capitalization was multiplied by the YTD return to produce an expected September market capitalization. This is then compared to the actual figure, to illustrate the impact of flows. In the case of an Index constituent the primary drivers would be: equity issuance/ share buyback, inclusion / deletion from the Index, IPO/take private etc. As can be seen Asia suffered a reduction in size as did Europe. These two regions had only small and directionally different flows to funds. Japan saw a positive inflow which is consistent with the Funds experience, however, the largest outflow in Funds was for the US, where the listed sector continued to issue equity and grow over and above performance drivers.



**Figure 12 Listed real estate fund flows**

Region	Dec Mkt. Cap US\$m	Ave YTD TR %	Expected Sep Mkt Cap \$m	Actual Sep MktCap \$m	Ch due to Funds Flow \$m
Asian Real estate (ex Japan)	252,843	-4.17	242,299	218,298	-24,002
European Real estate	140,632	9.72	154,301	149,290	-5,011
Global Real Estate	1,147,653	3.37	1,186,329	1,194,853	8,524
Global REIT	747,302	3.09	770,394	812,019	41,625
Japanese Real Estate	109,798	31.44	144,318	160,625	16,307
US Real estate	451,744	3.18	466,109	493,923	27,814
<b>Total</b>	<b>2,849,972</b>		<b>2,963,751</b>	<b>3,029,008</b>	<b>65,256</b>

Source: Consilia Capital, EPRA/ Bloomberg

## Conclusions

At the beginning of this study we sought to answer a number of questions. We show them below, together with our conclusions

- **Has there been an inflow or outflow of money into dedicated securities funds so far this year, and if so how much?**

We estimate that there has been a net inflow into the funds that we cover of US\$3.5bn in the first nine months of this year.

- **Which regions and sectors have benefitted most and which least?**

Japanese funds have been the most significant beneficiary, with net inflows of US\$3.9bn. This was followed by Global Real estate (US\$2.8bn) and Global Infrastructure (US\$2.3bn). The most significant net outflows have been for US Funds (US\$4.2bn) and Global REIT mandates (US\$2.0bn)

- **Are fund flows correlated to performance?**

A more detailed study is required for an accurate answer, but it is worth noting that the most significant performer (Japan) had the most significant net inflows, whilst switching activity appears to have led to very different fund flows for the US and Global mandates, despite inevitably similar performance results.

- **Is the direction of flows common across the majority of funds in that region**

Our evidence suggests that there is commonality, although it appears to be the largest funds that have the most consistent patterns of flows. 90% of our large Japanese funds had positive inflows, and 73% of our large Global REIT funds had net outflows.

- **How closely are fund flows related to the performance and flows of the underlying listed sector?**

Intuitively, and anecdotally, there is a link between fund inflows and increased equity issuance. However, this was not particularly evident in the first nine months of 2013, with the exception of Japan. The US REIT market continued to grow via both primary and secondary equity market issuance, despite outflows to the dedicated funds sector.

## Alternative risk measures: Maximum Drawdown

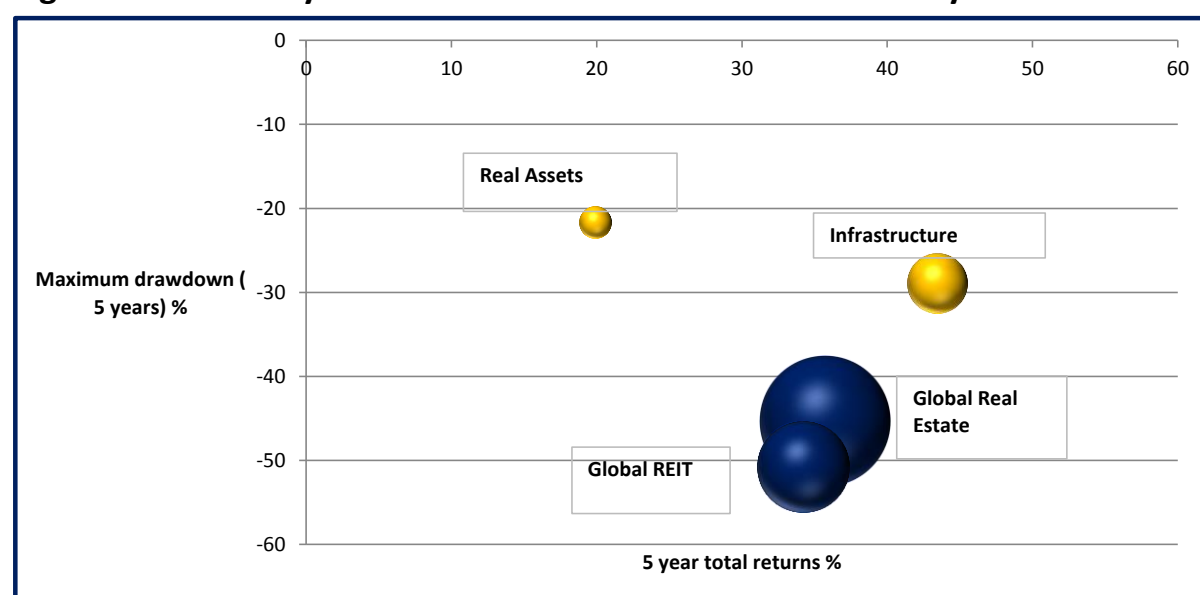
### Background and reasons for this study

