# Global Real Estate Securities

## Market Review | Fourth Quarter 2016

| Region | Index Performance ($USD)[1] | | | | |
|---|---|---|---|---|---|
| | Fourth Quarter | 1-Year | 3-Year | 5-Year | 10-Year |
| North America | -3.3% | 8.4% | 12.3% | 11.1% | 4.6% |
| Asia Pacific | -7.5% | 6.1% | -0.4% | 8.5% | -0.3% |
| Europe | -9.0% | -7.3% | 2.9% | 10.3% | -3.1% |
| Total Return | -5.3% | 5.1% | 6.8% | 10.3% | 1.3% |

### United States

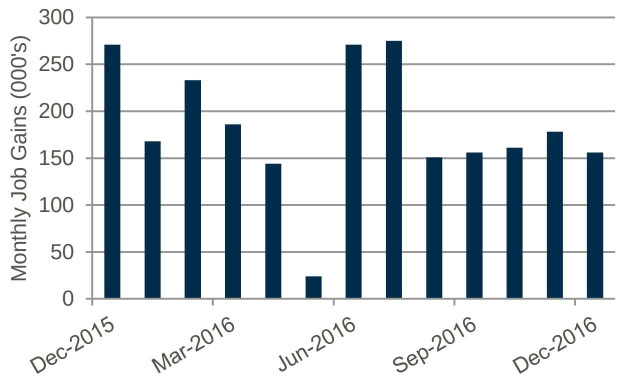
#### Market Review

U.S. REITs delivered an 8.6% total return in 2016.[2] REIT returns were driven by shifting views on global economic growth and interest rates as well as continued strong real estate fundamentals and investor appetite for yield investments. In the 4th quarter of 2016, REIT markets reacted to the surprise election of Donald Trump as President. Trump's economic policies, which include large corporate and personal tax cuts as well as increased infrastructure spending, combined with a Republican congress, resulted in a pro–growth, reflationary reaction in U.S. markets. The 10-year Treasury bond reacted sharply with its yield increasing 40 bps from the election to year end. U.S. REIT total returns were up 4.4% for that same period, in spite of the sharp increase in interest rates, versus a 4.98% total return for the S&P 500 Index.

The economic backdrop remained favorable for REIT fundamentals in 2016 with the economy averaging approximately 180,000 jobs per month, down from an average of about 229,000 in 2015 and 251,000 in 2014. Employment growth deceleration should be expected in the later stages of an economic expansion. Investors will be monitoring whether or not the new administration's reflationary policy re-accelerates employment growth.

The current level of jobs growth, however, continues to create ample real estate demand to absorb vacancies and create pricing power in a growing number of property types and markets. However, it was not so much that it created material supply additions, with the exception of apartments and select industrial and hotel markets.

**MONTHLY GAINS ('000) FOR OFFICE/NON-OFFICE USING JOBS[3]**




REIT aggregate occupancy remains near a record level at approximately 95% at the end of 3Q16, up from 94.7% a year ago[4]. New supply additions have slowed slightly since March and remain well below historical averages and near historical lows at 1.2% of existing supply. Supply additions across property types remain well below long term averages with the exception of multifamily, which is in line with its long term average. Additionally, REITs grew their dividends approximately 8% in 2016, while maintaining dividend payout ratios near historical lows at 72% versus a long term average of 80%, providing the potential for well above inflationary dividend growth again in 2017.

Small capitalization REITs outperformed large capitalization REITs in 2016 by approximately 1960 bps. The outperformance closes a valuation gap that we identified and executed on in 2016. Given the level of outperformance by small capitalization REITs, we view the valuation between large cap and small cap REITs as more balanced. Higher levered and higher dividend yielding REITs outperformed for the year as investors chased yield without regard to balance sheet, real estate quality and cash flow growth.

