

REIT Growth and Income Monitor

Weekly Comments 07/30/2013

REIT stocks declined, now up 7% year to date for 2013, still trailing performance of the S&P 500 Index, as negative performance gap expanded to (12%).

Financial Mortgage REITs report book value decline due to temporary portfolio losses.

CYS Investments current market valuation at significant discount to book value offers upside if dividend is maintained.

Hatteras Financial shows stability of portfolio size despite book value markdown.

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REIT Weekly Comments, as well as REIT Growth and Income Monitor, REITMonitor.net and associated REIT reports, are products of Atlantis Investment. Research involves analysis of fundamental issues and discussion of critical variables that will determine stock price performance. Particular attention is paid to potential negative trends in business or in a company's accounting practices. BUY, SELL, and HOLD recommendations are provided with a ranking system of 1 to 5. Assignment of a 1 rank indicates expected stock price appreciation of 50% within 18 months, a 2 indicates expected stock price appreciation of more than 25%, a 3 indicates stock price performance in line with the market, a 4 indicates an expected stock price decline of more than 15%, and a 5 indicates expected stock price decline of more than 25%.

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**Weekly REIT Comments**
07/30/2013

REIT stocks traded down on fears of higher interest rates, trading down (2%) for the fourth week of July, the week ended July 26, 2013. REITs are now up 7% year to date for 2013, trailing performance of the S&P 500 Index, up 19%, as negative performance gap expanded to (12%) year to date for 2013. Average gain for all REITs followed by REIT Growth and Income Monitor is now 13% for 2013, trailing 19% gain for the S&P 500 Index.

Residential REITs expect exceptional FFO growth to continue through 2013, driven by tight occupancy and rental rate increases. Specialty Timber REITs, with portfolios of timberlands and sawlog mills, benefit from improving environment for homebuilders. Industrial REITs are gaining occupancy, while their stocks trade in line with economic indicators. Tenants of Health Care REITs will be impacted by Medicare sequestration during 2013, pending positive impact of the Affordable Care Act in later years. Outlook for Retail REITs is impacted by higher payroll taxes that reduce consumer income growth for 2013. Investors remain skittish over Office REITs, due to exposure to financial industry layoffs and continued rent roll-downs, lagging economic recovery. Hotel REITs trade inversely to gasoline prices, while better than expected FFO growth restores confidence.

Financial Mortgage REITs face significant fundamental change, as recently proposed reform legislation is introduced to Congress during 3Q 2013, to be debated during 4Q 2013. Proposals to liquidate Fannie Mae within 5 years face stiff opposition from liberal Congressmen and Senators, as industry experts and lobbyists warn another recession could follow removal of government support from the housing sector. Reform of Fannie Mae may ultimately impact the housing sector starting in 2014 and 2015, changing the outlook for Financial Mortgage REITs and certain Specialty REITs subject to demand fluctuations from home construction. Meanwhile, renewed investor interest in CMBS provides a lift for Financial Commercial REITs, although fears of higher interest rates cause all Financial Mortgage REITs to underperform.

REIT stocks normally perform like interest rate sensitive stocks, although none of the 14 REITs in the S&P 500 Index are actually invested in financial assets. Dividends continue to move higher during 2013. As dividend payers, REITs may be viewed as income stocks, attracting investors in need of both consistent income and growth.

Financial Mortgage REITs Report Book Value Decline Due to Unrealized Portfolio Losses

The first Financial Mortgage REITs to report results for 2Q 2013 demonstrated significant book value decline, due to unrealized portfolio losses, reflecting sudden bond market volatility as investors flee government securities on fears that higher interest rates will force even more severe price declines. Most market participants agree that positive housing sector fundamentals underscore attractiveness of Residential MBS, making agency guaranteed securities a preferred investment opportunity. Federal Reserve Chairman Ben Bernanke indicated purchases of Residential MBS will continue, with a preference to retain holdings of Residential MBS through maturity, instead of selling at temporarily depressed market prices. In the same way, Fannie Mae guarantees enable portfolio returns for Financial Mortgage REITs to be maintained if Residential MBS are held to maturity. Investors in Financial Mortgage REITs have endured sudden stock price decline, while dividend yields are exceptionally high at this time. Financial Market REITs trading at significant discounts to June 2013 book value include **CYS Investments** trading at (18%) discount, **Anworth Mortgage Asset** at (17%) discount, **Hatteras Financial** at (9%) discount, and **Capstead Mortgage** at (6%) discount to latest book value.

Change in accounting for unrealized portfolio losses makes negative impact of bond market volatility visible in book value decline but not in GAAP EPS. Earnings are reported showing net interest income, supplemented by asset management fees and by realized portfolio gains and losses, as well as profits or losses from portfolio hedging transactions, offset by operating expenses. Most Financial Mortgage REITs have changed accounting for mark-to-market valuation adjustments to reflect unrealized portfolio gains and losses as an offset to income contribution to stockholder's equity. Core EPS is also now shown excluding non-cash unrealized portfolio gains and losses.

Trading Opportunities

Investors willing to accept volatility in stock market prices of Financial Mortgage REITs should consider small cap **CYS Investments**, now with a market cap of \$1.5 billion. **CYS Investments** owns a \$17 billion portfolio concentrated 34% in 15 year and 45% in 30 year fixed rate agency guaranteed issues. Stock price decreased (38%) year to date for 2013, with book value down (18%) for the most recent quarter and down (29%) year to date for 2013. Core EPS of \$0.37 per share for 2Q 2013 decreased (3%) from the previous year due to pressure on NIM (net interest margin), now at the low level of 0.86%. **CYS Investments** is committed to returning investment to shareholders through stock repurchase of 10% of total outstanding shares, in addition to dividend distributions. Current dividend yield of 16.2% is at the high end of the range for Financial Mortgage REITs.

Hatteras Financial, a small cap REIT now with a market cap of \$1.5 billion, offers high yield as portfolio run-off is offset by new investments. Portfolio of \$24.8 billion agency guaranteed securities declined only (2%) for 2Q 2013, while book value decreased (21%) on unrealized portfolio losses. Stock price decreased (28%) year to date for 2013. Core EPS of \$0.66 per share decreased (27%) from the previous year on lower NIM (net interest margin) and slightly higher expense ratio. **Hatteras Financial** expects to maintain dividends, now providing income investors with current dividend yield of 13.8%.

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Weekly Price Change for S&P 500 Index REITs

| S&P 500 Index REITS: | | Price | Price | Price | Price | Price | Price | Weekly | 2013 |
|-------------------------------------|---------|------------|------------|------------|------------|------------|------------|--------------|--------------|
| | | 12/31/2012 | 06/28/2013 | 07/05/2013 | 07/12/2013 | 07/19/2013 | 07/26/2013 | Price Change | Price Change |
| American Tower Corp | AMT | \$77 | \$73 | \$72 | \$78 | \$75 | \$73 | -3% | -6% |
| Apartment Investment and Management | AIV | \$27 | \$30 | \$30 | \$31 | \$31 | \$31 | -0% | 14% |
| AvalonBay Communities | AVB | \$136 | \$135 | \$135 | \$140 | \$140 | \$139 | -1% | 3% |
| Boston Properties | BXP | \$106 | \$105 | \$105 | \$110 | \$110 | \$110 | -0% | 4% |
| Equity Residential | EQR | \$57 | \$58 | \$57 | \$59 | \$59 | \$58 | -1% | 3% |
| HCP Inc. | HCP | \$45 | \$45 | \$44 | \$46 | \$46 | \$45 | -2% | 0% |
| Health Care REIT | HCN | \$61 | \$67 | \$65 | \$67 | \$68 | \$66 | -2% | 8% |
| Host Hotels & Resorts | HST | \$16 | \$17 | \$18 | \$18 | \$19 | \$18 | -2% | 16% |
| Kimco Realty | KIM | \$19 | \$21 | \$21 | \$22 | \$23 | \$23 | -1% | 18% |
| Macerich | MAC | \$58 | \$61 | \$61 | \$64 | \$65 | \$64 | -3% | 9% |
| Plum Creek Timber | PCL | \$44 | \$47 | \$46 | \$48 | \$50 | \$49 | -1% | 11% |
| Prologis, Inc | PLD | \$36 | \$38 | \$38 | \$39 | \$40 | \$40 | -2% | 9% |
| Public Storage | PSA | \$145 | \$153 | \$153 | \$159 | \$163 | \$161 | -1% | 11% |
| Simon Property Group | SPG | \$158 | \$158 | \$159 | \$163 | \$165 | \$165 | -0% | 4% |
| Ventas | VTR | \$65 | \$69 | \$68 | \$71 | \$71 | \$68 | -4% | 6% |
| Vornado Realty Trust | VNO | \$80 | \$83 | \$84 | \$87 | \$88 | \$88 | -1% | 9% |
| Weyerhaeuser | WY | \$28 | \$28 | \$28 | \$30 | \$30 | \$29 | -4% | 4% |
| S&P 500 Index | S&P 500 | \$1,426 | \$1,606 | \$1,632 | \$1,680 | \$1,692 | \$1,692 | -0% | 19% |
| Average for S&P 500 Index REITs | | | | | | | | -2% | 7% |

REIT stocks fell on renewed fears of higher interest rates, trading down (2%) for the fourth week of July, the week ended July 26, 2013. REITs underperformed the S&P 500 Index, trading down less than (1%) for the week. REITs now show 7% gain year to date for 2013, lagging performance of the S&P 500 Index, up 19%. Negative performance gap expanded to (12%), as REIT underperformance reflects fears of higher interest rates.

