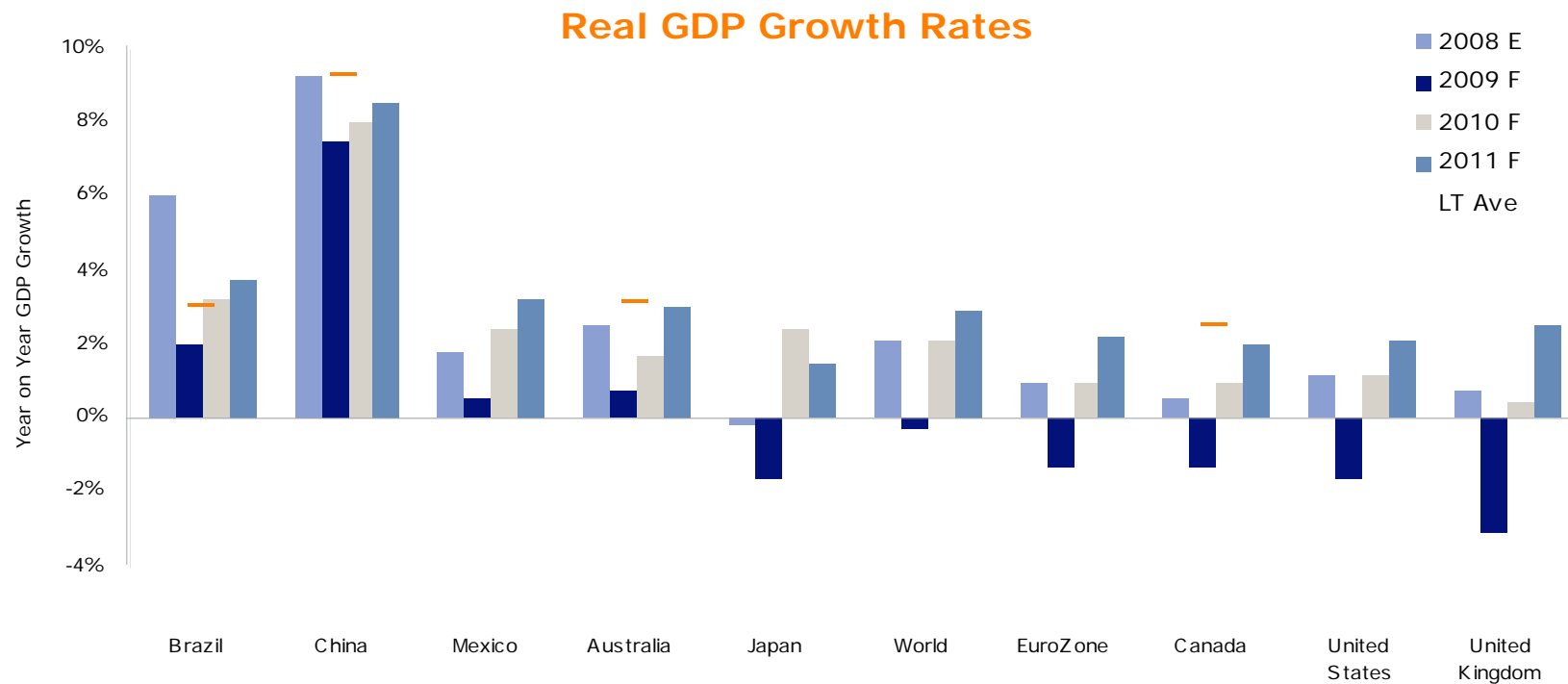


Likely Facing up to a Severe Recession

- ▶ Below-trend growth will likely characterise most key markets in 2009
- ▶ Certain markets in Latin America and Asia Pacific expected to hold up relatively better
- ▶ We believe the risks to these forecasts are to the downside.



Sources: Economist Intelligence Unit, ING Real Estate Research and Strategy as of 15 January 2009.

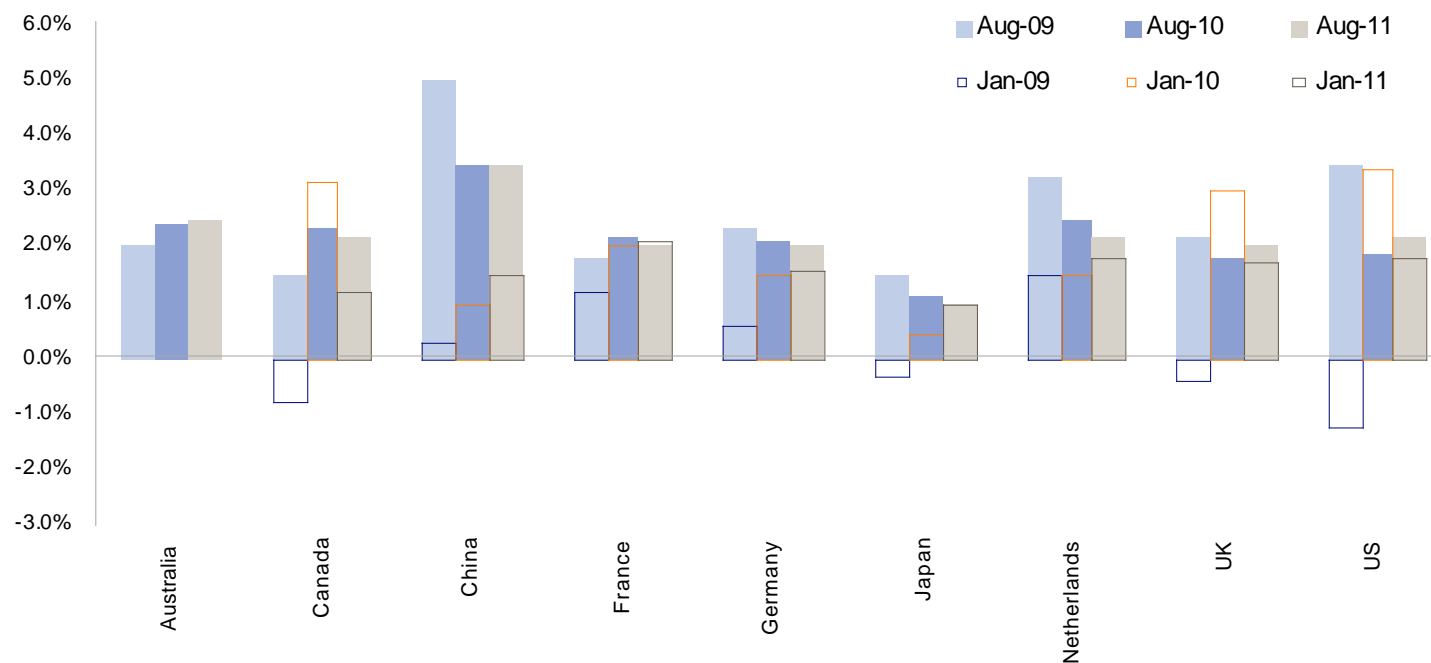
Note: : Countries and regions are ranked, left to right, by the difference between their forecast GDP growth rate of 2009 and their average long-term GDP growth rate (Geometric average 1998-2011). Historical data is from EIU. Forecasts are from ING Economics.

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Deflation Fears Overcoming Inflation Threats

- ▶ Slower economic growth will likely draw the sting from inflation in most countries
- ▶ Inflation has likely peaked in mid 2008
- ▶ Deflation in 2009 becomes likely in Canada, the US, the UK and Japan, among others.

