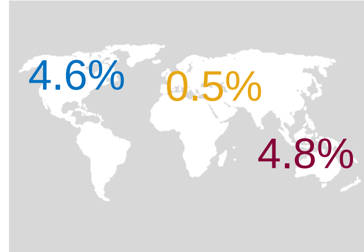
# Monthly Market Review

**March 2013**

EPRA
EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

Europe | Asia | Americas | Emerging

| % Total Returns (EUR) | Mar-13 | YTD | 1 yr | 3 yrs* | 5 yrs* | 10 yrs* | 20 yrs* |
|---|---|---|---|---|---|---|---|
| Global Real Estate | **4.1** | 9.1 | 25.6 | 16.3 | 7.9 | 11.1 | 9.9 |
| Global Equities (FTSE) | **2.2** | 8.4 | 13.8 | 8.1 | 3.1 | 9.0 | -NA- |
| Global Bonds (JP Morgan) | **0.7** | 0.7 | 4.5 | 4.7 | 4.5 | 3.9 | 5.5 |
| Europe Real Estate | **0.5** | 0.1 | 21.9 | 9.6 | -0.6 | 8.8 | 8.4 |
| Asia Real Estate | **4.8** | 11.4 | 28.5 | 15.9 | 8.4 | 13.1 | 8.3 |
| North America Real Estate | **4.6** | 9.9 | 19.0 | 19.1 | 11.1 | 10.9 | 11.7 |




## FTSE EPRA/NAREIT Developed Index

The FTSE EPRA/NAREIT Developed (Global) Index increased 4.1% during March 2013. Global equities increased 2.2% while the global bonds market gained 0.7%. Real estate markets in North America gained 4.6% and Europe increased 0.5% while Asia was up by 4.8%

Over a one-year period, global real estate investments have returned 25.6% compared to a 13.8% and 4.5% return from global equities and global bonds, respectively. Annualised ten-year rolling returns for real estate investments stands at 11.1%. Equities gained 9.0% while bonds markets achieved a 3.9% return per annum.

At the end of March 2013, the FTSE EPRA/NAREIT Developed Index counted a total of 299 constituents, representing a free float market capitalisation of over EUR 821 billion.

| Developed Index (TR) (EUR) | | | |
|---|---|---|---|
| (ENGL) | **3,035** | ▲ | 4.1% |

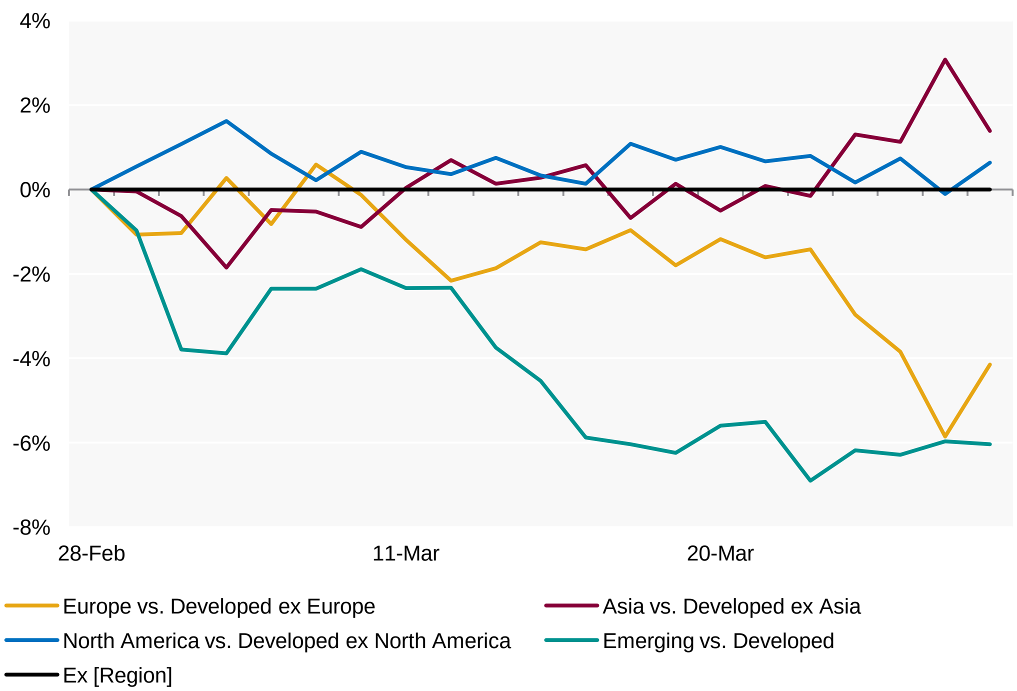
| Developed Europe (TR) (EUR) | | | |
|---|---|---|---|
| (EPRA) | **2,504** | ▲ | 0.5% |

| Developed Asia (TR) (EUR) | | | |
|---|---|---|---|
| (EGAS) | **2,418** | ▲ | 4.8% |

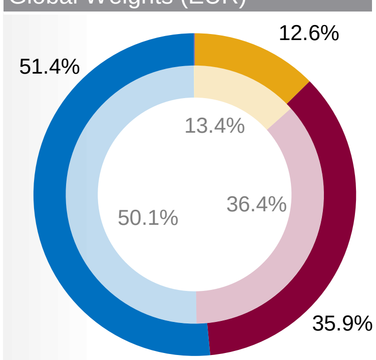
| North America (TR) (EUR) | | | |
|---|---|---|---|
| (EGNA) | **3,979** | ▲ | 4.6% |

| Emerging (TR) (EUR) | | | |
|---|---|---|---|
| (ENEI) | **2,478** | ▼ | -2.0% |

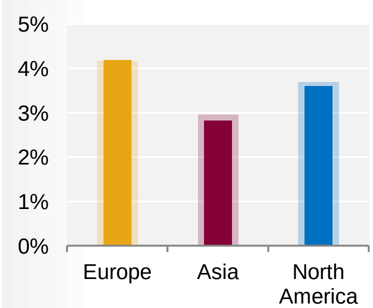
## Monthly Regional Over/Under Performance




Global Weights (EUR)**




Dividend Yields**




* Annualised

** Shaded bars display previous month's data



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## FTSE EPRA/NAREIT Developed Index – Top 5 Performers

| Company | Country | Total Return |
|---|---|---|
| Japan Prime Realty Inv. * | Japan | ▲ 36.9% |
| Tokyu REIT * | Japan | ▲ 35.2% |
| Mori Hills REIT Investment * | Japan | ▲ 32.3% |
| Advance Residence Investment | Japan | ▲ 31.0% |
| Activia Properties * | Japan | ▲ 30.8% |

