

Outperformance: Does Managerial Specialization Pay?

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PRELIMINARY

Abstract

In this study, we investigate whether managerial specialization leads to significant outperformance of investment trusts. In the existing literature on the performance of mutual funds one of the unsolved puzzles is the persistence of outperformance. We argue that specialization is one of the factors determining this persistence. We use data on Real Estate Investment Trusts since managerial specialization of these companies can be measured in a straightforward way. We look at the effects of specialization by property type and by geographic region and find that property specialization leads indeed to an outperformance of the market, whereas geographical specialization leads to underperformance.

Acknowledgments

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1. Introduction

The literature about performance measurement of mutual funds is quite extensive. Most studies use measures derived from the Capital Asset Pricing Model to determine the performance of a fund relative to a benchmark, which corrects for priced and unpriced risk. Studies like Lehmann & Modest [1987], Grinblatt & Titman [1989], Malkiel [1991], Coggin & Fabozzi & Rahman [1993], Grinblatt & Titman [1994], Brown & Goetzmann [1995] and Ferson & Schadt [1996], look at the deviation of the mutual funds' return from the security market line as the basis for their methodology: the well known Jensen α (See Jensen [1969]). In an efficient capital market, α should be equal to zero as none of the fund managers should be able to benefit from extra information to outperform the market consistently. However, in practice, numerous empirical studies have found significant negative and positive α 's.

The literature on outperformance of mutual funds has two main branches. One branch starts from the premise that the observed outperformance is due to measurement error. The other branch tries to find economic explanations for outperformance. We will briefly discuss both strands of the literature. Malkiel [1991] investigates whether outperformance is due to survivorship bias: the fact that the well-performing funds survive whereas the bad performers disappear. He concludes that the outperformance found in previous studies is indeed influenced by survivorship bias. He also concludes that persistence in outperformance is period-specific. The choice of the performance benchmark is another source of measurement error. This issue is discussed and tested for mutual funds by Lehmann and Modest [1987]. They do not find any significant benchmark sensitivity.

An example of a study in which mutual fund outperformance is explained by economic variables is Ferson and Schadt [1996], which shows that mutual fund performance is influenced by changing economic conditions. These can change the calculated β 's and thus also the α 's, the measure for outperformance. Selection and timing ability of the fundmanagers is discussed by several authors, like Grinblatt & Titman [1989 & 1994]. They introduce the positive weighting measure and find some timing ability in their sample. Finally, Brown and Goetzmann [1995] discuss persistence in outperformance. They show that outperformance in one year makes outperformance in the next year more likely. This indicates that there are indeed some structural factors affecting the performance of

mutual funds. This issue is regarded as a venue for further research by Grinblatt & Titman [1995] and Brown & Goetzmann [1995].

This paper deals with the puzzle of the persistent outperformance of mutual funds. We will try to determine factors that may influence the performance of a mutual fund and thus the persistence in risk-adjusted excess returns. More specifically, we will look at the relationship between managerial characteristics and outperformance. This subject has not yet received a lot of attention in the literature. Coggin, Fabozzi and Rahman [1993] find that the investment styles of money managers are affecting the performance. Shukla & Inwegen [1995] show that local fund managers outperform foreign managers, which suggests that specialized knowledge can help to outperform the market. Ito, Lyons and Melvin [1997] reveal that even on the foreign exchange market, traders do have some private information which they can use to their benefit.

It is likely that traders and fund managers will have more private information when they specialize. Therefore, we focus on managerial specialization to see whether this can explain the persistence of outperformance. To investigate this, we use data of US Real Estate Investment Trusts (REITs). REITs have the advantage that the level of managerial specialization can be measured in a straightforward way by looking at the investment portfolio. All companies in our sample own the properties themselves and have a similar structure in order to qualify as a REIT. This enables us to compare them without any problem. Also, REITs invest in assets through private markets, which makes private information and managerial specialization even more important. A specialized firm has this private information, which it can use to outperform the market persistently. For the international context Eichholtz, Koedijk & Schweitzer [1996], have already shown that domestic property companies, with easy access to non-public information, have a better performance than international property companies. This indicates that specialization gives access to private information, which enables managers to generate persistent outperformance.

The paper is organized as follows: in Section 2 we discuss the data we use; Section 3 deals with the way we measure specialization; Section 4 is about measuring outperformance; and in Section 5, we present results. Section 6 concludes this study.

2. Data Description

REITs have existed since the signing of the real estate investment trust tax provisions act in 1960, but only since the beginning of 1990 has the number and total market value of listed REITs increased dramatically. In the beginning of 1990 some 56 equity REITs existed with a total market value of \$8.5 billion dollars (in 1996 dollars), whereas at the end of 1996 161 equity REITs had a combined market value of \$78.5 billion¹.

All REITs we use are members of the National Association of Real Estate Investment Trusts. This association collects information about different characteristics of all REITs and publishes it annually. This includes detailed information on the balance sheets and character of all listed REITs. Most important for us is that it indicates for each REIT the size and composition of the real estate portfolio, by giving the number of properties in the different states and real estate categories. We use the handbooks of 1990-1996 to accumulate data about the level of specialization by property type and by state. Besides this information we collected the book value of total assets, total equity and leverage-ratio annually. As we include all equity REITs mentioned in one of the handbooks, our sample is largely free of survivorship bias. In Appendix A, we present the list of all 166 equity REITs we use. We checked the collected information for the portfolio compositions with numbers in company reports and the information for capital structures with data from Datastream.

Finally, we collect returns and market capitalization's for all REITs. For this, we use the Real Estate Securities Database of Global Property Research and collect total monthly returns from January 1990 till December 1996. We use two performance benchmarks. The first is a market-weighted index based on all REITs in our sample and the second is the S&P 500 composite total return index. As a proxy for the risk-free rate we take the 1-month Tbill rate.

