

Physicians Realty Trust  
Form 424B5  
January 16, 2015  
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**Filed pursuant to Rule 424(b)(5)**

**Registration No. 333-197842**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus dated August 19, 2014)**

**16,500,000 Common Shares**

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We are offering 16,500,000 common shares of beneficial interest, \$0.01 par value per share. We are a self-managed healthcare real estate company that acquires, selectively develops, owns and manages healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We invest in real estate that is integral to providing high quality healthcare services. Our properties typically are on a campus with a hospital or other healthcare facilities or strategically located and affiliated with a hospital or other healthcare facilities. Our management team has significant public healthcare real estate investment trust ( REIT ) experience and long established relationships with physicians, hospitals and healthcare delivery system decision makers that we believe will provide quality investment opportunities to generate attractive risk-adjusted returns to our shareholders.

Our common shares trade on the New York Stock Exchange under the symbol DOC. On January 14, 2015, the last sale price of our common shares as reported on the New York Stock Exchange was \$16.64 per share.

We are a Maryland real estate investment trust and elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes beginning with our short taxable year ended December 31, 2013. Our common shares are subject to restrictions on ownership and transfer that are intended, among other purposes, to assist us in qualifying and maintaining our qualification as a REIT. Our declaration of trust, subject to certain exceptions, limits ownership to no more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our shares of beneficial interest.

**We are an emerging growth company under the federal securities laws and have reduced public company reporting requirements. Investing in our securities involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading Risk Factors contained in this prospectus supplement beginning on page S-8 and page 4 of the accompanying prospectus, and under similar headings in the other documents that are incorporated by reference into this prospectus supplement.**

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	Per Share	Total
Public offering price	\$ 16.40	\$ 270,600,000
Underwriting discount(1)	\$ 0.697	\$ 11,500,500
Proceeds, before expenses, to us	\$ 15.703	\$ 259,099,500

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(1) See Underwriting for additional disclosure regarding the underwriting discounts and commissions and other expenses payable to the underwriters by us.

The underwriters may also exercise their option to purchase up to an additional 2,475,000 common shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus supplement.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters are offering the common shares as set forth under Underwriting. The common shares will be ready for delivery on or about January 21, 2015.

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*Joint Book-Running Managers*

**KeyBanc Capital Markets**

**Morgan Stanley**

**RBC Capital Markets**

**BofA Merrill Lynch**

**BMO Capital Markets**

*Co-Managers*

**Raymond James**

**Wunderlich Securities**

**Comerica Securities**

**Compass Point**

**J.J.B. Hilliard, W.L. Lyons, LLC**

**MLV & Co.**

**Regions Securities LLC**

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The date of this prospectus supplement is January 14, 2015

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You should rely only on the information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by us, including any information incorporated by reference herein. We have not authorized anyone to provide information that is different. This document may only be used in jurisdictions where it is legal to sell these securities. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by us, including any information incorporated by reference herein, is accurate only as of their respective dates or on the date or dates specified in those documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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**For investors outside of the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus supplement and the accompanying prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus supplement and the accompanying prospectus.**

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined. This prospectus supplement may add to, update or change information in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement or the accompanying prospectus.

If information in this prospectus supplement is inconsistent with the accompanying prospectus or documents incorporated by reference, the information in this prospectus supplement shall supersede such information. In addition, any statement in a filing we make with the Securities and Exchange Commission (the SEC or the Commission ) that adds to, updates or changes information contained in an earlier filing we made with the SEC shall be deemed to modify and supersede such information in the earlier filing. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the common shares being offered and other information you should know before investing in these securities.

You should rely only on this prospectus supplement, the accompanying prospectus and the information incorporated or deemed to be incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We have not, and the underwriters have not, authorized anyone to provide you with information that is different from that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters have not, offering to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than as of the date of this prospectus supplement or the accompanying prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of our common shares. Our business, financial condition, liquidity, results of operations, and prospects may have changed since those dates.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and some of the documents that are incorporated by reference herein, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, which we refer to as our 2013 10-K, our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, which we refer to as our First Quarter 2014 10-Q, our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, which we refer to as our Second Quarter 2014 10-Q and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, which we refer to as our Third Quarter 2014 10-Q, contain various forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, property performance and results of operations contain forward-looking statements. Likewise, our pro forma financial statements and all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks, approximately, intends, plans, pro forma, estimates or anticipates or the negative of these similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- general economic conditions;
- adverse economic or real estate developments, either nationally or in the markets in which our properties are located;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;
- fluctuations in interest rates and increased operating costs;
- the availability, terms and deployment of debt and equity capital, including our unsecured credit facility;
- our ability to make distributions on our shares of beneficial interest;
- general volatility of the market price of our common shares;
- our limited operating history;
- our increased vulnerability economically due to the concentration of our investments in healthcare properties;
- our geographic concentration in Texas causes us to be particularly exposed to downturns in this local economy or other changes in local real estate market conditions;

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- changes in our business or strategy;
- our dependence upon key personnel whose continued service is not guaranteed;
- our ability to identify, hire and retain highly qualified personnel in the future;
- the degree and nature of our competition;
- changes in governmental regulations, tax rates and similar matters;
- defaults on or non-renewal of leases by tenants;
- decreased rental rates or increased vacancy rates;
- difficulties in identifying healthcare properties to acquire and completing acquisitions;
- competition for investment opportunities;
- our failure to successfully develop, integrate and operate acquired properties;
- the impact of our investment in joint ventures;
- the financial condition and liquidity of, or disputes with, joint venture and development partners;
- our ability to operate as a public company;
- changes in accounting principles generally accepted in the United States (GAAP);
- lack of or insufficient amounts of insurance;
- other factors affecting the real estate industry generally;
- our failure to qualify and maintain our qualification as REIT for U.S. federal income tax purposes;
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes;
- changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs; and
- various other factors may materially adversely affect us, including the per share trading price of our common shares, such as:
  - higher market interest rates;



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- the number of our common shares available for future issuance or sale;
- our issuances of equity securities or the perception that such issuances might occur;
- future offerings of debt; and
- failure of securities analysts to publish research or reports about our industry or us or if research downgrades our common shares or the healthcare-related real estate sector.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes after the date of this prospectus supplement, except as required by applicable law. You should not place undue reliance on any forward-looking statements that are based on information currently available to us or the third parties making the forward-looking statements. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section below entitled Risk Factors, including the risks incorporated by reference therein from our 2013 10-K, as updated by our subsequent filings with the SEC.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus and may not contain all of the information that you should consider before making an investment in our common shares. You should read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including the 2013 10-K, the First Quarter 10-Q, the Second Quarter 10-Q and the Third Quarter 10-Q, and any free writing prospectus we have filed. Please read Risk Factors for more information about important risks that you should consider before investing in our common shares.*

*Unless the context otherwise requires or indicates, all references to we, us, our, our company, the Trust, the Company, and Physicians Realty refer to Physicians Realty Trust, a Maryland real estate investment trust, together with its consolidated subsidiaries, including Physicians Realty L.P., a Delaware limited partnership, which we refer to as our operating partnership, and the historical business and operations of four healthcare real estate funds that we have classified for accounting purposes as our Predecessor and which we sometimes refer to as the Ziegler Funds, and not to the persons who manage us or sit on our Board of Trustees.*

**Our Company**

We are a self-managed healthcare real estate company organized in April 2013 to acquire, selectively develop, own and manage healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We completed our initial public offering ( IPO ) in July 2013. As of December 31, 2014, our portfolio consisted of 87 properties located in 18 states with approximately 3,100,470 net leasable square feet, which were approximately 94.7% leased with a weighted average remaining lease term of approximately 9.6 years and approximately 76% of the net leasable square footage of our portfolio was either affiliated with a healthcare delivery system or located within approximately 1/4 mile of a hospital campus.