## FTSE EPRA/NAREIT Developed Index – Bottom 3 Performers

| Company | Country | Total Return |
|---|---|---|
| Prime Office REIT-AG * | Germany | ▼ -12.8% |
| Kerry Properties | Hong Kong | ▼ -13.7% |
| Ivg Immobilien | Germany | ▼ -71.6% |

## FTSE EPRA/NAREIT Developed Index – News

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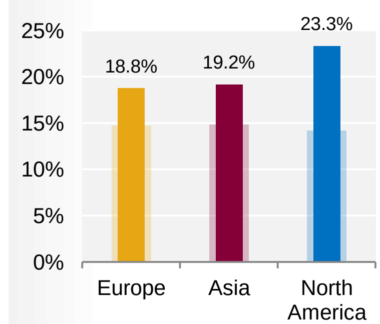
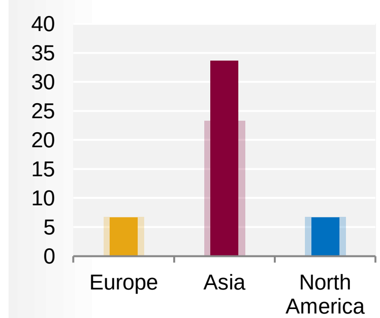
## FTSE EPRA/NAREIT Developed Index – Top 10 Constituents

| Company | Country | Total Return |
|---|---|---|
| Simon Property Group * | US | ▼ -0.2% |
| Mitsubishi Estate | Japan | ▲ 12.6% |
| Mitsui Fudosan | Japan | ▲ 12.4% |
| Westfield Group * | Australia | ▼ -3.1% |
| HCP * | US | ▲ 2.0% |
| Unibail-Rodamco * | France | ▲ 2.8% |
| Public Storage * | US | ▲ 1.6% |
| Ventas * | US | ▲ 4.4% |
| Sun Hung Kai Props | Hong Kong | ▼ -12.0% |
| AMB Property * | US | ▲ 2.7% |

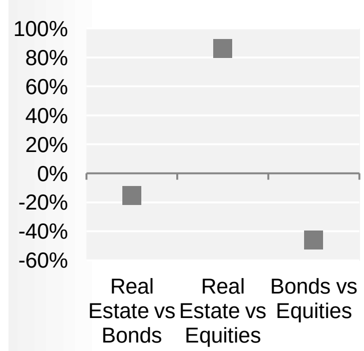
### Volatility (10 yr. & 3 yr.)*



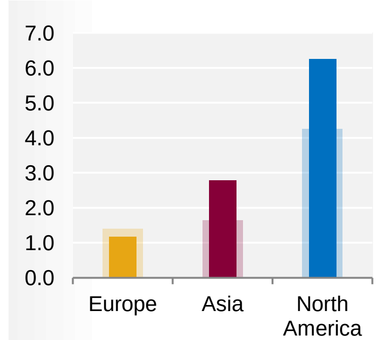

### Index Turnover (EUR billion)




### Correlation (3 yr. rolling)




### Transactions (EUR billion)**




* Shaded bars are 3 yr.

** Previous month



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## FTSE EPRA/NAREIT Developed Europe Index

The FTSE EPRA/NAREIT Developed Europe Index gained 0.5% during March 2013. The UK Index was down by 0.1% compared to an increase of 1.2% in France. The Netherlands was up by 0.3%.

At the end of March 2013, the FTSE EPRA/NAREIT Developed Europe Index counted a total of 85 constituents, representing a free float market capitalisation of over EUR 103 billion.

### FTSE EPRA/NAREIT Developed Europe - Selected Country Indices

| % Total Returns | Mar-13 | YTD | 1 yr | 3 yrs* | 5 yrs* | 10 yrs* | 20 yrs* |
|---|---|---|---|---|---|---|---|
| Europe (EUR) | 0.5 | 0.1 | 21.9 | 9.6 | -0.6 | 8.8 | 8.4 |
| Europe ex UK (EUR) | -0.2 | 0.7 | 21.8 | 8.6 | 2.0 | 11.0 | 10.3 |
| UK (GBp) | -0.1 | 3.2 | 21.3 | 9.3 | -4.6 | 6.8 | 6.2 |
| France (EUR) | 1.2 | 0.0 | 27.6 | 11.3 | 6.2 | 17.0 | 13.4 |
| Netherlands (EUR) | 0.3 | 2.4 | 5.0 | -3.6 | -3.3 | 7.6 | 7.6 |

### Top stories - Europe

**British Land Co - (UK - REIT - Rental - Diversified)** Notice ▼ **-4.2%**

British Land successfully placed 89.7 million new ordinary shares, representing approx. 9.99% of the company's existing issued share capital, with both existing and new institutional investors, raising total gross proceeds of approx. GBP 493 million to fund attractive investment opportunities. The attractive investment opportunities include GBP 213 million of recent acquisitions with a further GBP 150 million in advanced negotiation, and a growing pipeline of opportunities, according to the company. The company also announced the GBP 472 million disposal of Ropemaker Place, of which the proceeds are to be reinvested into the company's London-focused committed development programme. On a pro forma basis as at September 2012, taking into account the placing and investment activity since that date and the disposal of Ropemaker, British Land's loan to value ratio will reduce to 41%.

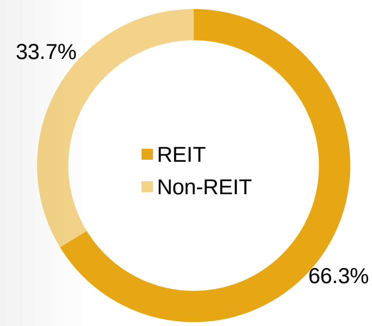
**Intu Properties - (UK - REIT - Rental - Retail)** Notice ▲ **0.5%**

Intu Properties announced a GBP 800 million debut bond issue for Intu Finance plc, the company's new secured group structure (SGS). The issue is divided into two tranches of GBP 450 million 3.875% bonds due 2023 and GBP 350 million 4.625% bonds due 2028, priced at spreads of 210 bps and 205 bps respectively over the relevant reference gilts. The notes will be rated A(sf) by Standard & Poor's. The bond transaction forms the major part of the overall GBP 1,150 million refinancing of intu Lakeside, intu Braehead, intu Watford and intu Victoria Centre announced on February 27, 2013. The remainder of the debt is provided by a five-year term loan with the strong demand for the bond transaction removing the need for a bridge facility component. In aggregate and including amortisation of fees, the estimated blended cost of borrowing of the new structure is circa 4.4% per annum. Matthew Roberts, finance director of Intu Properties, commented: "This issue diversifies our sources of funding beyond the banking markets and significantly extends our debt maturity profile. I am confident that the new debt platform will provide flexible and ready access to debt markets on an ongoing basis, enabling issue of a range of instruments at competitive margins."

