

# Futuregrowth Community Property Fund

Quarterly report  
June 2022

**FUTUREGROWTH**  
ASSET MANAGEMENT

**CAPITAL LAND**  
Property Asset Management  
[www.capland.co.za](http://www.capland.co.za)





# The Futuregrowth Community Property Fund: Our focus on essential goods and services pays off



Consumers are facing very difficult times, with petrol prices and food inflation rising sharply. The Fund's focus on essential goods and services has helped navigate the volatile property market over the past four years as consumers have been cutting back on discretionary spending under the current economic conditions.

The team has been focused on cost control and is constantly looking at innovative ways to reduce operating costs in an inflationary environment through investments in rooftop solar and water projects.

## Environmental impact

Later in this report, we provide an overview of some of initiatives implemented by the Fund to minimise adverse environmental impact by the Fund's shopping centres. These include the Blue Dot Water projects that provide a sustainable, quality water supply (and cost savings) to the shopping centres where they have been implemented - and have an indirect impact on the local community.

**Smital Rambhai**  
Portfolio Manager

# Fund Facts

## Servicing the needs of communities in rural areas and townships

<b>Portfolio manager</b>	Smital Rambhai
<b>Asset class</b>	Unlisted shopping centres in townships and rural areas (can include listed properties)
<b>Return target</b>	CPI + 4%
<b>Asset exposure limits</b>	Max 50% per province (market value) Max 25% per single asset (market value)
<b>Liquidity</b>	Min 90% of Fund in property or property related instruments (market value) Max 10% in cash or units in a money market fund
<b>Approval process</b>	Board of Directors and Property Committee

Futuregrowth Asset Management (Pty) Ltd is the Fund Manager. The property and asset management component, such as the leasing, marketing, refurbishment and expansion of the properties, is managed by Capital Land Asset Management (Pty) Ltd.

The Fund forms part of Futuregrowth's suite of developmental investments. Current assets under management in the Fund total over R5.7 billion.



Motherwell Shopping Centre



## The objectives of the Fund are both commercial and social



Eyethu Orange Farm Mall

**Futuregrowth Community Property Fund specialises in the acquisition of new and existing shopping malls that cater to the needs of underserved communities in rural areas and townships throughout South Africa.**

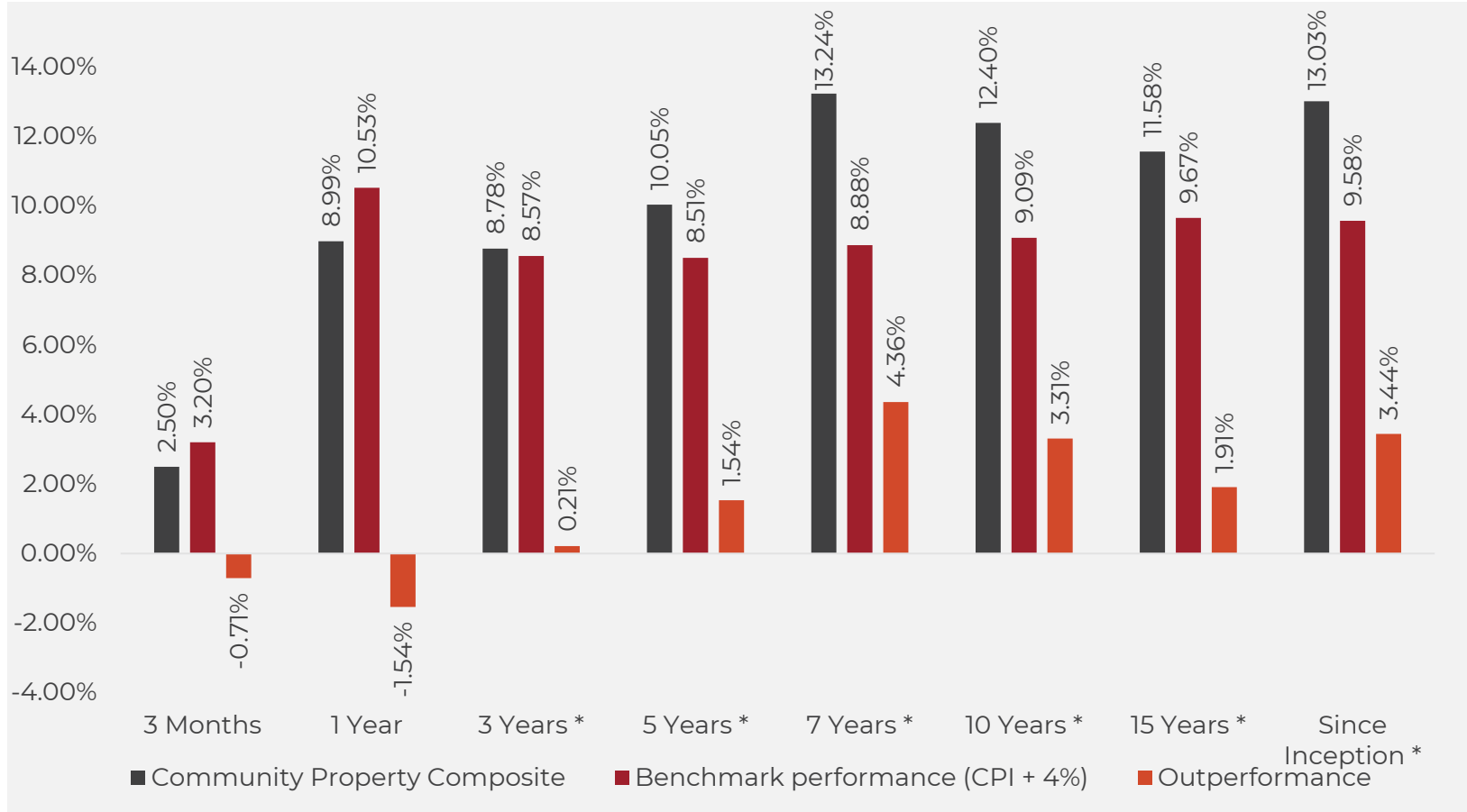
There are currently 22 shopping malls in the portfolio (including the new centres), located in eight of the nine provinces and varying in size between 1 700m<sup>2</sup> and 40 000m<sup>2</sup>. These malls are typically tenanted by supermarkets, clothing, banking and furniture retailers.

