

PRESS RELEASE

NATIONAL
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REIT NAREIT

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Contact: Jay Hyde
or Rob Valero
(202) 739-9400
1-800-3NAREIT

REAL ESTATE STOCKS ADDED TO TWO OF THE NATION'S LARGEST DEFINED CONTRIBUTION PLANS

The Principal and TIAA-CREF Make REITs a Core Option

Washington, D.C.—The National Association of Real Estate Investment Trusts® (NAREIT) today applauded recent actions by two of the nation's leading defined contribution plan managers as signs of the growing acceptance of real estate stocks like REITs as a core option in retirement plans.

The Principal Financial Group has announced that it will offer a REIT option as part of its basic 401(k) investment line-up. In response to growing client interest in real estate funds, the Des Moines-based plan provider will make available a new REIT Separate Account platform to 2.1 million retirement plan participants. In a press release issued March 11, a company official stated that, "There has been growing interest from our clients in real estate funds."

Meanwhile, Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) has included a real estate securities fund as an investment option in its 403(b) plan platform, which is the company's largest, with 2.5 million participants, 15,000 plans, and \$90 billion in assets. The real estate stock option and others are part of a service called "Investment Solutions" that is available to participating institutions on a phased-in basis. Launched January 1, the service is "in response to the marketplace's demand for more choice," according to TIAA-CREF officials.

"We commend The Principal and TIAA-CREF for taking these significant steps to broaden choices for defined contribution plan investors seeking dividends and diversification," said NAREIT President and CEO Steven A. Wechsler. "As a result of the two companies' leadership, an estimated 4.6 million more Americans will find it easier to invest in, and derive the benefits from, real estate stocks. Their actions are commendable and worthy of emulation by other investment plan managers."

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1875 Eye Street, NW, Suite 600, Washington, DC 20006-5413
Phone 202-739-9400 Fax 202-739-9401 www.nareit.com investinreits.com

Long recognized as one of the nation's leading 401(k) management companies, The Principal Financial Group had \$111.1 billion in pension assets under management as of December 31, 2002. More employers choose The Principal for their 401(k) plans than any other bank, mutual fund, or insurance company in the United States. The company first offered a real estate investment option in selected defined contribution plans in 1982. The Principal REIT Separate Account option may not be available in all states.

The TIAA-CREF group of companies, with \$260 billion in assets under management, includes the premier retirement system for people employed in education and research in the U.S., serving 2.9 million participants at 15,000 institutions. Headquartered in New York, TIAA-CREF has been one of the largest institutional investors in the real estate sector for decades.

A 401(k) plan allows employees to save and invest for their own retirement by making before-tax contributions through a cash or deferred compensation arrangement. Section 403(b) retirement plans were established specifically for tax-exempt organizations and for public educational organizations, such as churches, libraries, colleges and universities.

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The National Association of Real Estate Investment Trusts® (NAREIT) is the national trade association for REITs and publicly traded real estate companies. Members are real estate investment trusts (REITs) and other businesses that own, operate and finance income-producing real estate, as well as those firms and individuals who advise, study and service those businesses. Visit our web sites at www.nareit.com and www.investinreits.com.