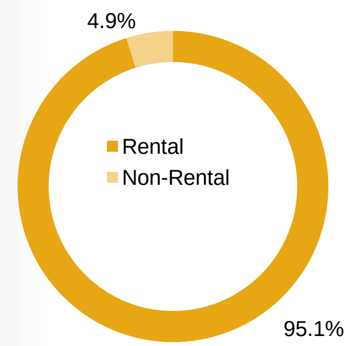
**Safestore Holdings - (UK - Non-REIT - Rental - Self Storage)** Notice ▼ **-6.0%**

Safestore Holdings' shareholders voted in favour for REIT conversion. Following the approval, the company said it remains on track to convert to REIT status on April 01, 2013. Under the REIT rules, Safestore will benefit from a zero corporation tax rate on its UK self-storage rental income. It will continue to be liable to corporation tax on the residual UK business comprising primarily ancillary revenues, derived from the sale of contents insurance, storage accessories and miscellaneous items. The election to enter the REIT regime will not affect the liability to local French taxation in respect of the business in Paris. Upon conversion to a REIT, the net asset value should be immediately enhanced due to the elimination of UK deferred corporation tax liabilities of approx. GBP 62 million (as at October 31, 2012).

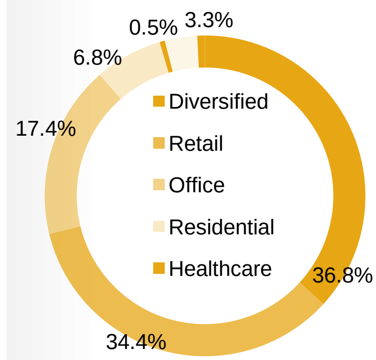
#### Developed Europe REIT / Non-REITs




#### Developed Europe Focus split




#### Developed Europe Sector split



**Fonciere Des Regions - (France - REIT - Rental - Diversified)** Notice ▼ **-3.6%**

Foncière des Régions completed a EUR 180 million private placement, maturing in April 2020 (seven years) and offering a 3.30% coupon (margin of 197 bps above the swap rate). This follows its EUR 500 million inaugural bond issue in October 2012. This issue will permit Foncière des Régions to pursue its financing policy of diversification and debt maturity.

**DIC Asset AG - (Germany - Non-REIT - Rental - Diversified)** Notice ▼ **-2.9%**

DIC Asset raised its corporate bond to the maximum issuance volume of EUR 100 million with an additional EUR 30 million issued in a private placement. The bond is now listed at the Prime Standard for corporate bonds of the Frankfurt stock exchange. The offer was available exclusively to institutional investors. The non-collateralised junior corporate bond was issued by the company in May 2011 in order to put corporate financing on a broader basis and is structured for an interest rate of 5.875% per annum and a five-year maturity. Markus Koch, CFO of DIC Asset AG said: "The successful raise of the DIC bond and its high level of liquidity in stock trading reflect the deep trust that bond investors have in the business model of DIC Asset AG."

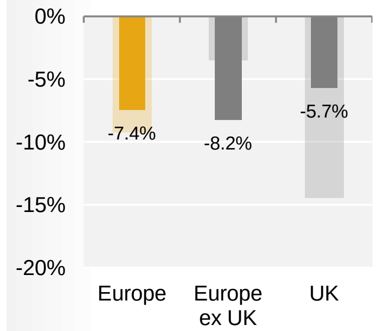
**Conwert Immobilien Invest - (Austria - Non-REIT - Non-Rental - Residential)** Notice ▼ **-12.5%**

convert Immobilien increased its stake in the Hamburg-based company KWG Kommunale Wohnen AG, which is listed on the Entry Standard of the Frankfurt Stock Exchange, to 75.7%. convert acquired a majority stake of approx. 60% in KWG in December 2012. Since then, the stake has gradually been increased in several tranches. The average purchase price of the additional 15.7% is close to KWG's current share price and corresponds to a discount of approx. 40% of KWG's expected NAV for 2012. Thus, the price for the additional shares remains significantly below the purchase price of the original majority stake, increasing the total implied yield from 8.4% to 8.8%. By acquiring the majority stake in KWG, convert has increased its existing German portfolio by approx. 66% to almost 24,500 units. In view of convert's strategic focus as a portfolio holder, KWG possesses extensive expertise in the German market and know-how in the long-term appreciation of residential properties with its internal asset and property management. As previously announced, convert will fully consolidate KWG in the first quarter of 2013.

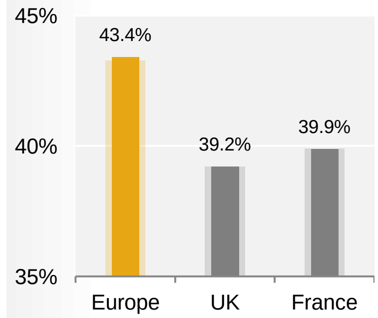
**Cofinimmo - (Belgium - REIT - Rental - Diversified)** Notice ▼ **-1.5%**

Cofinimmo announced the completion of the accelerated book-build offering of 989,413 treasury ordinary shares at a price of EUR 87.5 per ordinary share. This offering allows Cofinimmo to raise EUR 86.57 million in equity and will bring its LTV ratio down by 2.51 points. The proceeds will be used by the group as part of the means to fund its committed investment pipeline while strengthening its balance sheet. In addition, as was the case last year, the Cofinimmo Board of Directors will propose to the Annual General Shareholders Meeting on May 08, 2013 to offer holders of ordinary and preference shares the choice between receiving the dividend payment for the year 2012 in new ordinary shares or cash, or to opt for a combination of both means of payment.

Discounts to NAV (last month)*




LTV (last month)




*shaded bars are 20-year averages



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## FTSE EPRA/NAREIT Developed EMEA Index – Top 5 Performers

| Company | Country | Total Return |
|---|---|---|
| Gagfah | Germany | ▲ 13.5% |
| Medicx Fund | UK | ▲ 11.9% |
| Patrizia Immobilien | Germany | ▲ 11.2% |
| Unite Group | UK | ▲ 10.7% |
| Aedifica | Belgium | ▲ 8.2% |

## FTSE EPRA/NAREIT Developed EMEA – Bottom 3 Performers

| Company | Country | Total Return |
|---|---|---|
| Conwert Immobilien | Austria | ▼ -12.5% |
| Prime Office REIT-AG * | Germany | ▼ -12.8% |
| Ivg Immobilien | Germany | ▼ -71.6% |

## Corporate Actions

Aedifica (Belgium) and MedicX Fund (UK) were added to the Index and Colonia Real Estate (Germany) was deleted from the Index following the Q1-2013 Index Review.

