



U.S. REIT ANALYTICS

Quantitative • Long/Short • Market Neutral

Research Strategy

- Uncover the factors and styles currently driving REIT equity markets via quantitative methods.
- Use measures of the relative importance and persistence of each style to develop short-term forecasts of relative REIT return (i.e., Boxwood scores).
- Employ Boxwood scores as inputs to various investment strategies including quantitatively-optimized, market-neutral portfolios.

Methodology

Stock selection derives from the quantitative assessment of 40+ financial indicators, equity, market performance and real estate factors on a monthly basis. Boxwood's factor models evaluate 125 REIT stocks and quantify a score, or estimated forward one-month return, for each company. The resulting relative REIT rankings inform decisions on long positions in the highest-scoring REITs and short positions in the lowest. In addition, the Boxwood scores are the foundation for constructing optimized portfolios customized to the risk tolerances of institutional investors.

Performance Results

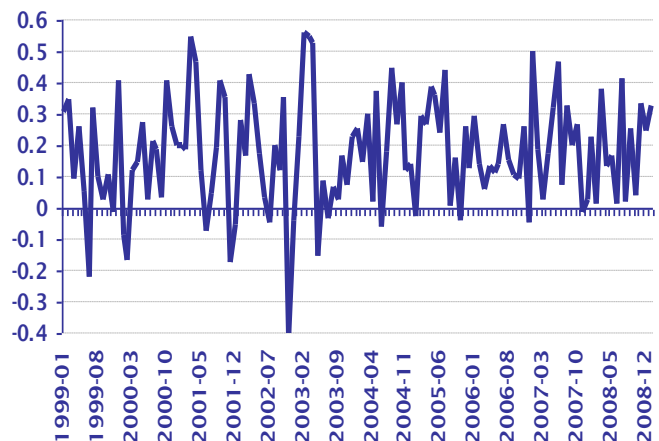
- Boxwood's stock picks generated a 21.7% return in 2008 versus -37.3% for the FTSE NAREIT All Index and -6.2% for the HFRI Equity Market Neutral Index.
- Average annualized returns are 35.0% over a 10-year period compared with FTSE NAREIT's 8.6%.
- Boxwood's optimized portfolio has one-third the volatility of the MSCI RMS Index over the past two years.
- Sharpe Ratio of 1.13 since January, 2007.
- The MSCI RMS Index was down 15 out of the past 24 months, losing an average of 12% in each of those 15 months. Boxwood's portfolio experienced 8 negative months in the past 24 with an average loss of only 2.8%.
- Portfolio attribution analysis shows that Boxwood's scores have significant predictive power unrelated to market capitalization or property focus. Also, there is a low correlation between average daily volume and score.

Consistent Track Record of Outperformance Through Entire Market Cycle

Year	Annualized Returns (%)		
	FTSE NAREIT Index	Boxwood Return	Boxwood Return Differential
1999	-12.6	65.6	53.0
2000	26.0	57.5	31.5
2001	12.8	37.7	24.9
2002	3.6	32.3	28.7
2003	41.2	41.9	0.7
2004	26.1	35.7	9.6
2005	22.4	44.2	21.8
2006	25.9	22.6	-3.3
2007	-22.2	-9.4	12.8
2008	-37.0	21.7	58.7
Avg. Annual Return	8.6	35.0	23.8

Boxwood backtest performance is shown for 1999-2006. Live results are presented for 2007-2008.

High Correlation between Factor Scoring and Actual Performance



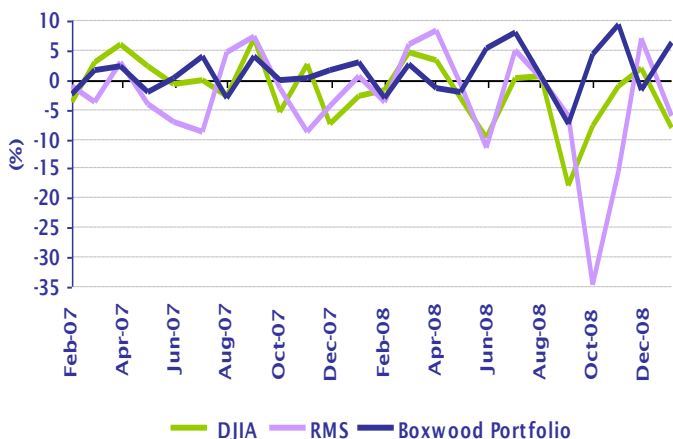
A strong association is illustrated between Boxwood's scores and forward one-month returns across the REIT universe. Zero above indicates the absence of market-neutral information.



