PennyMac Mortgage Investment Trust
Form 424B5
February 11, 2019
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-225647

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 11, 2019

PROSPECTUS SUPPLEMENT

(To prospectus dated June 14, 2018)

7,000,000 Shares

PennyMac Mortgage Investment Trust

Common Shares

We are offering 7,000,000 of our common shares of beneficial interest, par value $0.01 per share, or common shares.

The underwriters have agreed to purchase our common shares from us at a price of $ per share, which will result in approximately $ million of total net proceeds to us after deducting expenses. The underwriters may offer our common shares from time to time for sale in one or more transactions on the New York Stock Exchange, or the NYSE, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See Underwriting.

The underwriters may also exercise their option to purchase up to 1,050,000 additional common shares from us, at the price set forth above, for 30 days after the date of this prospectus supplement.

Our common shares are listed on the NYSE under the trading symbol PMT. The last reported sale price of our common shares on the NYSE on February 8, 2019 was $21.32 per share.

There are certain restrictions on the ownership and transfer of our common shares. You should read the information under the section entitled Description of Shares of Beneficial Interest Restrictions on Ownership and Transfer in the accompanying prospectus for a description of these restrictions.

Investing in our common shares involves certain risks. See Risk Factors beginning on page S-3 of this prospectus supplement and in the reports we file with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, incorporated by reference into this prospectus supplement and the accompanying prospectus, to read about factors you should consider before making an investment in our common shares.

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 expect to deliver the common shares to purchasers on or about February , 2019 through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

Credit Suisse BofA Merrill Lynch Deutsche Bank Securities Morgan Stanley Goldman Sachs & Co. LLC

The date of this prospectus supplement is February , 2019.

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You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. You should read this entire document, including this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference. In the event that the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement. To the extent the information contained in or incorporated by reference into this prospectus supplement differs or varies from the information contained in or incorporated by reference into the accompanying prospectus, the information contained in or incorporated by reference into this prospectus supplement updates and supersedes such information.

Unless otherwise indicated or the context requires otherwise, references in this prospectus supplement to we, us, our and our company mean PennyMac Mortgage Investment Trust and its consolidated subsidiaries, including PennyMac Operating Partnership, L.P., or our operating partnership.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, as well as the documents we incorporate herein and therein by reference, contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to various risks and uncertainties. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expe anticipate, estimate, approximately, believe, could, project, predict, continue, plan or other similar w expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Examples of forward-looking statements include: (i) projections of our revenues, income, earnings per share, capital structure or other financial items; (ii) descriptions of our plans or objectives for future operations, products or services; (iii) forecasts of our future economic performance, interest rates, profit margins and our share of future markets; and (iv) descriptions of assumptions underlying or relating to any of the foregoing expectations regarding the timing of generating any revenues.

Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. There are a number of factors, many of which are beyond our control, that could cause actual results to differ significantly from our expectations.

You should not place undue reliance on any forward-looking statement, each of which speaks only as of the date on which it is made. We expressly state that we have no current intention to update any forward-looking statement, whether as a result of new information, future events or otherwise, unless required by law.

Factors that could cause our actual results and performance to differ materially from historical results or those anticipated include, but are not limited to:

changes in our investment objectives or investment or operational strategies, including any new lines of business or new products and services that may subject us to additional risks;

the occurrence of natural disasters or other events or circumstances that could impact our operations;

volatility in our industry, the debt or equity markets, the general economy or the real estate finance and real estate markets specifically, whether the result of market events or otherwise;

events or circumstances which undermine confidence in the financial markets or otherwise have a broad impact on financial markets, such as the sudden instability or collapse of large depository institutions or other significant corporations, terrorist attacks, natural or man-made disasters, or threatened or actual armed conflicts;

changes in general business, economic, market, employment and political conditions, or in consumer confidence and spending habits from those expected;

declines in real estate or significant changes in U.S. housing prices or activity in the U.S. housing market;

the availability of, and level of competition for, attractive risk-adjusted investment opportunities in mortgage loans and mortgage-related assets that satisfy our investment objectives;

the inherent difficulty in winning bids to acquire mortgage loans, and our success in doing so;

the concentration of credit risks to which we are exposed;

the degree and nature of our competition;

