

MTS Report

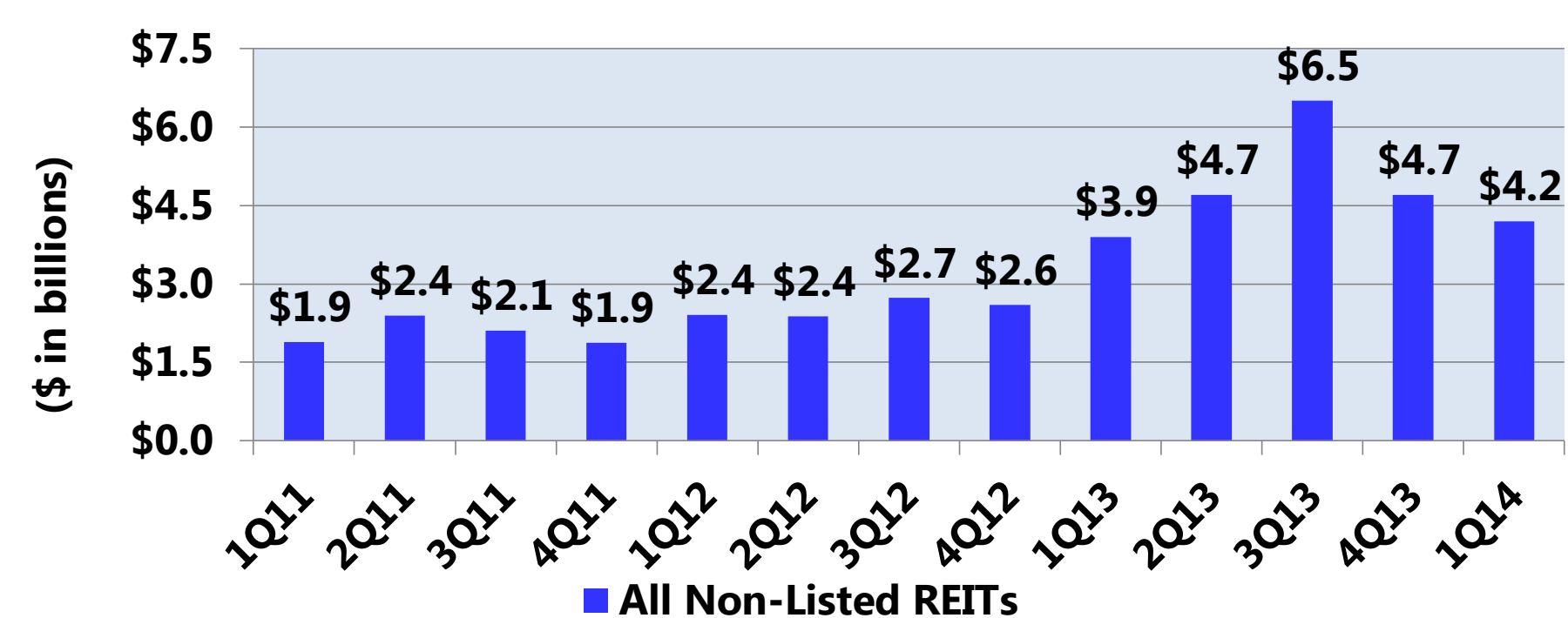
The **MTS Report** is a high-level industry review of the non-listed REIT market. The MTS Report includes four sections: 1) Non-Listed REIT Market Summary, 2) Non-Listed REIT Investment Summary, 3) Non-Listed REIT Performance Summary, and 4) Non-Listed REIT Fee Summary. The **Non-Listed REIT Market Summary**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

Non-Listed REIT Market Summary

EQUITY FUNDRAISING - 1Q 2014 (\$ in millions)	Equity Raised	
	1Q 2014	TTM 1Q14
Cole Credit Property Trust IV	\$ 857	\$ 2,514
American Realty Capital Global Trust	\$ 521	\$ 664
Griffin Capital Essential Asset REIT	\$ 498	\$ 828
Corporate Property Associates 18 Global	\$ 399	\$ 636
American Realty Capital Healthcare Trust II	\$ 360	\$ 545
Hines Global REIT	\$ 350	\$ 973
Carter Validus Mission Critical REIT	\$ 311	\$ 759
KBS REIT III	\$ 137	\$ 476
ARC - Retail Centers of America	\$ 136	\$ 194
NorthStar Healthcare Income	\$ 102	\$ 209
CNL Healthcare Properties	\$ 89	\$ 402
Phillips Edison - ARC Grocery Center REIT II	\$ 83	\$ 83
NorthStar Real Estate Income II	\$ 52	\$ 76
CNL Growth Properties	\$ 42	\$ 100
ARC Realty Finance	\$ 41	\$ 73
Inland Real Estate Income Trust	\$ 41	\$ 100
Apple REIT Ten	\$ 35	\$ 154
Steadfast Income REIT	\$ 32	\$ 476
Industrial Property Trust	\$ 20	\$ 24
Carey Watermark Investors	\$ 20	\$ 375
Jones Lang LaSalle Income Property Trust	\$ 19	\$ 103
Other Non-Listed REITs	\$ 88	\$ 10,323
Total - All Non-Listed REITs	\$ 4,231	\$ 20,087

