Principal Asset Management℠

GLOBAL REAL ESTATE SECURITIES

Quarterly update

FIRST QUARTER | April 2024

Global equity markets (MSCI World) returned 9.0%, lifted by U.S. economic resilience and the rally in the tech complex on artificial intelligence enthusiasm. Signs of bottoming in Eurozone economic activity and the ongoing reflationary rally in Japanese equities also contributed to the risk on mood. **Rate sensitive global real estate securities (FTSE EPRA/NAREIT Developed, -1.0%) lagged equities amidst firm economic growth data and signs of stickier than anticipated inflation which sent bond yields 33 bps higher over the quarter**. Nevertheless, property stocks outperformed global bonds (Bloomberg Global Aggregate) which declined 2.1%

Asia was the best performer lifted by strength in the higher beta, growth sensitive Japanese developers in anticipation of a return to reflation in the country. The ongoing theme of corporate governance reforms was the other driver, as Japanese developers are more exposed given their larger discounts to net asset value. Hong Kong was the main laggard on lingering concerns over a sustainable pickup in China growth momentum. Rate sensitive Hong Kong property stocks, particularly Hong Kong REITs (HREITs) were also dragged by the push back in timing of expected U.S. rate cuts.

THEMES

Equity markets rallied on economic resilience and AI enthusiasm.

Rate sensitive REITs lagged equities on higher yields due to sticker inflation reads

Cyclical retail and hospitality sectors outperformed and data centers were strong on AI demand drivers. Net lease and self-storage were weakest.

Exhibit 1: Global real estate total returns by region

Region	Benchmark weight (%)	Total returns	
		Trailing three months (%)	Trailing twelve months (%)
North America	**64.1**	**-0.6**	**9.3**
United States	61.7	-0.6	9.7
Canada	2.4	-1.6	1.6
Asia Pacific	**22.9**	**0.0**	**0.8**
Japan	10.2	6.0	13.5
Australia	6.1	5.4	16.4
Hong Kong	3.1	-14.1	-30.3
Singapore	3.1	-9.8	-9.2
Europe	**13.0**	**-4.8**	**19.0**
Continental Europe	8.9	-5.5	22.8
United Kingdom	4.1	-3.3	11.9
FTSE EPRA NAREIT Developed	**100.0**	**-1.0**	**8.6**

As of 31 March 2024. Source: FactSet. Returns represent the FTSE EPRA/NAREIT Developed Index, by region. Returns in USD. Past performance is not a reliable indicator of future return. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index. Does not represent any investment strategy.

Europe delivered the weakest performance on profit taking after a stellar performance in the second half of 2023. The repricing of rate cut expectations amidst signs of stickier than expected Eurozone inflation during the quarter also weighed on performance. The less indebted UK property sector outperformed the Continent. German housing, which is seen as a bond proxy, was among the weaker performers along with long duration healthcare and office stocks which suffered from weaker balance sheets. At the other end of the spectrum, growth sensitive hotels and the more cyclical retail stocks led the way, as did the industrial sector on signs of stabilizing cap rates after a period of capital value declines.

The Americas posted modestly negative returns during the quarter. Broader optimism over the economy and excitement about artificial intelligence also combined to draw capital flows away from the sector. The region saw REIT earnings growth expected to be in the low single digits on average with higher interest rates and potentially conservatism at play. This compared negatively to broader equity markets where earnings growth of close to 10% is anticipated. Leadership during the quarter favored cyclicals in the U.S. with malls and lodging posting the strongest returns on increased soft-landing hopes and less pressure from rates given lower valuation multiples. Conversely, net lease and storage trailed, pressured by longer lease duration (greater rate sensitivity) and weak pricing power, respectively.

Performance figures referenced in commentary are presented in USD.

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Exhibit 2: Global real estate total returns by sector

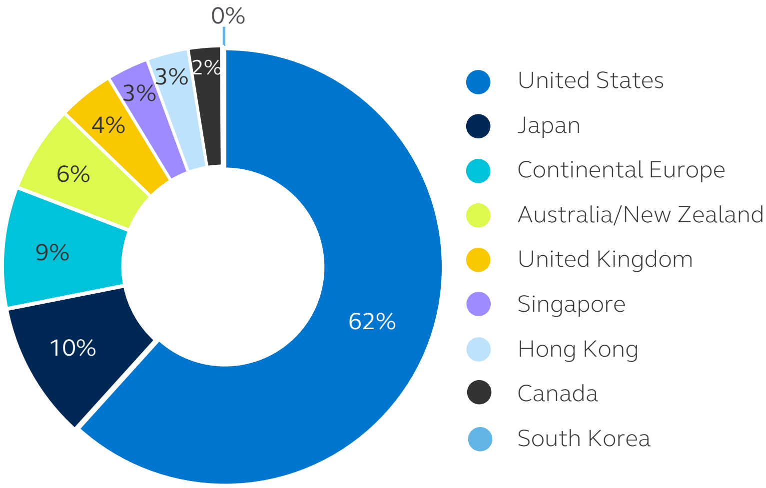
Sector	Benchmark weight (%)	Total returns: Trailing three months (%)	Total returns: Trailing twelve months (%)
Industrial	17.6	-2.5	5.4
Diversified	15.8	1.5	9.2
Apartments	10.5	-1.1	11.8
Net lease	8.3	-5.2	-6.4
Data centers	7.4	4.4	26.6
Healthcare	7.4	-1.5	10.3
Malls & outlets	6.7	3.2	22.6
Self-storage	5.9	-5.2	-1.3
Shopping centers	5.5	-3.2	6.8
Office	5.5	-5.9	8.4
Hotels & resorts	3.0	4.9	20.7
Single family rental	2.2	5.3	20.5
Manufactured homes	1.8	-5.0	-2.8
Life sciences	1.4	2.7	7.2
Homebuilder	0.4	3.5	-2.6
Student housing	0.4	-6.5	5.5
Other	0.2	-17.3	-21.0
FTSE EPRA NAREIT Developed	100.0	-1.0	8.6

As of 31 March 2024. Source: FactSet. Returns represent the FTSE EPRA/NAREIT Developed Index, by sector. Returns in USD. For simplicity purposes, we are not showing retail outlets, conglomerate, healthcare facilities or realty services sectors. Past performance is not a reliable indicator of future return. Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index. Does not represent any investment strategy.

