

**AME Capital**

**GLOBAL REAL ESTATE  
EQUITY RESEARCH**

**MONTHLY REPORT  
for  
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# Summary

## Real Estate Equities

- Our Global Universe of over 1900 companies in over 60 countries produced a market capitalisation weighted total return of 3.9% in November (October + 5.3%).
- With the exception of the Middle East all regions again showed positive returns this month. October's returns are in brackets.

Africa	+14.5%	(+11.7%)	North America	+4.8%	(+6.1%)
Southern Europe	+7.8%	(+7.2%)	South America	+3.6%	(+15.3%)
Far East	+5.4%	(+4.2%)	UK	+2.9%	(+5.8%)
North/East Europe	+4.8%	(+7.1%)	Western Europe	+2.3%	(+2.9%)
Oceania	+4.8%	(+1.6%)	Middle East	- 14.3%	(+11.7%)

## IPOs

- Another active month, particularly in the UK, with a significant pipeline of transactions scheduled to complete by the year end.
- The most notable themes were the emergence of London listings for vehicles with Indian and Russian assets, and the anticipated listing of a CEE company in its local market (ECM).

## REITs

- The best performing REITs were in the Far East and Oceania – Singapore (+9.2%), Australia (5.2%), and Japan (+5.0%), whilst the concerns surrounding Wereldhave Belgium led Belgian REITs to a decline of 2.2% in the month, with Turkey (-5.4%) also faring badly.

## Sector Indices

- Of our securitised sector indices the AME Capital Tokyo Office Index (+6.7%) and Paris Office Index (4.9%) were the best performers, both reflecting continued positive news on the underlying markets

## Sector Funds

- As per last month our universe of listed European real estate equity funds showed a slightly lower unweighted average return of 2.9% in November (October 3.4%) compared to 3.2% (4.0%) for those funds with a global mandate

# The Global Real Estate Equity Market - Returns

**Table 1: Analysis of global real estate equity returns by country for November 2006**

Listing Country	1 month return Real Estate Equity %	1 month return Equity Market %	1 month return Relative
<b>Africa</b>	<b>14.46</b>		
South Africa	5.38	2.68	2.63
Morocco	69.94	-0.16	70.21
Botswana	-9.04	0.72	-9.69
Mauritius	41.94	16.99	21.32
Tunisia	-6.25	0.69	-6.89
Namibia	0.49	n/a	n/a
<b>Far East</b>	<b>5.40</b>		
Hong Kong	7.79	3.83	3.82
Japan	-2.46	-0.89	-1.59
Singapore	8.98	6.22	2.59
China	25.01	11.10	12.53
Malaysia	10.36	9.62	0.68
Taiwan	16.71	7.78	8.28
India	14.81	5.50	8.83
Philippines	2.26	3.05	-0.77
Thailand	5.24	2.37	2.80
Indonesia	5.71	8.70	-2.75
South Korea	7.86	4.96	2.76
Sri Lanka	-8.07	n/a	n/a
<b>Middle East</b>	<b>-14.34</b>		
UAE	-14.86	-12.48	-2.72
Israel	1.64	2.41	-0.75
Kuwait	-8.87	-6.79	-2.23
Saudi Arabia	-34.90	-20.92	-17.68
Lebanon	-15.66	-7.83	-8.49
Qatar	-8.16	-17.14	10.83
Egypt	-6.71	-1.46	-5.33
Jordan	-10.57	n/a	n/a
Bahrain	-8.15	-2.25	-6.04
<b>North America</b>	<b>4.77</b>		
US	4.63	2.51	2.07
Canada	5.92	3.52	2.32
Bermuda	0.00	n/a	n/a
<b>Northern &amp; Eastern Europe</b>	<b>4.83</b>		
Sweden	0.82	-0.99	1.82
Norway	6.22	2.59	3.54
Poland	18.46	6.07	11.69
Denmark	8.70	2.40	6.15
Finland	5.19	0.54	4.62
Russia	2.14	7.80	-5.24
Hungary	-1.62	2.19	-3.73
Bulgaria	6.85	5.64	1.15
Czech Republic	12.13	n/a	n/a
Latvia	0.00	4.75	-4.53
<b>South America</b>	<b>3.56</b>		
Brazil	2.32	7.95	-5.21
Mexico	6.25	8.48	-2.06
Argentina	8.06	12.04	-3.55
Chile	3.29	5.75	-2.33
Peru	0.48	9.22	-8.00
Venezuela	20.00	13.40	5.82
<b>Southern Europe</b>	<b>7.82</b>		
Spain	8.35	1.79	6.44
Italy	8.12	2.92	5.05
Greece	1.93	2.29	-0.36
Turkey	-3.99	-5.95	2.08
Cyprus	-3.13	8.52	-10.73
Portugal	3.52	1.90	1.58
Malta	0.00	-4.52	4.73
<b>UK</b>	<b>2.85</b>		
UK	2.84	-0.25	3.09
<b>Western Europe</b>	<b>2.30</b>		
France	3.22	-0.16	3.38
Netherlands	-0.11	-1.61	1.52
Germany	2.83	0.76	2.06
Austria	3.15	-0.28	3.43
Belgium	-1.92	-0.10	-1.83
Switzerland	1.73	-0.60	2.34
Ireland	4.19	1.07	3.09
<b>Oceania</b>	<b>4.83</b>		
Australia	4.90	2.65	2.19
New Zealand	-0.39	3.17	-3.45

