

# Nontraded REIT Industry Review: Second Quarter 2015

## Strategic Realty Trust, Inc.

Total Assets.....	\$139.5 Million
Real Estate Assets .....	\$110.7 Million
Cash .....	\$3.6 Million
Securities .....	\$0.0 Million
Other .....	\$25.2 Million



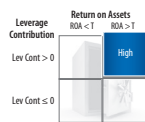
Cash to Total Assets Ratio: .....	2.6%
Asset Type: .....	Retail
Number of Properties: .....	12
Square Feet / Units / Rooms / Acres: .....	1,060,000 Sq. Ft.
Percent Leased: .....	90%
Weighted Average Lease Term Remaining: .....	6 Years
LifeStage: .....	Maturing
Investment Style: .....	Value Add
Weighted Average Shares Outstanding: .....	10,967,917

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



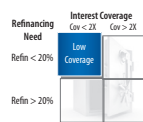
### Performance Profiles

#### Operating Performance



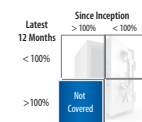
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### Financing Outlook



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.

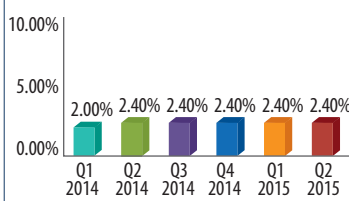
#### Summary

The REIT's average return on assets was 7.75% for the last four quarters, above the yield on 10-Year Treasuries, and its leverage contribution was positive, given its estimated weighted average cost of debt of 4.50% and 61% debt ratio. The interest coverage ratio was 1.9X for the last four quarters, only 2.4% of debt is maturing in the next two years and none is at unhedged variable rates, so there are few near-term refinancing concerns and no interest rate risk. The REIT has paid out \$10.5 million in cash distributions with cumulative MFFO since inception of \$1.06 million, and has paid out over \$2.71 million as cash distributions over the past 12 months vs. MFFO of \$1.01 million.

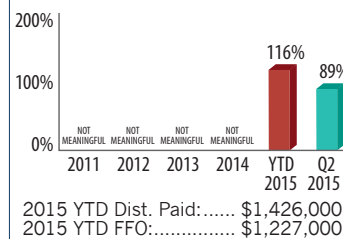
### Contact Information

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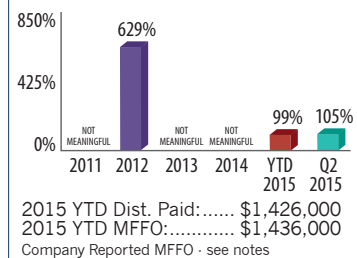
### Historical Distribution



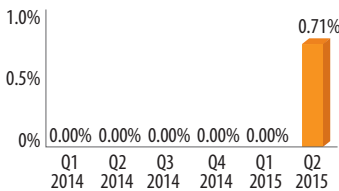
### Historical FFO Payout Ratio



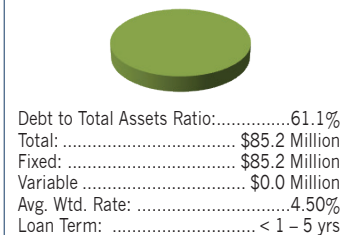
### Historical MFFO Payout Ratio



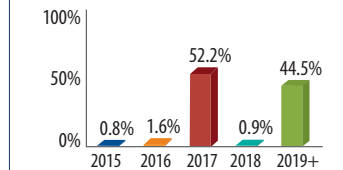
### Redemptions



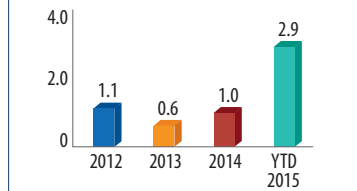
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



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

- On August 25, 2015, the Company announced a settlement of the class action securities litigation it was defending. All shareholders who purchased shares between September 23, 2010, and February 7, 2013, are eligible to participate in the class. Using the plaintiff's estimate and assuming costs and legal fees are accurate, the resulting settlement payment per damaged share would be approximately \$0.43 per share. All of the \$5.0 million settlement fund has been paid by the Company's insurers and not funded by the Company.
- The Company has invested in a portfolio of income-producing retail properties located throughout the United States, with a focus on grocery anchored multi-tenant retail centers, including neighborhood, community and lifestyle shopping centers, multi-tenant shopping centers and free standing single-tenant retail properties.
- As of June 30, 2015, the Company's portfolio was comprised of 12 properties, including four properties held for sale, with approximately 1,060,000 rentable square feet of retail space located in 9 states. As of June 30, 2015, the rentable space at the Company's retail properties was 90% leased.
- On August 7, 2015, the Company's board of directors approved an estimated value per share of the Company's common stock of (i) before giving effect to the declaration of the Special Distribution together with the payment of the penalty interest due to the Internal Revenue Service related thereto, \$6.81 per share based on the estimated value of the Company's assets less the estimated value of the Company's liabilities, divided by the number of shares and operating partnership units outstanding, all as of July 1, 2015, and (b) after giving effect to the declaration of the Special Distribution and the payment of the Penalty Interest, \$6.57 per share as of August 7, 2015.
- The Company did not have any property acquisitions for the three months ended June 30, 2015.
- The REIT's Cash to Total Assets ratio increased to 2.6% as of 2Q 2015 compared to 1.7% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio decreased to 37.6% as of 2Q 2015 compared to 65.0% as of 2Q 2014.
- The Company uses Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA").
- Total distributions declared to common stockholders and common unit holders for the three months ended June 30, 2015 comprised \$680,000. On July 31, 2015, the Company paid a second quarter distribution in the amount of \$0.06 per share to stockholders of record as of June 30, 2015, totaling \$680,000.