

Nontraded REIT Industry Review: Second Quarter 2014



Strategic Realty Trust, Inc.

Total Assets.....	\$189.5 Million
Real Estate Assets	\$160.0 Million
Cash	\$3.1 Million
Securities	\$0.0 Million
Other	\$26.3 Million



Cash to Total Assets Ratio: 1.7%
 Asset Type: Retail
 Number of Properties: 16
 Square Feet / Units / Rooms / Acres: 1,520,645 Sq. Ft.
 Percent Leased: 87.0%
 Weighted Average Lease Term Remaining: 7.0 Years
 LifeStage: Maturing
 Investment Style: Value Add
 Weighted Average Shares Outstanding: 10,969,714

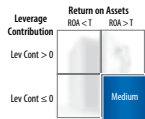
Initial Offering Date: August 7, 2009
 Offering Close Date: February 7, 2013
 Current Price per Share: \$7.11*
 Reinvestment Price per Share: Not Applicable
 Cumulative Capital Raised during Offering (including DRP): \$108.4 Million

Historical Price



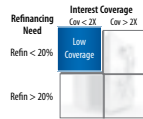
Performance Profiles

Operating Performance



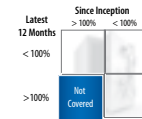
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is not increasing returns to shareholders.

Financing Outlook



The REIT's interest coverage ratio is below the 2.0X benchmark but the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, but may need to increase earnings to provide lenders with sufficient interest coverage.

Cumulative MFFO Payout



The REIT has not achieved a level of MFFO in excess of cash distributions since inception and the latest 12-month results indicate cash distributions exceed MFFO, a trend which must be eventually reversed for distribution sustainability.

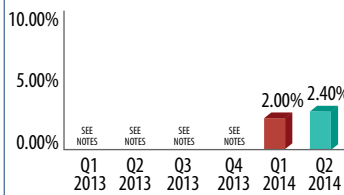
Summary

The REIT's average return on assets was 5.53% for the last four quarters, above the yield on 10-Year Treasuries, but its leverage contribution was negative, given its estimated weighted average cost of debt and 65% debt ratio. The interest coverage ratio was a very low 0.7X for the last four quarters, 11% of debt is maturing in the next two years and unhedged variable rate debt was 3.6% of the total, so there are near-term refinancing concerns but modest interest rate risk. The REIT has paid out \$7.75 million in cash distributions despite having negative cumulative MFFO since inception, and has paid out over 270% of MFFO as cash distributions over the past 12 months.

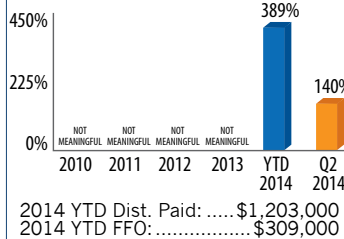
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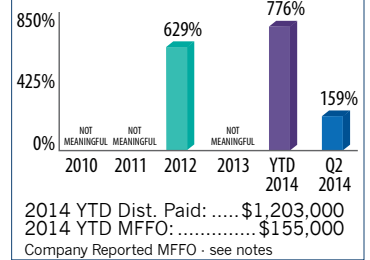
Historical Distribution



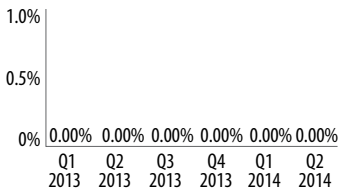
Historical FFO Payout Ratio



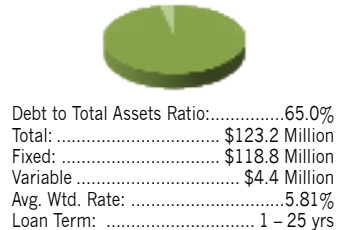
Historical MFFO Payout Ratio



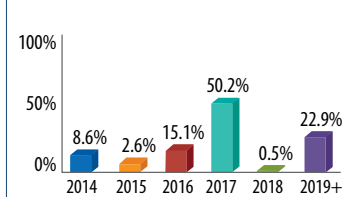
Redemptions



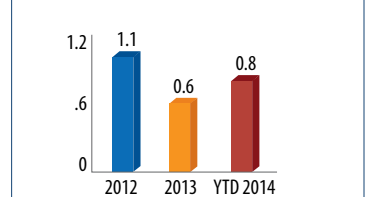
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- During 2Q 2014 the Company did not acquire or sell any properties.
- As of June 30, 2014, the rentable space at the Company's retail properties was 87% leased.
- On July 15, 2014, the Company's board of directors approved an estimated value per share of the Company's common stock of \$7.11 based on the estimated value of the Company's assets less the estimated value of the Company's liabilities, or net asset value, divided by the number of shares and operating partnership units outstanding, as of March 31, 2014.
- On July 29, 2014, the Company received a \$766,000 bankruptcy settlement payment from Fresh & Easy. The payment represents the settlement of the Company's claim against Fresh & Easy for lease rejection damages and the loss of future lease payments based on the terms of the Fresh & Easy lease. Fresh & Easy is also an anchor tenant at the Company's San Jacinto Esplanade property where it continues to operate and pay rent in a timely manner.
- On August 4, 2014, the Company entered into an Amended and Restated Revolving Credit with KeyBank to establish a revolving credit facility with an initial maximum aggregate commitment of \$30,000,000. Subject to certain terms and

- conditions contained in the loan documents, the Company may request that the Facility Amount be increased to a maximum of \$60,000,000. The new outstanding principal balance of the Credit Facility was \$20,800,000, as of August 4, 2014.
- The REIT's Cash to Total Assets ratio increased to 1.7% as of 2Q 2014 compared to 0.2% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio decreased to 65.0% as of 2Q 2014 compared to 68.6% as of 2Q 2013.
- The Company used Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the three months ended June 30, 2014, the Company declared a quarterly distribution in the amount of \$0.06 per share on the outstanding common shares, payable to stockholders of record as of June 30, 2014. This distribution was paid on July 30, 2014. The Company's board of directors will continue to evaluate the Company's ability to make future quarterly distributions based on the Company's other operational cash needs.
- The Company paid \$1,203,000 in cash distributions for the six months ended June 30, 2014. Cash flow from operations for the period totaled \$44,000. Net proceeds from the sale of properties after repayment of notes payable were \$3,433,000 for the period.