



February 1, 2012

To Our Stockholders:

During the year ended December 31, 2011, the Company (NYSE:CYS) (EIN 20-4072657) made distributions to our common stockholders (CUSIP #s 12673A108 and 23281A307). The distributions comprised ordinary income, capital gain and return of capital, and are described on a per share basis in the table below:

Distributions for 2011

Record Date	Payable Date	Distribution Rate per Share	Ordinary Dividend Rate	Total Capital Gain Rate ^{(a)(c)}	Return of Capital Rate ^{(b)(c)}
6-Apr	20-Apr	\$0.60	\$0.471	\$0.050	\$0.079
22-Jun	27-Jul	\$0.60	\$0.471	\$0.050	\$0.079
21-Sep	19-Oct	\$0.55	\$0.432	\$0.046	\$0.072
19-Dec	28-Dec	\$0.50	\$0.393	\$0.042	\$0.065

- (a) The Capital Gain Distribution is taxable at the Long Term rate which is currently 15%.
- (b) The return of capital per share for the distributions.
- (c) The Company determined its earnings and profits ("E&P") for federal income tax purposes for the year ended December 31, 2011. The Company then compared its E&P to its total distributions to ascertain the components of taxable dividends and return of capital included within the distributions outlined above.

The return of capital component of the distribution reduces the recipient's adjusted basis in their common shares. The return of capital component of the distribution should not result in a recognized loss. (See Internal Revenue Code Sections 301, 312, 316, 1001, and 1012).

Please note this information statement has been provided to you pursuant to Internal Revenue Code Regulation Section 1.6045B-1(b) instead of a copy of Form 8937. The Company has filed its own Form 8937 with the Internal Revenue Service that reports the same information as above.

Stockholders will receive Form 1099-DIV for the 2011 calendar year which will provide further details on distributions for federal income tax purposes. Stockholders are urged to seek their own tax experts, counsel, and advisors, to compile and complete their tax filings.

For more information please contact Richard E. Cleary, Chief Operating Officer at (617) 639-0440 or via email at info@cysiniv.com.