



FALL CONFERENCE 2023

Walt Disney World Swan – Orlando, FL
November 14-16





INFORMATION MANAGEMENT COMMITTEE

NCREIF FALL CONFERENCE 2023

AGENDA

1. Mission Statement
2. Committee Leadership Update
3. Reporting Standards Update
4. AI Discussion
5. Hot Topics

MISSION STATEMENT

The mission of the NCREIF Information Management Committee is to provide leadership and guidance in the administration and use of real estate investment information to improve decision-making through:

- 1. Education*
- 2. Effective data management and governance*
- 3. Recommendation on standards for data elements*
- 4. Collaboration with other NCREIF committees*

COMMITTEE LEADERSHIP UPDATE

Changes:

- Ron Singh, PGIM, will be rolling off as Chair
- Manuel Gonzales, Goldman Sachs, will be rolling off as Vice-Chair

- Jason Robisch, SitusAMC, will join as Vice-Chair
- Pete Schow, Affinius Capital, will join as Vice-Chair

Thank you Ron and Manuel for all you have done for the IMC!



NCREIF PREA REPORTING STANDARDS UPDATE

BENAY KIRK, ALTER DOMUS



SEC PRIVATE FUNDS RULE

On August 23, 2023, the Securities and Exchange Commission (SEC) voted to adopt new rules and amendments to enhance the regulation of private fund advisers. The new rules would require the private fund advisers registered with the SEC to:

- Provide investors with quarterly statements detailing information regarding private fund performance, fees, and expenses;
- Obtain an annual audit for each private fund; and
- Obtain a fairness opinion or valuation opinion in connection with an adviser-led secondary transaction.

SEC PRIVATE FUNDS RULE

The new rules would require that all private fund advisers:

- Prohibit engaging in certain activities and practices that are contrary to the public interest and the protection of investors unless they provide certain disclosures to investors, and in some cases, receive investor consent; and
- Prohibit providing certain types of preferential treatment that have a material negative effect on other investors and prohibit other types of preferential treatment unless disclosed to current and prospective investors.

Additionally, the amendments would require all registered advisers, including those that do not advise private funds, to document in writing the annual review of their compliance policies and procedures.

SEC PRIVATE FUNDS RULE

Collaboration with other industry organizations will be key to the success of this project. Questions will arise throughout this project regarding scope, clarification, and definitions of terms contained within the final rules and the Reporting Standards recognizes its limited direct connection to the SEC. The following individuals have been consulted thus far and have agreed to work alongside the Reporting Standards:

Lou DeFalco, RS Council Member, PwC

Mark Wojteczko, Accounting Committee Chair, Deloitte

Clinton John, EY

Peter Bloomfield, KPMG

Neal Prunier, ILPA

Ken Robinson, CFA Institute

SEC PRIVATE FUNDS RULE

The Oversight Task Force will be comprised of the following:

Jamie Kingsley, RS Director

Jim Allen, RS Board Chair

Sally Ann Flood, RS Board Vice Chair (incoming Chair 2024)

John Caruso, RS Council Chair

John Kjelstrom, RS Council Vice Chair (incoming Chair 2024)

Kathryn Gernert, RS Board Member

Jim Strezewski, RS Board Member

Diane Wild, RS Council Member

SEC PRIVATE FUNDS RULE

Task Force Members for Quarterly Statement Rule: Fees and Expenses

Jamie Kingsley, RS Director

Joe D'Alessandro, NCREIF

Benay Kirk, RS Council, Alter Domus

Christy Daniels, Accounting Committee Chair, Principal

Michelle Clements, Citco

Lauren DeMartini, MetLife

Maria Ramaglia, GID

Matt Racketta, Townsend Group

SEC PRIVATE FUNDS RULE

Task Force Members for Quarterly Statement Rule: Performance Reporting

Jamie Kingsley, RS Director

Joe D'Alessandro, NCREIF

Diane Wild, RS Council, LaSalle

David DiPaolo, RS Council, Clarion Partners

Benay Kirk, RS Council, Alter Domus

Ken Robinson, CFA Institute

Samantha King, Performance Committee Chair, JP Morgan

Rosellen Bounds, Performance Committee Chair, ACA Group

Brienna Mancuso, JP Morgan

Karol Vogel, Principal

Christina Metcalf, GID

Kim Everaerts, Walton Street

Bob Redican, Nuveen

Julian Worthington, QuadReal Property Group

Brenden Fullum, Rockpoint

DEBT FUNDS PHASE II: DEBT VALUATION SUMMARY

Next Phase for Debt Funds

- Finalize Task Force(s)
- Begin work on a Debt Manual to include in Handbook Volume II. This is likely to include clarifications on structural and financial leverage, style definitions, debt type definitions, debt investment and collateral valuation topics, impairment, treatment of certain transaction/selling costs and leverage.
- Concurrently update FV Accounting Manual, Performance Manual and Valuation Manual as needed.
- Circulate to committees for feedback by 1/15/24

ASSET LEVEL REPORTING

Provide enhanced reporting on individual investments

- Proposal would amend and expand FR 04: Schedule of Investments
- Increase frequency from Annually to Quarterly
- Elements will be recommended or required by Open-end, Closed-End Funds, SMA's and Debt Funds