The objectives of the Fund are both commercial and social. Properties are selected for their potential for strong income growth. The community surrounding the Fund's shopping centres benefits through increased employment opportunities and access to a wide range of quality shopping facilities and commercial services.

Each shopping centre is a catalyst for the development of municipal infrastructure in the area and the enhancement of transport infrastructure. Various community initiatives are also implemented by the centres, to enhance their social impact in the surrounding area.

# Fund performance

## Bridge City has a drag on performance



The Fund delivered a total return of 2.5% for the quarter. The total return for the 12 months ending June 2022 was almost 9%, which comprised a capital gain of 1.5% for the year and an income return of 7.5%.

Prior to the riots in July 2021, Bridge City Shopping Centre had a 14% weight in the portfolio. It is currently being held at its development value plus cash receivable from SASRIA for the rebuild (which is effectively close to the holding value from June 2021). With the property valuation of Bridge City being held unchanged from June 2021 (due to the centre not trading) it has had a drag on performance. The centre is expected to be fully operational by May 2023.

We have not seen a significant negative impact on rental collections or significant negative reversions on expired leases, due to the Fund focus on essential goods and services.

As at 30 June 2022  
 Since inception date (GIPS Performance): January 2000; Fund start date: September 1996  
 Source: Futuregrowth/\*Annualised/ It is important to note that these are ungeared direct property returns.



# Overview of operations

## Bridge City opens one store

**The Fund's vacancy rate decreased from 5.1% to 3.35% during the quarter, and, taking into account tenants who had signed leases but not taken occupation, this is set to reach 3.13%. We believe there will be short-term volatility in the vacancy rate, given the current economic conditions, but expect the long-term vacancy rate to remain below 4%.**

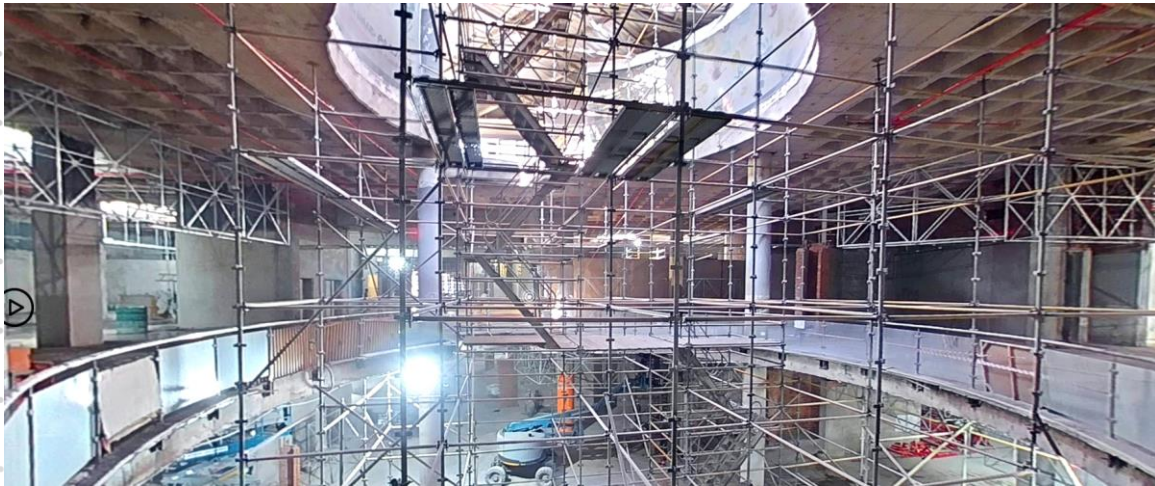
Bridge City Shopping Centre is the only shopping centre that is still not fully operational since the July riots. SuperSpar started trading from 29 June 2022. The rest of the shopping centre has been closed off to the public and we will continue with the restoration and development. The centre will be opened in increments over the next 11 months, which will allow consumers to obtain access to several essential goods and services over this period.

Consumers are facing challenging times with higher oil prices and food inflation,

and it was imperative that we opened at least one grocery store to alleviate the financial pressure for the communities of KwaMashu, Inanda and Ntuzuma. The opening of the SuperSpar will reduce cost of travelling for the communities to buy food and alleviate the pressure on their disposable income.

