

Physicians Realty Trust  
Form 424B5  
October 15, 2015  
Table of Contents

Filed pursuant to Rule 424(b)(5)  
Registration No. 333-197842

PROSPECTUS SUPPLEMENT  
(To Prospectus dated August 19, 2014)

13,750,000 Common Shares

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We are offering 13,750,000 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 October 13, 2015, the last sale price of our common shares as reported on the New York Stock Exchange (“NYSE”) was \$15.78 per share.

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. 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. We expect that we will no longer be an emerging growth company beginning in 2016. 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	\$15.00	\$206,250,000
Underwriting discount(1)	\$0.6375	\$8,765,625
Proceeds, before expenses, to us	\$14.3625	\$197,484,375

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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.

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The underwriters may also exercise their option to purchase up to an additional 2,062,500 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 October 19, 2015.

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Joint Book-Running Managers

BofA Merrill Lynch      J.P. Morgan      BMO Capital Markets      KeyBanc Capital Markets

Morgan Stanley      Raymond James

Co-Managers

Stifel      Credit Agricole CIB      PNC Capital Markets LLC

Wunderlich      BB&T Capital Markets      Comerica Securities

Compass Point      FBR      J.J.B. Hilliard, W.L. Lyons, LLC

Ramirez & Co., Inc.      Synovus Securities, Inc.      The Huntington Investment Company

The date of this prospectus supplement is October 14, 2015

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Table of Contents

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.

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	<u>S-iii</u>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>S-iv</u>
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	<u>S-1</u>
<u>THE OFFERING</u>	<u>S-6</u>
<u>RISK FACTORS</u>	<u>S-8</u>
<u>USE OF PROCEEDS</u>	<u>S-11</u>
<u>CAPITALIZATION</u>	<u>S-12</u>
<u>DILUTION</u>	<u>S-13</u>
<u>OUR INDUSTRY AND MARKET OPPORTUNITY</u>	<u>S-14</u>
<u>ADDITIONAL MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	<u>S-16</u>
<u>UNDERWRITING</u>	<u>S-18</u>
<u>LEGAL MATTERS</u>	<u>S-23</u>
<u>EXPERTS</u>	<u>S-23</u>
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	<u>S-23</u>
<u>INCORPORATION BY REFERENCE</u>	<u>S-24</u>

PROSPECTUS

<u>ABOUT THIS PROSPECTUS</u>	<u>1</u>
<u>SUMMARY</u>	<u>3</u>
<u>RISK FACTORS</u>	<u>4</u>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>4</u>
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	<u>6</u>
<u>USE OF PROCEEDS</u>	<u>6</u>
<u>SELLING SHAREHOLDERS</u>	<u>8</u>
<u>PLAN OF DISTRIBUTION</u>	<u>11</u>
<u>SECURITIES THAT MAY BE OFFERED</u>	<u>13</u>
<u>DESCRIPTION OF COMMON SHARES AND PREFERRED SHARES</u>	<u>13</u>
<u>DESCRIPTION OF DEBT SECURITIES</u>	<u>17</u>
<u>DESCRIPTION OF DEPOSITARY SHARES</u>	<u>31</u>
<u>DESCRIPTION OF WARRANTS</u>	<u>34</u>
<u>DESCRIPTION OF UNITS</u>	<u>35</u>
<u>CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR DECLARATION OF TRUST AND BYLAWS</u>	<u>38</u>
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	<u>43</u>
<u>LEGAL MATTERS</u>	<u>66</u>

<u>EXPERTS</u>	<u>66</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>66</u>
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	<u>66</u>

S-i

---

Table of Contents

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.

S-ii

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Table of Contents

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 are 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 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.

Table of Contents

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, 2014, which we refer to as our “2014 10-K”, our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015, which we refer to as our “First Quarter 2015 10-Q” and our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, which we refer to as our “Second Quarter 2015 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 words and phrases or 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 revolving credit facility;
- our ability to make distributions on our common shares;
- 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 and metro Atlanta, Georgia causes us to be particularly exposed to downturns in these local economies or other changes in local real estate market conditions;
- 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 and operations;
- the impact of our investment in joint ventures;

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- the financial condition and liquidity of, or disputes with, joint venture and development partners with whom we may make co-investments in joint ventures;
- 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 a 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

S-iv

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Table of Contents

- factors that may materially adversely affect us, or the per share trading price of our common shares, including:
- higher market interest rates;
- 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 debt;
- failure of securities analysts to publish research or reports about us or our industry; and
- securities analysts' downgrade of 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 2014 10-K, as updated by our subsequent filings with the SEC.

