

# CONSILIA CAPITAL



## Real Estate Securities Funds Monthly

Period End: March 2014

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March 2014

# Real Estate Securities Funds Monthly

## Summary

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

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

Following February's strong gains the performance in March was more muted albeit still positive, with the exception of Japan (-2.7%), and Europe (-1.7%). Asian mandates in our database saw an un-weighted average return of 1.4%, and US Funds 0.5%. Global Funds (+0.8%) and Global REIT Funds (+0.3%) registered gains, but they lagged the outstanding performance of Infrastructure funds (+2.2%).

### **2) A summary of 1Q 2014 performance (p4)**

At a regional level over the first quarter it was US Funds (+7.6%) that outperformed, followed by Europe (+5.4%) with Asia and Japan marginally negative. At the asset class level there was a clustering of in the mid-single digits with Global REITs and Infrastructure both gaining 5.6%, and Global real estate up +4.0%.

### **3) Highlights from the 30<sup>th</sup> ARES conference in San Diego (ps 5-6)**

The 30<sup>th</sup> annual American Real Estate Society ("ARES") conference was held in San Diego on April 1<sup>st</sup> -5<sup>th</sup> with nearly 300 papers submitted. This month we provide a brief synopsis of three papers which focus on topics of particular relevance to real estate securities funds. It should be remembered that the presentations at the conference vary from completed, published papers to working papers and works in progress. The three topics we feature are:

#### **i) Managing risk through the use of leveraged and inverse ETFs** *Authors: Richard Curcio and Randy Anderson, University of Central Florida*

Leveraged and inverse ETFs regularly feature in our US performance tables (see p.9). This study sought to identify whether leveraged ETFs (both long and inverse) can be usefully deployed in managing real estate portfolio risks, where derivative instruments such as index-based futures and options have traditionally been used.

#### **ii) ATM offerings from REITs** *Authors: David Hartzell, University of North Carolina, Shawn Howton, Shelly Howton, and Benjamin Scheick, Villanova University*

One of the key drivers behind the growth of the US listed market relative to the European market since 1Q 2009 has been the higher incidence of equity issuance. This study focuses on the latest development, i.e. At The Market ("ATM") offerings, and seeks to identify the characteristics of REITs that find this method of financing attractive as well as comparing the features of ATMs with traditional seasoned equity offerings (SEOs).

#### **iii) The contribution risk of REITs in a blended portfolio** *Author: Stephen Lee, Cass Business School*

Following a similar theme to the paper we produced with Kieran Farrelly of the Townsend Group this paper analyses the performance of REITs in the blended public and private real estate portfolio suggested by NAREIT, over the period from 1989 to 2012, to see whether its required return is sufficient to justify its contribution to risk

### **4) Detailed performance statistics by region (ps7-13) for March 2014**

For each mandate we show: the dispersion of returns by Fund Aum, popular benchmark returns and volatility, average, maximum and minimum fund returns, the best performing funds by size, for each mandate. For consistency, all returns are rebased in US\$.

*Finally, it is important to note that there are no recommendations or investment advice contained 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 Monthly

## March 2014 performance summary

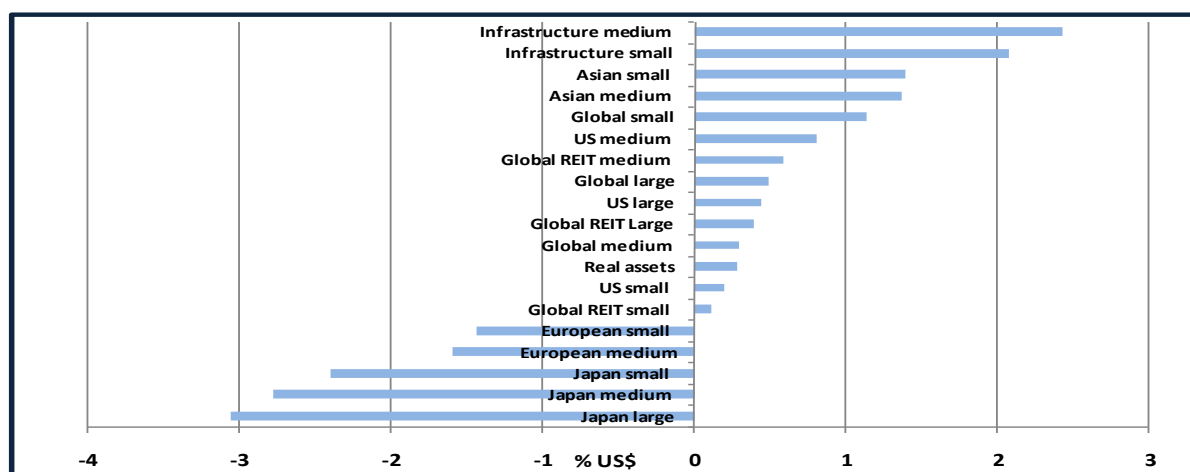
Firstly we show how each region has performed relative to the benchmarks and other listed real estate markets (Figure 1). Secondly, the differences in performance of each mandate classified by size of Fund (Figure 2) and thirdly we are interested in seeing the performance of global listed real estate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