### Rental collections

Rental collections were strong during the quarter, due to the focus on essential goods and services, together with high exposure to national tenants with strong balance sheets. Over the past 12 months, the Fund has managed to collect 100% of its billed rentals. On renewal of expired leases (year to date) we have seen a negative reversion of 3.94% on expired rental amounts, which are escalating at an average rate of 6.5%. We expect that the current average escalation rate will reduce over time to between 6% and 6.5%, given lower signed new escalation rates.



Ongoing work at Bridge City





# SA property market review

## Slow recovery is under way

**SA REITs fell 1.3% over the quarter and achieved a positive return of 27% over the 12 months ending March 2022. SA REIT share prices have recovered significantly, but share prices are still off the highs achieved in 2019.**

Property market fundamentals have started stabilising and we believe that the recovery is under way, albeit it slow. Leasing activity across the market has improved in the past three months. Vacancies in the office sector remain high, whilst retail centres in urban areas continue to experience large negative reversions as leases expire.

Key concerns for all property owners in South Africa are 1) the lack of municipal service delivery and 2) municipal costs that are rising at a higher rate than rentals. This situation erodes net income and limits capital appreciation over the longer term. We have been receiving communication from various municipalities (such as the City of Ekurhuleni and City of Joburg) wanting to increase utilities as high as 11%. We caution that this may derail the property sector recovery. The South African Property Owners Association (SAPOA - of which the Fund is currently a member) will be lobbying against these exorbitant increases on behalf of the industry.



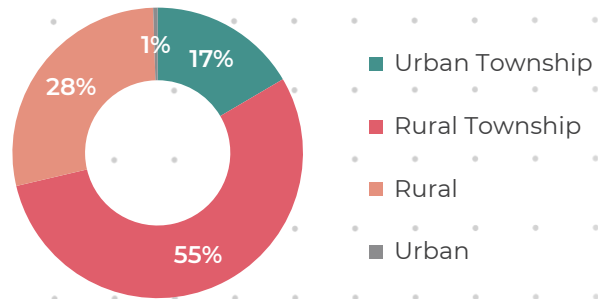
Diepsloot Mall

# Current properties

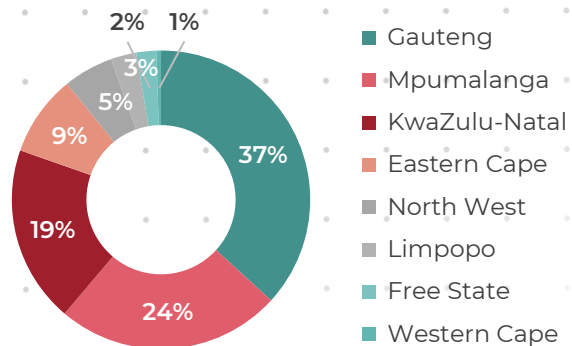
The Fund currently has 22 properties situated in 8 provinces.

Please visit: [www.communitypropertyfund.co.za](http://www.communitypropertyfund.co.za) for further information on the properties in the portfolio.