CPI Growth



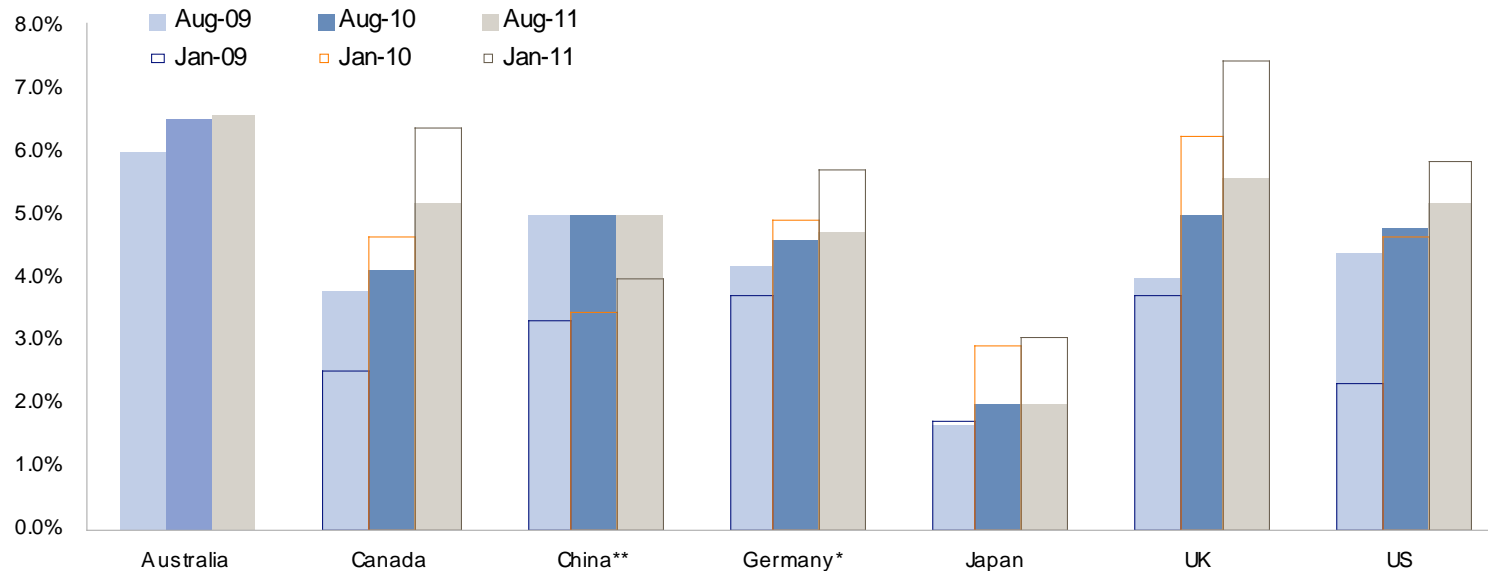
Source: ING Economics, ING Real Estate Research and Strategy, as of 15 January 2009. Countries are ranked, left to right, by the larger difference between the August and December sets of forecasts for 2009.

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Bond Rates Are Low but Will Likely Rise

- ▶ As economic turmoil developed, bond rates' forecasts have decreased
- ▶ Rates are expected to rise by 2010
- ▶ Higher risk free rate implies a trend for higher real estate cap rates.

The Risk Free Rate - 10 Year Government Bond Rates



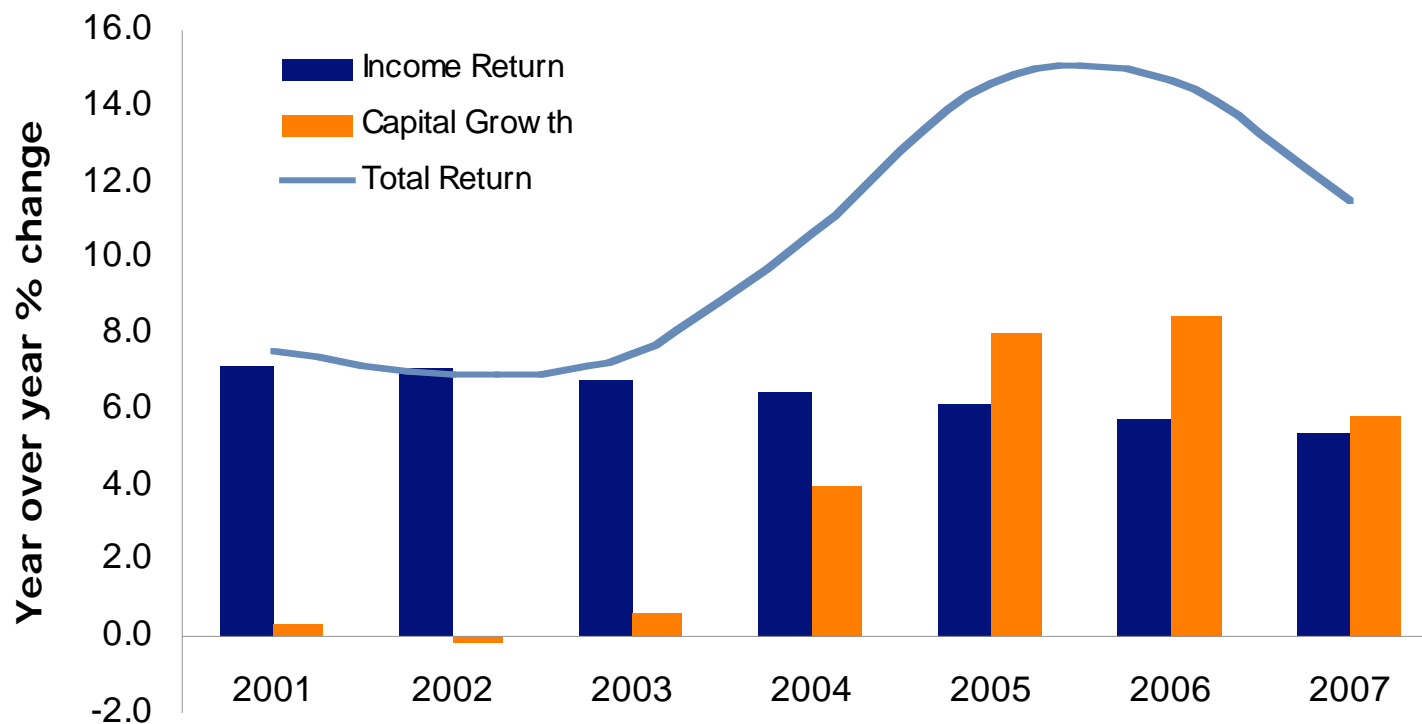
Source: ING Economics, ING Real Estate Research and Strategy, as of 15 January 2009 Note: Germany* forecasts are ECB refi 10Y. China** : ING forecasts are for the 5 year bond rate.

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Global Real Estate Returns Have Been Decelerating

- ▶ 2004-07 was a period of high direct real estate returns worldwide
- ▶ Due to lags – the global indexed return will likely remain positive for 2008 (end year, annualised return) despite falling capital values.

Global IPD Index, All Property Total Returns and Components:



Source: IPD Global Index and ING Real Estate Research and Strategy as of September 2008.

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Real Estate Performance – Leads and Lags

- Private Real Estate has outperformed other asset classes
- However, it is known to lag the more liquid asset classes

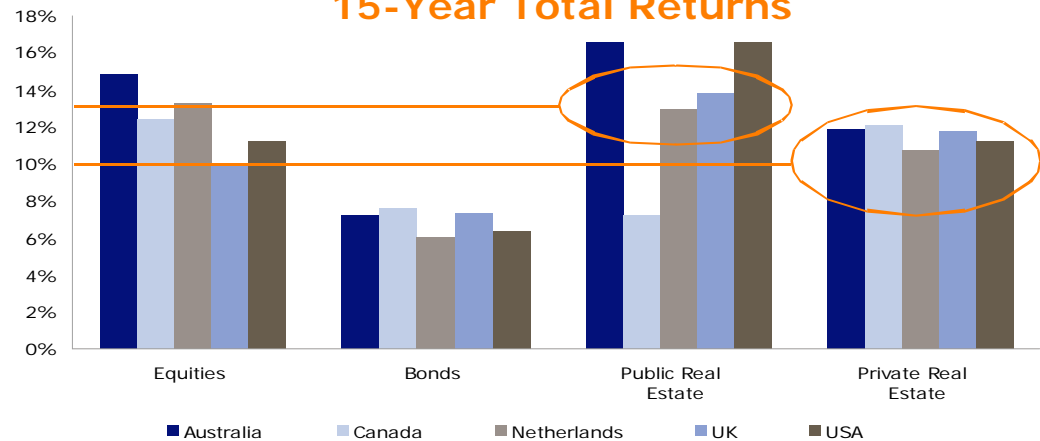
2008 Total Returns

	Equities	Bonds	Public RE	Private RE (ING REIM Forecast)
Australia	-23.6%	20.2%	-37.6%	-10.7%
Canada	-15.3%	12.0%	-22.1%	-3.8%
Japan	-30.5%	3.7%	-40.3%	-7.2%
Netherland	-36.4%	10.8%	-16.0%	2.1%
UK	-20.7%	13.6%	-29.0%	-13.8%
US	-23.3%	13.9%	-16.4%	0.9%

- We believe the long-term performance of real estate generally still holds
- We expect real estate to perform between equity and bonds

Private Real Estate: 7-10%
 Public Real Estate: 10-14%.

