

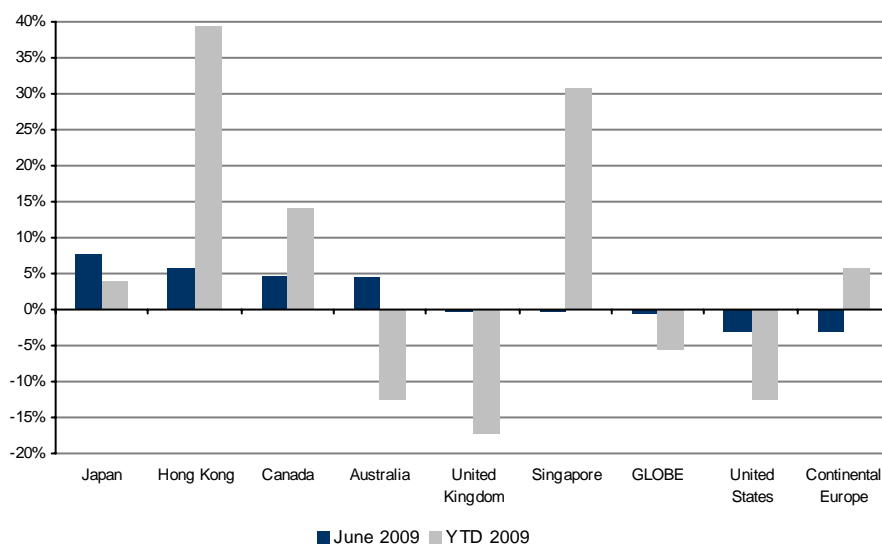
Monthly Review

End of June 2009

Consolidating gains

Global real estate stocks were almost flat in June, slightly stronger in the Asia-Pacific region and weaker in the U.S. and Continental Europe. Stocks in the UBS Investors Index produced a negative total return of 0.6% in the month while the MSCI World Equity Index of broad-market stocks was flat, down less than 0.1%. (All returns are stated in local currencies.) Year-to-date, global real estate stocks have produced a negative return of 5.4% versus a positive return of 5.2% in the broad global equity market. In the second quarter, global real estate stocks recovered significantly, up 24.1%, while the broad global market was up 16.8%.

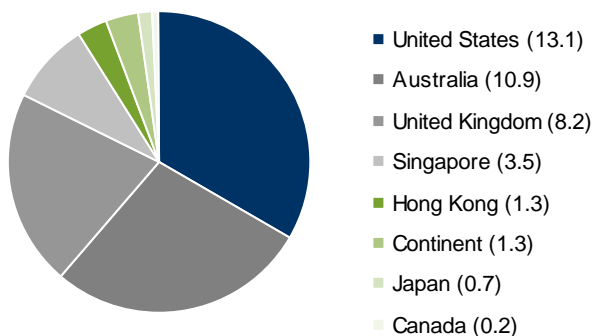
UBS Investors Index -- Performance of Global Real Estate Securities¹



With new access to capital

Recent months have been marked by a somewhat improved investment and economic mood, and the opening of the capital markets to global real estate companies, particularly in Australia, Singapore, the U.S., and the UK. Almost \$40 billion USD of new equity shares have been issued by more than eighty public real estate companies since the first of the year. The credit markets have also become more liquid in the past few months, and credit spreads have narrowed materially for a broad spectrum of key industry benchmarks.

Equity Raised in 2009 (\$ Billion USD)



¹ All Index returns for Global Real Estate Companies are expressed in the UBS Investors Index (local currency, gross dividends) or its sub-indexes.

This new capital has gone a long way towards improving the ability of the capital-raising companies to avoid severe financial distress, and we believe positions the better-run companies to take advantage of opportunistic property sales which have been sparse to date but are likely to accelerate in the next several quarters.

No drama in the U.S.

After several strong months, U.S. REITs declined 3.0% in June. Lodging companies were down more than 10% in the month, offsetting much their prior month's gain. The other sectors were down moderately, with the industrial and office companies losing less than 2%, ranging to apartments, off almost 6%. There was no dramatic news in the month, and the sector is up 30% for the second quarter. The level of short sales remains high, but has declined in recent weeks.

UK real estate companies were average performers, off 0.3%. UK real estate companies continued to strengthen their balance sheets through asset sales and stock issuance, notably Hammerson's sale of interests in London and Paris office properties. Continental European real estate stocks were off 3.1%. There were several capital transactions in the month, including two Belgian real estate companies raising equity through right issues, and a transaction between Swiss Prime Site and Jelmoli Holding that will create the largest listed Swiss real estate portfolio.

