



FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Index added 3.8% in the month of August. Global equity markets rose 3.7%, while the global bond market returned 16 bps. North American listed property sector out-performed the other two sectors for the second time, by returning 8.5% for investors this month. Asia-Pacific slid into the negative (-0.4%) and European real estate markets added 17 basis points. Year-to-date, European (-16.2%) and the Asia-Pacific -28.2% markets are on negative territory, while North American market is only slightly negative (-0.5%).

Five-year rolling return Global Real Estate (56.8%) continues to out-perform the two other major asset classes. Global equities gained 30.9% and global bonds added 21.7% over a five-year holding period. Average annual returns for global real estate stands at 9.4% compared to 5.5% and 4.0%, for global equities and global bonds, respectively. All returns are expressed in €

Asset Classes (EUR)	Aug-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	3.8	-15.4	56.8	9.4
Global Equities	3.7	-15.2	30.9	5.5
Global Bonds	1.6	3.5	21.7	4.0
Europe Real Estate	1.7	-16.2	69.2	11.1
N. America Real Estate	8.5	-0.5	48.3	8.2
Asia Real Estate	-0.4	-28.2	68.3	11.0

Source: EPRA/FTSE/JPMorgan

FTSE EPRA/NAREIT Global Index – Top 5 Performers

Company	Sector	Total Return
Capital & Regional	Retail	48.80%
Macquarie DDR	Retail	40.00%
Deutsche Wohnen	Residential	27.93%
Vivacon	Residential	26.71%
Goodman Group	Industrial	24.71%

FTSE EPRA/NAREIT Global Index – Bottom 3 performers

Company	Sector	Total Return
Country Garden Holdings	Diversified	-25.32%
Capitaland	Diversified	-23.16%
Shenzhen Investment	Diversified	-22.22%

ASIA-PACIFIC

The Asia index slipped -0.4% in August. EPRA/NAREIT Australia is the only country level index to have gained this month, by returning +10.3%. EPRA/NAREIT New Zealand ended the month -1.8%. EPRA/NAREIT Singapore was hit hard as it fell -14.8% in one month. EPRA/NAREIT Japan declined by -6.3% while EPRA/NAREIT Hong Kong fell -7.8%. YTD returns for all the countries are in the red. The 36-month volatility for the region stands at 20.47%.



Country	Aug-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	-0.4	-28.2	68.3	11.0
Australia (AUD)	10.3	-27.2	43.6	7.5
Hong Kong (HKD)	-7.8	-35.7	149.1	20.0
Japan (JPY)	-6.3	-18.3	117.6	16.8
Singapore (SGD)	-14.8	-28.8	151.3	20.2
New Zealand (NZD)	-1.8	-14.1	-NA-	-NA-

Source: EPRA

Urban Corp filed for protection from creditors with a debt of USD 2.4 billion, making it the largest bankruptcy for the year in Japan. Real estate companies are finding it increasingly difficult buy properties, or even refinancing existing ones, as banks become more selective. More real estate companies are expected to file for bankruptcy in the country according to Credit Suisse Group and Shinsei Securities. The FTSE EPRA/NAREIT Japan index declined, finishing the month down -6.3%.

CapitaLand fell to its lowest value in almost two years, due to lower than expected residential sales. The returns on the company's operations in China were less impressive this time around, compared to a year earlier.

In Japan, a drop in residential sales is also cited by Sumitomo Realty & Development as the main reason behind a fall in the first quarter. Net income fell to USD 110 million from USD 272 million in the previous year. Sumitomo ended the month down 2.0%.

Hong Kong developer Kerry Properties managed to keep its net income for the first half unchanged, by reporting income of HKD 2.48 billion. Net income a year earlier stood at HKD 2.47 billion; however the current profitability is based on a revenue increase of 24%. Kerry Properties was down -9.83% in August.

Champion REIT returned +3.49% for the month, due to a three-fold increase in profits for the first half of the year. The company benefitted from the combined rise in demand and shortage of high end office space in the main Hong Kong business district.