**Figure 1 Regional real estate performance March 2014**

	Asia	Average	Max	Minimum
<b>Funds</b>	Asian Funds	1.38	14.88	-1.86
	Japanese Funds	-2.66	1.39	-3.51
<b>Benchmark</b>	EPRA NAREIT Asia Total Rtrn Index USD	0.55		
	Europe	Average	Max	Minimum
<b>Funds</b>	European Funds	-1.65	1.63	-3.73
<b>Benchmark</b>	FTSE EPRA/NAREIT Dev'd Europe Index	-2.44		
	US	Average	Max	Minimum
<b>Funds</b>	US Funds	0.47	4.82	-12.15
<b>Benchmark</b>	Dow Jones US Select REIT Index	0.88		

Source: Consilia Capital, Bloomberg

**Figure 2 March 2014 performance by mandate and fund size**



Source: Consilia Capital, Bloomberg

**Figure 3 Global Asset Class performance March 2014**

	Global	Average	Max	Minimum
<b>Funds</b>	Global Funds	0.75	6.32	-15.56
<b>Benchmark</b>	FTSE EPRA/NAREIT Developed Index	0.15		
	Global REITs	Average	Max	Minimum
<b>Funds</b>	Global REIT Funds	0.30	3.54	-4.45
<b>Benchmark</b>	S&P Global REIT Index	0.20		
	Infrastructure	Average	Max	Minimum
<b>Funds</b>	Global Infrastructure Funds	2.23	8.21	-2.44
<b>Benchmark</b>	D Jones Brookfield Global Infra Tot Rtn	1.42		
<b>Funds</b>	Real Assets Funds	0.28	3.03	-0.99

Source: Consilia Capital, Bloomberg

# Real Estate Securities Funds Monthly

## 1Q 2014 performance summary

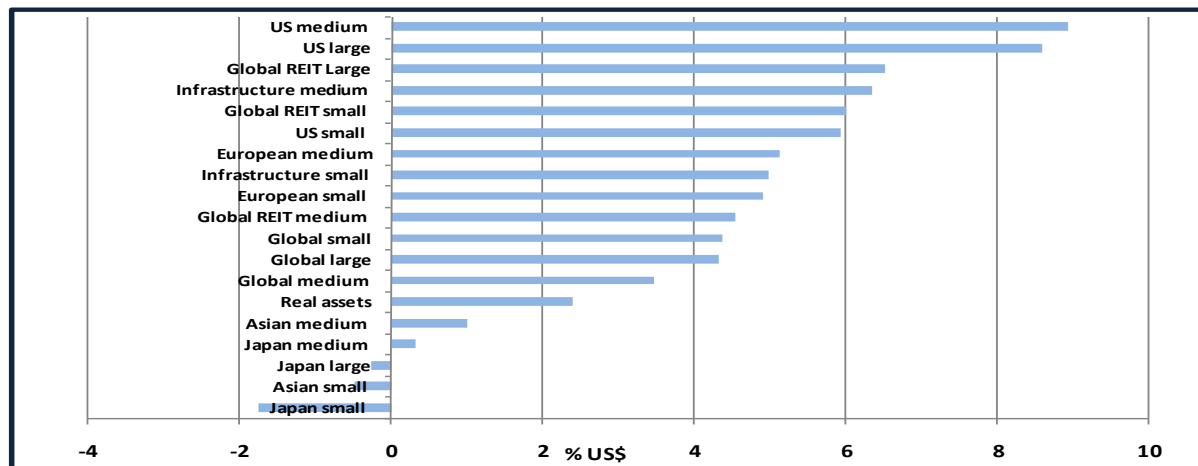
Firstly we show how each region has performed relative to the benchmarks and other listed real estate markets (Figure 4). Secondly, the differences in performance of each mandate classified by size of Fund (Figure 5) and thirdly we are interested in seeing the performance of global listed real estate as an asset class relative to competing asset classes such as Global Infrastructure and Real Assets (Figure 6).

**Figure 4 Regional real estate performance 1Q 2014**

	Asia	Average	Max	Minimum
<b>Funds</b>	Asian Funds	-0.09	8.84	-8.03
	Japanese Funds	-0.87	6.92	-17.76
<b>Benchmark</b>	EPRA NAREIT Asia Total Rtrn Index USD	-4.68		
	Europe	Average	Max	Minimum
<b>Funds</b>	European Funds	5.44	10.03	-3.42
<b>Benchmark</b>	FTSE EPRA/NAREIT Dev'd Europe Index	5.79		
	US	Average	Max	Minimum
<b>Funds</b>	US Funds	7.61	30.76	-27.00
<b>Benchmark</b>	Dow Jones US Select REIT Index	10.35		

Source: Consilia Capital, Bloomberg

**Figure 5 1Q 2014 performance by mandate and fund size**



Source: Consilia Capital, Bloomberg

**Figure 6 Global Asset Class performance 1Q 2014**

	Global	Average	Max	Minimum
<b>Funds</b>	Global Funds	4.02	14.73	-15.50
<b>Benchmark</b>	FTSE EPRA/NAREIT Developed Index	4.01		
	Global REITs	Average	Max	Minimum
<b>Funds</b>	Global REIT Funds	5.62	11.49	-1.98
<b>Benchmark</b>	S&P Global REIT Index	7.30		
	Infrastructure	Average	Max	Minimum
<b>Funds</b>	Global Infrastructure Funds	5.64	11.09	-2.46
<b>Benchmark</b>	D Jones Brookfield Global Infra Tot Rtn	5.04		
<b>Funds</b>	Real Assets Funds	2.39	4.71	-2.34