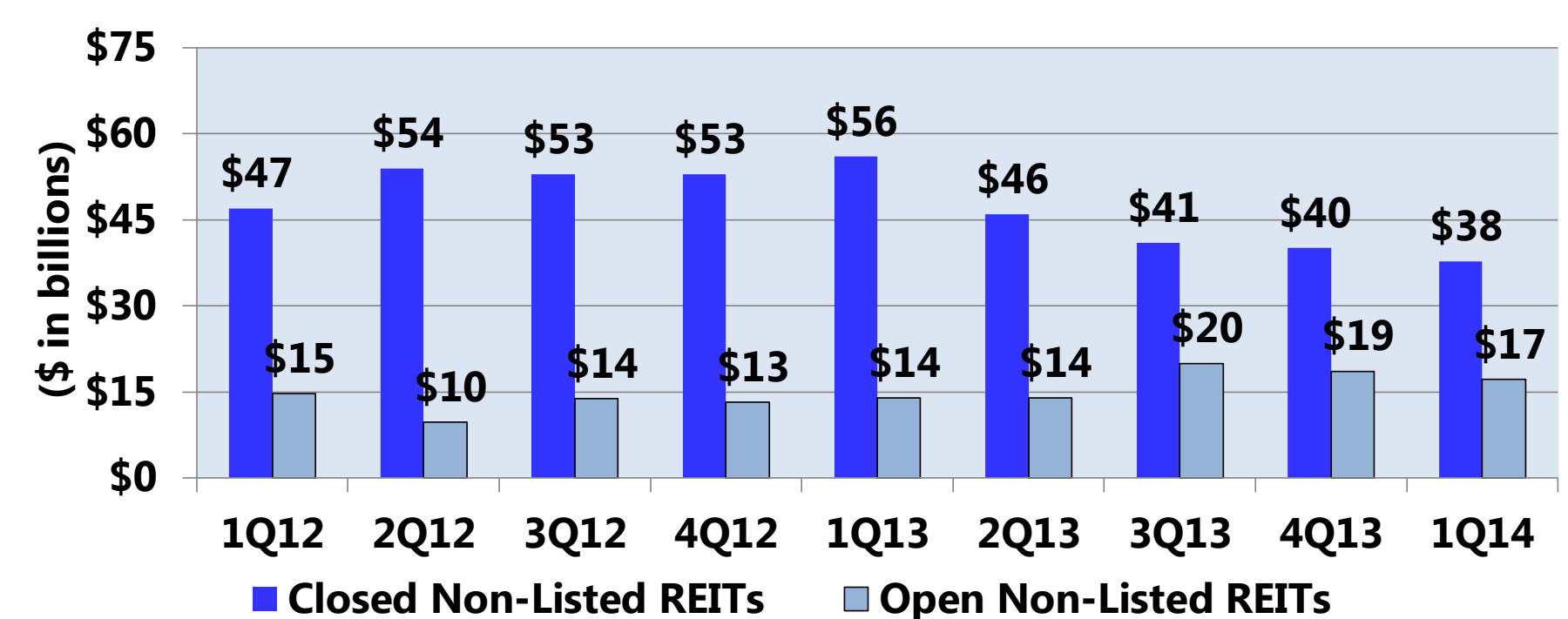
Non-listed REITs raised \$4.2 billion equity capital in 1Q14, which resulted in non-listed REITs raising a record \$20 billion equity capital in the last four quarters. The top equity fundraisers are a mix of non-listed REITs in close-out, such as Cole Credit Property Trust IV and Hines Global, as well as non-listed REITs benefiting from other non-listed REIT liquidity events by their sponsors, which such as ARC Global Trust and CPA 18 Global.

EQUITY FUNDRAISING - BY QUARTER



Non-Listed REITs raised \$4.2 billion equity in 1Q14, which is an 8% increase from 1Q13. Non-listed REIT equity fundraising hit a record \$20.1 billion for the trailing twelve months. Recent non-listed REIT liquidity events should increase equity fundraising significantly in 2Q14.

TOTAL EQUITY CAPITAL - ALL NON-LISTED REITs



Total equity capital for non-listed REITs dropped to \$55 billion in 1Q14, which is their lowest total equity capital since 2Q11. Liquidity events by non-listed REITs continue to outpace fundraising, which has produced the decline in equity capital from the peak of \$70 million in 1Q13.