We receive a cash rental stream from these healthcare providers under our leases. Approximately 81.8% of the annualized base rent payments from our properties as of December 31, 2014 are from triple net leases, pursuant to which the tenants are responsible for all operating expenses relating to the property, including but not limited to real estate taxes, utilities, property insurance, routine maintenance and repairs, and property management. This structure helps insulate us from increases in certain operating expenses and provides more predictable cash flow. We seek to structure our triple net leases to generate attractive returns on a long-term basis. Our leases typically have initial terms of five to 15 years and include annual rent escalators of approximately 2%. Our operating results depend significantly upon the ability of our tenants to make required rental payments. We believe that our portfolio of medical office buildings and other healthcare facilities will enable us to generate stable cash flows over time because of the diversity of our tenants, staggered lease expiration schedule, long-term leases, and low historical occurrence of tenants defaulting under their leases. As of December 31, 2014, leases representing a percentage of our portfolio on the basis of leasable square feet will expire as follows:

Year	Portfolio Lease Expirations
2015	3.0%
2016	3.5%
2017	2.2%
2018	5.9%
2019	5.6%
2020	1.6%

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2021	2.3%
2022	3.5%
2023	6.3%
2024	17.4%
Thereafter	43.1%

We invest in real estate that is integral to providing high quality healthcare services. Our properties are typically located on a campus with a hospital or other healthcare facilities or strategically located and affiliated with a hospital or other healthcare facilities. We believe the impact of government programs and continuing trends in the healthcare industry create attractive opportunities for us to invest in health care related real estate. Our management team has significant public healthcare REIT experience and has long established relationships with physicians, hospitals and healthcare delivery system decision makers that we believe will provide quality investment and growth opportunities. Our principal investments include medical office buildings, outpatient treatment facilities, acute and post-acute care hospitals, as well as other real estate integral to health care providers. We seek to invest in stabilized medical facility assets with initial cash yields of 6% to 10%. We seek to generate attractive risk-adjusted returns for our

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shareholders through a combination of stable and increasing dividends and potential long-term appreciation in the value of our properties and our common shares.

We had no business operations prior to completion of the IPO and the related formation transactions on July 24, 2013. Our Predecessor, which is not a legal entity, is comprised of the four healthcare real estate funds managed by B.C. Ziegler & Company ( Ziegler ), which we refer to as the Ziegler Funds, that owned directly or indirectly interests in entities that owned our initial properties we acquired on July 24, 2013 in connection with completion of our IPO and related formation transactions.

We are a Maryland real estate investment trust and elected to be taxed as a REIT for U.S. federal income tax purposes beginning with our short taxable year ended December 31, 2013. We conduct our business through an UPREIT structure in which our properties are owned by our operating partnership directly or through limited partnerships, limited liability companies or other subsidiaries. We are the sole general partner of our operating partnership and, as of the date of this prospectus supplement, own approximately 94.4% of the partnership interests in our operating partnership.

**Our Objectives and Growth Strategy**

Our principal business objective is to provide attractive risk-adjusted returns to our shareholders through a combination of (i) sustainable and increasing rental revenue and cash flow that generate reliable, increasing dividends, and (ii) potential long-term appreciation in the value of our properties and common shares. Our primary strategies to achieve our business objective are to invest in, own and manage a diversified portfolio of high quality healthcare properties and pay careful attention to our tenants' real estate strategies, which we believe will drive high retention, high occupancy and reliable, increasing rental revenue and cash flow.

We intend to grow our portfolio of high-quality healthcare properties leased to physicians, hospitals, healthcare delivery systems and other healthcare providers primarily through acquisitions of existing healthcare facilities that provide stable revenue growth and predictable long-term cash flows. We may also selectively finance the development of new healthcare facilities through joint venture or fee arrangements with premier healthcare real estate developers. Generally, we only expect to make investments in new development properties when approximately 70% or more of the development property has been pre-leased before construction commences. We seek to invest in properties where we can develop strategic alliances with financially sound healthcare providers and healthcare delivery systems that offer need-based healthcare services in sustainable healthcare markets. We focus our investment activity on the following types of healthcare properties:

- medical office buildings;
- outpatient treatment and diagnostic facilities;
- physician group practice clinics;
- ambulatory surgery centers;
- specialty hospitals and treatment centers;

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- acute care hospitals; and
- post-acute care hospitals and long-term care facilities.

We may opportunistically invest in life science facilities, assisted living and independent senior living facilities and in the longer term, senior housing properties, including skilled nursing. Consistent with our intent to qualify as a REIT, we may also opportunistically invest in companies that provide healthcare services, in joint venture entities with operating partners, structured to comply with the REIT Investment Diversification Act of 2007 ( RIDEA ).

In connection with our review and consideration of healthcare real estate investment opportunities, we generally take into account a variety of market considerations, including:

- whether the property is anchored by a financially-sound healthcare delivery system or whether tenants have strong affiliation to a healthcare delivery system;
- the performance of the local healthcare delivery system and its future prospects;
- property location, with a particular emphasis on proximity to healthcare delivery systems;
- demand for medical office buildings and healthcare related facilities, current and future supply of competing properties, and occupancy and rental rates in the market;
- population density and growth potential;
- ability to achieve economies of scale with our existing medical office buildings and healthcare related facilities or anticipated investment opportunities; and
- existing and potential competition from other healthcare real estate owners and operators.

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#### Property Acquisitions in 2014

In 2014, we completed acquisitions of 61 healthcare properties located in 15 states containing an aggregate of 2,199,126 net leasable square feet for an aggregate of approximately \$543.5 million using proceeds from our follow-on public offerings in December 2013, May 2014 and September 2014, proceeds from our ATM Program (defined below), borrowings under our former senior secured revolving credit facility, our unsecured credit facility and mortgage financing.

During the quarterly period ended December 31, 2014, we completed six acquisitions of 23 healthcare properties located in seven states containing an aggregate of 575,519 net leasable square feet for an aggregate of approximately \$96.2 million as summarized below:

Property(1)	Location	Acquisition Date	Square Footage	Purchase Price (in thousands)
PinnacleHealth Portfolio 5 MOBs	Harrisburg, PA	10/29/2014	117,765	\$ 23,100
Columbus Regional Hospital System Portfolio 12 MOBs	Columbus, Georgia; Phenix City, Alabama	11/20/2014	273,396	\$ 27,997
Middletown Medical 2 MOBs	Middletown, NY	11/26/2014	35,426	\$ 14,399
Danville on Fairchild	Danville, IL	11/26/2014	46,663	\$ 10,300
Napolean Medical Building MOB	New Orleans, LA	12/18/2014	65,775	\$ 10,500
West Tennessee Bone & Joint 1 MOB 1 ASC	Jackson, TN	12/30/2014	36,494	\$ 9,936
Total			575,519	\$ 96,232

(1) MOB means medical office building and ASC means ambulatory surgical center.

Also during the quarterly period ended December 31, 2014, we made an \$8.6 million term loan to fund the renovations and additions of two re-purposed buildings in Jacksonville, Florida. Upon completion of the expansion and renovations, the properties will be approximately 40,000 square feet in the aggregate. Upon completion of the construction of the buildings and them becoming fully occupied, which we expect to occur in the second half of 2015, we have the option to purchase the buildings. The term loan accrues interest at a rate of 9%, which will be credited to the purchase price if we exercise our option. The medical office building is 38,000 square feet and the purchase price is approximately \$10 million.

All of the investments made during the quarterly period ended December 31, 2014 utilized proceeds from our September 2014 follow-on public offering, proceeds from the ATM Program and borrowings under our unsecured credit facility.

to do bodily harm to any person, except where the Property is in transit in the custody of any person acting as messenger as a result of a threat to do bodily harm to such person, if the Insured had no knowledge of such threat at the time such transit was initiated, or

(2)

to do damage to the premises or Property of the Insured,

unless such loss is otherwise covered under Insuring Agreement A.