15-Year Total Returns

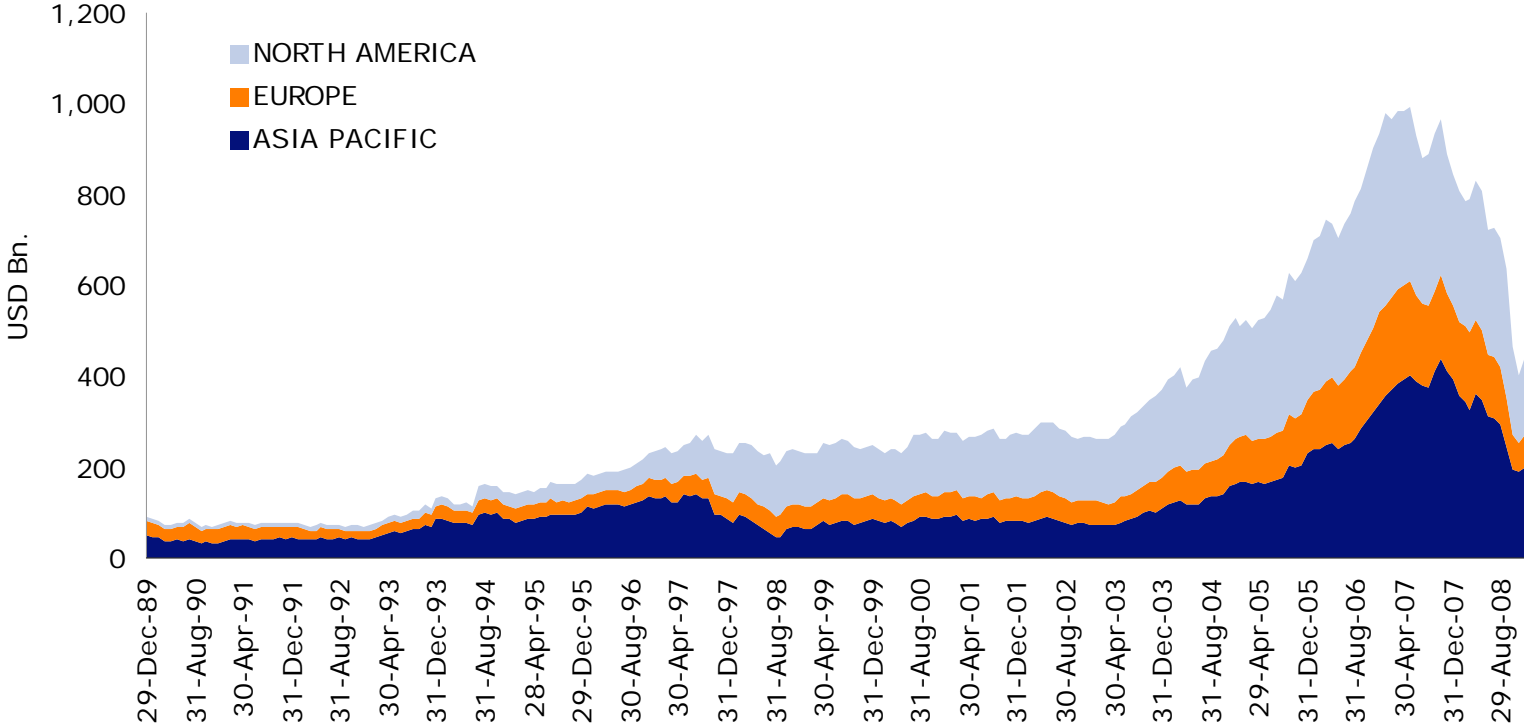


Sources: Equity Indices: S&P/ASX 200, , FTSE 100, S&P 500 Composite, Bonds: CitiGroup World government bond Indices series (All Maturities). Public Real Estate: FTSE EPRA/NAREIT indices series. Private Real Estate: PCA/IPD, IPD, NCREIF. ING Real Estate Research & Strategy, as of 12th January 2008.

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Public Real Estate Equity Market

Market Capitalisation of Listed Real Estate Globally



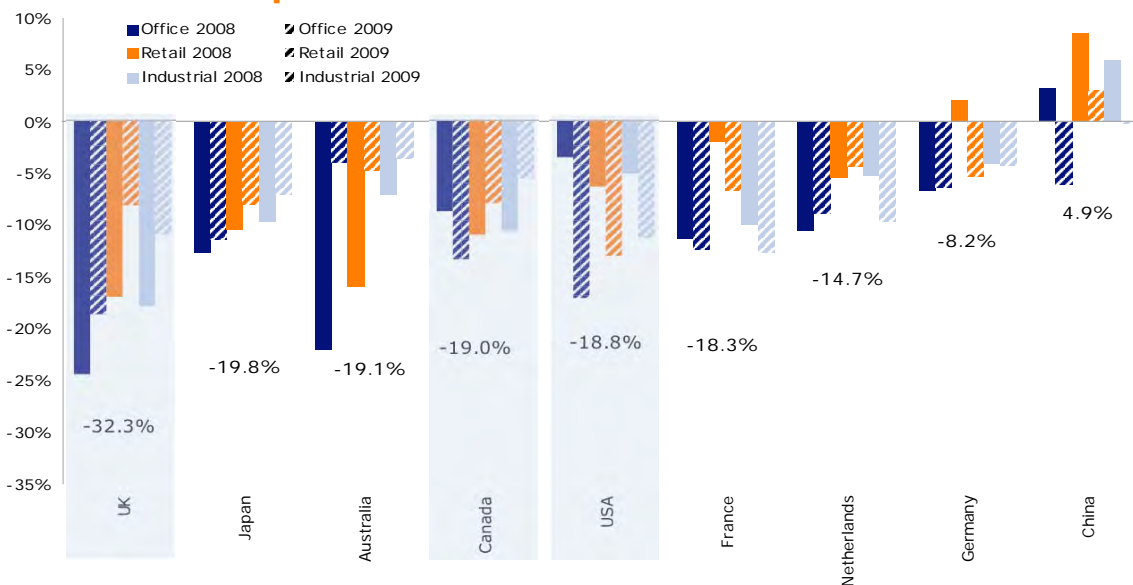
Source: S&P/Citigroup as of 17 December 2008.
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Falling Capital Values

Capital values have fallen sharply in 2008 and will likely continue to fall throughout 2009.

- ▶ Real estate capital values have corrected almost worldwide – with low transaction volumes
- ▶ Generally, this will be reflected only in direct real estate performance indices in 2009.

Capital Value Growth in 2008 & 2009



Source: ING Real Estate Research & Strategy as of September 2008.

