

## **REIT Growth and Income Monitor**

### **Weekly Comments 08/12/2014**

**Positive performance gap for REITs remains at 10% year to date for 2014, compared to S&P 500 Index.**

**Residential REITs see higher expenses limiting same property NOI, offset by rental rate rate increases and portfolio expansion supporting long term FFO growth.**

**MAA surprised investors with lower FFO for 2Q 2014, pointing to higher expenses, as well as slight occupancy decline in secondary markets.**

**Post Properties sees negative impact from higher operating expenses, with long term FFO growth supported by new developments.**

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**Weekly REIT Comments**  
**08/12/2014**

REIT stocks in the S&P 500 Index traded unchanged on average for the week ended August 8, 2014, as positive performance gap was maintained at 10% year to date for 2014. Average gain for all REITs followed by REIT Growth and Income Monitor is now 10% year to date for 2014, still twice the 5% gain for the S&P 500 Index. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%.

Investors see shifting momentum in REIT earnings reports for 2Q 2014. Health Care REITs and Industrial REITs have increased guidance, while other REIT sectors affirmed conservative guidance indicating modest growth for 2014. Health Care REITs rally as Affordable Care Act is implemented, bringing more patient volume for tenants of Health Care REITs. Industrial REITs are gaining occupancy, allowing FFO guidance to increase. Hotel REITs demonstrate positive revenue and margin trends, with stock price performance aided by price decline for oil and gasoline. Most Residential REITs expect strong FFO growth to continue through 2014, driven by tight occupancy and rental rate increases, although a few have seen operating expenses increase enough to offset positive momentum. Performance of Retail REITs should respond to rental rate increases, as well as portfolio expansion and portfolio restructuring sustaining long term FFO growth. Certain Specialty REIT segments, such as Specialty Self-Storage REITs, have exceeded earnings expectations, while Specialty Timber REITs, with portfolios of timberlands and sawlog mills, traded lower on news of variable home sales. Investors take a cautious stance for Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs.

Investor acceptance of eventual Federal Reserve tapering supports outlook for Financial Mortgage REITs, as bond market volatility moderates. Financial Mortgage REITs face significant fundamental change, with debate of Fannie Mae reform legislation likely to be delayed by interim elections. Proposals to liquidate Fannie Mae within 5 years face stiff opposition from Democratic Congressmen and Senators, as industry experts and lobbyists warn recession would follow removal of government support from the housing sector. Profits paid by Fannie Mae and Freddie Mac support the Treasury at a time of fiscal austerity, increasing probability that status quo for Fannie Mae will be maintained through the 2016 Presidential election.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 20 REITs in the S&P 500 Index are actually invested in financial assets. Dividend increases for 2013 and 2014 indicate management confidence in continued FFO growth. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

**Residential REITs See Higher Operating Expenses, Offset by Rental Rate Increases Supporting FFO Growth**

Residential REITs have seen excellent stock market performance during 2014, demonstrating the best year to date performance of any REIT sector for 2014, up 20% on average, as shown by the chart on the bottom of page 4 of this report. This period of outperformance is a result of employment gains, supporting incomes for the 25-35 year old age group, target market for Residential REITs. In addition to positive employment trends, a lack of new apartment supply and reluctance to purchase homes kept occupancy high, over 95% for almost all Residential Apartment REITs, enabling rental rate increases of more than 5% for 4 years in a row, from 2010-2014. This extended period of outperformance, driven by fundamentals, now nears a close, as we approach a period when management strategies of portfolio expansion and portfolio restructuring take the lead in driving FFO growth for the Residential Apartment REIT sector.

Results for 2Q 2014 showed the first disappointments among Residential Apartment REITs in recent memory. While almost all Residential Apartment REITs cited higher expenses as a challenge limiting same property NOI growth, most were able to offset higher expenses with occupancy and rental rate improvements. The large cap Residential REITs in the S&P 500 Index, including **Equity Residential**, **AvalonBay Communities**, **Essex Property Trust** and **Apartment Investment and Management**, all demonstrated continued FFO growth up 5%-10% for 2Q 2014. Mid-cap **UDR** and **Camden Property Trust** also reported FFO growth for 2Q 2014. Only a few of the Residential REITs saw lower FFO for 2Q 2014, including **MAA** and **Post Properties**, while **Home Properties** and **Associated Estates Realty** reported FFO flat for 2Q 2014. We note that all of the disappointments came for Residential Apartment REITs with significant exposure to smaller cities known as "secondary markets", places where employment growth has lagged total US employment growth.

This quarterly disappointment for a few Residential Apartment REITs does not signal an end to the stock market outperformance of this powerful REIT sector. We see portfolio expansion through acquisitions and new developments as the primary driver of FFO growth for the next 2 years. FFO growth should continue until new apartment supply forces Residential Apartment REITs to offer significant concessions to attract tenants. Investors should watch employment trends carefully to maintain comfort with this stable and enduring Residential Apartment REIT sector.

**Trading Opportunities**

Despite the recent negative surprise for **MAA**, this mid-cap Residential Apartment REIT still offers strong growth potential, with market cap of \$5.6 billion supporting a portfolio of 84,000 apartments. **MAA** stock price increased 16% year to date for 2014, outperforming the average gain of 10% for all REITs, with stock price stabilizing after the disappointing earnings report. **MAA** reported FFO down (8%) for 2Q 2014, while occupancy remains at 96%, with average monthly rents up 3%. Decreased guidance for FFO for 2014 now indicates as much as (3%) decline. **MAA** is still consolidating \$8.3 billion merger with **Colonial Properties Trust**, completed in October, 2013. Quarterly FFO comparisons should turn positive by 4Q 2014. Dividends were increased 8% during 2013 and 4% for 2014, now providing income investors with 4.1% yield.

Small cap investors may use the current disappointment to invest in **Post Properties**, one of the Residential Apartment REITs most often mentioned as offering merger or acquisition potential. **Post Properties** owns and operates a portfolio of 23,000 apartments, supported by market cap of \$2.9 billion. Stock price increased 20% during 2014, in line with the average gain for all Residential Apartment REITs. Core FFO for 2Q 2014 decreased (6%), as occupancy increased slightly, still 96%, with average rents up more than 2%. Only 2 cities among **Post Properties** portfolio showed rental rate declines: metropolitan DC and Orlando, while other cities showed rents up 2%-5%. Decreased guidance for Core FFO for 2014 now indicates as much as (8%) decline. **Post Properties** promises to deliver portfolio expansion through a \$230 million pipeline of new apartment developments in southern US cities, representing 5% increase in total portfolio capacity. **Post Properties** increased dividends by 23% during 2013 and 9% for 2014, now providing income investors with 3.0% yield.



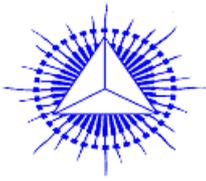
Weekly Price Change for S&P 500 Index REITs

S&P 500 Index REITs:		Price	Price	Price	Weekly	2014
		12/31/2013	08/01/2014	08/08/2014	Price Change	Price Change
American Tower	AMT	\$80	\$94	\$98	4%	23%
Apartment Investment	AIV	\$26	\$34	\$33	-1%	28%
AvalonBay Communities	AVB	\$118	\$149	\$150	1%	27%
Boston Properties	BXP	\$100	\$119	\$120	1%	20%
Crown Castle	CCI	\$73	\$73	\$77	5%	5%
Equity Residential	EQR	\$52	\$64	\$65	1%	25%
Essex Property Trust	ESS	\$144	\$190	\$188	-1%	31%
General Growth Properties	GGP	\$20	\$23	\$23	1%	17%
HCP	HCP	\$36	\$42	\$41	-2%	13%
Health Care REIT	HCN	\$54	\$65	\$63	-2%	18%
Host Hotels & Resorts	HST	\$19	\$22	\$22	-0%	11%
Kimco Realty	KIM	\$20	\$22	\$22	-0%	13%
Macerich	MAC	\$59	\$65	\$65	0%	10%
Plum Creek Timber	PCL	\$47	\$41	\$41	-1%	-12%
Prologis	PLD	\$37	\$41	\$40	-1%	9%
Public Storage	PSA	\$151	\$173	\$173	0%	15%
Simon Property Group	SPG	\$152	\$168	\$166	-1%	9%
Ventas	VTR	\$57	\$64	\$63	-0%	11%
Vornado Realty Trust	VNO	\$89	\$105	\$105	-0%	18%
Weyerhaeuser	WY	\$32	\$31	\$32	2%	1%
S&P 500 Index	S&P 500	\$1,848	\$1,925	\$1,932	0%	5%
Average for S&P 500 Index REITs					0%	15%

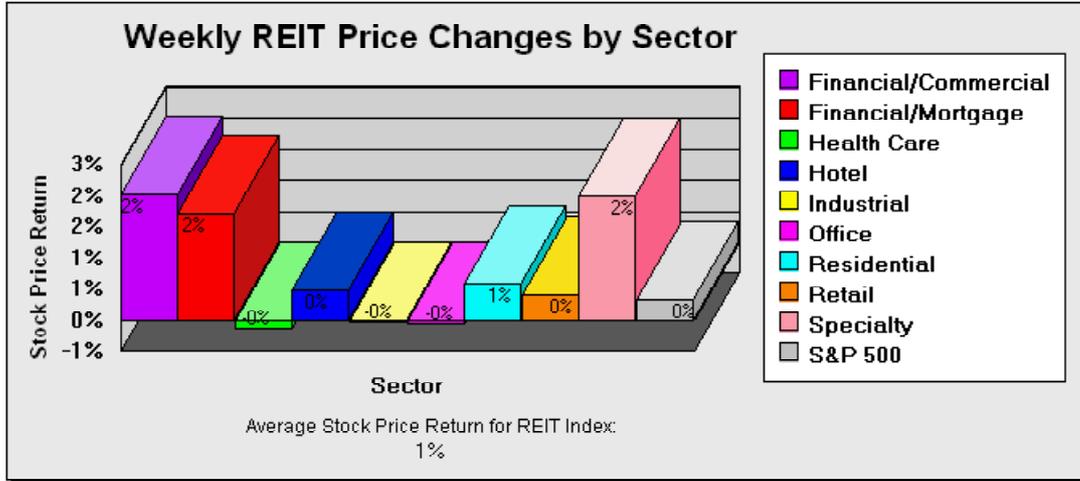
REIT stocks traded unchanged for the week ended August 8, 2014. REITs matched performance of the S&P 500 Index, also trading unchanged for the week, now showing 5% gain year to date for 2014. Positive performance gap for REITs was maintained at 10% year to date for 2014. REIT stocks trailed the S&P 500 Index during 2013, with average gain of 8%. Outperformance of REIT stocks reflects investor interest in equity yield alternatives to low bond market returns

Almost all of the 20 S&P 500 Index REITs outperformed the S&P 500 Index year to date for 2014, with 17 of the 20 S&P 500 Index REITs trading up more than 5% gain for the S&P 500 Index during 2014. Only 2 of the S&P 500 Index REITs traded down year to date for 2014. Rally for Residential REITs now includes **Apartment Investment and Management** up 28%, **AvalonBay Communities** up 27%, **Equity Residential** up 25% and **Essex Property Trust** up 31%, all reporting strong earnings results. Office REITs also demonstrated strong performance, with **Boston Properties** up 20% and **Vornado Realty Trust** up 18% year to date for 2014. **Public Storage**, up 15%, and **Prologis**, up 9%, still show solid gains for 2014. Health Care REITs enjoy sustainable rally, buoyed by news of individual health enrollment under Affordable Care Act, with **Health Care REIT** up 18%, while **HCP** shows 13% gain and **Ventas** shows 11% gain. Retail REITs also show good gains, now lead by **General Growth Properties** up 17% and **Kimco Realty** up 13%, while **Macerich** shows 10% gain. **Simon Property Group** gave up a portion of its year to date gain due to recent spin-off of **Washington Prime Group**, leaving the parent company up 9% year to date for 2014. **Host Hotels & Resorts**, now up 11%, recently announced higher group bookings during 2014. **American Tower** is still gaining ground, now showing 23% gain year to date for 2014, with pending REIT conversion **Crown Castle** trading up 5% for 2014. In contrast, Specialty Timber REITs traded down on news of variable sales of new and existing homes, with Specialty Timber REIT **Plum Creek Timber** now down (12%) and **Weyerhaeuser** up 1% year to date for 2014.