J.

All costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this Bond, except to the extent certain audit expenses are covered under Insuring Agreement B.

K.

Loss resulting from payments made to or withdrawals from any account, involving funds erroneously credited to such account, unless such loss is otherwise covered under Insuring Agreement A.

L.

Loss resulting from uncollectible Items of Deposit which are drawn upon a financial institution outside the United States of America, its territories and possessions, or Canada.

M.

Loss resulting from the Dishonest or Fraudulent Acts, Theft, or other acts or omissions of an Employee primarily engaged in the sale of shares issued by an Investment Company to persons other than (1) a person registered as a broker under the Securities Exchange Act of 1934 or (2) an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, which is not an individual.

N.

Loss resulting from the use of credit, debit, charge, access, convenience, identification, cash management or other cards, whether such cards were issued or purport to have been issued by the Insured or by anyone else, unless such loss is otherwise covered under Insuring Agreement A.

O.

Loss resulting from any purchase, redemption or exchange of securities issued by an Investment Company or other Insured, or any other instruction, request, acknowledgement, notice or transaction involving securities issued by an Investment Company or other Insured or the dividends in respect





thereof, when any of the foregoing is requested, authorized or directed or purported to be requested, authorized or directed by voice over the telephone or by Electronic Transmission, unless such loss is otherwise covered under Insuring Agreement A or Insuring Agreement I.

- P. Loss resulting from any Dishonest or Fraudulent Act or Theft committed by an Employee as defined in Section 1.I(2), unless such loss (1) could not have been reasonably discovered by the due diligence of the Insured at or prior to the time of acquisition by the Insured of the assets acquired from a predecessor, and (2) arose out of a lawsuit or valid claim brought against the Insured by a person unaffiliated with the Insured or with any person affiliated with the Insured.
- Q. Loss resulting from the unauthorized entry of data into, or the deletion or destruction of data in, or the change of data elements or programs within, any Computer System, unless such loss is otherwise covered under Insuring Agreement A.

### **SECTION 3. ASSIGNMENT OF RIGHTS**

Upon payment to the Insured hereunder for any loss, the Underwriter shall be subrogated to the extent of such payment to all of the Insured's rights and claims in connection with such loss; provided, however, that the Underwriter shall not be subrogated to any such rights or claims one named Insured under this Bond may have against another named Insured under this Bond. At the request of the Underwriter, the Insured shall execute all assignments or other documents and take such action as the Underwriter may deem necessary or desirable to secure and perfect such rights and claims, including the execution of documents necessary to enable the Underwriter to bring suit in the name of the Insured.

Assignment of any rights or claims under this Bond shall not bind the Underwriter without the Underwriter's written consent.

### **SECTION 4. LOSS--NOTICE--PROOF--LEGAL PROCEEDINGS**

This Bond is for the use and benefit only of the Insured and the Underwriter shall not be liable hereunder to anyone other than the Insured. As soon as practicable and not more than sixty (60) days after discovery, the Insured shall give the Underwriter written notice thereof and, as soon as practicable and within one year after such discovery, shall also furnish to the Underwriter affirmative proof of loss with full particulars. The Underwriter may extend the sixty day notice period or the one year proof of loss period if the Insured requests an extension and shows good cause therefor.

See also General Agreement C (Court Costs and Attorneys' Fees).

The Underwriter shall not be liable hereunder for loss of Securities unless each of the Securities is identified in such proof of loss by a certificate or bond number or by such identification means as the Underwriter may require. The Underwriter shall have a reasonable period after receipt of a proper affirmative proof of loss within which to investigate the claim, but where the Property is Securities and the loss is clear and undisputed, settlement shall be made within forty-eight (48) hours even if the loss involves Securities of which duplicates may be obtained.

The Insured shall not bring legal proceedings against the Underwriter to recover any loss hereunder prior to sixty (60) days after filing such proof of loss or subsequent to twenty-four (24) months after the discovery of such loss or,

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in the case of a legal proceeding to recover hereunder on account of any judgment against the Insured in or settlement of any suit mentioned in General Agreement C or to recover court costs or attorneys' fees paid in any such suit, twenty-four (24) months after the date of the final judgment in or settlement of such suit. If any limitation in this Bond is prohibited by any applicable law, such limitation shall be deemed to be amended to be equal to the minimum period of limitation permitted by such law.

Notice hereunder shall be given to Manager, Professional Liability Claims, ICI Mutual Insurance Company, 1401 H St. NW, Washington, DC 20005.

#### **SECTION 5. DISCOVERY**

For all purposes under this Bond, a loss is discovered, and discovery of a loss occurs, when the Insured

- (1) becomes aware of facts, or
- (2) receives notice of an actual or potential claim by a third party which alleges that the Insured is liable under circumstances,

which would cause a reasonable person to assume that loss covered by this Bond has been or is likely to be incurred even though the exact amount or details of loss may not be known.

#### **SECTION 6. VALUATION OF PROPERTY**

For the purpose of determining the amount of any loss hereunder, the value of any Property shall be the market value of such Property at the close of business on the first business day before the discovery of such loss; except that

- (1) the value of any Property replaced by the Insured prior to the payment of a claim therefor shall be the actual market value of such Property at the time of replacement, but not in excess of the market value of such Property on the first business day before the discovery of the loss of such Property;
- (2) the value of Securities which must be produced to exercise subscription, conversion, redemption or deposit privileges shall be the market value of such privileges immediately preceding the expiration thereof if the loss of such Securities is not discovered until after such expiration, but if there is no quoted or other ascertainable market price for such Property or privileges referred to in clauses (1) and (2), their value shall be fixed by agreement between the parties or by arbitration before an arbitrator or arbitrators acceptable to the parties; and
- (3) the value of books of accounts or other records used by the Insured in the conduct of its business shall be limited to the actual cost of blank books, blank pages or other materials if the books or records are reproduced plus the cost of labor for the transcription or copying of data furnished by the Insured for reproduction.

#### **SECTION 7. LOST SECURITIES**

The maximum liability of the Underwriter hereunder for lost Securities shall be the payment for, or replacement of, such Securities having an aggregate value not to exceed the applicable Limit of Liability. If the Underwriter shall make payment to the Insured for any loss of Securities, the Insured shall assign to the Underwriter all of the Insured's right, title and interest in and to such Securities. In lieu of such payment, the Underwriter may, at its option, replace such lost Securities, and in such case the Insured shall cooperate to effect such replacement. To effect the replacement of lost Securities, the Underwriter may issue or arrange for the issuance of a lost instrument bond. If the value of such Securities does not exceed the applicable Deductible Amount (at the time of the discovery of the loss), the Insured will pay the usual premium charged for the lost instrument bond and will indemnify the issuer of such bond against all loss and expense that it may sustain because of the issuance of such bond.

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If the value of such Securities exceeds the applicable Deductible Amount (at the time of discovery of the loss), the Insured will pay a proportion of the usual premium charged for the lost instrument bond, equal to the percentage that the applicable Deductible Amount bears to the value of such Securities upon discovery of the loss, and will indemnify the issuer of such bond against all loss and expense that

is not recovered from the Underwriter under the terms and conditions of this Bond, subject to the applicable Limit of Liability.

