

Retail Investor Capital Flows

Public Non-Listed REIT Fundraising 2000 – 2014

(\$ millions)



Source: The Stanger Market Pulse

2013 Top Real Estate Sponsors

(Dollars in Millions)

#	Sponsor	2013	Market Share
1	American Realty Capital	\$7,805.0	39.8%
2	Cole Capital	3,567.9	18.2%
3	Griffin Capital Corporation	2,103.1	10.7%
4	Hines Interest Limited Partnership	772.2	3.9%
5	Dividend Capital	770.8	3.9%
6	W.P. Carey Inc.	655.7	3.3%
7	NorthStar Asset Management Group I	649.2	3.3%
8	Carter/Validus Advisors	514.2	2.6%
9	Steadfast REIT Investments, LLC	506.4	2.6%
10	CNL Financial Group	476.2	2.4%
Totals - Top Ten		\$17,820.6	90.8%

Source: The Stanger Market Pulse

2014 Top Real Estate Sponsors

(Dollars in Millions)

#	Sponsor	2014	Market Share
1	American Realty Capital	\$6,064.0	38.8%
2	Griffin Capital Corporation	1,698.1	10.9%
3	W.P. Carey Inc.	1,483.2	9.5%
4	Cole Capital	1,315.2	8.4%
5	NorthStar Asset Management Group Inc.	1,129.6	7.2%
6	Carter/Validus Advisors	1,037.0	6.6%
7	CNL Financial Group	622.0	4.0%
8	KBS Capital Advisors LLC	576.9	3.7%
9	Hines Interest Limited Partnership	380.3	2.4%
10	Inland Real Estate Investment Corp	344.4	2.2%
Totals - Top Ten		\$14,650.4	93.6%