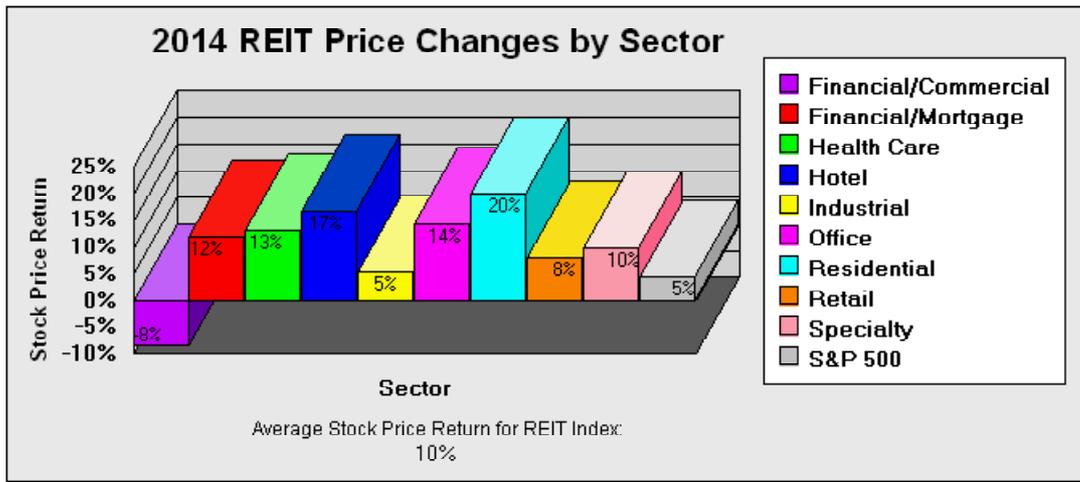
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Weekly REIT Price Changes by Sector



Most REIT sectors rallied during the week ended August 8, 2014. Best performance was shown by Financial Commercial REITs, Financial Mortgage REITs and Specialty REITs, all trading up 2% for the week. Hotel REITs and Residential REITs increased 1%, while Specialty REITs showed increase of less than 1%. Lagging REIT sectors included Health Care REITs, Industrial REITs and Office REITs, all trading unchanged for the week. On average, stock prices for REIT Growth and Income Monitor increased 1% for the week ended August 8, 2014.



Stock prices for REITs followed by REIT Growth and Income Monitor have stabilized, still showing gain of 10% on average year to date for 2014, representing twice the gain for the S&P 500 Index, now up 5% year to date for 2014. Investors are attracted by dividend income, and REITs have demonstrated ability both to pay and to increase dividends. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow demonstrates moderate growth, at a time when other market sectors face adjusted revenue expectations due to currency exposure and variable international economies

Almost all REIT sectors outperformed the S&P 500 Index. Leading REIT sectors for 2014 include Residential REITs, up 20%, and Hotel REITs up 17% year to date. Office REITs show gain of 14%. Health Care REITs are up 13% as the Affordable Care Act is implemented, bringing more patient volume to tenants of Health Care REITs. Financial Mortgage REITs show gain of 12%, as investors respond positively to appointment of Janet Yellen as new Federal Reserve Chairman, justifying expectations for continued low interest rates. Specialty REITs traded up 10% year to date for 2014, supported by investor interest in Cell Tower REITs, Data Center REITs and Self-Storage REITs, offset by underperformance of Specialty Timber REITs. Retail REITs show gain of 8%, while Industrial REITs show 5% gain for 2014. Lagging Financial Commercial REITs traded down (8%) year to date for 2014, reflecting investor concern over lower volume of new issues of commercial securitizations, as well as impact of spin-offs on stock prices of Financial Commercial REITs.

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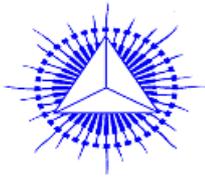
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REIT Comment



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Company:	Public Storage
Price:	\$173
Recommendation:	BUY
Ranking:	2
Market Cap:	\$29,810
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
08/04/2014  
PSA \$173

Public Storage PSA 2Q 2014 core FFO \$1.97 (adjusted) v \$1.80 (adjusted) UP +9%  
PSA 1Q 2014 core FFO excludes net gain of \$0.02 per share relating to foreign currency income and other items

PSA no guidance provided for FFO for 2014

PSA 2Q 2014 same property NOI UP +6.9%  
PSA 2Q 2014 same property occupancy 94.7% UP +0.7%

PSA 2Q 2014 realized annual rent per occupied square foot \$14.52 UP +4.6%

PSA 2Q 2014 Shurgard Europe contribution \$14 million, reduced by foreign exchange loss of (\$2) million

PSA 2Q 2014 Shurgard Europe same property NOI UP +6.1% with occupancy 86.4% UP +4.1%  
PSA 2Q 2014 Shurgard Europe realized annual rent per occupied square foot \$28.45 DOWN (5.1%)

PSA provides current dividend yield of 3.2% on common shares

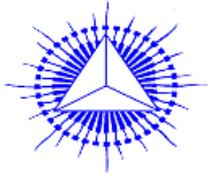
PSA a Specialty REIT with a portfolio of self-storage facilities in US and Europe

PSA we rank 3 HOLD

PSA market cap \$29.8 billion

PSA an S&P 500 Index REIT

REIT Comment



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Company:	Capstead Mortgage
Price:	\$13
Recommendation:	BUY
Ranking:	1
Market Cap:	\$1,231
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
CMO \$13

Capstead Mortgage CMO 2Q 2014 GAAP EPS \$0.35 v \$0.37 DOWN (5%)

CMO 2Q 2014 ROE 10.8%

CMO 2Q 2014 book value \$12.69 per share UP +1% from March 2014  
CMO stock now trading at premium of 1% to book value as of June 2014

CMO 2Q 2014 NIM (net interest margin) 1.22% DOWN (0.08%) from March 2014  
CMO 2Q 2014 operating expenses 0.80% of long term investable capital DOWN (0.16%) from March 2014

CMO 2Q 2014 portfolio \$13.7 billion agency guaranteed Residential MBS ARM securities UP \$200 million  
CMO 2Q 2014 portfolio average yield 1.71% DOWN (0.08%) from march 2014

CMO 2Q 2014 CPR (constant prepayment rate) 17.2% UP +2.0% from March 2014  
CMO 2Q 2014 portfolio leverage 8.5X FLAT

CMO management commented slightly lower net interest margin resulted from increase in prepayments  
CMO stable book value viewed favorably by investors as lower bond market volatility enables portfolio price improvement

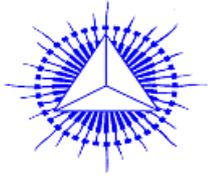
CMO current annual dividend yield of 10.6%, above the midpoint of the range for Financial Mortgage REITs

CMO a Financial Mortgage REIT with a portfolio of agency guaranteed Residential MBS

CMO we rank 1 BUY

CMO market cap \$1.2 billion

REIT Comment



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Company:	DDR Corp
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,273
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
DDR \$17

DDR Corp DDR 2Q 2014 operating FFO \$0.28 (adjusted) v \$0.27 (adjusted) UP +4%  
DDR 2Q 2014 FFO (adjusted) excludes net charges of (\$0.05) per share relating to impairment, transaction costs and other items

DDR reduced guidance range 2014 operating FFO \$1.14-\$1.18 v \$1.11 UP +3%--6%  
DDR previous guidance range 2014 operating FFO \$1.17-\$1.21 per share

DDR 2Q 2014 same property NOI UP +3.2%  
DDR 2Q 2014 portfolio occupancy 95.3% UP +0.8%

DDR 2Q 2014 rents on lease turnover UP +18.8% on new leases and UP +7.5% for renewed leases

DDR year to date 2014 acquisitions \$265 million for prime power centers  
DDR pending joint venture acquisition with Blackstone of 76 multi-tenant retail assets from American Realty Capital Properties ARCP for \$1.975 billion expected to close during 3Q 2014

DDR year to date 2014 divestitures \$79 million for non-prime assets

DDR 2Q 2014 development pipeline \$520 million including \$212 million new developments and \$133 million redevelopments, with remainder in land

DDR recently increased quarterly dividend distribution by 15%, bringing current annual dividend yield to 3.6%

DDR a Retail REIT with a diverse portfolio of retail properties in US, Puerto Rico and Brazil

DDR we rank 2 BUY

DDR market cap \$6.3 billion

REIT Comment



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Company:	Duke Realty
Price:	\$18
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,019
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:

08/04/2014

DRE \$18

Duke Realty DRE 2Q 2014 core FFO \$0.30 (adjusted) v \$0.27 (adjusted) UP +11%  
DRE 2Q 2014 core FFO excludes net gain of \$0.01 per share for property sales, offset by net charge of (\$0.01) per share relating to minority interest

DRE increased guidance range 2014 core FFO \$1.15-\$1.19 (adjusted) v \$1.10 (adjusted) UP +5%--8%

DRE previous guidance range 2014 core FFO \$1.12-\$1.18 (adjusted) per share  
DRE guidance 2014 core FFO assumes average portfolio occupancy 93.75%

DRE 2Q 2014 same property NOI UP +4.6%  
DRE 2Q 2014 portfolio in-service occupancy 94.5% UP +0.5% from March 2014

DRE 2Q 2014 rents on lease turnover UP +7.6%  
DRE 2Q 2014 tenant retention 68%

DRE reduced guidance 2014 acquisitions to \$100-\$200 million  
DRE previous guidance 2014 acquisitions \$150-\$300 million  
DRE 2Q 2014 acquisitions \$73 million

DRE increased guidance 2014 development starts to \$500-\$600 million  
DRE previous guidance 2014 development starts \$350-\$450 million  
DRE 2Q 2014 development starts \$213 million

DRE 2Q 2014 total development pipeline \$722 million, now 76% preleased

DRE 2Q 2014 dispositions \$278 million

DRE continuing divestitures of non-strategic assets, including suburban office properties and medical office buildings

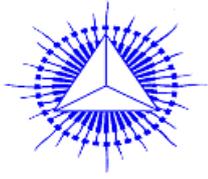
DRE stock price supported by current annual dividend yield of 3.8%

DRE an Industrial REIT with a diverse portfolio of distribution, industrial, commercial and office properties

DRE we rank 2 BUY

DRE market cap \$6.0 billion

REIT Comment



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Company:	Healthcare Realty Trust
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,355
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
HR \$25

Healthcare Realty Trust HR 2Q 2014 normalized FFO \$0.36 (adjusted) v \$0.32 (adjusted) UP +13%  
HR 2Q 2014 normalized FFO (adjusted) excludes net gain of \$0.02 per share relating to previous expense accrual

HR no guidance provided for normalized FFO for 2014  
HR long term expectation for same property NOI growth UP+2%-+4%

HR 2Q 2014 same property NOI UP +2.1%  
HR 2Q 2014 same property occupancy 90.5%

HR 2Q 2014 12 development and conversion properties now 70% physically occupied and 82% leased

HR 2Q 2014 cash rents on lease turnover for multi-tenant properties UP +2.5%, with rents for single tenant properties UP +2.7%  
HR 2Q 2014 tenant retention 87%

HR 2Q 2014 acquisitions \$35 million

HR seeing tenants seeking to differentiate their patient services to attract greater local market share  
HR doctor practices expecting to add more staff in response to higher demand from Medicaid and private care patients as a result of Affordable Care Act  
HR management commented real estate taxes increasing faster than expected holding down NOI growth

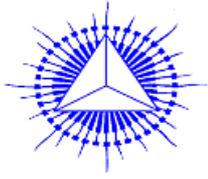
HR stock price supported by current dividend yield of 4.9%

HR a Health Care REIT with a portfolio concentrated in medical office properties

HR we rank 2 BUY

HR market cap \$2.4 billion

REIT Comment



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Company:	National Health Investors
Price:	\$60
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,978
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
NHI \$60

National Health Investors NHI 2Q 2014 normalized FFO \$1.05 v 0.89 (adjusted) UP +18%

NHI increased low end of guidance range 2014 normalized FFO \$4.17-\$4.20 v \$3.55 (adjusted) UP +17% - +18%

NHI previous guidance 2014 normalized FFO \$4.14-\$4.20 per share

NHI completed \$12 million acquisition of a single senior housing property

NHI 2Q 2014 Bickford RIDEA 85% owned joint venture properties contributed EBITDARM of \$6.0 million UP +3%

NHI 2Q 2014 Bickford RIDEA joint venture properties 80.8% occupied DOWN (3.4%), with total units UP +9%

NHI 2Q 2014 Bickford contribution 12% of total NHI revenue

NHI revenue concentration 54% skilled nursing facilities, 41% senior housing, 4% hospitals, and 1% medical office buildings and other assets

NHI to consider purchase options on senior housing properties during 2015 and 2016

NHI provides current annual dividend yield of 5.2%

NHI a Health Care REIT with a portfolio concentrated in skilled nursing and assisted living properties

NHI we rank 2 BUY

NHI market cap \$2.0 billion

REIT Comment



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Company:	MFA Financial
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,156
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text

08/04/2014

MFA \$8

MFA Financial MFA 2Q 2014 EPS GAAP EPS \$0.20 v \$0.19 UP +5%  
MFA 2Q 2014 GAAP EPS includes \$7.9 million gains on sale of MBS, supplemented by \$3.8 million unrealized gain on portfolio adjustments

