



NCREIF PREA REPORTING STANDARDS

Open Session
November 14, 2023



AGENDA

Topic	Presenter(s)
Welcome and Introductions	John Caruso, Rock Consulting Group, RS Council Chair
Debt Valuation – Understanding Best Practices for Debt Assets and Liabilities	John Kjelstrom, Chatham Financial, RS Council Vice Chair Lou DeFalco, PwC, RS Council Member
Private Fund Advisers Rule – “Is Real Estate Exempt?”	John Caruso, Rock Consulting Group, RS Council Chair Lindsey Simon, Simon Compliance Robert Fraher, KPMG
Changing of the Guard	John Caruso, Rock Consulting Group, RS Council Chair John Kjelstrom, Chatham Financial, RS Council Vice Chair
Wrap Up and Thank You	Dan Dierking, NCREIF President

RS BOARD MEMBERS



Jim Allen, Managing Director
& Fund CFO, Starwood
Capital Group
Chair



Tony Breault, Managing
Director, Ascentris



Cristiano Machado, CFO
Real Estate Funds,
Brookfield Property Group

Kathryn Gernert, Senior
Portfolio Manager, Texas
Permanent School Fund



Paul Quinlan, Managing
Director & CFO, Real
Estate, Blackstone



Sally Ann Flood, Partner,
Deloitte
Vice Chair



Kim Hourihan, Chief
Investment Officer, CBRE
Real Estate Investments,
CBRE Global Investors



Jim Strezewski, Chief
Financial Officer, Blue Vista
Capital Management

WELCOME NEW RS BOARD MEMBER



Barbara Flusk, Senior
Executive Vice President,
The Citgo Group

RS COUNCIL MEMBERS



John Caruso, Managing Director,
Rock Consulting Group
Chair



John Kjelstrom, Managing
Director – Valuation, Reporting,
and Analytics, Chatham Financial
Vice Chair



Paul Cheng, Senior Investment
Officer, SERS Ohio



Jennifer Davis, Managing
Director, Northwood Investors



Sara Davis, Managing Director,
Blackstone



Lou DeFalco, Partner, PwC



Paul D'Elisa, Senior Vice
President, Sentinel



David DiPaolo, Senior Vice
President, Clarion Partners



Jocelyn Friel, Managing Director,
Prime Finance



Tom Hester, Managing Director,
StepStone Real Estate



Benay Kirk, Managing Director,
Alter Domus



Rina Lessing, Investment
Manager, CalPERS



Andrew Loeb, Senior Vice
President, Oaktree Capital
Management



Joseph Nahas, Senior Vice
President, Institutional Marketing
& Investor Relations, Equus
Capital Partners



Connie Tirondola, Managing
Director, Real Estate Solutions,
FTI Consulting



Diane Wild, Head of North
American Investment
Performance, LaSalle Investment
Management



Min Zhou, Managing Director,
Secondaries, Ares Management



ESTABLISH STANDARDS **RS**

- Develop reporting standards that are relevant to both open-end and closed-end funds that can improve the investment decision-making of investors.

GLOBAL ALIGNMENT **RS**

- Converge investor reporting standards globally.
- Build a global platform for transparent and consistent reporting for international investors and advisors.

