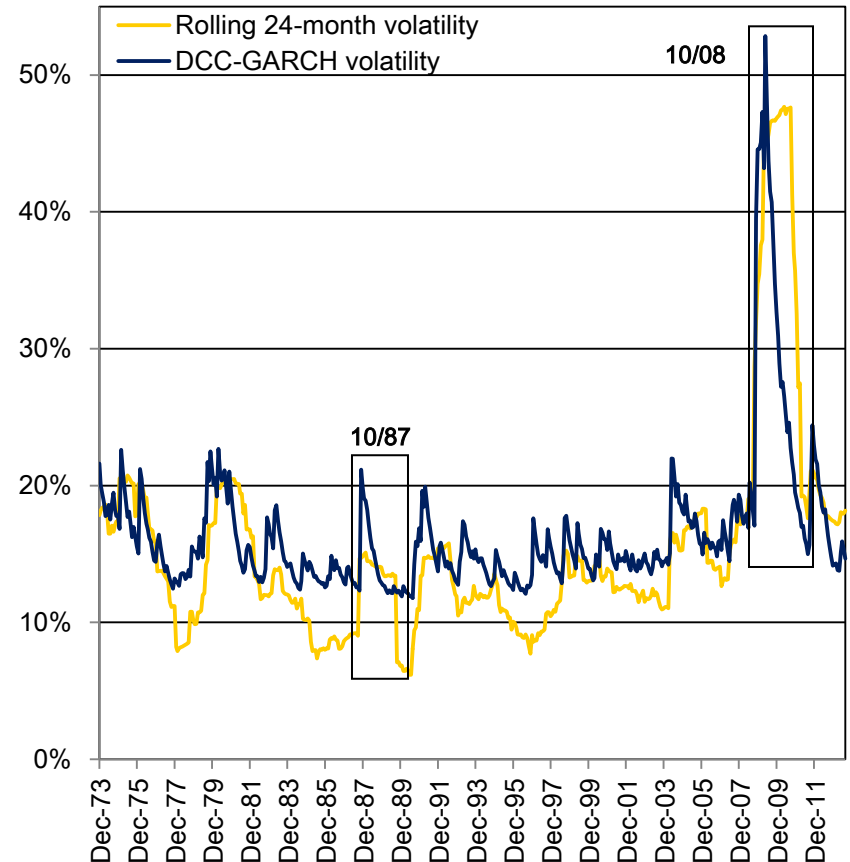
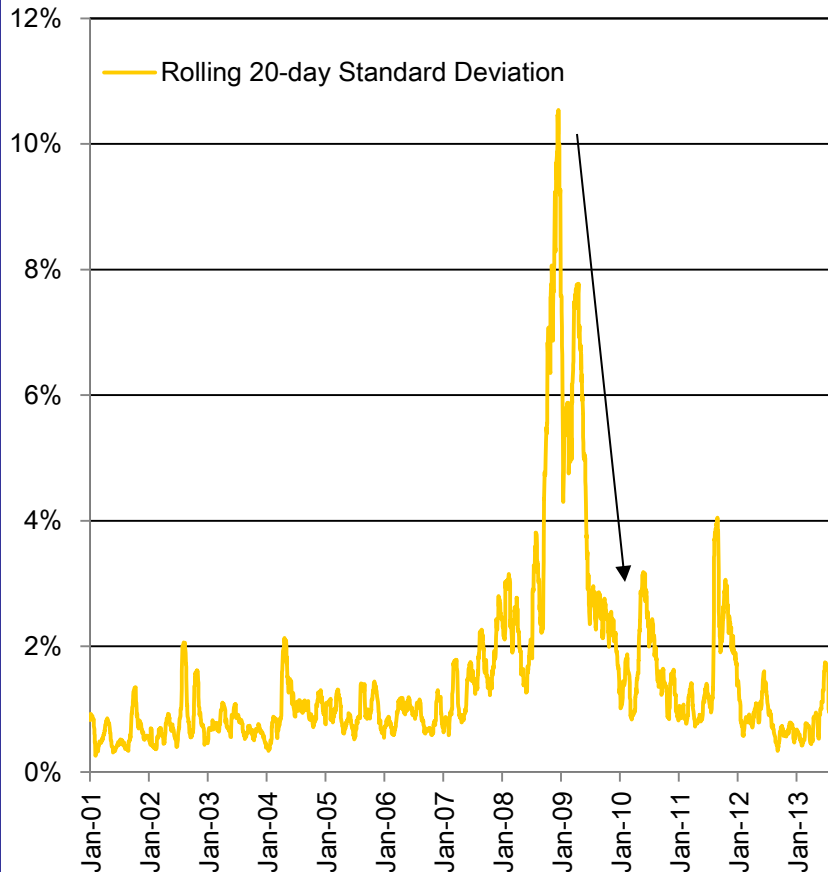


Volatility of REIT Returns

October 2008 Volatility Spike Ended in 2009



- During 2008Q4 REIT volatility surged to unprecedented levels, but volatility quickly declined to historically normal levels
- Similar episodes of increased volatility were also followed by rapid declines
- Longer-term rolling measures typically miss rapid declines in volatility

Note: Monthly data ending August 2013; daily data ending September 3, 2013

DCC-GARCH: Dynamic Conditional Correlation with Generalized Autoregressive Conditional Heteroscedasticity (Engle 2002)

Source: NAREIT® analysis of data from Interactive Pricing Data accessed through FactSet