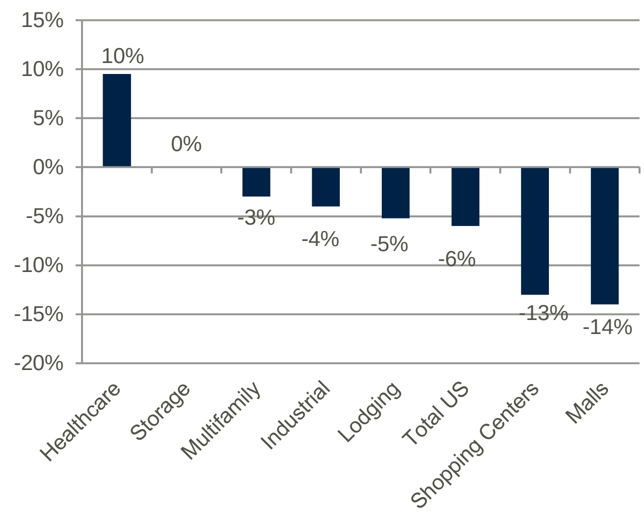
REITs continued to take advantage of the availability and relatively low cost of capital. REITs issued a record $78 billion in equity and debt capital during 2016, well above the prior record level of $71 billion in 2013[5].

REITs issued a record $44 billion of equity during the year. While attractive acquisition opportunities remain limited, REITs used equity to fund higher return re-development and development pipelines. Many companies continue to use the capital raising opportunity to refinance into longer-term, lower-rate debt. Development pipelines at REITs total $49 billion.

Fund flows from U.S. REIT investors into mutual funds and ETFs totaled -$3.7 billion as investor concerns of increasing interest rates and slowing global economic growth contributed to negative sentiment towards REITs. Fund flows from Japanese investors into U.S. REITs, however, remained strong at approximately $19 billion.[6]

The best performing sectors in 2016 were the industrial and hotel sectors. Industrial fundamentals remained on a course of improvement as the economy continued to expand and the companies' revenue and earnings growth rates accelerated. We are monitoring industrial supply which may become an issue in the second half of 2017. Hotel REITs cut their earnings forecasts during the year, however outperformed due to renewed optimism for stabilizing or accelerating revenue growth in 2017. Hotel companies underperformed in 2015 and were trading at attractive valuations relative to their real estate value at the beginning of 2016.

**US SECTOR P/NAV[7]**




The regional mall and self storage sectors underperformed for the year. Regional malls underperformed on concerns of underlying tenant health amidst dis-intermediation from internet retailers like Amazon. Additionally, Macy's announced additional store closures, and there is a continued overhang of more department store closures. That being said, class A mall REITs have been moderately impacted by tenant concerns and trade at very attractive levels relative to private market values. Institutional capital continues to have an appetite for class A malls. Self storage REITs continued to deliver sector leading revenue and earnings growth in 2016. However, a deceleration in revenue and earnings growth concerned investors given the high relative valuations at the beginning of the year. The companies now trade at attractive levels relative their real estate and should still deliver attractive relative growth in spite of peak occupancy levels.

**Market Outlook**

As we enter the 8th year of an elongated economic cycle, REITs should experience continued improvement in operating fundamentals and are again poised to deliver high single digit dividend and cash flow growth in 2017. We expect REIT 2017 same store NOI to be 3.5% to 4.0%, a level above the long term average. However, given near peak occupancy levels, we would expect much of the growth to come from rate increases and not occupancy gains.

From a relative valuation perspective, REITs ended the year trading at an approximate 5% discount to their underlying real estate value, roughly where they began the year. This compares favorably to a 2% premium historically.[8] Certain sectors are trading at very wide discounts relative to their historical levels. Regional malls trade at a 27% discount to NAV versus historically trading in line with NAV. Office is at a 12% discount versus a 3% historical premium to NAV. Despite the run up in the 10-year treasury yield, implied cap rate spreads of REITs relative to the 10-year Treasury remain wide at roughly 340 bps.[9] That level of spread provides REITs with a cushion if interest rates continue to increase, as spreads could contract without any deterioration in real estate value. Additionally, REIT cash flow multiples are below the S&P 500 multiple and at the lowest relative multiple level since 2010.

REIT occupancies and rental rates are expected to continue to improve in 2017. At this point in the cycle, we would expect the majority of revenue growth to come from rental growth versus occupancy gains. Supply is expected to remain muted in most markets and property types, with the exception of apartments, industrial and certain hotel markets. We expect apartment supply to peak in 2017. 2017 will likely be a stock pickers market with cash flow growth likely to matter to investors. We continue to monitor employment centers for drivers of jobs growth and how the new administration may impact or re-accelerate jobs growth in certain industries or geographies. For example, if there is bank de-regulation, will that drive further jobs growth in New York City? Will an increase in legislative activity and defense spending lead to increased employment in Washington DC? Will new trade agreements negatively impact the industrial sector? Will consumer spending pick up as a result of personal tax cuts? Will corporate tax cuts lead to increased economic growth? Additional uncertainty remains around how quickly and to what extent new policies can be implemented. It seems as if the market is factoring in seamless execution. Separately, we will continue to monitor technology dependent markets for any signs of decelerating demand growth. We expect to see continued improvement in Washington DC's jobs growth in 2017. We are monitoring energy related markets for signs of a bottoming in demand, given the recent strength in oil prices. Opportunistic private equity buyers are beginning to transact in cities like Houston.

