



Annual Report  
**2015**

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INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. Our aim is to improve the accessibility of non-listed real estate vehicles for institutional investors by promoting greater transparency, accessibility, professionalism and standards of best practice.

As a pan European body, INREV represents an excellent platform for the sharing and dissemination of knowledge on the non-listed real estate industry.

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# Chairman's Letter

Dear Members,

In 2015's increasingly global market for non-listed real estate, INREV took big strides to collaborate with other leading associations from around the world, most importantly to develop a set of global guidelines. INREV's Guidelines are one of the most important tools for achieving our goals of furthering transparency and accessibility of non-listed real estate, while promoting professionalism and best practices.

## Global guidelines

We reached an important milestone along this path in February, when INREV signed a Memorandum of Understanding with the US associations NCREIF and PREA, to begin working on the creation of global guidelines. The agreement was truly global, being co-signed by ANREV in Asia.

The Memorandum led to the establishment of the Global Standards Steering Group in July, with representation from all four organisations. This group will oversee the project to integrate the guidelines globally and manage its various focus groups. The Steering Group's first project was a report comparing the INREV Guidelines and the NCREIF PREA Reporting Standards, a crucial first step on the journey toward integrated standards.

## Performance measurement

The INREV Guidelines themselves were also evolving in 2015, with the addition of a Performance Measurement Module for non-listed real estate vehicles in December. This module should increase the scope for comparing performance across the industry, by harmonising the measurement of vehicle performance. It

should also help bring closer alignment between managers internationally. We raised awareness and understanding of the new module by including it in the latest Performance Measurement & Benchmarking training course.

## Forty new members

A top INREV priority for 2015 was reaching out to potential new members. Forty new members joined during the year, including nine institutional investors and three multi-manager/fund of funds managers. In January we brought in an introductory membership fee for institutional investors, which undoubtedly helped attract the newcomers. The outreach programme included meetings with investors in Europe, the US and Canada. These activities dovetailed with our New York Conference in September and our presence at the Global Real Estate Forum in Toronto in December.

## Global surveys

As was the case for professional standards, INREV research continued on the path toward a more global perspective, with the annual Fund Manager and Capital Raising Surveys for the first time undertaken on a global basis. At the same time it was gratifying to see the depth and quality of INREV's research programme recognised by the International Real Estate Society (IRES) through the grant of its prestigious 2015 Corporate Leadership Award.

## Thank you

A special thanks to the three members who rotated off the Management Board in 2015, They are Deborah Lloyd, Nabarro LLP, Michael Morgenroth, Caerus Debt Investments AG and Jeff Jacobson LaSalle Investment Management. A warm welcome to the three new

members who joined, Marieke van Kamp, NN Group, Michael Clarke, CBRE Global Investors and Michael Hornsby, EY Luxembourg I would like to thank them and all the other members of the INREV Management Board and Committees for their continued dedication and commitment over the past year. It has been a pleasure working alongside you all for the last six years and I have thoroughly enjoyed my tenure as INREV Chairman since 2012.

Finally, I must thank the entire INREV staff led by CEO Matthias Thomas for making this another highly successful year for INREV. Their efforts, combined with the unfailing support of our members, will help ensure that the non-listed real estate industry continues to play an important role in the evolving European investment landscape.

**Patrick Kanters, INREV Chairman**  
**April 2016**



# About INREV

INREV is the leading platform for sharing knowledge on the European non-listed real estate industry. Our goal is to improve transparency, professionalism and best practices across the sector, making the asset class more accessible and attractive to investors. INREV strives to truly represent and address the needs of the non-listed real estate investment industry. This is reflected in our vision and mission statement.

## Vision

To champion the non-listed real estate industry globally by being committed to building it as a competitive and sustainable asset class in Europe for institutional investors.

## Mission

- To further transparency and accessibility
- To promote professionalism and best practices
- To share and spread knowledge

## INREV Milestones

**2003**

INREV officially launches with an event in Wiesbaden



Co-founders Pieter Hendrikse and William de Geus and founding Chairman Michiel Olland

**2005**

At its first Annual Conference, the INREV Index is officially launched



**2004**

The INREV Vehicles Database is launched. Today it has information on around 400 vehicles



**2007**

Professional Standards makes headway with the launch of the Corporate Governance, Reporting and Due Diligence Guidelines



**2008**

The integrated INREV Guidelines are launched and the Association launches a full training programme



**2010**

INREV steps up its Public Affairs role, while the INREV Index goes quarterly



**2011**

Training goes online with an e-learning programme while green issues prompt the development of the Sustainability Reporting Guidelines

**ANREV**

**2009**

INREV reaches a new audience in Asia through its cooperation with ANREV

**2012**

INREV opens an office in Brussels and initiates a global index with ANREV and NCREIF



**2013**

Non-listed products remit expanded

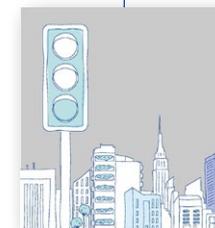


**2014**

Revised INREV Guidelines are launched after 18 months of consultation and the Global Index is released

**2015**

Performance Measurement Module is added to INREV Guidelines and an MoU is signed between INREV, NCREIF & PREA to create global guidelines



# INREV Priorities 2015

INREV works towards its goals through a number of committees and focus groups, each with a clearly defined purpose. INREV's work for the year is driven by a set of priorities. An update on the key achievements under the 2015 priorities is set out below. Further details can be found in the activity section of this report, while a full status report on all 2015 actions (as proposed in the Business Plan for the year) can be found in the appendix .

In this section, INREV describes the activities that took place under each of the focus areas. These activities were supported by the work of the relevant committees, in line with INREV's priorities for 2015.

## Main Priorities 2015

To maintain INREV's leading position in the non-listed real estate investment industry in Europe and to ensure INREV attracts and retains key participants that reflect the diversity of the industry

To further advance the academic rigour of INREV's research programme and lead the development of globally consistent market practices.

## Key Achievements

- 40 new members joined in 2015, of which 9 were institutional investors and 3 multi-managers / fund of funds managers
- Introductory investor membership fee launched
- Hosted over 30 one-to-one meetings with prospective investor members
- Increased social media activity, with Twitter followers increasing by 72% and LinkedIn by 62%.
- Press coverage up 33%
- IQ Magazine re-designed
- Hosted 815 attendees at INREV educational activities in 2015
- Hosted 1,861 attendees at INREV's 23 events in 2015
- Started investigation of asset level data collection project
- Three academic research papers published
- Commissioned academic research presented at ERES Annual Conference
- Webinars held on Investment Intentions, SDDS and NAV
- INREV received academic award from IRES for research programme



# INREV Priorities 2015

To improve market participants' understanding of, and to reduce barriers to, investing in the expanded range of non-listed products such as joint ventures, separate accounts, club deals and debt funds

- University Outreach Programme initiated
- Performance Measurement Module added to INREV Guidelines
- MoU signed by INREV, NCREIF and PREA to work on creation of global standards and the Global Steering Committee began work. Comparison of INREV Guidelines and NCREIF/PREA guidelines completed
- Workshops held to collect feedback, further improve acceptance and support implementation of SDDS
- Guidelines Self-Assessment tool designed and build started, ready to be implemented in April 2016
- Study on the role of real estate debt for the economy initiated
- Course on joint ventures and club deals designed and delivered in January 2016
- DDQ for debt translated into German, launched in February 2016
- Investment Intentions Road Show hosted in seven locations with 362 attendees
- Partnered with Henley Business School to create training certificate to further support professional development of members
- Eleven webinars delivered including local language webinars in German, French and Italian



# INREV Priorities 2015

To promote non-listed real estate as a mature industry and a transparent way for investors to gain exposure to real estate

- Academic outreach programme up and running, educating students on non-listed real estate investment at an early stage in their career
- INREV key staff participated at 38 global industry events
- Updated Report on Real Estate in the Real Economy
- Investor round tables held in Milan and Paris
- Sustainability Library launched on INREV website



# Professional Standards

**INREV's Professional Standards programme works very closely with INREV committees and focus groups to create a set of globally consistent market practices. Topics covered include reporting, performance measurement, due diligence, corporate governance, secondary market liquidity and tax and sustainability issues.**



## **INREV Guidelines**

In February, an important milestone was reached when INREV signed a Memorandum of Understanding (MoU) with NCREIF and PREA in the US, to start work on the creation of global guidelines. The MoU was co-signed by ANREV in Asia.

In July, a Global Standards Steering Group was set up with representation from all regions. Its role is to oversee the globalisation project and the various focus groups that work on specific topics and modules of the Guidelines. The first project carried out by the steering group was a comparison of the INREV Guidelines and the NCREIF PREA Reporting Standards. Focus groups were set up to work on fee and expense metrics and the definitions underlying the standards.

The INREV Guidelines were translated into German and with the support of ANREV made available in Japanese.

## **Reporting**

The INREV Reporting Committee played an instrumental role in supporting INREV setting up and steering the global guidelines project.

Three Product Focus Groups worked throughout the year to tailor the guidelines to meet the needs of opportunity funds, open end funds and debt funds. The aim is to further enhance the breadth and relevance of the revisions to the guidelines. Q&A's were developed on the reconciliation of IFRS and INREV NAV; 5-year amortisation for INREV NAV; fees and expense metrics; and guidance on cost breakdowns for TER and REER.

## **Standard Data Delivery Sheet (SDDS)**

To strengthen the position of the INREV SDDS as an international standard for monitoring quarterly risk and performance data, the SDDS focus group was reactivated, beginning work on the next version of the standard template and investigating the use and functionality of the SDDS. Members provided input at two round tables in London and Frankfurt in November 2015.

## **INREV Guidelines Self-Assessment Framework**

The various committees have developed questionnaires for a number of the INREV Guideline modules. Throughout the year, they carried out work to develop a framework providing an interactive and intuitive way for members to assess their overall compliance with the INREV Guidelines, and to compare the results with their peers. The first module to be developed was the Corporate Governance Self-Assessment, which will be launched in April 2016, followed closely by other modules.

## **Performance Measurement Standard**

As the industry strives for greater comparability, in 2015 INREV launched a performance measurement standard for non-listed real estate vehicles. This module, which forms part of the INREV Guidelines, harmonises the way the industry measures performance and creates greater alignment between managers globally. This addition to the Guidelines was launched in December. In order to inform and educate the industry, the topic was incorporated into the Performance Measurement and Benchmarking training course, and a webinar on the subject was delivered in early 2016.



# Professional Standards

## Due Diligence Questionnaire (DDQ)

With the support of the Due Diligence Committee, INREV gave members more guidance on implementing the DDQ into their processes. The Committee started to develop a framework for an online due diligence data room including information on operational due diligence. This is gaining more and more attention. Work began on a German translation of the Debt DDQ, which was delivered in early 2016.

## Secondary Markets and Liquidity

To establish a fair practice framework for fund liquidation and investor exits for open end funds, a report was published at the end of the year in close collaboration with the Secondary Market & Liquidity Committee. INREV formed a joint working group with the IPF and AREF, to discuss closed end vehicles and the winding up of funds.

## Corporate Governance

The content of the corporate governance self-assessment was revised to work alongside the newly developed self-assessment framework, which will act as a basis for the overall guidelines compliance tool. The module was also reviewed to take account of AIFMD regulation, resulting in the launch of the paper *INREV AIFMD Managers Guidance*, as well as an article in IQ magazine explaining the key highlights of the paper.

## Sustainability Reporting Recommendations

A project to update the *Sustainability Reporting Recommendations*, taking current market practices into consideration, was started with the support of the Sustainability Committee, which had been formed in 2014. The results will be based on an investor survey carried out in 2015, with recommendations to be published in April 2016.

An interactive sustainability library was launched on the INREV website. The sustainability library includes publications and case studies from members, illustrating best practice worldwide. Eight new publications were added this year, and in 2016 the library will be merged with the ANREV sustainability library to create a more global source of information on sustainability.

## Tax and Regulatory

The Advanced Tax Round Table brought together senior tax experts, to discuss the changing tax climate and in particular the impact of Base Erosion and Profit Shifting (BEPS) on the regulatory environment. The online tax and regulatory tool, which allows members to view and compare tax and regulatory issues in various European domiciles, was updated with additional regulatory data on open end funds in different jurisdictions.

## Highlights 2015



- Global guidelines project initiated\*
- Performance Measurement Guidelines published\*\*
- Paper on Pillars to ensure open end fund liquidity published\*\*\*
- AIFMD Manager Guidance\*\*\*\*

\* Supported by the dedicated committees, project groups and Guidelines Steering Committee

\*\* Supported by the Performance Measurement & Benchmarking Committee

\*\*\* Supported by Secondary Markets & Liquidity Committee

\*\*\*\* Supported by Corporate Governance Committee



# Research

**INREV research builds on INREV's extensive proprietary information and indices. The programme encompasses the entire breadth and depth of topics relating to the non-listed real estate industry, capturing current and future global trends, as well as tackling important future challenges.**



In 2015, INREV published nine research reports, including annual reports as well as academic and ad-hoc studies. INREV received the prestigious 2015 Corporate Leadership Award from the International Real Estate Society (IRES) in recognition of the depth and quality of the association's research programme.