Source: Consilia Capital, Bloomberg

## Academic Focus: Highlights from the American Real Estate Society (“ARES”) Conference

The 30<sup>th</sup> annual ARES conference was held this year in San Diego on April 1<sup>st</sup> -5<sup>th</sup>. There were nearly 300 papers submitted, and below we highlight three papers in particular that have relevance to real estate securities funds. The topics we focus on are:

- 1) Managing risk through the use of leveraged and inverse ETFs
- 2) ATM offerings from REITs
- 3) The contribution risk of REITs in a blended portfolio

### Paper 1: Managing Risk in the Real Estate Portfolio Through the Use of Leveraged and Inverse ETFs.

*Authors: Richard Curcio and Randy Anderson, University of Central Florida*

**Purpose:** The study seeks to identify whether leveraged ETFs (both long and inverse) can be usefully deployed in managing real estate portfolio risks, where derivative instruments such as index-based futures and options have traditionally been used.

Since the inception of the first real estate ETFs in 2000 they have grown in number to 22 currently. Leveraged ETFs were introduced in 2007, and in total their number has grown to more than 200, at least eight of which are leveraged, long and inverse, real estate and real estate related ETFs. The authors note that some of these leveraged real estate and real estate related ETFs are frequently among the top 10 most actively traded securities in the US.

The objective of their research is to evaluate the advantages and limitations of using leveraged ETFs rather than traditional derivative instruments. Leveraged and inverse ETFs appear to offer greater simplicity in the implementation of sophisticated trading tools to manage risk, but there are limitations. Namely; i) the negative impact of leverage in a declining market, and ii) tracking error.

The tracking error rises particularly as leveraged ETFs seek investment results for a single day. To achieve their daily return goals these funds make extensive use of derivative securities. The structure of the derivatives has to be reset at the end of each day, which gives rise to daily compounding and constant leverage, which can cause the fund returns, for periods longer than a single trading day, to differ significantly from the funds target return.

Cheng and Madhavan (2009) concluded that buy and hold investing in leveraged ETFs, under volatile conditions in the benchmark index, can lead to eventual value destruction. Trainor and Baryla (2008) concluded that annual leveraged ETF returns fell well short of the stated daily objective. However, do these analyses overstate the problems?

**Conclusions:** The authors conclude that holding positions in leveraged, long and inverse, ETFs beyond a single trading day does indeed expose the portfolio to potentially severe tracking error. However, they point out that while tracking error can be detrimental, falling short of the leveraged ETFs stated goal, it can, alternatively be advantageous, exceeding the expected financial objective. Whether the tracking error is a positive or detrimental factor will be dependent upon the volatility of the underlying index.

Trading activity in these leveraged ETFs may itself increase volatility in the benchmark index, thus decreasing performance. Late day rebalancing by the issuers may also increase volatility of the benchmark index near the close. The authors conclude that the tracking error associated with using leveraged ETFs beyond a single trading day should not prevent informed investment managers from using these ETFs in real estate portfolios.

## Paper 2: Financial Flexibility and at the Market (ATM) Equity Offerings: Evidence from Real estate Investment Trusts

*Authors: David Hartzell, University of North Carolina, Shawn Howton, Shelly Howton, Benjamin Scheick, Villanova University*

**Purpose:** The study focuses on ATM offerings, and seeks to identify the characteristics of REITs that find this method of financing attractive. The paper compares the features of ATMs with traditional seasoned equity offerings (SEOs). In addition the paper examines announcement returns to provide insights on whether the market regards ATM offerings as a source of financial flexibility, or an additional source of agency costs at the time of their announcements. Finally they look at the determinants of ATM drawdown activity to provide insight on the underlying nature of their use.

**Conclusions and findings:** Firms with higher market to book ratios and past return volatility are more likely to establish an ATM program than issue equity through an SEO. These firms value financial flexibility and market timing benefits. In contrast firms with large amounts of credit lines outstanding and a significant access to leverage are less likely to establish an ATM program. In terms of reaction to the announcement of an ATM program they find a significant negative stock price response in the days surrounding the event. However, the authors note that the negative reaction around the announcement of an ATM program is about one third the size of the negative return associated with comparable SEOs. Finally they provide evidence that managers are able to effectively time ATM offerings so as to take advantage of favourable market conditions (e.g. premium to NAV, or following periods of significant stock price appreciation) and access capital when positive investment opportunities are available,

## Paper 3: The Contribution Risk of REITs in the Blended Public and Private Real estate Portfolio

*Author: Stephen Lee, Cass Business School*

**Purpose:** In a recent study NAREIT concluded that the best mix for a blended public and private real estate portfolio is to have an allocation of about 30% in REITs and 70% in private real estate funds, as opposed to 100% in either. Portfolio weights however do not indicate how much risk an individual investment contributes to the overall portfolio. This paper analyses the performance of REITs in the blended public and private real estate portfolio suggested by NAREIT, over the period from 1989 to 2012, to see whether its required return is sufficient to justify its contribution to risk

**Conclusions:** Using quarterly data over the period from 1989:Q2 to 2012:Q4 this study provides several useful insights on the inclusion of REITs in the blended public and private real estate portfolio suggested by NAREIT (2011). First, in line with previous studies this paper shows that a blended portfolio of REITs and private real estate funds shows greater Sharpe performance than either fund type alone.