We have looked previously at both alternative risk measures and longer term performance. The purpose of this brief study is to update the data to the end of Q3 2013 so as to provide an illustration of how the asset class of global real estate securities fares from an independent asset allocation perspective, and how individual regions have contributed to both risk and return over a 5 year period. We are using maximum drawdown as a risk measure in this instance rather than volatility, or a combined measure such as a Sharpe ratio

### Results of the study

Looking initially at the asset class level, we show below the 5 year return and 5 year maximum drawdown for Global real estate, Global REITs, Infrastructure and Real Assets. Maximum drawdown is shown by the vertical axis, the 5 year total return by the horizontal axis, and the aggregate size of Funds AuM by the size of the bubble. The preferred position is therefore in the upper right quadrant of the graph. Given the timing (5 years history still includes the downturn) it is no surprise that real estate does not compare well to infrastructure, lagging in returns, with a greater maximum drawdown. The superior returns of real estate relative to real assets has been a consistent feature of our studies on longer term performance. It is worth remembering that the rolling 5 year relative performance of real estate might change significantly in 6 months time when the period starts from the trough of the market for the listed sector in March 2009.

**Figure 13** 5 year max drawdown and total returns – by asset class

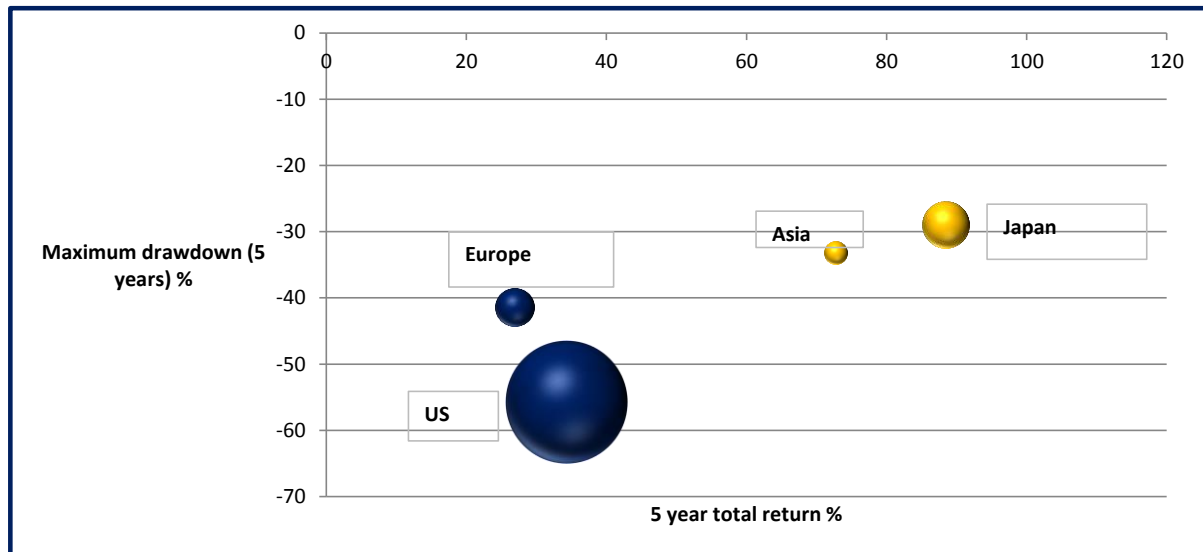


Source: Consilia Capital, EPRA/ Bloomberg

Looking now at the individual regions which are shown in Figure 14 overleaf, it is noticeable how the 2013 performance of Japan has impacted the relative rankings, with Europe finally narrowing the gap with the US.