And a better mood in Asia-Pacific

Australian real estate stocks again did well in June, up 4.6%. Capital raisings continue with Mirvac Group and ING Office announcing equity issuance in the month. Japanese real estate stocks were strong this month, rising 7.7%. Several smaller J-REITs either have recently announced or are expected to announce additional sponsorship to their advisors, thus enhancing their reputations and potentially improving their refinancing outlook in the next few months.

Hong Kong real estate stocks were up 5.8% in June. Investor expectation for improved economic growth in the region buoyed the sector. Link REIT, a major factor in the necessity-retail market, reported better than anticipated earnings and gained more than 10% in the month. REITs in Singapore were off 0.4%. Several major S-REITs have raised capital in the past few months, though there were no major announcements in the month.

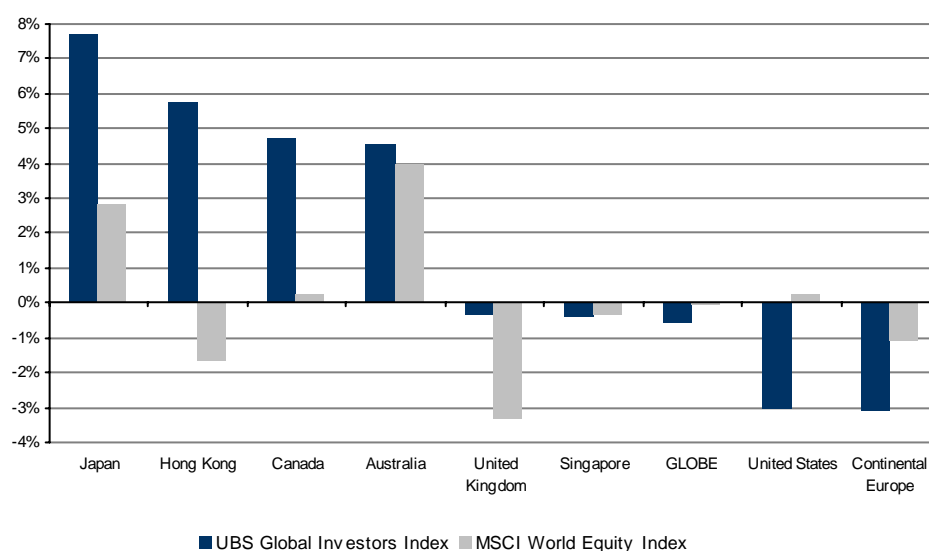
Economics and Fundamentals

The world economy has moved into recession, with a recovery anticipated in 2010. Recent estimates have improved for most economies compared with projections made earlier in the year. Our company earnings estimates have stabilized, and we project declines in the earnings of global real estate companies of 6% or so this year, with a slightly smaller decrease in 2010. We emphasize that we expect most public real estate companies to continue to be profitable in absolute terms and have adequate financial flexibility during this period.

Valuation

Based on our estimates of Net Asset Value, global real estate companies, as a group, are selling at a low-single-digit premium to the value of their real estate assets today. Real estate company dividend yields are quite high on both an absolute and relative basis versus yields in the broader equity and debt markets.

**Global Real Estate Securities vs.
Global Equities
(June 2009)²**



Outlook

The investment team at LaSalle Securities has seen and learned from many investment cycles, and continues to apply consistent, well-thought-out analysis to the companies in our investment universe, and to invest in a portfolio of companies that we believe offer an optimal combination of income, relative value, quality, and the potential for growth. Our investment process and strategy has withstood the test of time, and we implement it in a consistent manner.

In today's environment, we are paying particular attention to balance sheet strength and the ability of companies to refinance their obligations and raise new capital. We favor companies that have strong balance sheets with moderate gearing and manageable debt maturity schedules. We have always been highly focused on the quality of management, and in the current unsettled and fast-moving real estate and financial markets, it is vital that companies with capital also have astute management that will be able to implement expansion plans when the time becomes appropriate.

Although many global real estate companies have cut their current dividend payouts, the group pays dividends today at rates substantially higher than most investment alternatives. The prices of real estate stocks are in a comfortable relationship with the value of their real estate assets, and we think these values will increase as the economy improves. In addition, we expect earnings will begin to increase in 2011 and beyond. In summary, we believe that global real estate equities offer solid diversification in an investment portfolio and an attractive combination of high current income, the cushion of real assets, and the potential for capital appreciation as markets again begin to grow.

² All Index returns for Global Real Estate Companies are expressed in the UBS Investors Index (local currency, gross dividends) or its sub-indexes.

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LaSalle Investment Management is one of the world's leading real estate investment managers with approximately \$41.1 billion of public and private property assets under management across Europe, North America and Asia Pacific (as of 4Q08). The firm employs 650 real estate professionals (735 employees in total) in 24 offices worldwide, including a 27-strong industry-leading strategy and research team.

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