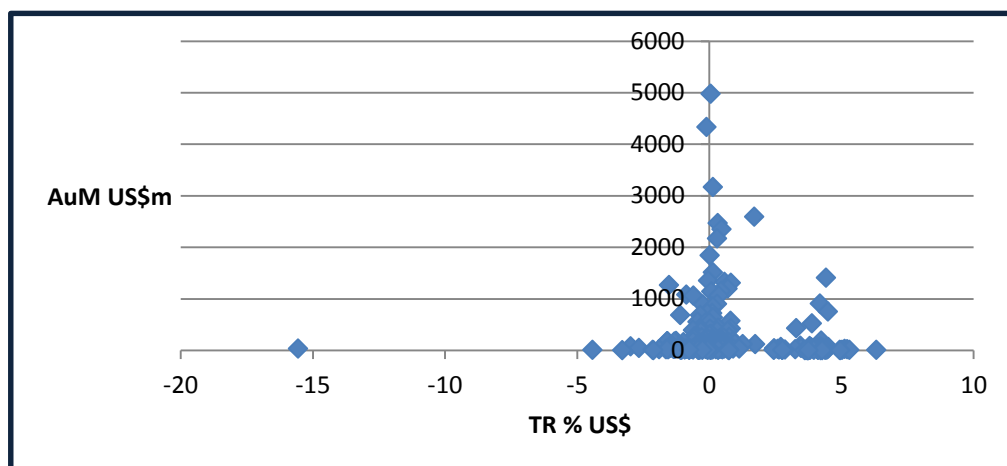
Second, the greatest contribution to risk in the blended public and private real estate portfolio comes from REITs. More importantly the 'required return' of REITs, due to its contribution to risk, is greater than its actual return in the blended portfolio. The author suggests that this means that the weight of REITs in the blended portfolio suggested by NAREIT cannot be justified on risk contribution to risk grounds. Nonetheless, a sub-period analysis shows that REITs offer returns benefits when it is most needed, in periods when the private real estate market declines. This implies that fund managers need to pay particular attention to the performance of the REIT market when developing their blended public and private real estate portfolio strategy. Consequently, private real estate fund managers will need to develop a new set of financial analysis skills in order to evaluate REITs; otherwise they may not hold the optimum mix of public and private real estate.

Finally, like all research the analysis is subject to a caveats. In particular, the private real estate data used is appraisal based and so leads to an underestimate the risk of the real estate asset class and distorts its correlation with other assets. The author suggests that future analysis therefore needs to examine the contribution to risk of REITs, to the real estate only portfolio, using transactional based real estate returns



# Real Estate Securities Funds Monthly

## Global Funds Performance March 2014



### Popular Benchmark

Benchmark Index	Mar 2014 TR %	Volatility %
FTSE EPRA/NAREIT Developed Index	0.15	12.09

### By Fund size

Fund	Average	Maximum	Minimum
Global large	0.49	4.41	-1.52
Global medium	0.29	4.49	-1.60
Global small	1.13	6.32	-15.56

## Best Performing Funds

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
AMP Capital Global Property Securities	4.41	0.43	12.51	1,406	Unit Trust
FirstChoice Global Property	4.19	0.27	11.75	905	Unit Trust
Third Avenue Real Estate Value Fund	1.70	1.80	9.39	2,585	Open-End
Vanguard Global ex-U.S. Real Estate ETF	0.82	-0.07	16.46	1,305	ETF
EII Global Property Fund	0.70	0.19	13.59	1,196	Open-End

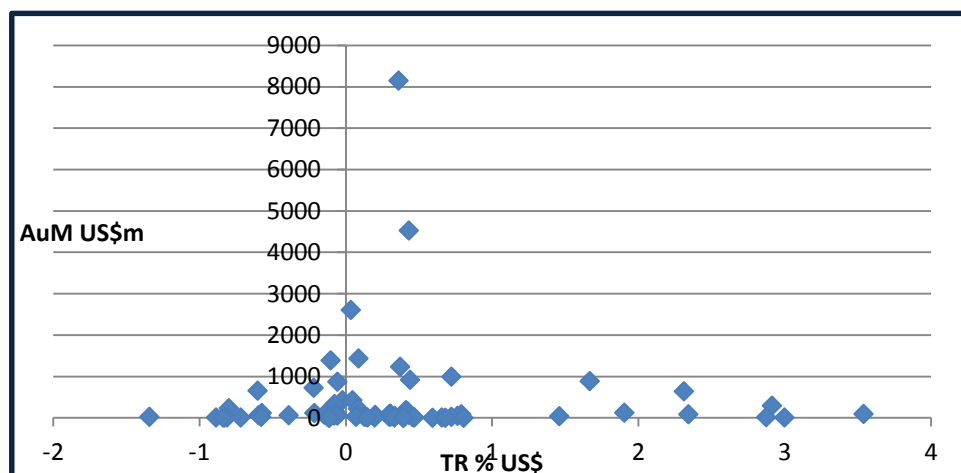
### Global Medium Funds US \$75m to US\$750m Aum

