

MTS Report

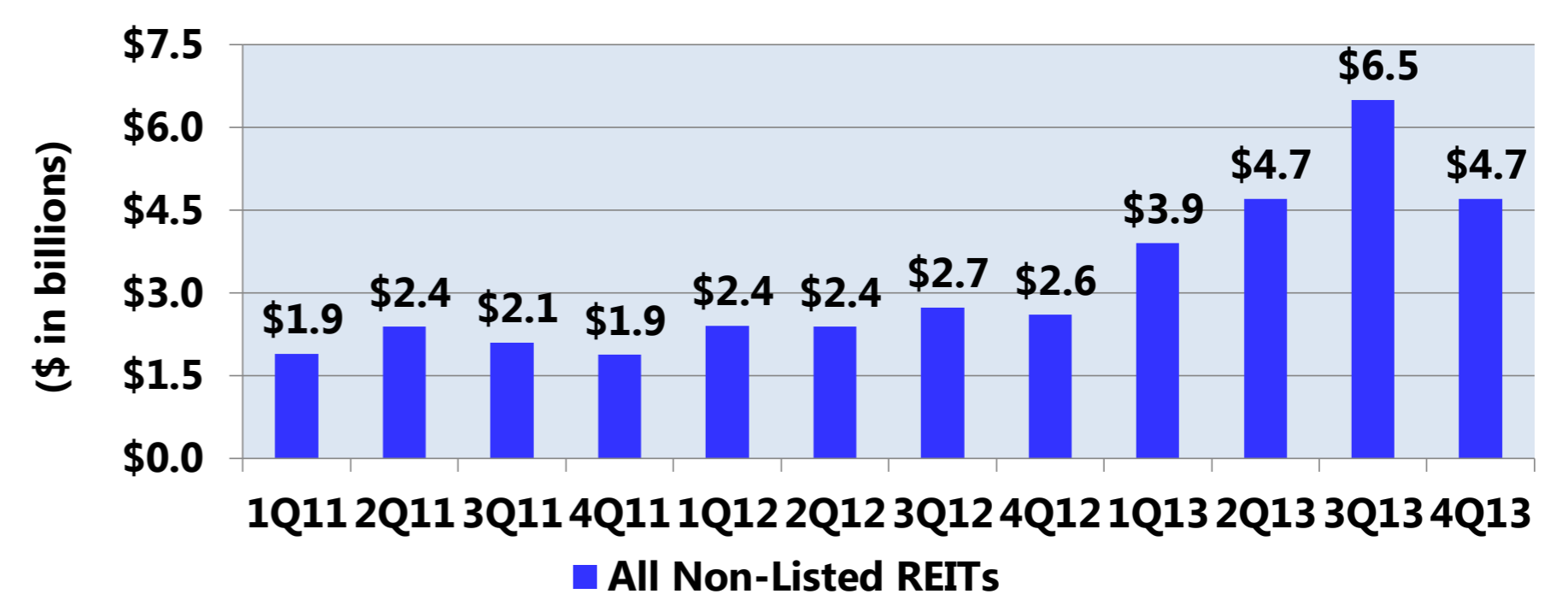
The **MTS Report** is a high-level industry review of the non-listed REIT market. The MTS Report includes four sections: 1) Non-Listed REIT Market Summary, 2) Non-Listed REIT Investment Summary, 3) Non-Listed REIT Performance Summary, and 4) Non-Listed REIT Fee Summary. The **Non-Listed REIT Market Summary** reviews current equity capital raising by the top individual non-listed REIT and highlights capital raising trends over the last two years. The **Non-Listed REIT Investment Summary** details current acquisition activity, highlights historical acquisition trends, summarizes the largest non-listed REITs by Invested Assets, and highlights the growth in non-listed REITs by Invested Assets. The **Non-Listed REIT Performance Summary** highlights distribution rate and leverage trends by effective non-listed REITs (open to new investors) and closed non-listed REITs (closed to new investors) and reviews historical trends in distribution payouts broken out between effective and closed non-listed REITs. The **Non-Listed Fee Summary** reviews average front-end and on-going fee structures of non-listed REITs as a percent of equity and provides specific fee structures of non-listed REITs that are representative of current non-listed REIT sponsors.

Non-Listed REIT Market Summary

EQUITY FUNDRAISING - 4Q 2013 (\$ in millions)	Equity Raised	
	4Q 2013	FY 2013
Cole Credit Property Trust IV	\$ 840	\$ 1,807
Phillips Edison - ARC Shopping Center REIT	\$ 673	\$ 1,604
American Realty Capital NY Recovery REIT	\$ 654	\$ 1,510
Hines Global REIT	\$ 316	\$ 814
Cole Corporate Income Trust	\$ 260	\$ 1,754
Steadfast Income REIT	\$ 227	\$ 496
Corporate Property Associates 18 Global	\$ 219	\$ 237
Griffin Capital Essential Asset REIT	\$ 201	\$ 375
Resource Real Estate Opportunity REIT	\$ 200	\$ 436
Carter Validus Mission Critical REIT	\$ 185	\$ 525
KBS REIT III	\$ 132	\$ 391
American Realty Capital Trust V	\$ 110	\$ 1,557
CNL Healthcare Properties	\$ 103	\$ 387
American Realty Capital Healthcare Trust II	\$ 93	\$ 186
NorthStar Healthcare Income	\$ 90	\$ 109
American Realty Capital Global Trust	\$ 67	\$ 150
CNL Growth Properties	\$ 45	\$ 75
Inland Real Estate Income Trust	\$ 37	\$ 64
Griffin-American Healthcare REIT II	\$ 29	\$ 1,807
Apple REIT Ten	\$ 26	\$ 154
ARC - Retail Centers of America	\$ 25	\$ 63
Other Non-Listed REITs	\$ 126	\$ 5,308
Total - All Non-Listed REITs	\$ 4,654	\$ 19,808