Non-Listed REIT Investment Summary

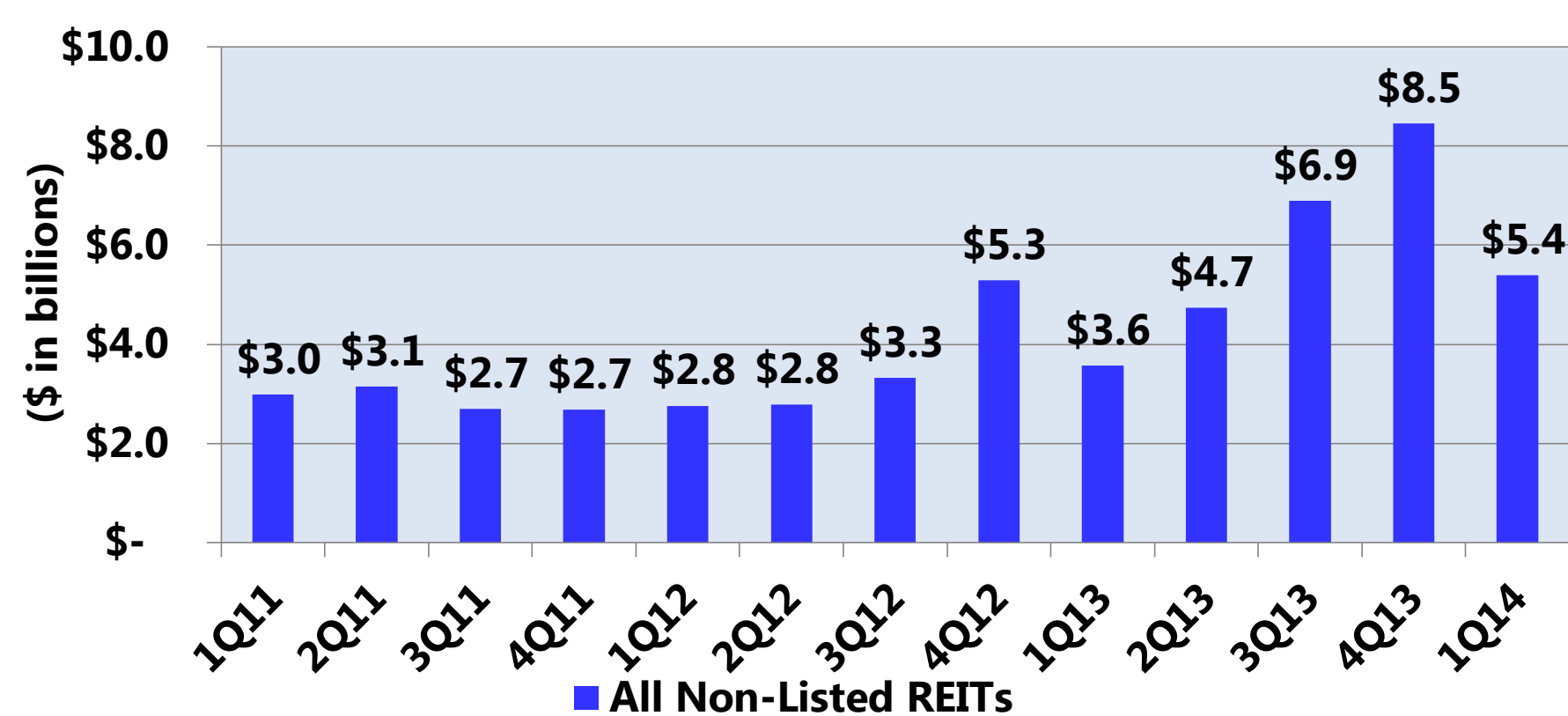
ACQUISITIONS (\$ in millions)	Acquisitions	
	1Q 2014	TTM 1Q14
American Realty Capital Trust V	\$850	\$1,996
Hines Real Estate Investment Trust	\$688	\$688
Hines Global REIT	\$550	\$1,593
Corporate Property Associates 18 Global	\$370	\$593
Landmark Apartment Trust of America	\$319	\$977
American Realty Capital Global Trust	\$311	\$493
Phillips Edison - ARC Shopping Center REIT	\$283	\$1,036
Cole Credit Property Trust IV	\$280	\$1,749
Griffin Capital Essential Asset REIT	\$224	\$1,036
Inland American Real Estate Trust	\$209	\$1,306
CNL Healthcare Properties	\$190	\$907
KBS Real Estate Investment Trust III	\$171	\$995
Carter Validus Mission Critical REIT	\$144	\$630
American Realty Capital Hospitality REIT	\$110	\$110
Griffin-American Healthcare REIT II	\$105	\$1,426
CNL Lifestyle Properties	\$91	\$336
NorthStar Healthcare Income	\$83	\$142
KBS Legacy Partners Apartment REIT	\$70	\$149
Jones Lang LaSalle Income Property Trust	\$62	\$202
Steadfast Income REIT	\$49	\$886
Other Non-Listed REITs	\$270	\$8,258
Total - All Non-Listed REITs	\$5,428	\$25,507

TOTAL INVESTED ASSETS (\$ in millions)	1Q 2014	
	Status	1Q 2014
Inland American Real Estate Trust	Closed	\$10,421
Corporate Property Associates 17 - Global	Closed	\$4,632
Hines Global REIT	Open	\$4,300
Apple Hospitality	Closed	\$3,943
Industrial Income Trust	Closed	\$3,747
TIER REIT (fka BH REIT I)	Closed	\$3,424
CNL Lifestyle Properties	Closed	\$3,375
Griffin-American Healthcare REIT II	Closed	\$3,009
KBS Real Estate Investment Trust II	Closed	\$2,979
Monogram Residential Trust (fka BHM)	Closed	\$2,711
Dividend Capital Diversified Property Fund	Open	\$2,688
Hines Real Estate Investment Trust	Closed	\$2,481
Cole Credit Property Trust IV	Open	\$2,467
Cole Corporate Income Trust	Closed	\$2,447
KBS Real Estate Investment Trust	Closed	\$2,088
American Realty Capital Trust V	Closed	\$2,080
Landmark Apartment Trust	Closed	\$1,866
Steadfast Income REIT	Closed	\$1,566
Phillips Edison - ARC Shopping Center REIT	Closed	\$1,525
Griffin Capital Essential Asset REIT	Open	\$1,401
Other Non-Listed REITs		\$11,740
Total - All Non-Listed REITs		\$74,889

Non-Listed REITs completed a strong quarter in 1Q14 with \$5.4 billion of commercial real estate acquisitions. Acquisitions have targeted a variety of commercial real estate sectors, including net lease retail, retail shopping centers, office, industrial, hotels, apartments, and medical office.

