Introduction

Rationale

Index Construction

Appendix
Barclays and Colony Capital Partnership

- Barclays and Colony Capital, Inc., a leading global investment management firm, partnered to create the **Colony Capital Fundamental US Real Estate Index**
- The Index draws on Colony’s 28 years of experience in managing global real estate investments coupled with Barclays’ market leading strengths in the structuring, trading and distribution of indices

**Barclays**

- Global investment bank, one of the market leaders in index strategy indices with approximately 2,000 investable indices:
  - Recognized, robust research and index execution
  - Systematic and rigorous, rules-based approach
  - One of the leaders in equity, bond, and FX execution

**Colony Capital**

- Leading global investment management firm that creates long-term value through investing in real estate and real estate-related assets*:
  - Global brand spans across 21 offices, in 13 countries with over 450 employees
  - $53 billion Assets Under Management
  - $100 billion+ invested over 28 years in 20+ countries

*Source: Colony Capital, Inc. Data as of September 2019.
The Colony Capital Fundamental US Real Estate Index implements fundamental real estate investing principles using a rules-based approach.

In real estate investing, avoidance of risk is usually the primary driver of long-term outperformance.

The Index is designed to eliminate the riskiest REITs by focusing on characteristics that Colony views to be reliable markers of risk, and screening out REITs that exhibit these characteristics.

<table>
<thead>
<tr>
<th>Index Name</th>
<th>Bloomberg Ticker</th>
<th>Annualized Return</th>
<th>Annualized Volatility</th>
<th>Return/Vol Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colony Capital Fundamental US Real Estate Index Total Return</td>
<td>BXIICCRT</td>
<td>11.72%</td>
<td>20.68%</td>
<td>0.57</td>
</tr>
<tr>
<td>S&amp;P 500 Index Total Return</td>
<td>SPTR</td>
<td>9.06%</td>
<td>13.53%</td>
<td>0.67</td>
</tr>
<tr>
<td>Dow Jones US Select REIT Index Total Return</td>
<td>DWRTFT</td>
<td>9.39%</td>
<td>22.89%</td>
<td>0.41</td>
</tr>
</tbody>
</table>

Return Comparison (historical and simulated performance)

Source: Barclays. Pre-inception period: Index Base Date is November 2003. Index live date is December 2018. Historical and hypothetical/simulated performance is not indicative of future performance or results. Performance data reflect all costs/fees incorporated in the Index formula, but do not reflect additional fees that may apply to a Index swap transaction. See Historical Index Performance Disclaimer for further information.
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What are REITs?

- REITs are Real Estate Investment Trusts – corporate entities that own, operate, acquire, develop and manage real estate assets.
  - REITs differ from other corporate forms by tax election that eliminates taxes at the corporate level. Most of the company’s taxable income passes to investors in the form of pre-tax dividends¹
- REIT assets range from iconic buildings like the Empire State Building, to more traditional properties like apartment buildings and retail centers. REITs own infrastructure assets from data centers and wireless towers to biotech labs and ecommerce distribution centers
- REITs have grown to an aggregate equity market capitalization of $1.06 trillion and own approximately $2.0 trillion of commercial real estate assets, representing 15%-20% of the overall domestic commercial real estate market²

¹The tax treatment depends on the individual circumstances of each client and may be subject to change in the future
²Source: Barclays Research. “REITS 101: Introduction”, May 31, 2018
Why Invest in REITs?

- Total returns:
  - REITs have exceeded the broader equity market returns by 4.6% over the past 20 years¹
  - REITs offer investors the ability to gain exposure to a diverse portfolio of high quality, professionally managed real estate assets in a format that offers liquidity, tax advantages² and current income

- Diversification:
  - Historical correlations to bonds and equities varied, providing diversifying benefits to portfolios

- Yield plus growth:
  - Real estate offers investors a real yield (in the form of rents) along with inflation protection (value & rents grow alongside inflation)

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P 500 Total Return Index</th>
<th>Dow Jones US Select REIT Total Return Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized Return</td>
<td>6.27%</td>
<td>10.99%</td>
</tr>
<tr>
<td>Annualized Volatility</td>
<td>14.50%</td>
<td>21.01%</td>
</tr>
<tr>
<td>Return/Vol Ratio</td>
<td>0.43</td>
<td>0.52</td>
</tr>
</tbody>
</table>

Data: March 1999– October 2019.