ASSET LEVEL REPORTING PROPOSED DATA POINTS

- Informational – Legal Property Share (Contractual Ownership), Effective Property Share (Effective Ownership).
- Financial Statement - Gross Asset Value, Net Asset Value, TTM NOI.
- Performance - Gross and Net Inception to Date IRR, TVPI, Gross and Net Time Weighted Return.
- Real Estate Operations – Life Cycle, Lease Percent, Average WALT.
- Leverage - Loan Principal Balance, Loan Market Value, LTV, DSCR, Interest Rate, Associated Derivative Type, Derivative Maturity date (if different), Debt Maturity Date, Fully Extended Maturity Date.
- Valuation - Discount Rate, Terminal Rate, Going in Cap Rate, Contract Rent, Market Rent, Expense Ratio, Three Year Rent Growth, Ten Year Rent Growth.
- Business Plan - Projected Exit Date, Gross and Net Projected IRR.
- Debt Investment KPIs - Total Commitment, % Funded, Investment Type, Fixed Rate, Variable Rate, Reference Rate, Maturity Date, Extension Options, Collateral Type.

ASSET LEVEL REPORTING

Next Steps:

- Send to Reporting Standards Council for feedback this week
- Send to NCREIF Committees for feedback by January 15, 2024

GROUND LEASE IMPACT

- Task force met several times during the period Sept '23 - November '23
- Created sample calculations showing the impacts on ratios using the Operating Model Sample Financial Statements included in the RS Accounting Manual.
- Currently collecting feedback from constituents in order to finalize recommendations.
- Finalizing guidance document with the recommendations of the task force.

STANDARDIZED DDQ – GLOBAL INITIATIVE WITH INREV/ANREV

- Mapping exercise with major consultant DDQs has been completed with 100 common elements identified.
- Template under final review and to be sent to ILPA for comments.
- Scheduling discussions with consultants.
- Reviewing mapping to INREV to understand alignment/differences.

GLOBAL DEFINITIONS DATABASE

<https://reportingstandards.info/global-standards/>

Added in 2023 – 54 Terms

Global Definitions Database



The Global Definitions Database (GDD) is the leading global source of definitions for the non-listed real estate sector.

Global definitions are an important step towards producing global standards and aligning the INREV Guidelines with the NCREIF PREA Reporting Standards. The GDD provides a common glossary of non-listed real estate terms. Many terms have been agreed to globally, while others are specific to Asian, European and North American standards, guidelines and data products.

A common set of terms is a critical component of the global standardisation initiative and our interactive online tool makes them easily accessible. This provides the industry with one unique depository of definitions that will help increase transparency and align the industry globally.



[SHOW ALL DEFINITIONS](#)

CALL FOR VOLUNTEERS

Email jkingley@ncreif.org or administrator@reportingstandards.info if interested!



STAY UPDATED

Monthly RS Council calls are open to the industry!

Schedule and zoom information on website: www.reportingstandards.info

Follow the [Reporting Standards](#) on LinkedIn as another way to keep up to date!



AI DISCUSSION

- 2023 Fall Teaser Session
- 2024 Spring AI Themed Conference

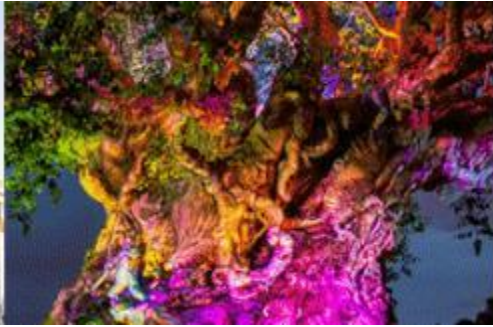
HOT TOPICS

Hot Topics – current list

- A.I. (*Teaser session for Fall '23 Conference, Conference theme for Spring '24 Conference*)
 - Dispelling A.I. myths
 - What else to think about for A.I.
 - Use case specific?
 - Quantity of data sets
 - What is needed?
 - How does A.I. actually work?
 - Legal implications
- Challenges in growing technology
 - Disruptive Technology
 - A.I. could be a part of broader discussion on this, or it could be a discussion solely on A.I.
 - Trying to Keep up
 - Getting people to adapt to new technology –“I do it in Excel and that works for me”
- Ask the question “Why don’t we have solutions”
 - Discuss reasons why, what can we do, how do we get the data we want and where will it live, etc.
- Use cases for data management tools – RPA
 - What works / what doesn’t
 - Issues around simulating user – passing username/password
- What technology is available to help create reporting or dashboards
- How can we use technology to share data
- Asset and Investment Best Practices perspective (Reporting Standards Council)
- Hearing other people’s war stories
 - “Rearview mirror”
- Data Lake
 - What elements go into it
 - What is in there for reporting, what isn’t?

HOT TOPICS – COMPLETED TOPICS

- AI Teaser Session – **Fall 2023 Conference**
- Solutions Expo related
 - Going through a Lift-Out retrospective– **April 2023 Conference**
- Session that “dumbs down” tech – **November 2022 Conference**
 - Ex, what is API, ETL, understanding the basics
- Revisit the “Build It or Buy It” panel that was put on a few years ago – **November 2022 Conference**



THANK YOU!

Questions?



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