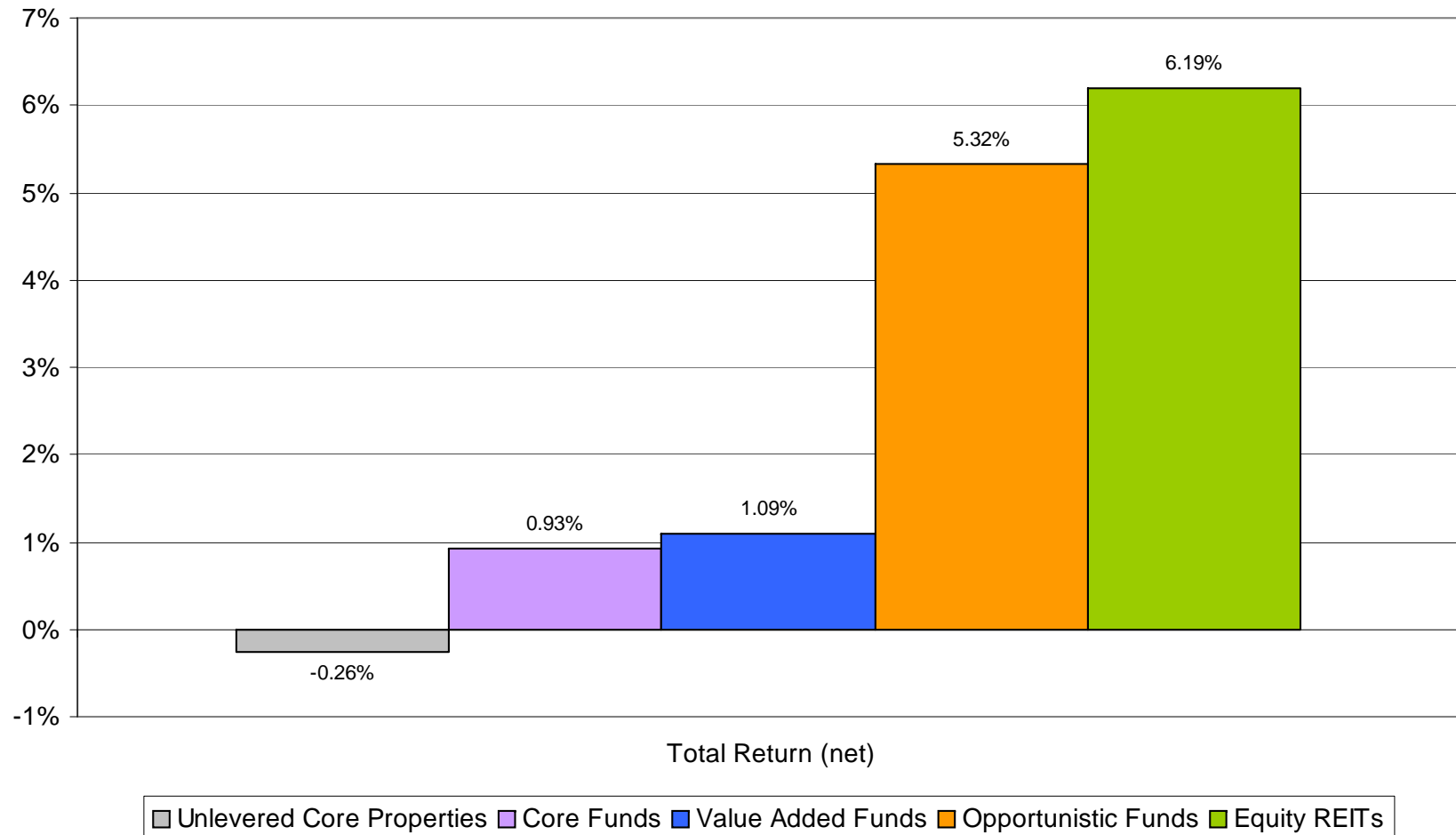


# REITs Provide Much Greater Capital Appreciation than Most Other Real Estate Investments

Capital Appreciation Component of Total Return  
Through the Real Estate Market Cycle, 1989/1990 - 2007/2008



Sources: NAREIT® analysis of data from NCREIF Property Index (unlevered core properties), NCREIF ODCE Index (core funds), NCREIF/Townsend Fund Indices (value added and opportunistic funds), and FTSE NAREIT All Equity REITs Index (equity REITs). Expenses for equity REITs are estimated at 50 bps per year, distributed equally across all months; expenses for unlevered core properties are assumed to equal 115 bps per year, distributed equally across all quarters. Expenses are attributed to income returns only, in accordance with ODCE.