



REITWay[®]

NAREIT'S ANNUAL REPORT
MARCH 2017



National Association of Real Estate Investment Trusts[®]

REITs: Building Dividends and Diversification[®]

REIT.com



TO OUR MEMBERS

The end of 2016 brought to a close the first 25 years of the Modern REIT Era in the United States. Few observers in 1991 came close to predicting what came to pass in that quarter century:

- The equity market capitalization of the U.S. REIT industry grew from \$13 billion at year-end 1991 to over \$1 trillion at year-end 2016
- Over the same 25 year period, REITs outperformed the S&P 500 index, the Dow Jones Industrial index, the NASDAQ Composite index and the Russell 2000 index
- The REIT approach to real estate investment was adopted by 36 countries worldwide, including all the G-7 nations
- REITs today represent 75% of the equity market cap worldwide of stock exchange-listed real estate companies in the FTSE EPRA/NAREIT Global Real Estate Index
- Among the 30 largest stock exchange-listed real estate companies in the world are two U.S. health care REITs, two U.S. telecom

tower REITs, two U.S. data center REITs and a U.S. storage REIT

Each and every step of the way over these years, NAREIT sought to promote REIT-based real estate investment with policymakers, investors and the public. The laws and regulations that provide the framework of the REIT approach to real estate investment were updated, refined and modernized through our efforts on behalf of the REIT industry. In doing so, NAREIT helped ensure REITs could operate in an efficient and effective manner in a changing real estate marketplace.

Furthermore, through our communications, industry meetings and research, the fundamentally important role REITs and real estate investment should play in diversified investment portfolios became better understood in the U.S. and around the world.

It should be no surprise to anyone who has followed the REIT industry that S&P and MSCI last year added a new headline Real Estate Sector to their Global Industry Classification



(Left to right): Tony M. Edwards, EVP & General Counsel; Sheldon M. Groner, EVP, Finance & Operations; Steven A. Wechsler, President & CEO; Robert M. Pflieger, EVP, Communications; Michael R. Grupe, EVP, Research & Investor Outreach.

Standard (GICS), which is used worldwide by the investment community. With Equity REITs in the U.S. representing 98 percent of the new U.S. Real Estate sector, there is little doubt that REITs and real estate investment in the public markets have become truly synonymous.

The end of last year also brought with it the winds of change in Washington, D.C. With the election of President Donald J. Trump and a new Congress controlled by Republicans, the prospects for comprehensive tax reform and a host of other policy changes in 2017 became much greater. As we have done in the past, NAREIT has already begun to conduct a constructive and intensive dialogue with the new administration and Congress in connection with material issues of interest.

NAREIT is taking other steps in 2017 to ensure policymakers and the public are well informed about REITs and real estate investment. They include increasing the reach and frequency of our REITWay digital advertising initiative. Additionally, we are ramping up the “REITs: Reshaping Communities for the Better” multimedia series to highlight the connection between REIT-based real estate investment and the health of communities. We will also debut a strategic initiative to improve overall

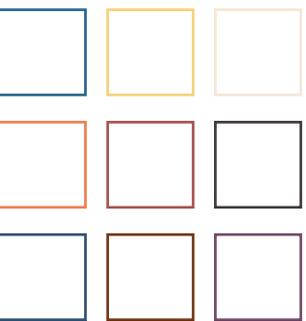
communications about REIT-based real estate investment for NAREIT, the REIT industry and NAREIT members.

With 470 outreach meetings with institutional investors in the books for 2016, NAREIT also looks forward to engaging with even more key investment firms in 2017. Our goal remains ensuring that REITs as real estate companies are better understood, more widely used and even more successful into the future.

I hope this edition of *REITWay: NAREIT's Annual Report* provides you with a helpful snapshot of what we did last year. Moreover, it should also help you see what we intend to do this year to faithfully and responsibly represent you and your interests, as well as the REIT community as a whole.

All the best.

Steven A. Wechsler
NAREIT President & CEO



POLICY & POLITICS

NAREIT's Policy & Politics team focuses on representing the REIT community before policymakers on issues of importance.



American Campus Communities'
Manzanita Hall at Arizona State University

Over the past year, great attention has been focused on the presidential election and transition of power in Washington. For NAREIT's Policy & Politics team, that is business as usual.

Year-in and year-out, NAREIT's Policy & Politics team works day-in and day-out to help shape the legislation and policy decisions that touch REITs and real estate investment. To do so, members of the team communicate with a number of audiences, including rank-and file legislators, congressional leaders, staff members of key congressional committees and government agencies with domain over REITs.

NAREIT also monitors financial reporting standards and their impact on REITs and real estate companies. The Policy & Politics team serves as the voice of the REIT industry before organizations like the Financial Accounting Standards Board (FASB), International Accounting Standards Board (IASB) and Securities and Exchange Commission (SEC).

Around the world, NAREIT and its partners in the Real Estate Equity Securitization Alliance (REESA) work together to promote and perfect securitized real estate investment.

The Policy & Politics team also helps oversee REITPAC, the only political action committee in the United States dedicated solely to the variety of issues relevant to REITs and publicly traded real estate companies.

POLICY & POLITICS

KEY DEVELOPMENTS

Tax Reform Gains Traction

In the midst of a presidential election year in 2016, little movement was made toward enacting comprehensive tax reform. However, House Speaker Paul Ryan (R-WI), House Ways and Means Committee Chairman Kevin Brady (R-TX) and Senate Finance Committee Chairman Orrin Hatch (R-UT) were active in developing new tax reform proposals. With President Donald Trump now in office and Republicans controlling both houses of Congress, the prospects for passing meaningful tax reform legislation in 2017 have increased significantly.

In June 2016, House Republicans released their tax reform “Blueprint,” which offers signs of their preferred direction for tax reform. The tax reform proposals endorsed so far by the Trump administration align in general but not in all respects with the House

TAX REFORM PRIORITIES

- **Adjust the REIT rules to ensure REITs continue to work well under a new tax system.**
- **Maintain parity in tax rates for rent and interest distributed, whether through an S-Corp., a partnership or a REIT.**
- **Adopt transition treatment that does not unduly burden existing investment.**

Republican Blueprint. Senate Republicans have not settled on an approach. Since the release of the Blueprint, Republican tax staff members on the Ways and Means Committee have been receiving feedback and developing further details on the plan. The goal is to have a completed legislative product for Rep. Ryan to move through the House by August 2017.

NAREIT will continue to closely interact with the legislative and executive branches with respect to tax reform and will act as a resource for policymakers during the lawmaking process.



Top Photo: (Left to right): REITWise 2016 panelists: Kenneth Kies, Managing Director, Federal Policy Group; Russ Sullivan, Partner, McGuire Woods; and NAREIT's Cathy Barre, SVP Policy and Politics. Bottom Photo: William Kristol, editor of the *Weekly Standard*, speaks at REITWise 2016: NAREIT's Law, Accounting & Finance Conference



(Left to right) Steven Wechsler, President & CEO, NAREIT; Michael Schall, President & CEO, Essex Property Trust; 2013 NAREIT Chair Edward Walter, former President & CEO, Host Hotels & Resorts; Sen. Orrin Hatch (R-UT), Chairman, Senate Finance Committee; 2010 NAREIT Chair Debra Cafaro, Chairman & CEO, Ventas; 2016 NAREIT Chair Edward Fritsch, President & CEO, Highwoods Properties at the 2016 Washington Leadership Forum

Section 1031 Like-Kind Exchanges

Section 1031 of the Internal Revenue Code, which provides for tax-deferred like-kind exchanges, remains on the radar of some tax reform advocates. Consequently, NAREIT has continued its work with a coalition of real estate organizations to boost public awareness about like-kind exchanges. This includes publicizing a 2015 study conducted by David Ling of the University of Florida and Milena Petrova of Syracuse University that highlights the economic benefits of like-kind exchanges, such as encouraging investment, generating federal tax revenue and creating jobs.