# Real Estate Securities Funds Monitor

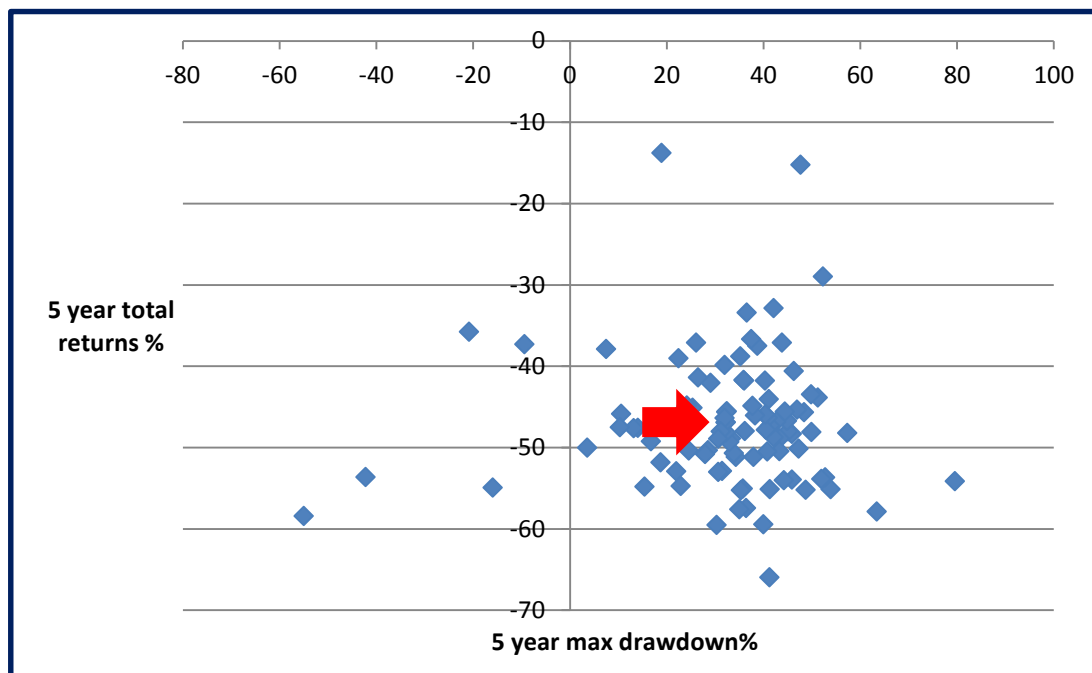
**Figure 14** 5 year max drawdown and total returns – by region



Source: Consilia Capital, EPRA/ Bloomberg

Finally, we look at the distribution of returns, in this case for our universe of global listed real estate funds. Given that they have different benchmarks and strategies, some variance would be expected, but the dispersion of both maximum drawdown and return will be surprising to some. This time, the vertical axis represents maximum drawdown and the horizontal axis represents total returns. Again, the upper right quadrant represents the best position. The unweighted average for global funds is a maximum drawdown of 47.1%, and a total return of 32.6%, as illustrated by the arrow.

**Figure 15** Distribution of Global RE funds drawdown and returns

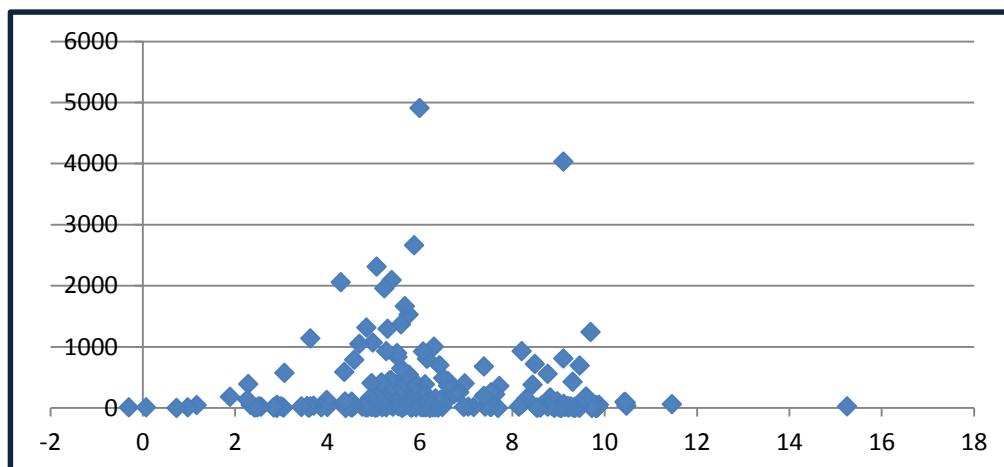


Source: Consilia Capital, EPRA/ Bloomberg

# Real Estate Securities Funds Monitor

## Global Funds Performance

September 2013



Vertical axis Aum US \$m

Horizontal axis monthly total return rebased in US\$

Source: Consilia Capital, Bloomberg

### Popular Benchmarks

Benchmark Index	Sep return %	Volatility %
FTSE EPRA/NAREIT Developed Index	5.76	11.59

