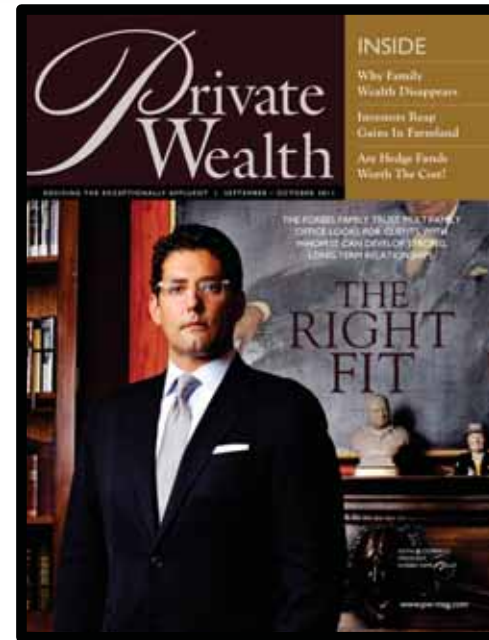


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“Why REITs? Why Now?”

Moderator:

Financial Advisor Editor Ray Fazzi

Panelists:

Jay Steigerwald, Carey Financial, LLC
(W. P. Carey & Co. LLC)



Peter Budko, American Realty Capital



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What is a Non-Listed REIT?

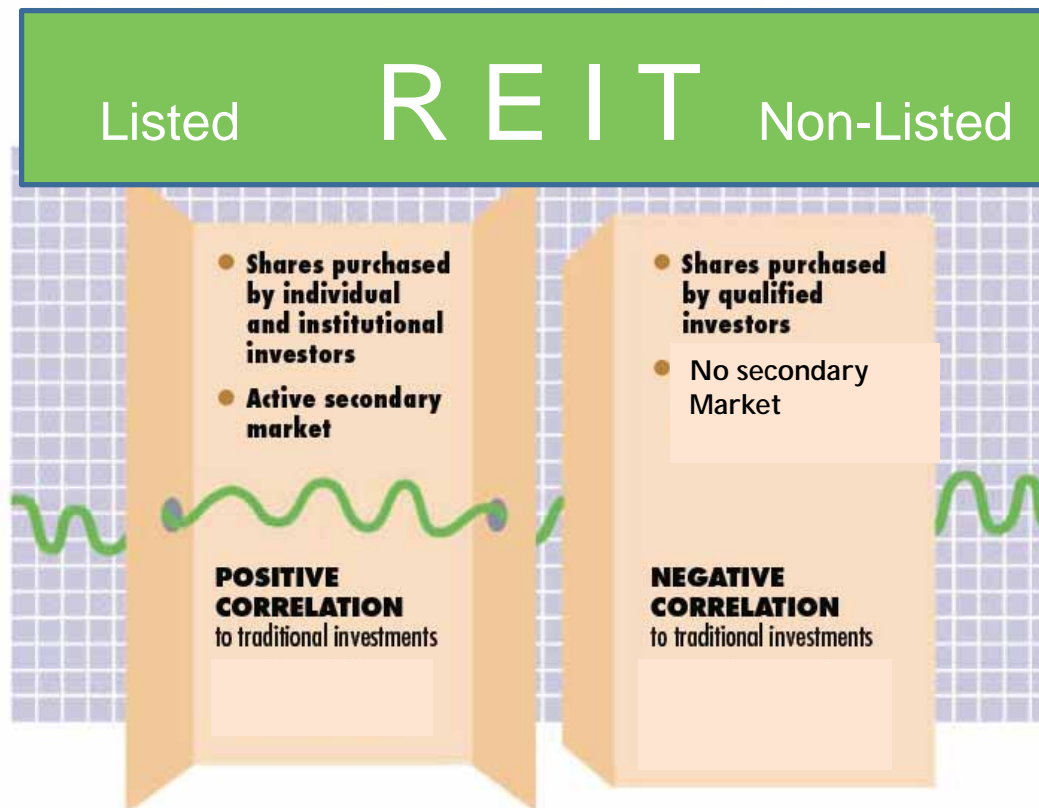
- Public company
- No secondary market for shares
- Pools investor capital
- Investment manager selects and manages portfolio
- Strives to make distributions to shareholders
- Exit Strategies



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Listed vs. Non-Listed REITs – What’s the Difference?