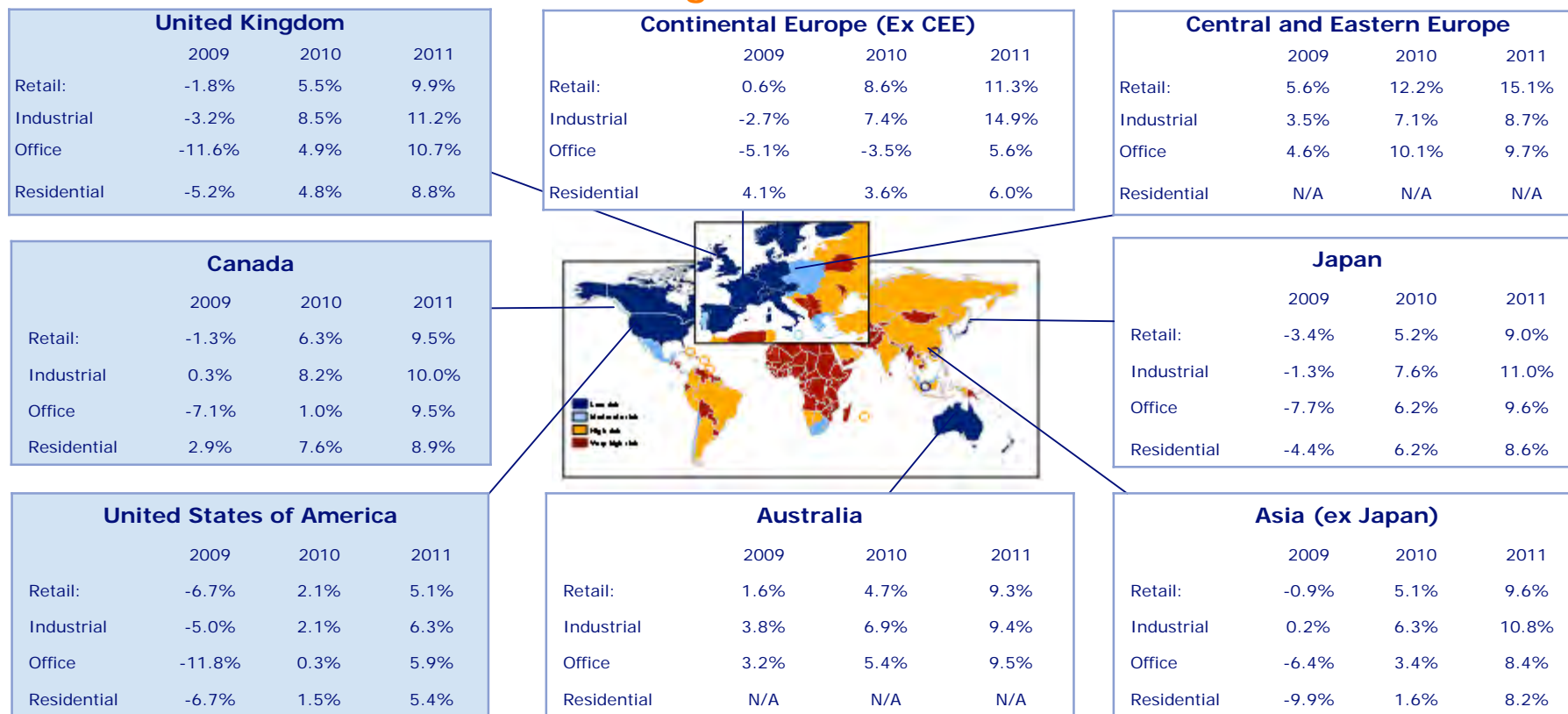
Note: Countries ranked from left to right by the higher cumulative average loss in capital values in the three sectors in 2008 and 2009. Countries highlighted in blue are index returns, all others are prime returns. The figure for each market is the cumulative Capital Value Growth in 2008 and 2009, as an average for the three sectors (Office, Retail, Industrial)

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We Believe Markets Should Touch Bottom in 2009

- ▶ There will likely be wide variations in the depth of the downturn and the speed of recovery.

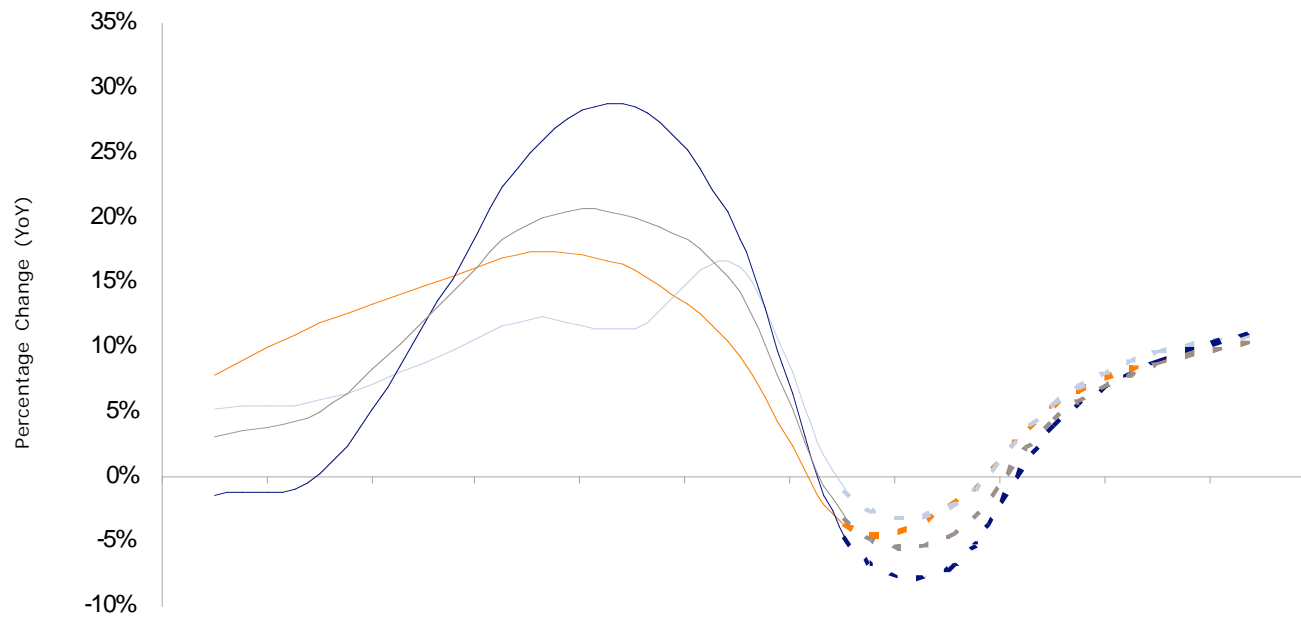
Annual Forecasts For Unleveraged Private Core Real Estate Total Returns



Source: ING Real Estate Research & Strategy as of 15 January 2009. Note: Retail Total Returns in Continental Europe are based on Retail Shopping Centre Total Returns. Countries highlighted in blue are index returns, all others are prime returns based on transactional data. Please see important information in the disclaimer at the end of the presentation when considering these data and analysis

Global Total Return Forecast by Sector

Global Total Returns



	2002 A	2003 A	2004 A	2005 A	2006 A	2007 A	2008 F	2009 F	2010 F	2011 F	2012 F
Global Retail Index	8.0%	11.9%	14.7%	17.4%	15.9%	9.4%	-3.7%	-2.3%	5.5%	9.0%	10.4%
Global Industrial Index	5.4%	5.9%	8.9%	12.3%	11.5%	16.3%	-0.9%	-2.4%	5.6%	9.7%	10.9%
Global Office Index	-1.3%	0.2%	11.9%	25.0%	28.7%	18.4%	-4.7%	-7.2%	3.9%	8.9%	11.3%
Global All Property Index	3.3%	5.1%	12.2%	19.6%	20.1%	14.3%	-3.1%	-4.7%	4.4%	8.7%	10.6%

Source: IPD, JLL, PMA, ING Real Estate Research & Strategy as of 26 September 2008.