Global dashboard

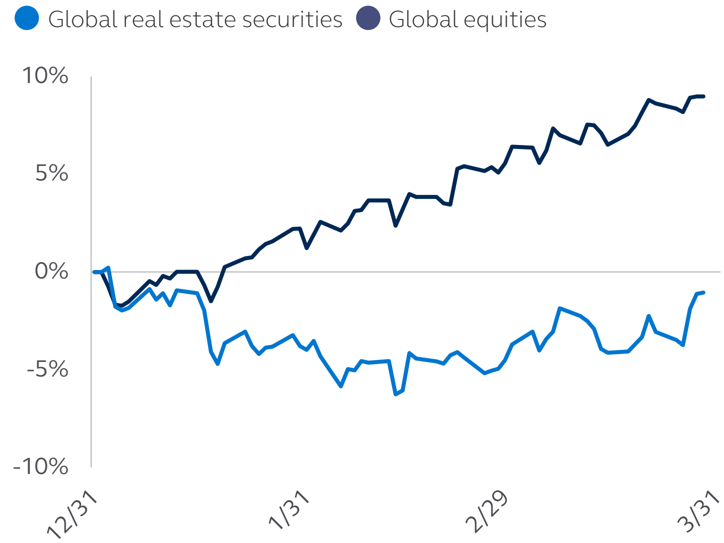
Market performance

Exhibit 3:
Global real estate securities regional split



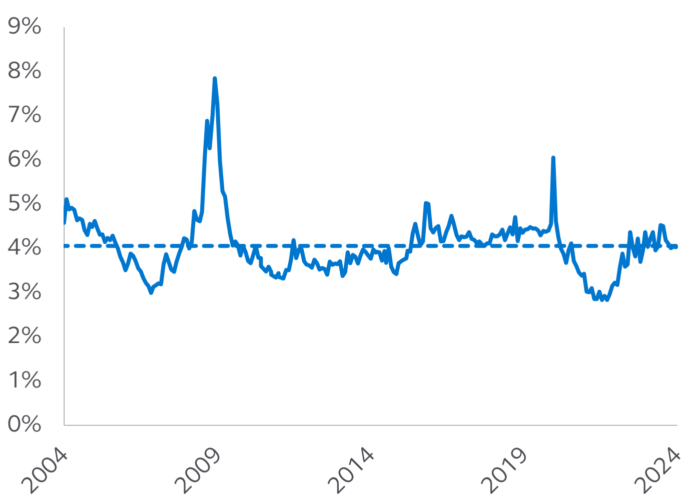
Source: FactSet, FTSE EPRA/NAREIT Developed Index.

Exhibit 4:
Global real estate securities vs. equities



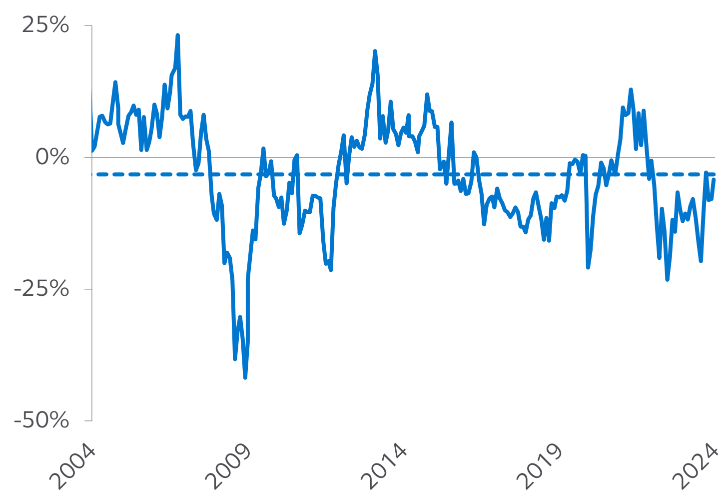
Source: FactSet, FTSE EPRA/NAREIT Developed Index, MSCI World Index. Returns in USD.

Exhibit 5:
Global real estate securities dividend yield



Source: Principal Global Investors, FactSet, FTSE. The Global REIT Dividend Yield percentage shown above is the weighted average dividend yield of the FTSE EPRA/NAREIT Developed index. The historical average represents 20 years.

Exhibit 6:
Global real estate securities price to NAV



Source: Principal Global Investors, FactSet, FTSE. This chart illustrates the weighted average Price/Net Asset Value of the stocks in the FTSE EPRA/NAREIT Developed index. The historical average represents 20 years.

As of 31 March 2024.
Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index. Does not represent any investment strategy.

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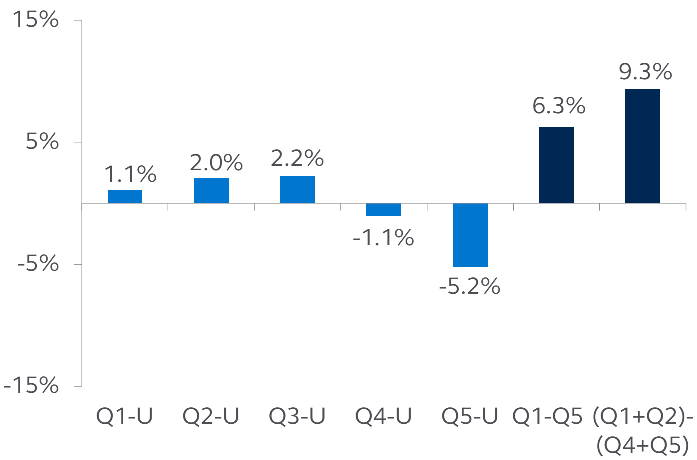
Global dashboard

First quarter style analysis

Exhibit 7:

Total return by dividend yield

Lower yielding stocks outperformed

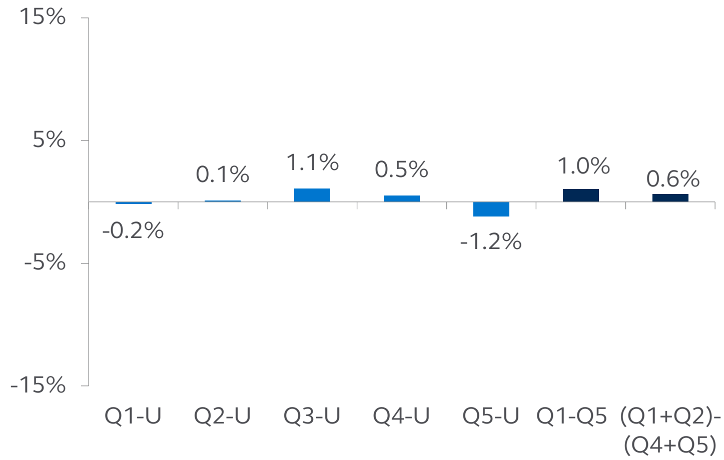


Note: Q1 = Lowest yield, Q5 = Highest yield; U=Universe mean

Exhibit 8:

Total return by market capitalization

Larger market cap stocks modestly outperformed

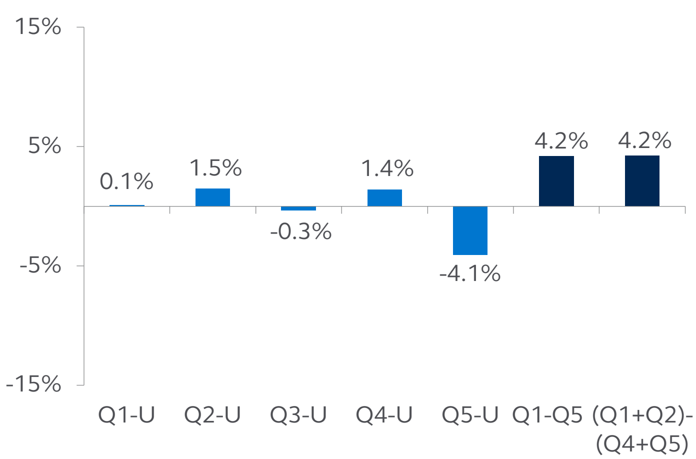


Note: Q1 = Largest market cap, Q5 = Smallest market cap; U=Universe mean

Exhibit 9:

Total return by debt to total capital

Lower levered stocks outperformed

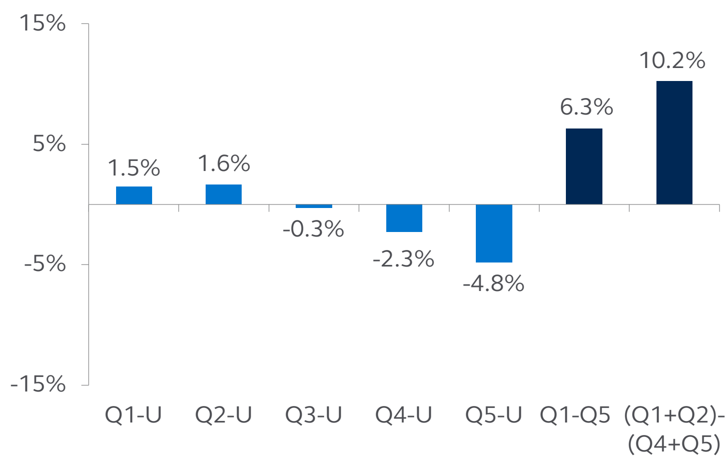


Note: Q1 = Lowest leverage, Q5 = Highest leverage; U=Universe mean

Exhibit 10:

Total return by 100-day standard deviation

Lower volatility stocks strongly outperformed



Note: Q1 = Lowest deviation, Q5 = Highest deviation; U=Universe mean

As of 31 March 2024. Source: Principal Global Investors, FactSet, FTSE. U= Universe. Universe is all securities in the FTSE EPRA/NAREIT Developed Index. Quintiles based on equal number of securities. All data in USD. Returns presented in USD. Does not represent any investment strategy or reflect fees, taxes, or expenses. Investors cannot invest directly in an index.

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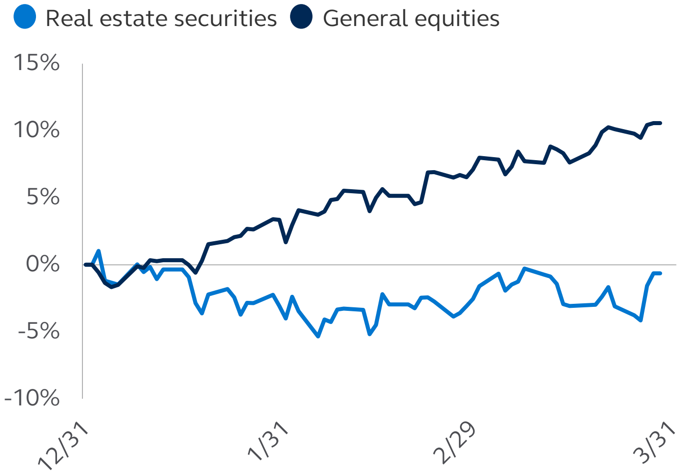
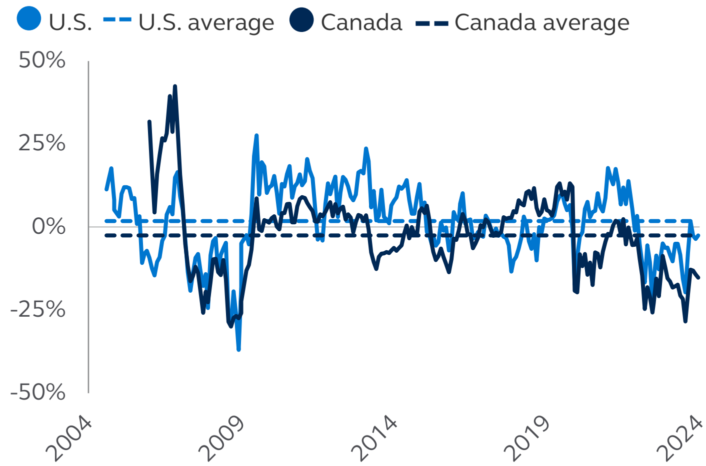
North America

Exhibit 11:
Real estate securities vs. general equities performance



Source: FactSet, FTSE EPRA/NAREIT, S&P 500. All data in USD.

Exhibit 12:
Price to NAV*
*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 20 years. Less than 20 years shown for Canada due to lack of data availability.

Summary return data	(in USD)	Summary return data	(in CAD)	(in USD)
U.S. equities	10.6%	North American real estate securities		-0.6%
U.S. real estate securities	-0.6%	Canadian real estate securities	1.0%	-1.6%

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North American property stocks modestly retreated to start the year, returning -0.6% with performance similar in the U.S. and Canada. Real estate stocks lagged broader equity markets which saw continued strength driven by large capitalization technology stocks on further artificial intelligence enthusiasm.

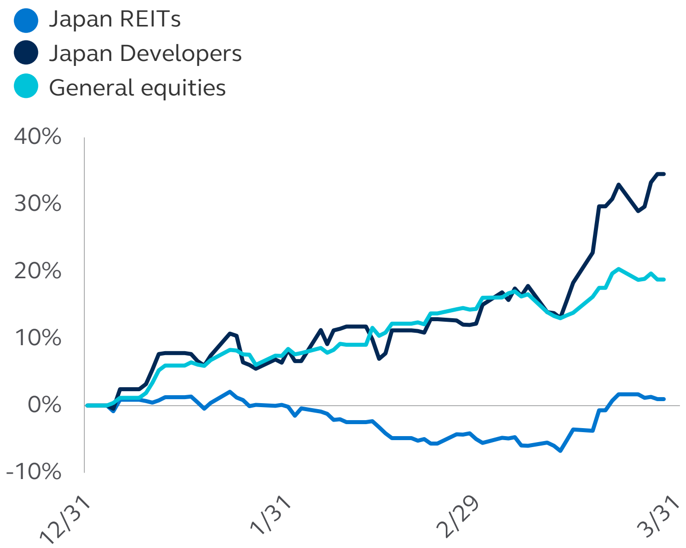
Following growing optimism for a near term Federal Reserve (Fed) pivot to end 2023, markets pushed back the timing of expected rate cuts on stalled disinflation momentum. Inflation readings during the quarter came in stronger than expected with upward pressure from housing costs. Fedspeak continued to emphasize data dependence with Chair Powell noting the two-sided risks to easing policy too quickly (potentially reigniting inflation) versus maintaining restrictive policy for too long (potentially impairing economic growth prospects). While uncertainty remains, market expectations are for the first cut to occur this summer, and for a total of three reductions during the year. This outlook now approximately matches the Fed's own projections. Meanwhile, economic data was mixed during the quarter but viewed favorably and supportive of a soft landing. Labor markets remained firm, without a material pickup in unemployment, and wage growth exhibited some welcomed signs of cooling. Retail sales decelerated, yet it was seen as unclear whether this clouded the recent pillar of consumer-resiliency. In Canada, conditions were broadly similar with the Bank of Canada looking for greater confidence inflation is moving toward target before cutting rates, with its first move also likely this summer.