## FTSE EPRA/NAREIT Developed EMEA – Top 10 Constituents

| Company | Country | Total Return |
|---|---|---|
| Unibail-Rodamco * | France | ▲ 2.8% |
| Land Securities * | UK | ▲ 0.8% |
| British Land * | UK | ▼ -3.1% |
| Hammerson * | UK | ▼ -0.5% |
| Swiss Prime Site | Switzerland | ▲ 2.1% |
| Klepierre * | France | ▼ -2.6% |
| PSP Swiss Property | Switzerland | ▲ 1.6% |
| Corio * | Netherlands | ▲ 3.0% |
| Derwent London * | UK | ▼ -2.3% |
| Deutsche Wohnen | Germany | ▲ 0.8% |



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## FTSE EPRA/NAREIT Developed Asia Index

The FTSE EPRA/NAREIT Developed Asia Index gained 4.8% during March 2013. The Hong Kong Index was down by 4.8% compared to a gain of 18.5% in Japan. The Australia Index was down by 2.9%, while Singapore declined 1.9% during the month.

At the end of March 2013, the FTSE EPRA/NAREIT Developed Asia Index counted a total of 78 constituents, representing a free float market capitalisation of over EUR 294 billion.

### FTSE EPRA/NAREIT Developed Asia - Selected Country Indices

| % Total Returns | Mar-13 | YTD | 1 yr | 3 yrs* | 5 yrs* | 10 yrs* | 20 yrs* |
|---|---|---|---|---|---|---|---|
| Asia (EUR) | 4.8 | 11.4 | 28.5 | 15.9 | 8.4 | 13.1 | 8.3 |
| Hong Kong (HKD) | -4.8 | 0.2 | 27.4 | 6.3 | 4.9 | 18.8 | 9.7 |
| Japan (JPY) | 18.5 | 35.5 | 73.2 | 22.1 | 6.1 | 14.9 | 5.1 |
| Australia (AUD) | -2.9 | 5.0 | 29.3 | 11.4 | -5.0 | 2.6 | 8.2 |
| Singapore (SGD) | -1.9 | -0.1 | 23.9 | 7.6 | 0.0 | 16.1 | 5.9 |

### Top stories - Asia

**Westfield Group - (Australia - REIT - Rental - Retail)** Notice ▼ **-3.1%**

Westfield Group, the Australian property company, has entered into a joint-venture agreement with O'Connor Capital Partners covering six of its regional malls across Florida. O'Connor's investment will amount to a 49.9% interest stake in the portfolio following a series of transactions with a gross value of USD 1.28 billion. The price O'Connor will pay is equal to Westfield's book value. Westfield Group will remain as property, leasing and development manager at the six properties, consistent with its other joint ventures. For its part, Westfield will realise roughly USD 700 million in net proceeds from the various transactions, all expected to close in the second quarter of 2013, subject to financing and other customary closing conditions. The move is a continuation of Westfield's strategy to take on joint venture partners and sell non-core assets in the hopes of capitalising in faster-growing, high-yield markets like New York City, South America and Europe.

**Nomura Real Estate Holdings - (Japan - Non-REIT - Non-Rental - Diversi** Notice ▲ **25.2%**

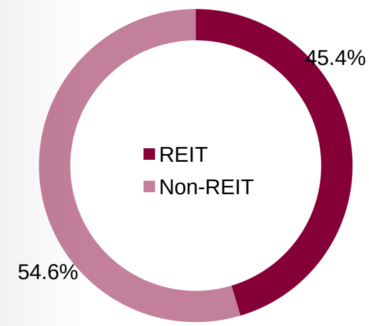
Nomura Real Estate Holdings, the Japanese real estate company, announced that its parent company, Nomura, will sell a significant part of its stake for about JPY 53 billion to concentrate on areas where it can leverage strengths amid stricter banking rules. The investment bank will reduce its holding in Nomura Real Estate Holdings to 36% from 51% through a secondary offering by its Nomura Land and Building Co. unit, Nomura said in a statement to the Tokyo Stock Exchange. “Paring the stake will make Nomura Real Estate an affiliate rather than a subsidiary”, according to the statement. The firms will “continue to pursue growth through expanding their respective businesses and collaborating together,” Nomura said.

**Henderson Land Dev - (Hong Kong - Non-REIT - Non-Rental - Diversified** Notice ▼ **-1.6%**

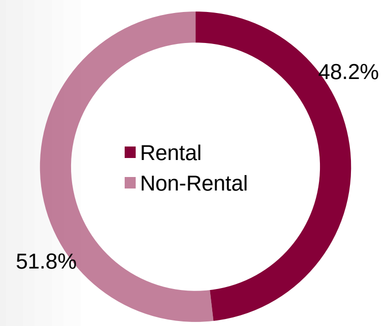
Henderson Land Development, a Hong-Kong based property company, announced that it posted an 18% year-over-year rise in full-year 2012 profit attributable to shareholders of HKD 20.21 billion. Earnings were mainly driven by its expanding rental portfolio in Hong Kong and China, three listed associates that support its sustainable earnings growth and the company's development projects in Hong Kong. Excluding fair value gains and other extraordinary items, underlying profit for the year rose 28% to HKD 7.10 billion from 2011, and underlying earnings per share were HKD 2.97, up 23% year-over-year from HKD 2.41. Revenue from property sales for the year dropped 6% to HKD 8.94 billion from HKD 9.48 billion, while gross rental income was up 14% to HKD 6.63 billion. Henderson Land's board recommended a total dividend of HKD 1.06 per share for 2012 as compared to HKD 1.00 per share in 2011.

* Annualised

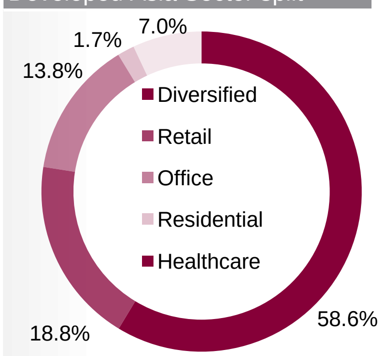
Developed Asia REIT / Non-REITs




Developed Asia Focus split




Developed Asia Sector split



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**Swire Properties - (Hong Kong - Non-REIT - Rental - Diversified)** Notice ▼ **-5.0%**

Swire Properties, the Hong Kong commercial landlord, posted a 59% gain in adjusted full-year underlying profit on higher rental income from its offices and shopping malls as well as apartment sales in the city. Profit excluding real estate revaluations and the impact of the sale of the Festival Walk shopping mall in 2011 rose to HKD 6.9 billion in 2012 from HKD 4.4 billion a year earlier. Profits from property trading were HKD 1.83 billion in 2012, while gross rental income of the company's investment property portfolio increased by 5.4% to HKD 9.0 billion in 2012. The hotel operations recorded a lower underlying profit due to pre-opening expenses at the Mandarin Oriental in TaiKoo Hui and EAST, Beijing at INDIGO. Swire Properties Chairman Christopher Pratt commented on the company's prospects: "We are cautious about the outlook for office properties in Hong Kong in 2013. Demand from financial services companies for office space in Central is likely to remain soft. Demand for retail space however, particularly at prime locations, continues to be strong."

