

# Nontraded REIT Industry Review: Second Quarter 2015

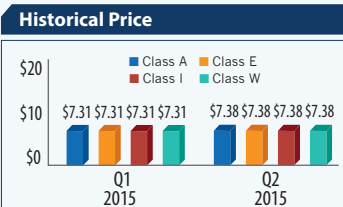
## Dividend Capital Diversified Property Fund, Inc.

|                          |                   |
|--------------------------|-------------------|
| Total Assets.....        | \$1,877.3 Million |
| Real Estate Assets ..... | \$1,782.2 Million |
| Cash .....               | \$28.9 Million    |
| Securities .....         | \$0.2 Million     |
| Other .....              | \$66.0 Million    |



Initial Offering Date: ..... January 27, 2006  
 Offering Status..... Perpetual  
 Number of Months Fundraising: ..... 33  
 Offering Close Date: ..... Perpetual Life  
 Current Price per Share: ..... \$7.38  
 Reinvestment Price per Share: ..... \$7.38

Cash to Total Assets Ratio: ..... 1.5%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 58 Properties; 7 Debt Investments  
 Square Feet / Units / Rooms / Acres: ..... 9.5 Million Sq. Ft.  
 Percent Leased: ..... 87.5%  
 Weighted Average Lease Term Remaining: ..... 6.6 Years  
 LifeStage: ..... Stabilizing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 183,157,000

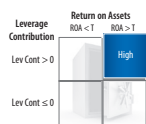


### Contact Information

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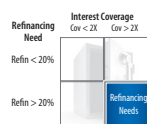
### Performance Profiles

#### 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 is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

#### Cumulative MFFO Payout

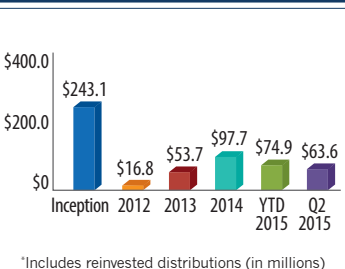


The REIT has not yet reached full coverage of cash distributions and an MFFO payout ratio below 100% since inception, but the last 12 months shows full coverage of cash distributions, a positive trend. If the 12-month trend continues, the distribution rate can be maintained.

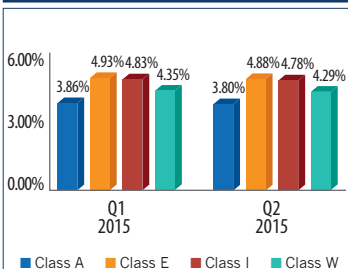
#### Summary

The REIT's return on assets for the last four quarters was 8.39%, well above the yield on 10-Year Treasuries, and it had a positive leverage contribution due to its 4.79% average cost of debt and 44% debt ratio. About 43% of the REIT's debt matures within two years and only 1% is at unhedged variable rates, indicating significant refinancing need but minimal interest rate risk. Its interest coverage ratio for the last four quarters at 4.6X is well above the 2.0X benchmark and has been improving. Since inception the REIT has paid out an estimated 106% of MFFO in cash distributions, excluding DRP proceeds, but this rate was 44% for the last four quarters, a sustainable cash distribution payout rate.

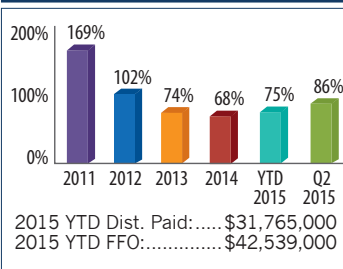
### Gross Dollars Raised\*



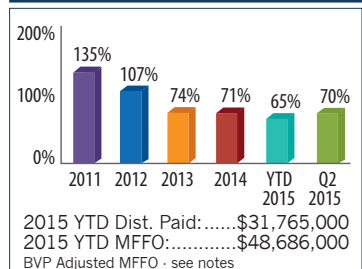
### Historical Distribution



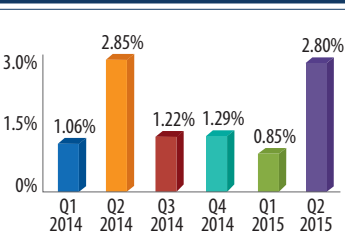
### Historical FFO Payout Ratio



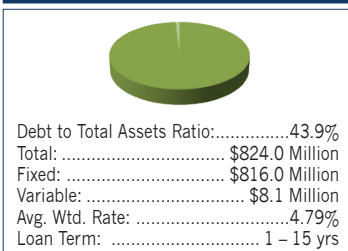
### Historical MFFO Payout Ratio



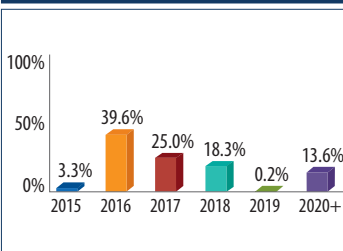
### Redemptions



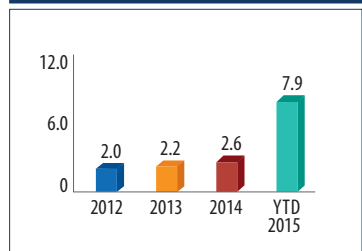
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- During the six months ended June 30, 2015, the Company acquired (i) two office properties in the Austin, TX market comprising approximately 274,000 and 155,000 net rentable square feet, respectively, for acquisition prices of approximately \$68.8 million and \$37.3 million, respectively, and (ii) a retail property in the Greater Boston market comprising approximately 143,000 net rentable square feet for an acquisition price of approximately \$35.5 million.
- During the six months ended June 30, 2015, the Company completed sales of 14 wholly owned properties aggregately comprising approximately 2.9 million net rentable square feet for an aggregate sales price of approximately \$457.7 million. Of these sales, the most significant is the sale of a portfolio of 12 wholly owned office and industrial properties comprising approximately 2.7 million net rentable square feet to an unrelated third party for a contract sales price of approximately \$398.6 million.
- On August 6, 2015, the Company acquired a retail property in Davie, FL comprising approximately 124,000 net rentable square feet from an unaffiliated third party, for a gross purchase price of approximately \$32.7 million. At acquisition, the property was approximately 99% leased to 40 tenants. The property is subject to a \$10.9 million mortgage loan with a maturity date of September 1, 2021. The Company acquired the property using existing cash and proceeds from its Revolving Credit Facility.
- On August 6, 2015, the Company also acquired a three-building office property in Hollywood, FL comprising approximately 253,000 net rentable square feet from an unaffiliated third party, for a gross purchase price of approximately \$45.8 million. At acquisition, the property was approximately 97% leased to 29 tenants. The Company acquired the property using existing cash and proceeds from its Revolving Credit Facility.
- During the six months ended June 30, 2015, the Company recorded \$1.6 million of impairment charges related to one of its wholly-owned retail properties in the Pittsburgh, PA market, in order to (i) reduce the net book value of the property to its estimate of its fair value less the cost to sell, and (ii) recognize impairment resulting from additional capital expenditures and transaction costs incurred prior to the disposition during the six months ended June 30, 2015.
- The REIT's Cash to Total Assets ratio decreased to 1.5% as of 2Q 2015 compared to 2.5% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio decreased to 43.8% as of 2Q 2015 compared to 54% as of 2Q 2014.
- The Company had hedged \$83.8 million of variable rate debt as of June 30, 2015.
- 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 estimates. The Company-defined FFO attributable to common shares - diluted, was \$ 18.6 million for the quarter ended June 30, 2015.