This is an update message for GRIFFIN PARTNERS OFFICE FUND II, L.P. (the "Fund") In order to keep you updated, we will be forwarding these once or twice a month as we move towards our first closing and any subsequent closings. After our final closing they will include information about the activities and results of the Fund.

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REITs vs. Closed End Real Estate Funds

As we have talked to investors about the Fund, we have engaged in many discussions about the relative merits of REITs versus closed end private real estate funds. For investors who value liquidity above all else, REITs are certainly the preferred approach to achieving real estate exposure in a portfolio. There are two critical things to consider however before making a choice between REITs and a well-run private real estate fund.

1. In the short run REITs are highly correlated with publicly traded equities. As such, in order to achieve the desired real estate investment attributes and a lower correlation with general equities, one must hold a REIT position for a longer investment period, thus abandoning the benefit of liquidity.
2. Well run closed end real estate funds typically outperform REITs, partially because the funds often pursue more value added strategies, and in the case of Griffin Partners Fund II, can do so without significantly increasing risk. For the 10 years ended December 31, 2010, the total return for all publicly traded equity REITs (excluding timber) as determined by the FTSE NAREIT Index was 10.8%.

Annual Returns for the FTSE NAREIT US Real Estate Index Series			
2001-2010			
	FTSE NAREIT Equity REITs[1]		
	Total Annual		Annualized
Year	Return (%)	Index	Return (%)
2001	13.93	3,421.37	13.93%
2002	3.82	3,552.10	8.76%
2003	37.13	4,871.12	17.50%
2004	31.58	6,409.30	20.87%
2005	12.16	7,188.85	19.08%
2006	35.06	9,709.31	21.60%
2007	-15.69	8,185.75	15.40%
2008	-37.73	5,097.46	6.84%
2009	27.99	6,524.25	9.00%
2010	27.96	8,348.46	10.77%

Note:

[1]The FTSE NAREIT Equity REITs Index includes all Equity REITs not designated as Timber REITs.

Griffin Partners investment track record for the same period, as confirmed by PricewaterhouseCoopers, was 17.1%. **<u>Griffin Partners outperformed the REIT universe by 630 basis points.</u>** Note also the volatility of the REIT returns over that period. Furthermore, if you compare Griffin Partners' track record to the NAREIT Index for Office/Industrial REITs, the sub-category most closely reflecting the type properties in which Griffin Partners has historically invested and in which Fund II will be investing (30% industrial, 70% office), the performance spread widens and the REIT volatility is greater. NAREIT's Office/Industrial total returns were 6.1% for the 10 years ended December 31, 2010.

FTSE NAREIT US Real Estate Index Series			
FTSE NAREIT Equity Industrial/Office Index			
For the Period 1/1/2001 - 12/31/2010			
Date	Total Return	Annual Return	Total Annualized Return
	Index		
Dec-01	341.14	7.1%	7.1%
Dec-02	344.11	0.9%	3.9%
Dec-03	458.54	33.3%	12.9%
Dec-04	574.27	25.2%	15.9%
Dec-05	648.07	12.9%	15.3%
Dec-06	903.38	39.4%	19.0%
Dec-07	769.10	-14.9%	13.4%
Dec-08	382.40	-50.3%	2.3%
Dec-09	493.93	29.2%	5.0%
Dec-10	578.10	17.0%	6.1%

<u>Griffin Partners outperformed the Office/Industrial REIT universe by 1,100 basis points.</u>

Lastly, it should be noted that Griffin Partners historical cash yield, paid quarterly just the same as a REIT dividend, is 6.7%. The average yield for REITs over the comparable period is 5.6%, and over the past two years it is only 3.8%. On an after tax basis the Griffin Partners cash yield is higher still because property level depreciation is passed through to the LPs, shielding (deferring) income for taxable LPs up to their passive loss limit.

Please feel free to contact us with any questions you have about the Fund.

Best regards,

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