



FTSE EPRA/NAREIT Global Real Estate Index

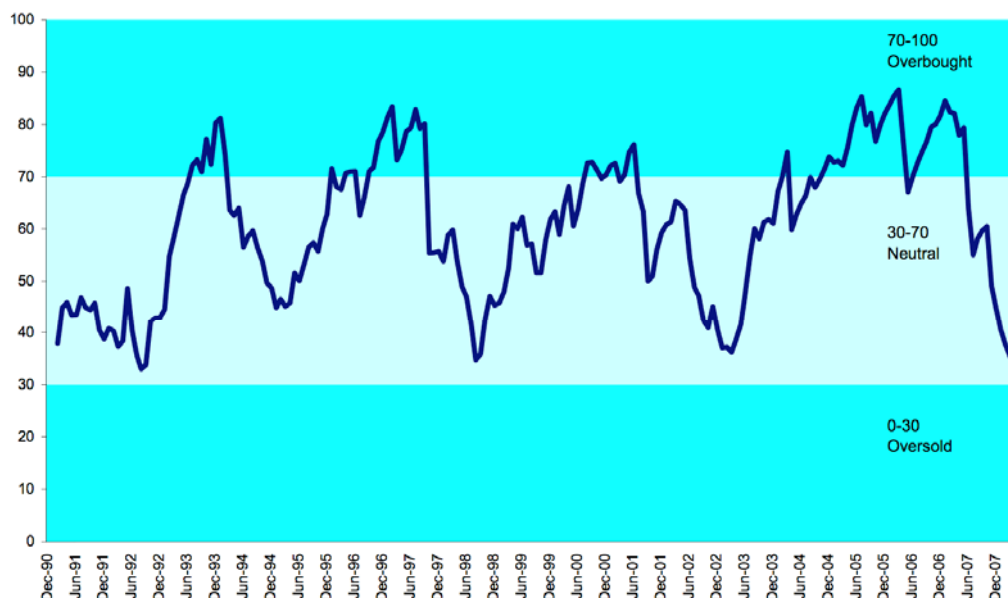
The FTSE EPRA/NAREIT Global Real Estate Index fell 2.3% in May, driven down by Asia-Pacific and Europe. Global equity markets improved significantly, +7.5%, and the global bond market lost 110bps. European real estate markets finished behind (-4.2%) for the month. Asia-Pacific dropped 4.4% in May. Positive performance came from the North America market (70 bps). Year-to-date, the Asia-Pacific (-16.1%) and the European (-6.6%) real estate indices move further into negative territory. Following May's small advance, North America is 60bps ahead year-to-date.

Over a five-year holding period, global real estate returned 99% to investors. Global equities added 59% and global bonds gained 14%. Global real estate significantly outperformed global equities and global bonds based on five-year compounded annual returns. On average, global real estate returned 14.8% per annum compared against 9.7% and 2.7% for global equities and global bonds, respectively. All returns are expressed in EUR.

Asset Classes (EUR)	May-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	-2.3	-8.0	99.3	14.8
Global Equities	7.5	-10.6	59.2	9.7
Global Bonds	-1.1	0.1	14.3	2.7
Europe Real Estate	-4.2	-6.6	106.5	15.6
N. America Real Estate	0.7	0.6	74.9	11.8
Asia Real Estate	-4.4	-16.1	143.1	19.4

Source: EPRA/FTSE/JP Morgan

The chart below shows the Relative Strength Indicator for the FTSE EPRA/NAREIT Global index. The RSI is an index between 0 and 100 that shows the price strength of the index by comparing upward and downward movements. If the index is in the 0-30 region, the market is oversold, and if the index is in the 70-100 range, the market is overbought.





The graph clearly shows that the global market has been overbought in the period 2003-2006, but following the difficult year 2007, the market has reversed and moved towards 'oversold'. January 2008 saw the RSI bounce north. It is noteworthy that since the start of the index in December 1991, the index has never been oversold.

