

Nontraded REIT Industry Review: Third Quarter 2012



Cornerstone Core Properties REIT, Inc.

Total Assets.....	\$90.2 Million
Real Estate Assets	\$80.0 Million
Cash.....	\$4.8 Million
Securities	\$0.0 Million
Other.....	\$5.3 Million



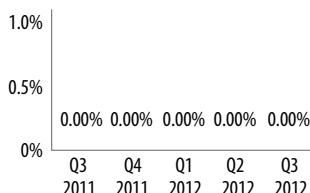
Initial Offering Date: January 6, 2006
 Offering Close Date: June 10, 2011
 Current Price per Share: \$2.09
 Reinvestment Price per Share: See Notes
 Cumulative Capital Raised during Offering (including DRP).....\$172.7 Million

Cash to Total Assets Ratio:5.4%
 Asset Type: Diversified
 Number of Properties: 13
 Square Feet / Units / Rooms / Acres: 889,032 Sq. Ft.
 Percent Leased: 83.9%
 LifeStage..... Maturing
 Investment Style Core

Historical Price



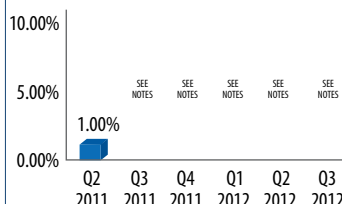
Redemptions



Current Distribution

See Notes

Historical Distribution



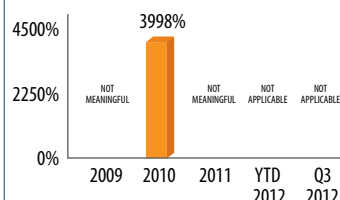
Contact Information

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Pacific Cornerstone Capital
1920 Main Street, Suite 400
Irvine, CA 92614
877-805-3333

Year to Date FFO Payout Ratio

Not Applicable

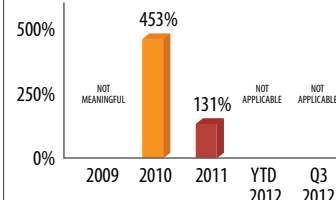
Historical FFO Payout Ratio



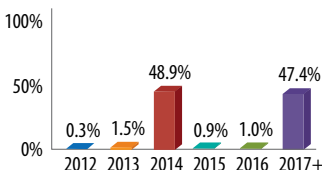
Year to Date MFFO Payout Ratio

Not Applicable

Historical MFFO Payout Ratio

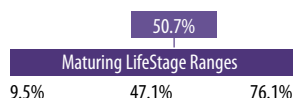


Debt Repayment Schedule



Current Debt Ratio

Debt to Total Assets Ratio: ... 50.7%



Debt Breakdown

Total:\$45.8 Million
 Fixed:\$12.3 Million
 Variable:\$32.0 Million
 Avg. Wtd. Rate:4.82%
 Term:1 – 5 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL



Adjusted EBITDA:(\$1,689,000)
 Interest Expense:\$733,000

Lease Expirations

Not Reported

Trends and Items of Note

- The REIT continues to pursue a "repositioning" strategy which involved the sale of certain industrial properties, de-levering the balance sheet, and renegotiating other loan obligations. For the remainder of 2012 and in early 2013, the board of directors has requested that the Advisor raise new property level joint venture equity capital while management continues to evaluate opportunities for repositioning and growth and secures long term debt for recent and any future acquisitions. Although the REIT's debt ratio fell from 30.0% to 22.3% from Q4 2011 to Q2 2012, it increased to 50.7% in Q3 2012 with \$23.2 million in net debt financing of the portfolio.
- On August 3, 2012, the REIT acquired two care center facilities, each with 51 beds, in Oregon for a total of \$8.6 million. Together the facilities averaged 76% occupancy.
- On September 14, 2012, the REIT acquired a 95% interest in a joint venture, Cornerstone Healthcare Partners, that acquired a 71-bed memory care facility in Medford, OR, and a 150-bed skilled-nursing facility in Galveston County, TX. Together the transactions totaled \$23.5 million.
- No regular distributions have been declared for periods after June 30, 2011. The rate and frequency of distributions is subject to the discretion of the board of directors and may change from time to time based on operating results and cash flow.
- The REIT's occupancy rate has increased from 68.7% to 83.9% since December 31, 2011.
- As of 9/30/12, 48.9% of the Company's term debt principal must be paid in 2014.
- The Company did not report MFFO for 3Q 2012. Because distributions have been suspended, the payout ratios are not applicable.