

“REITs were created by law in 1960 to democratize the real estate market and make it possible for a broad base of investors to participate in this huge asset class. That was absolutely the right thing to do, because portfolio theory tells us people should diversify across major asset classes, and real estate is one of them.”

- Robert Shiller, Arthur M. Okun Professor of Economics, Yale University

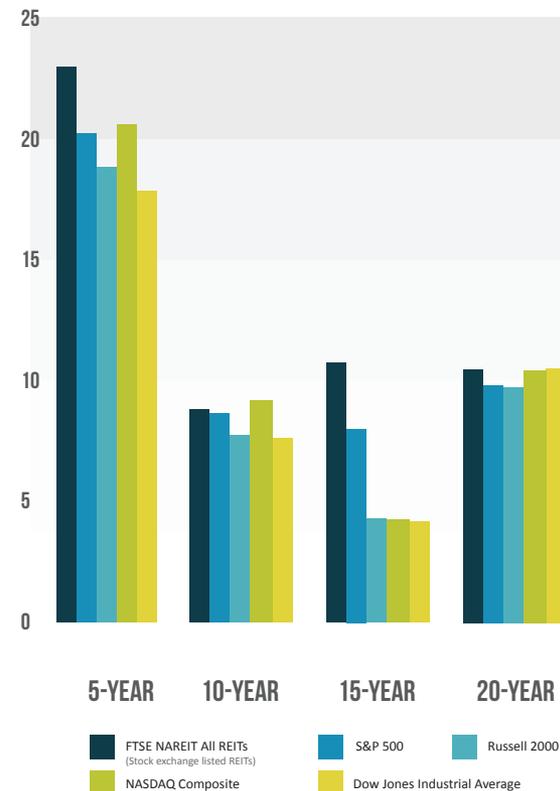
“Our principal finding is that the U.S. REIT market provides a nice example of how a well-structured real estate securitization market, by moderating construction boom and bust tendencies, can generate positive spillover benefits to the economy at large.”

- Timothy Riddiough, E.J. Plesko Chair of the Department of Real Estate and Urban Land Economics, University of Wisconsin

REITS ARE A STABILIZING FORCE IN THE MARKET

REITs have a proven track record of long-term performance, due in large part to their dividends. REITs generally operate with a longer-term investment horizon, typically use low-to-moderate leverage in their business model and have acted as a stabilizing force within the real estate sector during times of economic uncertainty.

COMPARATIVE TOTAL RETURNS (DATA IN PERCENT)



* Through June 2014

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THE REIT STORY

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National Association of Real Estate Investment Trusts®
REITs: Building Dividends and Diversification®

REAL ESTATE INVESTMENT TRUSTS

REITs are a type of real estate investment company modeled after mutual funds. REITs were established by Congress in 1960 to provide Americans from all income levels the opportunity to invest in income-producing real estate. Congress understood then - as it does now - the diverse role real estate plays in the U.S. economy.

REITs OPERATE UNDER A VERY SPECIFIC SET OF LAWS

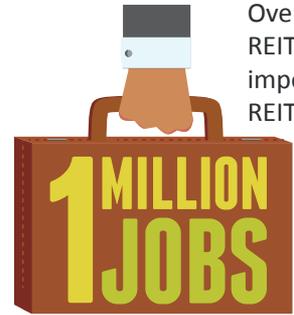
The IRS decides what qualifies as a REIT and oversees the interpretation of REIT rules. REITs must have at least 75% of their total assets in real estate and at least 75% of their gross income coming from real property rents or interest on mortgages financing real property. Additionally, they must pay out at least 90% of their taxable income as dividends to shareholders, who in turn pay income taxes on those dividends.

REITs ARE ALL AROUND US

Today, REITs are tied to almost all aspects of the economy, including apartments, hospitals, data centers, hotels, industrial facilities, nursing homes, offices, shopping malls, storage centers, student housing, telecommunications towers, and timberland.



REITs SUPPORT NATIONAL ECONOMIC GROWTH



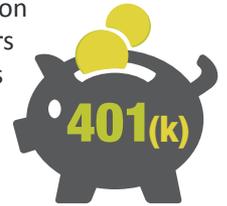
Over the past five decades, REITs have helped achieve important economic goals. REITs support the growth of the U.S. economy by effectively and efficiently channeling capital into real estate, bringing greater transparency to real estate investment, creating liquidity in the real estate sector of the economy and contributing to the nation's tax base. Through their own operations and the use of their facilities, REITs help create nearly 1 million jobs in the U.S. each year.

Listed REITs are a triple-play asset class, providing a combination of investment income, long-term capital appreciation and inflation protection.

- Cleo Chang, Managing Director and Head of Investment Research for Wilshire Funds Management

REITs HELP AMERICANS SAVE FOR THE FUTURE

There are more than 40 million Americans - from teachers and firefighters to retirees and executives - invested in REITs today through their 401(k) and other defined contribution retirement plans. REITs are also included in nearly 75% of target date funds. Most of the world's largest pension plans own REITs - including more than 90% of the largest 25 public plans in the U.S. - and many of the nation's top investment firms include REITs in their recommended portfolios.



REITs ARE ACCESSIBLE TO INVESTORS AT ALL INCOME LEVELS

REITs bring important diversification to investment portfolios. There are nearly 200 mutual funds and exchange-traded funds (ETFs) devoted to REITs; REITs are traded on major stock exchanges with an equity market cap of about \$800 billion. This represents more than \$1.7 trillion of underlying real estate equity and debt and is roughly 20% of all commercial real estate.

U.S. REITs ARE A SUCCESSFUL MODEL FOR THE WORLD

Today, more than 30 countries have adopted the U.S. approach to REITs, including Australia, Canada, France, Germany, Great Britain, India, Japan, Mexico and Singapore.