

## Net Returns to Listed Equity REITs and Private Real Estate Investments over the Market Cycle

Form of CRE Investment	Leverage	Fees and Expenses	Full Cycle (Peak to Peak)		Bull Market Only (Trough to Peak)	
			Duration	Returns	Duration	Returns
Property Values	0%	≈115 bps	17¾ years 1990q3 – 2008q2	266% 7.6% / yr	15 years 1993q2 – 2008q2	322% 10.1% / yr
Open-Ended Diversified Core Equity Funds (ODCE)	≈20%	107 bps	17¾ years 1990q3 – 2008q2	272% 7.7% / yr	15 years 1993q2 – 2008q2	341% 10.4% / yr
Value Added Private Equity Real Estate Funds	54%	131 bps	17¼ years 1990q3 – 2007q4	318% 8.6% / yr	14½ years 1993q2 – 2007q4	430% 12.2% / yr
Opportunistic Private Equity Real Estate Funds	67%	221 bps	17¼ years 1990q3 – 2007q4	621% 12.1% / yr	14 years 1993q4 – 2007q4	964% 18.4% / yr
Publicly Traded Equity REITs	≈40%	≈50 bps	17½ years 1989q3 – 2007q1	<b>802%</b> 13.4% / yr	16½ years 1990q3 – 2007q1	<b>1,041%</b> 15.9% / yr

Equity REIT returns exceed private equity real estate fund returns even over bull markets and relative to funds that use much greater leverage