# The Global Real Estate Equity Market - Composition

**Table 2: Global real estate equity markets by size and number of companies**

Listing Country	Number of Companies	Market cap > £100m	Market cap > £1bn	Sector Mkt cap £	% of Global Listed Real Estate Equity mkt
<b>Africa</b>	<b>45</b>	<b>18</b>	<b>2</b>	<b>8,579,262,697</b>	<b>0.9%</b>
South Africa	35	16	0	5,067,889,444	0.6%
Morocco	3	1	1	2,315,363,362	0.3%
Botswana	2	1	1	1,152,548,363	0.1%
Mauritius	1	0	0	28,215,130	0.0%
Tunisia	3	0	0	15,246,397	0.0%
Namibia	1	0	0	n/a	0.0%
<b>Far East</b>	<b>696</b>	<b>321</b>	<b>61</b>	<b>288,247,869,503</b>	<b>31.9%</b>
Hong Kong	117	64	27	110,904,692,099	12.3%
Japan	159	103	17	96,125,055,540	10.6%
Singapore	52	35	9	32,549,666,869	3.6%
China	83	43	3	18,777,431,301	2.1%
Malaysia	94	16	1	7,337,399,227	0.8%
Taiwan	47	24	0	6,377,950,707	0.7%
India	16	9	3	5,563,222,355	0.6%
Philippines	38	6	1	4,407,696,837	0.5%
Thailand	42	14	0	3,789,028,992	0.4%
Indonesia	33	5	0	1,698,504,925	0.2%
South Korea	14	2	0	680,180,466	0.1%
Sri Lanka	1	0	0	37,040,185	0.0%
<b>Middle East</b>	<b>147</b>	<b>57</b>	<b>5</b>	<b>36,213,532,066</b>	<b>4.0%</b>
UAE	6	6	2	13,867,237,645	1.5%
Israel	78	22	1	8,663,974,045	1.0%
Kuwait	30	17	0	5,690,554,080	0.6%
Saudi Arabia	7	7	1	4,734,305,416	0.5%
Lebanon	1	1	1	1,312,746,554	0.1%
Qatar	2	2	0	1,034,092,655	0.1%
Egypt	12	2	0	602,779,906	0.1%
Jordan	9	0	0	204,197,373	0.0%
Bahrain	2	0	0	103,644,392	0.0%
<b>North America</b>	<b>387</b>	<b>222</b>	<b>78</b>	<b>295,211,712,988</b>	<b>32.6%</b>
US	301	189	72	263,317,981,323	29.1%
Canada	85	33	6	31,884,929,569	3.5%
Bermuda	1	0	0	8,802,096	0.0%
<b>Northern &amp; Eastern Europe</b>	<b>73</b>	<b>35</b>	<b>6</b>	<b>20,625,088,058</b>	<b>2.3%</b>
Sweden	23	16	4	10,031,168,855	1.1%
Norway	6	6	0	3,045,426,733	0.3%
Poland	4	3	1	2,893,988,652	0.3%
Denmark	13	5	0	1,904,275,197	0.2%
Finland	6	3	0	1,319,660,982	0.1%
Russia	2	1	1	1,063,823,809	0.1%
Hungary	4	1	0	199,633,478	0.0%
Bulgaria	13	0	0	132,979,832	0.0%
Czech Republic	1	0	0	33,740,730	0.0%
Latvia	1	0	0	389,792	0.0%
<b>South America</b>	<b>19</b>	<b>11</b>	<b>1</b>	<b>5,884,625,211</b>	<b>0.7%</b>
Brazil	7	7	1	4,170,195,457	0.5%
Mexico	1	1	0	984,431,948	0.1%
Argentina	2	2	0	471,987,172	0.1%
Chile	5	1	0	193,550,229	0.0%
Peru	3	0	0	41,553,921	0.0%
Venezuela	1	0	0	22,906,485	0.0%
<b>Southern Europe</b>	<b>67</b>	<b>34</b>	<b>12</b>	<b>40,763,054,758</b>	<b>4.5%</b>
Spain	29	18	9	31,668,278,871	3.5%
Italy	14	10	3	6,687,152,799	0.7%
Greece	7	4	0	1,586,163,737	0.2%
Turkey	10	2	0	723,276,742	0.1%
Cyprus	3	0	0	84,616,569	0.0%
Portugal	3	0	0	13,566,040	0.0%
Malta	1	0	0	n/a	0.0%
<b>UK</b>	<b>152</b>	<b>88</b>	<b>12</b>	<b>67,789,136,094</b>	<b>7.5%</b>
UK	152	88	12	67,789,136,094	7.5%
<b>Western Europe</b>	<b>227</b>	<b>89</b>	<b>21</b>	<b>82,623,622,345</b>	<b>9.1%</b>
France	64	31	10	34,548,313,989	3.8%
Netherlands	12	9	4	14,387,686,093	1.6%
Germany	83	21	2	13,134,188,099	1.5%
Austria	12	9	3	12,410,862,679	1.4%
Belgium	41	10	1	3,835,636,014	0.4%
Switzerland	12	7	1	3,756,503,598	0.4%
Ireland	3	2	0	550,431,872	0.1%
<b>Oceania</b>	<b>143</b>	<b>58</b>	<b>13</b>	<b>58,837,583,193</b>	<b>6.5%</b>
Australia	131	54	13	57,464,409,699	6.4%
New Zealand	12	4	0	1,373,173,494	0.2%
<b>Grand Total</b>	<b>1956</b>	<b>933</b>	<b>211</b>	<b>904,775,486,913</b>	<b>100.0%</b>

# IPO Activity

The main feature of the global IPO activity this month was the continuation of London listings for companies with overseas assets.