Country Garden Holdings, China's second-largest developer saw its profits for the first six months decline, and as a result the company lost -25.32% in August. The loss is attributed to a change in the fair value of its financial instruments, and due to increased finance costs. Interest rates have been increased in mainland China to ease inflationary pressures.

Australian commercial real estate prices may decline by 10 percent this year due to the global credit crunch and slower growth of the economy, CB Richard Ellis reported. In addition, the 12-year high interest rate set by the Reserve Bank of Australia combined with declining property values has dried up financing. Year-to-date the FTSE EPRA/NAREIT Australian index is down -27.2%.

Centro Properties (a non-index constituent), whose assets stretch from Sydney to New York, fell to the lowest value since it started trading in 1997. The most recent decline is associated with the possible offer of hybrid securities to win an extension on debt, amounting to USD 5.7 billion. Centro acknowledged the possible decline in the value of the existing ordinary equity due to the hybrid sale. The retail specialist took a direct hit from the credit crunch and has lost 95% of its value since December. Centro ended the month down -35.19%.

Valad Property Group joins Australian property companies, including Lend Lease Corp., Mirvac Group and APN/UKA European Retail Property Group, by reporting its profits decline of 69% for a full year. The loss amounts AUD 248 million at the end of June compared to a net income of AUD 109.1 million a year earlier. Valad fell -5.45% in the month.



August was a quiet month for corporate actions in the Asia-Pacific region: only Australand Property Group (Australia) issued new shares.

FTSE EPRA/NAREIT Asia Index – Top 5 performers

Company	Sector	Total Return
Macquarie DDR	Retail	40.00%
Goodman Group	Industrial	24.71%
Macquarie Countrywide	Retail	17.42%
ING Industrial Fund	Industrial	15.94%
GPT Group	Diversified	14.47%

FTSE EPRA/NAREIT Asia Index – Bottom 3 performers

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Country Garden Holdings	Diversified	-25.32%
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EUROPE

The EPRA/NAREIT Europe Index ended slightly positive +1.7% for the month. At a country level, the returns were very similar to the month before. The EPRA/NAREIT UK index was up 5.7%, while the EPRA/NAREIT France dropped further by -0.3%. The EPRA/NAREIT Sweden rose +6.9% by the end of the month. The Netherlands also added 10 bps. Year-to-date, the larger European markets stand at a loss. The UK market is -14.1% behind along with France (-7.7%). 36-month volatility for the region stands at (17.10%).

Country	Aug-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	1.7	-16.2	69.2	11.1
UK (GBP)	5.7	-14.1	60.9	10.0
Netherlands (EUR)	1.0	-7.7	99.4	14.8
France (EUR)	-0.3	-7.7	165.4	21.6
Sweden (SEK)	6.9	-12.1	141.6	19.3

Source: EPRA

Unibail-Rodamco announced that it has completed the acquisition from Metrovacesa S.A. of 'La Maquinista' and 'Habaneras' shopping centers in Spain. Unibail-Rodamco acquired 59,330 sqm in 'La Maquinista', a 71,570 sqm shopping centre located in the inner-city of Barcelona, and also acquired the 24,086 sqm 'Habaneras' shopping centre, which is located in Torre Vieja. The two centres were acquired for a total amount of EUR 434 million including transaction costs. Expected total net rental income is EUR 26 million. The agreement with Metrovacesa S.A. includes an additional EUR 28.5 million for a 17,800 sqm extension at 'La Maquinista'. Unibail-Rodamco closed down -1.50% in the month.

The largest UK retailer, Liberty International posted a loss of USD 833 million for the first half of the year, compared to a profit of USD 975 million a year earlier. The company reported a value loss of USD 1.25 billion on its malls. Similar reasons stated by Hammerson for its posted loss in the first half. The owner of Birmingham's Bullring and London's Brent Cross shopping centres lost USD 820 million in six months compared to a profit of USD 721 million a year earlier. Liberty International gained +4.96% in August.