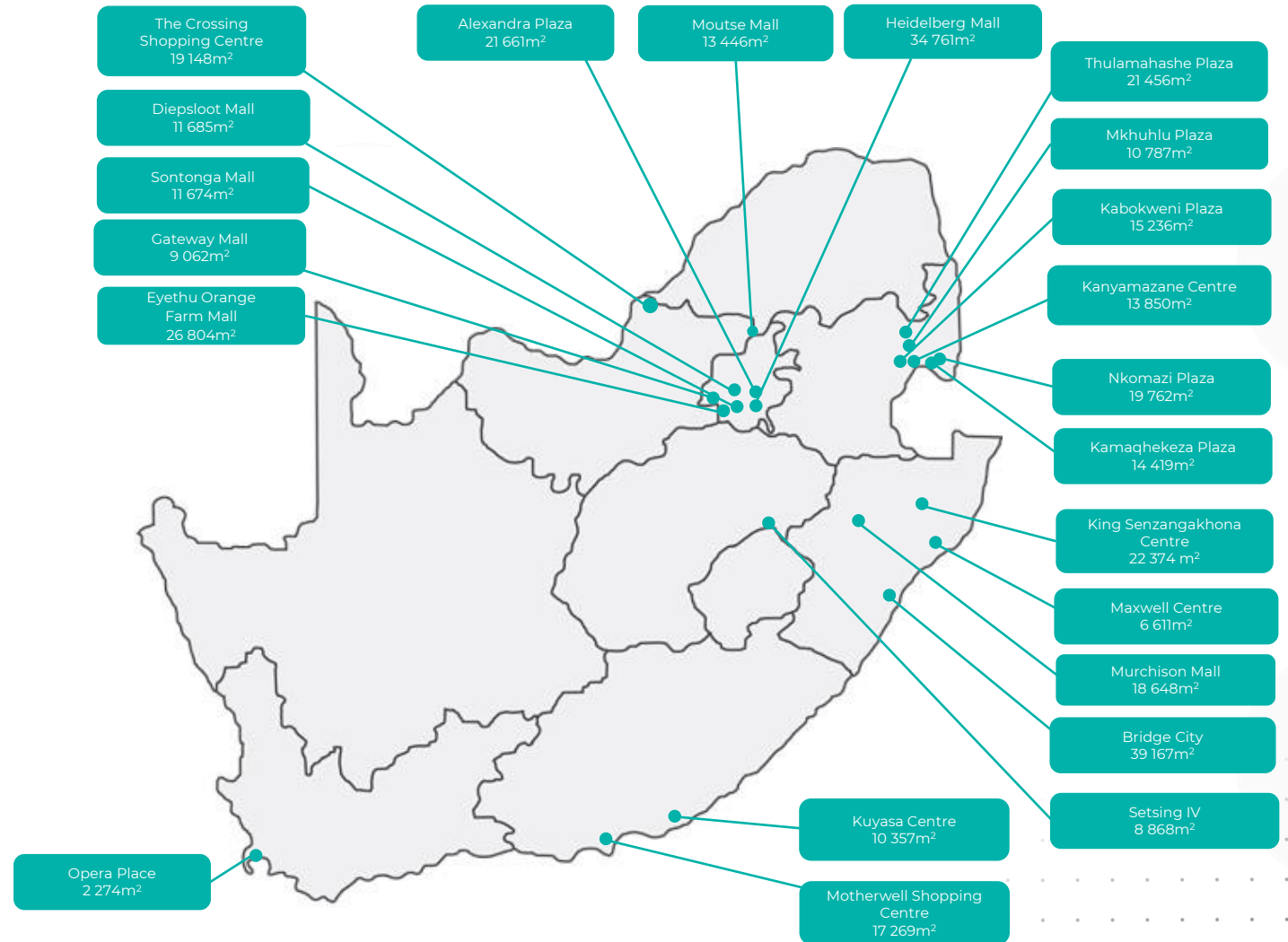
## Township/rural/urban exposure



## Geographical exposure by GLA\*(m<sup>2</sup>)

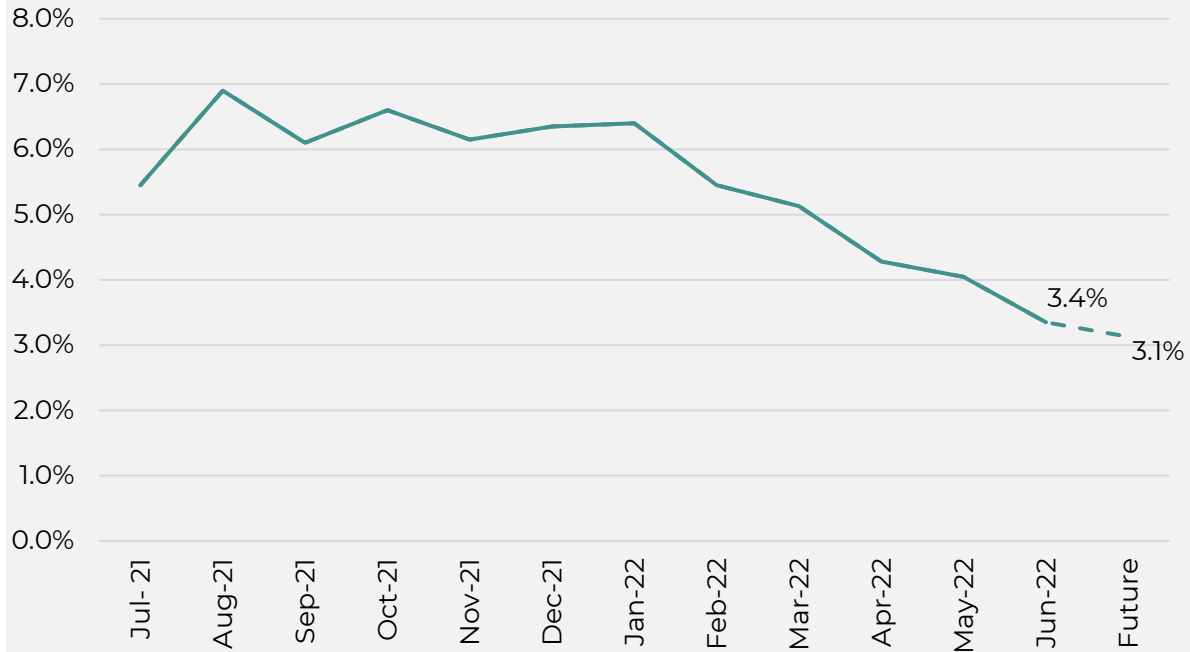


\*Gross Lettable Area





### Total vacancy trend



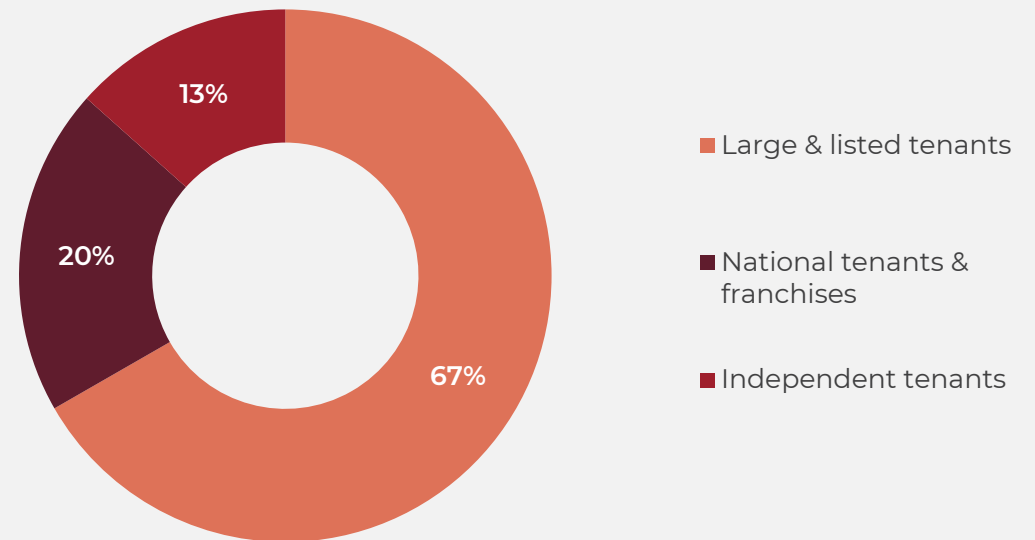
As at 30 June 2022

The total portfolio vacancy is currently 3.4%. If we factor in tenants that have signed leases, but that have not yet taken occupation, then the portfolio vacancy reduces to 3.1%.

Large, listed, national and franchise tenants occupy 87% of the gross lettable area (GLA) in the Fund's centres. These are well known tenants such as Shoprite, Pep, Ackermans, Capitec Bank, SuperSpar, Boxer, Pick n Pay and Cashbuild, which have a large number of stores and a footprint across South Africa.

The current tenant profile of the Fund ensures that the income stream is of a high quality.

### Tenant profile by GLA



As at 30 June 2022

# Our developmental investment philosophy

## Developmental product suite

Futuregrowth has a 25-year-plus track record of investing in developmental assets. Our funds provide finance to institutions that may not typically receive support from the traditional banking or lending process. In addition to providing finance (credit), we also invest in equity and retail property with a developmental nature.

Our developmental funds are part of our broader responsible investment strategy and reflect the intention of our clients to do good by investing consciously to make a positive impact on society and the broader environment, and thereby to safeguard our collective future.

*Our suite of developmental funds consists of:*

- **Fixed Income** (Infrastructure & Development Bond Fund, Power Debt Fund, Inflation-Linked Debt Fund);
- **Unlisted equity** (Development Equity Fund, Agri Funds);
- **Unlisted retail property** (Community Property Fund); and
- **Fund of funds** incorporating our suite of development funds as building blocks (Developmental Balanced Fund).

Futuregrowth is dedicated to the development and empowerment of South Africa and its people. We are constantly looking for opportunities that will yield optimal financial returns for investors while making a meaningful difference. As such, we have become a reliable channel for investor savings and promoting national development.

We define developmental investing as financing that a) provides investors with commercial returns and b) produces a social and developmental impact. In South Africa the primary focus is on the provision of basic services and improvement of infrastructure development.

In order to achieve sustainable, long-term, benchmark-beating performance, we apply a responsible investment filter when screening and analysing new deals for our developmental funds. This is supported by a robust credit process that considers both financial risks and environmental, social and governance (ESG) risks.