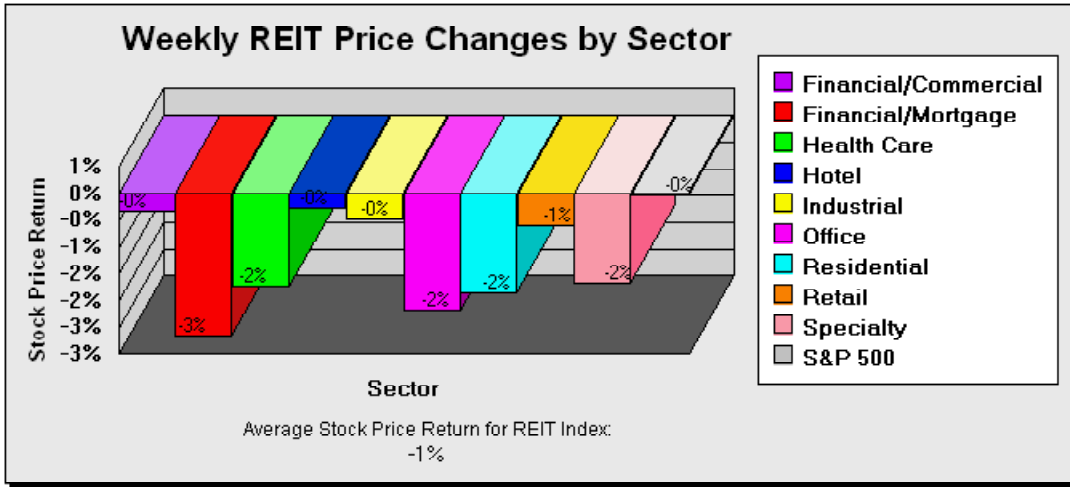
None of the 17 REITs included in the S&P 500 Index is up the same or more than 19% gain for the S&P 500 Index, while 16 REITs are up less than the S&P 500 Index. Only a single REIT traded down year to date for 2013. Leading performer among REITs is **Kimco Realty**, up 18% on joint venture equity investment in SUPERVALU grocery chain properties. Other REITs up 10% or more for 2013 include **Apartment Investment and Management**, up 14%, **Host Hotels & Resorts**, up 16%, and **Public Storage**, up 11%. **Prologis Inc**, now up 9% for 2013, also underperformed the S&P 500 Index. Specialty Timber REITs **Plum Creek Timber**, up 11%, and **Weyerhaeuser**, up 4%, indicate expectation for further improvement for US housing sector. Health Care REITs still show small gains, with **HCP** now up 0%, while **Health Care REIT** is up 8% and **Ventas** is up 6%. Retail REITs **Macerich**, up 9%, and **Simon Property Group**, up 4% year to date for 2013, have not yet shown restored momentum. Lagging Residential REITs include **AvalonBay Communities** and **Equity Residential**, both up 3%, as investors consider eventual impact of multifamily housing starts on occupancy for Residential REITs. Office REITs also lag, with **Boston Properties**, up 4%, and **Vornado Realty Trust**, up 9%, as rental rates decline in most urban areas. **American Tower Corp**, a newcomer to REIT status, traded down (6%) year to date for 2013.

NOTE: The list of REITs included in the S&P 500 Index was updated during May, 2013, to include **Macerich**, added by Standard & Poors as a replacement for another company. We have also added 2 other REITs that were previously included in the S&P 500 Index prior to conversion to REIT status - **Weyerhaeuser** and **American Tower Corp**. The total is now 17 REITs included in the S&P 500 Index.

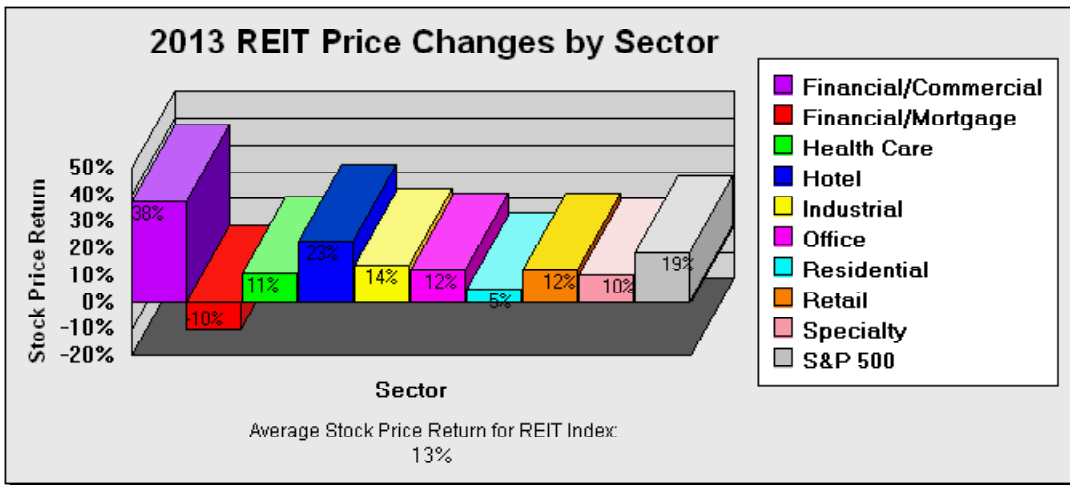
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Weekly REIT Price Changes by Sector

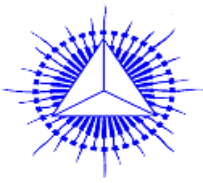


All REIT sectors traded down for the fourth week of July, the week ended July 26, 2013. Best performance was demonstrated by Financial Commercial REITs, Hotel REITs and Industrial REITs, all down less than (1%). Larger losses were shown by Retail REITs, down (1%), as well as Health Care REITs, Office REITs, Residential REITs and Specialty REITs, all down (2%). Lagging sector was Financial Mortgage REITs, trading down (3%). On average, stock prices for REIT Growth and Income Monitor traded down (1%) for the fourth week of July, the week ended July 26, 2013.



Stock prices for REITs followed by REIT Growth and Income Monitor traded up 13% on average year to date for 2013, trailing performance of the S&P 500 Index, still up 19% year to date for 2013. REITs previously outperformed, as investors sought dividend income. REITs offer higher yields than S&P 500 stocks, with REIT dividends taxed at the same rate as ordinary income. REIT funds flow remains consistent, at a time when other market sectors face adjusted expectations due to currency exposure and variable international economies. Leading sector for 2013 is Financial Commercial REITs, up 38%, as investor interest in non-agency securities revives. Hotel REITs show 23% gain, as investors see better than expected FFO growth. Industrial REITs show 14% year to date gain for 2013, followed by Office REITs, now up 12%. Health Care REITs now show gain of 11%, with expectation for positive impact of the Affordable Care Act partially offset by fear of Medicare sequestration. Retail REITs are up 12% and Specialty REITs up 10%. Residential REITs are up 5%, while guidance indicates continued rapid FFO growth through 2013. Lagging Financial Mortgage REITs show loss of (10%), as investors prepare for pending Fannie Mae reform to be considered by Congress.

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REIT Comment



| | |
|-----------------|---|
| Company: | Host Hotels & Resorts |
| Price: | \$19 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$13,701 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
HST \$19

Host Hotels & Resorts HST news of higher oil prices may impact trading in Hotel REIT stocks

HST travel related stocks, including airlines and hotels, may see demand impacted by higher travel costs, causing stock prices to decline as oil and gasoline prices rise

HST oil now trading over \$108 per barrel on news of sudden reduction in US oil supply and expectation for lower OPEC production during 2014

HST to discuss results for 2Q 2013 on Friday, August 2, 2013, with a conference call for investors scheduled at 10:00 AM

HST guidance for FFO for 2013 indicates growth UP +21%

HST stock price supported by new annual dividend yield of 2.4%

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

HST we rank 3 HOLD

HST market cap \$13.7 billion

HST an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Ramco-Gershenson Properties |
| Price: | \$16 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$975 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
RPT \$16

Ramco-Gershenson Properties RPT exposure to Detroit may cause investor questions at time of Detroit municipal bankruptcy filing

RPT has greatest exposure to Detroit of any Retail REIT, as Detroit and other southeastern markets in MI represent 32% of total rents

RPT retail tenants may be impacted by local layoffs, as spending by local municipal agencies likely to be quickly curtailed, causing disruption of employment by contractors serving those agencies

RPT portfolio concentrated 40% in MI and 26% in FL

RPT to discuss results for 2Q 2013 this week on Wednesday, July 24, 2013, with a conference call for investors scheduled at 9:00 AM

RPT guidance for FFO for 2013 indicates growth UP +8%

RPT provides current annual dividend yield of 4.2%

RPT a Retail REIT with a portfolio of big box retailers and grocery anchored shopping centers

RPT we rank 3 HOLD

RPT market cap \$1.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | First Industrial |
| Price: | \$17 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$1,706 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
FR \$17

First Industrial FR municipal bankruptcy of Detroit not a great concern , but indicates need for REITs to maintain geographic diversification

FR while city of Detroit is not a tenant, maintenance of municipal services and local economic growth viewed as significant issues by tenants for commercial properties

FR exposure to Detroit greater than for most Industrial REITs , with 108 commercial properties in Detroit representing 6% of total rental income

FR largest geographic concentrations in southern CA, Chicago metropolitan area, central PA, MN and TX

FR guidance for FFO for 2013 indicates growth UP +10%

FR to discuss results for 2Q 2013 later this week on Friday, July 26, with a conference call for investors scheduled at noon

FR provides current annual dividend yield of 2.0%

FR an Industrial REIT

FR we rank 3 HOLD

FR market cap \$1.7 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Hatteras Financial |
| Price: | \$23 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$2,287 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
HTS \$23

Hatteras Financial HTS pending earnings reports from Financial Mortgage REITs may resolve investor fears by revealing positive impact of Fed tapering

HTS although end to Federal Reserve program of QE (quantitative easing) bond buying viewed as a negative by many investors, managements of Financial REITs have indicated Federal Reserve purchase program was driving prices of preferred Residential MBS bonds unusually high, depressing NIM (net interest margin)

HTS to report results for 2Q 2013 this week, with a conference call for investors scheduled on Wednesday, July 24, 2013 at 10:00 AM

HTS discussion of Fannie Mae proposed reforms by House and Senate creates uncertainty about mortgage market in future years

HTS management may decide to add to portfolio margin by taking positions in non-agency Residential MBS

HTS stock price supported by current annual dividend yield of 12.1%, slightly above the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$2.3 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Annaly Capital Management |
| Price: | \$12 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$11,968 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
NLY \$12

Annaly Capital Management NLY news of lower sales of existing homes may indicate higher mortgage rates starting to slow down total number of transactions