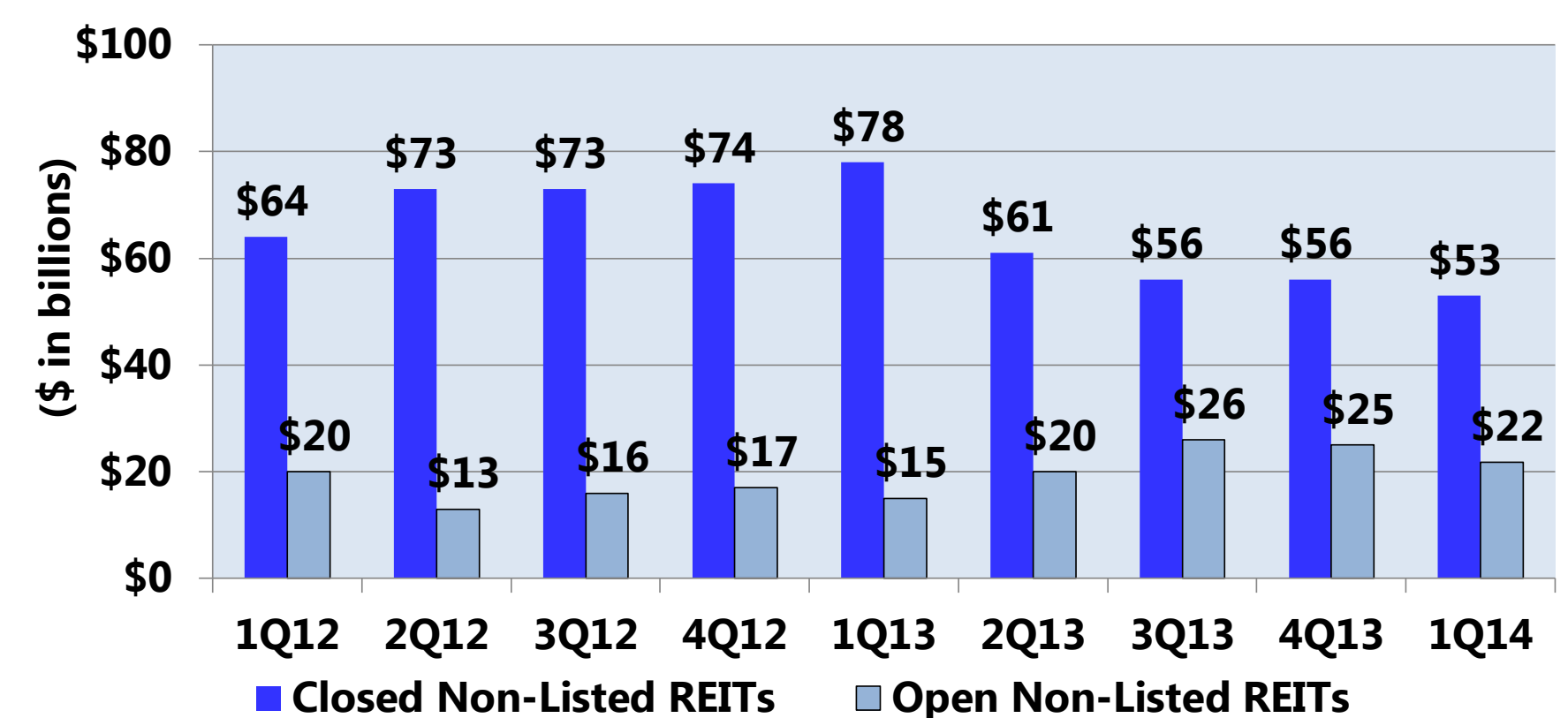
Non-Listed REITs have accumulated \$75 billion in commercial real estate assets. Several of the largest non-listed REITs, such as Griffin-American Healthcare II, KBS REIT II, Inland American, and Inland Diversified, have announced liquidity events or an intent to have a liquidity event in 2014.

ACQUISITIONS - BY QUARTER



Non-Listed REITs acquired \$5.4 billion in core commercial real estate assets in 1Q14, which is another strong quarter for non-listed REITs. Large cash balances and recycled capital from several planned/expected liquidity events should produce an active year of acquisitions in 2014.