### By Fund size

Fund	Average	Maximum	Minimum
Global large	5.80	9.70	2.90
Global medium	6.08	10.46	1.89
Global small	6.31	15.25	-0.30

## Best Performing Funds

### Global Large Funds > US \$ 750m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
AMP Capital Global Prop Securities	9.70	0.76	12.02	1,243	Unit Trust
Colonial First State - Global Property	9.11	0.64	11.06	808	Unit Trust
SPDR Dow Jones Intl Real Estate ETF	9.11	0.82	15.23	4,032	ETF
Vanguard Global ex-U.S. Real Estate ETF	8.21	0.92	15.96	929	ETF
SPDR Dow Jones Global Real Estate ETF	6.30	0.64	14.19	999	ETF

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

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
UBS Global Property Securities Fund	10.46	1.00	13.18	86	Unit Trust
Barclays Global Property Securities	10.43	0.55	13.46	95	OEIC
INVESCO Global Property Securities	9.60	0.46	12.93	188	Unit Trust
Colonial First State - Global Property Se	9.47	0.49	11.01	695	Unit Trust
Perennial Global Property Secs Trust	9.31	0.71	11.87	429	Unit Trust

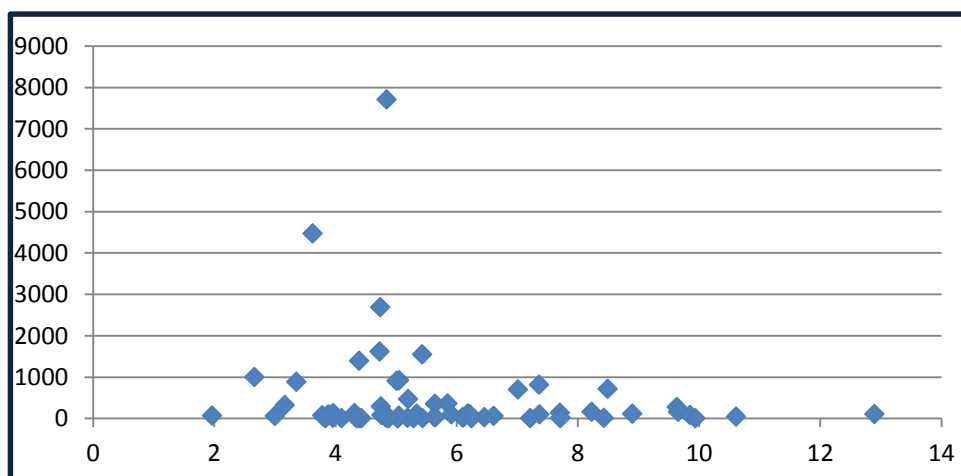
### Global Small < US\$ 75 Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Colonial First State Geared Global Prope	15.25	0.32	24.56	25	Unit Trust
Alpine Cyclical Adv'age Property Fund	11.46	0.87	14.03	60	Open-End
Colonial First State- Colliers Global Prop	10.47	0.42	10.43	37	Open-End
Cohen & Steers Global Listed Property	9.88	1.03	12.17	50	Unit Trust
MLC Global Property Fund	9.85	0.93	14.37	17	Open-End Pn

# Real Estate Securities Funds Monitor

## Global REIT Funds Performance

September 2013



Vertical axis Aum US \$m

Horizontal axis monthly  
total return rebased in  
US\$

Source: Consilia Capital,  
Bloomberg

### Popular Benchmarks

Benchmark Index	Sep return %	Volatility %
S&P Global REIT Index	5.29	12.02

### By Fund size

Fund	Average	Maximum	Minimum
Global REIT large	4.65	7.36	2.66
Global REIT Medium	6.54	12.90	3.16
Global REIT Small	5.40	10.61	1.96

### Best Performing Funds

#### Global REIT Large Funds > US\$750m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Nomura Global REIT Premium Currency	7.36	1.05	20.13	813	Open-End
Sumitomo Mitsui Global REIT Open	5.43	1.49	16.57	1,550	Fund of Funds
Nomura Global REIT Open	5.05	1.55	15.26	926	Fund of Funds
Nikko AMP Global REIT Fund	5.01	1.65	17.51	908	Fund of Funds
Nikko LaSalle Global REIT Fund	4.84	1.63	17.57	7,709	Fund of Funds