NLY higher mortgage rates may keep some home buyers from stepping up to purchase a home at this time, while some buyers seeking to complete a transaction may find higher interest burden preventing mortgage financing at their current income level

NLY report from NAR (National Association of Realtors) found existing home sales DOWN (1.2%) for June 2013 to annual rate of 5.08 million homes from revised number for May 2013

NLY existing home sales UP +15.2% from year ago level

NLY supply of existing homes available for sale increased UP +1.9% to 5.2 months supply

NLY stock price supported by current annual dividend yield of 13.3%, 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 2 BUY

NLY market cap \$12.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Rayonier |
| Price: | \$58 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$7,601 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
RYN \$58

Rayonier RYN increased quarterly dividend distribution by 11% to \$0.49 per share for 3Q 2013

RYN new annual dividend \$1.96 per share

RYN new yield 3.4%

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

RYN we rank 2 BUY

RYN market cap \$7.6 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Rayonier |
| Price: | \$58 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$7,601 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
RYN \$58

Rayonier RYN expects improving US housing market during 2013, with prices for timber and sawlogs supported by higher Asian exports

RYN specialty fibers businesses are recession resistant, not dependent on housing sector like timber and sawlogs

RYN to discuss results for 2Q 2013 later this week, on Thursday, July 25, 2013, with a conference call for investors scheduled at 2:00 PM

RYN most recent guidance indicated another strong year expected for 2013, with CAD (cash available for distribution) UP +5%+10%, and EPS slightly above 2012

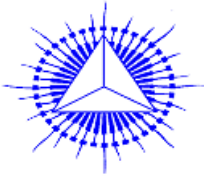
RYN dividend increase announced today brings current annual dividend yield to 3.4%

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

RYN we rank 2 BUY

RYN market cap \$7.6 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Weyerhaeuser |
| Price: | \$30 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$16,248 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
WY \$30

Weyerhaeuser WY traded DOWN (\$0.36) per share to close DOWN (1%) day

WY stock traded UP +7% year to date for 2013, underperforming Specialty REITs, trading UP +12% for 2013

WY Specialty Timber REITs expect demand for new home construction to drive stock price performance

WY current stock market popularity of homebuilders offers attractive potential shareholder returns on pending spin-off of homebuilder operations

WY taxable subsidiary Weyerhaeuser Real Estate Company WRECO owns and operates homebuilding operations and master planned communities in 7 states

WY to discuss results for 2Q 2013 this week on Friday, July 26, 2013 with a conference call for investors scheduled at 10:00 AM

WY recently increased dividend by 10% for 3Q 2013, bringing current annual yield to 3.0%

WY a Specialty Timber REIT with a portfolio of timberlands, wood and cellulose fiber manufacturing plants, and homebuilding operations

WY we rank 2 BUY

WY market cap \$16.2 billion

WY an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Realty Income |
| Price: | \$46 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$7,909 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:

07/22/2013

O \$46

Realty Income O traded UP \$0.64 per share to close UP +1% day

O stock traded UP +14% year to date for 2013, outperforming Specialty REITs, trading UP +12% for 2013

O to discuss results for 2Q 2013 this week on Thursday, July 25, 2013 with a conference call for investors scheduled at 4:30 PM

O management expects FFO growth to accelerate due to recent acquisition of American Capital Realty Trust ARCT

O guidance for FFO for 2013 indicates growth UP +18%

O demonstrates exceptional long term record of monthly dividend increases

O stock price supported by current annual dividend yield of 4.7%

O a Specialty REIT with a portfolio of net leased properties to franchised and commercial tenants

O we rank 2 BUY

O market cap \$7.9 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Lifestyle Properties |
| Price: | \$41 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$3,761 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
ELS \$41

Equity Lifestyle Properties ELS traded UP \$0.49 per share to close UP +1% day

ELS stock traded UP +23% year to date for 2013, outperforming Specialty REITs, trading UP +12% for 2013

ELS stock split 2:1 last week

ELS to discuss results for 2Q 2013 tomorrow, Tuesday, July 23, 2013 with a conference call for investors scheduled at 11:00 AM

ELS results for 2013 benefit from acquisitions completed during 2012

ELS guidance for FFO for 2013 indicates growth UP +11%

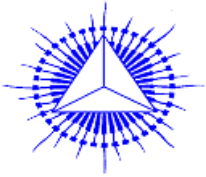
ELS provides current dividend yield of 2.4%

ELS a Specialty REIT with a portfolio of manufactured home communities

ELS we rank 3 HOLD

ELS market cap \$3.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Duke Realty |
| Price: | \$17 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$5,588 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/22/2013
DRE \$17

Duke Realty DRE traded UP \$0.21 per share to close UP +1% day

DRE stock traded UP +25% year to date for 2013, outperforming Industrial REITs, trading UP +15% for 2013

DRE Industrial REITs see improved occupancy driving FFO growth

DRE to discuss results for 2Q 2013 next week on Thursday, August 1, 2013 with a conference call for investors scheduled at 3:00 PM

DRE guidance for FFO for 2013 indicates growth UP +9%

DRE stock price supported by current annual dividend yield of 3.9%

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

DRE we rank 2 BUY

DRE market cap \$5.6 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Digital Realty Trust |
| Price: | \$65 |
| Recommendation: | BUY |
| Ranking: | 1 |
| Market Cap: | \$8,880 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/23/2013
DLR \$65

Digital Realty Trust DLR continuing international expansion with acquisition of 5 acre site in Amsterdam to develop 11.5 megawatt data center

DLR investing in international portfolio expansion through acquisition of data centers in UK , Europe and Asia

DLR growth of cloud computing software for leading European software provider SAP indicates demand growth expectations for Europe should be similar to US

DLR report of 2Q 2013 earnings for SAP showed revenues from cloud software increased UP +266%, while total software and services revenue increased UP +6.5%

DLR turnkey data center offerings attracting corporate customers for cloud computing services and outsourced IT services

DLR corporate tenants also indicating increasing interest in outsourced IT services

DLR to discuss results for 2Q 2013 later this week on Friday, July 26, 2013, with a conference call for investors scheduled at 1:00 PM

DLR guidance for FFO for 2013 indicates growth UP +7%

DLR stock price supported by current annual dividend yield of 4.8%

DLR an Office REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$8.9 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Lifestyle Properties |
| Price: | \$41 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$3,761 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/23/2013
ELS \$41

Equity Lifestyle Properties ELS 2Q 2013 normalized FFO \$0.57 (adjusted) v \$0.53 UP +8%
ELS 2Q 2013 normalized FFO (adjusted) excludes net charge of (\$0.01) per share for debt retirement and other items

ELS increased guidance 2013 normalized FFO \$2.51-\$2.61 (adjusted) v \$2.31 UP +9%+13%
ELS previous guidance 2013 normalized FFO \$2.48-\$2.57 per share
ELS guidance 2013 normalized FFO (adjusted) excludes net charges of (\$0.43) per share for debt retirement and other items

ELS new guidance 3Q 2013 FFO \$0.63-0.69 v \$0.59 UP +7%+17%

ELS all FFO numbers adjusted for 2:1 stock split distributed July 15, 2013

ELS 2Q 2013 core same property NOI UP +2.8%
ELS 2Q 2013 core same property occupancy 91.8%

ELS 2Q 2013 core portfolio monthly rental revenue per site \$537 UP +2.8%

ELS 2Q 2013 home sales revenue \$4.5 million UP +96%

ELS provides current dividend yield of 2.4%

ELS a Specialty REIT with a portfolio of manufactured home communities

ELS we rank 3 HOLD

ELS market cap \$3.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Capstead Mortgage |
| Price: | \$12 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,122 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/23/2013
CMO \$12

Capstead Mortgage CMO yesterday's announcement of slightly lower sales of existing homes reflects increase in mortgage interest rates

CMO higher mortgage interest rates may keep some home buyers from stepping up to purchase a home at this time, while some buyers seeking to complete a transaction may find higher interest burden preventing mortgage financing at their current income level

CMO Financial Mortgage REITs trading DOWN on news of Federal Reserve "tapering", although exit of Federal Reserve likely to allow portfolio yields to rise, adding to NIM for Financial Mortgage REITs

CMO unlike most Financial Mortgage REITs, CMO held NIM (net interest margin) constant for 1Q 2013

CMO like most Financial Mortgage REITs maintains portfolio concentration in agency guaranteed securities

CMO to discuss results for 2Q 2013 this week, on Thursday, July 25, 2013, with a conference call for investors scheduled at 9:00 AM

CMO current annual dividend yield of 10.5%, near 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 2 BUY

CMO market cap \$1.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | DCT Industrial Trust |
| Price: | \$8 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$2,396 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/23/2013
DCT \$8

DCT Industrial Trust DCT announced pending sale of Mexico assets to Macquarie Mexican REIT for \$83 million

DCT expects to complete Mexico transaction by early 4Q 2013

DCT investing to expand portfolio in coastal regions , while divesting assets in midwest

DCT guidance for FFO for 2013 indicates growth UP +10%

DCT to discuss results for 2Q 2013 next week on Friday, August 2, 2013 with a conference call for investors scheduled at 11:00 AM

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

DCT an Industrial REIT

DCT we rank 2 BUY

DCT market cap \$2.4 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Lifestyle Properties |
| Price: | \$41 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$3,696 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/23/2013
ELS \$41

Equity Lifestyle Properties ELS traded DOWN (\$0.71) per share to close DOWN (2%) day

ELS stock traded UP +21% year to date for 2013, outperforming Retail REITs, trading UP +12% for 2013

ELS stock may be trading down on disappointment over lack of dividend increase , despite better than expected FFO report for 2Q 2013

ELS earlier today reported FFO growth UP +8% for 2Q 2013

ELS increased guidance for FFO for 2013 to indicate growth UP +9%+13%

ELS provides current dividend yield of 2.5%

ELS a Specialty REIT with a portfolio of manufactured home communities

ELS we rank 3 HOLD

ELS market cap \$3.7 billion

REIT Comment



| | |
|-----------------|---|
| Company: | First Potomac Realty Trust |
| Price: | \$15 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$734 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/23/2013
FPO \$15

