

**AME Capital**

# GLOBAL PROPERTY SECURITIES RESEARCH

Summary Performance Figures  
for  
December  
2007

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The report is an abridged version of the monthly AME Capital Global Property Securities Report and AME Capital Global REIT Report, which are available only to subscribers.

The full reports include individual country size and performance, details of all real estate IPOs, pending IPOs, secondary issues and delistings, as well as yield valuation metrics for Global REIT markets.

Separately, we also produce monthly downloads of all the companies in our database (over 2,000) to subscribers. This includes financial market information as well as detailed portfolio splits and a link to the company's portfolio details (where available). Companies can be sorted by listing country, asset focus (region or property type), market cap, yield etc.

In January 2008 we will be launching a monthly product covering all property securities funds which will be available only to subscribers.

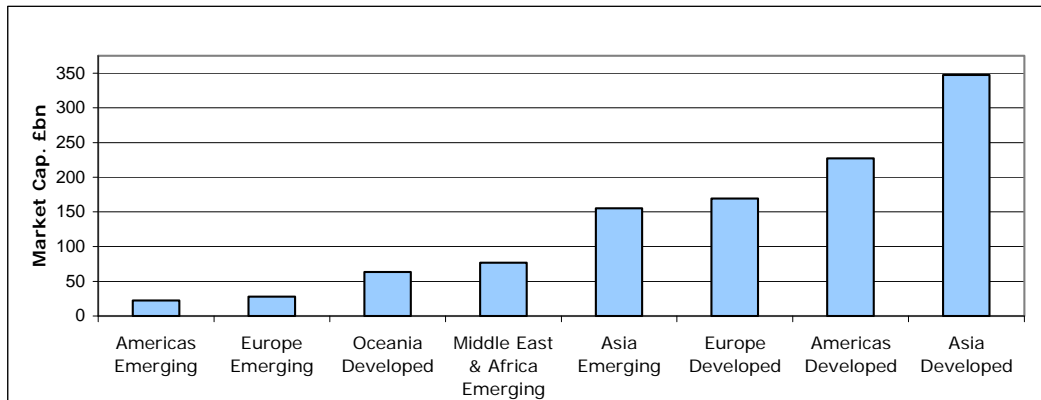
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## Global Property Securities Markets Composition

- The developed market of Asia remains the largest component of our Global Universe due to relative out performance and the higher level of equity issuance than other regions.

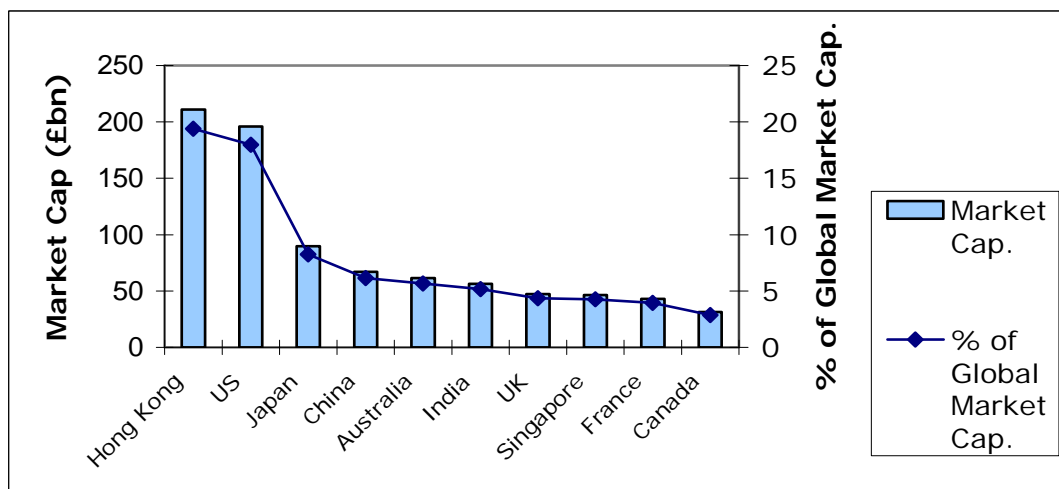
**Chart 1: Analysis of the Global property securities market by region and maturity - December 2007**



Source: AME Capital / Bloomberg

- The largest ten markets shown below account for 78% of the global market.
- **In our global database Hong Kong (£211bn) has now overtaken the US (£196bn) as the largest property securities market in the world. It should be noted that these numbers are based on total sterling market capitalisation, with no adjustments for free float, or restrictions on overseas investment, and may therefore not fully reflect actual liquidity levels.**