Source: Barclays. Correlations are based on monthly returns. REITs are represented by Dow Jones US Select REIT Total Return Index, Equities are represented by S&P 500 Total Return Index and Bonds are represented by Bloomberg Barclays US Aggregate Bond Total Return Value Unhedged USD Index.

¹Source: Barclays. Historical performance is not indicative of future performance or results.
²The tax treatment depends on the individual circumstances of each client and may be subject to change in the future.
REITS Are Real Estate

- As the investment horizon lengthens, REIT correlation to real property increases and correlation to equities decreases

Data: As of December 2018

¹Source: Barclays. Historical and hypothetical/simulated performance is not indicative of future performance or results.
The Evolution of REIT Assets

- Historically, REIT dividends came primarily from the “core” property categories of office, industrial, retail and multi-family residential.
- Changes in the economy and a wider use of the REIT structure have led to a diversification in the sources of REIT dividends, with emerging categories such as healthcare, data centers and cellular towers representing a greater proportion of industry dividends.
- Today, “core” property categories represent less than half of REIT industry dividends.

Source of REIT Sector Dividends

**December 31, 2000**

- Office: 21%
- Industrial: 10%
- Retail: 24%
- Residential: 22%
- Diversified: 8%
- Self Storage: 3%
- Lodging/Resorts: 6%
- Data Centers: 4%
- Health Care: 3%
- Infrastructure: 0%
- Specialty: 1%
- Timber: 1%

**December 31, 2018**

- Office: 10%
- Industrial: 6%
- Retail: 21%
- Residential: 11%
- Diversified: 7%
- Self Storage: 6%
- Lodging/Resorts: 5%
- Data Centers: 5%
- Health Care: 12%
- Infrastructure: 8%
- Specialty: 6%
- Timber: 3%

Introduction

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Appendix
Index Mechanics

Share Universe

- All Shares listed on US exchanges

Sub Universe

- Each Share must be a REIT but not a Mortgage REIT
- Market Cap above $1 billion
- Liquidity above $5 million based on 1-Month ADTV

Fundamental Criteria

- Remove the Shares from the Sub-Universe that don’t meet Profit Margin, Leverage Ratio, Valuation Multiple and Dividend Yield criteria
- The remaining eligible Shares forming the Sub-Universe are ranked based on four fundamental criteria

Allocation

- The remaining Shares will be selected*

Index will select minimum 25 REITs.
Rebalanced quarterly. Market cap weights with top 4 REITs subject to 10% cap and others to 5% cap.

*Fundamental Criteria will be adjusted if the Index has less than 25 constituents
Fundamental Criteria

1. Profit Margin
   - Emphasis on Quality over Value
   - Higher margins can signal higher quality and provide a margin of safety in periods of stress

2. Leverage Ratio
   - Conservative financing is preferred
   - Higher leverage can increase risk without increasing returns

3. Valuation Multiple
   - REITs have valuation limits
   - High valuation multiples can lead to underperformance

4. Dividend Yield
   - High dividends may signal high risk
   - As in credit, higher yields often signal lower quality assets

*Fundamental Criteria will be adjusted if the Index has less than 25 constituents*
Index Allocation

- As of the last rebalance date in August 2019, the index selected 63 REITs with $749 billion market cap out of the sub-universe of 130 REITs with $1.19 trillion market cap.

Source: Barclays. Pre-inception period: Index Base Date is November 2003. Index live date is December 2018. Historical and hypothetical/simulated performance is not indicative of future performance or results. Performance data reflect all costs/fees incorporated in the index formula, but do not reflect additional fees that may apply to a Index swap transaction. See Historical Index Performance Disclaimer for further information.
The impact from applying market cap, liquidity and fundamental filters to select REITs resulted in 2.3% p.a. outperformance versus benchmark.