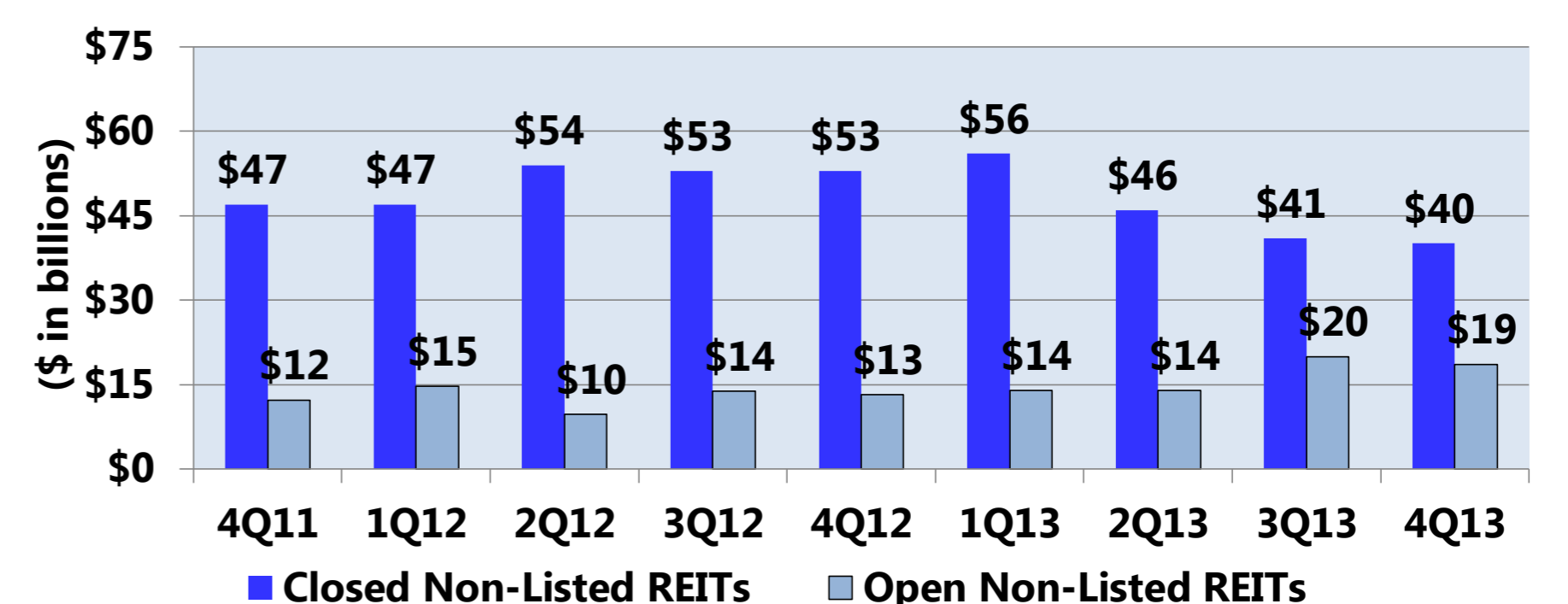
Non-listed REITs raised a record \$20 billion equity capital in 2013. An incredible eight non-listed REITs raised more than \$1.2 billion each. Five of these billion dollar non-listed REITs were distributed by American Realty Capital, which recently acquired control of Cole's two billion dollar non-listed REITs in the acquisition of COLE by their traded REIT ARCP. The top ten fundraisers still dominate with 82% market share in 4Q13.

EQUITY FUNDRAISING - BY QUARTER



Non-Listed REITs closed out 2013 with a strong \$4.7 billion raised in 4Q13. Non-listed REITs in closeout continue to dominate the market. The top three non-listed REITs, Cole IV, Phillips Edison - ARC, & ARC NY, captured nearly 50% of the market as they closed out their fundraising.

TOTAL EQUITY CAPITAL - ALL NON-LISTED REITs



Total equity capital for non-listed REITs dropped to \$59 billion in 4Q13. The strong 2013 equity raise was offset by several large liquidity events in 2013, including Chambers Street, CCPT2, CCPT3, and Columbia Property Trust. Many more liquidity events are expected in 2014.