**Table 3: IPOs in November 2006**

REIT & PropCo IPO's	Asset focus	Listing Country	Listing date	Local Currency	IPO Price (local currency)	Current Price (local currency)	% change since IPO	Market Cap at 30/11/06 (€m)
<b>UK</b>								
Ishaan Real Estate	India	UK	11/20/2006	Sterling (p)	100.0	111.0	11%	230
Eatonfield Group	Wales/North England	UK	11/16/2006	Sterling (p)	125	139.5	12%	32
Speymill Macau Property Co	Macau residential	UK	11/16/2006	US \$	1.00	1.12	12%	46
Northern European Properties Ltd	Nordic/Baltic	UK	11/9/2006	Euro	1.05	1.0	-0.2%	314
Sistema Hals (GDR)	Russian dev	UK	11/2/2006	US\$	10.7	11.8	10.3%	980
LSL Property Services PLC	UK residential	UK	11/15/2006	Sterling (p)	202.5	215.0	6.2%	224
<b>1826</b>								
<b>Far East</b>								
Samui Airport Property Fund	Thai Airports	Thailand	11/24/2006	Baht	10.2	10.1	-1.0%	136
Parsvanath Developers Ltd	India Diversified	India	11/30/2006	Rupee	300.0	521.0	73.7%	1055
Mori Hill REIT	Tokyo Office/Residential	Japan	11/30/2006	Yen	880000.0	916000.0	4.1%	500
<b>1691</b>								
<b>North America</b>								
Home Inns & Hotels Management Inc (ADS)	China hotels	US	10/25/2006	US \$	13.8	30.94	124.2%	512
<b>512</b>								
<b>Western Europe</b>								
Les Nouveaux Constructeurs Investissement SA	Housebuilder Europe	France	11/16/2006	Euro	21	20.8	-1.0%	208
<b>208</b>								
<b>Middle East</b>								
Red Sea Housing Services	Saudia Arabia Residential	Saudi Arabia	11/4/2006	Ryal	86	56.5	-34.3%	264
<b>264</b>								
							<b>Total</b>	<b>4501</b>

There is still a significant pipeline of transactions due to be completed by the year end. This includes a number of companies with Indian assets, five Far East REITs, and the expected flotation of ECM on its local Prague market rather than in London or on Euronext.

**Table 4: IPO Pipeline**

Company name	Asset Focus	Structure	Listing Country	Timing
<b>Eastern Europe</b>				
ECM Real Estate Investments AG	CEE	PropCo	Czech Republic	Dec-06
<b>Far East</b>				
Wheelock & Co Ltd		PropCo	Hong Kong	Dec-06
Sunlight Real Estate Investment Trust	Hong Kong	REIT	Hong Kong	Dec-06
Shanghai Jin Jiang International Hotels Group Co Ltd	Hotels	PropCo	Hong Kong	Dec-06
DLF Universal	India	PropCo	India	Q1 07
Sobha Developers Ltd	India	PropCo	India	Dec-06
Central General Development Co Ltd		PropCo	Japan	Dec-06
Intrance Co Ltd		PropCo	Japan	Dec-06
Properst Co Ltd		PropCo	Japan	Dec-06
Trustpark Inc		PropCo	Japan	Dec-06
AMFirst REIT	Malaysia	REIT	Malaysia	Dec-06
Hektar Real Estate Investment Trust		REIT	Malaysia	Dec-06
First REIT		REIT	Singapore	Dec-06
CapitaRetail China Trust	China retail	REIT	Singapore	Dec-06
<b>Western Europe</b>				
Yatra Capital	India	PropCo	Netherlands	Dec-06
Babcock & Brown GPT European Fund	Europe	PropCo	Netherlands	Dec-06
<b>Oceania</b>				
Galileo Japan Trust	Japan	PropCo	Australia	Dec-06
Kermadec Property Fund Ltd	New Zealand	PropCo	New Zealand	Dec-06
<b>UK</b>				
Invista European Real Estate Trust	Europe	PropCo	UK	Dec-06
RGI International Ltd	Russia	PropCo	UK	Dec-06
West Pioneer Properties Ltd	India	PropCo	UK	Dec-06
Hirco	India	PropCo	UK	Dec-06
Unitech Corporate Parks	India	PropCo	UK	
Alpha Tiger Property Trust	India	PropCo	UK	
Rutley European	Europe	PropCo	UK	Dec-06

