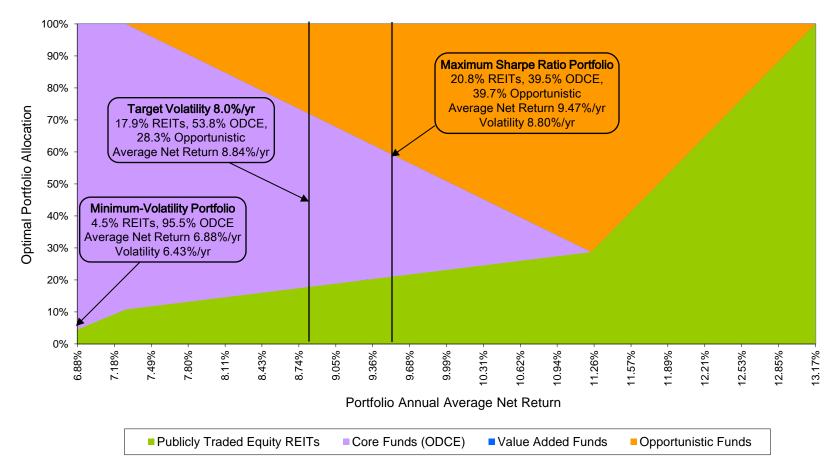
REITs and Private Real Estate Funds in a Blended Portfolio Optimal Allocations



- Optimally blended portfolios of both REITs and private equity real estate funds take full advantage of the diversification between the public and private sides of the real estate market
- Optimized portfolios have produced better risk-adjusted returns than either REITs or private equity real estate funds alone

Note: Based on quarterly net total returns for NCREIF/Townsend Fund Indices (ODCE, Value Added, and Opportunistic) and FTSE NAREIT Equity REITs Index for 1992q1–2012q4. Fees and expenses are assumed to be 50 bps per year for publicly traded equity REITs; fees and expenses for core, value added, and opportunistic funds are as reported by NCREIF. Source: NAREIT® analysis of data from NCREIF and FTSE NAREIT Equity REITs Index