Another retail specialist Capital & Regional surged 48.8 percent - the most in at least 17 years on speculation of a break-up. The market approval of the change in business strategy



comes on the back of a dire run since the beginning of the year. The company also announced its plan to change its fee charging strategy in July.

Quintain Estates, the company involved in rebuilding work around London's Wembley Stadium indicated that dividends may not be paid out for as long as two years. The company's debt is 2.7 times its market value, which may prove an obstacle to its ability to finance future projects. The company, however, did post a positive return in August: +18.62%.

Dutch real estate company Wereldhave also cited declining property valuations for its profits fall of 54% in the first half of the year. Income fell to USD 81 million compared to USD 115 million a year earlier. The company ended the month up +10.28%.

Vastned Retail, that was subject of an aborted takeover earlier this year, reported a second quarter loss and blamed it on the fall in value of its assets held in France. The company enjoyed a profit of EUR 48.2 million a year before, while this year its reported loss stands at EUR 4.8 million. Vastned Retail closed with a positive return of +1.8%.

TK Development A/S announced that the company has exercised an option to buy the 10% stake in Euro Mall Holding A/S held by the Investment Fund for Central and Eastern Europe. Accordingly, TK Development is now the sole owner of its Central European activities. Since the summer of 2007, TK Development's activities in Central Europe (Poland, the Czech Republic and Slovakia) have been owned on a 90/10 basis with the Investment Fund for Central and Eastern Europe through Euro Mall Holding A/S.

Immofinanz, the majority owner of Immoeast announced a fall in profit of 39 percent for the full fiscal year. The pre-tax profit declined to EUR 555 million, compared to EUR 914 million a year earlier. Immofinanz and Immoeast may merge this year, resulting in a company with EUR 15 billion of assets across Europe. Immofinanz was up +6.53%.

ProLogis European Properties has invested a further EUR 20 million into ProLogis European Properties Fund II, a private equity fund established by ProLogis to acquire assets from ProLogis' development pipeline in Europe as well as third parties. This investment maintains its stake of 30% in the fund and is entirely funded by cash.

In Italy, Aedes has announced its plan to reorganise which involves selling off its assets. The company has lost 70 percent of its value year-to-date, amid market skepticism over its ability to continue operations. The monthly return for Aedes was -16.96%.

Patrizia Immobilien from Germany more than doubled its profit after selling residential units, allowing a second quarter after tax profit of EUR 19.9 million. Revenues for the period climbed 48 percent and the stock returned +9.09% for the month.

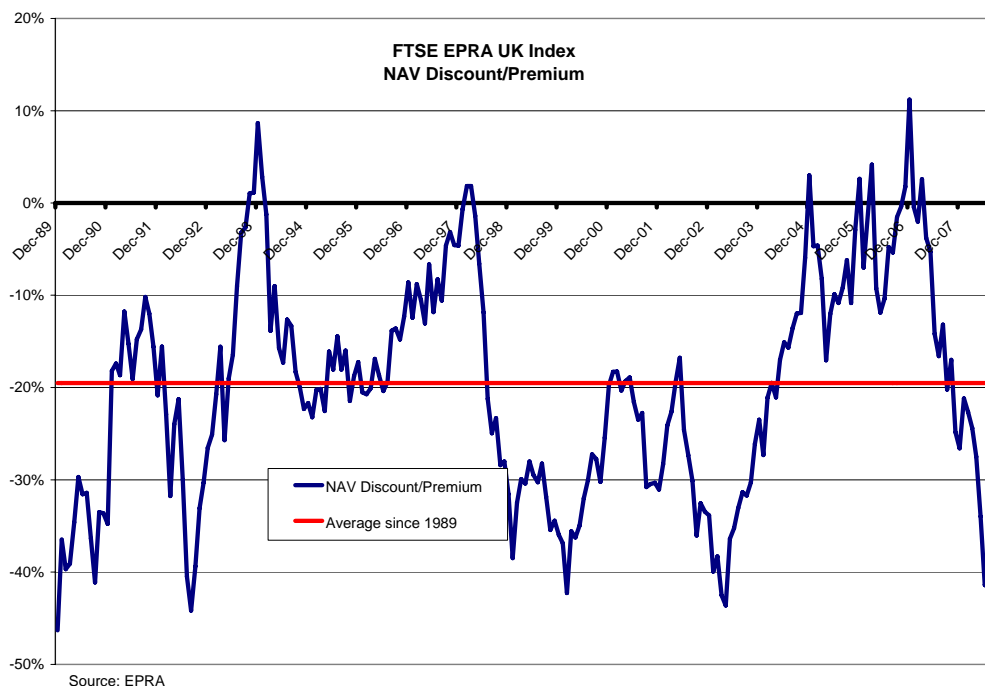
Bidding for Land Securities' Trillium, was hit by the withdrawal of one of the two bidders short-listed in July. William Pears Group notified the company that it had withdrawn its bid that stood at £900 million. Land securities ended the month up +5.26%