The Index has outperformed REITs deselected by fundamental filters by 5.5% p.a.

Source: Barclays. Pre-inception period: Index Base Date is November 2003. Index live date is December 2018. Historical and hypothetical/simulated performance is not indicative of future performance or results. Performance data reflect all costs/fees incorporated in the Index formula, but do not reflect additional fees that may apply to a Index swap transaction. See Historical Index Performance Disclaimer for further information.
Differentiated Fundamental Approach

- Leveraging Colony’s expertise, the Index focuses on REITs’ specific quality and risk factors over value.
- Traditional equity factors that work well in the broad equity market do not work well with REITs due to the fundamental differences between REITs and traditional equity securities.

<table>
<thead>
<tr>
<th>Traditional Factor</th>
<th>Why it doesn’t work with REITs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book Value (low P/B &gt; high P/B)</td>
<td>Due to GAAP accounting rules, P/B is more a reflection of the age of the REIT rather than intrinsic value.</td>
</tr>
<tr>
<td>Yield (high yield &gt; low yield)</td>
<td>In real estate (like credit), high yield often signals low quality (e.g., the quality of the assets, management, or balance sheet), and quality typically wins in the long run.</td>
</tr>
<tr>
<td>Earnings (low P/E &gt; high P/E)</td>
<td>Due to GAAP accounting rules, noncash depreciation is usually the largest expense; attempts to correct for depreciation (using FFO or AFFO) run into the same issue as with yield: low P/AFFO correlates with low quality.</td>
</tr>
<tr>
<td>Size (small &gt; big)</td>
<td>Scale matters in real estate; spreading G&amp;A over a smaller portfolio hurts margins.</td>
</tr>
</tbody>
</table>
### Performance Measures

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>Since Base</th>
<th>Live</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualised Return</td>
<td>25.33%</td>
<td>10.72%</td>
<td>10.10%</td>
<td>11.72%</td>
<td>20.93%</td>
</tr>
<tr>
<td>Annualised Volatility</td>
<td>13.98%</td>
<td>11.61%</td>
<td>12.89%</td>
<td>20.68%</td>
<td>14.17%</td>
</tr>
<tr>
<td>Return/Vol Ratio</td>
<td>1.81</td>
<td>0.92</td>
<td>0.78</td>
<td>0.57</td>
<td>1.48</td>
</tr>
</tbody>
</table>

### Monthly Returns and Drawdown

<table>
<thead>
<tr>
<th>Monthly Returns and Drawdown</th>
<th>1 Year</th>
<th>Since Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best 1 Month Return</td>
<td>9.75%</td>
<td>27.78%</td>
</tr>
<tr>
<td>Worst 1 Month Return</td>
<td>-6.70%</td>
<td>-24.64%</td>
</tr>
<tr>
<td>Maximum Drawdown</td>
<td>-12.03%</td>
<td>-65.39%</td>
</tr>
</tbody>
</table>