Even though all information should already have been adjusted for capital market transactions like stock splits, mergers, issues of new stocks and the repurchase of stocks we performed a check by testing fluctuations in the total return index, market capitalization, and number of outstanding shares. If those fluctuations were dominant or did not move at all we checked them with the annual

¹ This only represents the number of REITs that we have in our sample. The total REIT market consists of almost 300 listed REITs at the end of 1996, but those include mortgage REITs as well. Furthermore the REIT market expanded as many IPOs took place in 1996, which we did not include either.

reports or other company publications to see whether they corresponded with announced transactions at the capital market. Furthermore, we used a list of those transactions to make sure the number of outstanding shares were changed when necessary.

Table 1 and Figure 1 give an insight in the performance of the REITs in our sample and the S&P 500. Figure 1 shows that both indices have a similar pattern; our REIT-index ends up with an index value of 284 in December 1996, and the S&P 500 total return index gives a value of 257 in the last month.

Figure 1; Market Indices

Table 1: Summary Statistics			
		REITs	S&P 500
1990:1-1996:12	μ	14.92	13.46
	σ	12.37	10.61
1990:1-1993:6	μ	15.32	10.06
	σ	14.37	12.22
1993:7-1996:12	μ	14.53	16.87
	σ	10.16	8.75

The table gives average annualized logarithmic returns and standard deviations for the whole period and two sub-periods.

Table 1 gives the summary statistics for the whole period and two equal sub-periods. The table puts the figure a bit more into perspective. The stock index has a lower return and a lower standard deviation than the REIT index. In the last sub-period stocks still have a lower standard deviation, but now have a higher average return. This suggests that an investment in stocks is less risky than an investment in real estate investment companies. The correlation between the two indices is only 0.47.

Besides these developments at the macro level, it is interesting to see whether we can develop any strategies to pick those REITs that outperform the market. As we stated before we expect the specialized to be better risk-adjusted performers than the diversified REITs. In order to find out more about that, we first have to measure specialization. In the next section we explain how we do that.

3. Measuring Specialization

We rank the REITs by specialization using the Herfindahl index, developed in the literature of industrial economics, but it has also been applied in other fields (See for example Gyourko and Nelling [1996]). We calculate it for each individual REIT and for two dimensions of specialization: geographical and property type. The Herfindahl index is defined as:

$$(1) \quad H_{it,1,2} = \sum_{i=1}^n (S_{ir})^2$$

In which $H_{it,1,2}$ are the Herfindahl indexes at time t for REIT i , n is either the number of states or the number of property types REIT i invests in, and $S_{ir} = X_{in} / X_i$, where X_{in} is either the number of properties in a specific state or the number of properties in one class of property types and X_i is the total number of states or properties. In line with the NAREIT, we distinguish 7 property types: retail, residential, office, hotel, healthcare, industrial and other. With respect to the geographical specialization measure we obviously distinguish 50 different states.

In Figure 2 we present the frequency table of the average Herfindahl index for the whole sample period of each individual REIT. Part 1 reveals that most REITs are specialized in property types as most companies have an index between 0.94 and 1.00. In contrast, part 2 shows that the REITs are geographically diversified as 61% of the REITs have an index value below 0.35. This could of course be linked with the choice of the categories.

 Figure 2.1 & 2.2: Histogram Herfindahl Indices²

4. Measuring Outperformance

We link the specialization measures of the previous section with a performance measure derived from the Capital Asset Pricing Model: the Jensen α . In general, this measure is used to correct for differences in specific and systematic risk between REITs. Risk that can not be diversified away will be rewarded with a higher expected return, which translates in a higher β within the framework of the CAPM. Diversifiable risk that is not diversified away translates into a higher noise term. The expected value of α is zero, but if there is consistent outperformance, it will be positive. Therefore, the first important step is to calculate α by a simple OLS regression of the following equation:

$$(2) \quad (R_{it} - R_{ft}) = \alpha_i + \beta_i (R_{mt} - R_{ft}) + \varepsilon_{it}$$

In which R_{it} is the return in year t , R_{ft} is the risk-free rate at time t , R_{mt} is the return of the market at time t , and α_i , β_i and ε_i are the coefficients to estimate. As said before we use two different indices as a proxy for the market return to correct for possible benchmark sensitivities. We use the S&P 500 total return index, and our own market-weighted return index. First, we calculate α for each fund individually at the longest possible horizon. The specialization measure is fairly stable for each REIT and we calculate it for the same horizon as the α of the specific REIT. This enables us to test our hypothesis by estimating the relationship between α and the two dimensions of specialization in a cross-sectional OLS regression.

$$(3) \quad \alpha_i = \gamma_0 + \gamma_1 F_{1i} + \dots + \gamma_k F_{ki} + \eta_i$$

In which α_i is the Jensen α of REIT i , $F_1 \dots F_k$ are the factors to be tested and $\gamma_0, \gamma_1 \dots \gamma_k$ and η the coefficients that we have to estimate. Besides the specialization indices the outperformance can be

² It is important to realize that the horizontal axis is not the same for both Figure 2.1. and 2.2. The figures just give an insight in the distribution within one class of Herfindahl Indices.

influenced by many other factors F like book-to-market, market cap, leverage ratio, book value and dividend yield. We also estimate whether the $F_1 \dots F_k$ influence the significance of α by regressing the t-statistic of α on the factors. Using this method we correct for the significance of α as a significant α gets more weight. The next section presents the results of the empirical estimation of the relationship between specialization and outperformance.

5. Results

We start by briefly presenting the results of the estimation of Equation 2. Thereafter we discuss the relation between the estimated α and the specialization measures.