First Potomac Realty Trust FPO traded UP \$0.13 per share to close UP +1% day

FPO stock traded UP +18% year to date for 2013, outperforming Industrial REITs, trading UP +15% for 2013

FPO recently completed sale of DC area industrial portfolio for \$242 million to an affiliate of Blackstone

FPO to focus new investment on office sector, following divestiture of industrial portfolio

FPO to discuss results for 2Q 2013 later this week on Friday, July 26, 2013, with a conference call for investors scheduled at 9:00 AM

FPO guidance for FFO for 2013 indicates a FLAT year, impacted by portfolio divestitures

FPO provides current annual dividend yield of 4.1%

FPO an Industrial REIT with a portfolio of industrial, commercial and office properties concentrated in metropolitan DC area

FPO we rank 3 HOLD

FPO market cap \$734 million

REIT Comment



| | |
|-----------------|---|
| Company: | Federal Realty Investment Trust |
| Price: | \$107 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$7,039 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/23/2013
FRT \$107

Federal Realty Investment Trust FRT traded UP \$1.54 per share to close UP +1% day

FRT stock traded UP +3% year to date for 2013, underperforming Retail REITs, trading UP +12%

FRT outlook for Retail REITs positive as US employment and economic growth continues in stable range

FRT to discuss results for 2Q 2013 next week on Friday, August 2, 2013 with a conference call for investors scheduled for 11:00 AM

FRT guidance for 2013 indicates growth UP +6%

FRT exceptional long term record of annual dividend increases, now providing annual yield of 2.7%

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

FRT we rank 2 BUY

FRT market cap \$7.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | General Growth Properties |
| Price: | \$22 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$21,995 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/23/2013
GGP \$22

General Growth Properties GGP traded UP \$0.20 per share to close UP +1% day

GGP stock traded UP +9% year to date for 2013, underperforming Retail REITs, trading UP +12% for 2013

GGP favorable outlook for Retail REITs on reports for 2Q 2013 a result of modestly positive same store sales growth for key retailers, including Gap and other mall tenants

GGP to discuss results for 2Q 2013 next week on Tuesday, July 30, 2013, with a conference call for investors scheduled at 9:00 AM

GGP guidance for FFO for 2013 indicates growth UP +16%

GGP provides current annual dividend yield of 2.2%

GGP a Retail REIT with a portfolio of regional malls

GGP we rank 3 HOLD

GGP market cap \$22.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Ramco-Gershenson Properties |
| Price: | \$16 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$973 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
RPT \$16

Ramco-Gershenson Properties RPT 2Q 2013 FFO \$0.28 v \$0.26 UP +8%
RPT 2Q 2013 EBITDA \$27 million UP +41%

RPT increased guidance 2013 FFO \$1.10-\$1.16 v \$1.04 UP +6%+12%
RPT previous guidance 2013 FFO \$1.06-\$1.12 per share

RPT 2Q 2013 same property NOI UP +3.2%
RPT 2Q 2013 same property occupancy 94.6% UP +1.1%
RPT 2Q 2013 portfolio occupancy 93.2%

RPT 2Q 2013 average annual core portfolio rent per square foot \$12.04
RPT 2Q 2013 average rents on lease turnover UP +9.1%
RPT 2Q 2013 tenant retention 83%

RPT 2013 year to date acquisitions \$430 million
RPT 2013 development pipeline \$22 million

RPT portfolio concentrated 40% in MI and 26% in FL

RPT management noted although Detroit bankruptcy may cause concern , all RPT retail assets are in wealthy suburban locations north and west of city of Detroit
RPT total MI portfolio occupancy now 97%
RPT management comments noted fewer retail properties being offered for sale , as cap rates must now reflect higher interest costs

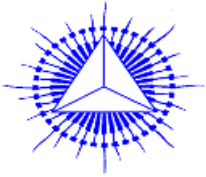
RPT provides current annual dividend yield of 4.3%

RPT a Retail REIT with a portfolio of big box retailers and grocery anchored shopping centers

RPT we rank 3 HOLD

RPT market cap \$1.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | CommonWealth REIT |
| Price: | \$24 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$2,406 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
CWH \$24

CommonWealth REIT CWH stock once again in the news on press coverage of Portnoy battle with Icahn associated investors, to go to arbitration later this week

CWH arbitration panel to review issue of CWH by-law changes on Friday this week

CWH management position hurt by negative ISS report on CWH proxy, increasing probability of successful unfriendly takeover by dissident shareholders

CWH proxy challenge focuses on removal of all CWH board candidates and does not mention CWH attempted secondary offering of stock in Select Income REIT SIR

CWH stock price supported by current annual dividend yield of 4.2%

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

CWH we rank 3 HOLD

CWH market cap \$2.4 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Hatteras Financial |
| Price: | \$23 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$2,244 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:

07/24/2013

HTS \$23

Hatteras Financial HTS 2Q 2013 GAAP EPS \$0.66 v \$0.91 DOWN (27%)

HTS 2Q 2013 GAAP EPS includes net realized gains of \$14.3 million on sales of portfolio securities and futures contracts

HTS 2Q 2013 GAAP EPS excludes net unrealized losses of (\$613) million on securities available for sale, now classified as offset to income contribution to shareholders equity

HTS 2Q 2013 book value \$22.18 DOWN (21%) from March 2013

HTS stock now trading at premium of 2% to current book value

HTS 2Q 2013 portfolio \$24.8 billion, including 89% ARMs and 11% 15 year fixed rate mortgages

HTS 2Q 2013 portfolio DOWN (\$400) million from March 2013

HTS 2Q 2013 ARM portfolio concentrated 47% in less than 6 years time to reset

HTS 2Q 2013 portfolio weighted average coupon 2.51% DOWN (0.35%)

HTS 2Q 2013 ARM portfolio weighted average cost basis \$103.70

HTS 2Q 2013 NIM (net interest margin) 0.93% DOWN (0.18%) from March 2013

HTS 2Q 2013 annualized expense ratio 0.92% UP +0.04%

HTS 2Q 2013 CPR 20.8% UP +1.8%

HTS 2Q 2013 portfolio leverage 9.3X UP +1.9% since March 2013

HTS management comments noted "disorderly sell-off into quarter end"

HTS management expects to continue with strategy of investing in agency ARM securities

HTS reduction of book value during 2Q 2013 a result of portfolio price reductions

HTS management expects to reduce portfolio leverage and increase liquidity through end of 2013

HTS yield 12.3%, above the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$2.2 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Prologis Inc |
| Price: | \$40 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$19,211 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
PLD \$40

Prologis Inc PLD 2Q 2013 core FFO \$0.41 v \$.43 DOWN (5%)
PLD 2Q 2013 adjusted EBITDA \$250 million DOWN (22%) due to dispositions

PLD narrowed guidance range for 2013 core FFO \$1.63-\$1.67 v \$1.74 DOWN (2%)-(6%)
PLD previous guidance 2013 core FFO \$1.60-\$1.70 per share

PLD 2Q 2013 same property NOI UP +0.7% on GAAP basis and DOWN (0.4%) on cash basis
PLD 2Q 2013 portfolio occupancy 93.7% FLAT with March 2013

PLD 2Q 2013 GAAP rents UP +4.0%
PLD 2Q 2013 tenant retention 85%

PLD 2Q 2013 development starts \$385 million
PLD 2Q 2013 acquisitions \$127 million

PLD 2Q 2013 total \$2.3 billion development pipeline, representing 4% portfolio capacity increment

PLD new developments in Asia and Europe to add to exposure to international economies

PLD 2Q 2013 divestitures \$567 million, including \$282 million contributions to investment funds
and \$285 million assets divested

PLD management comments noted US absorption of bulk distribution space to be higher than
previously expected
PLD expects to maintain 80% exposure to US dollar, with foreign exchange rates expected to be
roughly stable
PLD estimates 5.5% move in currencies would impact FFO by only \$0.01-\$0.015 per share

PLD provides current yield of 2.8%

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

PLD we rank 2 BUY

PLD market cap \$19.2 billion

PLD an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | American Campus Communities |
| Price: | \$42 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$4,528 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
ACC \$44

American Campus Communities ACC 2Q 2013 FFOM \$0.53 v \$0.49 UP +8%
ACC FFOM modifies FFO to add performance of jointly owned on-campus residences

ACC reduced guidance 2013 FFOM \$2.20-\$2.26 V \$2.02 UP +9%+12%
ACC previous guidance 2013 FFOM \$2.32-\$2.42 per share
ACC new guidance 2013 FFOM (adjusted) assumes portfolio NOI \$333-\$339 million
ACC new guidance 2013 FFOM also assumes same property NOI DOWN (0.5%)-UP +1.5%, with occupancy 95.5%-98.5% and rents UP +1.1%

ACC 2Q 2013 same property NOI DOWN (1.3%)
ACC 2Q 2013 same property occupancy 91.6%

ACC properties now 90.8% preleased for 2013/2014 academic year, with average rents UP +1.1%

ACC 2Q 2013 development pipeline \$516 million for delivery in fall 2013 and fall 2014

ACC expects 2013 divestitures at low end of previous expectations at \$157 million

ACC provides current annual dividend yield of 3.4%

ACC a Specialty Educational REIT with a portfolio of student housing communities

ACC we REDUCE Rank to 3 HOLD

ACC market cap \$4.5 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Pennsylvania REIT |
| Price: | \$21 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,222 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
PEI \$21

Pennsylvania REIT PEI 2Q 2013 FFO \$0.42 (adjusted) v \$0.37 (adjusted) UP +14%
PEI 2Q 2013 FFO (adjusted) excludes net charges of (\$0.06) per share relating to hedging loss and employee separation expense

PEI reduced guidance 2013 FFO \$1.87-\$1.91 v \$1.83 UP +2%+4%
PEI previous guidance 2013 FFO (adjusted) \$2.00-\$2.08 (adjusted) per share
PEI 2013 guidance reduction reflects pending divestiture of Christiana Center and recent sale of 11.5 million shares, adding 18% to total shares outstanding