# Regional Returns

Chart 1: Global Returns by region October



Source: AME Capital / Bloomberg

Chart 2: Global Returns by Region 1 Year



Source: AME Capital / Bloomberg

# Regional Commentary

- Morocco's recently listed Douja Promotion Groupe Addoha SA continued its strong performance since listing in July. It is the largest African company with a market capitalisation of £2.3bn and also the best performing returning 71.9% for the month and 193% for the quarter. **Africa** as a region returned 14.46%. The company is Morocco's largest developer of low cost housing.
- **Southern Europe** was dominated by the continuing appreciation of some of the largest Spanish stocks including Astroc Mediterraneo SA whose shares have appreciated 5 fold since its May listing. Astroc returned 24.19% during November, reporting a four fold increase in pre-tax profits for Q3 06. Following Grupo Inmocaral SA's takeover of Inmobiliaria Colonial SA they have subsequently announced an offer for the balance of Fonciere Lyonnaise not owned by Colonial and agreed to buy a 15% stake in Spain's third largest builder Fomento de Construcciones & Contratas SA. Grupo Inmocaral SA returned 19.5% in the month. Metrovacesa announced a doubling of its rental income and returned 13.8% for the month and Riofisa returned 8% and announced EPS up 421.36% for the nine months to 30 September 06 compared to the same period in 2005. Italian stocks Beni Stabili Spa and Immobiliare Grande Distribuzione rose 18% and 19% respectively. During November there were reports that the Italian government may introduce REIT legislation.
- The **Far East** returned 5.4% for the month and companies with Chinese exposure producing the largest gains of the larger cap. companies in the region. These include China Vanke Co 46.3%, Yanlord Land Group 37.9%, Poly Real Estate Group 34.1%, Shanghai Lujiazui Finance & Trade Zone Development CO 27.9%, New World China Land 27.4%, China Resources Land 27.4%, Greentown China Holdings 25.5%, Guangzhou R&F Properties 24.4%, Shimao Properties Holdings 22.3% and China Overseas Land & Investment 20%. Despite the measures aimed at cooling the property market in China positive office market trends are continuing in Shanghai, Shenzhen, Chengdu and Taipei according to Colliers International research, whilst in the residential market, growth has been seen in Shenzhen and Chengdu. In Japan there was a sharp difference in performance between the positive performance of the J-REITs and the large cap non-REITs which have performed well over 12 months, but produced negative returns this month. Most notably, Real Estate Sales -16.5%, Leoplac21 Corp -11.6%, Tokyo Tatemono Co -10.9%, Nomura Real Estate Holdings -6%, Mitsui Fudosan Co -5.6% and Sumitomo Realty & Development Co -4.9%.
- **Northern and Eastern Europe** produced returns of 4.83% and of the companies above £500m market cap Poland's Globe Trade Centre SA, Dom Developments SA and Echo Investment SA were the best performers returning 22.4%, 14.4% and 13% respectively. GTC announced a Q3 doubling in profit. Dom Developments is a recent IPO and Echo Investments announced strong Q3 net profit numbers. Of the Scandinavian countries Denmark, Norway and Finland produced returns of 8.7%, 6.2% and 5.2% respectively.
- **Oceania** returned 4.83% for November due to a strong Australian performance, and high levels of acquisition and overseas expansion. Among the deals are Mirvac's purchase of A\$1.12bn portfolio of Australian assets from Walker Corp and a JV between GPT and Babcock & Brown to begin a new real estate fund focused on European retail property. Macquarie Goodman are looking to expand into Asia, Europe and the US and have already purchased A\$498m of assets for a British logistics fund. Multiplex are seeding a new European fund with a diversified portfolio of German property, Galileo Funds Management plan to launch a Japanese property trust and Colonial First State plan to raise 1bn euros for a logistics fund.
- **North America** produced returns of 4.77%. Public to private equity M&A activity continues to be strong in the US with the largest ever privatisation, of Equity Office by the Blackstone Group for US\$36bn, including debt. The trend of the US large cap stocks out-performing the smaller cap stocks continued in November with companies over £1bn returning 5.2%, over £2bn 6%, over £3bn 6.4% and over £8bn 7.2%. Of the large cap stocks American Real Estate Partners returned 28.5% and is involved in a bid to buy Reckson who has three takeover offers to consider.

# Regional Commentary

- **South America** returned 3.56% for November. Following the three IPOs last month there were a number of IPO announcements for 2007 including Rodobens Negocios Immobiliarios SA, Iguatemi Empresa de Shopping Centres SA, Gaffisa (already listed) selling shares on the NYSE which would be a first for a Brazilian company, and PDG Realty Empreendimentos e Participac.
- The **UK** returned 2.85% for the month. During the month Derwent Valley acquired a fellow West End real estate specialist London Merchant Securities. The AME Capital London West End index continued to surge after Great Portland tendered an offer for London Merchant at the beginning of October. UK stocks looking to convert to REIT status from 1 Jan 2007 announced the effect the new legislation would have, the latest example British Land saying that its dividend payments would double to comply with the rule that 90% of income has to be paid to investors. Land Securities did the same back in July and will receive tax breaks of £750m over the next decade primarily being the difference between the conversion charge and capital gains tax.
- **Western Europe** returned 2.3% during November. The Netherlands and Belgium produced negative returns of -0.11% and -2% respectively. Ireland was the best performing Western European nation with 4.2%. In the lead up to the implementation of German REITs the German real estate equity market returned 2.83% out-performing the equity market as a whole by 2.06%. Otto Stumpf rose 97% and Hageda 47.3%. German residential companies Vivacon AG and Colonia Real Estate AG returned 11.6% and 17.1% respectively. German states announced further privatisation of real estate with the State of Hesse selling €800m of government real estate. Another state of Germany, North Rhine Westphalia, aims to sell 104,000 apartments by early.
- In the **Middle East** all markets bar Israel produced negative returns. Ali Dakkak (head of Dakkak Financial and Economic Consultants) in the Middle East Times said that "Gulf markets in general and the Saudi bourse in particular are negatively affected by the regional political situations, especially the Iranian nuclear standoff and the fighting in Iraq". He continues, "They are psychologically affected by the drop in oil prices. In the Saudi market, a huge amount of cash was withdrawn by major portfolios and some mutual funds". The Saudi Stock exchange as measured by the Tadawul All Share TASI Index and Oil prices have a correlation of nearly 0.6 and oil prices have begun to stabilize from their fall from the highs of August of over US\$75, to now trading back above \$60. Following the successful listing of Emaar the Economic City, November saw the announcement of two further economic cities in Saudi Arabia. Jizan Economic City was the fourth and the fifth is to be constructed in the northern region of Tabuk.

