



FTSE EPRA/NAREIT Global Real Estate Index

The FTSE EPRA/NAREIT Global Real Estate Index was hit hard (-13.0%) in June, driven down by heavy losses in all three regions. Global equity markets also took a loss (-9.7%), and the global bond market added 20bps. European real estate markets finished behind (-12.2%) for the month. Asia-Pacific dropped 14.6% in June and the North America market fell 11.8%. Year-to-date, all three regions are in negative territory. The Asia-Pacific (-28%) and the European (-18%) real estate indices move further back and following June's decline, North America moves (-11%) into the red.

Over a five-year holding period, global real estate returned 65.8% to investors. Global equities added 40% and global bonds gained 15%. Global real estate significantly outperformed global equities and global bonds based on five-year compounded annual returns. On average, global real estate returned 10.6% per annum compared against 7.0% and 3.0% for global equities and global bonds, respectively. All returns are expressed in EUR.

Asset Classes (EUR)	Jun-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Global Real Estate	-13.0	-19.9	65.8	10.6
Global Equities	-9.7	-17.1	40.1	7.0
Global Bonds	0.2	0.8	15.8	3.0
Europe Real Estate	-12.2	-18.0	74.3	11.8
N. America Real Estate	-11.8	-11.3	47.3	8.1
Asia Real Estate	-14.6	-28.4	98.0	14.6

Source: EPRA/FTSE/JP Morgan

FTSE EPRA/NAREIT Global Index – Top 5 Performers

Company	Sector	Total Return
FKP Property Group	Diversified	27.70
Corrections Corp of US	Specialty	6.56
Cominar REIT *	Diversified	5.90
Primaris Retail REIT *	Retail	5.21
Morguard REIT*	Diversified	2.08

FTSE EPRA/NAREIT Global – Bottom 3 Performers

Company	Sector	Total Return
Invista Foundation Prop	Diversified	-39.42
Hopson Development	Residential	-45.37
Quintain Estates	Diversified	-47.27

ASIA-PACIFIC

The Asia index fell 14.6% in June. At a country level, returns were all poor for the month. EPRA /NAREIT New Zealand slipped 1.2%, the least hit country in the region. EPRA/NAREIT Australia (-10.3%), EPRA/NAREIT Singapore (-12%), EPRA/NAREIT Japan (-14.8%), and EPRA/NAREIT Hong Kong (-15.8%) and all lost significant ground. The 36-months rolling volatility for the region is currently 18%, significantly higher than 12 months ago.



Country	Jun-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Asia (EUR)	-14.6	-28.4	98.0	14.6
Australia (AUD)	-10.3	-30.4	38.7	6.8
Hong Kong (HKD)	-15.8	-32.5	256.6	29.0
Japan (JPY)	-14.0	-15.8	174.2	22.3
Singapore (SGD)	-12.0	-17.7	226.3	26.7
New Zealand (NZD)	-1.2	-6.4	-NA-	-NA-

Source: EPRA

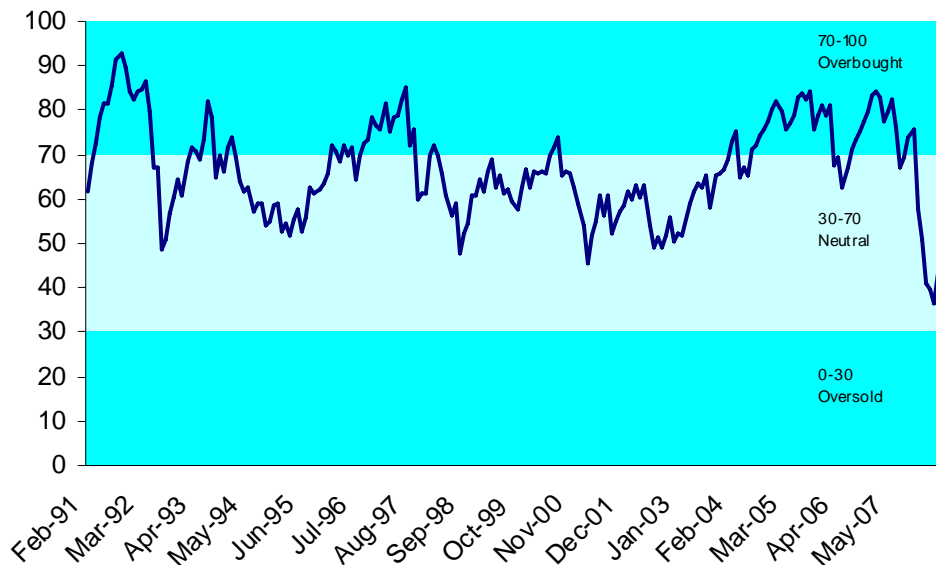
Capitaland said that land prices in Vietnam and India have decreased by up to 15% in 2008, making it easier to buy sites as compared to 12 months ago. Company CIO, Kee Teck Koon, said that more opportunities existed in 'greenfield sites'. In addition, he said that Capitaland is also looking at expanding in Japan, where it may acquire properties and set up funds for investment. Capitaland owns properties in more than 20 countries, from serviced residences in Berlin to shopping malls in Beijing, with more than 75% of revenue coming from outside of Singapore - the company's base.

