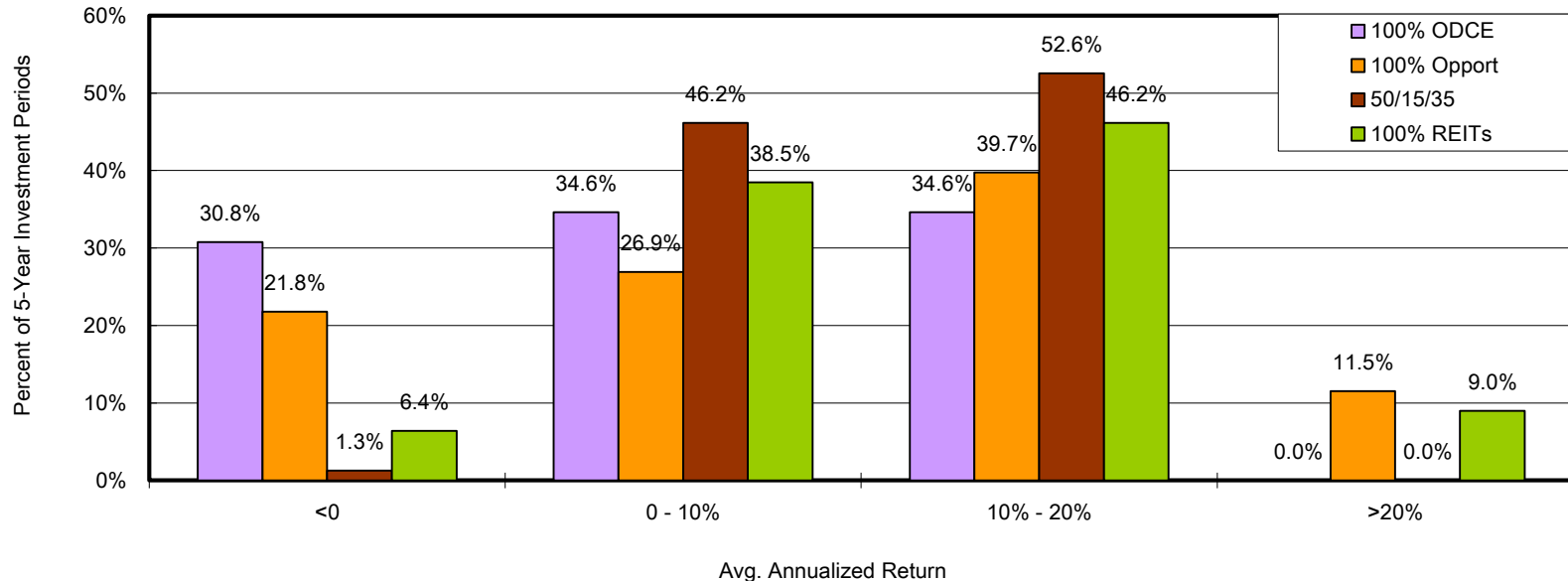


Listed REITs and Private Real Estate are Complements in a Total Real Estate Allocation

Five-Year Net Returns



- REITs, core funds, and opportunistic 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 1988Q3, during only one 5-year investment period has a 50/15/35 blend of core funds, opportunistic funds, and public equity REITs experienced negative net returns

Note: Based on quarterly net total returns of FTSE NAREIT Equity REIT Index, NCREIF Open-End Diversified Core Equity Fund Index (ODCE), and NCREIF/Townsend Opportunistic Fund Index, 1988Q4-2012Q4.

Source: NAREIT analysis of data from NCREIF and Interactive Data Pricing and Reference Data accessed through FactSet.