## Annual Research Reports

INREV annual surveys continued to become increasingly global. The Investment Intentions Survey was carried out together with ANREV and PREA for the second year running, whilst the Fund Manager and Capital Raising Surveys became global for the first time, and were carried out in conjunction with ANREV and NCREIF. The *Fund of Funds Study* also expanded its geographical reach, being conducted with ANREV for the first time. The Fund Termination Study focused on Europe alone.

## Ad-hoc Studies

Papers on topical issues were also published. The first of these was a study on *Investor Perspectives on Indirect Real Estate Liquidity*, exploring the liquidity needs and requirements of investors in indirect real estate. The second, *Expenditure and Performance: the case of Germany, the Netherlands, the UK and the USA*, investigated the impact of cap-ex on future investment performance.

## Academic Papers

A continuing academic focus saw the publication of two papers that were commissioned to academic researchers and presented on an INREV panel at the ERES conference. The first, entitled *The Status and Influence of Corporate Governance on the Non-Listed Real Estate Industry* examined the impact of governance on volatility and returns. The second sought to identify

## Highlights 2015\*



- Capital Raising Survey became global
- Fund Manager Survey became global
- INREV received the prestigious 2015 Corporate Leadership Award from the International Real Estate Society (IRES)

\* Supported by the Research Committee

risk factors affecting the performance of non-listed real estate funds in Europe, under the title *Risk Factor Analysis of European Non-Listed Real Estate Funds*.



# Market Information

**INREV provides access to market information, supported by a suite of analytical tools. The INREV Annual and Quarterly Indices, the Global Real Estate Fund Index, and other online tools, support all aspects of the real estate investment process from asset allocation to performance measurement. The INREV Vehicle Universes contain information on non-listed real estate funds, debt funds and funds of funds.**



## INREV Vehicles Universe

The INREV Vehicles Universe is a suite of databases, which cover real estate vehicles, funds of funds and debt funds. At the end of November 2015, the INREV vehicles database included 478 vehicles with a total gross asset value (GAV) of €288.4 billion. This compared to 463 vehicles with a total GAV of €273.3 billion at the end of 2014.

## INREV Indices

INREV indices measure the performance of non-listed real estate vehicles in Europe, on an annual and quarterly basis. The INREV Quarterly Index contributes to the quarterly release of the Global Real Estate Fund Index, which covers performance in Europe, Asia and the US.

## INREV Annual Index

The INREV Annual Index is published in April each year. At the end of 2015, the INREV Annual Index comprised 303 funds from 84 different fund manager companies, representing a total GAV of €172.4 billion. In 2014, the index was based on a sample of 315 funds with a total GAV of €171.6 billion.

## INREV Quarterly Index

The INREV Quarterly Index is published eight weeks after the end of each quarter. The Q4 2015 Quarterly Index comprised 241 funds from 64 different fund manager companies, representing a total GAV of €166.3 billion.

The INREV Annual and Quarterly Index headline results continued to be published on Bloomberg, which resulted in wide dissemination of the data.

## Highlights 2015\*



- US closed end value added funds included in the GREFI for the first time
- Quarterly performance of funds of funds collected for the first time
- INREV Index Analysis Tool now allows members to analyse by vehicle domicile

\* Supported by the Performance Measurement & Benchmarking Committee

## Global Real Estate Fund Index

The Global Real Estate Fund Index (GREFI) shows the performance of non-listed real estate funds globally, and is published 12 weeks after quarter end. The GREFI Q3 2015 update release comprised 454 funds, compared to 369 the year before, having expanded to include closed end value added funds and funds with a global strategy for the first time.



# Public Affairs

INREV's public affairs team intensified its efforts to improve the awareness and understanding of the non-listed real estate industry among European policymakers, and to ensure that members' interests were fully represented and reflected in any proposed new EU regulation.

There was a specific focus on key areas of legislation, including AIFMD, EMIR, BEPS Tax Treaty Abuse and the Solvency II directive, as well as on broader issues such as reinforcing the significant contribution that the non-listed real estate industry in particular, and real estate in general, make to the European economy. In this respect, special attention was paid to Brussels officials who had been newly elected in 2014.

## AIFMD and Solvency II

The Public Affairs team published an update of the reference guide on the EU Alternative Investment Fund Managers Directive (AIFMD) in November, as well as participating in a Solvency II course for members in April and an AIFMD course in November.

## Real Estate in the Real Economy

An updated version of the Real Estate in the Real Economy paper was published in November. This was widely distributed to national property associations, INREV members, and most importantly to policymakers in Brussels, to show the vital role real estate investment plays in the European economy.

## European Real Estate Forum

INREV continued to play a leadership role in the European Real Estate Forum (EREF), which has twenty-nine members, six with a pan-European jurisdiction. The association helped organise three live EREF meetings in Brussels, which included guest speakers from European institutions, such as a Commission speaker on the EU Urban Agenda, and the Head of the Asset Management Unit responsible for AIFMD. INREV's leadership role within EREF continued to encourage new members, such as ASSOIMMOBILIARE and SFAMA, to join the Forum.

## Industry Responses to EU Policy Proposals

During the year, INREV drafted and submitted 10 responses on a number of policy issues, such as the ESMA consultation on AIFMD Passport and Third-Country AIFs, OECD Tax Treaty Abuse, Capital Markets Union, EMIR consultation and ELTIFs. Some responses were submitted jointly with other industry bodies. As part of the ongoing outreach programme, the Public

## Highlights 2015\*



- One research report and one briefing/snapshot published
- Filed 10 industry responses

\* Supported by Public Affairs Committee

Affairs team held a large number of separate meetings with Brussels policymakers, ESMA and the OECD, as well as with national regulators and industry bodies in key jurisdictions.

## Public Affairs Forum Calls

INREV continued to offer the Public Affairs Forum, a monthly conference call where members can learn more about recent regulatory developments and ask questions to the team, members of the Public Affairs Committee and other experts. Topics included OECD-BEPS Actions 4, 6 and 13, European Long-Term Investment Funds, specific AIFMD sub-topics, MIFID II and the UK Limited Partnership Act amendments.



# Training and Education

The INREV training programme was further developed in 2015 to include new and updated course programmes and a wider range of webinars. There were also an increasing number of initiatives allowing young professionals to engage with INREV and the industry at an early stage in their career.

In total INREV hosted over 815 attendees at INREV educational activities in 2015, compared to 873 in 2014, this includes attendance at courses, webinars, Link and Learn and Young Professionals Get Together Initiatives.



## Training Courses

The courses were attended by 290 delegates representing 124 member companies in 2015, against 297 from 116 companies in 2014. Investors represented a growing proportion of attendees, 15% of the total compared to 12% the previous year. Sixty-five percent of delegates were attending for the first time, while thirty-seven percent attended one or more courses. The courses continued to be well rated overall, with an average rating of 4.3 on a scale of 1 to 5.

## Up to Date

To ensure they remained relevant and topical, the content and the structure of several training courses including Effective Due Diligence, Risk Management, Fund Structuring Liquidity in Today's Market and the Solvency II courses were updated. A new course on Joint Ventures and Club Deals was developed and subsequently delivered in January 2016.

## Webinars

To disseminate knowledge about the industry quickly and efficiently, we delivered a wide range of webinars on current topics, such as Investing in Separate Accounts, Debt Funds and Risk Management under AIFMD, as well as on INREV products including INREV NAV and the INREV Standard Data Delivery Sheet (SDDS). Eleven webinars were conducted in 2015 (nine in 2014), with 227 delegates from 99 member companies attending. Due to the past success of webinars offered in local languages, we again delivered a number in French, German and Italian.

## Highlights 2015\*



- New course on Investing in Joint Ventures and Club Deals
- Increasing participation of institutional investors and multi managers: 31% in 2015 against 18% in 2014
- One third of all member companies attended an INREV training course
- Agreement with academic partner to provide certificate on non-listed real estate investments

\* Supported by Training and Education Committee



# Training and Education

## Link and Learn

The Link and Learn programme was attended by 92 delegates from 68 member companies, as against 134 delegates from 68 companies in 2014. The five events were held in Amsterdam, Frankfurt, Munich, London and Stockholm.

## Get Together and Christmas Drinks Initiatives

Summer Get Together initiatives and Young Professional Christmas drinks proved very popular, attracting 206 representatives from 133 companies, compared to 229 attendees in 2014. The events included site tours as well as social gatherings and took place in Amsterdam, London and Frankfurt.

## Outreach to Academic Institutions

In 2015, we reinforced our relationships with Cambridge University, Bocconi University, Regensburg University and Reading University, by offering lectures on INREV and the non-listed industry.

Leading industry practitioners and the INREV research team delivered the presentations.

*In 2015, INREV reached out to leading academic institutions*

## Certificate

To support industry participants in their professional development and to ensure they engage with the industry at an early stage in their career, the Training and Education Committee investigated launching an INREV Certificate on non-listed real estate investments.

After extensive consultation, the committee proposed proceeding with the project, after which INREV went into partnership with the University of Reading/Henley Business School to offer a certificate. The certificate is intended to enhance the quality and reputation of the INREV educational programme and set educational standards within the industry.

The University of Reading will manage the examination and assessment process, which will be part of the certificate. The structure of the certificate in terms of learning hours, number of courses and fees will be finalised in 2016.



# Communications

Communication with members continued to have a strong emphasis in 2015, with a focus on reaching out to investors and increasing the accessibility of information by visually improving communications while maintaining a strong and consistent brand identity.



## Investor Outreach Programme

A top priority for the year was to continue to reach out to potential new members. Forty new members joined during the year, including nine institutional investors and three multi-manager/ fund of funds managers. In January 2015, INREV implemented an introductory membership fee for institutional investors, an offer taken up by each of the nine new institutional investor members.

To support the outreach programme, INREV hosted prospective investor events with seven investors in Milan and three investors in Paris, of which two took up membership. Throughout the year thirty one-to-one meetings took place with prospective new members. This included seventeen meetings during a tour of the east and west coast of the US at the time of the New York Conference in September and a visits to Canadian investors in parallel with the Global Real Estate Forum in Toronto in December. In addition, nineteen prospects attended INREV events including the Annual Conference, Investment Intentions seminars and the New York Seminar.

A number of webinars were held with prospective investor members, to inform them further about the benefits of INREV membership.

## INREV Brand Development

Improvements were made to INREV's visual communications, principally through the new Brand Guidelines, launched in January 2015. The INREV brand was updated with a new look and feel across all communications. The new design aimed to improve the readability of online reporting and make INREV communications more visually appealing. The focus

was on communicating information, while also making messages more visual and engaging by using illustrations, infographics, photography and icons.

*INREV's brand was refreshed in 2015, with a focus on clear communication of information*

## New Style IQ Magazine

In line with the evolution of the brand, the print version of IQ, INREV's Quarterly Magazine, was given a new look with a more modern and cleaner design. The content was also updated, with the inclusion of a new research section and a 'View from North America' along similar lines to the 'View from Asia', making the outlook of the magazine more global. A new interactive online version was also designed, to be launched in early 2016.

## Social Media

Work continued to increase INREV's visibility and reinforce its position as the voice of the industry, through a social media plan encouraging discussions about key INREV events and news. The use of infographics, videos and commentaries by key INREV staff helped to maintain discussions on social media



# Communications

channels such as Twitter and LinkedIn. In 2015, the number of members following INREV on LinkedIn rose by 65% to 1487. Twitter followers meanwhile increased by 72% to 371.

## Press

INREV continued to deliver solid press coverage of its activities and opinions, with 279 press pieces appearing in 2015 compared to 207 in 2014, the majority in pan-European real estate media. However, there was also significant coverage in broader financial and national media, with a presence in key titles such as the Financial Times in the UK and Il Sole 24 Ore in Italy.

## Press coverage up by 33%

### Speaking at Global Events

In line with the objective of increasing the visibility of the association globally, INREV speakers participated in 38 events hosted by other organisations. These included the Canadian Real Estate Forum, the ANREV Annual Conference, the PREA Conference and events held by ASPIM, NCREIF, Kinko, ULI and PWC.

### Customer Relationship Management Tool (CRM)

To help develop relationships with new and existing members, in 2015 we began to use a Customer Relationship Management (CRM) tool. A CRM consultant guided us through this process, which included a series of workshops for developing blueprints. The basic functionality of the selected CRM was implemented in

## Highlights 2015



- Brand refreshed
- Introductory fee for investors implemented
- New look IQ Magazine
- Press coverage up by 33%
- INREV staff spoke at 38 global industry events

January 2016. The next step in the project is to improve the quality of our member data and include additional functionality to allow us to further understand how our members use our services and keep them informed on information relevant to their needs.