**Chart 2: Analysis of the Global property securities market by listing country - December 2007**



Source: AME Capital / Bloomberg

## Global Property Securities Performance

December 2007

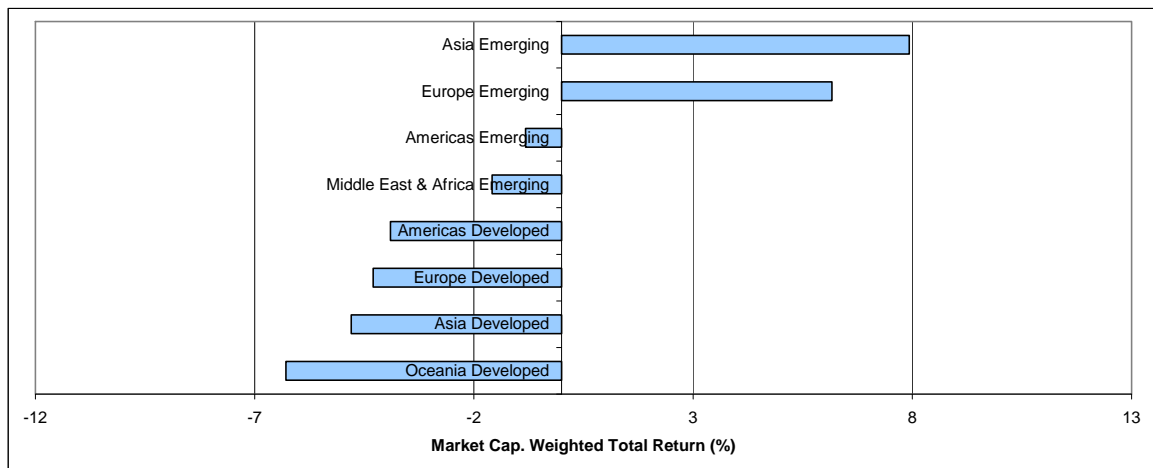
**Table 1: Global Property Securities returns for December 2007**

Region	Current Size Market Cap (£bn)	Total Returns 12 Months to December 07 (%)		
		Total	Developed Markets	Emerging Markets
Asia	503	-1.0	-4.8	7.9
Americas	249	-3.6	-3.9	-0.8
Europe	197	-2.8	-4.3	6.2
Oceania	63	-6.3	-6.3	NA
Middle East & Africa	77	-1.6	NA	-1.6
<b>Global</b>	<b>1089</b>	<b>-3.4</b>	<b>-4.6</b>	<b>5.2</b>

Source: AME Capital / Bloomberg

- For December, our Global Universe showed a total return of -3.4% (-7.3% in November), with the continued decline in the Developed Markets (-4.6%) being partially offset by a recovery in the Emerging Markets (+5.2%).
- Our Universe is now capitalised at £1.09 trillion, comprising 2088 companies in 67 countries. It should be noted that all returns are expressed in local currency, and we do not take into account free float in our capitalisation weighted aggregate figures.

**Chart 3: Global property securities returns for December 2007**



Source: AME Capital / Bloomberg

## 12 month Performance

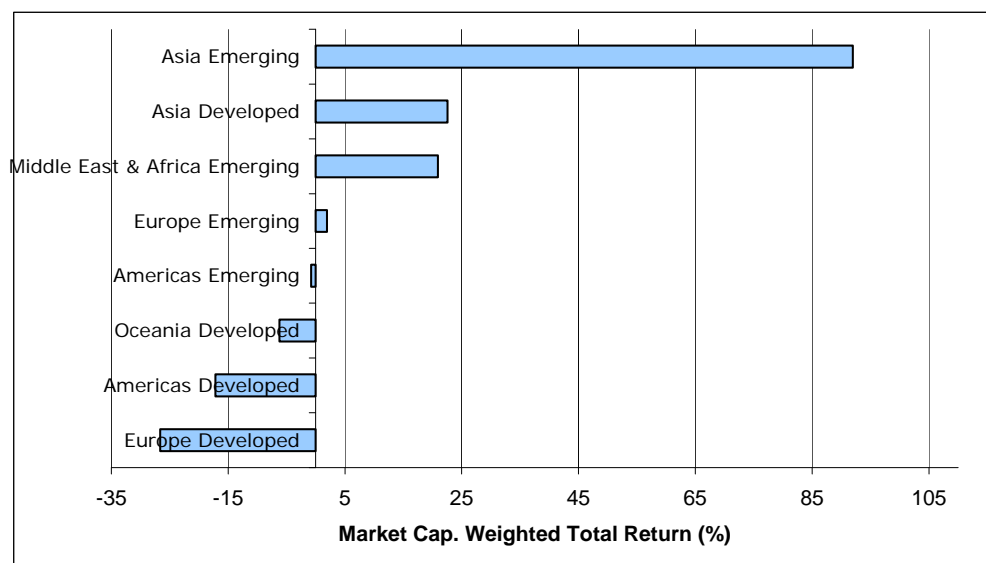
**Table 2: Global Property Securities 12-Month returns December 2007**

