Principal Asset Management℠

GLOBAL REAL ESTATE SECURITIES

Quarterly update

FIRST QUARTER | April 2025

Tariff uncertainty has driven a rotation into defensives, driving a comeback for global REITs (FTSE EPRA NAREIT Developed +1.9%) against broader equities (MSCI World –1.7%). The potential stagflationary implications of tariffs have weighed on U.S. consumer sentiment and manufacturing activity driving a 36 bps pullback in U.S. 10-year bond yields. With neither a Fed put nor a Trump put forthcoming, fixed income (Barclays Global Aggregate +2.6%) was the clear outperformer. Currency was a meaningful driver of returns with the U.S. dollar index (DXY) depreciating 4% over the quarter.

Consistent with the trends in the broader global equity universe, the Americas was the laggard as concerns over how the first phase of Trump policies (cost cutting and tariffs) would impact growth. This called into question the theme of U.S. exceptionalism, driving fund flows away from the U.S. Within the Americas, defensive sectors such as healthcare, net lease and towers led while cyclical property types such as office and hospitality trailed. Data centers were also under pressure in line with the de-rating of the Magnificent 7.

THEMES

Rate sensitive REITs outperformed broader equities as investors fretted over the stagflationary consequences of a tariff war.

The theme of U.S. defensiveness was challenged by tariffs, European fiscal pump priming, and Chinese AI.

Defensive property types generally outperformed while cyclical, highly levered stocks lagged.

Exhibit 1: Global real estate total returns by region

Region	Benchmark weight (%)	Total returns: Trailing three months (%)	Total returns: Trailing twelve months (%)
North America	**67.2**	**1.1**	**9.2**
United States	65.2	1.0	9.7
Canada	2.0	2.6	-3.4
Asia Pacific	**20.7**	**4.0**	**-3.7**
Japan	9.3	11.5	-2.9
Australia	5.7	-6.9	-11.5
Singapore	3.0	6.2	4.5
Hong Kong	2.5	3.3	7.7
Europe	**12.1**	**3.3**	**-1.0**
Continental Europe	8.5	2.5	1.3
United Kingdom	3.6	5.1	-5.7
FTSE EPRA NAREIT Developed	**100.0**	**1.9**	**5.0**

As of 31 March 2025. 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.

Asia was the best performer, lifted by the performance of Japanese developers which benefitted from news of an activist investor taking a position in one of the developers. Hong Kong also fared well, lifted by China's "Deep Seek moment" and the Chinese Communist Party's re-embracing of tech entrepreneurship. Australia lagged, weighed down by a mega fundraising by an industrial stock and the ongoing weakness in data center exposed stocks.

Europe also saw decent performance from property stocks with cyclical sectors such as retail leading on the back of the push to increase defense and infrastructure spending, particularly Germany's 500bn Euro investment plan. The UK outperformed Continental Europe, helped by lower leverage and a sharp rise in M&A activity in the healthcare and industrial sectors. Bond proxies such as German residential lagged as Eurozone yield curves steepened on the prospects of fiscal stimulus.

Performance figures referenced in commentary are presented in USD.

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Exhibit 2: Global real estate total returns by sector

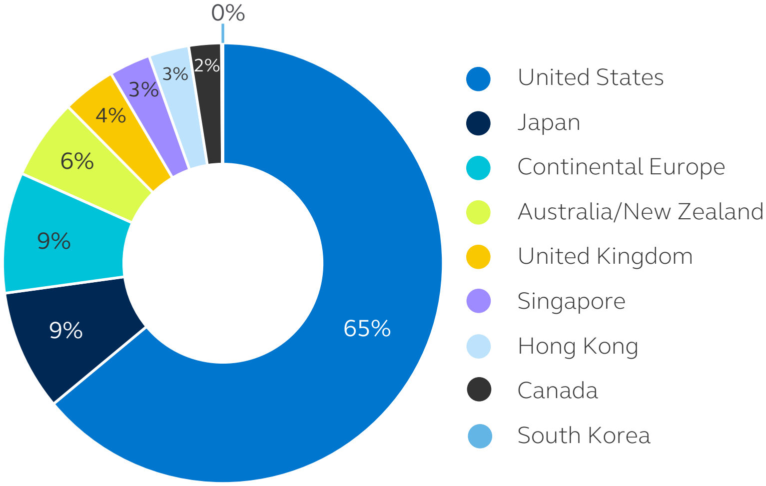
Sector	Benchmark weight (%)	Total returns: Trailing three months (%)	Total returns: Trailing twelve months (%)
Industrial	15.0	1.9	-11.6
Diversified	14.9	7.1	-0.9
Healthcare	11.0	15.8	47.4
Apartments	10.7	1.3	14.0
Net lease	8.9	10.6	15.4
Data centers	7.7	-15.3	0.1
Malls & outlets	6.4	1.8	10.9
Self-storage	5.7	0.8	3.8
Shopping centers	5.5	-2.3	10.3
Office	5.1	-2.6	7.2
Hotels & resorts	2.1	-13.3	-20.3
Single family rental	2.0	6.9	3.9
Manufactured homes	1.8	3.6	2.3
Other	1.6	-16.6	-7.5
Life sciences	0.9	-3.8	-24.6
Student housing	0.3	3.7	-7.3
FTSE EPRA NAREIT Developed	**100.0**	**1.9**	**5.0**