MFA no guidance provided for GAAP EPS or core EPS for 2014

MFA 2Q 2014 GAAP book value \$8.37 per share, UP +2% from March 2014  
MFA stock trading at discount of (2%) to latest book value

MFA during 2Q 2014 MFA provided \$25 million reversal of loan loss reserve, to be recognized as gain included in GAAP EPS over the life of the assets  
MFA provided \$208 million reversal of loan loss reserve during 2013, indicating conservative valuation of non-agency securities

MFA 2Q 2014 portfolio \$12.5 billion UP +11% from March 2014  
MFA 2Q 2014 portfolio \$12.5 billion includes \$6.5 billion agency guaranteed Residential MBS and \$5.0 billion non-agency Residential MBS  
MFA 2Q 2014 portfolio yield 4.27%, including agency guaranteed RMBS 2.26% and non-agency RMBS 7.69%

MFA 2Q 2014 portfolio NIM (net interest income) 2.42%, including agency guaranteed RMBS 1.13% and non-agency RMBS 4.61%

MFA 2Q 2014 earnings contribution 76% from non-agency portfolio and 24% from agency securities

MFA 2Q 2014 portfolio leverage 2.9X, including agency guaranteed RMBS portfolio at 7.3X and non-agency RMBS portfolio at 1.4X

MFA 2Q 2014 portfolio CPR (constant prepayment rate) increased slightly, including agency guaranteed RMBS at 13.1% and non-agency RMBS at 12.1%

MFA better than expected loan loss performance for non-agency portfolio of RMBS enables MFA to reverse previous loan loss reserves while maintaining conservative valuations

MFA management commented that LTV of underlying mortgages in non-agency portfolio has decreased from 105% as of January 2012 to 80% for June, 2014, indicating improving credit profile of non-agency portfolio

MFA took advantage of improved prices for non-agency securities to make opportunistic sales, while portfolio price appreciation increased total portfolio concentration in non-agency securities

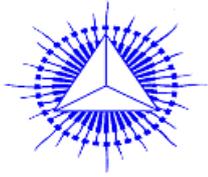
MFA provides current annual dividend yield of 9.8%, below the midpoint of the range for Financial Mortgage REITs

MFA a Financial Mortgage REIT with a portfolio of agency guaranteed and nonagency guaranteed Residential loans and MBS

MFA we rank 2 BUY

MFA market cap \$3.2 billion

REIT Comment



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Company:	Post Properties
Price:	\$54
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,940
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
PPS \$54

Post Properties PPS 2Q 2014 core FFO \$0.58 v \$0.62 (adjusted) DOWN (6%)  
PPS management comments noted 2Q 2014 FFO impacted by higher operating expenses  
PPS 2Q 2014 core EPS excludes condo sales from both years

PPS decreased guidance range 2014 core FFO \$2.30-\$2.35 v \$2.50 DOWN (8%)  
PPS previous guidance 2014 core FFO \$2.55-\$2.62 per share  
PPS latest guidance 2014 core FFO assumes same property NOI UP +1.0%-+1.6%  
PPS latest guidance range 2014 FFO including condo sales \$2.32-\$2.37 v \$3.01 DOWN (21%)-(23%), as condo sales to contribute only \$0.02 per share for 2014, compared to \$0.51 per share for 2013

PPS 2Q 2014 same property NOI UP +0.3%  
PPS 2Q 2014 same property average portfolio occupancy 96.2% UP +0.8% from March 2014

PPS 2Q 2014 same property average monthly rent \$1,393 UP +2.4%

PPS rents in metropolitan DC market DOWN (1.4%) from previous year, with same property NOI DOWN (6.7%) from previous year  
PPS rents in Orlando DOWN (1.7%), while all other areas showing rents increasing, ranging from Dallas UP +2.2% to Atlanta UP +4.9%  
PPS metropolitan DC area represents 18% of total same property NOI

PPS investing \$231 million in 4 development communities with 1,620 apartments for 5% portfolio expansion

PPS pending divestiture of 3 apartment communities for \$342 million during 3Q 2014

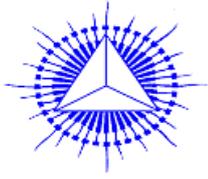
PPS provides current dividend yield of 3.0%

PPS a Residential REIT with a diverse portfolio of apartment communities concentrated in southeastern states

PPS we rank 2 BUY

PPS market cap \$2.9 billion

REIT Comment



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Company:	Iron Mountain
Price:	\$34
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,545
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
IRM \$34

Iron Mountain IRM traded DOWN (\$0.49) per share to close DOWN (1%) day

IRM stock traded UP +11% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

IRM last week reported EPS for 2Q 2014 UP +5%, with first time reported quarterly normalized FFO of \$0.61 per share

IRM provided guidance for FFO for 2014 normalized FFO in range of \$2.25-\$2.51 per share

IRM expects to increase quarterly dividend distribution rate from current \$0.27 per share to \$0.52-\$0.54 per share as a REIT, providing annual dividend of \$2.08-\$2.16 per share

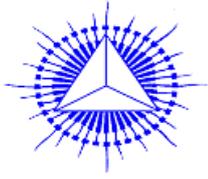
IRM stock provides current yield of 3.1%, expected to increase to 4.5%-5.0% as dividends are reset at required level for REIT status

IRM a Specialty Storage REIT with a portfolio of real estate for enterprise data storage and information management services in US and 35 global markets

IRM we recently added coverage with initial 1 BUY RANK

IRM market cap \$6.5 billion

REIT Comment



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Company:	LaSalle Hotel Properties
Price:	\$35
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,606
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
LHO \$36

LaSalle Hotel Properties LHO traded UP \$1.00 per share to close UP +3% day

LHO stock traded UP +16% year to date for 2014, underperforming Hotel REITs, trading UP +19% for 2014

LHO current decline in international travel less likely to impact LHO than Host Hotels & Resorts HST, as LHO owns only US hotels, with portfolio concentration in DC area

LHO reported results for 2Q 2014 earlier this week, with FFO for 2Q 2014 UP +12%

LHO increased guidance for FFO for 2014 to indicate growth UP +10%

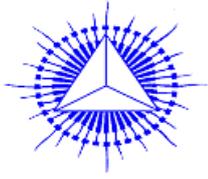
LHO provides current yield of 4.3%, at the upper end of the range for Hotel REITs

LHO a Hotel REIT

LHO we rank 3 HOLD

LHO market cap \$3.6 billion

REIT Comment



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Company:	Post Properties
Price:	\$55
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,940
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
PPS \$55

Post Properties PPS traded UP \$1.01 per share to close UP +2% day

PPS stock traded UP +22% year to date for 2014, outperforming Residential REITs, trading UP +19% for 2014

PPS investing in developments to add 5% to portfolio capacity

PPS reported 2Q 2014 FFO decline DOWN (6%) due to higher operating expenses

PPS 2Q 2014 average same property rents increased UP +2.4%, while same property operating expenses increased UP +7%

PPS pending divestiture may improve same property operating metrics

PPS guidance for FFO for 2014 now indicates decline DOWN (6%)-(8%)

PPS provides current dividend yield of 2.9%

PPS a Residential REIT with a diverse portfolio of apartment communities concentrated in southeastern states

PPS we rank 2 BUY

PPS market cap \$2.9 billion

REIT Comment



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Company:	Host Hotels & Resorts
Price:	\$22
Recommendation:	BUY
Ranking:	2
Market Cap:	\$16,982
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/04/2014  
HST \$22

Host Hotels & Resorts HST traded UP \$0.33 per share to close UP +2% day

HST stock traded UP +13% year to date for 2014, underperforming Hotel REITs, trading UP +19% for 2014

HST revenues at European hotels impacted by lower international travel during 2014, due to conflicts in Ukraine and Middle East

HST latest guidance for FFO for 2014 indicates growth UP +10%-+12%

HST management expects to consider payment of special dividend for 4Q 2014

HST increased regular quarterly dividend by 33% for 4Q 2014 for fourth consecutive quarterly dividend increase

HST now provides current annual dividend yield of 2.6%

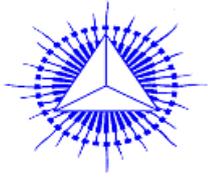
HST a Hotel REIT with a portfolio of upscale hotels and resorts in US, Mexico, Europe and Pacific

HST we rank 2 BUY

HST market cap \$17.0 billion

HST an S&P 500 Index REIT

REIT Comment



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Company:	Camden Property Trust
Price:	\$73
Recommendation:	BUY
Ranking:	2
Market Cap:	\$6,508
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
CPT \$73

Camden Property Trust CPT 2Q 2014 FFO \$1.05 v \$1.02 UP +3%

CPT increased low end of guidance range 2014 FFO \$4.20-\$4.30 v \$4.03 (adjusted) UP +4% - +7%  
CPT previous guidance 2014 FFO \$4.10-\$4.30 per share  
CPT guidance range 2014 FFO assumes same property NOI UP +4.0% - +4.6%

CPT 2Q 2014 same property NOI UP +5.1%  
CPT 2Q 2014 same property occupancy 95.7% UP +0.1%

CPT owns 1 property in lease-up now 58% occupied and 75% leased  
CPT investing \$599 million to develop 13 new apartment communities to add 7% to total portfolio capacity

CPT new portfolio developments should drive long term portfolio growth as many apartment renters have chosen to forsake home ownership under new strict lending standards

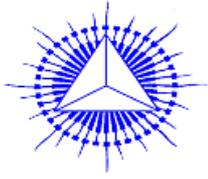
CPT stock price supported by current annual dividend yield of 3.6%

CPT a Residential REIT with a diverse portfolio of apartment communities

CPT we rank 2 BUY

CPT market cap \$6.5 billion

REIT Comment



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Company:	PS Business Parks
Price:	\$82
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,218
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
PSB \$82

PS Business Parks PSB 2Q 2014 FFO \$1.26 (adjusted) v \$1.22 (adjusted) UP +3%  
PSB 2Q 2014 FFO (adjusted) excludes net charges of (\$0.07) per share relating to change in amortization schedule

PSB no guidance provided for FFO for 2014

PSB 2Q 2014 same property NOI UP +2.9%  
PSB 2Q 2014 same property occupancy 92.5% UP +1.8%  
PSB 2Q 2014 same property average annualized rents per square foot \$14.19 UP +0.6%

PSB 2Q 2014 acquired 2 properties for \$14 million

PSB stock 42% owned by larger Specialty Storage REIT Public Storage PSA

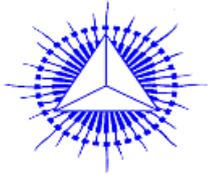
PSB provides current annual dividend yield of 2.4%

PSB an Industrial REIT with a portfolio of industrial and net leased commercial properties

PSB we rank 3 HOLD

PSB market cap \$2.2 billion

REIT Comment



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Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,624
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
NLY \$11

Annaly Capital Management NLY news of higher home prices supports confidence in housing sector momentum

NLY report from CoreLogic found US home prices UP +7.5% for June 2014 from previous year, indicating slowing price increases since February 2014

NLY CoreLogic report for June 2014 showing price increase UP +7.5% consistent with recent report from Case-Shiller indicating US home prices UP +9.3% for May 2014

NLY moderating price trend represents good news for homebuyers faced with challenging constraints on appraisals and restrictive lending requirements

NLY banks de-emphasizing US residential lending to promote growth in credit cards and other forms of consumer loans

NLY Financial Mortgage REITs benefit from higher mortgage volume, providing opportunities for portfolio repositioning

NLY stock price supported by current annual dividend yield of 10.7%, above the midpoint of the range for Financial Mortgage REITs

NLY a Financial Mortgage REIT with a portfolio of agency guaranteed Residential MBS

NLY we rank 1 BUY

NLY market cap \$10.6 billion

REIT Comment



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Company:	Senior Housing Properties Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,281
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
SNH \$23

Senior Housing Properties Trust SNH 2Q 2014 normalized FFO \$0.43 (adjusted) v \$0.42 (adjusted)  
UP +2%  
SNH 2Q 2014 FFO (adjusted) excludes net charges of (\$0.02) per share relating to acquisition costs

SNH no guidance provided for FFO for 2014

SNH 2Q 2014 44% of NOI contributed by managed senior housing properties  
SNH 2Q 2014 same property NOI for managed senior housing segment UP+6.4%  
SNH 2Q 2014 same property occupancy for managed senior housing segment 88.5% UP +1.1%

SNH 2Q 2014 39% of NOI contributed by triple net leased medical office buildings  
SNH 2Q 2014 same property NOI for medical office segment UP +1.3%  
SNH 2Q 2014 same property occupancy for medical office segment 95.6% UP +1.5%

SNH recent \$1.125 billion Vertex acquisition elevates importance of life science properties in total portfolio  
SNH 2Q 2014 completed acquisitions of 2 medical office buildings for \$33 million