Chinese mainland developer Glorious Property Holdings may raise as much as US\$1.1 billion in a Hong Kong IPO according to an e-mail distributed in June. The company is gauging a 30% sale. The company develops apartments, townhouses, retail properties, offices and hotels in nine Chinese cities. At least three companies have pulled IPOs so far this year as market conditions have turned, and on concern the government may curb the real estate industry.

The June quarterly review saw two changes to the constituents of the region. Guocoland was deleted as it failed to meet the minimum free float market capitalisation size rule and Capitaland increased its free float band from 50% to 75%.

The chart below shows the Relative Strength Indicator for the FTSE EPRA/NAREIT Australia 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 Australian market in general either has been overbought or neutral. However since the beginning of this year, the market has reversed and moved towards 'oversold'.

Relative Strength Indicator - Australia





FTSE EPRA/NAREIT Asia Index – Top 5 Performers

Company	Sector	Total Return
FKP Property Group	Diversified	27.70
Allgreen Properties	Diversified	1.02
Champion REIT	Office	0.28
Mori Trust Sogo REIT*	Office	0.00
Country Garden Holdings	Diversified	0.00

FTSE EPRA/NAREIT Asia Index – Bottom 3 Performers

Company	Sector	Total Return
Shimao Property	Residential	-29.92
Agile Property Holdings	Diversified	-33.33
Hopson Development	Residential	-45.37

EUROPE

EPRA/NAREIT Europe Index ended yet another month in negative territory (-12.2%). EPRA/NAREIT Sweden was the heaviest hit of the major countries (-15.9%). European heavy weight-EPRA/NAREIT UK fell 10.8% and The Netherlands lost 11.9%. EPRA/NAREIT France dropped 13.3%. Year-to-date, both France and the Netherlands are now behind -9.1% and -5.7% respectively. The UK market is 21% in the red, and Sweden is 20.3% behind. Europe's 36-month volatility is 16%, the lowest of the three regions.

Country	Jun-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
Europe (EUR)	-12.2	-18.0	74.3	11.8
UK (GBP)	-10.8	-21.7	57.9	9.6
Netherlands (EUR)	-11.9	-9.1	94.4	14.2
France (EUR)	-13.3	-5.7	184.1	23.2
Sweden (SEK)	-15.9	-20.3	139.0	19.0

Source: EPRA

The Times reported that the Investment Corporation of Dubai could make a bid for Trillium, Land Securities' outsourcing arm. Bids were expected by June 27, although at the time of writing there was no additional news. Land Securities ended the month down -12.75%. The *Independent of Sunday* reported that Regis Group may make a bid for Grainger Trust, without stating a source. Grainger's shares finished the month down -23.21%.

In an effort to reduce debt, the Mall Fund, managed by Capital & Regional and Morley Fund Management, agreed to sell three shopping centres to US buyout firm Carlyle Group for GBP286 million. The sale of the properties, one based in northwest England and the other two close to London, is due to be completed in July. The announcement follows the agreement by investors to back a GBP286.3 million capital raising for the fund. Capital & Regional said its net assets will fall by 60 pence a share because it does not plan to invest in the new shares. Capital & Regional ended with a loss of 36.13%.