## Global contribution

We are also aligned with the UN's Sustainable Development Goals (SDGs), thus contributing to this global "blueprint to achieve a better and more sustainable future for all". The SDGs are covered in detail later in this report, where we link the activities of each deal featured to these global targets.

*(See: [www.un.org/sustainabledevelopment/sustainable-development-goals/](http://www.un.org/sustainabledevelopment/sustainable-development-goals/))*





# How we measure and manage impact

**Futuregrowth actively measures and manages for impact. Our impact measurement and management approach is aligned with both global and local development frameworks.**



## **National Development Plan (NDP)**

This is a long-term development framework for the elimination of poverty and reducing inequality in South Africa by 2030.

## **UN Sustainable Development Goals (SDGs)**

These goals represent the globally agreed 2030 agenda and are a call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

## **Principles for Responsible Investing (PRI)**

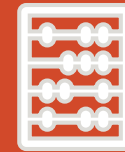
Futuregrowth is a signatory to the Principles for Responsible Investment (PRI), which is an international network of signatories contributing to developing a more sustainable global financial system by incorporating six defined Principles for Responsible Investment into investment practice.

### TOTAL JOBS

In January 2022 we conducted a review of the employment information for the property portfolio, which revealed these job creation numbers.

Positively, 76% of these jobs were from staff living in the local community. 89% were held by blacks, 61% were held by women and 63% by youth - indicating the strong developmental impact of our Fund's investments.

10 541



Total job numbers

7 833



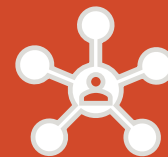
Permanent jobs created

2 708



Temporary jobs created

76%



from local community



Held by blacks

89%



Held by youth

63%



Held by women

61%



Held by people with disability

#45

As at 31 January 2022



# Fund IMPACT across SDGs

## The Fund investments contribute to six SDGs

1 NO  
POVERTY



End to poverty in all its manifestations by 2030. It also aims to ensure social protection for the poor and vulnerable, increase access to basic services and support people harmed by climate-related extreme events and other economic, social and environmental shocks and disasters.

3 GOOD HEALTH  
AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages by investing in businesses that improve the availability of healthcare and medical services as well as special medical units.

8 DECENT WORK AND  
ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by investing in underserved markets that unlock and support job creation, growth and improved labour standards and practices for improved livelihoods.

