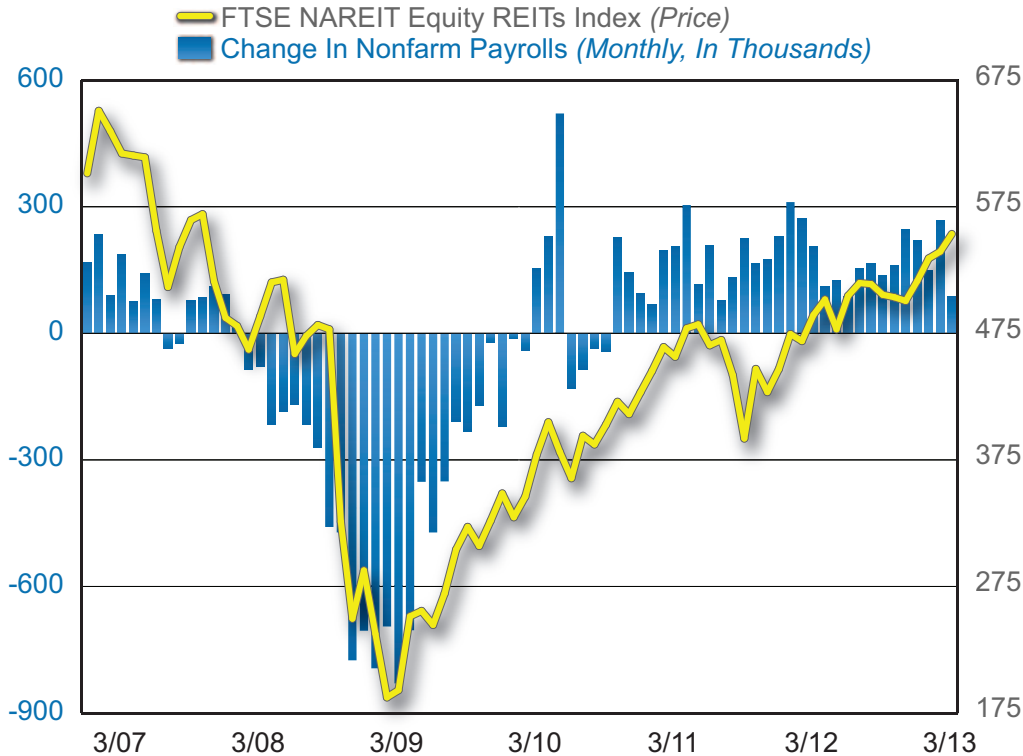


More Jobs The Key For Equity REITs

Nonfarm Payrolls vs. FTSE NAREIT Equity REITs Index



View from the Observation Deck

1. From 3/9/09 (end of bear market) through 3/31/13, the FTSE NAREIT Equity REITs Index posted a cumulative total return of 289.53%, or 39.75% annualized.
2. While still finding the dividend yield on equity REITs relatively attractive, some investors are concerned that it might be too late in the rally to invest in equity REITs.
3. Despite the strong performance since 3/9/09, the FTSE NAREIT Equity REITs Index stood 18.46% below its 10-year high on 2/7/07.
4. We believe the key for equity REITs moving forward is more job growth. More jobs translates into more paychecks, which should lead to increased demand for office space, apartments and retail shopping, in our opinion.
5. The office vacancy rate in the U.S. was between 12% and 13% in 2007. As of March 2013, the vacancy rate stood at 17.0%, according to Reis. There is plenty of room for improvement.
6. Even though apartment REITs have enjoyed a multi-year run of strong performance at the expense of homeownership, there is also some pent up demand.
7. The percentage of adults between the ages of 18 and 34 that live with parents/family increased from 30% in 2001 to 41% in 2011, according to the Pew Research Center.
8. Equity REITs are certainly not the bargain they were in recent years, but they still have appeal, especially if the jobs come.

The chart and performance data referenced are for illustrative purposes only and not indicative of any actual investment. The index performance data excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The FTSE NAREIT Equity REITs Index is a free float adjusted market capitalization-weighted index that includes all tax qualified REITs listed on the major U.S. exchanges.