**Kerry Properties - (Hong Kong - Non-REIT - Non-Rental - Diversified)** Notice ▼ **-13.7%**

Kerry Properties, a Hong Kong-based developer, has acquired a residential property in Hong Kong for HKD 11.7 billion. The company won the 1.13 million sq ft site in a government tender. The price paid was equivalent to about HKD 10,200 per sq ft. The site was the first sold by the Hong Kong government since it imposed its toughest measures yet to curb home prices that have doubled since early 2009. The Chief Executive of Hong Kong, Leung Chun-ying, who took over in July, doubled stamp duties on Feb. 22 on all property transactions that exceed HKD 2 million and raised mortgage down-payment requirement on some purchases. In a statement, the management of Kerry Properties Limited considered that "...the land price is reasonably in line with the market."

**Agile Property Holdings - (Hong Kong - Non-REIT - Non-Rental - Diversified)** Notice ▼ **-7.7%**

Agile Property Holdings, a Chinese integrated developer, reported a 21.8% rise in 2012 profit attributable to shareholders of the company, totaling CNY 5 billion. Excluding after-tax fair value gains on investment properties, the attributable profit for the year was up 20.6% to CNY 4.87 billion. Gross profit for the year moved up marginally to CNY 12.44 billion, and revenue came in at CNY 30.07 billion, up 31.1% compared to CNY 22.95 billion in 2011. The company proposed a final dividend of 23.9 HKD cents per share for 2012, which, if approved, will take the full-year dividend to 38.4 cents per share, representing a year-over-year increase of 12.3%. Chen Zhuo Lin, Chairman of the Group, said: "In China, the Central Government's tightening measures on the housing market continued to make operating conditions volatile. Nevertheless, capitalising on its strengths, accurate market positioning and development strategy, the Group has actively coped with the change of market conditions, while broadening sources of income and reducing unnecessary expenditure, and achieved favourable results."

## FTSE EPRA/NAREIT Developed Asia Index – Top 5 Performers

| Company | Country | Total Return |
|---|---|---|
| Japan Prime Realty Inv. * | Japan | ▲ 36.9% |
| Tokyu REIT * | Japan | ▲ 35.2% |
| Mori Hills REIT Investment * | Japan | ▲ 32.3% |
| Advance Residence Investment | Japan | ▲ 31.0% |
| Activia Properties * | Japan | ▲ 30.8% |

## FTSE EPRA/NAREIT Developed Asia – Bottom 3 Performers

| Company | Country | Total Return |
|---|---|---|
| Capitaland | Singapore | ▼ -9.7% |
| Sun Hung Kai Props | Hong Kong | ▼ -12.0% |
| Kerry Properties | Hong Kong | ▼ -13.7% |

## Corporate Actions

GLP J-REIT (Japan) and Japan Logistics Fund (Japan) were included in the FTSE EPRA/NAREIT Developed Asia Index after the quarterly index review on March 18, 2013.

## FTSE EPRA/NAREIT Developed Asia – Top 10 Constituents

| Company | Country | Total Return |
|---|---|---|
| Mitsubishi Estate | Japan | ▲ 12.6% |
| Mitsui Fudosan | Japan | ▲ 12.4% |
| Westfield Group * | Australia | ▼ -3.1% |
| Sun Hung Kai Props | Hong Kong | ▼ -12.0% |
| Sumitomo Realty & Dev | Japan | ▲ 15.0% |
| Wharf Holdings | Hong Kong | ▲ 2.1% |
| Link REIT * | Hong Kong | ▲ 2.1% |
| Nippon Building Fund * | Japan | ▲ 25.4% |
| Westfield Retail Trust | Australia | ▼ -5.0% |
| Hongkong Land Hldgs | Hong Kong | ▼ -2.7% |

* Annualised


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## FTSE EPRA/NAREIT North America Index

The FTSE EPRA/NAREIT North America Index increased 2.7% during March 2013. The United States Index gained 2.9% compared to a decrease of 0.2% in Canada (CAD).

At the end of March 2013, the FTSE EPRA/NAREIT North America Index counted a total of 135 constituents, representing a free float market capitalisation of over EUR 422 billion.

### FTSE EPRA/NAREIT North America - Country Indices

| % Total Returns | Mar-13 | YTD | 1 yr | 3 yrs* | 5 yrs* | 10 yrs* | 20 yrs* |
|---|---|---|---|---|---|---|---|
| North America (USD) | 2.7 | 7.1 | 14.3 | 17.0 | 6.6 | 12.7 | 11.9 |
| United States (USD) | 2.9 | 7.9 | 14.8 | 17.0 | 6.1 | 12.3 | 11.6 |
| Canada (CAD) | -0.2 | 2.0 | 11.7 | 17.2 | 11.0 | 13.2 | 10.9 |

### Top stories - North America

**Ramco-Gershenson Properties - (US - REIT - Rental - Retail)** Notice ▲ **6.3%**

Ramco-Gershenson Properties Trust announced that it has acquired its partner's ownership interest in 12 shopping centres owned by Ramco/Lion Venture LP for approx. USD 151.9 million in cash, and assumes its partner's pro-rata share of debt of approx. USD 104.9 million. With the completion of this acquisition, the company now owns 100% of the shopping centres, which are located in Florida and Michigan. "The size of the transaction, the quality of the assets, and the potential for significant future value creation are all positives for our shareholders. In addition, we are continuing our joint venture relationship with Clarion Partners with the goal of acquiring additional high quality shopping centers in strong metropolitan markets over the next several years," the company stated.

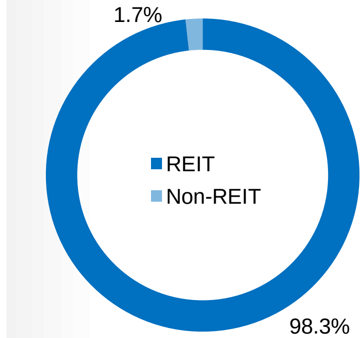
**Agree Realty - (US - REIT - Rental - Retail)** Notice ▲ **7.2%**

Agree Realty Corporation announced that it has acquired three single tenant assets leased to industry leading retailers. The acquisitions include a Dollar General Market in Statham, Georgia, an AutoZone in North Las Vegas, Nevada and a Family Dollar in Memphis, Tennessee. Dollar General Market occupies 20,707 sq ft, AutoZone occupies 6,000 sq ft and Family Dollar occupies 8,320 sq ft. The aggregate cost of the acquisitions was approx. USD 6.4 million. All three retailers carry an investment grade rating. The weighted average lease-term remaining for the three tenants is approx. 13 years.

