

# Nontraded REIT Industry Review: Second Quarter 2015

## Carter Validus Mission Critical REIT, Inc.

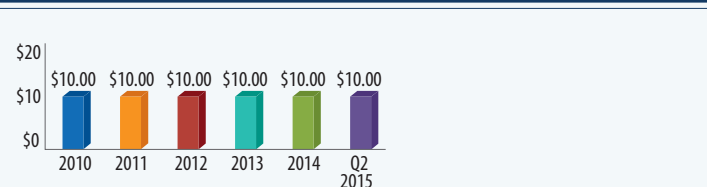
Total Assets.....	\$2,372.6 Million
Real Estate Assets .....	\$2,134.2 Million
Cash .....	\$31.5 Million
Securities .....	\$127.1 Million
Other .....	\$79.8 Million



Cash to Total Assets Ratio: ..... 1.3%  
 Asset Type: ..... Data Center & Healthcare  
 Number of Properties: ..... 79 Properties; 2 Notes; Pfd Equity  
 Square Feet / Units / Rooms / Acres: ..... 5,977,000 Sq. Ft.  
 Percent Leased: ..... 97%  
 Weighted Average Lease Term Remaining: ..... 11.8 Years  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 177,746,071

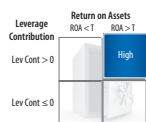
Initial Offering Date: ..... December 10, 2010  
 Offering Close Date: ..... June 6, 2014  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during Offering (including DRP): ..... \$1,710.6 Million

### Historical Price



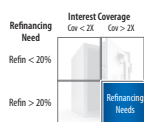
### Performance Profiles

#### Operating Performance



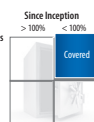
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

#### Cumulative MFFO Payout



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

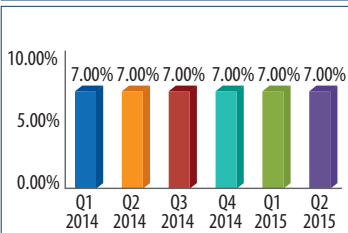
#### Summary

The REIT's average return on assets was 7.74% for the last four quarters, well above the yield on 10-Year Treasuries, and its leverage contribution was positive, given its weighted average cost of debt of 3.80% and 31.9% debt ratio. The interest coverage ratio was a safe 6.1X for the last four quarters, and only 4.4% of debt was maturing in the next two years. Unhedged variable rate debt was 43.5% of the total, indicating some interest-rate risk. The REIT had a ratio of cash distributions (excluding DRP) to cumulative MFFO of 60% since inception and 61% for the last four quarters, which appears sustainable and consistent.

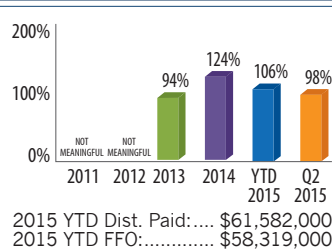
### Contact Information

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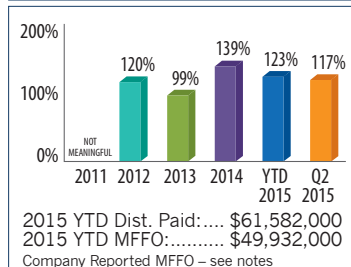
### Historical Distribution



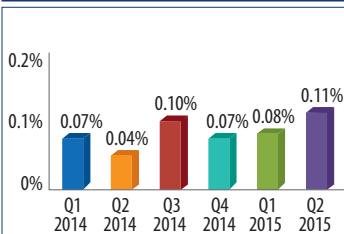
### Historical FFO Payout Ratio



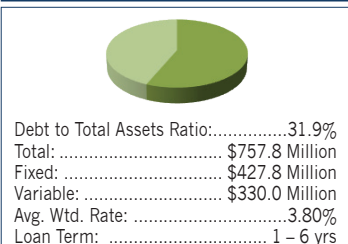
### Historical MFFO Payout Ratio



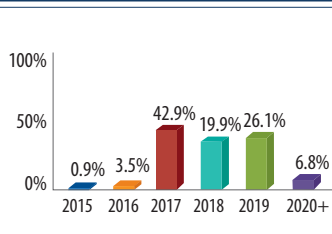
### Redemptions



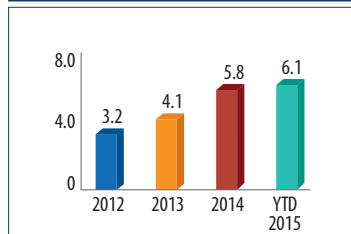
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- During the six months ended June 30, 2015, the Company completed the acquisition of two healthcare real estate investments, which were determined to be business combinations, for an aggregate purchase price of \$137,427,000, plus closing costs. The aggregate purchase price was settled net of the outstanding balance of real estate-related notes receivables due to the Company in the amount of \$13,674,000, which reduced the total cash paid to \$123,753,000. The Company funded the purchase price of the 2015 acquisitions using net cash proceeds from the Offerings and its unsecured credit facility.
- As of June 30, 2015, the Company owned 48 real estate investments (including two real estate investments owned through consolidated partnerships), consisting of 79 properties located in 44 metropolitan statistical areas. As of June 30, 2015, the Company had investments in real estate-related notes receivables in the aggregate principal amount of \$10,014,000 and the Company had investments in 7.875% Series B Redeemable Cumulative Preferred Stock in a private real estate corporation in an aggregate amount of \$127,147,000.
- On August 6, 2015, the board of directors of the Company approved and declared a distribution to the Company's stockholders of record as of the close of business on each day of the period commencing on September 1, 2015

- and ending on November 30, 2015. The distributions will be calculated based on 365 days in the calendar year and equal to \$0.001917808 per share of common stock, which will be equal to an annualized distribution rate of 7.0%, assuming a purchase price of \$10.00 per share. The distributions declared for each record date in September 2015, October 2015 and November 2015 will be paid in October 2015, November 2015 and December 2015, respectively. The distributions will be payable to stockholders from legally available funds therefor.
- The REIT's Cash to Total Assets ratio decreased to 1.3% as of Q2 2015 compared to 24.3% as of Q2 2014.
- The REIT's Debt to Total Assets ratio increased to 31.9% as of Q2 2015 compared to 18.7% as of Q2 2014.
- The Company hedged \$295 million of its variable rate debt as of June 30, 2015.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the six months ended June 30, 2015, the Company paid aggregate distributions of \$61,582,000 (\$28,071,000 in cash and \$33,511,000 reinvested in shares of common stock pursuant to the DRIP). The sources of distributions were cash flows provided by operations (46%) and offering proceeds from issuance of common stock pursuant to the DRIP (54%).