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Colliers Global Property Secs	4.49	0.18	11.72	747	Unit Trust
INVESCO Global Property Securities Fund	4.23	-0.17	13.14	186	Unit Trust
AMP Capital - Core Property Fund	3.88	0.62	5.70	516	Unit Trust
Ironbark RREEF Global Property Secs	3.80	0.13	12.14	77	Unit Trust
UBS Investment Funds - Global Property	3.45	0.32	13.37	85	Unit Trust

### Global Small < US\$ 75 Aum

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Bayan Investment - Fund	6.32	n/a	n/a	7	Open-End
Alpine Emerging Markets Real Estate	5.30	-0.80	17.37	6	Open-End
APN Diversified Property Fund	5.21	-0.26	123.16	20	Unit Trust
Colonial First State Geared Global Prop	5.11	0.10	28.25	25	Unit Trust
CFS Colliers International Property Secs	4.38	0.08	12.75	2	Unit Trust

## Global REIT Funds Performance March 2014



### Popular Benchmark

Benchmark Index	Mar 2014 TR %	Volatility %
S&P Global REIT Index	0.20	12.44

### By Fund size

Fund	Average	Maximum	Minimum
Global REIT Large	0.40	0.72	-0.10
Global REIT Medium	0.58	3.54	-0.80
Global REIT Small	0.12	3.00	-1.34

### Best Performing Funds

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Okasan World REIT Selection	0.72	0.72	19.65	994	Fund of Funds
Nikko AMP Global REIT Fund	0.44	0.73	17.44	915	Fund of Funds
Kokusai World REIT Open	0.43	0.54	17.30	4,525	Fund of Funds
DLIBJ DIAM World REIT Income Open	0.37	0.61	16.06	1,229	Fund of Funds
Nikko LaSalle Global REIT Fund	0.36	0.77	17.45	8,150	Fund of Funds

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Nomura World REIT	3.54	0.18	24.78	88	Open-End
Daiwa Developed Market REIT	2.91	0.04	18.97	288	Open-End
Nomura Global REIT Premium Currency	2.34	0.15	20.05	81	Open-End
Hana UBS Global REITs Fund of Funds	0.42	0.27	11.39	144	Fund of Funds
SMTAM Global REIT Index Open	0.42	0.78	18.56	164	Open-End

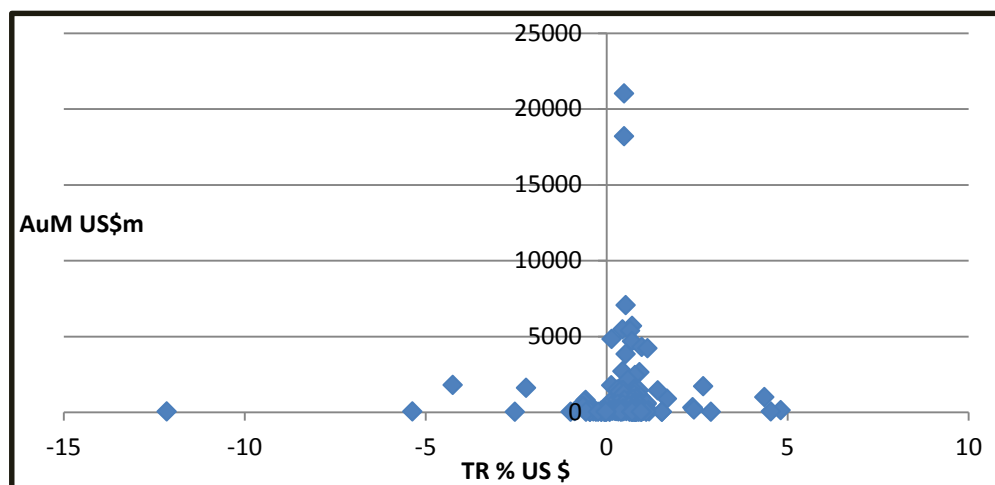
#### Global REIT Small Funds <US\$75m Aum

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
BNY Mellon Global REIT	3.00	0.22	24.18	3	Open-End
Mizuho Global REIT Fund	2.88	0.03	18.14	17	Open-End
Deutsche Global REIT Fund	1.46	0.06	20.05	38	Open-End
MHAM AMP Global REIT Fund	0.81	0.77	18.15	1	Fund of Funds
Capital Global REIT Balanced Fund	0.72	0.20	9.34	26	Unit Trust



# Real Estate Securities Funds Monthly

## US Funds Performance March 2014



### Popular Benchmark

Benchmark Index	Mar 2014 TR %	Volatility %
Dow Jones US Select REIT Index	0.88	16.38