Non-Listed REIT Investment Summary

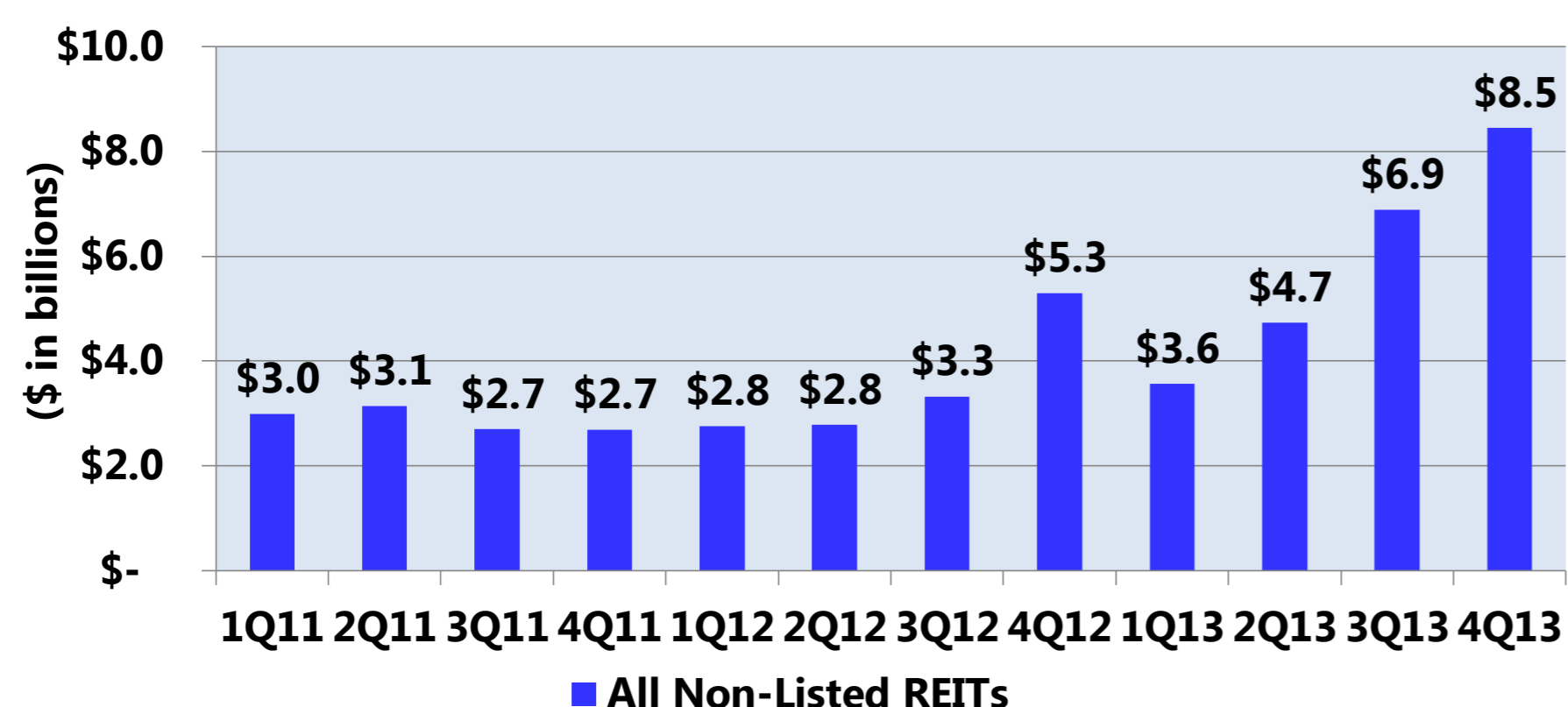
ACQUISITIONS (\$ in millions)	Acquisitions	
	4Q 2013	FY 2013
American Realty Capital NY Recovery REIT	\$1,337	\$1,760
Cole Corporate Income Trust	\$847	\$2,054
Cole Credit Property Trust IV	\$582	\$1,655
Griffin Capital Essential Asset REIT	\$608	\$851
Griffin-American Healthcare REIT II	\$555	\$1,461
KBS Real Estate Investment Trust III	\$547	\$951
Steadfast Income REIT	\$398	\$946
Inland American Real Estate Trust	\$384	\$1,216
Phillips Edison - ARC Shopping Center REIT	\$367	\$913
CNL Healthcare Properties	\$343	\$737
Carter Validus Mission Critical REIT	\$309	\$541
Carey Watermark Investors	\$273	\$758
American Realty Capital Trust V	\$248	\$1,146
American Realty Capital Healthcare Trust	\$210	\$945
Landmark Apartment Trust of America	\$194	\$805
Hines Global REIT	\$194	\$1,689
Corporate Property Associates 17 - Global	\$167	\$352
CNL Lifestyle Properties	\$161	\$245
Dividend Capital Diversified Property Fund	\$115	\$115
Corporate Property Associates 18 Global	\$107	\$223
Other Non-Listed REITs	\$506	\$4,282
Total - All Non-Listed REITs	\$8,452	\$23,644

Non-Listed REITs completed a record quarter in 4Q13 with \$8.5 billion of commercial real estate acquisitions. Acquisitions target a variety of commercial real estate sectors, including net lease retail, retail shopping centers, office, industrial, hotels, apartments, and medical office.

TOTAL INVESTED ASSETS (\$ in millions)	Current Status	
	Status	4Q 2013
Inland American Real Estate Trust	Closed	\$11,099
Corporate Property Associates 17 - Global	Closed	\$4,519
Hines Global REIT	Open	\$3,735
Industrial Income Trust	Closed	\$3,724
Corporate Property Associates 16 Global	Closed	\$3,520
CNL Lifestyle Properties	Closed	\$3,518
TIER REIT (fka BH REIT I)	Closed	\$3,412
Dividend Capital Diversified Property Fund	Open	\$3,080
KBS Real Estate Investment Trust II	Closed	\$3,011
Griffin-American Healthcare REIT II	Closed	\$2,903
Behringer Harvard Multifamily REIT I	Closed	\$2,650
Cole Corporate Income Trust	Closed	\$2,348
Inland Diversified Real Estate Trust	Closed	\$2,312
Cole Credit Property Trust IV	Closed	\$2,203
KBS Real Estate Investment Trust	Closed	\$2,146
Hines Real Estate Investment Trust	Closed	\$1,976
American Realty Capital NY Recovery REIT	Closed	\$1,736
American Realty Capital Healthcare Trust	Closed	\$1,673
Apple Hospitality REIT	Closed	\$1,644
Landmark Apartment Trust	Closed	\$1,553
Other Non-Listed REITs		\$17,313
Total - All Non-Listed REITs		\$80,075