In light of the push on Capitol Hill for comprehensive tax reform in 2017, NAREIT will continue to strongly advocate in favor of retaining tax deferral of real estate reinvestment proceeds along the lines of Section 1031.

Debt-Equity Regulations

In October 2016, the Treasury Department and IRS released final regulations tied to Section 385, addressing debt-equity treatment and related issues. Consistent with NAREIT's efforts, "non-controlled" REITs, which appears to encompass virtually all of NAREIT's members, are exempt from all aspects of these regulations.

REIT REAL PROPERTY DEFINITION

The Treasury Department issued final regulations in August that clarify the definition of real property for purposes of the REIT provisions of the Internal Revenue Code.

The final regulations generally define real property to include:

- Land
- Inherently permanent structures that serve a passive function
- Structural components

The final regulations take into account comments submitted by NAREIT in 2014.

Built-in Gains

NAREIT Executive Vice President and General Counsel Tony Edwards testified at an IRS hearing in November 2016 on temporary and proposed regulations related to property transfers in REIT conversions. Consistent with NAREIT's recommendation, a Treasury Department official said at the hearing that final regulations for built-in gains of companies electing REIT status or merging into REITs and regulated investment companies (RICs) will adopt a five-year recognition period, as opposed to 10 years. In early January 2017, the IRS released final regulations making the REIT built-in gain recognition period explicitly tied to S corporations, which is currently five years.

POLICY & POLITICS



Panelists at REITWise 2016: NAREIT's Law, Accounting & Finance Conference



(Left to right) Michelle Montes, Partner, EY; Chris Dubrowski, Partner, Deloitte discuss REITs at REITWise 2016: NAREIT's Law, Accounting & Finance Conference

Financial Standards Initiatives

NAREIT maintained an active presence in discussions with policymakers and regulators regarding national and international financial standards. NAREIT took action on a number of initiatives in the pipeline for the Financial Accounting Standards Board (FASB), International Accounting Standards Board (IASB) and the Securities and Exchange Commission (SEC).

Importantly, FASB in early 2017 agreed with NAREIT's recommendations and issued a final standard that clarified the definition of a business. NAREIT believes a key development for REITs is that most acquisitions of investment property will qualify now as asset acquisitions (as opposed to business combinations). Transaction costs of asset acquisitions will be capitalized rather than expensed against earnings.

2016 GRASSROOTS ACTIVITY

- Held 23 visits with members of Congress and REIT executives in Congressional districts.
- Organized 30 political outreach meetings with NAREIT members.



KEY FINANCIAL STANDARDS PROJECTS

- Statement of Cash Flows Guidance on the Classification of Dividends from Equity Method Investments
- Compliance and Disclosure Interpretations on the Use of Non-GAAP Financial Measures
- Reporting Pro-Rata Joint Venture Financial Information
- Final Leases Standard



House Democratic Leader Rep. Nancy Pelosi (D-CA) met with REIT executives at the 2016 Washington Leadership Forum



(Left to right) 2015 NAREIT Chair David Neithercut, President & CEO, Equity Residential; Denny Oklak, Executive Chairman, Duke Realty Corporation; Bradley Butcher, Managing Director, Raymond James & Associates; Sen. Bill Nelson (D-FL), Michael Schall, President & CEO, Essex Property Trust; Bruce Schanzer, President & CEO, Cedar Realty Trust; John Thomas, President & CEO, Physicians Realty Trust at the 2016 Washington Leadership Forum

REITPAC Historical Receipts by Year



REITPAC Contributions

REITPAC is a political action committee established by NAREIT to provide financial support to federal candidates supportive of the REIT and publicly traded real estate industry. In 2016, REITPAC received almost \$1.2 million in donations. REITPAC's disbursement total for 2016 was \$1.17 million.

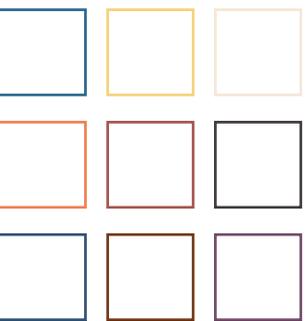
2017 TO-DO LIST

POLICY & POLITICS

- Engage in tax reform debate in Washington and help shape potential reform proposals of importance to REITs and real estate companies.
- Work with the Treasury Department and the IRS on relevant guidance projects.
- Continue to facilitate grassroots and political outreach, including meetings between Corporate Members and elected officials.
- Monitor and offer feedback on financial reporting proposals.



Spencer Levy, Americas head of research with CBRE, presents his findings at REITWise 2016.



RESEARCH & INVESTOR OUTREACH

NAREIT's Research & Investor Outreach team seeks to inform and educate institutional and individual investors, investment managers, financial advisers, policymakers, the media and the public world-wide about REITs and stock exchange-listed real estate companies. The goal of these efforts is to increase the allocation of capital to REITs and listed real estate companies by all types of investors.



In a year when real estate was elevated to its own Headline Sector in the Global Industry Classification Standard, REITs received increased attention from the investment community. This presented a great opportunity for NAREIT's Research & Investor Outreach team to highlight the investment performance benefits and opportunities of REIT-based real estate investment.

Key to the Research & Investor Outreach team's information and education program is rigorous analytic research — developed by NAREIT's internal staff, as well as through sponsored research conducted by widely recognized investment consultants and research universities. This research individually and collectively highlights and clarifies the competitive, long-term market performance record and portfolio benefits of listed REITs. These studies also show the role REITs can and should play in diversified investment portfolios.

Results of NAREIT's research are communicated to investors and others through: direct meetings with large and small investment organizations, presentations at relevant investment conferences, earned media, webinar presentations and NAREIT's website, REIT.com. Meetings with investors also enable the team to position NAREIT as both a resource for data and information with respect to REIT-based real estate investment, as well as a partner in promoting the merits of real estate investment through REITs.

RESEARCH & INVESTOR OUTREACH

KEY DEVELOPMENTS

GICS Classification of Real Estate Takes Effect

As first announced in 2014, S&P Dow Jones Indices and MSCI officially reclassified and elevated stock exchange-listed Equity REITs and other listed real estate companies from under the *Financials* Sector of the Global Industry Classification Standard (GICS®) to a new 11th headline *Real Estate* Sector, effective Aug. 31, 2016, the first time since the introduction of GICS in 1999 that a new headline Sector was introduced.

The addition of a new headline *Real Estate* Sector in GICS was first advocated by NAREIT directly with S&P Dow Jones Indices and MSCI as early as 2007 and regularly thereafter. To communicate and promote the introduction of the new *Real Estate* Sector to a broad industry audience, NAREIT joined Bloomberg Intelligence, Cohen & Steers and CEM Benchmarking, Inc. in July to produce an online analyst briefing broadcast by Bloomberg Intelligence.

Since the announcement of the GICS classification change in 2014, three of the largest investment managers—Fidelity, State Street Global Advisors and BlackRock®—have announced new exchange-traded funds for real estate as part of their core lineups for diversified investment portfolios. The introductions of these funds provide clear examples of how the revised GICS structure will improve the visibility, highlight the importance and increase the investment opportunity for REIT-based real estate investment across the investment community.

FTSE Russell Explores New Real Estate Classification

The decision by S&P Dow Jones Indices and MSCI to create the new *Real Estate* Sector in GICS is also prompting other leading providers of industry classification systems to adopt a similar change. In late 2016, for example, FTSE Russell published a market consultation with respect to the Industry Classification Benchmark (ICB) and the Russell Global Sectors (RGS) as part of a proposal to unify both industry classification systems. FTSE Russell proposes to reclassify and elevate listed Equity REITs and other real estate companies from the headline ICB *Financials* Industry and the headline RGS *Financial* Sector to a unified headline ICB *Real Estate* Industry.

