Bluerock Enhanced Multifamily Trust, Inc.

Bluerock Enhanced Multifamily Trust became effective in 2009 and primarily acquires multifamily properties. As of the end of the second quarter, the REIT had $63.6 million in assets in joint ventures in four properties totaling 1,065 units. In November 2010, the company suspended its offering to restate certain financial statements. The offering was reinstated in March 2011. Also in 2011, the original dealer manager was replaced with Bluerock Capital Markets.

The REIT is in the Emerging Lifestage for Effective REITs, which is typified by high levels of debt, not meaningful distribution payout levels and limited distributions. The investment style of this REIT is considered to be "Core," which is typically defined as a REIT that generates a high percentage of its total return from income and a modest percentage from asset appreciation. REITs in this category are also expected to exhibit low volatility in asset values.

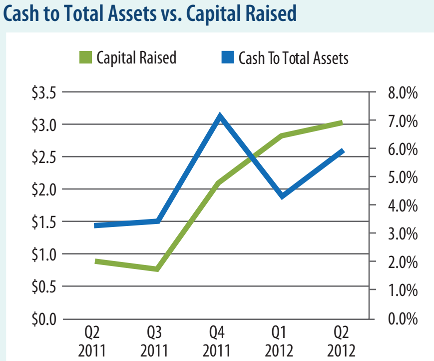
Key Highlights
- As a result of the acquisition of joint venture interests in two Managing Members of two properties, assets for those entities have been consolidated into the REIT's financials resulting in the significant changes seen in this quarter's results when compared to previous filings including an increase in total assets of $58.1 million to the balance sheet.
- If all shares are not sold by October 15, 2012, the REIT may file a follow-on offering which would allow for an extension of the primary offering through April 13, 2013.
- The ownership of the REIT's four properties are held in various joint ventures. Two of the entities are variable interest entities (VIE) where the REIT has limited control.

Capital Stack Review
- Capital Raised – $5.8 million was raised in the first half of 2012 bringing total capital raise since inception to $16.1 million.
- Debt – 65.3% of total assets totally in fixed rate debt.
- Debt Maturity –94.2% of the REIT's debt matures in 2017 or later with the remainder amortizing over the various term of loans.
- Loan Activity – The consolidation of the two entities added $41.8 million of debt to the balance sheet.
- Cash on Hand – Stood at 5.90%, typical for a REIT in the Emerging LifeStage.

Metrics
- Distribution – 7%, on par with the past nine quarters.
- Distribution Source – Paid from operating cash flow and proceeds from financings.
- MFFO Payout Ratio – Is not meaningful, which is typical for REITs that are in the Emerging Lifestage.
- Fee Waivers and Deferrals – The Advisor has agreed to defer reimbursement of over $600,000 in operating expenses incurred above a 2% threshold to a later date.
- Interest Coverage Ratio – This ratio is not meaningful as the REIT has a negative EBITDA year to date.
- Impairments – None reported.

Real Estate
- Acquisitions – Two joint venture interests were purchased for a total of $202,000 in two Managing Members for Springhouse at Newport News and The Reserve at Creekside Village complexes. A gain of $3.5 million was recognized from the acquisition and consolidation of the entities into the REIT.
- Occupancy – 94%, down 1% from year-end.
- Dispositions – The REIT's 16.25% interest in the Apartments at Meadowmont in North Carolina was sold for $3.1 million ($185,656/unit) generating a gain of $2.0 million.
- Diversification – Two of the four properties are located in Tennessee.

Cash to Total Assets vs. Capital Raised



Debt to Ratio vs. Median