SNH 2Q 2014 divestitures 4 properties for \$16 million  
SNH seeking to divest 7 senior living communities and 2 medical office buildings, now recorded as discontinued operations

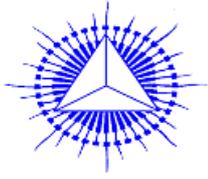
SNH stock price supported by current annual dividend yield of 6.9%

SNH a Health Care REIT with a diverse portfolio of health care properties

SNH we rank 2 BUY

SNH market cap \$4.3 billion

REIT Comment



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Company:	Vornado Realty Trust
Price:	\$106
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$21,164
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
VNO \$106

Vornado Realty Trust VNO 2Q 2014 FFO \$1.44 (adjusted) v \$1.27 (adjusted) UP +13%  
VNO 2Q 2014 FFO (adjusted) excludes net charges of (\$0.29) per share relating to Toys "R" Us, acquisition costs, discontinued operations and other items

VNO no guidance provided for FFO for 2014

VNO 2Q 2014 adjusted EBITDA \$450 million UP +7%  
VNO 2Q 2014 adjusted EBITDA contribution from NY properties \$251 million UP +8%  
VNO 2Q 2014 adjusted EBITDA contribution from DC properties \$85 million UP +63%  
VNO 2Q 2014 adjusted EBITDA contribution from retail properties \$52 million UP +6%

VNO 2Q 2014 office cash rents on lease turnover UP +10.4% for NYC and DOWN (9%) for DC on cash basis

VNO 2Q 2014 occupancy for NY properties 97.3% UP +1.2%  
VNO 2Q 2014 occupancy for DC properties 83.5% DOWN (0.1%)  
VNO 2Q 2014 occupancy for retail properties 94.0% DOWN (0.5%)

VNO metropolitan DC area now represents 19% of adjusted EBITDA, compared to 57% for NYC  
VNO US government tenants now represent 6% of rents

VNO announced decision to spin-off retail properties to concentrate new investments in portfolio of office properties  
VNO year to date 2014 completed and pending divestitures \$819 million

VNO provides current annual dividend yield of 2.8%

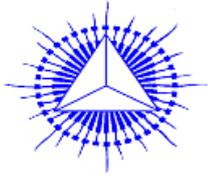
VNO an Office REIT with a diverse portfolio of office and retail properties

VNO we rank 3 HOLD

VNO market cap \$21.2 billion

VNO an S&P 500 Index REIT

REIT Comment



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Company:	HCP
Price:	\$42
Recommendation:	BUY
Ranking:	1
Market Cap:	\$19,349
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
08/05/2014  
HCP \$42

HCP Inc HCP 2Q 2014 recurring FFO \$0.75 (adjusted) v \$0.72 UP +4%  
HCP 2Q 2014 recurring FFO (adjusted) excludes net charges of (\$0.02) per share relating to acquisitions costs

HCP slightly increased guidance 2014 recurring FFO \$2.97-\$3.03 v \$3.01 DOWN (1%)-UP +1%  
HCP previous guidance 2014 recurring FFO \$2.96-\$3.02 per share

HCP 2Q 2014 same property NOI UP +2.4% on cash basis

HCP invested \$360 million for acquisitions, renovations and developments, including \$127 million for UK care home acquisitions and \$233 million for US investments

HCP new \$1.2 billion CCRC (continuing care retirement community) joint venture with Brookdale expected to demonstrate strong returns on long term investment  
HCP following recent acquisition of Emeritus, Brookdale negotiated new master lease agreement with HCP, including termination of purchase options in exchange for rent reductions with contribution of 49 HCP owned senior housing properties to new RIDEA structured partnership subject to net leased agreements

HCP provides current annual dividend yield of 5.2%

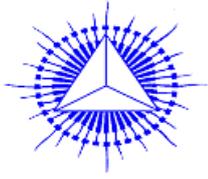
HCP a Health Care REIT with a diverse portfolio of health care and life science properties

HCP we rank 1 BUY

HCP market cap \$19.3 billion

HCP an S&P 500 Index REIT

REIT Comment



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Company:	National Retail Properties
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,358
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
NNN \$36

National Retail Properties NNN increased quarterly dividend by 2% to \$0.42 per share for 3Q 2014

NNN new annual dividend \$1.68 per share

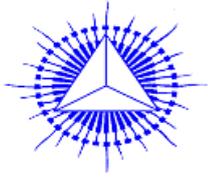
NNN new yield 4.7%

NNN a Retail REIT with a portfolio of net leased retail and commercial properties

NNN we rank 2 BUY

NNN market cap \$4.4 billion

REIT Comment



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Company:	National Retail Properties
Price:	\$36
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,358
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
NNN \$36

National Retail Properties NNN 2Q 2014 recurring FFO \$0.50 v \$0.45

NNN increased guidance 2014 FFO \$2.00-\$2.04 (adjusted) v \$1.93 (adjusted) UP +4%+6%  
NNN previous guidance 2014 FFO \$1.95-\$2.00 per share

NNN 2Q 2014 portfolio occupancy 95.5% UP +0.3% year to date for 2014

NNN 2Q 2014 acquisitions \$92 million for 34 properties  
NNN year to date 2014 acquisitions \$186 million  
NNN increased guidance 2014 acquisitions to more than \$250 million

NNN 2Q 2014 divestitures \$15 million for 10 properties

NNN management comments noted most acquisitions at attractive cap rates due to sourcing of deals from existing tenant networks

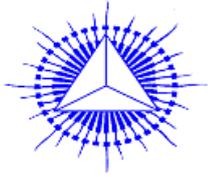
NNN increased dividend by 2%, bringing current annual dividend yield to 4.7%

NNN a Retail REIT with a portfolio of net leased retail and commercial properties

NNN we rank 2 BUY

NNN market cap \$4.4 billion

REIT Comment



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Company:	NorthStar Realty Finance
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,832
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
NRF \$17

NorthStar Realty Finance NRF traded UP \$1.05 per share to close UP +7% day

NRF announced pending \$4.0 billion acquisition of Griffin-American Health Care REIT II, to be consolidated with existing NorthStar health care assets

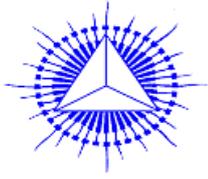
NRF pending acquisition Griffin-Healthcare assets concentrated 43% in medical office buildings and 30% senior housing

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF remaining market cap \$2.8 billion

REIT Comment



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Company:	Rayonier
Price:	\$33
Recommendation:	SELL
Ranking:	5
Market Cap:	\$4,201
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
RYN \$33

Rayonier RYN traded DOWN (\$0.60) per share to close DOWN (2%) day

RYN stock traded DOWN (22%) year to date for 2014, underperforming Specialty REITs, trading UP +9% for 2014

RYN stock price decline during 2014 reflects recent spin-off of Rayonier Advanced Materials RYAM, as well as investor concern over durability of growth for housing sector

RYN pro forma results show EPS decline DOWN (50%) while excluding results for Rayonier Advanced Materials RYAM

RYN likely to reduce dividend to reflect lower EBITDA of remaining portfolio

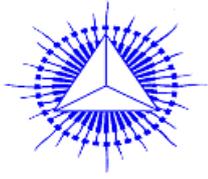
RYN provides current annual dividend yield of 6.0%

RYN a Specialty Timber REIT with a portfolio of timberlands, specialty fiber and wood products operations

RYN we rank 5 SELL

RYN remaining market cap \$4.2 billion

REIT Comment



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Company:	QTS Realty Trust
Price:	\$27
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,009
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
QTS \$27

QTS Realty Trust QTS traded DOWN (\$0.50) per share to close DOWN (2%) day

QTS traded UP +10% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

QTS last week reported 2Q FFO UP +52%, with same property NOI UP more than +20%, due to strong new leasing volume

QTS management comments noted strong leasing momentum for new data center in Dallas QTS offering services including C1 (custom data center), C2 (co-location) and C3 (cloud and managed service)

QTS seeing strong demand growth from financial customers for C1 service, while fastest growth reported for C2 and C3 service for enterprise and government tenants

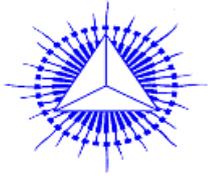
QTS provides current annual dividend yield of 4.2%

QTS a Specialty Data Center REIT with a portfolio of data centers leased to corporate telecom and government tenants

QTS we rank 2 BUY

QTS market cap \$1.0 billion

REIT Comment



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Company:	HCP Inc
Price:	\$41
Recommendation:	BUY
Ranking:	1
Market Cap:	\$19,075
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/05/2014  
HCP \$41

HCP Inc HCP traded DOWN (\$0.59) per share to close DOWN (1%) day

HCP stock traded UP +13% year to date for 2014, in line with Health Care REITs, also UP +13% for 2013

HCP earlier today reported FFO for 2Q 2014 UP +4%

HCP increased guidance for FFO for 2014 to indicate confidence in at least a FLAT year

HCP new \$1.2 billion CCRC (continuing care retirement community) joint venture with Brookdale expected to demonstrate strong returns on long term investment

HCP provides current annual dividend yield of 5.3%

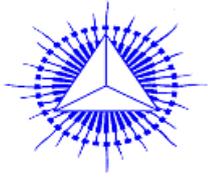
HCP a Health Care REIT with a diverse portfolio of health care and life science properties

HCP we rank 1 BUY

HCP market cap \$19.1 billion

HCP an S&P 500 Index REIT

REIT Comment



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Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,662
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
NLY \$11

Annaly Capital Management NLY worrisome decline in housing sector financings not yet resolved

NLY report from MBA (Mortgage Bankers Association) found mortgage applications increased UP +1.6% for week ended August 1, 2014 from previous week

NLY mortgage applications for refinance increased UP +4%, while mortgage applications for home purchase decreased DOWN (1%)

NLY mortgage applications for home purchase decreased DOWN (14%) from previous year

NLY mortgage refinance applications 55% of total mortgage application volume last week

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage increased UP +0.2% to 4.35%

NLY Financial Mortgage REITs benefit from mortgage application volume providing opportunities for portfolio repositioning

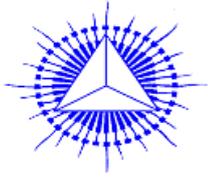
NLY stock price supported by current annual dividend yield of 10.7%, above the midpoint of the range for Financial Mortgage REITs

NLY a Financial Mortgage REIT with a portfolio of agency guaranteed Residential MBS

NLY we rank 1 BUY

NLY market cap \$10.7 billion

REIT Comment



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Company:	Prologis
Price:	\$40
Recommendation:	BUY
Ranking:	2
Market Cap:	\$20,256
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
PLD \$40

Prologis PLD slow growth in US manufacturing output sufficient to support continued rally for Industrial REIT stocks

PLD report from Federal Reserve showed manufacturing output increased UP+0.1% for June 2014 from previous month of May 2014, during a period that normally demonstrates seasonal decline

PLD report also showed manufacturing output UP+6.7% for 2Q 2014, with capacity utilization at 79.1%

PLD total manufacturing output for 2Q 2014 UP +3.5% from previous year

PLD manufacturing output a short term leading indicator of demand for Industrial REITs as higher production of goods will require more storage space for delivery to retail trade

PLD management sees consistent demand for bulk distribution space driven by growth in global trade, consumption and e-commerce

PLD increased guidance for FFO for 2014 to indicate growth UP +10%-+13%

PLD increased dividend distribution by 18% during 2014, bringing current yield to 3.3%

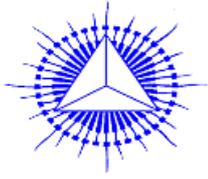
PLD an Industrial REIT with a portfolio of bulk distribution facilities in US, Europe and Asia

PLD we rank 2 BUY

PLD market cap \$20.3 billion

PLD an S&P 500 Index REIT

REIT Comment



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Company:	Tanger Factory Outlet Centers
Price:	\$34
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,398
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
SKT \$34

Tanger Factory Outlet Centers SKT 2Q 2014 FFO \$0.47 v \$0.44 (adjusted) UP +7%

SKT narrowed guidance range 2014 FFO \$1.94-\$1.98 v \$1.94 FLAT-UP +2%  
SKT previous guidance range 2014 FFO \$1.93-\$1.99 per share  
SKT made no change to midpoint of guidance range 2014 FFO

SKT 2Q 2014 same property NOI UP +3.3%  
SKT 2Q 2014 portfolio occupancy 98.0%

SKT 2Q 2014 average rents on lease turnover UP +22.1%

SKT major portfolio expansion now causing incremental expenses while significant growth in net operating income expected for 2015  
SKT investing \$718 million in development pipeline for 6 new outlet centers and 4 expansions in US and Canada to add 18% to total portfolio capacity  
SKT long term development of outlet centers in Canada continues through joint venture with RioCan with first Ottawa outlet center to open in 2015  
SKT expects 5 of 7 properties now under development to open before end of 2014, with 2 remaining development properties to open during first 6 months of 2015