As of 31 March 2025. 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

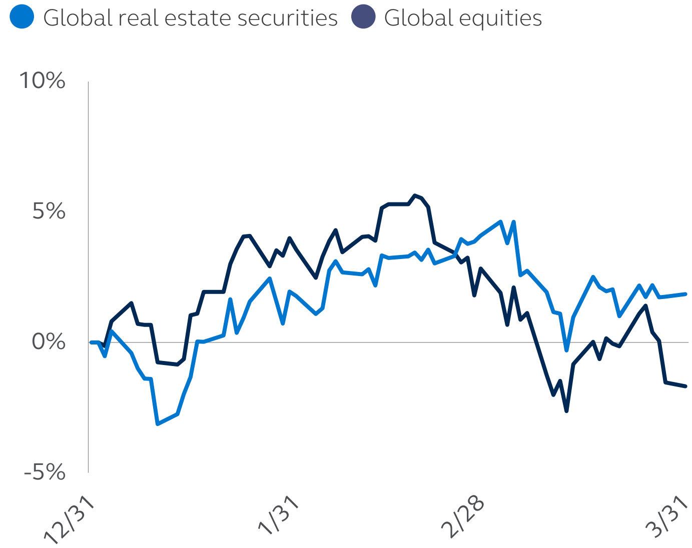
Market performance

Exhibit 3:
Global real estate securities regional split



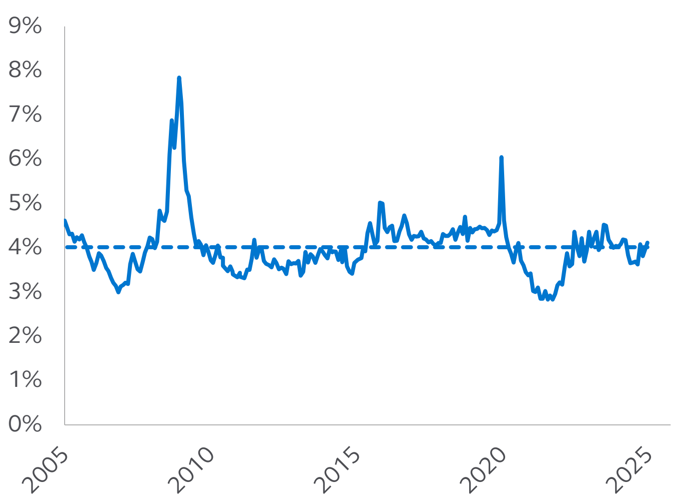
Source: FactSet, FTSE EPRA/NAREIT Developed Index.

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 2025.
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.

The potential for profit is accompanied by the possibility of loss. Past performance is not a reliable indicator of future performance.

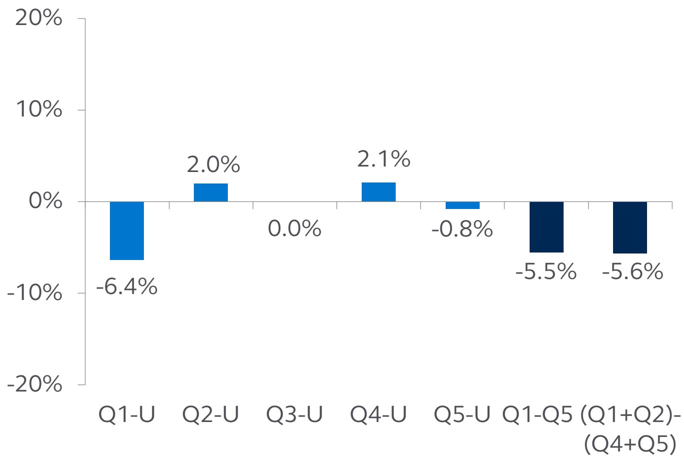
Global dashboard

First quarter style analysis

Exhibit 7:

Total return by dividend yield

Higher yielding stocks outperformed

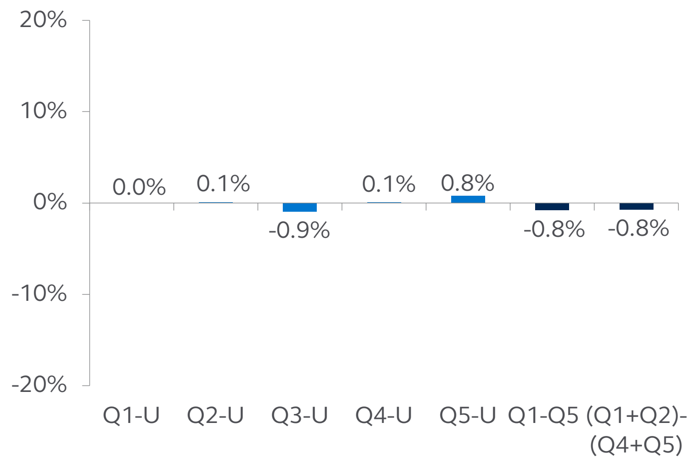


Note: Q1 = Lowest yield, Q5 = Highest yield; U=Universe mean

Exhibit 8:

Total return by market capitalization

Smaller market cap stocks outperformed

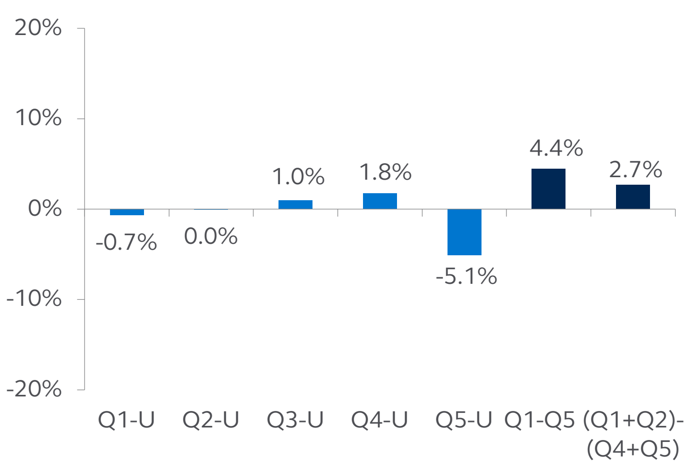


Note: Q1 = Largest market cap, Q5 = Smallest market cap; U=Universe mean

Exhibit 9:

Total return by debt to total capital

Lower levered stocks outperformed

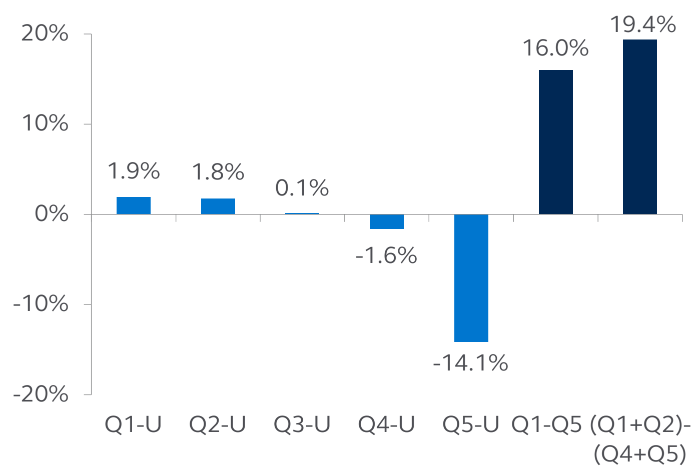


Note: Q1 = Lowest leverage, Q5 = Highest leverage; U=Universe mean

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 2025. 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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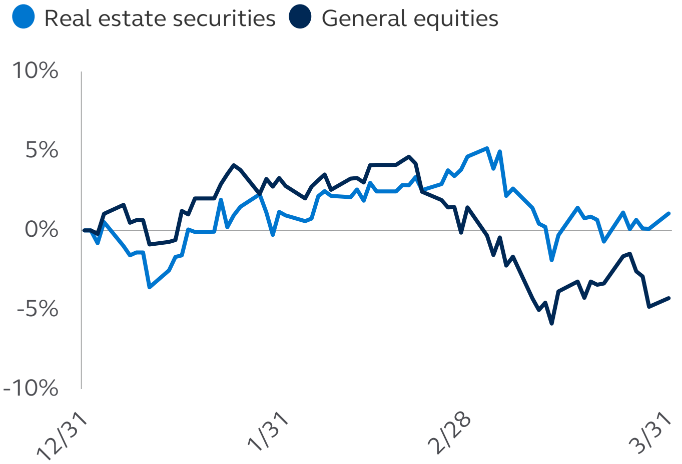
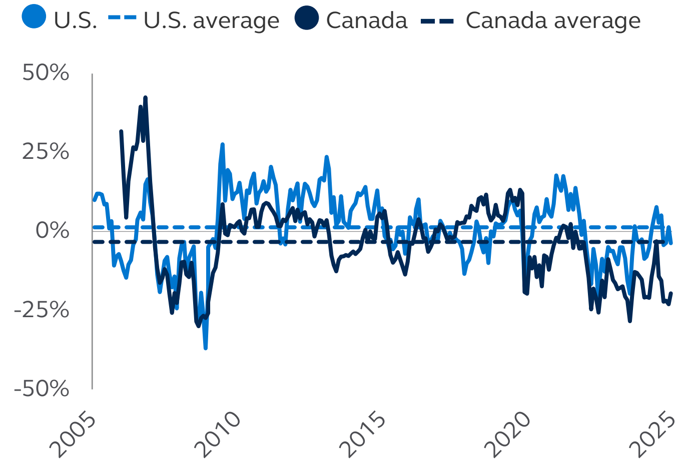
North America

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	-4.3%	North American real estate securities	-	1.1%
U.S. real estate securities	1.0%	Canadian real estate securities	2.7%	2.6%

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Real estate stocks in North America returned +1.1% during the quarter and outperformed broader equity markets which fell 4.3% on policy uncertainty and lost momentum from the U.S. exceptionalism narrative. Within the region, U.S. property companies were +1.0% while Canadian REITs advanced 2.6%.

Equity markets were pressured as the quarter progressed by fears of potential impacts from policy decisions of the Trump administration and related stagflationary concerns. Tariffs headlines were pervasive, yet details remained light and ever changing. Investors await more clarity on April 2nd when reciprocal tariffs plans are scheduled to be announced, however, uncertainty is likely to linger regarding the severity and duration as negotiations continue. In response, many economists increased their inflation outlook and reduced forecasted economic growth in the year ahead. Revisions were supported by softer economic data such as declining consumer and business confidence levels; hard economic data (e.g., labor, inflation, retail sales) has not yet displayed much weakness.

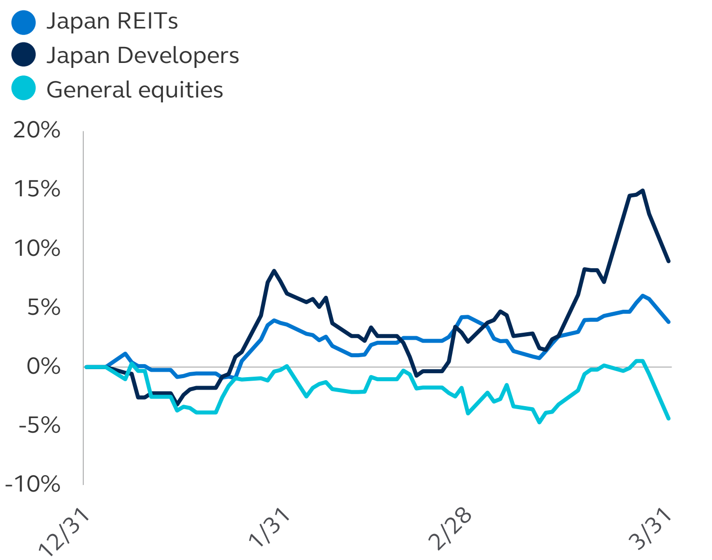
The Federal Reserve kept rates unchanged while the Bank of Canada reduced policy rates by 50 bps. The Federal Reserve's updated Summary of Economic Projections shifted lower, with commentary from Chair Jerome Powell noting greater uncertainty and higher inflation expectations from tariffs. Meanwhile, the Bank of Canada continued to slash rates as it looked to position policy for the range of risks facing the country from tariffs/uncertainty, despite a Canadian economy that has recently outperformed expectations. 10-year bond yields moved down by 36 bps and 23 bps respectively in each market.