Slightly weaker than expected 2024 outlooks and higher rates contributed to underperformance of real estate stocks.10-year yields were less volatile but expanded by approximately 35 bps during the quarter in both the U.S. and Canada. REITs are calling for earnings growth in the low single digits on average, with higher interest rates and potentially conservatism at play. This compared negatively to broader equity markets where earnings growth of close to 10% is anticipated. Leadership during the quarter favored cyclicals in the U.S., with malls and lodging posting the strongest returns on increased soft-landing hopes and less pressure from rates given lower valuation multiples. Conversely, net lease, manufactured housing, and storage trailed, pressured by longer lease duration (greater rate sensitivity), idiosyncratic company issues, and weak pricing power, respectively. In Canada, residential REITs led the way helped by stronger forecasted growth on robust supply-demand dynamics and from M&A in the single-family-rental sector. However, looming policy changes may partially dent the strong recent immigration tailwinds that have benefited the property type.

Performance figures referenced in commentary are presented in USD.

Japan

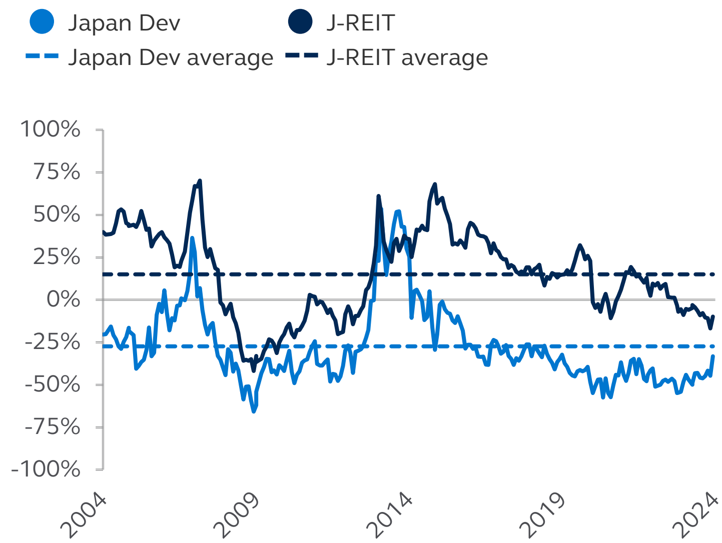
Exhibit 13:
Real estate securities vs. general equities performance



Source: FactSet, FTSE EPRA/NAREIT, MSCI Japan. All data in Yen.

Exhibit 14:
Price to NAV*

*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 20 years.

Summary return data	(in Yen)	(in USD)	Summary return data	(in Yen)	(in USD)
Japan equities	18.8%	10.6%	Japan REITs	0.6%	-6.3%
Japan real estate securities	14.6%	6.7%	Japan non-REITs	37.2%	27.8%

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Tailwinds from the currency depreciation and corporate governance reform contributed to the +10.6% rally in Japanese equities. Moderating expectations of Fed rate cuts and a dovish stance from the Bank of Japan (BoJ) policy adjustment led to a 6.8% deprecation in the JPY against the USD in the quarter. The first round of Shunto wage negotiation was stronger than expected, providing solid ground for the BoJ to end its Negative Interest Rate Policy (NIRP) and Yield Curve Control (YCC) and move to a more conventional monetary policy framework.

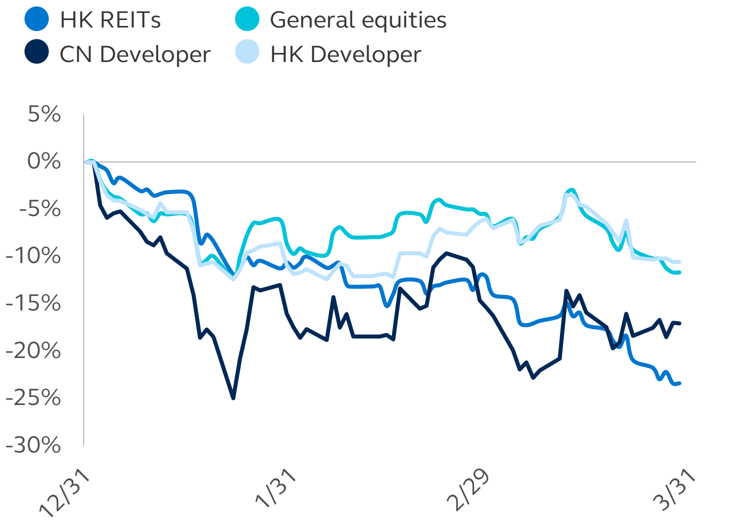
Japanese property stocks underperformed the broader equity market by 3.9%, with a substantial divergence in performance between Japanese developers and Japanese REITs (JREITs), where the latter underperformed substantially due to concerns over the rising interest rate outlook.

Japanese developers returned +27.8% during the quarter, outperforming the broader Japanese equity market and JREITs by 17.2% and 34.1%, respectively. Japanese developers continued to enjoy tailwinds from rising inflation expectations, positive momentum in enhancing total shareholder returns, and improving office fundamentals where Tokyo office rents were up month-on-month for the first time in over three years.

JREITs underperformed Japanese developers due to concerns over BoJ monetary policy normalization and share price overhangs from MSCI index exclusions. Notably, JREITs were especially weak leading up to the March BoJ meeting on fears of a rapid increase in domestic interest rates following BoJ's abolishment of unconventional monetary policies. In terms of market capitalization, index-heavy large-cap JREITs saw the weakest share price action due to elevated expectations of MSCI index exclusion. Within subsectors, hotel JREITs held up relatively better, thanks to further recovery in inbound tourism, contributing to an upgrade in earnings outlook.

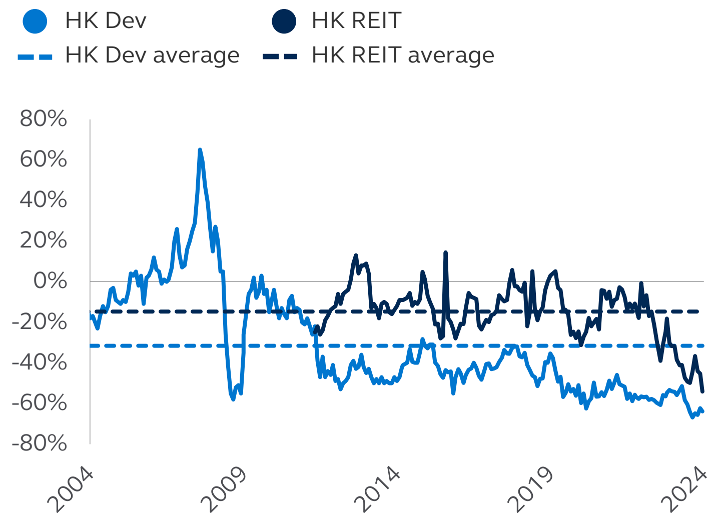
Hong Kong

Exhibit 15:
Real estate securities vs. general equities performance



Source: FactSet, FTSE EPRA/NAREIT, MSCI Hong Kong. All data in HKD.