\* Note1: All stock returns quoted in this article are total returns in local currency.

\* Note2: Country and Regional returns are weighted by pounds sterling market capitalisation.

\* Note3: Return numbers were frozen on the 30th of November 2006.

\* Note4: Return numbers are sourced from Bloomberg.

**Table 5: Global REIT Markets ranked by size**

Listing Country	Number of Companies	Market cap > £100m	Market cap > £1bn	Sector Mkt cap £	% of Global Listed Real Estate Equity mkt
<b>Africa</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>1,215,691,501</b>	<b>0.1%</b>
South Africa	5	5	0	1,215,691,501	0.1%
<b>Far East</b>	<b>92</b>	<b>60</b>	<b>7</b>	<b>31,944,669,726</b>	<b>3.5%</b>
Hong Kong	4	4	1	3,295,663,210	0.4%
Japan	40	34	4	19,939,244,148	2.2%
Singapore	13	13	2	6,546,051,419	0.7%
Malaysia	8	1	0	337,525,438	0.0%
Taiwan	7	5	0	898,422,568	0.1%
Thailand	7	1	0	273,139,862	0.0%
South Korea	13	2	0	654,623,081	0.1%
<b>North America</b>	<b>234</b>	<b>183</b>	<b>65</b>	<b>238,975,841,671</b>	<b>26.4%</b>
US	199	160	61	225,782,438,370	25.0%
Canada	35	23	4	13,193,403,301	1.5%
<b>Northern &amp; Eastern Europe</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>119,949,769</b>	<b>0.0%</b>
Bulgaria	12	0	0	119,949,769	0.0%
<b>Southern Europe</b>	<b>11</b>	<b>2</b>	<b>0</b>	<b>905,522,903</b>	<b>0.1%</b>
Greece	2	1	0	352,495,050	0.0%
Turkey	9	1	0	553,027,854	0.1%
<b>Western Europe</b>	<b>46</b>	<b>33</b>	<b>10</b>	<b>38,393,209,802</b>	<b>4.2%</b>
France	25	17	6	23,313,122,510	2.6%
Netherlands	8	7	3	11,923,942,818	1.3%
Belgium	13	9	1	3,156,144,474	0.3%
<b>Oceania</b>	<b>73</b>	<b>43</b>	<b>11</b>	<b>50,083,483,026</b>	<b>5.5%</b>
Australia	65	39	11	48,831,882,424	5.4%
New Zealand	8	4	0	1,251,600,602	0.1%
<b>Grand Total</b>	<b>473</b>	<b>326</b>	<b>93</b>	<b>361,638,368,399</b>	<b>40.0%</b>

Source: AME Capital / Bloomberg

- We monitor all the Global REIT markets. The tables below show their total returns on a market capitalisation weighted basis, in local currency. This includes all the constituents listed above.

**Table 6: REIT Performance 2006**

markets  
November

Major REIT markets	November %
Singapore	9.26
Australia	5.20
Japan	5.04
US	4.38
Canada	4.17
France	2.97
Hong Kong	2.75
Netherlands	-0.11
Belgium	-2.16
Smaller REIT markets	November %
South Korea	7.71
Thailand	7.41
Taiwan	5.22
South Africa	4.24
Bulgaria	1.78
Malaysia	0.49
New Zealand	-0.69
Greece	-1.02
Turkey	-5.41

**Table 7: REIT performance 12 months**

markets  
12 months

Major REIT markets	12 months %
France	45.85
Singapore	35.15
US	34.84
Netherlands	34.50
Hong Kong	34.00
Australia	30.33
Canada	28.12
Japan	21.65
Belgium	12.47
Smaller REIT markets	12 months %
Thailand	78.11
Greece	28.45
South Africa	25.20
Malaysia	17.37
New Zealand	12.96
Taiwan	10.56
South Korea	9.75
Turkey	-5.04
Bulgaria	n/a

**Table 8: REIT markets relative performance**

Major REIT markets	Relative 12 month Performance
France	21.52
Japan	15.50
Netherlands	14.11
US	12.26
Canada	6.15
Australia	3.88
Hong Kong	1.98
Singapore	1.89
Belgium	-10.57
Smaller REIT markets	Relative 12 month Performance
Thailand	53.80
Greece	3.26
South Korea	-0.68
New Zealand	-3.88
Malaysia	-6.79
Turkey	-7.14
Taiwan	-12.99
South Africa	-14.79
Bulgaria	n/a

Source: AME Capital / Bloomberg

# AME Capital Indices

- The November returns for the AME REIT indices are shown in the 1-MO% column of Table 9 below. These indices are market cap weighted total return indices re-weighted daily thus are effectively a proxy for a market cap weighted index fund.