NEW INDEX PRODUCTS TIED TO GICS RECLASSIFICATION

- Fidelity launched the Fidelity MSCI Real Estate Index Fund (FREL) in early 2015.
- State Street launched the Real Estate Select Sector SPDR® Fund (XLRE) in late 2015.
- BlackRock iShares launched the iShares® Core U.S. REIT ETF (USRT) in late 2016.



Mary Hogan-Preusse, managing director and co-founder of Americas real estate at APG Asset Management, discusses impacts of GICS change for REIT investors.



(Left to right) NAREIT economists Bradford Case, SVP-Research & Industry Information; Calvin Schnure, SVP-Research & Economic Analysis; and John Worth, SVP-Research & Investor Outreach, discuss the economic outlook at REITWorld 2016: NAREIT's Annual Convention for All Things REIT.

Investor Outreach Meeting Activity

In 2016, NAREIT's Investor Outreach team conducted 470 meetings with organizations representing \$44 trillion of assets under management or advisement. Many of the largest and most influential plan sponsors, investment managers and investment consultants in the institutional investment marketplace in the U.S. and around the world met with NAREIT during the course of the year.

KEY MESSAGING POINTS TO INVESTORS

- Real estate is a large asset class, and stock exchange-listed REITs are a liquid and low-cost way to gain exposure to real estate.
- The reclassification of listed Equity REITs and other listed real estate companies to a new headline Real Estate Sector of the Global Industry Classification Standard (GICS®).
- Recent changes to the Foreign Investment in Real Property Tax Act (FIRPTA) make REIT investment more beneficial for non-U.S. investors.
- The resilient investment performance of listed Equity REITs during most historical periods of rising interest rates amidst ongoing economic growth.
- The correlation of listed Equity REITs with broad equity indices and the volatility of listed Equity REITs both decline when measured over relevant investment horizons.
- The results of NAREIT-sponsored research with CEM Benchmarking, Inc. and Wilshire Associates support investment in listed REITs.

DIRECT MEETINGS

470 meetings representing \$44 trillion of assets under management or advisement



NAREIT and the Asset Management Association of China (AMAC) co-hosted a REIT Seminar in Beijing in October 2016. The audience with key policymakers and investors in attendance heard NAREIT and AMAC senior executives, Chinese regulators and investors, and NAREIT-invited guests make presentations.

RESEARCH & INVESTOR OUTREACH

REITS AROUND THE WORLD

Countries with REITs

Australia
Bahrain
Belgium
Brazil
Bulgaria
Canada
Costa Rica
Finland
France

Germany
Greece
Hong Kong
Hungary
India
Ireland
Israel
Italy
Japan

Kenya
Malaysia
Mexico
Netherlands
New Zealand
Pakistan
Philippines
Singapore
South Africa

South Korea
Spain
Taiwan
Thailand
Turkey
UAE
United Kingdom
United States
Vietnam

Countries Considering REITs

China
Indonesia
Malta
Nigeria
Poland
Saudi Arabia
Sweden
Tanzania



International Outreach Activity

NAREIT continued to actively support the international expansion of the REIT approach to real estate investment during 2016.

Given its size and potential, the real estate market in China continues to draw attention. NAREIT made two visits to China in 2016 to meet with relevant parties and to participate in a number of conference events. In March, NAREIT President and CEO Steven Wechsler participated in the Bo'ao Forum for Asia, widely considered Asia's version of the World Economic Forum. NAREIT also visited Beijing and Shanghai to meet with various government departments and agencies, a number of investment and financial institutions, as well as a number of real estate companies and service providers, all important opportunities for NAREIT to both support the development of REITs in China and promote investment in U.S. REITs by Chinese investors.

In October 2016, NAREIT Chair Ed Fritsch, president and CEO of Highwoods Properties, led a delegation of senior executives and U.S. REIT industry stakeholders on a trip to Beijing to participate in a conference sponsored

jointly by NAREIT and the Asset Management Association of China, which represents the mutual fund industry in China and has ties to the China Securities Regulatory Commission. The delegation also participated in the 2016 Annual Meeting of the China REITs Alliance, met with Max Baucus, the U.S. Ambassador to China, and held a number of private meetings with Chinese government officials and investment organizations.

In 2016, NAREIT was also active in Canada and Mexico. In Toronto, NAREIT delivered a presentation to some of the largest Canadian pension funds, asset managers and investment consultants focused on the investment attributes and performance of listed Equity REITs and property companies in the U.S. and on how recent FIRPTA reforms could benefit Canadian investors. In Mexico City, NAREIT partnered with Green Street Advisors to organize an educational investment conference to provide information to Mexico's leading institutional investors, regulators and market authorities focused on the role of listed U.S. REITs in institutional investor portfolios, best practices in the U.S. REIT industry, as well as financial reporting and disclosure.

(Left to right) 2016 NAREIT Chair Edward Fritsch, Hilton Worldwide President & CEO Christopher Nassetta and GOH Kok Huat, COO and President-Real Estate with GIC Private Limited, discuss global real estate markets at REITWeek 2016: NAREIT's Investor Forum



Financial Advisor Outreach Activity

Because one-third of all retirement assets are held through traditional, rollover and Roth IRAs, NAREIT expanded its direct marketing program to the retail investor marketplace in 2016, targeting financial planners, family wealth offices and registered investment advisors (RIAs). In 2016, NAREIT sent more than 50,000 U.S.-based RIAs and financial planners copies of its *REIT Quick Facts Guide*. The guide summarizes the investment attributes of listed Equity REITs utilizing customized educational materials developed by Morningstar.

NAREIT also participated in panel discussions, education sessions and exhibits at major investment conferences organized by the Investment Management Consultants Association, the National Association of Personal Financial Advisors and Morningstar®.

T-Tracker® Content Expands

In 2015, NAREIT introduced the NAREIT Total REIT Industry Tracker Series (NAREIT T-Tracker), a quarterly publication designed to communicate the composite performance of the entire U.S. stock exchange-listed REIT industry, including funds from operations (FFO) for all listed Equity REITs, net operating income (NOI) for all listed Equity REITs, and total dividends paid to shareholders by all listed Equity REITs and Mortgage REITs.

In 2016, the NAREIT T-Tracker was expanded to include same-store NOI, occupancy rates of all properties owned by listed Equity REITs, net property acquisitions of all listed Equity REITs, and price-to-FFO multiples for all listed Equity REITs.

Sponsored Research Promotes REIT Investment

In June 2016, NAREIT published results from research prepared by Toronto-based CEM Benchmarking, Inc. comparing the actual investment performance of U.S. public and corporate defined benefit pension plans using performance information now available over the 17-year period 1998-2014. Results of the CEM research revealed that pension fund investments in listed Equity REITs delivered the highest average annual net total return of 12.0 percent, outpacing all 11 other asset classes included in the analysis, including other stocks and bonds, private equity, hedge funds and institutional private real estate.

2016 CEM STUDY KEY TAKEAWAYS

- **Listed Equity REITs outperformed 11 other assets in the 17-year study of 200 major pension funds.**
- **Correlation and risk adjusted return metrics highlighted that Listed Equity REITs provide optimal exposure to the real estate asset class.**

T-TRACKER RESULTS

- **REITs' total FFO increased 12.7 percent year-over-year in 2016, and total FFO per share increased 5.3 percent over the same period.**
- **REITs' total NOI increased 6.7 percent year-over-year in 2016, and total NOI per share declined 0.3 percent during the same period.**
- **REITs' total dividends increased 11.8 percent year-over-year in 2016, and total dividends per share increased 7.2 percent during the same period.**
- **The occupancy rate of all properties owned by REITs increased 123 basis points in the fourth quarter of 2016 to a record high of 94.5 percent.**

RESEARCH & INVESTOR OUTREACH



In October 2016, NAREIT published results from research prepared by Wilshire Associates that develops the appropriate role for listed REITs as well as other potential income-oriented investments in portfolios specifically constructed to provide reliable retirement income. To help financial advisors develop investment solutions for their clients' need for retirement income, the Wilshire analysis considered key risk factors typically associated with generating retirement income, including depletion risk and the risk of systematic withdrawal plans. Recommended portfolio allocations for investors with a conservative risk tolerance ranged between 8 percent and 9 percent, including both listed Equity REITs and Mortgage REITs.