FTSE EPRA/NAREIT Global Index – Top 5 Performers

Company	Sector	Total Return
• Felcor Lodging Trust	<i>Lodging</i>	18.03
• GMH Communities Trust	<i>Residential</i>	14.11
• Heiwa Real Estate	<i>Diversified</i>	13.90
• Babis Vovos	<i>Diversified</i>	12.82
• HRPT Properties Trust	<i>Office</i>	12.41

FTSE EPRA/NAREIT Global – Bottom 3 Performers

Company	Sector	Total Return
• Renta Corp Real Estate SA	Diversified	-32.63
• Capital & Regional Properties	Retail	-31.33
• St Modwen Properties	Diversified	-22.34

ASIA-PACIFIC

The Asia index fell 4.4% in May. At a country level, returns were mixed for the month. EPRA/NAREIT New Zealand advanced 3.3% and EPRA/NAREIT Japan added 10 bps to shore up the positive side. On the negative side, EPRA/NAREIT Australia (-8.7%), EPRA/NAREIT Hong Kong (-5.7%) and EPRA/NAREIT Singapore (-3.3%) all lost ground. The 36-months rolling volatility for the region is currently 18%, significantly higher than 12 months ago.

Country	May-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	-4.4	-16.1	143.1	19.4
Australia (AUD)	-8.7	-22.4	49.9	8.4
Hong Kong (HKD)	-5.7	-19.8	330.3	33.9
Japan (JPY)	0.1	-2.0	251.8	28.6
Singapore (SGD)	-3.3	-6.4	291.3	31.4
New Zealand (NZD)	3.3	-5.2	-NA-	-NA-

Source: EPRA

Centro Properties Group halted trading in its shares before a deadline on accords needed as part of an extension on as much as AU\$ 6.6 billion in debt. The May 08 extension (to December 15, 2008) was conditional on Centro completing AU\$ 155 million of new borrowings, and reaching agreement on creditor accords by May 30. Centro Properties Group fell 17% in May. Centro Retail ended 14% down.

The Mirvac Real Estate Investment Trust has also indicated that the refinancing of its AU\$ 700 million debt may lead to a reduced distribution in earnings.

Sun Hung Kai Properties, Hong Kong's largest property developer announced that the company's Chairman, Walter Kwok, had been replaced by his mother following a family feud. Walter Kwok said in a court filing that his brothers tried to remove him because he claimed Walter was suffering from mental illness. He denied having any such disorder. Furthermore, he alleges his brothers accused him of making "unwise" investment decisions and dubbed him a liar. The company fell 8% in May.



CapitaMall Trust fell 5% in May after Moody's Investors Service lowered its outlook to "negative" from "stable" following the company's plan to buy a downtown property. CapitaMall said in May that it had agreed to buy The Atrium@Orchard along Singapore's shopping belt for US\$618 million, which will be funded by debt. Moody's said that the outlook "is driven by the trust's weakened financial profile, both in terms of financial flexibility and credit metrics, following the acquisition." The acquisition takes the company's leverage from 35% to 45%.

Hong Kong property developers were hit during May on concern that interest rates will rise and erode demand for home loans. Hang Lung (-4%) and New World Development (-2.5%) share prices were affected by the concerns.

Singapore could see India's fourth-largest developer by market value raise US\$286 million, in the first such sale by an Indian company. Indiabulls Real Estate plans to sell 353 million units of Indiabulls Property Investment Trust at between S\$1 and S\$1.10 according to an e-mail to investors. The REIT would be reviewed for the planned FTSE EPRA/NAREIT Emerging Markets Index in July.

To round-up the corporate actions in the Asia-Pacific region, Keppel Land paid out a special dividend of S\$ 0.12 per share on May 02.