As said before, we performed the test twice; once with the S&P 500, and once with a market-weighted index of all REITs that we had in our sample. We limited ourselves by just presenting Figures 3 and 4, which gives the distribution of α and β . Figure 3 shows that both estimates give the same pattern, only when the S&P 500 is used the REITs have a higher outperformance. The average α estimated with the S&P gives an annual outperformance of 5.74%, and estimated with our own index an outperformance of -0.40%. This indicates that the bigger companies have a better performance than the smaller ones as the average α is equally weighted and the index is market weighted.

The result that the S&P is outperformed by the individual REITs is actually quite surprising when we compare it with the summary statistics in Table 1. This result is explained when looking at Figure 4, in which we show the distribution of the β 's estimated with the S&P. This basically tells us that the lower β 's were responsible for the higher α 's.

Figure 3: Distribution of α

Figure 4: Distribution of β

Table 2: Correlation: Herfindahl and Outperformance

		Geographical Herfindahl	Property Type Herfindahl
S&P 500	α	-0.14	0.18*
	T_α	-0.18*	0.16
REITs	α	-0.13	0.15
	T_α	-0.13	0.13

This table gives the correlation coefficients between the average Herfindahl index and the measure for outperformance using three benchmarks. These figures are calculated individually for each REIT over the maximum data in sample. The * denotes coefficients that are significantly different from zero at 5% confidence level ($1.96/\sqrt{153}=0.16$).

Now we turn to the relationship between α and the Herfindahl indices. We start in Table 2 by presenting the correlation coefficients between them. For each benchmark we present four figures. That is the correlation between the 2 Herfindahl indices on the one hand and the α and the t-statistic of α on the other. It becomes immediately clear that specialization into a specific state does not pay as it has a negative relation with the α and that property type specialization is an important strategy to get outperformance as it has a positive correlation in all occasions. Only in two instances the correlation coefficient is significantly different from zero. These results are both obtained when the test is performed with the S&P 500. This is probably a result of the higher average α 's when the S&P is used as benchmark. It is clear that the results are not sensitive whether the test is performed with α or with the t-statistic of α .

In Table 3 we give the results of the more formal test: the OLS regression of Equation (3). Again we have repeated the regression four times: two regressions for each benchmark: one for α and one for the t-value of α . The results itself confirm the correlation coefficients presented in the previous table. The coefficient measuring the effect of geographical diversification has a negative sign and the property index a positive sign. It seems likely that the REIT industry is already familiar with this result as most REITs are specialized in one property type (See Figure 2.2) and diversified into different states.

Table 3: Specialization and Outperformance

		γ_0	γ_{geo}^*	γ_{prop}^*	$R^2(adj)$
S&P 500	α	-0.00 (-0.06)	-0.52 (-1.88)	0.83 (2.38)	0.04
	T_α	0.20 (0.60)	-70.78 (-2.35)	81.90 (2.16)	0.05
REIT index	α	-0.00 (-1.35)	-0.47 (-1.76)	0.65 (1.94)	0.03
	T_α	-0.30 (-0.85)	-55.70 (-1.75)	66.84 (1.68)	0.02

This table gives the basic results of the estimation of Equation 3, for the two specialization factors. α refers to the Jensen α estimated with Equation 2 and T_α refers to the t-statistic of the α estimate. The number in parentheses represents the t-statistic of the estimated γ coefficient.

*)The coefficients are presented as percentages.

Besides the similar results between Table 2 and Table 3 we also see that the constant is not significantly different from zero, which we would expect as α was already close to zero. By performing the regression we expect to explain the level of α with our specialization measures and expect the constant to be equal to zero. The adjusted R^2 is relatively low and to improve the analysis we will include more factors which we know to have a persistent effect on stock returns. These are book-to-market, size, leverage, and dividend yield. See for example Fama & MacBeth [1973]. We omitted the standard price/earnings ratio, which is probably not very interesting for REITs since these have to distribute all earnings directly to the stockholders. In that case the dividend is close approximation of the inverse of the price-earnings ratio. **[As we are currently working on these results we present them in next draft.]**

6. Conclusion

The results we found in this paper are straightforward. Building on the literature on performance measurement of mutual funds we argued that managerial specialization might explain the persistent

outperformance of mutual funds. We found that, in the case of real estate, companies that specialize in a specific property type outperform the market, whereas geographical specialization results in underperformance.