Real estate outperformance was driven by defensive rotation and lower bond yields. Within the group, leadership favored more secularly driven and resilient segments. Healthcare owners posted the strongest returns with seniors housing exposed names performing best on a robust supply-demand outlook. Net lease owners also rallied given the downward shift in yields and more bond-like income stream that were in greater demand. Conversely, office and hotel owners suffered from greater economic sensitivity given rising concerns over growth prospects. Data centers also trailed on several events that raised debate on the magnitude and duration of artificial intelligence driven demand that has fueled strong leasing activity for the property type in recent quarters.

Performance figures referenced in commentary are presented in USD.

Japan

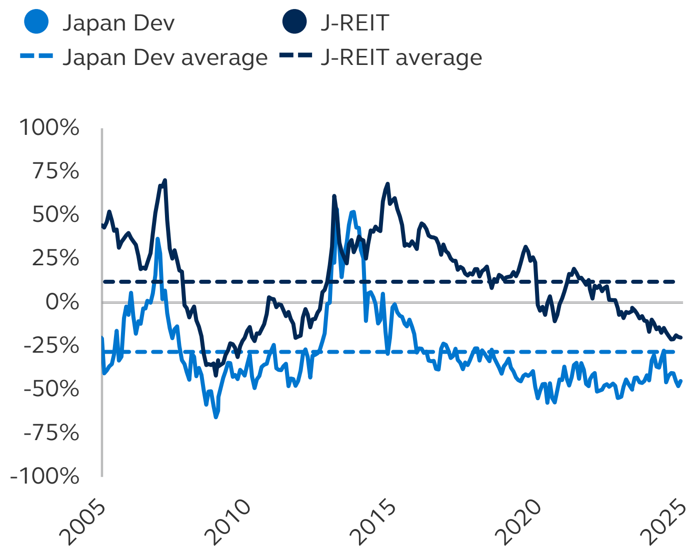
Exhibit 13:
Real estate securities vs. general equities performance



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	-4.4%	0.5%	Japan REITs	3.8%	9.1%
Japan real estate securities	6.1%	11.5%	Japan non-REITs	9.0%	14.5%

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Japan property stocks have outperformed the broader equity market in the first quarter by 11%. Bank of Japan (BOJ) hiked rates in January and kept rates on hold in March. During the quarter, 10-year Japan Government bond yields rose 43 bps on expectations of further rate hikes and BOJ's plans to reduce purchases of long-duration bonds.

During the quarter, Japan Developers outperformed Japan REITs (JREITs) as they benefited from higher inflationary expectations and robust third quarter earnings that were in line with market expectations. News of an activist shareholder emerging on a large-cap developer's register and optimism around its new mid-term plan drove increased investor interest in the space. A mid-cap retail developer saw outperformance after an announcement from its sponsor to incorporate it as a wholly owned subsidiary through a share swap.

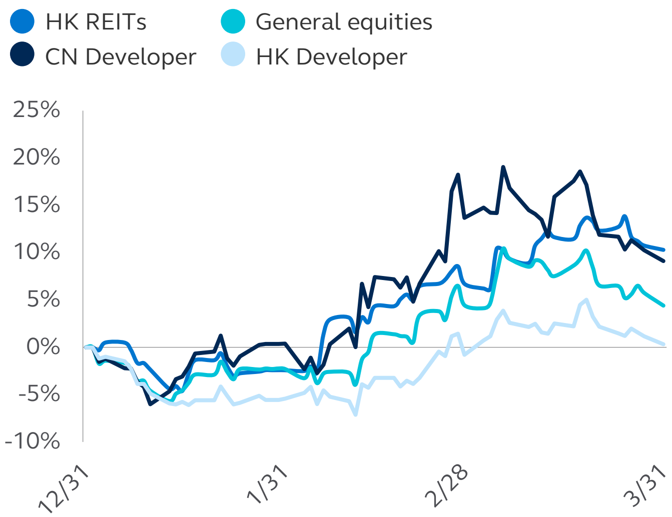
JREITs traded higher by 9.1% in the first quarter. Increasing interest provided support to the sector as two JREITs saw tender offers from an activist investor. Diversified and office JREITs was the outperforming sector during the quarter. Office market conditions continued to improve. Central Tokyo office vacancy fell to 3.94% in February and office rents rose for the tenth consecutive month. Office JREITs are witnessing positive rent reversions and improving occupancies. Logistics JREITs observed improving demand-supply conditions, supported by rising construction costs. Hotel JREITs underperformed the broader JREIT sector, due to concerns around a strengthening yen potentially weighing on inbound tourist arrivals. Residential JREITs underperformed due to expectations of slowing rent reversions. The JPY strengthened 5% against the USD during the quarter. Share buyback activity amongst JREITs remained robust, underscoring their commitment to improving shareholder returns.

Performance figures referenced in commentary are presented in USD.