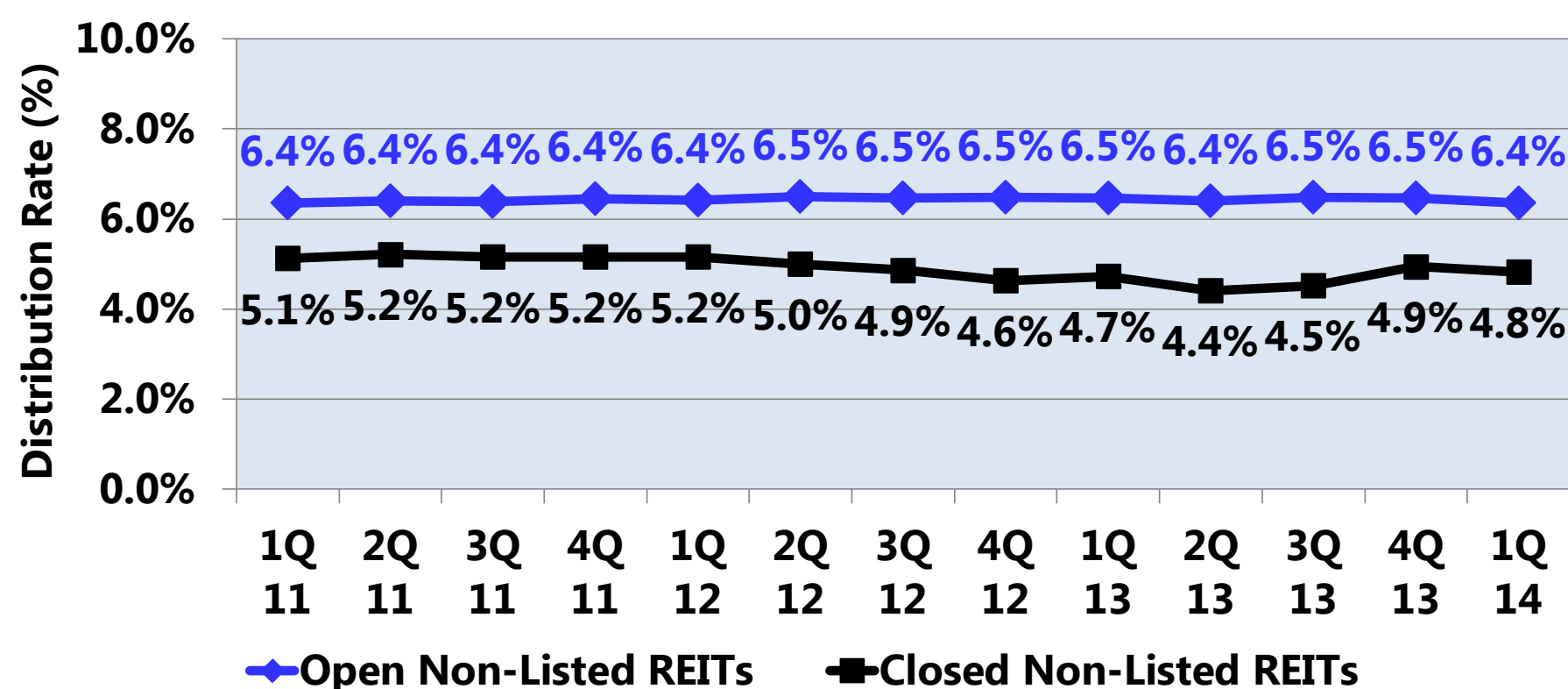
TOTAL INVESTED ASSETS - ALL NON-LISTED REITs



Total invested assets for non-listed REITs has grown by nearly 30% over the last three years, rising from \$58 billion in 4Q10 to \$75 billion in 1Q14. Liquidity events by closed non-listed REITs should lower invested assets in 2014, offsetting expected strong asset growth by open non-listed REITs.

