

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 with an inception date of December 31, 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 25 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 net assets is invested in real estate (no more than 20% of such assets invested in cash and/or cash equivalents).
- **Investments** — at least 80% of market value of real estate net assets in private equity real estate properties (no more than 20% of such assets invested in, but not limited to, property debt, public company equity/debt or private company (operating business) equity/debt).
- **Domain** — at least 95% of market value of real estate net assets in US markets.
- **Property Types** — at least 80% of market value of real estate net assets invested in office, industrial, apartment, and retail property types.
- **Life Cycle** — at least 80% of market value of real estate net assets invested in operating properties (no more than 20% of such assets invested in, but not limited to, (pre)development/redevelopment or initial leasing/lease-up cycles).
- **Leverage** — no more than 40% 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 65% (± for market forces) of market value of real estate net assets in one property type or one region as defined by the NCREIF Property Index.
- **The fund must comply with the NCREIF PREA Reporting Standards;** including annual audits, 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	
Net Assets	\$199B	Office	33.9%	West	41.4%
Number of Investments	2,922	Multi-Family	25.3%	East	30.8%
Leverage	21.5%	Industrial	18.1%	South	18.9%
Occupancy Rate	92.7%	Retail	18.6%	Mid-West	8.9%

Data as of 12/31/2018

NFI-ODCE Net Returns

1978 - 2018

Quarterly and Calendar Year Net Returns as of 12/31/2018

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%

Annualized Net Returns as of 12/31/2018

1-Year	3-Year	5-Year	10-Year	Since Inception
7.36%	7.27%	9.41%	6.01%	7.65%

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