With a dividend yield of 4.5% and estimated earnings growth of 5-7% in 2017, REITs are poised to deliver a consensus return of approximately 8-10%, assuming no expansion or contraction in the earnings multiple. However, given continued economic concerns, volatility spikes remain likely.

We will continue to monitor real estate demand from Sovereign Wealth Funds to determine if uncertainty around the new administration, oil prices and china headwinds are weighing on investor appetite for real estate. Additionally, we will continue to monitor high yield debt spreads to see if there are any impacts on real estate debt spreads. We are in an environment where cash flow growth, and balance sheets matter. Additionally, Net Asset Value matters and discounts are likely to get resolved or arbitraged. We are positioned to focus on companies with strong relative internal cash flow growth and strong balance sheets that trade at reasonable valuations relative to their private market value.

We see the best opportunities in the office, self storage and retail sectors and select opportunities in apartments.

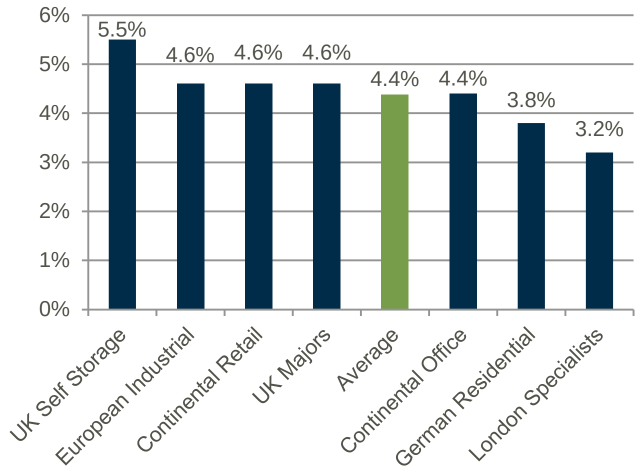
## Europe[10]

### Market Review

The European public real estate market was the weakest performer of the three global regions in 2016. The total return (USD gross) of the European index was a disappointing -8.0% in 2016. Europe was buffeted by numerous macro and political shocks over the year, most notably the surprise Brexit referendum result and the consequent plunge in the value of the GBP against the USD.

The strength of the USD against all European currencies was a major factor in depressing the USD returns in European markets. Most notably, the GBP collapsed in the wake of the shock Brexit referendum result. Over the full year 2016, the GBP plunged 16.3% against the USD, a major contributor to the UK index’s -23.7% USD total return for the year. The EUR also weakened further in 2016, falling 3.2% against the USD. For the Swedish SEK, the drop was even more dramatic, as it fell 7.9% on the year.

**EUROPE SECTOR/COUNTRY IMPLIED CAP RATES**[11]




The fourth quarter in isolation was a disappointing finish to the year in Europe as the index returned -9.0% (USD gross total return). This was despite a slight recovery of 4.5% of the European index in December. The worst performer in the 4Q was Germany with -13.5% as the strong outperformance of the German multifamily housing sector went into reverse on rising government bond yields and reflation concerns. Other major Eurozone markets such as France (-11.4%) and Ireland (-11.4%) also performed poorly in the quarter. All European markets saw negative returns in the quarter, though Spain (-4.5%) and the UK (-4.5%) did the best relatively.

For the full year 2016 period, there was significant variance in country-level returns across Europe. The UK was by far the worst performer due to the twin effects of share price and currency falls post the Brexit result in June. However, Italy did not do much better with a -21.0% total return for the year on concerns over stability in the banking sector as well as in the political sphere. Other Eurozone markets such as Ireland (-12.4%) and the Netherlands (-10.6%) also struggled. France just missed out on a positive return for the year with -1.1%.