Regis group also withdrew from the bidding for Grainger for the second time in two years. The latest withdrawal coincides with the report that UK home values fell by the highest amount in 25 years. Regis group was set a deadline by the takeover panel to make an offer on Grainger trust by August 19.

Risanamento was down -7.78% after reaching a 10-12 week high in July. The company has received offers worth EUR 1.5 billion from two separate bidders. Limitless' offer of EUR 550 million is for the Sesto San Giovanni, while Colony Capital's offer on the Sesto San Giovanni project is between EUR 850 million to EUR 950 million.



Helical Bar is in preliminary stages of discussion on a potential takeover by Norway's sovereign wealth fund, *The Observer* reported. This may result in a large cash injection for the UK property developer.



The graph above 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 just under 20% discount to NAV. Currently, the index trades just under 40% discount to published NAV.

There were three corporate actions in the European region in August: Icade (France), Deutsche Wohnen (Germany) and DIC Asset (Germany) issued shares.

FTSE EPRA/NAREIT Europe Index – Top 5 performers

Company	Sector	Total Return
Capital & Regional	Retail	48.80%
Deutsche Wohnen	Residential	27.93%
Vivacon AG	Residential	26.71%
Quintain Estates	Diversified	18.62%
Kungsliden	Diversified	16.86%

FTSE EPRA/NAREIT Europe Index – Bottom 3 performers

Company	Sector	Total Return
Colonia Real Estate	Residential	-20.25%
Lamda Development	Diversified	-20.00%
ProLogis European Properties	Industrial	-18.59%

NORTH AMERICA

The best performing regional index, EPRA/NAREIT North America returned 2.4% in July. The Canadian Index made a strong comeback by adding 7.2%. The US performance



remained relatively unchanged, with a return of 2.3%, compared to a return of 2.7% in the previous month. Improving the YTD return figures, Canada advanced 26 bps while returns in the US stand at 0.7%. The 36-month volatility for the region is 18.9%.

Country	Aug-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	2.4	0.2	98.9	14.7
United States (USD)	2.3	0.7	95.5	14.3
Canada (CAD)	7.2	2.6	92.0	13.9

Source: EPRA

Vornado Realty Trust, second largest REIT by market value reported a fall in its second quarter earnings. Net income for the three months stands at USD 140 million, down from USD 166 million a year earlier. The management stated that the company will renew its focus on the office and retail assets. The aim is to build up cash reserves and position itself to take advantage of the declining commercial real estate prices.

Associated Press reported that Microsoft founder Bill Gates has acquired more than 5% of Strategic Hotels & Resorts. The company is the best performer of the region as its total return stands at 16.9% for the month.

