

Summit Perpetual Life REIT Return Index

2nd Quarter 2018

Quarterly & Annual Returns for Perpetual Life Non-Listed REITs

Institutional Share Classes

Quarterly Returns	2013	2014	2015	2016	2017	2018
1st Quarter	2.60%	1.91%	3.28%	-0.02%	0.99%	2.05%
2nd Quarter	2.01%	1.77%	2.11%	1.66%	1.74%	2.01%
3rd Quarter	1.87%	2.60%	1.92%	2.27%	2.04%	
4th Quarter	1.90%	2.46%	2.33%	1.98%	2.11%	
Full Year	8.38%	8.74%	9.64%	5.89%	6.88%	
Three-Year Average			8.92%	8.09%	7.47%	

Note: Quarterly returns are weighted averages based on quarterly distributions and quarterly changes in net asset value for perpetual life REITs. Quarterly returns do not represent or equate to specific investor returns but reflect the average REIT-level returns for perpetual life REITs.

Quarterly Return: In 2Q18, the Summit Perpetual Life REIT Index (Institutional Shares) reported a 2.01% quarterly return, which is the ninth straight quarter of positive returns after posting their only negative quarterly return of -0.02% in 1Q16. Perpetual life REITs posted a weighted average 1.37% quarterly distribution rate and an average 0.64% increase in net asset values in 2Q18. **Annual Return:** For 2Q18 TTM, perpetual life REITs had a 8.21% total return, which included 5.29% in distributions and 2.92% in appreciation (NAV growth). Low market cap rates from seven years of cap rate compression and rising interest rates on debt financing are primary factors for the softening of total returns over the last two years. **Three-Year Returns:** For three years ended 12/31/17, the Summit Perpetual Life REIT Index (Institutional Shares) reported a 7.47% average annual return, which is a decline from 8.09% average annual return for the three years ended 12/31/16. For the same three-year period, the FTSE NAREIT All Equity Index reported a lower 6.67% average annual return for listed equity REITs. Listed equity REITs also have significant volatility with returns of 2.86% in 2013, 28.03% in 2014, 2.83% in 2015, 8.63% in 2016, and 8.67% in 2017 (FTSE NAREIT All Equity Index). As they are not actively traded on a market, perpetual life REITs have significantly lower volatility than listed REITs and have provided higher three-year returns.

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2nd Quarter 2018

Quarterly & Annual Returns for Perpetual Life Non-Listed REITs

Commissioned Share Classes (Excluding Load)

Quarterly Returns	2013	2014	2015	2016	2017	2018
1st Quarter	2.12%	1.40%	2.94%	-0.02%	1.02%	1.83%
2nd Quarter	1.52%	1.52%	1.85%	1.27%	1.74%	1.72%
3rd Quarter	1.48%	2.14%	1.95%	1.92%	1.69%	
4th Quarter	1.72%	2.03%	1.74%	1.57%	1.62%	
Full Year	6.84%	7.09%	8.48%	4.74%	6.07%	
Three-Year Average			7.47%	6.77%	6.43%	

Note: Quarterly returns are weighted averages based on quarterly distributions and quarterly changes in net asset value for perpetual life REITs. Quarterly returns do not represent or equate to specific investor returns but reflect the average REIT-level returns for perpetual life REITs.

Quarterly Return: In 2Q18, the Summit Perpetual Life REIT Index (Commissioned Shares) reported a 1.72% quarterly return, which is the ninth straight quarter of positive returns after posting their only negative quarterly return of -0.02% in 1Q16. Perpetual life REITs had a weighted average 1.15% quarterly distribution rate and an average 0.57% increase in net asset values in 2Q18. **Annual Return:** For 2Q18 TTM, perpetual life REITs averaged a 6.86% total return, which included 4.39% in distributions and 2.47% in appreciation (NAV growth). Low market cap rates from seven years of cap rate compression and rising interest rates on debt financing are primary factors for the softening of total returns over the last two years. **Three-Year Returns:** For the three years ended 12/31/17, the Summit Perpetual Life REIT Index (Commissioned Shares) reported a 6.43% average annual return, which is a decline from 6.77% average annual return for the three years ended 12/31/16. For the same three-year period, the FTSE NAREIT All Equity Index reported a 6.67% average annual return for listed equity REITs. Listed equity REITs, however, have significant volatility with returns of 2.86% in 2013, 28.03% in 2014, 2.83% in 2015, 8.63% in 2016, and 8.67% in 2017 (FTSE NAREIT All Equity Index). As they are not actively traded on a market, perpetual life REITs have significantly lower volatility than listed REITs and only slightly lower three-year returns.