



LaSalle Global Real Estate Securities

Securities

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State of the Global Real Estate Securities Markets

Real estate investment has historically offered diversification, high income yields and competitive risk-adjusted returns.

Over the long-term, global real estate securities have become a key part of the real estate investment universe as they have shown these attributes with the added benefit of liquidity and efficiency for investors.

Since early 2007, the sector has seen significant volatility. After record price declines during the global financial crisis, the sector has seen gains of over 100% from the market bottom in March 2009. As correlations with equities have been high since September 2008, the sector's long-term diversification theme has been questioned.

We believe that once we are past the current crisis, global real estate securities will once again trade on their fundamentals and the diversification benefits will be realized.

Over the long-term, the sector has offered low to moderate correlations and competitive risk-adjusted returns. Their investment performance is generally driven by real estate fundamentals that rise and fall in different economic and geographic cyclical patterns from other asset classes.

	Correlation
To Global Bonds	0.08
To Global Equities	0.63

Source: UBS Global Investors Index; MSCI World Equity Index; JP Morgan Global Bond Index. All returns are in local currencies. Data from January 1990 through June 2010. For illustrative purposes only.

As real estate fundamentals are driven by local economies, the performance of real estate securities also differs across regions, creating a second layer of diversification.

Regional Real Estate Securities	Europe	Asia Pacific	North America
Europe	1.00		
Asia Pacific	0.51	1.00	
North America	0.63	0.45	1.00

Source: FTSE EPRA/NAREIT Global Real Estate Index; Calculations use monthly Local Currency returns from January 1990 through June 2010.

Investment in global real estate securities has historically allowed for higher income as most Real Estate Investment Trusts (REITs) are required to pay at least 90% of their earnings out as a dividend. This replicates income yields earned by direct real estate owners. With current dividend yields of between 5-6% globally, the sector generally offers higher dividends than equities and government bonds.

Opportunities for Global Real Estate Securities

While the sector has seen positive returns in 2009 and beginning of 2010, it is still down over 40% from its market peak in February 2007.¹ These declines have been painful for investors but the changing realities of property markets globally could create opportunities for publicly-traded companies.

As real property asset values have declined globally, many highly-levered private investors may be forced to sell property at distressed prices. This would be favorable to global real estate companies, who operate with much lower levels of leverage and have greater access to capital markets.

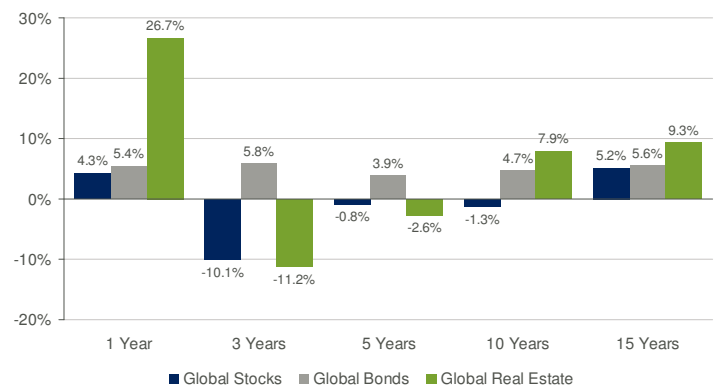
With supply at low levels in most markets, we believe the sector is well positioned to fully participate in the coming economic recovery. Companies in the LaSalle Securities coverage universe raised over \$50 billion in new equity capital in 2009 and \$13 billion YTD in 2010, and debt capital has been available at increasingly attractive rates for better companies throughout the year. By having a much larger capital pool with which to operate, acquisition opportunities could be numerous for global real estate securities in the near-term.

As credit conditions improve, volatility is diminishing; however, risk of deteriorating credit conditions remain.

Equity markets have priced in cap rate compression and external growth potential yet opportunities remain, particularly for better quality companies.

¹ Source: UBS Global Investors Index, LaSalle Investment Management (Securities), as of June 30, 2010

Long-term Competitive Performance



Source: UBS Global Investors Index; MSCI World Equity Index; JP Morgan Global Bond Index. All data are in local currencies. For illustrative purposes only. Past performance does not guarantee future results. Data from January 1990 through June, 2010

LaSalle Investment Management (Securities)

LaSalle Investment Management (Securities) ("LaSalle Securities") is a leading real estate securities investment manager for institutional and retail investors around the globe. With nearly a quarter century of investment experience, the firm has offices in Baltimore, Amsterdam, Hong Kong, and Tokyo.