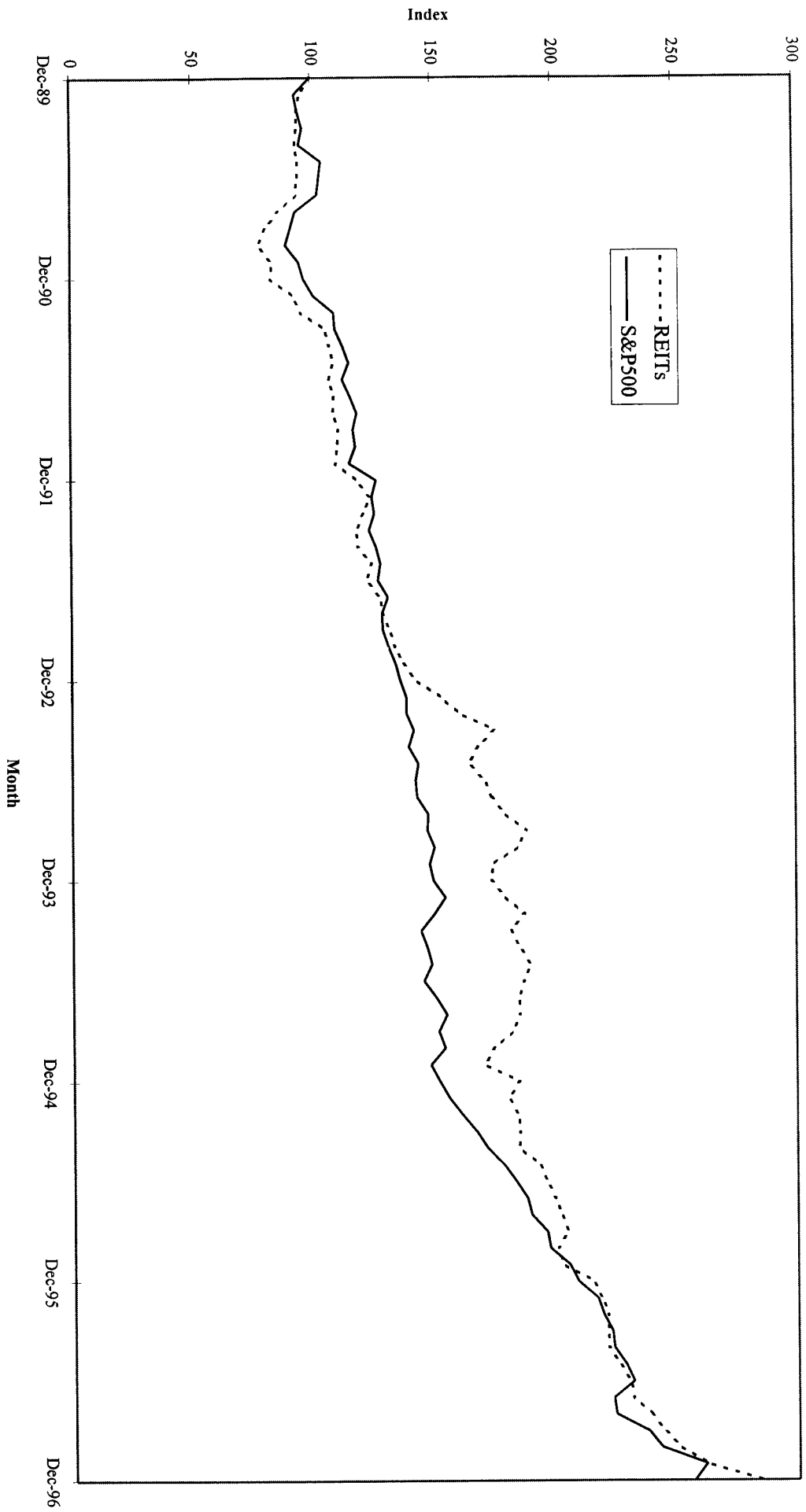
As specialization gives some explanations for the outperformance in the real estate industry, it looks promising to apply our methodology also to other industries and to see whether specialization consistently influences company performance. As for real estate investors, they should purchase stocks from REITs specialized in one property type, with geographical diversification. The property companies should use this knowledge and diversify their portfolios geographically, and focus on one property type only.

