

### Who is NCREIF (National Council of Real Estate Investment Fiduciaries)?

NCREIF is a member-driven, not-for-profit association that improves private real estate investment industry knowledge by providing transparent and consistent data, performance measurement, analytics, standards and education. Established over 35 years ago, NCREIF serves the institutional real estate investment community as its Data Central, representing the largest, most robust and diverse database of country-specific real estate assets in the world. NCREIF produced the first property level return index, the NCREIF Property Index (NPI), dating back to 1978 to capture investment performance records that meet the rigorous scrutiny and review of major investors and academia.

### What is the NFI-ODCE?

The NFI-ODCE is a capitalization-weighted, gross of fee, time-weighted return index. NCREIF began calculating the NFI-ODCE in 2006 with data back to 1977. Supplemental data is also provided, such as equal-weight and net of fee returns, for informational purposes and additional analysis. Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. There are currently 24 private funds that are included in the index.

### What are the requirements for inclusion in the NFI-ODCE?

- **Real Estate** — at least 80% of market value of gross assets is invested in “direct real estate” (no more than 20% of such assets invested in cash and/or cash equivalents).
- **Domain** — at least 95% of market value of real estate gross assets in US markets.
- **Property Types** — at least 75% of market value of real estate gross assets invested in office, industrial, apartment, and retail property types.
- **Life Cycle** — at least 75% of gross market value must be invested in properties that are 75% or more leased.
- **Leverage** — no more than 35% leverage. Leverage is defined as the ratio of total debt, grossed-up for ownership share of off-balance sheet debt, to the fund’s total assets, also which are grossed-up for such off-balance sheet debt.
- **Diversification** — no more than 60% (± for market forces) of gross market value of real estate net assets in one property type or one region as defined by the NCREIF Property Index. The fund must also invest in at least three of the office, industrial, apartment or retail property types, and one of those three types representing a minimum of 5% of direct real estate gross market value.
- **The fund must comply with the NCREIF PREA Reporting Standards;** including annual audits, annual external appraisals, quarterly valuations and time-weighted returns. Further, the fund must submit information in accordance with the NCREIF Fund Data Collection and Reporting Manual (timely, accurate and industry compliant data is required).

### What are the key characteristics of the NFI-ODCE?

Key Characteristics		Property Type Allocation		Geographic Allocation	
Gross Assets	\$262B	Office	33.4%	West	42.4%
Number of Investments	2,948	Multi-Family	25.7%	East	30.3%
Leverage	21.5%	Industrial	20.3%	South	18.8%
Occupancy Rate	93.0%	Retail	16.1%	Mid-West	8.5%

Data as of 12/31/2019

# NFI-ODCE Net Returns

## 1978 - 2019

### Quarterly and Calendar Year Net Returns as of 12/31/2019

Year	Q1	Q2	Q3	Q4	Annual Return
1978	2.65%	3.57%	3.17%	6.15%	16.44%
1979	3.80%	5.87%	3.91%	4.57%	19.41%
1980	5.17%	3.61%	3.51%	3.58%	16.82%
1981	3.52%	4.19%	3.71%	3.55%	15.83%
1982	2.36%	1.78%	1.29%	0.69%	6.25%
1983	1.68%	3.03%	2.87%	4.11%	12.18%
1984	3.64%	2.87%	2.63%	2.83%	12.51%
1985	2.01%	1.90%	1.96%	2.10%	8.21%
1986	1.81%	1.14%	1.16%	1.37%	5.59%
1987	1.17%	1.15%	1.98%	1.19%	5.59%
1988	1.33%	1.46%	1.71%	1.53%	6.17%
1989	1.42%	1.13%	1.91%	1.02%	5.59%
1990	1.08%	1.04%	0.12%	-1.81%	0.40%
1991	-0.91%	-1.20%	-1.53%	-3.69%	-7.15%
1992	-1.36%	-1.45%	-2.10%	-1.68%	-6.43%
1993	-0.13%	-0.99%	0.29%	0.37%	-0.47%
1994	1.03%	1.17%	1.47%	1.30%	5.07%
1995	2.08%	1.96%	1.86%	0.00%	6.01%
1996	2.13%	2.97%	2.45%	2.59%	10.53%
1997	2.58%	3.36%	3.35%	3.98%	13.94%
1998	3.55%	4.76%	3.59%	2.59%	15.29%
1999	2.77%	2.92%	2.69%	3.16%	12.05%
2000	2.49%	3.40%	3.62%	3.08%	13.19%
2001	2.06%	1.70%	0.66%	0.15%	4.64%
2002	0.29%	1.04%	1.44%	1.74%	4.57%
2003	1.61%	2.22%	2.03%	2.17%	8.28%
2004	2.09%	3.04%	2.97%	3.40%	12.00%
2005	4.27%	4.97%	4.75%	4.80%	20.15%
2006	3.63%	3.71%	3.25%	3.88%	15.27%
2007	3.71%	4.82%	3.68%	1.90%	14.84%
2008	1.15%	0.09%	-0.85%	-11.04%	-10.70%
2009	-13.89%	-9.24%	-7.52%	-3.70%	-30.40%
2010	0.51%	4.09%	5.22%	4.70%	15.26%
2011	3.79%	4.39%	3.31%	2.71%	14.96%
2012	2.55%	2.29%	2.53%	2.08%	9.79%
2013	2.44%	3.60%	3.35%	2.94%	12.90%
2014	2.29%	2.69%	3.00%	3.02%	11.46%
2015	3.15%	3.58%	3.43%	3.11%	13.95%
2016	1.95%	1.91%	1.83%	1.88%	7.79%
2017	1.54%	1.47%	1.64%	1.85%	6.66%
2018	1.97%	1.81%	1.87%	1.52%	7.36%
2019	1.20%	0.77%	1.08%	1.27%	4.39%

### Annualized Net Returns as of 12/31/2019

1-Year	3-Year	5-Year	10-Year	Since Inception
4.39%	6.13%	7.98%	10.39%	7.57%

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