2015 Top Real Estate Sponsors

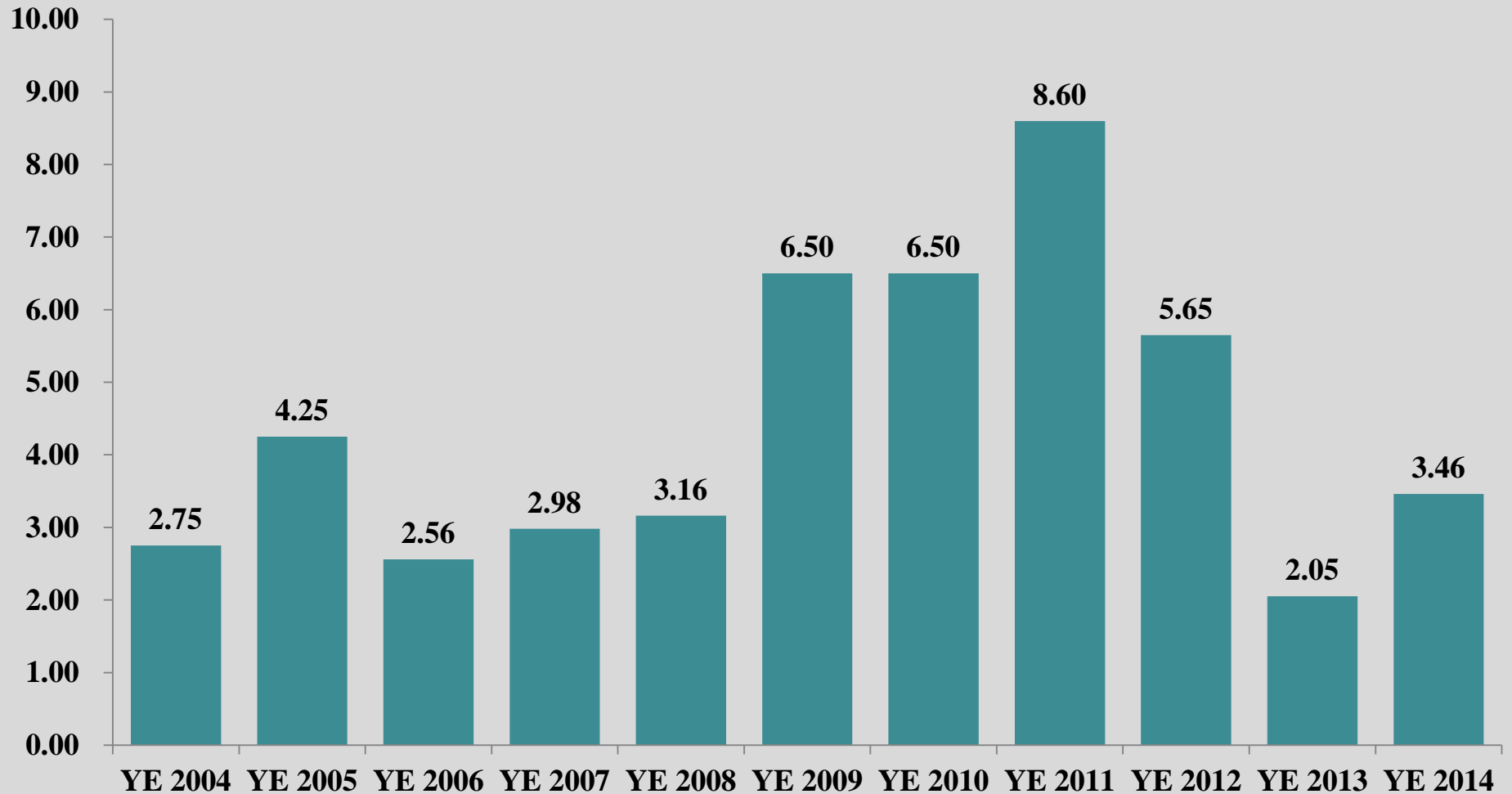
Sorted by February 2015 Sales

(Dollars in Millions)

#	Sponsor	January	February
1	American Realty Capital	\$152.0	\$194.8
2	Griffin Capital Corporation	855.4	99.4
3	KBS Capital Advisors LLC	52.2	74.2
4	NorthStar Asset Management Group Inc.	151.8	51.8
5	Inland Real Estate Investment Corp	37.1	47.9
6	Dividend Capital	28.5	38.5
7	Carter/Validus Advisors	24.5	34.1
8	CNL Financial Group	125.7	32.9
9	Steadfast REIT Investments, LLC	28.8	30.6
10	W.P. Carey Inc.	19.0	29.3
	All Others	56.4	78.1
	Totals	\$1,531.4	\$711.6

Stanger Market Clearing Index:

Public Non-Listed REITs



Liquidity Events

2012 Non-Listed REIT Liquidity Events

(Dollars in Millions, Except Per Share)

REIT	Initial Liquidity Date	Capital Raised	Issue Price	Price at Monetization	Price 3/10/2015
 American Realty Capital Trust <small>ARCT / NASDAQ</small>	3/1/2012	\$1,832.1	\$10.00	\$10.49/\$13.01	\$14.51
 Retail Properties of America, Inc.	4/9/2012	4,219.7	\$25.00	\$8.00	\$15.66
	9/28/2012	1,476.2	\$10.00	\$12.65	\$16.69
 Healthcare Trust of America	6/6/2012	2,195.7	\$20.00	\$19.84	\$26.60
2012 Total		\$9,723.7			









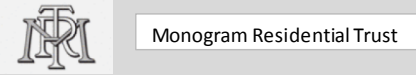
2013 Non-Listed REIT Liquidity Events

(Dollars in Millions, Except Per Share)

REIT	Initial Liquidity Date	Capital Raised	Issue Price	Price at Monetization	Price 3/10/2015
 AMERICAN REALTY CAPITAL TRUST III, INC.	2/28/2013	\$1,700.0	\$10.00	\$13.23	\$8.86
◆ COLE ◆ II	7/17/2013	1,969.6	\$10.00	\$9.45	\$11.72
 Apple REIT Six	5/14/2013	963.1	\$11.00	\$11.50	\$11.10
 Chambers Street™	5/21/2013	2,388.0	\$10.00	\$10.00	\$7.69
◆ COLE ◆	6/20/2013	4,555.6	\$10.00	\$11.14	\$10.20
 Columbia Property Trust	10/16/2013	5,150.1	\$40.00	\$22.54	\$25.71
 CatchMark TIMBER TRUST	12/12/2013	295.1	\$25.00	\$13.50	\$11.91
2013 Total		\$17,021.5			


2014 Non-Listed REIT Liquidity Events

(Dollars in Millions, Except Per Share)