Minerva, the UK property developer, stated that it had received a takeover proposal from Dubai-based Limitless. The company said, "Matters are at a preliminary stage and there can be no guarantee that an offer will be forthcoming." *The Daily Telegraph* speculated that Limitless may offer in the region of GBP242 million for Minerva. Limitless, a unit of Dubai-World, has more than USD100 billion of projects under way

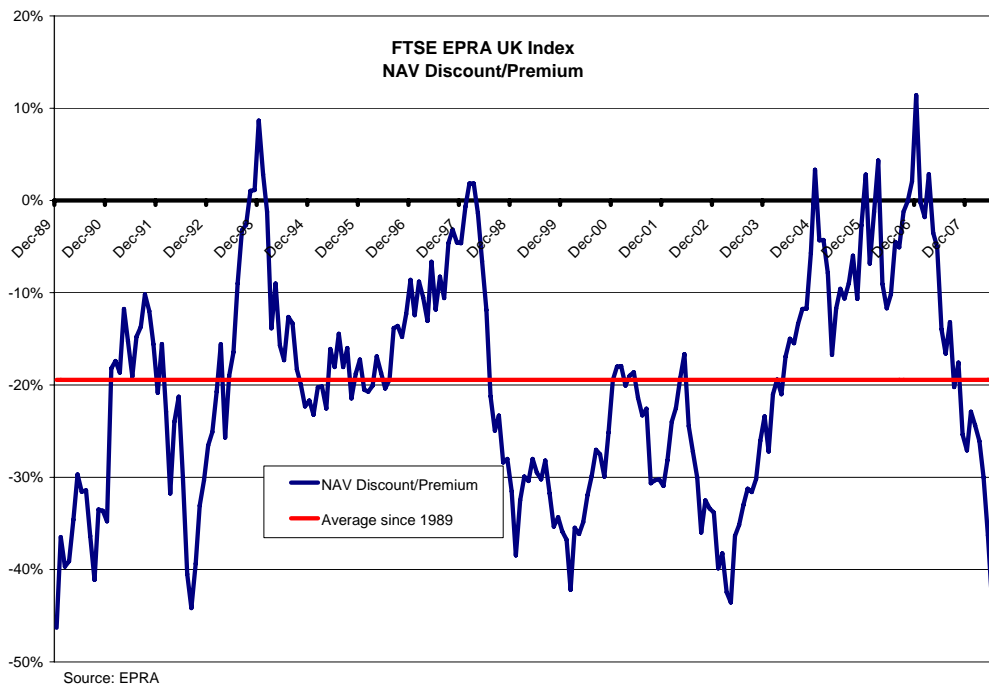


in seven countries, according to a statement by the company. Minerva was -13.12% in June.

In an article by the *New York Times* in June, the paper reported that Middle Eastern investors are pouring into the City of London. A Kuwaiti fund recently bought the Willis Building for GBP400 million, just part of the GBP2.45 billion invested in central London offices in the first quarter of this year. The figure comprises approximately 15% of the total invested. Putting this into context, Middle Eastern investors made up around 4% of total activity in 2007. Kitty Ussher, economic secretary to the Treasury said, "The UK has consistently maintained a policy of openness to all foreign investors, including sovereign wealth funds, and we continue to welcome their investment."

Workspace Group, the London based SME specialist reported a loss for the year ended March 31. The company's office buildings lost GBP47.2 million in value compared to a year earlier. Workspace increased rents to offset some of the decrease in value, building a 13% gain in rental income in the last year. The company aims to add residential units to help meet housing demand caused by the expected growth of 800,000 in the next decade. Workspace ended -21.01% for June.

Quintain Estates reported a net loss of GBP40.1 million in June, for the year ended March 31. The company posted a profit of GBP42.7 million in the previous year. Revenue rose 8% in the year, however the value of the company's properties fell by GBP44.7 million. Quintain ended June down -47.27%.



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 at approximately 20% discount to NAV. Currently, the index trades at over 40% discount to published NAV.

Citigroup issued a report on the French market in June that envisaged a shareholder shake up in the French SIICs before the end of the year. Companies must ensure that no single shareholder owns more than 60% of the shares under SIIC 4 before December 31. Citigroup estimate, that in theory, approximately EUR2 billion of market capitalisation would need refloating to comply with the rule.