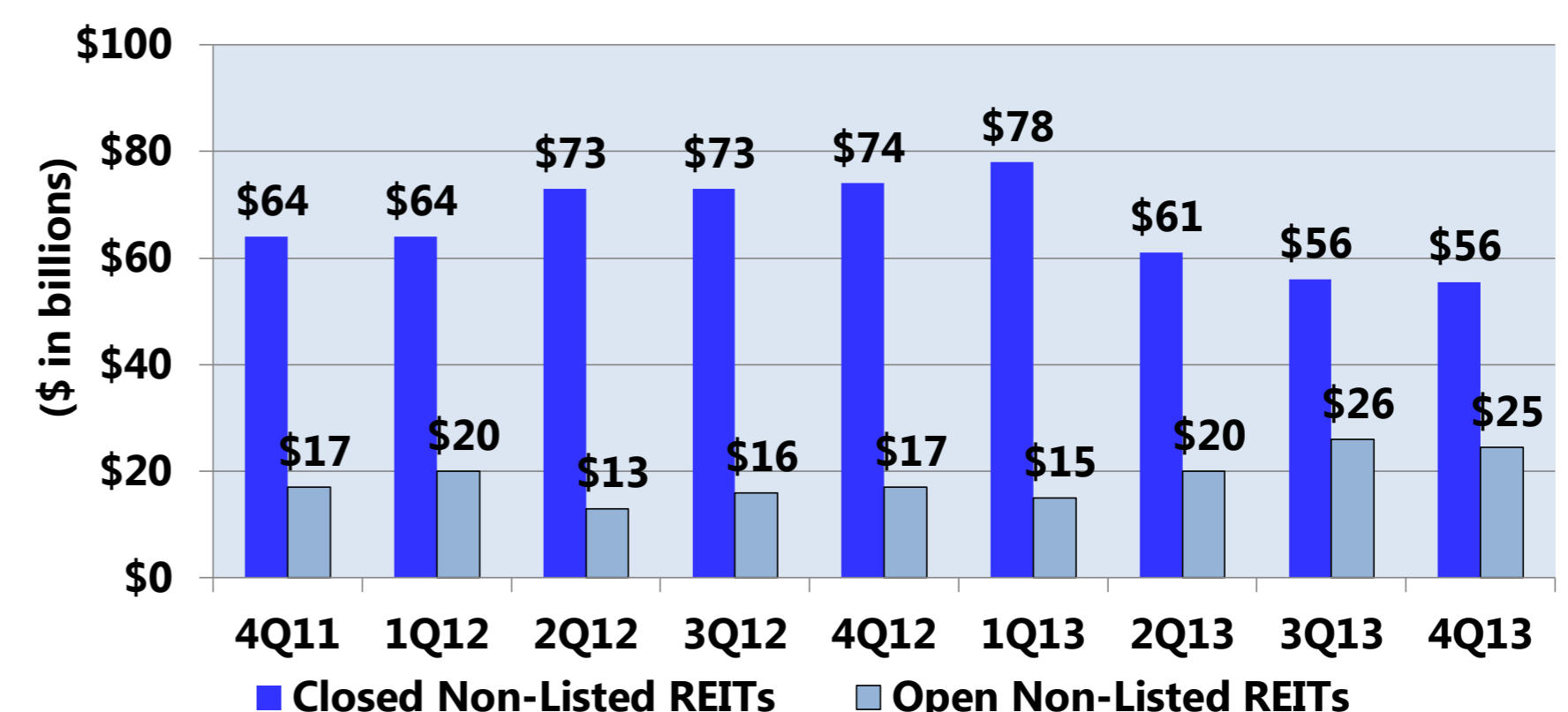
Non-Listed REITs have accumulated \$80 billion in commercial real estate assets. Several of the largest non-listed REITs, such as CPA 16 Global and Inland Diversified, have announced liquidity events that will be completed in 2014. Several other non-listed REITs have announced plans to liquidate.

ACQUISITIONS - BY QUARTER



Non-Listed REITs acquired \$23 billion in core commercial real estate assets in 2013, which is a record for non-listed REITs. Large cash balances and recycled capital from several planned/expected liquidity events should produce another active year of acquisitions in 2014.

