

Nontraded REIT Industry Review: Third Quarter 2014



Dividend Capital Diversified Property Fund, Inc.

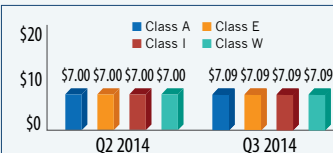
Total Assets.....	\$2,148.2 Million
Real Estate Assets	\$2,032.3 Million
Cash	\$27.8 Million
Securities	\$0.2 Million
Other	\$87.9 Million



Cash to Total Assets Ratio: 1.3%
 Asset Type: Diversified
 Number of Properties: 69 Properties; 11 Debt Investments
 Square Feet / Units / Rooms / Acres: 12 Million Sq. Ft.
 Percent Leased: 92.8%
 Weighted Average Lease Term Remaining: 7.0 Years
 LifeStage: Stabilizing
 Investment Style: Core
 Weighted Average Shares Outstanding: 191,422,000

Initial Offering Date: January 27, 2006
 Offering Status: Perpetual
 Number of Months Fundraising: 21
 Offering Close Date: Perpetual Life
 Current Price per Share: \$7.09
 Reinvestment Price per Share: \$7.09

Historical Price



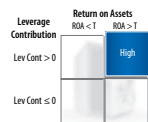
Contact Information

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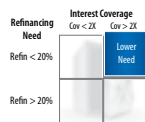
Performance Profiles

Operating Performance



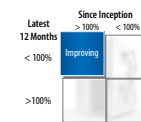
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



Interest coverage ratio exceeds the 2.0X benchmark and the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, and has sufficient earnings to cover interest expense.

Cumulative MFFO Payout

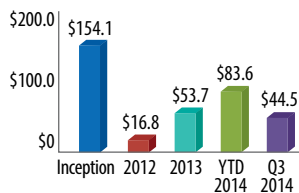


The REIT has not yet reached full coverage of cash distributions and an MFFO payout ratio below 100% since inception, but the last 12 months shows full coverage of cash distributions, a positive trend. If the 12-month trend continues, the distribution rate can be maintained.

Summary

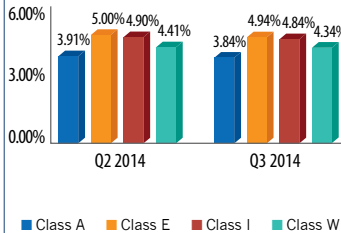
The REIT's return on assets for the last four quarters was 8.22%, well above the yield on 10-Year Treasuries of 2.64%, and it had a positive leverage contribution due to its 4.67% average cost of debt and 55% debt ratio. About 11.7% of the REIT's debt matures within two years and only 10.4% is at unhedged variable rates, indicating little refinancing need and minimal interest rate risk. Its interest coverage ratio for the last four quarters at 2.4X is above the 2.0X benchmark. Since inception the REIT has paid out an estimated 121% of MFFO in cash distributions, excluding DRP proceeds, but this rate was 55% for the last four quarters, a very sustainable cash distribution payout rate.

Gross Dollars Raised*

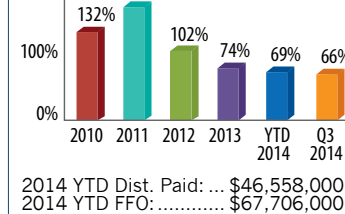


*Includes reinvested distributions (in millions)

Historical Distribution

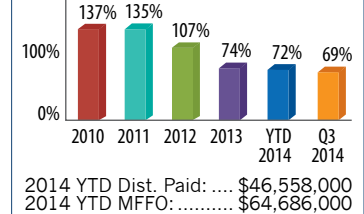


Historical FFO Payout Ratio



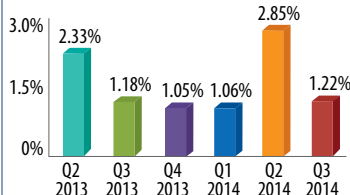
2014 YTD Dist. Paid: ... \$46,558,000
 2014 YTD FFO: \$67,706,000

Historical MFFO Payout Ratio



2014 YTD Dist. Paid: \$46,558,000
 2014 YTD MFFO: \$64,686,000
 BVP Adjusted MFFO - see notes

Redemptions

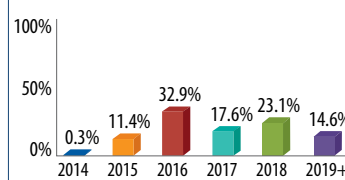


Debt Breakdown

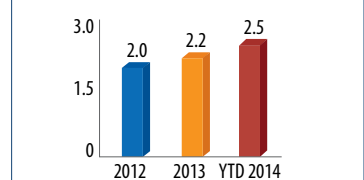


Debt to Total Assets Ratio: 55.3%
 Total: \$1,188.7 Million
 Fixed: \$1,062.9 Million
 Variable: \$125.8 Million
 Avg. Wtd. Rate: 4.67%
 Loan Term: 1 - 16 yrs

Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- Distribution yields for the four classes of stock are estimated as follows: Class A, based upon \$7.09 price per share and \$0.35 less 1.1% of NAV per year = 3.84% annualized; Class W, based upon \$7.09 price per share and \$0.35 less 0.6% of NAV per year = 4.34% annualized; Class I, based upon \$7.09 per share and \$0.35 less 0.1% of NAV per year = 4.84% annualized; Class E, based upon \$7.09 per share and \$0.35 = 4.94% annualized.
- The REIT changed its financing model with the introduction of daily NAV's and multiple share classes in 2012. Therefore, the performance metrics prior to that change may be less meaningful relative to more recent data.
- For the quarter ended September 30, 2014, DPF acquired 1st Avenue Plaza in the Cherry Creek submarket of Denver, CO. The property comprises two Class A office buildings totaling approximately 262,000 square feet, including a 764-space parking garage. DPF acquired the asset for \$75.0 million unencumbered by mortgage or other financing.
- Subsequent to quarter end, DPF acquired Salt Pond Shopping Center for \$39.2 million. Salt Pond Shopping Center is an approximately 185,000 square foot grocery-anchored shopping center located in Narragansett, RI. The center is currently 96% leased to 18 tenants including Stop & Shop and Marshalls.

- DPF had no dispositions during the third quarter.
- As of September 30, 2014, the REIT had raised gross proceeds of approximately \$100.8 million from the sale of approximately 14.5 million shares in the Offering, including approximately \$670,000 through the distribution reinvestment plan.
- The REIT's Cash to Total Assets ratio decreased to 1.3% as of 3Q 2014 compared to 1.8% as of 3Q 2013.
- The REIT's Debt to Total Assets ratio remained at 55.3% as of 3Q 2014 compared to 55.3% as of 3Q 2013.
- The Company had hedged \$237.3 million of variable rate debt as of September 30, 2014.
- The Company does not use Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA"). The MFFO figures above are Blue Vault Partners estimates. The Company-defined FFO attributable to common shares - diluted, was \$23.768 million for 3Q 2014.
- For the nine months ended September 30, 2014, cash distributions to common shareholders totaled \$30.955 million and were 100% funded by net operating cash flows of \$62.866 million.