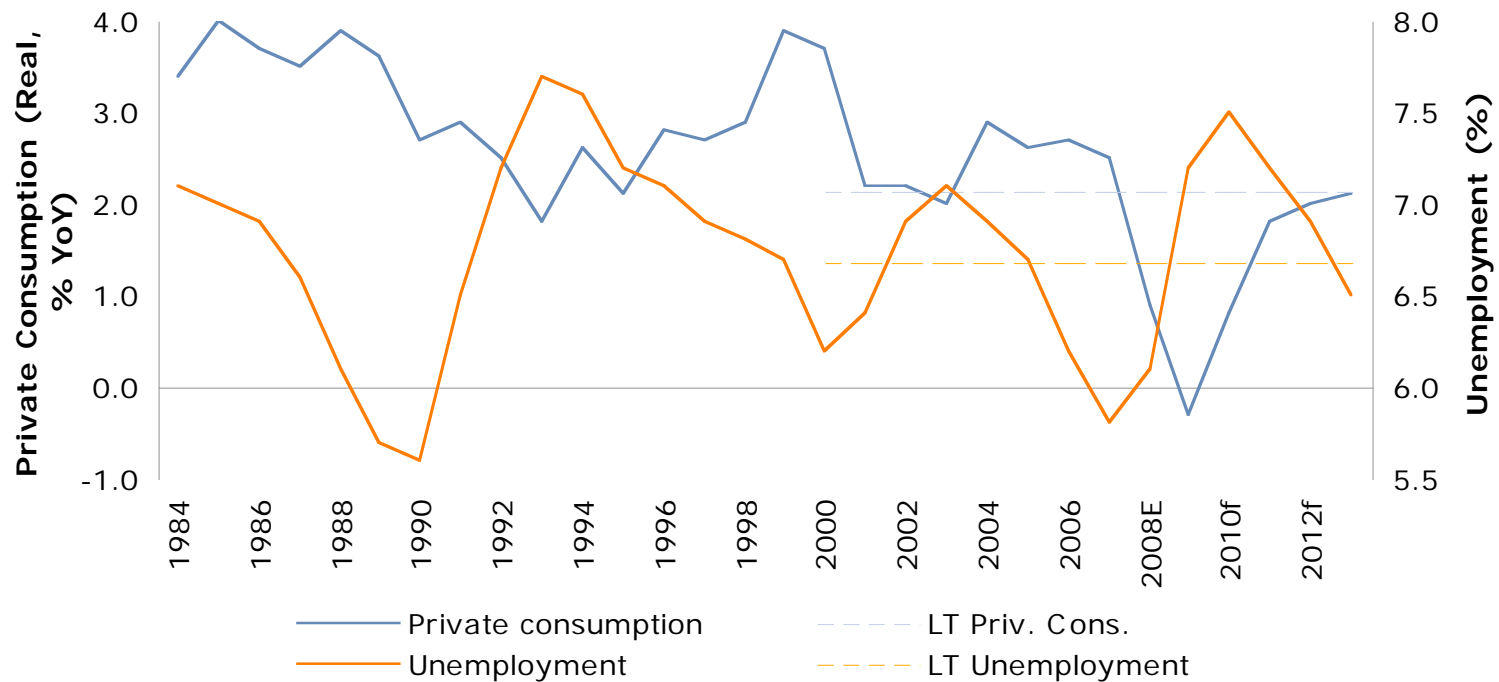
Note: Canada, UK and US are forecasts of index data, whilst all other markets are based on prime/transactional data series.

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Our Outlook for Consumer Spending is Weak

- ▶ There will likely be rising unemployment and falling asset prices
- ▶ Consumer confidence has weakened and private consumption will likely fall.

Private Consumption Growth and Unemployment rate in the OECD

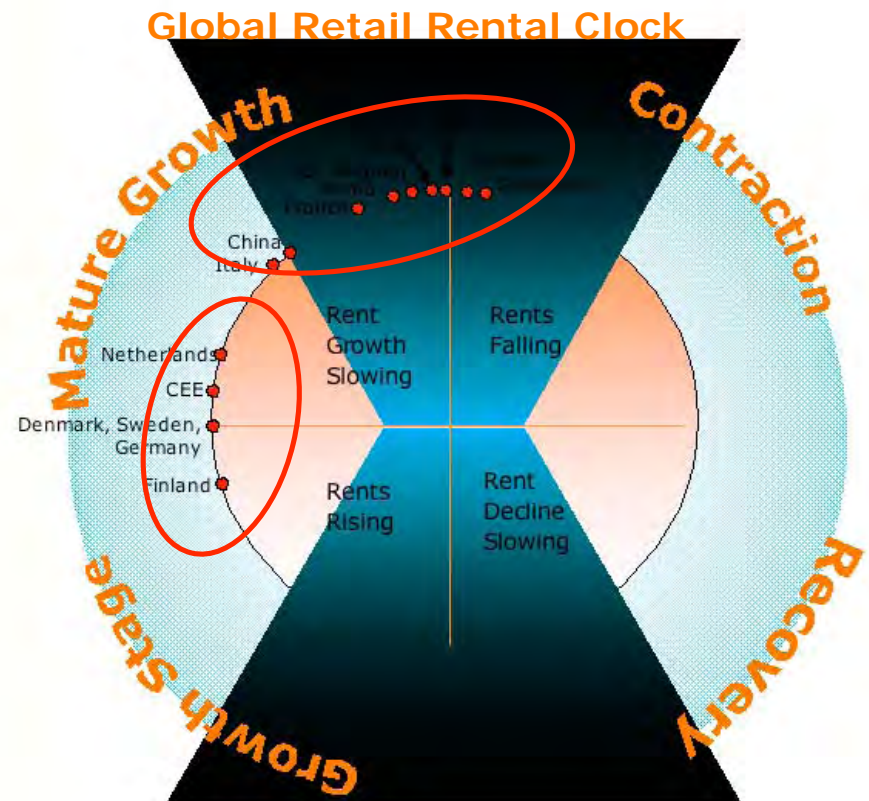


Source: Economist Intelligence Unit, ING Real Estate Research & Strategy, as of 17 December 2008. Long term averages are simple, blended averages of the period 1999-2013F.

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Retail Sector: Shoppers Drooping

- ▶ Difficult months likely ahead for big ticket item retailers
- ▶ Discount retailers and supermarkets will likely fair better
- ▶ This trend will likely be most apparent in developed markets
 - > The markets at the top of the clock
- ▶ We believe there is a lack of modern formats in emerging markets
 - > Strong demographic demands will likely hold up rents better.



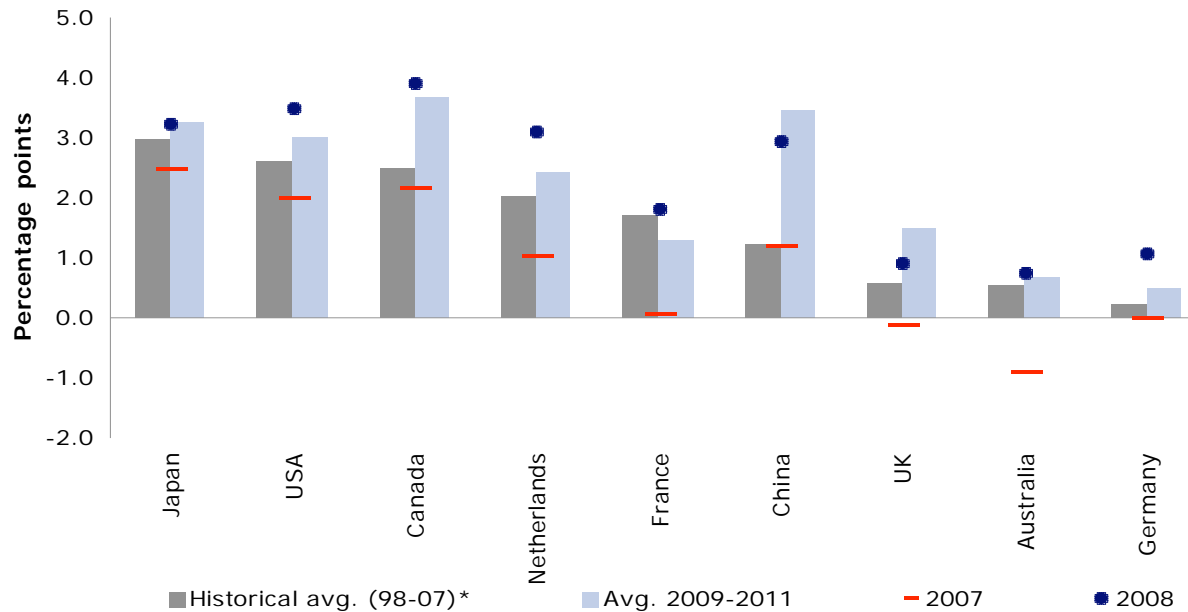
Source: ING Real Estate Research & Strategy, as of 31 October 2008 . The cluster used for illustrative purposes to highlight some trends observed in several markets

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Cap Rate Spreads Are Re-emerging - Retail

- ▶ Cap rate spreads have increased sharply in 2008 and will likely return back to long-term trends in 2009-11
- ▶ We believe only in Japan and France will the spread be lower in future than in the past
- ▶ If spreads rise to the top end of historic ranges - capital values will likely come under pressure.