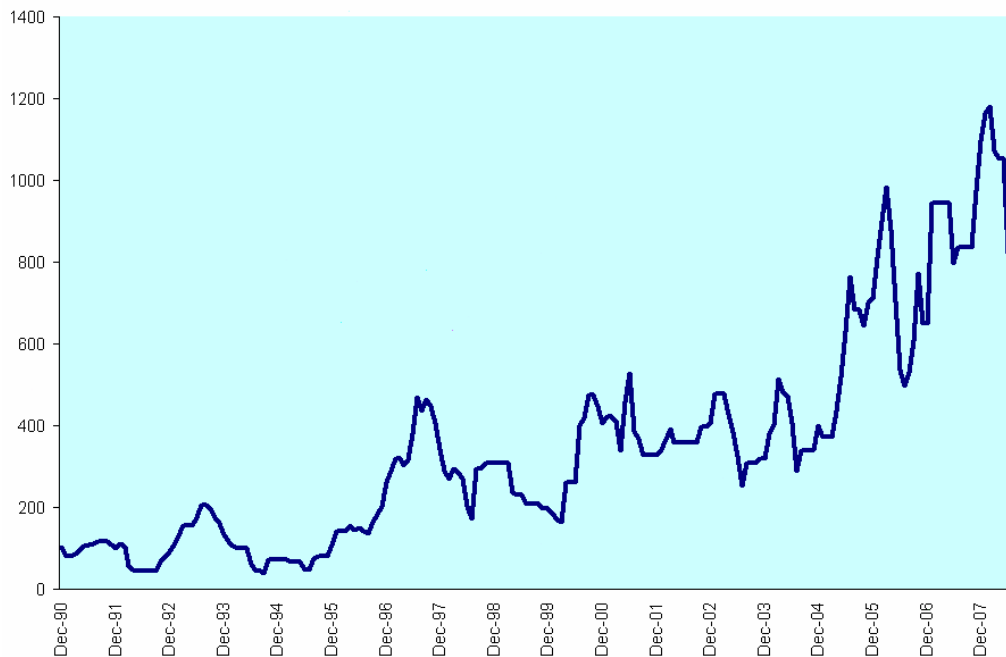
DCT Industrial Trust lowered its fiscal 2008 guidance primarily due to a decrease in expectations for development gains. The company also announced that its Board of Directors has declared a USD 0.16 per share at the end of October to stockholders of record as of October 6, 2008.

Mid-America Apartment Communities announced that its board of directors had approved a quarterly common dividend of USD 0.615 per share at the end of October to shareholders of record on October 15, 2008. The company finished at the bottom of the list of performers from the region with return figures of -12.7%.

The graph below shows the Average True Range (in index points) for North America. The ATR is an indicator of volatility and is measured through the difference between the highest and lowest index value in a period of one year. For North America, it clearly shows that the region has a record ATR earlier this year, but is now showing dropping ATR-values, indicating a dropping volatility.



Average True Range (Index Points) - North America



There were no corporate actions in the North American region in August.

FTSE EPRA/NAREIT North America Index – Top 5 performers

Company	Sector	Total Return
Strategic Hotel Capital	Lodging/Resorts	16.86%
Brookfield Properties	Office	15.82%
LaSalle Hotel Properties	Lodging/Resorts	15.57%
Cousins Properties	Diversified	15.43%
Ashford Hospitality	Lodging/Resorts	14.36%

FTSE EPRA/NAREIT North America Index – Bottom 3 performers

Company	Sector	Total Return
Mid-America Apartment	Residential	-12.72%
DCT Industrial Trust	Industrial	-11.92%
ProLogis	Industrial	-10.85%

