



NCREIF

NFI-DAILY PRICED ANNUAL REPORT

NCREIF Report



As of December 31, 2019

National Council of Real Estate Investment Fiduciaries (NCREIF)

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AS OF DECEMBER 31, 2019

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The NCREIF Fund Index – Daily Priced (NFI-DP) is an open-end fund-level index comprising a small universe of funds that are priced daily, offer investors some degree of daily liquidity and invest predominantly in private real estate. Private real estate investment generally ranges from 75% to 95% allocation, with the balance in liquid investments such as cash and publicly listed securities (predominantly publicly listed REITs). Funds in this universe are most commonly offered to defined contribution plans and/or high net worth investors. The NFI-DP is an equal-weighted, gross of brokerage related fees (if applicable), net of advisory and incentive fees, index of time-weighted total returns. Currently the NFI-DP consists of funds that target core risk investment strategies, capital preservation, and stable operating income returns using moderate amounts of leverage. Structures include direct real estate investment and fund of funds. The NFI-DP is published monthly with an inception date of October 1, 2009.

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Total Assets Under Management \$50,163.1

(\$ millions)

| 12/31/2019 | Percentiles | | | | | Dispersion |
|------------|-------------|-----------|-----------|-----------|---------|------------|
| | Total | Avg | 75th | 50th | 25th | |
| AUM | \$50,163.1 | \$5,016.3 | \$2,673.4 | \$1,408.4 | \$593.0 | \$8,823.3 |

"Total" is the sum and therefore Value-weighted. "Avg" and "Percentiles" are Equal-weighted

| AUM | | | |
|--------------------------------------|-------------------|-------------|------------------|
| Description | Total \$ | % | Avg |
| DC Plans - Participant Self-Directed | \$28,985.2 | 57.8% | \$2,898.5 |
| Defined Benefit Plans | \$8,016.8 | 16.0% | \$801.7 |
| DC Plans - Managed | \$6,023.3 | 12.0% | \$602.3 |
| Individual Retirement Account | \$4,465.3 | 8.9% | \$446.5 |
| Other Investors | \$2,672.4 | 5.3% | \$267.2 |
| Total AUM | \$50,163.1 | 100% | \$5,016.3 |

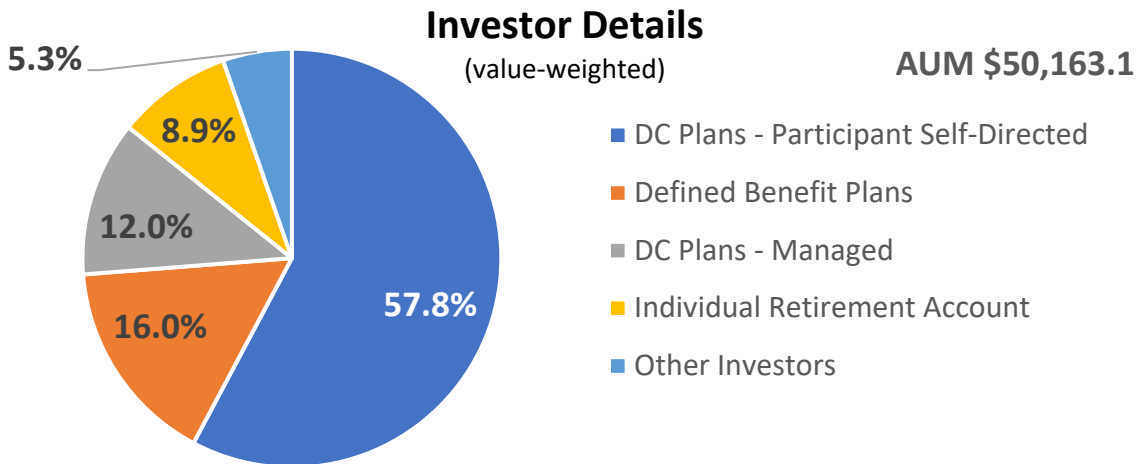
'Total' is the sum and therefore Value-weighted. One fund represents 60% of the Total \$.