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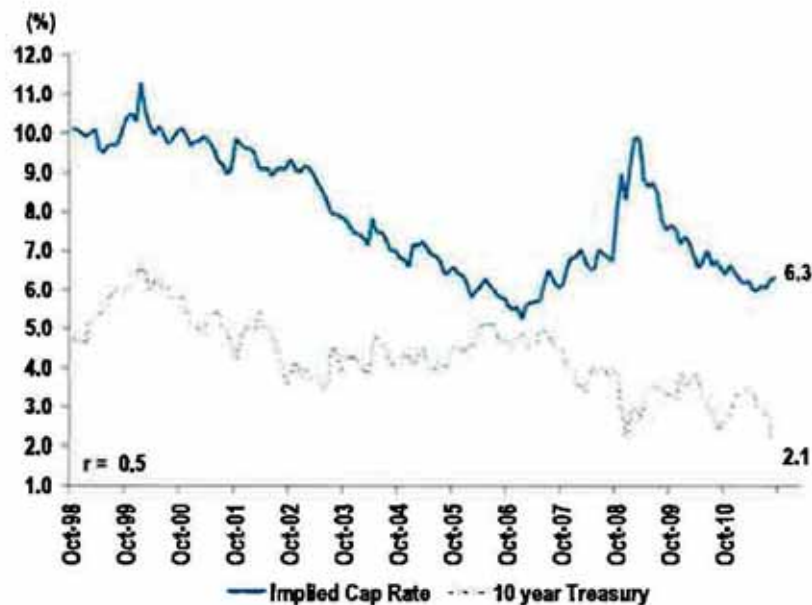


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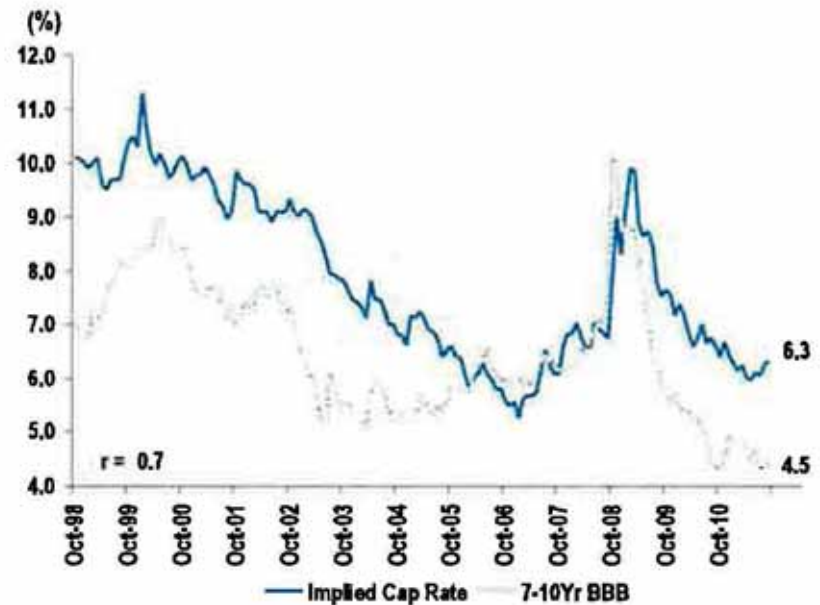
Implied Cap Rate Spreads

Figure 31. REIT Implied Cap Rate vs. 10-Year U.S. Treasury Yield



Source: Citi Investment Research and Analysis 9-16-2011

Figure 32. REIT Implied Cap Rate vs. BBB Corporate Yield (7-10 Year)



Source: Citi Investment Research and Analysis 9-16-2011

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Potential Benefits of Non-Listed REITs