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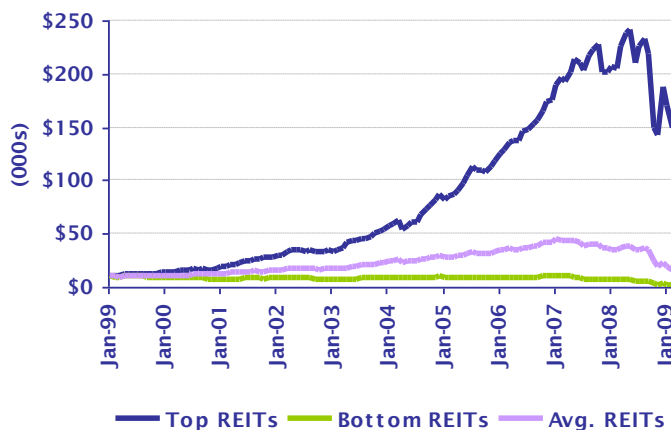
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Consistent Returns with Low Volatility Compared to Benchmark and Broad Market



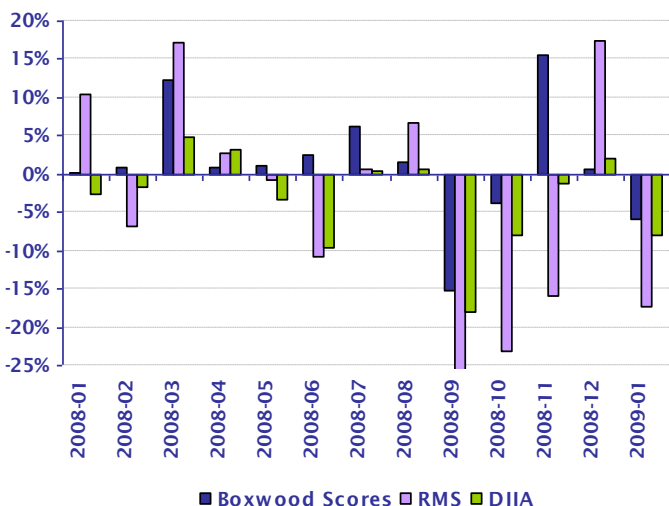
Monthly returns to Boxwood's optimized portfolio are relatively stable versus benchmark (MSCI RMS) and DJIA Index over the last two years.

Long-Only Recommendations Generate Significant Alpha



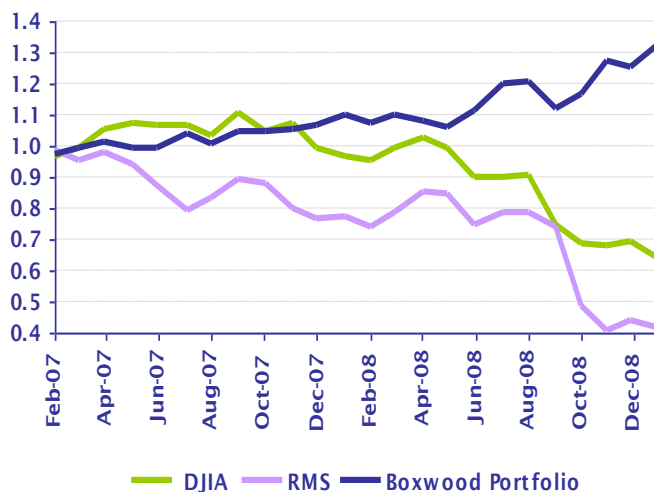
Cumulative returns over 10+ years show dramatic differences between Boxwood's high- and low-ranked REITs. Index (left axis): Jan-99 = \$10,000.00.

Alpha Is Produced in both Up and Down Markets



Recent monthly returns for Boxwood REIT scores versus benchmark and DJIA Index.

Capital Preservation and Performance Is Sustained in Very Turbulent Markets



Cumulative returns to Boxwood's optimized portfolio far exceed the MSCI RMS benchmark over recent history. Index (left axis): Feb-07 = 1.0.