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Figure 1: Market Indices



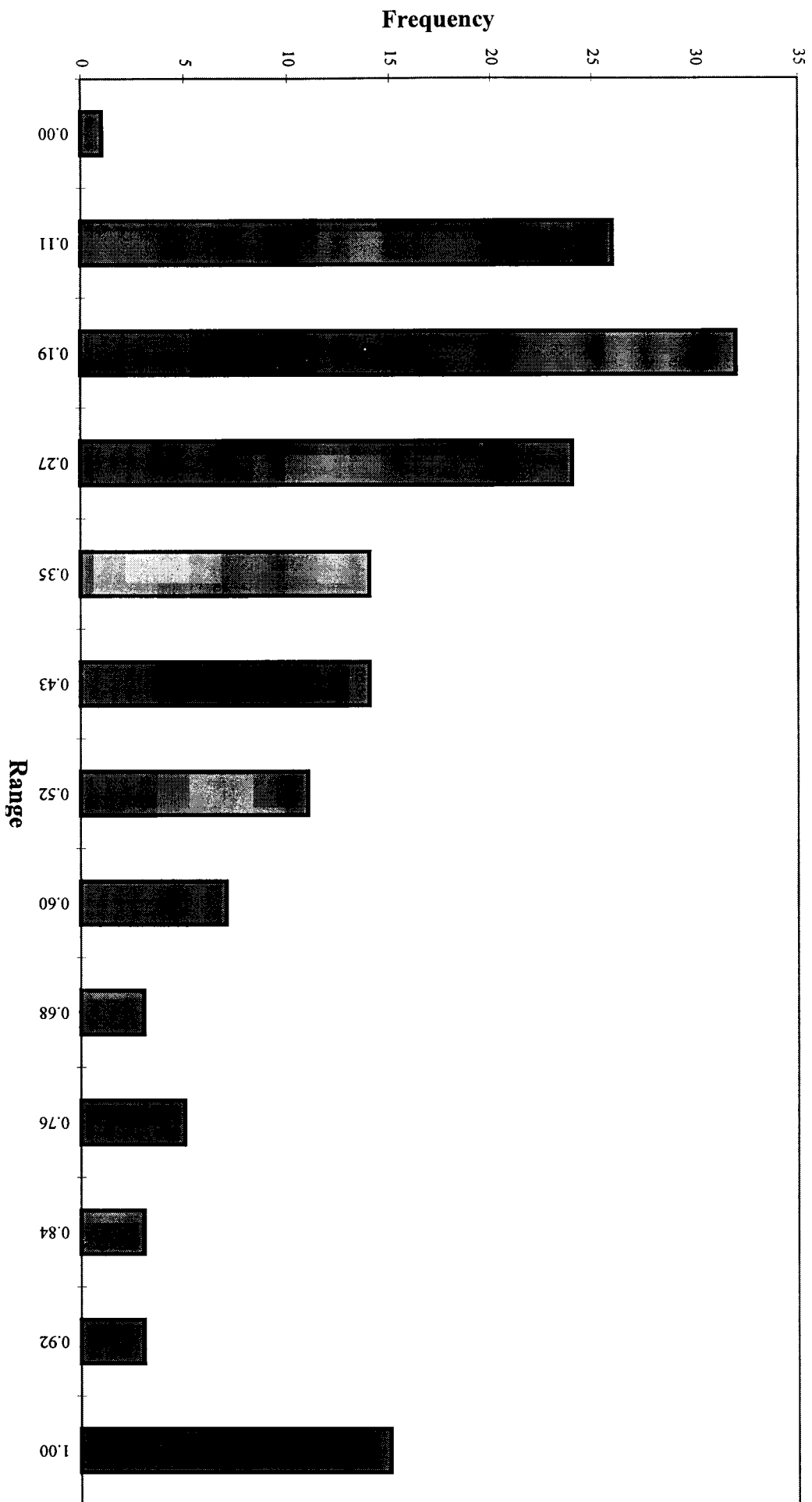


Figure 2.1: Histogram Geographical Herfindahl

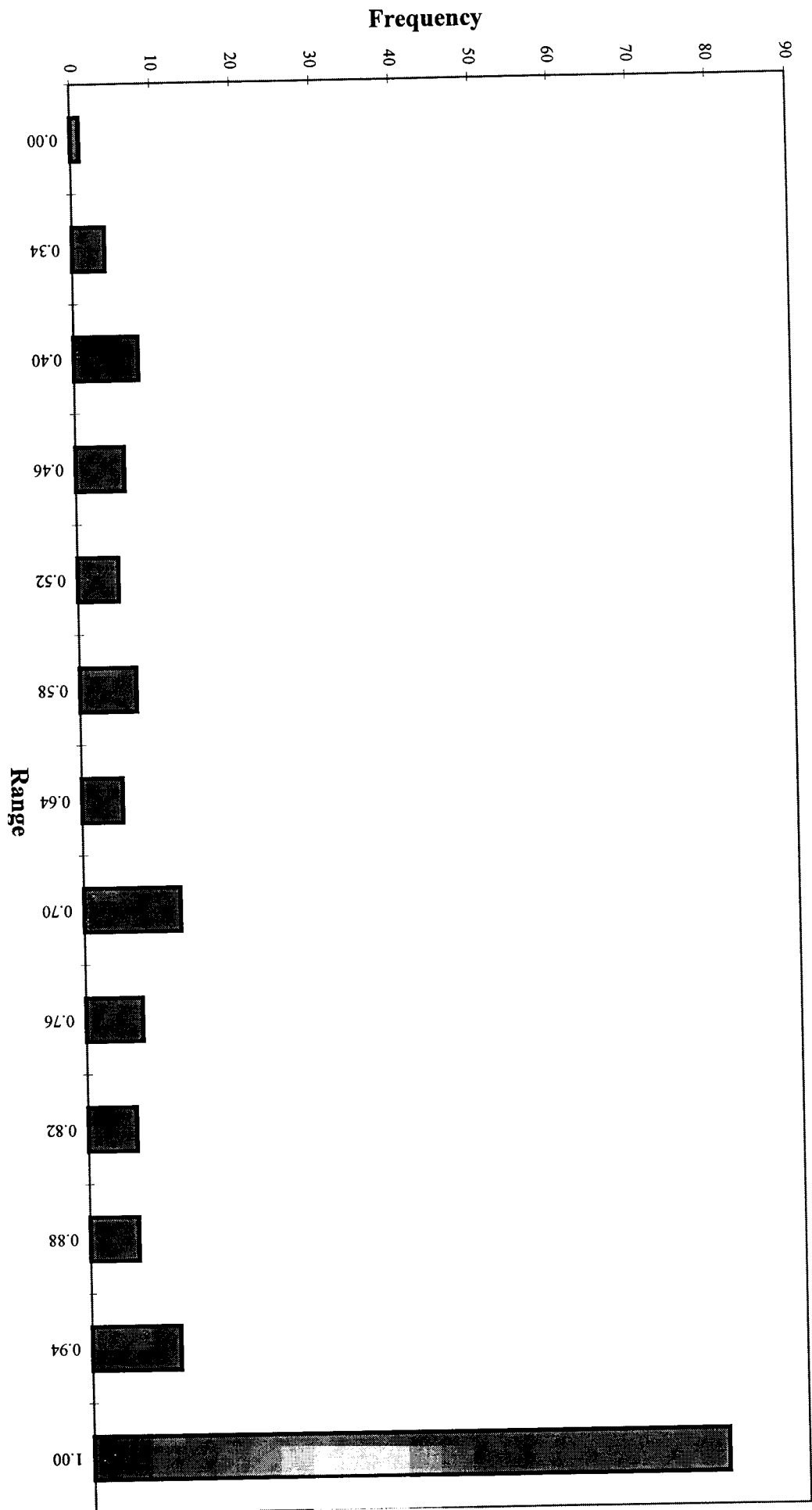


Figure 2.2: Histogram Property Type Herfindahl

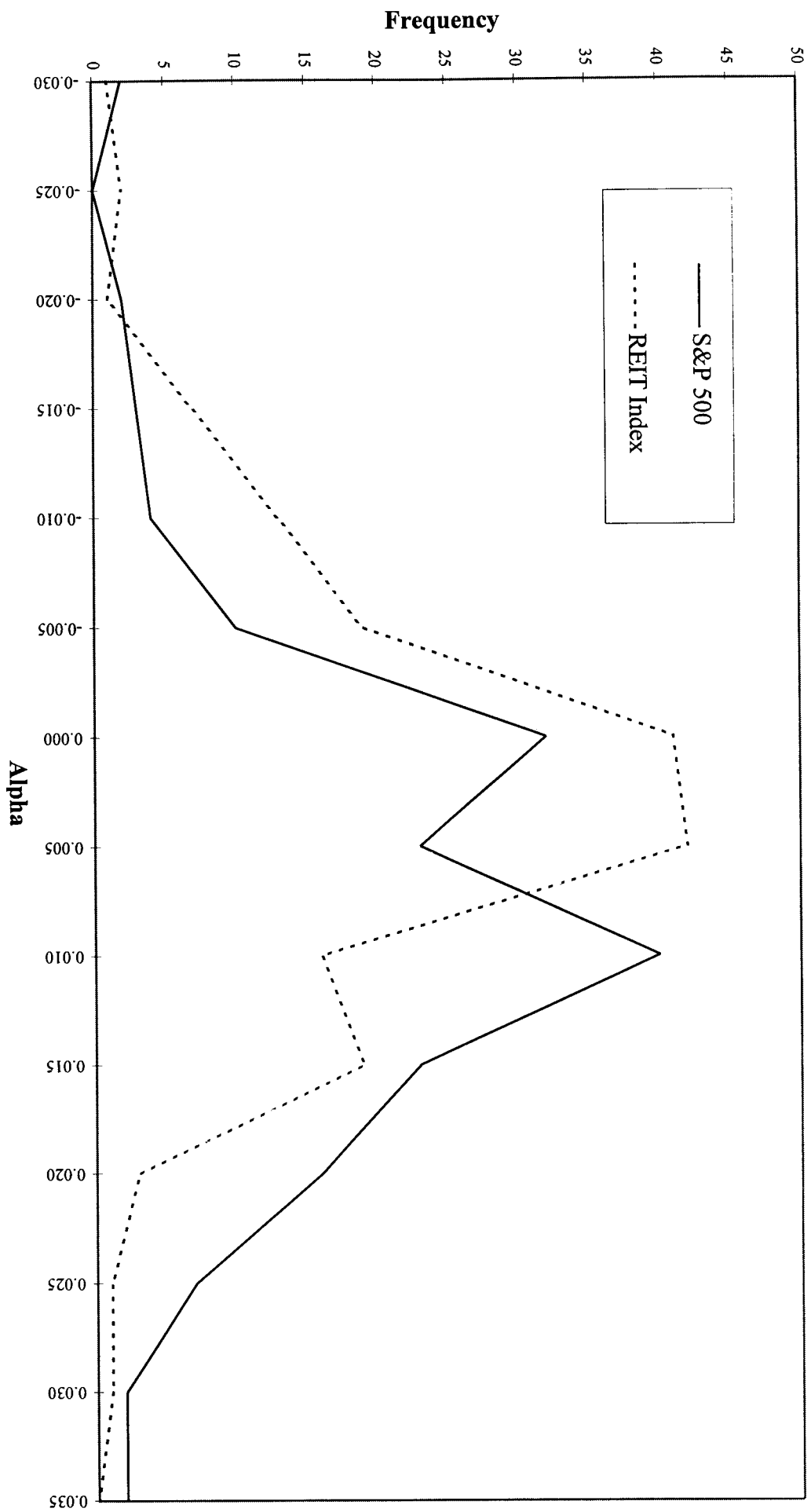


Figure 3: Distribution of Alpha

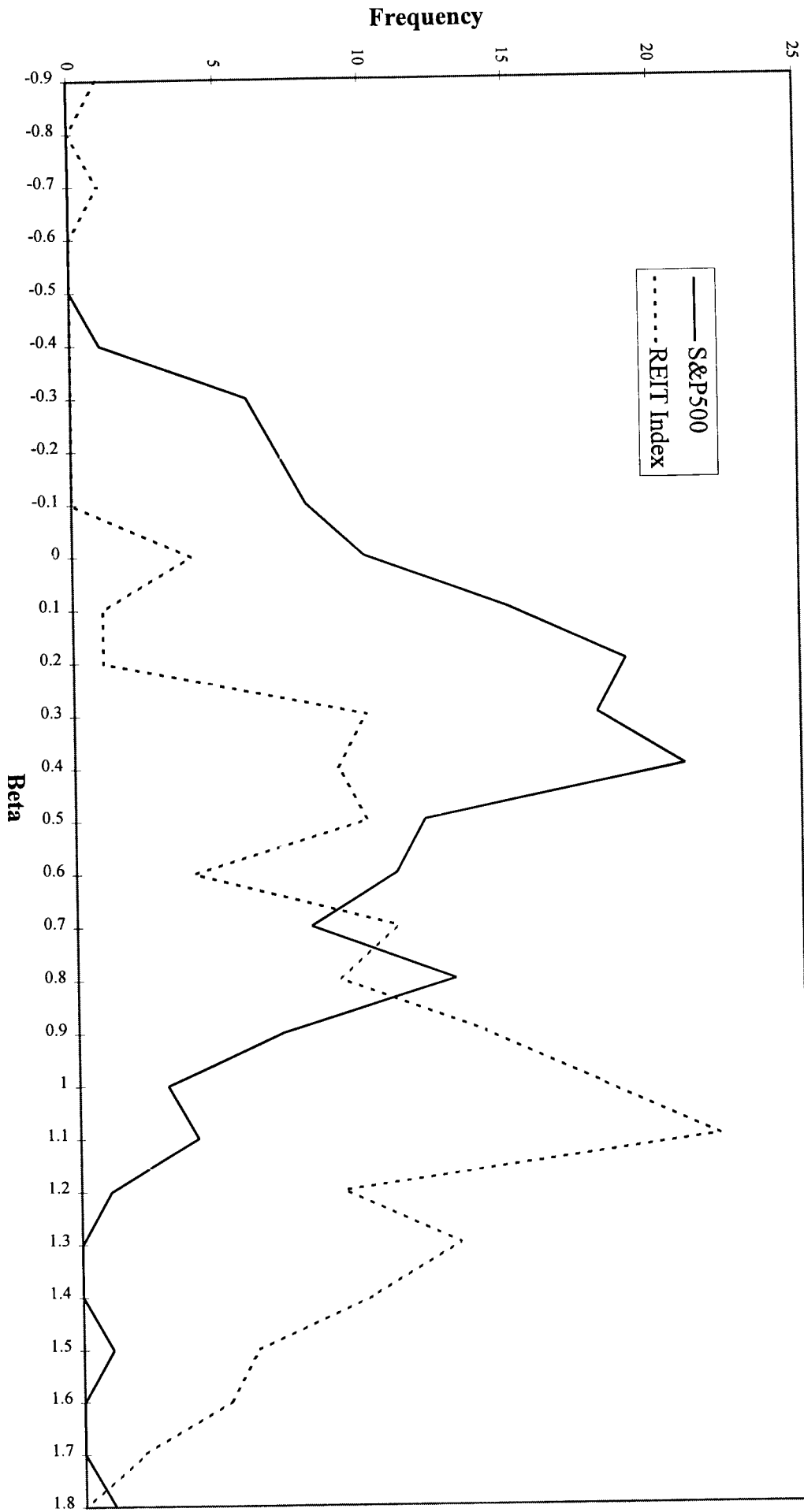


Figure 4: Distribution of Beta

Appendix A: REITs in Sample

Name	First Month	Last Month	Name	First Month	Last Month
Agree Realty Corporation	Jun 94	Jan 97	Koger Equity	Jan 90	Jan 97
Alexander Haagen	Feb 94	Jan 97	Kranzco Realty	Jan 93	Jan 97
Alexander's Inc	Jan 90	Jan 97	Lexington Corp. Prop.	Dec 93	Jan 97
Ambassador Apartments (=Prime Residential)	Oct 94	Jan 97	Liberty Property Trust	Aug 94	Jan 97
America First REIT	Jul 93	Jul 95	Macerich Company, The	May 94	Jan 97
American Health Properties Inc.	Jan 90	Jan 97	Malan Realty Investors	Aug 94	Jan 97
American Industrial Properties REIT	Jan 90	Jan 97	Manufactured Home Communities	Apr 93	Jan 97
American Real Estate Inv.	Jan 94	Jan 97	Mark Centers trust	Jul 93	Jan 97
AMLI RESIDENTIAL PROPS. TST.SHBI	Apr 94	Jan 97	MERIDIAN INDL.TST.	Apr 96	Jan 97
Apartment Investment and Management Company	Sep 94	Jan 97	Merry Land & Inv. Co.	Jan 90	Jan 97
Arbor Properties	Jan 90	Jan 97	MGI Properties	Jan 90	Jan 97
ASR INVS.CORP.COM.NEW	Jan 90	Jan 97	Mid-America Realty Inv.	Jan 90	Jan 97
Associated Estates Realty Corp	Jan 94	Jan 97	Mills Corporation, The	Jun 94	Jan 97
Avalon Properties Inc	Jan 94	Jan 97	MONMOUTH REIT.	Jan 90	Jan 97
BANYAN STGC.TST.SHBI	Jan 90	Jan 97	National Golf Properties	Oct 93	Jan 97