| INVESTOR COUNT | | | |
|--------------------------------------|----------------|-------------|---------------|
| Description | Total \$ | % | Avg |
| DC Plans - Participant Self-Directed | 15,777 | 9.1% | 1,578 |
| Defined Benefit Plans | 633 | 0.4% | 63 |
| DC Plans - Managed | 134 | 0.1% | 13 |
| Individual Retirement Account | 144,992 | 83.3% | 14,499 |
| Other Investors | 12,569 | 7.2% | 1,257 |
| Total Investor Count | 174,105 | 100% | 17,411 |

'Total' is the sum and therefore Value-weighted. One fund represents 85% of the Total Count.

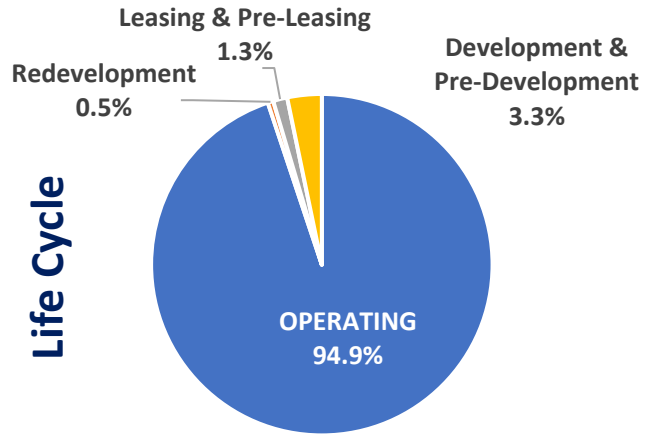
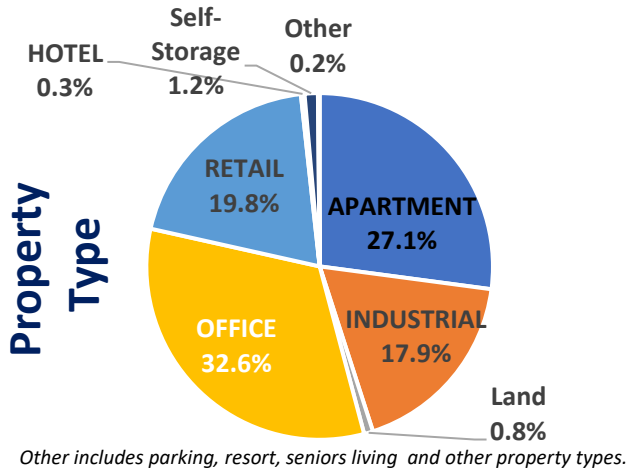
Defined Benefit Plans and Defined Contribution Plans represent number of plans, whereas Individual Non-Retirement Account, Individual Retirement Account and Other Investors represent number of individual investors.

Each category contains three or more funds as per the masking criteria.

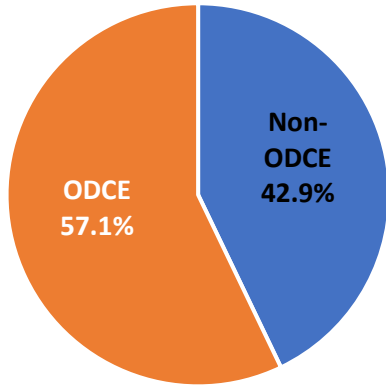


Private Equity Real Estate Allocation

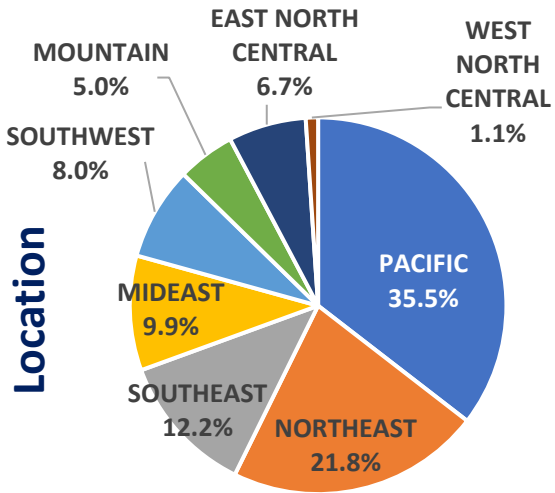
(equal-weighted across the funds)