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our dependence on PNMAC Capital Management, LLC, or PCM, and PennyMac Loan Services, LLC, or PLS, potential conflicts of interest with PCM, PLS and their affiliates, and the performance of such entities;

changes in personnel and lack of availability of qualified personnel at PCM, PLS or their affiliates;

the availability, terms and deployment of short-term and long-term capital;

the adequacy of our cash reserves and working capital;

our ability to maintain the desired relationship between our financing and the interest rates and maturities of our assets;

the timing and amount of cash flows, if any, from our investments;

unanticipated increases or volatility in financing and other costs, including a rise in interest rates;

the performance, financial condition and liquidity of borrowers;

the ability of PLS, which also provides us with fulfillment services, to approve and monitor correspondent sellers and underwrite loans to investor standards;

incomplete or inaccurate information or documentation provided by customers or counterparties, or adverse changes in the financial condition of our customers and counterparties;

our indemnification and repurchase obligations in connection with mortgage loans we purchase and later sell or securitize;

the quality and enforceability of the collateral documentation evidencing our ownership and rights in the assets in which we invest;

increased rates of delinquency, default and/or decreased recovery rates on our investments;

the performance of mortgage loans underlying mortgage-backed securities, or MBS, in which we retain credit risk;

our ability to foreclose on our investments in a timely manner or at all;

increased prepayments of the mortgages and other loans underlying our MBS or relating to our mortgage servicing rights, or MSRs, excess servicing spread and other investments;

the degree to which our hedging strategies may or may not protect us from interest rate volatility;

the effect of the accuracy of or changes in the estimates we make about uncertainties, contingencies and asset and liability valuations when measuring and reporting upon our financial condition and results of operations;

our failure to maintain appropriate internal control over financial reporting;

technologies for loans and our ability to mitigate security risks and cyber intrusions;

our ability to obtain and/or maintain licenses and other approvals in those jurisdictions where required to conduct our business;

our ability to detect misconduct and fraud;

our ability to comply with various federal, state and local laws and regulations that govern our business;

developments in the secondary markets for our mortgage loan products;

legislative and regulatory changes that impact the mortgage loan industry or housing market;

changes in regulations or the occurrence of other events that impact the business, operations or prospects of government agencies such as the Government National Mortgage Association, or Ginnie

Mae, the Federal Housing Administration or the Veterans Administration, the U.S. Department of Agriculture, or government-sponsored entities such as the Federal National Mortgage Association, or Fannie Mae, or the Federal Home Loan Mortgage Corporation, or Freddie Mac (Fannie Mae, Freddie Mac and Ginnie Mae are each referred to as an Agency and, collectively, as the Agencies), or such changes that increase the cost of doing business with such entities;

the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations and regulatory agencies, and any other legislative and regulatory changes that impact the business, operations or governance of mortgage lenders and/or publicly-traded companies;

the Consumer Financial Protection Bureau and its issued and future rules and the enforcement thereof;

changes in government support of homeownership;

changes in government or government-sponsored home affordability programs;

limitations imposed on our business and our ability to satisfy complex rules for us to qualify as a real estate investment trust, or REIT, for U.S. federal income tax purposes and qualify for an exclusion from the Investment Company Act of 1940, or the Investment Company Act, and the ability of certain of our subsidiaries to qualify as REITs or as taxable REIT subsidiaries for U.S. federal income tax purposes, as applicable, and our ability and the ability of our subsidiaries to operate effectively within the limitations imposed by these rules;

changes in governmental regulations, accounting treatment, tax rates and similar matters (including changes to laws governing the taxation of REITs, or the exclusions from registration as an investment company);

our ability to make distributions to our shareholders in the future;

our failure to deal appropriately with issues that may give rise to reputational risk; and

our organizational structure and certain requirements in our charter documents.

These factors and the other risk factors described in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, are not necessarily all of the important factors that could cause our actual results and performance to differ materially from those expressed in or implied by any of our forward-looking statements. Other unknown or unpredictable factors also could adversely affect our actual results and performance. Consequently, there can be no assurance that the results or performance anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us.

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SUMMARY

This summary highlights information about us and the common shares being offered by this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information that you should consider prior to investing in our common shares. For a more complete understanding of our company, we encourage you to read this entire document, including the information incorporated by reference into this document and the other documents to which we have referred.

PennyMac Mortgage Investment Trust

We are a specialty finance company that invests primarily in residential mortgage loans and mortgage-related assets. Our objective is to provide attractive risk-adjusted returns to our investors over the long-term, primarily through dividends and secondarily through capital appreciation. Our investment focus is on mortgage-related assets that we create through our correspondent production activities, including MSRs, credit risk transfer agreements and credit risk transfer securities that absorb credit losses on certain of the mortgage loans we sell. We also invest in MBS, and hold excess servicing spread on MSRs acquired by PLS. We have also historically invested in distressed mortgage assets (mortgage loans and real estate acquired in settlement of mortgage loans) as well as other credit sensitive assets, including loans that finance multifamily and other commercial real estate, which are no longer our primary focus for new investments.