**Table 9: AME Capital Global REIT Indices**

AMEP1		N2N121 Equity AMEP					
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17:50 AME Global REIT Indices							PAGE 1 / 1
Name	Index Value	Daily Up/Down	1-Wk% Return	1-Mo% Return	1-Yr% Return	Market Cap(£bn)	Time
1) AME Australian REIT	142.42	-0.56	-1.08	5.32	31.04	45.8	17:44
2) AME Belgium REIT	133.86	-0.24	-1.51	-0.79	13.19	2.9	17:44
3) AME Canadian REIT	170.03	+0.09	0.96	6.45	37.02	12.7	17:44
4) AME France REIT	203.31	-0.47	-1.19	3.69	49.75	22.9	17:44
5) AME South Korea REI	138.27	+0.30	1.93	6.87	18.27	0.4	17:44
6) AME New Zealand REI	135.08	-0.44	-0.42	-0.56	14.26	1.3	17:44
7) AME Netherland REIT	155.59	-1.18	-2.97	0.67	35.70	11.9	17:44
8) AME Taiwan REIT	111.64	+0.13	1.62	4.54	10.38	0.3	17:44
9) AME Japan REIT	140.44	+0.20	3.27	5.83	26.73	17.7	17:44
10) AME South Africa RE	156.41	-0.04	2.30	2.88	21.80	1.2	17:44
11) AME Singapore REIT	175.52	+0.30	2.14	9.34	43.61	5.0	17:44
12) AME Malaysia REIT	109.13	+0.13	0.31	-0.36	0.24	0.3	17:44
13) AME Hong Kong REIT	145.07	-1.15	-1.81	0.00	16.74	3.3	17:44
14) AME Greece REIT	144.09	+0.31	-0.73	-0.94	22.40	0.4	17:44
15) AME Turkey REIT	183.19	+1.67	-0.59	-9.54	-16.64	0.2	17:44
16) AME US REIT	168.81	+1.84	0.47	6.34	43.41	123.3	17:44
17) AME Bulgaria REIT	98.20	--	2.11	0.97	0.00		17:44

Source: AME Capital / Bloomberg

- The AME Sector Indices contain companies who have 75% plus exposure to a specific asset class. Each company's returns are equally weighted to reduce any size effects and more closely reflect the underlying assets relationship with the listed vehicle.

**Table 10 Global securitised sector indices**

AMEP2		N2N121 Equity AMEP					
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17:52 AME Sector Indices							PAGE 1 / 1
Name	Index Value	Daily Up/Down	1-Wk% Return	1-Mo% Return	1-Yr% Return	Market Cap(£bn)	Time
1) AME UK Industrial	148.26	+0.88	0.18	1.56	30.76	5.2	17:44
2) AME UK Retail	168.31	+1.63	-1.48	1.01	44.12	5.8	17:44
3) AME UK West End	184.41	-0.11	0.54	1.75	56.34	3.8	17:44
4) AME Paris Office	167.51	-0.62	0.00	4.99	37.56	2.5	17:44
5) AME Eurozone Retail	173.62	-1.56	0.42	3.80	43.01	11.7	17:44
6) AME Eurozone Indust	148.14	+0.49	-0.67	2.47	23.01	1.8	17:44
7) AME Australian Offi	122.21	-1.69	-2.04	-1.57	22.37	2.4	17:44
8) AME Australian Reta	151.77	-2.11	-2.02	3.59	31.09	18.8	17:44
9) AME Australian Indu	148.67	-0.52	-0.87	-0.70	35.09	0.9	17:44
10) AME Tokyo Office	151.43	-1.44	2.36	6.67	35.12	6.4	17:44
11) AME Japan Retail	167.80	+1.25	5.30	1.57	13.76	4.5	17:44
12) AME Japan Industria	125.77	+1.12	5.81	0.97	-1.86	0.7	17:44

Source: AME Capital / Bloomberg

# Specialist Real Estate Equity Funds

**Table 11: November Returns**

BEST PERFORMING EUROPEAN PROPERTY SHARE FUNDS						
FUND NAME	ASSET MANAGER	1 month return %	Sharpe Ratio	Volatility %	Structure	Currency
TR PROPERTY INVESTMENT TRUST	Thames River Capital	6.67	2.03	23.05	Investment Trust	Sterling
HENDERSON EUROPEAN PROPERTY SECURITIES FUND	Henderson Global Investors	5.80	3.33	15.01	Unit Trust	Singapore \$
CPR FONCIERE SELECTION	CPR Asset Management	4.65	1.80	n/a	SICAV	Euro
ING (L) INVEST -EUROPEAN REAL ESTATE	ING Investment Management	4.55	2.23	15.20	SICAV	Euro
SWIP EUROPEAN REAL ESTATE FUND	Scottish Widows Investment Partnership	4.54	n/a	n/a	OEIC	Euro
CONSTANTIA EUROPN PROPRTY-A	CPB KAGmbH/Austria	4.47	2.57	16.38	Open-End Fund	Euro
<b>UNWEIGHTED AVERAGE</b>	<b>ALL FUNDS</b>	<b>2.86</b>	<b>2.47</b>	<b>15.73</b>		
<b>MEDIAN</b>		<b>2.53</b>	<b>2.57</b>	<b>14.93</b>		

BEST PERFORMING GLOBAL PROPERTY SHARE FUNDS						
FUND NAME	ASSET MANAGER	1 month return %	Sharpe Ratio	Volatility %	Structure	Currency
AGF GLOBAL REAL ESTATE EQUITY CLASS	AGF Funds Inc	6.81	1.83	10.35	Open-End Fund	Canadian \$
HENDERSON GLOBAL PROPERTY COMPANIES LTD	Henderson Global Investors	6.52	n/a	n/a	Investment Trust	Sterling
ALPINE INT'L REAL ESTATE EQUITY FUND	Alpine Management & Research	6.47	2.08	12.54	Open-End Fund	US \$
SCHRODER INTL GLOBAL PROPERTY SECURITIES	Schroder Investment Management	6.07	2.67	12.82	SICAV	US \$
EII INTERNATIONAL PROPERTY FUND	EII Realty Securities	5.96	3.17	15.16	Open-End Fund	US \$
DWS RREEF GLOBAL REAL ESTATE SECURITIES FUND	Deutsche Asset Management	5.53	n/a	n/a	Open-End Fund	US \$
<b>UNWEIGHTED AVERAGE</b>	<b>ALL FUNDS</b>	<b>3.24</b>	<b>2.35</b>	<b>12.89</b>		
<b>MEDIAN</b>		<b>3.30</b>	<b>2.40</b>	<b>12.62</b>		