### Monthly and Annual Returns

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>5.02%</td>
<td>2.54%</td>
<td>6.44%</td>
<td>14.79%</td>
<td>7.99%</td>
<td>2.96%</td>
<td>0.98%</td>
<td>7.17%</td>
<td>-1.02%</td>
<td>6.13%</td>
<td>4.13%</td>
<td>4.77%</td>
<td>34.67%</td>
</tr>
<tr>
<td>2005</td>
<td>-9.26%</td>
<td>3.35%</td>
<td>-1.16%</td>
<td>6.13%</td>
<td>3.20%</td>
<td>4.73%</td>
<td>7.47%</td>
<td>-4.02%</td>
<td>1.01%</td>
<td>-2.06%</td>
<td>5.23%</td>
<td>-0.82%</td>
<td>13.23%</td>
</tr>
<tr>
<td>2006</td>
<td>7.36%</td>
<td>2.76%</td>
<td>5.55%</td>
<td>-4.53%</td>
<td>-2.88%</td>
<td>5.38%</td>
<td>4.29%</td>
<td>4.13%</td>
<td>1.34%</td>
<td>6.34%</td>
<td>4.62%</td>
<td>-1.16%</td>
<td>37.69%</td>
</tr>
<tr>
<td>2007</td>
<td>8.76%</td>
<td>-3.04%</td>
<td>-3.62%</td>
<td>-0.24%</td>
<td>0.06%</td>
<td>-9.44%</td>
<td>-8.73%</td>
<td>6.64%</td>
<td>4.76%</td>
<td>2.58%</td>
<td>-7.83%</td>
<td>-3.73%</td>
<td>-14.72%</td>
</tr>
<tr>
<td>2008</td>
<td>-0.48%</td>
<td>-1.94%</td>
<td>7.52%</td>
<td>5.05%</td>
<td>0.86%</td>
<td>-9.35%</td>
<td>7.31%</td>
<td>3.02%</td>
<td>1.72%</td>
<td>-24.64%</td>
<td>-19.34%</td>
<td>14.28%</td>
<td>-21.28%</td>
</tr>
<tr>
<td>2009</td>
<td>-17.37%</td>
<td>-20.83%</td>
<td>5.13%</td>
<td>27.78%</td>
<td>2.18%</td>
<td>-2.54%</td>
<td>11.50%</td>
<td>10.18%</td>
<td>5.48%</td>
<td>-3.49%</td>
<td>6.37%</td>
<td>6.78%</td>
<td>24.31%</td>
</tr>
<tr>
<td>2010</td>
<td>-5.21%</td>
<td>5.22%</td>
<td>8.96%</td>
<td>6.60%</td>
<td>-5.04%</td>
<td>-4.43%</td>
<td>10.45%</td>
<td>-0.78%</td>
<td>3.58%</td>
<td>2.85%</td>
<td>-2.66%</td>
<td>3.42%</td>
<td>23.57%</td>
</tr>
<tr>
<td>2011</td>
<td>4.03%</td>
<td>5.11%</td>
<td>-1.37%</td>
<td>6.26%</td>
<td>2.02%</td>
<td>-3.38%</td>
<td>2.09%</td>
<td>-3.02%</td>
<td>-11.71%</td>
<td>12.76%</td>
<td>-3.53%</td>
<td>4.61%</td>
<td>12.37%</td>
</tr>
<tr>
<td>2012</td>
<td>5.15%</td>
<td>-1.56%</td>
<td>4.78%</td>
<td>3.00%</td>
<td>-3.78%</td>
<td>5.80%</td>
<td>2.62%</td>
<td>-1.26%</td>
<td>-2.42%</td>
<td>-0.17%</td>
<td>-0.25%</td>
<td>2.87%</td>
<td>15.20%</td>
</tr>
<tr>
<td>2013</td>
<td>2.43%</td>
<td>1.71%</td>
<td>1.73%</td>
<td>7.31%</td>
<td>-6.43%</td>
<td>-2.23%</td>
<td>0.93%</td>
<td>-6.83%</td>
<td>3.32%</td>
<td>4.50%</td>
<td>-5.87%</td>
<td>0.45%</td>
<td>-0.10%</td>
</tr>
<tr>
<td>2014</td>
<td>3.84%</td>
<td>5.01%</td>
<td>0.72%</td>
<td>3.17%</td>
<td>2.60%</td>
<td>1.04%</td>
<td>0.47%</td>
<td>2.77%</td>
<td>-5.71%</td>
<td>9.91%</td>
<td>2.32%</td>
<td>0.92%</td>
<td>29.79%</td>
</tr>
<tr>
<td>2015</td>
<td>6.19%</td>
<td>-2.75%</td>
<td>1.46%</td>
<td>-5.23%</td>
<td>-0.14%</td>
<td>-3.61%</td>
<td>6.14%</td>
<td>-5.34%</td>
<td>3.70%</td>
<td>6.07%</td>
<td>0.49%</td>
<td>2.06%</td>
<td>8.34%</td>
</tr>
<tr>
<td>2016</td>
<td>-1.46%</td>
<td>-1.42%</td>
<td>10.13%</td>
<td>-2.45%</td>
<td>2.32%</td>
<td>7.68%</td>
<td>2.59%</td>
<td>-3.78%</td>
<td>-1.23%</td>
<td>-4.96%</td>
<td>-3.92%</td>
<td>4.57%</td>
<td>7.05%</td>
</tr>
<tr>
<td>2017</td>
<td>0.06%</td>
<td>4.63%</td>
<td>-1.96%</td>
<td>0.13%</td>
<td>0.05%</td>
<td>1.61%</td>
<td>0.50%</td>
<td>1.60%</td>
<td>-1.45%</td>
<td>0.27%</td>
<td>1.99%</td>
<td>-0.29%</td>
<td>7.19%</td>
</tr>
<tr>
<td>2018</td>
<td>-3.13%</td>
<td>-7.01%</td>
<td>4.15%</td>
<td>-0.34%</td>
<td>3.21%</td>
<td>4.54%</td>
<td>1.31%</td>
<td>2.29%</td>
<td>-2.95%</td>
<td>-0.89%</td>
<td>5.27%</td>
<td>-6.70%</td>
<td>-1.25%</td>
</tr>
</tbody>
</table>
| 2019 | 9.75%| 1.25%| 4.70%| -0.97%| 1.95%| 0.20%| 1.49%| 5.06%| 1.24%| 0.44%| 27.61%| 16 | Colony Capital Fundamental US Real Estate Index | November 2019