Collaborate **RS**

Compliance **RS**

Promotion **RS**



NCREIF PREA
Reporting Standards

DEBT VALUATION:
UNDERSTANDING BEST
PRACTICES FOR DEBT
ASSETS AND
LIABILITIES

DEBT VALUATION BEST PRACTICES

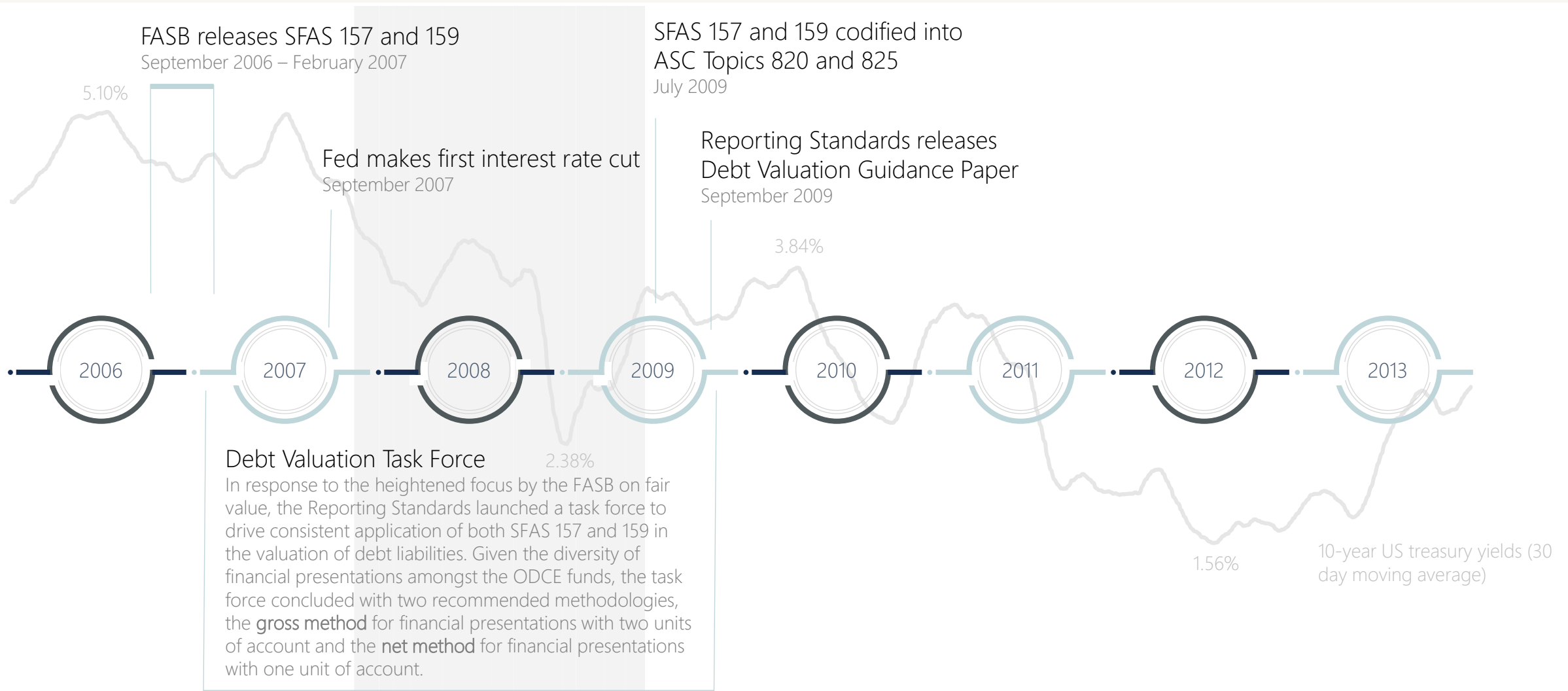


John Kjelstrom, Managing Director – Valuation, Reporting, Analytics,
Chatham Financial, RS Council Vice Chair