S-v

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Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary 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 2014 10-K, the First Quarter 2015 10-Q, and the Second Quarter 2015 10-Q, and any free writing prospectus we file. 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 serve 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. Our common shares are listed on the New York Stock Exchange, or NYSE, and we are included in the MSCI US REIT Index.

We have grown our portfolio of gross real estate investments from approximately \$124 million at the time of our IPO to approximately \$1.5 billion as of September 30, 2015. As of September 30, 2015, our portfolio consisted of 132 properties located in 23 states with approximately 5,303,970 net leasable square feet, which were approximately 95.5% leased with a weighted average remaining lease term of approximately 9.0 years and approximately 76.6% 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 healthcare providers under our leases. Approximately 86.1% of the annualized base rent payments from our properties as of September 30, 2015 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 relatively 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 2-3%. 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 September 30, 2015, leases representing a percentage of our portfolio on the basis of leasable square feet will expire as follows:

Year	Portfolio Lease Expirations
Month-to-Month	0.8%
2015	0.8%
2016	3.5%
2017	5.9%
2018	6.2%

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2019	5.7%
2020	3.0%
2021	3.6%
2022	3.8%
2023	6.0%
2024	10.7%
Thereafter	45.5%
Total	95.5%

S-1

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## Table of Contents

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 healthcare-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 9%.

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 95.0% of the partnership interests in our operating partnership ("OP Units").

### 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;

- 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;

S-2

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## Table of Contents

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.

## Competitive Strengths

We believe our management team's extensive public REIT and healthcare experience distinguishes us from many other real estate companies, both public and private. Specifically, our company's competitive strengths include, among others:

**Strong Relationships with Physicians and Healthcare Delivery Systems.** We believe our management team has developed a reputation among physicians, hospitals and healthcare delivery system decision makers of accessibility, reliability and trustworthiness. We believe this will result in attractive investment opportunities for us and high tenant satisfaction, leading to high occupancy rates, tenant retention and increasing cash flow from our properties.

**Experienced Senior Management Team.** Our senior management team has over 75 years of healthcare delivery system executive and related experience in healthcare real estate, finance, law, policy and clinical business development. Our management team's experience providing full service real estate solutions for the healthcare industry gives us a deep understanding of the dynamics and intricacies associated with insurance reimbursement practices, government regulation, cross-referrals, clinical interdependencies and patient behaviors. These same factors drive the profitability of the healthcare delivery systems with whom we are strategically aligned.

**Investment Focus.** We believe that healthcare-related real estate rents and valuations are less susceptible to changes in the general economy than many other types of commercial real estate due to demographic trends and the need-based rise in healthcare expenditures, even during economic downturns. For this reason, we believe healthcare-related real estate investments could potentially offer a more stable return to investors when compared to other types of real estate investments.

**Nimble Management Execution.** We focus on individual investment opportunities of \$25 million or less in off market or lightly marketed transactions, with few transactions exceeding \$100 million. We established our company to identify and execute on these types and size of transactions efficiently, which we believe provides us an advantage over other healthcare real estate investors, such as the larger health care REITs, that focus on larger properties or portfolios in more competitively marketed investment opportunities.

**Access to State and Federal Healthcare Policy Makers.** Our management team and Trustees have relationships and access to state and federal policy makers to stay informed with health care policy directions that may affect the investment decisions and management of the company.

**Strong Healthcare Delivery System Affiliation and Diverse Medical Tenant Base.** As of September 30, 2015, approximately 76.8% 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 believe that a healthcare delivery system—anchored property with a diversified, clinically interdependent tenant mix—is important to the success of any healthcare facility, and our management team's understanding of the dynamics associated with tenant mix and clinical interdependency will be a key to our success. As of September 30, 2015, the leases for our properties have a weighted—average remaining lease term of approximately 9.0 years and leases representing only 10.2% of our annualized rent expire over the following three years.

## Property Acquisitions in 2015

Since January 1, 2015, we have completed acquisitions of 59 healthcare properties located in 18 states containing an aggregate of approximately 2,344,573 net leasable square feet for an aggregate of approximately \$712.0 million using

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proceeds from our follow-on public offerings of common shares in September 2014 and January 2015, proceeds from sales of our common shares under our ATM program and borrowings under our unsecured revolving credit facility and mortgage financings.