2016 WILSHIRE RESEARCH KEY TAKEAWAYS

- **Listed REITs play an important role in income optimized portfolios.**
- **Income optimized portfolios generated nearly 40% more income, holding risk constant with a small reduction in total return.**

NAREIT also arranged for FPL Associates Compensation to once again conduct the NAREIT Compensation Survey in 2016, which included biennial information with respect to employment benefit programs. The 141 companies that participated in the 2016 survey included 108 U.S.-based stock exchange-listed Equity REITs that, in aggregate, had an equity market capitalization of \$700 billion or 78 percent of the total equity market capitalization of listed U.S. Equity REITs, marking an all-time high participation rate and the most robust coverage in the 25-year history of the survey.

Representatives of the Securities and Exchange Board of India met with NAREIT to discuss the country's emerging REIT market.

REIT Index Updates

The FTSE NAREIT U.S. Real Estate Index Series is designed to provide investors with a comprehensive family of REIT performance benchmarks that span the commercial real estate space across the U.S. economy. The index series provides investors with exposure to all investment and property sectors.

As of Dec. 31, 2016, the FTSE NAREIT All REITs Index, the broadest index of stock exchange-listed REITs in the FTSE NAREIT U.S. Real Estate Index Series, included 224 constituents with a combined equity market capitalization of \$1,019 billion.

The FTSE EPRA/NAREIT Global Real Estate Index Series covers the world's largest investment markets and includes a range of developed and emerging markets, regional and country indices, capped indices, dividend+ indices, global sectors, and REITs and non-REITs series.

As of Dec. 31, 2016, the FTSE EPRA/NAREIT Global Real Estate Index contained 481 constituents with a combined float adjusted equity market capitalization of approximately \$1,483 billion.

The FTSE NAREIT Preferred Stock Index is designed to provide investors with a benchmark for the performance of the preferred stocks of U.S. stock exchange-listed Equity REITs. The FTSE NAREIT Preferred Stock Index included 107 constituents with a combined float adjusted equity market capitalization of \$18 billion, as of Dec. 31, 2016.

The FTSE NAREIT PureProperty® Index Series is the first performance benchmark of both levered and unlevered property returns based on the common stock returns of listed Equity REITs. The PureProperty Index uses a patented methodology developed jointly by FTSE, NAREIT and the Center for Real Estate at the Massachusetts Institute of Technology to serve as a benchmark for institutional investors and to support the development of a liquid real estate derivatives market. The FTSE NAREIT PureProperty Index Series provides returns of diversified portfolios of properties across six property sectors (apartment, health care, hotel, industrial, office and retail), four geographic regions of the United States (East, Midwest, South and West), and 11 different region/sector combinations.



STAG Industrial CEO, President & Chairman Ben Butcher discusses the overall strength of the U.S. economy as part of the Real Confidence initiative.

Real Confidence Initiatives

In order to highlight together REIT-based real estate investment and private real estate investment for large institutional investors, NAREIT continued its partnership with the National Council of Real Estate Investment Fiduciaries (NCREIF) and Altus Group.

The initiative includes a survey- and interview-based online portal, Real Confidence™, focused on communicating the economic viewpoints, investment opinions and portfolio strategies of the real estate industry's leading professionals and thought leaders having seasoned experience in both public and private markets.

The initiative also features a competition, Real Confidence University Challenge™, which affords students of real estate at leading research universities across the United States an opportunity to participate in a real estate investment contest, with the winning university receiving a \$50,000 education grant. The 2015–2016 contest featured more than 90 students in teams from 15 research universities and was won by the Neeley Real Estate Center at Texas Christian University, which produced a total return of 35 percent from a portfolio allocated entirely to listed Equity REITs.

The second-annual challenge is currently underway with participation from 36 universities.

2017 TO-DO LIST

RESEARCH & INVESTOR OUTREACH

- Conduct at least 400 outreach meetings with pension plans, investment managers, investment consultants and other relevant organizations in the investment management industry.

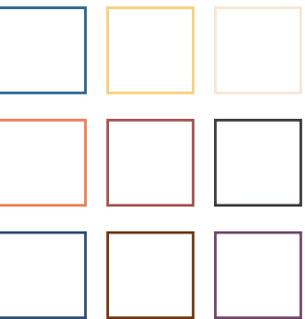
- Educate and inform financial advisors about the benefits of REIT-based real estate investment.

- Continue to educate the investment community on the implications of the new headline *Real Estate Sector* in GICS.

- Effectively promote REIT-based real estate investment internationally.

- Work with the Asset Management Association of China and the China REITs Alliance to promote investment in listed U.S. REITs by Chinese investors, to support efforts to develop REIT-based real estate investment in China and to inform Chinese real estate interests about joint business opportunities with U.S. REITs.

- Organize the 2017 NAREIT/AREUEA Real Estate Research Conference in conjunction with REITWeek® 2017 in New York City.



COMMUNIC

NAREIT's Communications team works to support the organization's overall mission of promoting the REIT approach to real estate investment. This is done in three primary ways: by supporting NAREIT's advocacy efforts on both the political and investor outreach fronts; through coordinated media relations; and by producing high-quality member/external communications.



ATIONS

On the advocacy front, the Communications team revamped the REITWay microsite and enhanced the associated advertising campaign going into 2017. Within media relations, the team worked in advance of the classification

changes within the Global Industry Classification Standard to educate the media on the long-term impact and likely short-term implications of elevating real estate to its own Headline Sector. In addition, NAREIT continued to highlight the economic and social benefits REITs provide local communities with the “REITs: Reshaping Communities for the Better” series in *REIT* magazine and online.

NAREIT has worked the last couple of years on solidifying its communications foundation. This foundation, which is actively managed and maintained day in-and day-out, has laid the groundwork for NAREIT’s Communications team to more aggressively integrate NAREIT’s products across its communications platforms to maximize the organization’s reach and effectiveness while at the same time continuing to move forward on a number of larger industry initiatives.

COMMUNICATIONS

KEY DEVELOPMENTS

The REITWay® Campaign: Raising REIT Awareness

Launched in 2015 as a multi-year effort, the campaign is designed to build a better understanding about REITs and REIT investments as well as the important roles REITs play in the local community and in the economy.

The 2016 campaign focused almost exclusively on digital outlets and features ads that depict ordinary Americans who are able to obtain the benefits of real estate investment through REITs. The advertising, which generally mirrors the congressional calendar, runs in online editions of key publications, including the *Washington Post*, *Politico*, *The Hill*, and the *New York Times*, as well as through digital ad networks that are capable of targeting specific audience segments by demographics and geography.

The REITWay website (www.thereitway.com) anchors the campaign and is the targeted location to which all of the ads link. The site contains additional details on the rationale for the creation of REITs more than 55 years ago and on the investment benefits of REITs, their contributions to community development, and their role in the economy and job creation. In the beginning of 2016, NAREIT began a major redesign of the REITWay website in order to drive more click-through-rates. The enhanced site launched just prior to the Democratic National Convention in July.

The REITWay strategy for 2017 is to turn up the volume on the benefits of REITs to the economy and the important role REITs play in local communities.