Bay Apartment Communities	May 94	Jan 97	National Income Realty Trust	Jan 90	Jan 97
Beacon Properties Inc.	Jul 94	Jan 97	Nationwide Health Properties	Jan 90	Jan 97
BEDFORD PROPS.INVS.PAR	Jan 90	Jan 97	New Plan Realty Tr.	Jan 90	Jan 97
Berkshire Realty	Aug 91	Jan 97	Oasis Residential	Dec 93	Jan 97
Boddie-Noell Properties Inc	Jan 90	Jan 97	Pacific Gulf Properties	Apr 94	Jan 97
BRADLEY REAL EST.	Jan 90	Jan 97	Paragon Group	Sep 94	Jan 97
Brandywine Realty Trust	Jan 90	Jan 97	Partners Preferred Yield I	Jan 92	Jan 97
BRE Properties	Jan 90	Jan 97	Partners Preferred Yield II	Jan 92	Jan 97
Burnham Pacific Prop.	Jan 90	Jan 97	Partners Preferred Yield III	Jan 92	Jan 97
Cali Realty Corp	Oct 94	Jan 97	Patriot American Hospitality	Nov 95	Jan 97
California Jockey Club	Jan 90	Jan 97	Pennsylvania REIT	Jan 90	Jan 97
Camden Prop. Trust	Sep 93	Jan 97	Pittsburgh & West Virginia Railroad	Jan 90	Jan 97
Capstone Capital Corporation	Aug 94	Jan 97	Post Properties	Sep 93	Jan 97
CarrAmerica Realty Corp.	Apr 93	Jan 97	Price REIT, class B	Oct 93	Jan 97
CBL & Associates	Dec 93	Jan 97	Prime Retail	May 94	Jan 97
Cedar Income Fund	Jan 90	Jan 93	Property Capital Trust	Jan 90	Jan 97
Centerpoint Prop.	Feb 94	Jan 97	Prudential Realty Trust	Jan 90	Dec 95
Charles E. Smith Residential Realty	Aug 94	Jan 97	Public Storage Inc	Jan 90	Jan 97
Chateau Prop.	Jan 94	Jan 97	PUBLIC STRG.PROPS. X	May 91	Oct 96
Chelsea GCA Realty	Dec 93	Jan 97	PUBLIC STRG.PROPS. XI	May 91	Jan 97
Chicago Dock and Canal Trust	Jan 90	Jan 97	PUBLIC STRG.PROPS. XII	May 91	Oct 96
Colonial Properties Trust	Nov 93	Jan 97	Public Storage Prop. XIX	Jan 92	Jan 97
Columbus Realty Trust	Feb 94	Jan 97	Public Storage Prop. XV	Nov 91	Jan 97