In 2015, we have completed divestitures of two healthcare properties in Ohio and Michigan containing an aggregate of 47,112 net leasable square feet for aggregate proceeds of approximately \$3.1 million and an aggregate gain on the sales of approximately \$131,000.

S-3

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Table of Contents

During the quarter ended September 30, 2015, we completed eight acquisitions of 11 healthcare properties located in six states containing an aggregate of approximately 876,113 net leasable square feet for an aggregate of approximately \$294.0 million. In addition, we funded a \$3.1 million mezzanine loan investment on August 21, 2015. Investment activity for the quarter ended September 30, 2015 is summarized below:

Property(1)	Location	Acquisition Date	Square Footage	Purchase Price (in thousands)
Randall Road MOB - Suite 140	Elgin, IL	July 17, 2015	5,489	\$1,750
Medical Specialists of Palm Beach	Atlantis, FL	July 24, 2015	34,537	\$11,051
Trios Health MOB	Kennewick, WA	July 31, 2015	161,885	\$64,000
OhioHealth - SW Health Center	Grove City, OH	July 31, 2015	50,000	\$11,460
Integrated Medical Services (IMS) Portfolio				
IMS - Paradise Valley	Phoenix, AZ	August 14, 2015	122,580	\$31,814
IMS - Avondale	Avondale, AZ	August 19, 2015	61,614	\$22,144
IMS - Palm Valley	Goodyear, AZ	August 19, 2015	101,241	\$35,184
IMS - North Mountain	Phoenix, AZ	August 31, 2015	121,976	\$51,740
Warm Springs Rehab Hospital Mezz Loan(2)	Kyle, TX	August 21, 2015	—	\$3,138
Memorial Hermann Medical Complex (2 MOB)	Katy, TX	September 1, 2015	107,737	\$40,400
New Albany Medical Center(3)	New Albany, OH	September 9, 2015	60,000	\$11,200
Fountain Hills Medical Campus	Fountain Hills, AZ	September 30, 2015	49,054	\$13,250
Total			876,113	\$297,131

(1) “MOB” refers to medical office building.

(2) We made a \$3.1 million mezzanine term loan to partially fund the borrower's acquisition of the 54,500 square foot Warm Springs Rehabilitation Hospital in Kyle, Texas. The loan accrues interest at a rate of 8.5% per year. We have an option to purchase the property.

(3) Our operating partnership partially funded the purchase price of this acquisition by issuing a total of 16,866 OP Units valued at approximately \$0.2 million in the aggregate on the date of issuance.

On October 13, 2015, we acquired the Catalyst Portfolio, which consists of 12 medical office buildings located in Alabama and Florida, totaling 94,276 square feet, for an aggregate purchase price of approximately \$23.8 million. The portfolio is 88% occupied and is collectively anchored by Baptist Health Care (S&P: “AA”), Retina Specialty Institute, and the Southern Eye Group of Alabama. In addition to the 12 medical office buildings, we received the first-right of refusal to acquire the seller’s future development pipeline upon the completion of construction, totaling nearly 240,000 square feet of medical office facilities, anchored by healthcare systems.

#### Pending Acquisitions

As of the date of this prospectus supplement, we have entered into five definitive agreements through subsidiaries of our operating partnership to acquire five healthcare properties located in four states for an aggregate of approximately \$67.7 million as follows:

Cambridge Professional Center, Waldorf, Maryland: This property is a 41,493 square foot, Class A medical office building located in a suburb of Washington, DC. The two-story facility is 100% leased to five tenants with long-term leases and anchored by an endoscopy ambulatory surgery center. The purchase price for the property is approximately \$11.6 million, payable in cash.



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Community Health Network Building, Indianapolis, Indiana: This 42,187 square foot medical building is 100% leased by Community Hospital of Indiana (S&P: "A") for family medicine, sports medicine, and physical therapy. Upon closing, Community Hospital of Indiana will enter into a new 12-year lease. The purchase price for the property is approximately \$11.6 million, payable in cash.

Mercy Medical Center, Fenton, Missouri: This 30,000 square foot medical office building is 100% leased to Mercy Health (S&P: "AA-"), one of the largest Catholic healthcare systems in the United States. The property

S-4

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## Table of Contents

provides urgent care, family medicine and women's health services. The purchase price is approximately \$9.7 million, payable in cash or OP Units at the seller's option.