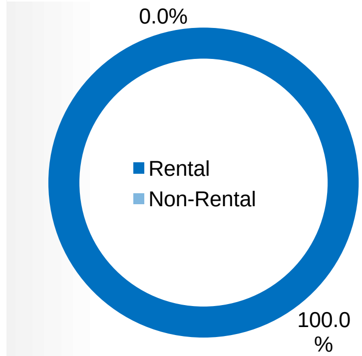
**Colonial Prop - (US - REIT - Rental - Residential)** Notice ▲ **4.9%**

Colonial Properties Trust has purchase the 280-unit Colonial Grand at Windermere (formerly Altis at Lakes of Windermere) located in Orlando, Florida for USD 43.0 million. Colonial Grand at Windermere is a Class A garden-style apartment community located in the Orlando submarket of Windermere. The apartment complex was built in 2009, 96% occupied at the time of acquisition, and has an average monthly rent of USD 1,158 per unit. The acquisition was funded with proceeds from the sale of apartment communities that occurred in 2012 and borrowings under an unsecured credit facility.

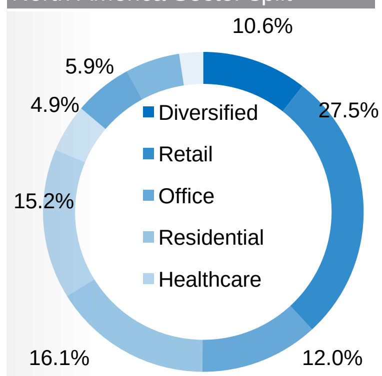
North America REIT / Non-REITs




North America Focus split




North America Sector split




* Annualised



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**Kite Realty Group Trust - (US - REIT - Rental - Retail)** Notice ▲ **2.3%**

Kite Realty Group Trust announced that it has acquired a 69,000 sq ft Publix Supermarket-anchored shopping centre in Orlando, Florida for a purchase price, exclusive of closing costs, of USD 11.6 million. The centre is 99% leased and is located within close proximity to Waterford Lakes Village, another Kite Realty-owned property. The property draws from the solid trade area surrounding the University of Central Florida as well as the Eastwood, Stoneybrook, and Waterford Lakes communities. “This property is a well-positioned grocery-anchored centre with strong credit. We will continue to selectively acquire well-located assets throughout the Midwest, Southeast, and Texas markets,” the company stated.

**Healthcare Realty Trust - (US - REIT - Rental - Health Care)** Notice ▲ **6.7%**

H&R Real Estate Investment Trust has completed its acquisition of Primaris Retail Real Estate Investment Trust. As part of the agreement, Primaris shareholders may elect to receive USD 28.00 in cash per Primaris unit, subject to an aggregate cash amount of approx. USD 1.28 billion, or 1.166 H&R stapled units per Primaris unit. In addition, H&R will acquire a USD 2.7 billion portfolio of 17 of Primaris’ existing shopping centres along with a further nine properties valued at approx. USD 377 million that Primaris intends to acquire in advance of the close of the H&R transaction. The remaining properties in Primaris’ existing portfolio will be acquired by members of the KingSett Capital led consortium and are valued at approx.USD 1.9 billion, including assumed debt.

**Cousins Property - (US - REIT - Rental - Diversified)** Notice ▲ **10.0%**

Cousins Properties Incorporated has signed a 99,000 sq ft lease with Lockton Companies at 2100 Ross in the Arts District in Dallas, Texas. 2100 Ross is a 33-story, 844,000 sq ft, Class A office building. Cousins purchased the building at a discount in August 2012 and implemented a comprehensive capital improvement plan to enhance the common areas and amenities. 2100 Ross is currently 78% leased, up from 67% when Cousins acquired the building. The building's diverse tenant base includes CBRE, Prudential Mortgage Capital and Bank of America Merrill Lynch.

**CommonWealth REIT - (US - REIT - Rental - Office)** Notice ▼ **-11.1%**

CommonWealth REIT announced its response to the campaign led by its major shareholders Corvex Management and Related Fund Management to remove its board of directors as a response to CommonWealth’s plans to issue a USD 240 million share sale. The CommonWealth board believes that a removal of the board is not in the best interest of the company and would bring material harm and disruption to the business and operations of the company. The board notes that Corvex and Related are asking CommonWealth shareholders to relinquish control of the company without committing to pay a control premium, or even any amount, for the outstanding CommonWealth common shares.

**Penn Real Estate Invest - (US - REIT - Rental - Retail)** Notice ▲ **7.4%**

Pennsylvania Real Estate Investment Trust has completed the refinancing of Dartmouth Mall in Dartmouth, MA and paid off the mortgage loan balance on Moorestown Mall in Moorestown, NJ. The amount of the new ten-year loan on Dartmouth Mall is USD 67.0 million, which replaces a USD 58.0 million loan and results in proceeds of approx. USD 9.0 million. The interest rate on the new mortgage loan is 3.97%, representing a decrease of 98 basis points from the previous rate. The company also paid off the USD 53.2 million mortgage loan balance on Moorestown Mall, which is now unencumbered as redevelopment of the property continues. This loan was set to mature in June 2013.