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 August 30, there were a total of 286 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 29-Aug	Div Yld (%) 29-Aug	Total Rtn (%) QTD	Total Rtn (%) Aug-08	Total Rtn (%) YTD	36 Mths Vlty (%)
Global	EUR	2,012.67	4.67	5.66	3.78	15.40	16.85
Asia	EUR	1,503.97	4.18	0.25	- 0.42	- 28.18	20.47
Europe	EUR	2,200.78	4.81	2.24	1.66	- 16.16	17.10
North America	EUR	2,516.21	5.02	12.19	8.51	- 0.50	18.97
Global Ex-Asia	EUR	2,374.80	4.96	9.13	6.43	- 5.63	17.01
Global Ex-Europe	EUR	1,939.51	4.64	6.45	4.27	- 15.25	17.94
Global Ex-North America	EUR	1,812.29	4.39	0.89	0.25	- 24.54	17.57
Asia	EUR	1,503.97	4.18	0.25	- 0.42	- 28.18	20.47
Pure Asia	EUR	1,526.77	3.67	- 0.61	- 1.55	- 29.46	21.37
Japan	JPY	2,683.09	1.89	- 3.02	- 6.34	- 18.32	30.87
Australia	AUD	2,001.82	8.47	4.50	10.25	- 27.21	18.70
Pure Australia	AUD	1,744.18	9.97	- 1.44	10.73	- 36.13	21.17
Hong Kong	HKD	1,963.35	2.84	- 4.69	- 7.82	- 35.68	24.31
Singapore	SGD	1,441.10	4.74	- 13.51	- 14.84	- 28.80	24.38
New Zealand	NZD	1,238.39	8.11	- 8.26	- 1.77	- 14.10	15.58
Europe	EUR	2,200.78	4.81	2.24	1.66	- 16.16	17.10
Europe (Price)	EUR	1,608.89	-	1.66	1.39	- 18.96	17.36
Euro Zone	EUR	2,664.52	5.08	- 1.77	0.59	- 12.49	17.10
Euro Zone (Price)	EUR	1,828.24	-	- 2.30	0.44	- 15.45	17.38
Europe Ex UK	EUR	2,806.23	5.17	- 0.82	0.74	- 12.20	16.96
Europe Ex UK (Price)	EUR	1,944.00	-	- 1.26	0.62	- 15.39	17.26
Europe Liquid 40	EUR	2,167.88	4.71	2.86	2.13	- 15.26	17.82
Europe Liquid 40 (Price)	EUR	1,548.12	-	2.24	1.90	- 18.03	18.07
Europe Liquid 40 Ex UK	EUR	3,071.20	5.09	- 0.73	1.30	- 9.94	17.70
Europe Liquid 40 Ex UK (Price)	EUR	2,041.28	-	- 1.19	1.25	- 13.25	18.02
UK	EUR	1,663.66	4.24	7.51	3.15	- 21.87	20.66
UK (Price)	EUR	1,279.57	-	6.69	2.64	- 24.08	20.81
Netherlands	EUR	2,949.62	6.42	1.52	1.04	- 7.69	17.52
France	EUR	3,699.02	5.11	- 2.06	- 0.28	- 7.66	20.56
Austria	EUR	1,080.64	3.07	- 11.43	0.47	- 18.97	19.07
Sweden	EUR	3,461.24	7.63	10.51	6.71	- 12.19	23.96
Germany	EUR	714.20	5.26	- 0.03	3.32	- 32.04	24.68
Switzerland	EUR	1,917.45	4.14	6.31	1.76	17.84	14.71
Belgium	EUR	2,095.98	6.23	9.57	5.75	2.29	11.70
Italy	EUR	2,162.58	3.07	14.86	- 0.34	- 29.53	28.28
Denmark	EUR	436.65	-	- 5.64	4.51	- 19.32	37.62
Finland	EUR	3,309.22	4.78	- 8.27	- 2.03	- 22.51	23.65
Poland	EUR	1,443.86	-	- 17.23	- 18.03	- 39.37	-NA-
UK	GBP	2,170.04	4.24	9.62	5.71	- 14.13	19.96
UK (Price)	GBP	1,669.16	-	8.78	5.19	- 16.56	20.11
Switzerland	CHF	1,942.72	4.14	7.12	0.64	15.12	14.67
Sweden	SEK	3,844.28	7.63	10.25	6.86	- 12.11	23.51
Denmark	DKK	438.27	-	- 5.64	4.46	- 19.31	37.59
PLN	PLN	1,488.10	-	- 17.71	- 14.91	- 43.82	-NA-
Nth America	USD	3,536.07	5.02	4.84	2.39	0.19	16.72
United States	USD	3,472.05	4.95	5.01	2.27	0.66	17.17
Canada	USD	4,755.78	5.79	2.96	3.71	- 4.50	15.20

Source: EPRA