Exhibit 16:
Price to NAV*
*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 20 years or longest history available. HK REITS not showing 20 years due to data availability.

Summary return data	(in HKD)	(in USD)	Summary return data	(in HKD)	(in USD)
Hong Kong equities	-11.5%	-11.7%	Hong Kong REITs	-23.2%	-23.4%
Hong Kong real estate securities	-13.9%	-14.1%	Hong Kong non-REITs	-10.4%	-10.6%
			China developers	-17.1%	-17.2%

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Hong Kong property stocks were down 14.1% during the first quarter, modestly underperforming broader equities which returned -11.7%. Delayed rate cut expectations, dividend cuts and higher bond yields weighed on the performance of the property stocks.

Hong Kong developers outperformed HREITs, but still were down 10.6%, dragged lower by dividend cuts and residential price declines during the quarter. Secondary residential prices continued to extend their declines in the first quarter as mortgage rates stay elevated. More supportive measures for the residential sector were announced. Hong Kong government announced that it will remove all existing stamp duties with immediate effect. Separately, the Hong Kong Monetary Authority announced higher loan-to-value ratios for property financing and the scrapping of interest rate stress test requirements. The majority of Hong Kong developers declared dividend cuts amidst prolonged macro uncertainties and weak contracted sales.

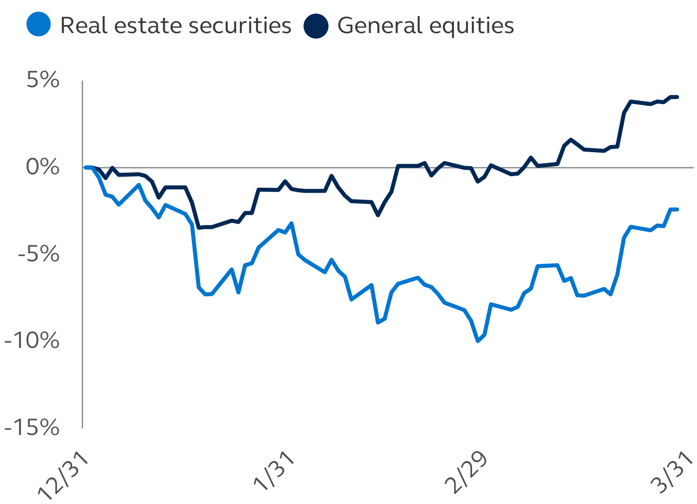
Discretionary retail landlords outperformed during the quarter due to stronger dividend sustainability. Retail sales growth was flat in January due to weak per capita spending by Mainland Chinese and increasing outbound travel by Hong Kong locals. Office landlords are reporting negative office rent reversions and slow progress in occupancy ramp up for new builds.

Rate-sensitive Hong Kong REITs gave back their outperformance from the fourth quarter as bond yields increased. Hong Kong REITs ended the quarter lower by 23.4%.

Performance figures referenced in commentary are presented in USD.

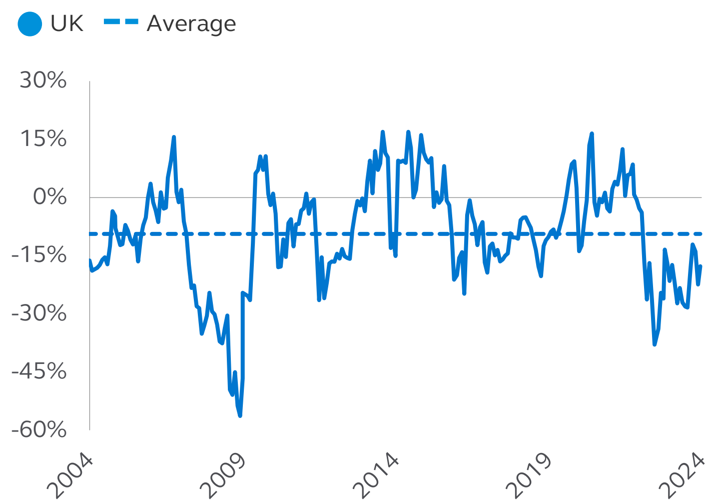
United Kingdom

Exhibit 17:
Real estate securities vs. general equities performance



Source: FactSet, FTSE EPRA/NAREIT, MSCI United Kingdom. All data in GBP.

Exhibit 18:
Price to NAV*
*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 20 years.

Summary return data	(in GBP)	(in USD)	Summary return data	(in GBP)	(in USD)
UK equities	4.0%	3.1%	UK real estate securities	-2.4%	-3.3%

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UK property stocks returned -3.3%, underperforming the equities which rose 3.1%. UK property stocks outperformed the European average.

Financial markets continued their obsessive speculation about the future path of inflation and interest rates. Having pushed bond yields ever lower last year on over-optimistic forecasts, this year, bond yields rose as the timing of the first interest rate cut was pushed back, with core services inflation and wage growth remaining well above the Bank of England’s target level. However, bonds rallied once again in March when the central bank said it expected inflation to continue falling, allowing mid-year interest rate cuts. More positive news was that economic growth appears to have resumed after last year’s recession.

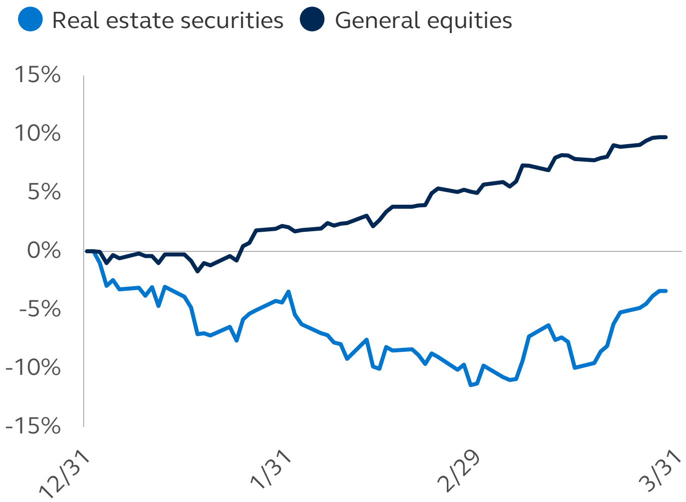
Despite continued speculation about the likely path of interest rates, balance sheets don’t appear to have been the main driver of property stocks, apart from the overall less indebted UK property sector outperforming more indebted continental Europe. Unlike last year, self-storage stocks were weakest despite having some of the strongest balance sheets in the property sector. Weaker leasing after the extremely strong growth seen since Covid, leading to an expected hiatus in earnings growth this year, has dampened investors zeal for these habitual outperformers. Healthcare stocks continued underperforming as growth continues to lag behind other sectors, making the value of their resilient future cashflows relatively less attractive. Office stocks also underperformed on the back of the stagnant economy and still-falling office occupancy.

