S&P/GRA Commercial Real Estate Indices

About the Indices
The S&P/GRA Commercial Real Estate Indices (SPCREX™) are designed to be a reliable and consistent benchmark for commercial real estate prices in the United States. These indices measure the change in commercial real estate prices by geographic regions and property sectors.

The S&P/GRA Commercial Real Estate Indices are comprised of ten commercial real estate indices: a national composite, five geographic regions, and four national property sectors.

The estimated value of all direct commercial real estate in the United States is US$ 5.3 trillion: retail (US$ 1.9 trillion or 36% of the total), office (US$ 1.5 trillion or 29% of the total), apartments (US$ 1.3 trillion or 24% of total), and industrial (US$ 191 billion or 4% of the total). The remainder of this market is comprised of the hospitality sector.

Index Construction
The S&P/GRA Commercial Real Estate Indices are based on commercial real estate sales transaction prices and are constructed to account for movements in commercial real estate prices at the property sector and regional level.

Geographic regions:
- Desert Mountain West
- Mid-Atlantic South
- Midwest
- Northeast
- Pacific West

Property Sectors:
- Apartments
- Office
- Retail
- Warehouse

Transaction prices for closed sales are collected at the metro group level and filtered to remove extremely high-and-low prices. The prices are compiled at the metro group level and derived mean prices are combined with weighting factors based on the size, in square feet, of commercial stock in the reference year to calculate the indices. Divisors are used to permit adjustments for changes in stock data and other necessary index adjustments.

Commercial transactions are aggregated in rolling three-month periods, to maintain statistically reliable sample sizes and to assure acceptable statistical precision in the calculations.

Eligibility Criteria
To be eligible, property sales must be identified as closed transactions in the defined commercial real estate regions and sectors. Closed commercial transactions are those where the escrow has closed and the title has been transferred to the new owner.

Partnership
The indices are maintained and published under agreements between Standard & Poor’s and GRA/Charles Schwab Investment Management (CSIM).

Index Governance
The S&P/GRA Commercial Real Estate Indices are maintained and governed by the S&P/GRA Index Committee. Three members are appointed by Standard & Poor’s, two members are appointed by GRA. The Index Committee has full discretion over index policy including calculations, revisions, restatements, methodology, and any other matters related to the SPCREX Indices to determine how the indices are calculated.
Geographic Regions in the S&P/GRA Commercial Real Estate Indices (SPCREX™)

Performance of Asset Classes
Each asset class is represented by the corresponding investment vehicle.

<table>
<thead>
<tr>
<th>Asset</th>
<th>Annualized Returns</th>
<th>Volatility</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPCREX</td>
<td>7.40%</td>
<td>2.34%</td>
</tr>
<tr>
<td>Bonds</td>
<td>5.97%</td>
<td>3.47%</td>
</tr>
<tr>
<td>Stocks</td>
<td>5.91%</td>
<td>14.72%</td>
</tr>
</tbody>
</table>

Data from January 1998 to December 2007

Correlation to Returns
Commercial Real Estate can be used to hedge investment in stocks and bonds.

<table>
<thead>
<tr>
<th>Asset</th>
<th>S&amp;P/GRA Commercial Real Estate National Index</th>
<th>Lehman Aggregate Bond Index</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPCREX</td>
<td>1.000</td>
<td>-0.036</td>
<td>1.000</td>
</tr>
<tr>
<td>Lehman Aggregate Bond Index</td>
<td>-0.022</td>
<td>-0.218</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Data from January 1998 to December 2007

Growth of Investment
The graph shows the growth of US$ 100 invested in the three asset classes from Dec 1997 to Dec 2007.

Source: GRA/Charles Schwab Investment Management.

Standard & Poor's assumes no responsibility for the accuracy or completeness of the above data and disclaims all express or implied warranties in connection therewith.