Commercial Net Lease Realty	Jan 90	Jan 97	Public Storage Prop. XVII	Nov 91	Jan 97
Continental Mortgages & Equity Trust	Jan 90	Jan 97	Public Storage Prop. XVIII	Nov 91	Jan 97
COPLEY PROPS.	Jan 90	Jul 96	Realty Income Corporation	Dec 94	Jan 97
Crescent Real Estate Equities	Jun 94	Jan 97	RECKSON ASSOCS.RLTY CORP	Jul 95	Jan 97
CROCKER REAL INV.	Mar 93	Jul 95	Regency Realty Corp.	Dec 93	Jan 97
Crown American Realty Tr.	Oct 93	Jan 97	RFS Hotel Investors	Oct 93	Jan 97
Developers Diversified Realty	Apr 93	Jan 97	ROC Communities	Oct 93	Jan 97
Duke Realty Investments	Jan 90	Jan 97	ROYALE INVS.	Feb 92	Jan 97
Eastgroup Properties	Jan 90	Jan 97	Santa Anita	Jan 90	Jan 97
EQK REALTY INVESTORS	Jan 90	Jan 97	Saul Centers	Oct 93	Jan 97
Equity Inns	Apr 94	Jan 97	Security Capital Industrial Trust	May 94	Jan 97
Equity Res. Prop Trst	Oct 93	Jan 97	Security Capital Pacific Trust	Jan 90	Jan 97
Essex Property Trust	Aug 94	Jan 97	Shurgard Storage Centers Inc	May 94	Jan 97
Evans Withycombe Residential	Oct 94	Jan 97	Simon Property Group	Feb 94	Jan 97
Excel Realty Trust	Oct 93	Jan 97	Sizeler Property Investors	Jan 90	Jan 97
Factory Stores of America	Aug 93	Jan 97	South West Property Trust	Jul 93	Jan 97
Fed. Realty Inv. Trust	Jan 90	Jan 97	Sovran Self Storage	Aug 95	Jan 97
Felcor Suite Hotels	Sep 94	Jan 97	Starwood Lodging Tr	Jan 90	Jan 97
First Industrial Realty Trust	Aug 94	Jan 97	STORAGE PROPERTIES	Nov 90	Jul 96
First Union Real Estate Investments	Jan 90	Jan 97	STORAGE TST.REALTY SHBI	Jan 95	Jan 97
FIRST WASH RYLT.TR.INC.COM.	Aug 95	Jan 97	Storage USA	May 94	Jan 97
Franchise Finance Corporation of America	Aug 94	Jan 97	Summit Properties	Apr 94	Jan 97