The industrial sector continued outperforming. Signs that cap rates and interest rate expectations may be stabilizing encouraged investors attracted by their higher growth cashflows and development pipelines. Diversifieds also continued outperforming.

Continental Europe

Exhibit 19:

Real estate securities vs. general equities performance

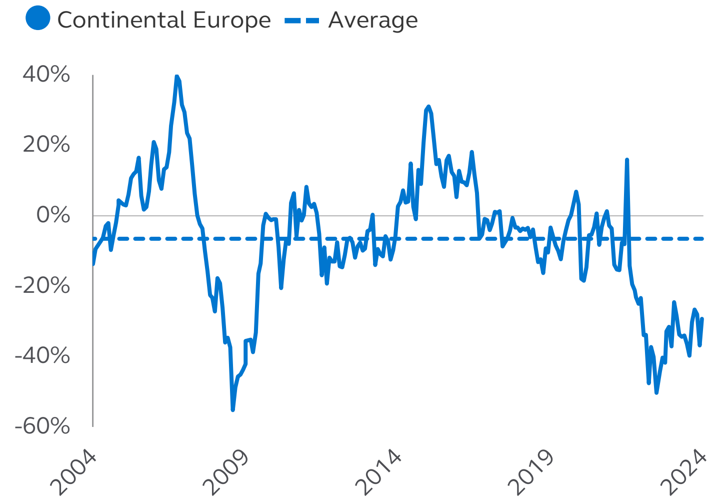


Source: FactSet, FTSE EPRA/NAREIT, MSCI Europe ex-UK. All data in EUR.

Exhibit 20:

Price to NAV*

*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 20 years.

Summary return data	(in EUR)	(in USD)	Summary return data	(in EUR)	(in USD)
Continental Europe equities	8.5%	6.1%	Continental Europe real estate securities	-3.4%	-5.5%

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Continental European property stocks were down 5.5%, underperforming equities which gained 6.1%. The Euro, Swiss franc, Swedish krona and the Norwegian krone all weakened against the U.S. dollar.

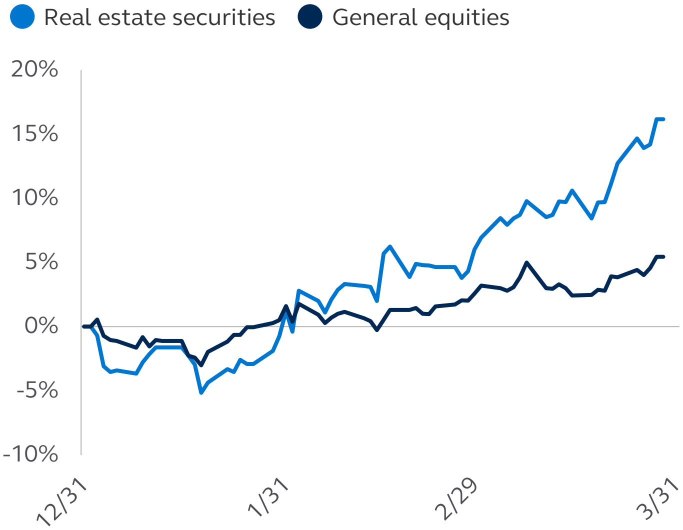
Changing interest rate expectations remained the main short-term driver of markets. After the fourth quarter's aggressive repricing of the rate outlook for European markets (ignoring central bank officials attempts to dampen speculation), this quarter financial markets fell back in line with central banks' forecasts and bond yields rose. Signs that weak eurozone economic activity data may be bottoming and the recession ending, along with a pick-up in some core inflation measures, tempered speculation of aggressive and extensive interest rate cuts, with consensus now expecting the first cuts to begin in June. Switzerland has been an exception to this trend, with bonds yields reaching new lows after the Swiss central bank cut rates earlier than expected. However Swiss property stocks still underperformed the European average despite reporting decent results and benefiting from a stronger, growing economy.

Despite the intense focus on interest rates, they don't appear to have been the main driver of relative property returns over the quarter. Relative returns seem more in line with improving economic growth expectations, with hyper growth-sensitive hotels the stand-out performer over the quarter. Retail was the second strongest performer, with investors increasingly attracted by the high relative yields on offer, strengthened balance sheets and expected growth in consumer real incomes after a few tough years. The strong performance of retail REITs boosted France and the Netherlands to the top of the leaderboard.

German housing stocks are seen as bond-proxies and so their subpar performance is unsurprising over a quarter where bonds were weaker. However, the weakest sectors remain healthcare and offices. Healthcare has been held back by falling growth expectations as the pathway to acquisitive growth seems shut in the current environment, while offices have suffered from over-leveraged balance sheets amid concerns around future occupancy and rental growth amid changes in office usage in a weak economy. Industrial continued outperforming, and it's the strong performance of large industrial and housing stocks that helped Sweden outperform despite several Swedish office and diversifieds among the weakest in the sector. Interestingly, balance sheet strength doesn't appear to have been the main driver of Swedish relative performance, with more-indebted companies at both extremes of the performance table. Several Nordic companies raised new equity over the quarter to aid deleveraging.

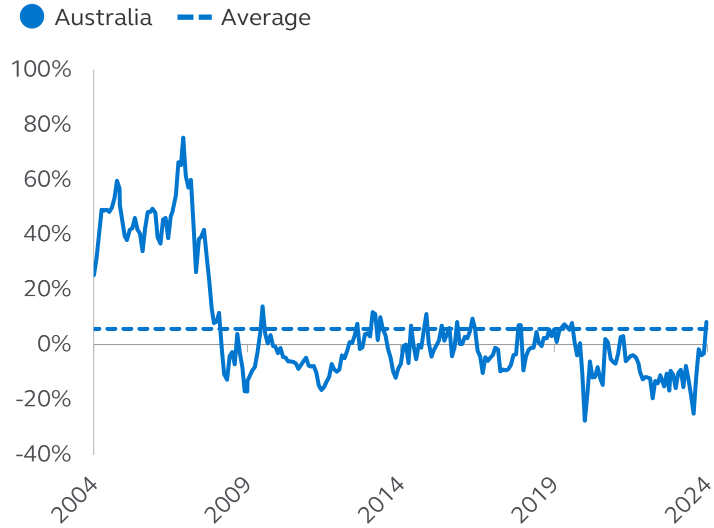
Australia

Exhibit 21:
Real estate securities vs. general equities performance



Source: FactSet, S&P ASX 300 / A-REIT, MSCI Australia. All data in AUD.