Retail Cap Rate Spreads over Long-Term Bond Yields



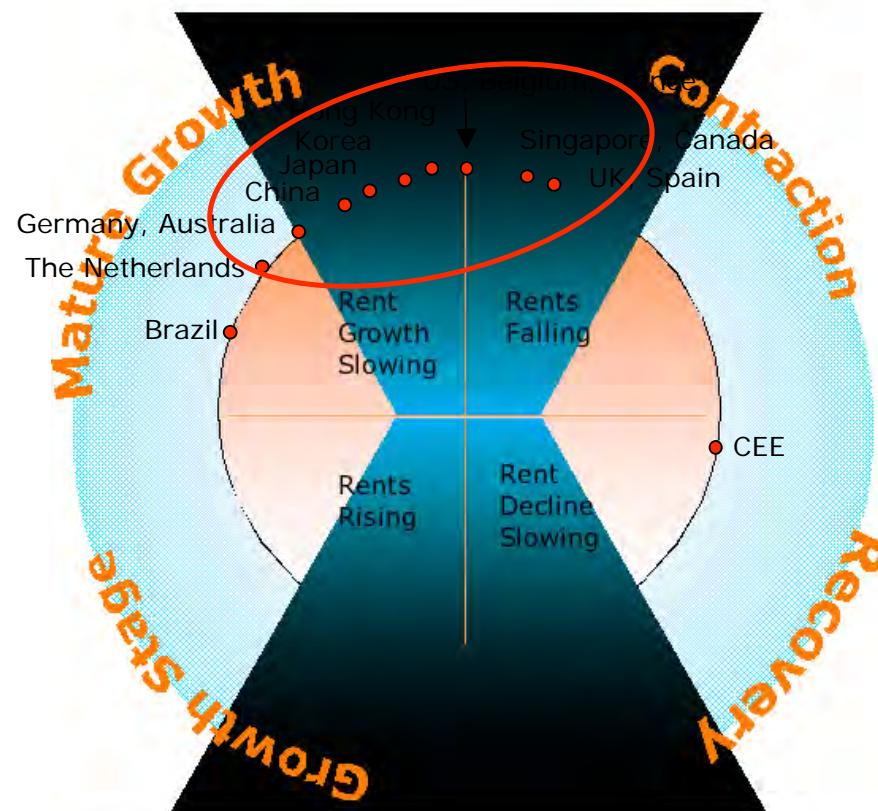
Source: EIU for historical bond yields 98-06, except for China, where Thomson Financial Datastream was used. ING Economics for bond yields 07-12., IPD, PMA, and ING Real Estate Research and Strategy as of 30 October 2008 for Cap Rates. Markets are ranked, from left to right according to the highest average spread in the historical 1998-2007 period. * Australia figures start in 2000, China in 2001, Canada in 2003 and Japan in 2006.

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Industrial Sector: Trade Winds Slowing

- ▶ World trade slowed during 2008 and is forecast to slow further in 2009
 - > Trade volumes forecast to remain subdued until after 2010
- ▶ Major global indexes of consumption and production indicate reduced growth rates of distributive (logistics) functions
- ▶ Cap rates/yields likely moving out in most markets and rent growth slowing
- ▶ We believe industrial may offer the most attractive risk-adjusted returns of the main property types.

Global Industrial Rental Clock



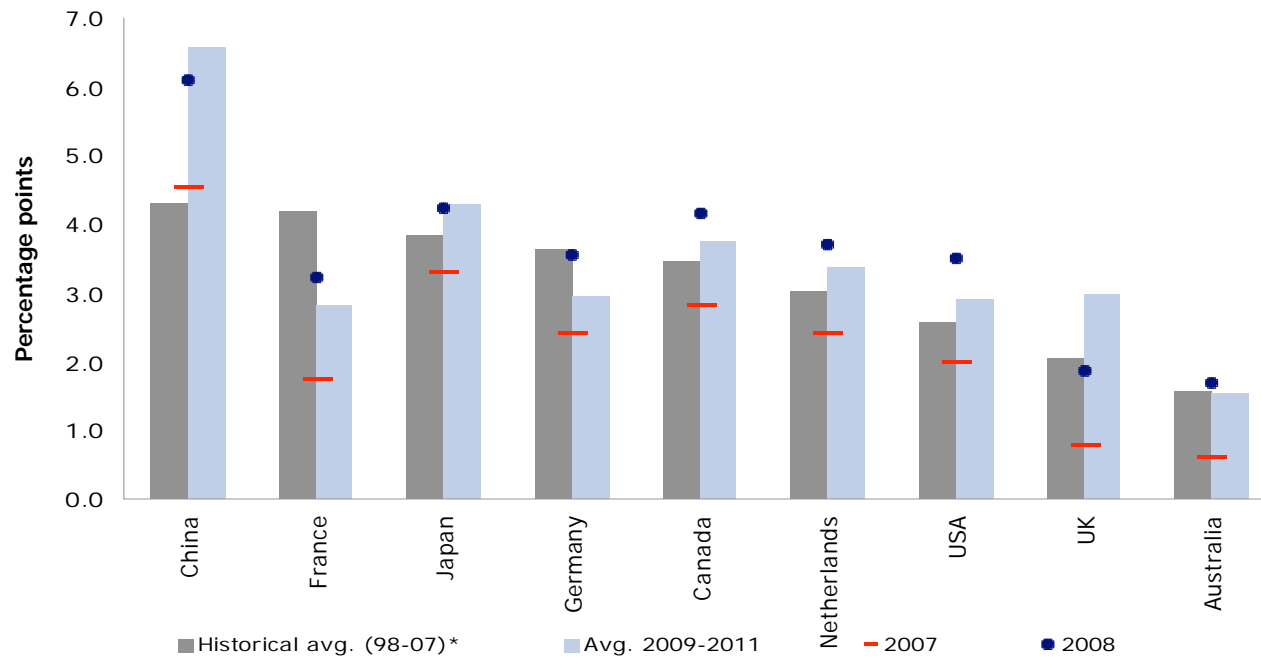
Source: ING Real Estate Research & Strategy, as of 31 October 2008 . The cluster used for illustrative purposes to highlight some trends observed in several markets

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Cap Rate Spreads Are Re-emerging: Industrial

- ▶ Cap rate spreads have increased in 2008 and will likely return to long-term trends in 2009-11
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- ▶ We believe that if spreads rise above the historic ranges - capital values will likely come under pressure.

Industrial Cap Rate Spreads over Long-Term Bond Yields

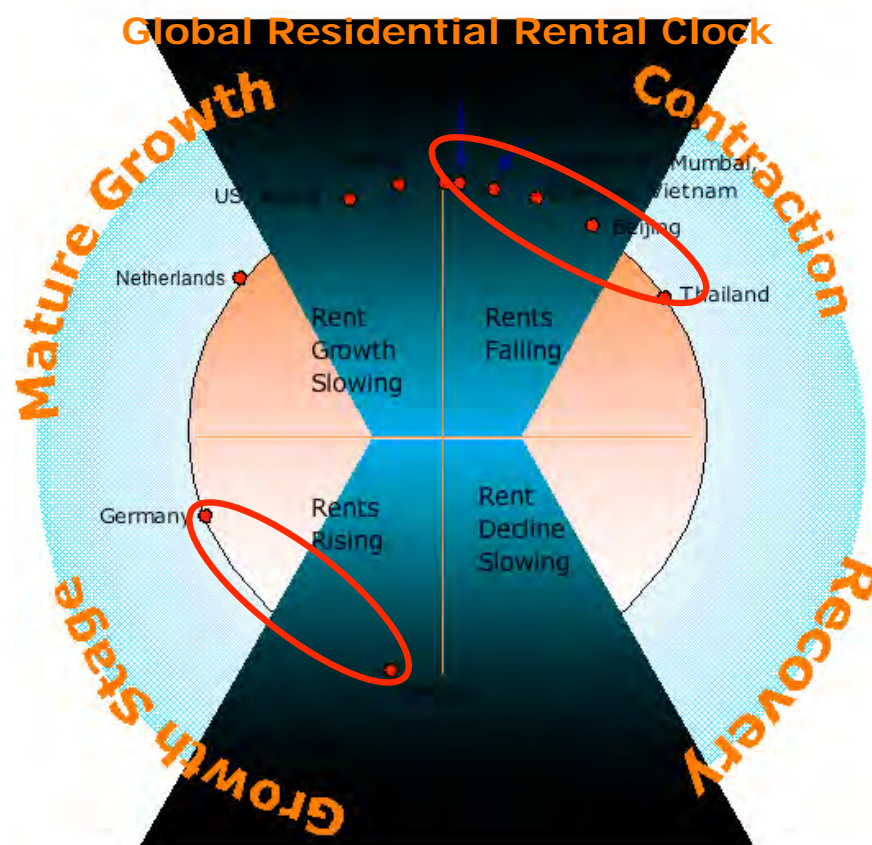


Source: EIU for historical bond yields 98-06, except for China, where Thomson Financial Datastream was used. ING Economics for bond yields 07-12., IPD, PMA, and ING Real Estate Research and Strategy as of 30 October 2008 for Cap Rates. Markets are ranked, from left to right according to the highest average spread in the historical 1998-2007 period. * China, Japan and Australia spreads start in 2005.