FTSE EPRA/NAREIT Asia Index – Top 5 Performers

Company	Sector	Total Return
• Heiwa Real Estate	<i>Diversified</i>	13.90
• Suntec REIT	<i>Diversified</i>	12.26
• Mori Trust Sogo REIT	<i>Office</i>	11.73
• FKP Property Group	<i>Diversified</i>	11.55
• Japan Retail Fund	<i>Retail</i>	11.54

FTSE EPRA/NAREIT Asia Index – Bottom 3 Performers

Company	Sector	Total Return
• Mirvac Group	<i>Diversified</i>	-21.67
• Allgreen Properties	<i>Diversified</i>	-20.16
• Shenzhen Investment	<i>Diversified</i>	-19.29

EUROPE

EPRA/NAREIT Europe Index ended yet another month in negative territory (-4.2%). EPRA/NAREIT UK was the heaviest hit of the major countries (-8.9%). The Netherlands lost its gains of the previous month (-4.2%). EPRA/NAREIT Sweden slipped back 4.1%. France was the only country of the European majors to advance, albeit very slightly (+10 bps). Year-to-date, both France and the Netherlands are ahead 8.7% and 3.3% respectively. On the flip-side, the heavily weighted UK market is 12.2% in the red, and Sweden is 5.2% behind. Europe's 36-month volatility is 16%, the lowest of the three regions.

Country	May-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	-4.2	-6.6	106.5	15.6
UK (GBP)	-8.9	-12.2	82.1	12.7
Netherlands (EUR)	-4.2	3.3	120.7	17.2
France (EUR)	0.1	8.7	235.1	27.4
Sweden (SEK)	-4.2	-5.2	205.2	25.0

Source: EPRA



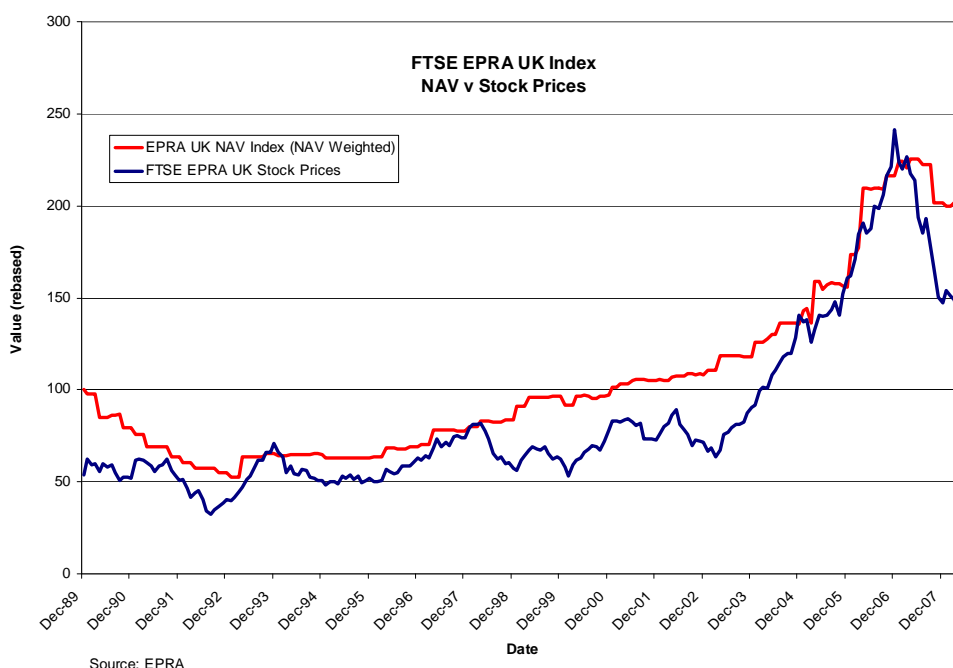
Land Securities, the UK's largest REIT, lost GBP 831 million, or 188.8p per share, in the 12 months ended March 31. The company recorded a GBP 3.53 billion profit, or 750.54p per share, a year earlier. NAV fell 10% to 1,956p per share. Land securities reduced the estimated value of its properties, including 55 shopping centres and offices in London by GBP 1.28 billion last year. The company ended May 8% lower.