Great Falls Replacement Surgical Hospital, Great Falls, Montana: We agreed to provide a mezzanine loan in the amount of approximately \$4.5 million to construct an approximately 64,000 square foot medical office building. As of the date of this prospectus supplement, no money has been borrowed under the mezzanine loan. Upon completion of construction of the building, which is expected to occur before the end of 2015, we have an option to purchase the building for approximately \$26.3 million. The building will be 100% occupied upon completion.

St. Vincent - Naab, Indianapolis, Indiana: This 40,936 square foot medical office building is located on the campus of Ascension's flagship St. Vincent Hospital. The multi-tenant facility is anchored by St. Vincent with services focused around woman's health, oncology and diagnostic imaging. The purchase price is approximately \$8.5 million, payable in cash or OP Units at the seller's option. The building is 100% occupied.

Each pending acquisition described above is subject to customary closing conditions and there can be no assurance we will complete any of these transactions or acquire any of these properties.

### Other Recent Developments

#### Potential Private Debt Placement

We are in discussions with a potential lender regarding an unsecured private debt financing of approximately \$150 million. We have not entered into any definitive agreement with respect to this potential financing. It is possible that additional potential lenders will participate and that the amount of the financing may be larger than \$150 million. We cannot provide any assurances as to the size or terms of the potential financing or that we will enter into any definitive agreement or consummate any such transaction.

#### Upsized Credit Facility

On July 22, 2015, we amended and upsized our unsecured revolving credit facility to a maximum principal amount of \$750 million. The unsecured revolving credit facility includes a swingline loan commitment for up to 10% of the maximum principal amount and provides an accordion feature allowing us to increase borrowing capacity by up to an additional \$350 million, subject to customary terms and conditions, resulting in a maximum borrowing capacity of \$1.1 billion.

The unsecured revolving credit facility has a maturity date of September 18, 2019 and includes a one year extension option. As of the date of this prospectus supplement, the interest rate under our unsecured revolving credit facility is equal to LIBOR plus 1.20%. In addition, the unsecured revolving credit facility includes a facility fee equal to 0.25% per annum, which is determined by usage under the unsecured revolving credit facility. During the quarter ended September 30, 2015, we incurred approximately \$0.3 million of non-recurring expenses associated with obtaining ratings from rating agencies. Moody's announced on August 6, 2015, that it has provided an investment grade rating of Baa3 to the senior unsecured shelf of our operating partnership.

As of the date of this prospectus supplement, we have approximately \$500 million outstanding borrowings under our unsecured revolving credit facility.

#### Quarterly Distribution

## Edgar Filing: Physicians Realty Trust - Form 424B5

On September 28, 2015, we announced that our Board of Trustees authorized and we declared a cash distribution of \$0.225 per common share and OP Unit for the quarterly period ended September 30, 2015. The distribution will be paid on October 30, 2015 to common shareholders and common OP Unit holders of record as of the close of business on October 16, 2015. This quarterly distribution will not be payable with respect to common shares issued in this offering.

### Corporate Information

We were formed as a Maryland real estate investment trust on April 9, 2013. Our corporate offices are located at 309 N. Water Street, Suite 500, Milwaukee, Wisconsin 53202. Our telephone number is (414) 367-5600. Our internet website is [www.docreit.com](http://www.docreit.com). The information contained on, or accessible through, this website, or any other website, is not incorporated by reference into this prospectus supplement and the accompanying prospectus and should not be considered a part of this prospectus supplement and the accompanying prospectus.

S-5

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Table of Contents

THE OFFERING

Common shares offered by us	13,750,000 shares (1)
Common shares to be outstanding after this offering	85,103,419 shares (2)
Common shares and OP Units to be outstanding after completion of this offering	88,891,298 shares and OP Units (3)

Use of proceeds

We estimate that we will receive net proceeds from this offering of approximately \$196.7 million, or approximately \$226.3 million if the underwriters' option to purchase additional common shares is exercised in full, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds of this offering as follows:

<sup>1</sup> to repay a portion of the outstanding indebtedness under our unsecured revolving credit facility; and

<sup>1</sup> for general corporate purposes, including, without limitation, working capital and investment in real estate.

Pending application of the net proceeds of this offering, we intend to invest the net proceeds in interest-bearing accounts, money market accounts and interest-bearing securities in a manner that is consistent with our intention to maintain our qualification for taxation as a REIT.