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Residential Sector: Shelter in the Storm?

- ▶ Currently, there are divergences between owner-occupier and rental markets
- ▶ Currently weak for-sale markets. Further price falls expected in the major developed markets
- ▶ Cap Rates/yields are currently moving out across the world
- ▶ Rental growth decelerating and falling in most markets due to subdued demand – especially in luxury markets in Asia
- ▶ Low pipelines likely support expectations of recovery towards 2010
- ▶ In emerging markets strong demographics and rising disposable income will likely support demand for mass residential.

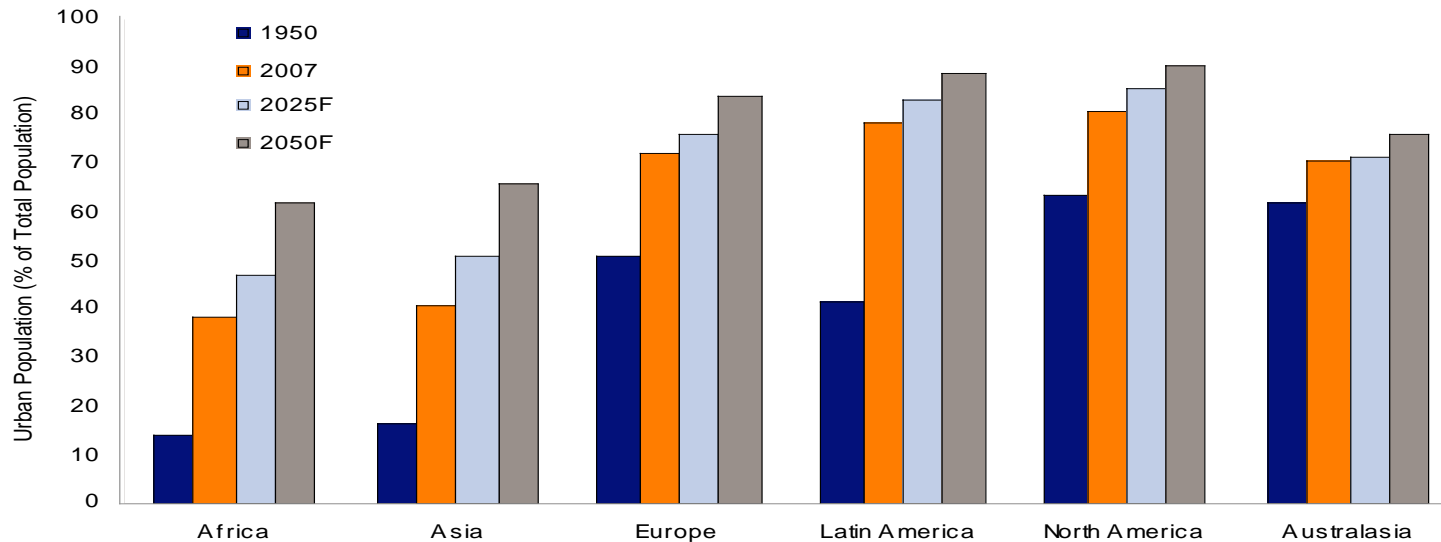


Source: ING Real Estate Research & Strategy, as of 31 October 2008 . Asia markets reflect Luxury residential with the exception of Korea, which is mass residential.
The cluster used for illustrative purposes to highlight some trends observed in several markets
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Urbanisation: Powerful Trends at Work

- ▶ We believe Europe, North America, Latin America and Australasia are approaching natural limits
- ▶ African and Asian countries will likely continue to urbanise.

Urbanisation Rates by Broad Region



Source: United Nations Department of Economic and Social Affairs Population Division, World Urbanization Prospects 2008.
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Healthcare Properties - A Likely Strong Pulse

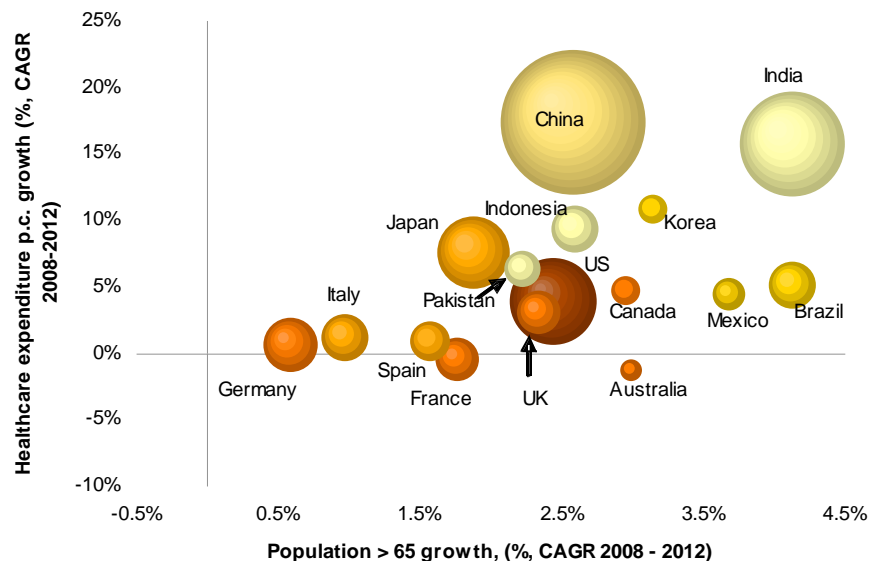
- ▶ Rising interest demonstrated among investors
- ▶ Defensive qualities:
 - > Long leases
 - > Non cyclical drivers
- ▶ Current major markets: Developed countries (Higher expenditures on health)

Global Opportunities arise:

- ▶ Developed markets
 - > Ageing populations
 - > Inefficiencies (outsource Real Estate Management)
- ▶ Emerging markets
- ▶ Growing healthcare expenditure (Better quality general services)
- ▶ Large, fast growing ageing populations.

Healthcare expenditure forecast and total population over 65 years of age (level and growth forecast)

Countries Spend More on Healthcare as Their Populations Age



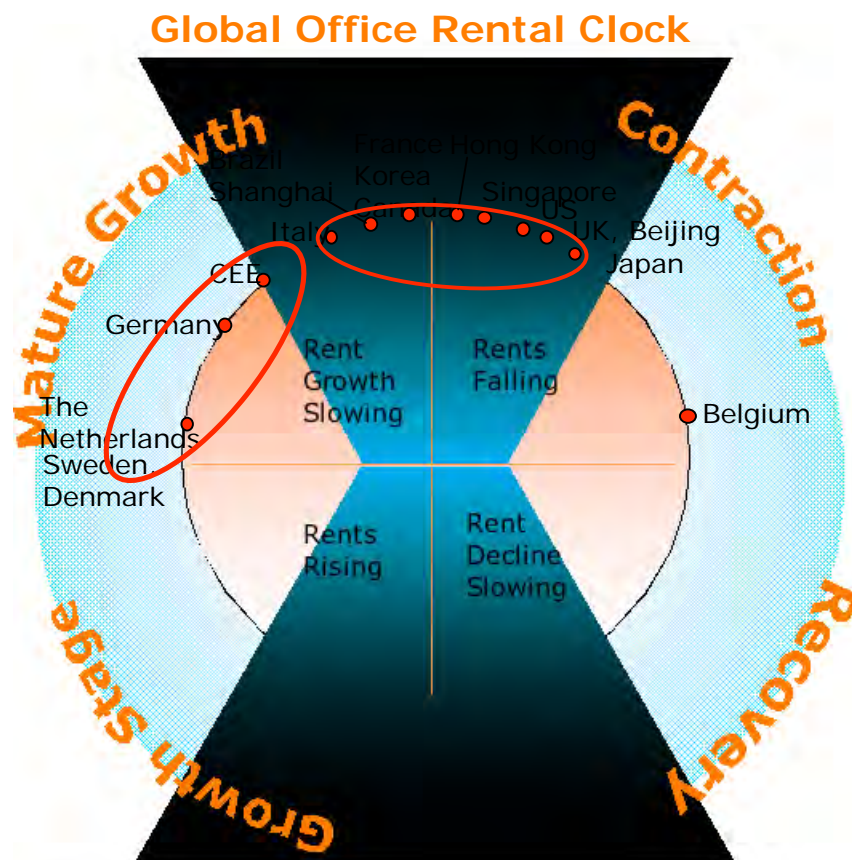
Source: Economist Intelligence Unit, ING Real Estate Research & Strategy as of October 2008.