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

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Nomura World REIT Currency Selection	12.90	1.09	23.54	109	Open-End
JPMorgan Global REITs-Fund of Funds	9.66	0.38	11.67	161	Fund of Funds
Yuanta Polaris Global REITs Fund	9.63	1.59	11.40	276	Unit Trust
Hanwha LaSalle Global REITs	8.90	0.45	11.31	111	Fund of Funds
Hana UBS Global REITs Fund of Funds	8.23	1.05	11.06	161	Fund of Funds

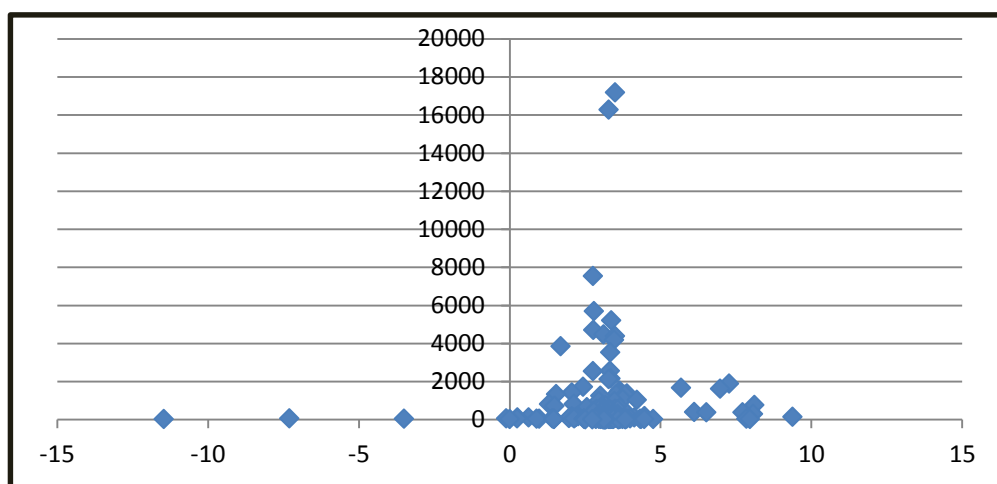
#### Global REIT Small Funds <US\$75m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Deutsche Global REIT Fund	10.61	0.26	19.68	47	Open-End
BNY Mellon Global REIT	9.94	1.53	23.44	3	Open-End
Samsung Global REITs	8.77	0.54	10.81	2	Fund of Funds
Mizuho Global REIT Fund AUD	8.43	0.57	18.29	18	Open-End
Nomura World REIT	7.71	0.29	17.39	5	Open-End

# Real Estate Securities Funds Monitor

## US Funds Performance

September 2013



Vertical axis Aum US \$m

Horizontal axis monthly total return rebased in US\$

Source: Consilia Capital, Bloomberg

### Most Popular Benchmarks

Benchmark Index	Sep return %	Volatility %
Dow Jones US Select REIT Index	3.19	15.22

### By Fund size

Fund	Average	Maximum	Minimum
US Large	3.51	7.27	1.54
US medium	3.68	9.37	1.30
US small	2.42	7.97	-11.46

### Best Performing Funds

#### US Large Funds - Over US \$1bn Aum

Fund	Sep return %	Sharpe Ratio	Volatility%	AUM US\$	Type
SPDR S&P Homebuilders ETF	7.27	1.50	22.60	1,876	ETF
CGM Realty Fund	6.97	0.35	16.43	1,600	Open-End
Oppenheimer Real Estate Fund	4.21	0.38	15.01	1,028	Open-End
Principal Investors Real Estate Securities	3.88	0.47	15.06	1,351	Open-End
TIAA-CREF Real Estate Securities Fund	3.83	0.28	14.59	1,288	Open-End

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

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Direxion Daily Real Estate Bull 3x Shares	9.37	0.39	44.43	136	ETF
Rakuten US REIT Triple Engine	8.11	1.21	29.53	750	Open-End
Nuveen Real Estate Income Fund	8.07	0.08	23.16	286	Closed-End
ProShares Ultra Real Estate	6.51	0.25	29.25	364	ETF
Manning & Napier Fund Inc - Real Estate	4.47	0.41	14.44	165	Open-End