Source: AME Capital / Bloomberg

In addition to listed real estate companies we also monitor specialist property equity funds. At present we divide them into Funds with a Global mandate and those with a European mandate. We currently monitor over 50 European focused Funds (with aggregate AUM of over US\$15bn) and over 100 Global Funds (with aggregate AUM of over US\$39bn). We show here the top six performing Funds of those monitored in each category.

**Table 12: Year to date Returns**

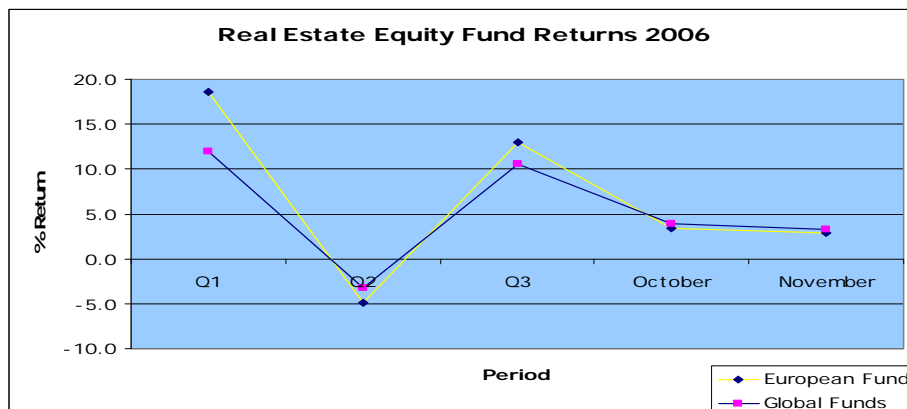
FUND NAME	ASSET MANAGER	YTD return %	Sharpe Ratio	Volatility %	Structure	Currency
TR PROPERTY INVESTMENT TRUST	Thames River Capital	48.2	2.03	23.045	Investment Trust	Sterling
ACOFI RENDEMENT IMMOBILIER	ACOFI Gestion	45.2	2.42	n/a	FCP	Euro
CONSTANTIA EUROPEAN PROPRTY	CPB KAGmbH	44.6	2.57	16.381	Open-End Fund	Euro
MMA IMMOBILIER	MMA Finance	43.6	3.01	14.471	SICAV	Euro
FORTIS L FUND-REAL ESTATE EUROPE	Fortis Investment Management	43.0	2.63	14.846	SICAV	Euro
AMADEUS EUROPEAN REAL ESTATE SECURITIES FUND	Allianz Global Investors	42.4	2.98	15.055	Open-End Fund	Euro
<b>UNWEIGHTED AVERAGE</b>	<b>ALL FUNDS</b>	<b>34.52</b>	<b>2.47</b>	<b>15.73</b>		
<b>MEDIAN</b>		<b>36.87</b>	<b>2.57</b>	<b>14.93</b>		

BEST PERFORMING GLOBAL PROPERTY SHARE FUNDS						
FUND NAME	ASSET MANAGER	YTD return %	Sharpe Ratio	Volatility %	Structure	Currency
COHEN & STEERS WORLDW REATY INCOME FUND	Cohen & Steers Capital Management	66.1	1.70	24.47	Closed-End Fund	US \$
ING CLARION GLOBAL REAL eSTATE INCOME FUND	ING Clarion	53.5	3.80	20.18	Closed-End Fund	US \$
STANLIB INTERNATIONAL PROPERTY FUND	STANLIB Wealth Management	50.3	n/a	20.03	Unit Trust	Rand
EII INTERNATIONAL PROPERTY FUND	EII Realty Securities	47.8	3.17	15.16	Open-End Fund	US \$
STRATEGIE INDICE PIERRE	Legal & General Asset Management	44.4	2.29	n/a	FCP	Euro
DEUTSCHE-RREEF GLOBAL PROPERTY SECURITIES FUND	Deutsche Asset Management	44.1	2.25	21.56	Unit Trust	Australian \$
<b>UNWEIGHTED AVERAGE</b>	<b>ALL FUNDS</b>	<b>28.87</b>	<b>2.35</b>	<b>12.89</b>		
<b>MEDIAN</b>		<b>29.99</b>	<b>2.40</b>	<b>12.62</b>		

Source: AME Capital / Bloomberg

**Chart 3: Year to Date real estate equity fund performance.**



Source: AME Capital / Bloomberg

Property Funds Research ([www.propertyfundsresearch.com](http://www.propertyfundsresearch.com)) provides data and research describing the major sources of capital, non-listed investment vehicles, managers and advisors which together largely define the UK and European institutional property markets.

Property Funds Research's European universe is currently made up of 876 private property vehicles (PPVs), with a combined gross asset value (GAV) of €326bn.