British Land reported its first annual loss in at least 20 years in May. The company wrote down the value of office buildings and malls. The net loss for the 12 months ended March 31 was GBP 1.56 billion, or 303p a share, compared against a profit of GBP 2.45 billion, or 470p per share in the previous year. The NAV for the year was 1,344p, beating analyst estimates. Steve Hester, British Land's CEO said in a company statement: "British Land has never been in better shape to weather the downturn and emerge with growth prospects intact, or even enhanced." Shares finished the month 5% down.

Capital and Regional was hit heavily (-31%) in May. The company confirmed details on its Mall Fund equity raising in May. The fund is proposing to raise GBP 286 million of new equity at a price of 101p per unit, equating to a 45% discount to the May unit price. Capital & Regional, which holds 24% of the Mall Fund, is reviewing whether to subscribe to the equity raising. The company states that if it does not participate the dilution effect would be 60p per share. Unit holders will vote on the proposal on June 05, and applications to participate will close on June 19. The raising will allow the Mall Fund to repay its outstanding bank facility in full.

Shaftesbury, the London retail specialist, reported a loss for the six months ended March 31. It is the company's first loss since 1992, following a decline in property values. Net asset value declined 12% to 567p per share. IPD reported a fall of 6% in the year ended March 31 for retail-based property located in the West End of London. Shaftesbury finished the month 15% in the red.

Minerva, the UK property developer, added 3% after Limitless LLC said that it was considering "options" that include a takeover offer. Limitless, the unit of state-owned Dubai World, said in a statement that it "is in the very preliminary stages of considering its options in respect of Minerva." However it stressed that, "There has been no formal approach to Minerva's board, and there can be no certainty that any offer will be forthcoming."





The graph on the previous page displays the FTSE EPRA/NAREIT UK Real Estate Price Index vs. the published Net Asset Values of the constituents of the index. Over the period 1989 to date, the UK market has traded at approximately 19% discount to NAV. Currently the index trades at 35% discount to published NAV.

Cofinimmo, Belgium's largest REIT, agreed to acquire 19 nursing homes located in France from Korian Group for EUR 144.4 million including transaction costs. Cofinimmo will fund the deal with existing credit lines. The homes will have an annual gross initial yield of 6.55%. Cofinimmo ended May 13% lower.

Vastned Retail shares plunged 10% in May after IEF Capital NV abandoned its plan to bid for the company. IEF Capital, a venture between Dutch investment companies Inflation Exchange Fund and Bouwfonds Asset Management, entered into exclusive talks last month on the basis of its proposal to offer EUR 70 per share for Vastned Retail. IEF's withdrawal brings to an end a six-month takeover tussle.

IVG fell 4% in May. Germany's largest commercial property company, said first-quarter profit fell as gains in the value of its offices and caverns slowed. The company said in a statement, "In the current financial year, our focus will be on improving operational performance, and our aim is reduce by the end of 2009 the costs that we can influence at least 10%."

Plaza Centres N.V., an emerging markets developer, announced that it has won a major casino license in Hungary. The EUR 1.5 billion project called Dream Island, in which it holds a 30% stake is planned for central Budapest.

To round-up the corporate actions in Europe, Technopolis exercised a 3-for-10 rights issue at EUR 4.50.