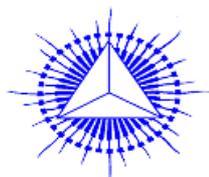
SKT provides current annual dividend yield of 2.8%

SKT a Retail REIT with a portfolio of brand name outlet centers

SKT we rank 2 BUY

SKT market cap \$3.4 billion

REIT Comment



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Company:	Retail Properties of America
Price:	\$15
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,495
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
08/06/2014  
RPAI \$15

Retail Properties of America RPAI 2Q 2014 operating FFO \$0.28 (adjusted) v \$0.26 (adjusted) UP +8%  
RPAI 2Q 2014 operating FFO (adjusted) excludes net charge of (\$0.01) per share relating to debt extinguishment

RPAI increased guidance range 2014 operating FFO \$1.04-\$1.07 (adjusted) v \$1.05 (adjusted) DOWN (1%)-Up +2%  
RPAI previous guidance range 2014 operating FFO \$0.99-\$1.03 per share  
RPAI guidance 2014 operating FFO (adjusted) excludes net charges of (\$0.02) per share relating to non-recurring and non-cash items  
RPAI guidance 2014 operating FFO assumes same property NOI UP +2%+3%

RPAI 2Q 2014 same property NOI UP +4.8%  
RPAI 2Q 2014 same property occupancy 93.6% UP +1.4%  
RPAI 2Q 2014 portfolio occupancy 94.8%

RPAI 2Q 2014 rents on lease turnover UP +6.0%

RPAI target \$300-\$350 million acquisitions for 2014  
RPAI 2Q 2014 acquisitions \$299 million, including purchase of 80% joint venture interest for 6 retail properties from MS Inland fund

RPAI target 2014 dispositions \$300-\$350 million dispositions  
RPAI year to date 2014 dispositions \$95 million

RPAI owns 95 community and neighborhood centers, including 38 anchored or "shadow anchored" by Target TGT  
RPAI earnings guidance reduction by key anchor tenant Target TGT to have no impact of RPAI rents

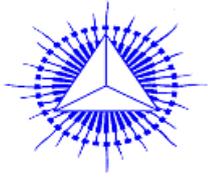
RPAI provides current annual dividend yield of 4.5%

RPAI a Retail REIT with a portfolio of grocery anchored strip shopping centers

RPAI we recently added coverage with HOLD3 rank

RPAI market cap \$3.5 billion

REIT Comment



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Company:	Rouse Properties
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$949
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
RSE \$17

Rouse Properties RSE 2Q 2014 core FFO \$0.37 v \$0.34 UP +9%

RSE increased guidance 2014 core FFO \$1.59-\$1.63 v \$1.54 UP +3%+6%  
RSE previous guidance 2014 core FFO \$1.57-\$1.61 per share  
RSE guidance 2014 core FFO assumes same property NOI UP +3%+4%

RSE 2Q 2014 same property NOI DOWN (2.6%)  
RSE 2Q 2014 portfolio occupancy 90.5%

RSE 2Q 2014 trailing 12 month average annualized tenant sales per square foot \$309 UP +4%  
RSE 2Q 2014 average rents on lease turnover UP +7.7%  
RSE 2Q 2014 mall average annualized rent per square foot \$39.17 UP +1.5%

RSE a January 2012 spin-off from General Growth Properties GGP

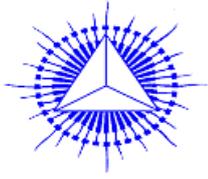
RSE provides current annual dividend yield of 6.7%

RSE we recently added coverage with BUY2 rank

RSE a Retail REIT with a portfolio of smaller regional malls

RSE market cap \$1.0 billion

REIT Comment



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Company:	The GEO Group
Price:	\$35
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,499
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
GEO \$35

The GEO Group GEO 2Q 2014 normalized FFO \$0.72 v \$0.61 UP +18%  
GEO 2Q 2014 adjusted EBITDA \$89 million UP +11%

GEO increased guidance 2014 normalized FFO \$2.67-\$2.73 v \$2.34 UP +14%+17%  
GEO previous guidance 2014 normalized FFO \$2.51-\$2.60 per share  
GEO guidance 2014 normalized FFO assumes adjusted EBITDA \$338-\$343 million

GEO 2Q 2014 occupancy for correctional and detention facilities 97% UP +2%  
GEO 2Q 2014 occupancy for community based service facilities 87% UP +4%  
GEO 2Q 2014 occupancy for youth service facilities 72% UP +3%

GEO improved occupancy across all operating segments reflects new contract awards and internal growth, as well as reactivation of a portion of previously closed properties

GEO pending RFPs include Federal Bureau of Prisons for 2 properties of 1,000-2,000 beds each and pending State of OK for facility of 350-2,000 beds  
GEO selected for 1,000 bed correctional facility in Melbourne Australia

GEO dividends increased UP +10% during 2013, with potential for additional dividend increase during 2014

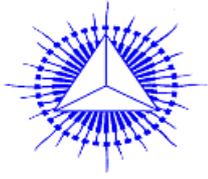
GEO provides current annual dividend yield of 6.6%

GEO a Specialty REIT with a portfolio of correctional facilities leased to federal and state agencies

GEO we recently added coverage with current rank of 2 BUY

GEO market cap \$2.5 billion

REIT Comment



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Company:	Kimco Realty
Price:	\$22
Recommendation:	BUY
Ranking:	1
Market Cap:	\$9,149
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
06/06/2014  
KIM \$22

Kimco Realty KIM news of earnings guidance reduction for tenant Target TGT should not derail rally for Residential REITs

KIM tenant Target TGT announced lower guidance for earnings for current quarter due to FLAT sales in US stores, with lower EBITDA margins due to markdowns

KIM tenant Target TGT represents only 1% of total KIM rents

KIM variable tenant sales and tenant operating margins have no impact on rental income for Retail REITs

KIM provides current annual dividend yield of 4.1%

KIM a Retail REIT with a diverse portfolio of retail properties, including neighborhood and community shopping centers and big box retail, as well as grocery anchored shopping centers

KIM we rank 1 BUY

KIM market cap \$9.1 billion

KIM an S&P 500 Index REIT

REIT Comment



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Company:	CyrusOne
Price:	\$25
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,651
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
06/06/2014  
CONE \$25

CyrusOne CONE 2Q 2014 normalized FFO \$0.39 (adjusted) v \$0.25 (adjusted) UP +56%  
CONE 2Q 2014 normalized FFO (adjusted) excludes net charge of (\$0.01) per share relating to transaction cost

CONE 2Q 2014 adjusted EBITDA \$41 million UP +32%

CONE narrowed guidance range 2014 normalized FFO \$1.58-\$1.63 v \$1.22 (adjusted) UP +30% - +34%

CONE previous guidance range 2014 normalized FFO \$1.55-\$1.65 per share  
CONE guidance range 2014 FFO assumes revenues \$325-\$350 million with adjusted EBITDA \$165-\$170 million

CONE 2Q 2014 new leases signed for annualized revenue of \$17 million (excluding power cost pass-through revenue estimated at \$10 million)  
CONE 2Q 2014 leased 59,000 square feet of raised computer space and 17,000 square feet of office space

CONE expects to invest \$275-\$300 million to develop capacity expansion, with \$5-\$10 million recurring capital expenditures  
CONE adding new facilities in Houston, San Antonio, northern VA and Phoenix

CONE former parent Cincinnati Bell CBB now owns 43.7% of CONE common stock and limited partnership units after recent secondary offering  
CONE key tenant Cincinnati Bell CBB still represents 9% of current rental revenue for CONE

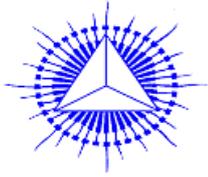
CONE provides current annual dividend yield of 3.3%

CONE a Specialty Data Center REIT with a portfolio of data centers primarily providing colocation services to corporate customers

CONE we rank 2 BUY

CONE market cap \$1.7 billion

REIT Comment



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Company:	Equity One
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,713
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
EQY \$22

Equity One EQY 2Q 2014 recurring FFO \$0.32 v \$0.31 (adjusted) UP +3%

EQY increased low end of guidance range 2014 FFO \$1.25-\$1.28 v \$1.23 UP +2% - +4%  
EQY previous guidance 2014 FFO \$1.23-\$1.28 per share  
EQY guidance 2014 FFO assumes same property NOI UP 2.50% - +3.25%

EQY 1Q 2014 same property NOI +2.6%  
EQY 1Q 2014 core portfolio occupancy 94.2% UP +0.3%

EQY 1Q 2014 average annualized base rents per square foot \$16.68 UP +1.9%  
EQY 1Q 2014 rents on lease turnover UP +5.0%

EQY year to date 2014 completed and pending acquisitions \$103 million  
EQY target 2014 acquisitions \$100-200 million

EQY year to date 2014 completed and pending divestitures \$142 million  
EQY target 2014 divestitures \$150-\$175 million

EQY investing \$140 million in development and redevelopment projects to add 2% portfolio capacity increment, while renewing 10% of portfolio space

EQY former CEO Jeffrey S Olson departed to become CEO of pending spin-off REIT of retail properties from Vornado Realty Trust VNO  
EQY new CEO David Lukes brings previous experience with Sears Holdings SHLD affiliate Seritage Realty Trust, Kimco Realty KIM and Mall Properties Inc

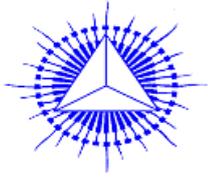
EQY stock price supported by current annual dividend yield of 3.8%

EQY a Retail REIT with a portfolio of neighborhood and community shopping centers

EQY we rank 3 HOLD

EQY market cap \$2.7 billion

REIT Comment



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Company:	Cousins Properties
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,359
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
CUZ \$12

Cousins Properties CUZ 2Q 2014 FFO \$0.20 (adjusted) v \$0.14 (adjusted) UP +43%  
CUZ 2Q 2014 FFO (adjusted) excludes net charges of (\$0.02) per share relating to preferred stock redemption

CUZ no guidance provided for FFO for 2014

CUZ 2Q 2014 same property NOI UP +7.7% on GAAP basis and UP +15.0% on cash basis  
CUZ 2Q 2014 same property occupancy 89.8% DOWN (0.1%)

CUZ pending acquisitions of Fifth Third Center in Charlotte NC for \$215 million and Northpark Town Center in Atlanta for \$348 million to add significant NOI for 2015

CUZ completing stock offering for expected proceeds of \$224 million to fund acquisitions

CUZ 2Q 2014 divestiture \$10 million

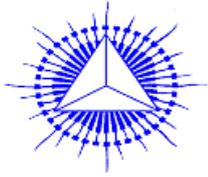
CUZ providing current annual dividend yield of 2.4%

CUZ an Office REIT with a portfolio of office and retail properties in southern states

CUZ we rank 3 HOLD

CUZ market cap \$2.4 billion

REIT Comment



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Company:	Cousins Properties
Price:	\$12
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,359
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
CUZ \$12

Cousins Properties CUZ priced offering of 18 million shares at \$12.45 per share

CUZ offering priced at discount of (2%) to previous closing price

CUZ expected gross proceeds of \$224 million to fund recently announced acquisitions

CUZ sole bookrunning manager JP Morgan

CUZ August 2014 offering to increase total shares outstanding by 9%

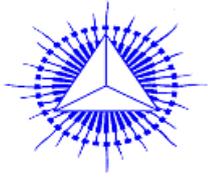
CUZ providing current annual dividend yield of 2.4%

CUZ an Office REIT with a portfolio of office and retail properties in southern states

CUZ we rank 3 HOLD

CUZ market cap \$2.4 billion

REIT Comment



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Company:	Government Properties Income Trust
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,258
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
GOV \$23

Government Properties Income Trust GOV traded DOWN (\$0.38) per share to close DOWN (2%) day

GOV stock traded DOWN (7%) year to date for 2014, underperforming Specialty REITs, trading UP +9% for 2014

GOV earlier today reported FFO for 2Q 2014 increased UP +6%

GOV no guidance provided for FFO for 2014

GOV recent \$678 million purchase of 43% stake in Select Income REIT SIR may cause shareholder turnover or even litigation among investors concerned over lack of outside bid for block of stock previously controlled by Commonwealth REIT CWH [new name: Equity Commonwealth and new ticker: EQC]

GOV dilution from July 2014 share offering completed in order to fund acquisition of CWH stake in Select Income REIT SIR caused increase of 25% to total shares outstanding

GOV continues under external management by RMR(Reit Management & Research LLC), a privately held real estate management company that previously managed Commonwealth REIT CWH [new name: Equity Commonwealth and new ticker: EQC], and still manages Government Properties Income Trust GOV, Hospitality Properties Trust HPT, TravelCenters of America TA and Senior Housing Properties Trust SNH

