



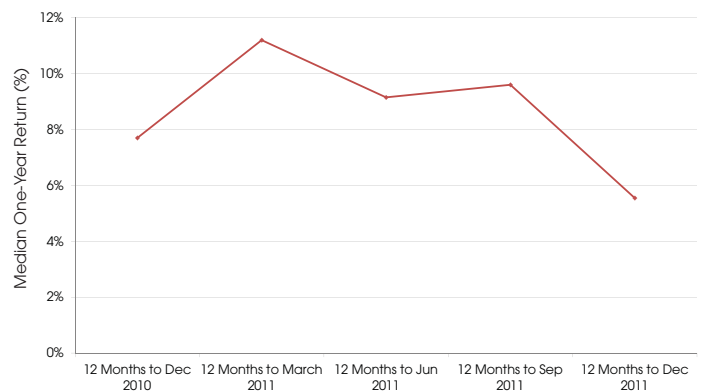
Private Real Estate Horizon Returns

Andrew Moylan looks at the recent performance of private equity real estate funds.

Fig. 1 shows the median one-year return for private equity real estate funds from December 2010 to December 2011. The asset class has generated positive one-year returns in each of these quarters and returned 5.6% in the 12 months to December 2011.

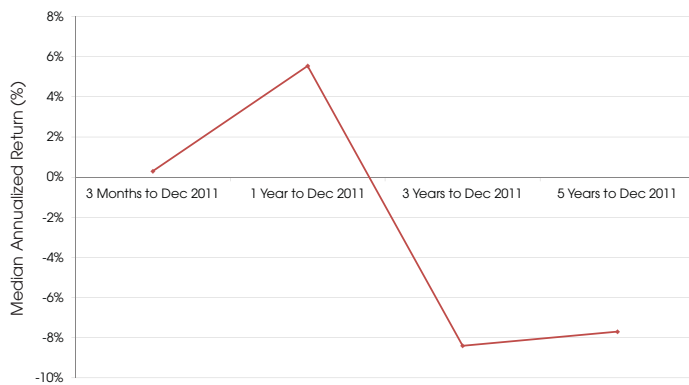
Over the longer term, however, returns for the asset class are in negative territory. As is illustrated in Fig. 2, the median annualized return over a three-year period to December 2011 is -8.4%, with the return over a five-year period standing at -7.7%. One-year returns for opportunistic funds have exceeded those for value added funds for each of the quarters shown in Fig. 3. Opportunistic funds returned 13.4% in 2011, while value added funds returned 3.7%.

Fig. 1: Private Equity Real Estate Rolling One-Year Returns



Source: Preqin Real Estate Online

Fig. 2: Private Equity Real Estate Returns as of 31st December 2011



Source: Preqin Real Estate Online

Fig. 3: Private Equity Real Estate Rolling One-Year Returns by Fund Strategy: Opportunistic and Value Added



Source: Preqin Real Estate Online

Data Source:

Preqin Real Estate Online features net-to-LP performance data for over 980 real estate funds, custom benchmarks and the PrEQIn Private Equity Quarterly Index. For further information, or to arrange a demo, please visit:

www.preqin.com/reo

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