### The following publications were produced:

- 6 research reports with snapshots
- 3 academic reports with snapshots
- 15 industry data related reports
- 2 corporate reports and infographics
- 1 public affairs report with snapshots
- 1 public affairs briefing
- 6 professional standards reports with snapshots
- 3 tax briefings
- 4 IQ magazines



# Events

**INREV offered a wide variety of events in 2015, including breakfast meetings and round table discussions. In total 23 events were held, attracting 1,861 attendees from 303 member companies.**

## INREV Annual Conference

This high calibre event was held in Barcelona on 22 and 23 April. The theme for this year's conference was 'Journeys into space: Future trends for real estate'. The 445 attendees were able to join discussions on the positive macro economic environment, trends in urbanisation and the increasingly central role of technology in real estate. The conference was once again very highly rated by delegates with a 4.5 rating on a scale of 1 to 5 members particularly appreciating the chance to interact using tablets during the conference.

This year the committee meetings held during the Annual Conference were opened up to all members, allowing them to keep abreast of committee activity, provide input for projects and ask questions.

## Annual General Meeting

The 2015 Annual General Meeting, which took place in Barcelona on the eve of the Annual Conference, was well attended. Those attending re-elected Management Board Members and approved the Annual Report and Financial Statements for 2014.

## Investment Intentions Road Show 2015

Through January and February, this series of events launched the results of our annual Investment Intentions Survey, reviewing prospects and trends for the non-listed real estate industry. In total 444 attendees joined us in local events starting in London,

Amsterdam and Munich, followed by Copenhagen, Stockholm, Helsinki and Paris.

## INREV Young Professionals' Seminar

In June, INREV brought together the next generation of industry leaders at the eighth Young Professionals' Seminar, held in Rotterdam. The event, which attracted 135 attendees, was based around the theme of 'positive disruption: shaping the future of real estate' and included presentations from a range of keynote speakers, a debate and a workshop session on conflict management. A tour of the award-winning Markthal building took place on the morning after the conference. This was highly appreciated by those attending with an average scoring rate of 4.5 on a scale of 1 to 5.

## North American Conference

In September, INREV hosted the third North American Conference in New York. At this event, which attracted 95 senior professionals, European speakers outlined the importance of securing the right product in a competitive European real estate market, and of gaining new footholds in locations that were previously out of favour, such as Southern Europe.

## INREV CFO Round Table

Fifty-one senior reporting and finance specialists attended The CFO Round Table, held in Frankfurt in November. The events format encouraged interaction and group discussion, and its specialist focus allowed us to cover relevant and timely topics in detail, while encouraging a number of expert groups to share best practices. This event was highly rated by attendees with an overall score of 4.6 on a scale of 1 to 5.

## Highlights 2015\*



- Property tour added to Young Professional Seminar
- Annual Conference highly rated\*
- 84% of member companies attended at least one INREV event

\* Supported by Annual Conference Working Group

## INREV Seminars

UK Winter Seminar, London (164 participants)  
INREV German Seminar, Munich (38 participants)  
INREV French Seminar, Paris (30 participants)  
INREV Dutch Seminar, Amsterdam (78 participants)  
INREV Nordic Seminar, Helsinki (38 participants)  
INREV Nordic Seminar, Copenhagen (42 participants)  
INREV Nordic Seminar, Stockholm (40 participants)  
INREV Italian Seminar, Milan (40 participants)  
INREV Cannes Seminar, Cannes (282 participants)  
CFO Round Table, Frankfurt (51 participants)  
Investor & Fund Manager Seminar, London (109 participants)  
EXPO REAL Breakfast with Union Invest (158 participants)  
SDDS Round Table, Frankfurt (38 participants)  
SDDS Round Table, London (27 participants)



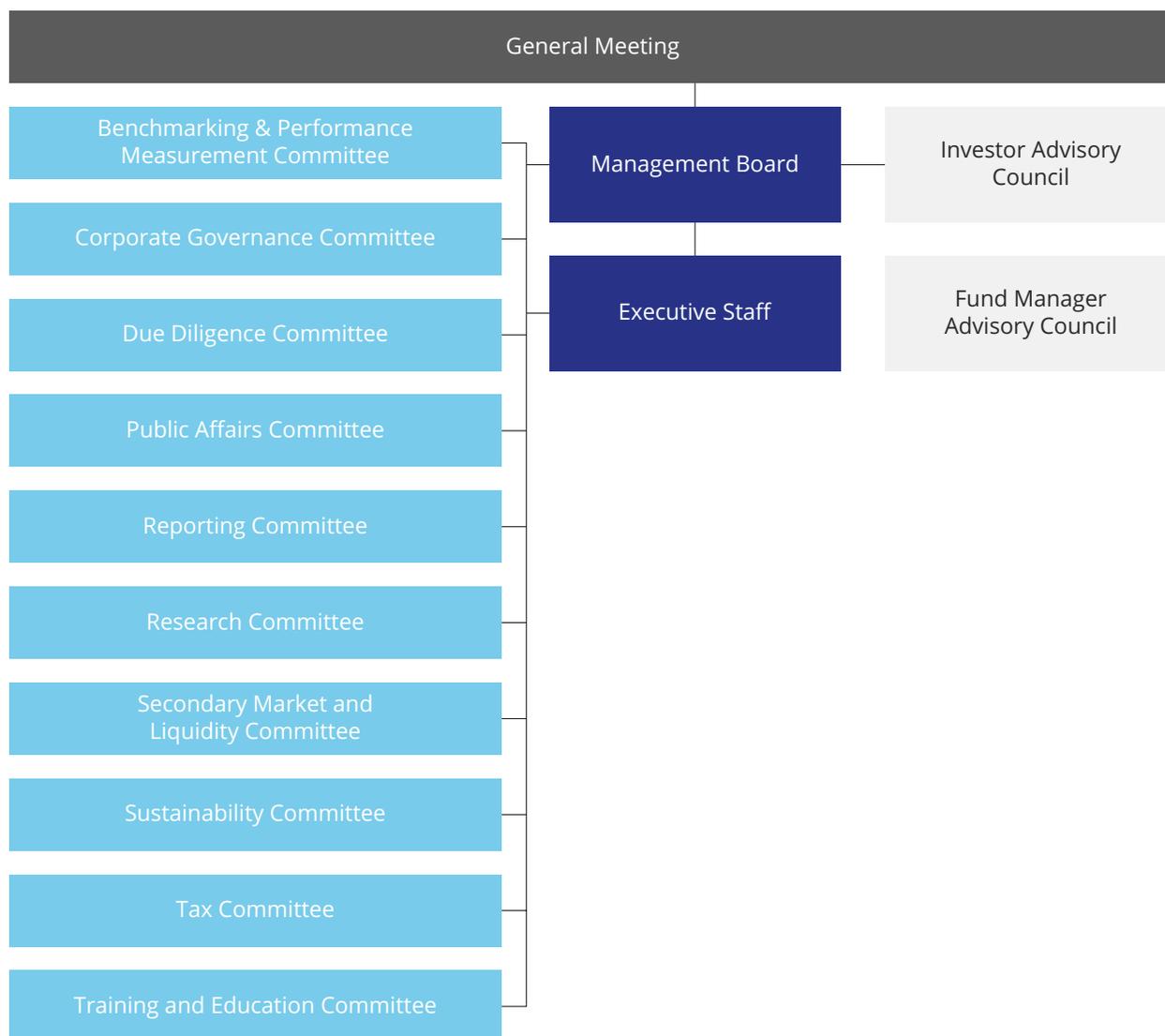
# Association Structure

INREV is a not-for-profit organisation governed by a Management Board. An office team in Amsterdam and Brussels, headed by CEO Matthias Thomas, carries out the daily management of the Association.

The Annual General Meeting (AGM) is composed of all full members of the Association. Every full member is entitled to one vote. Academic members have no voting rights.

The Management Board is elected by the AGM. The Management Board, chaired by the Chairman of INREV, is responsible for setting INREV's strategic direction and overseeing all bodies, activities and affairs with INREV.

At the end of 2015, the association had the following structure:



# Management Board

As at year end 2015, the Management Board comprised the following members:

|                              |                                 |                   |
|------------------------------|---------------------------------|-------------------|
| Patrick Kanters (Chairman)   | APG Asset Management            | The Netherlands   |
| Neil Harris (Vice Chairman)  | GIC Real Estate                 | United Kingdom*   |
| Erwin Stouthamer (Secretary) | Composition Capital Partners    | The Netherlands   |
| Allan Mikkelsen (Treasurer)  | ATP Real Estate                 | Denmark           |
| Christian Delaire            | Generali Real Estate            | France            |
| Eric Adler                   | Pramerica Real Estate Investors | United Kingdom**  |
| Marieke van Kamp             | NN Group                        | The Netherlands   |
| Matthew Ryall                | Crosslane Fund Managers         | United Kingdom    |
| Michael Clarke               | CBRE Global Investors           | United Kingdom    |
| Michael Hornsby              | EY Luxembourg                   | Luxembourg        |
| Noel Manns                   | Europa Capital                  | United Kingdom    |
| Udo Schaffer                 | E.ON                            | Germany           |
| Wenzel Hoberg                | CPP Investment Board            | United Kingdom*** |

\* The headquarters of GIC Real Estate is in Singapore

\*\* The headquarters of Pramerica Real Estate Investors is in the USA

\*\*\* The headquarters of Canada Pension Plan Investment Board is in Canada



# Investor Platform

The Investor Platform (IP) is a body within INREV that has the purpose of bringing together investors to improve transparency in the European non-listed real estate vehicles sector. It provides a forum where investors can discuss current issues and improve quality and standards for the sector. Given the investor-only nature of the platform, issues can be discussed openly without the risk of conflicts of interest.

The IP is governed by the Investor Advisory Council. The council acts on behalf of all Investor Platform members, introduces new ideas to INREV and aims to increase participation by investors. It also acts as a sounding board for INREV's CEO, Management Board and focus groups on issues relevant to investors.

All institutional investors are encouraged to apply for membership of the IP, with the final decision on eligibility resting with the Investor Advisory Council.

As at the end of 2015, of the 64 investor members, 45 were members of the IP.



# Investor Advisory Council

**The Investor Advisory Council is a group within the Investor Platform that advises the CEO on current issues affecting the industry in Europe. It helps improve the quality and standards of non-listed real estate vehicles, making them more attractive to global investors.**



The Investor Advisory Council convened four times via conference call in 2015.

The Advisory Council contributed to the programme for the Investor Only Seminar held in April in Barcelona, as well as to the Investor and Fund Manager Seminar held in November in Barcelona.

The Advisory Council gave valuable input on strategic topics such as the Global Investor Index, the inclusion of a non-reliance disclaimer in the INREV Due Diligence

Questionnaire, and the development of a Fund Performance Analysis Tool. In addition, the Advisory Council strongly supported an initiative to increase the coverage of the INREV Index as well as the INREV Vehicles Universe, by encouraging fund managers to contribute data to these initiatives.

Furthermore, the Advisory Council was given the opportunity to provide input to the INREV Business Plan 2016 – 2018.

At the end of 2015, the Investor Advisory Council comprised the following members:

|                  |   |                  |
|------------------|---|------------------|
| Catriona Allen   | Aviva Investors Real Estate Multi Manager | United Kingdom   |
| Guido Verhoef    | PGGM                                      | The Netherlands  |
| Klas Åkerbäck    | Tredje AP-Fonden                          | Sweden           |
| Marieke van Kamp | NN Group                                  | The Netherlands  |
| Martin Lemke     | AM alpha                                  | Germany          |
| Michael Nielsen  | ATP Real Estate                           | Denmark          |
| Neil Harris      | GIC Real Estate                           | United Kingdom*  |
| Raymond Jacobs   | Franklin Templeton                        | USA              |
| Wenzel Hoberg    | CPP Investment Board                      | United Kingdom** |

\* The headquarters of GIC Real Estate is in Singapore

\*\* The headquarters of CPP Investment Board is in Canada



# Fund Manager Advisory Council

**The Fund Manager Advisory Council (FMAC) provides INREV with ideas and thoughts from fund managers, as well as feedback on existing and upcoming initiatives. The group met four times in 2015.**

The FMAC provided input to the Investor and Fund Manager Seminars in London in November, as well as to the Annual Conference in Barcelona. It also contributed to the further development of the INREV Guidelines and raised concerns regarding increasing data requirements.

Furthermore, the group discussed the possibility of INREV carrying out a survey to analyse key organisational metrics of fund managers.

In addition, the Advisory Council was given the opportunity to provide input to the INREV Business Plan 2016 – 2018.