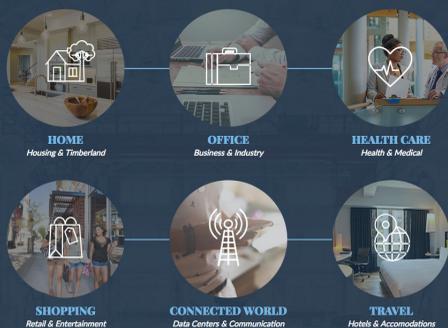
Media Relations Activity

NAREIT and its public relations agency partner, Edelman, work with media on an ongoing basis to educate reporters about the trends impacting the industry to help ensure their coverage of REITs is accurate.

A key issue in 2016 was the effect of an expected interest rate hike on REIT returns. NAREIT's economists have explained that rising rates are most often a response to a growing economy, which is supportive of REIT operating fundamentals. NAREIT's communications outreach on this issue positively shaped coverage in the *Wall Street Journal*, the *Financial Times* and other financial media.

NAREIT has also helped address the issue of REIT valuations in the media, specifically whether REIT share prices have topped out in

DISCOVER HOW REIT'S IMPACT YOUR LIFE



Screen capture from TheREITWay.com.

REITWay Campaign Topline Results

	2015	2016
Unique Individuals who have seen advertising	16.6 Million	19.2 Million
Unique individuals who have seen video ad	2.6 Million	4.6 Million
Video Completion Rate	78.74%	74.93%
Website Visits	30,195	88,573



NAREIT's current Second Vice Chair Sandeep Mathrani, CEO of GGP, Inc., leads his company presentation at REITWeek 2016: NAREIT's Investor Forum.

the current market cycle. In individual briefings, NAREIT has presented reporters at major business and financial media such as *Barron's*, *CNN Money*, *Bloomberg News* and others with information on the REIT market cycle.

Meanwhile, NAREIT has implemented communications programs to launch new research on pension fund investment by the research firm CEM Benchmarking and to build understanding for the significance of the recently introduced GICS Real Estate Sector.

REIT.com

Over the past two years, NAREIT has refined and enhanced its website, REIT.com, to become one of the leading sources for industry information, news and data. Improvements in site design and navigation coupled with updated content has driven site metrics to all-time highs.

REIT.com averaged a record 113,000 sessions per month in 2016, representing an average of 80,000 unique visitors per month. Roughly two-thirds of all REIT.com traffic come from is what NAREIT terms “explorers,” visitors coming in from search engines looking to learn about REITs.

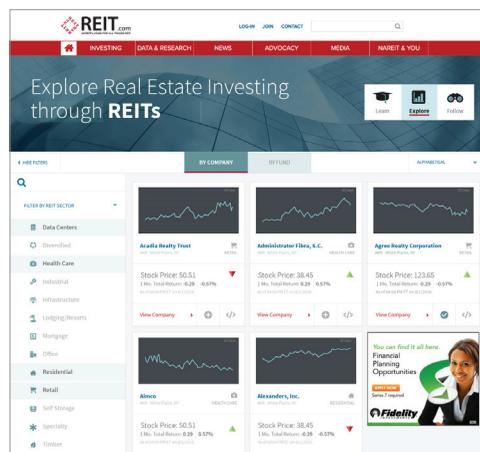
NAREIT is actively working on web tools and functionality that will help bring these “explorers” one step closer to the investment buying decision. Currently, REIT.com offers investors a lot of educational content to learn about REITs, as well as a wide array of industry data. However, that information exists in various parts of the site.

NAREIT began work in 2016 on a “REIT Investment Center” that will centralize the available information investors need in one user-friendly section of REIT.com. The new Investment Center will be organized into three sections—Learn, Follow and Invest. If a visitor wants to dive deeper, links will point to more in-depth information on REIT.com.

In 2016, NAREIT also launched an enhanced version of its interactive REITs Across America (RAA) online map. More than 50,000 properties have been mapped using property-level data from SNL, providing users with the ability to explore REIT-owned properties all over the country by state, MSA or property sector. Combined with NAREIT analysis, the updated RAA provides users greater insight on the current state of REIT property ownership in the U.S. and highlights the breadth and diversity of assets REITs own and the impact REITs play in communities across the country. In addition, 80 notable REIT-owned assets are highlighted to provide more color on the local, historic and/or economic significance of some of these properties.

2016 REIT.COM TRAFFIC

- Overall site visits are up 16%
- Organic sessions from search engines are up 21%
- Pageviews to introductory “What Is A REIT?” page are up 25%
- 63% of all traffic is from new visitors
- 46% of traffic is from 18–34 year-olds



Initial design of NAREIT's in-development “REIT Investment Center.”

COMMUNICATIONS



REIT Magazine

NAREIT recently completed an 18-month process of overhauling the way it produces *REIT* magazine. Previously, NAREIT relied on one vendor to provide design, advertising sales, printing and pre-production services. NAREIT separated all of those functions and bid them out to find the best vendor to provide each service. As a result, NAREIT now has separate design, sales, and printing and pre-production partners.

This effort has resulted in a more financially viable publication by reducing expenses and expanding advertising opportunities while maintaining the editorial quality and enhancing the overall design of the magazine. As an example, the changes have identified ways to ensure greater quality control

throughout the printing and pre-production process. The new processes are creating considerable cost savings.

NAREIT has begun work on the final phase of the magazine overhaul strategy, which is to review and adjust the *REIT* magazine subscriber base. The two components of this process entail confirming that the right individuals within NAREIT's membership are choosing to receive the publication and refining the list of external copies sent to the broader investment community to ensure they are going to a high-value audience interested in learning more about REITs.

In addition, NAREIT has started a major redesign of the magazine to give the publication a more modern look while also incorporating elements of NAREIT's new strategic communications guidelines.

2016 SOCIAL MEDIA STATS

- **Twitter followers increased 13% to 16,510**
- **YouTube views increased 64% to 530,714**
- **LinkedIn followers rose 52% to 2,166**
- **Facebook likes increased 46% to 2,480**

REITs Reshaping Communities

In 2015, NAREIT conducted several focus groups with policy makers and financial advisors to get a better sense of how the industry's message resonated. One common theme that came out of that process was how much audiences embraced the role that REITs play in local communities from an economic and jobs perspective. Since then, NAREIT's Communications team has made reinforcing the benefits that REITs provide to local communities and economies a core part of its outreach. As such, *REIT* magazine introduced a new feature this year, "REITs: Reshaping Communities for the Better," which does just that.



Boston Properties CEO Owen Thomas, current NAREIT Treasurer, is interviewed on CNBC's "Closing Bell" about the state of the REIT market.

The column spotlights a specific project undertaken by a REIT and looks at how it has enhanced the local community. To date, six projects have been profiled: Forest City Realty Trust's The Yards in Washington, D.C.; Alexandria Real Estate Equities' Mission Bay portfolio in San Francisco; Federal Realty Investment Trust's Assembly Row near Boston; Liberty Property Trust's Kings Hill outside London; American Campus Communities' work with Arizona State University; and Hudson Pacific Properties' Sunset Bronson and Gower Studios in Hollywood. In addition, three of the articles were accompanied by high-end videos that use these specific examples to more broadly lay out how REITs are having a positive impact across the country.

REITs: Reshaping Communities will continue to be featured in each issue of *REIT* magazine, and an additional three videos will be produced in 2017.

Better Positioning NAREIT, its Members and the Industry

NAREIT and Siegel+Gale, a firm specializing in strategic communications, made progress on NAREIT's strategic communications initiative. The goal of this effort is to better position NAREIT, improve how NAREIT communicates about all types of REITs and to guide NAREIT members on how to best communicate about themselves as REITs.

At REITWorld 2016, NAREIT's Executive Board approved NAREIT to begin the tactical implementation phase. The new strategic communications initiative will be rolled out in conjunction with REITWorld 2017 in November.