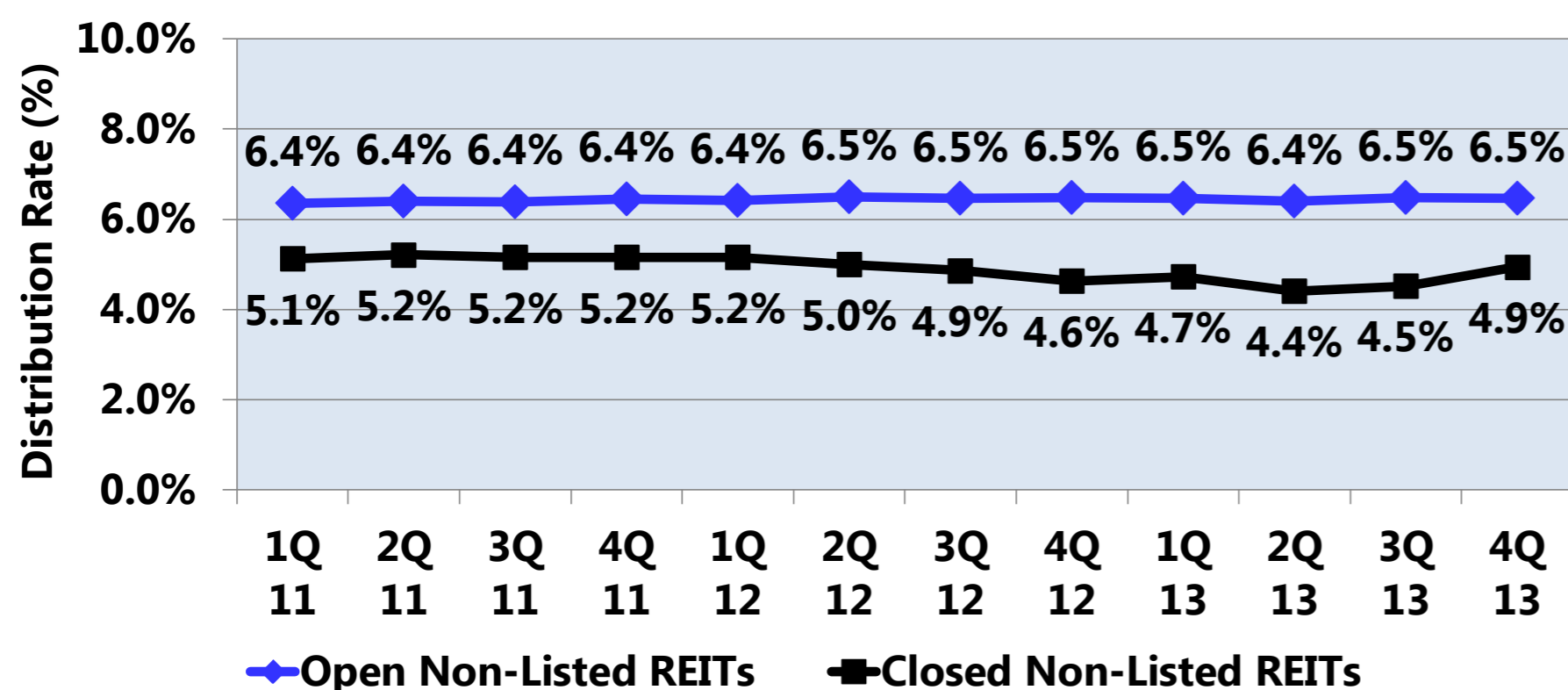
TOTAL INVESTED ASSETS - ALL NON-LISTED REITs



Total invested assets for non-listed REITs has grown by nearly 40% over the last three years, rising from \$58 billion in 4Q10 to \$80 billion in 4Q13. Liquidity events by closed non-listed REITs could lower invested assets in 2014, offsetting expected strong asset growth by open non-listed REITs.