Investments



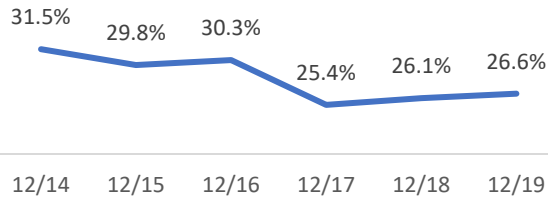
ODCE are investments held in ODCE funds. Non-ODCE are investments held in non-ODCE funds.



West 41%, East 31%, South 24%, Midwest 4%

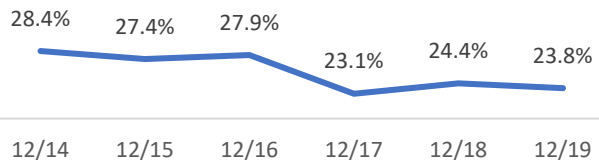
Leverage Ratio - PERE Only

(Private Equity RE / Private Equity Market Value)



Leverage Ratio - Total Fund

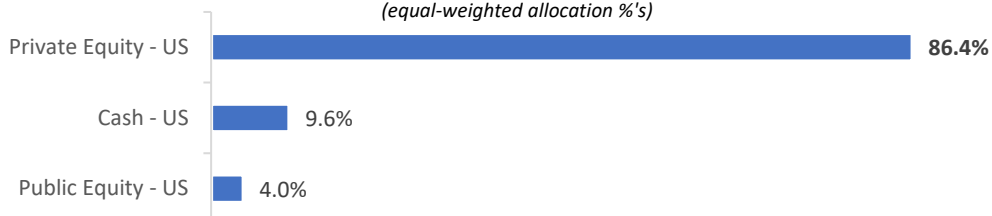
(Total Fund Debt / Total Fund Assets)



Total AUM \$50,163.1

Private Equity Real Estate AUM \$41,934.9

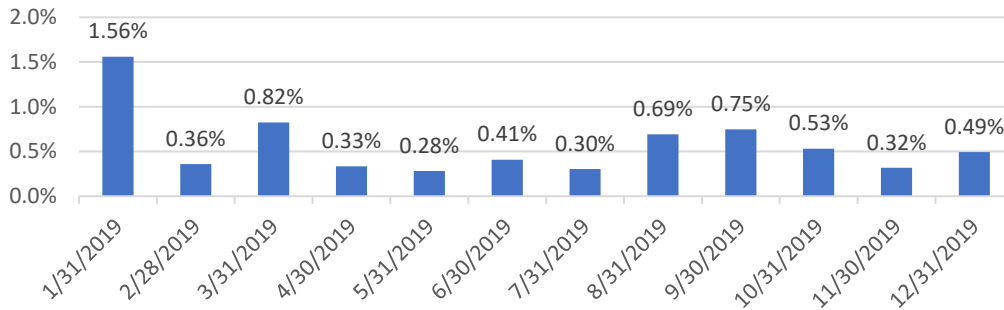
(equal-weighted allocation %'s)