Hong Kong

Exhibit 15:

Real estate securities vs. general equities performance

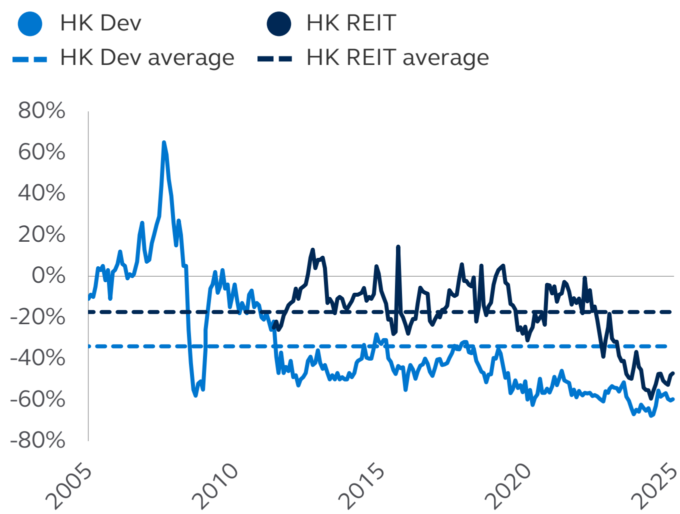


Source: FactSet, FTSE EPRA/NAREIT, MSCI Hong Kong. All data in HKD.

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	4.6%	4.4%	Hong Kong REITs	10.5%	10.3%
Hong Kong real estate securities	3.4%	3.3%	Hong Kong non-REITs	0.5%	0.3%
			China developers	9.1%	8.9%

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Hong Kong property stocks traded higher by 3.3% during the first quarter, underperforming broader equities that were up 4.4%. HK REITs outperformed HK landlords and developers due to lower U.S. 10-year bond yields and optimism around potential near-term REITs inclusion into Southbound Connect.

Hong Kong developers share price performance was relatively muted due to an absence of dividend growth. Development margins continued to moderate, and several developers recognized impairment provisions on their development projects. Hong Kong home prices have declined 3% year-to-date while rents have reached their all-time highs since 2019.

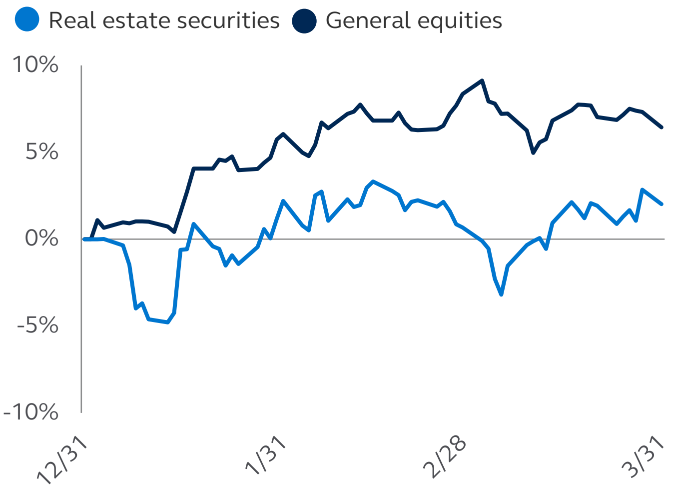
Hong Kong retail sales for the first two months of the year traded lower by 7.8% year-over-year due to weak consumption sentiment and continued outbound travel. A large-cap retail REIT reported its operational update, which illustrated rent reversions turning negative. A high-end retail landlord reported a full-year dividend miss due to lower-than-expected turnover rents and occupancy weakness. Operational outlook was mixed with a discretionary retail landlord holding a cautious view on luxury retail and a non-discretionary retail REIT observing stabilization in consumer staples sales.

Office landlords reported earnings that were in line with market expectations and delivered mid-single-digit dividend growth. Average office rental revenue dropped 4% year-on-year in FY24 as landlords observe negative rent reversions. Central office continues to outperform non-central office amidst an ongoing flight-to-quality trend and pick up in wealth and asset management related demand.

Performance figures referenced in commentary are presented in USD.

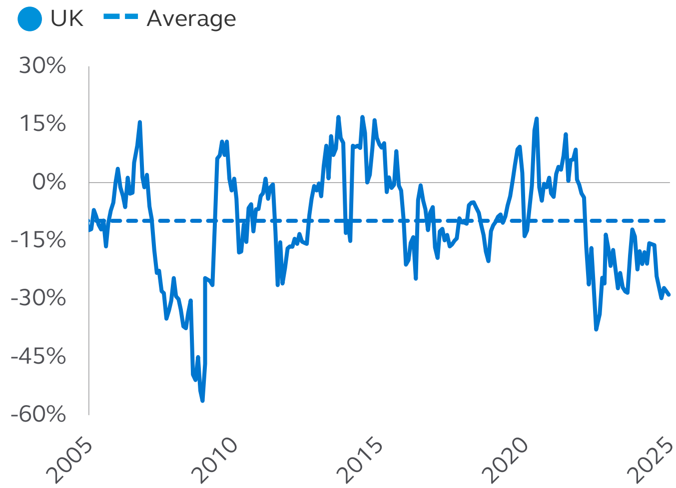
United Kingdom

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	6.4%	9.7%	UK real estate securities	2.0%	5.1%

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In the first quarter of 2025, the FTSE EPRA/NAREIT UK Index returned 5.1%, underperforming the MSCI UK Index which gained 9.7%. Bonds returned 3.4% as yields rose slightly, while the British pound strengthened against the U.S. dollar but weakened against the Euro. UK property stocks outperformed the European average, helped by lower leverage and a sharp rise in M&A activity in the healthcare and industrial sectors.

The UK economy remained weak in the first quarter, with the first signs that previously strong employment growth may be reversing. The Bank of England left its policy rate on hold at 4.5%, caught between a weak economy and inflation forecast to rise over most of 2025 from levels that are already well above the target level. With previously announced plans for increased government spending pushing the limits of fiscal probity, the dismal economic outlook forced the government to announce small tax hikes and budget cuts to stay within its fiscal rules and make space for higher defense spending.