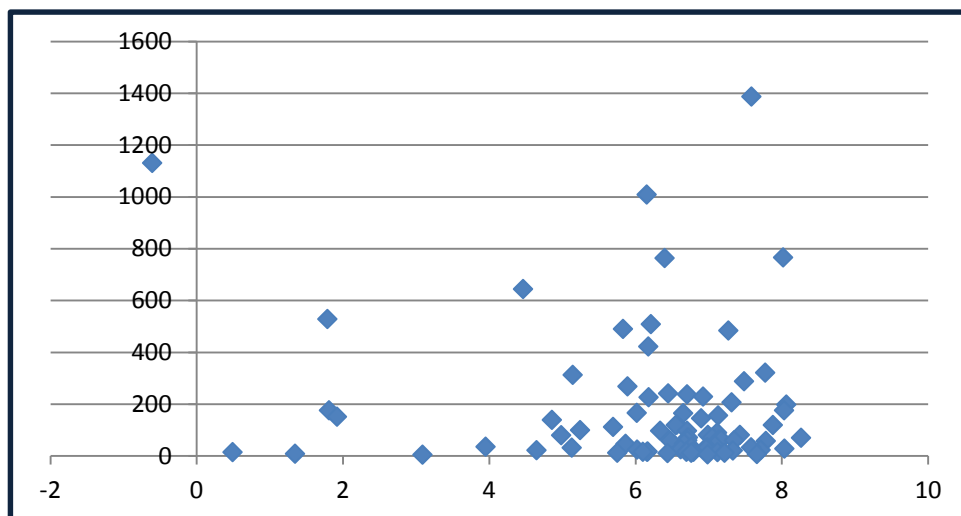
#### US Small <Under US\$100m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Rakuten US REIT Triple Engine	7.97	1.38	26.67	22	Open-End
US Housing Recovery Fund	7.85	n/a	n/a	25	Inv Trust
Commonwealth Real Estate Securities	4.76	0.77	13.65	8	Open-End
Phocas Real Estate Fund	4.46	0.53	15.12	7	Open-End
iShares Industrial/Office Real Estate ETF	4.35	0.51	16.84	16	ETF

# Real Estate Securities Funds Monitor

## European Funds Performance

September 2013



Vertical axis Aum US\$m

Horizontal axis monthly total return rebased in US\$

Source: Consilia Capital, Bloomberg

### Most Popular Benchmarks

Benchmark Index	Sep return	Volatility %
FTSE EPRA/NAREIT Dev'd Europe Index	7.51	12.63

### By Fund size

Fund	Average	Maximum	Minimum
Europe medium	6.05	8.06	-0.61
Europe small	6.48	8.26	0.49

## Best Performing Funds

### European Medium Funds > US\$ 75m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
db x-trackers FTSE EPRA/NAREIT Dev Eur	8.06	1.04	13.86	198	ETF
Natixis Asset Management	8.03	1.10	12.82	175	FCP
iShares UK Property UCITS ETF	8.02	1.56	15.02	766	ETF
CSIF Europe ex CH Real Estate Index D	7.88	0.95	15.04	119	Open-End
Cohen & Steers SICAV - European Fund	7.77	1.02	13.08	321	SICAV

### European Small Funds <US\$75m Aum

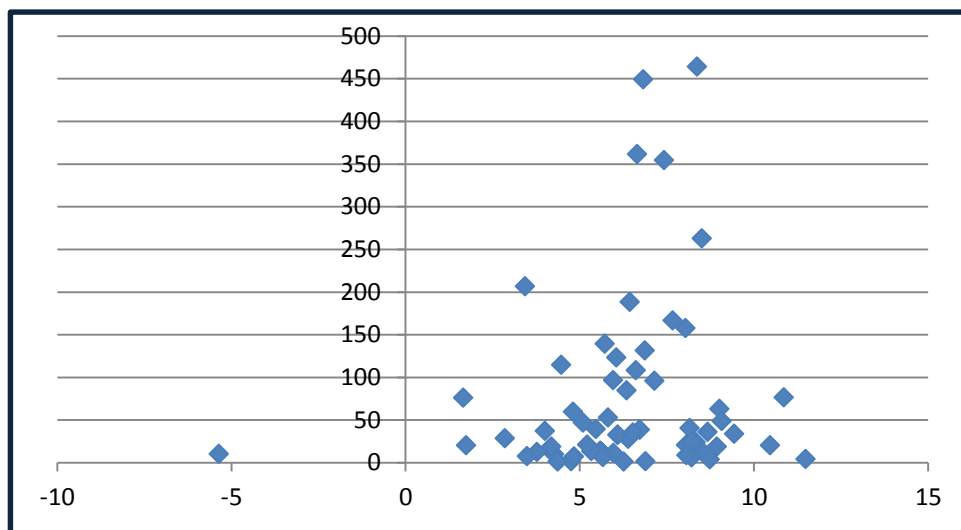
Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Amundi ETF Real Estate Reit ETF	8.26	0.96	13.69	70	ETF
BNP Paribas Property Securities Europe	8.04	1.00	14.63	28	Open-End
SSgA EMU Index Real Estate Fund	7.78	0.97	14.58	57	SICAV
SEB Europe REIT Fund	7.71	0.56	15.20	23	Open-End
XACT Nordic Construction & Real Estate	7.66	n/a	n/a	7	ETF



