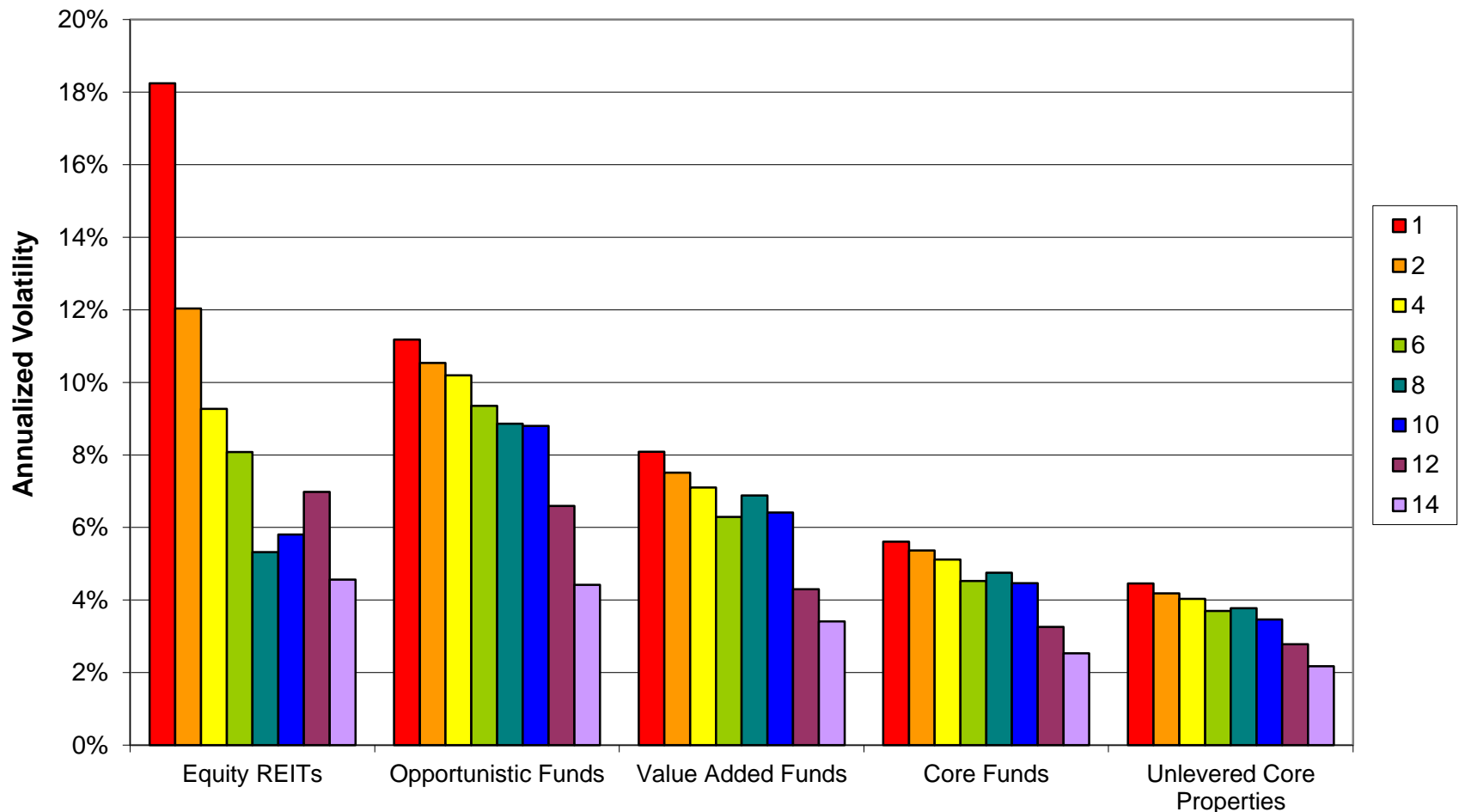


# Volatility Declines as Holding Periods Increase Much More Dramatically for Publicly Traded REITs

## Volatility of Investments by Holding Period



Note: Based on quarterly net returns over the available historical period: 1978Q1-2012Q3 for equity REITs, core funds (ODCE), and unlevered core properties (NCREIF Property Index); 1983Q2-2012Q3 for value added funds (NCREIF/Townsend Fund Indices); and 1988Q4-2012Q3 for opportunistic funds (NCREIF/Townsend). Fees and expenses are assumed to total 50 basis points per year for publicly traded equity REITs and 115 basis points per year for unlevered core properties; fees for other investments are as given. Source: NAREIT analysis of data from NCREIF and FTSE NAREIT Equity REITs Index.