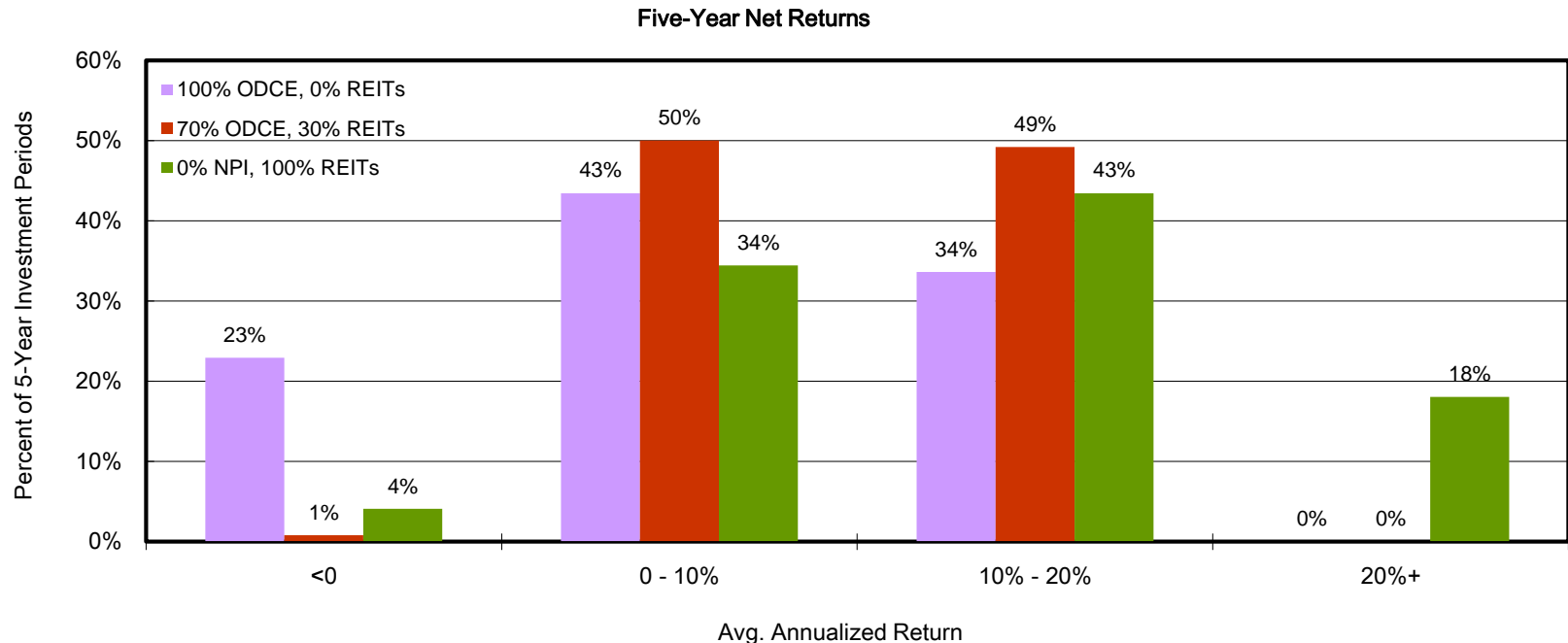


Public REITs and Core Real Estate Funds are Complements in a Total Real Estate Allocation



- REITs and core funds have similar, but not identical, long-term investment characteristics creating diversification within the asset class when combined
- This diversification creates the opportunity for the blended portfolio to earn higher returns while reducing the potential for negative or low returns
- Since 1977 there have been only two five-year investment periods during which a 70/30 private / public portfolio experienced negative net returns (2006Q3-2011Q3 and 2006Q4-2011Q4)

Note: Based on quarterly net total returns of FTSE NAREIT All Equity REITs Index and NCREIF Open-End Diversified Core Equity (ODCE) Index, 1978Q1-2013Q1.

Source: NAREIT analysis of data from NCREIF and IPD accessed through FactSet.