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation by partnering and supporting government in financing infrastructure projects and providing access to finance for businesses that create more inclusive and sustainable communities.

10 REDUCED  
INEQUALITIES



Reduce inequality within and among countries by investing in businesses that promote financial, social and economic inclusion for all in order to promote inclusive growth and reduce inequalities.

11 SUSTAINABLE CITIES  
AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable by investing in businesses that increase the availability of affordable housing stock near transport options and provide access to home ownership for low- and moderate-income populations.

# Environmental Impact

## Cumulative portfolio statistics

The renewable energy, sustainable water, waste management and recycling initiatives in the portfolio have achieved the following savings to date.

### SMART monitoring across the portfolio



**94%**

of buildings are SMART metered.



**84%**

of buildings are SMART metered on bulk connections.

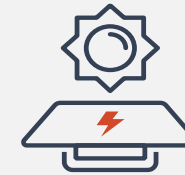
As at 30 June 2022



**19 214 326**

**CO2 saved (m3)**

156 708 trees grown to maturity would have been required to sink this carbon.



**56 560 432**

**kWh of energy saved**

6 097 mid-income homes could be powered for one year by the energy saving.



**109 915 039**

**litres of water saved**

1 201 average households annual water needs.



**9 383**

**trees saved**

990 acres of tropical forest at average tree density saved.



Capital Land actively identifies opportunities for solar projects and is committed to increasing the percentage of renewable energy in the Comprop Portfolio. Solar panels have been installed in seven centres. Savings in electricity from the grid through the solar projects has significantly off-set the Fund's carbon footprint.

	Location	Plant size	Energy generation	Installation
Motherwell Shopping Centre	Motherwell, Eastern Cape	1 019 kWp (DC)	1 411 315 kWh per year	Completed December 2021
Diepsloot Mall	Diepsloot, Gauteng	1 325 kWp (DC)	2 134 513 kWh per year	Completed October 2021
Setsing IV Centre	Phuthaditjhaba, Free State	427 kWp (DC)	662 125 kWh per year	Completed July 2021
Heidelberg Mall	Heidelberg, Gauteng	Phase 1: 1 261 kWp (DC) Phase 2: 971 kWp (DC)	2 995 009 kWh per year	Phase 1: Completed February 2019 Phase 2: Completed April 2021
Kuyasa Centre	Mdantsane, Eastern Cape	560 kWp (DC)	758 863 kWh per year	Completed March 2020
Gateway Mall	Carletonville, Gauteng	482 kWp (DC)	797 732 kWh per year	Completed March 2020
Alexandra Plaza	Alexandra, Gauteng	941 kWp (DC)	467 417 kWh per year	Completed October 2018



**10 813 981**

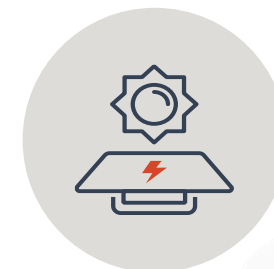
**CO2 saved (m3)**

88 196 trees grown to maturity would have been required to sink this carbon.

**18 876 323**

**kWh of energy saved**

2 035 mid-income homes could be powered for one year by the energy saving.



**5 281**

**trees saved**

557 acres of tropical forest at average tree density saved.

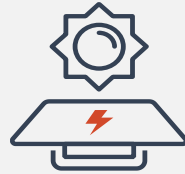
The centres work in partnership with service providers to ensure optimal waste management and recycling.



**8 400 345**

**CO<sup>2</sup> saved (m<sup>3</sup>)**

68 511 trees grown to maturity would have been required to sink this carbon.



**37 684 109**

**kWh of energy saved**

4 062 mid-income homes could be powered for one year by the energy saving.



**104 936 367**

**litres of water saved**

1 146 average households annual water needs.



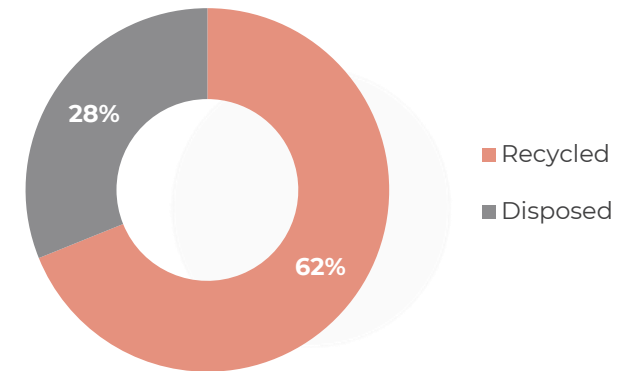
**4 102**

**trees saved**

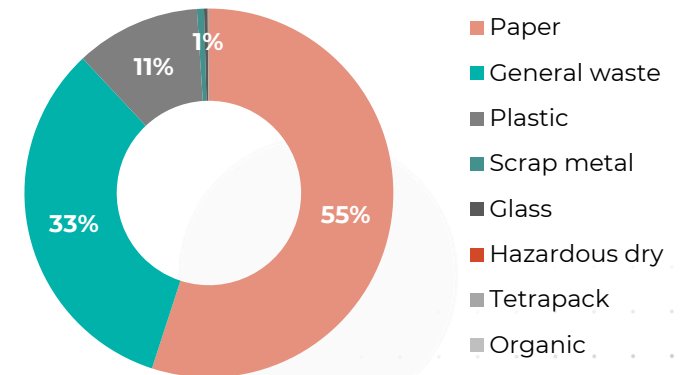
433 acres of tropical forest at average tree density saved.