Exhibit 22:
Price to NAV*
*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 20 years.

Summary return data	(in AUD)	(in USD)	Summary return data	(in AUD)	(in USD)
Australian equities	5.4%	0.8%	Australian real estate securities	16.2%	11.1%

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Australian REITs (AREITs) delivered a total return of +11.1% during the quarter, strongly outperforming the broader equity market that returned +0.8%. AREIT outperformance was driven largely by outperformance of the index's largest constituent, an industrial company. AREIT performance without the influence of this stock would have been roughly in line with the broader equity market.

The Reserve Bank of Australia (RBA) kept interest rates unchanged during the quarter as widely expected. The RBA softened its commentary in March, no longer making explicit reference to the possibility of further rate hikes but noted that "the rate path that best ensures inflation returns to target in a reasonable timeframe remains uncertain". Australian 10-year bond yields increased modestly during the quarter, similarly to U.S. bonds.

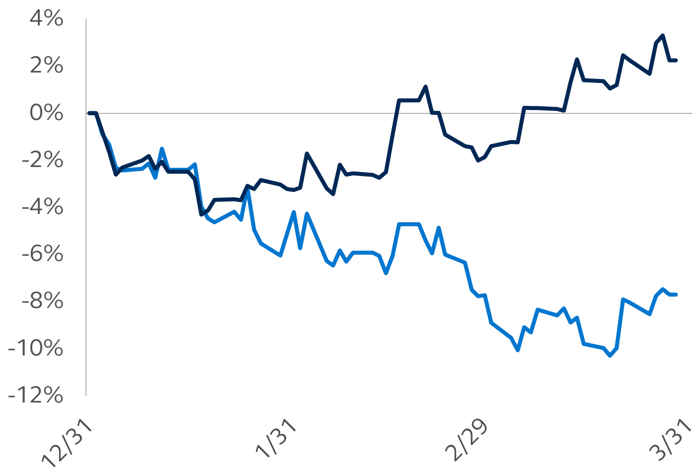
AREITs reported 1H FY24 results in the month of February with beats to earnings outnumbering misses, consistent with the broader equity market. FY24 EPS guidance provided by REITs were largely reaffirmed and in-line with consensus expectations. Industrial metrics were strong with leasing spreads and like-for-like NOI growth continuing to accelerate. Retail portfolios saw positive leasing spreads improve but retail sales growth weaken as higher interest rates and inflation took a toll on consumer spending. Office metrics were weak with occupancy declining and incentives remaining high. Residential sales improved due to stabilization in interest rates and policy support. Asset valuations declined with office valuations declining the most while retail and industrial valuations also saw declines.

Industrial REITs outperformed while office REITs underperformed. Industrial REITs outperformed due primarily to strong performance of one large company that outperformed due to the AI thematic, its inclusion into the EPRA NAREIT index, and its strong set of 1H FY24 results. Office REITs lagged amid tough office conditions and a continued lack of positive catalysts. Discretionary retail REITs benefited from signs that interest rates have peaked; higher interest rates have been a key headwind for discretionary retail spending. Residential REITs performed strongly with residential sales showing signs of recovery.

Performance figures referenced in commentary are presented in USD.

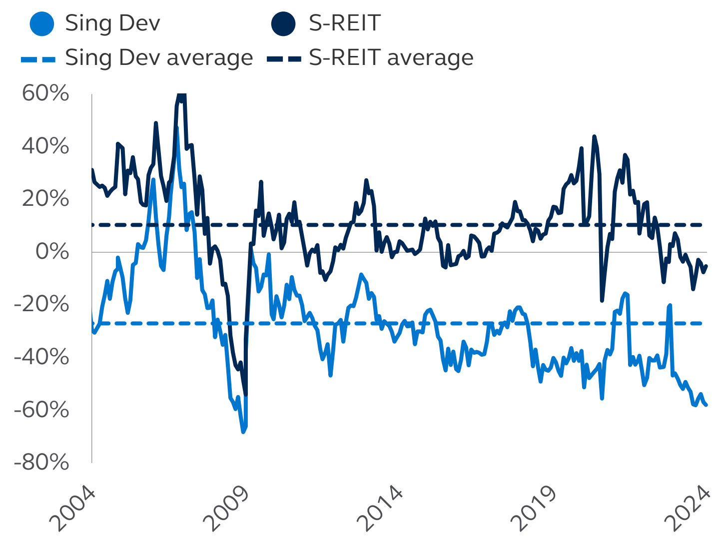
Singapore

Exhibit 23:
Real estate securities vs. general equities performance



Source: FactSet, FTSE EPRA/NAREIT, MSCI Singapore. All data in SGD.

Exhibit 24:
Price to NAV*
*Includes all securities in the investable universe



Source: Principal Global Investors, FTSE, FactSet. The historical average represents 20 years.

Summary return data	(in SGD)	(in USD)	Summary return data	(in SGD)	(in USD)
Singapore equities	2.8%	0.1%	Singapore REITs	-6.5%	-8.6%
Singapore real estate securities	-7.7%	-9.8%	Singapore non-REITs	-13.0%	-15.0%

The information provided herein does not represent any investment strategy or reflect fees, taxes, or expenses. Investors cannot invest directly in an index. The potential for profit is accompanied by the possibility of loss. Past performance is not a reliable indicator of future performance.

Singapore property stocks traded lower by 9.8%, underperforming general equities by 9.9% in the first quarter. Rate-sensitive Singapore REITs (SREITs) declined 8.6% during the quarter due to an increase in Singapore 10-year bond yields.

Singapore developers were down 15.0% due to weak full year results. Concerns over pace of asset divestments and delays in attaining double-digit return on equity continued to weigh on the performance of a Singapore developer. Another Singapore developer started share buybacks in March.

SREITs reported flat to declining dividends for their full year results. Positive rent reversions were more than offset by higher interest expenses. SREITs are proactively exploring asset divestments to deleverage. Asset valuations in Singapore improved on stronger operational metrics.

Retail SREITs outperformed during the quarter in anticipation of asset divestments and acquisitions. A retail SREIT was the first to conduct an equity raise this year and concluded the acquisition of an additional stake in suburban retail mall. Retail rent reversions continue to trend up and occupancy costs remain below pre-covid levels.

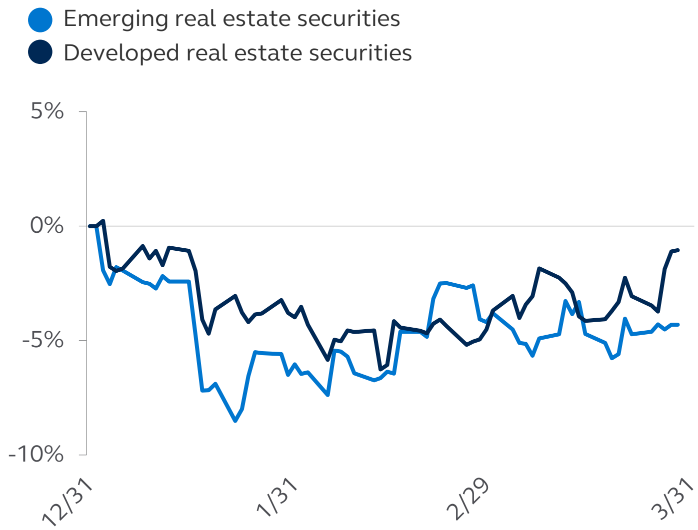
Office rent reversions were in the mid-to-low teens positive range, supported by near-full occupancies in the Central Business District. Pre-commitment for upcoming new builds is slow-going, implying absence of strong expansion demand. Singapore office rents were reported to have risen 1.3% quarter-on-quarter.

