

Steadfast Income REIT became effective in 2010 and primarily acquires multifamily properties located throughout the United States. As of the end of the second quarter, the REIT had \$239.2 million in assets in 14 properties totaling 3,123 multifamily units. The REIT is in the Growth Lifestage of effective REITs, which is characterized by accelerated growth in capital raise and acquisitions. 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

- On July 12, 2012, The Board of Directors established an estimated Net Asset Value of \$10.24 per share as of March 31, 2012.
- Effective September 10, 2012, the offering price for new investors will increase to \$10.24 per share from the current \$10.00; with DRIP shares offered at \$9.73 per share. Annual cash distributions will increase to maintain the 7.0% annualized distribution rate.
- Metrics are trending toward more stable levels but still reflect unevenness typical of Growth Lifestage REITs.

## Capital Stack Review

- \$99.3 million has been raised since inception with \$35.4 million raised this past quarter marking 5 quarters of steadily increasing capital raise.
- Debt – Current debt ratio is 68.9%, up from 58.6% at year-end with roughly 81% of the REIT’s debt in fixed instruments.
- Debt Maturity – 86.4% of the REIT’s debt matures in 2017 or later.
- Loan Activity – The REIT entered into \$68.1 million in three mortgages associated with the second quarter acquisitions.
- Cash on Hand – 3.2% which is better than median for the LifeStage.

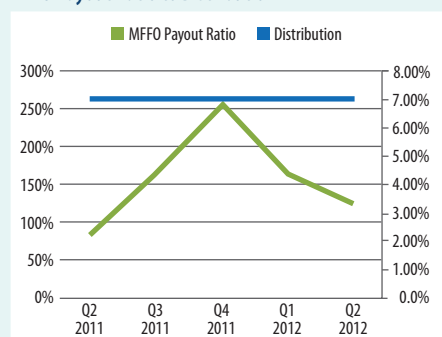
## Metrics

- Distribution – The distribution yield remained steady at 7.0% over the past eight quarters.
- Distribution source – All distributions have been funded with proceeds from the offering.
- MFFO Payout Ratio – 120% in the second quarter down from 158% for Q1.
- Fee Waivers and Deferrals – A total of \$1.2 million of acquisition and offering fees have been deferred per the Advisory Agreement.
- Interest Coverage Ratio – 1.4x for the quarter down from 1.8x in the first quarter reflecting higher debt ratios.
- Impairments – None reported.

## Real Estate

- Acquisitions – \$95.9 million (\$96,818/unit) in acquisitions were completed for three properties in the second quarter bringing the REIT’s 2012 total to \$160.7 million (\$85,388/unit).
  - 4 properties have been acquired in Oklahoma in 2012 at an average price of \$92,753 per unit.
- Occupancy – 92.8% down from 96.1% in Q1.
- Dispositions – None reported.
- Diversification – Half of the portfolio is located in Oklahoma and 10% is in Missouri.

MFFO Payout Ratio to Distribution



Debt Ratio to Interest Coverage Ratio