### By Fund size

Fund	Average	Maximum	Minimum
US Large	0.44	2.68	-4.25
US medium	0.80	4.82	-0.65
US small	0.19	4.54	-12.15

### Best Performing Funds

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

Fund	Mar 2014 TR %	Sharpe Ratio	Volatility%	AUM US\$	Type
Cohen & Steers Quality Income Realty	2.68	-0.05	22.09	1,700	Closed-End
Cohen & Steers REIT and Preferred Inc.	1.67	-0.11	17.62	883	Closed-End
Forward Select Income Fund	1.42	0.59	7.66	1,417	Open-End
T Rowe Price Real Estate Fund Inc	1.13	0.53	15.00	4,207	Open-End
Nuveen Real Estate Securities Fund	0.97	0.37	16.68	4,277	Open-End

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

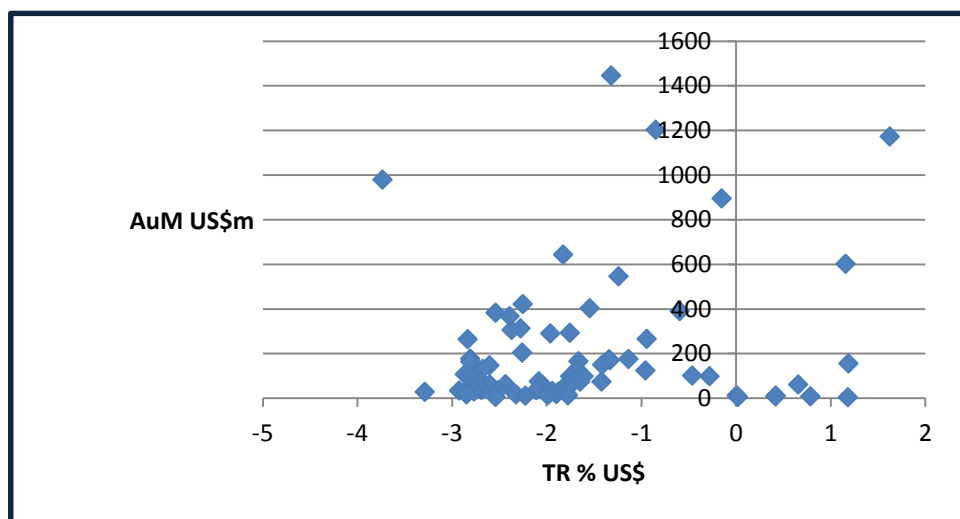
Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Denali Fund	4.82	1.27	15.95	106	Closed-End
Rakuten US REIT Triple Engine	4.36	0.38	29.76	983	Open-End
RMR Real Estate Income Fund	2.42	-0.18	19.13	160	Closed-End
Nuveen Real Estate Income Fund	2.38	-0.13	23.43	310	Closed-End
Neuberger Berman Real Estate Securities	2.38	-0.16	15.16	289	Closed-End

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Rakuten US REIT Triple Engine	4.54	0.34	26.65	22	Open-End
Wilshire US REIT ETF	1.53	0.36	17.34	16	ETF
Nomura US REIT High Income Open	1.18	0.99	15.92	37	Fund of Funds
BlackRock Real Estate Securities Fund	1.09	0.51	16.47	14	Open-End
Security Capital US Core Real Estate	1.02	0.42	10.47	75	Open-End

# Real Estate Securities Funds Monthly

## European Funds Performance March 2014



### Popular Benchmark

Benchmark Index	Mar 2014 TR %	Volatility %
FTSE EPRA/NAREIT Dev'd Europe Index	-2.44	12.96

### By Fund size

Fund	Average	Maximum	Minimum
Europe medium	-1.60	1.63	-3.73
Europe small	-1.43	1.18	-3.29

## Best Performing Funds

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

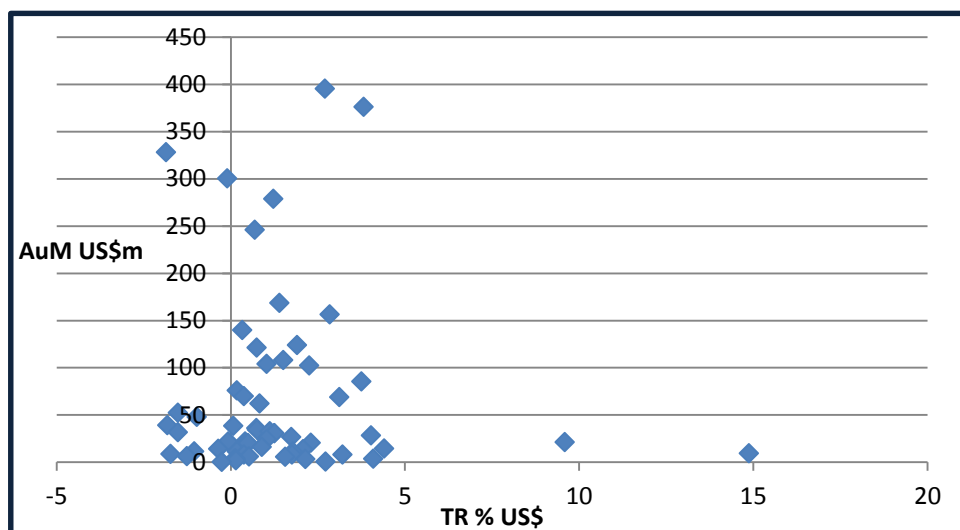
Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Credit Suisse Real Estate Fund	1.63	0.49	9.07	1,172	Closed-End
Mi-Fonds CH - SwissImmo	1.19	0.28	5.67	155	Open-End
UBS CH Institutional Swiss Real Estate	1.16	0.41	6.66	602	Open-End
Swiss Life Geschaeftsimmobilien	-0.15	4.22	1.13	895	Open-End
F&C Property Growth & Income	-0.28	1.47	7.27	98	Open-End