#### **SECTION 8. SALVAGE**

If any recovery is made, whether by the Insured or the Underwriter, on account of any loss within the applicable Limit of Liability hereunder, the Underwriter shall be entitled to the full amount of such recovery to reimburse the Underwriter for all amounts paid hereunder with respect to such loss. If any recovery is made, whether by the Insured or the Underwriter, on account of any loss in excess of the applicable Limit of Liability hereunder plus the Deductible Amount applicable to such loss from any source other than suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Underwriter, the amount of such recovery, net of the actual costs and expenses of recovery, shall be applied to reimburse the Insured in full for the portion of such loss in excess of such Limit of Liability, and the remainder, if any, shall be paid first to reimburse the Underwriter for all amounts paid hereunder with respect to such loss and then to the Insured to the extent of the portion of such loss within the Deductible Amount. The Insured shall execute all documents which the Underwriter deems necessary or desirable to secure to the Underwriter the rights provided for herein.

#### **SECTION 9. NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY**

Prior to its termination, this Bond shall continue in force up to the Limit of Liability for each Insuring Agreement for each Single Loss, notwithstanding any previous loss (other than such Single Loss) for which the Underwriter may have paid or be liable to pay hereunder; PROVIDED, however, that regardless of the number of years this Bond shall continue in force and the number of premiums which shall be payable or paid, the liability of the Underwriter under this Bond with respect to any Single Loss shall be limited to the applicable Limit of Liability irrespective of the total amount of such Single Loss and shall not be cumulative in amounts from year to year or from period to period.

#### **SECTION 10. MAXIMUM LIABILITY OF UNDERWRITER; OTHER BONDS OR POLICIES**

The maximum liability of the Underwriter for any Single Loss covered by any Insuring Agreement under this Bond shall be the Limit of Liability applicable to such Insuring Agreement, subject to the applicable Deductible Amount and the other provisions of this Bond. Recovery for any Single Loss may not be made under more than one Insuring Agreement. If any Single Loss covered under this Bond is recoverable or recovered in whole or in part because of an unexpired discovery period under any other bonds or policies issued by the Underwriter to the Insured or to any predecessor in interest of the Insured, the maximum liability of the Underwriter shall be the greater of either (1) the applicable Limit of Liability under this Bond, or (2) the maximum liability of the Underwriter under such other bonds or policies.

#### **SECTION 11. OTHER INSURANCE**

Notwithstanding anything to the contrary herein, if any loss covered by this Bond shall also be covered by other insurance or suretyship for the benefit of the Insured, the Underwriter shall be liable hereunder only for the portion of such loss in excess of the amount recoverable under such other insurance or suretyship, but not exceeding the applicable Limit of Liability of this Bond.

#### **SECTION 12. DEDUCTIBLE AMOUNT**

The Underwriter shall not be liable under any Insuring Agreement unless the amount of the loss covered thereunder, after deducting the net amount of all reimbursement and/or recovery received by the Insured with respect to such loss (other than from any other bond, suretyship or insurance policy or as an

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advance by the Underwriter hereunder) shall exceed the applicable Deductible Amount; in such case the Underwriter shall be liable only for such excess, subject to the applicable Limit of Liability and the other terms of this Bond.

No Deductible Amount shall apply to any loss covered under Insuring Agreement A sustained by any Investment Company named as an Insured.

### **SECTION 13. TERMINATION**

The Underwriter may terminate this Bond as to any Insured or all Insureds only by written notice to such Insured or Insureds and, if this Bond is terminated as to any Investment Company, to each such Investment Company terminated thereby and to the Securities and Exchange Commission, Washington, D.C., in all cases not less than sixty (60) days prior to the effective date of termination specified in such notice.

The Insured may terminate this Bond only by written notice to the Underwriter not less than sixty (60) days prior to the effective date of the termination specified in such notice. Notwithstanding the foregoing, when the Insured terminates this Bond as to any Investment Company, the effective date of termination shall be not less than sixty (60) days from the date the Underwriter provides written notice of the termination to each such Investment Company terminated thereby and to the Securities and Exchange Commission, Washington, D.C.

This Bond will terminate as to any Insured that is a Non-Fund immediately and without notice upon (1) the takeover of such Insured's business by any State or Federal official or agency, or by any receiver or liquidator, or (2) the filing of a petition under any State or Federal statute relative to bankruptcy or reorganization of the Insured, or assignment for the benefit of creditors of the Insured.

Premiums are earned until the effective date of termination. The Underwriter shall refund the unearned premium computed at short rates in accordance with the Underwriter's standard short rate cancellation tables if this Bond is terminated by the Insured or pro rata if this Bond is terminated by the Underwriter.

Upon the detection by any Insured that an Employee has committed any Dishonest or Fraudulent Act(s) or Theft, the Insured shall immediately remove such Employee from a position that may enable such Employee to cause the Insured to suffer a loss by any subsequent Dishonest or Fraudulent Act(s) or Theft. The Insured, within two (2) business days of such detection, shall notify the Underwriter with full and complete particulars of the detected Dishonest or Fraudulent Act(s) or Theft.

For purposes of this section, detection occurs when any partner, officer, or supervisory employee of any Insured, who is not in collusion with such Employee, becomes aware that the Employee has committed any Dishonest or Fraudulent Act(s) or Theft.

This Bond shall terminate as to any Employee by written notice from the Underwriter to each Insured and, if such Employee is an Employee of an Insured Investment Company, to the Securities and Exchange Commission, in all cases not less than sixty (60) days prior to the effective date of termination specified in such notice.

### **SECTION 14. RIGHTS AFTER TERMINATION**

At any time prior to the effective date of termination of this Bond as to any Insured, such Insured may, by written notice to the Underwriter, elect to purchase the right under this Bond to an additional period of twelve (12) months within which to discover loss sustained by such Insured prior to the effective date of such termination and shall pay an additional premium therefor as the Underwriter may require.

Such additional discovery period shall terminate immediately and without notice upon the takeover of such Insured's business by any State or Federal official or agency, or by any receiver or liquidator. Promptly after such termination the Underwriter shall refund to the Insured any unearned premium.

The right to purchase such additional discovery period may not be exercised by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed to take over the Insured's business.

## **SECTION 15. CENTRAL HANDLING OF SECURITIES**

The Underwriter shall not be liable for loss in connection with the central handling of securities within the systems established and maintained by any Depository ("Systems"), unless the amount of such loss exceeds the amount recoverable or recovered under any bond or policy or participants' fund insuring the Depository against such loss (the "Depository's Recovery"); in such case the Underwriter shall be liable hereunder only for the Insured's share of such excess loss, subject to the applicable Limit of Liability, the Deductible Amount and the other terms of this Bond.

For determining the Insured's share of such excess loss, (1) the Insured shall be deemed to have an interest in any certificate representing any security included within the Systems equivalent to the interest the Insured then has in all certificates representing the same security included within the Systems; (2) the Depository shall have reasonably and fairly apportioned the Depository's Recovery among all those having an interest as recorded by appropriate entries in the books and records of the Depository in Property involved in such loss, so that each such interest shall share in the Depository's Recovery in the ratio that the value of each such interest bears to the total value of all such interests; and (3) the Insured's share of such excess loss shall be the amount of the Insured's interest in such Property in excess of the amount(s) so apportioned to the Insured by the Depository.

This Bond does not afford coverage in favor of any Depository or Exchange or any nominee in whose name is registered any security included within the Systems.

## **SECTION 16. ADDITIONAL COMPANIES INCLUDED AS INSURED**

If more than one entity is named as the Insured:

- A. the total liability of the Underwriter hereunder for each Single Loss shall not exceed the Limit of Liability which would be applicable if there were only one named Insured, regardless of the number of Insured entities which sustain loss as a result of such Single Loss,
- B. the Insured first named in Item 1 of the Declarations shall be deemed authorized to make, adjust, and settle, and receive and enforce payment of, all claims hereunder as the agent of each other Insured for such purposes and for the giving or receiving of any notice required or permitted to be given hereunder; provided, that the Underwriter shall promptly furnish each named Insured Investment Company with (1) a copy of this Bond and any amendments thereto, (2) a copy of each formal filing of a claim hereunder by any other Insured, and (3) notification of the terms of the settlement of each such claim prior to the execution of such settlement,
- C. the Underwriter shall not be responsible or have any liability for the proper application by the Insured first named in Item 1 of the Declarations of any payment made hereunder to the first named Insured,
- D. for the purposes of Sections 4 and 13, knowledge possessed or discovery made by any partner, officer or supervisory Employee of any Insured shall constitute knowledge or discovery by every named Insured,





- E. if the first named Insured ceases for any reason to be covered under this Bond, then the Insured next named shall thereafter be considered as the first named Insured for the purposes of this Bond, and
- F. each named Insured shall constitute “the Insured” for all purposes of this Bond.

