

Steadfast Income REIT became effective with the SEC in 2010 and acquires a diverse portfolio of real estate investments, primarily in the multifamily sector, located throughout the United States. As of the end of the second quarter, the REIT had \$40.2 million in assets invested in four properties totaling 685 units. 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.

Key Highlights

- Increased capital raise and acquisition activity for the second quarter.
- Significant cash on hand that needs to be deployed to acquire further assets.

Capital Stack Review

- Capital Raised – \$14.1 million raised since inception with \$3.5 million and \$5.6 million raised in Q1 and Q2, respectively.
- Debt – 64.2% up from 53% in the previous quarter, reflecting acquisition activity. 100% of the debt is fixed rate.
- Loan Activity – The two acquisitions made in 2Q 2011 were financed with a total of \$14.2 million in fixed rate debt.
- Cash on Hand – 14.3%, which is high but typical of Emerging LifeStage REITs.

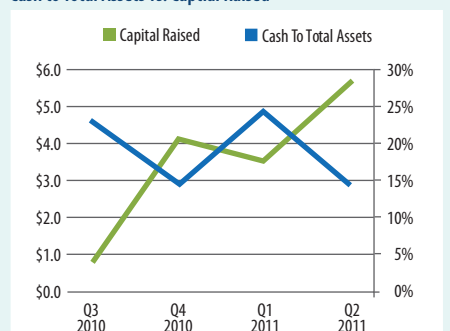
Metrics

- Distribution – The annualized yield of 7.0% has remained steady over the last four quarters.
- Distribution Source – Funded entirely from proceeds of the REIT's public offering.
- MFFO Payout Ratio – The second quarter ratio of 80% is strong; however, further fluctuation may occur, given high cash levels and small portfolio size.
- Fee Waivers and Deferrals – \$5.2 million of costs and fees have been deferred.
- Interest Coverage Ratio – 0.4x EBIDTA is low and typical for Emerging LifeStage REITs.
- Impairments – None reported.

Real Estate

- Acquisitions – Two properties were acquired in the second quarter
 - Clarion Park, Olathe, Kansas – 220 unit property purchased for \$11.2 million (\$50,900/unit).
 - Arbor Pointe, Louisville, Kentucky – 60 unit complex purchased for \$6.5 million (\$108,000/unit).
- Occupancy – 98% as of Q2 2011, up from 86% in 3Q 2010.
- Revenue – Properties have not been held long enough to compare year-over-year revenue changes.
- Dispositions – None reported.
- Diversification – Limited due to 4-property portfolio.

Cash to Total Assets vs. Capital Raised



Debt to Total Assets vs. Median