# Real Estate Securities Funds Monitor

## Asian Funds Performance

September 2013



Vertical axis Aum US\$m

Horizontal axis monthly total return rebased in US\$

Source: Consilia Capital, Bloomberg

### Most Popular Benchmarks

Benchmark Index	Aug return %	Volatility %
EPRA NAREIT Asia Total Rtrn Index USD	8.25	16.08
TR GPR APREA COMPOSITE Index USD	7.18	16.64

### By Fund size

Fund	Average	Maximum	Minimum
Asian medium	7.41	8.50	6.61
Asian small	6.00	11.49	-5.36

## Best Performing Funds

### Asian Medium funds >US\$75m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
iShares Asia Property Yield UCITS ETF	8.50	0.44	16.55	263	ETF
Henderson Horizon - Asia-Pacific	8.37	1.06	17.24	464	Open-End
CSIF Asia Real Estate Index D	8.04	0.85	16.93	157	Open-End
AMP Capital Investors - Property Secs	7.66	1.55	n/a	166	Fund of Funds
MFL Property Fund	7.42	n/a	6.68	354	Open-End

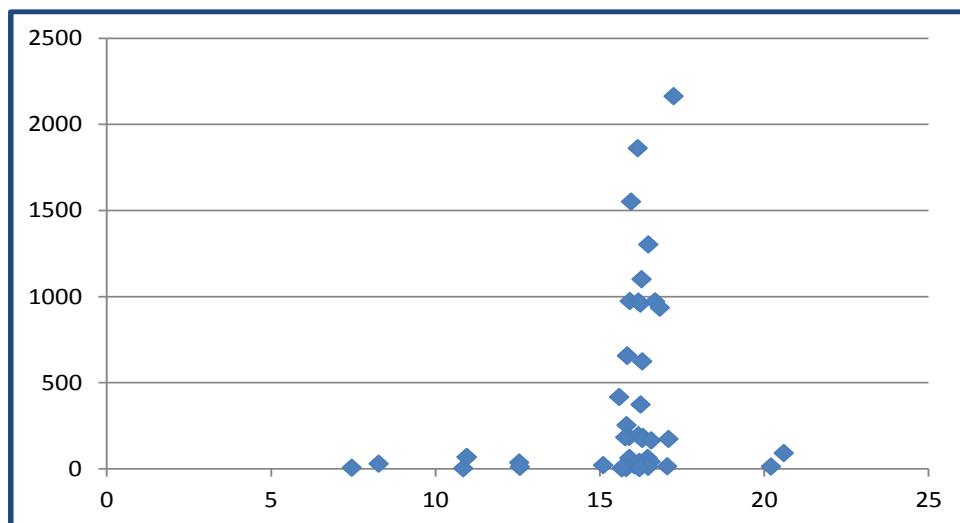
### Asian Small funds < US\$75m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Nomura Asia REIT Fund	11.49	1.59	17.23	4	Fund of Funds
SMAM JREIT Asia Mix Open	10.86	n/a	n/a	76	Open-End
Kotak India Equity Fund	10.46	-0.95	27.24	20	Open-End
iShares Asia Developed Real Estate ETF	9.43	0.90	19.63	34	ETF
Henderson Global- Asia Pacific Property	9.07	1.12	18.37	48	Unit Trust

# Real Estate Securities Funds Monitor

## Japanese Funds

### September 2013 Performance



Vertical axis Aum US\$m

Horizontal axis monthly total return rebased in US\$

Source: Consilia Capital, Bloomberg

### Most Popular Benchmarks

Benchmark Index	Sep return %	Volatility %
Tokyo Stock Exchange REIT Index	16.51	25.98
T S E TOPIX Real Estate Index	10.60	39.99

### By Fund size

Fund	Average	Maximum	Minimum
Japanese large	16.39	17.25	15.91
Japanese medium	16.45	20.60	15.59
Japanese small	14.95	20.21	8.27

## Best Performing Funds

### Japanese Large funds > US\$500m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
SMTAM J-REIT Research Open	17.25	1.41	25.02	2,163	Fund of Funds
Shinko Resona JREIT Active Open	16.83	1.44	25.33	936	Open-End
Mitsubishi UFJ J REIT Open	16.68	1.44	25.86	971	Fund of Funds
Nomura Japan Real Estate Fund	16.48	1.37	26.06	1,302	Open-End
DLIBJ DIAM J-REIT Open - Owners Income	16.27	1.43	24.72	1,101	Fund of Funds