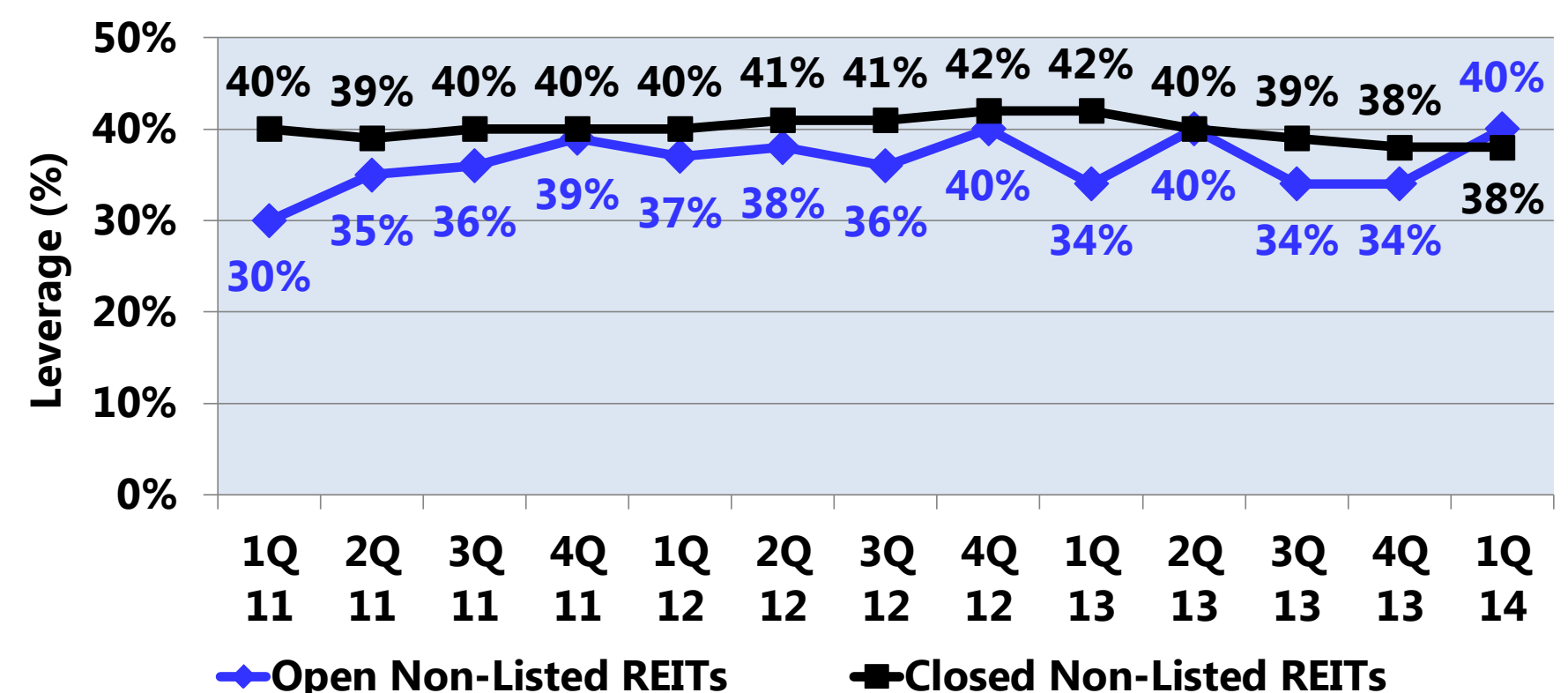
Non-Listed REIT Performance Summary

DISTRIBUTION RATE - NON-LISTED EQUITY REITS



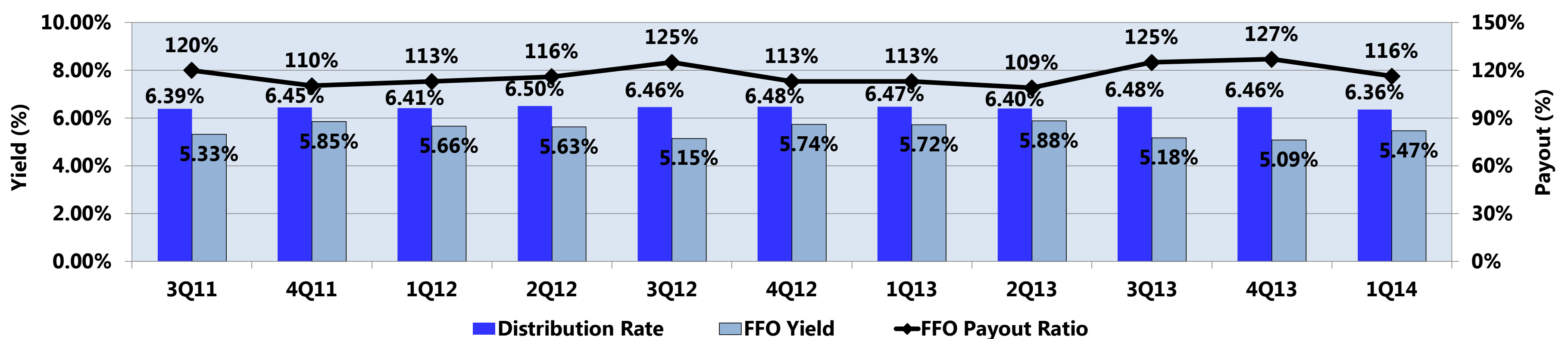
Open non-listed REITs average a 6.4% distribution rate with most REITs offering 6.0%-7.0% distributions. The average distribution of closed non-listed REITs decreased to 4.8%, as distribution reductions by closed REITs offset higher distributions on recently closed REITs.

LEVERAGE - NON-LISTED EQUITY REITS



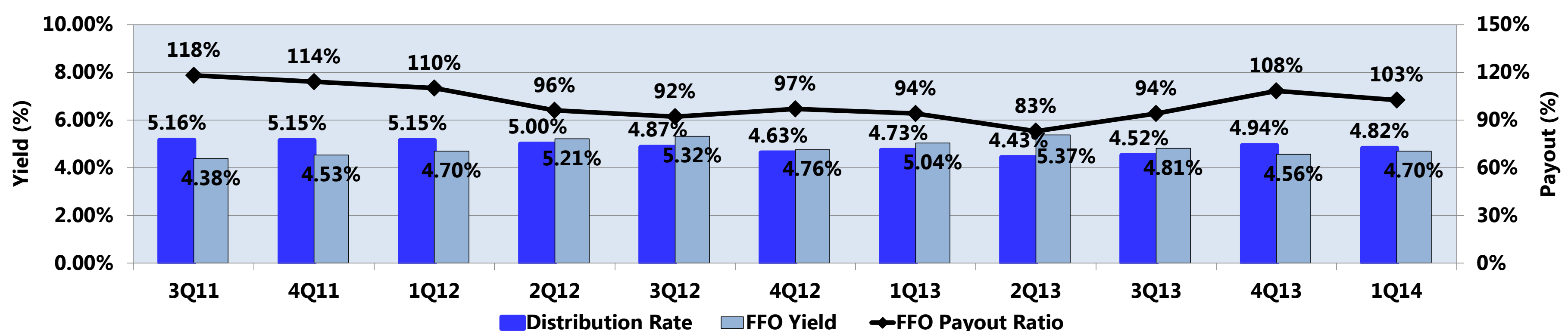
The leverage ratio of open non-listed REITs increased to 40% in 1Q14, as REITs added significant debt financing in the quarter. Open non-listed REITs are still securing low interest rates on permanent financing. Closed non-listed REITs maintained a 38% leverage ratio.

DISTRIBUTION PAYOUTS - OPEN NON-LISTED EQUITY REITS



The average FFO yield for open non-listed REITs increased to 5.47% in 1Q14, largely due to the higher leverage ratios for many non-listed REITs. With further capital deployment in 2014, their FFO yields should increase towards 6.0%. Investment markets still provide high yield spreads, but market cap rates continue to compress in the current low interest rate environment. With the recent FFO yield increase, the distribution payout ratio declined to 116% in 1Q14. Capital deployment and permanent financing should bring the distribution payout down and closer to 110% in 2014.