**SECTION 17. NOTICE AND CHANGE OF CONTROL**

Within thirty (30) days after learning that there has been a change in control of an Insured by transfer of its outstanding voting securities the Insured shall give written notice to the Underwriter of:

- A. the names of the transferors and transferees (or the names of the beneficial owners if the voting securities are registered in another name), and
- B. the total number of voting securities owned by the transferors and the transferees (or the beneficial owners), both immediately before and after the transfer, and
- C. the total number of outstanding voting securities.

As used in this Section, “control” means the power to exercise a controlling influence over the management or policies of the Insured.

**SECTION 18. CHANGE OR MODIFICATION**

This Bond may only be modified by written Rider forming a part hereof over the signature of the Underwriter’s authorized representative. Any Rider which modifies the coverage provided by Insuring Agreement A, Fidelity, in a manner which adversely affects the rights of an Insured Investment Company shall not become effective until at least sixty (60) days after the Underwriter has given written notice thereof to the Securities and Exchange Commission, Washington, D.C., and to each Insured Investment Company affected thereby.

IN WITNESS WHEREOF, the Underwriter has caused this Bond to be executed on the Declarations Page.

**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 1**

INSURED		BOND NUMBER
<b>Neuberger Berman Management LLC</b>		<b>87164109B</b>
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
<b>April 30, 2009</b>	<b>April 30, 2009 to April 30, 2010</b>	<b>/S/ Catherine Dalton</b>

In consideration of the premium charged for this Bond, it is hereby understood and agreed that Item 1 of the Declarations, Name of Insured, shall include the following:

Neuberger Berman, LLC

Lehman Brothers Asset Management LLC

Neuberger Berman High Yield Strategies Fund, Inc.

Neuberger Berman Advisers Management Trust, a series fund consisting of:

- o AMT Balanced Portfolio
- o AMT Small Cap Growth Portfolio
- o AMT Growth Portfolio
- o AMT Guardian Portfolio
- o AMT International Large Cap Portfolio
- o AMT International Portfolio
- o AMT Short Duration Bond Portfolio
- o AMT Mid-Cap Growth Portfolio
- o AMT Partners Portfolio
- o AMT Real Estate Portfolio
- o AMT Regency Portfolio
- o AMT Socially Responsive Portfolio

Neuberger Berman Equity Funds, a series fund consisting of:

- o Neuberger Berman Climate Change Fund
- o Neuberger Berman Emerging Markets Fund
- o Neuberger Berman Global Equity Fund
- o Neuberger Berman Focus Fund
- o Neuberger Berman Genesis Fund
- o Neuberger Berman Guardian Fund
- o Neuberger Berman International Fund
- o Neuberger Berman International Institutional Fund
- o Neuberger Berman Mid Cap Growth Fund
- o Neuberger Berman Partners Fund



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- o Neuberger Berman Real Estate Fund
  - o Neuberger Berman Regency Fund
  - o Neuberger Berman Research Opportunities Fund
  - o Neuberger Berman Select Equities Fund
  - o Neuberger Berman Small Cap Growth Fund
  - o Neuberger Berman Small & Mid Cap Growth Fund
  - o Neuberger Berman Socially Responsive Fund
  - o Neuberger Berman International Large Cap Fund
  - o Neuberger Berman Equity Income Fund
  - o Neuberger Berman Dividend Fund
- Neuberger Berman Income Funds, a series fund consisting of:
- o Neuberger Berman Core Bond Fund
  - o Neuberger Berman Cash Reserves Fund
  - o Neuberger Berman Government Money Fund
  - o Neuberger Berman High Income Bond Fund
  - o Neuberger Berman Municipal Intermediate Bond Fund
  - o Neuberger Berman Municipal Securities Trust
  - o Neuberger Berman Short Duration Bond Fund
  - o Neuberger Berman New York Municipal Money Fund
  - o Neuberger Berman Strategic Income Fund
  - o Neuberger Berman Tax-Free Money Fund
- Neuberger Berman Institutional Cash, a series fund consisting of:
- o Neuberger Berman Institutional Cash Fund
  - o Neuberger Berman Prime Money Fund
- Neuberger Berman California Intermediate Municipal Fund, Inc.
- Neuberger Berman Dividend Advantage Fund, Inc.
- Neuberger Berman Income Opportunity Fund, Inc.
- Neuberger Berman Intermediate Municipal Fund, Inc.
- Neuberger Berman New York Intermediate Fund, Inc.
- Neuberger Berman Real Estate Securities Fund, Inc.
- Neuberger Berman Realty Income Fund Inc.
- Lehman Brothers Institutional Liquidity Funds, a series fund consisting of:
- o Neuberger Berman Treasury Fund

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.





**ICI MUTUAL INSURANCE COMPANY,**

**a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 2**

INSURED		BOND NUMBER
<b>Neuberger Berman Management LLC</b>		<b>87164109B</b>
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
<b>April 30, 2009</b>	<b>April 30, 2009 to April 30, 2010</b>	<b>/S/ Catherine Dalton</b>

In consideration of the premium charged for this Bond, it is hereby understood and agreed that this Bond (other than Insuring Agreements C and D) does not cover loss resulting from or in connection with any business, activities, or acts or omissions of (including services rendered by) any Insured which is not an Insured Fund ("Non-Fund") or any Employee of a Non-Fund, except loss, otherwise covered by the terms of this Bond, resulting from or in connection with (1) services rendered by a Non-Fund to an Insured Fund, or to shareholders of such Fund in connection with the issuance, transfer, or redemption of their Fund shares, or (2) in the case of a Non-Fund substantially all of whose business is rendering the services described in (1) above, the general business, activities or operations of such Non-Fund, excluding (a) the rendering of services (other than those described in (1) above) to any person, or (b) the sale of goods or property of any kind.

It is further understood and agreed that with respect to any Non-Fund, Insuring Agreements C and D only cover loss of Property which a Non-Fund uses or holds, or in which a Non-Fund has an interest, in each case wholly or partially in connection with the rendering of services by a Non-Fund to an Insured Fund, or to shareholders of such Fund in connection with the issuance, transfer, or redemption of their Fund shares.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN3.0-01 (1/02)





**ICI MUTUAL INSURANCE COMPANY,**  
**a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 3**

INSURED		BOND NUMBER
<b>Neuberger Berman Management LLC</b>		<b>87164109B</b>
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
<b>April 30, 2009</b>	<b>April 30, 2009 to April 30, 2010</b>	<b>/S/ Catherine Dalton</b>

In consideration of the premium charged for this Bond, it is hereby understood and agreed that the exclusion set forth at Section 2.M of this Bond shall not apply with respect to loss resulting from the Dishonest or Fraudulent Acts, Theft, or other acts or omissions of an Employee in connection with offers or sales of securities issued by an Insured Fund if such Employee (a) is an employee of that Fund or of its investment adviser, principal underwriter, or affiliated transfer agent, and (b) is communicating with purchasers of such securities only in person in an office of an Insured or by telephone or in writing, and (c) does not receive commissions on such sales; provided, that such Dishonest or Fraudulent Acts, Theft, or other acts or omissions do not involve, and such loss does not arise from, a statement or representation which is not (1) contained in a currently effective prospectus or Statement of Additional Information regarding such securities, which has been filed with the Securities and Exchange Commission, or (2) made as part of a scripted response to a question regarding that Fund or such securities, if the script has been filed with, and not objected to by, the Financial Industry Regulatory Authority, Inc., and if the entire scripted response has been read to the caller, and if any response concerning the performance of such securities is not outdated.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RNV26.0-00-164 (9/02)