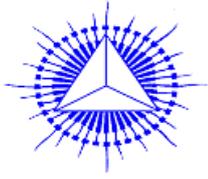
GOV provides current annual dividend yield of 7.5%

GOV a Specialty REIT with a portfolio of office properties net leased to federal and state agencies

GOV we rank 3 HOLD

GOV market cap \$1.3 billion

REIT Comment



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Company:	Tanger Factory Outlet Centers
Price:	\$34
Recommendation:	BUY
Ranking:	2
Market Cap:	\$3,355
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
SKT \$34

Tanger Factory Outlet Centers SKT traded DOWN (\$0.44) per share to close DOWN (1%) day

SKT stock traded UP +6% year to date for 2014, outperforming Retail REITs, trading UP +8% for 2014

SKT earlier today reported FFO for 2Q 2014 increased UP +7%

SKT narrowed guidance range for FFO for 2014 to indicate growth UP +2%

SKT major portfolio expansion now causing incremental expenses while significant growth in net operating income expected for 2015

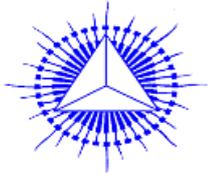
SKT provides current annual dividend yield of 2.8%

SKT a Retail REIT with a portfolio of brand name outlet centers

SKT we rank 2 BUY

SKT market cap \$3.4 billion

REIT Comment



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Company:	The GEO Group
Price:	\$37
Recommendation:	2
Ranking:	BUY
Market Cap:	\$2,627
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/06/2014  
GEO \$37

The GEO Group GEO traded UP \$1.78 per share to close UP +5% day

GEO stock traded UP +13% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

GEO reported better than expected results for 2Q 2014, with FFO UP +18% on higher occupancy

GEO significantly increased guidance for FFO for 2014 to indicate growth UP +17%

GEO dividends increased UP +10% during 2013, with potential for additional dividend increase during 2014

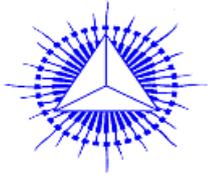
GEO provides current annual dividend yield of 6.2%

GEO a Specialty REIT with a portfolio of correctional facilities leased to federal and state agencies

GEO we recently added coverage with current rank of 2 BUY

GEO market cap \$2.6 billion

REIT Comment



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Company:	Crown Castle
Price:	\$76
Recommendation:	BUY
Ranking:	2
Market Cap:	\$25,295
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
06/06/2014  
CCI \$76

Crown Castle CCI traded UP +3.11 per share to close UP +4% day

CCI stock traded UP +3% year to date for 2014, underperforming Specialty REITs, trading UP +9% for 2014

CCI stock has trailed stock price performance of American Tower AMT, now UP +20% for 2014

CCI some investors may view margins on recent AT&T cell tower acquisition as a disappointment although CCI management expects to increase profitability as incremental leases are added

CCI provides current annual dividend yield of 1.8%, with first ever dividend of \$0.35 per share paid in March 2014 on REIT conversion

CCI conversion to REIT status assumed effective January 1, 2014, although no IRS opinion received to date on eligibility for REIT status

CCI announced pending merger with newly formed wholly owned subsidiary Crown Castle REIT with pending shareholder vote in December 2014 to formalize REIT status as of January 2014

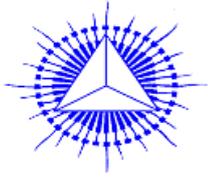
CCI a Specialty Cell Tower REIT with a portfolio of wireless and broadcast communications real estate, with towers in US and Australia

CCI we rank 2 BUY

CCI market cap \$25.3 billion

CCI an S&P 500 Index REIT

REIT Comment



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Company:	Equity Residential
Price:	\$65
Recommendation:	BUY
Ranking:	2
Market Cap:	\$24,281
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/07/2014  
EQR \$65

Equity Residential EQR continued decline in new unemployment claims a signal of improving employment environment, supporting trading in Residential REITs

EQR Labor Department reported new claims for unemployment decreased DOWN(14,000) to 289,000 for week ended August 2, 2014 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims also decrease, DOWN (4,000) to 293,500 from revised average for previous week

EQR Labor Department report indicates total insured unemployment rate now at lowest level since July 7, 2007

EQR Residential REITs benefit from positive employment trends, as most new jobs are taken by 25-34 year old age group, target market for apartment dwellers

EQR guidance for FFO for 2014 indicates growth UP +6%--+10% for 2014

EQR provides current annual dividend yield of 3.1%

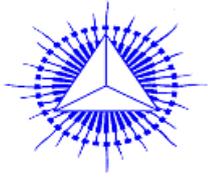
EQR the largest publicly traded Residential REIT with a diverse portfolio of apartment communities

EQR we rank 2 BUY

EQR market cap \$24.3 billion

EQR an S&P 500 Index REIT

REIT Comment



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Company:	Starwood Property Trust
Price:	\$23
Recommendation:	BUY
Ranking:	2
Market Cap:	\$4,597
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
08/07/2014  
STWD \$23

Starwood Property Trust STWD 2Q 2014 GAAP EPS \$0.52 v \$0.37 UP +41%  
STWD 2Q 2014 GAAP EPS includes \$10 million realized gain on sale of investments and non-cash valuation adjustments of \$15 million

STWD 2Q 2014 core EPS \$0.51 v \$0.42 UP +21%  
STWD 2Q 2014 core EPS excludes non-realized portfolio gains and losses, non-cash compensation expense, loan loss allowance and other items

STWD made no change to guidance range 2014 core EPS \$2.00-\$2.20 v \$2.24 (adjusted) DOWN (2%)-(11%)  
STWD guidance for lower 2014 core EPS reflects spin-off of Starwood Waypoint Residential Trust SWAY at the end of January 2014

STWD 2Q 2014 GAAP book value \$16.59 per share UP +5% from pro forma GAAP book value as of March, 2014, reflecting spin-off of Starwood Waypoint Residential Trust SWAY  
STWD stock trading at premium of 41% to GAAP book value as of 2Q 2014  
STWD estimated "fair value" per share \$17.20 per share

STWD 2Q 2014 lending segment portfolio \$5.8 billion, concentrated 57% in first mortgages, 22% in mezzanine loans and 21% in subordinate mortgages, preferred equity interests, CMBS, RMBS and other investments  
STWD 2Q 2014 investments \$0.6 billion loans to commercial properties  
STWD current investment capacity \$1.2 billion to be funded by a combination of cash, equity in RMBS, available credit on financing facilities, and current cash flow on investments

STWD 2Q 2014 LNR contribution to core EPS \$0.17 per share, representing 33% of total STWD core EPS  
STWD 2Q 2014 remaining LNR investments \$1.1 billion, including deep discount CMBS, special servicing and conduit loans

STWD management made no comment on potential NY State investigation of LNR investment in Auction.com

STWD dividend distribution not impeded by distribution of Starwood Waypoint Residential Trust SWAY at the end of January 2014

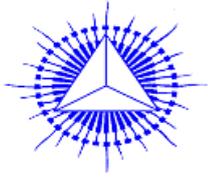
STWD stock price supported by current annual dividend yield to 8.2%

STWD a Financial Commercial REIT

STWD we rank 2 BUY

STWD market cap \$4.6 billion

REIT Comment



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Company:	Government Properties Income Trust
Price:	\$23
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$1,258
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/07/2014  
GOV \$23

Government Properties Income Trust GOV 2Q 2014 normalized FFO \$0.57 (adjusted) v \$0.54 (adjusted) UP +6%  
GOV 2Q 2014 normalized FFO (adjusted) excludes net charge of (\$0.01) per share for acquisition costs

GOV no guidance provided for normalized FFO for 2014

GOV 2Q 2014 same property NOI UP +2.0%  
GOV 2Q 2014 same property occupancy 95.0% UP +0.9%  
GOV 2Q 2014 portfolio occupancy 95.5%

GOV 2Q 2014 rents UP +16% on lease turnover, with government tenant rents +26.5% on renewed leases and non-government tenant rents DOWN (12.8%) on new and renewed leases  
GOV 2Q 2014 average lease term on new and renewed leases 4.8 years for government tenants and 6.8 years for non-government tenants

GOV disclosed pending move-out of tenant FDA at end of 2014

GOV pending acquisitions \$188 million for 5 properties  
GOV pending dispositions \$23 million for 2 properties

GOV recent \$678 million purchase of 43% stake in Select Income REIT SIR may cause shareholder turnover or even litigation among investors concerned over lack of outside bid for block of stock previously controlled by Commonwealth REIT CWH [new name: Equity Commonwealth and new ticker: EQC]

GOV management responded to investor questions regarding Select Income REIT SIR by indicating SIR purchase was evaluated by a special committee of independent trustees

GOV July 2014 share offering completed in order to fund acquisition of CWH stake in Select Income REIT SIR caused dilution, with increase of 25% to total shares outstanding

GOV continues under external management by RMR (Reit Management & Research LLC), a privately held real estate management company that previously managed Commonwealth REIT CWH [new name: Equity Commonwealth and new ticker: EQC], and still manages Government Properties Income Trust GOV, Hospitality Properties Trust HPT, TravelCenters of America TA and Senior Housing Properties Trust SNH

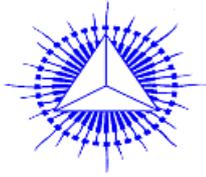
GOV provides current annual dividend yield of 7.5%

GOV a Specialty REIT with a portfolio of office properties net leased to federal and state agencies

GOV we rank 3 HOLD

GOV market cap \$1.3 billion

REIT Comment



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Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,671
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
08/07/2014  
NLY \$11

Annaly Capital Management NLY2Q 2014 GAAP EPS loss (\$0.37) v profit \$1.71  
NLY 2Q 2014 GAAP EPS includes net realized losses of(\$46) million on trading assets, as well as realized gains of \$6 million on sale of investments  
NLY 2Q 2014 GAAP EPS also includes non-cash unrealized portfolio valuation adjustments of\$2 million on agency Residential MBS

NLY 2Q 2014 core EPS \$0.30 (adjusted) v \$0.29 (adjusted) UP +3%  
NLY 2Q 2014 core EPS excludes net realized and unrealized gains and losses on portfolio sales impairments and valuation adjustments, non-cash charges and gains for debt extinguishment and amortization and other items

NLY no guidance provided for FFO for 2014

NLY 2Q 2014 GAAP book value \$13.23 per share UP +8% from March 2014  
NLY stock now trading at discount of(15%) to current book value

NLY 2Q 2014 annualized adjusted ROE 9.2% on core EPS

NLY 2Q 2014 NIM (net interest margin) 1.26% UP +0.36% from March 2014

NLY 2Q 2014 portfolio \$82 billion, concentrated 95% in fixed rate agency guaranteed Residential MBS

NLY 2Q 2014 weighted average portfolio yield 3.2% FLAT with March 2014  
NLY 2Q 2014 average portfolio purchase price 105.5% UP 0.3% from March 2014

NLY 2Q 2014 portfolio CPR (constant prepayment rate) 7% UP +1% from March 2014  
NLY 2Q 2014 portfolio leverage 5.3X UP +0.1X from March 2014

NLY expects higher net earnings contribution from\$1.6 billion investment in commercial real estate assets, now at 11% of net equity

NLY management sees excess market liquidity keeping prices for agency Residential MBS at a premium

NLY management welcomes gradual Federal Reserve exit from monetary program of purchasing of agency RBMS, expected to provide more portfolio opportunities for Financial Mortgage REITs

NLY status quo for Fannie Mae and Freddie Mac now appears likely to continue through2016 elections

NLY stock price supported by current annual dividend yield of10.7%, above the midpoint of the range for Financial Mortgage REITs

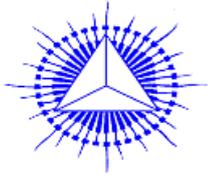
NLY management expressed confidence in ability to maintain quarterly dividend at\$0.30 per share if bond market stability continues

NLY a Financial Mortgage REIT with a portfolio of agency guaranteed Residential MBS

NLY we rank 1 BUY

NLY market cap \$10.7 billion

REIT Comment



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Company:	NorthStar Realty Finance
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,863
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/17/2014  
NRF \$17

NorthStar Realty Finance NRF announced quarterly dividend distribution of \$0.50 per share for 3Q 2014

NRF expects to pay quarterly dividend at rate of \$0.40 per share for 4Q 2014 and 1Q 2015

NRF new annual dividend \$1.60 per share on continuing basis

NRF new yield 11.5%

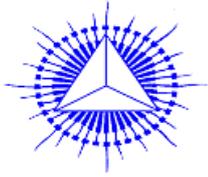
NRF adjustments to dividend reflect recent spin-off of NorthStar Asset Management NSAM as C Corp, now separately traded on NYSE with current price of \$18 per share

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF remaining market cap \$2.9 billion

REIT Comment



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Company:	NorthStar Realty Finance
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,863
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
08/07/2014  
NRF \$17