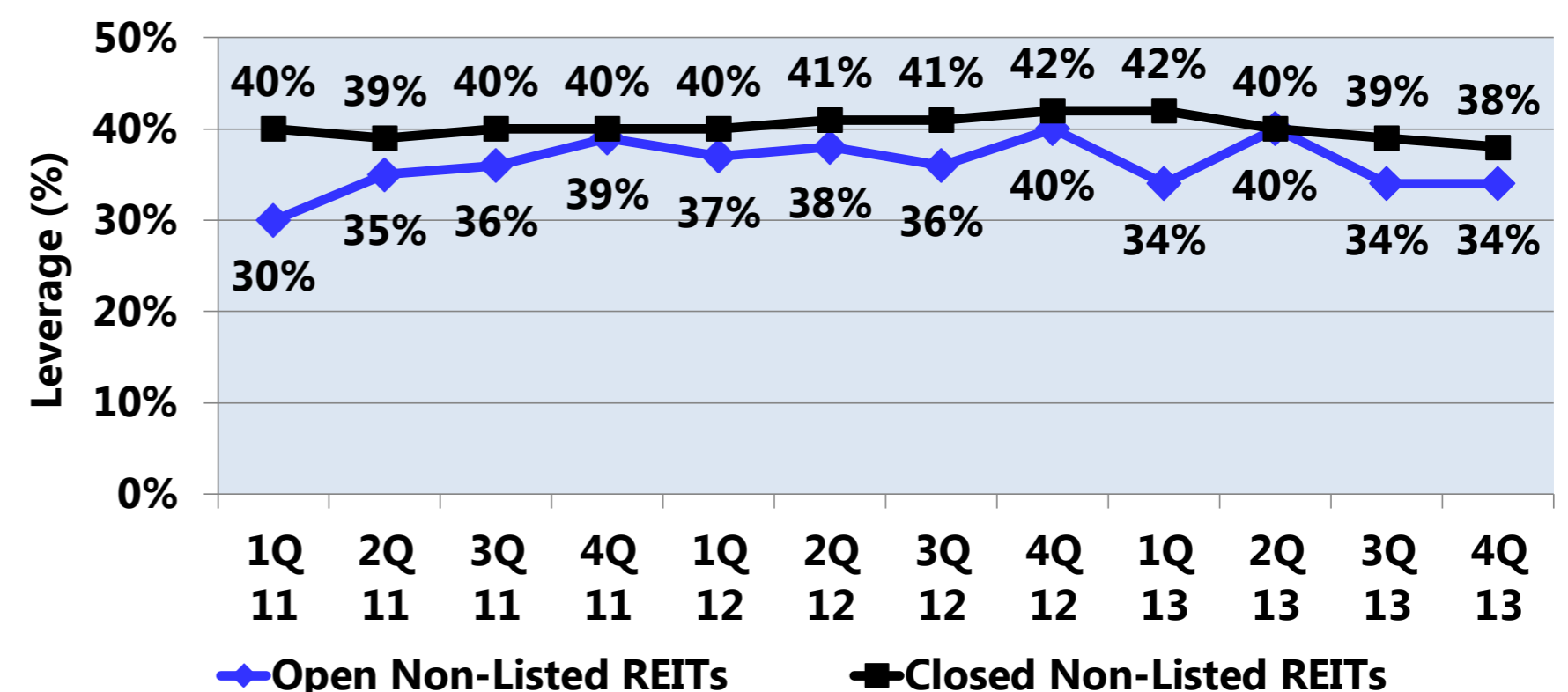
Non-Listed REIT Performance Summary

DISTRIBUTION RATE - NON-LISTED EQUITY REITS



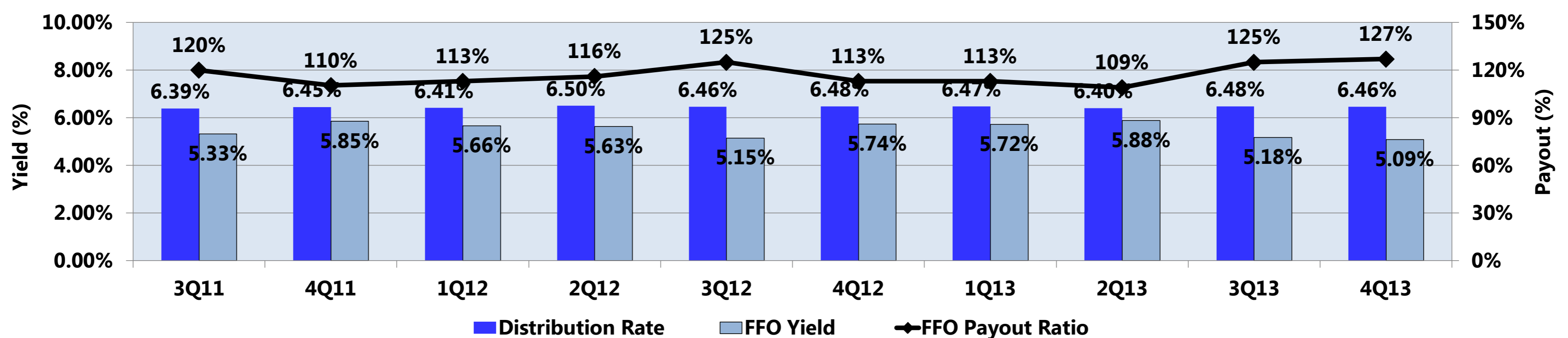
Open non-listed equity REITs average a 6.5% distribution rate with most REITs offering 6.0%-7.0% distributions. The average distribution of closed non-listed REITs increased to 4.9%, as higher distributions on recently closed REITs offset reductions by closed non-listed REITs.

LEVERAGE - NON-LISTED EQUITY REITS



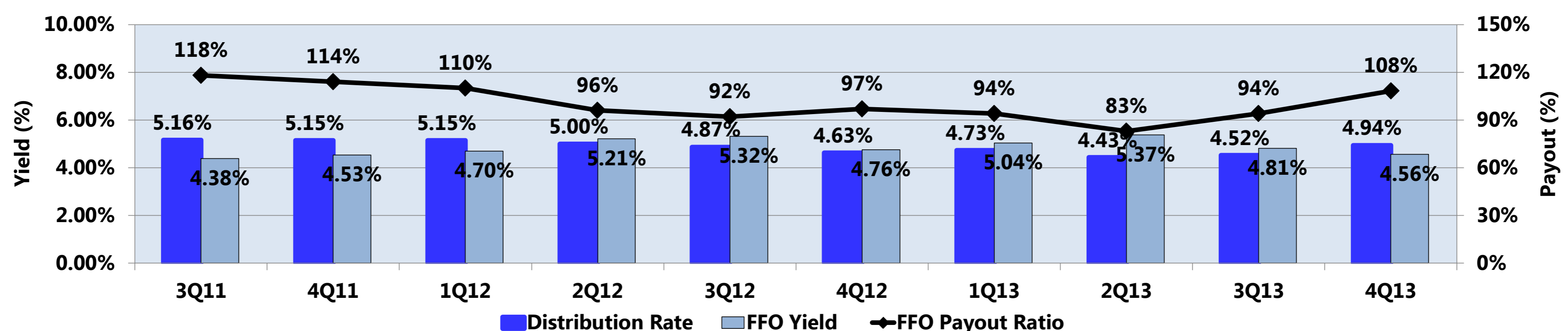
The leverage ratio of open non-listed REITs remained at 34% in 4Q13, as their financing continues to lag behind their fundraising. Open non-listed REITs are still securing low interest rates on permanent financing. Closed non-listed REITs had a slight decline in their leverage ratio to 38%.

DISTRIBUTION PAYOUTS - OPEN NON-LISTED EQUITY REITS



The average FFO Yield for open non-listed REITs decreased to 5.09% in 4Q13, largely due to a high cash balances from strong equity raises for many non-listed REITs. When their cash is invested and their assets are financed, their FFO yields should increase towards 6.0%. Investment markets still provide high yield spreads, but market cap rates continue to compress in the current low interest rate environment. With the recent FFO declines, the distribution payout ratio jumped to 127% in 4Q13, but capital deployment and permanent financing should bring the distribution payout back down closer to 110%.

