



This report is an excerpt from: **Quarterly Update: Real Estate, Q1 2013**. To download the full report please visit: https://www.preqin.com/docs/quarterly/RE/Preqin_Quarterly_Real_Estate_Update_Q1_2013.pdf.

Fund Performance

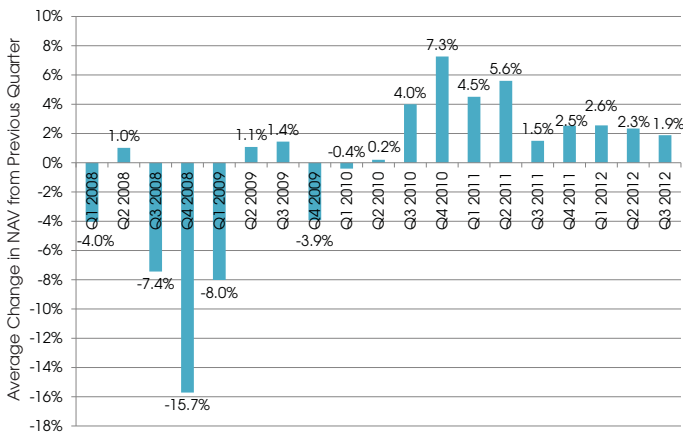
The performance of private equity real estate funds continues to improve. Vintage 2009 funds are generating median net IRRs of 15.4%, with top quartile funds of the same vintage posting net IRRs of at least 16.5% (Fig. 1). There have also been positive changes in NAV of closed-end real estate funds in each of the 10 quarters to September 2012 (Fig. 2).

The PrEQIn Real Estate Index, which captures in an index the returns earned by investors on average in their private equity real estate portfolios, stood at 222.3 in September 2012, just above the PrEQIn All Private Equity Index which stood at 220.8, and significantly above the S&P 500 which stood at 109.1 (Fig. 5). While, the PrEQIn Real Estate Index has increased by 26% since June 2010, it remains well below its peak of 335.2 from September 2007.

Want to view net-to-LP returns with full metrics for over 1,000 individual named private real estate funds globally? Preqin's Real Estate Online can help.

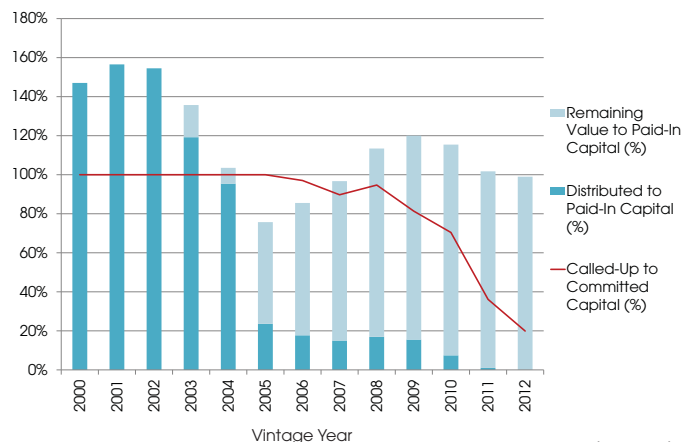
For more information, please visit: www.preqin.com/reo

Fig. 2: Closed-End Private Real Estate Quarterly Change in NAV, Q1 2008 - Q3 2012



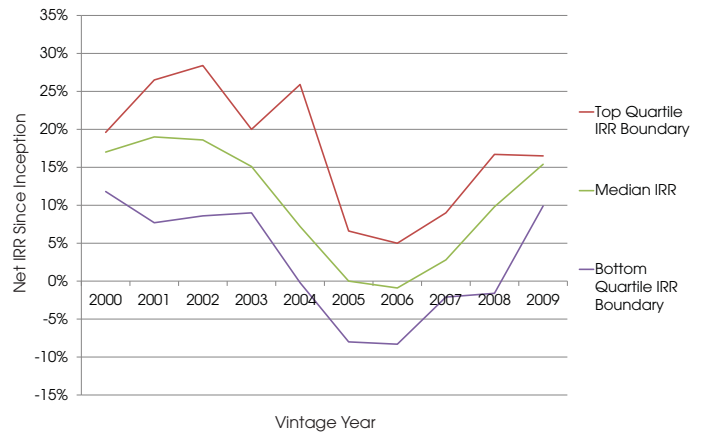
Source: Preqin Real Estate Online

Fig. 4: Closed-End Private Real Estate Funds: Median Called-up, Distributions and Residual Value Ratios by Vintage Year



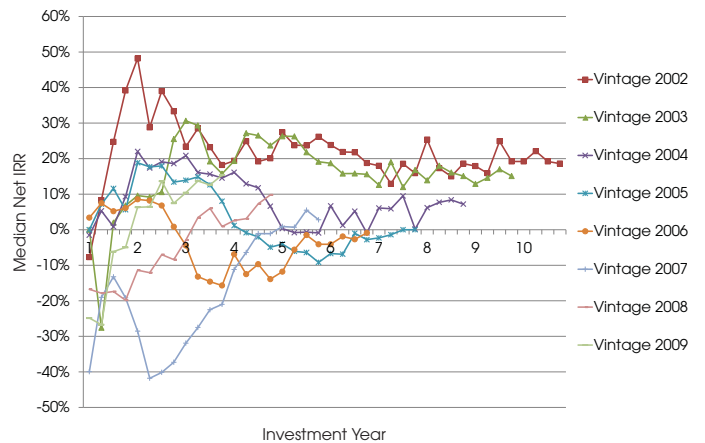
Source: Preqin Real Estate Online

Fig. 1: Closed-End Private Real Estate Funds: Median Net IRR and Quartile Boundaries by Vintage Year



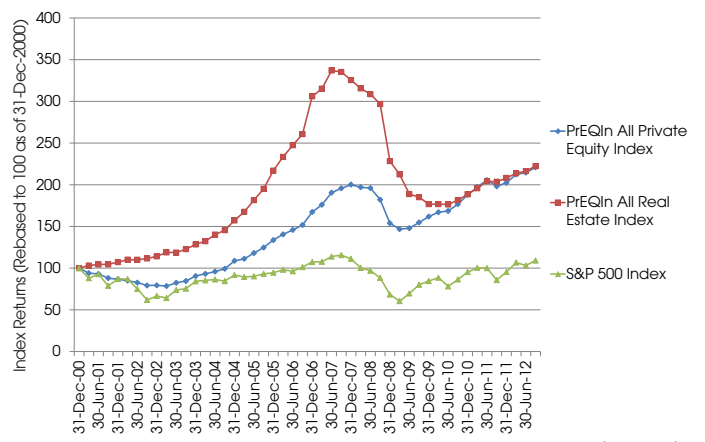
Source: Preqin Real Estate Online

Fig. 3: J-Curve: Annual Median Net IRRs by Vintage Year (as of 30 September 2012)



Source: Preqin Real Estate Online

Fig. 5: PrEQIn Index: Real Estate vs. Private Equity & S&P 500



Source: Preqin Real Estate Online