NorthStar Realty Finance NRF 2Q 2014 2Q 2014 GAAP EPS loss (\$0.42) v loss (\$0.13)  
NRF 2Q 2014 EPS loss includes loss of (\$35) million on deconsolidation of N-Star CDOs  
NRF 2Q 2014 EPS loss includes unrealized loss of (\$57) million on investments, reflecting non-cash valuation adjustments

NRF 2Q 2014 CAD (cash available for distribution) \$0.58 v \$0.13 UP +346%  
NRF 2Q 2014 CAD excludes gains and losses on deconsolidation of CDO, realized gain on investments, distributions to joint venture partners, depreciation and amortization and other items

NRF 2Q 2014 GAAP book value \$16.60 per share, with total equity UP +10% from December 2013  
NRF stock trading at premium of 9% to GAAP book value, reflecting rapid portfolio expansion  
NRF no longer disclosing previously calculated "adjusted book value", following deconsolidation of CDOs

NRF 2Q 2014 balance sheet portfolio \$7.1 billion includes \$4.3 billion operating real estate, \$1.2 billion commercial debt, \$1.0 billion CDOs and CMBS securities and \$0.6 billion private equity funds  
NRF including assets of deconsolidated loan CDOs, total portfolio \$14.2 billion  
NRF 2Q 2014 occupancy 99% for net leased portfolio, 97% for health care properties, and 87% for manufactured home communities  
NRF 2Q 2014 no loans on non-performing status

NRF 2014 year to date investments \$4.0 billion, including \$1.1 billion health care assets, \$1.1 billion hotel assets through \$213 million Innkeepers joint venture with Chatham Lodging Trust CLDT, \$167 million equity in portfolio of net leased industrial assets, \$176 million commercial loans, \$70 million for minority interest in Aerium Group and \$55 million for manufactured home communities

NRF pending \$4.0 billion acquisition of Griffin-American Health Care REIT II, to be consolidated with existing NorthStar health care assets  
NRF pro forma health care assets for combined portfolio to be concentrated 37% in senior housing, 29% medical office buildings, 29% skilled nursing properties and 5% hospitals

NRF 2014 year to date invested \$518 million in NorthStar non-traded REITs (including NorthStar Income, NorthStar Income II and NorthStar Healthcare) and raised \$234 million equity for the non-traded REITs

NRF providing current annual dividend yield of 9.2%

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF market cap \$2.9 billion

REIT Comment



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Company:	New Residential Investment
Price:	\$6
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,621
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:

08/07/2014

NRZ \$6

New Residential Investment NRZ 2Q 2014 GAAP EPS \$0.44 v \$0.43 UP +2%  
NRZ 2Q 2014 GAAP EPS includes \$53 million realized gain on settlement of investment  
NRZ 2Q 2014 GAAP EPS includes \$101 million unrealized gains on fair value adjustments

NRZ 2Q 2014 core EPS \$0.20 v \$0.15 UP +33%  
NRZ 2Q 2014 core EPS excludes both realized and unrealized gains and losses as well as excludes income attributable to minority interest

NRZ portfolio \$7.0 billion, including \$3.7 billion advances on MSRs, \$0.7 billion MSRs, \$1.5 billion real estate securities, \$0.5 billion residential loans and \$0.6 billion consumer loans and other assets

NRZ management to seek approval for 1:2 reverse stock split, to reduce total shares outstanding by 50% and double share price, with no expected impact on market cap  
NRZ reverse stock split expected to make NRZ stock more attractive for institutional investors

NRZ since spin-off from Newcastle Investment NCT, total dividend distributions for NRZ now \$0.92 per share, representing 13.3% total yield for trailing 12 months on original cost basis of \$6.89 per share

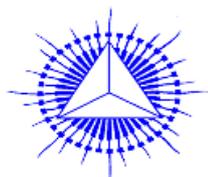
NRZ providing current annual dividend yield of 11.2% on regular quarterly distribution

NRZ a Financial Mortgage REIT

NRZ we rank 2 BUY

NRZ market cap \$1.6 billion

REIT Comment



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Company:	Essex Property Trust
Price:	\$188
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,533
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:

08/07/2014

ESS \$188

Essex Property Trust ESS 2Q 2014 core FFO \$2.08 (adjusted) v \$1.88 (adjusted) UP +11%  
ESS 2Q 2014 core FFO (adjusted) excludes net charges of (\$0.36) per share relating to merger and acquisitions costs and other items of non-routine income and expense

ESS increased guidance 2014 core FFO (adjusted) \$8.31-\$8.47 (adjusted) v \$7.60 (adjusted) UP +9%--11%

ESS previous guidance 2014 core FFO \$8.15-\$8.45 per share

ESS guidance 2014 core FFO (adjusted) assumes same property NOI UP +7.7%--8.4%

ESS new guidance 3Q 2014 FFO \$2.05-\$2.11 v \$1.91 UP +7%--10%

ESS 2Q 2014 same property NOI UP +9.1%

ESS 2Q 2014 same property occupancy 96.1% UP +0.1%

ESS 2Q 2014 same property average monthly rent \$1,713 UP +6.9%

ESS 2Q 2014 results for BRE legacy portfolio improved, with same property revenues UP +6.7% and same property occupancy of 95.3% UP +0.3%

ESS owns 4 properties in lease-up now more than 95% occupied

ESS 3 properties in lease-up now have occupancy in range of 36%-69%

ESS investing \$1.4 billion in development pipeline for new and renovated properties

ESS year to date 2014 acquisitions \$252 million

ESS year to date 2014 dispositions \$71 million

ESS year to date 2014 contributions of BRE properties to joint venture \$888 million

ESS management comments noted best acquisitions now available in northern CA markets are "B" properties served by mass transit nearby

ESS concern over impact of Microsoft MSFT layoffs may be mitigated by ability of highly skilled workforce to fund similar jobs in dynamic west coast job market

ESS increased dividends by 30%, bringing current annual dividend yield to 2.8%

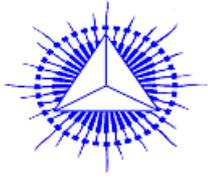
ESS a Residential REIT with a diverse portfolio of apartment communities in west coast states

ESS we rank 2 BUY

ESS market cap \$11.5 billion

ESS an S&P 500 Index REIT

REIT Comment



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Company:	Essex Property Trust
Price:	\$188
Recommendation:	BUY
Ranking:	2
Market Cap:	\$11,533
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/07/2014  
ESS \$188

Essex Property Trust ESS increased quarterly dividend distribution by 30% to \$1.30 per share for 3Q 2014

ESS new annual dividend \$5.20 per share

ESS new yield 2.8%

ESS a Residential REIT with a diverse portfolio of apartment communities in west coast states

ESS we rank 2 BUY

ESS market cap \$11.5 billion

ESS an S&P 500 Index REIT

REIT Comment



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Company:	CyrusOne
Price:	\$26
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,675
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/07/2014  
CONE \$25

CyrusOne CONE traded DOWN (\$0.64) per share to close DOWN (2%) day

CONE stock traded UP +12% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

CONE reported FFO for 2Q 2014 UP +56%

CONE guidance for FFO for 2014 indicates growth UP +36%

CONE former parent Cincinnati Bell CBB now owns 43.7% of CONE common stock and limited partnership units after recent secondary offering

CONE key tenant Cincinnati Bell CBB still represents 9% of current rental revenue for CONE

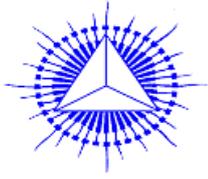
CONE provides current annual dividend yield of 3.3%

CONE a Specialty Data Center REIT with a portfolio of data centers primarily providing colocation services to corporate customers

CONE we rank 2 BUY

CONE market cap \$1.7 billion

REIT Comment



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Company:	Lexington Realty Trust
Price:	\$11
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$2,601
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/07/2014  
LXP \$11

Lexington Property Trust LXP traded DOWN (\$0.20) per share to close DOWN (2%) day

LXP stock traded UP +4% year to date for 2014, underperforming Industrial REITs, trading UP +6% for 2014

LXP investing \$313 million in 4 new build-to-suit projects to add 1.2 million square feet of space, representing 3% portfolio capacity increment

LXP guidance for FFO for 2014 indicates growth as much as UP +13%

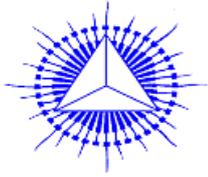
LXP increased quarterly dividend by 10% for 1Q 2014, now providing current annual dividend yield of 6.1%

LXP an Office REIT with a portfolio of properties net leased to single tenants

LXP we rank 3 HOLD

LXP market cap \$2.6 billion

REIT Comment



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Company:	NorthStar Realty Finance
Price:	\$17
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,863
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/07/2014  
NRF \$18

NorthStar Realty Finance NRF traded UP \$0.59 per share to close UP +3% day

NRF portfolio expansion driving exceptional stock price performance

NRF year to date 2014 investments \$4.0 billion, including \$1.1 billion health care assets, \$1.1 billion hotel assets through \$213 million Innkeepers joint venture with Chatham Lodging Trust CLDT, \$167 million equity in portfolio of net leased industrial assets, \$176 million commercial loans, \$70 million for minority interest in Aerium Group and \$55 million for manufactured home communities

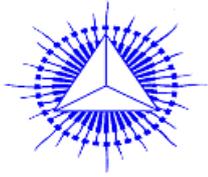
NRF increased quarterly dividend distribution by 60% on ongoing basis, now providing current annual dividend yield of 8.9%

NRF a Financial Commercial REIT

NRF we rank 2 BUY

NRF remaining market cap \$2.9 billion

REIT Comment



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Company:	Annaly Capital Management
Price:	\$11
Recommendation:	BUY
Ranking:	1
Market Cap:	\$10,671
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/07/2014  
NLY \$11

Annaly Capital Management NLY traded UP\$0.18 per share to close UP +2% day

NLY stock traded UP +15% year to date for 2014, outperforming Financial Mortgage REITs, trading UP +10% for 2014

NLY earlier today NLY pleased investors by reporting higher book value UP+8% from 1Q 2014

NLY now trading at (14%) discount to current book value of \$13.23 per share as of June 2014

NLY higher margin reflects price appreciation for portfolio of agency Residential MBS as Federal Reserve purchases keep liquidity high but supply of new issues low

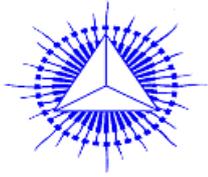
NLY stock price supported by current annual dividend yield of 10.7%, above the midpoint of the range for Financial Mortgage REITs

NLY a Financial Mortgage REIT with a portfolio of agency guaranteed Residential MBS

NLY we rank 1 BUY

NLY market cap \$10.7 billion

REIT Comment



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Company:	Redwood Trust
Price:	\$19
Recommendation:	SELL
Ranking:	4
Market Cap:	\$1,650
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text  
08/08/2014  
RWT \$19

Redwood Trust RWT 2Q 2014 GAAP EPS \$0.18 v \$0.71 DOWN (75%)  
RWT 2Q 2014 taxable EPS \$0.17 v \$0.25 DOWN (32%)  
RWT 2Q 2014 GAAP EPS includes loan loss provision of (\$1) million, offsetting \$1 million realized gains on portfolio sales  
RWT 2Q 2014 GAAP EPS includes unrealized loss on portfolio mark-to-market valuation adjustments of (\$4) million

RWT no guidance provided for GAAP EPS or taxable EPS for 2014

RWT 2Q 2014 book value \$15.03 per share, DOWN (1%) from March 2014  
RWT stock now trading at premium of 30% to current book value

RWT 2Q 2014 annualized GAAP return on equity 5.1%

RWT 2Q 2014 portfolio \$4.8 billion jumbo loans and investments, including 51% jumbo residential loans, 36% Residential MBS securities, 10% commercial loans and 3% other assets  
RWT 2Q 2014 average portfolio yield 4.75% with average cost of funds (2.31%), for net interest spread of 2.44% DOWN (0.16%) from March 2014  
RWT 2Q 2014 NIM (net interest margin) 3.02%, DOWN (0.18%) from March 2014  
RWT 2Q 2014 operating expenses per average assets 1.25% UP +0.22% from March 2014

RWT year to date 2014 Sequoia subsidiary completed 2 securitizations for total \$653 million, with next securitization of \$300 million non-confirming loans not expected until September 2014  
RWT management comments noted continued weakness in private market non-agency securitizations, with only \$2.3 billion issued during 2014 by all originators  
RWT now hopes to complete only \$1.0 billion securitizations during 2014, drastically reduced from \$5.5 billion for 2013  
RWT including conforming mortgage loans in new securitization offerings to broaden market appeal  
RWT market share of non-conforming Residential MBS originations 43% of total \$19.1 billion issuance since January 2012

RWT added to loan purchase volume, acquiring \$1.8 billion loans for 2Q 2014, including \$900 million jumbo loans and \$868 million conforming loans  
RWT divested \$1.5 billion loans during 1Q 2014