Federal Realty CEO Don Wood, the 2012 NAREIT Chair, is interviewed for NAREIT's REITs Reshaping Communities video series.

2017 TO-DO LIST

COMMUNICATIONS

- Increase the REITWay public awareness campaign.
- Complete major redesigns of NAREIT's two flagship products, *REIT* magazine and REIT.com
- Launch the REIT.com Investment Center, which is a visually appealing, user friendly hub for REIT investors.
- Continue to use NAREIT's internal economic and market analysis, along with sponsored research, to develop and communicate messages that support media and investor recognition of the value of REITs and help them understand the performance and direction of the REIT marketplace.
- Develop and implement NAREIT's strategic communications plan in connection with REITWorld 2017.



FINANCE & OPERATIONS

Often working behind the scenes, NAREIT's Finance & Operations team focuses on organizing the REIT industry's stakeholders and managing the REIT community's resources to ensure that NAREIT can best meet the industry's goals and accomplish its job. First and foremost in that mission is overseeing NAREIT's fiscal responsibility.



The Finance & Operations team ensures NAREIT's fiscal resources are safeguarded and utilized in a manner consistent with the organization's mission. To that end, NAREIT's finance/accounting staff is charged with accurately and properly recording all financial transactions, regularly reporting on the organization's financial results to NAREIT's Executive Board, and achieving, without exception, the highest annual audit opinion from an independent auditing firm.

The Finance & Operations team works to ensure that NAREIT has both appropriate professional staff and administrative systems necessary to fulfill the organization's objectives and allow it to function effectively and efficiently. This includes maintaining the infrastructure to enable NAREIT to communicate with, represent and conduct business with members, as well as other stakeholders.

NAREIT does not lose sight of the fact that it is a member-based association, and, as such, it is incumbent upon it to identify and retain both corporate and individual members. A final objective of the Finance & Operations group is to regularly bring both members and other stakeholders together via NAREIT-sponsored meetings and conferences and ensure that the experience and value of these events remains at an extremely high level. These events serve to extend our industry's core messages, provide educational opportunities to industry professionals, give subject experts a forum to express their viewpoints and facilitate networking.

FINANCE & OPERATIONS

NAREIT Statement of Activities

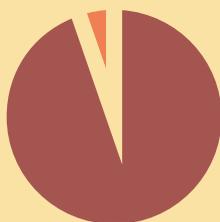
Revenues	2016 Audited
Membership Dues	\$16,583,000
Conferences	\$6,161,000
Royalties	\$4,194,000
Investment Income	\$2,127,000
Advertising	\$653,000
Publication Sales/Other	\$270,000
<i>Total Revenues</i>	<i>\$29,988,000</i>

Expenses	2016 Audited
Finance & Operations	\$10,420,000
Policy & Politics	\$8,475,000
Communications	\$6,348,000
Investor Outreach	\$5,075,000
<i>Total Expenses</i>	<i>\$30,318,000</i>

NAREIT Staff

NAREIT currently has 44 full-time staff and plans to operate at 44 full-time staff in 2017. See page 36 for a complete list of NAREIT staff by department.

NAREIT MEMBERSHIP BREAKDOWN



- 271 U.S.-based corporate members
- 16 non U.S.-based corporate members

287 total

2016 NEW CORPORATE MEMBERS

STOCK EXCHANGE-LISTED EQUITY REITS

- Four Corners Property Trust
- Global Medical REIT
- MGM Growth Properties LLC
- NorthStar Realty Europe Corp.
- Park Hotels & Resorts
- Parkway, Inc.

STOCK EXCHANGE-LISTED MORTGAGE REITS

- Western Asset Mortgage Capital Corporation

STOCK EXCHANGE-LISTED REAL ESTATE COMPANIES

- Alexander & Baldwin, Inc.
- Consolidated-Tomoka Land

PUBLIC NON-LISTED REITS

- Carter Validus Mission Critical REIT II, Inc.
- Griffin Capital Essential Asset REIT II, Inc.
- Hartman Short Term Income Properties XX, Inc.

PRIVATE REITS

- Hartman Short Term Income Properties XIX, Inc.
- Housing Partnership Equity Trust REIT I, LLC
- Progress Residential Master Trust

INTERNATIONAL COMPANIES HOLDING NO U.S. ASSETS IN REITS

- NorthWest Healthcare Properties REIT (Canada)
- Terrafina (Mexico)



Rep. Steve Stivers (R-OH), (center) addresses the NAREIT Mortgage REIT Council at a meeting in Washington. Members of the NAREIT Mortgage REIT Council met at NAREIT headquarters on April 14 to discuss policy and advocacy objectives for the next two years.

Board Associate Program

Beginning in 2016, NAREIT initiated enhanced benefits to Board Associate Member companies that spend above a minimum threshold annually. These new Executive Board Associate members receive additional annual benefits and recognition. In 2016, six Board Associate member companies (Bank of America Merrill Lynch, Deloitte, Eastdil Secured/Wells Fargo, EY, KPMG and PwC) agreed to become Executive Board Associate members.

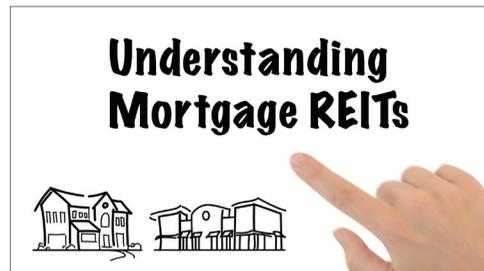
.REIT DOMAIN NAMES

In conjunction with the Internet Corporation for Assigned Names and Numbers (ICANN) vision to enhance competition, consumer choice, and innovation by opening the Internet to new top-level domains beyond .com, .org, .net, etc., ICANN approved in 2014 NAREIT's application to administer the .REIT top level domain (TLD) on behalf of and for the benefit of the REIT community worldwide.

Since the launch of the .REIT registry at the end of 2015, 160 .REIT domain names have been registered.

Mortgage REIT Council

Members of the Mortgage REIT (MREIT) Council are the CEOs and other senior executives from each of NAREIT's corporate members that operate as MREITs, including MREIT Council Executive Committee Chair William Gorin, CEO of MFA Financial, and MREIT Council Executive Committee Vice Chair Kevin Grant, chairman, CEO, president and CIO of CYS Investments, Inc.



During the past several years, the MREIT Council has worked on numerous issues of interest to the industry, stemming from proposed regulations and statements from regulatory and legislative bodies.

A task force of residential MREIT Council members was especially active with respect to the Federal Housing Finance Agency's (FHFA) 2014 proposed rule on Federal Home Loan Bank (FHLB) membership. The task force filed a comment letter with the FHFA expressing its strong opposition to this proposal that would effectively render captive insurance subsidiaries of MREITs ineligible for membership in any FHLB. Despite opposition, the proposed rule became effective in February 2016.

NAREIT recently rolled out a new video about MREITs and expanded its previous description of MREITs, both featured on REIT.com. NAREIT also highlighted the new MREIT video in its weekly newsletter, *NewsBrief*, and has been promoting it on social media. NAREIT intends to use this video and description to inform investors, regulators and legislators about the way that MREITs operate and the benefits that they provide to their investors and to the commercial real estate industry.

.REIT REGISTRATIONS BY COUNTRY



FINANCE & OPERATIONS



NAREIT President & CEO Steven Wechsler and Inland Real Estate Group Chairman and CEO Daniel Goodwin at the 2016 Public Non-Listed REIT Council meeting in Washington, D.C.

Public Non-Listed REIT Council

Members of the Public Non-Listed REIT (PNLR) Council are CEOs and other senior executives from each of NAREIT's corporate members that sponsor public non-listed REITs. Daniel Goodwin, chairman and CEO of The Inland Real Estate Group, currently serves as chair of the PNLRC Council's Executive Committee.