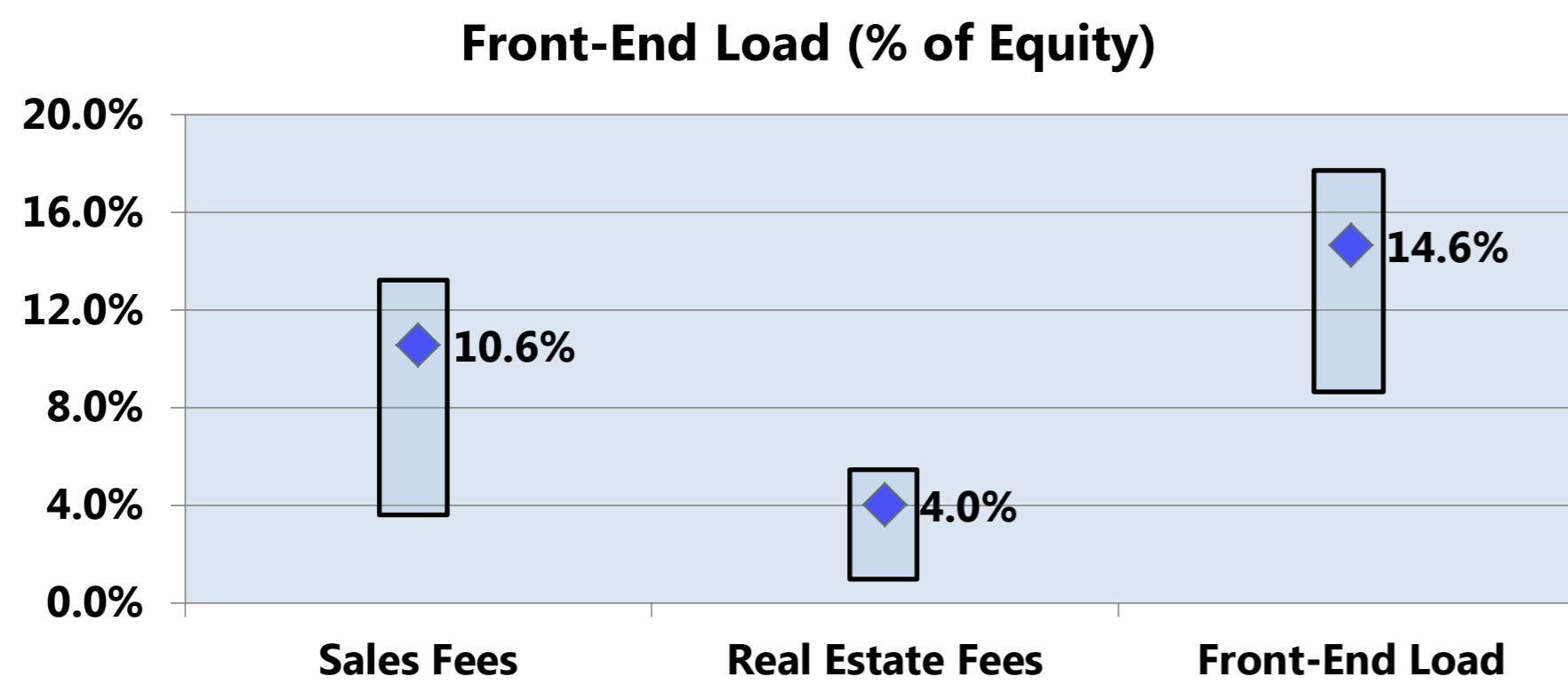
DISTRIBUTION PAYOUTS - CLOSED NON-LISTED EQUITY REITS



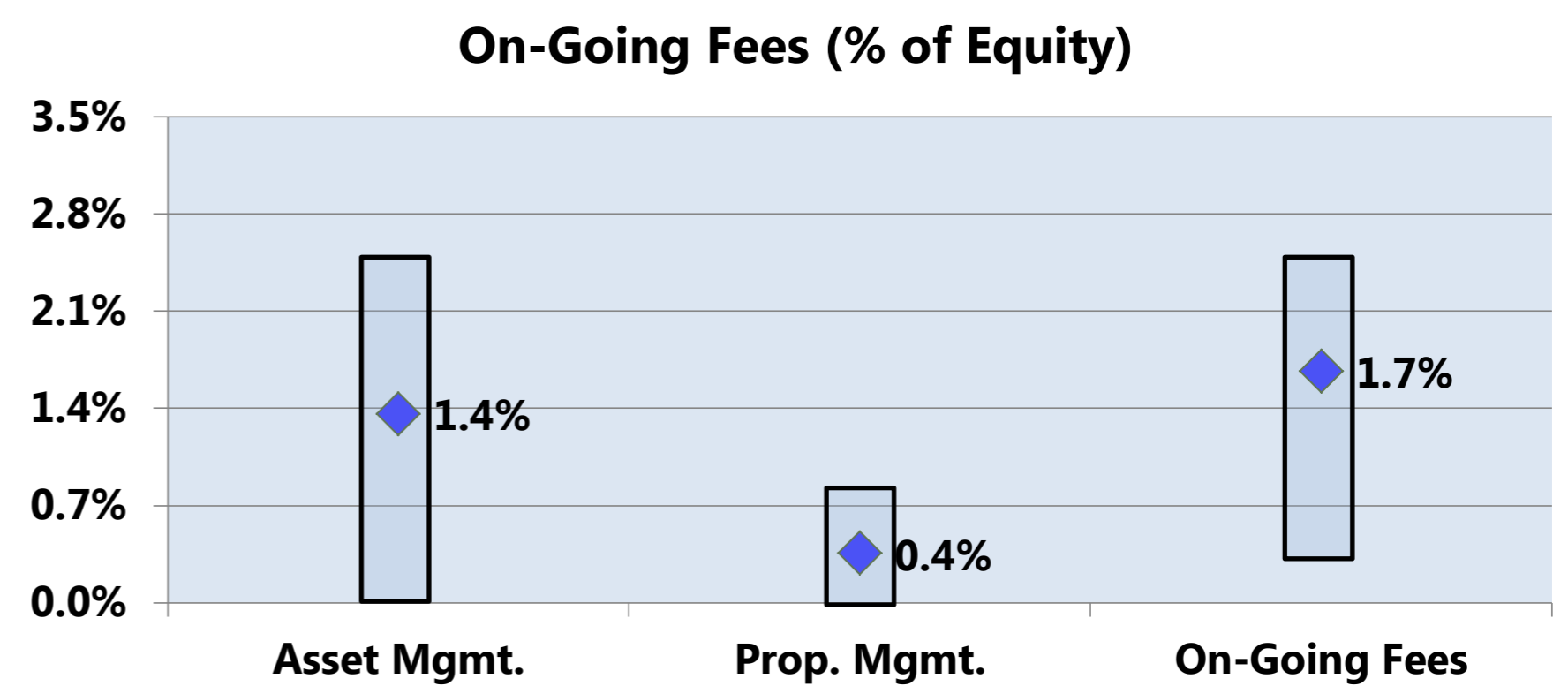
The average FFO Payout Ratio for closed non-listed REITs increased to 108% in 4Q13 from a previous low of 83% in 2Q13. The average FFO Payout Ratio has jumped back up to 2011 levels. This recent increase in the payout ratio is due to two primary factors. Distribution rates have been recently increased by several closed non-listed REITs. And, several recently closed non-listed REITs have high cash balances, low leverage ratios, and high payout ratios. The next several quarters will produce volatility as several non-listed REITs close fundraising and several closed non-listed REITs liquidate in 2014.