PEI 2Q 2013 same property NOI UP +3.8%
PEI 2Q 2013 portfolio occupancy 93.4% UP +1.5%

PEI 2Q 2013 trailing 12 month tenant sales per square foot \$338 UP +1.6%

PEI 2Q 2013 rents on lease turnover UP +5.2%

PEI provides current annual dividend yield of 3.5%

PEI a Retail REIT with a portfolio of regional malls in mid-Atlantic states

PEI we rank 2 BUY

PEI market cap \$1.2 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Associated Estates Realty |
| Price: | \$17 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$833 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
AEC \$17

Associated Estates Realty AEC 2Q 2013 FFO \$0.31 V \$0.32 DOWN (3%)

AEC reduced guidance 2013 FFO \$1.26-\$1.30 v \$1.27 DOWN (1%) - UP +2%
AEC previous guidance 2013 FFO \$1.29-\$1.33 per share
AEC 2013 guidance reduction a result of recent offering of 7.0 million shares, adding 14% to total shares outstanding

AEC 2Q 2013 same property NOI UP +4.9%
AEC 2Q 2013 portfolio occupancy 96.6% DOWN (0.7%)

AEC 2Q 2013 average monthly rent \$1,104 UP +3.2%

AEC to discuss results for 2Q 2013 this afternoon with a conference call for investors scheduled at 2:00 PM

AEC provides annual dividend yield of 4.6%

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$833 million

REIT Comment



| | |
|-----------------|---|
| Company: | American Campus Communities |
| Price: | \$42 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$4,528 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
ACC \$44

American Campus Communities ACC stock trading DOWN (5%) on disappointment over FFO guidance reduction

ACC acquisitions trailing previous expectations , while marketing programs cause expenses to ramp higher

ACC expects 2013 divestitures at low end of previous expectations at \$157 million

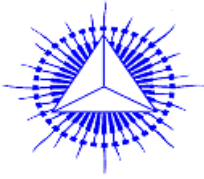
ACC made no change to dividend distribution , now providing current annual dividend yield of 3.4%

ACC a Specialty Educational REIT with a portfolio of student housing communities

ACC we REDUCE Rank to 3 HOLD

ACC market cap \$4.5 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Potlatch |
| Price: | \$43 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,763 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
PCH \$43

Potlatch PCH traded UP \$1.39 per share to close UP +3% day

PCH stock traded UP +11% year to date for 2013, outperforming Specialty REITs, trading UP +12% for 2013

PCH reported better than expected results for 2Q 2013, with EPS UP +24% from 1Q 2013

PCH more harvest volume and much improved prices for sawlogs and lumber contributed to strong results

PCH management comments noted lumber prices peaked in April, following a normal seasonal pattern

PCH recent seasonal decline in lumber prices driven by higher supply, not lower demand

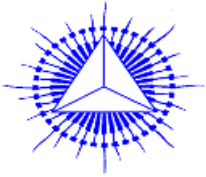
PCH provides current dividend yield of 2.9%

PCH a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCH we rank 2 BUY

PCH market cap \$1.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Hatteras Financial |
| Price: | \$20 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$2,001 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
HTS \$20

Hatteras Financial HTS traded DOWN (\$2.46) per share to close DOWN (11%) day

HTS stock traded DOWN (18%) year to date for 2013, underperforming Financial Mortgage REITs, trading DOWN (8%) for 2013

HTS earlier today reported EPS DOWN (27%) while book value decreased DOWN (21%), due to sudden quarter end decline in portfolio prices for Residential MBS

HTS stock now trading at discount of (9%) to latest book value of \$22.18 per share as of June 2013

HTS stock price supported by current yield of 13.8%, above the midpoint of the range for Financial Mortgage REITs

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

HTS we rank 2 BUY

HTS market cap \$2.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | American Campus Communities |
| Price: | \$40 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$4,307 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
ACC \$40

American Campus Communities ACC traded DOWN (\$2.07) per share to close DOWN (5%) day

ACC stock traded DOWN (12%) year to date for 2013, underperforming Specialty REITs, trading UP +12% for 2013

ACC investors unforgiving of today's FFO guidance reduction, due to ACC long term record of exceptional FFO growth

ACC acquisitions trailing previous expectations, while marketing programs cause expenses to ramp higher

ACC provides current annual dividend yield of 3.6%

ACC a Specialty Educational REIT with a portfolio of student housing communities

ACC we REDUCE Rank to 3 HOLD

ACC market cap \$4.3 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Associated Estates Realty |
| Price: | \$16 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$799 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
AEC \$16

Associated Estates Realty AEC traded DOWN (\$0.67) per share to close DOWN (4%) day

AEC stock traded DOWN (2%) year to date for 2013, underperforming Residential REITs, trading UP +7% for 2013

AEC earlier today reported FFO DOWN (3%) for 2Q 2013

AEC also reduced guidance range for 2013 FFO, due to dilution from recent stock offering

AEC new guidance indicates 2013 FFO DOWN (1%) - UP +2%

AEC provides annual dividend yield of 4.8%

AEC a Residential REIT with a diverse portfolio of apartment communities

AEC we rank 2 BUY

AEC market cap \$799 million

REIT Comment



| | |
|-----------------|---|
| Company: | Capstead Mortgage Corporation |
| Price: | \$11 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,090 |
| Link: | http://www.reitmonitor.net/atlantia/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
CMO \$11

Capstead Mortgage CMO 2Q 2013 core EPS \$0.27 v \$0.31 DOWN (13%)
CMO 2Q 2013 core EPS excludes net charges of (\$0.23) per share relating to preferred dividends and preferred preference premiums
CMO 2Q 2013 core EPS excludes net unrealized losses of (\$250) million on securities held for sale, now shown as offset to income contribution to shareholders equity
CMO 2Q 2013 GAAP EPS \$0.04 v \$0.40

CMO 2Q 2013 book value \$12.80 per share DOWN (6%) from March 2013
CMO stock now trading at discount of (11%) to book value as of June 2013
CMO decline DOWN (6%) in book value due (2%) to redemption of preferred stock and (4%) to portfolio price decline

CMO 2Q 2013 NIM (net interest margin) 1.00% DOWN (0.15%) from March 2013
CMO 2Q 2013 operating expenses 0.68% of long term investable capital DOWN (0.09%) from March 2013

CMO 2Q 2013 portfolio \$13.8 billion agency guaranteed Residential MBS
CMO portfolio concentrated 100% in ARMS including 56% to reset in less than 6 months
CMO 2Q 2013 portfolio average yield 1.53% DOWN (0.20%) from March 2013

CMO 2Q 2013 CPR (constant prepayment rate) 22.7% UP +3.0% from March 2013
CMO 2Q 2013 portfolio leverage 8.4X, UP +0.4X from March 2013

CMO investors appear pleased that book value decline was no worse, while portfolio size stable

CMO current annual dividend yield of 10.9% near 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 2 BUY

CMO market cap \$1.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Plum Creek Timber |
| Price: | \$49 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$7,937 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
PCL \$49

Plum Creek Timber PCL strong growth in new home sales a positive signal for Specialty Timber REITs

PCL report from Commerce Department found new home sales UP +8.3% for June 2013 to annual rate of 497,000 new homes from revised number for previous month

PCL new home sales UP +38.1% from previous year

PCL Specialty Timber REITs benefit from higher home starts through increased demand and higher prices for lumber and other building materials derived from timber and sawlogs

PCL recent seasonal decline in lumber prices driven by higher supply, not lower demand

PCL to report results for 2Q 2013 next week on Monday July 29, 2013 with a conference call for investors scheduled at 5:00 PM

PCL guidance for EPS for 2013 indicates growth UP +20%

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

PCL a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCL we rank 2 BUY

PCL market cap \$7.9 billion

PCL an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Equity Residential |
| Price: | \$57 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$21,499 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
EQR \$57

Equity Residential EQR report of slight increase to new unemployment claims indicates no significant change to employment trends

EQR Labor Department reported new claims for unemployment UP +7,000 to 343,000 for week ended July 20, 2013 from revised number for previous week

EQR more stable 4 week moving average of new unemployment claims decreased, DOWN (1,250) to 342,250 from revised number for previous week

EQR lower federal spending for the rest of 2013 appears likely to negatively impact US economy, with surge in new unemployment claims probable

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 to discuss results for 2Q 2013 next week on Wednesday July 31, 2013 with a conference call for investors scheduled at 10:00 AM

EQR guidance for FFO for 2013 indicates growth UP +5%

EQR impact of \$9.4 billion Archstone acquisition positive for margins, but creates need for divestitures to repay debt

EQR stock supported by 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 \$21.5 billion

EQR an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Potlatch |
| Price: | \$43 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,763 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
PCH \$43

Potlatch PCH 2Q 2013 EPS \$0.47 v \$0.13 UP +262%
PCH 2Q 2013 EPS exceeded expectations on improved prices for sawlogs and lumber

PCH 2Q 2013 EBITDA \$35 million UP +54%

PCH made no change to guidance 2013 harvest 3.8 million tons UP +6%

PCH 2Q 2012 operating income for resource segment \$14 million UP +156%
PCH 2Q 2013 operating income for wood products segment \$20 million UP +69%
PCH 2Q 2013 operating income for real estate segment \$4 million DOWN (38%)

PCH 2Q 2013 northern resource segment harvest volume UP +6%
PCH 2Q 2013 northern resource segment sawlog volume UP +19% with sawlog prices UP +28%
PCH 2Q 2013 northern resource segment pulpwood volume DOWN (55%), with pulpwood prices DOWN (11%)

PCH 2Q 2013 southern resource segment harvest volume UP +13%
PCH 2Q 2013 southern resource segment sawlog volume UP +17%, with sawlog prices UP +4%
PCH 2Q 2013 southern resource segment pulpwood volume UP +10% with prices UP +6%

PCH 2Q 2013 lumber shipments DOWN slightly, with lumber prices UP +21%

PCH news today of higher new home sales supports view of improving demand for lumber and wood products
PCH management comments indicated both lumber and sawlog prices expected to gradually improve through rest of 2013
PCH expects shipment volumes to increase for both 3Q and 4Q 2013