Over the past year, the PNLRC Council's primary focus has been on the Department of Labor's (DOL) so-called Fiduciary Rule, which imposes a fiduciary standard on investment advice provided to Employee Retirement Income Security Act-covered retirement plans and Individual Retirement Accounts. The final Fiduciary Rule was released by the DOL in April. This rule is slated to begin to take effect in April 2017 and to become fully effective on Jan. 1, 2018. However, there is now some chance the Trump administration will substantially modify the rule or eliminate it.

In October, NAREIT filed a comment letter on behalf of the PNLRC Council's Executive Committee with the North American Securities Administrators Association (NASAA) regarding NASAA's Proposed Amendments to the Statement of Policy Regarding Real Estate Investment Trusts. This letter focused on the proposed guidelines' imposition of a concentration limit of 10 percent of an investor's liquid net worth to the investor's aggregate investment in PNLRCs and their affiliates.

Successful Industry Meetings

NAREIT executed a successful meetings schedule in 2016 consisting of both large-scale, industry-wide conferences and small, targeted gatherings. In total, more than 6,100 professionals attended a NAREIT-sponsored event during 2016. Among this year's highlights:

A record number of attendees gathered at the Waldorf Astoria in New York City for June's REITWeek 2016: NAREIT's Investor Forum®. Management teams from 212 REITs were in attendance, and more than 135 companies delivered individual company presentations to the institutional investors in attendance.

More than 1,500 REIT executives, investors and industry professionals gathered at the JW Marriott Phoenix Desert Ridge in November for REITWorld 2016: NAREIT's Annual Convention for All Things REIT®. Conversations centered on capital markets activity, economic prospects heading into 2017 and the implications of the 2016 presidential election.



2017 NAREIT Chair Tim Naughton (left) interviews Richard Florida, professor at the University of Toronto's Rotman School of Management and New York University and founder of the Creative Class Group, at REITWorld.

REESA Meetings

NAREIT facilitates two annual meetings of the Real Estate Equity Securitization Alliance (REESA). REESA is a coalition that NAREIT formed in 2006 with global organizations grounded in one or more facets of securitized real estate equity around the world. REESA's broad mission is to facilitate global investment in securitized real estate through increased collaboration among REESA organizations.

The first meeting in 2016 took place in London on March 3, hosted by the British Property Federation (BPF). The second REESA meeting, which was hosted by Japan's Association for Real Estate Securitization (ARES), took place in Kyoto on Oct. 21. Discussions at both meetings focused on global financial standards initiatives; industry branding and political positioning programs; the Global Industry Classification Standard's elevation of listed real estate companies from under the Financials Sector to a new 11th headline Real Estate Sector; and discussions on proposed REESA projects to measure global commercial real estate assets and to develop a state-of-the-art REIT description.

In 2017, REESA will focus on identifying a methodology for measuring the amount of global commercial real estate assets, including how to define commercial real estate assets, and applying this methodology to determine a result. REESA will also focus on developing a current database of global REIT regimes.

2017 TO-DO LIST

FINANCE & OPERATIONS

- Continue to maintain fiscal responsibility to ensure the necessary resources and staffing for the association's initiatives.
- Produce a successful slate of industry events.
- Maintain cutting-edge technology and systems to ensure the efficient operation of the organization.
- Remain a leader and active participant in the dialogue on ESG/sustainability issues, and develop an annual sustainability report for the REIT industry.

REESA MEMBERS

- **Asia Pacific Real Estate Association (APREA)**
- **Association for Real Estate Securitization (ARES) (Japan)**
- **British Property Federation (BPF)**
- **European Public Real Estate Association (EPRA)**
- **National Association of Real Estate Investment Trusts (NAREIT)**
- **Property Council of Australia (PCA)**
- **Real Property Association of Canada (REALPAC)**



SUSTAINABILITY

NAREIT has been increasingly engaged in issues tied to REITs, real estate investment and sustainability since 2005, initially through NAREIT's Leader in the Light corporate member award program. In 2016, NAREIT hired its first full-time employee dedicated to environmental, social and governance issues. Fulya Kocak joined NAREIT as vice president of ESG issues in August.

NAREIT annually hosts a Leader in the Light Working Forum to discuss key issues related to sustainability and review best practices. The 2017 forum was held in Austin, Texas, in January and featured record attendance by NAREIT Corporate Member executives and industry professionals.

During 2016, NAREIT's activities in the sustainability arena—above and beyond the annual Leader in the Light Awards program and related Leader in the Light Working Forum event, included the following initiatives:



Attendees at NAREIT's 2017 Leader In The Light Working Forum in Austin.

Real Estate Sustainability Council

In recent years, NAREIT has become much more engaged in ESG issues; and in an effort to capitalize on the existing momentum, NAREIT created a Real Estate Sustainability Council (RESC) to help guide NAREIT's ESG efforts and priorities.

The RESC consists of NAREIT corporate member sustainability thought leaders—representing all REIT sectors—with a mission to help shape and lead the REIT industry as it continues to address a variety of complex ESG issues.

The RESC had its first meeting in October in Los Angeles, with 20 sustainability thought leaders participating. The meeting was quite successful, with the development of sustainability/ESG priorities for NAREIT and a strategic road map laid out for 2017 and beyond. The group also met prior to the start of the January 2017 Leader in the Light Working Forum in Austin, Texas.



2017 Real Estate Sustainability Council.



(Left to right) Lou Schotsky, First Vice President-Investments, Equity Residential, moderates the REIT Investor Panel at the 2017 Leader in the Light Working Forum. Panelists include: Sherry Rexroad, Managing Director-Global REITs, BlackRock; Michael Hudgins, Managing Director, EII Capital Management; and Laura Craft, Head-Global Sustainability, Heitman.

Sustainability Accounting Standards Board

Over the past two years, NAREIT's senior management team has had a series of meetings with the Sustainability Accounting Standards Board (SASB) to educate SASB about NAREIT's interest in working together as it continues its development of standards. SASB's mission is to develop and disseminate sustainability accounting standards to help public corporations disclose material, decision-useful information to investors.

On March 30, SASB released final "provisional standards" for the Infrastructure Sector. NAREIT arranged for Tom Riesenber, a SASB consultant, to brief NAREIT's Accounting Committee on this development and other SASB matters. SASB invited consultation on the provisional standards for Infrastructure; and NAREIT submitted a comment letter to SASB. NAREIT also submitted a comment letter to SASB on its Conceptual Framework and Rules of Procedure documents.

2017 TO-DO LIST

SUSTAINABILITY

- Create REIT Industry ESG benchmarking and Recognition.
- Facilitate streamlined ESG reporting for the Industry.
- Facilitate collaboration, mentorship and networking among members.
- Include ESG issues in Investor Outreach efforts.
- Engage non-participant members in ESG efforts.
- Improve communication for ESG issues both internally within REIT member organizations and externally for all stakeholders.



NAREIT expanded its podcast efforts in 2016 with a special series focused on sustainability issues. Pictured: NAREIT's Fulya Kocak (right) talks with Kilroy Realty's Sara Neff.

AWARD WINNERS

Each year, NAREIT recognizes the achievements and contributions of its members and noted industry professionals. Recent award recipients were:

Industry Leadership and Achievement Awards

NAREIT presented its 2016 Industry Leadership Award to David Henry, co-founder of Peaceable Street Capital and retired vice chairman, president and CEO of Kimco Realty Corp., and its 2016 Industry Achievement Award to Steven Buller, portfolio manager at Fidelity Investments.



David Henry



Steven Buller

The NAREIT Industry Leadership Award is presented annually to a REIT executive who has made a significant and lasting contribution to the growth and betterment of the industry. The award is presented in memory of Edward H. Linde, the late CEO of Boston Properties.