## Highlights from the last 3 months.

- **Overview:** 30 funds with a combined target gross asset value of €12.23bn have been launched since September 2006, while two funds have re-opened for investment during this period.
- **Vehicle type:** SICAVs have dominated by number (with a target gross asset value of €1.5 billion). Limited Partnerships (of which there are six) have a slightly higher target gross asset value (€1.51 billion).
- **Target sector:** Diversified funds have dominated by both number and target gross asset value. A total of 11 diversified funds with a target gross asset value of €6.79 billion have been launched. Six funds targeting the commercial sector (€2.53 billion) and three retail funds (€1.82 billion) have also been launched.
- **Target location:** There have been three global funds launched during the period. Fourteen Pan-European funds have also been launched, with a target gross asset value of €7.7bn. Of the 11 new single country funds launched, eight (with a target gross asset value of €1.93bn) target the UK.
- **Vehicle style:** Where the vehicles' style is known, value-added funds lead, with 11 new funds falling under this heading. Five of the new funds are opportunity funds, and three are core funds.
- **Vehicle domicile:** Luxembourg dominates as the domicile for the new funds with 12 Luxembourg-domiciled funds, followed by the UK, where four new funds are domiciled and the Netherlands with three funds.

**Table 13: Indirect Unlisted Property Vehicles (launched over the past 3 months)**

Vehicle	Manager	Type	Style (where known)	Target GAV (m)	Target sector/location
<b>September 2006</b>					
Aberdeen European Balanced Property Fund	Aberdeen Property Investors Europe	SICAV	Value-added	€ 500	Diversified, Europe
Aberdeen European Shopping Property Fund	Aberdeen Property Investors Europe	SICAV	Value-added	€ 1,000	Retail, North West Continental Europe
E3	Europolis Real Estate Asset Management		Opportunity	€ 800	Diversified, Eastern & Central Europe
UK Actively Managed Shopping Centre Fund	Protego Real Estate Investors	Property Unit Trust	-	€350	Retail, UK
Viriatus	Fund Box	Real Estate Fund	Core	€ 400	Commercial, Portugal
Symmetry Property Fund	aAIM	Corporate	-	€2,000	Diversified (ex residential)/Pan-European
Go	Halverton Real Estate Investment Management	Limited Partnership	-	€ 110	Office, Germany
Wessex Property Fund	Colliers Capital UK	Property Unit Trust	-	€250	Commercial, UK
<b>October 2006</b>					
Palmer Capital Development Fund II LP	Palmer Capital Partners	Limited Partnership	Opportunity	€175	Commercial property development, UK
St Mary Fund	evolve Fund Services	Property Unit Trust	Core	€27 (actual)	Hotel, UK
Pradera European Retail Fund 2	Pradera - AM	FCP	Value-added	€ 300	Retail, Western Europe
M&G European Property Fund	Prudential Property Investment Managers	SICAV	Core	N/A	Diversified, Europe
The Mill Ipswich Development Fund	Assetz Fund Management	Limited Partnership	Opportunity	€77.5	Development, UK
UBS Secure Income Property Fund	UBS AG Jersey	Property Unit Trust	Value-added	€250	Ground rent, UK
RREEF Global Real Estate Securities	RREEF America	SICAV	N/A	N/A	Global Listed Real Estate Equities
RREEF Global Real Estate Income Securities	RREEF America	SICAV	N/A	N/A	Global Listed Real Estate Equities
RREEF European (EX-UK) Real Estate Securities	RREEF Limited	SICAV	N/A	N/A	Global Listed Real Estate Equities
RREEF UK Real Estate Securities	RREEF Limited	SICAV	N/A	N/A	Global Listed Real Estate Equities
RREEF Asia-Pacific Real Estate Securities	Deutsche Asset Management (Australia) Limited	SICAV	-	N/A	Global Listed Real Estate Equities
Rynda en Premier S.A.	Rynda Property Investors LLP	SA	Value-added	€ 500	Commercial, France
ING Real Estate Nordic Property Fund	ING Real Estate Investment Management	FGR	Value-added	€ 1,000	Diversified, Nordics
Threadneedle Pensions Ltd*	Threadneedle	Managed Fund	Core		Diversified, UK
<b>November 2006</b>					
Nordic Aktiv Property Fund	Teesland	Limited Partnership	Value-added	€ 850	Commercial, Nordic
Eurosirris	ING Real Estate Select	FGR	Value-added	N/A	Diversified, Continental Europe
ING Property Fund Central and Eastern Europe	ING Real Estate Investment Management	FGR	Value-added	€ 1,000	Diversified, Central & Eastern Europe
Schroder Real Estate Fund of Funds - Continental European Fund I	Schroders	FCP	Value-added	€ 250	Diversified, Europe (ex UK)
Schroder Real Estate Fund of Funds - European Fund I	Schroders	FCP	Value-added	€ 250	Diversified, Pan-Europe
CB Richard Ellis Europe ex-UK Alpha Fund	CB Richard Ellis Investors Global Multi Manager	Investment Company	Value-added	€ 250	Diversified, Europe (ex-UK)
CB Richard Ellis Pan-European Alpha Plus Fund	CB Richard Ellis Investors Global Multi Manager	Investment Company	Opportunity	€ 250	Diversified, Europe
University Capital Trust*	Teesland	Property Unit Trust	-	€ 200	Halls of residence, UK
Serviced Land Fund No.2	Cordea Savills Wealth Management	Limited Partnership	Opportunity	€60-100	Residential, UK
Close Mosaic Property Fund LP	Close Investments	Limited Partnership	-	€100	Commercial, Central & Eastern Europe

\*vehicle re-opened for investment during month indicated  
Source: Property Funds Research

CV Dutch fund FCP Luxembourg fund FGR Fonds voor Gemene Rekening

Source: Property Funds Research