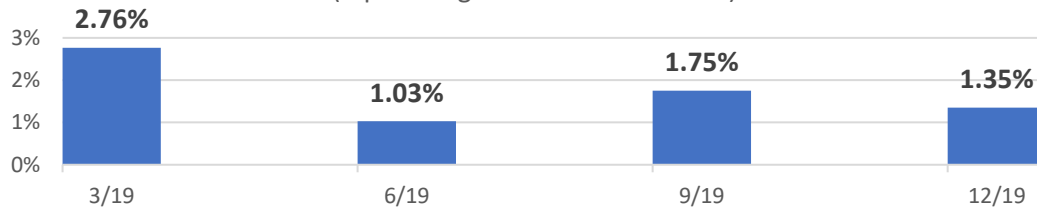
Private Equity consists of \$30,708 in Wholly-owned properties, \$10,900 in Joint Venture properties, \$326 in Other Private Equity Investments. Cash includes Cash in Bank, Money Market instruments and US Government T-bills. Public Equity RE includes \$1,901 of Diversified Equity REITS. Details of other asset allocations are not provided due to masking criteria.

Returns and Investor Cash Flows

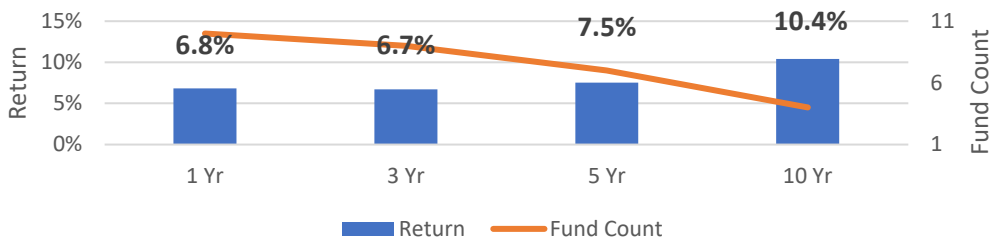
Monthly Returns
(equal-weighted across the funds)



Quarterly Returns
(equal-weighted across the funds)

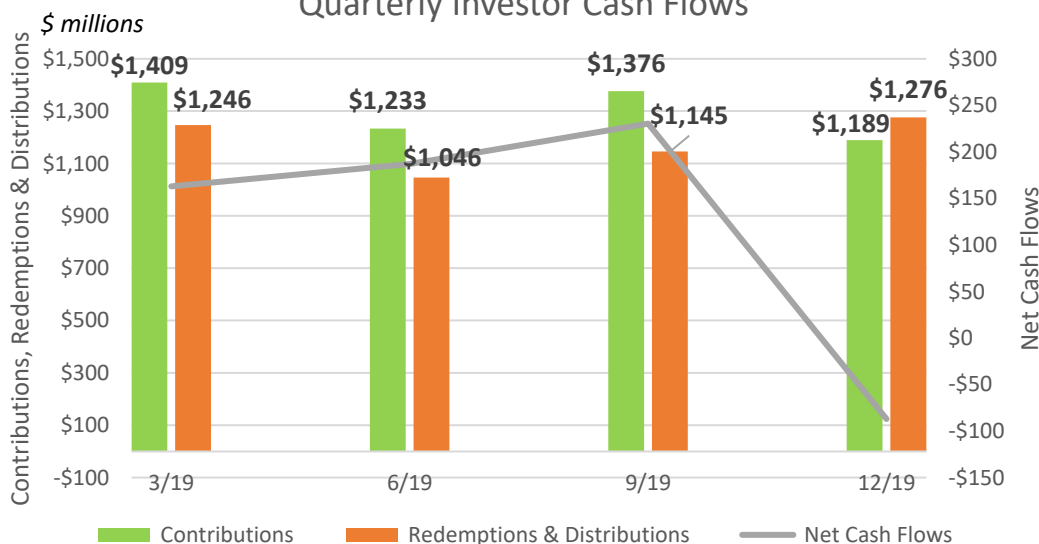


Annualized Returns
(equal-weighted across the funds)



Monthly, quarterly and annualized returns represent the equal-weighted average of the individual fund's returns. These returns will differ slightly from the official NFI-DP Index as those returns are calculated using equal-weighted average of the individual fund's daily returns and the daily returns are used for the Index. Returns are gross of brokerage fees, if applicable, and net of advisory / incentive fees. For 2019, the average annual fee was 1.00%.