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Source: Barclays. Pre-inception period: Index Base Date is November 2003. Index live date is December 2018. Historical and hypothetical/simulated performance is not indicative of future performance or results. Performance data reflect all costs/fees incorporated in the Index formula, but do not reflect additional fees that may apply to an Index swap transaction. See Historical Index Performance Disclaimer for further information.
Performance Comparison to Benchmark

Colony Capital Fundamental US Real Estate Index Total Return (Simulated and Live performance)

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>Since Base</th>
</tr>
</thead>
<tbody>
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<td>10.10%</td>
<td>11.72%</td>
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<tr>
<td>Annualised Volatility</td>
<td>13.98%</td>
<td>11.61%</td>
<td>12.89%</td>
<td>20.68%</td>
</tr>
<tr>
<td>Return/Vol Ratio</td>
<td>1.81</td>
<td>0.92</td>
<td>0.78</td>
<td>0.57</td>
</tr>
</tbody>
</table>

Dow Jones US Select REIT Total Return Index* (Historical performance)

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>Since Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualised Return</td>
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<td>8.62%</td>
<td>7.40%</td>
<td>9.06%</td>
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<tr>
<td>Annualised Volatility</td>
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<td>12.26%</td>
<td>13.67%</td>
<td>22.89%</td>
</tr>
<tr>
<td>Return/Vol Ratio</td>
<td>1.31</td>
<td>0.70</td>
<td>0.54</td>
<td>0.40</td>
</tr>
</tbody>
</table>

Monthly Returns and Drawdown

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>Since Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best 1 Month Return</td>
<td>9.75%</td>
<td>27.78%</td>
</tr>
<tr>
<td>Worst 1 Month Return</td>
<td>-6.70%</td>
<td>-24.64%</td>
</tr>
<tr>
<td>Maximum Drawdown</td>
<td>-12.03%</td>
<td>-65.39%</td>
</tr>
</tbody>
</table>

Monthly Returns and Drawdown

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>Since Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best 1 Month Return</td>
<td>11.38%</td>
<td>32.78%</td>
</tr>
<tr>
<td>Worst 1 Month Return</td>
<td>-8.62%</td>
<td>-32.40%</td>
</tr>
<tr>
<td>Maximum Drawdown</td>
<td>-13.51%</td>
<td>-75.30%</td>
</tr>
</tbody>
</table>