PCH provides current dividend yield of 2.9%

PCH a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCH we rank 2 BUY

PCH market cap \$1.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Mack-Cali Realty |
| Price: | \$25 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$2,466 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/24/2013
CLI \$25

Mack-Cali Realty CLI 2Q 2013 FFO \$0.65 v \$0.62 UP +5%

CLI lowered guidance 2013 FFO \$2.32-\$2.42 v \$2.67 DOWN (9%)-(13%)
CLI previous guidance 2013 FFO \$2.37-\$2.53 per share

CLI 2Q 2013 same property NOI DOWN (2.7%) on cash basis
CLI 2Q 2013 portfolio occupancy 86.2% UP +0.2% from March 2013

CLI continues to divest low return office properties to focus new investment on residential properties
CLI year to date 2013 completed or pending \$420 million divestitures
CLI to divest 15 suburban commercial properties with 1.6 million square feet of office space in Philadelphia area to various joint ventures of Keystone Property Group for \$233 million, including \$200 million cash

CLI 2Q 2013 invested \$88 million to acquire multi-family apartment property
CLI investing more than \$50 million to develop 14 Sylvan Way in Parsippany, NJ, now 100% preleased
CLI total development pipeline \$1.1 billion, including \$114 million owned commercial properties and \$954 million for 11 joint venture residential properties

CLI management resisted investor suggestion to commit funds to repurchase stock

CLI dividend reduced (33%) during 2013, now providing current annual dividend yield of 4.9%

CLI an Office REIT with a portfolio of office properties concentrated in NY and NJ

CLI we rank 3 HOLD

CLI market cap \$2.5 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Ashford Hospitality Trust |
| Price: | \$11 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$978 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
AHT \$11

Ashford Hospitality Trust AHT completed 12.3 million share offering at \$12 per share

AHT offering size increased from previous 11 million common shares

AHT expected proceeds of \$148 million to be applied to fund pending spin-off of Ashford Prime AHP, with 80% interest in a portfolio of 8 stable, profitable and fully leveraged hotels

AHT joint bookrunning managers BofA Merrill Lynch, Deutsche Bank and Morgan Stanley
AHT senior co-managers KeyBanc, Credit Agricole and Credit Suisse
AHT co-managers Baird, Stifel, Cantor Fitzgerald, JMP and MLV

AHT July 2013 offering to increase total shares outstanding by 14%

AHT increased dividend distribution by 9% for 2Q 2013, now providing current dividend yield of 4.2%

AHT a Hotel REIT

AHT we rank 2 BUY

AHT market cap \$1.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Washington REIT |
| Price: | \$28 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$1,841 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:

07/25/2013

WRE \$28

Washington REIT WRE 2Q 2013 FFO 2Q 2013 core FFO \$0.47 v \$0.48 DOWN (2%)
WRE 2Q 2013 core FFO excludes net charges of (\$0.01) per share relating to severance expense and acquisition costs

WRE made no change to guidance 2013 FFO \$1.82-\$1.90 v \$1.96 DOWN (3%)-(7%)

WRE 2Q 2013 total portfolio same property NOI DOWN (1.2%)
WRE 2Q 2013 total portfolio same property occupancy 89.5% DOWN (0.4%)
WRE 2Q 2013 total portfolio same property rents UP +2.4%

WRE 2Q 2013 office portfolio represents 48% of total NOI
WRE 2Q 2013 office portfolio same property NOI DOWN (2.1%)
WRE 2Q 2013 office portfolio same property occupancy 86.3% UP 0.3%
WRE 2Q 2013 office portfolio same property rents UP +1.7%
WRE 2Q 2013 office portfolio rents on lease turnover UP +7.3%

WRE 2Q 2013 retail portfolio represents 21% of total NOI
WRE 2Q 2013 retail portfolio same property NOI DOWN (2.2%)
WRE 2Q 2013 retail portfolio same property occupancy 93.2% DOWN (0.1%)
WRE 2Q 2013 retail portfolio same property rents UP +4.1%
WRE 2Q 2013 retail portfolio rents on lease turnover UP +7.1%

WRE 2Q 2013 multifamily portfolio represents 16% of NOI
WRE 2Q 2013 multifamily portfolio same property NOI DOWN (1.3%)
WRE 2Q 2013 multifamily portfolio same property occupancy 93.1% DOWN (1.7%)

WRE 2Q 2013 medical portfolio represents 15% of NOI
WRE 2Q 2013 medical portfolio same property NOI UP +3.3%
WRE 2Q 2013 medical portfolio same property occupancy 87.8% DOWN (1.9%)
WRE 2Q 2013 medical portfolio same property rents UP +1.4%
WRE 2Q 2013 medical portfolio rents on lease turnover DOWN (1.8%)

WRE management comments noted disappointing same property NOI decline for multi-family properties due to occupancy decline

WRE leasing activity improving but not robust, with MD soft and VA stronger
WRE pending CEO transition and sale of medical office properties

WRE stock price supported by current annual dividend yield of 4.3%

WRE an Office REIT with a diverse portfolio of office, retail, medical and residential properties concentrated in the metropolitan DC area

WRE we rank 3 HOLD

WRE market cap \$1.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Brandywine Realty Trust |
| Price: | \$14 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$2,072 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
BDN \$14

Brandywine Realty Trust BDN 2Q 2013 core FFO \$0.32 (adjusted) v \$0.33 DOWN (3%)
BDN 2Q 2013 core FFO excluded net charge of (\$0.01) per share relating to transaction costs

BDN slightly increased low end of guidance range for 2013 core FFO \$1.37-\$1.42 (adjusted) v \$1.37 FLAT-UP +4%

BDN previous guidance 2013 core FFO \$1.35-\$1.42 per share
BDN guidance 2013 core FFO (adjusted) excludes net charge of (\$0.01) per share relating to transaction costs

BDN 2Q 2013 same property NOI UP +4.4% on cash basis
BDN 2Q 2013 same property occupancy 87.9% UP +0.2%

BDN 2Q 2013 rents on renewed leases UP +9.1% and rents on new leases UP +13.2%
BDN 2Q 2013 tenant retention 66%

BDN 2Q 2013 acquisition \$25 million for downtown Philadelphia property now 91% leased
BDN 2Q 2013 divested 4 suburban office properties for \$25 million

BDN 2Q 2013 \$244 million development pipeline includes \$8 million for Radnor PA tenant improvements, \$159 million for student housing project with Campus Crest and \$77 million for multifamily joint venture project with Toll Brothers
BDN investing \$19 million to redevelop 1 vacant office property

BDN stock price supported by current dividend yield of 4.2%

BDN an Office REIT with a portfolio of office properties in mid-Atlantic states

BDN we UPGRADE rank to 2 BUY

BDN market cap \$2.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | DuPont Fabros Technology |
| Price: | \$24 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,977 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
DFT \$24

DuPont Fabros Technology DFT 2Q 2013 FFO \$0.47 v \$0.37 UP +27%

DFT made no change to guidance 2013 FFO \$1.82-\$1.92 v \$1.48 UP +23%+30%

DFT new guidance 3Q 2013 FFO \$0.47-\$0.49 v \$0.38 UP +24%+29%

DFT 2Q 2013 added only 1 new lease for 1.7 megawatts, while commencing 3 new leases for 4.9 megawatts

DFT low end of guidance range for FFO for 2013 assumes no new leases, with 1.3 megawatt additional leases scheduled to commence before end of 2013

DFT available unused capacity of 20.4 megawatts 54% located in Piscataway NJ, 31% in Reston VA, and 10% in Santa Clara CA, while properties in Ashburn VA and Chicago, IL are fully leased
DFT to invest \$290-\$329 million to develop new ACC7 property in Ashburn VA at cost of \$7.0-\$7.9 million per megawatt

DFT seeking locations to develop new data centers both on east coast and west coast

DFT \$354 million liquidity enables continued investment, with cash of \$14 million and \$340 million available on line of credit

DFT 2Q 2013 purchased no shares under share repurchase authorization

DFT increased dividend distribution by 25% for 2Q 2013, now providing current annual dividend yield of 4.2%

DFT an Office REIT with a portfolio of wholesale data centers leased to key Internet portals and service providers

DFT we rank 2 BUY

DFT market cap \$2.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | AvalonBay Communities |
| Price: | \$138 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$16,586 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/05/2013
AVB \$138

AvalonBay Communities AVB 2Q 2013 FFO \$1.55 v \$1.34 UP +16%

AVB made no change to midpoint of guidance 2013 FFO (adjusted) \$6.30 (adjusted) v \$5.42 (adjusted) UP +16%

AVB guidance 2013 FFO (adjusted) excludes net charges of (\$1.16) per share relating to Archstone acquisition and other non-routine items

AVB new guidance 3Q 2013 FFO \$1.13-\$1.19 v \$1.14 DOWN (1%)-UP +4%

AVB to discuss results for 2Q 2013 this afternoon with a conference call for investors scheduled at 1:00 PM

AVB provides current annual dividend yield of 3.1%

AVB a Residential REIT with a portfolio of upscale apartment communities in east coast and west coast locations

AVB we rank 2 BUY

AVB market cap \$16.6 billion

AVB an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Rayonier |
| Price: | \$58 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$7,528 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/05/2013
RYN \$58

Rayonier RYN 2Q 2013 EPS continuing operations \$0.67 v \$0.52 UP +29%

RYN 2Q 2013 CAD (cash available for distribution) \$170 million UP +20%
RYN 2Q 2013 CAD \$1.30 per share

RYN 2Q 2013 operating income \$111 million UP +18%
RYN 2Q 2013 performance fibers segment operating income \$79 million DOWN (5%)
RYN 2Q 2013 forest resources segment operating income \$21 million UP +155%
RYN 2Q 2013 real estate segment operating income \$6 million UP +2%

RYN divested wood products business to International Forest Products Ltd for \$84 million, with gain of \$40 million reported for 1Q 2013

RYN management comments indicate another strong year expected for 2013, with CAD (cash available for distribution) UP +5%-+10%, and EPS slightly above 2012
RYN expects improving US housing market during 2013, with prices also supported by higher Asian exports