**ICI MUTUAL INSURANCE COMPANY,**  
**a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 4**

INSURED		BOND NUMBER
<b>Neuberger Berman Management LLC</b>		<b>87164109B</b>
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
<b>April 30, 2009</b>	<b>April 30, 2009 to April 30, 2010</b>	<b>/S/ Catherine Dalton</b>

In consideration of the premium charged for this Bond, it is hereby understood and agreed that the Deductible Amount for Insuring Agreement E, Forgery or Alteration, and Insuring Agreement F, Securities, shall not apply with respect to loss through Forgery of a signature on the following documents:

- (1) letter requesting redemption of \$50,000 or less payable by check to the shareholder of record and addressed to the address of record; or
- (2) letter requesting redemption of \$50,000 or less by wire transfer to the record shareholder's bank account of record; or
- (3) written request to a trustee or custodian for a Designated Retirement Account ("DRA") which holds shares of an Insured Fund, where such request (a) purports to be from or at the instruction of the Owner of such DRA, and (b) directs such trustee or custodian to transfer \$50,000 or less from such DRA to a trustee or custodian for another DRA established for the benefit of such Owner;

provided, that the Limit of Liability for a Single Loss as described above shall be \$50,000 and that the Insured shall bear 20% of each such loss. This Rider shall not apply in the case of any such Single Loss which exceeds \$50,000; in such case the Deductible Amounts and Limits of Liability set forth in Item 3 of the Declarations shall control.

For purposes of this Rider:

- (A) "Designated Retirement Account" means any retirement plan or account described or qualified under the Internal Revenue Code of 1986, as amended, or a subaccount thereof.
- (B) "Owner" means the individual for whose benefit the DRA, or a subaccount thereof, is established.



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Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN27.0-02 (10/08)



**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 5**

INSURED

BOND NUMBER

**Neuberger Berman Management LLC**

**87164109B**

EFFECTIVE  
DATE

BOND PERIOD

AUTHORIZED  
REPRESENTATIVE

**April 30, 2009**

**April 30, 2009 to April 30, 2010**

**/S/ Catherine Dalton**

In consideration of the premium charged for this Bond, it is hereby understood and agreed that this Bond does not cover any loss resulting from or in connection with the acceptance of any Third Party Check, unless

- (1) such Third Party Check is used to open or increase an account which is registered in the name of one or more of the payees on such Third Party Check, and
- (2) reasonable efforts are made by the Insured, or by the entity receiving Third Party Checks on behalf of the Insured, to verify all endorsements on all Third Party Checks made payable in amounts greater than \$100,000 (provided, however, that the isolated failure to make such efforts in a particular instance will not preclude coverage, subject to the exclusions herein and in the Bond),

and then only to the extent such loss is otherwise covered under this Bond.

For purposes of this Rider, "Third Party Check" means a check made payable to one or more parties and offered as payment to one or more other parties.

It is further understood and agreed that notwithstanding anything to the contrary above or elsewhere in the Bond, this Bond does not cover any loss resulting from or in connection with the acceptance of a Third Party Check where:

- (1) any payee on such Third Party Check reasonably appears to be a corporation or other entity;  
or
- (2) such Third Party Check is made payable in an amount greater than \$100,000 and does not include the purported endorsements of all payees on such Third Party Check.

It is further understood and agreed that this Rider shall not apply with respect to any coverage that may be available under Insuring Agreement A, "Fidelity."





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Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN30.0-01 (1/02)

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**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 6**

INSURED		BOND NUMBER
<b>Neuberger Berman Management LLC</b>		<b>87164109B</b>
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
<b>April 30, 2009</b>	<b>April 30, 2009 to April 30, 2010</b>	<b>/S/ Catherine Dalton</b>

In consideration of the premium charged for this Bond, it is hereby understood and agreed that, notwithstanding anything to the contrary in General Agreement A of this Bond, Item 1 of the Declarations shall include any Newly Created Investment Company or portfolio provided that the Insured shall submit to the Underwriter within fifteen (15) days after the end of each calendar quarter, a list of all Newly Created Investment Companies or portfolios, the estimated annual assets of each Newly Created Investment Company or portfolio, and copies of any prospectuses and statements of additional information relating to such Newly Created Investment Companies or portfolios, unless said prospectuses and statements of additional information have been previously submitted. Following the end of a calendar quarter, any Newly Created Investment Company or portfolio created within the preceding calendar quarter will continue to be an Insured only if the Underwriter is notified as set forth in this paragraph, the information required herein is provided to the Underwriter, and the Underwriter acknowledges the addition of such Newly Created Investment Company or portfolio to the Bond by a Rider to this Bond.

For purposes of this Rider, "Newly Created Investment Company or portfolio" shall mean any Investment Company or portfolio for which registration with the SEC has been declared effective for a time period of less than one calendar quarter.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN33.0-00 (10/08)



**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 7**

INSURED		BOND NUMBER
<b>Neuberger Berman Management LLC</b>		<b>87164109B</b>
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
<b>April 30, 2009</b>	<b>April 30, 2009 to April 30, 2010</b>	<b>/S/ Catherine Dalton</b>

In consideration for the premium charged for this Bond, it is hereby understood and agreed that notwithstanding anything to the contrary in this Bond (including Insuring Agreement I), this Bond does not cover any loss resulting from any On-Line Redemption(s) or On-Line Purchase(s) involving an aggregate amount in excess of \$250,000 per shareholder account per day, unless before such redemption(s) or purchase(s), in a procedure initiated by the Insured or by the entity receiving the request for such On-Line Redemption(s) or On-Line Purchase(s):

- (a) (i) the Shareholder of Record verifies, by some method other than an Electronic Transmission effected by computer-to-computer over the Internet or utilizing modem or similar connections, that each such redemption or purchase has been authorized, and (ii) if such redemption or purchase is to be effected by wire to or from a particular bank account, a duly authorized employee of the bank verifies the account number to or from which funds are being transferred, and that the name on the account is the same as the name of the intended recipient of the proceeds.

It is further understood and agreed that, notwithstanding the Limit of Liability set forth herein or any other provision of this Bond, the Limit of Liability with respect to any Single Loss caused by an On-Line Transaction shall be Ten Million Dollars (\$10,000,000) and the On-Line Deductible with respect to Insuring Agreement I is Fifty Thousand Dollars (\$50,000).

It is further understood and agreed that notwithstanding Section 8, Non-Reduction and Non-Accumulation of Liability and Total Liability, or any other provision of this Bond, the Aggregate Limit of Liability of the Underwriter under this Bond with respect to any and all loss or losses caused by On-Line Transactions shall be an aggregate of Ten Million Dollars (\$10,000,000) for the Bond Period, irrespective of the total amount of such loss or losses.

For purposes of this Rider, the following terms shall have the following meanings:

“On-Line Purchase” means any purchase of shares issued by an Investment Company, which purchase is requested by computer-to-computer transmissions over the Internet (including any connected or associated intranet or extranet) or utilizing modem or similar connections.

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“On-Line Redemption” means any redemption of shares issued by an Investment Company, which redemption is requested by computer-to computer transmissions over the Internet (including any connected or associated intranet or extranet) or utilizing modem or similar connections.