REIT	Initial Liquidity Date	Capital Raised	Issue Price	Price at Monetization	Price 3/10/2015
 AMERICAN REALTY CAPITAL TRUST IV, INC.	1/3/2014	\$1,736.5	\$25.00	\$30.54	\$27.79
	1/30/2014	75.3	\$10.00	\$7.25	\$7.25
	1/31/2014	1,103.3	\$10.00	\$11.25	\$12.15
 AMERICAN REALTY CAPITAL HEALTHCARE TRUST, INC.	4/7/2014	1,738.0	\$10.00	\$10.55	\$11.73
 NEW YORK REIT	4/15/2014	1,715.6	\$10.00	\$10.75	\$10.02
	5/19/2014	100.9	\$10.00	\$7.25	\$7.25
 UNITED DEVELOPMENT FUNDING IV	6/4/2014	607.0	\$20.00	\$19.60	\$17.27
 INLAND DIVERSIFIED REAL ESTATE TRUST, INC.	7/1/2014	1,105.1	\$10.00	\$10.67	\$11.35
 Real Estate Investment Trust II	7/7/2014 Asset Sale	500.0	\$10.00	NA	NA
 Monogram Residential Trust	11/21/2014	1,459.8	\$10.00	\$9.25	\$9.30

2014 Non-Listed REIT Liquidity Events

(Dollars in Millions, Except Per Share)

REIT	Initial Liquidity Date	Capital Raised	Issue Price	Price at Monetization	Price 3/10/2015
 GRIFFIN-AMERICAN HEALTHCARE REIT II	12/3/2014	2,840.6	\$10.00	\$11.50	\$11.53
2014 Total		<u><u>\$12,982.1</u></u>			

2015 Non-Listed REIT Liquidity Events

(Dollars in Millions, Except Per Share)

REIT	Initial Liquidity Date	Capital Raised	Issue Price	Price at Monetization	Price 3/10/2015
<u>Announced</u>					
	Pending Spin Off	1,804.4	\$10.00	NA	NA
Cole Corporate Income Trust, Inc.	Pending Merger	1,642.0	\$10.00	\$9.07	\$8.49
	Pending IPO	10.6	\$10.00	NA	NA
	Pending Merger	496.5	\$25.00	NA	NA
2015 Total		<u>\$3,953.5</u>			
<u>Prospective</u>					
	Prospective Listing	4,000.0	\$11.00	N/A	N/A

Mountain of Non-Listed REITs to Recycle

(Dollars in Millions)

#	Non-Listed REIT	Offering Close Date	Shares / OP Units Outstanding 9/30/2014	Latest Reported Price	Market Capitalization
1	American Realty Capital - Retail Centers of America, Inc.	9/12/2014	86,433,947	\$10.00	\$864.3
2	American Realty Capital Global Trust, Inc.	6/30/2014	176,205,378	10.00	1,762.1
3	American Realty Capital Healthcare Trust II, Inc.	11/17/2014	81,457,535	25.00	2,036.4
4	American Realty Capital Trust V, Inc.	9/30/2013	64,821,722	25.00	1,620.5
5	Apple Hospitality REIT, Inc.	12/9/2010	373,820,814	10.25	3,831.7
6	Apple REIT Ten, Inc.	7/31/2014	91,334,230	11.00	1,004.7
7	Behringer Harvard Opportunity REIT I, Inc.	12/28/2007	56,500,472	3.58	202.3
8	Behringer Harvard Opportunity REIT II, Inc.	3/15/2012	25,908,217	9.72	251.8
9	Carey Watermark Investors Incorporated	12/19/2014	91,491,484	10.00	914.9
10	Carter Validus Mission Critical REIT, Inc.	6/6/2014	173,412,008	10.00	1,734.1
11	CNL Growth Properties, Inc.	4/11/2014	22,526,171	9.90	223.0
12	CNL Lifestyle Properties, Inc.	4/6/2011	325,214,000	6.85	2,227.7
13	Cole Corporate Income Trust, Inc.	9/30/2013	197,817,978	10.00	1,978.2
14	Cole Credit Property Trust IV, Inc.	2/25/2014	302,462,883	10.00	3,024.6
15	Corporate Property Associates 17 - Global, Inc.	12/20/2012	325,903,988	9.50	3,096.1
16	Global Income Trust, Inc.	4/23/2013	8,419,689	8.90	74.9
17	Griffin Capital Essential Asset REIT, Inc.	4/22/2014	133,907,451	9.56	1,280.2
18	Hines Global REIT, Inc.	4/11/2014	269,486,000	8.90	2,398.4
19	Hines Real Estate Investment Trust, Inc.	12/31/2009	242,877,419	6.50	1,578.7
20	Industrial Income Trust, Inc.	7/18/2013	210,254,000	10.40	2,186.6
21	Inland American Real Estate Trust, Inc.	4/6/2009	861,824,767	6.94	5,981.1
22	KBS Legacy Partners Apartment REIT, Inc.	3/31/2014	19,970,415	10.14	202.5
23	KBS Real Estate Investment Trust II, Inc.	12/31/2010	190,753,163	5.86	1,117.8
24	KBS Real Estate Investment Trust, Inc.	5/30/2008	188,474,659	4.52	851.9