As at 30 June 2022

Waste recycled vs disposed (m<sup>3</sup>)



Types of waste



6 CLEAN WATER  
AND SANITATION



Goal 6 of the Sustainable Development Goals advocates for sustainable management of water and sanitation for all by investing in businesses that ensure there are sustainable, affordable and scalable water and sanitation solutions for all while ensuring that the poorest communities don't get left behind.

## Sustainable, quality water supply

39% of the Southern African population lack access to clean and affordable drinking water (which is a fundamental human right). According to a publication by [ESI Africa](#), "South Africa is approaching physical water scarcity in 2025 where they are expected to experience a water deficit of 17 percent by 2030, and climate change will worsen the situation."

Approximately 9% of South Africans living in rural areas lack access to reliable water supply. Therefore, innovative techniques are needed to mitigate these challenges.

### Blue Dot Water

Blue Dot Water provides a sustainable, high quality and reliable alternative source of potable water where it is needed most, through their advanced filtration and water treatment solutions. The outcomes of their installations support SDG 6 (see left).

Blue Dot Water's investment model takes core utility assets off the business's balance sheet and delivers significant savings over time, enabling the business to free up capital, without the stress of plant management and maintenance.

*"Most importantly, we provide "water security" for our clients." Blue Dot Water*

To date, Blue Dot Water has designed and built more than 150 water treatment plants for commercial, property, industrial, hospital and agricultural clients.



**To date, the Fund has entered into Water Purchase Agreements with Blue Dot Water for three shopping centres in the portfolio – Heidelberg Mall, Alexandra Plaza and Diepsloot Mall.**

At its own cost, Blue Dot Water drills a suitable borehole on the centre property, that passes the required sustainable yield, environmental and quality tests. Blue Dot Water then sells the water to the shopping centre at a rate lower than the municipal water rates. The centre only starts paying for the treatment of the water once it is consumed. The project and operating costs are incorporated into one fee, charged per unit of water.

In this way, the project results in a financial saving for the shopping centre and guarantees quality domestic water supply. The water extraction is fully compliant with The National Water Act and the water quality is constantly monitored to ensure South African National Standards (SANS) compliance at all times.

### Returns for the Fund

**On the following pages we illustrate the returns on the Fund's first two Blue Dot projects: at Heidelberg Mall and Alexandra Plaza.**

While the goal is to reduce municipal consumption to zero, this is dependent on the sustainable borehole yield and complex system utilized to treat the water. Once the water has been treated, it is pumped into the main water feed of the centre as domestic potable water. Treated water is approximately 50% of the price compared to municipal water per kilolitre and is also superior quality post treatment.

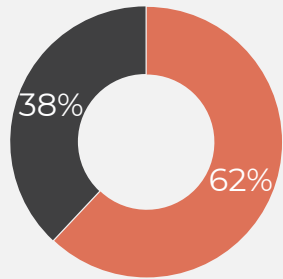
The cash savings (excluding VAT) are projected over a period of 15 years, which is the contractual period. A 6% yearly increase on municipal water tariffs was assumed. The water saving calculation is based on 36.8% of treated borehole water as per the Water Research Commission ("WRC").



# Environmental Impact

## Blue Dot Water case study: Heidelberg Mall

% of treated borehole water vs municipal water (litres)



■ Treated Borehole  
■ Municipal

As at 30 June 2022



**Projected cash savings (over 15 years):**  
Heidelberg Mall : R3 154 464



**Actual water saving to date** (from 1 October 2021 to 30 June 2022):  
4 181 463 litres of water saved  
46 average households annual water needs



# Environmental Impact

## Blue Dot Water case study: Alexandra Plaza

% of treated borehole water vs municipal water (litres)



As at 30 June 2022



**Projected cash savings (over 15 years):**  
Alexandra Plaza: R12 704 853



**Actual water saving to date** (from 15 November 2021 to 30 June 2022):  
2 827 453 litres of water saved  
31 average households annual water needs





# Community impact

## Increased water treatment capacity indirectly supports 6 SDGs



**SDG 3.9:** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



**SDG 6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater.



**SDG 9.1:** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.



**SDG 10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



**SDG 11.6:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.



**SDG 13:** Take urgent action to combat climate change and its impacts by investing in businesses that reduce greenhouse gas emissions, increase resource efficiency, preserve and grow natural capital and support climate mitigation and adaptation.