Risk Factors

An investment in our common shares involves a high degree of risk. You should carefully read and consider the risks discussed under the caption "Risk Factors" and other information in this prospectus supplement, including "Part I, Item 1A. Risk Factors" contained in our 2014 10-K, which is incorporated by reference herein, for a discussion of factors you should consider carefully before investing in our common shares.

NYSE symbol "DOC"

(1) Excludes up to 2,062,500 common shares that may be issued by us upon exercise of the underwriters' option to purchase additional common shares.

(2) Includes (i) 83,334 restricted common shares granted to our officers and trustees under our 2013 Equity Incentive Plan that are subject to vesting over a three year period in connection with our IPO, (ii) 43,872 restricted common shares granted to certain new employees under our 2013 Equity Incentive Plan in 2014, which shares vest ratably over three years, (iii) 162,522 restricted common shares granted to our officers and certain employees under our

## Edgar Filing: Physicians Realty Trust - Form 424B5

2013 Equity Incentive Plan in 2015 through the date of this prospectus supplement, which have a one-year vesting period for officer award-recipients and a three-year vesting period for employee award-recipients; does not include (i) up to 2,062,500 common shares that may be issued by us upon exercise of the underwriters' option to purchase additional shares for this offering, (ii) 55,680 and 116,206 performance-based restricted stock units at target level granted to our officers in 2014 and 2015, respectively, under the 2013 Equity Incentive Plan, which will vest, if at all, based on achievement of performance criteria over a performance period, subject to the terms of the grant, (iii) 1,828,811 common shares available for future issuance under our 2013 Equity Incentive Plan, (iv) 3,787,879 common shares that may be issued, at our option, upon redemption of outstanding OP Units not held by us, or (v) OP Units which may be issuable in connection with the closing of an acquisition of each of the following: Mercy Medical Center and St. Vincent - Naab.

S-6

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Table of Contents

Includes (i) 3,787,879 OP Units that were outstanding and not held by us as of October 13, 2015, (ii) 83,334 restricted common shares granted to our officers and trustees under our 2013 Equity Incentive Plan that are subject to vesting over a three year period in connection with our IPO, (iii) 43,872 restricted common shares granted to certain new employees under our 2013 Equity Incentive Plan in 2014, which shares vest ratably over three years, and (iv) 162,522 restricted common shares granted to our officers and certain employees under our 2013 Equity Incentive Plan in 2015 through the date of this prospectus supplement, which have a one-year vesting period for officer award-recipients and a three-year vesting period for employee award-recipients; does not include (i) up to 2,062,500 common shares that may be issued by us upon exercise of the underwriters' option to purchase additional shares for this offering, (ii) 55,680 and 116,206 performance-based restricted stock units at target level granted to our officers in 2014 and 2015, respectively, under the 2013 Equity Incentive Plan, which will vest, if at all, based on achievement of performance criteria over a performance period, subject to the terms of the grant, and (iii) 1,828,811 common shares available for future issuance under our 2013 Equity Incentive Plan.

S-7

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Table of Contents

RISK FACTORS

An investment in our common shares involves a high degree of risk. Before making an investment decision, you should carefully consider the risk factors set forth below as well as in our 2014 10-K, together with the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus and the risks we have highlighted in other sections of this prospectus supplement. If any of these risks occurs, our business, financial condition, liquidity, tax status and results of operations could be materially and adversely affected. Some statements in this prospectus supplement and the accompanying prospectus, including statements in the following risk factors and those incorporated by reference, constitute forward-looking statements. Please refer to the section captioned "Cautionary Note Regarding Forward-Looking Statements."

The market price and trading volume of our common shares may be volatile following this offering and may be affected by a number of factors.

The per share trading price of our common shares may be volatile. In addition, the trading volume in our common shares may fluctuate and cause significant price variations to occur, and investors in our common shares may from time to time experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. If the per share trading price of our common shares declines significantly, you may be unable to resell your shares at or above the public offering price. We cannot assure you that the per share trading price of our common shares will not fluctuate or decline significantly in the future.

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 variations in our quarterly operating results or dividends;
- increases in interest rates;
- changes in our funds from operations or earnings estimates;
- publication of research reports about us or the real estate industry;
- increases in market interest rates that lead purchasers of our shares to require a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- actions by institutional shareholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this prospectus or incorporated by reference herein;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate based companies;
- our underlying asset value;
- investor confidence in the stock and bond markets generally;
- changes in tax laws;
- future equity issuances;
- failure to meet earnings estimates;
- failure to meet and maintain REIT qualification;
- changes in our credit ratings; and
- general market and economic conditions.