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
E&G FONDS - Immobilienaktien Europa	1.18	0.84	8.60	5	SICAV
UBS ETF CH-SXI Real Estate CHF	0.79	0.16	6.93	8	ETF
Merchant Investors Property Pension	0.66	1.20	8.18	61	Open-End
XACT Nordic Construction & Real Estate	0.42	n/a	n/a	8	ETF
SVA-Swiss-Invest	0.02	0.43	5.60	6	Open-End

# Real Estate Securities Funds Monthly

## Asian Funds Performance March 2014



### Popular Benchmarks

Benchmark Index	Mar 2014 TR %	Volatility %
EPRA NAREIT Asia Total Rtrn Index USD	0.55	15.81
TR GPR APREA COMPOSITE Index USD	0.85	14.40

### By Fund size

Fund	Average	Maximum	Minimum
Asian medium	1.37	3.82	-1.86
Asian small	1.39	14.88	-1.82

## Best Performing Funds

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

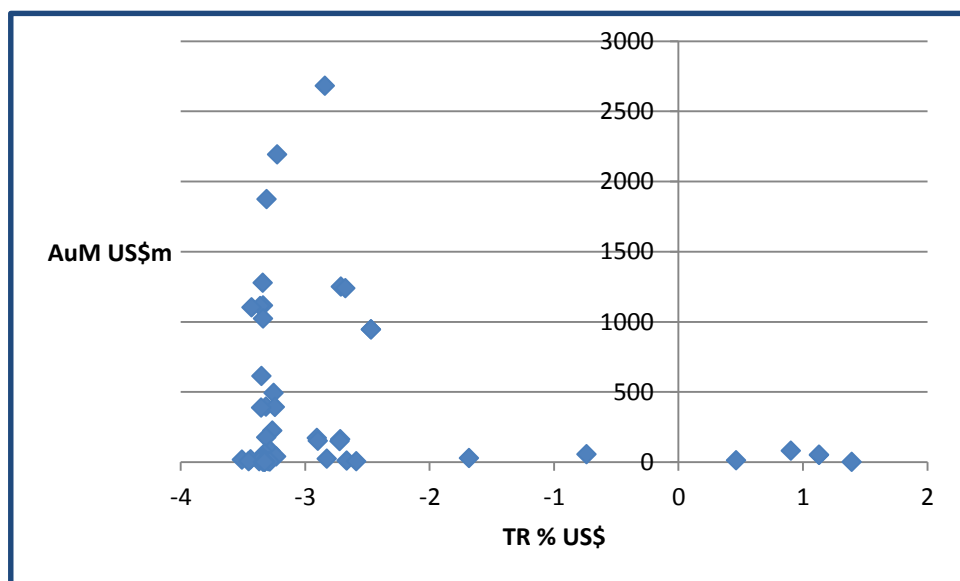
Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Public Mutual - PB Asia Real Estate	2.25	-0.80	7.73	102	Unit Trust
Eastspring Asia Pacific REITs Fund	1.90	-0.65	12.69	124	Unit Trust
SMTAM Asia REIT Research Open	1.51	0.05	17.65	108	Open-End
Schroder International Selection Fund	1.40	-0.55	14.55	168	SICAV
Sumitomo Mitsui Asia High Yield REIT	1.23	-0.10	21.01	279	Open-End

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
db x-trackers CSI300 REAL ESTATE ETF	14.88	-0.58	30.87	9	ETF
Kotak India Equity Fund	9.59	0.27	26.45	21	Open-End
Macquarie Premium SAM Asia Property	4.40	-1.34	14.39	14	Open-End
Sumitomo Mitsui Asia High Yield REIT	4.09	-0.06	25.25	3	Open-End
Cohen & Steers Emerging Markets	4.03	-0.77	18.77	28	Open-End

# Real Estate Securities Funds Monthly

## Japanese Funds Performance March 2014



### Popular Benchmarks

Benchmark Index	Mar 2014 TR %	Volatility %
Tokyo Stock Exchange REIT Index	-3.31	24.75
TR/GPR/APREA Composite Japan Index	-1.24	25.03

### By Fund size

Fund	Average	Maximum	Minimum
Japanese large	-3.07	-2.47	-3.43
Japanese medium	-2.78	0.90	-3.35
Japanese small	-2.40	1.39	-3.51