We are externally managed by PCM, an SEC-registered investment adviser that specializes in and focuses on U.S. mortgage assets. Our mortgage loan portfolio is serviced by PLS.

We conduct substantially all of our operations, and make substantially all of our investments, through our operating partnership and its subsidiaries. We are the sole limited partner and one of our subsidiaries is the sole general partner of our operating partnership.

We believe that we qualify, and we have elected to be taxed, as a REIT under the Internal Revenue Code of 1986, or the Code, beginning with our taxable period ended on December 31, 2009.

Recent Developments

Recent Financial Results. On February 7, 2019, we announced our fourth quarter and full year 2018 unaudited financial results. We reported net income attributable to common shareholders for the fourth quarter of 2018 of $35.4 million, or $0.55 per common share on a diluted basis, on net investment income of $83.9 million. Our net income attributable to common shareholders for 2018 was $127.9 million, or $1.99 per common share on a diluted basis, on total net investment income for the year of $351.1 million. We also reported book value per common share of $20.61 at December 31, 2018. As of December 31, 2018, our total assets were approximately $7.8 billion, our total shareholders equity was approximately $1.6 billion and our total liabilities were approximately $6.2 billion.

As of the date of this prospectus supplement, our independent public accountants have not completed the audit of our financial statements for the quarter and year ended December 31, 2018, and, as a result, the financial results and other information contained in the preceding paragraph remain subject to change.

Dividend Declaration. On December 21, 2018, we declared a cash dividend for the fourth quarter of 2018 of $0.47 per common share. This dividend was paid on January 28, 2019 to common shareholders of record on December 31, 2018.

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The Offering

Issuer	PennyMac Mortgage Investment Trust
Common shares offered by us	7,000,000 common shares (8,050,000 common shares if the underwriters exercise in full their option to purchase additional common shares)
Common shares to be outstanding after this offering	67,954,635 common shares (69,004,635 common shares if the underwriters exercise in full their option to purchase additional common shares)[(1)]
Use of proceeds	We expect that the net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise in full their option to purchase additional common shares), after deducting our estimated expenses. We intend to use the net proceeds from this offering for general corporate purposes, including funding our investment activity, which may include investments in credit risk transfer securities, MSRs, MBS and new products such as home equity lines of credit or prime, non-qualified mortgage loans, as well as the repayment of indebtedness and working capital. See Use of Proceeds.
Ownership limit	Subject to certain exceptions, our declaration of trust restricts ownership of more than 9.8% by vote or value, whichever is more restrictive, of our outstanding common shares, or 9.8% by vote or value, whichever is more restrictive, of our outstanding shares of beneficial interest in order to protect our status as a REIT for U.S. federal income tax purposes. See Description of Shares of Beneficial Interest Restrictions on Ownership and Transfer in the accompanying prospectus.
Listing	Our common shares are listed on the NYSE under the trading symbol PMT.
Risk factors	An investment in our common shares involves risks, and prospective investors should carefully consider the matters discussed under Risk Factors beginning on page S-3 of this prospectus supplement, as well as the reports we file with the SEC pursuant to the Securities Exchange Act of 1934, as amended, or the Exchange Act, incorporated by reference into this prospectus supplement and the accompanying prospectus, before making a decision to invest in our common shares.

(1) The number of common shares to be outstanding after this offering is based on 60,954,635 common shares outstanding as of February 7, 2019, which excludes: (i) 593,708 common shares that are issuable upon the vesting of restricted share units or vesting and satisfaction of certain performance measures of performance-based restricted share units, in each case that were granted under our equity incentive plan; and (ii) 8,466,669 common shares potentially issuable upon exchange of $250 million of 5.375% exchangeable senior notes due 2020, or the 2020 exchangeable notes, issued by our subsidiary, PennyMac Corp. (based on the exchange rate in effect as of December 31, 2018).

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RISK FACTORS

Investing in our common shares involves risks. You should carefully read and consider the risks described below, as well as the risks described in the section entitled Risk Factors in our most recent Annual Report on Form 10-K, which is incorporated by reference into this prospectus supplement and the accompanying prospectus, and the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, before making a decision to invest in our common shares. Each of these risks could materially and adversely affect our business, financial condition, liquidity, results of operations and prospects, and could result in a partial or complete loss of your investment.