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

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Mizuho JREIT Fund BRL	20.60	1.50	32.35	91	Open-End
Nomura J-REIT Open	17.10	1.47	25.71	173	Fund of Funds
DIAM Strategic J-REIT Fund	16.57	1.52	23.70	165	Open-End
DLIBJ DIAM J-REIT Open	16.31	1.43	24.83	185	Fund of Funds
DIAM DIAM J-REIT Active Fund	16.30	1.43	24.85	172	Open-End

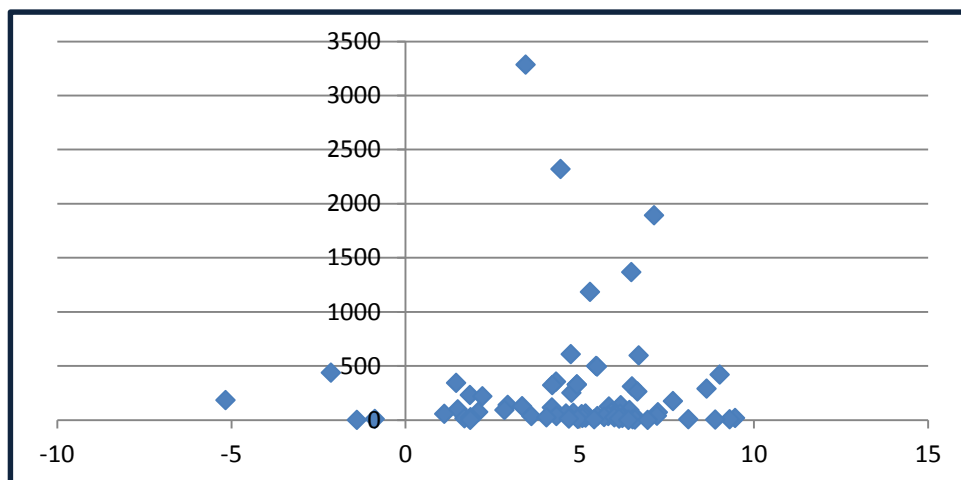
### Japanese Small funds < US\$75m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Mizuho JREIT Fund AUD Course	20.21	1.40	31.07	13	Open-End
Mitsubishi UFJ Domestic REIT	17.07	1.52	25.43	2	Open-End
Mitsubishi UFJ DC J-REIT Fund	17.05	1.44	25.84	15	Open-End
Tokio Marine J-REIT Fund JPY	16.54	1.35	24.60	41	Open-End
Nomura Index Fund J-REIT	16.47	1.41	25.87	10	Open-End

# Real Estate Securities Funds Monitor

## Infrastructure and Real Asset Funds

### September 2013 Performance



Vertical axis Aum US\$m

Horizontal axis monthly total return rebased in US\$

Source: Consilia Capital, Bloomberg

### Most Popular Benchmarks

Benchmark Index	Sep return %	Volatility %
D Jones Brookfield Global Infra Tot Rtn	4.13	8.83

### By Fund size

Fund	Average	Maximum	Minimum
Global infrastructure medium	4.52	9.02	-5.17
Global infrastructure small	5.39	9.46	1.87
Real assets	3.23	6.52	-0.88

### Global Infrastructure Medium >US\$150m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Macquarie International Infrastructure	9.02	2.06	8.48	419	Unit Trust
Russell Global Listed Infrastructure Fund	8.65	1.07	15.02	289	Open-End
Robeco Capital Growth - Infrastructure	7.68	1.36	13.83	175	SICAV
Nomura Deutsche High Div Infra	7.14	1.52	20.49	1,892	Open-End
iShares Global Infrastructure ETF	6.69	0.96	12.31	596	ETF

### Global Infrastructure Small < US\$150m Aum

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
FirstChoice Global Infrastructure Sec	9.46	1.93	9.68	18	Fund of Funds
Shinhan BNPP Tops Global Infra Secs	9.31	0.66	10.68	7	Unit Trust
KDB S&P Global Infra Securities	8.89	0.86	9.84	4	Unit Trust
OnePath r - Rare Infrastructure Value	8.12	1.58	7.35	7	Open-End
Nomura Deutsche High Divi Infra	7.24	1.51	23.22	71	Open-End

### Real Assets Funds

Fund	Sep return %	Sharpe ratio	Volatility %	AUM US\$m	Type
Evolucao FI Multimercado Credito	6.52	-2.00	2.09	7	Open-End
L&T Global Real Assets Fund	6.13	2.04	11.76	13	Fund of Funds
Planetarium Fund - Riverfield Real Assets	6.03	0.89	8.68	46	Open-End
Argos Investment Fund - Real Assets	5.41	0.47	9.06	6	Fund of Funds
Euromobiliare Real Assets	4.94	-0.87	5.70	8	Open-End

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