## Best Performing Funds

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
NEXT FUNDS REIT Index ETF	-2.47	-0.21	25.60	945	ETF
Shinko Resona JREIT Active Open	-2.68	-0.14	24.31	1,240	Open-End
DLIBJ DIAM J-REIT Open	-2.71	-0.28	23.29	1,250	Fund of Funds
SMTAM J-REIT Research	-2.84	-0.13	23.89	2,681	Fund of Funds
Nissay J-REIT Fund - Monthly Dividend	-3.22	-0.15	25.51	2,192	Fund of Funds

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

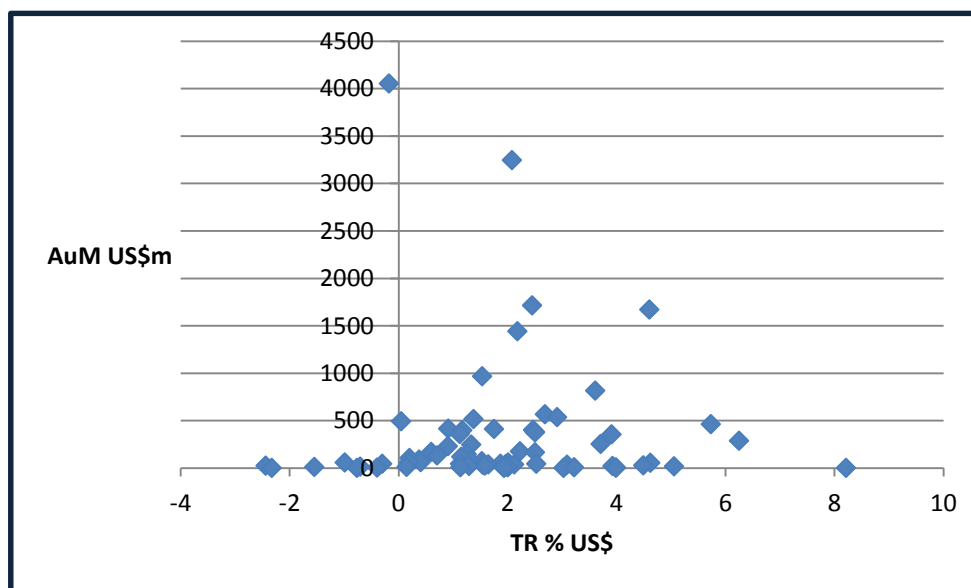
Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Mizuho JREIT Fund	0.90	-0.05	27.66	82	Open-End
DIAM DIAM J-REIT Active Fund	-2.72	-0.27	18.75	163	Open-End
DIAM Strategic J-REIT Fund	-2.90	-0.16	18.39	153	Open-End
Nomura J-REIT Open	-2.91	-0.10	20.01	172	Fund of Funds
Nissay J REIT Open	-3.24	-0.15	20.21	394	Open-End

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Daiwa ETF TOPIX-17 Real Estate	1.39	0.33	42.16	3	ETF
Nomura NEXT FUNDS TOPIX-17 Real Estate	1.13	0.34	39.18	52	ETF
Mizuho JREIT Fund	0.46	-0.24	29.85	13	Open-End
Nomura NEXT FUNDS TOPIX-17 Const	-0.74	1.38	24.17	56	ETF
BNP Paribas DB Resona J-REIT Alpha	-1.68	-0.37	12.63	28	UIT

# Real Estate Securities Funds Monthly

## Infrastructure/Real Asset Funds March 2014



### Popular Benchmark

Benchmark Index	Mar 2014 TR %	Volatility %
D Jones Brookfield Global Infra Tot Rtn	1.42	10.07

### By Fund size

Fund	Average	Maximum	Minimum
Global infrastructure medium	2.43	6.25	0.05
Global infrastructure small	2.08	8.21	-2.44
Real assets	0.28	3.03	-0.99

## Best Performing Funds

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Russell Global Listed Infra	6.25	1.22	16.41	286	Open-End
Macquarie International Infra	5.73	1.83	8.81	464	Unit Trust
Nomura Deutsche High Dividend Infra	4.60	0.82	22.21	1,672	Open-End
Brookfield Global Listed Infra	3.71	0.71	15.71	255	Closed-End
iShares Global Infrastructure ETF	3.61	1.19	11.08	816	ETF

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

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Tata Growing Economies Infrastructure	8.21	0.54	12.22	3	Open-End
FirstChoice Global Infrastructure Sec	5.06	1.69	7.98	20	Fund of Funds
Nomura Deutsche High Dividend Infra	4.62	0.82	20.46	55	Open-End
Shinko World High Dividend	4.49	0.71	16.89	27	Open-End
Shinhan BNPP Tops Global Infra	3.99	1.16	9.48	6	Unit Trust

### Real Assets Funds

Fund	Mar 2014 TR %	Sharpe ratio	Volatility %	AUM US\$m	Type
Evolucao FI Multimercado	3.03	-2.75	2.07	1	Open End
Huntington Real Strategies Fund	1.33	0.95	11.93	75	Open End
Devonshire Balanced Real Return Fund	1.14	-0.64	7.39	9	Open End
FP Real Assets Fund	0.70	-1.00	6.72	133	Open End
Prudential Real Assets Fund	0.38	0.11	8.23	91	Open End

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