Healthcare REITs were far and away the strongest performers over the quarter, helped by the sector's defensiveness and M&A activity in the UK peaking investor interest. A number of smaller healthcare and industrial property companies received takeover approaches over the quarter, leading to sharp share price increases in both the target companies and other potential candidates. Recovering tenant demand after last year's weakness also helped the larger industrial companies to outperform.

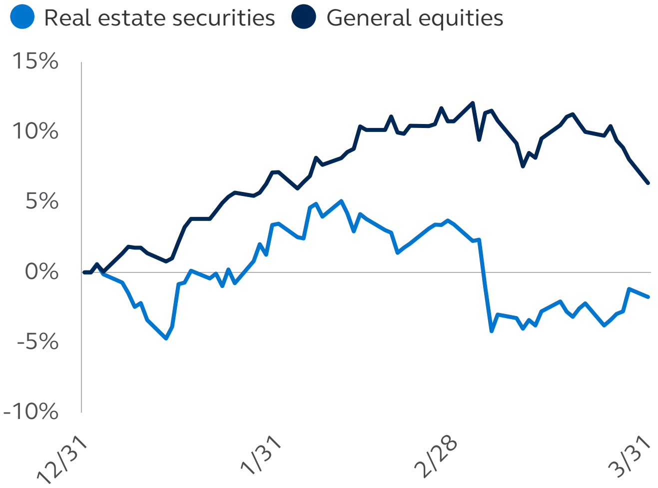
Self-storage stocks remained weak as leasing remained slow. Economically sensitive office and retail REITs mirrored the lackluster economy, trading sideways. Housing stocks were weakest, hurt by the prospect of increased transaction taxes and rental growth slowing from a very high base.

Performance figures referenced in commentary are presented in USD.

Continental Europe

Exhibit 19:

Real estate securities vs. general equities performance

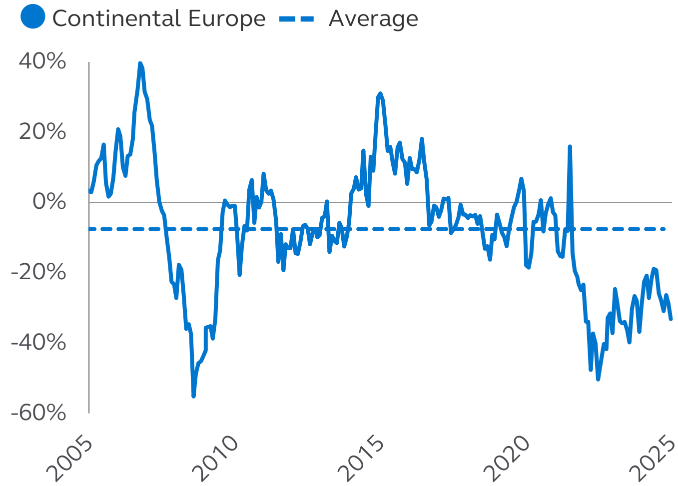


Source: FactSet, FTSE EPRA/NAREIT, MSCI Europe ex-UK. All data in EUR.

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	6.3%	10.9%	Continental Europe real estate securities	-1.7%	2.5%

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The FTSE EPRA/NAREIT Developed Europe ex-UK Index returned 2.5% over the first quarter, underperforming the MSCI Europe ex UK Index which gained 10.9%. The bond market returned 3.4% as yields rose sharply after Germany announced a large fiscal stimulus. The Euro, Swedish krona, Norwegian krone and Swiss franc all strengthened against the U.S. dollar.

The big economic news this quarter was Germany passing a game-changing fiscal reform and infrastructure bill while also changing its constitutional debt brake to allow potentially unlimited defense spending. (The definition of what qualifies as defense spending was also broadened). The 16 Federal states will also now be allowed to run annual deficits of up to 0.35% of GDP. European bond yields climbed rapidly in response to this fiscal boost, with the yield curve steepening. In Switzerland, the Swiss central bank cut its key policy rate in half to 0.25% as Swiss inflation has fallen to just above zero and underlying inflationary pressures continue to ease gradually.

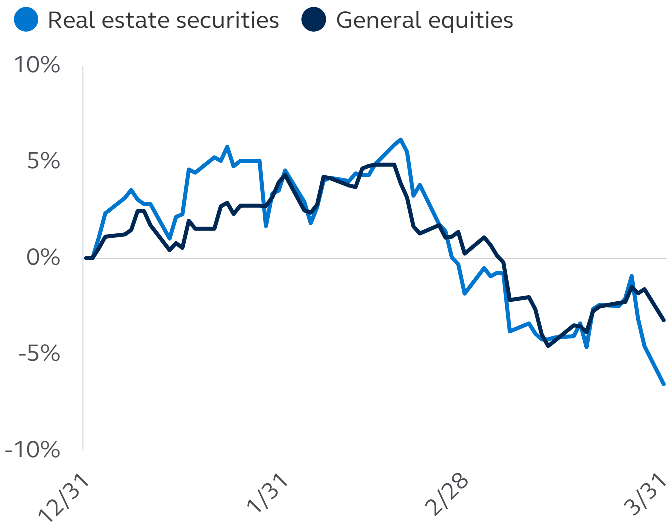
The combination of robust economic growth and falling interest rates has boosted the returns of Swiss property stocks which continued outperforming this quarter. However, more interest-rate sensitive property elsewhere in Europe suffered from rising bond yields, with the German housing stocks and the more indebted Swedish stocks suffering sharp price declines. The economically sensitive hotel sector also underperformed.

Several sectors experienced positive performance on improving fundamentals. Signs of increasing tenant demand helped industrial property outperform, reversing its trend of underperformance last year. Retail property stocks continued outperforming on the back of decent retail turnover and rental growth despite low consumer confidence. Healthcare REITs were strongest over the quarter, helped by the sector's defensiveness and M&A activity in the UK peaking investor interest.