Risks Related to This Offering

The market price and trading volume of our common shares could be volatile and could decline, resulting in a substantial or complete loss of your investment.

The stock markets, including the NYSE, which is the exchange on which we list our common shares, have experienced significant price and volume fluctuations. As a result, the market price of our common shares could be similarly volatile, and investors in our common shares may experience a decrease in the value of their common shares, including decreases unrelated to our operating performance or prospects. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common shares include:

- actual or anticipated changes in our operating results or business prospects;
- changes in earnings estimates by securities analysts;
- an inability to meet or exceed securities analysts estimates or expectations;
- difficulties or inability to access capital or extend or refinance existing debt;
- publication of research reports about us or our industry by securities analysts;
- difficulties or inability to access capital or extend or refinance existing debt;
- publication of research reports about us or our industry by securities analysts;
- conditions or trends in our industry or sector;

actual or perceived conflicts of interest with PCM, PLS and their affiliated entities and individuals, including our officers;

strategic decisions by us or our competitors, such as acquisitions, divestments, spin-offs, joint ventures, strategic investments or changes in business strategy;

the passage of legislation or other regulatory developments that adversely affect us or our industry;

hedging or arbitrage trading activity in our common shares;

adverse market reaction to the level of leverage we employ;

actions by institutional shareholders;

speculation in the press or investment community;

changes in interest rates;

changes in accounting principles;

additions or departures of key personnel at PCM and/or PLS, including our officers, or a change in control at either of these entities;

future sales of our common shares or securities convertible into, or exchangeable or exercisable for, our common shares, or the perception that such sales may occur;

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failure to maintain our REIT qualification or exclusion from the Investment Company Act;

the realization of any of the other risk factors contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus; and

general market and economic conditions, including continued volatility in the financial and credit markets.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in their share price. This type of litigation could result in substantial costs and divert our management s attention and resources.

This offering may be dilutive, and there may be future dilution of our common shares.

This offering may have a dilutive effect on our earnings per share, REIT taxable income per share and/or book value per share for the year ending December 31, 2019. The actual amount of dilution, if any, cannot be determined at this time and will be based on numerous factors.

Our board of trustees is authorized under our declaration of trust to, among other things, authorize the issuance of additional common shares or the issuance of additional preferred shares of beneficial interest (in addition to our 8.125% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Shares of Beneficial Interest and our 8.00% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Shares of Beneficial Interest) or additional securities convertible or exchangeable into equity securities, without the approval of holders of our common shares. Future issuances, including the potential issuance of our common shares upon the exchange of the 2020 exchangeable notes, or other future issuances of our common shares (including under our at-the-market program) or preferred shares or securities convertible or exchangeable into equity securities, may dilute the ownership interest of our existing shareholders. Because our decision to issue additional equity or convertible or exchangeable securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future issuances. Further, any additional preferred shares or convertible or exchangeable securities that we may issue in the future may have rights, preferences and privileges, or be subject to covenants, more favorable than those applicable to our common shares. Also, we cannot predict the effect, if any, of future sales of our common shares, or the availability of common shares for future sales, on the market price of our common shares. Sales of substantial amounts of common shares or the perception that such sales could occur may adversely affect the prevailing market price for our common shares.

USE OF PROCEEDS

We expect that the net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise in full their option to purchase additional common shares), after deducting our estimated expenses. We intend to use the net proceeds from this offering for general corporate purposes, including funding our investment activity, which may include investments in credit risk transfer securities, MSRs, MBS and new products such as home equity lines of credit or prime, non-qualified mortgage loans, as well as the repayment of indebtedness and working capital.

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CAPITALIZATION

The following table sets forth our capitalization (a) as of September 30, 2018, and (b) as of September 30, 2018, as adjusted to reflect the sale of the 7,000,000 common shares offered hereby (assuming the underwriters do not exercise their option to purchase additional common shares).