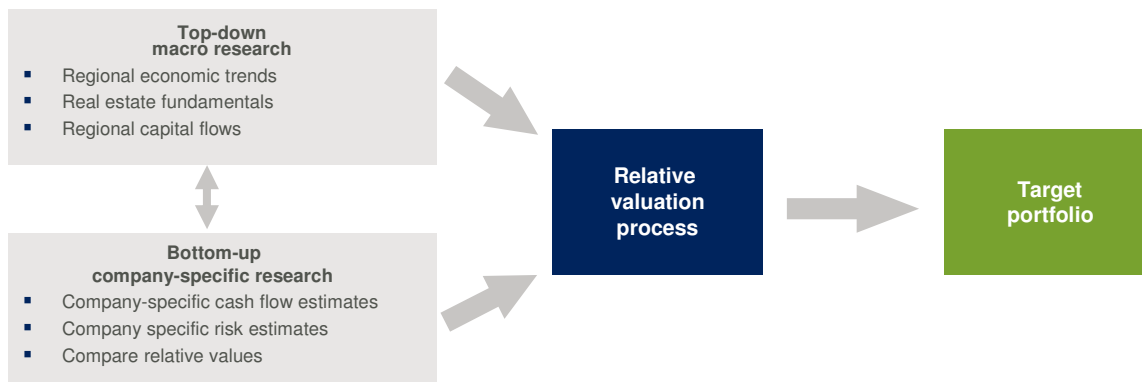
LaSalle Securities is LaSalle Investment Management's specialist securities team with more than 50 real estate securities professionals across North America, Europe and Asia and a senior management team that has worked together since 1990.

LaSalle Investment Management is one of the world's leading real estate investment managers with close to \$40 billion of public and private real estate assets under management across Europe, North America and Asia Pacific as 1Q 2010. LaSalle Investment Management is a wholly owned but operationally independent division of Jones Lang LaSalle Inc, a publicly-traded global real estate services provider (New York Stock Exchange: JLL). LaSalle Securities benefits from the resources of both LaSalle Investment Management and Jones Lang LaSalle.

Investment Approach

Investing in publicly-traded real estate securities, LaSalle Securities' approach combines our deep knowledge of real estate with a strong value-based investment discipline. We focus on real estate-related securities of companies generating rental income. The long-term performance of real estate securities depends on two things: performance of the underlying assets and the ability of management teams to create value.

We put substantial resources toward researching companies' asset values, cash flows, long-term growth rates and associated risks. Top-down and bottom-up views depend upon quantitative and qualitative analysis to build portfolios to meet each client's risk/return objective.

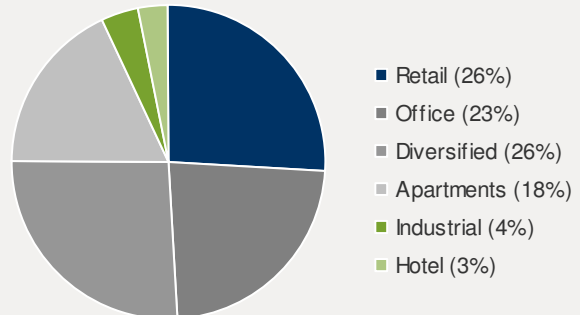


Investment Characteristics

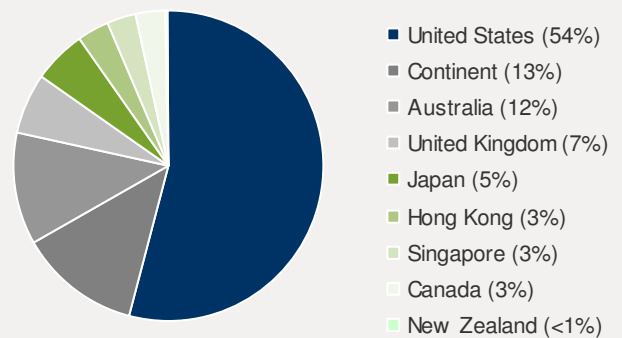
UBS Global Investors Index Composition

(as at June 30, 2010)

Real Estate Sector



Region



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