“On-Line Transaction” means any Phone/Electronic Transaction requested by computer-to-computer transmissions over the Internet (including any connected or associated intranet or extranet) or utilizing modem or similar connections.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN38.0-03 (8/02)



**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 8**

INSURED			BOND NUMBER
<b>Neuberger Berman Management LLC</b>			<b>87164109B</b>
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE	
<b>April 30, 2009</b>	<b>April 30, 2009 to April 30, 2010</b>	<b>/S/ Catherine Dalton</b>	

In consideration for the premium charged for this Bond, it is hereby understood and agreed that, with respect to Insuring Agreement I only, the Deductible Amount set forth in Item 3 of the Declarations (“Phone/Electronic Deductible”) shall not apply with respect to a Single Loss, otherwise covered by Insuring Agreement I, caused by:

- (1) a Phone/Electronic Redemption requested to be paid or made payable by check to the Shareholder of Record at the address of record; or
- (2) a Phone/Electronic Redemption requested to be paid or made payable by wire transfer to the Shareholder of Record’s bank account of record,

provided, that the Limit of Liability for a Single Loss as described in (1) or (2) above shall be the lesser of 80% of such loss or \$40,000 and that the Insured shall bear the remainder of each such Loss. This Rider shall not apply if the application of the Phone/Electronic Deductible to the Single Loss would result in coverage of greater than \$40,000 or more; in such case the Phone-initiated Deductible and Limit of Liability set forth in Item 3 of the Declarations shall control.

For purposes of this Rider, “Phone/Electronic Redemption” means any redemption of shares issued by an Investment Company, which redemption is requested (a) by voice over the telephone, (b) through an automated telephone tone or voice response system, (c) by Telefacsimile, or (d) by transmission over the Internet (including any connected or associated intranet or extranet) or utilizing modem or similar connections.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN39.0-02 (8/02)





**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 9**

INSURED

BOND NUMBER

**Neuberger Berman Management LLC**

**87164109B**

EFFECTIVE DATE

BOND PERIOD

AUTHORIZED REPRESENTATIVE

**April 30, 2009**

**April 30, 2009 to April 30, 2010 /S/ Catherine Dalton**

In consideration of the premium charged for this Bond, it is hereby understood and agreed that notwithstanding anything to the contrary in this Bond (including Insuring Agreement I), this Bond does not cover loss caused by a Phone/Electronic Transaction requested:

- by wireless device transmissions over the Internet (including any connected or associated intranet or extranet),

except insofar as such loss is covered under Insuring Agreement A "Fidelity" of this Bond.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN48.0-00 (1/02)



**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 10**

INSURED

BOND NUMBER

**Neuberger Berman Management LLC**

**87164109B**

EFFECTIVE DATE

BOND PERIOD

AUTHORIZED REPRESENTATIVE

**April 30, 2009**

**April 30, 2009 to April 30, 2010 /S/ Catherine Dalton**

In consideration of the premium charged for this Bond, it is hereby understood and agreed that Section 1.I. Definition of Employee is amended to include:

“(10) each individual assigned temporarily by an Insured to perform the usual duties of an employee in any office of the Insured provided that such an individual has successfully completed a background check consisting of all of the following:

- (a) contacting previous employers,
- (b) contacting personal references, and
- (c) utilizing private investigation agency”

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RNM36.0-00-164 (8/98)



**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 11**

INSURED

BOND NUMBER

**Neuberger Berman Management LLC**

**87164109B**

EFFECTIVE DATE

BOND PERIOD

AUTHORIZED REPRESENTATIVE

**April 30, 2009**

**April 30, 2009 to April 30, 2010**

**/S/ Catherine Dalton**

Most property and casualty insurers, including ICI Mutual Insurance Company, a Risk Retention Group (“ICI Mutual”), are subject to the requirements of the Terrorism Risk Insurance Act of 2002 (the “Act”). The Act establishes a Federal insurance backstop under which ICI Mutual and these other insurers will be partially reimbursed for future “**insured losses**” resulting from certified “**acts of terrorism.**” (Each of these **bolded terms** is defined by the Act.) The Act also places certain disclosure and other obligations on ICI Mutual and these other insurers.

Pursuant to the Act, any future losses to ICI Mutual caused by certified “**acts of terrorism**” will be partially reimbursed by the United States government under a formula established by the Act. Under this formula, the United States government will reimburse ICI Mutual for 90% of ICI Mutual’s “**insured losses**” in excess of a statutorily established deductible until total insured losses of all participating insurers reach \$100 billion. If total “insured losses” of all property and casualty insurers reach \$100 billion during any applicable period, the Act provides that the insurers will not be liable under their policies for their portions of such losses that exceed such amount. Amounts otherwise payable under this bond may be reduced as a result.

This bond has no express exclusion for “**acts of terrorism.**” However, coverage under this bond remains subject to all applicable terms, conditions and limitations of the bond (including exclusions) that are permissible under the Act. The portion of the premium that is attributable to any coverage potentially available under the bond for “**acts of terrorism**” is one percent (1%).

RN53.0-00 (3/03)



**ICI MUTUAL INSURANCE COMPANY,  
a Risk Retention Group**

**INVESTMENT COMPANY BLANKET BOND**

**RIDER NO. 12**

INSURED

BOND NUMBER

**Neuberger Berman Management LLC**

**87164109B**

EFFECTIVE DATE

BOND PERIOD

AUTHORIZED REPRESENTATIVE

**April 30, 2009**

**April 30, 2009 to April 30, 2010**

**S/ Catherine Dalton**

In consideration of the premium charged for this Bond, it is hereby understood and agreed that the sixth paragraph of Section 13 of this Bond is amended to read as follows:

“For purposes of this section, detection occurs when the Chief Executive Officer, Chief Compliance Officer, Chief Financial Officer, Chief Legal Officer, Chief Operating Officer, or any professional employee of the Legal, Compliance or Risk Management Departments of the Insured, who is not in collusion with such Employee, becomes aware that the Employee has committed any Dishonest or Fraudulent Act(s) or Theft.”

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN1.1-00 (1/02)

RM45.0-00-164 (4/00)



**AGREEMENT**

Agreement made as of December 19, 2006 by and among Neuberger Berman Income Funds, Neuberger Berman Equity Funds, Neuberger Berman Advisers Management Trust, Institutional Liquidity Trust, Lehman Brothers Institutional Liquidity Series, Lehman Brothers Institutional Liquidity Funds, Lehman Brothers Reserve Liquidity Series and Neuberger Berman Institutional Liquidity Series (collectively, "Trusts"), on behalf on each of the series ("Series") as well as certain closed end funds managed by Neuberger Berman Management Inc. ("Closed End Funds") listed on Appendix A, as amended from time to time; the investment adviser, investment manager, administrator and/or distributor of the Series, Neuberger Berman Management Inc. ("NBMI") and Neuberger Berman, LLC ("NBLLC"), and Lehman Brothers Asset Management, LLC ("LBAM") sub-advisers of the Series; all of which are named insureds on a certain fidelity bond policy underwritten by ICI Mutual Insurance Company covering certain acts relating to the Series ("Joint Fidelity Bond"):

**WHEREAS**, each Trust and Closed End Fund has registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an investment company; and

**WHEREAS**, Rule 17g-1(f) under the 1940 Act requires that a registered management investment company named as an insured on a joint fidelity bond enter into a certain agreement with the other named insureds; and

**WHEREAS**, the Series, Closed End Funds, NBMI, NBLLC, and LBAM each will benefit from their respective participations in the Joint Fidelity Bond in compliance with this Rule:

**NOW, THEREFORE**, it is agreed as follows:

1. In the event any recovery under the Joint Fidelity Bond is received as a result of a loss sustained by any Series or Closed End Fund and by one or more other named insureds, then each Series sustaining such loss shall receive an equitable and proportionate share of the recovery, said proportion to be established by the ratio that its claim bears to the total amount claimed by all participants, but at least equal to the amount which each such Series would have received had it provided and maintained a single insured bond with the minimum coverage required by Rule 17g-1(d)(1) under the 1940 Act.