Henry served at Kimco for 15 years, joining as CIO in April 2001, adding the role of Vice Chairman to his duties a month later, becoming President in 2008, and succeeding co-founder Milton Cooper as CEO in 2009. He is credited with refocusing Kimco's strategy on its core community shopping center operations and deftly steering the company through the Great Recession. He also served as NAREIT's First Vice Chair in 2015, and as a member of NAREIT's Executive Board.

The NAREIT Industry Achievement Award is presented annually to professionals serving the REIT industry whose acumen and integrity

have helped heighten awareness and understanding of the value of REITs and publicly traded real estate. The award is presented in memory of E. Lawrence Miller, the former CEO of one of the industry's first REITs, Bradley Real Estate Trust, and a past NAREIT Chair.

Buller is a 24-year veteran of Fidelity. When he took over Fidelity's dedicated REIT fund management in the early 1990s, he was one of the earliest REIT fund managers. Buller has been a committed advocate for REITs in the investment community beyond Fidelity.

REITPAC Awards

AvalonBay received the 2016 REITPAC Leadership Award and The Inland Real Estate Group of Companies Inc. received the 2016 REITPAC Teamwork Award.



The REITPAC Leadership Award is presented annually to the company whose employees contributed the most funds to REITPAC. The REITPAC Teamwork Award recognizes the company that provided funds from the largest number of individuals during the year.

Small Investor Empowerment Award



Rep. Richard Neal (D-MA), the ranking Democrat on the House Committee on Ways and Means, received NAREIT's 2017 Small Investor Empowerment Award. The Small Investor Empowerment Award was established on behalf of those people who invest in, are employed by, or derive other benefits from REITs and publicly traded real estate companies. The annual award recognizes public servants who have demonstrated exceptional commitment to the ideals of free enterprise, economic growth, personal freedom and unlimited opportunity for all Americans.

Rep. Richard Neal

Leader in the Light Awards

NAREIT's annual Leader in the Light Awards honor NAREIT member companies that have demonstrated superior, portfolio-wide sustainability practices. In 2016, the Leader in the Light Awards were presented to REITs in eight categories.

2016 LEADER IN THE LIGHT AWARD WINNERS

NAREIT 2016
Leader In The Light
 Sustainable Real Estate Practices
AWARDS

- **Diversified: Vornado Realty Trust**
- **Health Care: HCP, Inc. and Welltower**
- **Industrial: Prologis**
- **Lodging/Resorts: Hersha Hospitality Trust**
- **Office: Kilroy Realty Corporation**
- **Residential: Equity Residential**
- **Retail: The Macerich Company**
- **Data Centers: Equinix**

Investor CARE Awards

NAREIT's Investor CARE Awards recognize those companies that interact most effectively with their investors online, as well as through written and verbal communication. The awards also highlight companies that provide investors with the most comprehensive, clearly articulated and useful information in the most efficient manner.

In the Large Cap Equity REIT category, the Gold award was presented to Alexandria Real Estate Equities. The Silver Large Cap winner was Acadia Realty Trust, and the Bronze Large Cap award went to UDR, Inc.

For Small Cap Equity REITs, this year's Gold award winner was PREIT. American Assets Trust captured the Silver award, and the Bronze award went to Hersha Hospitality Trust.

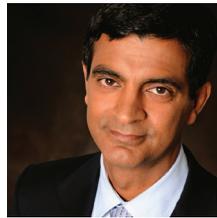
In the Mortgage REIT category, the Gold award was won by Starwood Property Trust.



ALEXANDRIA®



NAREIT LEADERSHIP



2017 NAREIT Officers (l to r):

Chair: **Timothy J. Naughton**, AvalonBay Communities, Inc.

First Vice Chair: **Thomas J. Baltimore, Jr.**, Park Hotels & Resorts

Second Vice Chair: **Sandeep Mathrani**, GGP, Inc.

Treasurer, **Owen D. Thomas**, Boston Properties, Inc.

2017 NAREIT Executive Board



Thomas J. Baltimore, Jr.
Park Hotels & Resorts



David J. Neithercut
Equity Residential



Michael D. Barnello
LaSalle Hotel Properties



Michael J. Schall
Essex Property Trust, Inc.



John P. Case
Realty Income Corporation



Doyle R. Simons
Weyerhaeuser



Edward J. Fritsch
Highwoods Properties, Inc.



A. William Stein
Digital Realty



William P. Hankowsky
Liberty Property Trust



James D. Taiclet, Jr.
American Tower Corporation



Joel S. Marcus
Alexandria Real Estate Equities, Inc.



Robert S. Taubman
Taubman Centers, Inc.



Sandeep Mathrani
GGP, Inc.



Owen D. Thomas
Boston Properties, Inc.



Timothy J. Naughton
AvalonBay Communities, Inc.

2017 NAREIT Advisory Board of Governors

Andrew M. Alexander
Weingarten Realty
Investors

Thomas F. August
DDR Corp.

Albert P. Behler
Paramount Group, Inc.

H. Eric Bolton, Jr.
MAA

Jon E. Bortz
Pebblebrook Hotel Trust

Byron L. Boston
Dynex Capital, Inc.

Jay A. Brown
Crown Castle
International Corp.

Richard J. Campo
Camden Property Trust

Randall L. Churchey
EdR

James B. Connor
Duke Realty Corporation

Michael J. Covey
Potlatch Corporation

Mark J. DeCesaris
W. P. Carey Inc.

Thomas J. DeRosa
Welltower Inc.

Gordon F. DuGan
Gramercy Property Trust

Conor C. Flynn
Kimco Realty Corporation

William S. Gorin
MFA Financial, Inc.

Steven P. Grimes
RPAI

Philip L. Hawkins
DCT Industrial Trust Inc.

Maria R. Hawthorne
PS Business Parks, Inc.

Kevin G. Keyes
Annaly Capital
Management, Inc.

John B. Kilroy, Jr.
Kilroy Realty Corporation

Eugene W. Landy
Monmouth Real Estate
Investment Corporation

David J. LaRue
Forest City Realty Trust,
Inc.

Stephen D. Lebovitz
CBL & Associates
Properties, Inc.

Raymond J. Lewis
Care Capital Properties,
Inc.

Christopher P. Marr
CubeSmart

Richard K. Matros
Sabra Health Care
REIT, Inc.

William L. Meaney
Iron Mountain

E. Nelson Mills
Columbia Property
Trust Inc.

Marguerite M. Nader
Equity Lifestyle
Properties, Inc.

Jeffrey S. Olson
Urban Edge Properties

Scott D. Peters
Healthcare Trust
of America, Inc.

Sean E. Reilly
Lamar Advertising
Company

David L. Rogers
Life Storage, Inc.

Glenn J. Rufrano
VEREIT, Inc.

Bruce J. Schanzer
Cedar Realty Trust, Inc.

Wendy L. Simpson
LTC Properties, Inc.

David P. Singelyn
American Homes 4 Rent

Stephen M. Smith
Equinix, Inc.

Gerard H. Sweeney
Brandywine Realty Trust

Amy L. Tait
Broadstone Net
Lease, Inc.

Steven B. Tanger
Tanger Factory Outlet
Centers, Inc.

James M. Taylor
Brixmor Property
Group Inc.

John T. Thomas
Physicians Realty Trust

Thomas W. Toomey
UDR, Inc.

Chad L. Williams
QTS Realty Trust, Inc.

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The Hay-Adams
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Dates and location for 2018 Leader in the Light Working Forum and SFO Workshop have not been finalized.

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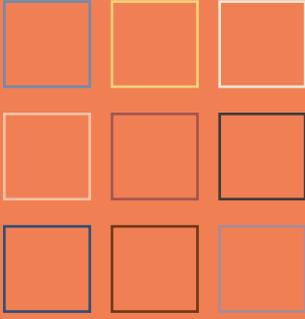
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