- Income Producing
- Diversification
- Management

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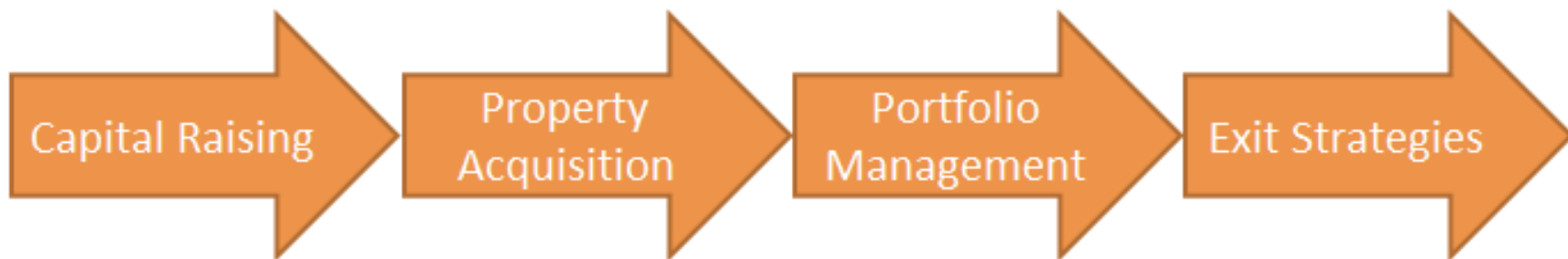




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What is the Life Cycle of a Non-Listed REIT?



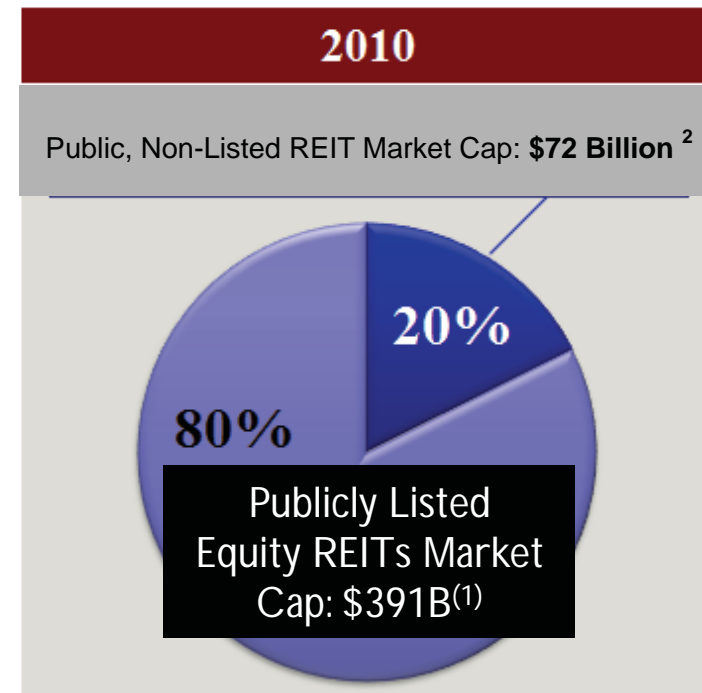
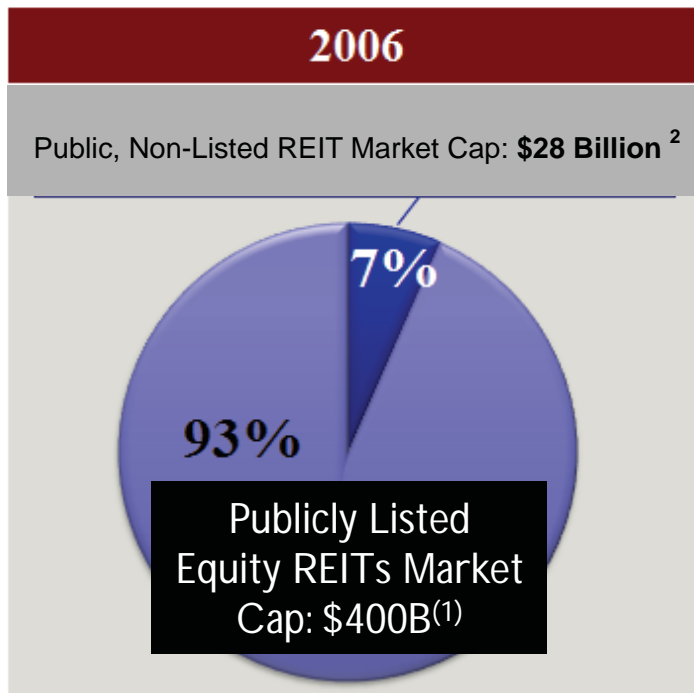


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Current Non-Listed REIT Market

Total REIT Universe: \$463 Billion Market Cap (as of Mar 31, 2011)



The non-listed REIT universe has more than doubled in the last 4 years.

(2) Source: Blue Vault, December 31, 2010. (1) Source: NAREIT, March 31, 2011.



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What are the Risks Associated with Non-Listed REITs?