Immofinanz and Immoeast announced on June 30 that they had agreed to buy Constantia Privatbank's real estate unit for EUR440 million. The deal would end ties between the two companies and Constantia. The purchase will be voted on by Immoeast and Immofinanz shareholders at the end of July. Immofinanz was -13.47% in June.

FTSE EPRA/NAREIT Europe Index – Top 5 performers

Company	Sector	Total Return
Leasinvest Real Estate *	Office	1.54
DIC Asset	Diversified	0.00
Helical Bar	Diversified	-1.06
CLS Holdings	Office	-1.09
PSP Swiss Property	Office	-1.87

FTSE EPRA/NAREIT Europe Index – Bottom 3 performers

Company	Sector	Total Return
Risanamento	Diversified	-39.23
Invista Foundation Prop	Diversified	-39.42
Quintain Estates	Diversified	-47.27

The European Q2 review saw four main changes. IVG of Germany was deleted as the company failed the EBITDA rule, and Sparkassen Immo Invest of Austria was deleted following the restructuring of shares. Immobiliare Grande Distribuzione (IGD) of Italy was reclassified as a REIT for the REIT Indices and Gecina of France saw its free float band increase to 30% (originally 20%). Conwert Immobilien Invest of Austria entered the FTSE EPRA/NAREIT Liquid 40 Index. Rounding up the corporate actions in June was Norwegian Property – 1 for 1.097 rights at NOK 26

NORTH AMERICA

The EPRA/NAREIT North America Index lost 10.6% in USD. The region experienced poor returns for both countries – the United States (-10.9%) and Canada (-5.5%). April and May's rally was completely undone in June. June's result forces the North America real estate market (-4.4%) back into the red. 36-month volatility remains the highest of the three regions at 19%.

Country	Jun-08 Return %	YTD Return %	Rolling 5 Yrs Return %	Average Annual Return %
North America (USD)	-10.6	-4.4	102.1	15.1
United States (USD)	-10.9	-4.1	98.3	14.7
Canada (CAD)	-5.5	-4.7	93.8	14.1

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. In June, JMB Capital Partners stated that it had amassed an 8.3% stake in Maguire, the largest landlord in downtown Los Angeles, and may seek seats on its board according to JMB. Maguire ended June 22.53%,

GMH Communities was deleted from the FTSE EPRA/NAREIT Global Real Estate Index on June 12, following the successful takeover bid by American Campus Communities.



FTSE EPRA/NAREIT North America Index – Top 5 performers

Company	Sector	Total Return
Corrections Corp of US	Specialty	6.56
Cominar REIT *	Diversified	5.90
Primaris Retail REIT *	Retail	5.21
Morguard REIT*	Diversified	2.08
Canadian Apartment Props *	Residential	2.04

FTSE EPRA/NAREIT North America Index – Bottom 3 performers

Company	Sector	Total Return
LaSalle Hotel Properties *	Lodging/Resorts	-22.75
Felcor Lodging Trust *	Lodging/Resorts	-29.34
Strategic Hotel Capital *	Lodging/Resorts	-30.11

The second quarter reviews of the FTSE EPRA/NAREIT Global Real Estate Index became effective on June 23. In the region, Gramercy Capital Corporation was deleted following its failure to meet the EBITDA rule. Vornado Realty Trust was reclassified from Non-Rental to Rental in the Investment Focus indices.