FTSE EPRA/NAREIT Europe Index – Top 5 performers

Company	Sector	Total Return
• Babis Vovos	<i>Diversified</i>	12.82
• Mercialys	<i>Retail</i>	10.09
• Plaza Centers	<i>Retail</i>	7.28
• Technopolis	<i>Office</i>	6.92
• Immofinanz	<i>Diversified</i>	6.77

FTSE EPRA/NAREIT Europe Index – Bottom 3 performers

Company	Sector	Total Return
• Renta Corp Real Estate SA	<i>Diversified</i>	-32.63
• Capital & Regional Properties	<i>Retail</i>	-31.33
• St Modwen Properties	<i>Diversified</i>	-22.34



NORTH AMERICA

The EPRA/NAREIT North America Index gained 60bps in US\$. The region experienced positive returns for both countries – the United States (+30bps) and Canada (+2.2%). April and May's rally significantly improves the result so far this year for North America real estate (+6.9%). 36-month volatility remains the highest of the three regions at 19%.

Country	May-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	0.6	6.9	131.1	18.2
United States (USD)	0.3	7.6	127.5	17.9
Canada (CAD)	2.2	0.9	106.4	15.6

Source: EPRA

Office specialist, Maguire Properties, ousted their CEO and founder Robert Maguire III in May. Maguire's board hired Nelson Rising, a founder employee of Maguire, who later became well known as CEO of Catellus Development, another large developer. The board also voted to suspend the debt-laden company's quarterly dividend. The board's move also signalled that a sale of the company, which had been in the air, would be unlikely in the near term, according to company executives.

In the North America region, Felcor Lodging Trust was the top performer with a gain of 18%. GMH Communities Trust, with a rise of 14% came second. Followed by Dupont Fabros Technology (+12.44%), HRPT Properties Trust (+12.41%) and Canadian REIT (+11.27%) to complete the list of top performers of the region.

On the other side, Extendicare REIT was hit hard and lost 13% to finish at the bottom of the North American performers list. Gramercy Capital (-11.84%) and Developers Diversified (-7.61%) also ended up at the bottom of the performers list.

GMH Communities paid a special dividend of US\$3.10 per share on May 07. This was the only corporate action in the region during the month.

FTSE EPRA/NAREIT North America Index – Top 5 performers

Company	Sector	Total Return
• Felcor Lodging Trust	<i>Lodging</i>	18.03
• GMH Communities Trust	<i>Residential</i>	14.11
• Dupont Fabros Technology	<i>Specialty</i>	12.44
• HRPT Properties Trust	<i>Office</i>	12.41
• Canadian REIT	<i>Diversified</i>	11.27

FTSE EPRA/NAREIT North America Index – Bottom 3 performers

Company	Sector	Total Return
• Extendicare REIT	<i>Healthcare</i>	-12.99
• Gramercy Capital	<i>Diversified</i>	-11.84
• Developers Diversified	<i>Retail</i>	-7.61



The FTSE EPRA/NAREIT Global Real Estate Index consists of the largest and most heavily traded real estate stocks in Asia, Europe and North America. As of May 30, there were a total of 291 stocks in the index.

The EPRA Monthly Statistical Bulletin is available for EPRA members on: www.epra.com.



The following table highlights the performance of regions and countries over a number of time periods:

Index Description	Curr	Close Value 31-May	Div Yld (%) 31-May	Total Rtn (%) QTD	Total Rtn (%) May-08	Total Rtn (%) YTD	36 Mths Vity (%)
Global	EUR	2,189.15	4.17	5.68	- 2.27	- 7.98	15.40
Asia	EUR	1,755.88	3.55	8.64	- 4.40	- 16.15	18.65
Europe	EUR	2,452.36	4.31	- 4.89	- 4.15	- 6.58	15.60
North America	EUR	2,543.81	4.69	8.41	0.75	0.59	17.94
Global Ex-Asia	EUR	2,471.75	4.57	3.85	- 0.84	- 1.77	15.73
Global Ex-Europe	EUR	2,098.13	4.14	8.52	- 1.82	- 8.32	16.69
Global Ex-North America	EUR	2,083.97	3.80	3.82	- 4.32	- 13.23	15.66
Asia	EUR	1,755.88	3.55	8.64	- 4.40	- 16.15	18.65
Pure Asia	EUR	1,819.65	2.96	9.42	- 4.23	- 15.93	19.27
Japan	JPY	3,217.85	1.55	22.18	0.07	- 2.03	29.18
Australia	AUD	2,134.47	7.80	- 4.76	- 8.67	- 22.39	16.62
Pure Australia	AUD	2,041.14	8.24	- 6.92	- 10.52	- 25.26	17.88
Hong Kong	HKD	2,447.74	2.15	5.95	- 5.66	- 19.81	21.71
Singapore	SGD	1,894.47	3.57	0.85	- 3.31	- 6.40	22.08
New Zealand	NZD	1,366.29	7.09	4.96	3.25	- 5.22	15.21
Europe	EUR	2,452.36	4.31	- 4.89	- 4.15	- 6.58	15.60
Europe	EUR	1,809.96	-	- 6.58	- 4.93	- 8.83	15.85
Euro Zone	EUR	3,107.18	4.49	0.83	- 1.06	2.05	15.49
Euro Zone	EUR	2,146.84	-	- 1.23	- 2.19	- 0.72	15.83
Europe Ex UK	EUR	3,240.46	4.44	- 0.29	- 1.21	1.38	15.39
Europe Ex UK	EUR	2,262.63	-	- 2.49	- 2.19	- 1.53	15.72
Europe Liquid 40	EUR	2,396.29	4.24	- 5.08	- 4.39	- 6.33	16.38
Europe Liquid 40	EUR	1,726.42	-	- 6.79	- 5.15	- 8.59	16.64
Europe Liquid 40 Ex UK	EUR	3,547.62	4.35	0.76	- 0.74	4.03	16.04
Europe Liquid 40 Ex UK	EUR	2,373.19	-	- 1.62	- 1.81	0.86	16.43
UK	EUR	1,746.51	4.08	- 12.07	- 8.95	- 17.98	19.49
UK	EUR	1,359.77	-	- 13.01	- 9.40	- 19.32	19.64
Netherlands	EUR	3,299.47	5.71	0.58	- 4.20	3.26	16.20
France	EUR	4,356.36	4.28	2.58	0.14	8.75	18.85
Austria	EUR	1,379.79	2.49	9.85	4.01	3.46	16.88
Sweden	EUR	3,781.89	7.08	- 8.49	- 4.17	- 4.06	23.92
Germany	EUR	871.18	5.60	- 9.04	- 3.42	- 17.11	23.37
Switzerland	EUR	1,839.55	1.96	- 6.75	0.16	13.06	14.51
Belgium	EUR	2,066.44	6.32	- 3.33	- 3.45	0.85	10.42
Italy	EUR	2,258.25	4.72	- 11.57	- 6.54	- 26.41	25.92
Denmark	EUR	544.76	-	18.67	3.60	0.65	46.09
Finland	EUR	4,127.36	3.83	- 10.13	- 7.65	- 3.36	22.57
Poland	EUR	2,137.75	-	4.25	4.67	- 10.23	-NA-
UK	GBP	2,219.33	4.08	- 13.27	- 8.91	- 12.18	18.57
UK	GBP	1,728.09	-	- 14.19	- 9.37	- 13.62	18.73
Switzerland	CHF	1,871.31	1.96	- 3.40	0.28	10.89	14.26
Sweden	SEK	4,145.63	7.08	- 9.10	- 4.17	- 5.22	24.31
Denmark	DKK	546.90	-	18.70	3.55	0.69	46.14
Poland	PLN	2,232.14	-	0.08	2.29	- 15.73	-NA-
Nth America	USD	3,773.39	4.69	6.32	0.56	6.92	16.09
United States	USD	3,710.70	4.60	6.14	0.30	7.58	16.54
Canada	USD	4,992.24	5.72	8.34	3.58	0.25	14.56

Source: EPRA