RWT management concerned over total industry lower mortgage originations DOWN (23%) for 1Q 2014  
RWT still adding to commercial loan portfolio, now \$0.5 billion, although prices have moved higher  
RWT management expects to raise capital through equity or debt offerings as current investment capacity limited to only \$62 million

RWT provides current annual dividend yield of 5.8%, at the low end of the range for Financial Mortgage REITs

RWT a Financial Mortgage REIT with a portfolio of non-agency residential loans and securities

RWT we rank 4 SELL

RWT market cap \$1.7 billion

REIT Comment



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Company:	Corrections Corp of America
Price:	\$34
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$3,970
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/08/2014  
CXW \$34

Corrections Corp of America CXW 2Q 2014 normalized FFO \$0.68 v \$0.66 UP +3%

CXW 2Q 2014 adjusted EBITDA \$97 million FLAT

CXW increased low end of guidance range 2014 normalized FFO \$2.59-\$2.64 v \$2.65 FLAT-DOWN (2%)

CXW previous guidance range 2014 normalized FFO \$2.55-\$2.64 per share

CXW new guidance 3Q 2014 normalized FFO \$0.64-\$0.65 v \$0.79 DOWN (18%)-(19%)

CXW 2Q 2014 average same property revenue per compensated manday for owned facilities \$68.71 UP +1%

CXW 2Q 2014 average same property occupancy per compensated manday for owned facilities 82.1% DOWN (0.8%)

CXW 2Q 2014 average same property income per compensated manday for owned facilities \$22.97 UP +3%

CXW 2Q 2014 average same property revenue per compensated manday for managed facilities \$39.86 DOWN (1%)

CXW 2Q 2014 average same property occupancy per compensated manday for managed facilities 95.3% DOWN (1.3%)

CXW 2Q 2014 average same property income per compensated manday for managed facilities \$4.28 DOWN (24%)

CXW sees potential to add \$0.80-\$0.90 per share to FFO if currently vacant facilities are fully reactivated

CXW increased dividends 6% during 2014, now providing current annual dividend yield of 6.1%

CXW a Specialty Corrections REIT with a portfolio of corrections facilities leased to federal and state agencies

CXW we recently added coverage with initial 3 HOLD rank

CXW market cap \$4.0 billion

REIT Comment



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Company:	Newcastle Investment
Price:	\$5
Recommendation:	BUY
Ranking:	2
Market Cap:	\$1,663
Link:	<a href="http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantiss/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:

08/08/2014

NCT \$5

Newcastle Investment NCT 2Q 2014 GAAP EPS \$0.09 v \$0.10 DOWN (10%)  
NCT 2Q 2014 GAAP EPS includes (\$1.5) million loan loss provision and \$40 million gain on settlement of investment, as well as (\$13.4) million loss on debt extinguishment

NCT 2Q 2014 core EPS \$0.09 v \$0.16 DOWN (44%)  
NCT 2Q 2014 core EPS excludes non-cash portfolio valuation adjustments, gain or loss on impairment reversals, acquisition costs and other items  
NCT 2Q 2014 lower core EPS results from spin-offs of New Residential NRZ and New Media NEWM over past 18 months

NCT 2Q 2014 GAAP book value \$2.08 per share, DOWN (2%) from March 2014  
NCT stock trading at premium of 121% to latest GAAP book value, reflecting expected value of spin-off of New Senior Investments Group SNR and remaining portfolio expansion

NCT spin-off of New Residential NRZ in May 2013 and New Media NEWM in February 2014 provided combined stock price appreciation of 41% since announcement of spin-off strategy in December 2012, while spin-off of New Residential NRZ enabled dividends to double, for combined total return of 62% to NCT shareholders since December 2012

NCT during 3Q 2014, NCT expects to complete pending spin-off of New Senior Investments Group to new publicly traded REIT with NYSE listing under new ticker SNR  
NCT recently added to senior living assets with \$186 million investment in properties located in TX  
NCT senior housing portfolio now 67% independent living, with the rest characterized as assisted living  
NCT visibility of James Flaherty (former CEO of HCP Inc HCP) involvement with a new publicly traded Health Care REIT likely to generate high investor interest post spin-off

NCT board has approved 1:3 reverse stock split to take effect August 18, 2014, to decrease total shares outstanding from 352 to 117 million, with expected outcome of increasing share price as well as EPS and dividends per share, while maintaining market cap

NCT post SNR spin-off, remaining \$1.3 billion balance sheet assets concentrated \$0.7 billion in commercial real estate debt (including CMBS, mezzanine loans, B-notes and CDOs), \$0.2 billion in Residential MBS and \$0.4 billion golf properties

NCT no guidance provided for GAAP EPS or core EPS for 2014

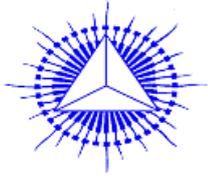
NCT provides current dividend yield of 8.7%

NCT a Financial Commercial REIT

NCT we rank 2 BUY

NCT market cap \$1.7 billion

REIT Comment



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Company:	Federal Realty Investment Trust
Price:	\$121
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,219
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/08/2014  
FRT \$121

Federal Realty Investment Trust FRT 2Q 2014 FFO \$1.23 v \$1.14 (adjusted) UP +8%

FRT increased guidance 2014 FFO \$4.90-\$4.94 v \$4.61 UP +6%+7%  
FRT previous guidance 2014 FFO \$4.86-\$4.93 per share

FRT 2Q 2014 same property NOI UP +4.2%  
FRT 2Q 2014 portfolio occupancy 95.3%

FRT 2Q 2014 cash rents on lease turnover UP +16%

FRT year to date 2014 acquisitions 1 property for \$161 million  
FRT year to date 2014 dispositions 1 property for \$34 million

FRT investing \$825 million in 2 new developments and 17 redevelopment projects  
FRT plans new openings of mixed-use projects in Rockville MD, with retail space to open in fall, 2014 and Somerville MA, initial phase opened summer, 2014

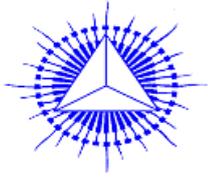
FRT increased quarterly dividend distribution by 12%, bringing current annual dividend yield to

FRT a Retail REIT with a diverse portfolio of retail, commercial and residential properties

FRT we rank 2 BUY

FRT market cap \$8.2 billion

REIT Comment



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Company:	Federal Realty Investment Trust
Price:	\$121
Recommendation:	BUY
Ranking:	2
Market Cap:	\$8,219
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/08/2014  
FRT \$121

Federal Realty Investment Trust FRT increased quarterly dividend distribution by 12% to \$0.87 per share for 4Q 2014

FRT new annual dividend \$3.48 per share

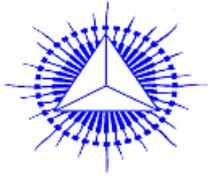
FRT new yield 2.9%

FRT a Retail REIT with a diverse portfolio of retail, commercial and residential properties

FRT we rank 2 BUY

FRT market cap \$8.2 billion

REIT Comment



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Company:	Corrections Corp of America
Price:	\$34
Recommendation:	HOLD
Ranking:	3
Market Cap:	\$4,061
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/08/2014  
CXW \$35

Corrections Corp of America CXW traded UP \$0.79 per share to close UP +2% day

CXW stock traded UP +9% year to date for 2014, in line with Specialty REITs, also UP +9%

CXW reported normalized FFO for 2Q 2014 UP +2% despite slightly lower occupancy for both owned and managed facilities

CXW guidance for normalized FFO for 2014 indicates decline DOWN (2%)

CXW sees potential to add \$0.80-\$0.90 per share to FFO if currently vacant facilities are fully reactivated

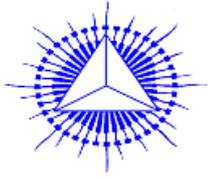
CXW increased dividends 6% during 2014, now providing current annual dividend yield of 5.8%

CXW a Specialty Corrections REIT with a portfolio of corrections facilities leased to federal and state agencies

CXW we recently added coverage with initial 3 HOLD rank

CXW market cap \$4.1 billion

REIT Comment



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Company:	Iron Mountain
Price:	\$34
Recommendation:	BUY
Ranking:	1
Market Cap:	\$6,513
Link:	<a href="http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/08/2014  
IRM \$34

Iron Mountain IRM traded UP \$0.69 per share to close UP +2% day

IRM stock traded UP +12% year to date for 2014, outperforming Specialty REITs, trading UP +9% for 2014

IRM Specialty REITs that offer benefits of REIT conversion seeing new interest from investors

IRM expects to increase quarterly dividend distribution rate from current \$0.27 per share to \$0.52-\$0.54 per share as a REIT, providing annual dividend of \$2.08-\$2.16 per share

IRM last week reported EPS for 2Q 2014 UP +5%, with first time reported quarterly normalized FFO of \$0.61 per share

IRM provided guidance for FFO for 2014 normalized FFO in range of \$2.25-\$2.51 per share

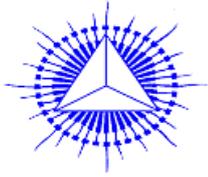
IRM stock provides current yield of 3.2%, expected to increase to 4.5%-5.0% as dividends are reset at required level for REIT status

IRM a Specialty Storage REIT with a portfolio of real estate for enterprise data storage and information management services in US and 35 global markets

IRM we recently added coverage with initial 1 BUY RANK

IRM market cap \$6.5 billion

REIT Comment



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Company:	DCT Industrial Trust
Price:	\$8
Recommendation:	BUY
Ranking:	2
Market Cap:	\$2,705
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/08/2014  
DCT \$8

DCT Industrial REIT DCT traded UP \$0.12 per share to close UP +2% day

DCT stock traded UP +10% year to date for 2014, outperforming Industrial REITs, trading UP +6% for 2014

DCT news this week of higher US factory production supports positive outlook for Industrial REITs with portfolios of bulk distribution facilities

DCT reported FFO for 2Q 2014 UP +10%

DCT guidance for FFO for 2014 indicates potential for growth UP +7%

DCT investing \$200 million to develop 8 new facilities now under construction or in lease-up for projected stabilized yield of 7.3%, representing 4% capacity increment

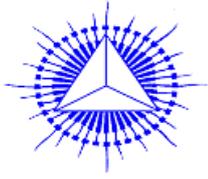
DCT stock price supported by current annual dividend yield of 3.6%

DCT an Industrial REIT with a portfolio of bulk distribution facilities

DCT we rank 2 BUY

DCT market cap \$2.7 billion

REIT Comment



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Company:	Equity Commonwealth
Price:	\$26
Recommendation:	SELL
Ranking:	4
Market Cap:	\$3,271
Link:	<a href="http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT">http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&amp;REIT</a>

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Additional Text:  
08/08/2014  
EQC \$26

Equity Commonwealth EQC traded DOWN (\$0.28) per share to close DOWN (1%) day

EQC stock traded UP +12% year to date for 2014, underperforming Office REITs, trading UP +14% for 2014

EQC changed name from previous CommonWeath REIT [ticker: CWH], following successful proxy battle won by dissident shareholders

EQC new name Equity Commonwealth [ticker: EQC] in keeping with ownership of new CEO Sam Zell of Equity Group International

EQC recently moved headquarters from Newton MA to Chicago IL for convenience of new CEO

EQC new management recently divested CWH 44% ownership stake in Select Income REIT SIR 43% to Government Properties Income Trust and 1% to RMR

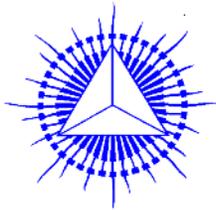
EQC annual meeting of shareholders was delayed to enable consideration of shareholder proposals from new management

EQC stock price supported by current annual dividend yield of 3.8%

EQC an Office REIT with a diverse portfolio of office and commercial properties

EQC we recently DOWNGRADED to 4 SELL

EQC market cap \$3.3 billion



**REIT Growth and Income Monitor** posted 61 REIT comments for the week ended August 8, 2014. Comments were issued on REITs in the following sectors:

Financial REITs	14
Health Care REITs	5
Hotel REITs	2
Industrial REITs	4
Office REITs	5
Residential REITs	6
Retail REITs	11
Specialty REITs	14

Information on REIT sectors may be found using this link:

[http://www.reitmonitor.net/REIT\\_Resources](http://www.reitmonitor.net/REIT_Resources)

Information on **REIT Growth and Income Monitor** ranking methodology may be found using this link:

[http://www.reitmonitor.net/atlantis/reitwebrpt.nsf/All/F2B543B28817460985256EB80001D03A/\\$FILE/REIT%20Methodology%20and%20Ranking%20System.pdf](http://www.reitmonitor.net/atlantis/reitwebrpt.nsf/All/F2B543B28817460985256EB80001D03A/$FILE/REIT%20Methodology%20and%20Ranking%20System.pdf)

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