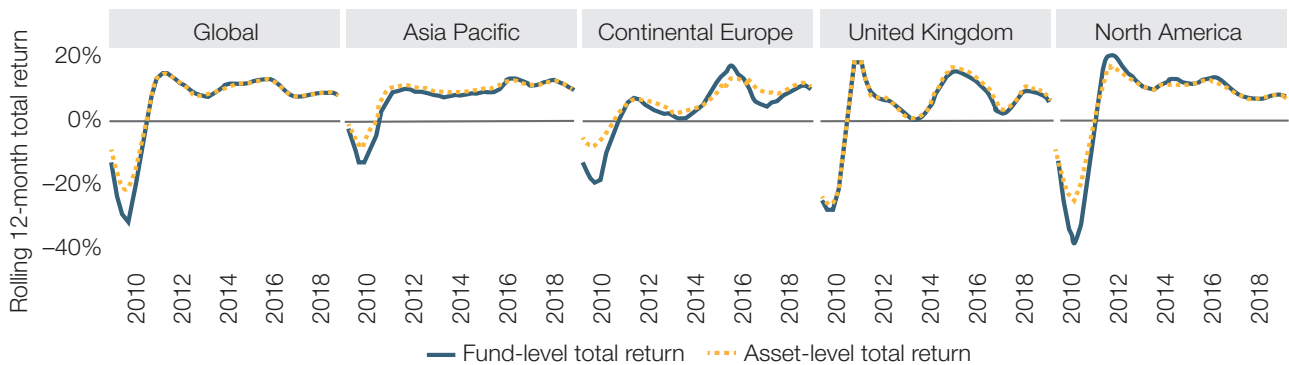


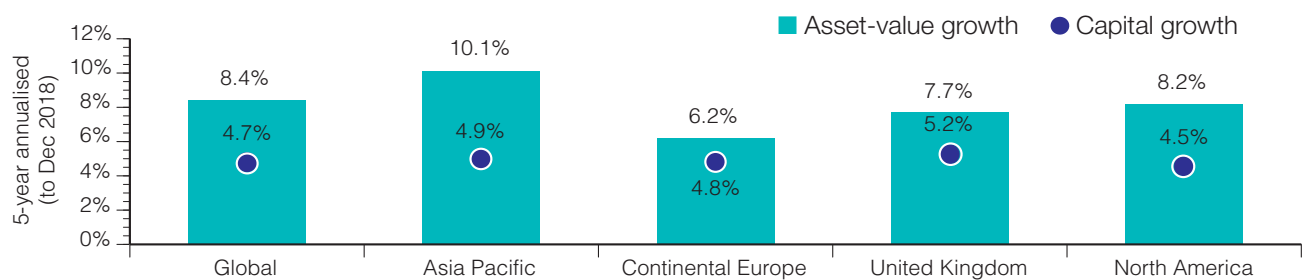
## Global unlisted real estate performance



Source: MSCI

In Asia Pacific, unlisted real estate funds recorded double-digit annual total returns from late 2015 until late 2018, but fund-level total returns slipped into single-digit territory at the end of 2018. Asia Pacific funds, however, have continued to outperform the global aggregate, according to the MSCI Global Quarterly Property Fund Index (Unfrozen). Asia Pacific's recent performance has also been achieved with less return volatility than in other regions. Fund performance — predominantly driven by the underlying property assets — have been boosted by yield compression-driven capital growth in the past few years.

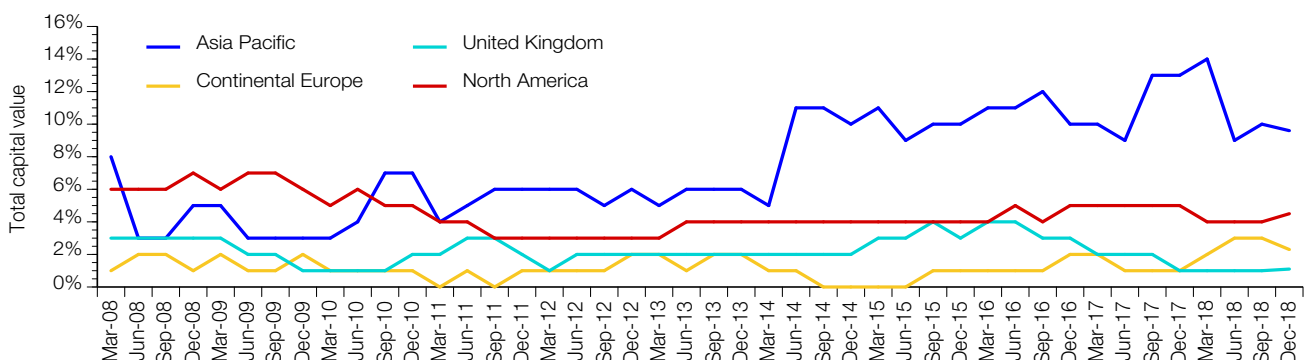
## All property types by region



Source: MSCI

Over the past five years, asset values in Asia Pacific funds have increased by an annualised 10.1 percent, faster than in any other region. Asset-level capital growth, however, achieved during this period (4.9 percent) has been closer to the other regions. Development activity in particular has been greater in the region in recent years, helping explain why Asia Pacific has the highest spread between asset-value growth and capital growth.

## Developments as a share of total capital value



Source: MSCI

At the end of 2018, developments accounted for just under 10 percent of Asia Pacific funds — more than double the amount of development in North American funds, and over eight times as much as in the United Kingdom.