	As of September 30, 2018	
	Historical	**As Adjusted**
	(Dollars in thousands) unaudited	
Debt:		
Assets sold under agreements to repurchase	$ 4,394,500	$ 4,394,500
Mortgage loan participation purchase and sale agreements	31,578	31,578
Exchangeable senior notes	248,053	248,053
Notes payable	445,318	445,318
Asset-backed financing of a variable interest entity at fair value	278,113	278,113
Assets sold to PennyMac Financial Services, Inc. under agreements to repurchase	133,128	133,128
Interest-only security payable at fair value	8,821	8,821
Total debt	5,539,511	5,539,511
Shareholders Equity:		
Preferred shares of beneficial interest, $0.01 par value per share, authorized 100,000,000 shares, issued and outstanding 12,400,000 shares, liquidation preference $310,000,000	299,707	299,707
Common shares of beneficial interest authorized, 500,000,000 common shares of $0.01 par value; issued and outstanding 60,951,444 common shares (historical) and 67,951,444 common shares (as adjusted)[(1)]	610	680
Additional paid-in capital	1,284,537	
Accumulated deficit	(26,291)	(26,291)
Total shareholders equity	1,558,563	
Total capitalization	$ 7,098,074	$

(1) Excludes: (i) 3,191 common shares related to restricted share units that had vested subsequent to September 30, 2018; and (ii) 8,466,669 common shares potentially issuable upon exchange of the 2020 exchangeable notes (based on the exchange rate in effect as of December 31, 2018).

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CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended, or ERISA, and Section 4975 of the Code, prohibit certain transactions, or prohibited transactions, involving the assets of (i) an employee benefit plan that is subject to the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code (including individual retirement accounts, Keogh plans and other plans described in Section 4975(e)(1) of the Code) and (ii) entities whose underlying assets are considered to include plan assets of any such plan, account or arrangement (each of the foregoing described in clauses (i) and (ii) being referred to herein as a Plan) and certain persons who are parties in interest (within the meaning of ERISA) or disqualified persons (within the meaning of the Code) with respect to the Plan.

We, certain of the underwriters and certain of our respective affiliates may be considered a party in interest or a disqualified person with respect to many Plans and, accordingly, prohibited transactions may arise if any common shares are acquired by or on behalf of a Plan unless the common shares are acquired pursuant to an available exemption, of which there are many. In this regard, the U.S. Department of Labor, or DOL, has issued prohibited transaction class exemptions that may apply to the acquisition of common shares. These exemptions include transactions effected on behalf of a Plan by a qualified professional asset manager (prohibited transaction exemption 84-14) or an in-house asset manager (prohibited transaction exemption 96-23), transactions involving insurance company general accounts (prohibited transaction exemption 95-60), transactions involving insurance company pooled separate accounts (prohibited transaction exemption 90-1), and transactions involving bank collective investment funds (prohibited transaction exemption 91-38). In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less and pays no more than adequate consideration (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code). There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Governmental plans, certain church plans and non-U.S. plans may not be subject to the prohibited transaction provisions of ERISA or the Code but may be subject to similar laws (Similar Laws). Fiduciaries of any such plans should consult with counsel before acquisition or ownership of common shares.

Because of the foregoing, the person making the decision on behalf of a Plan or a governmental, church or foreign plan will be deemed, by purchasing the common shares, to represent on behalf of itself and the plan that the purchase of common shares will not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or any applicable Similar Law.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering the acquisition or ownership of common shares on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition of common shares.

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UNDERWRITING

Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC are acting as the underwriters of this offering. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the number of common shares set forth opposite the underwriter s name.

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	
Deutsche Bank Securities Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Morgan Stanley & Co. LLC	
Goldman Sachs & Co. LLC	
Total	7,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the common shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the common shares (other than those covered by the underwriters option to purchase additional common shares described below) if they purchase any of the common shares.

The underwriters have agreed to purchase the common shares from us at a price of $ per share, which will result in net proceeds to us, after deducting estimated expenses related to this offering, of approximately $ million assuming no exercise of the option granted to the underwriters to purchase additional common shares, and $ million assuming full exercise of that option.

The underwriters propose to offer the common shares offered hereby from time to time for sale in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. The underwriters may effect such transactions by selling the common shares to or through dealers and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or purchasers of common shares for whom they may act as agents or to whom they may sell as principal. The difference between the price at which the underwriters purchase common shares and the price at which the underwriters resell such common shares may be deemed underwriting compensation.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 1,050,000 additional common shares at $ per share. To the extent the option is exercised, each underwriter will be obligated to purchase a number of additional common shares approximately proportionate to that underwriter s initial purchase commitment. Any common shares issued or sold under the option will be issued and sold on the same terms and conditions as the other common shares that are the subject of this offering.

We and each of our executive officers and trustees have agreed that, for a period of 30 days from the date of this prospectus supplement, subject to certain exceptions, we and they will not, without the prior written consent of the underwriters:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any of our common shares or any securities convertible into or exchangeable or exercisable for our common shares; or

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