Quarterly Investor Cash Flows



FUNDS INCLUDED in the ANNUAL REPORT

| <i>Fund Name</i> | <i>Manager Name</i> | <i>Fund Legal Entity Type</i> | <i>Fund Inception Date</i> | <i>Fund Start Date</i> | <i>Fund End Date</i> |
|---|--|--------------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| Bentall Kennedy Daily Value Fund | Bentall Kennedy (U.S.) LP | Collective Investment Trust | 1/3/17 | 10/1/12 | NA as of 12/31/19 |
| Black Creek Diversified Property Fund, Inc. | Black Creek Group | REIT | 7/12/12 | 10/1/12 | 8/31/17 |
| Jones Lang LaSalle Income Property Trust, Inc. | LaSalle Investment Management | REIT | 10/1/12 | 10/1/12 | NA as of 12/31/19 |
| JPMCB Diversified Commercial Property Fund | J.P. Morgan Investment Management Inc. | Collective Investment Trust | 3/3/08 | 10/1/09 | NA as of 12/31/19 |
| JPMCB Core Diversified Commercial Property Fund | J.P. Morgan Investment Management Inc. | Collective Investment Trust | 8/3/15 | 9/30/15 | NA as of 12/31/19 |
| Principal U.S. Property Account | Principal Real Estate Investors | Insurance Company Separate Account | 1/30/82 | 10/1/11 | NA as of 12/31/19 |
| Prudential Retirement Real Estate Fund | PGIM Real Estate | Insurance Company Separate Account | 3/31/06 | 10/1/09 | NA as of 12/31/19 |
| PGIM Retirement Real Estate Fund II, LP | PGIM Real Estate | Limited Partnership | 1/1/15 | 1/1/15 | NA as of 12/31/19 |
| RREEF Property Trust, Inc. | DWS | REIT | 5/30/13 | 5/31/13 | NA as of 12/31/19 |
| TIAA Real Estate Account | TIAA | Insurance Company Separate Account | 2/22/95 | 10/1/09 | NA as of 12/31/19 |
| Trumbull Diversified Property Collective Fund | UBS Realty Investors, L.L.C. | Collective Investment Trust | 10/18/12 | 1/1/13 | NA as of 12/31/19 |