Mountain of Non-Listed REITs to Recycle

(Dollars in Millions)

#	Non-Listed REIT	Offering Close Date	Shares / OP Units Outstanding 9/30/2014	Latest Reported Price	Market Capitalization
25	KBS Strategic Opportunity REIT, Inc.	11/14/2012	59,903,681	\$12.24	\$733.2
26	Landmark Apartment Trust of America	7/17/2011	66,998,759	8.15	546.0
27	Lightstone Value Plus REIT II, Inc.	9/27/2014	18,380,020	10.00	183.8
28	Lightstone Value Plus REIT, Inc.	10/10/2008	26,303,061	11.80	310.4
29	NorthStar Real Estate Income Trust, Inc.	7/19/2013	117,099,835	10.02	1,173.3
30	Phillips Edison - ARC Shopping Center REIT, Inc.	12/11/2013	180,573,225	10.00	1,805.7
31	Plymouth Industrial REIT, Inc.	5/6/2014	1,325,792	10.00	13.3
32	Resource Real Estate Opportunity REIT, Inc.	12/13/2013	6,835,343	10.00	68.4
33	Sentio Healthcare Properties, Inc.	4/29/2011	16,147,780	11.63	187.8
34	Signature Office REIT, Inc.	6/10/2013	20,473,024	25.00	511.8
35	SmartStop Self Storage, Inc.	9/22/2013	60,799,150	10.81	657.2
36	Steadfast Income REIT, Inc.	12/20/2013	76,507,922	10.24	783.4
37	Strategic Realty Trust, Inc.	2/7/2013	11,403,029	7.11	81.1
38	Summit Healthcare REIT, Inc.	11/23/2010	23,028,014	2.09	48.1
39	TIER REIT, Inc.	12/31/2008	299,696,686	4.48	1,342.6
					\$48,890.9

Regulatory Initiatives

SR-FINRA 2014-06

Final Rule Approved By SEC

- Value Must Be Reported on Account Statement
(Unless Deemed Unreliable)
- Member Firm Can Only Participate in Offerings Where Issuer Agrees to Disclose Valuations Conforming to Rule
(Including Methodology, Scope, Date, Basis for Value)
- Two Presumptively Reliable Methods
 - Net Investment
 - Appraised Value
- Enhanced Disclosure Re: Distributions > “Earnings”
- Accelerated Timing of First Valuation
- Implementation Period

SR-FINRA 2014-06

Valuation Methodologies

- **Net Investment**
 - “Amount Available For Investment” From Estimated Use of Proceeds In Prospectus
 - Aggregate \$ Registered Less % Deduction for Sales Commissions, Dealer Manager Fees and O&O
(Based on Max Offering, Unless Reason to Believe Unreliable)
 - May Use Until 150 Days After 2nd Anniversary of Escrow Break
- **Appraised Value**
 - May Disclose at Any Time, But Must Disclose no Later Than Limitation Date for Net Investment Use
 - Based on Valuations of Program Assets and Liabilities
 - Performed at Least Annually
 - By or With Material Assistance/Confirmation of 3rd Party Expert
 - Methodology Conforms to Standard Industry Practice

SR-FINRA 2014-06

Other Provisions

- **Enhanced Disclosure Regarding Excess Distributions**
 - Prior to Disclosure of Appraised Valuation, Account Statement Must Include, If Applicable, This Required Disclosure:
“IMPORTANT – Part of your distribution includes a return of capital. Any distribution that represents a return of capital reduces the estimated per share value shown on your account statement.”
 - Must be Prominent and Proximate to Disclosure of Distributions and Per Share Estimated Value.
- **Acceleration of Appraised Valuations**
 - No Later Than 150 Days After 2nd Anniversary of Escrow
 - Previously Was 18 Months After Closing of Offering Period.
- **Implementation (To be Defined by FINRA in Final RN)**
 - Final: April 11, 2016

SR-FINRA 2014-06

Industry Responses



1. Sell Through With Greater Education of Broker and Investors
2. Product Innovation
 - Deferred Commission Structures/ Daily NAV