Industrial SREITs saw strong domestic operational performance, partly offset by headwinds in their overseas markets. Industrial SREITs remain acquisitive with two industrial SREITs acquiring in overseas markets during the quarter.

Performance figures referenced in commentary are presented in USD.

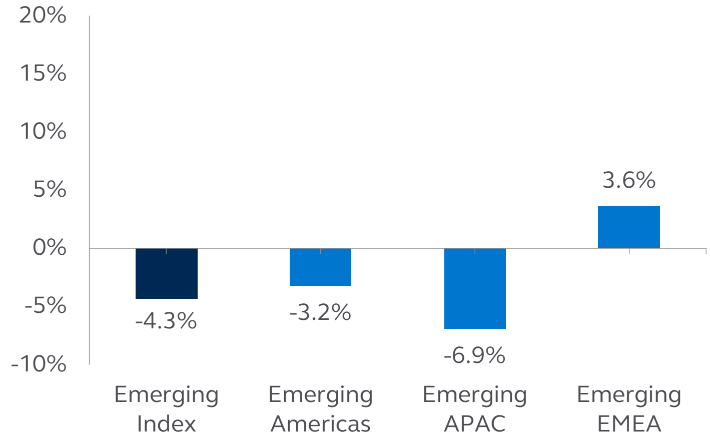
Emerging Markets

Exhibit 25:
Emerging vs. Developed real estate securities



Source: FactSet, FTSE EPRA/NAREIT. All data in USD.

Exhibit 26:
Emerging market total returns by region
First quarter 2024



Source: FactSet, FTSE EPRA/NAREIT. All data in USD.

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Emerging Americas

Emerging Americas property stocks fell 3.2% during the first quarter. Returns were negatively impacted by currency depreciation relative to the U.S. dollar as the Brazilian, Chilean, and Mexican central banks all cut interest rates on decreased inflationary pressure. Only Mexico finished in positive territory helped by an expression of interest in an industrial owner by several potential suitors. The company also benefited from announced plans to terminate its external advisory agreement in pursuit of local and global best practices.

Emerging Asia-Pacific (APAC)

Emerging APAC property stocks continued to come under pressure, down 6.9%, from concerns over the China property sector with signs of stress spreading to a quasi state-owned property developer. During the quarter, the Chinese government asked creditors to consider a private debt maturity extension in a rare intervention from the central government to help the embattled property firm. In terms of the outperformers, Indian property stocks continued their rally on strong pre-sales momentum and above expectation full year results. Malaysia was the best performer on a falling political risk premium amidst signs of sustainable longevity in the incumbent government and measures to develop the southern state of Johor into a new Special Economic Zone with Singapore.

Emerging Europe, Middle East, and Africa (EMEA)

Emerging EMEA property stocks were up 3.6%, the strongest emerging property stock region. A UAE company made a positive contribution after reporting good results, helped by a strong residential market. A Czech industrial developer also generated good returns, benefitting from continued strong growth in their markets. Both Turkish and South African stocks suffered headwinds from weaker currencies.

Performance figures referenced in commentary are presented in USD.

Important Notes

Risk Considerations

Investing involves risk, including possible loss of principal. Past performance is no guarantee of future results. Potential investors should be aware of the risks inherent to owning and investing in real estate, including value fluctuations, capital market pricing volatility, liquidity risks, leverage, credit risk, occupancy risk and legal risk. All these risks can lead to a decline in the value of the real estate, a decline in the income produced by the real estate and declines in the value or total loss in value of securities derived from investments in real estate. International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards.

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Glossary of Indices

The FTSE EPRA/NAREIT Global Real Estate Index Series is designed to represent general trends in eligible listed real estate stocks worldwide. The index series is designed to reflect the stock performance of companies engaged in specific aspects of the major real estate markets/regions of the world - Americas, EMEA (Europe, Middle East and Africa) and Asia. The following indices in this report are part of FTSE EPRA/NAREIT Global Real Estate Index Series for the specific named regions:

- FTSE EPRA/NAREIT Developed Index
- FTSE EPRA/NAREIT North America
- FTSE EPRA/NAREIT US
- FTSE EPRA/NAREIT Canada
- FTSE EPRA/NAREIT Japan
- FTSE EPRA/NAREIT Japan REITs
- FTSE EPRA/NAREIT Japan non-REITs
- FTSE EPRA/NAREIT Hong Kong
- FTSE EPRA/NAREIT Hong Kong REITs
- FTSE EPRA/NAREIT Hong Kong non-REITs
- FTSE EPRA/NAREIT Europe ex-UK
- FTSE EPRA/NAREIT UK
- FTSE EPRA/NAREIT Singapore
- FTSE EPRA/NAREIT Singapore REITs
- FTSE EPRA/NAREIT Singapore non-REITs
- FTSE EPRA/NAREIT Emerging Index
- FTSE EPRA/NAREIT Emerging Americas
- FTSE EPRA/NAREIT Emerging APAC
- FTSE EPRA/NAREIT Emerging EMEA
- FTSE EPRA/NAREIT Emerging Brazil
- FTSE EPRA/NAREIT Emerging Brazil

The MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across all 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country. The following indices in this report are part of the broader index for the specific named regions:

- MSCI Japan
- MSCI Hong Kong
- MSCI Europe ex-UK
- MSCI United Kingdom
- MSCI Singapore
- MSCI Hong Kong

S&P 500 Total Return Index is an equity index that tracks both the capital gains of a group of 500 widely held stocks often used as a proxy for the stock market and assumes dividends are reinvested back into the index.

S&P ASX 300 Index is extensively used as a performance benchmark index. The index is highly liquid, float-adjusted and includes up to 300 of Australia's largest securities by float-adjusted market capitalization.

MSCI Brazil Index is designed to measure the performance of the large and mid cap segments of the Brazilian market. With 67 constituents, the index covers about 85% of the Brazilian equity universe.

The MSCI Chile Index is designed to measure the performance of the large and mid cap segments of the Chilean market. With 12 constituents, the index covers approximately 85% of the Chile equity universe.

The BOVESPA Index, commonly known as IBOVESPA or (aka Brazil Equities), is the primary performance indicator of stocks traded on the exchange. Since its creation in 1968, the index has been a benchmark for investors around the world who are interested in Brazilian equities.

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