The Nordic region as a whole performed better on evidence of a buoyant real estate market and economy in Sweden and Norway, though the 7.9% drop in the value of the Swedish currency against the USD meant that Sweden's total return for the year only came in at -1.3%. Germany had a very strong first half and weak second half as multifamily residential stock prices were inversely correlated with government bond yields, but still managed a decent 5.0% total return for the year. Switzerland, thanks to its safe haven status, had a good year with a 7.3% total return.

### Market Outlook

As we start the new year, the European market remains shadowed by political uncertainty. This is especially true of the UK where the process of negotiation of the UK's exit from the EU really begins in the first quarter of this year. Other European countries will be facing major elections this year, which could produce further surprises and sources of instability.

We maintain our underweight position to the London office sector, in particular due to the still high degree of uncertainty surrounding the process of the UK's exit from the European Union and its economic (and possibly political) consequences. We continue to look for attractively valued stocks in continental Europe that will benefit from the recently extended (to December 2017) quantitative easing measures of the European Central Bank. Signs of rental market recovery in selected continental markets that have bottomed out such as Spain and French offices provide interesting return potential in the medium-term. Investment market demand remains strong in Europe from private capital in particular, exerting modest further downward pressure on cap rates, especially in the core and core + assets in the more liquid markets. We expect office markets in Dublin, Amsterdam, Paris, Frankfurt and Berlin to benefit from the Brexit uncertainty as corporates move a portion of their London-based operations into the EU over the coming years.

## Asia Pacific

### Market Review

For full year 2016, REITs generally performed better than developers. In USD terms, the Japanese REITs rose 9.5%[12], followed by Australia (+7.0%). Singapore REITs, on the other hand, fell 0.05%. For developers, Japanese names corrected 4.8%, followed by Hong Kong (-3.1%) and Singapore (-2.4%)

2016 was a year in which the market witnessed not just one but several macro upheavals including Brexit, the U.S. Presidential Elections and the Bank of Japan's negative interest rates. It also marked arguably the biggest economic inflection we had seen in years, with the U.S. Elections marking the end of the era of secular stagnation post the GFC and bringing with it heightened inflationary expectations in the U.S. The sharp swing in the 10-year U.S. Treasury best characterized this fundamental change -- declining from 220 bps (January) to approximately 150 bps by July and closing the year back at 240 bps. Mirroring this was the diametrically opposite performance of our individual real estate equity sectors. With expectations of rising inflation and a quicker Fed rate path, APAC REITs that outperformed in the first half returned a substantial part of their gains in the latter half. Conversely, developers recovered most of their first half losses in the second half.

Despite the full year performance, market volatility is more pronounced if we look at the performance between the first half and second. For example, Japanese REITs rose by 23% in the first half (in USD terms), but they tanked by 11% in the second half. Singapore REITs were up by almost 12% in the first six months of last year, only to give back almost all in the second half.

In Hong Kong, focus is on the mooted change in government leadership with the Chief Executive elections in 2017. While the economic environment in Hong Kong remains challenging, rents at prime retail shopping malls remained relatively stable, falling a mere 1.2%, according to JLL, while high street shop rents dropped 18%. The softness is in part attributable to a decline in tourist arrivals, which fell 5.4% in the first 11 months of 2016. With the HKD being pegged to the USD, any future interest rate hikes in the US will implicitly make the HKD more expensive versus other currencies and may weigh on tourist arrivals and spending going forward.

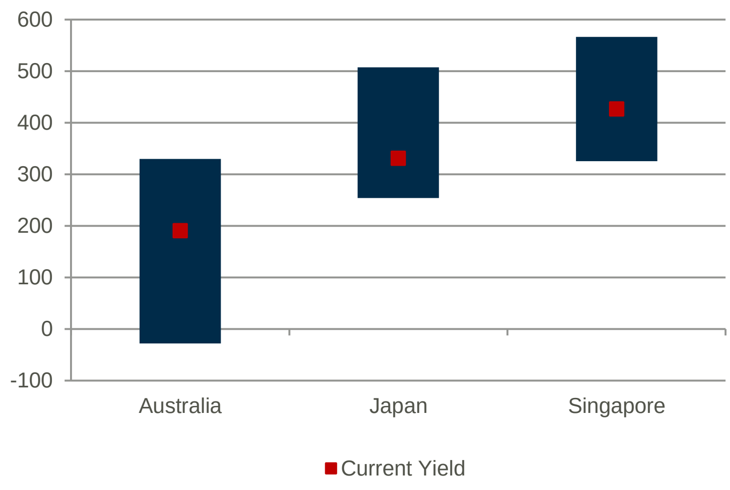
Class-A office rents in Hong Kong Central rose 9.7%[13] year over year last year (surpassing the previous peak recorded in 2008), underpinned by a vacancy of 1.5%[14]. New office supply in Central remains tight going forward, with demand largely driven by mainland Chinese companies. The government will be launching a rare commercial land tender in Central this year. Market expectation is for a new benchmark price for the new building, potentially fueling further yield compression.