Performance figures referenced in commentary are presented in USD.

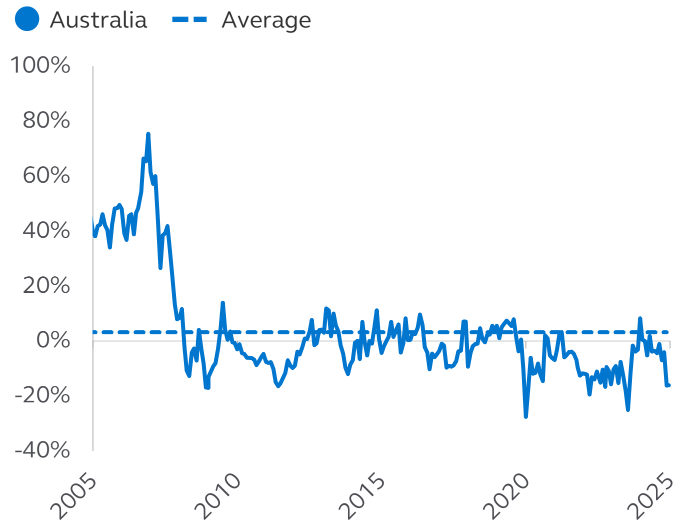
Australia

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	-3.2%	-2.6%	Australian real estate securities	-6.6%	-6.0%

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Australian REITs (AREITs) delivered a total return of -6.0% during the quarter, underperforming the broader equity market that returned -2.6%. Growth-oriented AREITs, particularly those with data center exposures, lagged due to concerns on potential data center oversupply and uncertainty around tariffs.

The Reserve Bank of Australia (RBA) lowered the cash rate by -25 bps to 4.10% at its February meeting as expected, its first cut since November 2020. The RBA was more confident that inflation was moving sustainably towards its target due to faster than expected easing of inflation, weak private sector demand, and easing wage growth. However, the RBA remained cautious about the outlook and prospects for further easing. The Australia 10-year bond yield increased by +2 bps during the quarter to 4.4%, in contrast to the -36 bps decrease in the U.S. 10-year yield over the same period.

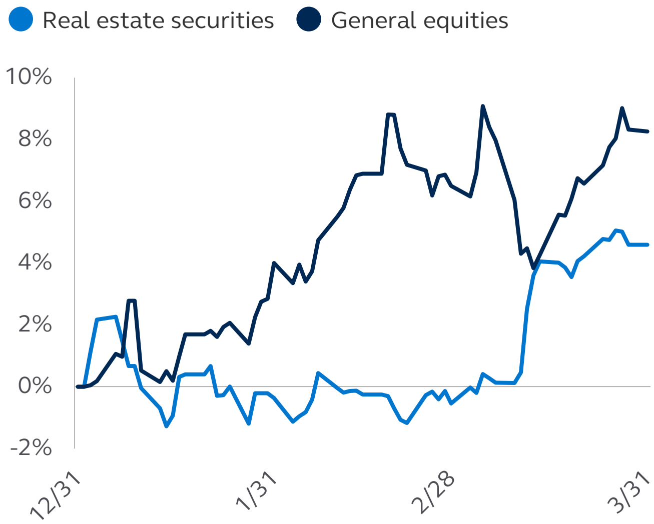
AREITs released their 1H FY25 results during the quarter, with most REITs calling out the approaching end of the asset devaluation cycle. Retail metrics continued to show steady retail sales growth, along with improved leasing spreads and occupancy. In addition, residential sales saw improvement, especially following the RBA rate cut in February. However, office remained challenged with modestly weaker occupancy and elevated incentives, though transaction activity has picked up. Industrial metrics are normalizing with slower rent growth and slightly higher vacancies, but leasing spreads remained high.

During the quarter, growth-oriented sectors underperformed while value-oriented sectors outperformed. Industrial REITs with data center exposure underperformed, weighed by concerns on potential data center oversupply following reports of more efficient large language models coming out of China. On the other hand, office REITs, fund managers, and residential-exposed names outperformed as sentiment improved following the RBA rate cut in February.

Performance figures referenced in commentary are presented in USD.

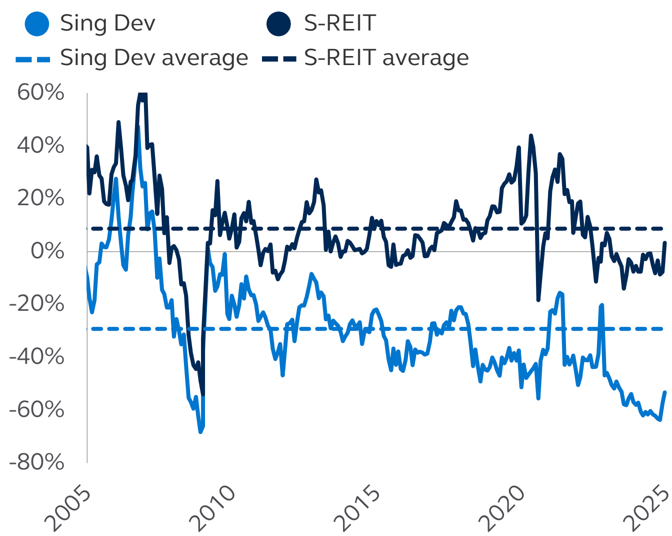
Singapore

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	7.9%	9.5%	Singapore REITs	4.4%	6.0%
Singapore real estate securities	4.6%	6.2%	Singapore non-REITs	5.5%	7.1%

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 underperformed broader equities during the first quarter. Broader equities were supported by optimism around a proposal from the Monetary Authority of Singapore to introduce an SGD$5 billion equity market fund to invest in Singapore listed equities. Singapore 10-year bond yields fell by 18 bps in the first quarter. Singapore REITs (SREITs) had a modest return in the first two months of the year due to growth fears and uncertain Fed rate outlook. SREITs subsequently rallied in March with rotation into the sector on the back of a decline in local short-term rates.