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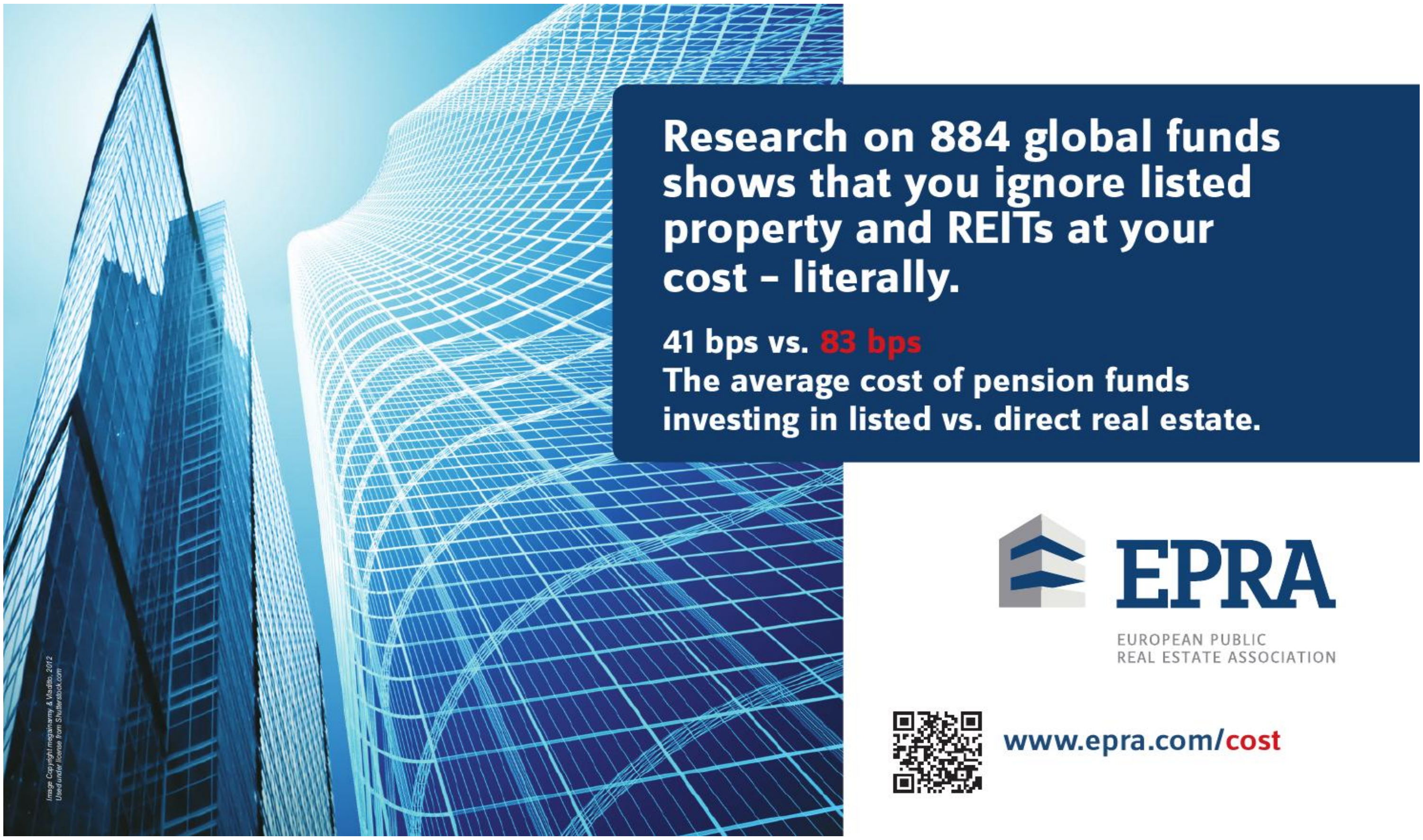
Research on 884 global funds shows that you ignore listed property and REITs at your cost – literally.
41 bps vs. 83 bps
The average cost of pension funds investing in listed vs. direct real estate.
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## FTSE EPRA/NAREIT North America Index – Top 5 Performers

| Company | Country | Total Return |
|---|---|---|
| Felcor Lodging Trust * | US | ▲ 18.5% |
| Strategic Hotels & Resorts | US | ▲ 14.7% |
| W. P. Carey Inc. | US | ▲ 13.1% |
| Campus Crest Communities | US | ▲ 12.2% |
| Medical Properties Trust * | US | ▲ 11.8% |

## FTSE EPRA/NAREIT North America – Bottom 3 Performers

| Company | Country | Total Return |
|---|---|---|
| Morguard REIT * | Canada | ▼ -4.8% |
| Killam Properties | Canada | ▼ -6.6% |
| Commonwealth REIT * | US | ▼ -11.1% |

## Corporate Actions

Hospitality Properties Trust (USA), Lexington Realty Trust (USA), Parkway Properties (USA), Ramco-Gershenson Properties Trust (USA) and Sun Communities (USA) all made share issuances larger than 10% of their existing shares in issue, and their weighting in the FTSE EPRA/NAREIT Index were adjusted accordingly.

## FTSE EPRA/NAREIT North America – Top 10 Constituents

| Company | Country | Total Return |
|---|---|---|
| Simon Property Group * | US | ▼ -0.2% |
| HCP * | US | ▲ 2.0% |
| Public Storage * | US | ▲ 1.6% |
| Ventas * | US | ▲ 4.4% |
| AMB Property * | US | ▲ 2.7% |
| Equity Residential Props * | US | ▲ 0.8% |
| Health Care REIT * | US | ▲ 5.9% |
| Boston Properties * | US | ▼ -2.1% |
| Avalonbay Communities * | US | ▲ 2.3% |
| Vornado Realty Trust * | US | ▲ 4.3% |



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## FTSE EPRA/NAREIT Emerging Index

The FTSE EPRA/NAREIT Emerging Index lost 2.0% during March 2013. Emerging EMEA was flat at 0.0%, while Emerging Asia Pacific lost 1.5%. Real estate markets in Emerging Americas decreased 6.0% over the month.

At the end of March 2013, the FTSE EPRA/NAREIT Emerging Index counted a total of 133 constituents, representing a free float market capitalisation of over EUR 103 billion.

### FTSE EPRA/NAREIT Emerging - Country Indices

| % Total Returns | Mar-13 | YTD | 1 yr | 3 yrs* | 5 yrs* |
|---|---|---|---|---|---|
| Emerging (EUR) | -2.0 | 5.5 | 26.0 | 8.6 | 5.6 |
| Emerging EMEA (EUR) | 0.0 | 4.9 | 24.1 | 9.7 | 15.6 |
| Emerging Europe (EUR) | -4.3 | -5.9 | 14.1 | -13.3 | -15.1 |
| Emerging MEA (EUR) | 1.6 | 9.4 | 27.9 | 15.1 | 19.3 |
| Emerging Asia Pacific (EUR) | -1.5 | 9.8 | 49.6 | 16.2 | 6.1 |
| Emerging Americas (EUR) | -6.0 | -4.8 | -11.6 | -4.4 | -2.4 |

### FTSE EPRA/NAREIT Emerging  Index – Top 10 Constituents

| Company | Country | Total Return |
|---|---|---|
| China Overseas Land & Inv (Red Chip) | China | ▼ -2.1% |
| BR Malls Participacoes S/A Ord | Brazil | ▼ -0.7% |
| China Resources Land (Red Chip) | China | ▼ -4.0% |
| Growthpoint Prop Ltd | South Africa | ▲ 8.6% |
| Ayala Land | Philippines | ▲ 10.3% |
| Emaar Properties | U.A.E. | ▲ 8.8% |
| SM Prime Hldgs | Philippines | ▲ 8.3% |
| Redefine Income Find | South Africa | ▲ 2.5% |
| Lippo Karawaci | #N/A | ▲ 9.7% |
| Shenzhen Vanke (B) | China | ▼ -6.9% |