In a surprise move, Hong Kong's government imposed a new administrative tightening measure in November of last year -- essentially doubling the stamp duty for second-home buyers. The impact is likely to be extremely negative for the developers given the potential for transaction volumes to significantly deteriorate from here.

In Japan the BOJ's commitment to zero long-term interest rates reflects a fine-tuning of monetary policy but reinforces a commitment to ensure low rates are conducive for growth. The JREIT sector, trading at a spread of 331 bps[15], remains well bid given the significant domestic pension demand for income. The office market in Tokyo's Central 5 wards remains robust - with vacancy at 3.75%[16], (from 4.03% 1 year ago) underpinning the 4.4%[17] rental increase for the year.

In Australia, the level of foreign investment in the commercial property market hit a record US$7.2 billion last year, according to JLL. It also estimated that foreign companies were involved in 40% of total transactions. The office market in Sydney continues to see rising rents and diminishing incentives as new supply is forecasted to be limited. Investment interest remains strong and yields are likely to be compressed. The retail sector remains steady, evidenced by last year's Boxing Day sales estimated to be US$1.65 billion[18], representing an on-year growth of 4.2%. Since July, A-REIT unit prices have given up a substantial amount of their first half gains in anticipation of rising U.S. Treasury yields and a quicker pace of Fed hikes. The yield spread currently stands at 190 bps[19] (from 210 bps in 2015) - the lowest in the developed APAC region as Japanese REITs stand at 331 bps and Singapore REITs at 426 bps.

**REIT Dividend Yield Spread Range (bps) (2010-2016)[20]**



In Singapore, cautious forward guidance from result announcements for the S-REITs, particularly for the retail sector, weighed on unit prices. Retail mall vacancy continued to rise to 8.4%[21] in the third quarter of last year, the highest since 2006. Private residential prices, weighed down by domestic economic weakness, the expected rise in interest rates and onerous cooling measures, declined by 3% in 2016 following the 3.7% decline in 2015.

**Market Outlook**

Post the U.S. Presidential Elections, the U.S. inflation outlook has changed dramatically judging by President-Elect Trump's campaign pronouncements to focus on fiscal expansion. Global FX and credit markets have moved swiftly to price in the rise in inflationary expectations, reflected by the sharp rise in the 10-year U.S. Treasury yield and the USD. The Fed has also surprised the market by guiding for three quarter-point rate hikes in 2017. We think the markets will remain extremely volatile pending future policy revelation by the U.S. A rising interest rate environment generally means a challenging environment for REITs, but we believe pockets of value have started to emerge in the region. In addition, we believe that U.S. fiscal spending, emerging market recovery and an oil sector recovery should provide a more conducive environment for growth.

Despite the approximate 25% rebound from their year lows reached in October, on the back of a 15% weakening in the JPY, the Japanese developers continue to trade at a significant discount relative to their historical valuations as well as to the JREITs. The discounted valuation in part reflects concerns of rising supply risks in both the condo and office markets.

We believe the prospect for quicker Fed hikes (leading to renewed JPY weakness) and the potential turnaround in CPI should underpin developer share prices. In the interim, we are positive on the sector given their greater leverage on an economic recovery. We are, however, selective in the JREIT sector, owing to their heightened valuations and lower expectations of incremental BOJ action. Our preference remains with the hotel and retail JREITs on the premise that they are prime beneficiaries of the improving tourism landscape -- offering both organic and acquisition growth.

We are positive on the Australian REITs given their attractive yield spread (190 bps) and strong EPS growth potential. The attractiveness of Australian core commercial property is reflected by the intense bidding by foreign groups eager to deploy capital. Our preference is with the prime office names that benefit from improving fundamentals and retail AREITs that either offer international growth or domestic non-discretionary retail resilience.

