

NCREIF PREA Reporting Standards Exposure Draft

Proposed Changes to Time-Weighted Return and Related Disclosures Requirement for Closed-End Funds

CBRE Global Investors Response to TWR Exposure Draft for Closed End Funds:

1a. Do you agree that the Reporting Standards should change the requirement to the two requirements discussed in the exposure draft?

Yes, closed-end fund managers should offer to provide TWRs to Limited Partners at fund inception. We believe this should be accompanied by a practical description of TWR and IRR.

1b. Distribute TWR to all investors unless the investor specifically indicates that they do not want the TWRs? Distribute TWR to only those investors who specifically accept the offer made by the manager to provide TWR?

Yes, closed-end fund managers should report TWR to all investors unless an investor indicates they do not want TWRs. Reporting should be consistent, so if a majority of investors want to see TWRs, then it should be provided to all.

2. Do you agree that the disclosure regarding start and end dates in TWR should be added as a required element within Handbook Volume I?

Yes, the TWR disclosures should specifically include start and end dates and the treatment of partial periods should be disclosed.

3. Do you agree that the disclosure regarding IRR start date be added as a required element within Handbook Volume I?

Yes, the IRR disclosure should include a description of how operating activity is funded prior to the initial cash contributions.

4. Do you agree the disclosure regarding realized IRR end date be added as a required element within Handbook Volume I?

Yes, the end date of the realized IRR calculation and method used in determining the final distribution and IRR end date when NAV hasn't been fully distributed should be disclosed.

5. Do you agree that the Council should pursue reporting standards for investor specific reporting?

Yes, the Council should pursue investor specific reporting. Fund managers have a fiduciary duty to provide returns that are actually received by each investor. Individual investors enter the fund at different times and their returns may be different than the fund. In addition, fund-level returns are based on multiple fee structures, which do not accurately reflect the return to each investor. It should be noted that there are significant administrative challenges associated with this type of reporting that

should be considered since this may create undue burden on certain investment managers without the technological capabilities in-place to perform such a task.