At the end of 2015, the Fund Manager Advisory Committee had the following members:

|                           |                               |                |
|---------------------------|-------------------------------|----------------|
| Antoine de Broglie        | STAM Europe                   | France         |
| Bernhard Berg             | Hannover Leasing              | Germany        |
| Christian Schulte Eistrup | BlackRock                     | United Kingdom |
| Isabelle Scemama          | AXA Real Estate               | France         |
| Jeff Jacobson             | LaSalle Investment Management | USA            |
| Leif Andersson            | AREIM                         | Sweden         |
| Noel Manns                | Europa Capital                | United Kingdom |
| Rob Wilkinson             | AEW Europe                    | United Kingdom |
| Robert Gilchrist          | Rockspring PIM Limited        | United Kingdom |
| Siegfried Cofalka         | Savills Fund Management       | Germany        |
| Stein Berge Monsen        | DNB Real Estate Investment    | Norway         |

\* The headquarters of The BlackRock Group is in the USA



# INREV Committees

The INREV Committees are the driving force behind the ideas, projects and publications that the Association generates to improve the transparency, governance and education of the European non-listed real estate industry. At the end of 2015, INREV had 10 committees.

Each committee and focus group has a clearly defined purpose, and members are selected based on their experience and expertise. INREV's committees are made up of a rotating membership of INREV members. In 2015, INREV received 62 applications, of which 23 resulted in committee placements.

At the end of 2015, the committees had the following composition:

## Corporate Governance Committee

**Goal:** To establish common and workable standards of corporate governance for non-listed real estate vehicles.

|                             |   |                 |
|-----------------------------|---|-----------------|
| Wietse de Vries (Chair)     | Almazara   Real Assets Advisory           | The Netherlands |
| Martina Malone (Vice Chair) | Prologis                                  | United Kingdom  |
| Heleen Rietdijk             | KPMG Europe                               | The Netherlands |
| Jennifer Andersson          | Niam                                      | Sweden          |
| Jon Dyar Boles              | KGAL GmbH & Co. KG                        | Germany         |
| Jussi Pelkonen              | Northern Horizon Capital                  | Finland         |
| Klas Åkerbäck               | Tredje AP-Fonden                          | Sweden          |
| Roger Barris                | Peakside Capital                          | Jersey          |
| Sandra Schaap               | Aviva Investors Real Estate Multi Manager | United Kingdom  |
| Tinka Kleine                | PGGM                                      | The Netherlands |

## Due Diligence Committee

**Goal:** To encourage the standardisation of investor due diligence in non-listed real estate vehicles.

|                                |                                      |                 |
|--------------------------------|--------------------------------------|-----------------|
| Anne Gales (Chair)             | Threadmark                           | United Kingdom  |
| Jaap van der Bijl (Vice Chair) | Syntrus Achmea Real Estate & Finance | The Netherlands |
| Bert-Jan Scheffer              | Shell                                | The Netherlands |
| Caroline James                 | First Avenue Partners LLP            | United Kingdom  |
| John Barakat                   | M&G Real Estate                      | United Kingdom  |
| Kieran Farrelly                | The Townsend Group                   | United Kingdom  |
| Klaus-Dieter Schmidt           | Jamestown US - Immobilien            | Germany         |
| Michael Chen                   | Madison International Realty         | USA             |
| Remco Rothkrantz               | Kempen & Co                          | The Netherlands |
| Savina Eneva                   | GIC Real Estate                      | United Kingdom  |
| Zeynep Fetvacı                 | Hodes Weill & Associates             | United Kingdom  |



# INREV Committees

## Performance Measurement & Benchmarking Committee

**Goal:** To define standards of performance measurement for non-listed real estate vehicles and to create suitable indices to benchmark performance.

|                           |                                      |                 |
|---------------------------|--------------------------------------|-----------------|
| André Bresser (Chair)     | PFA Pension forsikringsaktieselskab  | Denmark         |
| Ray Adderley (Vice Chair) | TH Real Estate                       | United Kingdom  |
| Anne Breen                | Standard Life Investments Limited    | United Kingdom  |
| Asli Ball                 | GIC Real Estate                      | United Kingdom  |
| Casper Hesp               | Syntrus Achmea Real Estate & Finance | The Netherlands |
| Chris Portlock            | Invesco Real Estate Europe           | United Kingdom  |
| Iryna Pylypchuk           | CBRE B.V.                            | The Netherlands |
| Katie Smith               | CBRE Global Investors                | United Kingdom  |
| Rob Courtens              | Grontmij Capital Consultants         | The Netherlands |
| Stafford Biddulph         | Rockspring PIM                       | United Kingdom  |

## Public Affairs Committee

**Goal:** To guide the development and implementation of a public affairs programme that ensures European regulators and supervisors are aware of the contribution and importance of the non-listed real estate vehicles industry to economic activity, investment and job creation in Europe.

|                                  |   |                 |
|----------------------------------|---|-----------------|
| Hauke Brede (Chair)              | Allianz Real Estate GmbH                      | Germany         |
| Catherine Martougin (Vice Chair) | Jones Day                                     | Luxembourg      |
| Etienne Wagner                   | AEW Europe                                    | France          |
| Lee Sheldon                      | Addleshaw Goddard                             | United Kingdom  |
| Marc Wicki                       | Partners Group                                | Switzerland     |
| Marian Scheele                   | Clifford Chance                               | The Netherlands |
| Marieke van Kamp                 | NN Group                                      | The Netherlands |
| Michael Newell                   | Norton Rose Fulbright                         | United Kingdom  |
| Mikkel Bülow-Lehnsby             | Nordic Real Estate Partners                   | Denmark         |
| Richard Gale                     | Aberdeen Asset Management                     | United Kingdom  |
| Timo Hirte                       | State Street Alternative Investment Solutions | United Kingdom  |
| Yohan Brillault                  | AXA Real Estate                               | France          |



# INREV Committees

## Reporting Committee

**Goal:** To improve the consistency and presentation of information and encourage greater transparency in reporting to investors and the market in general.

|                       |                               |                 |
|-----------------------|-------------------------------|-----------------|
| John Ravoisin (Chair) | PwC                           | Luxembourg      |
| David Neil            | Genesta                       | Sweden          |
| Jamie Lyon            | LaSalle Investment Management | United Kingdom  |
| João Lelis            | Sonae Sierra                  | Portugal        |
| José María Ortiz      | ECE Real Estate Partners      | Luxembourg      |
| Matthias Pilz         | Allianz Real Estate GmbH      | Germany         |
| Bill Holland          | KPMG Europe                   | The Netherlands |
| Renaud Breyer         | EY                            | Luxembourg      |
| Davide Manstretta     | MSCI                          | United Kingdom  |
| Bert Albers           | Deloitte                      | The Netherlands |

## Research Committee

**Goal:** To stimulate research in the field of non-listed real estate vehicles, ensuring it is useful to INREV members, as well as to establish and maintain a platform to share research from internal and external sources with INREV members.

|                                   |                               |                 |
|-----------------------------------|-------------------------------|-----------------|
| Jose Pellicer (Chair)             | Rockspring PIM                | United Kingdom  |
| Maarten van der Spek (Vice Chair) | PGGM                          | The Netherlands |
| Adam Calman                       | The Townsend Group            | Unites States   |
| Anish Goorah                      | AXA Real Estate               | United Kingdom  |
| Anne Koeman                       | LaSalle Investment Management | United Kingdom  |
| Gunnar Herm                       | UBS                           | Germany         |
| Marcus Cieleback                  | PATRIZIA Immobilien           | Germany         |
| Martin Laursen                    | ATP                           | Denmark         |
| Nicole Lux                        | Cass Business School          | United Kingdom  |
| Simon Mallinson                   | Real Capital Analytics        | United Kingdom  |
| Thomas Vosskamp                   | Bulwien Gesa AG               | Germany         |



# INREV Committees

## Secondary Market & Liquidity Committee

**Goal:** To formulate standardised language for use in the documentation of non-listed real estate vehicles. This will help to increase liquidity, which will in turn stimulate the creation of a secondary market.

|                                   |   |                |
|-----------------------------------|---|----------------|
| Alistair Dryer (Chair)            | Aviva Investors Real Estate Multi Manager | United Kingdom |
| Thomas Kallenbrunnen (Vice Chair) | Helaba Invest                             | Germany        |
| Ashley Marks                      | Jones Lang LaSalle                        | United Kingdom |
| Bert van den Hoek                 | Partners Group                            | United Kingdom |
| Boris Schran                      | Peaksid Capital                           | Jersey         |
| Julian Schiller                   | Brookfield Asset Management               | United Kingdom |
| Michael Siefert                   | Madison International Realty              | Germany        |
| Tommy Brown                       | LGT Capital Partners                      | USA            |
| Ulrich Kaluscha                   | 4IP Management                            | Switzerland    |

## Sustainability Committee

**Goal:** To emphasise the importance of sustainability in the non-listed real estate investment industry and to move the focus of sustainability from an asset level to a vehicle level.

|                          |                               |                 |
|--------------------------|-------------------------------|-----------------|
| Matthieu Elshout (Chair) | PGGM                          | The Netherlands |
| Barbara Maltha-Koppelman | CBRE                          | The Netherlands |
| Debbie Hobbs             | Legal & General Property      | United Kingdom  |
| Elsa Rodrigues Monteiro  | Sonae Sierra                  | Portugal        |
| Etienne Dupuy            | Invesco                       | France          |
| Fredrik Stake            | Storebrand Fastigheter        | Sweden          |
| Nina Reid                | M&G Real Estate               | United Kingdom  |
| Peter van den Tol        | Grontmij Capital Consultants  | The Netherlands |
| Ralph Wood               | AXA Real Estate               | United Kingdom  |
| Sophie Carruth           | LaSalle Investment Management | United Kingdom  |
| Thomas Beyerle           | Catella                       | Germany         |



# INREV Committees

## Tax Committee

**Goal:** To facilitate a significant increase in market knowledge of the tax aspects of European non-listed property vehicles, to explore ways to optimise the performance of pan-European property funds through the harmonisation of tax structures, and to monitor tax developments affecting non-listed structures.

|                            |                           |                 |
|----------------------------|---------------------------|-----------------|
| Evert-Jan Spoelder (Chair) | APG Asset Management      | The Netherlands |
| Claire Treacy (Vice Chair) | Valad Europe              | United Kingdom  |
| Carsten Boedecker          | Bepartners                | Germany         |
| Jeroen Elink Schuurman     | PwC                       | The Netherlands |
| Jürgen Grieb               | Cording Real Estate Group | United Kingdom  |
| Matt Probert               | Cordea Savills            | United Kingdom  |
| Paul Taylor                | Hines                     | United Kingdom  |
| Phillip Bjork              | Genesta                   | Sweden          |
| Pierre Kreemer             | KPMG Europe               | Luxembourg      |
| Richard van der Linden     | Prologis                  | The Netherlands |

## Training & Education Committee

**Goal:** To support the training needs and demands of members – and their employees – while at the same time increasing their knowledge of the non-listed real estate vehicles market, specifically with regards to INREV output, and also to improve the number and availability of training courses on the non-listed real estate market.

|                                  |   |                 |
|----------------------------------|---|-----------------|
| James Raynor (Chair)             | Grosvenor Fund Management               | United Kingdom  |
| Boris van Warmerdam (Vice Chair) | Bouwinvest                              | The Netherlands |
| Darren Stolzenberg               | Nabarro                                 | United Kingdom  |
| Iris Aalders                     | CBRE Global Investors                   | The Netherlands |
| John Davison                     | Lucerne University                      | Switzerland     |
| Kataryna Podolieva               | Varma Mutual Pension Insurance Company  | Finland         |
| Lauren Smith                     | Rockspring Property Investment Managers | United Kingdom  |
| Paul Lawrence                    | Elian                                   | Luxembourg      |
| Sven Behrends                    | PwC                                     | Germany         |
| Witsard Schaper                  | Franklin Templeton                      | United States   |



# INREV Membership

Membership of INREV is at a corporate level, and is divided into the following categories:

|                     |   |
|---------------------|---|
| Full Membership     | Open to participants in the European non-listed real estate investment industry. These include institutional investors*, fund managers and fund of funds managers, as well as advisors, such as accountants and lawyers. Full members have the right to vote during INREV's annual general meeting.<br>*An introductory membership fee for institutional investors was approved by the Management Board and came into effect from January 2015. |
| Academic membership | Open to non-profit research institutions and universities. Academic members may participate in committees and other INREV activities and events, but cannot vote during the annual general meeting.   |

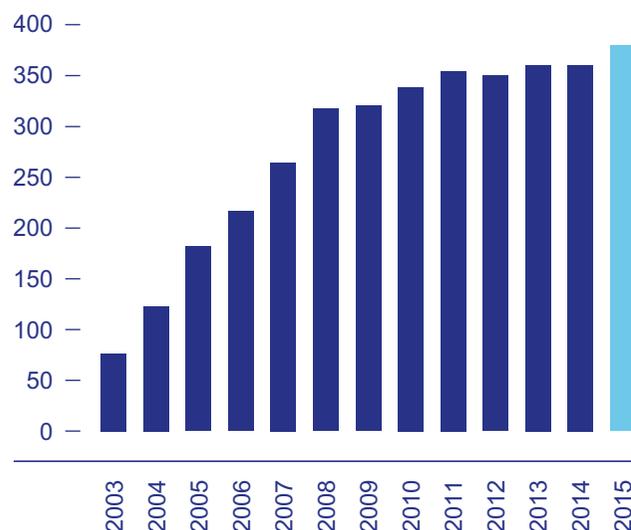
**+20** ↑

## Membership Growth

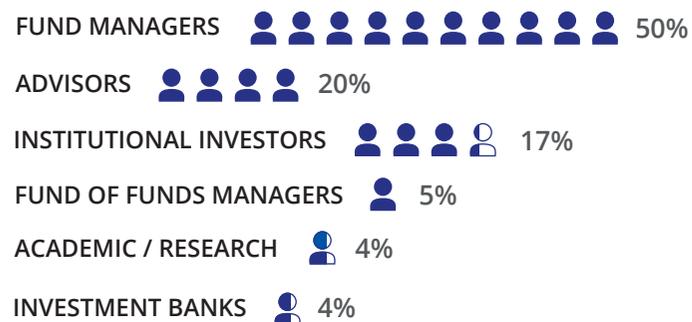
INREV membership grew by 20 in 2015, with 40 new members and 20 cancellations. Cancellations mainly resulted from strategic refocusing of businesses, as well as mergers. In total, there are 362 full members and 16 academic members spread over 26 countries. An up-to-date list of members is provided at the end of this report, in Appendix 2.