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 June 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 30-Jun	Div		Total		Total		36 Mths Vity (%)
			Yld (%) 30-Jun	Rtn (%) QTD	Rtn (%) Jun-08	Rtn (%) YTD			
Global	EUR	1,904.90	4.76	- 8.04	- 12.98	- 19.93		16.94	
Asia	EUR	1,500.19	4.12	- 7.18	- 14.56	- 28.36		20.53	
Europe	EUR	2,152.46	5.02	- 16.52	- 12.23	- 18.00		17.10	
North America	EUR	2,242.76	5.24	- 4.42	- 11.83	- 11.32		18.80	
Global Ex-Asia	EUR	2,176.19	5.17	- 8.57	- 11.96	- 13.52		16.88	
Global Ex-Europe	EUR	1,822.03	4.70	- 5.76	- 13.16	- 20.38		18.11	
Global Ex-North America	EUR	1,796.22	4.41	- 10.51	- 13.81	- 25.21		17.62	
Asia	EUR	1,500.19	4.12	- 7.18	- 14.56	- 28.36		20.53	
Pure Asia	EUR	1,536.18	3.52	- 7.62	- 15.58	- 29.03		21.42	
Japan	JPY	2,766.75	1.81	5.05	- 14.02	- 15.77		30.59	
Australia	AUD	1,915.56	8.76	- 14.52	- 10.26	- 30.35		17.54	
Pure Australia	AUD	1,769.64	9.90	- 19.30	- 13.30	- 35.20		19.41	
Hong Kong	HKD	2,060.07	2.58	- 10.83	- 15.84	- 32.51		24.04	
Singapore	SGD	1,666.23	3.84	- 11.30	- 12.05	- 17.68		23.52	
New Zealand	NZD	1,349.95	7.44	3.70	- 1.20	- 6.36		15.02	
Europe	EUR	2,152.46	5.02	- 16.52	- 12.23	- 18.00		17.10	
Europe	EUR	1,582.58	-	- 18.32	- 12.56	- 20.28		17.36	
Euro Zone	EUR	2,712.56	5.15	- 11.97	- 12.70	- 10.91		17.16	
Euro Zone	EUR	1,871.29	-	- 13.91	- 12.84	- 13.46		17.44	
Europe Ex UK	EUR	2,829.34	5.27	- 12.94	- 12.69	- 11.48		17.03	
Europe Ex UK	EUR	1,968.80	-	- 15.15	- 12.99	- 14.31		17.34	
Europe Liquid 40	EUR	2,107.65	4.85	- 16.52	- 12.05	- 17.61		17.79	
Europe Liquid 40	EUR	1,514.13	-	- 18.25	- 12.30	- 19.83		18.05	
Europe Liquid 40 Ex UK	EUR	3,093.77	5.05	- 12.13	- 12.79	- 9.28		17.71	
Europe Liquid 40 Ex UK	EUR	2,065.87	-	- 14.36	- 12.95	- 12.20		18.02	
UK	EUR	1,547.46	4.60	- 22.09	- 11.40	- 27.32		20.50	
UK	EUR	1,199.36	-	- 23.27	- 11.80	- 28.84		20.67	
Netherlands	EUR	2,905.50	6.49	- 11.43	- 11.94	- 9.07		17.55	
France	EUR	3,777.00	4.98	- 11.06	- 13.30	- 5.71		20.66	
Austria	EUR	1,220.15	2.72	- 2.86	- 11.57	- 8.51		18.03	
Sweden	EUR	3,132.19	8.41	- 24.21	- 17.18	- 20.54		25.79	
Germany	EUR	714.38	8.26	- 25.41	- 18.00	- 32.03		25.21	
Switzerland	EUR	1,803.67	4.44	- 8.57	- 1.95	10.85		14.56	
Belgium	EUR	1,913.00	6.83	- 10.51	- 7.43	- 6.64		11.33	
Italy	EUR	1,882.79	3.53	- 26.27	- 16.63	- 38.65		27.37	
Denmark	EUR	462.76	-	0.81	- 15.05	- 14.50		37.18	
Finland	EUR	3,607.41	4.39	- 21.45	- 12.60	- 15.53		23.39	
Poland	EUR	1,744.50	-	- 14.93	- 18.40	- 26.75		-NA-	
UK	GBP	1,979.60	4.60	- 22.64	- 10.80	- 21.67		19.60	
UK	GBP	1,534.47	-	- 23.81	- 11.20	- 23.30		19.79	
Switzerland	CHF	1,813.65	4.44	- 6.38	- 3.08	7.47		14.37	
Sweden	SEK	3,486.96	8.41	- 23.54	- 15.89	- 20.28		25.54	
Denmark	DKK	464.49	-	0.81	- 15.07	- 14.48		37.15	
Poland	PLN	1,808.33	-	- 18.92	- 18.99	- 31.73		-NA-	
North America	USD	3,372.95	5.24	- 4.96	- 10.61	- 4.43		17.23	
United States	USD	3,306.29	5.16	- 5.43	- 10.90	- 4.15		17.71	
Canada	USD	4,619.15	6.13	0.24	- 7.47	- 7.24		15.25	

Source: EPRA