2. This Agreement is made by the Trust, on behalf of each Series, and the Closed End Funds, pursuant to authority granted by the Trustees, and the obligations created hereby are not binding on any of the Trustees or holders of beneficial interests of the Series or Closed End Fund individually, but bind only the property of that Closed End Fund or Series and no other.

3. This Agreement may be executed in multiple counterparts.
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Signed on behalf of the following entities:

NEUBERGER BERMAN INCOME FUNDS  
NEUBERGER BERMAN EQUITY FUNDS  
NEUBERGER BERMAN ADVISERS MANAGEMENT TRUST  
NEUBERGER BERMAN MANAGEMENT INC.  
NEUBERGER BERMAN, LLC  
LEHMAN BROTHERS ASSET MANAGEMENT, LLC  
NEUBERGER BERMAN INTERMEDIATE MUNICIPAL FUND INC.  
NEUBERGER BERMAN CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC.  
NEUBERGER BERMAN DIVIDEND ADVANTAGE FUND INC.  
NEUBERGER BERMAN NEW YORK INTERMEDIATE MUNICIPAL FUND INC.  
NEUBERGER BERMAN INCOME OPPORTUNITY FUND INC.  
NEUBERGER BERMAN REAL ESTATE INCOME FUND INC.  
NEUBERGER BERMAN REALTY INCOME FUND INC.  
NEUBERGER BERMAN REAL ESTATE SECURITIES INCOME FUND INC.  
LEHMAN BROTHERS FIRST TRUST INCOME OPPORTUNITY FUND  
INSTITUTIONAL LIQUIDITY TRUST

LEHMAN BROTHERS INSTITUTIONAL LIQUIDITY SERIES  
LEHMAN BROTHERS INSTITUTIONAL LIQUIDITY FUNDS  
NEUBERGER BERMAN INSTITUTIONAL LIQUIDITY FUNDS  
LEHMAN BROTHERS RESERVE LIQUIDITY SERIES

By: /s/ Robert Conti

LEHMAN BROTHERS ASSET MANAGEMENT, LLC

By: /s/ Peter Sundman



**APPENDIX A**

The Series currently subject to this Agreement are as follows:

**LEHMAN BROTHERS INCOME FUNDS**

Neuberger Berman Core Bond Fund  
Neuberger Berman High Income Bond Fund  
Neuberger Berman Municipal Money Fund  
Neuberger Berman Municipal Intermediate Bond Fund  
Neuberger Berman New York Municipal Money Fund  
Neuberger Berman Short Duration Bond Fund  
Neuberger Berman Strategic Income Fund  
Neuberger Berman Tax-Free Money Fund  
Neuberger Berman Cash Reserves  
Neuberger Berman Government Money Fund

**NEUBERGER BERMAN EQUITY FUNDS**

Neuberger Berman Climate Change Fund  
Neuberger Berman Dividend Fund  
Neuberger Berman Equity Income Fund  
Neuberger Berman Focus Fund  
Neuberger Berman Genesis Fund  
Neuberger Berman Guardian Fund  
Neuberger Berman International Fund  
Neuberger Berman Institutional International Fund  
Neuberger Berman International Large Cap Fund  
Neuberger Berman Large Cap Disciplined Growth Fund  
Neuberger Berman Mid Cap Growth  
Neuberger Berman Partners Fund  
Neuberger Berman Real Estate Fund  
Neuberger Berman Regency Fund

Neuberger Berman Research Opportunities Fund  
Neuberger Berman Select Equities Fund

Neuberger Berman Small Cap Growth Fund  
Neuberger Berman Small and Mid Cap Growth Fund  
Neuberger Berman Socially Responsive Fund

**NEUBERGER BERMAN ADVISERS MANAGEMENT TRUST**

Balanced Portfolio

Growth Portfolio

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Guardian Portfolio  
International Large Cap Portfolio  
International Portfolio  
Short Duration Bond Portfolio  
Mid-Cap Growth Portfolio  
Partners Portfolio  
Real Estate Portfolio  
Regency Portfolio  
Small-Cap Growth Portfolio  
Socially Responsive Portfolio

**LEHMAN BROTHERS INSTITUTIONAL LIQUIDITY FUNDS**

Neuberger Berman Treasury Fund

**NEUBERGER BERMAN INSTITUTIONAL LIQUIDITY SERIES**

Neuberger Berman Institutional Cash Fund  
Neuberger Berman Prime Money Fund

**CLOSED END FUNDS MANAGED BY NEUBERGER BERMAN MANAGEMENT LLC**

Neuberger Berman Intermediate Municipal Fund Inc.  
Neuberger Berman California Intermediate Municipal Fund Inc.  
Neuberger Berman New York Intermediate Municipal Fund Inc.  
Neuberger Berman Income Opportunity Fund Inc.  
Neuberger Berman Real Estate Securities Income Fund Inc.

Neuberger Berman Dividend Advantage Fund Inc.

Neuberger Berman High Yield Strategies Fund

Amended as of April 1, 2009

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**EXHIBIT C**

RESOLVED, the Board approves the amount, type, form and coverage of the Bond, issued by ICI Mutual and naming as insured parties the Fund, NB Management and NB, and the other investment companies for which NB Management serves as investment manager, investment or sub-advisers, administrator or distributor, in the aggregate amount of at least 20 Million Dollars (\$20,000,000), with management having discretion to increase it to 25 Million Dollars (\$25,000,000) as management may deem necessary, for the period from April 30, 2009 to April 30, 2010; and be it further

RESOLVED, having taken into account *(i)* the number of other parties named as insured under the Bond, *(ii)* the nature of the business activities of such other insured parties, *(iii)* the aggregate amount of the Bond, *(iv)* the total amount of premium for the Bond, *(v)* the ratable allocation of the premium among all the insured parties, and *(vi)* the extent to which the share of the premium allocable to the Fund is less than the premium it would have had to pay if it had provided and maintained a single insured bond, the Board approves the method of allocating the premium among the Fund and such other insured parties as presented to the Board and the amount of the premium to be paid by the Fund, and approves the action taken by the officers of the Fund in arranging for the Bond and in paying such allocated premium on behalf of the Fund; and be it further

RESOLVED, the proper officers of the Fund are authorized and directed to execute and deliver an agreement among the Fund and the other insured parties under the Bond setting forth the manner of disposition of any recovery received under the Bond and the manner of allocation of the premium for the Bond, in the form presented to the Board and with such changes as such officers shall, with the advice of counsel, deem appropriate, any such determination to be conclusively evidenced by such execution and delivery.

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**EXHIBIT D**

(Amount of a Single Insured Bond which each Fund would have provided, had it not been named as an Insured under the Joint Bond)

Neuberger Berman Advisers Management Trust	\$1,500,000
Neuberger Berman Equity Funds	\$2,500,000
Lehman Brothers Income Funds	\$2,500,000
Neuberger Berman Intermediate Municipal Fund Inc.	\$ 750,000
Neuberger Berman California Intermediate Municipal Fund Inc.	\$ 600,000
Neuberger Berman New York Intermediate Municipal Fund Inc.	\$ 525,000
Neuberger Berman Income Opportunity Fund Inc.	\$ 525,000
Neuberger Berman Real Estate Securities Income Fund Inc.	\$ 600,000
Neuberger Berman Dividend Advantage Fund Inc.	\$ 450,000
Neuberger Berman High Yield Strategies Fund	\$ 600,000
Neuberger Berman Institutional Liquidity Series	\$1,700,000
Neuberger Berman Institutional Liquidity Funds	\$1,250,000