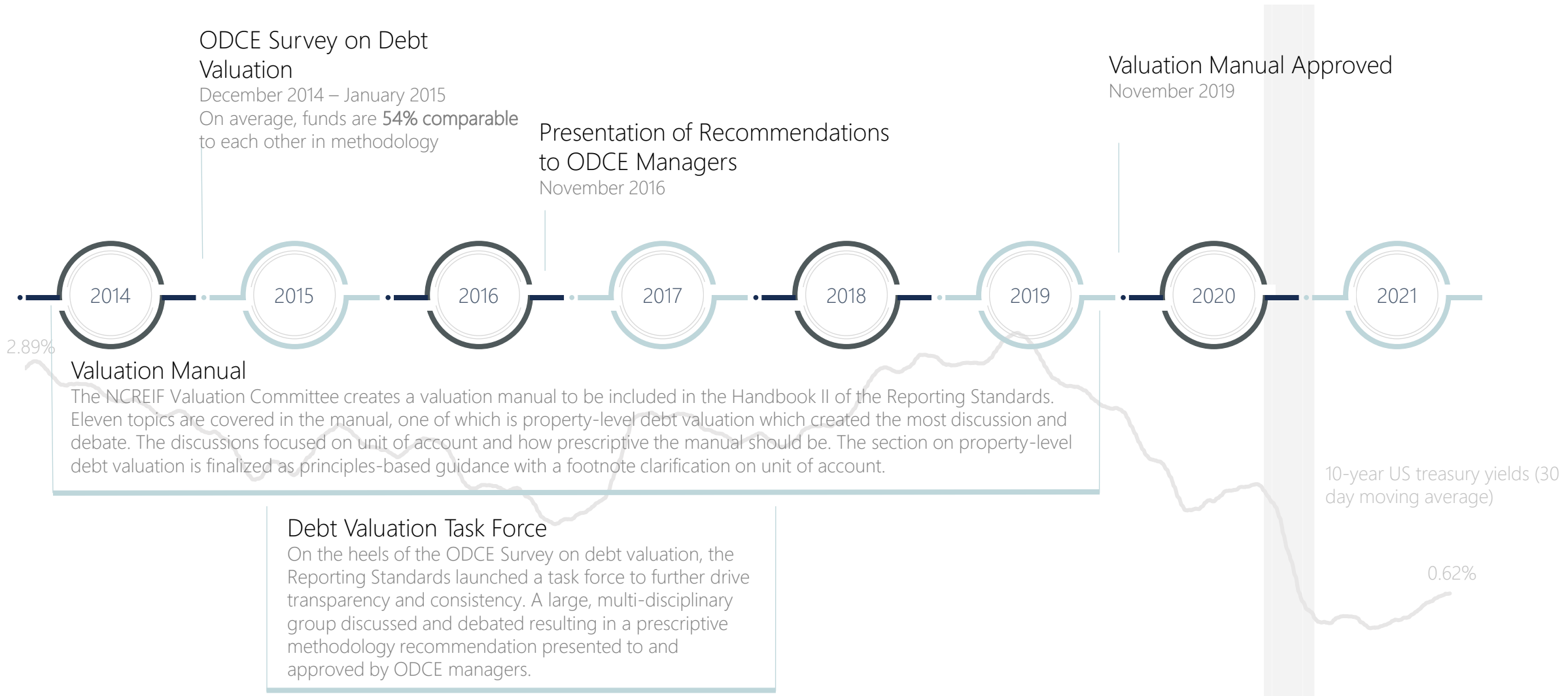


Lou DeFalco, Partner, PricewaterhouseCoopers, RS Council

HISTORY OF DEBT VALUATION



HISTORY OF DEBT VALUATION



ODCE Survey on Debt Valuation

December 2014 – January 2015
On average, funds are **54% comparable** to each other in methodology