- Non-Listed REITS are medium to long-term investments
- Principal and distributions are not guaranteed
- Illiquid investment
- Client suitability evaluations are critical
- No fixed maturity date
- Returns may be substantially less than original investment
- Real estate is sensitive to economic cycle and continued uncertainty in globally economic environment may adversely affect returns and values
- Distributions may be paid from offering proceeds, borrowings or other sources
- There is no public market for Non-Listed REIT shares

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Potential Reasons to Consider Investing in Non-Listed REITs?

- Income
- Growth
- Low correlation to equities market
- Negative correlation to bond market
- Inflation hedge
- Wealth preservation
- Diversification

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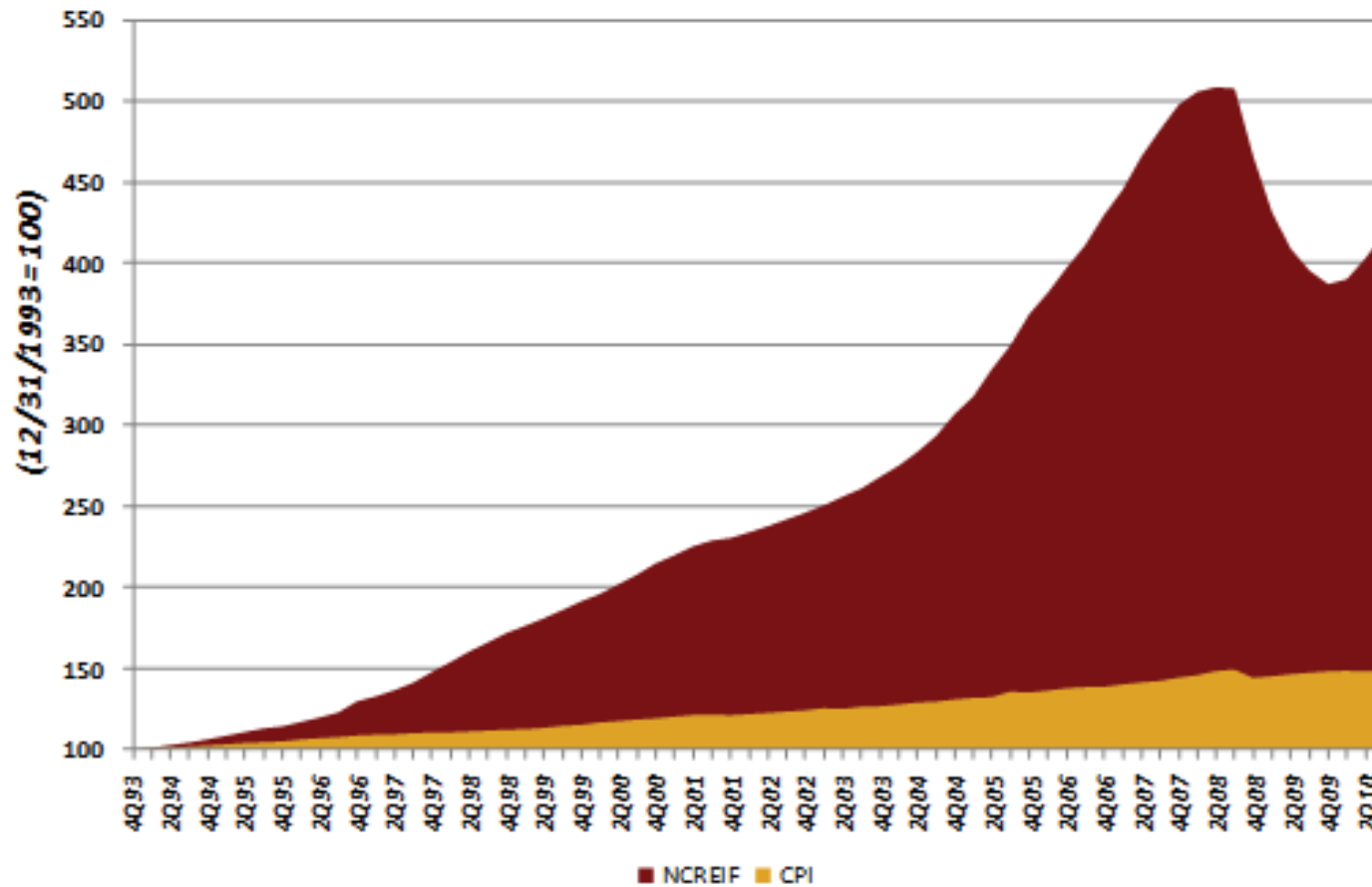




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GROWTH OF CPI VS REIT INCOME AND GROWTH (1993-2010)



Source: NCREIF and the United States Department of Labor

*Significant Differences exist between NCREIF and Non-Listed REIT Programs

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Why Non-Listed REITs? Why Now?