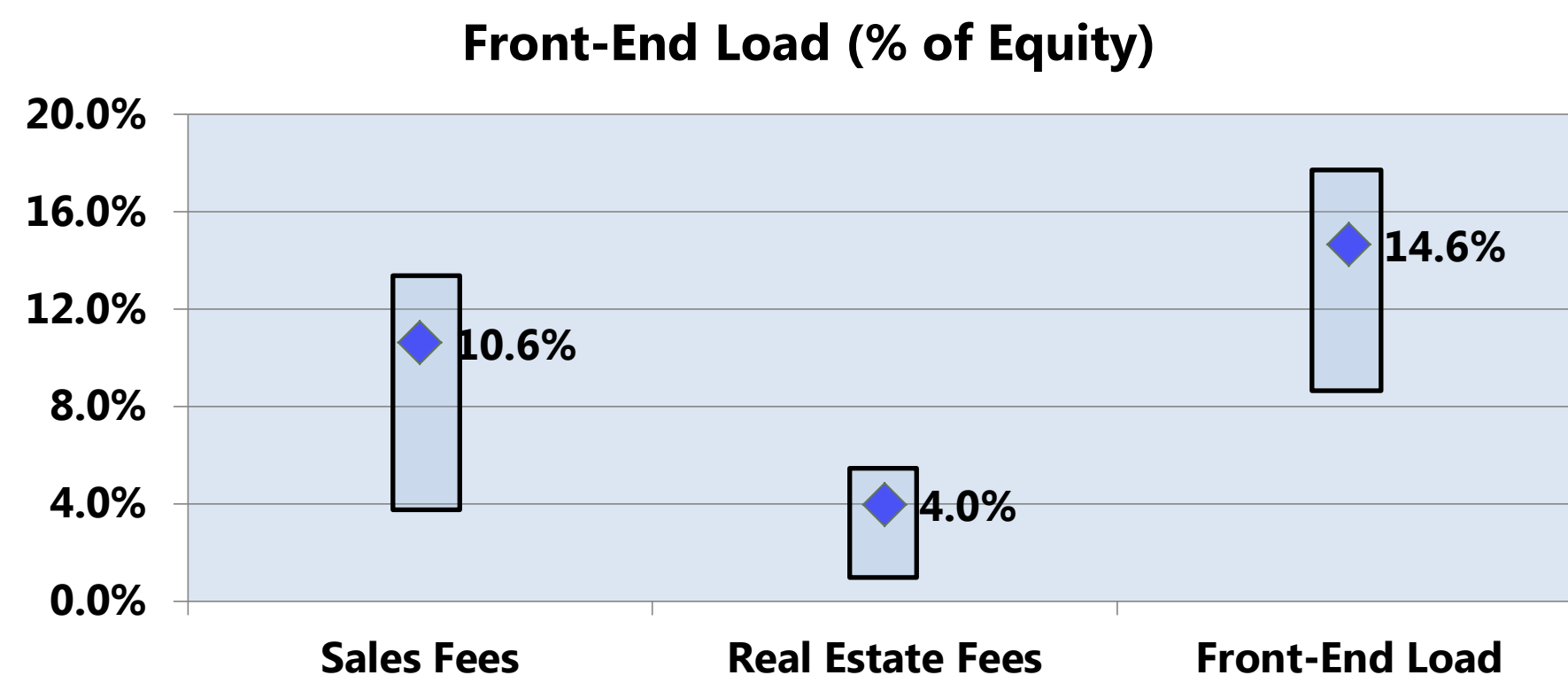
DISTRIBUTION PAYOUTS - CLOSED NON-LISTED EQUITY REITS



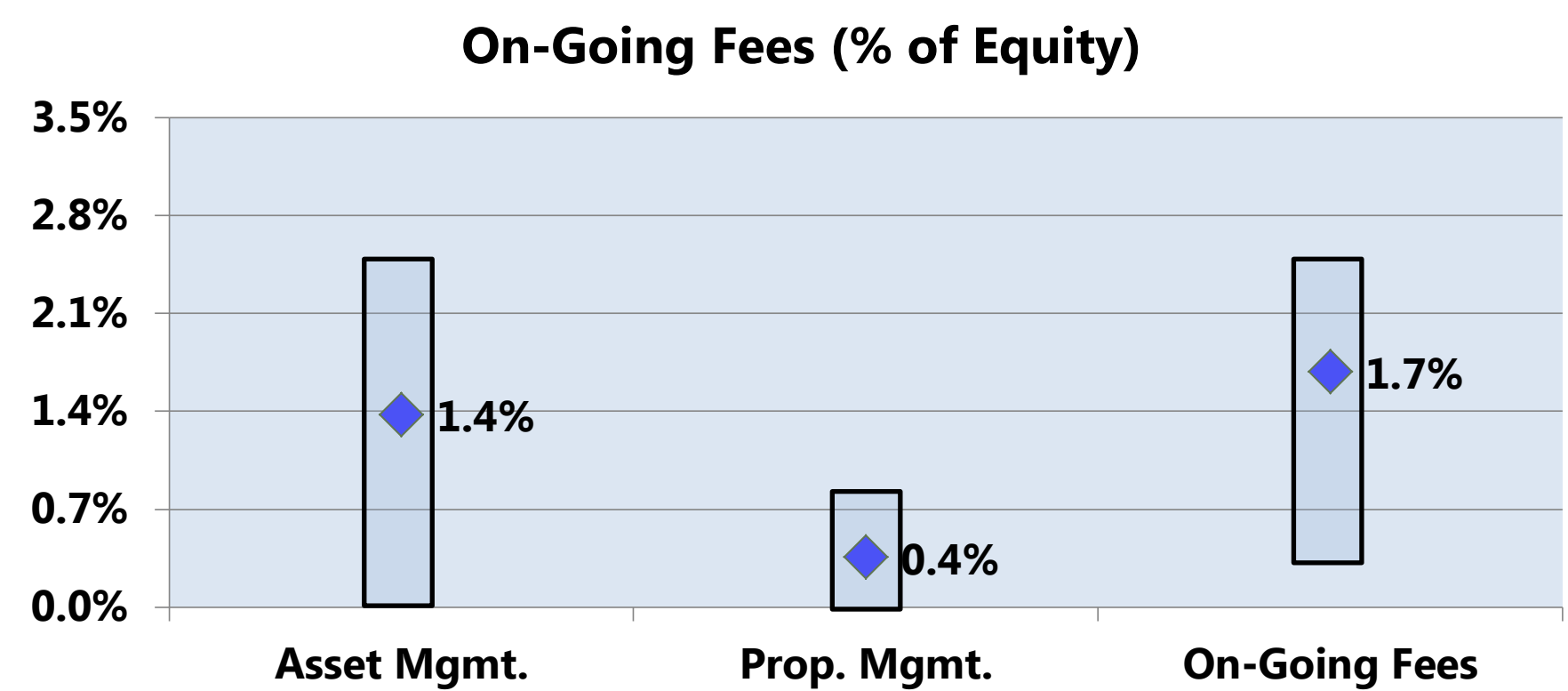
The average FFO payout ratio for closed non-listed REITs decreased to 103% in 1Q14, which is a slight decline from 108% in 4Q13. Lower distribution payout ratios on recently closed REITs is a primary factor. Several recently closed non-listed REITs have high cash balances from their closeouts, and deployment of this capital should decrease the average distribution ratio for closed non-listed REITs below 100% in 2014. The next several quarters, however, will produce volatility as several more non-listed REITs close fundraising and several closed non-listed REITs liquidate in 2014.