In Hong Kong, we prefer the large cap developers that are significantly discounted relative to their asset fundamentals. We envisage increasing uncertainty for China as it navigates between economic rebalancing and the need to ensure stable growth. The impact on the Hong Kong developers will be two-fold: greater volatility in terms of sales and volumes for their residential portfolios and negative investor perception on their China exposure. The depreciating RMB, on the other hand, encourages a flight of Chinese capital towards Hong Kong commercial assets given the territory's USD peg.

In Singapore, we are underweight the developers given a lack of positive catalysts and growth drivers for a rerating. We prefer S-REITs in the office and industrial sectors that offer resilient yield despite increasing supply conditions. There is significant new supply across most asset segments, and this has resulted in a negative operating environment for an increasing number of S-REITs.

[1] Factset, FTSE EPRA/NAREIT Developed Index. As of 30-Dec-2016

[2] US REITs total return taken from MSCI US REIT Index (RMZ)

[3] Bloomberg. As of 30-Dec-2016

[4] Citi. As of 30-Dec-2016

[5] Citi. As of 30-Dec-2016

[6] Barclays Research. As of 30-Dec-2016

[7] ISI, GreenStreet Advisors, 1-Jan-2017.

[8] ISI. As of 30-Dec-2016

[9] Citigroup. As of 30-Dec-2016

[10] All performance data appearing in this "Europe" section is sourced from the S&P Developed Property Gross Total Return Index and regional constituent indices. The country returns quoted below in this section are quoted from the individual country indices within the S&P Developed Property Index using gross total returns (ie S&P United Kingdom Property Index, etc.). Investors cannot invest directly in an index. Please see end of document for index definitions.

[11] Green Street Advisors, 1-Jan-2017

[12] Bloomberg. As of 30-Dec-2016

[13] JLL data

[14] JLL data

[15] Bloomberg. As of 30-Dec-2016

[16] Miki Shoji. As of November 2016

[17] Miki Shoji. As of November 2016

[18] Inside Retail. 28-Dec-2016

[19] Bloomberg. As of 30-Dec-2016

[20] Bloomberg, 30-Dec-2016.

[21] Singapore Urban Redevelopment Authority

## Disclosures

PGIM is the primary asset management business of Prudential Financial, Inc. PGIM Real Estate is PGIM's real estate investment advisory business and operates through PGIM, Inc., a registered investment advisor. Prudential, the Prudential logo and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

The information contained herein is provided by PGIM Real Estate. This document may contain confidential information and the recipient hereof agrees to maintain the confidentiality of such information. Distribution of this information to any person other than the person to whom it was originally delivered and to such person's advisers is unauthorized, and any reproduction of these materials, in whole or in part, or the divulgence of any of its contents, without the prior consent of PGIM Real Estate, is prohibited. Certain information in this document has been obtained from sources that PGIM Real Estate believes to be reliable as of the date presented; however, PGIM Real Estate cannot guarantee the accuracy of such information, assure its completeness, or warrant such information will not be changed. The information contained herein is current as of the date of issuance (or such earlier date as referenced herein) and is subject to change without notice. PGIM Real Estate has no obligation to update any or all such information; nor do we make any express or implied warranties or representations as to its completeness or accuracy. Any information presented regarding the affiliates of PGIM Real Estate is presented purely to facilitate an organizational overview and is not a solicitation on behalf of any affiliate. **These materials are not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services. These materials do not constitute investment advice and should not be used as the basis for any investment decision.**

These materials do not take into account individual client circumstances, objectives or needs. No determination has been made regarding the suitability of any securities, financial instruments or strategies for particular clients or prospects. The information contained herein is provided on the basis and subject to the explanations, caveats and warnings set out in this notice and elsewhere herein. Any discussion of risk management is intended to describe PGIM Real Estate efforts to monitor and manage risk but does not imply low risk.