## Edgar Filing: Physicians Realty Trust - Form 424B5

In the past, securities class-action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us, including our financial condition, results of operations, cash flow, and per share trading price of our common shares.

We may be unable to make distributions which could result in a decrease in the market price of our common shares.

While we expect to make regular quarterly distributions to the holders of our common shares, if sufficient cash is not available for distribution from our operations, we may have to fund distributions from working capital, borrow to provide funds for such distributions, or reduce the amount of such distributions. To the extent we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. If cash available for distribution generated by our assets is less than expected, or if such cash available for

S-8

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Table of Contents

distribution decreases in future periods from expected levels, our inability to make distributions could result in a decrease in the market price of our common shares.

All distributions will be made at the discretion of our Board of Trustees and will be based upon, among other factors, our historical and projected results of operations, financial condition, cash flows and liquidity, maintenance of our REIT qualification and other tax considerations, capital expenditure and other expense obligations, debt covenants, contractual prohibitions or other limitations and applicable law and such other matters as our board of trustees may deem relevant from time to time. We may not be able to make distributions in the future, and our inability to make distributions, or to make distributions at expected levels, could result in a decrease in the market price of our common shares.

We may use a portion of the net proceeds from this offering to make distributions to our shareholders, which would, among other things, reduce our cash available to develop or acquire properties and may reduce the returns on your investment in our common shares.

Prior to the time we have fully invested the net proceeds of this offering, we may fund distributions to our shareholders out of the net proceeds of this offering, which would reduce the amount of cash we have available to acquire properties and may reduce the returns on your investment in our common shares. The use of these net proceeds for distributions to shareholders could adversely affect our financial results. In addition, funding distributions from the net proceeds of this offering may constitute a return of capital to our shareholders, which would have the effect of reducing each shareholder's tax basis in our common shares.

You will experience immediate and material dilution in connection with the purchase of our common shares in this offering.

As of June 30, 2015, our aggregate historical combined net tangible book value was approximately \$761.5 million, or \$10.13 per common share, assuming the redemption of all outstanding OP Units in exchange for our common shares on a one-for-one basis. The pro forma net tangible book value per common share after the completion of this offering will be less than the public offering price. The purchasers of our common shares offered hereby will experience immediate and substantial dilution of \$4.23 per share in the pro forma net tangible book value per share of our common shares. See "Dilution."

The combined financial statements of our Predecessor and our unaudited pro forma consolidated financial statements may not be representative of our financial statements as an independent public company.

The combined financial statements of our Predecessor and our unaudited pro forma consolidated financial statements that are incorporated by reference into this prospectus supplement do not necessarily reflect what our financial position, results of operations or cash flows would have been had we been an independent entity during the periods presented. Furthermore, this financial information is not necessarily indicative of what our results of operations, financial position or cash flows will be in the future. It is not possible for us to accurately estimate all adjustments needed to reflect all the significant changes that may occur in our future cost structure, funding and operations. See "Prospectus Supplement Summary-Pending Acquisitions", "Prospectus Supplement Summary-Other Recent Developments" and the financial statements herein, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our 2014 10-K, our First Quarter 2015 10-Q and our Second Quarter 2015 10-Q, each of which is incorporated herein by reference.

We may have difficulty finding suitable replacement tenants in the event of a tenant default or non-renewal of our leases, especially for our properties located in smaller markets.

We cannot predict whether our tenants will renew existing leases beyond their current terms. Nearly all of our properties are subject to leases which have multi-year terms. As of September 30, 2015, leases representing 0.8%, 3.5%, and 5.9% of leasable square feet at our properties will expire in the remainder of 2015, 2016 and 2017, respectively. If any of our leases are not renewed, we would attempt to lease those properties to another tenant. In case of non-renewal, we generally have advance notice before expiration of the lease term to arrange for repositioning of the properties and our tenants are required to continue to perform all of their obligations (including the payment of all rental amounts) for the non-renewed assets until such expiration. However, following expiration of a lease term or if we exercise our right to replace a tenant in default, rental payments on the related properties could decline or cease altogether while we reposition the properties with a suitable replacement tenant. We also might not be successful in identifying suitable replacement tenants or entering into leases with new tenants on a timely basis or on terms as favorable to us as our current leases, or at all, and we may be required to fund certain expenses and obligations (e.g., real estate taxes, debt costs and maintenance expenses) to preserve the value of, and avoid the imposition of liens on, our properties while they are being repositioned. Our ability to reposition our properties with a suitable tenant could be significantly delayed or limited by state licensing, receivership, certificate of need or other laws, as well as by the Medicare and Medicaid change-of-ownership rules. We could also incur substantial additional expenses in connection with