Presentation of Recommendations to ODCE Managers
November 2016

Valuation Manual Approved
November 2019

Valuation Manual

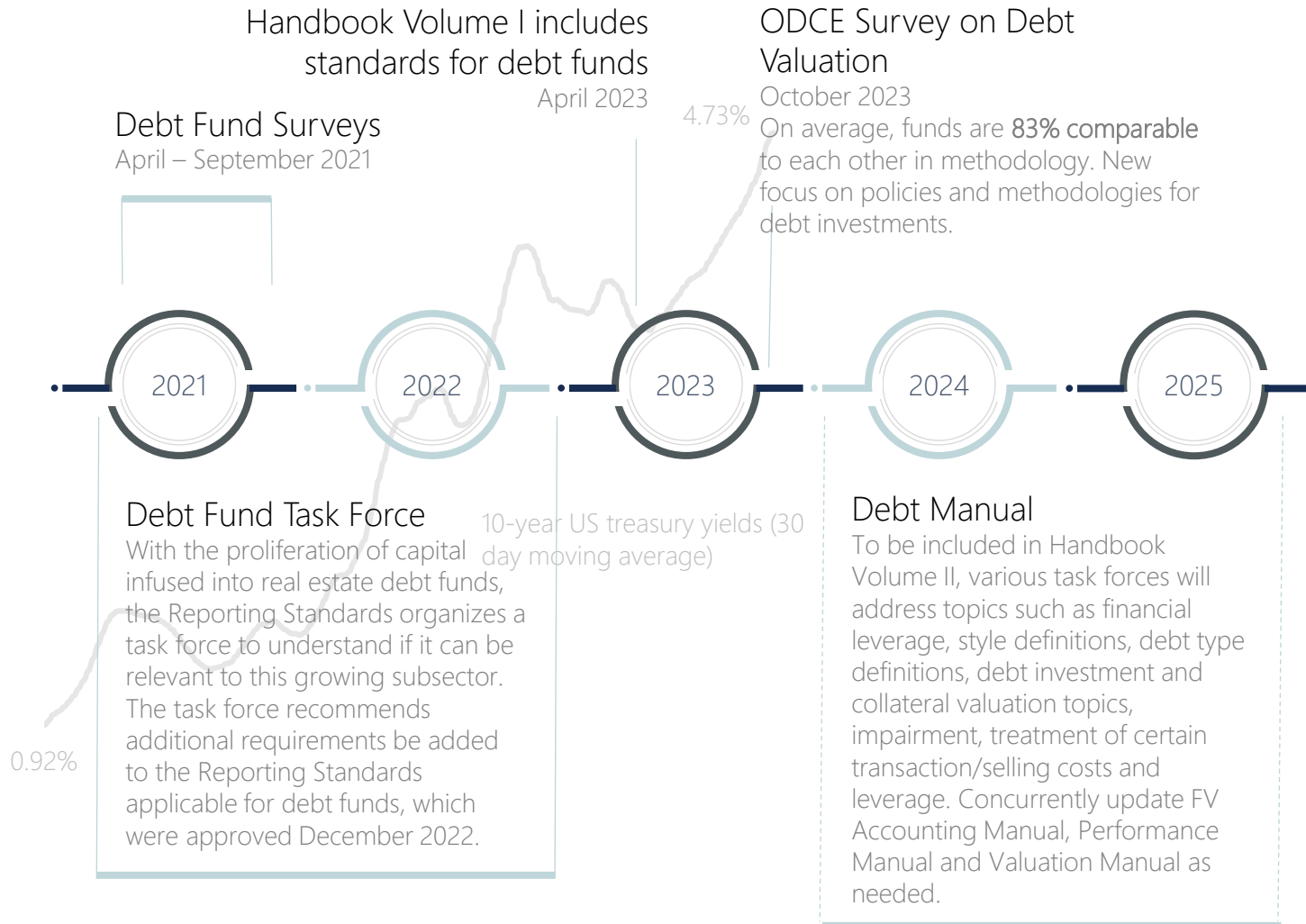
The NCREIF Valuation Committee creates a valuation manual to be included in the Handbook II of the Reporting Standards. Eleven topics are covered in the manual, one of which is property-level debt valuation which created the most discussion and debate. The discussions focused on unit of account and how prescriptive the manual should be. The section on property-level debt valuation is finalized as principles-based guidance with a footnote clarification on unit of account.

Debt Valuation Task Force

On the heels of the ODCE Survey on debt valuation, the Reporting Standards launched a task force to further drive transparency and consistency. A large, multi-disciplinary group discussed and debated resulting in a prescriptive methodology recommendation presented to and approved by ODCE managers.

10-year US treasury yields (30 day moving average)

HISTORY OF DEBT VALUATION





NCREIF PREA
Reporting Standards

PRIVATE FUND ADVISER RULE:

“IS REAL ESTATE EXEMPT?”

PRIVATE FUND ADVISER RULE



John Caruso, Managing Director, Rock Consulting Group, RS Council Chair



Lindsey Simon, CEO, Simon Compliance



Robert Fraher, Partner, KPMG

A dramatic underwater scene from the movie 'Jaws'. A large shark is swimming directly towards the viewer from the bottom of the frame, its mouth wide open, revealing sharp teeth. In the upper portion of the frame, a swimmer is visible on the surface of the water, their arms outstretched. The water is a deep, clear blue.

Private Equity Real Estate
Industry

SEC

Private Fund Advisers Rule – “Is Real Estate Exempt?”



NCREIF PREA
Reporting Standards

CHANGING OF THE GUARD

A Fireside Chat:

John Caruso, RS Council Chair

John Kjelstrom, RS Council Vice Chair

THANK YOU!!



Cristiano Machado, Managing Partner, CFO Real Estate Funds
Brookfield Property Group
Six Years on Reporting Standards Board
Board Chair 2020



John Caruso, Managing Director, Rock Consulting Group
Six Years on Reporting Standards Council
Add'l Four Years as Council Chair



OTHER REPORTING STANDARDS SESSIONS DURING THE CONFERENCE

- ESG Committee Breakout Session directly after today's RS Open Session
- Joint Session with Accounting, Performance, and Valuations on Debt Fund Hot Topics at 1:45pm.
- Joint Session with Accounting and Performance for a deeper dive into the Private Fund Advisers Rule – Wednesday at 2:45pm.



THANK YOU!



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