**All performance and/or targets contained herein are subject to** revision by PGIM Real Estate and are provided **solely as a guide to current expectations. There can be no assurance that any product or strategy described herein will achieve any targets or that there will be any** return of capital. Past performance is not a guarantee or reliable indicator of future results. No representations are made by PGIM Real Estate as to the **actual composition or performance of any account.**

The financial indices referenced herein as benchmarks are provided for informational purposes only. The holdings and portfolio characteristics may differ from those of the benchmark(s), and such differences may be material. Factors affecting portfolio performance that do not affect benchmark performance may include portfolio rebalancing, the timing of cash flows, credit quality, diversification and differences in volatility. In addition, financial indices do not reflect the impact of fees, applicable taxes or trading costs which reduce returns. Unless otherwise noted, financial indices assume reinvestment of dividends. You cannot make a direct investment in an index. The statistical data regarding such indices has not been independently verified by PGIM Real Estate.

References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. The securities referenced may or may not be held in portfolios managed by PGIM Real Estate and, if such securities are held, no representation is being made that such securities will continue to be held.

These materials do not purport to provide any legal, tax or accounting advice. These materials are not intended for distribution to or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation.

**Risk Factors:** Real estate strategies may invest in equity securities of issuers that are principally engaged in the real estate industry. Therefore, an investment by a strategy is subject to certain risks associated with the real estate industry and, more generally, the public markets. Risks associated with real estate include, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible limitations on access to mortgage funds or other sources of capital; overbuilding; risks associated with leverage; market illiquidity; extended vacancies and/or delays in completion of properties under development; increase in operating expenses; changes in governmental regulation; costs resulting from environmental problems and natural disasters; tenant bankruptcies or other credit problems; casualty or condemnation losses; decreases in market rates for rents; and
changes in interest rates. To the extent that assets underlying a strategy's investments are concentrated geographically, by property type or in certain other respects, the strategy may be subject to certain of the foregoing risks to a greater extent.

Holdings in a particular strategy can vary significantly from broad market indexes. As a result, performance of an individual strategy can deviate from the performance of such indexes. As a strategy invests in stocks, there is the risk that the price of a particular stock owned within a strategy could go down or pay lower-than-expected or no dividends. In addition, the value of the equity markets or of companies comprising the real estate industry could go down. Other considerations relative to the public markets may include, but not be limited to: borrowing and leverage, currency futures and options, debt securities, derivatives, exchange-traded funds, foreign exchange transactions, foreign investment risks, hedging, illiquid or restricted securities, initial public offerings, investment in emerging markets, investment in other investment companies, mortgage-backed securities, options, repurchase agreements , risk factors involving derivatives, securities lending, short sales, temporary defensive strategy and short-term investments, U.S. Government securities, warrants and rights, and forward commitments

Investors are advised to review the Investment Prospectus, Statement of Additional Information and other information related to specific strategies for further detail regarding the risks associated with investment in REITs and real estate securities.

The S&P Developed Property Index is a free-float weighted index comprised of public real estate companies in North America, Asia and Europe that meet certain free-float market capitalization, trading volume and other criteria. The Developed Property Index, (formerly known as the World Index) excludes emerging markets. The return series is calculated daily using both gross and net cash dividends reinvested. Cash dividends are normally applied on the exdate of the dividend. Net return reinvested is reflective of the return to an investor where dividends are reinvested after the deduction of withholding tax. The net index excludes foreign withholding taxes. The tax rate applied is the rate to nonresident institutions that do not benefit from double taxation treaties. Source of the benchmark: Standard & Poor's.

The FTSE EPRA/NAREIT Real Estate Index Series reflects the stock performance of companies engaged in specific aspects of the of the major real estate markets/regions of the world - Americas, EMEA (Europe, Middle East and Africa) and Asia. The Index Series is designed to represent general trends in eligible listed real estate companies and REITS worldwide, covering Global, Developed and Emerging indices, as well the UK's AIM market. Relevant real estate activities are defined as the ownership, disposure and development of income-producing real estate. Dividends, using their exdividend dates, are used to calculate the Total Return Indices on the FTSE EPRA/NAREIT Global Real Estate Index Series.

All dividends are applied as declared. "FTSE®" is a trademark of the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE under license.

The S&P Global Property Index defines and measures the investable universe of publicly traded property companies. With more than 500 constituents from 36 countries, the index is ideal for a range of investing activities, including benchmarking active funds and setting the foundation for passive funds. The S&P Global Property divides into two subindices: S&P Developed Property and S&P Emerging Property.

Note: A benchmark Index is not professionally managed, does not have a defined investment objective, and does not incur fees or expenses. Investors cannot invest directly in an index.

REF #: PMUI-AHYKEE