G & L Realty Corporation	Feb 94	Jan 97	Sun Communities	Feb 94	Jan 97
Gables Residential Trust	Mar 94	Jan 97	Sunstone Hotel Inv	Oct 95	Jan 97
General Growth Prop.	Jun 93	Jan 97	Tanger Factory Outlet Centers	Jul 93	Jan 97
GLENBOROUGH RLTY TST.	Apr 96	Jan 97	Taubman Centers Inc.	Jan 93	Jan 97
Glimcher Realty Trust	Mar 94	Jan 97	Town and Country Trust, The	Oct 93	Jan 97
GROVE REAL ESTATE AS	Aug 94	Jan 97	Transcontinental Realty Investors	Jan 90	Jan 97
Health and Retirement Properties Trust	Jan 90	Jan 97	Trinet Corporate Realty Trust	Jul 93	Jan 97
Health Care Prop. Inv	Jan 90	Jan 97	United Dominion Realty Trust	Jan 90	Jan 97
Healthcare Realty Trust	Aug 93	Jan 97	United Mobile Homes	Jan 90	Jan 97
Highwoods	Aug 94	Jan 97	Universal Health Realty	Mar 95	Jan 97
HMG COURTLAND PROPS.	Jan 90	Jan 97	Urban Shopping Centers	Dec 93	Jan 97
Home Properties of New York Inc.	Sep 94	Jan 97	USP REIT.	Jan 90	Jan 97
Horizon Outlet Cent.	Jan 94	Jan 97	VINLAND PROPERTY TST.	Jan 90	Jan 97
HOSPITALITY PROPS.TST. SHRE.BENL.INT.	Oct 95	Jan 97	Vornado Realty Trust	Jan 90	Jan 97
Host Funding	Jan 96	Jan 97	Walden Residential Properties	Apr 94	Jan 97
HRE Properties	Jan 90	Jan 97	Washington REIT	Jan 90	Jan 97
INC.OPPOR.REAL.INV.	Jan 90	Jan 97	Weeks Corporation	Oct 94	Jan 97
Innkeepers USA Trust	Nov 94	Jan 97	Weingarten Realty Inv.	Jan 90	Jan 97
IRT Prop. Comp	Jan 90	Jan 97	WELLINGTON PROPS.TST.SHANL.INT.	Jun 96	Jan 97
JAMESON	Apr 94	Jan 97	Wellsford Res. Prop. Tr.	Jan 93	Jan 97
JDN Realty Corporation	May 94	Jan 97	Western Inv. Real Estate	Jan 90	Jan 97
JP Realty , Inc.	Mar 94	Jan 97	Wetterau Properties	Jan 90	Jun 94
Kimco Realty Corp.	Jan 92	Jan 97	Winston Hotels	Jul 94	Jan 97