Investor support continues to be key to INREV's work. At the end of December 2015, INREV had 64 institutional investor members and 19 fund of funds manager members. Of these, 45 investors and 17 fund of funds managers are members of the Investor Platform.

## Membership growth 2003 – 2015



## Membership by company type



Our 378 corporate members are represented by more than 5,500 individuals, who play an important role in the delivery of services to our members by responding to surveys, attending seminars, workshops and meetings, and through membership of various committees, project teams and working groups.

# Financial Report

## Membership Composition and Growth

The Management Board recognises its responsibility to prepare Financial Statements each year that give a true and fair view of the state of affairs of the Association and of the profit or loss for the period under review.

In preparing these Financial Statements the Management Board has:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent
- considered whether the going concern basis of accounting is appropriate.

The Management Board is responsible for keeping appropriate accounting records that disclose, with reasonable accuracy at any time, the financial position of the Association. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In 2015, the consolidated financial statements of INREV and INREV Services show:

- Members fund decreased from €2,086,942 as per 31.12.2014 to €1,743,151 as per 31.12.2015.
- A net loss of €343,791, which is a result of total after tax expenditure of €5,045,640 (compared against €4,461,590 in 2014) over a total income (incl. interest) of €4,701,849 (compared against €4,539,648 in 2014).
- Bank increased from €1,811,456 in 2014 to €1,926,119 in 2015.

- Total Income 2015 increased to €4,657,210 compared to €4,467,931 in 2014.
- Output and Services Cost in 2015 amounted to €1,356,995 compared with €1,243,976 in 2014.
- Personnel cost increased from €1,791,447 in 2014 to €1,950,286 which reflects the growing number of INREV employees.
- Other costs increased in 2015 to €556,038 from €475,848 in 2014. The increase is mainly driven by the development of a CRM system.



# Auditor's Report

The Financial statements 2015 include the consolidated figures for INREV and INREV Services B.V. for presentation purposes. The auditor's reports for each company are enclosed with the separate financial statements of INREV and INREV Services B.V. and are available to be viewed at the INREV office.

The individual auditor's reports state that:

- VanNu Accountants (hereafter referred to as the auditor) have audited the financial statements for the year ended 31 December 2015, which comprises the balance sheet as at 31 December 2015, the income and expenditure account for the year then ended and the notes.
- It is the auditor's responsibility to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with Dutch law. This law requires that the auditor complies with ethical requirements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
- The audit evidence that has been obtained is sufficient and appropriate to provide a basis for the audit opinion.
- In the opinion of the auditor, the financial statements give a true and fair view of the financial position of the European Association for Investors in Non-listed Real Estate Vehicles and INREV Services B.V as at 31 December 2015, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

## **NOTICE OF GENERAL MEETING**

The Management Board will give due notice to members of its Annual General Meeting, which is scheduled for 19 April 2016 in Vienna.

These Financial Statements are approved on behalf of the Management Board:

Chairman  
Patrick Kanters  
Amsterdam, March 22, 2016

Treasurer  
Allan Mikkelsen  
Amsterdam, March 22, 2016



# Income and Expenditure Account 2015

|  | Note | Year ended 31 December |                         | Year ended 31 December |                         |
|--|------|------------------------|-------------------------|------------------------|-------------------------|
|  |      | 2015<br>€              | 2015<br>€               | 2014<br>€              | 2014<br>€               |
| <b>Income</b>                            |      |                        |                         |                        |                         |
| Membership fees                          |      | 3,424,293              |                         | 3,356,856              |                         |
| Fees and sponsorship conferences         |      | 1,048,170              |                         | 948,365                |                         |
| Training fees                            |      | <u>184,747</u>         |                         | <u>162,710</u>         |                         |
|  |      |                        | 4,657,210               |                        | 4,467,931               |
| <b>Expenses</b>                          |      |                        |                         |                        |                         |
| Costs of conferences                     |      | 942,213                |                         | 744,730                |                         |
| Costs of training and education          |      | 224,309                |                         | 194,844                |                         |
| Output and services                      | 2    | 1,356,995              |                         | 1,243,976              |                         |
| Personnel costs                          | 3    | 1,950,286              |                         | 1,791,447              |                         |
| Depreciation on tangible fixed assets    | 6    | 14,377                 |                         | 14,240                 |                         |
| Other costs                              | 4    | <u>556,038</u>         |                         | <u>461,609</u>         |                         |
|  |      |                        | 5,044,218               |                        | 4,450,846               |
| Net operating income                     |      |                        | -387,008                |                        | 17,085                  |
| Net interest and other income            | 5    |                        | <u>44,639</u>           |                        | <u>71,717</u>           |
| Surplus before tax                       |      |                        | -342,369                |                        | 88,802                  |
| Corporate tax                            |      |                        | <u>-1,422</u>           |                        | <u>-10,744</u>          |
| Net surplus                              |      |                        | <u>-343,791</u>         |                        | <u>78,058</u>           |
| Specification of Members' funds:         |      |                        |                         |                        |                         |
| Members' funds as of 1 January           |      |                        | 2,086,942               |                        | 2,008,884               |
| Net result transferred to Members' funds |      |                        | <u>-343,791</u>         |                        | <u>78,058</u>           |
| <b>Members' funds as of 31 December</b>  |      |                        | <b><u>1,743,151</u></b> |                        | <b><u>2,086,942</u></b> |



# Balance Sheet 31 December 2015

|                           | Note | 2015<br>€        | 2015<br>€        | 2014<br>€        | 2014<br>€        |
|---------------------------|------|------------------|------------------|------------------|------------------|
| Assets employed :         |      |                  |                  |                  |                  |
| Tangible fixed assets     | 6    |                  |                  |                  |                  |
| Computer equipment        |      | 26,567           |                  | 23,867           |                  |
| Furniture and fittings    |      | <u>8,704</u>     |                  | <u>13,653</u>    |                  |
|                           |      |                  | 35,271           |                  | 37,520           |
| Current assets            |      |                  |                  |                  |                  |
| Debtors                   | 7    | 727,084          |                  | 872,143          |                  |
| Bank                      |      | <u>1,926,119</u> |                  | <u>1,811,456</u> |                  |
|                           |      | 2,653,203        |                  | 2,683,599        |                  |
| Current liabilities       |      |                  |                  |                  |                  |
| Trade and other creditors | 8    | <u>945,323</u>   |                  | <u>634,177</u>   |                  |
| Net current assets        |      |                  | 1,707,880        |                  | 2,049,422        |
| Net assets                |      |                  | <u>1,743,151</u> |                  | <u>2,086,942</u> |
| Represented by:           |      |                  |                  |                  |                  |
| Members' funds            |      |                  | <u>1,743,151</u> |                  | <u>2,086,942</u> |



# Cashflow Statement 2015

|  | Year ended 31 December |                       | Year ended 31 December |                        |
|--|------------------------|-----------------------|------------------------|------------------------|
|  | 2015<br>€              | 2015<br>€             | 2014<br>€              | 2014<br>€              |
| Net deficit / surplus for the year     |                        | -343,791              |                        | 78,058                 |
| Add: non cash items                    |                        |                       |                        |                        |
| Depreciation                           |                        | <u>14,377</u>         |                        | <u>14,240</u>          |
| Funds / deficit from operations        |                        | -329,414              |                        | 92,298                 |
| Add:                                   |                        |                       |                        |                        |
| Decrease in debtors                    |                        |                       |                        |                        |
| Increase in current liabilities        | 145,059                |                       |                        |                        |
|  | <u>311,146</u>         |                       | <u>-</u>               |                        |
|  |                        | 456,205               |                        | -                      |
| Less:                                  |                        |                       |                        |                        |
| Increase in debtors                    | -                      |                       | -294,311               |                        |
| Purchase of fixed assets               | -12,128                |                       | -14,027                |                        |
| Decrease in current liabilities        | <u>-</u>               |                       | <u>-192,453</u>        |                        |
|  |                        | -12,128               |                        | -500,791               |
| <b>Net cash inflow for the year</b>    |                        | <b><u>114,663</u></b> |                        | <b><u>-408,493</u></b> |
| Bank at beginning of year              |                        | 1,811,456             |                        | 2,219,949              |
| Bank at end of year                    |                        | 1,926,119             |                        | 1,811,456              |
| <b>Net increase / decrease in bank</b> |                        | <b><u>114,663</u></b> |                        | <b><u>-408,493</u></b> |



# Notes to the Accounts

## 1. Accounting Policies

### General

These Financial Statements are prepared on the historical cost basis.

### Tangible fixed assets

Tangible fixed assets are valued at acquisition cost. Depreciation is calculated using the straight-line method with an annual rate of depreciation of 20% for all movable goods.

|                                     | 2015             | 2014             |
|-------------------------------------|------------------|------------------|
| <b>2. Output and Services costs</b> | €                | €                |
| Market Information & Research       | 149,743          | 62,383           |
| Professional Standards              | 187,292          | 126,517          |
| Public Affairs                      | 20,063           | 19,457           |
| Events / Meetings                   | 484,579          | 505,426          |
| Online Tools and Website            | 190,552          | 220,521          |
| Information Distribution            | 98,287           | 57,529           |
| Communication & Promotion           | 224,238          | 245,982          |
| Other                               | 2,241            | 6,161            |
|                                     | <u>1,356,995</u> | <u>1,243,976</u> |
| <b>3. Personnel costs</b>           |                  |                  |
| Permanent staff salaries            | 1,514,911        | 1,337,651        |
| Social security charges             | 171,259          | 164,185          |
| Pension charges                     | 83,566           | 83,196           |
| Sickness insurance                  | 32,218           | 25,660           |
| Temporary staff costs               | 57,258           | 32,290           |
| Staff training                      | 25,602           | 54,375           |
| Recruitment costs                   | 38,405           | 61,836           |
| Other staff costs                   | 27,067           | 32,254           |
|                                     | <u>1,950,286</u> | <u>1,791,447</u> |

During the financial year the Association employed an average of 20,26 (FTE) employees (2014: 19,01).