Non-Listed REIT Fee Summary

NON-LISTED REIT FEE SUMMARY



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



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

NON-LISTED REIT FEE COMPARISON

Non-Listed REITs - Open	Front-End Load			On-Going Fees (Annual)			Back-End Fees		
	Sales Fees % equity	Real Estate Fees % equity	Front-End Load % equity	Asset Mgmt. Fee % cost	Property Mgmt. Fee % income	On-Going Fee Impact % equity	Disposition Fee	Preferred Return	Profit Split
American Realty Capital Healthcare Trust II	11.5%	2.9%	14.5%	0.00%	1.5%-2.5%	0.25%	2.00%	6.00%	15.00%
Bluerock Multifamily Growth REIT	11.4%	4.6%	16.1%	0.65%	4.00%	1.58%	1.50%	8.00%	15.00%
Carter Validus Mission Critical REIT	11.0%	4.2%	15.2%	1.00%	3.0%-4.0%	2.10%	2.00%	8.00%	15.00%
CNL Healthcare Trust	11.0%	5.2%	16.3%	1.00%	2.0%-4.0%	2.04%	1.00%	6.00%	15.00%
Cole Credit Property Trust V	11.0%	4.2%	15.2%	0.65%-0.75%	0.00%	1.17%	1.00%	6.00%	15.00%
CPA 18 Global (Class A Shares)	10.7%	4.2%	14.9%	0.5% Value	0.00%	0.83%	3.00%	6.00%	15.00%
CPA 18 Global (Class C Shares)	4.5%	4.2%	8.6%	0.50%	0.00%	0.83%	3.00%	6.00%	15.00%
Griffin Capital Essential Asset REIT	11.3%	5.0%	16.3%	0.75%	3.00%	1.63%	3.00%	6.00%	5%-15%
Hartman Short-Term Income Properties XX	11.0%	5.3%	16.4%	0.75%	3.0%-5.0%	1.75%	3.00%	6.00%	15.00%
Hines Global REIT	10.3%	5.0%	15.3%	1.5% Equity	Market	1.88%	1.00%	8.00%	15.00%
Industrial Property Trust	11.3%	3.3%	14.6%	0.80%	2.0%-5.0%	1.77%	2.00%	6.50%	15.00%
Inland Real Estate Income Trust	11.5%	3.3%	14.8%	0.65%	1.9%-3.9%	1.45%	3.00%	7.00%	10.00%
KBS REIT III	10.2%	2.9%	13.2%	0.75%	0.00%	1.25%	1.00%	8.00%	15.00%
Lightstone Value Plus REIT II	12.0%	1.6%	13.6%	0.95%	4.5%-5.0%	2.18%	0.00%	7.00%	30%-40%
Moody National REIT I	12.2%	3.7%	16.0%	1.00%	Market	2.04%	3.00%	8.00%	15.00%
MVP REIT	3.8%	5.8%	9.6%	0.85%	6.00%	2.17%	3.00%	N/A	N/A
NorthStar Real Estate Income Trust II	11.5%	2.5%	14.0%	1.25%	0.00%	2.08%	1.00%	7.00%	15.00%
Resource Real Estate Opportunity REIT	11.8%	3.5%	15.4%	1.00%	2.75%-4.5%	2.10%	2.75%	10.00%	25.00%
Steadfast Apartment REIT	11.9%	3.3%	15.3%	1.00%	Market	2.04%	1.00%	6.00%	15.00%
Strategic Storage Trust	11.8%	5.8%	17.6%	1.00%	6.00%	2.42%	3.00%	6.00%	5%-15%
United Realty Trust	11.7%	2.9%	14.7%	0.75%	4.50%	1.81%	2.00%	7.00%	15.00%

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

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

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