- Today's real estate market may offer attractive entry point
- Limited new construction
- Credit profile of tenants generally improving

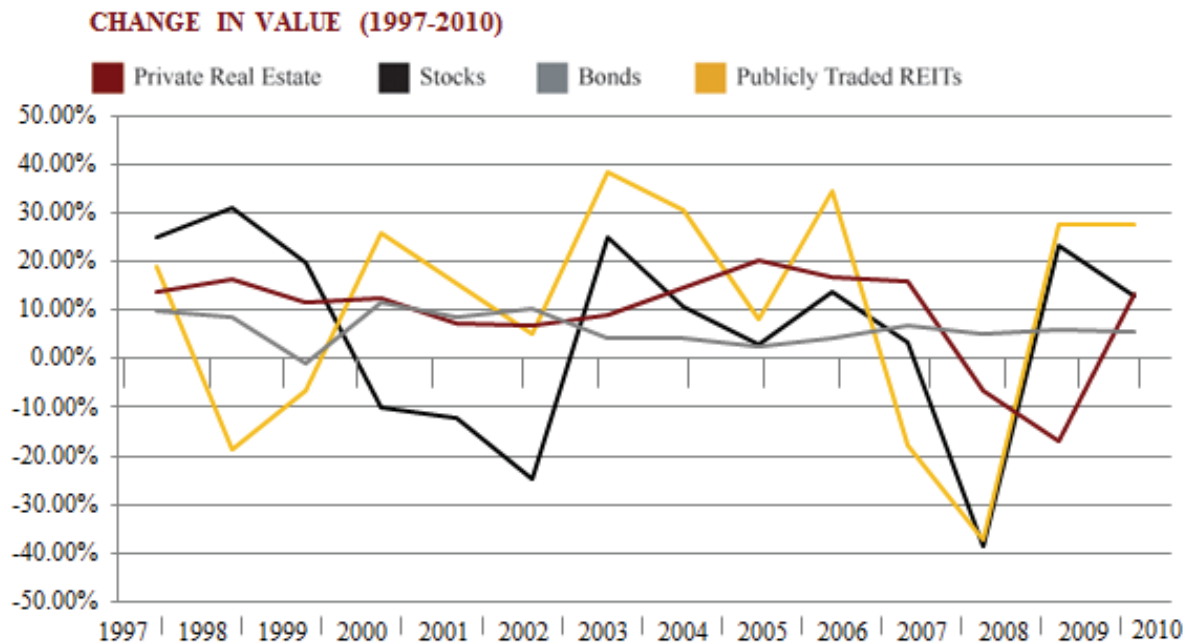


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Non-Listed REITs Have a Low Correlation Rate

Low Correlation to Public Markets



Private real estate investment programs do not trade on an exchange and, as measured by the NCREIF Index, are not correlated to stocks (S&P 500), bonds (Barclays Bond Index) and publicly traded REITs (NAREIT).

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Accessing the Non-Listed REIT Market

- Due Diligence
- Fees
- Taxes



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Questions & Answers



Jay Steigerwald
*Senior Vice President of National
Accounts
Carey Financial, LLC*



Peter Budko
*Executive Vice President & Chief
Investment Officer
American Realty Capital*

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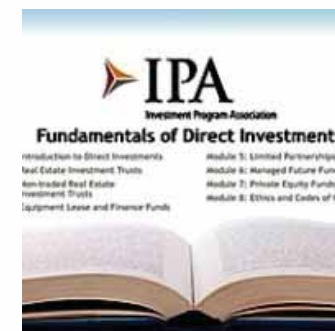
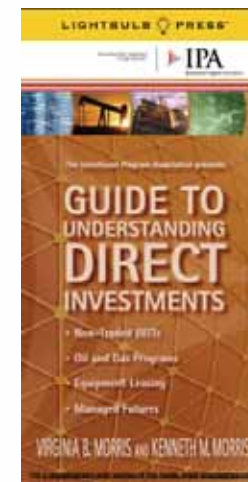


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