Region	Dec 2006 Size Market Cap (£bn)	Total Returns 12 Months to December 07 (%)		
		Total	Developed Markets	Emerging Markets
Asia	310	35.0	22.6	92.0
Americas	282	-16.4	-17.2	-0.8
Europe	203	-25.4	-26.7	1.9
Oceania	59	-6.2	-6.2	NA
Middle East & Africa	30	20.9	NA	20.9
Global	884	1.5	-5.7	53.2

Source: AME Capital / Bloomberg

- For 2007 our Global Universe showed a total return of 1.5%, comprising a decline of 5.7% in Developed Markets and a gain on Emerging Markets of 53.2%.
- The dominance of Asia in 2007 is shown very clearly by the table above. Total returns of 35.0% for Asia as a whole compare to -25.4% for Europe, and -16.4% for the Americas.
- In addition it should be noted that whilst the emerging markets of Europe and Latin America are relatively small compared to their Developed counterparts, India and China in particular have a significant impact on the overall regional return.
- As a result, although Hong Kong, Singapore and Japan generated a weighted total return of 22.6% (which includes -17.6% for Japan), the impact of the Emerging Asian countries was to increase this to 35.0% for the region as a whole.

**Chart 4: Global property securities returns for 12 months to December 2007**

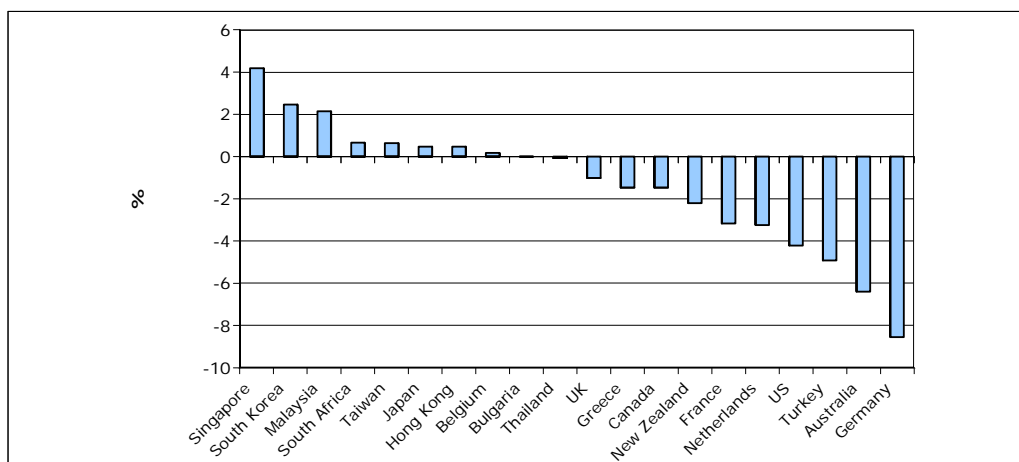


Source: AME Capital / Bloomberg

## REITs Performance

- REITs account for 30.8% (32% in November) of our total universe of listed property companies with a combined market capitalisation of £335bn (£337bn in November).
- Only the Asian REIT markets showed a positive return in December, with Germany (which now has 2 REITs) suffering another poor month.

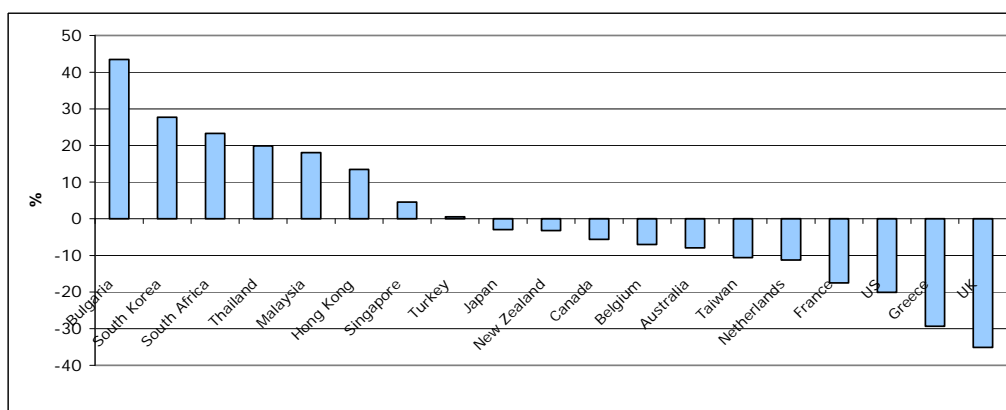
**Chart 5: Global REIT market performance December 2007**



Source: AME Capital / Bloomberg

- This theme is borne out in the figures for 2007. The majority of Asian markets generated positive returns, all the major Developed markets negative returns.