Note: Size of the bubbles denotes total population over 65 years of age. Colour of the bubble represents level of healthcare expenditure as of 2007, from dark for higher expenditure to light for lower expenditure level, in USD per capita.

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Office Sector: White Collar Roller Coaster

- ▶ Demand for office has weakened and will likely continue to weaken
- ▶ Supply is below long-term historic average in many markets
 - > The majority of Europe
 - > Hong Kong
 - > Tokyo
- ▶ Supply is over long term historic averages in
 - > Seoul
 - > Sydney
 - > US (CBD)
 - > Milan
 - > London
- ▶ Outward capital shifts are expected in all markets.



Source: ING Real Estate Research & Strategy, as of 31 October 2008.

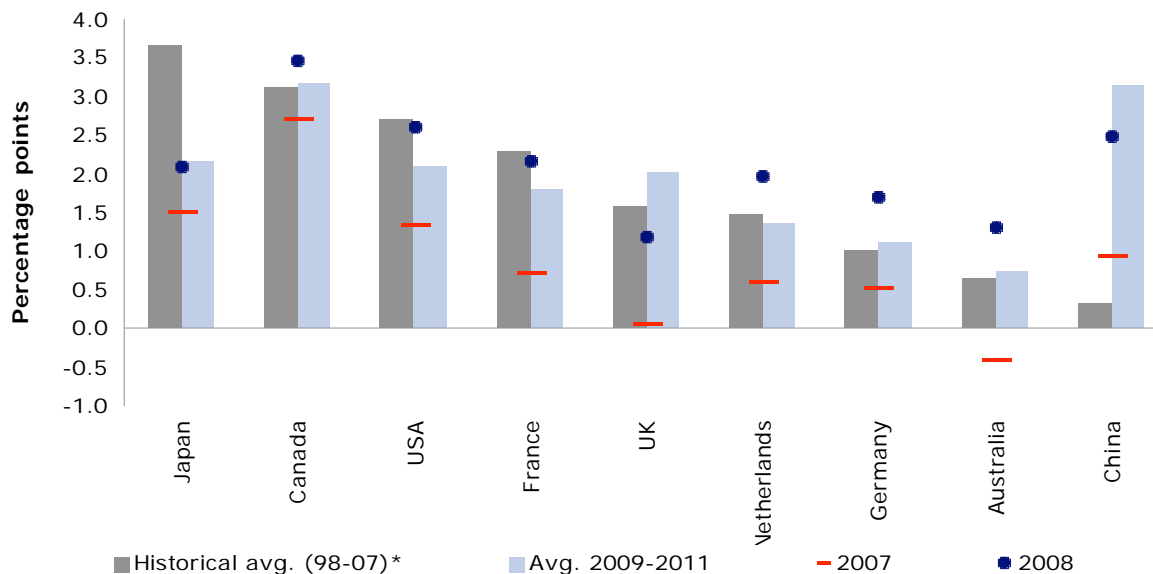
The cluster used for illustrative purposes to highlight some trends observed in several markets

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Cap Rate Spreads Have Re-emerged: Office

- ▶ There has been a marked increase in spreads occurring in 2008
- ▶ In the UK and Australia spreads are expected to be higher in the future than the past
- ▶ But in most markets average spreads in 2009-11 will remain likely below the 1998-2007 level.

Office Cap Rate Spreads over Long-Term Bond Yields



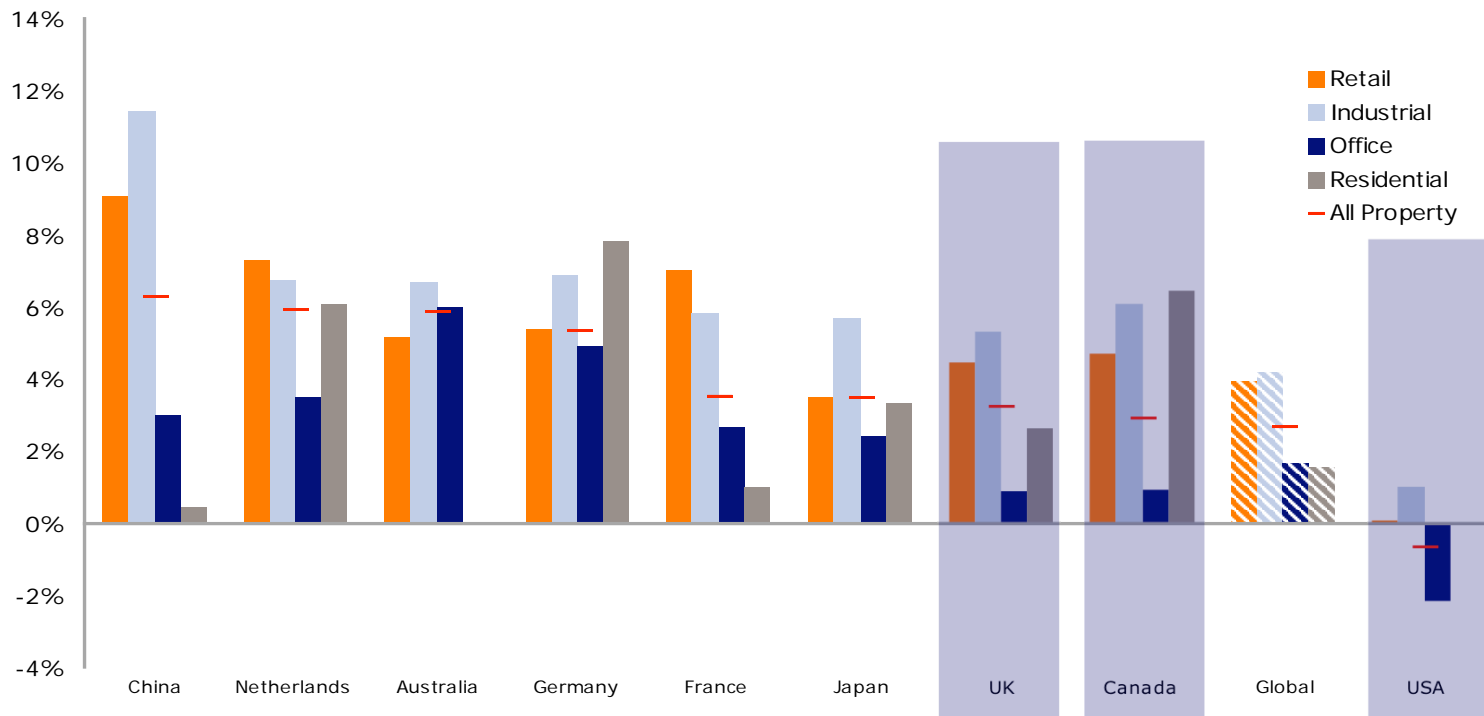
Source: EIU for historical bond yields 98-06, except for China, where Thomson Financial Datastream was used. ING Economics for bond yields 07-12., IPD, PMA, and ING Real Estate Research and Strategy as of 30th October 2008 for Cap Rates. Markets are ranked, from left to right according to the highest average spread in the historical 1998-2007 period. *China, Japan and Australia Spreads start in 2001 and Canada in 2003.

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Retail and Industrial Returns Will Likely be Higher

- ▶ Retail and industrial sector total returns will likely be higher and more stable over this period
- ▶ Office sector total returns will likely be lower and more strongly cyclical.

Total Returns (% Avg. 09-11)



Source: ING Real Estate Research & Strategy as of 26 September 2008. Countries are ranked, from left to right, by the all property total return for the 09-11 period. Note: Retail Total Returns in Continental Europe are based on Retail Shopping Centre Total Returns for France and Netherlands and High Street for Germany. China figures refer to Shanghai. Also Canada, UK and US are forecasts of index data, whilst all other markets are based on prime/transactional data series. "All Property" is a weighted average of the four sectors. Countries highlighted in blue are index returns, all others are prime returns.

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