GLOSSARY OF TERMS

| | | | |
|--|---|--|---|
| Advisory Fees | Base and Incentive Fees charged by the advisor for managing the fund. | Dispersion | Standard deviation (spread) of returns across the funds. |
| Annual Returns | Time-weighted return for the one year ended. | Distributions | Manager controlled distributions or dividends to the investors (see Redemptions). |
| Annualized Returns | Average annual time-weighted return over a period of more than one year. | Dividend Accruals | Some funds accrue dividends on a daily basis, thereby reducing the daily NAV. When calculating the total return, the daily dividend accrual is reversed in the numerator and divided by the prior period NAV. |
| AUM | Assets Under Management. Fund's ownership share of gross market value of underlying investments for private equity real estate and net asset value for all other asset classes. | Equal-weight | Each fund's total return is weighted the same so no one fund influences the Index more than another. |
| Broker / Underwriting Expenses | Fees pertaining to marketing the fund to retail investors, including but not limited to fees for sales brokerage, selling commissions, dealer management and distribution fees. These fees are excluded from the NFI-DP returns in order to be comparable to institutional investor products that do not incur these types of fees. | Fund Count | Number of daily priced funds included in the NFI-DP. |
| Cash | Cash or cash equivalents held at the daily priced fund level generally for operational needs and liquidity purposes. | Individual Non-Retirement Account | Investor dollars are not retirement savings related. |
| Contributions | Investor cash investments into the daily priced fund, including dividend reinvestment. | Individual Retirement Account | Investor dollars are through an individual retirement account as defined by law. |
| Core Investment Strategy | Generally, reflects investments in lower risk real estate strategies utilizing low leverage and generally represented by equity ownership positions in stable operating properties. | Institutional Investor | Organizations such as retirement or pension funds that pool large sums of money and invest in securities, real property and other investments on behalf of others. |
| Daily Liquidity | The ability to redeem your investment on a daily basis within certain specified terms and restrictions. | Leverage Ratio – Total Fund | Total debt / Total assets. Total Fund debt includes PERE debt plus both investment and fund level debt and any other direct debt on the fund's balance sheet. Total Fund Assets includes PERE assets plus the daily priced fund's other asset class investments (private debt, public debt and public equities). |
| Daily Priced or Daily Net Asset Value at Fair Value | A formal valuation policy and process that is implemented consistently and that incorporates all significant daily market and operational events into the daily net asset value at fair value. | Leverage Ratio- PERE Only | Total PERE debt / Total PERE assets. Total PERE debt includes fund and investment level debt at all look-through levels at the daily priced fund's ownership share. Total PERE assets include all assets at all look-through levels at the daily priced fund's ownership share grossed-up for any debt netted on the respective balance sheets. |
| Defined Benefit Plans | A type of pension plan in which an employer promises a specified pension payment, lump-sum (or combination thereof) on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, without any contribution from the employee. | NAREIT Equity | The FTSE NAREIT Equity REITs index contains all Equity REITs, excluding Timber and Infrastructure REITs. Source www.nareit.com |
| Defined Contribution Plan | A type of retirement plan which provides for an individual account for each participant and for benefits based solely on the amount contributed to the account by the employer, employee or both. | Net Cash Flows | Investor contributions in the daily priced fund minus manager-controlled distributions and investor redemptions from the daily priced fund. |
| Defined Contribution Plans-Managed | Professionally managed asset allocation – could include trustee, consultant or any 3(38) advisor, e.g. target date, target risk and custom glidepath defined contribution plans. Target date fund series are counted as one account. Participants do not have input on investment selections. | Net of Fee | Net of Advisory Fees, gross of broker / underwriting expenses. |
| Defined Contribution Plans-Self-Directed | Participants self-direct their investments within the plan among the investment options made available by the plan administrator. | NFI-ODCE | NCREIF Fund Index – Open-end Diversified Core Equity. The institutional commercial real estate industry premier core strategy fund level leveraged index. |

GLOSSARY OF TERMS

| | |
|---------------------------------|--|
| Non-ODCE | Underlying investments are not held in an ODCE fund. |
| NPI | NCREIF Property Index. The institutional commercial real estate industry premier property level unleveraged index. |
| ODCE | Underlying Core investments are held in an ODCE qualifying fund. |
| Open-end funds | Infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, daily within select guidelines in this case, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. |
| Other Investors | Investors not included in other categories. |
| PERE | Private Equity Real Estate |
| Private Debt RE-Global | Private debt real estate investments outside the U.S. |
| Private Debt RE-U.S. | Private debt real estate investments in the U.S. |
| Private Equity RE-Global | Private equity real estate investment outside the U.S. |
| Private Equity RE-U.S. | Private equity real estate investment in the U.S. |
| Public Equity RE-Global | Public equity real estate investments outside the U.S. |
| Public Equity RE-U.S. | Public equity real estate investments in the U.S. |
| Redemptions | Investor withdrawals of all or a portion of their dollars invested in the daily price fund (see Distributions). |
| Retail Investor | An individual investor (small or mom & pop investor) who invest in securities, real property and other investments for their own account. |
| S&P 500 | Total Return of 500 stocks sourced from S&P Dow Jones Indices, LLC (McGraw Hill Financial) |
| Time-weighted Returns | A return on investment that compounds each period's internal rate of return on an equal-weighted basis to determine multi-period returns. Also known as the annual compound growth rate of a single dollar invested. |
| Total Return | Ending Net Asset Value at fair value plus dividends paid divided by beginning Net Asset Value at fair value. |
| Trading Restrictions | Funds generally provide for daily liquidity; however there typically are trading restrictions on the amount of contributions and distributions during various time periods. |
| Value-weight | Each fund's total return is weighted in the Index differently based on the size of the fund. |