Year | BXIICCRT | DWRTFT | Difference |
2004 | 34.67% | 32.76% | 1.91%       |
2005 | 13.23% | 13.48% | -0.25%      |
2006 | 37.69% | 35.57% | 2.12%       |
2007 | -14.72%| -17.80%| 3.08%       |
2008 | -21.28%| -39.38%| 18.10%      |
2009 | 24.31% | 28.07% | -3.76%      |
2010 | 23.57% | 27.69% | -4.12%      |
2011 | 12.37% | 9.04%  | 3.33%       |
2012 | 15.20% | 16.77% | -1.57%      |
2013 | -0.10% | 0.91%  | -1.01%      |
2014 | 29.79% | 31.60% | -1.81%      |
2015 | 8.34%  | 4.17%  | 4.17%       |
2016 | 7.05%  | 6.36%  | 0.69%       |
2017 | 7.19%  | 3.45%  | 3.74%       |
2018 | -1.25% | -4.51% | 3.26%       |
2019 | 27.61% | 25.65% | 1.95%       |

*Dow Jones US Select REIT Total Return Index returns reflect the fee drain of 0.30% p.a. reflecting financing spread above 1-month LIBOR

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## Key Considerations

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Pure Exposure</th>
<th>Easier access</th>
<th>Further improvement on liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No need for property management</td>
<td>Moving away from naïve positioning in REITs by fundamental screening for quality REITs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improved liquidity</td>
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<td></td>
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<td>Potentially diversified</td>
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<tr>
<th>Risks</th>
<th>Illiquid</th>
<th>Naïve exposure, no fundamental screens</th>
<th>May out- or underperform capitalization-weighted indices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appraisal based pricing</td>
<td>Most indices provide similar returns</td>
<td>More concentrated portfolios of REITs</td>
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<tr>
<td></td>
<td>Can lack diversification</td>
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<td>Need for direct management</td>
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Introduction

Rationale

Index Construction

Appendix
Historical Sub-Sector REITs Allocation

- The chart below details RBICS sub-sector classification of historical REITs allocation.

Source: Barclays. Pre-inception period: Index Base Date is November 2003. Index live date is December 2018. Historical and hypothetical/simulated performance is not indicative of future performance or results. Performance data reflect all costs/fees incorporated in the Index formula, but do not reflect additional fees that may apply to a Index swap transaction. See Historical Index Performance Disclaimer for further information.
Overview

- Barclays and Colony Capital, Inc., a leading global investment management firm, partnered to jointly design the Colony Capital Fundamental US Real Estate Index.
- The Index draws on Colony’s 28 years of experience in managing global real estate investments coupled with Barclays’ market leading strengths in the structuring, trading and distribution of indices.
- The Index aims to invest in a dynamic and diversified portfolio of US listed REITs, selected using liquidity, market cap and fundamental investment criteria.
- The Index has a modified market cap weighting approach subject to single stock caps.

Rationale

- The Index aims to outperform REIT market benchmarks by avoiding REITs with high leverage, expensive valuations, low margins and high yields.
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Index Risk Disclosures

The following list of risk factors does not purport to be a complete enumeration or explanation of all the risks associated with the Index. Prior to entering into a Transaction, investors should ensure that they fully understand (either on their own or through the use of independent expert advisors) the terms of the transaction and any legal, tax, accounting, regulatory, regulatory capital and/or other considerations applicable to them:

1. **LACK OF OPERATING HISTORY.** The Index may be only recently established and therefore have little or no history to evaluate its likely performance. Any back-testing or similar analysis performed by any person in respect of the Index must therefore be considered illustrative only and may be based on estimates or assumptions not used by the Index Sponsor when determining the Index Level at any time. Neither the hypothetical nor actual historical levels of the Index should be considered indicative of future performance. In particular, the methodologies underlying the Index were developed with reference to historical market data. In addition, the hypothetical historical performance (if any) of the Index during certain periods may be based on certain assumptions, methodologies and/or data sources, and the use of alternative assumptions, methodologies and/or data sources for such periods may result in materially different hypothetical performance. Fluctuations in the levels of the Index and interest rates make difficult any prediction of the future level of the Index and/or any prediction as to whether the return on the Transaction will be favourable to the Counterparty.

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All index performance data included in this communication are accompanied by a footnote specifying the relevant Index Base Date and Index Live Date. The Index Live date is defined as the date on which the index rules were established and the index was first published. Actual historical performance is highlighted in blue. Hypothetical performance is not highlighted.

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