**Chart 6: Global REIT market performance 12 months to December 2007**



Source: AME Capital / Bloomberg

## Property Securities Funds

- As can be seen from the table below, the average total return for all mandates in our Universe was negative for 2007.

**Table 3: Composition and Returns of Property Securities Funds December 07**

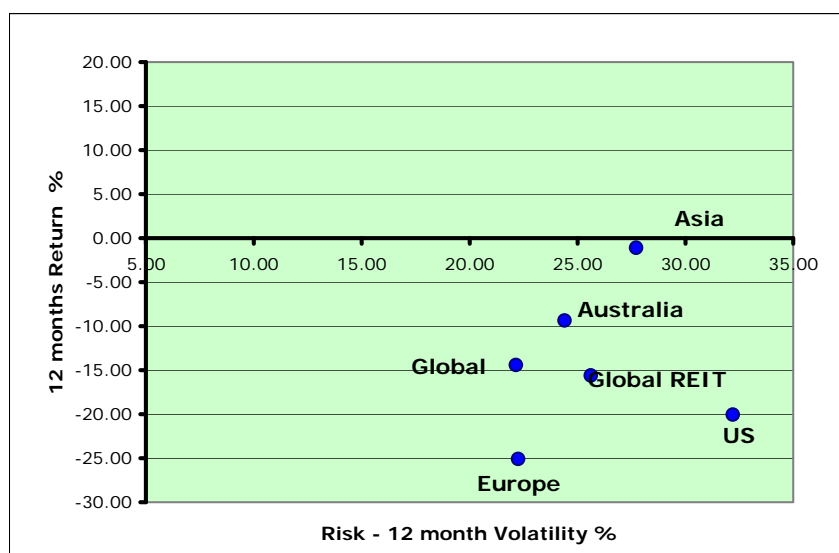
### PROPERTY SECURITIES FUNDS

MANDATE	Monthly return for December %	Q4 Return %	12 month return to December %	Sharpe ratio 12 M	Average volatility 260 Day	2006 return %	Total AUM (US\$m)	Number of Funds	Median AUM (US\$m)
European	-3.64	-12.96	-25.09	-2.32	22.25	45.80	25,959	101	91
Asian	-2.04	-7.98	-1.11	-0.26	27.72	23.28	14,797	59	36
US	-4.35	-13.28	-20.06	-1.17	32.19	32.94	51,551	105	169
Australian	-7.17	-13.11	-9.37	-0.99	24.40	30.59	23,272	237	20
Global REIT	-1.08	-12.83	-15.61	-0.88	25.62	34.60	14,074	33	102
Global	-4.16	-11.27	-14.43	-1.39	22.14	34.59	55,674	185	78
<b>TOTAL</b>							<b>185,326</b>	<b>720</b>	
<b>AVERAGE</b>	<b>-3.74</b>	<b>-11.91</b>	<b>-14.28</b>	<b>-1.17</b>	<b>25.72</b>	<b>33.63</b>			<b>82.69</b>

Source: AME Capital / Bloomberg

- Because of the US (and to a lesser extent European) performance, the volatility of Global REIT funds has increased over the last quarter, above that of Australia and Europe for the 12 months period to December 2007.

**Chart 7: Property Securities Funds Risk/Return 12 months to December 2007**



Source: AME Capital / Bloomberg

- Caution should be exercised when making specific direct comparisons between Funds however, as there are a number of structural differences between the Funds we monitor which will affect their performance. In particular:  
Closed-end and open-ended status, Size, Return mandate, i.e. Income vs. total return, Level of gearing, Different geographic mandates, Level of benchmarking, Benchmark used, Currency, Investment Exposure i.e. certain Funds invest in direct property, debt instruments etc
- In March 2007 we produced a paper on Global Property Securities Funds with Fraser Hughes of EPRA.
- For details of our Property Securities Funds Performance service please contact:

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*Notes regarding calculations in this document*

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

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

*\* Note3: Market capitalisations, and market capitalisation weighted returns do not include any free float adjustments*

*\* Note4: Return numbers have been taken as at 31<sup>st</sup> December 2007.*

*\*Note5: Return numbers are sourced from Bloomberg*