The SREIT reporting season showed signs of peaking borrowing costs. The thematic of domestic operational strength continued this quarter with rent reversionary print at above high single digit levels across sub-sectors. Retail REITs reported healthy tenant sales and shopper traffic. A retail REIT received a privatization offer from its sponsor in the quarter. Data center REITs were weighed down by lower cost open-source AI concerns. A data center REIT disposed its Malaysian asset. Industrial REITs underperformed due to risk of dividend declines. Grade A office rents rose 0.5% quarter-on-quarter, with vacancies rising to 8.1% on completion of Keppel South Central.

The SREIT sector saw its first equity raise from a retail REIT to fund an acquisition of a Singapore mall. Divestment activity continued during the quarter with a data center REIT announcing its disposal of assets in Malaysia and Germany.

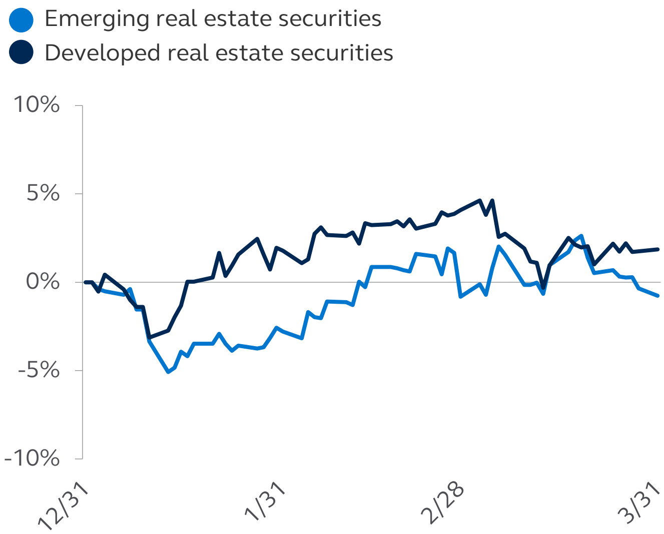
Singapore developers were supported by strong performance of a developer on the back of positive sentiment over Singapore's residential market. Another developer saw share price weakness due to a family dispute and uncertainty over control of the board. A fund manager delivered a positive dividend surprise with the in-specie distribution of its REIT units. Residential demand was firm and private home prices rose 0.6% quarter-on-quarter in the first quarter.

Performance figures referenced in commentary are presented in USD.

Emerging Markets

Exhibit 25:

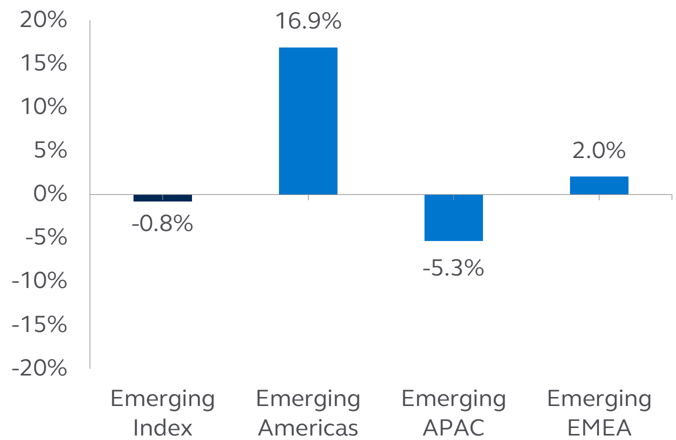
Emerging vs. Developed real estate securities



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

Exhibit 26:

Emerging market total returns by region
First quarter 2025



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

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Emerging Americas

Emerging Americas property stocks advanced 16.9% during the quarter, boosted in part by currency gains. The best returns in the region during the quarter again came from Chile bolstered by higher copper prices, the country's largest export, caused by improved Chinese demand and front-loading of U.S. purchases on tariff fears which also contributed to a strengthening peso. Economic activity in the country was also better than anticipated. Brazil posted strong returns boosted by the belief that softer economic data will limit future rate hikes, despite another 100 bps during the quarter. Markets also welcomed signs that leftist President Lula da Silva may not run for re-election in the 2026 election as it raised hopes for greater fiscal prudence. Mexico was higher on the quarter but lagged versus the others. Tariffs and economic sluggishness were notable headwinds, but easing inflation pressures provided cover for the Bank of Mexico to step up its pace of cuts to 100 bps.

Emerging Asia-Pacific (APAC)

Emerging APAC property stocks declined 5.3% , weighed by losses in India and Southeast Asia. India and Indonesia were among the worst performers. The former was impacted by profit taking on macro concerns such as slowing corporate earnings and significant foreign fund outflows while the latter was hurt by political and governance concerns post the election of new Prime Minister Prabowo. China outperformed gaining on signs of a physical market recovery in top tier cities and lifted by the broader enthusiasm for China equities post the Deep Seek announcement.

Emerging Europe, Middle East, and Africa (EMEA)

EMEA emerging real estate stocks delivered a US$ net total return of 2.0% in the first quarter of 2025, marginally outperforming the FTSE EPRA/NAREIT Global Emerging Market index return of -0.8%. Eastern European logistics and diversified property companies in Kuwait and the United Arab Emirates were the main outperformers, enjoying strong returns from growing economies. However, the other countries in EMEA all underperformed, with Turkish REITs particularly weak as the lira fell sharply due to rising political risk, while South African REITs also suffered from a political stalemate delaying the government budget.

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.

Important Information

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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 U.S.
- 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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