S-9

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Table of Contents

any licensing, receivership or change-of-ownership proceedings. In addition, our ability to locate suitable replacement tenants could be impaired by the specialized healthcare uses or contractual restrictions on use of the properties, and we may be required to spend substantial amounts to adapt the properties to other uses. Any such delays, limitations and expenses could adversely impact our ability to collect rent, obtain possession of leased properties or otherwise exercise remedies for tenant default and could have a material adverse effect on us or cause us to take an impairment charge on a property.

All of these risks may be greater in smaller markets, where there may be fewer potential replacement tenants, making it more difficult to replace tenants, especially for specialized spaces, like hospital or outpatient treatment facilities located in our properties, and could have a material adverse effect on us.

S-10

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Table of Contents

USE OF PROCEEDS

After deducting the underwriting discount and commissions and estimated expenses of this offering payable by us, we expect to receive net proceeds from this offering of approximately \$196.7 million, or approximately \$226.3 million if the underwriters' option to purchase additional shares is exercised in full.

We intend to contribute the net proceeds of this offering to our operating partnership in exchange for OP Units in our operating partnership, and our operating partnership intends to use the net proceeds of this offering (i) to repay a portion of the outstanding indebtedness under our unsecured revolving credit facility; and (ii) for general corporate purposes, including, without limitation, working capital and investment in real estate.

Because an affiliate of each of Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, BMO Capital Markets Corp., KeyBanc Capital Markets Inc., Morgan Stanley & Co. LLC, Raymond James & Associates, Inc., Credit Agricole Securities (USA) Inc., PNC Capital Markets LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, Comerica Securities, Inc., Synovus Securities, Inc. and The Huntington Investment Company is a lender under our unsecured revolving credit facility, they may receive a portion of the net proceeds in connection with us repaying a portion of the outstanding indebtedness under such facility. In addition, Associated Investment Services, Inc., a subsidiary of Associated Banc-Corp, is being paid a referral fee by Samuel A. Ramirez & Company, Inc. Because an affiliate of Associated Banc-Corp is a lender under our unsecured credit facility, it may receive a portion of the net proceeds in connection with us repaying a portion of the outstanding indebtedness under such facility.

As of the date of this prospectus supplement, the interest rate under our unsecured revolving credit facility was equal to LIBOR plus 1.20%. In addition, the unsecured revolving credit facility includes a facility fee equal to 0.25% per annum, which is determined by usage under the unsecured revolving credit facility.

Pending application of the net proceeds of this offering, we intend to invest the net proceeds in interest-bearing accounts, money market accounts and interest-bearing securities in a manner that is consistent with our intention to maintain our qualification for taxation as a REIT. Such investments may include, for example, government and government agency certificates, government bonds, certificates of deposit, interest-bearing bank deposits, money market accounts and mortgage loan participations.

Table of Contents

## CAPITALIZATION

The following table sets forth (i) our historical capitalization, and (ii) our historical capitalization on an as adjusted basis to (a) give effect to this offering and (b) the use of net proceeds as set forth in “Use of Proceeds”. You should read this table in conjunction with “Use of Proceeds” appearing elsewhere in this prospectus supplement, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included in our 2014 10-K and our Second Quarter 2015 10-Q, each of which is incorporated herein by reference.

	As of June 30, 2015	
	Historical	As Adjusted
	(In thousands, except share amounts)	
Debt	\$286,774 (2)	\$90,090 (2)
Equity:		
Common shares, \$0.01 par value per share, 500,000,000 common shares authorized, 70,955,331 common shares issued and outstanding as of June 30, 2015; 85,079,378 common shares issued and outstanding on an adjusted basis(1)	713	851
Additional paid in capital	904,002	1,099,667
Accumulated deficit	(81,683 )	(81,683 )
Non-controlling interests	45,787	46,669
Total equity	868,819	1,065,504
Total capitalization	\$1,155,593	\$1,155,594