* Annualised



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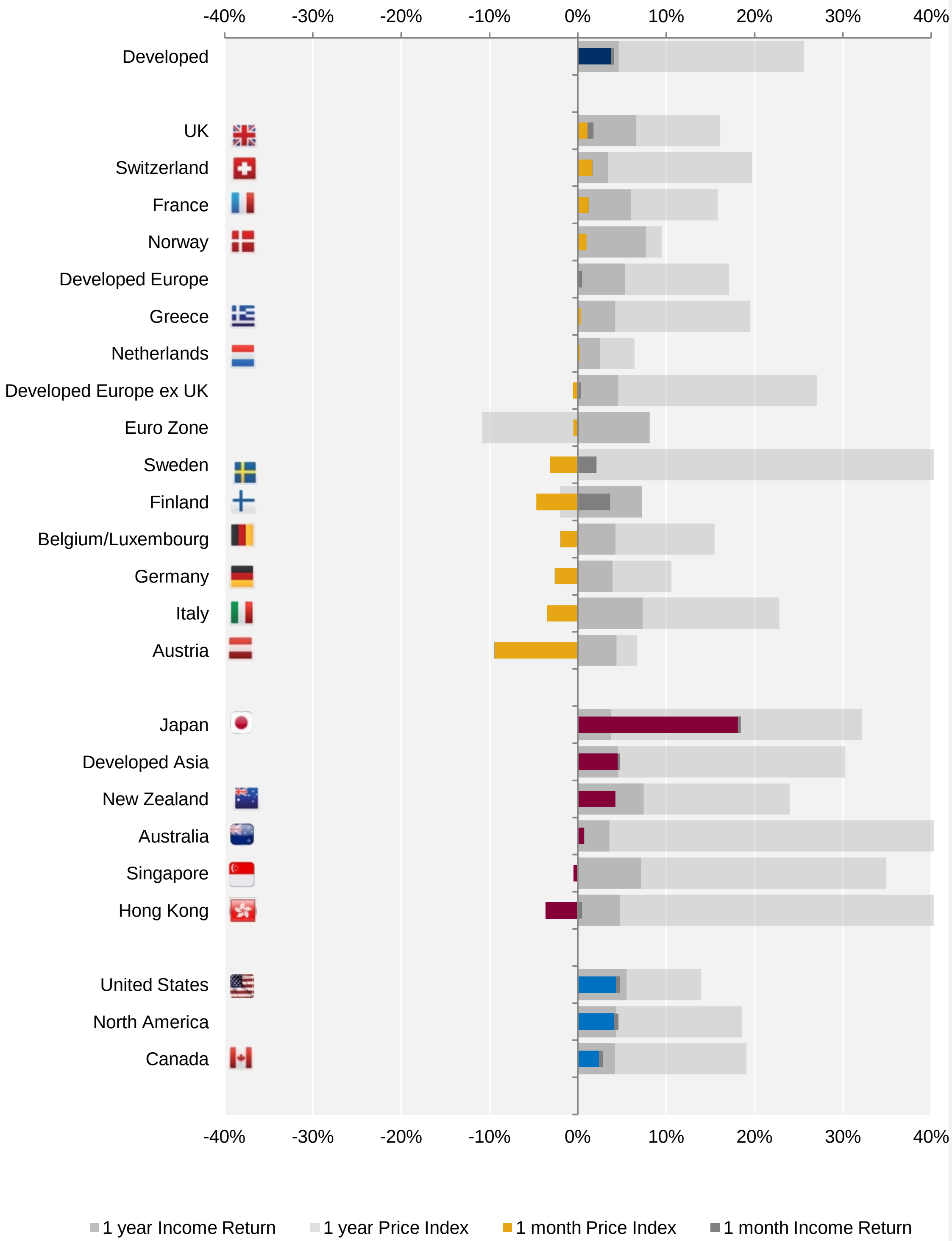
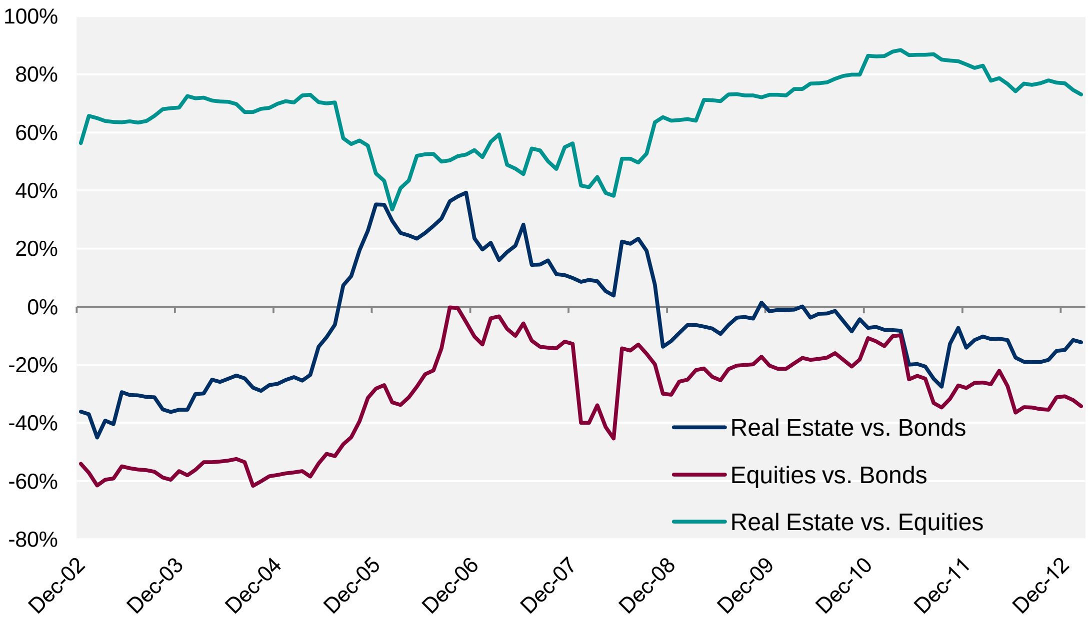
## FTSE EPRA/NAREIT Monthly Index Performances (EUR)



## Chart of the Month

### Asset Classes Correlation - Europe (36 months)




**Sources:** FTSE, EPRA, NAREIT, JP Morgan

The asset classes are defined as follows. For real estate, the FTSE EPRA/NAREIT indices are used. For broad equities, the national headline index is used (i.e. FTSE 100, CAC 40 etc.) and for multi-country profiles, the FTSE All-world index series is used. For bonds, the JPMorgan Bond index series is used.



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## Notes

Links to Reports

**Monthly Statistical Bulletin**
March 2013

**Monthly Index Chartbook**
February 2013

**Monthly Company Chartbook**
February 2013

**Monthly Published NAV Bulletin**
February 2013

**Monthly LTV report**
February 2013

**Monthly Transactions Bulletin**
February 2013

**Index Ground rules**
Version 5.3

**EPRA Newsletter**
March/April 2013



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