# Notes to the Accounts

|                                 | <b>2015</b>    | <b>2014</b>    |
|---------------------------------|----------------|----------------|
|                                 | €              | €              |
| <b>4. Other costs</b>           |                |                |
| Office rent and related charges | 190,495        | 179,794        |
| IT management                   | 211,674        | 101,523        |
| Audit and administration fees   | 19,232         | 24,907         |
| Legal costs                     | 53,770         | 49,954         |
| Insurance                       | 7,675          | 6,703          |
| Office supplies                 | 14,356         | 28,140         |
| Communication costs             | 27,703         | 24,886         |
| Postage                         | 1,001          | 652            |
| Provision for bad debts         | -10,000        | -4,906         |
| Other office costs              | 40,132         | 49,956         |
|                                 | <u>556,038</u> | <u>461,609</u> |

|   |               |               |
|---|---------------|---------------|
| <b>5. Net interest and other income</b> |               |               |
| Interest receivable                     | 18,189        | 27,732        |
| ANREV license income                    | 26,450        | 43,985        |
|   | <u>44,639</u> | <u>71,717</u> |

| <b>6. Tangible fixed assets</b>  | <b>Furniture and fittings</b> | <b>Computer equipment</b> | <b>Total</b>   |
|----------------------------------|-------------------------------|---------------------------|----------------|
|                                  | €                             | €                         | €              |
| <b>Cost</b>                      |                               |                           |                |
| Balance as of 1 January 2015     | 146,718                       | 62,600                    | 209,318        |
| Purchases in 2015                | -                             | 12,128                    | 12,128         |
| Divestments in 2015              | -                             | -                         | -              |
| Balance as of 31 December 2015   | <u>146,718</u>                | <u>74,728</u>             | <u>221,446</u> |
| <b>Accumulated depreciation</b>  |                               |                           |                |
| Balance as of 1 January 2015     | 133,065                       | 38,733                    | 171,798        |
| Depreciation in 2015             | 4,949                         | 9,428                     | 14,377         |
| Depreciation divestments in 2015 | -                             | -                         | -              |
| Balance as of 31 December 2015   | <u>138,014</u>                | <u>48,161</u>             | <u>186,175</u> |



# Notes to the Accounts

## Net book value

|                        |               |               |               |
|------------------------|---------------|---------------|---------------|
| As of 1 January 2015   | <u>13,653</u> | <u>23,867</u> | <u>37,520</u> |
| As of 31 December 2015 | <u>8,704</u>  | <u>26,567</u> | <u>35,271</u> |

**2015**

**2014**

€

€

## 7. Debtors

|   |                |                |
|---|----------------|----------------|
| Members for fees, included reservation for debt write off | 63,493         | 54,301         |
| VAT, payroll taxes, pension and social security premiums  | 135,868        | 95,244         |
| Corporate Tax   | 14,090         | -              |
| Prepayments   | 293,423        | 247,335        |
| Prepayment costs Annual Conference                        | 210,536        | 446,380        |
| Other   | 9,674          | 28,883         |
|   | <u>727,084</u> | <u>872,143</u> |

## 8. Creditors

|   |                |                |
|---|----------------|----------------|
| Trade creditors                                     | 458,508        | 297,408        |
| Payroll taxes, pension and social security premiums | 28,055         | 34,728         |
| Corporate Tax                                       | -              | 3,133          |
| Costs to be paid                                    | 350,766        | 244,096        |
| Received in advance                                 | 37,300         | -              |
| Accruals  | 70,694         | 54,812         |
|   | <u>945,323</u> | <u>634,177</u> |

## 9. Contractual commitments

The Association has long term unconditional obligations for rent and service charges on its office premises of € 871,125 (€ 209,706 in 2016).

# Appendices

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# Appendix 1: Status of 2015 Actions

This section sets out the action points that were communicated in the inrev business plan 2015 - 2017 and provides an update on how inrev progressed them in 2015. It is broken down under the four main priorities and then sub-divided by service area.

## PRIORITY

To maintain INREV's leading position in the non-listed real estate investment industry in Europe and to ensure INREV attracts and retains key investors and market participants reflecting the diversity of the industry

### PROFESSIONAL STANDARDS

| Action  | Status  |
|---|---|
| Lead and support global focus groups for achieving global reporting standards, in joint effort with ANREV for Asia and NCREIF and PREA for the US, with a focus on the SDDS and TER.            | A Memorandum of Understanding was signed between INREV, PREA, NCREIF and ANREV with an aim to create a global set of guidelines. Global Committee Steering group is in place with representation from Asia, Europe and US. Formed Global task forces on Definitions and Fee and Expenses. Organised New York meeting around global standards. |
| Improve understanding, acceptance and adoption rate of the INREV Guidelines via dedicated member visits.  | Several members visits, new member webinars and presentations at conferences. Published <i>Trends in Investor Reporting</i> study. The INREV Guidelines were translated into German and with the support of ANREV into Japanese.  |
| Develop additional tools, examples and templates to support efficient implementation of the INREV Guidelines – specifically for smaller market players – and increase awareness of these tools. | Corporate Governance Self-Assessment has been revised and a framework built that will be used for all other guidelines self-assessments. Developed <i>AIFMD Manager Guidance</i> report and launched a Performance Measurement module in joint effort with the Performance Measurement focus group.   |

# Appendix 1: Status of 2015 Actions

## RESEARCH AND MARKET INFORMATION

| Action  | Status  |
|---|---|
| Explore the requirements of investors for a Global Investor Total Real Estate Performance Benchmark and publish a report and an Index accordingly.  | Scope of Global Investor Index determined, and data collection conducted – launch planned for 2016.   |
| Further expand the coverage of the INREV annual and quarterly index, by actively approaching investors and fund managers to submit data and promote the use of the SDDS as a means for submitting more granular fund data to INREV. | Historical data collection project conducted, data validated – migration of data into the database planned for 2016.<br>Working with the Class of 2020 to expand coverage of Student Accommodation Funds.<br>Working with BVI to expand coverage of German domiciled funds – Index launch planned for 2016. |
| Publish a comparison report on style classification: INREV style classification versus fund manager defined classification.   | Focus group formed between INREV, ANREV and NCREIF performance measurement and research committees; objectives of the project discussed. Completion scheduled for 2017.   |
| Provide further insight into composition of the non-listed real estate vehicles universe.   | Quarterly report on the INREV Vehicles database published one week following the INREV Quarterly Index publication.   |

# Appendix 1: Status of 2015 Actions

## PUBLIC AFFAIRS

| Action   | Status   |
|--|--|
| Continue to lead the European real estate investment industry's efforts in Brussels to educate policy makers about the role of real estate as a long-term investment and its importance to the European economy, growth, job creation and stability through leading the European Real Estate Forum.  | Updated <i>Real Estate in the Real Economy</i> report with 2014 full year figures. Continued to lead European Real Estate Forum (EREF), holding three meetings in 2015.              |
| Following the mid-2014 parliamentary elections and formation of the new European Commission, meet with new members of the European Parliament in key committee roles, and European Commission officials, to ensure they understand the contribution and importance of the non-listed real estate industry to economic activity, investment and job creation in Europe.   | Met with numerous members of the European parliament and new parliamentarians including Head of AIFMD unit at ESMA and Commission Vice President Katainen.                           |
| Further policy makers' awareness of INREV and the non-listed real estate industry and represent members' interests in formal and informal interactions related to Solvency II, the Alternative Investments Fund Managers Directive (AIFMD), the European Market Infrastructure Regulation (EMIR), sustainability-related measures and other relevant regulatory initiatives, by participating in public discussions, submitting position papers and engaging with key policy makers. | Filed 11 consultation responses to further policy makers awareness of INREV and the non-listed real estate industry.   |
| Provide members with comprehensive and authoritative information related to regulatory initiatives affecting non-listed real estate and their impact through training courses, webinars, articles, snapshots, roundtables, conferences, presentations and personal interaction.  | <i>AIFMD Reference Guide</i> updated in October. Presented regulatory content at AIFMD course, Foundation Course, Solvency II course. Contributed to 10 articles in key trade press. |
| Further develop industry-wide cooperation to increase the profile and advance the interests of the non-listed real estate industry by increasing the frequency and level of engagement among international and national real estate investment related associations participating in the European Real Estate Forum.   | Two new associations joined EREF in 2015, the Swiss Fund and Asset Management Association (SFAMA) and ASSOIMMOBILIARE from Italy.  |

# Appendix 1: Status of 2015 Actions

## TRAINING

| Action  | Status  |
|---|---|
| Encourage participation of non-member investors at INREV training courses, for example via cooperation strategies with national industry bodies or member organisations.          | Worked with NCREIF, ALFI and GIF which resulted in several non-members investor representatives attending the training courses.                                   |
| Offer 12 one-day and two-day training courses covering core and current topics in multiple locations.   | Delivered 14 training courses in 2015.  |
| Offer 10 tailored young professionals educational and social initiatives in the main European hubs: Amsterdam, London, Frankfurt, Munich and Stockholm.                           | 10 tailored events were held in Amsterdam, London, Frankfurt, Munich and Stockholm.   |
| Offer at least 10 webinars (live and recorded) on relevant topics for the industry in English as well as in main European languages such as French, German and Italian.           | In total 11 webinars were delivered in 2015, including one each in French, German and Italian.  |
| Refresh and update course content and further tutor educational skills where applicable in order to ensure topics remain relevant and in line with the market and industry needs. | New course on joint ventures and club deals designed. The content in all other 13 courses was updated; two train-the-trainer courses were delivered to 11 tutors. |
| Investigate the format of a possible INREV certificate, to be awarded after attending a defined sequence of educational events and training courses and passing an assessment.    | Certificate agreed on with Henley Business School. The framework will be designed and implemented in 2016.  |

# Appendix 1: Status of 2015 Actions

## COMMUNICATION AND EVENTS

| Action  | Status  |
|---|---|
| Increase investor membership by 15% through continuance of an investor outreach programme which includes one-to-one meetings, non-member investor round tables and a new introductory investor membership fee.              | Introductory membership fee launched and taken up by all 9 institutional investors who joined in 2015.  |
| Further increase coverage of INREV and the non-listed real estate industry in the wider financial and national press.   | Press coverage increased by 33% in 2015.  |
| Launch and roll out a refreshed INREV brand to visually improve communication while maintaining a strong and consistent brand identity.   | INREV brand guidelines created to refresh and modernise the INREV brand while maintaining a strong and consistent identity across all communications.   |
| Further improve accessibility of information and user experience online.  | Overview pages were added to each section to summarise available content and improve navigation. Additions included a research section, quick links on home page to buried / frequently used content. The guidelines section was restructured to improve usability. |
| Improve accessibility and readership levels of the IQ magazine.   | Print version was re-designed in March and the online version was designed and built, ready to be launched in March 2016.   |
| Implement and build a suitable Customer Relationship Management (CRM) tool to support and further develop relations with existing and new members.  | Implemented, with base CRM launched in January 2016. To be followed by data clean up and additional CRM functionality in 2016.  |
| Further develop a social media plan to create engaging content amongst members on LinkedIn and Twitter.   | Implemented, Twitter followers increased by 72% and LinkedIn followers by 62%.  |
| Continue to offer a wide range of accessible and high quality events to members and prospective members. This will include seven investment intentions seminars, the Annual Conference and the Young Professionals Seminar. | All events delivered including seven investment intentions seminars, the Annual Conference and the Young Professionals Seminar.   |
| Offer four round table events to specialised groups in the membership.  | Two round tables delivered: the Advanced Tax Round Table in May and the CFO Round Table in November.  |
| Offer a seminar in North America.   | Completed, delivered in September with 95 attendees.  |

## PRIORITY

To further advance the academic rigour of INREV's research programme and lead the development of globally consistent market practices

# Appendix 1: Status of 2015 Actions

## PROFESSIONAL STANDARDS

| Action   | Status   |
|--|--|
| Compare the revised INREV Guidelines and updated NCREIF / PREA Standards (US) with the aim of developing guidance, which allows market participants to seamlessly move from one set of guidelines to the other and integrate where possible. | <i>INREV Guidelines and NCREIF/PREA Reporting Standards A Broad Comparison</i> paper published in October.   |
| Publish revised Pension Funds Tool highlighting the differences in legislation, regulatory oversight as well as pension investment policies, barriers and opportunities.   | Published <i>Global Pension Funds Landscape</i> report providing insights into the legal, regulatory and tax regimes of pension fund systems worldwide by: <ul style="list-style-type: none"> <li>• Outlining the impact of the transition from defined benefit to defined contribution schemes</li> <li>• Sharing industry experts' personal views on current regimes and their expectations for future trends</li> </ul> |
| Promote the INREV Standard Data Delivery Sheet (SDDS) in Europe, Asia and the US, by furthering cooperation with local organisations to develop global standards.  | Restarted SDDS focus group with partly new members. Hosted two workshops in London and Frankfurt to discuss past, present and future.  |
| Host a series of European SDDS workshops to further acceptance of the SDDS by investors and managers and support these constituents in their implementation procedures.  | Two SDDS Workshop held in London and Frankfurt in November   |
| Explore the possible addition of asset level information alongside fund level information in tools such as the SDDS.   | Developed initial road map for 2016 and included to work on asset level information (discussions around regulatory requirements such as Solvency II)   |