RYN increased dividend by 11% for 3Q 2013, now providing annual dividend yield of 3.4%

RYN a Specialty REIT with a portfolio of timberlands and specialty fiber operations

RYN we rank 2 BUY

RYN market cap \$7.5 billion

REIT Comment



| | |
|-----------------|---|
| Company: | DuPont Fabros Technology |
| Price: | \$23 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,920 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
DFT \$23

DuPont Fabros Technology DFT traded DOWN \$0.69 per share to close DOWN (3%) day

DFT stock traded DOWN (3%) year to date for 2013 underperforming Office REITs, trading UP +14% for 2013

DFT earlier today reported FFO UP +27% for 2013

DFT guidance for FFO for 2013 indicates growth UP +4%

DFT investor concern over not enough capacity to meet demand appears ironic in light of 2012 concern over start-up costs for new facilities

DFT to invest \$290-\$329 million to develop new ACC7 property in Ashburn VA at cost of \$7.0-\$7.9 million per megawatt

DFT increased dividend distribution by 25% for 2Q 2013, now providing current annual dividend yield of 4.3%

DFT an Office REIT with a portfolio of wholesale data centers leased to key Internet portals and service providers

DFT we rank 2 BUY

DFT market cap \$1.9 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Capstead Mortgage |
| Price: | \$12 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,135 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
CMO \$12

Capstead Mortgage CMO traded UP \$0.47 per share to close UP +4% day

CMO stock traded UP +4% year to date for 2013, outperforming Financial Mortgage REITs, trading DOWN (9%) for 2013

CMO reported EPS for 2Q 2013 DOWN (13%) without serious erosion to total portfolio value

CMO investors appear pleased that book value decline was no worse, while portfolio size stable

CMO current annual dividend yield of 10.4% near 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 2 BUY

CMO market cap \$1.1 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Potlatch |
| Price: | \$44 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$1,798 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
PCH \$44

Potlatch PCH traded UP \$0.85 per share to close UP +2% day

PCH stock traded UP +13% year to date for 2013, outperforming Specialty REITs, trading UP +12% for 2013

PCH yesterday reported FFO UP +26% for 2Q 2013

PCH higher new home sales a positive signal for Specialty Timber REITs, to benefit from higher sawlog and lumber prices through end of 2013

PCH provides current dividend yield of 2.8%

PCH a Specialty Timber REIT with a portfolio of timberlands and sawlog mills

PCH we rank 2 BUY

PCH market cap \$1.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Prologis Inc |
| Price: | \$40 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$18,849 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/25/2013
PLD \$40

Prologis Inc PLD traded DOWN (\$0.35) to close DOWN (1%) day

PLD stock traded UP +8% year to date for 2013, underperforming Industrial REITs, trading UP +15% for 2013

PLD yesterday reported FFO down (4%) for 2Q 2013 due to divestitures of properties to investment funds

PLD outlook for long term growth enhanced by \$22.8 billion combined assets under management in 15 international investment funds

PLD provides current yield of 2.8%

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

PLD we rank 2 BUY

PLD market cap \$18.8 billion

PLD an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Annaly Capital Management |
| Price: | \$12 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$11,629 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
NLY \$12

Annaly Capital Management NLY lower mortgage application volume a result of homeowner resistance to mortgage interest rates still near high for last 3 months

NLY report from MBA (Mortgage Bankers Association) found mortgage applications DOWN (1.2%) for week ended July 19, 2013

NLY mortgage applications for refinance DOWN (1%), while mortgage applications for home purchase DOWN (2%)

NLY refinance applications still represents 63% of all applications, an unusually low level, reflecting consumer concern over higher mortgage interest rates

NLY report from MBA (Mortgage Bankers Association) found average interest rate on 30 year fixed rate conforming mortgage at 4.58%, DOWN (0.10%) from previous week, but still UP +1.00% since May 2013

NLY proposals for Fannie Mae reform expected to be debated by Congress during 3Q 2013

NLY completed acquisition of publicly traded NLY subsidiary CreXus Investment CXS, as part of strategic decision to invest up to 25% of equity in non-agency real estate assets

NLY stock price supported by current annual dividend yield of 13.7%, at the high end of the range for Financial Mortgage REITs

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

NLY we rank 2 BUY

NLY market cap \$11.6 billion

REIT Comment



| | |
|-----------------|---|
| Company: | SL Green Realty |
| Price: | \$93 |
| Recommendation: | SELL |
| Ranking: | 4 |
| Market Cap: | \$8,759 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
SLG \$93

SL Green Realty SLG 2Q 2013 FFO \$1.42 (adjusted) v \$1.94 (adjusted) DOWN (27%)
SLG 2Q 2013 FFO (adjusted) excludes net charges of (\$0.15) per share relating to preferred stock redemption and transaction costs

SLG excluding prior year's gain of \$0.73 per share relating to property recapitalization, FFO would have shown growth UP +17%

SLG made no change to guidance 2013 FFO \$4.95-\$5.00 v \$4.62 UP +7%+8%

SLG 2Q 2013 total same property portfolio income UP +1.0% on cash basis

SLG 2Q 2013 Manhattan same property NOI UP +2.2%
SLG 2Q 2013 Manhattan portfolio occupancy 94.4% UP +0.6%
SLG 2Q 2013 Manhattan rents on lease turnover UP +11%

SLG 2Q 2013 suburban portfolio occupancy 80.5% UP +0.3%
SLG 2Q 2013 suburban rents on lease turnover DOWN (10%)

SLG 3Q 2013 pending divestitures \$234 million, including \$220 million for 333 West 34 Street in Manhattan

SLG provides current dividend yield of 1.4%

SLG an Office REIT with a portfolio of office properties concentrated in NYC

SLG we rank 4 SELL

SLG market cap \$8.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | First Potomac Realty Trust |
| Price: | \$14 |
| Recommendation: | HOLD |
| Ranking: | 3 |
| Market Cap: | \$726 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
FPO \$14

First Potomac Realty Trust FPO \$0.28 (adjusted) v \$0.32 (adjusted) DOWN (13%)
FPO 2Q 2013 excludes net charge of (\$0.08) per share relating to debt extinguishment

FPO reduced guidance 2013 FFO \$1.00-\$1.04 v \$1.20 DOWN (13%)-(17%)
FPO previous guidance 2013 core FFO \$1.17-\$1.23 per share
FPO guidance reduction caused by divestiture of industrial properties
FPO new guidance 2013 core FFO assumes same property NOI UP +1.0%+2.5%, with occupancy 84%-85%

FPO completed \$259 million divestiture of industrial properties to an affiliate of Blackstone
FPO 2Q 2013 divestiture of industrial property generated gain of \$19 million, partially offset by charge of (\$5) million for debt extinguishment
FPO to focus new investment on office sector, following divestiture of industrial portfolio

FPO 2Q 2013 same property NOI FLAT
FPO 2Q 2013 portfolio 86.5% leased and 84.0% occupied
FPO 2Q 2013 tenant retention 79%

FPO management commented that DC showed negative absorption of office and commercial space year to date for 2013, but modest employment growth supports rental rate growth

FPO provides current annual dividend yield of 4.1%

FPO an Industrial REIT with a portfolio of commercial business park and office properties concentrated in metropolitan DC area

FPO we rank 3 HOLD

FPO market cap \$726 million

REIT Comment



| | |
|-----------------|---|
| Company: | Realty Income |
| Price: | \$44 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$7,632 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:

7/26/2013

O \$44

Realty Income O 2Q 2013 normalized FFO \$0.61 (adjusted) v \$0.49 UP +24%
O 2Q 2013 normalized FFO (adjusted) excludes net charge of (\$0.01) per share relating to acquisition costs

O increased guidance 2013 normalized FFO \$2.37-\$2.43 v \$2.02 UP +17%+20%
O previous guidance 2013 FFO \$2.32-\$2.38 per share

O 2Q 2013 same property rents UP +1.1%
O 2Q 2013 portfolio occupancy 98.2% UP +0.9%

O 2Q 2013 revenues \$184 million UP +63% due to \$3.2 billion acquisition of American Capital Realty Trust ARCT during 1Q 2013
O 2Q 2013 operating income from continuing operations \$51 million UP +33%

O 2Q 2013 invested \$738 million to acquire, develop and expand 190 new properties
O goal for 2013 acquisitions now \$1.25 billion, in addition to \$3.2 billion acquisition of ARCT

O year to date 2013 divestitures \$84 million, generating \$44 million gains

O increased monthly dividend by 0.002% for July, 2013, now providing annual yield of 4.91%

O demonstrates exceptional long term record of monthly dividend increases

O a Specialty REIT with a portfolio of net leased properties to franchised and commercial tenants

O we rank 2 BUY

O market cap \$7.6 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Weyerhaeuser |
| Price: | \$29 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$16,050 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:

07/26/2013

WY \$29

Weyerhaeuser WY 2Q 2013 EPS from continuing operations \$0.35 v \$0.16 UP +119%

WY 2Q 2013 sales \$2.1 billion UP +19%

WY 2Q 2013 adjusted EBITDA \$447 million UP +73%

WY 2Q 2013 operating income from timberlands segment \$113 million UP +47%

WY 2Q 2013 operating income from wood products segment \$136 million UP +277%

WY 2Q 2013 operating income from cellulose fibers segment \$59 million UP +69%

WY 2Q 2013 operating income from real estate segment \$13 million DOWN (7%)

WY management excited over \$2.7 billion acquisition of Longview Timber LLC from affiliates of Brookfield Asset Management

WY acquisition adds 10% to WY total timberlands, while increasing northwestern timber holdings by 33%

WY acquisition expected to be immediately accretive to FFO

WY management commented lumber prices now UP 25% from previous year, despite 30% quarter to quarter price reduction due to higher supply

WY maintains positive outlook for lumber price appreciation due to more than 1.0 million new home starts during 2013 and 1.2 million for 2014

WY management sees stable market conditions in cellulose fibers

WY pending spin-off of WRECO homebuilding operations supported by current stock market popularity of homebuilders

WY recently increased dividend by 10% for 3Q 2013, bringing current annual yield to 3.0%

