

PROSPECTUS

Project Name: Performance Measurement (PM) Manual Subcommittee

Date: July 02, 2009

Description and Purpose of the Project

The PM Manual Subcommittee will create a comprehensive reference manual (Manual) to serve as guidance for calculating various performance metrics. The guidance provided in this manual will be useful to those who invest in or manage institutional investments in real estate in the United States.

The Manual will include, but not be limited to, topics such as: time-weighted returns, IRR's, equity multiples, leveraged vs. unleveraged returns, pre-fee vs. post-fee returns, partial quarter methodologies and sample disclosures. Each topic will be further subdivided into the three levels (property, investment and fund levels) as applicable.

The Manual will provide guidance for interpretation of the performance metrics listed in the REIS Standards (Chapters 3 & 4) but may include other measures not currently addressed within the REIS Standards but used within the industry. Narrative discussions and detailed formulas for each calculation will be a key component of the Manual. The Manual will be reviewed on an annual basis and updated as necessary to add more metrics and reflect changes in the industry, including the GIPS Standards.

Background and Benefits of the Project

Detailed performance measurement guidance was included in previous versions of the REIS Standards, but stripped out in the early 2000's when there was a push to separate the guidance from the Standards. Many in the industry have been clamoring for this sort of detailed guidance to return and this Manual should help fill that void.

The guidance that is currently available on performance measurement is found in many disparate sources including the NPI Data Contributor Manual, whitepapers, and archived versions of REIS. This Manual will draw upon those sources and also create new narratives and discussions where there are gaps, to create a comprehensive source for performance measurement used in our industry. Perhaps most importantly, this guidance will promote transparency and help to ensure that performance metrics are calculated consistently throughout the industry.

Proposed Composition of Subcommittee

Participation on the subcommittee will be open to all members on the NCREIF Performance Measurement Committee and other interested parties, on a volunteer basis.

<u>Name</u>	<u>NCREIF/REIS Participation</u>	<u>Employer</u>
<i>Chair</i> Bill Swiderski	Performance Measurement	LaSalle Investment Management

Others

Stephanie Brower	Performance Measurement	Russell Investments
Nate Foss	Performance Measurement	State Street Corp
Jane Hufnagel	Performance Measurement	CBRE Investors
Janice Johnson	Performance Measurement	L&B Realty Advisors
Jamie Kingsley	Performance Measurement	Hawkeye Partners
Ingrid Lindblade	Performance Measurement	Heitman LLC
Dave MacDonald	Performance Measurement	State Street Corp
Maritza Matlosz	REIS Council Member	BlackRock
Barbara McDowell	REIS Council Member	ORG Portfolio Management

Tentative Timetable for Completion

The REIS Council will receive periodic updates. Final approval by the REIS Board will take place after the NCREIF winter meeting.

6/10/09	Transition call
6/17/09 (NCREIF Summer Meeting)	Introduce project to PM Committee and solicit volunteers
6/24/09 - 10/1/09	Subcommittee work (bi-weekly meetings)
8/19/09	Progress update to REIS Council
10/8/09 (NCREIF Fall Meeting)	Final comments (approval?) from PM Committee before comment period
10/9/09 - 12/9/10	60 day comment period
12/10/10 - 2/10/10	Subcommittee to edit manual based on comments received
2/22/09 (NCREIF Winter Meeting)	PM Committee to vote on final version of Manual