# Appendix 1: Status of 2015 Actions

## RESEARCH AND MARKET INFORMATION

| Action  | Status   |
|---|--|
| Support and publish quality academic research on the non-listed real estate sector, the findings of which are to be presented externally.                       | Presentation of three academic papers at ERES Conference 2016.<br>Presentation of <i>Persistent Performance of Core European Non-Listed Real Estate Funds</i> at the Young Professionals Conference.<br>Presentation of <i>Capital Expenditure and Performance: case of Germany, the Netherlands, UK and USA</i> at the Annual Conference. |
| Provide a consistent approach to global research by collaborating with ANREV, NCREIF and PREA on global updates of existing INREV studies eg Capital Raising.   | Global expansion of Funds of Funds Study, carried out in conjunction with ANREV for the first time.<br>Global expansion of Fund Manager and Capital Raising Surveys, carried out together with ANREV and NCREIF for the time.  |
| Conduct a study, with ANREV, on the approach Asian investors take in their decision making process when investing in European or US non-listed funds.           | Taken off the agenda.  |
| Provide insight into the trends in global allocation to non-listed real estate vehicles by large players, such as SWFs, pension funds and private equity funds. | Global expansion of INREV surveys to capture trends in global allocation to non-listed real estate vehicles.   |
| INREV commissioned academic research to be presented at the 2015 ERES Conference.   | Commissioned two academic papers that were presented at the ERES Conference 2015: <i>Status and Influence of Corporate Governance</i> and <i>Risk Factors Analysis of European Non-Listed Real Estate Funds</i> .  |

## PUBLIC AFFAIRS

| Action  | Status  |
|---|---|
| Build on the Real Estate in Real Economy research report series with a new project focused on the economic role and contribution of real estate debt, for use in meetings with policy makers and in INREV public affairs publications, articles and consultation submissions. | <i>Real Estate in the Real Economy</i> research updated with full year data for 2014.<br>Commissioned real estate debt project. Wrote numerous articles in key trade press and submitted 11 consultation responses. |
| As the deadline for full implementation of Solvency II requirements in January 2016 nears, continue to analyse the impact of Solvency II and inform members of its expected effects on investment and strategic asset allocations.  | Led Solvency II training course and contributed to articles in key trade press.   |
| Develop a case study showing how real estate investment has spurred the revitalisation of urban areas, leading to local and regional economic growth and job creation.  | Under development.  |

# Appendix 1: Status of 2015 Actions

## TRAINING

| Action   | Status  |
|--|---|
| Continue to promote the Global Real Estate Fund Index through webinars and live sessions.  | Webinar on Index delivered.   |
| Disseminate the key findings of the investment intentions survey via a webinar.  | Webinar delivered on investment intentions results.   |
| Incorporate select INREV research studies such as Liquidity and Debt Funds within the educational programme, in order to promote them and link with business practice. | Liquidity and debt funds were included in the Liquidity training course and in the Debt Funds Webinar.                                |
| Educate the industry on the revised INREV Guidelines by including relevant modules in course content.  | Guidelines included in several training courses such as Fund Valuation, the Foundation course and the Performance Measurement course. |
| Support the globalisation of the INREV Guidelines via a re-run of the North American course.   | The INREV Guidelines were presented in the New York training course in September.   |

# Appendix 1: Status of 2015 Actions

## COMMUNICATION AND EVENTS

| Action   | Status   |
|--|--|
| Continue to incorporate INREV output in the event programmes, such as the Revised INREV Guidelines, public affairs updates and results of various research studies.                                      | The following topics were covered in the events programme: Liquidity, risk management, capital flows, alternative sectors and consolidation.   |
| Further support the globalisation of the Guidelines by including them in the North American Seminar programme.   | INREV Guidelines were discussed in the panel discussion during the North American Seminar in September.  |
| Effectively communicate the results of global research studies and the INREV Guidelines through opinion pieces and global comparison articles in the IQ and key media.                                   | Press coverage increased by 33%, including contributed articles, interviews, contributing and commenting on news and press releases. The IQ included a new research corner and reports of members' round table discussions on the value of INREV research in the market today. |
| Promote global research topics and the INREV Guidelines at key global industry events through speaking opportunities with INREV staff and involved members.  | INREV staff presented at 38 industry events in 2015, including global industry events such as NCREIF and PREA Conferences in US, the ANREV Annual Conference in Asia and the Global Real Estate Forum in Toronto.  |
| Develop our presence in Asia by investigating the possibility of holding our first seminar in Asia in 2016 to promote the European non-listed real estate industry to Asian investors and fund managers. | Investigation completed. Results show that there is interest in INREV providing an event in Asia.  |
| Continue to offer local seminars in national languages to discuss relevant global topics and overcome language barriers. In 2015 two breakfast meetings are scheduled in Italy and Germany.              | Two breakfast meetings were held in Milan and Paris.   |

# Appendix 1: Status of 2015 Actions

## PRIORITY

To improve market participants' understanding of, and to reduce barriers to investing in, the expanded range of non-listed products such as joint ventures, separate accounts, club deals and debt funds

## PROFESSIONAL STANDARDS

| Action   | Status  |
|--|---|
| Develop a checklist and self-assessment tool for Guidelines adoption and compliance that is intuitive and easy to use for members and has the potential to develop as a benchmarking tool to compare with peers. | Refreshed the INREV Guidelines online environment with new content and pages explaining the modules. Started working on new checklists and online self-assessment tool.   |
| Explore and develop product specific guidelines and standards for debt funds, club deals and joint ventures including a heads of terms template for joint ventures.  | Worked on joint ventures with the Due Diligence group and explored the need for dedicated guidelines which will be followed up in 2016.<br>Worked with Debt fund focus group and organised Debt Fund half day event in London |
| Develop further guidance on fund termination versus roll-over, for example in the case of fund exits, how to deal with conflicts between exiting and remaining investors, and how to deal with co-investments.   | Start co-operation with AREF and IPF to create guidance on end of fund life   |
| Support specific member interest by offering topical round tables such as the Advanced Tax Round Table sessions.   | Delivered In Amsterdam in May.  |

## RESEARCH AND MARKET INFORMATION

| Action   | Status   |
|--|--|
| Support and publish a study on the vehicle liquidity requirements of investors in the non-listed real estate industry.           | Published paper on <i>Investors' Perspective of Liquidity of Indirect Real Estate</i> .                                      |
| Conduct a study to compare the fees between listed and non-listed real estate vehicle investment.                                | Study modified to <i>Cost Transparency in Listed and Non-Listed Real Estate</i> - completion scheduled for 2016.             |
| Further develop the research on total expense ratio (TER) comparisons, ensuring consistency with the INREV Guidelines framework. | Management Fees & Terms questionnaire updated to reflect recent updates to the Fees & Expense Metrics modules in early 2016. |
| Support a study on the contribution of real estate debt to the real economy, in conjunction with public affairs.                 | Report in final stages – completion scheduled for 2016.  |

# Appendix 1: Status of 2015 Actions

## PUBLIC AFFAIRS

| Action   | Status  |
|--|---|
| Use the results of the research project focused on the economic role and contribution of real estate debt in interactions with policy makers to encourage equitable treatment of real estate debt products under Solvency II and other regulatory initiatives. | The results of the debt project were cited in two submissions: One on capital market union and the other in the industry letter to Juncker.           |
| Inform policy makers about EU regulatory initiatives' potential impacts on debt funds, joint ventures, separate accounts and club deals as well as non-listed funds generally.   | Submissions on shadow banking and the Juncker Plan included specific arguments for various vehicles, specifically debt funds.                         |
| Provide members with information related to regulatory initiatives that could impact these products, through training courses, webinars, articles, snapshots, roundtables, conferences, presentations and personal interaction.                                | Presented at the AIFMD training course and Foundation course, spoke at 10 industry events and contributed to ten articles in real estate trade press. |

## TRAINING

| Action  | Status   |
|---|--|
| Investigate and launch a one-day training course covering joint ventures, club deals and separate account products. Update and restructure the Debt Financing Course, which will examine the financing landscape and debt funds products. | New course deigned on joint ventures and club deals, delivered in early 2016. Debt Financing Course was updated and delivered. |
| Include the above products in the updated Effective Due Diligence Course, which will be revised in 2015 after not being offered for two years.  | The Effective Due Diligence Course was updated with information on wide range of non-listed vehicles.                          |

# Appendix 1: Status of 2015 Actions

## EVENTS AND COMMUNICATION

| Action  | Status  |
|---|---|
| Continue to cover non-listed investment strategies in the event programmes.   | Discussed during the panel discussion at the seven Investment Intentions events.  |
| Develop and submit opinion articles to key media, providing explanations behind key trends seen in INREV data and analysis. | In total 20 contributed articles were submitted to press on various topics.   |
| Roll out a website poll to track member and non-member sentiment.   | Implemented and rolled out two surveys on sustainability and GREXIT, but limited response levels meant the data was not robust enough to form industry consensus.   |
| Improve visual communication of INREV data, products and services through infographics, self-tutorials and videos.          | A tutorial was developed to navigate website users through the INREV Guidelines. Six infographics were developed and a video was released on the results of Investment Intentions Survey. Five interviews were set up between INREV key staff/members and PrivCap, a US based news service, producing a number of short videos. All publications were changed to landscape format to improve online viewing of information, with less scrolling needed. |
| Organise a series of seven seminars to present the key findings of the Investment Intentions Survey.                        | Delivered throughout January and February.  |

## PRIORITY

To promote non-listed real estate as a mature and transparent way for investors to gain exposure to real estate

## PROFESSIONAL STANDARDS

| Action   | Status  |
|--|---|
| Publish articles on different aspects of professional standards and develop snapshots on current topics.   | Contributed articles to IP&E Real Estate magazine and a guide to standards. Published tax briefings and contributed articles to the IQ magazine on AIFMD and Performance Measurement. |
| Further develop INREV's position on the importance of sustainability; develop the Sustainability Committee as a centre of expertise to drive better understanding on the relevance of sustainability by industry participants. | Increased awareness around sustainability by launching online sustainability library. Collaborated with GRESB about revision of Guidelines  |
| Develop a performance measurement module to be included in the INREV Guidelines.   | Performance Measurement Module launched.  |

# Appendix 1: Status of 2015 Actions

## RESEARCH AND MARKET INFORMATION

| Action  | Status  |
|---|---|
| Conduct a study into the life cycle of a fund and the key characteristics that drive fund performance.  | Study on <i>Risk Factors Analysis of European Non-Listed Real Estate Funds</i> completed, giving a better understanding of the drivers of fund performance. |
| Conduct a study on the fundamental characteristics of a robust index and a robust benchmark for non-listed real estate vehicles.                                  | Ongoing improvement to the existing INREV indices, coupled with the launch of the Performance Measurement guideline module.                                 |
| Provide insight into the key characteristics of core non-listed real estate funds, comparing Europe, Asia and the US, in conjunction with ANREV, NCREIF and PREA. | Continued focus on expanding the Global Real Estate Fund Index (GREFI) to better understand non-listed funds across Europe, Asia Pacific and the US.        |

## PUBLIC AFFAIRS

| Action   | Status   |
|--|--|
| Work to achieve fair and equitable treatment of non-listed real estate in European regulatory initiatives, to maintain its attractiveness as an asset class for institutional investors around the globe by ensuring regulators, policy makers and supervisors understand the importance of real estate investment to economic stability, growth and job creation in Europe and the vital social role played by real estate investors such as pension funds and insurance providers. | Submitted 11 responses to industry consultations and met with numerous members of parliament, the OECD and the Bank of England, to educate them on the importance of real estate and ensure equitable treatment. |

## TRAINING

| Action   | Status  |
|--|---|
| Offer a new edition of the North American training course, to inform and educate members and non-members interested in the framework and best practice of European non-listed investment products. | North America Training course delivered in September, covering European non-listed investment products.                           |
| Educate students enrolled in real estate masters programmes at leading European Universities about the non-listed investment industry.   | University Outreach programme was established and lectures took place at Bocconi, Regensburg, Cambridge and Reading Universities. |

# Appendix 1: Status of 2015 Actions

## EVENTS

| Action  | Status   |
|---|--|
| Design a brochure to outline the benefits of INREV membership and the products and services offered by INREV  | The brochure was written, with the design to be completed in early 2016.   |
| Set up expert round table sessions to discuss topical subjects such as varying pension systems and their impact on real estate investment strategies, and communicate results via key media.        | Expert round table set up to discuss INREV content and results compared to practice in the industry; communicated in the IQ. The format for the pensions round table was designed, but negotiations are yet to be finalised on which media channel will cover the subject. |
| Initiate and further develop relationships with key non-European trade media in North America and Asia.   | Relationships were developed with non-European trade press such as PrivCap PERE and The Australian.  |
| Expand the events programme by investigating the possibility of holding the first Asian seminar in 2016 in order to promote the European non-listed real estate industry in Singapore or Hong Kong. | Investigation completed, establishing that there is interest in such an event in Asia.   |
| Continue to promote the European non-listed real estate industry in the North American conference programme.  | The North American event was held in September and covered drivers of risk, opportunities, hurdles and the outlook for European non-listed real estate.  |
| Initiate local investor breakfast meetings to inform and educate investors who are interested in investing in the non-listed real estate industry.  | Two investor breakfast events held in France and Italy.  |
| Host an Investor Round Table in order to increase investor member contribution, involvement and attendance.   | The Investor Only Seminar was held in April in Barcelona, at the time of the INREV Annual Conference.  |
| Develop and submit thought leadership articles on topical subjects and future trends to key media.  | Overall press coverage increased by 33%.   |
| Increase the visibility of the industry through representation at key investor events globally.   | INREV key staff participated and presented at 38 industry events in 2015.  |
| Initiate and develop relations with wider financial press.  | Ongoing relationships have been built with Financial Times in the UK, Financier Dagblad in the Netherlands, Immobilien Zeitung in Germany and Il Sole 24 Ore in Italy.   |