Non-Listed REIT Sales by Share Class

Dollars in Millions

Sponsor/Program	Effective Date	Amount Registered	Class	Max Up-Front Fee	Most Recent 3 Months			Total Sales	% Sales	
					October	November	December			
American Realty Capital										
ARC Daily Net Asset Value Trust, Inc.	8/15/2011	\$1,500.0	Retail	7.0%	0.1	0.2	0.1	0.4	12.9	50%
			Institutional	0.7%	0.1	0.0	0.1	0.3	13.1	50%
			TOTAL		0.3	0.2	0.2	0.6	26.0	
Carter/Validus Advisors										
Carter Validus Mission Critical REIT II, Inc.	5/29/2014	\$2,250.0	Class A	7.0%	12.9	18.1	20.8	51.8	70.1	100%
			Class T	3.0%	0.0	0.0	0.0	0.0	0.0	0%
			TOTAL		12.9	18.1	20.8	51.8	70.1	
Cole Capital										
Cole Real Estate Income Strategy (Daily NAV), Inc.	12/6/2011	\$3,500.0	Class A	3.75%	0.6	0.2	0.1	0.9	3.0	2%
			Class I	None	0.3	0.1	0.0	0.4	1.7	1%
			Class W	None	6.6	1.5	0.5	8.7	129.7	97%
			TOTAL		7.5	1.8	0.6	9.9	134.4	
Dividend Capital										
Dividend Capital Diversified Property Fund, Inc.	1/27/2006	\$4,044.0	Class A	3.0%	0.4	0.3	0.7	1.4	8.5	8%
			Class I	None	2.6	1.7	0.7	5.0	88.6	81%
			Class W	None	2.2	0.2	0.1	2.4	11.8	11%
			TOTAL		5.2	2.2	1.5	8.9	108.9	
LaSalle Investment Management, Inc.										
Jones Land LaSalle Income Property Trust, Inc.	10/1/2012	\$2,700.0	A Shares	3.5%	8.7	6.5	7.1	22.3	207.3	80%
			M Shares	None	4.8	1.5	3.6	10.0	50.8	20%
			TOTAL		13.5	8.0	10.7	32.3	258.1	
RREEF America LLC										
RREEF Property Trust, Inc.	1/3/2013	\$2,250.0	Class A	3.0%	0.3	0.7	0.9	1.9	22.2	49%
			Class B	None	0.2	0.3	1.5	2.0	23.2	51%
			TOTAL		0.5	1.0	2.4	3.9	45.4	

Non-Listed REIT Sales by Share Class

Dollars in Millions

Sponsor/Program	Effective Date	Amount Registered	Class	Max Up-Front Fee	Most Recent 3 Months			Total Sales by Class	% Sales by Class	
					October	November	December			
W.P. Carey Inc.										
Corporate Property Associates 18 - Global, Inc.	5/7/2013	\$1,250.0	Class A	7.0%	0.0	0.0	0.0	0.0	977.4	86%
			Class C	1.5%	19.5	15.1	18.0	52.5	165.7	14%
			TOTAL		19.5	15.1	18.0	52.5	1,143.1	
Summary by Commission Structure:										
					13.0	18.3	20.9	52.2	1,060.4	59%
					46.3	28.2	33.3	107.8	725.6	41%
					59.4	46.5	54.2	160.0	1,786.1	
<i>*Low commission is defined as less than 7% up front fee</i>										

Non-Traded Equity REIT Fundraising – 2013

(Dollars in Millions)

Sector	Equity Raised	Exit Opportunity
Net Lease	\$7,206.6	Strong
Healthcare	3,491.3	Strong
Diversified	3,242.7	Moderate
Retail	1,674.2	Moderate
Multifamily	990.9	Moderate
Industrial	740.5	Moderate
Hotel	612.5	Moderate
Other	514.2	N/A
Self Storage	106.3	Strong
Office	68.2	Moderate
	<u>\$18,647.4</u>	

Non-Traded Equity REIT Fundraising 2014

(Dollars in Millions)

Sector	Equity Raised	Exit Opportunity
Healthcare	\$5,219.5	Strong
Net Lease	4,628.0	Strong
Diversified	2,220.2	Moderate
Retail	1,439.6	Weak
Hotel	1,049.4	Moderate
Industrial	224.7	Moderate
Multifamily	194.9	Weak
Self Storage	17.5	Strong
	<u>\$14,993.7</u>	

*Healthcare includes NorthStar Healthcare Income

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