Non-Listed REIT Fee Summary

NON-LISTED REIT FEE SUMMARY



The average front-end load, which is primarily sales costs, remains at 15%. A few non-listed REITs are lowering their front-end real estate fees and increasing their management fees to get more equity invested up-front.



The average annual on-going fee burden, which is primarily the asset management fees, is 1.7% of equity. The average annual on-going fee burden on equity increased slightly from 1.6% in 3Q13.

NON-LISTED REIT FEE COMPARISON

Non-Listed REITs - Open	Front-End Load			On-Going Fees (Annual)			Back-End Fees		
	Sales Fees	Real Estate Fees	Front-End Load	Asset Mgmt. Fee	Property Mgmt. Fee	On-Going Fee Impact	Disposition Fee	Preferred Return	Profit Split
	% equity	% equity	% equity	% cost	% income	% equity			
American Realty Capital Healthcare Trust II	11.5%	2.9%	14.5%	0.00%	1.5%-2.5%	0.25%	2.00%	6.00%	15.00%
Bluerock Multifamily Growth REIT	11.4%	4.6%	16.1%	0.65%	4.00%	1.58%	1.50%	8.00%	15.00%
Carter Validus Mission Critical REIT	11.0%	4.2%	15.2%	1.00%	3.0%-4.0%	2.10%	2.00%	8.00%	15.00%
CNL Healthcare Trust	11.0%	5.2%	16.3%	1.00%	2.0%-4.0%	2.04%	1.00%	6.00%	15.00%
Cole Credit Property Trust IV	10.5%	4.2%	14.7%	0.65%-0.75%	0.00%	1.17%	1.00%	8.00%	15.00%
CPA 18 Global (Class A Shares)	10.7%	4.2%	14.9%	0.5% Value	0.00%	0.83%	3.00%	6.00%	15.00%
CPA 18 Global (Class C Shares)	4.5%	4.2%	8.6%	0.50%	0.00%	0.83%	3.00%	6.00%	15.00%
Griffin Capital Essential Asset REIT	11.3%	5.0%	16.3%	0.75%	3.00%	1.63%	3.00%	6.00%	5%-15%
Hartman Short-Term Income Properties XX	11.0%	5.3%	16.4%	0.75%	3.0%-5.0%	1.75%	3.00%	6.00%	15.00%
Hines Global REIT	10.3%	5.0%	15.3%	1.5% Equity	Market	1.88%	1.00%	8.00%	15.00%
Industrial Property Trust	11.3%	3.3%	14.6%	0.80%	2.0%-5.0%	1.77%	2.00%	6.50%	15.00%
Inland Real Estate Income Trust	11.5%	3.3%	14.8%	0.65%	1.9%-3.9%	1.45%	3.00%	7.00%	10.00%
KBS REIT III	10.2%	2.9%	13.2%	0.75%	0.00%	1.25%	1.00%	8.00%	15.00%
Lightstone Value Plus REIT II	12.0%	1.6%	13.6%	0.95%	4.5%-5.0%	2.18%	0.00%	7.00%	30%-40%
Moody National REIT I	12.2%	3.7%	16.0%	1.00%	Market	2.04%	3.00%	8.00%	15.00%
MVP REIT	3.8%	5.8%	9.6%	0.85%	6.00%	2.17%	3.00%	N/A	N/A
NorthStar Real Estate Income Trust II	11.5%	2.5%	14.0%	1.25%	0.00%	2.08%	1.00%	7.00%	15.00%
Resource Real Estate Opportunity REIT	11.8%	3.5%	15.4%	1.00%	2.75%-4.5%	2.10%	2.75%	10.00%	25.00%
Steadfast Income REIT	11.3%	4.6%	15.8%	0.80%	Market	1.71%	1.50%	8.00%	10.00%
Strategic Storage Trust	11.8%	5.8%	17.6%	1.00%	6.00%	2.42%	3.00%	6.00%	5%-15%
United Realty Trust	11.7%	2.9%	14.7%	0.75%	4.50%	1.81%	2.00%	7.00%	15.00%

Notes: For sponsors with multiple non-listed REIT products, a single non-listed REIT from their offerings is presented as a representative sample for this fee comparison.

Front-End Load: For non-listed REITs with a financing fee, the analysis assumes 40% leverage to calculate real estate fees & total front-end load.

On-Going Fees: On-Going Fee Impact assumes a 40% leverage and 7.5% average cap rate to convert asset mgmt. & property mgmt. fee impacts to an equity basis.