## Appendix 2: List of Members

**A**  
Aalto University School of Science and Technology  
Aberdeen Asset Management (FM)  
Aberdeen Asset Management (FOF)  
ABN AMRO REAL ESTATE  
Abu Dhabi Investment Authority  
Abu Dhabi Investment Council  
Accent Real Estate Investment Managers  
Accord Group Holdings LLC  
Addleshaw Goddard  
Adimmo AG  
AERIUM  
AEW Europe LLP  
AG Real Estate  
Alberta Investment Management Corporation (AIMco)  
Allen & Overy  
Allianz Real Estate GmbH  
Alma Property Partners  
Almazara | Real Assets Advisory  
AltaFund  
Altan Capital S.G.I.I.C, S.A.  
ALTER DOMUS Luxembourg S.à r.l.  
Altera Vastgoed N.V.  
Altus Group Limited  
AM alpha GmbH  
Amstar Global Partners, Ltd  
Amsterdam School of Real Estate  
Amundi Asset Management  
Amvest  
Amvest Residential Core Fund  
Anthos Asset Management  
Aon Hewitt Ltd.  
AP2  
AP4  
APG Asset Management  
ARCH Capital Management Company Limited

Arctic Securities ASA  
ARDIAN (fka AXA Private Equity)  
AREIM AB  
Arendt & Medernach  
Ares anagement  
Arminius Funds Management Limited  
Art-Invest Real Estate Funds GmbH  
Ärzteversorgung Niedersachsen  
ASR Real Estate  
ASR Real Estate Investment Management  
Atlantic Partners. Ltd  
Atoz SA  
ATP Real Estate  
Auxadi  
Aviva Investors Global Services Ltd  
Aviva Investors Real Estate Multi Manager (REMM)  
AXA Real Estate

**B**  
BDO  
Beacon Capital Partners  
BEOS AG  
Bepartners  
Berwin Leighton Paisner LLP  
BlackRock  
Blackstone  
Blue Sky Group (KLM)  
Bluehouse Capital Advisors  
BMO Real Estate Partners  
BNP Paribas Investment Partners NL N.V.  
BNP Paribas REIM  
BNP Paribas REIM Germany  
Bouwfonds Investment Management  
Bouwinvest  
Bouwinvest REIM  
Brevast B.V.

Brookfield Asset Management  
Brookland Partners LLP  
Brown Brothers Harriman  
Brunswick Real Estate  
BulwienGesa AG

**C**  
CACEIS BANK  
CAERUS Debt Investments AG  
Caisse des Dépôts-Fonds d'Epargne  
Canada Life Limited  
Capman Real Estate  
Capra Global Partners  
Cass Business School  
Castello SGR SPA  
Catalyst Capital LLP  
Catella AB  
CBRE B.V.  
CBRE Global Investment Partners Continental Europe BV  
CBRE Global Investors  
CBRE Valuation Advisory B.V.  
Certeum Oy  
CIM Group  
Citco  
Clarion Partners  
Clearbell Capital LLP  
Clifford Chance Deutschland LLP  
Clifford Chance LLP  
CMS  
CNP Assurances SA  
Colony Capital Group  
Commerz Real AG  
Composition Capital Partners  
Cording Real Estate Group Limited  
Corestate Capital AG  
Cornerstone Real Estate Advisers

## Appendix 2: List of Members

Corpus Sireo Investment Management Sarl  
CPP Investment Board  
Credit Suisse  
Crestbridge SA  
Crosslane Fund Managers  
CUREM / University of Zurich  
Cushman & Wakefield Corporate Finance

### D

Danica Pension  
Deka Immobilien Investment GmbH  
Deloitte  
Deutsche Asset & Wealth Management  
DIC Asset AG  
DLA PIPER UK LLP  
DNB Real Estate Investment Management  
DRC Capital LLP  
DTZ  
Dupuis

### E

E.ON SE  
Estdil Secured  
Eaton Partners LLC  
ECE Real Estate Partners  
Elian  
Elo Mutual Pension Insurance Company  
EQT Partners UK Advisors II LLP  
Equity Estate  
Etera Mutual Pension Insurance Company  
Eurindustrial N.V.  
Europa Capital Partners LLP  
European Business School Real Estate Management  
Institute  
EY

### F

Fabrica Immobiliare SGR  
FIL Investments International  
First Avenue Partners LLP  
First Swedish National Pension Fund (AP1)  
FONDAZIONE ENPAM  
Forum Partners Limited  
Franklin Templeton Real Asset Advisors  
FREO Investment Management Sarl  
Frogmore Real Estate Partners Investment Managers  
Limited

### G

Garbe Logistic AG  
GE Real Estate Investment Management  
Generali Real Estate S.p.A. – German Branch  
Genesta  
GI Partners Europe  
GIC Real Estate  
GLL Real Estate Partners GmbH  
Global Student Accommodation Group  
Goodman  
Goodwin Procter (UK) LLP  
Gothaer Asset Management AG  
Grainger plc  
Grant Thornton UK LLP  
Greenhill & Co  
GreenOak  
Greystar  
Grontmij Capital Consultants B.V.  
Grosvenor Continental Europe SAS  
GTIS Partners

### H

HAHN Fonds Management GmbH  
Hamburg Trust REIM Real Estate Investment

Management GmbH  
Hannover Leasing Investment GmbH  
Harbert Management Corporation (Europe) LLC  
Healthcare of Ontario Pension Plan (HOOPP)  
Heitman Real Estate Investment Management  
Helaba Invest  
Hermes Real Estate Investment Management Limited  
HFS - Helvetic Financial Services  
HIH Hamburgische Immobilien Handlung GmbH  
Hines  
Hodes Weill & Associates  
Hogan Lovells  
Houthoff Buruma  
Hunter Real Estate Investment Managers Limited

### I

IDea FIMIT SGR S.p.A.  
IEF Capital N.V.  
IEIF  
Ilmarinen Mutual Pension Insurance Company  
Impax Asset Management  
InfraRed Capital Partners Limited  
ING Real Estate Finance  
Institut der deutschen Wirtschaft Köln  
Institutional Real Estate, Inc  
Intermediate Capital Group (ICG)  
Invesco Real Estate Europe  
IPUT plc  
IREBS International Real Estate School, Universität  
Regensburg  
Ivanhoe Cambridge Europe

### J

Jamestown US - Immobilien GmbH  
Jensen Group  
Jones Lang LaSalle

## Appendix 2: List of Members

JP Morgan Asset  
JP Morgan Chase Bank  
Juristernes og Økonomernes Pensionskasse

### K

Kames Capital  
KanAm Grund Spezialfondsgesellschaft mbH  
Kempen & Co N.V.  
Keva  
KGAL GmbH & Co. KG  
King & Spalding LLP  
KPMG Europe  
Kristensen Properties  
Kromann Reumert  
KTI

### L

La Française  
LAGRANGE Financial Advisory GmbH  
Landmark Partners  
Langham Hall  
LaSalle Investment Management  
Lazard & Co Limited  
Legal & General Property  
LEIMDÖRFER  
Lend Lease Investment Management  
LGT Capital Partners  
LIC Asset Management GmbH  
Linklaters  
LocalTapiola General Mutual Insurance Company  
Lothbury Investment Management Ltd  
Loyens & Loeff  
LRI Invest S.A.  
Lucerne University of Applied Sciences and Arts

### M

M&G Real Estate  
M3 Capital Partners  
Macquarie Capital (Europe) Ltd  
Macquarie Infrastructure and Real Assets (MIRA)  
Madison International Realty LLC  
McArthurGlen UK Limited  
MEAG Munich ERGO Asset Management  
METRO PROPERTIES GmbH & Co. KG  
Meyer Bergman Europe Retail Partners  
Mitsui Fudosan UK Ltd  
Mn Services Vermogensbeheer  
Monument Group  
Moorfield Group  
Morgan Stanley  
Morgan Stanley Investment Management  
Morgan Stanley Real Estate Investing (MSREI)  
MPC Capital AG  
MSCI

### N

Nabarro  
NautaDutilh  
Neinver S.A.  
Niam AB  
Nippon Life Global Investors Americas, Inc.  
NN Group  
Nomura Real Estate  
Nordic Real Estate Partners  
Northam Realty Advisors Limited  
Northern Horizon Capital A/S  
Norton Rose Fulbright LLP

### O

OFI REIM  
Orangefield Group

Orchard Street Investment Management  
Orion Capital Managers  
OVG Real Estate  
Oxford Brookes University

### P

Palatium Investment Management Limited  
Palmer Capital  
Paramount Group Inc.  
Park Hill Real Estate Group  
Partners Group  
PATRIZIA Immobilien AG  
PAUL HASTINGS LLP  
Peaksid Capital  
Pembroke Real Estate  
Pensimo Management  
PFA Pension forsikringsaktieselskab  
PGGM N.V.  
PlusAlpina Real Estate Advisors GmbH  
Pohjola Property Management  
Poste Vita SpA  
Pradera  
Pramerica Real Estate Investors  
Prelios S.p.A.  
PROJECT Investment AG  
Prologis  
Provinzial NordWest Asset Management GmbH  
PW Real Assets LLP  
PwC

### Q

QIC  
Q-Park  
QREA Europe LLP  
Quantum Immobilien AG

## Appendix 2: List of Members

### R

R+V Lebensversicherung  
RAKLI  
Real Capital Analytics  
Real I.S. AG - Gesellschaft für Immobilien Asset Management  
REDEVCO B.V.  
Related Companies  
REVAM B.V.  
Rockefeller Group Investment Management, Corp.  
Rockpoint Group, L.L.C.  
Rockspring Property Investment Managers LLP  
Rockwood Capital, LCC  
Russell Investment Group

### S

SAMPENSION A/S  
Sanne Trust Company Limited  
Savills Fund Management GmbH  
Savills Investment Management  
Schroders Property Investment Management  
Scope Analysis GmbH  
SCOR Global Investments  
SDA Bocconi School of Management  
Selinus Capital GmbH  
Sentinel Real Estate Corporation  
SG CIB  
SGG Holdings  
Shell Asset Management co  
SIGNA-RECAP Germany AG  
Sirius Capital Partners  
Sona Sierra SGPS  
Sparinvest Property Investors A/S  
Sponda Plc  
STAM Europe  
Standard Life Investments Limited

State Street Alternative Investment Solutions  
Steen & Strøm  
Stenham Property Finance Limited  
Stichting Pensioenfonds ING  
Stichting Pensioenfonds voor de Grafische Bedrijven  
Storebrand Fastigheter AB  
Sveafastigheter AB  
Syntrus Achmea Real Estate & Finance (FM)  
Syntrus Achmea Real Estate & Finance (FoF)

### T

Talanx Asset Management GmbH  
Terranus Real Estate GmbH  
TFI PZU SA  
TH Real Estate  
The Carlyle Group (FM)  
The Carlyle Group (FoF)  
The Crown Estate  
The IBUS Company  
The Norinchukin Bank  
The State Pension Fund  
The Townsend Group  
Threadmark  
Threadneedle Property Investments Limited  
Threestones Capital Management  
Tishman Speyer  
TKP Pensioen Real Estate Fonds  
TMF Group  
Towers Watson Limited  
TPG Capital  
Tredje AP-Fonden  
Trevian Asset Management  
Tristan Capital Partners  
TRIUVA Kapitalverwaltungsgesellschaft mbH

### U

UBS AG

UBS Global Asset Management  
Union Investment Real Estate GmbH  
Unipension Fondsmæglerselskab  
Unite UK student Accommodation Fund  
Universal Investment  
University of Cambridge  
University of Reading Business School Whiteknights  
University of Ulster  
Univest Company B.V.  
USAA Real Estate Company

### V

Valad Europe  
VALUE SCOUTS Capital Consult GmbH  
Varma Mutual Pension Insurance Company  
Vasloc Beheer  
Versicherungskammer Bayern  
Versorgungswerk der Wirtschaftsprüfer und der vereidigten Buchprüfer im Lande Nordrhein-Westfalen (WPV)  
Vesteda Investment Management BV  
Vistra Group  
VIY Managers S.A.R.L. (VIYM)

### W

Wafra Investment Advisory Group, Inc.  
Walton Street Capital  
Warburg-HIH Invest Real Estate GmbH  
Wealth Management Capital Holding GmbH  
Westmont Services BV  
Willis Limited

### Y

Yardi Systems BV

4IP Management AG