



NCREIF Winter Conference 2021

Performance Measurement
Committee



Agenda

- Task Force Updates:
 - Debt Mark to Market, PnR Manual, Glossary of Calculations, Analytics
- NCREIF Query Tool Workshop
- 5 Convincing Minutes
- Transparency in Value-Add Investing



Performance and Risk Manual

Purpose: The Performance and Risk Manual (“PRM”) has been created to provide US private, institutional real estate investment Industry participants (collectively, the Industry) a resource to better understand, measure and manage performance and risk within their real estate investments in a meaningful, transparent, and consistent manner.

Recent Update:

12/16/2020 version – Approved by the Reporting Standards Board; changes included:

- Addition of TGER
- Addition of Gross and Net IRR
- Addition of references to RS Volume I requirements and Recommendations



Performance and Risk Manual

2021 Initiatives:

- Add references to GIPS requirements and recommendations
- Grouping entities section (references to adding denominators)
- Focus on updating one section – either unlevered investment returns and/or property returns
- General updates
 - Grammar and capitalization
 - Formula consistency

Ideas for Future Initiatives:

- Investment level return section
- Subline impact on returns at fund and property
- Attribution (add more content)
- Waterfalls
- Property / Investment / Fund
- AUM
- GIPS terms (ex: total firm assets)
- Vintage year
- Risk metrics from Portfolio Construction class



Glossary of Terms

Purpose: To ensure that all stakeholders understand what is meant by the terminology, acronyms and phrases used in Real Estate Performance Measurement

Guidance: This is a tool for ensuring consistency in terminology & methodology across Real Estate industry

Examples:

Equity Multiple aka Investment Multiple
aka TVPI

= NAV + Distributions (Total Value)
Contributions (Paid In)

→ NAV = Net Asset Value

→ TVPI = Total Value over Paid In



5 Convincing Minutes / High 5

Purpose: to provide a collaborative setting for relevant Industry Hot Topics

Format:

- ❑ Each breakout session will last 15 minutes: 3 mins to open, then 12 to discuss
- ❑ Each sessions will provide takeaways to the entire committee
- ❑ Post Conference, Committee to determine if the topic warrants further discussion

Intended Outcome:

Discussion is creative, engaging, and useful leading to more formal adoption of topic in PMC agenda, an intra quarter session or side conversations amongst peers