# Key features

## Futuregrowth Community Property Fund

Over **R5.7bn**  
Total net asset value  
(as at 30 June 2022)

Commercial  
**risk-adjusted**  
returns

**Investments**  
in new and existing  
shopping malls

Active in  
**8 provinces**

### Infrastructure and services

- Focused on providing quality retail facilities to previously disadvantaged communities
- Catalyst for the development of local municipal and transport infrastructure

**Over 99%**  
township and  
rural exposure

### Impact Outcomes

- **10 541** local jobs created as at 31 January 2022
- Local economy value-add (SMME support)
- Economic empowerment of PDIs, especially women
- Community involvement initiatives

Supports **six**  
**Sustainable**  
**Development**  
**Goals**

# Fund facts

<b>Fund description</b>	The Futuregrowth Community Property Fund specialises in the acquisition of new and existing shopping malls which cater to the needs of underserved communities throughout South Africa and forms part of Futuregrowth's suite of developmental investments.	<b>Investment objective</b>	The Fund aims to outperform the CPI by 4% per annum before the deduction of taxes and fees and with income reinvested over a rolling 3-year period. It seeks to provide investors with a low cost, high value property investment that focuses on emerging market retail property growth in underserved rural communities and high-density urban centres.
<b>Composition</b>	The Composite currently owns 22 shopping centres located in rural and township areas in eight of the nine provinces. These centres provide retail services and products to a primary target market of approximately 10 million people. Overall, the Fund has purchased, developed or disposed of 34 shopping centres countrywide since inception. The centres deliver retail services to low- to middle-income groups. They vary in size between 1 700m <sup>2</sup> and 40 000m <sup>2</sup> and are typically tenanted by supermarkets, clothing, banking and furniture retailers.	<b>Key benefits</b>	<ul style="list-style-type: none"> <li>– Specifically focused on providing retail facilities to previously disadvantaged communities, especially in areas characterised by a lack of infrastructure and services.</li> <li>– Targets a niche market of low to middle income groups.</li> <li>– Creates jobs during the construction phase, employing artisans and labourers from the local area.</li> <li>– Creates permanent/long-term jobs during the life cycle of the mall.</li> <li>– Provides access to retail stores and services for local communities which has major health, time and social implications.</li> <li>– Offers a wider range of choice to consumers with higher quality and lower prices than previously available.</li> </ul>
<b>Fund manager</b>	Futuregrowth Asset Management	<b>Asset &amp; property manager</b>	Capital Land Asset Management
<b>Return target</b>	CPI + 4%	<b>Risk profile</b>	Moderate (long term returns, predictable cash flows, illiquid)
<b>Number of properties owned currently</b>	22	<b>Number of properties funded to date</b>	36
<b>Current geographic spread</b>	8 provinces	<b>Property type</b>	Retail
<b>Structure</b>	Pooled and Segregated	<b>Market segment</b>	Low to middle income bracket (township & rural)
<b>Inception date</b>	1 September 1996	<b>Total net asset value</b>	R5.5 billion
<b>Minimum investment</b>	Pooled - R25 million (at manager's discretion)	<b>Termination period</b>	1 calendar month up to a maximum of 3 years (size dependent)



# Glossary

<b>Academic Prize Programme</b>	This prize is awarded annually to the top academic student in Grade 6 for junior schools and Grade 11 for high schools in the local area. The prize consists of a floating merit board engraved with the prize winner's name, a gift voucher from a shop at the Fund's shopping mall, and a contribution to school fees for the next academic year.	<b>Helping Hand Project</b>	The Helping Hand Project is a community focused initiative which invites members of the community surrounding a selected shopping mall to make a difference in their community by simply visiting the mall and donating their handprint. For every handprint that is received, R5 will be donated towards items for a local home or charity.
<b>Annualised return</b>	This is a return over a period of greater than one year that has been converted into an average annual return. This facilitates an easier comparison between returns over different periods.	<b>Lap Desk Project</b>	Lap desks provide a portable solution for children who don't have desks at their schools or homes. The desk sits on the child's lap, providing a sturdy surface to write on, whether sitting on a chair or on the floor. They are branded with the Fund's shopping mall name, and include information appropriate to the age group of the learners.
<b>Barefoot No More</b>	Barefoot No More has developed a unique school shoe which is the perfect solution for children located in rural areas. Most of these children have not had the opportunity to own a pair of new shoes, or have the resources to maintain them. Donations through this programme include individually sized shoes, book bags branded with the Fund's shopping mall name, and stationery sets for each child.	<b>Liquid holding</b>	Cash in the Fund held in bank accounts, call accounts and money market investments.
<b>Cap rate</b>	Capitalisation rate: is a measure of value and risk of a building and is calculated by dividing the net returns on rental for one year by the purchase price or market value of a building.	<b>LSM</b>	Living Standards Measure: a means of grouping the population according to their living standards from 10 (highest) to 1 (lowest).
<b>CPI</b>	Consumer Price Index - used as a measure of inflation - measures the average change over time in the price of a basket of consumer goods and services purchased by households.	<b>Market rental</b>	Is calculated by taking into account comparable market rentals as well as the demand for and availability of space in the mall concerned.
<b>DCF valuation methodology</b>	Discounted Cash Flow valuation methodology is carried out by estimating the total value of all future cash flows (both inflowing and outflowing), and then discounting them by the cost of capital to find a present value of that cash.	<b>Trading densities</b>	This is a measure of performance in retailing. It is the revenue generated for a given area of sales space and is presented as a monetary value per square metre. The higher the figure, the more efficiently the floor space is being used.
<b>GLA</b>	Gross Leasable Area	<b>Ungear return</b>	This refers to a return that has been generated without the use of debt funding on the properties.
<b>Headline inflation</b>	This is a measure of the total inflation within an economy, including commodities such as food and energy prices, which tend to be more volatile and prone to inflationary spikes.	<b>Weighted escalations</b>	When tenants enter into a lease, the rate at which their rental increases annually is the escalation rate. The weighted escalation rate is an average of all lease escalation rates across the portfolio weighted by the rental amount.

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