WY a Specialty Timber REIT with a portfolio of timberlands, wood and cellulose fiber manufacturing plants, and homebuilding operations

WY we rank 2 BUY

WY market cap \$16.1 billion

WY an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Ventas |
| Price: | \$69 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$20,325 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
VTR \$69

Ventas VTR 2Q 2013 FFO 2Q 2013 normalized FFO \$1.01 (adjusted) v \$0.95 (adjusted) UP +6%
VTR 2Q 2013 normalized FFO (adjusted) excludes net gain of \$0.02 per share relating to gain on debt extinguishment and income tax benefit, partially offset by merger and transaction expenses

VTR increased guidance 2013 normalized FFO \$4.06-\$4.10 v \$3.80 UP +7%+8%
VTR guidance 2013 normalized FFO excludes net charges of (\$0.02)-(\$0.05) per share relating to debt extinguishment and other items

VTR 2Q 2013 portfolio same property NOI UP +3.0%
VTR 2Q 2013 senior housing segment same property NOI UP +6.9%
VTR 2Q 2013 senior housing segment same property occupancy 90.8% UP +1.6%

VTR 2Q 2013 acquisitions totaled \$449 million for private pay senior housing and medical office buildings
VTR pending acquisitions under contract \$400 million

VTR 2Q 2013 divestitures \$160 million

VTR management comments indicated Affordable Care Act to provide more traffic for health care providers, incentivizing industry consolidation that would provide opportunities for Health Care REITs to gain market share

VTR provides current annual dividend yield of 3.9%

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

VTR we rank 2 BUY

VTR market cap \$20.3 billion

VTR an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Corporate Office Properties Trust |
| Price: | \$28 |
| Recommendation: | SELL |
| Ranking: | 5 |
| Market Cap: | \$2,368 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
OFC \$28

Corporate Office Properties Trust OFC 2Q 2013 normalized FFO \$0.52 (adjusted) v \$0.54 DOWN (4%)

OFC 2Q 2013 normalized FFO excludes net charges of (\$0.27) per share relating to debt extinguishment and other items

OFC increased guidance 2013 normalized FFO \$1.92-\$1.97 (adjusted) v \$2.11 DOWN (7%)-(9%)
OFC guidance 2013 normalized FFO excludes net charges of (\$0.30) per share relating to debt extinguishment and other items

OFC new guidance 3Q 2013 FFO \$0.47-\$0.49 v \$0.53 (adjusted) DOWN (8%)-(11%)

OFC 2Q 2013 same property NOI UP +1.6%
OFC 2Q 2013 same property occupancy 89.4%

OFC 2Q 2013 total portfolio 90.0% leased and 88.2% occupied

OFC management expects vacancies at office properties to trend higher due to DOD spending reductions
OFC recently notified of pending vacancy by Merck at suburban office property in Feb 2014, expected to impact FFO by (\$0.03) per share annually

OFC stock price supported by current annual dividend yield of 4.0%

OFC an Office REIT with a portfolio of office properties concentrated in metropolitan DC area

OFC we rank 5 SELL

OFC market cap \$2.4 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Digital Realty Trust |
| Price: | \$63 |
| Recommendation: | BUY |
| Ranking: | 1 |
| Market Cap: | \$8,672 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
DLR \$63

Digital Realty Trust DLR 2Q 2013 core FFO \$1.19 (adjusted) v \$1.07 (adjusted) UP +11%
DLR 2Q 2013 core FFO (adjusted) excludes net income of \$0.03 per share relating to gain on insurance settlement, partially offset by transaction expenses and other items

DLR narrowed guidance range 2013 core FFO \$4.74-\$4.83 (adjusted) v \$4.46 (adjusted) UP +6%+8%

DLR previous guidance 2013 FFO \$4.70-\$4.85 per share

DLR guidance 2013 core FFO (adjusted) excludes net gain of \$0.01 per share relating to various items

DLR 2Q 2013 revenues \$364 million UP +20%

DLR 2Q 2013 operating income \$100 million UP +13%

DLR 2Q 2013 same property operating income UP +7.7%

DLR 2Q 2013 same property occupancy 92.3% DOWN (0.9%)

DLR 2Q 2013 acquired 2 properties for \$39 million

DLR investing to expand capacity by 2.8 million square feet, representing 12% capacity expansion

DLR management comments noted co-location and big data driving corporate rental rates UP +8% through end of 2013, while rental rates for turnkey data centers expected to decline (13%) through end of 2013

DLR stock price supported by current annual dividend yield of 5.0%

DLR an Office REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$8.7 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Brookfield Properties |
| Price: | \$17 |
| Recommendation: | SELL |
| Ranking: | 4 |
| Market Cap: | \$8,763 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
BPO \$17

Brookfield Properties BPO 2Q 2013 FFO \$0.28 v \$0.30 DOWN (7%)

BPO made no change to guidance 2013 FFO \$1.16-1.20 v \$1.14 UP +2%+5%

BPO 2Q 2013 same property NOI UP +1.9%
BPO 2Q 2013 portfolio occupancy 91.7%

BPO mark-to-market rents on lease turnover UP +16% for portfolio year to date

BPO portfolio expansion driven by investment in new developments of upscale office properties , partially funded by divestitures of older office properties
BPO \$1.5 billion development pipeline includes 4 development projects in active development and 15 in planning stages in US, Canada, Australia and UK
BPO to own 47% of newly formed fund to acquire assets of MPG Office Trust MPG , adding 6 office tower properties in Los Angeles to joint venture investments

BPO management challenged to replace pending Merrill Lynch lease expiration for 4Q 2013 at (\$40) million annual rent, representing (\$0.08) per share impact to FFO, expected to be made up from new tenants for 2014

BPO stock price supported by current annual dividend yield of 3.3%

BPO an Office REIT with a portfolio of upscale office properties in US, Canada, UK and Australia

BPO we rank 4 SELL

BPO market cap \$8.8 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Digital Realty Trust |
| Price: | \$58 |
| Recommendation: | BUY |
| Ranking: | 1 |
| Market Cap: | \$8,024 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
DLR \$58

Digital Realty Trust DLR traded DOWN (\$4.71) per share to close DOWN (7%) day

DLR stock traded DOWN (14%) year to date for 2013, underperforming Office REITs, trading UP +14% for 2013

DLR stock downdraft may relate to minimal sequential growth in FFO from 1Q 2013

DLR earlier today reported 2Q 2013 FFO UP +11%

DLR also narrowed guidance range for FFO for 2013 to indicate growth UP +6%--8%

DLR leasing activity lends strong confidence that FFO growth will be achieved, although tenant rents for turnkey data centers are expected to decline through the rest of 2013, due to greater availability

DLR stock price supported by current annual dividend yield of 5.4%

DLR an Office REIT with a portfolio of turnkey data centers and office properties

DLR we rank 1 BUY

DLR market cap \$8.0 billion

REIT Comment



| | |
|-----------------|---|
| Company: | Weyerhaeuser |
| Price: | \$29 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$15,863 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
WY \$29

Weyerhaeuser WY traded DOWN (\$0.34) per share to close DOWN (1%) day

WY stock traded UP +4% year to date for 2013, underperforming Specialty REITs, trading UP +12% for 2013

WY earlier today reported 2Q 2013 EPS UP more than 100% from previous year

WY no guidance provided for EPS for 2013

WY pending spin-off of homebuilding operations should provide lift for the stock when proxy or prospectus on the spin-off is issued

WY recently increased dividend by 10% for 3Q 2013, bringing current annual yield to 3.1%

WY a Specialty Timber REIT with a portfolio of timberlands, wood and cellulose fiber manufacturing plants, and homebuilding operations

WY we rank 2 BUY

WY market cap \$15.9 billion

WY an S&P 500 Index REIT

REIT Comment



| | |
|-----------------|---|
| Company: | Essex Property Trust |
| Price: | \$166 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$6,523 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
ESS \$166

Essex Property Trust ESS traded UP \$1.88 per share to close UP +1% day

ESS stock traded UP +13% year to date for 2013, outperforming Residential REITs, trading UP +7% for 2013

ESS strong employment growth in CA, Seattle and Washington help to support positive outlook for occupancy gains and rental rate growth

ESS to discuss results for 2Q 2013 next week, on Thursday, August 1, 2013, with a conference call for investors scheduled for 1:00 PM

ESS guidance for FFO for 2013 indicates growth UP +13%

ESS increased quarterly dividend distribution by 10% during 2013, now providing annual dividend yield of 2.9%

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

ESS we rank 2 BUY

ESS market cap \$6.5 billion

REIT Comment



| | |
|-----------------|---|
| Company: | National Retail Properties |
| Price: | \$37 |
| Recommendation: | BUY |
| Ranking: | 2 |
| Market Cap: | \$4,267 |
| Link: | http://www.reitmonitor.net/atlantis/REITWebRpt.nsf/PayBuy?OpenForm&REIT |

Additional Text:
07/26/2013
NNN \$37

National Retail Properties NNN traded UP \$0.74 per share to close UP +2% day

NNN stock traded UP +18% year to date for 2013, outperforming Retail REITs, trading UP +12% for 2013

NNN investors may anticipate strong results for 2Q 2013, given positive outlook presented by Realty Income O, another REIT with a portfolio of net leased properties

NNN all leases are triple net, with no exposure to variable tenant sales

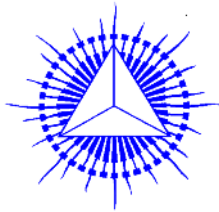
NNN recently increased quarterly dividend by 2.5%, bringing current yield to 4.4%

NNN most recent guidance for FFO for 2013 indicates growth UP +8%

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

NNN we rank 2 BUY

NNN market cap \$4.3 billion



REIT Growth and Income Monitor posted 59 REIT comments for the week ended July 26, 2013. Comments were issued on REITs in the following sectors:

| | |
|-------------------|----|
| Financial REITs | 8 |
| Health Care REITs | 1 |
| Hotel REITs | 2 |
| Industrial REITs | 7 |
| Office REITs | 12 |
| Residential REITs | 5 |
| Retail REITs | 6 |
| Specialty REITs | 18 |

Information on REIT sectors may be found using this link:

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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